

HARROW BUSINESS CONSULTATIVE PANEL MINUTES

27 JANUARY 2015

Chair: * Councillor Keith Ferry

Councillors: * Jeff Anderson * Bharat Thakker
* Pritesh Patel (1)

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

RESOLVED ITEMS

6. INFORMATION REPORT - Draft Revenue Budget 2015/16, Medium Term Financial Strategy 2015/16 to 2017/18 and Capital Programme 2015/16 to 2018/19

The Panel received a report of the Director of Finance and Assurance which set out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2015-16 to 2017-18 and the Draft Capital Programme 2015-16 to 2018-19 for consultation.

The Chair welcomed local business representatives to the meeting and explained that it was a statutory requirement that the Council consulted with the business community before setting the budget and Council Tax for the forthcoming year.

In response to an enquiry, the Director of Finance and Assurance confirmed that small businesses could be entitled to discounts and exemptions in respect of business rates, and described the criteria governing these.

The Chair advised that bills for business rates would be issued at the end of February, and that the funds were passed directly to government, apart from 20% which the Council was now entitled to retain, following a change in the rules introduced a year ago. Discounts and exemptions for businesses were determined by government in a national scheme.

He further advised that the Council's controllable budget would be reduced by £25m over each of the coming three years, resulting in revenue being reduced by half, despite increasing burdens on the Council's statutory and discretionary budgets. He stated that the Council had opted to retain the Economic Development Team as it was considered important to support and promote local businesses for the benefit of residents and the wider community. Councillors had moved from choosing where to direct funds and prioritising services, to identifying which services could be cut or reduced with the least negative impact.

In response to a query, he said that he did not think the result of the forthcoming general election would necessarily change the economic situation for the Council. In the light of this, he believed it was important to change attitudes about what Council's could and should do, and the public could no longer assume a particular function was the Council's responsibility. Statutory obligations would have to be discharged, and monies were often ring-fenced for this, but discretionary services would need to be looked at carefully and prioritised.

In response to a question, the Director of Finance and Assurance explained that the funding formula was highly complex, and that Harrow received less in funding grants than many of its neighbours. There was a range of reasons for this, from the deprivation index to the amount of green space within the borough. When deciding where to introduce charges for certain services, it was helpful to benchmark among other authorities.

He informed those present that the draft budget would go to cabinet for consideration on 19 February, and to Council for decision on 26 February. He reminded business representatives that the public could attend meetings and hear the debate.

Business representatives commented that it was easier to understand the need for cuts once the financial situation was explained, and the Council's priorities were outlined. The Chair added that sometimes the scale of reduction required in a service resulted in a closure, as there would come a point when the service was unsustainable and resources were better directed elsewhere or rationalised. A Member used the Library Service to illustrate this point, describing the range of criteria that might be used in deciding which to close and which to keep open, including: attendance and usage, the demographic profile of users, transport links, accessibility issues, the viability and fitness for purpose of the premises, and the proximity of other libraries and alternative resources.

In conclusion, the Chair stated that the consultation on the budget was still open and all suggestions and ideas would be welcome and noted. He thanked those present for their contribution.

RESOLVED: That the report be noted.