

Harrow Business Consultative Panel

Minutes

25 January 2021

Present:

Chair: Councillor Jeff Anderson

Councillors: Susan Hall Norman Stevenson
Kiran Ramchandani

Apologies received: Bharat Thakker

7. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:

Ordinary Member

Councillor Bharat Thakker

Reserve Member

Councillor Susan Hall

8. Declarations of Interest

RESOLVED: To note that the Declarations of Interests published in advance of the meeting on the Council's website were taken as read.

9. Minutes

RESOLVED: That the minutes of the meeting held on 22 January 2019 be taken as read and signed as a correct record.

10. Public Questions

RESOLVED: To note that there were none.

11. Petitions

RESOLVED: To note that there were none.

12. Deputations

RESOLVED: To note that there were none.

Resolved Items

13. Draft Revenue Budget 2021/22 and Draft Medium Term Financial Strategy 2021/22 to 2023/24

Members received two reports of the Director of Finance which set out the Council's proposed Draft Revenue Budget 2021/22 and the Medium Term Financial Strategy 2021/22 to 2023/24.

The Chair welcomed Members and representatives of the business community to the virtual meeting. He explained that the Council had a statutory duty to consult the business community before setting the Budget and Council Tax for the forthcoming year.

Following comments and questions from Members, the Director of Finance advised that:

- the Council had a statutory obligation to agree and publish the budget for 2021/22, and approval for this would be sought in February 2021. In preparing the 2021/22 budget and rolling forward the MTFS to cover the three-year period 2021/22 to 2023/24, the current MTFS (approved by Council in 2020);
- the MTFS approved in February 2020 assumed a budget gap of £11.414m for 2021/22 and £11.178m for 2022/23. This assumed achieving existing directorate savings of £2.947m in 2021/22;
- there was provision of £150 000 for a climate change advisor in the draft budget. However, there was no funding provided for Black Lives Matter (BLM) activities, whose costs would be covered by contingency monies;
- £100m was approved by Cabinet in July 2019 as an addition to the Capital Programme for Commercial Investments. The basis of the inclusion was that this £100m would generate a minimum net return of £2.5m after repaying the capital financing costs. One property had been bought from the £100m which was generating a net return of £150 000, which was built into the 2020/21 budget. The net return from the balance of £94m was reflected in the MTFS equally over 2021/22 and 2022/23.
- The decision had been made not to continue with the strategy of commercial investment due to the challenges of securing properties

which met the investment criteria and the decision of the Government to stop the use of Public Loans Works Board for investment in property bought primarily for yield. The remaining net return within the MTFS of £2.350m had now been removed.

A representative from the business sector queried how the Council was faring with the collection of business rates in the view of the coronavirus (Covid-19) pandemic, if benchmarked against other London local authorities. What was the expected loss from business rates?

It was advised that Harrow Council, had on average, fared better than other local authorities in London, and had endeavoured to collect business rates to balance its books. However, business rates income would be impacted by: ratepayers ability to pay due to the Covid-19 pandemic; loss of commercial property because of permitted developments and change of use to domestic property; and potential reductions in office space due to appeals. These were national risks as well, and not only specific to Harrow. The loss of revenue from business rates was yet to be determined.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.13 pm).

(Signed) Councillor Jeff Anderson
Chair