

Ebbsfleet Development Corporation

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| Board Meeting Part One | | | |
| Date of meeting : | 21/10/15 | Agenda item : | EDC 015 / 054 |
| Title of paper | Finance and Operations Report – as at 30 September 2015 | | |
| Presented by | Gerard Whiteman, Director of Finance | | |
| Sub-committee | Not applicable | | |
| Purpose of paper | To provide an update on Budget, Workforce, Premises and other operational issues as at 30 September 2015 | | |
| Recommendation | <p>To approve the overall report and to note the following:</p> <ul style="list-style-type: none"> • The budget has been re-profiled at the mid-year point to reflect actual EDC activity to date and to incorporate the recruitment aspirations discussed at the last Board meeting. Total forecast expenditure for the year remains broadly the same at c£3.4 million but importantly, the core budget has reduced to c£2.6m, from an estimated c£2.9m in August, and spend requiring DCLG business case approval has been increased accordingly, from £459k in August, to £820k. • The first half of the financial year 15/16 shows a cumulative underspend of £55,762 which equates to 4.9% (£137,540 13% in August), mainly arising from reduced IT and telephony charges. • The forecast outturn for the year end is an underspend of £20,484 being 0.6% (forecast as £422,527, 12.3% in August). • Various business cases have been submitted whilst others are being worked up (see Appendix A). | | |
| Delegation | Not applicable | | |
| Financial impact | With less than 6 months of 15/16 remaining there is a risk that some activities requiring business case approval by DCLG may not be able to proceed or achieve the forecast expenditure in year due to timescale constraints. | | |

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| Legal impact | There are no legal implications associated with this paper |
| Stakeholder impact | Discussions with DCLG have taken place, in relation to the various business case submissions (submitted and pending) |
| Sponsor impact | The latest financial position is to be discussed with DCLG as part of the routine Q2 15/16 review. |

1. Introduction

This paper briefly updates the Board on budget, workforce and other operational issues for the month of September.

2. Budget

The budget has been reviewed and re-profiled following the discussions at the September Board meeting. The financial performance of the Corporation at the mid-point of the financial year now shows a cumulative underspend of £55,762, 4.9% of budget base (compared to £137,540 13.0% of budget base reported for August) of the budget to date (including approved business cases).

IT charges and telephony expenditure is lower than originally budgeted, specifically:

- The IT budget was based on an annual charge with full headcount in place whereas the actual recharge will reflect actual staff in post.
- The telephony budget assumed a full independent system would be in place from May; however the delivery of an independent system is now likely to be incremental.

The forecast year-end position shows a predicted underspend of £20,484, 0.6% of budget base (reported as £422,527 12.3% of budget base (including approved business cases) in August). This assumes full spend of c£820k of non-core budget.

The detail of the financial report and forecast is shown at appendix A.

3. Community Projects update

At the last Board meeting, EDC proposed pump priming community infrastructure projects within and around the EDC area. There were concerns raised regarding the ability to achieve this aim within the current financial year. Work continues with DCLG on refining the proposal. A business case submission for some specific project investment in 15/16 is being progressed.

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4. Staffing Structure and Recruitment

The Executive team have incorporated the feedback and comments from the last Board meeting regarding staffing structures and are reflecting them within their recruitment plans. The timing of that planned recruitment is reflected in the year end forecast within appendix A.

The following appointments are in progress for the next few months:

Mark Pullin joins as Development Management Strategic Lead on 29 October.

Tracey Coleman joins as Chief Planning Officer on 2 November.

The Environment Lead is due to start on 25 November, whilst the Infrastructure Lead starts on the 7 December.

Caroline Barker will join as Senior Planner on 9 December.

The start dates for the Head of Placemaking and the Head of Masterplanning are yet to be confirmed but are anticipated to be before the end of the calendar year.

There is one role currently being recruited to, which is the Head of Communications. The closing date for applications is the 16 October.

Work is ongoing to obtain approval for a permanent EDC establishment of 32 FTE (from the current approval of 20) that DCLG had previously agreed.

5. Premises

The current lease on North Kent Police Station office space is due to expire in December 2015. It is anticipated that this will be extended (for the short to medium term) to enable a longer term accommodation solution to be agreed. The planned Garden City pod structure within the station forecourt area at Ebbsfleet International Station is still being progressed. Work is ongoing with HS1 to identify possible sites near the station for medium term provision of 'back office' premises.

6. Finance and Payroll Systems

The finance system, "Sage One" has been set-up and is now operational. The new permanent finance team is now in the process of updating the system with data and ensuring that appropriate monthly reconciliations are carried out. A significant number of recharges are awaited from DCLG and these will be entered onto the system once received (as they are still being amended by DCLG). Receipt of these recharges has been assumed in the financial report.

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The payroll arrangements for EDC Non-Executive Board Members has been queried with DCLG. The original proposal was that EDC would run its own payroll for these individuals, but this required a unique EDC PAYE reference which has only recently been allocated by HMRC. The separate payroll could now be implemented, however, it would be more practical (given the small size of the EDC) to just have one payroll covering all EDC staff and Board Members. DCLG have been asked to see if this is an option that they can provide or if we can get a local public sector provider to undertake it for us.

7. Pension Arrangements

The EDC's application to become an 'admitted body' of the Local Government Pension Scheme (LGPS) is ongoing. A variety of forms have been completed and relevant information provided to Kent County Council who administer the fund locally. The EDC has not yet formally been admitted to the scheme (so no staff deductions have yet been made from payroll), but the official joining should be resolved on the 6 November when the application will be discussed by the KCC Superannuation Fund Committee (that meeting is open to the press and public and is in the public domain and information available on KCC's website).

Once admitted, the administrative procedures associated with the scheme will need to be devised e.g. leavers, joiners etc. as well as ensuring staff are aware of the terms and conditions of the scheme. KCC will offer help and guidance with this. In addition, some new policies will need to be established e.g. the Pension Discretions policy which will need EDC Board approval.

8. Banking Arrangements

Banking arrangements are provided by Handelsbanken. The EDC has one business current account from which payments are being made and to which money is being receipted. The Corporation will need to also open an account with the Government Banking Service (GBS) over the next few months. The EDC will need to seek HMT approval for these local banking arrangements periodically (next review date March 2016).

9. IT and Telephony

IT systems are provided by DCLG. These utilise DCLG IT infrastructure and enable the EDC to have a supported and secure email and network (shared drives) system. Improved printing capability is now in place but this involves physically taking the laptop to the printer which is located a short distance from the EDC office space. The EDC still has no landline telephones. The telephone situation is due to be resolved once the fixed link cable is installed. This cable will enable the planning system to

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cope with the large volume of IT data that is anticipated to be required with future planning applications.

Computer monitors for each office desk have been ordered which should improve the working environment for staff, minimising the reliance on smaller laptop screens.

10. Finance and Operational Performance as at 30 September 2015

The summary performance report for September is as follows noting the colour convention as follows;

- Blue = complete or significantly ahead of target
- Green = to target
- Orange = behind target but will be to target at year end
- Red = behind target with risk of non-delivery in year

| Ref | Indicator / Milestone | Performance | Direction of Travel | Note |
|-----|---|-------------|---------------------|---|
| 1 | Corporation operational | | = | Operated at planned date with first Board meeting within a few days |
| 2 | Business and support systems in place and operational | | ↓ | Payroll and Pension issues to be resolved |
| 3 | Interim premises occupied | | = | North Kent Police Station from 22 June |
| 4 | Infrastructure review contract let and completed | | = | |
| 5 | Masterplan phase 2 contract let | | = | |

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| 6 | Planning system operational | N/A due November 15 (end of) |  | Planning support functions e.g. legal support to be procured |
| 7 | Staff recruitment to plan | | = | Plans reviewed at September Board |
| 8 | Operate within headcount limit | | = | 32 formal headcount target due to be confirmed by DCLG |
| 9 | Operate within budget limit | | = | |
| 10 | No reportable DCLG or statutory "events" | | = | Nil |