



FEDERATION OF SMALL BUSINESSES

*Says...*

**KEEP TRADE**

**LOCAL**



David Cameron MP endorses the Keep Trade Local Campaign

## Keep Trade Local Manifesto



### Why is the FSB running this campaign?

Small businesses are not just a part of the local community, they are the local community.

They generate wealth, employment and opportunity. They are the glue that binds our local communities together.

In towns and villages across the UK small businesses and local shops face closure. Our high streets face extinction.

42% of English towns and villages no longer have a shop of any kind.<sup>1</sup> By 2010 many local communities will have no small shops or services.

#### The statistics speak for themselves:

- 2000 local shops are closing each year
- Since 1990 40% of bank branches in the UK have closed
- 3000 Post Offices face closure across the UK
- Around 27 pubs a week, circa 4 pubs per day, are closing<sup>2</sup>

Nobody wants this to happen but there is little or no political will to ensure the future of small businesses in our local communities

- Our political leaders want to create 'sustainable communities' but announce the closure of over 2500 local post offices.
- We are told to cut our carbon footprint but planning rules favour out of town retail developments, in a time when the average person travels 893 miles a year to shop for food.<sup>3</sup>
- Local councils exist to serve the community but 40% of consumers feel they are failing to develop attractive town centres and protect our local high streets.<sup>4</sup>
- Supermarkets take £7 out of every £10 spent on the high street<sup>5</sup>, but the Competition Commission fails to recognise the threat this poses to small independent retailers.

In short, we are sleepwalking into disaster. Yet the case for keeping small retailers and businesses in our local communities is overwhelming.

Over 50% of the turnover of independent retailers goes back into the local community, compared to just 5% from supermarkets. Furthermore, the carbon footprint, per sq metre, of a small shop is a fraction of that of a supermarket.

The UK economy is driven by small businesses. They make up 99% of all UK businesses; they are the engine for growth and job creation.

The FSB's Keep Trade Local campaign seeks to stem the tide of business closures, reverse the trend and defend the choice and diversity customers deserve.

The campaign is for small retailers, post offices, pharmacies, pubs and all the other independent trades and businesses, that together represent the rich fabric of our society and the bed rock of a stable economy.

<sup>1</sup> 'Nightmare on every street' Report by NIIRTA (Northern Ireland Independent Retail Trade Association) 2008

<sup>2</sup> A Fair Pint Campaign brief, <http://www.fairpint.org.uk/>

<sup>3</sup> 'Nightmare on every street' Report by NIIRTA (Northern Ireland Independent Retail Trade Association) 2008

<sup>4</sup> <http://www.british-shops.co.uk/breakingnews/documents/bssareportEmbargo27110700.01am.pdf>

<sup>5</sup> <http://www.independent.co.uk/news/business/analysis-and-features/the-big-question-have-supermarkets-become-just-too-powerful-in-britain-403010.html>



FSB National Chairman, John Wright, on the campaign trail in Norfolk

## What are the objectives of the Keep Trade Local campaign?

There is no one quick fix to reverse the demise of our high streets.

Small local businesses are coming under pressure from a combination of factors so the answer to this problem must be multifaceted.

We must ensure that the government and local authorities are made fully aware of the plight of small business.



*The FSB has identified six key pressure points:*

# 1

### Planning

It is widely perceived that local councils are failing communities by not defending their local high streets and instead promoting out of town retail developments.

- Planning policy must take into account the needs of small businesses.
- There should be a range of affordable local business premises available, both to encourage new enterprises and allow existing businesses to grow.
- Measures are needed that would allow planners to refuse any out of town application that would draw business activity away from the town centre.
- Planning permission should be designed to positively encourage development of appropriate business premises in town centres.

# 2

### Parking Charges

Local authorities are using parking charges as a source of revenue, but in market towns across the country this strategy is bleeding our high streets dry.

In the last year, local authorities have made £1.6 billion from parking charges and fines, up from £628 million in 1997.<sup>1</sup>

There is a clear correlation between short term revenue driven parking policies and the closure of businesses on the high street.

- Parking should be seen as a vital service which is an integral part of transport policy not as a quick means of raising revenue.
- Parking charges should be tailored to the individual locality, according to criteria that includes the wider interests of the local community.
- Parking policies across the country are all too often a short-term revenue grab, to the detriment of business and the wider community, and ultimately lead to longer term decline in revenue generation for local authorities.

<sup>1</sup> Federation of Master Builders

# 3

## Business Rates Relief

The burden of business rates falls disproportionately on small businesses. They are five times more expensive for small businesses as a proportion of turnover than they are for large companies.

Business rates are often the third largest expenditure item after wages and rent payments.

It is the only tax that is not related to the ability to pay.

The FSB wants to see affordable retailing as a way of revitalising our local communities and high streets.

This is possible with a few practical steps:

- The Small Business Rate Relief scheme should be automatic for small businesses with no need to engage in any application procedure.
- The scheme should be extended to empty properties as well.
- Under Section 49 of the Local Government Finance Act 1988, councils have the power to reduce or remit all or part of a business rates bill on the grounds that the ratepayer is in extreme financial hardship. Local authorities should make more use of this provision.
- The LABGI scheme has been a great success and should be extended in its present form but the money it raises must not get lost in council finances. It should be ring-fenced to support the success of local small businesses.

# 4

## Crime Prevention

20% of all crimes in Britain are committed against businesses, at a cost of £12 billion a year to local communities.

A business that is frequently the victim of crime will close down. This is often the cause of a lack of vital community facilities in deprived urban areas. Tackling crime against business would permit small firms to reappear, assist urban regeneration and lead to a renaissance of our friendly local high streets.

- Police forces should adopt a national definition of crimes against business and ensure that such crimes are included as a target for reduction in every local policing plan across the country.
- Local Area Agreements and Local Strategic Partnerships should include reducing business crime as a priority and Neighbourhood Policing Units need to proactively engage with the small business community.
- It should be easier for a business to report a crime and a police force's record on tackling crime against business should be included in the assessment of their performance.

# 5

## Post Office Closures

Post Offices are small businesses too. They offer essential services to the local community and generate footfall for surrounding shops and businesses.

97% of small businesses think Post Offices have a crucial role to play in the local community, and 82% of FSB members say the closure of their local post office would have a significant impact on their business, in most cases leading to business closure.

- Under no circumstances should a profitable Post Office be closed.
- Essential services should be redirected through the Post Office network to keep the level of service consistent and without interruption.

# 6

## Public Procurement

Procurement is an under used tool in sustaining local communities.

Awarding public procurement contracts to small businesses is cost efficient, offers quicker turnaround time and greater flexibility. It makes good economic sense, good business sense, good environmental sense and it keeps trade local.

- The government should ring fence 30% of the annual procurement budget for small business contracts.
- Small businesses should have permanently free access to public contracts and pre-qualification questionnaires should be simplified.
- Improve channels of information so that small local businesses know what contracts are up for tender.



Robin Trigge and John Wright out campaigning

## Practical Steps to Keeping Trade Local

First and foremost, this is a practical campaign that is designed to support grassroots change.

Across the UK, local communities are organising campaigns and working parties to keep their high streets alive. The FSB's Keep Trade Local campaign serves as an umbrella for these campaigns.

Keep Trade Local seeks to link together action groups operating in isolation, it provides strength through numbers.

### Examples of good practice from around the country

#### Parking charges in Harleston, South Norfolk:

South Norfolk District Council sought to introduce parking charges to the small market town of Harleston. Similar charges had been introduced in neighbouring towns, resulting in a fall in trade and the closure of high street shops.

In response the Harleston residents group, supported by the FSB, successfully campaigned to have the district council reconsider its policy. The lobbying campaign included a petition, postcard campaign and extensive media coverage.

The district council is now considering alternative options that would better reflect the interests of the local community.

The FSB is offering its help and resources to similar campaigns across the country, not least in North Yorkshire, which faces a similar threat.

#### London borough of Kensington and Chelsea:

In October 2007 the London borough of Kensington and Chelsea adopted proposals drawn up by a panel that included Peter Simon, founder of the Monsoon fashion chain, and Sir Terence Conran.

*The measures, which will help protect the individualistic character of streets, include:*

- Free 30 minute parking meters so people can "pop in" to small shops.
- Forcing developers to include "affordable retail" as part of their plans as well as affordable housing.
- A commitment to take tough and swift action against developers who break planning rules.
- Appointing a "czar" to oversee retail policy in the borough.
- Turning Portobello Road into a protected area.

The FSB advocates similar, locally generated strategies for communities across the UK.





Photo: Maxine Beuret

## How can you help Keep Trade Local?

This campaign can only succeed if people like YOU get involved.

The Keep Trade Local campaign was inspired by FSB members; adopted by members at annual conference in March 2008, and is now being delivered by members in local communities across the country.

The campaign seeks to unite communities, businesses and residents associations across the country, that find themselves under threat from the range of problems currently driving small independent retailers out of our high streets.



### Things you can do to make a difference:

- Write to your local MP ensuring that they understand what the problems are facing small businesses
- Write to your local newspaper
- Sign the Keep Trade Local petition: <http://petitions.pm.gov.uk/keeptradelocal/>
- Join your FSB's Keep Trade Local network
- Ensure that FSB posters and campaign materials are in the windows of small shops on your local high street
- Run a local campaign in your branch/region
- And last but not least, shop local and use your local businesses – if we don't use our local shops and tradespeople we will lose them.

Keep Trade Local has already been endorsed by top political figures from across the political spectrum.

It has achieved celebrity support and has struck a chord with people up and down the UK.

We now need your support to carry the campaign forward.

Our local communities deserve nothing less.

For more information about the campaign please contact the campaign co-ordinator, Aviva Bresky: [aviva.bresky@fsb.org.uk](mailto:aviva.bresky@fsb.org.uk)

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