

## Federation of Small Businesses - West Midlands Policy Unit

**Minutes of the West Midlands Policy Unit held on  
Monday, 7<sup>th</sup> April 2008, 11:30am at the Eaton Hotel, Birmingham**

**Present:** Mike Cherry – Chairman  
John Bates  
David Caro  
Roger Culcheth  
David Dunn  
Jeff Hunt  
Alan Moore  
Bob Osbourne (arrived 13:10)  
Peter Silver  
Bruce Undy

**Guests:** John Walker – FSB National Policy Chairman (JW)  
Sue Bridel – FSB Senior Policy Manager, England (SB) (arrived 13:00)  
Linsey Hunter – FSB Regional Organiser, Warwickshire & Coventry (RO)

**Observer:** Denise Craig – Policy Manager, West Midlands (APM)

11:35 meeting commenced.

The APM took the notes.

The Chairman welcomed John Walker to the meeting and explained that Sue Bridel would be joining the meeting at lunchtime. It was agreed that Agenda Items 1-3 would be dealt with prior to JW's presentation about the National policy work of the FSB and take questions after that.

### **1. Apologies**

No apologies had been received.

### **2. Minutes of the February Meeting**

There were no amendments.

Proposed by DD; Seconded by PS; All in favour.

The APM was asked to circulate the Minutes to Regional & Branch committees and to post the Minutes on the 'members-only' section of the APU WebPages.

**APM**

### **3. Matters arising**

#### **Page 3 – Matters arising – Rod Black Presentation – action points**

The APM confirmed that an email had been sent thanking Mr Black for his attendance and exchanging contact details. No suggestions regarding site meetings had been received from members at this time. The Chairman urged members to forward details in due course. BU reported that he had spoken to Rod Black about the Coventry route and it was being reported that things had improved. There was still some congestion, but the parking provided was beneficial to businesses. MC commented on the need for effective communication with business and BU reported that he believed this had been done. JB disagreed and said he had heard reports that consultation was minimal and asked about the time restrictions on loading, suggesting that customers could be given badges. BU said that loading and parking were different matters and that the signage was clear. DC referred to a TV programme about cameras being used to issue parking tickets and a 3 minute limit allowance to start loading and unloading. It was agreed this issue should be

checked out with the London APU for their experience and also referred to the West Midlands Business Transport Group (WMBTG).

**APM**

**Page 4 – Matters arising – Minutes of the January meeting**

The APM confirmed that the minutes had been circulated to Regional and Branch committees and had been posted on the APU WebPages.

**Page 4 – Matters arising – Business Link non-Executive Appointments**

The APM reported that she had still not been able to arrange a meeting. The Chairman suggested that he write to Richard Barnes. JH suggested he send a copy of the letter to Liam Byrne.

**MC**

**Page 4 – Matters arising - Regional Voice article**

The article had not yet been received.

**KN/APM**

**Page 5 – Matters arising Members' Reports – Energy – Power Cuts Survey**

MC reported that he had spoken to Angela Hannan at conference and unfortunately, this survey will still have to wait. He agreed to raise this issue at the forthcoming National Policy Lifting the Barriers survey working group.

**MC**

**Page 7 – Chairman's Report – Ideas for a SaBRE event**

MC reported that nothing had been received.

**Page 7 – Treasurer's Report – Email circulation of accounts**

PS confirmed that he had sent the accounts by email to the APU.

**Page 7 – Members' Reports – Crime – Featherstone Truck Stop**

JB asked the Chairman about the situation with Planning Permission for the Truck Stop. MC responded that ongoing discussions were taking place with the local Council, who had indicated they were minded to passage a change of use. Ongoing discussions were still taking place with Kilmartin and HBOS. A discussion followed.

**Page 7 – Members' Reports – Energy – Waste Reduction select committee weblink**

The APM confirmed this had been received from DC and circulated to the WMPU.

**Page 8 – Members' Reports – Manufacturing – Life-long learning Network paper.**

The APM confirmed this had been obtained and forwarded to MC. MC reported that he had not been able to discuss this matter at the Skills policy group. He referred members to his report.

**Page 8 – Members' Reports – Skills – One Voice meeting slides**

The APM confirmed this had been received from DC and returned to him.

**Page 9 – AOB – Private Landlords and payment rules**

DD gave a short summary of the issue and stated that he felt the FSB should take a policy position. MC asked if the payments were adequate and DD confirmed that although they were quite high, the same amounts were applied across the whole of the W Mids. DD said that from April 08, new tenants would receive the difference if the rent was less than agreed. Therefore, the full amount is always charged. For a 3 bedroom house, the maximum is £549.45 per month. DD agreed to forward written information to RC, who agreed to raise this matter with the Local Government committee. JH commented that care should be taken not to include Nursing Homes as they are subject to different systems. Commissioning is due to cease and individual payment/budgets were being introduced. RC said the ramifications were potentially enormous for members and research was required to identify the scale of the issue and to decide how

far the FSB will go on this matter. He would look into producing a paper for the next Policy meeting. JW suggested liaising with Bill Knox regarding benefit claimant status, a First Voice article and requested that National Policy be kept informed. He suggested that it is important to find out the real reasons behind the introduction of these changes.

**DD/RC**

### **John Walker presentation**

John Walker gave an overview of the National Policy Perspective and thanked Regions, Branches and APUs for the work they do.

The main points were:

- The Government is more accident-prone than a year ago
- The political and economic climate is difficult
- Capital Gains Tax (CGT) issue – this had improved and increased the FSB profile. It had been a successful campaign because we had something to go after.
- There is little recognition of the value of the small business sector
- Our Corporate Social Responsibility (CSR) survey shows how much small business does
- Income Shifting regulations – this is next main taxation issue and will be featured on the front cover of Regional Voice. Taxation committee is investigating whether external research is required. The thrust of our position will emphasise the social consequences and also highlight the benefits to families from working from home.
- Keep Trade Local – launched prior to conference. This provided an opportunity to raise a whole raft of business issues, including supermarket buying practices and food miles. This campaign has given the FSB another subject to get hold of, although it is understood that not all members will agree with everything.
- Fuel costs – the FSB welcomed the postponement of the fuel duty increase. The issue had highlighted the issue of post-dated tax increases.
- UK General Election – this will take place within the next 2 years, likely to be May/June 2010. This is an opportunity for the FSB to influence the agenda of the political parties. However, JW pointed out this should be taking with a health warning and cited the example in the mid-90's when Barbara Roach made a lot of overtures to the FSB, but nothing happened when power was obtained. However, preparations are underway and an outline plan is in place.
- EU Election – this is planned for May/June 2009. National Policy will be looking at the outline plan. Last time the Lisbon Agenda was the main focus – this time it may be environmental issues. The newly appointed Senior EU Policy Advisor – Paul Valente – will be working on this. It is an opportunity to promote our policy position to local MEPs.
- Local Authority elections – FSB Manifestos have been produced for England, Scotland and Wales. Local Authorities are gaining greater influence and need to be taken seriously. The Manifesto should be used to concentrate minds.
- Lifting the Barriers to Growth Survey 2008 – JW urged everyone to complete and return before the new closing date of 14<sup>th</sup> April. The National Policy committee will get a presentation from Professor Irwin of Mid-Glamorgan University of the results when available, although a maternity event may delay this.
- Resources – These are available for responses to issues if required – examples include external reports (e.g. CGT and Income Shifting), Manifestos, surveys and publications. These are all used to defend interests of members.

### **Questions:**

**JH** expressed concern about fuel costs and the foreign ownership of UK utilities. He pointed out that EU countries have cheaper energy costs and therefore we do not operate on a 'level playing field'. He felt this point should be included in our submissions. He agreed with JW about the importance of Local Authorities and felt it was vital to understand about the issues, especially regarding houses and jobs. He commented that several seats in his region were being contested by the BNP. MC pointed out that the WMPU had been vociferous about the equation between brownfield, housing and jobs

and that this had been taken on board in the West Midlands Regional Spatial Strategy revision documents.

*Response*

- Power producers. They had been denationalised under EU rules because the Public sector cannot run private enterprise. This was convenient for Government to charge tax. However, the problem with the competition policy is that cross-border trade cannot be stopped, although unfair competition is covered. The issue is a matter of politics. He said the FSB could look into it, but the issue may be too big.

- Economic development, land use and planning etc. This is a classic issue, especially the concern at the conversion of employment land to executive boxes.

**JB** asked about Income Shifting and the abolition of the 10% rate, which affects many and is linked with the ethos of financial status of government. He also commented on the housing issue and the provision housing for more single parent families.

*Response* – **JW** agreed that the abolition of the 10p rate has caused headaches for the Prime Minister and caused back-bench rebellion. It was an example of a badly drafted government policy.

A discussion followed on the issue of increasing housing development targets and the reason behind the directions from Central Government.

**BU** asked about PO closure lobbying, the agreement of the FSB with Government regarding the charging of rates on empty property and the future of the APU in connection with the Sub National Review proposals. Re the latter question he felt there was little opportunity for business to engage.

*Response* – **JW** agreed to comment, but only in general terms, as he was mindful that this was likely to come up later in the meeting.

- Post Office issue - the PO directive was rarely referred to. He felt that it was a combination of things that had brought us to the current position. The Government wishes to remove subsidies so that the taxpayer does not have to foot the bill. However, the ramifications were of a social nature.

- Empty Property Rates – He understands the issue and has passed a letter on to the Local Government committee.

- APU futures – The APUs in England were set up in response to the 1998 Act. The FSB should be on the ball and does have the resources to respond to public administration changes. If the RDAs change, the FSB cannot afford to have 26 Policy Managers, but can consider providing additional resources as long as it is understood what we are trying to represent. He will not make any rash predictions as the SNR is not fully understood, but will respond to events.

**DD** commented that the closure of local pubs were a concern. 4 pubs were closing locally every week. Many of them were FSB members, and he felt the reason was the low cost of drink in supermarkets. He felt that below cost selling was the main issue and pointed out that this was not allowed in France.

*Response* – **JW** pointed out that the FSB had a reputation for dealing with Pub issues, e.g. Pubco's and the Trade & Industry committee of the House of Commons. There may be other issues, the smoking ban perhaps. Below cost selling is one of the principles in France and extends to bread and milk – this matter may require a change in society. **MC** commented that the Beer Order and Pubco's had decimated the industry and pointed out that FSB policy is against upward-only rental agreements. He pointed out that not

only were pub closures a problem, but it was exacerbated by closure of bank branches in rural areas, and also Post Offices and local shops.

**PS** asked for an update on socio-economic issues, such as sickness, maternity and bank holiday rules. He also commented that it was strange that FSB was campaigning on Keep Trade Local before the motion had been debated at conference.

*Response*

- Keep Trade Local – the campaign had been hatched before the conference ideas were fully developed. The Conference motions committee felt that it was important to have a motion on the subject at conference, although it should be noted that conference motions are not binding. It was an opportunity for members to discuss at conference.

- Parental Leave – JW gave the statistics that 27-30million people with votes were in employment compared with 4.5million employers. As there was a political commitment to increase employment rights this issue needed to be dealt with sensitively. However, it was known that our members are working longer in order to uphold the rights of their staff. The risk to members' homes was also important. JW commented that government thinks that business is doing OK, and yes it is, but it is in spite of the increased regulation.

**JB** asked further questions about the change in regional governance (SNR) and commented on the pubs, unfair competition issues and problems filling vacancies.

*Response*

- Regional Assemblies – Political momentum has been lost since the North East elections. The issue of members contesting seats is not for the FSB – there is not enough time.

- 24 hour opening – This is a subject that has been discussed on previous occasions with DD.

- Keep Trade Local – this campaign covers many concerns.

- Skills shortage – the LSC may help and it is an agenda item.

**AM** asked how many changes in society are due to political conspiracy or political incompetence. He commented that we are in a target driven culture, therefore measures are needed. Administrators prefer to travel a measurable route and do not welcome intangibles. He asked if the FSB had a central viewpoint on this issue.

*Response* – JW observed that the target driven culture does not extend to Local Authorities holding Whitehall to account! He agreed with the comments on targets and noted that accountability is important but it can mean we lose sight of the important things.

**DC** asked about the issue of sick notes and whether doctors should be held financially responsible. He accepted it would be difficult to prove, but felt this approach may make them think twice when issuing. He suggested that sick pay should be paid on a sliding scale, not the same from first day of employment.

*Response* – JW said that the FSB have called for occupational health to get involved and observed that the best cure for illness is self-employment! He commented that if the employee has been with the company for less than a year, then it is easier to let the employee go. MC made the comment that a medical report can cost £90 from a doctor and when Insurer's are questioned about whether they cover employees who are told they are fit to return to work they state that the employer's risk assessment will cover this – it is not up to them!

MC thanked JW for his presentation and invited him to stay for the rest of the meeting.

13:05 – Lunch

14:05 – Meeting resumed

BO and SB joined the meeting. The Chairman introduced them and also Linsey Hunter.

#### **4. Sub-National Review (SNR) – Update**

MC reported that the consultation document had finally been released the previous week and the consultation was open until 20<sup>th</sup> June 2008. Having read the document, he commented that it would appear that government are regretful of the Regional Assemblies (RAs) departure. An area of concern was the transfer of skills to Local Authorities and the insistence that everything moves to a lower tier. There is a responsibility on the FSB to ensure our voice is heard, which we do well now at a regional level, but he had grave doubts about whether we can be as effective at district level.

In the W Mids a Local Authority leaders group (without business engagement) has been formed. MC reported on discussions with Olwen Dutton (Chief Executive of Regional Assembly) who was looking to obtain our views.

The next Regional Assembly meeting is on 23<sup>rd</sup> April (same day as our Parliamentary Reception) and we need to consider how to engage. WMBC has developed three scenarios.

MC felt there should be a statutory duty for business to be included. At the Ministerial Round Table the previous week, which he and RRC attended, The Chambers of Commerce agree with this stance, the CBI were silent and the EEF thought this went too far.

MC reported further on the meeting he had attended at very short notice where John Healey from Department for Communities and Local Government (CLG) and Pat McFadden from Department for Business, Enterprise and Regulatory Reform (BERR). MC hoped to continue the discussions with Pat McFadden at our Parliamentary Reception. It was also agreed that he would be invited to a WMBC meeting.

BU suggested inviting Rose Poulter to our next Policy Unit meeting to give an outline on the SNR. She is now with AWM. JB felt this was a more pressing issue and felt we needed to register immediate representations about business being sidelined. MC commented that this point was made forcefully at the Labour Party Spring Conference fringe meeting to John Hutton, Liam Byrne and Sion Simon. They acknowledged publicly there has been a grave omission. RC commented that the FSB Local Government Committee was concerned. He felt that nationally we need to be clear and it will be useful if all English APUs have the same views and are on board. Meetings have been arranged. The business community needs to be talking to the Local Authorities. There is concern whether many Local Authorities are capable of delivering it all. As far as the Leaders' forums are concerned, they have been leant on by Government not to have outside bodies included.

RC outlined the timetable for the legislative process will take place between summer 2008 and 2010. Business Rate Supplements (BRS) will have legislation put forward this summer becoming operative in 2010. This raises questions about how worthwhile it will be for small councils and also for areas where Business Improvement Districts are in operation. Businesses cannot be expected to pay 2 levies. Other organisations are making representations for BID payers to be exempt from BRS.

A further discussion followed covering:

- Business taxation regimes across EU
- Framework for minimum regulation versus a state-planned economy
- Detailed plans by County Councils based on BRS expectations
- Affordability and complexity
- FSB engagement with GOWM

It was agreed that Rose Poulter would be invited by the APM to the next WMPU meeting on 19<sup>th</sup> May.

**APM**

Comments on the previously circulated document were requested urgently by 1<sup>st</sup> May 2008 to the APM.

**APU/APM**

## **5. Regional Economic Strategy (RES) – update**

There was nothing to report.

## **6. Regional Spatial Strategy (RSS) – update**

RC tabled a report on the Regional Housing Partnership meeting he had recently attended.

The meeting was the first held for 6 months and several points were proposed by West Midlands Business Council (WMBC). Of particular concern was the issue of 'Places and Options' in regard to affordable housing in rural areas.

The issue of 'eco-towns' was discussed. 2 sites in the West Midlands have been confirmed from a short-list of 15. The APM commented that she had been informed that eco-town housing numbers were additional to the regional housing numbers planned in the RSS. RC disagreed. The APM was asked to seek clarification.

**APM**

DD asked what was classed as an 'affordable house' and RC agreed to ask for details at the next RHP meeting.

**RC**

A discussion followed on the issue of improvements to existing houses, empty properties and compliance with build quality regulations whilst maintaining affordability criteria.

## **7. Lifting the Barriers to Growth 2008 – status report**

MC reported that the survey had been circulated and the closing date had been extended to 14<sup>th</sup> April 2008 to improve response rate. The findings will be reported in July/August 2008, later than usual to keep all work in the same year.

## **8. Parliamentary Reception**

The APM gave a verbal update. She confirmed that all W Mids MPs, Home Affairs Select committee members, key Business Crime policy advisors (suggested by Rosina Robson) and 12 FSB members had been invited. Responses were a little slow and it was intended to chase non-repliers in the next few days. Food, refreshments and equipment requirements had been arranged.

Andrew Cave has discussed the policy activity that the WMPU could undertake, including the suggestion of a proposed Early Day Motion request and clear action requests to the MPs attending. The WMPU agreed to these suggestions and asked the APM to work with the London Office to set this up.

**APM**

## 9. Business Link Survey – update

MC reported that a decision from National Policy would be made at the meeting scheduled for 9<sup>th</sup> April 2008 on whether to approve our survey. If agreed the survey could go out after the Lifting the Barriers embargo had finished. The APM reported that funding for the printing and mailing had been provided by the Regional Assembly and that Blackpool staff were ready to proceed if approval was given.

## 10. Chairman's Report

The Chairman's report was tabled. He announced that he would not be standing for another year as Chairman. He had wanted to see the RES and the RSS through and although there was some tidying up on these (and the Delivery Framework to finalise), he felt that he would be leaving the APU stronger than when he took on the position. He looked forward to being an independent adjudicator at the May election meeting. He said he would still be continuing in the West Midlands with the Crime issue. He pointed out that there is not a representative to cover Skills. He offered his help and said he was happy to be co-opted if wished, but stressed it was the decision of the WMPU.

He then went on to his report and pointed out that the key areas of the report were highlighted in bold type. He added that Ian Smith of the EEF had lost his job with the reorganisation and he had written to thank him personally for his support of the FSB. Barrie Williams, Chairman of the WMBC, is the current WM president of the EEF and when he steps down, Stuart Fell will be their next WM president.

JB reported on contact he and Linsey Hunter had made with Warwickshire Police on Business Crime Reduction matters. MC commented that Warwickshire Police have been supportive of the WMRBCF and this support has extended to the other 3 forces in the W Mids.

MC raised the issue of the FSB column in the Birmingham Post and reluctance of the business editor to contact the FSB on key small business issues. It was agreed that, in keeping with other business organisations, whose staff officers also write regular columns, the APM would take over the writing of the column when MC steps down.

**APM**

DD asked for details of the procedure for applying to be Chairman. MC read out an excerpt of the Manual of Standard Procedures, confirming that 28 days notice prior to the election meeting is required for the call for nominations. The chairman must submit a CV with their nomination form. Nominations close 14 days prior to the meeting and are then circulated to the APU.

It was agreed that the details would be circulated to the APU.

**APM**

JH asked MC how many hours he worked for the APU and he replied that it varied considerably, but was between half a day a week and one and a half days.

JW asked to include his thanks for all the work MC had undertaken and was happy to attend the May election meeting.

## 11. Treasurer's Report

The Treasurer's reports for February had been circulated.

The accounts for February 08 were adopted.  
Proposed by DD; seconded by JB; all in favour.

PS reported that all bills had been sent in and he had been notified of 2 returns.

JW reminded the APU that the annual budget process was due to start shortly and advised they should work on the basis of moderate budget growth.

MC confirmed that the budget holder is the APU Chairman and is the person with the responsibility to submit the budget.

JW commented that there was some UK Policy Budget under-spend, but budgets were not capped the following year. Submissions for the next financial year are required by mid-June.

MC asked for consideration to be given to the WMBC membership fee, Young Enterprise sponsorship, events, and the annual Policy Dinner.

## **12. APM's Report**

The APM's report had been previously circulated.

DC asked if the Policy Dinner format would be the same as previous years. MC replied that it was up to the APU to decide. It may be considered more appropriate to look at senior representatives from regeneration departments in Local Authorities and also extend the invitation to Chief Constables and Assistance Chief Constables for each Police Force given Crime was the issue agreed by the APU as the theme for this year's dinner. He suggested they also consider Leaders of Local Strategic Partnerships. Invitations need to go out before July. DC reported on feedback he had received that put the FSB in a poor light and may have had an adverse effect on the attendance at the Birmingham Branch Transport event. It was felt that a Question & Answer session may not necessarily be the best format to use with the theme.

RC asked about the invitations to the Transport Challenge event and the APM replied that her invitation had come through her involvement on the WMBTG, as had Bruce's. He also challenged the PSA target statistics quoted.

A discussion followed on SBR and questions for NNDR meetings.

## **13. Members' Reports:**

**WMBC** – discussed earlier in the meeting.

**Crime** – discussed earlier in the meeting.

**Energy** – DC reported that he would be attending the forthcoming FSB Environmental Policy Committee.

**Europe** – nothing to report

**Manufacturing** – nothing to report

**Planning** – discussed earlier in the meeting.

**Procurement** – nothing to report

**Rural** – BU tabled a report following his attendance at the Rural Affairs Forum meeting held on 6<sup>th</sup> March 2008.

**Skills** – A report from DC was circulated previously on his attendance at the Skills for Business network meeting held on 18<sup>th</sup> March 2008 at the Birmingham Hippodrome. He drew the APU's attention to the final paragraph on his concern about the mid-skills level vacuum. DC passed a list of the Sector Skills Council contacts to the APM for copy and return to him.

**APM**

BO expressed concern about forcing apprenticeships on to employers. JC agreed and felt that the loss of tax incentives had caused the problem and should be restored. MC referred to the Leitch report and pointed out that we had fed into the RES for allowances at the lower-end skills. He went on to state that the training that small businesses carry out has to have some form of formal recognition, since politicians and others are currently ignoring the amount that is carried out.

**Transport** – A report from BU had been previously circulated on his attendance at the Regional Transport Partnership meeting on 31<sup>st</sup> March.

BU and the APM reported on their attendance at a DfT meeting on 18<sup>th</sup> March arranged by WMBC at which no other business organisation attended. BU reported on forthcoming Network Rail meetings on 19<sup>th</sup> May and 14<sup>th</sup> October. He requested information from APU members to feed into the meetings.

**APU**

PS reported that trains from Shrewsbury/Wrexham/Shropshire will start on 28<sup>th</sup> May 2008.

The APM gave an update on the Quick Wins campaign and requested members promote this to their Regions and Branches, as the response rate so far was low. Details of the campaign had been circulated previously, with links to the Centro website. DC reported that Birmingham branch were featuring this campaign in their branch newsletter and also enclosing a response form.

**Others:**

**Business Clusters Conference** – BU had tabled a report on his recent attendance at the Business Clusters Conference on 19<sup>th</sup> March 2008.

**Anne McGuire MP meeting** – DC reported on the meeting he had attended with the APM and Ralph Tennant for the launch of the 'Employ ability' scheme.

**One Voice** – DC reported on his recent attendance at the One Voice meeting and highlighted the following matters:

- RDA is changing delegated spending to more direct funding
- Discussions over whether the One Voice group should remain as the voice of Birmingham and whether this is AWM driven. The FSB position is that One Voice must remain Birmingham-centric.
- SNR response.
- Resurrection of the Midlands Way Business Group meetings

**14. AOB**

PS informed members that expense claims were available.

MC thanked the guests for attending.

**15. Date and Time of Next Meeting**

The next meeting will be held on Monday 19<sup>th</sup> May 2008, 11:30am at the Eaton Hotel, 279 Hagley Road, Edgbaston, Birmingham. MC reminded the committee that this is the election meeting.

The APM was asked to circulate the dates of the meetings for the rest of 2008.

**APM**

The meeting closed at 16:05