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Experts in Business

# FSB Wales Priorities for Local Government

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## INTRODUCTION

Smaller businesses are at the heart of their local communities; they spend their money locally and they employ local people. For Wales' communities to succeed our smaller businesses need to thrive.

According to a recent poll, 87% of our members intend to vote in the elections on May 4, demonstrating that small business owners are a key constituency for Councillors.

FSB Wales knows that the primary interface between our members and government is often through their local council. This is frequently through contact with officers responsible for planning, the breadth of regulation enforced by local authorities or simply as the billing authority for Business Rates.

In our manifesto for the 2016 elections to the National Assembly for Wales, FSB Wales called on the Welsh Government to ensure that:

*"a statutory responsibility for local economic development and regeneration is fully devolved to the proposed larger local authorities together with all relevant staff and budgets from Welsh Government. "*

It is our view that empowered local authorities are often best placed to responsibly manage and develop local economies. We are pleased that Welsh Government have proposed regional responsibility for economic development in the Local Government White Paper, and we look forward to seeing individual local authorities come together to express their view of how these functions might be exercised.

This paper sets out five priority areas for local government to focus on in order to develop local economies following the election.



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## COMMUNICATING WITH BUSINESSES

Local Government is often the most visible arms of government to business owners and residents.

We want Local Government to commit to ensuring that businesses are informed of key decisions that will affect them.

Of particular importance this year is the way in which businesses will qualify for rates-relief following re-rating. Whilst some reliefs will be applied to bills automatically, some may not. It is important that any business who might qualify for relief is informed in a timely fashion as to whether they apply.

Local authorities should:

- Reconsider the way in which they consult with businesses on their budget. This is a statutory obligation, but could be a more meaningful process. Use of innovative digital technologies could make access to the consultation process easier for SMEs.
- Publish their intentions around discretionary rates reliefs at the earliest possible opportunity.
- Be open and transparent about their views on regional working and shared services, allowing for a full debate on the best possible way to deliver reforms to the working practice of local government.

## DEVELOPING LOCAL ECONOMIES

The growth of a strong local economy is key to ensuring the delivery of local authority services. We believe economic development should be at the heart of local



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government, and that it should inform decision making in all arms of local authorities.

Local government should protect and where possible expand its economic development functions.

In order to achieve this, local authorities should:

- Seek to ensure that new regional arrangements adequately reflect the needs of SMEs at all levels of governance. This might mean SME representation on boards or some other formal means of feedback.
- Strengthen the role of economic development in the planning process.
- Improvements to the transport network, including repairs and improvements to local roads and reducing congestion through encouraging public transport and active travel options should remain a priority for local authority transport spend.

## SUPPORTING THE HIGH STREET

For many parts of Wales, a thriving local high street reflects a strong local economy. Local Authorities should explore innovative ways to support the high street and return them to a central position in the life of the community.

When questioned, some of our members indicated that they would like to see local government offer lower business rates to fill empty properties and renovate or otherwise improve the appearance of empty properties.

FSB Wales has been impressed with a number of place plans and the potential of successful place planning, in Wales and further afield, such as in Shropshire. We would like to see local authorities make further use of place plans to help build more resilient communities and local economies.



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Local authorities should:

- Establish place plans for major towns and commercial centres.
- Regularly examine and report on the progress of Business Improvement Districts.
- Consider measures for encouraging new and innovative use of vacant retail space

## BETTER REGULATION

A significant amount of regulation that affects FSB Wales members is enforced by local authorities. FSB Wales has in the past published “Better Regulation for Wales” which covers many of our concerns in detail, however there is much local authorities can do to help SMEs comply with regulation.

Local authorities should work with their neighbours through the primary authority scheme to ensure that there are not varied enforcement regimes between areas of Wales. This is particularly important in areas such as food hygiene, where small businesses might have properties that are required to be compliant in two or more authorities.

Local Government should also take an active role in making clear what is possible in terms of regulation and enforcement to Welsh Government.

To do this, local authorities should:

- Use the “Better Business For All” model in delivering regulatory improvement in all their areas of work. This would see local partnerships developed between businesses and their regulators to improve how regulation is delivered and received.



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- Work co-operatively to ensure that there is not significant regulatory divergence across authorities, especially where there are clear economic ties between authorities.

## ENCOURAGING LOCAL PROCUREMENT

Previous FSB research has shown that every £1 spent by a local authority with local SMEs generated an additional 63p of benefit for their local economy, compared to just 40p generated by larger firms.

Therefore, ensuring that procurement spend is, where possible, retained within the local SMEs should be a priority for every authority in Wales. Indeed, nearly one third of our members when polled said that increasing procurement opportunities would be the best thing Local Authorities could do to support business.

FSB Wales also believes that procurement can have an important economic development function and that the lowest price contracts will not always deliver the greatest economic value for the local authority. Indeed, increasing local supply chain capacity can put small firms on the journey towards becoming medium-sized firms that are locally-anchored and globally-competitive.

Procurement processes should be designed with SMEs in mind, so that the smallest businesses are able to bid for public contracts.

To achieve this, local authorities should:

- Publish local spend data broken down by size of business on a recurring annual basis.
- Publish an SME spend strategy to increase local SMEs access to public procurement and the increase access to high value contracts.
- Ensure prompt payment of all business in its supply chains, including self-employed contractors.