

Ebbfleet Development Corporation

Board Meeting Part One			
Date of meeting :	16 March 2016	Agenda item :	EDC 016 / 020
Title of paper	Finance and Operations Report – as at 29 February 2016		
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 29 February 2016		
Recommendation	<p>FOR INFORMATION</p> <ul style="list-style-type: none"> • The total budget for the year remains the same as last month at c£3.4 million. • To date, this financial year 2015/16 shows a cumulative underspend of £397,478 which equates to 13.9% (£310,819, 12.7% in January), with underspends generated from the Premises, Training, IT & Telephony, Employer’s Pension, and Travel budgets offsetting a forecast increase in Interim Staff costs. • The forecast outturn for the year end is an underspend of £222,425 being 6.5% (forecast as £112,668, 3.3% in January) see Annex A. • The indicative operational budget for 16/17 is contained within the report. • Guidance on the “Project Assessment Review” is attached at Annex B 		
Delegation	None		
Financial impact	Some items of spend to be capitalised		
Legal impact	There are no legal implications associated with this paper		
Stakeholder impact	DCLG have agreed a £54,000 capital budget to cover those items (Idox planning system, plotter and printer) that will be capitalised in 15/16.		
Sponsor impact	The latest financial position is to be discussed with DCLG as part of the routine monthly meetings		

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1. Introduction

1.1 This paper briefly updates the Board on budget, workforce and other operational issues for the month of February 2016.

1.2 The indicative operational 2016/17 budget is contained within the report. It is anticipated that this will be formally confirmed by DCLG imminently.

1.3 Guidance on the Project Assessment Review to be carried out in May is attached at Annex B.

2. 2015/16 Operational Budget

2.1 The financial performance of the EDC at the end of February 2016 now shows a cumulative underspend of £397,478, 13.9% of budget base (compared to £310,819, 12.7% of budget base reported for January) of the budget to date (including approved business cases).

2.2 The forecast year-end position shows a predicted underspend of £222,425, 6.5% of budget base (reported as £112,668, 3.3% of budget base (including approved business cases) in January).

2.3 Around £54k's worth of 2015/16 expenditure will be capitalised. Most of this relates to the one off costs associated with the new EDC planning system. The expenditure is currently included within the attached report. DCLG have confirmed a capital budget to cover this in 2015/16.

2.4 Some recharges from DCLG remain outstanding but these will be resolved by the financial year end. Estimated amounts for these have been included in this month's financial report

2.5 The detail of the financial report and forecast is shown at **Annex A**.

3. 2016/17 Operational Budget

3.1 The operational budget for 2016/17 has not yet been formally agreed / approved by DCLG. The indicative amount is £3,644,000 which compares to £3,430,000 for the current financial year. The split of the budget is as follows (which reflects the full year impact of the cost of permanent staff)

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	15/16	16/17
Pay	£1,913,000	£2,450,000
Non Pay	£1,517,000	£1,194,000
Total	£3,430,000	£3,644,000

3.2 In addition to the £3,644,000 anticipated for 16/17, the EDC also has a capital project budget of £39,100,000.

4. Staffing Structure and Recruitment

4.1 The financial effect of planned recruitment is reflected in the year end forecast outturn.

4.2 The following appointments are in progress:

- Claire Smith joined as Planning Registrations Officer on 29 February
- Kirsty Bowskill will have joined as Development Monitoring Officer on 14 March
- It is anticipated that the remaining vacant planning roles (two Principal Planning Officers and a Planning Officer) for which appointments have been made, will have staff in place by May / June.
- Appointments have been made for a Senior Property Manager role and for a Project Manager. It is anticipated that staff will be in post for these roles within the next 3 months.
- An appointment has been made for the CEO's Executive Assistant role and is anticipated to be in post by mid-April.

5. Payroll and Pensions

5.1 The EDC payroll (provided by DCLG) is now fully operational and payments to the Local Government pension scheme fund (LGPS) have commenced.

6. Legal Procurement

6.1 Procurement exercises have now been completed for legal advisors to the EDC covering both Planning related matters and Land / Development related matters. The EDC expect to award contracts this month for both areas.

7. Major Projects review

7.1 Last month the Board were informed that central Government has requested that the EDC undergo an independent assurance review. Cabinet Office rules

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make it a requirement that all major Government projects and programmes undertake independent programme and project assurance through a process overseen and delivered by the IPA (the Infrastructure and Projects Authority (a recent merger of Infrastructure UK and the Major Projects Authority)). The Ebbsfleet Garden City Project meets the definition of a major Government project.

- 7.2 The IPA and specifically the DCLG unit that works with IPA, have suggested that the EDC has its first review in May. This would be delivered as an early stage review, designed to assess the governance and delivery arrangements that are in place to deliver the Garden City, and also with a forward looking element to anticipate the challenges ahead. The Review would be undertaken by a fully independent team that is expert in major programme delivery and regeneration.
- 7.3 The Review will be conducted over 4 days, and will involve document review and (confidential) interviews with a wide range of stakeholders including EDC Officers, Board Members, local partners, Government Departments and other parties. A final report will be delivered to DCLG and to the EDC on the final day of the review. The report would include an overall 'delivery confidence' assessment and a series of recommendations. The Review Team would also provide a view on whether the Ebbsfleet project should join the 'Government Major Projects Portfolio' – a portfolio of the Government's Top 150 (or so) programmes and projects.
- 7.4 The DCLG/IPA have proposed a specific review type – a 'Project Assessment Review' (PAR). This is a tailorable review and more information is at Annex B.
- 7.5 The current plan is that the Review will be undertaken during w/c 9 May.

8. Planning Committee

- 8.1 Louise Hardy has decided to step down from her role on the EDC Planning Committee. She will remain as a member of the EDC Board.
- 8.2 Louise's position on the Planning Committee will not immediately be replaced. The Planning Committee will continue with its existing / remaining membership. The position on the number of committee members required will be reviewed in a few months' time.

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9. IT and Telephony

9.1 The proposal to provide EDC with landline telephones via the internet is being progressed and is anticipated to be operational this month.

10. Finance and Operational Performance as at 29 February 2016

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

- Blue = complete or significantly ahead of target
- Green = to target
- Yellow = behind 15/16 target
- Red = behind target with risk of non-delivery in year

Ref	Indicator / Milestone	Performance	Direction of Travel	Note
1	EDC operational		=	Started on the planned date with first Board meeting within a few days
2	Business and support systems in place and operational		=	Payroll and Pension activities implemented
3	Interim premises occupied		=	North Kent Police Station occupied from 22 June 2015
4	Infrastructure review contract (Peter Brett) let and completed		=	Review produced in 2015
5	Masterplan phase 2 contract let		=	Achieved

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6	Planning system operational		=	Implementation of new planning software will be implemented by the end of March 2016.
7	Staff recruitment to plan		=	Full establishment in post, recruited or covered by end of March
8	Operate within headcount limit		=	28 formal headcount limit has been confirmed by DCLG
9	Operate within budget limit		=	On target to achieve this
10	No reportable DCLG or statutory “events”		=	None to date