

Report to the Council

Committee: Cabinet
Date: 17 December 2020
Subject: Finance and Economic Development Portfolio Holder
Portfolio Holder: Councillor J Philip

Recommending:

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

Finance

The current position on Finance is still dominated by the impacts of Covid19. This means managing current year budgets and developing next year's budget in an environment of changing Covid Tiers and rules. These have consequences which have financial impacts which are not easily understood. Managing and developing a budget for the current year, for next year and a Medium-Term Financial Plan thereafter is unusually complex whilst such uncertainties exist.

Covid-19 is still expected to cost Epping Forest District Council in order of £7 million in the current year. Mitigating this is Government support of almost £4 million and underspends, resulting from a slowdown in the delivery of some services. The current conclusion is that we will need to draw upon General Fund working balances at the year end by up to £2 million. The Council's strong balances position, built from sound financial management over previous years, means that this can be accommodated and still leave flexibility for 2020/21 budget planning.

In respect of Budget Planning for next year, the process is more challenging than it has ever been and the information we need to formulate a sound budget continues to only emerge slowly. In addition, some information will not exist at all and we will therefore need to make a best guess, for example around the extent and how quickly car parking and sports centre income will recover during next year.

The Government set out a bleak funding position in its Spend Review on 25th November, but did offer some welcome on-going support to local authorities for income losses and the continuing costs of managing the impacts of Covid-19. Unfortunately, most of the additional Spending Power offered to local authorities came from assumptions about higher Council Tax levels next year. The detail of how this announcement affects Epping Forest District Council will not be known until the Government announces the 2021/22 Finance Settlement at some point during December. This information is critical to budget development and so if the information arrives late, this will have a direct bearing on the quality of draft budget plans available for scrutiny.

The Council's external auditors had been due to sign-off the Final Accounts for 2019/20 by 30th November. They recently contacted us to say that because of resources constraints (mainly sickness) on their part, they are no longer able to meet the deadline. They have said that our processes are much improved and that the information had been given to them in a timely fashion this year and delays in achieving the deadline are on their part. The Chair of Audit and Governance, together with the Council's S151 has recently met with the Partner from our Auditors to express our unhappiness about this situation. The Audit and Governance Committee has been rescheduled to accommodate the delay. I am keeping a close eye of the process to conclude the Audit.

Covid Economic Development Programme: In September, the Council appointed independent business consultants Studio-3, to complete town centre appraisal work following on from work previously undertaken by directors as part of the Safer Spaces programme. This work initially focussed on Waltham Abbey Town Centre and a full report which includes a detailed appraisal and recommendations will be presented to Cabinet on 22nd December.

Studio-3 have also commenced initial work in Ongar and an update report on this and the other town centres in the district will also be presented in December. A further report on the potential development of a Digital Gateway for businesses and services in the Epping Forest District will also be considered at this meeting, to discuss the benefits and opportunities that this might bring. The Digital Gateway report outlines online support packages to support local businesses and residents to shop locally and embrace online marketing and media.

Covid Business support grants: Officers have been working closely with colleagues in the Non-domestic Rates team to establish criteria to underpin the discretionary grants element of government lockdown funding, to support key sectors in the local economy. These grants are now operational.

Civic Office accommodation: Although soft marketing has seen a range of business interest in the commercial space within the Civic Offices which has resulted in a number of site visits, formal marketing has now commenced with Savills and Derrick Wade Waters and advertising is in place on Rightmove. However, the second wave of lockdown has impacted on interest.

Essex + Herts Digital Innovation Zone (DIZ): Digital Leaders DL100 2020 –The DIZ was announced as the Winner of the 'Cross Sector Digital Collaboration of the Year' at the Digital Leaders #DL100 Awards on 15th October, beating other nominations including the Cabinet Office. The DIZ was praised for "its great breadth of engagement across both public and private sectors, describing it as an exemplar for regional development and collaboration that could be usefully replicated by local authorities across the UK."

BDUK Local Full Fibre Network project – The first GP sites that are planned to be connected up to this new fibre broadband infrastructure being built across the DIZ, will shortly have their site surveys undertaken, the first step in getting them linked up to this ultrafast connectivity. The project will deliver fibre broadband to around 80 GP and primary care sites by the end of March 2021 and the focus will then shift to realising the potential benefits that this investment could bring for residents and the delivery of digital healthcare across the area.

The DIZ Digital Inclusion Project has begun discussions with digital infrastructure, tech and telecoms providers about the potential to develop a scheme that combines

the donation, repurposing and reuse of unwanted and new devices with mechanisms for the provision of the vital mobile data and connectivity that would enable recipients of the technology to also connect up to the internet. Along with digital skills support and training it is intended that the project provides an all-encompassing solution to the emerging critical issue of digital exclusion. Work is ongoing with community and voluntary sector and health partners to fund and deliver this ambitious project and the DIZ Programme Manager will be presenting, with CVS partners, to the NHS Herts & West Essex Digital Leaders Forum on the project.

Work continues to support the latest phase of the Superfast Essex ultrafast broadband delivery across Epping Forest District. Works are being delivered by Gigaclear and they are currently delivering this fibre broadband network in Ongar. This phase will deliver gigabit capable broadband to over 1800 premises throughout Epping Forest District that currently do not have access to superfast connectivity and is due to complete by December 2021. The project is co-funded by the Council with BDUK and Essex CC.

Local Land and Property Gazetteer Address Information key challenges: Work on the local land and property gazetteer/business database has paused following a member of staff leaving the organisation. Additional capacity has now been secured to continue this work.

Kickstart: We are still awaiting further information and registration from DWP. Harlow Council which is also delivering Kickstart on behalf of Uttlesford is working with EFDC to create a combined West Essex Kickstart. A supporting website is being designed to provide information and application forms to prospective businesses and a claims and support portal for Kickstart employers is being set up.

General Economic Briefing: The claimant count level for the Epping Forest District fell to 4,715 in October which is the lowest figure since June. The biggest drop in claimants was in the 25 to 49 age group. The Government's revised winter financial support has cancelled JSS in favour of continuing Furlough and reinstated the SEISS rate as 80%. Approximately 6,500 local residents were reported furloughed by the end of September which accounts for 11% of the total working population. At risk businesses are currently being supported by three government grants and one ECC grant, all being administered by local authorities.

Visitor Economy: The local visitor economy continues to be hard pressed by the current restrictions, with hospitality and events closed or operating at much reduced levels. The tourism website continues to perform at 50% above the levels of 2019 with an average 5,000 visitors a week. Popular web pages reflect the changing circumstances with 'staycations' generating searches for accommodation. Walks and parks remain very popular during lockdown.