

Report to the Council

Committee: Cabinet
Date: 19 December 2023
Subject: Finance 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

In respect of Finance, the work of the Council has been dominated by the development of a draft budget for Cabinet to agree. As has been said on numerous occasions, this budget has been exceptionally challenging due to the impact of higher prices and borrowing costs on the Council. The Council's ability to increase its main sources of income, (Council Tax, Business Rates and Government Grants) does not keep pace with rising costs and so to balance the budget, ultimately it must reduce net spending.

On top of £4 million of savings taken from the budget for 2023/24, the need to identify a further £3.7 million for 2024/25 creates an unprecedented challenge that will mean real and impactful reductions in budgets.

It is important that the entire Council understands this and, for the benefit of residents, is engaged in identifying the difficult choices that should form part of the draft package of budget proposals.

Cabinet have worked jointly with Overview and Scrutiny in a meeting, to which all members of the Council were invited, so that the initial Draft Budget proposals presented to Cabinet on 18 December 2023 could be as inclusive as possible.

Scrutiny will now be invited to review the proposals as an entire budget package during January. At the same time, work will continue to refine assumptions and to capture and reflect the latest information so that the Final Budget Proposals presented in February can be as accurate as possible.

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 continue to 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.

Unfortunately, the delays allow for emerging issues to be drawn into the process, such as the recent issue with RAAC (reinforced concrete) where the Auditors want to retrospectively understand the impact of the issue on all unsigned Accounts, even though the issue only arose during August 2023.

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 final quarter's results from their fourth year of trading were reported to Cabinet on 18th December using the new Board report format. This is designed to show a clearer consolidated position and has been welcomed and well received.

Whilst this showed a continuation of the recent trend, both the Board Report and the new 4 year Business Plan (presented to the same meeting), herald an important point in the development of Qualis Commercial. From early 2024, the homes built on the former Condor Office site will become available for sale and this is expected to signal a peak in Qualis borrowing and then subsequently begin to gradually reduce. It also moves Qualis Commercial from annual losses, as expected whilst their developments were built out, into annual surpluses.

In the meantime, Qualis continues to make an important contribution to the Council's finances, significantly mitigating the scale of savings which are currently needing to be found.

Economic Development Programme:

- A new rural fund for town and parish councils has now been launched. This is utilising £110,000 worth of Rural England Prosperity Fund (REPF) to improve community locations. The deadline for applications is set for the 4th of December 2023.
- At the time of writing, a tender is being prepared to commission rural regeneration reports on six rural areas in the district. These will seek to enable the Council to better understand economic opportunities and challenges for the district's rural communities.
- A tender is being distributed on behalf of Epping Forest District Council, Harlow Council and Uttlesford District Council (West Essex) to procure a business navigator to provide more face-to-face interaction for local businesses. This

support will include advice around accessing business grants, loans and support with accessing local skills opportunities.

- West Essex councils are jointly commissioning projects involving third sector training, HGV driver training and the Prince 2 qualification amongst other workstreams.
- Positive feedback was received by local residents linked to the Ninefields playground project. This project has been partially funded through the UK Shared Prosperity Fund. Work is now underway to get quotes for a recreational area to be developed in Marlscroft Way in Loughton. This will include picnic benches and play area apparatus.
- Epping Forest District Council has now officially joined the NEEB (North Essex Economic Board). This will allow for strategic collaboration with other Essex local authorities to address significant economic growth plans. To find out more about the NEEB, please visit <https://neeb.org.uk/>
- Epping Forest District Council is a member of the Innovation Core, for more details please visit <https://www.theinnovationcore.com/>. The Innovation Core is set to launch a new website and market the following areas for inward investment, Epping Forest, Harlow, Uttlesford, East Hertfordshire and Broxbourne.
- Issues with Government reporting systems have meant that Epping Forest District Council, like many local authorities around the country, have been unable to report back on UK Shared Prosperity Fund delivery.

FSB Subsidised Membership Scheme:

The Federation of Small Businesses (FSB) subsidised membership scheme is being funded by the UK Shared Prosperity Fund. Following on from the successful free membership scheme offered to local SMEs during the pandemic, this similar scheme offers subsidised membership. Launched at the beginning of October, 13 businesses have taken advantage of the offer so far. 8 have been sole owners, 1 with up to 4 employees, 2 with up to 10 employees and 2 with 10+ employees. Already these new members have taken advantage of 26 different FSB products included with their memberships, from cyber protection to insurance. The scheme has been supported by two business breakfast events, one face-to-face and one online.

Businesses have been very impressed when they have appreciated the range of valuable benefits that the FSB membership gives them access to:

Matt Miller - Eco-Enabler Alliance CIC said: "I am really impressed with the cohesiveness of FSB in the Essex region so far, in enabling me to establish contacts with the right people, including Local Authorities. I came along to the FSB breakfast in Epping and was pleasantly surprised at how I not only got the assistance I required, (through the advice of Regional Chair, David Bell), but also the services on offer through membership. Essex seems to be the most progressive of any regions of FSB in the UK – working to improve not small businesses, but that of people aspiring to develop micro businesses too".

Scott Hegley - OccHealth Direct Ltd said: "I may use the legal service at some stage, find the meetings incredibly useful and everyone has been very welcoming".

Meet the Buyer Event:

The conference space within the Civic Offices in Epping will be the venue for the district's first 'Meet the Buyer and Job Fair' event on the 14th of February 2024. This will be an opportunity for developers to showcase the range of construction projects coming to the district and meet potential local businesses, training providers, educational establishments and residents that could benefit from the range of career, employment and business opportunities on offer. The event is currently being planned but it is hoped to launch as soon as possible.

Monthly Business E-Newsletter:

The Economic Development Team has released the November edition of the 'Business Matters' e-newsletter to over 2,000 local businesses with topics focusing on the Help To Grow management course for business owners, alcohol duty reforms for restaurants and cafes, a free business competition to help start-ups and an update on the progress of EV charging in the district. 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 September 2023 stands at 2,140 out of the total working population. This is a slight decrease in unemployment and marks its lowest level since June 2023.

Visitor Economy:

The Economic Impact of Tourism Report for Epping Forest District 2022 has been received. Top-line results show that the value of tourism to our district was £252,561,640. This was an increase of 44% on 2021 and takes the value to 4% above that of 2019. This result is in line with other areas that have seen full recovery from the pandemic and tourism performance matching or overtaking that of the last year pre-pandemic. Local jobs in tourism have also risen by 33% over 2021 and are 4% higher than 2019. There are 4,477 tourism jobs locally and they represent 10% of local employment.

The Epping Forest District tourism website, visiteppingforest.org, continues to be the mainstay for promoting local visitor information and event listings. The visitor numbers held up remarkably during the pandemic and are now growing in line with the return of tourism. The site continues to play a key role in communicating hospitality, attractions and events as a primary source of public information. As an example, the latest analytics show that in the week preceding November 5th there were over 6,000 additional visitors searching for local firework displays, for which the site listed twelve public fireworks events in or bordering our district. The Ongar Round Table fireworks display at North Weald Airfield received over 4,000 views alone in the twenty days preceding the event. Currently the district's Christmas attractions and events are being listed.

The Visit Essex Members Conference took place on the 8th of November. Visit Essex was proud to announce that they have been awarded local visitor economy partnership (LVEP) status. This is government-level recognition and gives Essex a voice in determining the future of UK tourism alongside Visit England and other regions that have achieved this benchmark. The following new trends are being seen in people's tourism choices. There is a switch from destination-based visits to passion-based visits as people look for things to do rather than just places to go. They are looking for new experiences and wish to be active rather than passive. This is good news for our district

which offers so much in the way of activity and unique opportunities and has underdeveloped potential in this area that can grow our visitor numbers. Staycations continue to remain popular with the pandemic being replaced by the cost-of-living crisis driving holidays nearer to home.

People continue to see vacations as important but are more likely to be looking for days or weekends away and seek free events and value-for-money offers – or ‘Luxe for Less’ as Visit Essex have termed it. Promoting and building tourism continues to be a key strand in both the Extraordinary Essex and NEEB agendas.

Economic Digest:

- Work on the Economic Digest began in February 2023 following the release of the 2021 census results.
- The digest aims to gather data to inform the operations and decision-making of the Economic Development team and to create a database for measuring and reporting project performance to portfolio holders and wider leadership.
- Preliminary findings were presented internally in the Summer of 2023. Content and format amendments have since been suggested and will be incorporated into the updated Economic Digest.
- More granular data is being released from the Office of National Statistics, necessitating minor updates to the Economic Digest before presenting it to service directors.
- The updated Economic Digest is expected to be ready early in the New Year.

Essex + Herts Digital Innovation Zone (DIZ):

The DIZ has recently undertaken a strategic review of its priority areas of focus. Over the next 6-18 months the strategic priorities will include data for place; the sustainability of digital; digital inclusion; connectivity; and digital skills. Additionally, this will look to raise awareness, exposure and to demonstrate the impact of the work programme. Alongside these priorities, the DIZ will continue its programme of knowledge uplift through events and its monthly DIZ Advisory Board meetings.

The Advisory Board meetings are open to any members who wish to come along and explore current and emerging digital opportunities, issues and initiatives. The latest meeting had 39 attendees and welcomed AtkinsRealis and the Geospatial Commission (part of the Department of Science, Innovation and Technology) to present on the National Underground Asset Register (NUAR) that is being developed across the UK and which aims to bring awareness of such buried assets, leading to safer excavations in our places and reduced disruption of services through utility strikes. Upcoming sessions will be looking at digital twins for planning and the monitoring of air quality. Any member who wishes to attend the Board can contact Mike Warr, DIZ Programme Manager & Acting Director at mwarr@eppingforestdc.gov.uk.

The DIZ also issues a weekly newsletter of digital-themed web links. The newsletter covers topics such as connectivity, digital inclusion, future tech and AI, digital sustainability, digital skills, cyber-security and online safety, data, digital for business and digital healthcare, as well as highlighting upcoming digital webinars and events. Any

members wishing to subscribe to this newsletter can do so by contacting the DIZ Programme Manager as above.