

BUDGET CONSULTATION - NATIONAL NON-DOMESTIC RATEPAYERS

MONDAY, 4 FEBRUARY 2013

PRESENT:- Councillors Roderick Bluh (Chair and Leader of the Council), Councillor Garry Perkins (Cabinet Member for Regeneration and Culture), Councillor Stan Pajak (Leader of the Liberal Democrat Group on the Council) and Councillor Des Moffatt (Labour Group Spokesperson on Resources).

Swindon Borough Council: Stuart McKellar (Board Director Resources), Kirsty Cole (Change Leader and Head of Finance) and Paddy Bradley (Head of Commissioning, Economy/ Attainment).

Representatives of Swindon Non-Domestic Ratepayers: Mr. Les Durrant (Develop (Development Planning Design Services Consulting; Swindon Chamber of Commerce), Mr. Richard Lay (Lay Holdings Group), Mr.Hiren Varvadekar (Menzies Hotels).

Apologies for absence were received from Councillor Mark Edwards (Cabinet Member for Finance), Mr Paul Jenkins (Thamesdown Transport Ltd), Mr Paul Booth (McDonalds Restaurants Ltd), Mr Paul Kelly (Asda Stores Ltd), Mr Alan Thomas (Zimmer Ltd), Mr Matthew Rowlands (Iceland Frozen Foods Plc), Mr Jalal Bagherli (Dialog Semiconductor Ltd), Mr Simon Wells (Zurich Financial Services Ltd), Mr David Wray (Voluntary Action Swindon), Mr Ian Piper (Forward Swindon Ltd), Mr Martin Draper (Zurich Financial Services Ltd), Mr Andy Rohrer (Federation of Small Business – 2 Let 2 You).

4. Welcome and Introduction

Councillor Roderick Bluh welcomed everyone and thanked them for attending the meeting. He explained that the meeting was designed to inform local businesses of the Council's Budget proposals for 2013/14 and to set out the financial context for 2014 /15 and beyond.

5. Budget 2013/14 and Beyond

Mr. Stuart McKellar Board Director Resources) referred to the report, previously circulated to those attending, and that was to be considered by the Council's Cabinet on 6th February 2013. He outlined the context of the Council's Budget for 2013/14, and the impact of this for the Council's finances and future spending. He explained that the Council was facing challenging times and drew attention to the following points:

- Central Government funding changes would continue to negatively impact on future budgets.
- The implications of the return of Business Rates being the ability for Swindon Borough Council to retain 28.5% of future business rates growth.
- Future planning was impacted by uncertainties relating to final settlement figures from Government.
- Little capital investment was currently being undertaken and this impacted on local businesses.

- Proposals in the report were to be submitted to Cabinet on the 6th February 2013. The recommendations of the Cabinet would then be submitted to the full Council meeting on the 21st February 2013 for approval.

Councillor Roderick Bluh (Leader of the Council) stated this had been the most challenging Budget undertaken to date and confirmed these challenges, presented by the current economic conditions facing the country generally and local government particularly, would require careful strategic planning for the future.

Mr Richard Lay (Lay Holdings Group) highlighted the following concerns felt by businesses:

- The apparent optimism expressed within the report regarding predicted income from business rates.
- Car parking charges within Swindon Town Centre and the impact of out of town retail parks on businesses within the town centre.
- High business rates that acted as a deterrent to internal investment and were seen as extra taxation to businesses.

He recommended the Council consider a decrease or removal of car parking charges to create a level playing field for Town Centre businesses and a reduction in Town Centre business rates in order for businesses to compete effectively with other areas. Mr Stuart McKellar (Board Director, Resources) explained that Business Rates calculations could only be based on the current economic situation. He confirmed there would be future challenges but the present model for Business Rate predictions was felt to be sound.

In response to concerns regarding car parking charges, Councillor Roderick Bluh referred to past initiatives that were aimed to help businesses in Swindon Town Centre. Councillor Garry Perkins (Cabinet Member for Regeneration and Culture) advised that businesses had welcomed the past reductions in car parking charges and over time this had resulted in an increase in Town Centre footfall. Councillor Perkins stated that Town Centre businesses do not generally pay the car parking charges of their employees.

In response to a query by Mr Richard Lay (Lay Holdings Group) regarding the possibility of Swindon setting its own Business Rates, he was informed that whilst there was some local discretion, this was a national scheme and that minor variations in rates that the Council was likely to have discretion over would be unlikely to attract further large businesses to Swindon.

Further discussions took place on the impact of business rates on businesses and there was general agreement that support should be focused on small business development and new business start-up support.

Mr Les Durrant (Development Planning Design Services Consulting; Swindon Chamber of Commerce) commented on the work undertaken by Forward Swindon Ltd on the economic strategy for Swindon and expressed his concern that Swindon was not performing as well as its neighbours and was well down the league in comparison with other similar towns. He expressed his concern at the business practice of downsizing by demolishing buildings and leaving the site empty to avoid business rate costs. This was particularly disturbing at a time when Swindon was trying to attract new business.

He further enquired about the capital expenditure involved in the Wichelstowe project and when the Council would put infrastructure, such as the Junction 16 connection, into place that would allow income delivery. Councillor Roderick Bluh referred to a report relating to the Wichelstowe project that was to be presented to the Cabinet at its meeting on the 6th February 2013. Mr. Stuart McKellar referred to the direction of travel and explained that the proposal was to move the project forward by way of a joint venture arrangement.

In response to a question regarding Section 106 Planning Agreement funding and the Community Infrastructure Levy, Mr Stuart McKellar (Board Director, Resources) confirmed that the Community Infrastructure Levy contribution to overall infrastructure / development costs as detailed in the report to be presented at the Cabinet meeting on the 6th February 2013 was not significant.

Ms. Kirsty Cole (Change Leader and Head of Finance) referred to the predicted savings to be made within the Council's Budget for 2014/15. She referred to the six change programmes that impacted on the 2014/15 Budget. These included the Wichelstowe project, StreetSmart Services, Leisure, Libraries and Cultural services, Economic Growth and the re-design of Council service delivery for both Vulnerable Adults and Young People and Families that was to be achieved through joint working with communities and voluntary groups to foster closer relationships and community self-help involvement.

Councillor Stan Pajak (Leader of the Minority Group on the Council) asked if the Business Community felt that the One Swindon concept was understood. Mr Richard Lay (Lay Holdings Group) commented that Swindon was well located geographically and small businesses were very important within the Borough, but it was not apparent that everyone within Swindon was heading in the same direction for the benefit of the town.

Mr. Les Durrant (Development Planning Design Services Consulting; Swindon Chamber of Commerce) commented on the importance of promoting inward investment into the Borough as this would help economic growth, bring jobs into the community and improve the quality of life.

Councillor Des Moffatt (Labour Group Spokesperson for Resources) referred to financial and service pressures within Adult Social Care and the Looked After Children areas and on the need to ensure that Budget savings did not have a detrimental effect on service delivery. On the issue of capital spending, he suggested that Swindon needed "shovel ready infrastructure projects". He agreed with comments made regarding the Business rates and confirmed his Group's support for the continuing need to attract businesses to Swindon.

The business community representatives commented on current business practices and advised that due to the current economic climate, speculative building was no longer being undertaken and they were aware of the negative financial impact empty premises had on business rates. "Ready to go" capital projects that needed Government funding were available and should be considered. These were projects where the local authority could enter into partnership with the private sector, in particular the development and construction sector, to develop. Councillor Roderick Bluh confirmed that the issue was well recognised and discussions were

regularly undertaken with the Local Enterprise Partnership on such issues.

6. Conclusion of the meeting

Councillor Roderick Bluh thanked the representatives of the business community and Non-Domestic Ratepayers for attending the meeting and he hoped they found it useful. He concluded by emphasising that over the next twelve months, the Council still faced considerable challenges which it had to meet to deliver the outcomes that residents and businesses required.