

Ebbsfleet Development Corporation

Board Meeting Part One			
Date of meeting :	21/04/2015	Agenda item :	15/010
Title of paper	Start Revenue Budget and DCLG Delegated Budget		
Presented by	Nick Dawe, Interim Finance Director		
Sub-committee	Not applicable		

1. Introduction

This paper briefly sets out how the start revenue budget for Ebbsfleet was determined.

2. Identifying the Budget Required

To allow the Board to discharge the specific roles outlined in the statutory instruments setting up the Ebbsfleet Development Corporation requires a budget to pay for staff, premises, contracted services and bought in skills and expertise.

In addition to the revenue budget requirements, the Corporation may require further capital sums to achieve its objectives, but these will be the subject of separate papers and decisions as and when required.

The broad approach to calculating the budget by expense type is summarised below:

Expense Type	Broad approach to calculation of budget
Recruitment	As per DCLG and Director experience assuming recruitment will take place as 3 to 4 group campaigns
Pay	As per initial view of grading and job evaluation, assumes cost at top of scale with average employer NI rate. Employer pension contribution shown separately as is interim overhead. Budget assumes prudent earlier start to employment than will probably be the case. Budget assumes recharges in full will be made for seconded staff from DCLG and HMT.
Travel/Expenses	As per DCLG and Director experience.
Training	As per DCLG and Director experience assuming that most staff will have CPD requirements.
Premises	Based on lease of space in North Kent Police Station and associated service charges, the amount would be sufficient for meeting the revenue costs of future alternative provision, e.g. rented/leased modular buildings.
Vehicle	All-terrain vehicle to visit sites under construction, lease charges assume capital value of circa £25,000

Ebbfleet Development Corporation

Board Meeting Part	One
---------------------------	------------

Date of meeting :	21/04/2015	Agenda item :	15/010
--------------------------	-------------------	----------------------	---------------

ICT	Based on indicative charges supplied by DCLG including one off connection charges to premises.
Office	Office consumables based on Director experience
Contracted Services	Based on indicative charges supplied via DCLG, all are subject to further confirmation and some services in the future may be provided by Corporation's own staff
Delivery	Initial estimates of supplementary costs for specialist consultancy, advice and legal costs arising from master planning and regeneration activities. Where practical comparison to costs incurred by other development corporations has been made.
Insurance	Initial assumption is that self-insurance will be the norm as per general public sector approach. Difficult site conditions and activities may justify specific insurance and an estimate of premium has been made.
Interest	None assumed as grant is paid in line with cash flow expectations
Income	None assumed though some planning fees may be collected in the last quarter of the financial year
Unallocated	Contingency sum of 3% in the light of uncertainties at the time of setting the budget.

In addition the overall revenue budget has been discussed with DCLG colleagues and compared and contrasted to the revenue budgets set by other development corporations in the recent past.

3. Areas of Uncertainty and Estimation

Several areas of the budget have been calculated on the basis of estimation with a prudent figure being used. The particular areas that will need to be reviewed in detail are as follows:

Area of Uncertainty	Resolution	When	By
Interim Premium	On securing of remaining interims	May	Finance Director
Recharge from HMT for Director Time	On confirmation with DCLG and HMT	May	Finance Director
Staff Incentive Scheme	As per incentive scheme (if and when approved)	Last quarter of financial year	By Remuneration Sub Committee of the Board

Ebbsfleet Development Corporation

Board Meeting Part	One
---------------------------	------------

Date of meeting :	21/04/2015	Agenda item :	15/010
--------------------------	-------------------	----------------------	---------------

Employer Pension Contribution	Once staff eligibility and preferences are known and subject to actuarial confirmation	September	Finance Director
Premises	On confirmation of interim arrangements via DCLG	April	Finance Director
ICT	On confirmation of interim arrangements via DCLG	April	Finance Director
External Audit	Following further discussion with NAO	May	Finance Director
Internal Audit	Following further discussion with GIA	May	Finance Director
Pension Administration Fee	Following further discussion with Kent CC	May	Finance Director
Planning Notices	Following further consideration and discussion with Districts	September	Director of Planning
Masterplanning Support	Following letting of Masterplan Phase 2	May	Director of Strategy
Infrastructure Review Support	Following letting of tenders	May	Director of Land and Regeneration
Commercial Opportunities Support	Following identification of opportunities	September	Director of Land and Regeneration
Insurance	Following a VFM review of public and staff liability issues for site working and permanent premises cover	September	Director of Finance
Planning Fee Income	Following further consideration and discussion with Districts	September	Director of Planning

4. DCLG/HMT Budget Control

In line with Government policy relating to ensuring the public sector offer the tax payer value for money, DCLG/HMT operate budget controls for all arm's length bodies.

Ebbfleet Development Corporation

Board Meeting Part	One
---------------------------	------------

Date of meeting :	21/04/2015	Agenda item :	15/010
--------------------------	-------------------	----------------------	---------------

The budget control level will be set subsequent to the Board meeting and notified to the Accounting Officer. The budget control level is expected to be the same as the budget requirement set out in this paper, i.e. £3, 820,498.

5. Bids for Capital Funding in 2015/16 and Later Years

The Corporation may wish to bid for further capital funding relating to regeneration, infrastructure and development activities with a major submission forming part of the call for proposals that will filter into the Comprehensive Spending Review in the autumn of 2015.

All such bids will need to be in the form of business cases and have the separate approval of the Board.

6. Risk and Contingency

Over and above the flexibility that may exist in individual budget lines, an overall contingency reserve of 3% has been identified for the first year of operation.

Ebbsfleet Development Corporation

Detailed Budget Build 2015/16

Created 7th April 2015 reflecting notified amendments and later and better figures. Orange items remain best possible estimates and may be subject to review and change in year within the overall parameters of the Budget



Ref	Main	Sub	Description Main	Description Sub	Start	End	15/16 %	FTE	Baseline Cost £	EDC Cost 15/16 £	EDC Cost 16/17 £	Basis of Costing 15/16
			Recruitment	Advertising	NA	NA	100%		13,500	13,500	-	27 staff below Director level at £500 average
			Recruitment	Other, e.g. panel/candidate costs	NA	NA	100%		2,700	2,700	-	27 staff below Director level at £100 average
Sub Total			Recruitment					0.00	16,200	16,200	-	
			Pay	Chairman	20/04/15	31/03/16	95%	NA	63,840	60,526	63,840	
			Pay	Deputy Chairman	20/04/15	31/03/16	95%	NA	20,520	19,455	20,520	
			Pay	Other Board Members	20/04/15	31/03/16	95%	NA	54,720	51,879	54,720	
			Pay	Independent Committee Members	20/04/15	31/03/16	95%	NA	13,680	12,970	13,680	Assumes 12 meetings two people £500 a day
			Pay	CEO	22/06/15	31/03/16	80%	1.00	159,600	127,680	159,600	£140,000 plus NI at 14%
			Pay	Executive Assistant CEO/Chairman	22/06/15	31/03/16	80%	1.00	45,600	36,480	45,600	£40,000 plus NI at 14%
			Pay	Strategy Director *	20/04/15	31/03/16	95%	1.00	102,600	97,274	102,600	£90,000 plus NI at 14%
			Pay	Principal Masterplanner	20/04/15	31/03/16	95%	1.00	79,800	75,657	79,800	£70,000 plus NI at 14%
			Pay	Principal Engagement Officer	20/04/15	31/03/16	95%	1.00	79,800	75,657	79,800	£70,000 plus NI at 14%
			Pay	Senior Masterplanner	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Senior Communications Officer	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Commercial Director *	20/04/15	31/03/16	95%	1.00	125,400	118,890	125,400	£110,000 plus NI at 14%
			Pay	Principal Land Officer	22/06/15	31/03/16	80%	1.00	79,800	63,840	79,800	£70,000 plus NI at 14%
			Pay	Principal Land Officer	20/04/15	31/03/16	95%	1.00	79,800	75,657	79,800	£70,000 plus NI at 14%
			Pay	Senior Commercial Officer	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Senior Commercial Officer	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Commercial Assistant	01/08/15	31/03/16	67%	1.00	45,600	30,552	45,600	£40,000 plus NI at 14%
			Pay	Commercial Assistant	01/08/15	31/03/16	67%	1.00	45,600	30,552	45,600	£40,000 plus NI at 14%
			Pay	Planning Director *	20/04/15	31/03/16	95%	1.00	102,600	97,274	102,600	£90,000 plus NI at 14%
			Pay	Principal Planning Officer	20/04/15	31/03/16	95%	1.00	79,800	75,657	79,800	£70,000 plus NI at 14%
			Pay	Principal Planning Officer	22/06/15	31/03/16	80%	1.00	79,800	63,840	79,800	£70,000 plus NI at 14%
			Pay	Senior Planning Officer	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Senior Planning Officer	01/08/15	31/03/16	67%	1.00	53,580	35,899	53,580	£47,000 plus NI at 14%
			Pay	Planner	01/08/15	31/03/16	67%	1.00	45,600	30,552	45,600	£40,000 plus NI at 14%
			Pay	Planner	01/08/15	31/03/16	67%	1.00	45,600	30,552	45,600	£40,000 plus NI at 14%
			Pay	Finance Director *	20/04/15	31/03/16	95%	1.00	85,500	81,061	85,500	£75,000 plus NI at 14%
			Pay	Assistant Finance Director	20/04/15	31/03/16	95%	1.00	68,400	64,849	68,400	£60,000 plus NI at 14%
			Pay	Head of Governance	20/04/15	31/03/16	95%	1.00	68,400	64,849	68,400	£60,000 plus NI at 14%
			Pay	Principal Finance Officer	01/08/15	31/03/16	67%	1.00	57,000	38,190	57,000	£50,000 plus NI at 14%
			Pay	Principal Governance Officer	20/04/15	31/03/16	95%	1.00	57,000	54,041	57,000	£50,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	20/04/15	31/03/16	95%	1.00	28,500	27,020	28,500	£25,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	20/04/15	31/03/16	95%	1.00	28,500	27,020	28,500	£25,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	20/04/15	31/03/16	95%	1.00	28,500	27,020	28,500	£25,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	01/08/15	31/03/16	67%	1.00	28,500	19,095	28,500	£25,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	01/08/15	31/03/16	67%	1.00	28,500	19,095	28,500	£25,000 plus NI at 14%
			Pay	Business Officers (min 2 of 6 apprentices)	01/08/15	31/03/16	67%	1.00	28,500	19,095	28,500	£25,000 plus NI at 14%
			Pay	Interim Premium	NA	NA	100%	NA	90,488	90,488	-	Assumes 50% of basic day rate posts * 3 months
			Pay	Staff Provided Without Cost	20/04/15	31/03/16	95%	NA	-	-	-	Assumes no offsetting credit (Phillip from HMT)
			Pay	Staff Incentive Scheme	20/04/15	31/03/16	95%	NA	50,645	48,015	50,645	Assumes 2.5% of salary costs lines 11 through 46
			Pay	Employers Pension Contribution	20/04/15	31/03/16	95%	NA	326,781	274,751	326,781	Assumes 15% of salaries lines 15 through 46, subject to KCC confirmation
Sub Total			Pay					32.00	2,646,453	1,831,674	2,178,540	
			Travel / Expenses	Travel / Expenses Chair and Board	20/04/15	31/03/16	95%		12,000	11,377	12,000	£2,000 per board member
			Travel / Expenses	Travel / Expenses CEO and Directors	20/04/15	31/03/16	95%		15,000	14,221	15,000	£3,000 per FTE per year
			Travel / Expenses	Travel / Expenses Other Staff	20/04/15	31/03/16	95%		40,500	38,398	40,500	£1,500 per FTE per year
			Travel / Expenses	Excess Travel	20/04/15	31/03/16	95%		11,000	10,429	11,000	Per Alec
Sub Total			Travel / Expenses					0.00	67,500	63,996	67,500	
			Training	Training Chair and Board	20/04/15	31/03/16	95%		3,000	2,844	3,000	£500 per head
			Training	Training CEO and Directors	20/04/15	31/03/16	95%		7,500	7,111	7,500	£1500 per head
			Training	Training Other Staff	20/04/15	31/03/16	95%		40,500	38,398	40,500	£1500 per head
Sub Total			Training					0.00	51,000	48,352	51,000	
			Premises	Lease North Kent Police Station	NA	NA	100%		200,000	200,000	200,000	Based on initial estimate North Kent Police Station (or equivalent) rented for up to 1 year
			Premises	Service Charge					In above	-	-	
			Premises	Heat / Light / Power and Utilities					In above	-	-	
			Premises	Maintenance					In above	-	-	
			Premises	Rates					In above	-	-	
			Premises	IT Connection North Kent Police Station	NA	NA	100%		10,000	10,000	-	Subject to confirmation
			Premises	Casual Room Hire	NA	NA	100%		6,000	6,000	6,000	12 external venues at £500 per use
			Premises	Planning and Design Site 5	NA	NA	100%		10,000	10,000	-	Subject to confirmation
			Premises	IT Connection North Kent Police Station	NA	NA	100%		10,000	-	10,000	Subject to confirmation
			Premises	Purchase of Site 5 Modular Units					-	-	-	Capital item subject of separate bid
			Premises	Fitting Out Site 5					-	-	-	Capital item subject of separate bid
Sub Total			Premises					0.00	216,000	216,000	206,000	

		Vehicle	Operational Lease	NA	NA	100%		6,000	6,000	6,000	Operational lease of £25,000 worth vehicle
		Vehicle	Running Costs / Insurance / RF Tax	NA	NA	100%		5,000	5,000	5,000	10,000 miles per annum at 50p per mile
Sub Total		Vehicle					0.00	11,000	11,000	11,000	
		ICT	Business System	NA	NA	100%		2,320	2,320	2,320	Sage Finance and Expenses £20 a month
		ICT	Office Systems / Network/ Email	NA	NA	100%		40,000	40,000	40,000	Per DCLG quote
		ICT	Telephony	NA	NA	100%		38,400	38,400	38,400	Assumes £150 per FTE per month
		ICT	Planning Systems	NA	NA	100%		60,000	60,000	60,000	Per WNDG experience
		ICT	Website	NA	NA	100%		5,000	5,000	5,000	Assumed, hosting and development costs
Sub Total		ICT					0.00	145,720	145,720	145,720	
		Office	Consumables / Stationery	20/04/15	31/03/16	95%		1,200	1,138	1,200	Assumes £100 per month
		Office	Equipment Purchases (not capital)	20/04/15	31/03/16	95%		1,200	1,138	1,200	Assumes £100 per month
Sub Total		Office					0.00	2,400	2,275	2,400	
		Contracted Services	Planning Services	NA	NA	100%	2.50	90,000	90,000	-	As per original estimate
		Contracted Services	External Audit NAO	NA	NA	100%	0.09	20,000	20,000	20,000	Assumes 20 days at £1000 a day
		Contracted Services	Internal Audit GIA	NA	NA	100%	0.09	20,000	20,000	20,000	Assumes 20 days at £1000 a day
		Contracted Services	HR and Payroll DCLG	NA	NA	100%	1.00	50,000	50,000	50,000	Check
		Contracted Services	Pension Admission Charge	NA	NA	100%	1.00	5,000	5,000	5,000	Check
		Contracted Services	Legal (general)	NA	NA	100%	0.05	12,000	12,000	12,000	Assumes 12 days at £1000 a day
		Contracted Services	Procurement (general)	NA	NA	100%	0.02	4,000	4,000	4,000	Assumes 4 days at £1000 a day
		Contracted Services	HSE Support	NA	NA	100%	0.02	4,000	4,000	4,000	Assumes 4 days at £1000 a day
		Contracted Services	FOI Support	NA	NA	100%	0.02	4,000	4,000	4,000	Assumes 4 days at £1000 a day
Sub Total		Contracted Services					4.79	209,000	209,000	119,000	
		Delivery	Public and Business Engagement	NA	NA	100%		10,000	10,000	10,000	As per consultation exercise
		Delivery	Masterplanning Visualisations	NA	NA	100%		10,000	10,000	10,000	As per business plan
		Delivery	Planning Notices and Publication	NA	NA	25%		200,000	50,000	200,000	Review
		Delivery	Masterplanning Contract Phase 1	NA	NA	0%		150,000	-	-	Commissioned and paid for by DCLG
		Delivery	Masterplanning Contract Phase 2	NA	NA	100%		350,000	350,000	-	
		Delivery	Masterplanning Support	NA	NA	100%	0.50	88,000	88,000	88,000	110 man days at £800 a day
		Delivery	Prioritised Infrastructure / Cost Plan	NA	NA	100%	1.00	176,000	176,000	-	220 man days at £800 a day
		Delivery	Commercial opportunities	NA	NA	100%	2.00	352,000	352,000	352,000	440 man days at £800 a day
		Delivery	Contracts and tenders support	NA	NA	100%	0.50	88,000	88,000	88,000	110 man days at £800 a day
Sub Total		Delivery					4.00	1,424,000	1,124,000	748,000	
		Insurance	General Liability	NA	NA	100%		16,000	16,000	16,000	Estimated premium equating to £500 per employee
		Insurance	Specific Liability	NA	NA	100%		-	-	-	
Sub Total		Insurance					0.00	16,000	16,000	16,000	
		Interest	Interest Received					-	-	-	None envisaged this year
		Interest	Interest Paid					-	-	-	None envisaged this year
Sub Total		Interest					0.00	-	-	-	
		Income	Planning Fees					-	-	-	Review as income possible in Quarter 4
		Income	Other Income					-	-	-	None envisaged this year
Sub Total		Income					0.00	-	-	-	
		Unallocated	General Contingency					144,158	136,281	128,834	At 3%
		Unallocated	Specific Contingency					-	-	-	
Sub Total		Unallocated					0.00	144,158	136,281	128,834	
Grand Total							40.79	4,949,431	3,820,498	3,673,994	
Hadcount			Excluding consultancy and services				32.00				
Grant Call			Monthly					412,453	318,375	306,166	