



**Local
Leadership
Partner**

FSB Local Leadership

How local authorities can
support small businesses

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Local Leadership Partner

About us

The Federation of Small Businesses (FSB) is the UK's leading business organisation. Established in 1974 to help our members succeed in business, we are a non-profit making and non-party political organisation that's led by our members, for our members. Our mission is to help smaller businesses achieve their ambitions

Our lobbying arm starts with the work of our team in Westminster, which focuses on UK and England policy issues. Further to this, our expert teams in Glasgow, Cardiff and Belfast work with Governments, elected members and decision-makers in Scotland, Wales and Northern Ireland.

About Local Leadership

Local and regional government have a major impact on the business environment in which small businesses operate, from business support to recovery taskforces. This document is therefore aimed at elected representatives of major parties and officers who are making and implementing policies at district, borough, county, city and combined authority level. It sets out how local and combined authorities can empower small businesses and the self-employed to continue to deliver growth, prosperity and jobs. You may have already met your local Development Managers and FSB Volunteers who are happy to consult on local issues and policies on behalf of our regional and area members.

Local Leadership

Small businesses are vital to local growth, especially post COVID. Multiple lockdowns saw FSB and local and combined authorities working together, to support small businesses to survive during this incredibly difficult period.

There are many challenges to small business recovery – from skills gaps to increasing costs and high levels of debt acquired during COVID. Yet there are many opportunities. Levelling up ambitions need to have small businesses at their core, with local and combined authorities working with FSB and small businesses to ensure tangible and long-lasting impacts and results for small business.

SMEs and the local economy

- At the start of 2021 there were 5.5 million small businesses (with 0 to 49 employees), 99.2% of the total businesses. SMEs account for 99.9% of the business population (5.6 million businesses).
- SMEs account for three fifths of the employment and around half of turnover in the UK private sector.
- Total employment in SMEs was 16.3 million (61% of the total), whilst turnover was estimated at £2.3 trillion (52%).
- Employment in small businesses (with 0 to 49 employees) was 12.9 million (48% of the total), with a turnover of £1.6 trillion (36%).



Engaging with your small businesses

Support and engagement from local authorities is critical for small businesses to compete, grow and form part of their local community. It is crucial for businesses to be able to communicate with local authorities when decisions are being made and access to the services they need quickly and easily.

Good business engagement also means that strategic planning is more reactive and reflective of the real issues in the local area. Engaged businesses can then better support the delivery of council ambitions.

Steps you can take

- Ensure consultations are clear, simple and well communicated in good time. This means making them accessible online and making local businesses and business groups aware of upcoming consultations.
- Visit businesses. Face-to-face contact is important for building a trusting relationship with small businesses and local business groups, fostering good long-term communication. This also includes meeting with businesses who may not have an obvious presence on the high street or physical business premises.
- Talk to and share information with neighbouring local authorities. This means spotting opportunities for your SMEs to get involved in work or projects in neighbouring authorities, and encouraging the diversification of ideas.
- Have a dedicated Councillor and Single Point of Contact acting as small business champions.
- Use the new business knowledge and local relationships which your systems and staff have gathered over recent years, to build relationships, engagement and ideas for the future.



Skills

Employers are increasingly struggling to recruit the people they need and are reporting skills shortage vacancies. There are numerous challenges facing employers, including difficulty finding workers with in-demand digital and technical skills, an ageing workforce, and the ‘brain drain’ affecting some areas of the UK.

Additionally, it is easy for business owners to forget about their own skill levels, and the need for everyone to invest and improve their own skill set.

Improving access to skills training and skilled people unlocks a new door and pathway for business, allowing new ideas to collaborate and productivity to increase. Local authorities have an important role in bringing this picture together.

Steps you can take

- Increase the small business representation on local skills board. Make it accessible for employers to input into the discussion and ensure that information is proactively cascaded to the business community.
- Support schemes that encourage greater engagement between education and business, including Inspiring the Future, Young Enterprise and the Careers and Enterprise Company’s Enterprise Advisor Network.
- Support local programmes which encourage apprenticeships and work with schools and colleges to encourage young people into vocational education and training, as well as pathways into traditionally academic routes.
- Encourage and support small firms to invest in leadership and management training, and emphasise the link between skills training and improved business productivity and competitiveness.
- Offer digital skills training in conjunction with vouchers for software or hardware, where possible.

Procurement

Doing business locally is often better value for money, and helps support small business in your area, which feeds back into the community. 80% of small businesses contributed to the local community or charity in the past three years, with 38% donating time, and 32% contributing skills. This is why for every £1 spent with SMEs in the local community, 63p is re-spent in their local area.

Local authorities have huge purchasing power which can be used to empower small businesses in your areas, and help deliver for your local communities. Finding a local small business with lower prices could save costs as well as keeping more money locally.



Steps you can take

- Ensure that small value contracts worth £10,000+ are advertised, as this acts as an entry point for many 'first time' SMEs into public procurement.
- Have proportionate insurance requirements relative to the size of award, so as not to place unnecessary barriers in the way of small businesses.
- Pay invoices within 30 days or sooner, and ensure that these terms are passed down the supply chain.
- Ensure that no businesses will have to pay, or invoice discount, in return for prompt payment.
- Use your procurement power to deliver social value across local communities, and invest in your local economy.
- Give timely and useful feedback to unsuccessful applicants – this could include three areas to improve.
- Adopt a "tell us once" system, where potential suppliers can bid for different contracts by passporting the same regularly used information across bids i.e accreditations.
- Replace framework agreements with Dynamic Purchasing systems.
- Regularly monitor spend with SMEs and payment performance, to set targets for growth and ensure that these targets and requirements are being met in the future.
- Make it easier for small organisations to come together to bid in consortia or in partnership, through the provision of information and practical advice.

Parking



For local businesses, especially those in our town, village and city centres, parking is a critical issue. Not only does adequate parking allow businesses to function, but it also provides a critical role for the public, enabling them to visit small businesses and forming community cohesion. 70% of small businesses say enhancing parking availability would make one of the biggest differences to their high street.

Parking management strategies need to be long-term and inclusive, with a view to promoting local economic growth. No two high streets are the same, so the starting point for parking policy and management strategy must be local knowledge. As shops and services are often the reason why people travel to an area, it makes sense to include business owners in shaping current and future parking policy.

Steps you can take

- Upgrade parking meters and systems to enable multiple ways to pay. This could include contactless, pay-on-exit, or app-based parking charges.
- Trial schemes designed to encourage customers to shop in small businesses on their high streets by giving parking discounts to those who do.
- Create a 'greener' high street by encouraging zero or low emission transport methods, providing EV charging points, and highlighting accessible pedestrianised routes and spaces.
- Invest in technology that shows live parking availability, its location, and cost to encourage effective planning of visits.
- Where possible, invest in 'park and ride' or 'park and rail' schemes to reduce congestion by leveraging funds through Section 106, Civil infrastructure Levy and other revenue streams.
- Incentivise footfall by offering free or subsidised parking on key dates and points in the year e.g. Christmas, or other key periods.
- Seek to maximise the number of easy access on-street (short stay) parking spaces, and recognise the value for shoppers and businesses in free, short-stay bays.

Planning

Planning is integral to economic development and growth, but planning requirements and law are consistently identified by FSB members as a major barrier to their development, whether it is change of use, improvements to their premises, the creation of storage facilities, or availability of commercial premises. Recent changes in planning have introduced a paradigm shift, granting more flexibility to businesses and enabling them to diversify their offering to local people.

Local authorities must seize on this opportunity to encourage businesses to diversify their offering to the public.

Steps you can take

- Embrace the alfresco and allow businesses to make the most of their outdoor space by utilising new planning powers, where appropriate.
- Process applications for change of use, improvements to premises and new developments at the earliest opportunity.
- Within local development plans ensure there is a range of affordable and flexible local business premises available, both to encourage new enterprises and to allow existing businesses to grow.
- Investigate the feasibility of providing council managed office and light industrial space for businesses that offer easy in/easy out low rental agreements.
- Improve the planning application process for small housing developments by resourcing departments, and enabling SMEs to provide much needed homes in the community.
- Work with and encourage new entrants and land-owners to release small pockets of developable land.



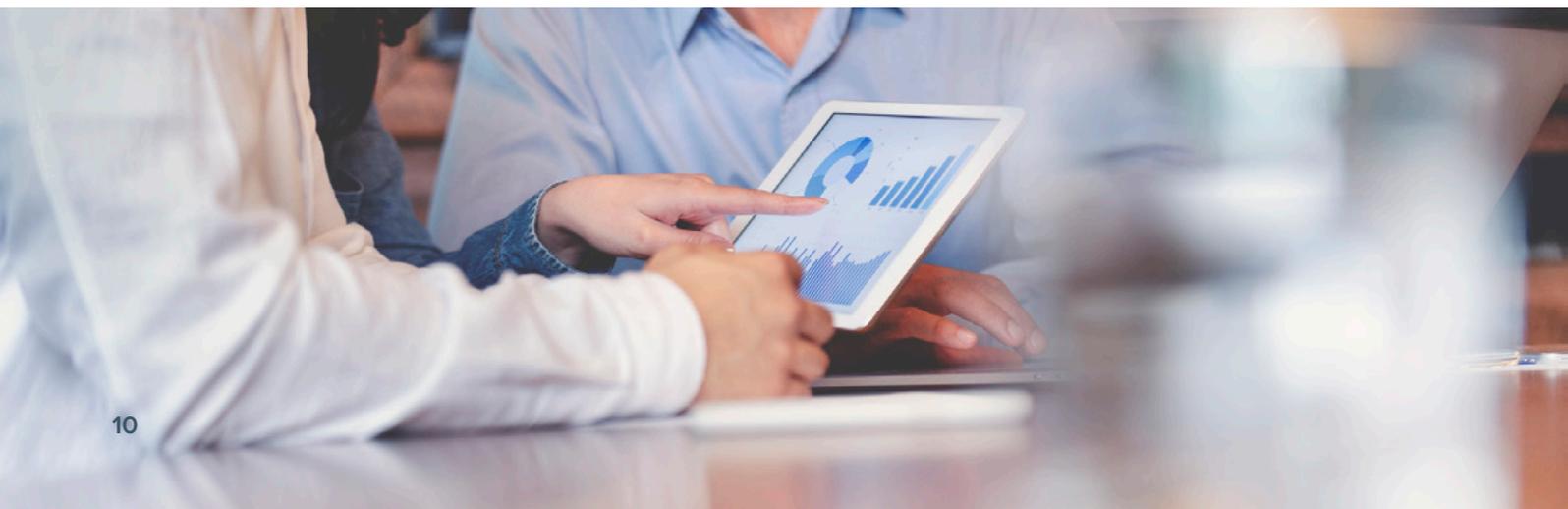
Business Rates

Business rates are often one of the most expensive and frustrating outgoings small business have. Paid before a penny is made in profit, and subject to complex and sometimes incorrect valuation assessments, businesses often feel that it is an impenetrable problem.

However, business rates, and the background information held by local authorities, is critical to helping business navigate some of these difficulties and reversing the process to issue reliefs if needed.

Steps you can take

- Keep lists and data up to date, including properties which qualify for Small Business Rates Relief. Good data is critically important for both the collection of rates and should grants need to be paid out to those in receipt of rates relief. Knowing who the business owner is, and how to contact them can be critical.
- Encourage eligible businesses to apply for Small Business Rate Relief and other available reliefs by proactively contacting eligible businesses to make them aware of how to apply.
- Provide appropriate signposting support for any business looking to appeal against their valuation.
- Support businesses to access any available discretionary reliefs they may be entitled to, including discretionary relief funds provided by the government.
- Make transitional relief easy for businesses to apply for, and administer swiftly.



Town Centres and Tourism

From changing shopping and working habits to free out-of-town parking, our town centres have struggled to compete against several unfair advantages, despite the hard work of small businesses. 62% of small businesses in the sector are concerned about the decline of their local high street. Although new initiatives are beginning to reinvigorate many areas, we need bold, sustained action to support new uses for our town centres, encourage more entrepreneurs in local areas, and encourage the public to shop local.

Steps you can take

- Ensure that the sensitivities, challenges and opportunities for small businesses are captured in any town centre and tourism strategy.
- Support businesses who want to investigate the feasibility of introducing a Business Improvement District (BID).
- Conduct a high streets review, identifying risks and opportunities for a changing high street, to ensure that they adapt and thrive in the future.
- Tackle the problem of absent commercial landlords who allow empty properties to fall into disrepair.
- Use business rates discounts to encourage new businesses to take over empty retail premises.
- Encourage pop-up shops and ease the bureaucracy around running ad hoc markets days and special events.
- Introduce minimum standards for responding to businesses on licensing and inspections, such as food hygiene ratings, allowing businesses to open and operate safely as quickly as possible.





Net Zero

Reducing our impact on the environment is critical for every part of society, including small businesses. 56% of small businesses believe the planet is already facing a climate crisis, most have taken positive actions, yet only 36% have made a plan to combat climate change. Small businesses want to do more and play their part, but they need help and guidance from their local authorities to do so.

Steps you can take

- Local authorities should set out a net zero engagement plan, which targets specific and important sectors in their areas with the relevant messaging about what net zero means for their sector, and how they can help reach net zero.
- Local authorities should look to see how they might include commercial waste and recycling collection within existing services for the smallest of businesses.
- Allow small business access to reuse and recycling centres – building on a permit scheme already in operation in some local authorities.
- Act as a point of contact and signposting for businesses wanting to find out more information about net zero, including the FSB Sustainability Hub.
- Ensure there is small business representation on any net zero action groups or steering groups and engagement with small businesses on this issue locally.



Regulations are needed, but many create unnecessary barriers to innovation and investment. Small businesses want to see a reduction in unnecessary red tape and an ease in navigating those regulations in place.

Steps you can take

- Adopt the FSB's "British Columbia Model" to reduce the overall regulatory burden by removing unnecessary requirements.¹
- Adopt a "support first, enforcement second" approach across your regulatory services, with a focus on reducing the regulatory burden.
- Minimise charging for accessing advice and support services. Preferably keep it free and available to all smaller businesses.
- Ensure effective co-ordination across all council regulatory services and neighbouring councils, including rationalising, simplifying and speeding up Local Authority licensing applications and renewal processes and procedures.
- Develop case studies to demonstrate the benefit of regulatory services' support to business growth.

¹ More information on this can be found via our "Escaping the Maze" report at www.fsb.org.uk/resource-report/escaping-the-maze.html





Digital connectivity

Digital and mobile connectivity are more important than ever, many businesses are pivoting their business model from face-to-face custom and adapting to a hybrid or fully online model.

However, more than a quarter (26%) of business still say they have lost sales or business because of poor broadband or mobile coverage, with 45% experiencing unreliable voice connectivity.

Steps you can take

- Continue to work with mobile operators to expand the network coverage for mobile internet, especially with the onset of 5G.
- Pool resources across local authorities to ensure that those businesses on boundary edges or outside of town centres are not digitally left behind.
- Support the activity of local police forces and Police and Crime Commissioners in raising awareness of business cybercrime.
- Work with Building Digital UK (BDUK) delivery teams to adopt a “business first” approach to rolling out superfast connectivity. Business parks in particular are disproportionately likely to be outside existing BDUK rollout plans.





Business Support

Local and combined authorities, LEPs and Growth Hubs can play a critical role in helping business access the support, finance, and services they need to survive, thrive and grow in their local communities. By working together in a cohesive manner, businesses are empowered to accelerate their business plans, and deliver not just for the business but for local communities and local economies too.

Steps you can take

- Ensure that business support is accessible to all small businesses that need it, not just high growth, high potential firms.
- Consider what support the local authority can offer to a business starting up, especially those would-be business owners currently working on ideas.
- Take steps to actively engage with hard-to-reach businesses and diverse groups including women, those with disabilities and long-term health conditions, and ethnic minorities.
- Deliver any training and business support through multiple media channels seeking to maximise accessibility to all business owners; such as, webinars, podcasts, online training, events etc.
- Consult with local business organisations like FSB to ensure that business support meets the above and to share data on business confidence, needs analysis etc.



As experts in business, The Federation of Small Businesses (FSB) offer our members a wide range of vital business services including advice, financial expertise, support and a powerful voice in government. Our mission is to help smaller businesses achieve their ambitions.

Established over 40 years ago to help our members succeed in business, we are a non-profit making and non-party political organisation that's led by our members, for our members.

Members get an exclusive package of great value business services including advice, financial products and support. These cover a wide range of benefits such as tax, legal and HR, local networking groups, business banking and mentoring.

We don't only provide fantastic membership benefits - FSB is also the UK's leading business campaigner, focused on delivering change which supports smaller businesses to grow and succeed. Our lobbying arm starts with the work of our team in Westminster which focuses on UK and English policy issues. Further to this, our expert teams in Glasgow, Cardiff and Belfast work with governments, elected members and decision-makers in Scotland, Wales and Northern Ireland.

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