

The Daily Telegraph

Business bodies attack BCC role in development

11th April 2011

THE Government risks breaking up the fragile business alliance that has supported the creation of voluntary Local Enterprise Partnerships (LEPs), three of the leading small business organisations have warned.

In a letter to the Local Government Secretary Eric Pickles, published today in The Daily Telegraph, the business groups urge the Government to rethink its decision to place the British Chambers of Commerce (BCC), in charge of leading a national network to manage the local economic development bodies.

They argue many of their 250,000-plus members will not support an initiative led by another business organisation and argue that the £300,000 grant given to the BCC to set up the network this year is a waste of taxpayers' money.

The letter states: "Instead of being run and chaired by the British Chambers of Commerce, the IoD, FSB and FPB would like to see an independent, armslength body set up to deliver the necessary collaboration between LEPs. We question, whether this will need the levels of financial resource that have already been set aside (if any) for the present proposition; focusing instead on best practice, joined-up working by LEPs, infrequent membership meetings and straightforward feedback to government."

A spokesman for the IoD said businesses associated with the three bodies creating the LEPs felt "very uncomfortable with the seeming 'Chamberisation' of LEPs.

"This runs the risk of pushing people away, when we need broad business involvement," he said.

"Some members have even remarked that recent moves make it look as though the Government has plans to make the Chambers statutory entities as in some nations of mainland Europe," he added.

The LEPs replace the nine regional development agencies in England and are run by boards made up of business and local government representatives.

So far the Government has approved 300 to take charge of local business support, skills and investment initiatives – but they will not have public money to spend directly.

Last week, Mr Pickles said a national network was required to help the LEPs share best practice and co-ordinate their efforts.

"[The] British Chambers of Commerce came forward with a very strong proposal and with its existing business network across the country it is really well placed to anchor business at the centre of new local enterprise," he said.

The network will be chaired by BCC director general David Frost, who told The Daily Telegraph the other organisations' concerns were unfounded.

He said business groups had to unite because he was concerned local authorities were taking charge of what were meant to be businessled development bodies.

The CBI, the employers' body, has backed the LEPs