

Kent & Medway Federation of Small Businesses

Submission to APPG Southeast 'Levelling-Up' Consultation.

11th January 2022

1. Is “Levelling-up” anymore of a programme than the “Big Society” was?

The Government has declared a goal of levelling up, without informing authorities of how it intends to get there or what a 'levelled-up' area looks like. Perhaps this is a benefit to the plan, as it allows different areas to experiment with different policies and schemes. The forthcoming White Paper should elaborate more.

2. What should success criteria for “Levelling-up” look like?

A key metric from the FSB point of view is the rate of new start-ups. To achieve this, the Government should scale up the New Enterprise Allowance, with more mentors and larger weekly payments. There should also be enterprise education in schools to develop business skills.

In all, the area should be fit to attract private investment and have the right environment for businesses to move to, to grow, and develop.

3. Must “Levelling-up” be an endeavour solely dependent on financial support?

FSB is keen to push for enterprise education, as well as faster broadband for rural areas, electric charging points (and maybe hydrogen in the future), and skills development as part of a levelling-up strategy.

The Government has gone in the right direction with freeports and freeport zones, showing a marginal bias towards deregulation. It was regrettable that Kent was left out completely from the freeport exercise, which would have brought benefits to the economy in East and South Kent.

4. Should councils be the vehicle to coordinate “Levelling-up” activity?

Councils are a part of the process and can facilitate a great deal. For instance, councils across the country have engaged with FSB to offer free FSB memberships through ARG and other funding. This has enabled small businesses to take up membership and use the variety of services FSB membership offers, including legal advice, tax investigation cover, HR advice, debt recovery, FSB care and others.

Growth Hubs have been helpful during the Covid crisis and could be a forum through which levelling-up objectives are discussed on a more local level.

5. How many councils in the South East region are dealing with income and revenue pressures?

I would assume that given the scale of government spending during the past two years, the spending cuts to come will fall heavy on local authorities. Very few, I would predict, would not face income and revenue pressure over the next few years.

6. What “adequate freedoms” might help councils deliver world-class local services?

Councils need to think more local and smaller when it comes to procurement. All too often procurement goes to big business, sometimes with few links to the local area. Every now and then they subcontract to local suppliers, but this is far from a sensible solution. Contracts should be broken down to enable small, local firms to compete and ensure money is kept within the local area and economy.

7. Should local businesses pay more for services? How much more and for what?

Local businesses pay enough already, and the pressure on them from the national insurance increase in April will be even greater. Rather, Councils should lobby Government on fundamental business rate reform, aiming to lift the burden as much as possible from small businesses.

8. Does greater funding to a local authority area require a mayor?

If the public are expected to bear the brunt of higher taxes and fewer services in the years ahead, the introduction of a new highly paid politician will not be universally welcomed. To make savings, government must be leaner.

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