

# Economics MINUTES



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## NOTES OF MEETING

<b>Team:</b>	Economic Development Action Group "Listening to Business" consultation of TVBC 2008/09 budget		
<b>Date:</b>	19 <sup>th</sup> November 2007	<b>Copies to:</b>	As Listed
<b>Venue:</b>	The Grosvenor Hotel, Stockbridge, 4:00-5:30pm		

<b>Present</b>		
Lesley Anken (Recruitment Advisor, Andover Jobcentre Plus)	Janet Blann (Chief Executive, TVCS & Chair of TVP)	Tony Cuddeford (Clydesdale Bank)
Will Fullbrook (Head of Finance, TVBC)	Councillor Peter Giddings (TVBC Economic Portfolio Holder)	David Gleave (EDO, TVBC)
Mary Greggains (Romsey & District Chamber of Commerce)	Philip Liddell (Chairman, MD Ace Liftaway)	John Mitchell (Managing Director, Enterprise First)
Mrs MEP Paviour (Stockbridge & District Chamber of Commerce)	David Webb (Vice Chair, FSB Southampton)	Carl Whatley (Technical Accountancy Manager, TVBC)
Nigel Wolstenholme (Frobisher Limited)		

<b>Agenda</b>	
1.	Chairman, Introduction and Welcome
2.	Listening to Business
3.	TVBC 2008/09 Budget

<b>Summarised notes of the discussion and action points</b>	
1.	Chairman, Introduction and Welcome (PL)

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<p><b>2.</b></p>	<p><b>Listening to Business (DAG)</b></p> <p>This annual Listening to Business consultation is a statutory requirement for councils. This year, for the first time, the EDAG meeting is being supplemented by an online survey (<a href="http://www.testvalley.gov.uk/budgetconsultation">www.testvalley.gov.uk/budgetconsultation</a>) so that the Test Valley business community can comment on the Council's future spending priorities.</p> <p>It is interesting that this year the Government has started a debate asking how much further councils should go in consulting businesses in plans to spend more locally-generated business rates on economic development projects. We have had the Business Improvement Districts for some time now, both for town centres and industrial estates. Now Government is consulting on proposals for upper tier authorities to levy 2p in the pound business rates supplement to pay for major infrastructure projects. Today's consultation is part of the way councils are consulting local businesses on spending plans which, indirectly, involve business taxation, in the form of business rates.</p>
<p><b>3.</b></p>	<p><b>TVBC 2008/09 Budget (WF)</b></p> <p><b>Budget Facts</b></p> <p>TVBC offers very good value for money in terms of what it achieves with its revenue. Consequently the need to make further savings presents a challenge. The new national Bus Pass Scheme is of particular concern because of the uncertainty surrounding the level of Government funding for an additional statutory duty and fear it will be under-funded by Government.</p> <p>The Council's budget cannot be confirmed until Government announces the local government grant settlement in December 2007. The Executive will then consider the budget in detail in mid-December.</p> <p>WF referred to the Council's Medium Term Plan, Budget Book, where the detail of the budget may be found, and the overriding need to save £1.715m. over the next 3 years.</p> <p>The Council has £50m. in investments and no external debt. Although this generates £2.5m. in interest the Council still has to save £740,000 next year.</p>

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## Questions

**Why was the interest on savings declining in future years?** This assumption reflected economic forecasts.

**Does the £50m., include the proceeds of Council house sales and can that be spent?** Yes. Due to its debt free status the Council can now spend some of the set aside receipts. However, the Council's capital strategy requires that ongoing investment is made from Council receipts.

**Are the investment funds managed internally?** Yes and the returns are better than if the Council had stayed with its fund managers.

Budget pressures – inescapable, essential etc.

**Why is the Council losing income from Land Charges?** There has been a large increase in the number of personal searches undertaken over the last few years that has led to a drop in fee income as the fee for a personal search is fixed at a low level by regulation. The introduction of HIPs is likely to make the situation worse.

**Sources of Additional Income** - New liquor licenses, rent from lower Guildhall, increase burial fees etc.

## Savings

Review of CSO partnership with New Forest DC.

Each Council Service is asked to make a 2% Efficiency Saving. A further 1% saving will come from greater use of shared services between councils and better procurement processes.

After all of this there remains a budget gap of £363,000 but Executive will not consider how to fill this until details of the Government grant are received next month.

Examples of further savings options include extending charging for car parks from 4.00 to 6.00 pm and increasing car parking charges.

**What does remove the contingency for meeting vacancy management mean?** Run at tight term managed staffing regime.

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<p><b>What about selling off freehold industrial land?</b> question citing the work of the Asset Management Group, selling assets the Council no longer needs and there can pursue a short and long term rejuvenation strategy for estate.</p>	<p>WF and DAG replied to this which is looking at Executive decision to Walworth industrial</p>
<p>NW was invited to add his view as a leaseholder who had anyone else over the last 3 years to bring land and premises back into productive occupation.</p>	<p>done more than</p>
<p>NW noted that leasehold interests which had dropped to increasingly difficult to fund. This would also affect washing Walworth now because it was the oldest of</p>	<p>below 80 years were Portway in due course but the three estates.</p>
<p>Furthermore, land and property values had started falling months on the result of the clampdown on credit. The necessary need to sell freeholds. It needs to restructure the necessary incentive to reinvest. The planning strategy (e.g. showroom on Walworth Road).</p>	<p>ing more over the last 2 Council doesn't its leases to provide is being dealt with</p>
<p><b>What about Andover Airfield?</b> The Council doesn't own it so will receive no receipt neither will it necessarily benefit from any additional which will be collected and returned to the Treasury.</p>	<p>business rates</p>
<p><b>After April 2008 will TVBC have to pay UBR on any empty premises?</b> but we don't own very many; almost all are ground leases.</p>	<p>Yes,</p>
<p><b>What would Romsey Chamber want from the budget?</b> free between 4.00 and 6.00pm.</p>	<p>To keep car parking</p>
<p>The budget offers no specific benefits for Stockbridge.</p>	<p></p>
<p>A number of members of the group agreed it would be free parking after 4.00pm but said it would be difficult in parking charges, especially as TVBC charges were lower than adjoining centres.</p>	<p>a bad move to remove it to oppose a 10% increase or than adjoining</p>
<p>JM felt that independent retailers will be hit hard after parking charges beyond 4.00pm will not help.</p>	<p>Christmas so extending</p>
<p><b>Extension of charging for pest control?</b> but certain services would remain free e.g. dealing with</p>	<p>Yes TVBC would be considering this that setc.</p>

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**Should the current fixed price for the collection of more than one item of household waste (e.g. fridges etc) be changed to reflect the number of items?** WFAgreed to investigate with the Head of Environment and Health as the charge should reflect the amount to be collected.

**Hanging baskets.** On the one hand this is an easy target, on the other it is part of making the town attractive to residents and visitor alike.

**Scope for increasing the Council Tax.** The present assumption is for 4.5% increase. Anything beyond 5% would probably be capped so there isn't much room for manoeuvre. Furthermore, each 1% increase only raises £52,000.

NW felt that there is the opportunity to increase income from the Council's industrial estates. The Council are in a fortunate position compared to those which don't have land assets. It will take several years to come through and it doesn't require the freehold sale of land. It does require the Council to be proactive in its management and to re-structure its leases.

Andover is not competing with Solstice Park. It hasn't been taken off because it is that much further out. By contrast, a 250,000sq.ft. property at High Post (near Boscombe Down) was sold very quickly because it was priced competitively. Frobisher have recycled 300,000sq.ft. of former Ducal properties on the last 2 years but have only been able to fund that because they have not needed to borrow from the banks.

The chairman Philip Liddell contrasted the higher proportion of owner-occupied businesses in southern Test Valley with more multinational larger employers predominantly on leasehold plots at Andover. He felt that Andover is disadvantaged by not having enough freehold property. Freehold is particularly attractive to the smaller independent businesses which want to make a significant specialist and financial commitment to the site e.g. in plant and equipment. The meeting concluded with a general feeling that there should be a closer relationship between Council's revenue and local business rates, possibly more local control of the business rate (as pre 1990) but with appropriate capping and equalisation safeguards.

**Signed:**