

ECONOMY AND BUSINESS DEVELOPMENT SCRUTINY COMMITTEE

29 January, 2014

1. **PRESENT:** Councillor Miss P Lewis (Chairman), Councillors Mrs Bloom, Mrs Davies, Mrs Glover, Hawkett, Lambert, Monger, Poll, Richards, M Smith, Strachan, Stuchbury, Thompson and Tyndall.

2. **APOLOGIES:** None

3. **MINUTES**

RESOLVED –

That the Minutes of the meeting held on 11 December, 2013, be approved as a correct record.

4. **NOTICE OF MOTION ON SUPPORT FOR BUSINESS**

At its meeting on 4th December 2013 Council received a report, previously considered by Cabinet, on the Notice of Motion put forward by Cllr Vick proposing that the Council should do more to support business.

After Council debate, it was resolved that the matter would be passed to Economy Scrutiny to consider.

The report presented the information considered by Council and Cabinet and asked the Economy and Business Development Scrutiny to consider what else the Council might do to support business.

The full Notice of Motion was as follows:

“Town centres and high streets in the Vale are struggling to keep retailers in place during this protracted economic downturn.

All business sectors are struggling with ever increasing overheads and historically high premises rental costs.

The most optimistic forecasts are for this financial downturn to continue for a considerable number of years.

This Council is committed to supporting the retail and business sector.

This Council is committed to supporting the development of a healthy and vibrant retail and general business sector.

This Council is committed to supporting town centres and high streets in Aylesbury Vale.

Therefore this Council resolves to:-

- (1) Investigate changes that can be made to the overhead running costs for retailers and the general business sector in Aylesbury Vale.
- (2) Consider reducing business rents charged to retailers and the general business sector in Aylesbury Vale.
- (3) Engage with other landlords to promote a reduction in the retail and business rents charged in Aylesbury Vale

Cabinet recommended that the motion not be supported because it believed that it could not influence points 1 and 2 of the proposed resolution and that it was already engaging with Landlords as proposed under point 3.

Cabinet did not disagree with the sentiment of the motion and believed that it was supporting business via many initiatives. These initiatives were listed in the report considered by Council.

Members were advised that since the meeting of Council the Chancellor of the Exchequer had given his Autumn Statement and, underlining the national nature of the business rate scheme, this contained some additional reliefs for businesses and in particular town centre businesses.

The current extension of the 100% relief given to Small Businesses within the Business Rate Scheme was due to end on the 31st March 2014. At that time small businesses would only receive a 50% relief, being the core relief contained within the national scheme.

The Chancellor, recognising the importance of the relief to small businesses and the difficult trading conditions being experienced by many high street retailers, announced that he would extend this relief by a further 12 months.

As part of the cost of extending this relief would be borne by local Council Tax payers, the Chancellor also announced a compensatory payment to Councils to offset the cost of his decision to extend it.

In addition the Chancellor announced 2 new reliefs under the Business Rates system. These being a re-occupation relief and a £1,000 discount for all retail units, pubs, restaurants, etc. with a rateable liability of less than £50,000.

Members of the Committee were also made aware that, contained within the draft AVDC budget papers was a proposal to increase Council Tax by 1.99% on the 1st April and to use the extra income created by this increase to support business within the Vale.

The precise nature of this support was still to be worked up but could take the form of a further business rate discount, which Cabinet had yet to consider.

Members were generally supportive of the direction of work already being carried. However, there were a number of issues concerning which Members expressed a view on or commented generally, including the following:-

- Members commented on the problems that were being experienced by businesses struggling to pay rents and business rates and that Aylesbury Vale District Council, as joint owners of Aylesbury Vale Estates, could influence this vehicle to reduce rental payments paid by tenants.

Members were advised that The Articles of Association covering AVE required the Council's Board members to specifically operate in a manner consistent with the best interests of AVE. This required decisions taken to be commercial in their outlook. Where the Councils and AVE objectives were aligned this did not create an issue, but where there was a divergence of interests the Council was prevented from using its influence to disadvantage AVE.

However, Members were reminded that AVE's interests were not served by having vacant units or struggling tenants. It was in AVE's interest to occupy all available units with fee paying tenants. In this respect, as with all Town Centre property, the economic rules of Supply and Demand applied.

- Information was requested on how the impact of parking charges related to the success of business, especially within the Town Centres, and whether a subsidy to parking charges could be considered.

Members were advised that Aylesbury Town Centre had experienced a relatively successful Christmas period, with footfall averages much better than the National Average and several new stores had taken retail space.

Members were also made aware that there had only been five changes to parking tariffs since 2008 and that any new proposals would be considered on their merits.

Members agreed that there was no simple solution as there were many factors that could possibly be considered whether it be rents, business rates, remote landlords, parking, the effects of ALUTS, unattractive shop fronts, empty shops, incentives to new businesses, subsidies to existing businesses and budget implications.

With this in mind it was –

RESOLVED –

1. That the Committee notes the report.
2. That Cabinet be advised that the Economy and Business Development Scrutiny Committee agree to use their Work Programme to investigate expansion of the Economic Development Strategy to take into account the individual concerns highlighted, where they fall within the Committee's remit.

3. That the Economy and Business Development Committee would be looking further into the emerging new Business Rate Policy , as referred to in the report, at the appropriate time.

4. ECONOMY SCRUTINY COMMITTEE - WORK PROGRAMME 2013 - 2014

A Work Programme for the period to end March 2015 was presented for Members approval and for Members to suggest new topics for inclusion.

With the deliberations of the Notice of Motion item (Minute 3) in mind and following a short discussion it was

RESOLVED –

That the Work Programme as presented be approved with the following amendments:-

1. Remove the item on Broadband Update from the meeting of 17/3/2014 and reschedule for 3/9/2014 together with items on BBF/FSB/Chamber of Commerce
2. The meeting of 3/6/2014 to include an item on Business Rate Scheme Options and, provisionally, the report on Aylesbury Vale Visitor Economy Action Plan
3. The meeting of 21/10/2014 to include an item on Update on LEPs
4. Reports on the Skills agenda to be inserted as and when required.
5. A report on the Development of East West Rail and the advantages to Aylesbury Vale to be inserted once more information was available. It would be advantageous for Bucks County Council to attend for this item.