

Extract of Minutes from Harrow Business Consultative Panel, 2 February 2006.

HARROW BUSINESS CONSULTATIVE PANEL

2 FEBRUARY 2006

Chair: * Councillor Choudhury

Councillors: * Idaikkadar * Myra Michael
* Kara

* Denotes Member present

Denote category of Reserve Member

† Denotes apologies received

[NB Attendance at this meeting by representatives of community organisations and representatives of the Local Authority is recorded at Appendix 1]

PART I - RECOMMENDATIONS - NIL

PART II - MINUTES

18.

Budget Presentation 2006/7:

The Panel received a presentation from the Director of Financial and Business Strategy, outlining the Authority's draft budget proposals and the Business Rates for 2006/7.

Draft Budget 2006/7

The following points were included in the presentation:

- A breakdown of the Council's spending commitments and sources of funding, including the contribution of non-domestic ratepayers.
- Details of the final financial settlement with central government, announced on 31 January 2006. Changes in the way the grant was calculated had resulted in a two percent increase for Harrow, a figure which did not compare favourably with national and London average increases of three percent.
- As a result of the above, the Panel were informed that Council Tax would have to be increased by three percent before any new growth or savings could be made. Further to this, the Greater London Authority precept would require a seventeen percent or £42 a year increase on bills for Band D households.
- Matters relating to council business areas were discussed, including Urban Living, People First and Corporate sections;
- Details of the new Local Area Agreement, a three year agreement which committed the Council to working with government and relevant stakeholders such as the local business community to improve services in key areas. Extra funding of £950,000 was available if targets were met.
- Information on the schools budget, the Panel noted that funding per-pupil for Harrow was to increase by 6.6% in 2007/8 and 6.4% in 2008/9. In addition this money was to be ring-fenced in the coming financial year, comprising a separate direct grant to schools.
- The Panel was also briefed on the Council's housing stock, capital investment program and capital financing program.

The Director of Financial and Business Strategy outlined the steps taken to facilitate open budget consultation, and reminded the Panel that the 16 February meeting of Cabinet would be provided with details from consultations, before the meeting of Council on 23 February which would determine the budget for the forthcoming financial year.

Business Rate 2006/7

The Panel was informed that the Business Rate would increase in line with September 2005's Retail Price Index (RPI), at a rate of 2.7%.

Details of rate relief available to small businesses were outlined. The Panel was told that in 2005/6 814 small businesses in Harrow had received rate relief, exceeding £410,000 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 £2,500. This relief was funded through a supplement on the rates of non-eligible businesses.

Contributions/Comments from Business Community Representatives:

Central Government Grant

A community representative queried the low figure of Harrow's direct government grant, pointing out its potentially detrimental effects when combined with high business rates, redistributing money out of Harrow and affecting local businesses as a result. The Director of Financial and Business Strategy explained that the grant was determined by a government-calculated formula, and so Harrow had no direct influence over its level. It was also explained that various parties including Harrow's Members of Parliament, the West London Alliance, and the Association of London Governments, were lobbying to improve the grant. It was added that Harrow collects more in Business rates than it receives after government redistribution.

Small Business Rate Relief

A representative stated surprise at what was perceived to be a low-take up on small business rate relief, in view of the large majority of businesses in Harrow which employed fewer than five people. It was asked what actions the Council was taking to promote the scheme. An officer explained that information was available through the Council's website and business portal, and that all eligible businesses would receive an application form. To this end, a representative suggested that officers send application forms to the North West London Chamber of Commerce, who could help undertake their distribution. Officers thanked the chamber for its support.

Parking Fines on Delivery Vehicles

A representative queried parking fines which were being levied on delivery vehicles, and pointed out the high cost of appeal. It was asked what proportion of the Council's funding came from such fines. The Director of Financial and Business strategy responded that she was unaware of precise figures, but offered to research the query and inform the representative in due course.

Business Improvement Districts

The Panel then discussed the Business Improvement Districts (BIDS) scheme, which would allow the Council to levy a separate charge to spend on local issues. Officers explained that consultations with local businesses about this scheme had previously been conducted, but had found that it had little support amongst the business community in Harrow. As a result, no projects had been undertaken. A representative suggested that officers look to Westminster for a positive example of such a scheme, a suggestion which officers offered to look into.

In response to queries concerning the services offered to businesses for existing rates, a member highlighted the following projects:

- Later licensing hours;
- Introduction of the 'Cleaner and Greener' scheme;
- Community policing officers;
- Efforts to reduce the fear of crime;
- Improvements in traffic flow and parking facilities.

Housing Benefit

A representative queried what proportion of houses of Harrow received public sector support. The Director of Financial and Business Strategy offered to give a written response, but stated that the budget for housing benefits was a separate government grant.

RESOLVED: That the above be noted.

Harrow Business Consultative Panel – 2 February 2006**(1) Representatives of the Business Community who Attended**

A Pluck	Harrow in Business
D Greenwood	Federation of Small Businesses (FSB)
R Morse	Federation of Small Businesses (FSB)
S Hall	Chair, Wealdstone Trader's Association
E Diamond	North West London Chamber of Commerce
G Caloia	North West London Chamber of Commerce

(2) Officers who Attended

Myfanwy Barrett	Director of Financial and Business Strategy
Chander Vasdev	Business Community Manager
Fern Silverio	Manager, Group Revenues
Ian Pearce	Crime Reduction Manager
Steve Swain	Transportation Manager
Kevin Unwin	Democratic Services Officer