**Appendix 1 - The Voice of Business – Emerging Considerations**

1. **Background**
	1. The initial guidance on the integration of LEP functions into local democratic institutions, published in August, confirmed that Government expects the voice of private sector leaders to continue to be incorporated into local economic decision making. Specifically, Government is encouraging single upper tier local authorities, or local authorities working together across a functional economic area, to create or continue to engage with an Economic Growth Board (or similar) made up of local business leaders and relevant representative bodies to:
2. provide the view of local businesses as part of regional decision making.
3. work with local leaders to create a broad economic strategy for the area.
	1. Business representative boards should follow the below guiding principles for ensuring business representation in local decision-making:
4. Involve business representative organisations, such as a local Chamber of Commerce, the Federation of Small Businesses; or the designated Employer Representative Body (ERB) developing the Local Skills Improvement Plan (LSIP);
5. Include a diverse range of businesses related to local economic strengths and priorities. This should include businesses of all sizes and businesses which are geographically diverse, e.g., urban, rural, coastal businesses as appropriate to the local area;
6. Ensure a diversity of voices; and
7. Have a clear conflict of interest policy.
	1. Additional guidance was released in December 2023 confirming what was set out in the initial guidance, alongside providing some further detail and an indication of expected resource which will be subject to the provision of a satisfactory implementation plan. The additional guidance highlights the level of importance Government is placing on ensuring private sector involvement in economic decision-making and states that, *“Demonstration of adherence to this guidance may be a factor when determining eligibility for any future funding.”* The guidance is somewhat prescriptive in how the Government wants this to be delivered, primarily through a board which includes representatives from a suitable range of local businesses (along the lines of an Economic Growth Board).
	2. The guidance also implies that the business voice will be an important consideration in future Government programmes and funding streams, whilst the local authorities would of course want to ensure that the private sector is proactively involved in economic decision-making anyway, thereby helping to ensure that economic programmes are delivering the maximum benefits. It will therefore be vital to ensure there is an effective business voice within the area.
8. **Principles**
	1. The overarching principles for the business voice function are important as these will guide how and why business engagement activity is delivered. Emerging principles include:
9. Any activity needs to focus on those issues that can be actioned by the local authorities to avoid businesses becoming disinterested and disengaged.
10. Further engagement with businesses needs to add value to existing activity, thereby avoiding duplication and maximising resources.
11. Over-engagement with businesses needs to be avoided as much as possible to ensure that their goodwill is not lost.
12. Consideration of how best to engage with businesses needs to always be considered and may depend on business demographics including size, type, sector and location.
13. A longer-term approach is taken as much as possible to avoid businesses becoming disinterested in short-term activity and enabling effective resource planning.
14. **Strategic Priorities**
	1. The principles set out above will guide how we want the business voice function to operate, whilst it is also important to consider what we want this to achieve. Emerging strategic priorities for the business voice function include:
15. To provide a thorough understanding of what the private sector, across all our sectors, requires from local government and other economic stakeholders to invest and thrive in Staffordshire and Stoke-on-Trent.
16. To represent businesses across all industries and bring together a ‘network-of-networks’ of business representative organisations, such as the Chambers of Commerce, Federation of Small Businesses, National Farmers Union, emerging Local Visitor Economy Partnership and Staffordshire Ambassadors Network.
17. Through the above, to advise on the strategic priorities and delivery of the key economic programmes of the local authorities and stakeholders, including business support functions, skills programmes, inward investment activity and marketing programmes such as We Are Staffordshire.
18. To act as an advocate and champion for the private sector in Staffordshire and Stoke-on-Trent.
	1. These strategic priorities may change over time and be influenced by local and national policies. However, it will be important to have an agreed set of priorities as these will impact how the function is best delivered.
19. **Issues to Consider**
	1. The Government guidance outlines the need for the voice of businesses to be embedded into the economic decision-making of local democratic institutions. The additional guidance outlines the need for us to have a business board although these can only ever be limited in being representative of local economies purely due to their size to make them manageable. To ensure representation, supplementary activity will be required and there are of course many different models and arrangements to engage with businesses and issues that will need to be considered. The approach is likely to be multi-faceted as no single approach can capture all the views of business.
	2. The additional guidance also confirms the transfer of the LEPs responsibility for creating an economic strategy for the area and it will be important for local businesses to have an opportunity to input into and shape this strategy. There may therefore be alignment between the development of the economic strategy and the business voice and this is to be considered by the local authorities.
20. **Existing Activity**
	1. It is of course prudent to assess the current business engagement programmes across the area to ensure added value and/or the refinement of existing activity. This is by no means exhaustive, but an initial assessment of the business engagement programmes of the local authorities is as follows:
21. We Are Staffordshire activity including:
22. Existing governance structures including private sector business representatives.
23. Over 200 ambassadors (private and public).
24. Quarterly events attended by circa 80-100 people.
25. Smaller paid-for experience events.
26. The emerging Local Visitor Economy Partnership
27. South Staffordshire Council’s South Staffordshire Business Partnership including:
28. Over 160 business partners.
29. 6 Appointed Business Ambassadors.
30. 5 partnership pledges to support businesses.
31. 19 strategic and support partners.
32. The delivery of six themed networking events.
33. Business events and support clinics held across the district.
34. Stoke-on-Trent City Council has strong links with businesses in the city, and over the last three years formal engagement has included the City Forum, Make It events and topic focused round tables. As the City Council develops its new Corporate Strategy and emerging Economic Strategy, engagement is underway and planned to ensure the business perspective is included. Businesses are also represented on the UK Shared Prosperity Fund Investment Board for the city,
	1. In addition to this activity, some of the local authorities are utilising Government funding programmes, namely the UK Shared Prosperity Fund (UKSPF), to undertake business engagement activity. Newcastle-under-Lyme Borough Council, for example, are funding two to four large business networking events per year alongside smaller monthly events.
	2. A vast amount of business engagement activity is also undertaken by the local authorities in the development and delivery of specific projects and programmes. This includes the delivery of national funding programmes, including UKSPF, business support and regular and ongoing contact with businesses through business-as-usual activity such as through inward investment, employability and planning services to name just a few. In the future the business voice function should be a key mechanism to support all the local authorities and partner organisations to engage with businesses on the delivery of this type of activity.
	3. Added to this will be the significant level of activity that is undertaken by partner organisations, including our business representation organisations and skills providers who we already have strong and enduring relationships with, including the Staffordshire Chambers of Commerce and its divisions. Indeed, the activity of these organisations is likely to amount to the most substantial business engagement activity across many parts of the area. As per one of the key principles, it will be imperative that duplicating this activity is avoided as much as possible and any additional activity is complimentary to existing activity.
35. **Delivery**
	1. Taking the issues outlined in section through the report into account, the business voice function for the area could include:
36. A board made up of representatives of local businesses and economic institutions including business representative organisations, skills providers and local authorities to assess economic performance and effectiveness of policy interventions. This will need to be in line with Government guidance, follow a network-of-networks approach to avoid duplication of existing activity and be fully representative of the geography of the area.
37. A governance structure and method to bring together information from the range of existing business engagement activity already undertaken across the area. How this will be achieved needs to be considered further and as far as possible this should utilise existing governance structures and resources as outlined in the following sections. Appropriate mechanisms for the dissemination of this information will also need to be considered.
38. Where there is a gap, further additional business engagement activity to be undertaken, aligned to the local authorities’ priorities and the forthcoming economic strategy. This may include (but not exclusively):
	1. Industrial sector and/or topic groups.
	2. Surveys, including where there is a need for area wide and/or benchmarking data.
	3. Peer networks.
	4. It is important to recognise that the delivery of the business voice function needs to be achievable and there are likely to be benefits of building this up over time. There is a risk in trying do too much, too soon that businesses becoming disinterested if there is a lack of activity and action. It needs to be ensured that quality is always the primary consideration in the provision of the business voice function.
39. **Governance**
	1. The additional guidance is clear that the geography for the business voice function will need to be Staffordshire and Stoke-on-Trent. The guidance states that:
	2. *“As set out in the August 2023 guidance, from April 2024, government expects functions to be delivered over current or potential devolution deal geographies so far as possible. This means whole county geographies or functional economic areas with a minimum population of 500,000, as set out in the Levelling Up White Paper.”*
	3. However, this does not preclude any organisation from undertaking their own business engagement activity and this activity can feed into the overarching business voice for the area. The guidance also states that Government expects the business voice and economic planning functions to be coterminous with the delivery of those responsibilities transferred to the local authorities, including the Growth Hub and Careers Hub, which aligns to the direction of travel already agreed by the local authorities.
	4. A ‘form follows function’ approach will be followed, whilst the business voice function may either be directly delivered by the local authorities, commissioned from appropriate providers or a mixture of the two. Regardless, it is clear that the business voice function needs to be embedded in economic decision making and it is therefore proposed that:
40. the business board has a direct link to the Staffordshire Leaders Board, and any other relevant senior local authority groups as appropriate. This will include a representative(s) from the Leaders Board being a member of the business board, with a key focus on how businesses can support and influence the delivery of the local authorities’ economic plan(s).
41. the governance and method for collating business engagement activity to sit under the local authorities Economic Growth Directors Group, reporting into the Chief Executive Officers Group and Leaders Board.
42. any significant additional business engagement activity to be considered by the Economic Growth Directors Group in the first instance to avoid duplication of activity.
	1. It needs to be clear that this is not about taking any responsibilities or existing services from the local authorities but to ensure alignment of activities, add value, avoid duplication and maximise the benefits of resources.
43. **Resources**
	1. All the potential delivery mechanisms will need to be resourced. The business representative board will require capacity funding to manage and service the board or funding to commission the service, depending on how this is delivered.
	2. Through the additional guidance Government has confirmed that £240,000 will be provided to Staffordshire County Council (SCC) and Stoke-on-Trent City Council (SoTCC), to be administered by SCC as the accountable body, in 2024/25 for the delivery of the business voice and economic planning responsibilities, subject to final business case approval and the approval of a funding application form to be completed by the accountable body.