

Minutes of the Meeting of the Ealing Business Partnership

Date: Tuesday, 04 February 2020

Time: 18:30

Venue: Elizabeth Cantrell Room, Town Hall

Attendees:

Andrew Drakers, Councillor Yvonne Johnson, Councillor Bassam Mahfouz

1 Apologies for Absence

Apologies were received from Camran Mirza Vice-Chair – EBP, Councillors Julian Bell Leader London Borough of Ealing, Councillors Alexander Stafford, Kamaljit Kaur Nagpal, Jasbir Anand

2 Urgent Matters

There were no urgent items to consider.

3 Declarations of Interest

There were none.

4 Matters to be Considered in Private

There were no matters to be considered in private.

5 Minutes of the Previous Meeting - 6 February 2019

RESOLVED:

The minutes of the meeting held on 19 November 2019 were agreed as a true and accurate record of proceedings.

Budget Strategy 2020/2021

Councillor Bassam Mahfouz, Cabinet Member for Finance and Leisure, outlined the political context of the budget report, explaining that there was a requirement for a 64% reduction in spend over a 10-year period. The Cabinet Member did note that there had been several alleviating projects, including the implementation of the Future Ealing plan, which was looking at savings from the reorganisation of the Council, implementing investment opportunities of £15 million in the borough, and the establishment of Greener Ealing as an internal company to deliver street cleaning and collection services. However, it was also noted that there were significant challenges to the borough in terms of spend, including SEND, road safety, building maintenance and the extension of the London Living Wage to its internal companies. It was noted

that there was a requirement to achieve £13.6 million of savings in the year 2020/21.

Shabana Kausar, Head of Strategic Finance, introduced the timeline of Cabinet Key Decisions relating to the budget that would be made over the financial year, including the Budget Overview, Medium Term Financial Strategy (MTFS), Council Tax review and Government Funding Settlement overview. Officers stressed that there were significant pressures on the budget, particularly noting the 57% spend of the overall Council budget of £248 million in 2019/20 that was in maintaining statutory social care services.

Officers noted that the primary income streams for the Council were received from Retained Business Rates, Council Tax and the Collection Fund income. It was noted that there was a projected increase in the proportional reliance on Council Tax income in 2020/21. Officers also noted that there was significant ambiguity regarding the future Government Funding settlement, which increased uncertainty in financial planning for the Council. It was additionally stressed by officers that the London Business Rates Retention Pilot was coming to an end in 2020 which contributed to increases in the financial pressure for the Council in 2020/21 offset by the increase in additional funding. The key risks to the statutory requirement to delivering a balanced budget were outlined by the Head of Strategic Finance: highlighting the need for savings delivery and identification; the increasing demand of statutory services; the potential contractor of failure and; the uncertainty of the Government Local Authority Fairer Funding Review as key potential barriers.

Officers highlighted that Council Tax is being recommended to be increased by 1.99% for the core element and 2% for the Adult Social Care precept in 2020/21, which were the maximum increases that could be undertaken without holding a referendum. If, at the Full Council meeting the council tax increases was not approved, then the budget shortfall would be funded through reserves. Officers did note that they would be looking at the implementing a new Council Tax reduction scheme in April 2020.

The Panel debated the issues arising from the introductory remarks and in response to questions from the Committee:

- Officers confirmed that the current reserves that were held by the authority was at £100 million, but that much of this funding was ringfenced for statutory spend and held for specific reasons such as school balances. It was explained that usable reserves were at a low rate and that there was a contingency funding of £1 million available in the General Fund budget. The Cabinet Member for Finance and Leisure noted that, as a means of balancing the budget, the contingency fund had been reduced from £3 million to £1 million.
- Officers explained that there was a £5 million surplus in the collection fund in 2019/20, but that in the financial year 2020/21, the estimated available surplus in the Collection Fund for next year was less than in 2019/20.

- Officers noted that there was an expectation from Central Government that Local Authorities increase the Council Tax and Adult Social Care precept by the maximum rates.

RESOLVED:

1. That the Ealing Business Partnership noted and approved the Budget Report 2020/21.

7 Business Rate Update Report 2020

Nick Rowe, Head of Local Tax and Accounts Receivable, outlined changes to Business Rates, noting that the Business Rate multiplier had increased by 1.6%, and that the Small Business Multiplier had also increased by 1.6%. Officers explained that there was transitional relief in place for Small to Medium Enterprises (SMEs), but that this amount was reducing. It was noted that the final round of funding included a surcharge of £571,757, effecting 44 hereditaments, and that there was a relief fund of £1,264,392 which would benefit 1,305 properties during 2020/21.

Officers explained that there was a decrease in the proportion of business rates in comparison with the overall budget, as well as a decrease in actual terms by £4 million on 2019/20. It was suggested that this was resultant of the decrease in number of large businesses, but that there had been an increase in the number of SMEs in the borough. It was also highlighted that Ealing Business rates, while high nationally (12th largest rate in the United Kingdom), were low in comparison to other high earning London Boroughs, such as Westminster and Tower Hamlets. It was noted that this disparity would benefit Ealing if it entered the locally agreed Business Rate Pooling arrangements in April 2020.

Officers highlighted the London Living Wage Ealing Discount Scheme, implemented in April 2016. It was stressed that the discount for accreditation would be twice the cost of accreditation. Officers did note that take-up for this scheme had been low. The Partnership did note that this was difficult for SMEs to implement and that other alternative schemes may be more suitable.

Officers did note that there was a re-evaluation of Business Rates planned which would be undertaken in 2021. Officers explained that there were antecedent evaluations being undertaken, which had started in April 2019 and were planned to be completed by October 2020.

Officers explained the government relief changes announced on 27 January 2020, including Public Toilet relief, Local Newspaper Office relief and Public House relief funding streams. Officers stressed that these needed to be accessed through the completion of application forms and encouraged Members and attendees of the EBP to inform owners of Public Houses that there was funding relief available to them.

The Discretionary Relief fund was also highlighted by officers, noting that it was in its final year of operation, and that there was only £42,000 of funding

available in this pot. It was explained that this funding was to be made available to SMEs which were adversely effected by business rate re-evaluations. Officers also noted that there had been a reduction in the retail relief scheme of 50%, and that this was accessible to SMEs with a rateable value of £51,000. It was also noted that this now included music venues, garages and other smaller enterprises within the extended remit.

The Panel debated the issues arising from the introductory remarks and in response to questions from the Committee:

- Officers noted that there were some good networks in trader's associations that were useful at disseminating information regarding business rates, but that there was a recognition that more networks needed to be reached out to. Members suggested that there should be an open offer for trader training regarding Business Rates and the implications of these on SMEs, and that this offer should be well publicised. The Partnership stressed that the Council needed to improve its offer to businesses through training and engagement, and that there would be a more positive reception from businesses if they felt that the Council was actively working with them.
- Officers noted disappointment that the Business Improvement Districts (BIDs) had not attended the meeting of the Partnership and suggested that more work could be undertaken to improve the relevancy of the meeting of the EBP.
- Officers highlighted that they were launching an online portal for businesses to check and amend their business rate information. It was stressed that this would improve self-service for businesses and increase awareness. It was noted that it was planned for this system to go live in Spring 2020.
- The Partnership noted that there were rogue agents that were targeting small businesses. Officers noted that business owners should be wary of offers and report any suspicious material to Council officers.
- Officers noted that there was significant work being undertaken regarding apprenticeships and the Apprenticeship Levy with local enterprises. It was suggested by the Partnership that work could be included in this on the implementation of green initiatives.

RESOLVED:

1. That the Ealing Business Partnership noted and approved the Business Rate Update 2020/21.

8 Date of Next Meeting

It was noted that the next meeting would be held on 2 February 2021

The meeting of the panel concluded at 7.55pm

