

**Case study: Local Business Initiative**

**Council: Thurrock District**

**Objective: To increase the amount of work, goods and services that is awarded to local business, either directly or indirectly, within the acceptable constraints of legality.**

### **So what is Thurrock Council's Local business Initiative?**

Since the early part of 1997 Thurrock Council have met regularly with the local business community represented by Thurrock District Association of Industries, Thurrock Chamber of Trade & Commerce, The Thurrock Local Enterprise Agency Ltd and Thurrock Small Business Club. From these meetings Thurrock Council adopted a number of formal policies, which have become known as The Thurrock Local Business Initiative. The fundamental objective underlying the initiative and established at the very early meetings was the objective of *increasing the amount of work, goods and services that is awarded to local business either directly or indirectly within the acceptable constraints of legality.*

The underlying beliefs underpinning this objective are

- that local business generally have competitive advantage, so it is a question of giving them the opportunity to demonstrate their competitiveness
- that local business are key stakeholders within the local community and as such need to be recognised as part of the community

### **Successful, I should say so!**

Whilst the structures at the Council have changed significantly within this 6 years period the meetings and local business initiative has continued and developed.

The value of work awarded to local business is and was obtained from the council's creditors system. These figures together with details of the local business initiative is on the website [www.thurrock.gov.uk/lbi](http://www.thurrock.gov.uk/lbi), together with a local business initiative toolkit. Indeed both the above are part of the local business initiative (LBI).

### **Approach and Strategy**

The LBI and the Council's policy of supporting the local business community has developed historically, reference is made to the local business initiative within the Council's Constitution and the contract procedure rules.

In the early days a very systematic approach was adopted of 1) agreeing common goals and objective, 2) meetings once every 2 months, 3) generating ideas, thoughts and action plan, 4) reporting to Council Committee and formally adopting as policy, 5) implementing policy, 6) reporting back to the group and monitoring, and 7) repeating cycle

The initiative has been welcomed and supported wholeheartedly by elected members who agreed back in March 1998 that the Council adopted the policy:

- Monitoring the amount of works, goods and services which are awarded to local businesses
- Operating a select list recognising local business
- Encouraging Contractors to enter into subcontracts using standard terms and conditions
- A commitment to changing the council's documents to make them easier to understand
- Amending contract conditions to ensure that smaller businesses (subcontractors) are protected through direct payments from the Council in the event of an obvious default by the main contractor.
- Organising training and seminars for local business
- Identifying a separate list of Thurrock Businesses

In March 1999 the Thurrock Council Policy and Resources Committee minuted that:

“the initiative was recognised by the Committee as fundamental in supporting the Council's local economic policies by using local firms and was an excellent example of partnering.”

It was agreed to seek to:

- extend the initiative corporately
- set up workshops for the Council in order to facilitate the corporate involvement.

This development of the policy was necessary as it was considered that not all Council Departments were embracing the policy.

The success over the years is reflected in the performance figures below.

<i>Year</i>	<i>value to local business</i>	<i>total value to business</i>	<i>Percentage %</i>
1996/97	£3.1 million	£34 million	9
1997/98	£3.5 million	£34 million	10
1998/99	£5.5 million	£47 million	12
1999/00	£10.12 million	£62 million	16
2000/01	£12.50 million	£77 million	17
2001/02	£17.76 million	£89 million	20
2002/03	£23.97 million	£101 million	24

Table 1.2 showing the value of work awarded to local business and the total value of work awarded to business for recent years.

## **The Future**

Thurrock Council welcomes the Government's enabling legislation such as the local Government Act 2000 and is now embarking on the next generation of new initiatives with the support of the local business community, these include

- Piloting an accreditation system for local business with Exor, a national provider, aimed specifically at smaller size business with the view of providing co-ordinated training and capacity building linked into carrying out work for the council.
- Establishing a trade school aimed at 15 year olds on Saturday mornings using the Council direct labour organisation depot. This will be part sponsored by the local business community, with the view of extending the initiative to private business and to other age groups
- Promoting the local business initiative to the larger private Companies, which operate within the borough so they can see the advantages. This promotion includes highlighting specific case studies such as the Chadwell high-rise scheme, which realised savings of around £500,000 on a £1.5 million project and also providing local jobs for local economy, and enabled a local business to grow.
- Developing the website as a tool to communicate to local business.

Contact:

*Full details here please*