

HARROW BUSINESS CONSULTATIVE PANEL MINUTES

23 JANUARY 2012

Chairman: * Councillor Keith Ferry

Councillors: * Kam Chana * Yogesh Teli (1)
* Ajay Maru

* Denotes Member present
(1) Denotes category of Reserve Members

8. Attendance by Reserve Members

RESOLVED: That no Reserve Members were in attendance.

9. Declarations of Interest

Agenda item 8: INFORMATION REPORT - Business Rates in 2012/13;
Agenda item 9: INFORMATION REPORT - Budget and Medium Term
Financial Strategy Proposals

Councillor Ajay Maru declared a personal interest on the above items in that he was a business owner in Harrow. He would remain in the room whilst the matters were discussed and voted upon.

10. Appointment of Vice-Chairman

RESOLVED: To appoint Councillor Ajay Maru as Vice-Chairman of the Panel for the remainder of the 2011/2012 Municipal Year.

11. Minutes

RESOLVED: That the minutes of the meeting held on 24 January 2011, be taken as read and signed as a correct record.

12. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting.

RESOLVED ITEMS

13. INFORMATION REPORT - Business Rates in 2012/13

The Panel received a presentation which outlined the Business Rates for 2012/13. The officer advised that:

- the Retail Price Index (RPI) had been adjusted in September 2011 to a figure of 5.6%;
- properties with Rateable Values (rv) of less than 6,000 would now qualify for 100% relief until 31 March 2013.

In response to questions, the officer advised that:

- all empty premises were required to pay business rates, although some had exemptions of between 3 to 6 months before payment became due, such as industrial properties, for example;
- rateable value (rv) was an amount calculated based by Her Majesty's Revenue and Customs (HMRC) for commercial tax purposes, which took account of the square footage of the premises, location, and the amount of rate paid in the shop, for example. It was not the responsibility of the Council to undertake this calculation;
- there were approximately 5,300 commercial properties in Harrow, with approximately 3,500 falling below the rv21,499 small business threshold, of which 1843 could qualify for 100% rate relief as they had rv's below 6,000. The application form for rate relief had now been removed, the Council's database would be monitored to grant those eligible for rate relief automatically;
- Harrow had among the lowest rateable value compared with other London boroughs, which reduced the tax take for Harrow. There were 430 properties in the borough over rv55,000 who were required to pay a 2p supplement to the Greater London Authority towards the Crossrail precept over a 30 year period;
- there were 133 community organisations in the borough, of which approximately 22 were sports clubs;

- as the majority of premises in Harrow were small and below rv6,000, there was a tendency for owners to use alternative methods of paying tax. This resulted in a low collection rate. Tax was collected and paid directly to Central Government;
- the decision to alter discretionary rate relief support to not for profit or charitable organisations had not yet been made. Consultation on this matter was underway;
- work with the Planning and Housing departments was ongoing to identify newly built establishments and monitor when they were finished to maximise tax contributions from properties which were previously vacant or under construction.

RESOLVED: That the report be noted.

14. INFORMATION REPORT - Budget and Medium Term Financial Strategy Proposals

An officer introduced a report which outlined the Draft Revenue Budget 2012-13 to 2014-15. An officer advised that:

- in-year pressures included a contribution of £740,000 to the Housing department to cater for the homeless;
- the £7.4 million investment in services included £500,000 towards the demographic pressures within Children's Services.

In response to questions, Members were advised that:

- efficiencies had been realised through streamlining back-office systems. Other efficiencies had been achieved throughout Directorates where solutions were suggested;
- procurement exercises had resulted in £2 million savings;
- £3.9 million in technical changes encompassed changes to the agency worker directives, for example;
- £1 million in efficiencies would be presented to Cabinet in February 2012 to balance the budget and close the funding gap;
- the Budget included a £1 million contingency to cater for unexpected in-year pressures. This contingency was not part of the Council's general reserves, which were approximately £7 million.

RESOLVED: That the report be noted and that the comments made by the Panel be incorporated into the report on the Budget to be submitted to Cabinet on 9 February 2012.

15. Any Other Urgent Business

RESOLVED: That that no items were raised.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.35 pm).

(Signed) COUNCILLOR KEITH FERRY
Chairman