

HARROW BUSINESS CONSULTATIVE PANEL

1 FEBRUARY 2007

Chairman: * Councillor Manji Kara

Councillors: * Mrinal Choudhury * Susan Hall
* Keith Ferry

* Denotes Member present

PART I - RECOMMENDATIONS - NIL**PART II - MINUTES**26. **Attendance by Reserve Members:**

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

27. **Declarations of Interest:**

RESOLVED: To note that there were no declarations of interests made by Members in relation to the business transacted at this meeting.

28. **Arrangement of Agenda:**

RESOLVED: That all items be considered with the press and public present.

29. **Minutes:**

RESOLVED: That the minutes of the meeting held on 15 November 2006 be deferred until printed in the Council Bound Minute Volume.

30. **Public Questions:**

RESOLVED: To note that no public questions were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 16 (Part 4E of the Constitution).

31. **Petitions:**

RESOLVED: To note that no petitions were received at this meeting under the provisions of the Advisory Panel and Consultative Forum Procedure Rule 14 (Part 4E of the Constitution).

32. **Deputations:**

RESOLVED: To note that no deputations were received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rule 15 (Part 4E of the Constitution).

33. **Budget Proposals 2007/08:**

The Panel received a presentation from the Group Manager, Corporate Finance, setting out the Council's Budget proposals for 2007/08. The presentation contained discussion of the following points:

- The Council's financial history had meant pressures on the budget had accumulated, including an overspend in 2005-2006, historical debts that required provision, and Primary Care Trust (PCT) spending. As a result, Council reserves had been reduced to £1.8 million at the end of 2005-2006.
- A savings plan had been agreed in August 2006 to deliver some £9m of savings. The plan was currently proceeding on target, although there would be no contribution to reserves in the 2006/07 financial year.
- Five strategic projects had been undertaken, looking at such areas as value for money and fees and charges, which would be followed with a review of the organisational structure and related staffing structures.
- There would be a proposed Council tax increase of 4.9%.

- There remained funding gaps to be addressed in 2008-2009 and 2009-2010 and the intention is that fundamental service reviews will deliver efficiencies to bridge these gaps.
- It was noted that the Borough received one of the lowest government grants in London, which was set to increase by 2.7% in 2007/08.
- The Council's reserve strategy required that reserves be increased to a minimum of £3.5 million by 2008/09.

On opening the item to questions, it was queried whether cuts in Council services would affect the business community. The Panel heard that all budgets would be under review, but that savings from other areas might mitigate any potential impact.

The level of potential bankruptcies in the Borough for the forthcoming year was discussed, with reference to keeping businesses stable. A Member responded that there needed to be stable underlying conditions in this regard, and that it was potentially too easy to acquire credit in order to start businesses. A representative of the business community commented that current support arrangements tended to focus on the early stages of a business, whereas they might be better targeted at around 3 years into development, as this was often a difficult time.

The Panel heard that collection rates for Council tax, averaged over a five-year period, stood at approximately 99%, although the Council budgeted for a lower figure.

RESOLVED: That the above be noted.

34.

Business Rates 2007/08:

The Panel received a presentation of the Group Manager, Revenues, discussing business rates for 2007/08. The presentation contained the following points:

- Both standard and small business rates would increase in line with the September 2006 Retail Price Index, a figure of 3.6%.
- In the year 2006/07, 803 small businesses in Harrow had received small business rate relief, worth approximately £486,000.
- Rate relief was obtained through an application process, and measures to increase the number of applications were necessary, as funds were given by central government for this purpose.
- Changes to legislation now meant that businesses were only required to apply for relief once in a 5-year period between revaluations of commercial property – organisations applying in 2007/08 would not necessarily need to re-apply until 2010/11.
- Information regarding rate relief would be distributed with rate bills, and adverts would be placed in the local press and 'Harrow People'.
- Knowledge of the appeals process for rate relief seemed to be low amongst members of the business community.

On opening the item to questions, the Panel heard that new small businesses were sent information about rate relief, along with information on bills and payments generally. It was added that businesses that failed to pay rates were sent two reminders before a summons was issued, in line with best practice.

A Member queried whether the timescales involved in making an application for relief, particularly during December 2006, might have discouraged applications. An officer responded that whilst this may have been the case, further information on applying was due to be distributed in March 2007, which would allow for possible rebates in April 2007.

A representative of the business community queried whether, in cases of significant roadworks, organisations conducting maintenance might be able to contribute something to compensate for any disruption to trade. Officers stated they would investigate this.

In response to a query as to how business rates for different properties were calculated, the Panel heard that the calculations were based on a number of factors, all of which were available through the Valuation Office Agency website.

RESOLVED: That the above be noted.

35. **The Business Consultative Panel:**

The Panel received a report of the Executive Director, Urban Living, which set out proposals to vary the format of the Panel's meetings in order to increase engagement with the business community. It was recognised that the February meeting would remain in its current form as the consultation on the budget and business rates discussed at this meeting were statutory, but other meetings in the year could change.

An officer stated that there were a number of initiatives which would benefit from more extensive consultation with the business community, such as the possible development of a Business Improvement District (BID) in the Town Centre, and business incubator provision.

On opening the item to discussion, suggestions towards attaining the above were discussed, including:

- Varying the venue and time of the Panel's meetings;
- Holding themed meetings or events;
- Exploring alternative methods by which to communicate with the business community, such as the business portal;
- Promoting the formation of Traders' Associations in the Borough;
- Distributing information about the Panel when sending out information regarding business rates.

In addition, the Chairman asked that the list of businesses invited to attend meetings be reviewed, and that officers take steps to progress these options outside of the meeting.

An officer stated that adoption of any of the discussed proposals would need to be done within existing financial constraints.

RESOLVED: That the report be noted.

36. **Business Incubator Update:**

The Panel received a presentation by an officer, on the Business Incubator scheme.

The Panel heard that negotiations with Kodak had halted, but that a possible alternative site at Honeypot Lane had been identified. The Panel heard that whilst planning permission had initially been refused, it was hoped that approval for a revised scheme could be secured soon.

An officer stated that the Incubator remained a priority project, which would work to support small businesses in Harrow, and needed both public and private sector backing. Harrow in Business and the University of Westminster had been working with the Council on this initiative also.

RESOLVED: That the above be noted.

37. **Harrow Business Against Crime Update:**

The Panel received an update from the Business Crime Reduction Manager, Harrow Business Against Crime (HBAC), on the organisation's activities.

It was explained that HBAC worked through the collation of intelligence on offenders in the town centre area, which was then shared amongst the scheme's members.

The Panel heard that, in addition to retail premises, the Scheme was currently being trialled in pubs and clubs in the area, and that a drop in violent offences was anticipated accordingly.

The Business Crime Reduction Manager reported that there had been efforts to reduce incidences of pick-pocketing in the town centre area, which had resulted in a decrease of 55% in offences over the Christmas period. In addition, successful action had been taken against individuals selling counterfeit DVDs in the area, which had resulted in the issuing of Anti Social Behaviour Orders (ASBOs).

The Panel heard that the Scheme was looking to expand gradually and in a manageable way, to eventually cover the Wealdstone area.

RESOLVED: That the above be noted.

38. **Any Other Urgent Business:**

Local Area Agreement

An officer informed the Panel that new 'stretch' targets had been agreed as part of the Local Area Agreement, which would be used to support new and existing businesses in the Borough. This would be delivered by Harrow in Business

New Economic Development Strategy

An officer stated that the Strategy would be presented to the next meeting of the Local Development Framework Panel, and that she would update the Harrow Business Consultative Panel on progress at its next meeting.

RESOLVED: That the above be noted.

(Note: The meeting having commenced at 7.30 pm, closed at 9.33 pm)

(Signed) COUNCILLOR MANJI KARA
Chairman