

HARROW BUSINESS CONSULTATIVE PANEL MINUTES

22 JANUARY 2019

Chair: * Councillor Jeff Anderson (Vice-Chair in the Chair)

Councillors: * Peymana Assad (1) * Bharat Thakker
* Ramji Chauhan (1)

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

1. Attendance by Reserve Members

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

Ordinary Member

Councillor Ajay Maru
Councillor Norman Stevenson

Reserve Member

Councillor Peymana Assad
Councillor Ramji Chauhan

2. Appointment of Vice-Chair

RESOLVED: That Councillor Jeff Anderson be appointed Vice-Chair of the Panel for the 2018/19 Municipal Year.

3. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Draft Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/2020 to 2021/22

Councillor Jeff Anderson declared a Non-Pecuniary interest in that he was trustee of a local group. He would remain in the room whilst the matter was considered and voted upon.

4. Minutes

RESOLVED: That the minutes of the meeting held on 22 January 2018 be taken as read and signed as a correct record.

5. Public Questions, Petitions and Deputations

RESOLVED: To note that none were received.

RESOLVED ITEMS

6. Draft Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2021/22

Members received two reports of the Director of Finance which set out the Council's proposed Draft Revenue Budget to 2019/20 and the Medium Term Financial Strategy 2019/20 to 2021/22.

The Chair welcomed a local business representative to the 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:

- there was a proposal to increase Council Tax by 2.99% in 2019/20 and in the Adult Social Care Precept by 2.0%, which would bring the final figure to 4.99%. The Director added that the precept had been awarded for a three year period and would end in the 2019/20 financial year. The Council Tax base had been increased in 2019/20 due to the anticipated increase in the number of new properties in the borough and a commensurate increase in the number of council tax payers. The Band D tax base had been increased to 86,250. The Director confirmed that Council tax receipt targets for the 2018/19 financial year had been achieved;
- London Boroughs retained a portion of their business rates with the remainder going to the GLA. However, there were plans to allow local authorities to retain 100% of their business rates. Harrow had been included in the Business Rates Pooling Pilot for the 2018/19 financial year. Being part of the pool had been beneficial for Harrow as it had been able to benefit from growth in other London Boroughs;

- on the whole, the proposals contained within the budget reports were not expected to have either a beneficial or adverse effect on local businesses as most of the proposals pertained to Council business. The proposals contained in the annual Fees and Charges report, would be approved by Council in February 2019, may affect local businesses if they bought the services. The Council's Regeneration programme and business rate relief would be likely to benefit local businesses. 1400 local businesses had been identified as eligible to receive the business rates relief grant, which would be funded by the GLA. Letters informing businesses of this would be sent out in February 2019 and the Inspector would follow these up. The grant related to business premises with a rateable value of less than £51k. An officer undertook to verify whether this information would be publicised in the Harrow People magazine.
- in recent years, a number of small and large businesses had opted to relocate outside Harrow. This coupled with permitted development rights allowing office space to be converted to residential space had led to a reduction in available office space in the borough;
- with regard to the Council's commercialisation agenda, both the Regeneration project and project Infinity had been reversed out of the budget. There were other commercialisation proposals, such as project Phoenix, which were expected to provide additional income;
- other commercialisation initiatives such as HB Public Law (HBPL) had been set up as legal entities in their own right. HBPL had yielded a small net surplus in 2018/19. Concilium Business Services had suffered some losses which would be offset from profits from other companies within the commercial structure. A revised business plan for Sancroft and the first business plan for the LLP (Limited Liability Partnership) were both planned for approval by Cabinet in June or July. The latter would manage the 53 PRS units at Gayton Road. She added that the development was expected to be successful and was predicted to yield £700-800k in revenue per annum (subject to Business Plan). The 72 affordable units at the Gayton Road development were already delivering revenue. She confirmed that none of the Corporate Directors or the Interim Chief Executive had been directors of any of the legal entities mentioned above.

A representative from the business sector stated that:

- in his experience, banks were more cautious when lending to businesses than they had been in the past;
- it was unfortunate that Harrow in Business had been dissolved as the expert advice and support services offered by it in the past had been an invaluable resource for local entrepreneurs;
- Harrow needed to attract both small and large firms.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.25 pm).

(Signed) COUNCILLOR JEFF ANDERSON
Chair