

Strategic Analysis and Recommendation Report to Chigwell Parish Finance and Governance Committee

UK Shared Prosperity Fund Grant Proposal and EFDC Agreement Terms

Executive Summary

Chigwell Parish Council (CPC) has submitted a proposal for a £60,400 UK Shared Prosperity Fund (UKSPF) grant via Epping Forest District Council (EFDC), matched by £15,100 from CPC. The proposal would deliver community benefits through upgrades to the Community Hub and hall areas of Victory Hall. However, EFDC has imposed a non-negotiable condition requiring a minimum 1,196 hours of free facility use annually by LFCG for five years and further use by EFDC, a condition that significantly undermines CPC's financial sustainability and was not transparently disclosed in the original grant materials.

This report provides a strategic analysis of the situation, evaluates all risks and benefits and makes formal recommendations to the F&G Committee to consider as a recommendation and resolution to Full Council.

1. Strategic Benefits of the Proposal

- **Facilities Improvement:** Accessibility upgrades (DDA-compliant kitchen/toilets), consultation room, pantry storage
- **Community Impact:** claimed 150+ weekly users across health, wellbeing, digital, mental health and food access initiatives, of which 70% are estimated to be Chigwell residents and some may be duplicated
- **Alignment with National Goals:** Direct contribution to UKSPF aims on community cohesion, health inequality reduction and inclusion

2. Key Risks and Constraints

2.1. The Impact of Material Changes Not in Original Proposal

- The original grant discussions referred to supporting the Limes Farm Community Group and facility upgrades
- No reference was made to EFDC retaining free general access rights or possibly opening the facility to undefined third-party users for community or pantry use
- No schedule of proposed free-use dates or activities was provided by CPC and it is unclear where these came from or why they were included in the grant agreement without first coming before CPC for consideration
- The recent approach by the EFDC Museum Manager assuming free use confirms that EFDC interprets this agreement as an open access licence for district-wide initiatives

UK Shared Prosperity Fund – Context and Intent

The UKSPF is a central government funding programme replacing EU structural funds. The Prospectus for UKSPF (2022) highlights the following goals:

- Empowering local leaders and communities
- Enhancing pride in place and community ownership
- Supporting social infrastructure and local facilities
- Encouraging locally-led investment decisions

The fund aims to strengthen civic institutions, improve local service delivery, and enhance community spaces, not to centralise control of assets or create one-size-fits-all usage mandates from district authorities.

Misalignment with UKSPF Objectives

The proposed EFDC grant agreement seeks to extend potentially unrestricted access to any EFDC-supported group for the generic purpose of community use for five years. These expanded conditions were not stated in the initial correspondence or grant discussions. The funding source is the UK Shared Prosperity Fund (UKSPF), intended to empower local communities not override local governance or decision-making. CPC risks surrendering asset control in ways not previously disclosed and possibly contrary to the spirit of UKSPF.

UKSPF Principle	EFDC Grant Terms (As Offered)	Assessment
Local empowerment	EFDC mandates access without CPC control	Undermines local accountability
Transparency and clarity	No details on use dates, frequency or intended beneficiaries	Lacks transparency
Community-led development	External groups may displace Chigwell community users	Contrary to “pride in place” and local benefit focus
Sustainability	CPC bears all operational costs for unknown EFDC programmes	Unfunded mandate – not sustainable

2.2 Financial and Operational Risk

Financial Cost of Grant Terms: Lost Revenue and Opportunity Cost Analysis

EFDC's non-negotiable condition requiring 1,196 hours of free facility use annually, including 208 evening hours, represents a substantial and ongoing loss of income to Chigwell Parish Council (CPC).

Discounted Community Rate Valuation

Even applying a discounted hourly rate of £15/hour (below the current Limes Centre daytime community rate of £18/hour), the minimum hours require by EFDC equate to:

- £17,940/year
- £89,700 over five years

This is already 50% higher than the grant itself (£60,400).

Commercial Hire Potential – Especially at Peak Times

If freed for commercial use, the Victory Hall Community Hub space could generate significantly higher revenue. For example:

- £75/hour commercial rate (typical of Saturday evening bookings at comparable local venues)
- Just 5 hours a week would produce £19,500/year or £97,500 over five years

This opportunity income alone is more than 1.5x the grant value and is currently impossible under EFDC's usage clause.

Unrealised Revenue = Strategic Waste

The Hub area has not been commercially let only because of LFCG's unrestricted stockholding and use, which prevents shared hire. The full opportunity cost to CPC, factoring discounted community use and peak commercial use is in excess of £180,000 over 5 years.

- **Loss of Revenue:** Estimated opportunity cost of free use over 5 years. The grant of £60,400 equates to a revenue of £232 per week which would be easily exceeded if the Parish was able to commercially hire the bar and social area premises
- **Ongoing Costs:** Cleaning, utilities, business rates, insurance, staffing and possible need to relocate CPC staff to Victor Hall Hub are current unfunded liabilities
- **Lack of Indemnity:** No compensation or support offered for these costs by EFDC
- **Insufficient Local Community Benefit:** Initiative currently reaches a very small percentage (0.7%) of Chigwell's 14,500 residents

2.3 Governance Concerns

- **Expanded Use Clause:** EFDC reserves right to use CPC facilities rent-free
- **Lack of Transparency:** Free EFDC use clause was not disclosed in the bidding stage
- **No SLA with Users, contrary to existing CPC facilities booking policies:** Unregulated use undermines CPC policies and limits availability for other community groups who currently pay to use Victory Hall facilities

2.4 Legal/Fiduciary Risk

- Potential breach of fiduciary duty to taxpayers by accepting terms that erode CPC financial position
- **Ultra vires use of Parish funds:** Subsidising non-resident or district-wide services not agreed by Full Council.
- **Inequity:** Discriminates against other parish groups and paying users of the facilities
- **Loss of fiduciary control:** CPC unable to plan bookings or income due to unknown external user claims
- **Precedent-setting:** Future external partners may expect similar terms, compounding the problem

2.5. Kitchen Refurbishment: A Smarter, More Local Investment?

EFDC require CPC to use part of the grant to fund a £47,000 new kitchen for the benefit of all users of Victory Hall, not just LFCG's benefit. The costs and specification for this were provided by LFCG and are under review. By contrast, CPC has already earmarked £25,000 reserves for the costed refurbishment of kitchen facilities, which would fully support existing and emerging community groups including the Senior Citizens' Lunch Club and local prayer groups. This ensures ongoing community usage of the building in a way that's consistent with CPC's duty to residents

Replacing the VH kitchen without accepting the grant enables CPC to retain full operational control while facilitating wide community access and would avoid locking up £180,000 worth of hire income under EFDC's terms.

3. Precedent and Context

Limes Farm Hall (2009) Transfer

- CPC transferred Limes Hall to EFDC for community use
- EFDC was expected to expand its use to groups like the Limes Farm Community Group, however, they are now occupying premises at CPC owned Victory Hall rent-free.
- The previous transfer of Limes Hall to EFDC demonstrates CPC's willingness to support community needs but also the long-term cost of surrendering assets without agreements being adhered to.

Current Use of Victory Hall Community Hub

The Limes Farm Community Group currently occupies a large portion of the Hub space and exclusive storage areas without a formal agreement. Activities include:

- Community pantry
- Social and wellbeing sessions
- Mental health drop-ins

However:

- No rental income is collected.
- Business rates, utilities, maintenance and insurance are fully funded by Chigwell Parish Council.
- Over £6,000 in grants was awarded by CPC in 2024/25.
- Storage blocks flexibility for other uses
- Other community users continue to pay standard hire fees
- Budgeted rental income for the Hub area has not materialised

There is no SLA in place, no formal oversight and limited visibility of user data or outcomes.

4. Other Stakeholder Interests

It is also noted that:

Chigwell Library, operated by Essex County Council, has expressed a desire to host more local community events in order to increase footfall and visibility. These events would benefit from local collaboration in partnership with CPC, LFCG or other local providers to support Chigwell residents. Hosting events in the library could potentially free up space in the Community Hub, making it available for booking on a paid basis.

Additionally, the Council is exploring the possibility of leasing the Parish Offices for use as a GP practice. This proposal represents a significant potential benefit to all the 14,500 residents of Chigwell, as the Parish currently has no GP surgery at all within its boundaries and patient choice is very limited. All but one of the seven practices in the local Primary Care Network are located in Buckhurst Hill, Abridge or Loughton and require a patient to decline home visits if they are to be allowed to register, if indeed they are prepared to take on new Chigwell residents. The remaining one, Chigwell Medical Centre, is located in Redbridge which can cause referral problems for some patients. Establishing a local surgery is therefore a clear priority in terms of addressing community infrastructure needs and delivering patient choice. Should this proceed, Parish staff would likely need to relocate to Victory Hall, most likely utilising part of the Community Hub area, with the remaining area made available for community use and commercial hire. A surgery may also require occasional access to additional space for clinics. If that were the case the Parish would need to ensure that the Community Hub remains flexible and accessible for such evolving needs.

A model which locks up the venue with open-ended, zero-cost EFDC access for five years could severely constrain the ability to accommodate new initiatives of this kind, including potential health service provision and expanded community programming, thereby reducing flexibility and responsiveness to evolving community needs.

5. Strategic Options

Option A: Accept Grant Under Current Terms

- **Benefits:** Immediate capital for critical upgrades; political goodwill

- **Risks:** Long-term loss of revenue/control; sets precedent for future grants; financial exposure exceeds grant value
- **Assessment:** Not financially sustainable

Option B: Renegotiate Grant Terms

- **Proposals:**
 - Limit free use to 12-18 months
 - EFDC to make contribution to running costs in addition to grant funding
 - CPC retain control over scheduling and user approval
- **Risks:** EFDC has declared terms "non-negotiable"
- **Assessment:** **Strategically preferable; document refusal** if unsuccessful to protect CPC position

Option C: Decline Grant; Develop CPC-Led Shared Use Policy and propose alternative Grant allocation to best maximise community benefits in Chigwell

- **Proposals:**
 - Reject grant as not delivering best value
 - Propose grant is redirected to project delivering more community infrastructure in Chigwell
 - Upgrade kitchen incrementally using CPC reserves or new funding bids
 - Formalise user agreements with rent or subsidy structure
- **Benefits:** Full control, consistent policy, financial sustainability
- **Risks:** Delays improvements; potential reputational impact
- **Assessment:** **Strategically preferable** if EFDC will not revise terms

6. Recommendations

Key Decision Principles:

- **Value for Money:** CPC must ensure public funds are used in a fiscally sustainable manner.
- **Equity:** Chigwell taxpayers should not be asked to provide facilities and free use of two buildings (Limes Centre and Victory Hall Hub area) for the same programme without compensation

- **Control & Governance:** CPC should retain the authority to manage its own facilities, bookings and long-term strategy
- **Partnerships:** Remain open to collaboration with EFDC but on terms that reflect shared responsibility, not unilateral imposition

Primary Recommendation - Option B: Renegotiate Grant Terms

- Limitations on hours and user types permitted free access
- Contribution for cleaning, utilities, rates, lost hire income
- Clarity on CPC rights to schedule and manage space

This should only be pursued if a cost offset is offered or the community use clause is narrowed in scope and impact

Secondary Recommendation if satisfactory position cannot be reached - Option C: Decline Grant; Develop CPC-Led Shared Use Policy and propose alternative Grant allocation to best maximise community benefits in Chigwell

- Decline the EFDC grant under current, non-negotiable conditions due to the financial risk, lack of transparency and long-term operational burden. Withdraw from the grant process citing fiduciary risk
- Document CPC's position in formal minutes and correspondence for audit protection

Actions of CPC in the interim

- Continue progress of alternative use of Chigwell Parish Offices for a GP surgery that will serve all Chigwell residents and the availability of grant funding for the same
- Continue the ongoing internal review of works and use to enable Council to properly consider and resolve on the options for usage of the Hub area by the LFCG as follows:

Option 1: Formalise Current Use with Service Level Agreement

Option 2: Introduce Tiered Rent and Shared Utility Costs

Option 3: Transition to Shared Use Mode

Option 4: Revoke Exclusive Use and Reintroduce Standard Hiring Model

7. Conclusion

CPC's UKSPF grant proposal had potential to offer real community benefit, but the financial and legal burdens imposed by EFDC's non-negotiable terms threaten CPC's sustainability and autonomy. Without meaningful mitigation, the grant as structured does not represent best value for money. CPC's priority must remain a balance between social impact and responsible stewardship of public assets.

8. Draft Motion for F&G to recommend to Full Council for Resolution

“That Chigwell Parish Council resolves not to accept the current terms of the EFDC Shared Prosperity Fund grant agreement unless and until EFDC agrees to contribute financially to cover associated operational costs in the form of an hourly rental contribution or limits its usage clause to a fixed term and clearly defined user groups to allow additional occupation of premises by Parish staff and regular commercial hire. In the event such revisions are not agreed, CPC shall withdraw from the current grant bid and pursue alternative funding or internal capital improvements to Victory Hall in a manner consistent with its fiduciary duty to Chigwell residents.”