

Report to the Council

Committee: Cabinet

Date: 5 October 2023

Subject: Finance, Qualis and Economic Development Portfolio Holder

Portfolio Holder: Councillor J Philip

Recommending:

That the report of the Finance, Qualis and Economic Development Portfolio Holder be noted.

Finance

Budget for 2023/24 and 2024/25

We have now commenced development of the Budget for 2024/25 in earnest and the Medium Term Financial Plan (MTFP). Again, I report that this is set against the backdrop of considerable financial challenge and uncertainty. Whilst there is some good news that interest rates have been held and inflation finally seems to be heading downwards, the rate of increase in goods and services remains much higher than had been assumed when the current budget plans were developed. The effects of this can be evidenced in the Quarter 1 Budget Monitoring report presented to Cabinet on 18th September, which forecasts an overspend in the current year of £1.5 million on the Council's General Fund.

The challenges facing our Budget are not unique to Epping Forest District Council, and we have seen these replicated across the Country, with increasing concern being raised by some councils about their financial viability. The talk of Section 114 notices looms large in the media, but I am pleased to say the Epping Forest District Council is not amongst them. That said, with the same issues impacting on us as other councils, balancing the budget next year will require difficult decisions and I would encourage all members to fully engage in the process so that the best outcome can be achieved for the residents of the District.

The Cabinet agenda also contained a paper on the Budget Planning Framework and this marks the formal start of the process in the member arena, although work has been taking place for some time between officers and portfolio holders. Please look out for further papers in due course. We need to have the final budget position determined by the end of January to ensure sufficient time to complete the detailed work needed to present to full council in February.

Audit

As I reported last time, we continue to meet our deadlines for publication of the Council's financial position but remain in the hands of the Council's Auditors in terms of getting

these signed off as correct. Without this Auditor's reassurance, there remains residual uncertainty over the exact position of the Council's balances, and this is deeply frustrating from my perspective, and from the members of the Audit and Governance Committee. As I have previously reported, this is replicated across the Country with hundreds of councils in the same position.

Whilst we inch towards 'sign-off' on the Accounts for 2020/21 the Government has now published its plan for getting Local Government up to date with their Accounts and this involves setting statutory deadlines that Auditors must meet or publish the Accounts with qualifications and explanations as to why they couldn't gain assurance within the new timeframe.

We continue to work with our Auditors to reach conclusions well ahead of these statutory deadlines, but the imposition of fixed dates at least provides reassurance that we might finally move beyond this issue.

Qualis

The financial performance of Qualis continues to be regularly reported to the Cabinet and Overview and Scrutiny Committee. The third quarter's results from their fourth year of trading were reported to Cabinet on 18th September using the new Board report format, presented by Qualis last time. This is designed to show a clearer consolidated position and has been welcomed and well received.

Unfortunately, the same financial conditions that are so heavily impacting on the Council are also still enormously impacting Qualis. These were drawn out in the single year Qualis Business Plan that was presented to Overview and Scrutiny and to Cabinet last year. Qualis continues to report a surplus in all companies apart from their development and commercial arm where difficult market conditions mean that they continue to report a loss. I continue to meet with Qualis regularly to consider their actions to address this, and their trading performance in the current economic climate.

Qualis makes a valuable contribution to the Council's financial position and work is underway to update and refresh the Qualis Business Plan over a longer timeframe and this will be reported to the Council in due course. It will also be used to inform Budget planning for future years.

Economic Development Programme:

Multiple different projects linked to the UK Shared Prosperity Fund/Rural England Prosperity Fund are being coordinated or managed by the Economic Development Team. A list of updates on delivery is provided below on the various projects funded by the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF).

- On 7 September, the Economic Development Team launched a new place promotion app for the District called Discover. The app already contains over 1000 businesses in the district, across six town centres and beyond.
<https://www.discoverapp.co.uk/the-discover-app-for-councils/>
- On 22 September a launch event hosted by Regus in the civic offices will help to promote a new subsidised FSB Membership programme following on from a successful programme two years ago.

- UK Shared Prosperity Funded grants to projects with North Weald, Stanford Rivers and Theydon Bois Parish Councils are being organised, with project delivery underway.
- A new Rural grant fund (REPF – Rural England Prosperity Fund) is being prepared worth £440,000 over two years (£110,000 year one) to be launched in eligible areas with a focus on improving community assets. This will be a partnership with parish and town councils. Two consultation events will be held in September to finalise arrangements.
- An LCWIP (Local Cycling and Walking Infrastructure Plan) feasibility study has been procured to look at options for improving sustainable transportation routes in and around Waltham Abbey.
- Voluntary Action Epping Forest has received a grant to continue digital inclusion work with vulnerable residents until the end of the financial year.
- Work underway to procure rural regeneration reports to better understand economic opportunities and challenges for six rural areas in the district.
- Preparation underway internally around delivery of new green gyms and playgrounds across the district. So far Ninefield's playground has been delivered which contained funding via the UKSPF (UK Shared Prosperity Fund). Moving forward funding for new play area apparatus in Oakwood Hill is being considered, as well as ideas for updating playgrounds and potentially a green gym in Limes Farm estate. In addition, officers are looking into the potential for playgrounds to be introduced in rural areas.
- In 2024-2025 £260,000 worth of UKSPF funding will be deployed to improve the skills of residents. Work is underway with neighbouring authorities and Essex County Council to identify which programmes can be jointly procured.

Officers are exploring the implementation of plans to work closely with NEEB (North Essex Economic Board) authorities around economic development. The partnership consists of North Essex authorities.

John Houston, Economic Lead and latterly also director of the Digital Innovation Zone, will be leaving Epping Forest after working at the council for 14 years. His contribution is being recognised for his long years of service and delivery.

Monthly Business E-Newsletter:

The Economic Development Team are set to release the September edition of the 'Business Matters' e-newsletter to over 2,000 local businesses with topics focusing on the newly launched place promotion app 'Discover', an update on EFDC's UK Shared Prosperity Fund and Rural England Prosperity Fund and the Federation of Small Businesses subsidised membership scheme. If you would like to receive a copy of the monthly e-newsletter, please contact Matteo Pesci at mpesci@eppingforestdc.gov.uk

General Economic Briefing:

Unemployment to the end of July 2023 stands at 2,180 out of the total working population. This is a slight uptick on unemployment and marks its highest levels since December 2022.

Visitor Economy:

During the 2023 school summer holiday period, the tourism website enjoyed an average of 4,700 visits per week with people accessing an average of two pages per visit, or 56,000 pages in total. As seen throughout the year, peak traffic was at weekends, although weekday use didn't vary as much as normal. Saturdays were consistently experiencing around 750 users although a spike to 2,199 users occurred on Saturday 26th August, over a bank holiday with 1,500 being for the Eastern Electrics Music Festival.

Whilst the majority of users were locally Essex and London-based, 2k came from the Midlands, 600 each from Norwich and Plymouth, and 450 each from Edinburgh and Cardiff. The interest from the Midlands is in line with the interest evidenced by Visit Essex who, as a result, have been running media campaigns there.

Apart from the home page (6,500 views) and two big music festivals (4,500 views), the top 10 sections viewed were: camping, pubs & bars, accommodation, events, activities, travel information, walking & cycling, attractions, North Weald Airfield and towns & villages. The top 10 products viewed were: Debden House Campsite, North Weald Market, Lee Valley Animal Kingdom, Epping Ongar Railway, District Museum's Tiger Who Came to Tea exhibition, Theydon Bois Country Walk, Toot Hill Show, EFDC's Play in the Park, Rose Lea at the Squadron and Lee Valley Almost Wild Campsite.

Generally, the site is being well used on a regular basis. Local businesses are engaging more to update their content and request we feature more information. Those events and destinations that have very little other presence online continue to bolster our visitors and the two Waltham Abbey music festivals are typical examples. The fact that searches for accommodation, and especially campsites, plus travel information is evidence of the continuing strength of the staycation, the rise in the number of visitors unfamiliar with our district and the impact of the rise in the cost of living. These factors are also all addressed with our new 'Discover' visitor app which has just launched and is featured and linked across the website.

Essex + Herts Digital Innovation Zone (DIZ):

The DIZ Programme Manager and Director have been working closely with Essex CC, Herts CC and ASELA to prepare a bid submission to the DSIT UK 5G Innovation regions funding competition. If successful, the project would secure up to £3.8million of DSIT funding to drive deployment and adoption of 5G and advanced wireless connectivity. As well as support from DIZ Partner local authorities we have also reached out to key local private sector and academic sector organisations for both support and indications of interest in involvement in the proposed projects.

The DIZ is planning a number of key strategic sessions over the coming weeks and months. First of all, an 'in person' strategic review of the DIZ priorities will be held at the ARU Arise Hub in Harlow to explore what the priorities should be for the DIZ work programme. This will be followed by an online workshop to explore the potential reuse of public sector assets by telecoms companies to extend and densify telecoms networks. This is a follow-up to the DIZ's involvement in the DSIT Digital Connectivity Infrastructure Accelerator (DCIA) programme where it was a member of the Early Adoption Group. The workshop will explore the requirements and implications of any strategy to make selective public sector assets available for such a use as well as an examination of the benefits – connectivity, economic, social - that could accrue to a place through such an approach. The DIZ team will also be attending the Connected Nations conference in

September to hear from industry on the latest developments in the digital sphere including on mobile and fixed connectivity, smart technologies, communities, digital inclusion and skills.