

BUSINESS RATEPAYERS' CONSULTATION MEETING

Minutes of the BUSINESS RATEPAYERS' CONSULTATION MEETING held at Guildhall, EC2 on FRIDAY 10 FEBRUARY 2016 at 8.30am.

Present

Members:

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| Deputy Catherine McGuinness | - Deputy Chairman of the Policy and Resources Committee |
| Jeremy Mayhew | - Chairman of the Finance Committee |
| Randall Anderson | - Common Councilman |
| Deputy John Barker | - Common Councilman |
| Peter Bennett | - Common Councilman |
| Nick Bensted-Smith | - Common Councilman |
| Sylvia Moys | - Common Councilman |
| Patrick Streeter | - Common Councilman |

Also in attendance were representatives from the following companies:

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| ABN Amro Bank NV | Royal Humane Society |
| Argus Vickers Ltd | Saffery Champness |
| Asgard Partners | Sheraton Systems Ltd |
| Association of MBAs | Society of Maritime Industries |
| Banco Sabadell | St Pauls Cathedral |
| Beaumont Offices | Standard Chartered Bank CBRE |
| Blade Barbisher | T. Rowe Price International Ltd |
| Cargill PLC | Taiwan Financial Supervisory Commission |
| Catalyst Development Ltd | Tavira Securities Ltd |
| City and Country Financial Services | The Associated Board of Royal Schools of Music |
| Cooke, Young and Keidon LLP | The Corporation of Trinity House |
| Divisa UK Ltd | The Corporation of Trinity House |
| Esclot London | The Investment Association |
| Evans Hart Ltd | The Worshipful Company of Educators |
| Gerald Eve LLP | The Worshipful Company of Tallow Chandlers |
| Harvey Nash | Turkish-British Chamber of Commerce |
| Innovation Warehouse | Two Sigma International |
| KfW IPEX-Bank GmbH London Branch | UOL Group Limited |
| Liberty Speciality Markets | Vardags |
| Maxfield Search and Selection | Woodalls Design Ltd |
| Quadrant Chambers | Workman LLP |
| RESTYLE | Zaiwalla and Co Solicitors |

Officers Present:

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| John Barradell | - Town Clerk and Chief Executive |
| Peter Lisley | - Assistant Town Clerk & Cultural Hub Director |
| Christopher Braithwaite | - Town Clerk's Department |
| David Kerr | - Town Clerk's Department |
| Simon Latham | - Town Clerk's Department |
| Emma Lloyd | - Town Clerk's Department |
| Peter Kane | - Chamberlain |

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| Caroline Al-Beyerty | - Deputy Chamberlain |
| Heather Adeyemi | - Chamberlain's Department |
| Carla-Maria Heath | - Chamberlain's Department |
| Ian Dyson | - Commissioner, City of London Police |
| Steven Bage | - City Surveyor's Department |
| Jon Averbs | - Port Health and Public Protection Director |
| Claire Holdgate | - Economic Development Office |
| Gillian Howard | - Department of the Built Environment |
| Steve Presland | - Department of the Built Environment |

The following documents had been circulated to the consultees attending the meeting:

- Finance Position Statement
- Key Facts Sheet

1. Deputy Catherine McGuinness, Deputy Chairman of the Policy and Resources Committee, welcomed representatives to the consultation meeting and provided an explanation of the role of the City of London Corporation

She explained that the City Corporation supported and promoted London as the world's leading international financial centre, worked with local communities to increase the skills and employability of all Londoners, and worked to enhance London's reputation as a hub of culture, history and green space to ensure that London was an attractive place to live, work and visit.

She outlined the key issues over the next 12 months for the City Corporation. She explained that the City Corporation worked with trade bodies, politicians and central government to ensure the best possible outcome of Brexit for the City and the UK, and to develop the trading relationship with the remaining 27 EU nations. She explained that the City Corporation had recently appointed a special representative to develop the City's and the UK's trading relationship with Asia. She explained that the City Corporation would also seek to develop strategic relationships with domestic regions with which the City had common interests or historic ties.

Ms McGuinness also outlined the proposals for the development of the Cultural Hub around the Barbican Centre, Guildhall School and Museum of London. She also outlined the proposals with the City Corporation's Education Strategy, which would draw together the diverse education portfolio and promote joint working between City institutions.

She explained that the City Corporation's goal was to contribute to the UK's prosperity and growth, promote the City's role in encouraging international trade, build London as a successful and attractive city in which to live, work and visit, and to fly the flag for UK business throughout the world.

2. Jeremy Mayhew, Chairman of the Finance Committee, explained that, although Government Funding for the City Corporation's local authority functions had continued to reduce, the City Corporation had been able to benefit from the

growth of office space within the City. This increased income, along with certainty from Government about the level of core grant funding to be received through to 2019/20, had allowed an improved financial forecast for the City Corporation. However, he explained that a budget deficit was still forecast from 2019 onwards.

The Chairman commented on the recent revaluation of property which established the rateable values for the calculation of business rates. He explained that this exercise had been carried out by the Government and had resulted in an average Business Rates increase of 30% for City businesses. The City Corporation had responded to the Government's consultation on the revaluation and had proposed that all increases be capped at a maximum of 20% in the first year. However, this had not been adopted by the Government. He explained that the City Corporation only retained a small amount of the income from Business Rates, but the rates collected in the City would fund reductions in business rates elsewhere in the country.

He explained that the City of London Police grant settlement had been £0.7m worse than had been expected. The Government expected that the shortfall should be met from an increase in the Police precept levied by Councils on their taxpayers. For the City Corporation, the Business Rate Premium served the role of the precept. The City Corporation did not, this year, propose any increase to the Business Rate Premium this year. However, he explained that substantial deficits existed in the Police Budget for 2018/19 and 2019/20 and the City Corporation had commissioned an external review to assess value for money opportunities, current and future demand, and potential revisions to the operating model.

The Chairman, therefore, asked the Business Ratepayers present to endorse the proposal to freeze council tax for residents and for there to be no increase in the Business Rate Premium.

3. Ian Dyson, Commissioner of the City of London Police, provided an update on the work of the City of London Police. He explained that the budget position remained challenging and staffing costs represented 85% of the budget. He outlined some efficiency measures which the Police had undertaken over the last year, including the roll-out of mobile tablets to Police Officers to allow them to complete "paperwork" tasks while on patrol, rather than requiring frequent returns to Police stations to input reports.

The Commissioner explained that the Police's current priorities were counter-terrorism, cyber-crime, anti-fraud, protecting vulnerable people, reducing violent and acquisitive crime, ensuring safer roads and enforcing public order.

With regard to counter-terrorism, he explained that City remained an attractive target for terrorists and the City Police worked constantly to prevent attacks and improve the response capability to any threats. He reminded Ratepayers that an increase in the Business Rates Premium had been approved the previous year, and explained that a portion of the proceeds of this had been used to increase

firearms capability to respond to terrorist threats. The Commissioner also outlined the success of Project Servator in responding to major crimes.

In relation to cyber-crime, he explained that the City of London Police was the national lead force for cyber-crime. This was a major area for the City of London Police. To indicate the scale of this area of work, he explained that there had been 6.1m “traditional” crimes in the past year in the UK, and 5.8m cyber-related crimes.

In relation to violent and acquisitive crimes, the Commissioner explained that he believed that the City of London was the safest urban area in the world. He explained that, with a daytime population of 380,000, there had only been 800 violent and acquisitive crimes in the past year, and only 27 robberies.

With regard to safer roads, the Commissioner outlined the work that the City of London Police undertook, along with a multitude of other agencies to address illegal or unsafe practices by all street users, including heavy goods vehicles, motorists, cyclists and pedestrians.

4. John Barradell, the Town Clerk and Chief Executive, highlighted the key activities which the Corporation would be undertaking in 2017 within the City. He explained that the Bank Junction Safety Scheme had been approved by the City Corporation in December 2016, which would close the junction to all traffic apart from buses and bicycles between 7am and 7pm on weekdays. He explained that this Scheme would be implemented for a trial period of 18 months and was expected to reduce casualties at the junction by 50-60%.

To reduce congestion in the City, the Town Clerk explained that the City Corporation was promoting the use of consolidation centres, to encourage deliveries to multiple businesses to be contained within single vehicles. Use of such consolidation centres was a requirement for new buildings within the eastern City cluster of high-rise buildings.

He informed Ratepayers that, during 2017, the City Corporation would make payment of its £200m contribution to the Crossrail project, which was due to open in the City by late 2018. Crossrail should assist the City in increasing its attractiveness to potential workers through improved transport links and better access to affordable homes.

The Town Clerk informed Ratepayers of a project to invest in mobile network infrastructure within the City, which would improve the use of mobile phones, mobile data and Wi-fi throughout the City. He also explained that work was also ongoing to improve the provision of high-speed broadband in the City.

Finally, the Town Clerk provided further information regarding the proposals for the Cultural Hub around the Barbican Centre and Museum of London, and of the work the City Corporation was doing to ensure the best possible outcome of Brexit for the City and the UK.

5. The Ratepayers were given the opportunity to comment on the circulated documents and to ask questions. The following questions were raised:-

- A Ratepayer asked whether the City Corporation had given any consideration to implementing a recycling scheme for businesses. The Director of the Built Environment explained that the City Corporation currently only provided collection services for residential waste. However, he explained that there were many private businesses which provided excellent services, including providing information regarding the final destinations of recycled materials, and agreed to provide the Ratepayer with information regarding these organisations following the meeting.
- A Ratepayer asked whether any consideration had been given to reducing the licenced hours of bars, which may reduce instances of anti-social behaviour and crime. The Commissioner of the City of London Police explained that, in his experience, the way in which bars operated was a more important factor in preventing anti-social behaviour and crime than their operating hours. He explained that he worked closely with the Licensing Department of the Corporation to ensure that all bars within the City operated in an appropriate manner. The Deputy Chairman of the Policy and Resources Committee commented that, if any Ratepayers had concerns with any premises, they could contact their Common Councilmen, who would to assist in ensuring that their concerns were addressed.
- A Ratepayer asked whether consideration had been given to a State Visit by President Trump. The Town Clerk explained that this decision would be made by other organisations but, typically, US Presidents did not visit Guildhall for a State Banquet. He explained that it was part of the role of the City to support efforts by Government to improve the international trading relationship with the USA.
- A Ratepayer stated that the rateable value threshold for reduced Business Rates was too low to apply to many properties within the City. The Chamberlain explained that this threshold was set by Government, and had little application throughout London. The Ratepayers were informed that, as part of the revaluation process, the threshold for reduced Rates had been increased to £51k, which may apply to some businesses in the City.
- A Ratepayer complimented the City Corporation on the proposals for the Cultural Hub, which he thought was a very worthwhile project. He asked when it was likely that further information and public consultation would be forthcoming on this project. The Assistant Town Clerk & Cultural Hub Director explained that he expected that this would be forthcoming around July 2017. He explained that the major activities of the Cultural Hub may take some years to come to fruition, but explained that many of the “quick-wins”, such as improvements to lighting, street scene and signage, would be prioritised in the short term.
- A Ratepayer commented that she believed that many of the phone boxes in the City were unsightly, and should be removed. She also suggested that the vintage phone boxes could be used for income generation from tourists.
- A Ratepayer commented that pollution in the City had become a major problem and asked what leadership role the Corporation was taking in addressing this. The Port Health and Public Protection Director explained that

the City Corporation was working with the Greater London Authority, Transport for London and the Government to tackle pollution. He explained that the City Corporation had created an Air Quality Strategy and an Air Quality Team to seek to address the issue. He also explained that the City Corporation had received £1m in grant funding for initiatives to establish a low emission neighbourhood in the area of the Beech Street tunnel.

- A Ratepayer noted that Council Tax in the City was lower than many London Boroughs and suggested that the City Corporation should consider increasing Council Tax and reducing Business Rates. The Ratepayer also commented that, while the Business Rates Premium had not been increased, there had been an increase in “stealth taxes”, such as for tables and chairs licences. The Chairman of the Finance Committee explained that the level of business rates was set by the Government, and the Deputy Chamberlain commented that the Corporation had responded to the Government’s consultation to request that the increase in rates be reduced. The Chairman of the Finance Committee also explained that Council Tax was low, but was only third lowest of London Councils, so was not out of line with other authorities. He also explained that the amount of money raised by Council Tax was very small in relation to that raised by Business Rates.

6. Following the discussion, the Deputy Chairman of the Policy and Resources Committee concluded by thanking those present for attending the meeting and their contributions to the discussion.

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