



# Brighton & Hove

## NON-DOMESTIC RATEPAYERS

### CONSULTATION MEETING

Thursday 12<sup>th</sup> January 2012 at 5.00pm.

Room 122, King's House, Grand Avenue, Hove

#### **MINUTES**

**1. Welcome and Introductions.**

1.1 The Director of Finance, Ms Catherine Vaughan, welcomed attendees to the meeting. Introductions were made around the table and the following Officers, Members and representatives were present: Catherine Vaughan, Director of Finance; Ross Keatley, Democratic Services Officer (minutes); Councillor Jason Kitcat, Cabinet Member for Finance and Central Services; Councillor Ann Norman, Opposition Spokesperson for Finance; Mark Froud, Sussex Enterprise; Andrew Nichols, Hove Business Association; Trevor Freeman, Federation of Small Businesses & Volunteer from the University of Brighton; Victoria Mason, Brighton & Hove Chamber of Commerce; Sarah Springfield, Brighton & Hove Chamber of Commerce and Curtis Sebastian.

**2. Purpose of meeting and outline of timetable**

2.1 The Director of Finance explained that the Council had a statutory duty to consult with representatives of business ratepayers on its budget proposals, and hoped the meeting could be an opportunity to gain good quality feedback; the minutes of the meeting would be made available to all councillors as part of the budget setting process. The Cabinet had published details on the budget proposals in December 2011, and, as such, had been able to hold the consultation with local business earlier than in previous years.

**3. Outline of budget proposals presented by the administration at the Cabinet meeting on 8 December 2011**

- 3.1 Councillor Kitcat highlighted he was keen to hear how the proposed budget could potentially affect local business in the city. Councillor Ann Norman noted she was pleased to see a good turnout of representatives, and clarified that the Conservative Group had not yet published its own proposals.
- 3.2 The Director of Finance explained that the proposals covered both the 2012/13 and 2013/14 financial years; however, the Council would only be setting the budget for the next financial year in the context of the 2013/13 information.
- 3.3 It was explained that the published figures assumed a 3.5% rise in Council Tax, the maximum rise allowed without triggering the requirement to hold a local referendum. Like 2011/12, Central Government were offering local authorities grant money to keep Council Tax rises at 2.5% or lower; however, the administration had decided not to use this option as the grant funding was non-recurrent this time, and the Council would have to deliver additional budget savings in 2012/13 and also deal with the grant loss in the following year.

**4. Open discussion**

- 4.1 Reference was made to the background papers to the meeting, and it was asked which areas of expenditure would cover support to local businesses. It was confirmed this was part of the work covered by the Economic Development Team, and the proposed budget savings did not have a significant impact on businesses. Concern was also expressed that businesses could be affected by the reduction in spend in the Tourism and Leisure area; Councillor Kitcat confirmed the proposed level of saving, shown in the background document, could potentially be misleading as it included a significant proportion of additional income.
- 4.2 Further discussion took place on the provision of tourism in the city, and the Director of Finance confirmed there were no specific proposals to reduce funding for advertising and marketing in this area. It was also noted no specific provision or assumption had been made in the budget for changes in tourist levels as a result of the Olympics, but some additional income was assumed at the Royal Pavillion. Councillor Kitcat explained there was local work being undertaken to 'hook' onto any potential benefits from the Olympics.
- 4.3 In response to a query in relation to redundancies in 2012/13 the Director of Finance explained that budget papers estimated a reduction in 100-120 full time equivalent posts in 2012/13, and based on previous experience this probably would broadly be achieved through an equal three-way split between vacant posts, natural turnover – as staff moved onto new jobs – and redundancies. In 2011/12 approximately 250 posts had been deleted in this manner; however, this process was not yet been fully completed. It was also explained that the reduction in formula grant for local authorities had been

front loaded, and, whilst the Council had delivered approximately £27 million in 2011/12 this figure was expected to be approximately £17 million in 2012/13.

- 4.4 Discussion took place on the demise of Business Link, and representatives expressed their concern that this had left a gap in the support structure for local businesses; there was the potential that some of this work could be absorbed by the Chamber of Commerce, but there was uncertainty to what capacity this could be done. It was noted there was a high level of start up and failure in the city, and part of the role for the Chamber of Commerce was to close this gap.
- 4.5 A representative expressed his opinion that decisions made by Councillors were based on advice of professional Officers who generally had little, or no, experience of running a business, and there was also a limited dialogue available with the Economic Development Team. He suggested more work could be undertaken to make better use of Council assets, and a more partnership based approach could be taken to help create innovation in the local economy. It was felt that some of the inroads into the Council could be difficult, and the formalised nature of many meetings could often discourage local businesses from participating.
- 4.6 The Director of Finance highlighted proposed changes to the link between business rates and local authority funding; and, although rates would still be calculated and set centrally, there would be an incentive for local authorities to grow the business rate base locally. It was highlighted that concern had been expressed nationally this could encourage local authorities to work more with large businesses than small.
- 4.7 It was suggested some of the dialogue and communications issues, raised by representatives, could be addressed through a quarterly forum between the Council and local business groups. It was felt this would enable the Council to listen more effectively to concerns of local businesses, and provide an opportunity for a greater sharing of information. Representatives noted they would be willing to contribute into schemes and projects that they could see the potential benefits from, and it was also suggested that a more central approach from the Council could help reduce duplication of work by different groups across the city.
- 4.8 It was noted that the Council provided effective and useful advice to local business in relation to the payment of business rates and support available.
- 4.9 Councillor Ann Norman noted that from the feedback that greater contact between the Council and local business representatives was necessary, and acknowledged it could be difficult for some businesses to know how to utilise Council resources and assistance.
- 4.10 There was a great deal of discussion in relation to parking in the city, and in particular the proposed increase in charges for business permits. There were some strong views expressed that this would have a very negative impact on some businesses including recruitment and pay and that the costs would be passed on to customers who would have less money to put into the local

economy. There was some recognition from some representatives that there were no easy answers to parking and congestion issues in the city.

- 4.11 There being no further questions or comments the Director of Finance thanked all attendees, and the meeting closed at 18.38.