

Meeting:	Business Consultative Panel
Date:	7 <sup>th</sup> February 2008
Subject:	Information Report 2008/9 Business Consultation on Non Domestic Rates and Council Tax
Responsible Officer:	Graham Jones Director Planning Development and Enterprise
Portfolio Holder:	Cllr Marilyn Ashton Planning Development and Enterprise
Exempt:	No
Enclosures:	Council Tax presentation 2008/9 Business Rates presentation 2008/9

## **Section 1 – Summary and Recommendations**

This report set out information on the recent consultation with business

Cabinet is requested to note the Information Report

## **Section 2 – Report**

### **Introduction**

Harrow Business Consultative Forum's first meeting was held in September 2005, following agreement by Cabinet of the terms of reference in May 2005 set out below.

1. To enable consultation between the Council and representatives of local non domestic ratepayers required by Section 65 of the Local Government Finance Act 1992 and to provide information regarding the Council's expenditure proposals for the future budget in accordance with Non-Domestic Ratepayers (Consultation) Regulations 1992. The minutes of the meetings to be reported to the Cabinet.
2. To facilitate consultation between the Council and representatives of the business community as required by the Authority.

After two years the number of businesses attending each meeting rarely reached double figures.

Following on from a report to the February 2007 Panel meeting, and a Portfolio Holder decision taken in August 2007 it was agreed to change the format of future meetings to encourage more interaction and better consultation with the Harrow's business community.

### **Section 3**

The first of the new format meetings/events took place in November 2007 and 70 businesses attended. A second event was held on January 31<sup>st</sup> 2008 at which over 80 businesses attended. Both events used a 'Question time format' and provided opportunities for business networking to encourage businesses to attend. The second part of the meeting was used to consult businesses. Both events have been facilitated by Business Connections the networking arm of Harrow in Business.

The January/February meeting must legally provide the opportunity to enable the yearly consultation between the Council and representatives of local non domestic ratepayers required by Section 65 of the Local Government Finance Act 1992 and to provide information regarding the Council's expenditure proposals for the future budget in accordance with Non-Domestic Ratepayers (Consultation) Regulations 1992.

Cllr Ashton chaired the Question time meeting on the 31/01/08 which also provided the opportunity for businesses to hear about the 'Fair Deal for Harrow Campaign.' The new format, adding the consultation process to the Business evening, increased the number of attendees and therefore improved the consultation process. Officers supported the event by hosting both a budget and business rates table where details of the draft budget were outlined as well as the known proposals from Central Government regarding the 2008/09 Business Rates.

### Draft Budget 2008/9

Documentation on the following points was made available to attendees and the topics discussed with those who wanted more clarification from officers:

- A breakdown of the Council's spending commitments and sources of funding, including the contribution of non-domestic ratepayers within the financial context of the Council and the current financial position
- Details of the final financial settlement with central government, announced in January 2008. This is now a 3-year settlement and despite lobbying has only resulted in a 2 percent increase for Harrow with lower increases in future years.
- Interested attendees were informed that Council Tax would increase by 2.95 percent in 2008-2009.
- Matters relating to council business areas were discussed, including service directorates and the impact of budget reductions;

### Business Rate 2008/9

Attendees at the meeting were informed that the Business Rate would increase in line with September 2007's Retail Price Index (RPI), at a rate of 3.9%. The Standard multiplier would increase from 0.444p to 0.462p and the Small Business multiplier from 0.441p to 0.458p.

Details of rate relief available to small businesses were outlined. Attendees were informed that in 2007/8 911 small businesses in Harrow had received rate relief, exceeding £553k in total. Relief of 50% was available to businesses occupying properties worth less in rateable value than £5,000, the figure declining on a sliding scale thereafter until properties worth £10,000. It was explained that this relief was only available to businesses with one property, or with additional properties with a rateable value below £2,200. This relief was funded through a supplement on the rates of non-eligible businesses, of £0.004p in the pound.

Appendix 1 Council Tax presentation 2008/9

Appendix 2 Business Rates presentation 2008/9

## **Section 4 - Contact Details and Background Papers**

Contact: Claire Codling Senior Professional: Planning  
Development and Enterprise 0208 420 9399

Background Papers: January 2007 Information Report Business  
Consultative Panel,  
July 2007 Report for Portfolio Holder  
Decision Business Consultative Panel