

SCRUTINY PANEL: BUSINESS ENGAGEMENT IN THE COMMUNITY

29th March 2017

INTRODUCTION

- An overview of the plans to engage with businesses – Developing ‘Business Friendly’ Tower Hamlets.
- What actions are we taking to address business issues around Rates re-evaluation – have we explored models in other boroughs?
- How are business networks engaging with shared utility coops or collective bargaining for utilities deals? does this happen? and could it?

AN OVERVIEW OF THE PLANS TO ENGAGE WITH BUSINESS

DEVELOPING BUSINESS FRIENDLY TOWER HAMLETS

Andy Scott

Divisional Director Growth and Economic Development

DEVELOPING THE GROWTH AND ECONOMIC DEVELOPMENT PARTNERSHIP

- Growth and Economic Development Partnership is part of a suite of partnerships sitting under the Council's Executive Partnership
- The Partnership is being refreshed ensuring inclusion with our important businesses and key stakeholders
- We are shaping the vision for business involvement and coordinating activity and direction for growth and economic prosperity

PARTNERSHIP'S PURPOSE

- Deliver priority outcomes across business employment and skills
- Create opportunity, support aspiration, tackle poverty and harness growth
- Promote a dynamic local economy improving turnover, maximising social value and opening up opportunities for young people

Business Friendly Tower Hamlets

- A transformation initiative to enhance business facing services within the Council, the way in which they liaise with other services and their direct liaison with Tower Hamlets business
- Encourage access to supply chain opportunities
- Increase business growth
- Provide opportunities for employment
- Encourage a desire for businesses to move to, remain and grow within the borough

Enterprise Support Package

- Supply Ready
- Growth Ready
- Retail Marketing Ready
- Start-up Ready

Addressing issues around business rates evaluation

Jim Glover, Digital Development Project
Manager

Business Rates 2017 Revaluation

- Carried out every five years
- 2010 list extended two years to 2017
- Carried out by the Valuation Office Agency
- Designed to be revenue neutral
- Nationally, the draft list shows an increase in RVs of +10.6%
- Locally this equates to +20.7% (9.2% in yield)

Business Rates 2017 Revaluation

- Total Rateable Value 1,053,195,081
- Number of properties 16,064
- Small Business threshold set at 51,000
- 13,595 properties below threshold = 84.63%
- Value below threshold 165,898,581 = 15.75%

Business Rates 2017 Revaluation

- Three Open Days held for ratepayers
- Promotion of Small Business Rates Relief
- Transitional Relief Scheme limits increases to 5% for small businesses
- Delayed despatch of bills 2017 pending budget announcement

Business Rates 2017 Revaluation

- Small Business Rates Support Scheme
 - Increases capped at £50.00 per month
- £1,000 reduction for pubs with rateable value below 100,000
- Discretionary Relief Scheme
 - £8.184m over five years with £4.7m in first year

Utility Support for Businesses

Abdul Khan – Service Manager
Directorate of Place

SME *Energy Management* Training Events

- **Training workshops**
Workshops to help small groups of SMEs work out how best to identify the energy saving opportunities available to them.
- **Energy saving opportunity assessments**
Funded energy saving opportunity assessments from one day of onsite support to SMEs.
- **Funded equipment procurement support**
Up to five days of funded procurement support – to help procure appropriate equipment suppliers.
- **Up to £10k capital contribution towards energy saving equipment**
Up to £10,000 capital contribution to SMEs for energy saving equipment.

Collective Purchasing of Energy

- **Appoint Energy Brokers**

LBTH procure and contract with an energy brokerage company with access to the energy market to bulk purchase energy

- **Pool interested SME businesses together**

Businesses agree to purchase energy through our brokerage

(we will need enough businesses to sign up and have a high value collective energy demand to achieve the best prices)

- **Purchase Energy**

Businesses purchase energy from the energy supplier and have a direct relationship with the energy company.

- Initially the project will be resource intensive for LBTH to set up. Further work will need to be done to put a business model together.
- London Borough of Tower Hamlets has approx. 11,000 businesses, LBTH could receive an income of £300 per dual fuel switch which could be used to fund other projects.

Carbon Fund

- New build developments which are not able to meet the carbon targets onsite are required to offset the missed target through a cash contribution to the local authority.
- Currently we have a Carbon Fund of approx. £7.5m in signed agreements with £1.025m in our accounts.
- Up to £1m has been earmarked for fuel poverty, air quality and community projects.
- A portion of future payments received by the council could be set aside to fund energy efficiency projects for the SME business sector.
- A fund could be set up for business to access the money as a grant or interest free loan
- The fund can only be used for energy efficiency carbon reduction projects and have a pay back period of less than 5 years.
- Any project will need to be approved by the Infrastructure Delivery Board

Any questions?