

Cabinet – 15 February 2024

Minute Extract from Harrow Business Consultative Panel – 23 January 2024

17. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27

Members received a report of the Director of Finance which set out the Council's proposed Draft Revenue Budget 2024/25 and the Medium-Term Financial Strategy 2026/27.

Harrow remained one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with the rest of London and was in the lower end of the lower quartile for reserve balances held.

Over the past 10 years, the Council's revenue support grant had reduced from £50.5m to £2m in 2023/24 and whilst the Council does receive other grant funding to support services, these grants are all ring fenced to areas of activity and could not be used to support the core budget, for example the Dedicated Schools Grant of £143m. In 2023/24 these grants total £366m.

The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation had increased substantially and creating unfunded budget pressures.

In previous years, Council Tax had been increased to just below referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of was that the Council was heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m was funded from Council Tax.

Members asked what information was provided in the business rates newsletter and to whom it was sent. The business rates newsletter provided information on relief measures, rate multipliers and other details relevant to businesses. It was sent to the largest 200 business traders and was part of the communication strategy for business rate payers.

Members also wanted to know if there was any relief for new tech startups in Harrow, and what were the factors affecting this. Officers advised that there

was no specific relief for new tech startups in Harrow unless there was a designated special zone. Business rates were determined by central Government and current trends in Harrow involve smaller tech businesses run from home rather than offices.

Members also asked if there would be more focus on attracting tech entrepreneurs and startups to Harrow in the future. Officers advised that attracting tech entrepreneurs and startups to Harrow were not within the local authority's remit regarding business rates. While the desire may exist, it was not an area where the local authority had direct control or influence.

Members thanked Officers for all their hard work in getting the report ready.

RESOLVED: That the report be noted.

For Consideration

Background Documents:

Minutes of Harrow Business Consultative Panel – 23 January 2024

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