

CHAIR'S STATEMENTS TO COUNCIL

Councillor Alex Coley **Chair of the Community and Wellbeing Committee**

Mr Mayor.

The Community & Wellbeing Committee has much to celebrate this festive season.

This month we see the launch of the Epsom and Ewell Hub, grant funded by the Department for Work and Pensions and operated by Surrey Lifelong Learning Partnership with help from NESOCOT and other partners. The hub will give advice and support to 18-24 year olds in receipt of Universal Credit to assist in finding work and new skills.

Our Community & Wellbeing Centre will see fresh investment in the form of a new boiler system and walk in freezer, replacing the original facilities that came with the building. This will allow the Council to significantly reduce its carbon footprint on this site, while improving the comfort and convenience for members of the centre.

After a difficult start Defoe Court is occupied, reducing our temporary accommodation costs and keeping more of our residents inside the borough closer to family, friends, services and opportunities.

The human cost of families housed outside the borough, struggling to get children to school while holding down jobs or looking for work has not been lost on us. So I have asked the housing team to consider as part of their upcoming Homelessness and Rough Sleepers Strategy further innovative solutions with residential schemes that keep residents close to support networks, while pursuing our key objective of reducing homelessness..

We also have good news for sports, leisure and open spaces.

For the third year running we will embark on an expanded restoration of paths in Horton Country Park and the resurfacing of the car park, including LED lighting, to serve our largest open space in the borough. I'd like to pay tribute to my predecessor Cllr Barry Nash who had the foresight to pursue the business case for the car park works which will benefit the new ventures in Horton Country Park.

Following the success of outdoor gyms on Chessington Road and Court Rec the Council is now expanding these facilities to Bourne Hall park, while Auriol Park will see enhanced playground facilities, with a special focus on accessible play for toddlers and disabled children. After watching the extraordinary medal-winning success of Team GB at the Tokyo Olympics, we are also committing to the

replacement of fencing at BMX trails in Nonsuch Park. Thank you to Cllrs Reynolds, Cleveland, Webb and Jagutpal for sponsoring such worthy projects.

The last year has been one of the most overwhelming years in the borough's history. So a Covid memorial will be created with commemorative benches in borough parks thanks to Cllr Hannah Dalton whose Neighbourhood CIL bid ensures that every ward in the borough is touched by this enduring memory.

I haven't forgotten biodiversity. I applaud the simple elegance of a Swift Tower at Shadbolt Park to enhance the urban habitats of this borough thanks to a most thoughtful business case by Cllr Phil Neale.

Lastly, I believe I can also report record ticket sales for Beauty & The Beast at the Playhouse. I look forward to seeing members there on Friday where I hope you will be our guest!

Councillor David Reeve
Chair of the Licensing and Planning Policy Committee

Progress on the Local Plan continues with considerable work continuing or being completed on the Evidence Base for the new Local Plan as follows:

- **Surrey County Council Regulation 18 Transport Assessment** – revised draft report received on 21 October.
- **Opinion Research Services’** review of the population data which underlies the government’s Standard Method for calculating the Borough’s Local Housing Need figure of 577 homes per year indicates that this figure is significantly too high (577 homes vs. the ORS ‘sensitivity analysis’ figure of 361). An analysis of student population data is awaited.
- Submission of the draft **Gypsy & Traveller Accommodation Assessment** is overdue but expected soon.
- AECOM is developing some high-level strategic options as part of their preparation of the **Integrated Sustainability Appraisal** of the Local Plan. First Draft report expected before the end of the year.
- **Update of Spatial Economic Growth Strategy** – the final report has now been received.
- **Update of the Retail and Commercial Leisure Needs Assessment** – draft report from consultants received on 23 September.

The Planning Advisory Service Gateway Review recommended that a **Cross Party Local Plan Members’ Group** be established. The Group, approved by the L&PP Committee met three times during the summer and consideration is being given to ask them to look at other areas of the Plan.

The work on examining the potential for the regeneration of the **Longmead and Kiln Lane employment areas** is progressing. The scale of this potential project has triggered the need to seek Counsel’s advice on the appropriate timescale for delivery and whether this may impact on the timescale for the Local Plan as a whole.

- **Counsel’s conference was held on 4 November 2021**
 - Counsel’s written advice has not yet been received.
 - We now anticipate that more work will be needed before we will be ready go out to a Regulation 18 part 2 consultation on our draft Local Plan.
 - There will be a requirement to secure a robust evidence base to support up to date policies on Climate Change in the new Local Plan.

- Biodiversity Net Gain – we are advised not to depart from the government's 10% net gain target as now enshrined in the new Environment Act 2021 which came into force on 9 November 2021.
- I hope to receive written advice from Counsel prior to the meeting of Full Council on 7 December 2021. The Advice is Privileged and will be between the Counsel and EEBC.

Further updates on the new Local Plan will be reported to the Licensing and Planning Policy Committee in the normal way. It is still expected that we will be able to submit our new Plan to the Secretary of State in 2023, thus complying with the Government deadline for all councils to have up-to-date local plans in place by December 2023.

Councillor Colin Keane
Chair of the Strategy & Resources Committee

2020/21 Statement of Accounts

Recent figures from Public Sector Audit Appointments Limited reveal that 91% of Councils failed to meet the legally required deadline to publish their audited Statement of Accounts by 30 September this year. I am pleased to say that EEBC finance officers were within the small minority who met the legal requirement and have never failed to do so.

<https://www.psaa.co.uk/2021/10/news-release-2020-21-audited-accounts-psaa/>

The ongoing implications of Covid 19 and future challenges

Whilst restrictions were lifted in the Summer the infection rate in the Borough and the County this Autumn remains high and is having an effect on residents and businesses in the Borough.

The Government and NHS is encouraging those who have not been vaccinated to get vaccinated and for those who have been and are eligible, to book and have the booster as soon as they can. The situation with the Omicron variant is a new and changing situation and the Council will continue to monitor Government and Public Health England advice.

The full financial implications of Covid for this financial year are significant, with current projections showing the Council faces a £2.67m deficit within services (as reported to ACDS Committee on 18 Nov), which will be funded by the Council's Covid-19 contingency, reserves and Government's income compensation scheme. The Borough is ensuring it has applied for and received all the Government support to which it is entitled. EEBC income from Council charges, such as car parking, is recovering but is still below pre-covid levels.

The Council does not receive details of its Central Government funding for 2022/23 until later in December 2021 so the full position going forward is still uncertain. All that can be done, is being done to maximise Council income and reduce unnecessary costs. Reserves have been called upon and used where necessary to balance the budget in the short term. However, post-Covid the Council will need to review and rebase its budgets to reflect any permanent changes to expenditure and income streams, with the aim of removing reliance on reserves to fund the day-to-day services, as this is not considered sustainable in perpetuity.

Pension fund deficit clarification

Epsom and Ewell Borough Council as a local authority has a statutory responsibility to provide access for its staff to the local government pension scheme, as defined by central government.

The Council's pension fund is administered by Surrey County Council on behalf of all Surrey district councils. The valuation of the fund is carried out by an actuary employed by SCC and values can fluctuate as assumptions change, such as life expectancy and returns on investments.

The Council also has a legal requirement to ensure that any deficit on the fund is fully funded within 20 years. As directed by the Surrey County Council's Actuary, contributions have increased in recent years from both staff and directly from Epsom and Ewell Borough Council. The increased level of contributions are expected by the Actuary to ensure that the deficit of £46.2m on the fund is addressed within the next 20 years.

The benefits to members of the pension fund is clearly defined by the terms of the Local Government Pension Scheme as determined by Central Government.

The local authority has a legal obligation to make these payments and these cannot be diverted to fund the provision of services.

All councils across Surrey have pension funds that are in a deficit at a similar proportionate level to Epsom and Ewell Borough Council. As already mentioned, the changes made to contributions are expected to address this for Epsom and Ewell Borough Council over the next 20 years.

Investment Properties

To state the facts, in recent years the Council and its subsidiary company, Epsom & Ewell Property Investment Company, have spent £90m on the acquisition of 6 investment properties, supported by borrowing of £64.4m.

These 6 properties are expected to generate net income of £0.96m in the next year for this Council to support the delivery of services to our residents and visitors to the Borough.

The reduction in valuation of the 6 investment properties of £3m reflects the change in the commercial property market mainly due to Covid and reduced market rents.

The changes in market value do not impact the funds available for delivering services in the short term. The most important factor in terms of service delivery is that rents continue to be collected, as this impacts the resources available to fund services to residents.

The £86.6m valuation reflects market conditions at a specific date of 31 March 2021. The valuation would become more significant if the Council were looking to dispose

of any of the properties, however, the plan on acquisition was to hold them for the long term, and that plan remains unchanged.

Each of these properties has been carefully assessed prior to acquisition, complete with external advice, evaluation of tenants and a full business case.

The Council recognises that acquisition of investment properties is not without risk. However, significant reductions in government funding since 2008 has resulted in the Council having to identify alternative sources of income to continue to maintain and deliver Council services to its residents.

Although the Council has incurred debt of £64.4m, it has already set-aside £4m to repay this debt when it falls due.

The Council has also set-aside £5.495m in the Property Income Equalisation Reserve to manage risks associated with the properties, such as void periods or other unforeseen costs.

Staff Recognition

In recognition of officers continued support and dedication through one of the most challenging years in the history of the Council a discretionary additional day's leave on Thursday 30 December 2021 has been granted to all staff. My thanks to all for your work over the past 12 months and for your on-going support as there are still many challenges ahead.