

# Ebbsfleet Development Corporation

<b>Board Meeting Part One</b>			
<b>Date of meeting :</b>	<b>15/07/2015</b>	<b>Agenda item :</b>	<b>015 / 029</b>
<b>Title of paper</b>	<b>Finance and Operations Report as at 30<sup>th</sup> June 2015</b>		
<b>Presented by</b>	<b>Nick Dawe, Interim Finance/Operations Director</b>		
<b>Sub-committee</b>	<b>Not applicable</b>		

## 1. Introduction

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

## 2. Budget

The financial performance of the Corporation after two months of operations shows a cumulative underspend of £20,285, representing 4.5% of the budget to date (including business cases).

The majority of the underspend is associated with IT charges and telephony.

- The IT budget reflects an annual charge with full headcount in place whereas the actual recharge will be based on 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 forecast underspend of £616,025, 15.3% of budget (including business cases).

The majority of the underspend relates to business cases that are now not likely to proceed in this financial year as originally planned.

- The infrastructure business case has been approved and now is in train but time limitations mean that the study is more concentrated and at a reduced price. It is possible but not certain that supplementary studies may be required as part of the Master Planning activity. The predicted underspend at year end is £130,000.
- The commercial activity potential business case related to the possibility that the Corporation may establish companies or partnerships in its first year of operation to help expedite the delivery of specific projects and sites. Whereas this is still a strong possibility over time the likelihood of this activity commencing before 31<sup>st</sup> March 2016 has reduced. The predicted underspend at year end is £350,000.

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

### **3. Staffing Structure and Recruitment**

The Board was planning to review the longer-term staffing structure in July. It is now proposed that this discussion should happen in September when all the permanent directors will be in post. No additional recruitment activity other than that approved by the Board is due to take place before the end of September.

The following points should be noted.

- The permanent Land and Regeneration Director, Stephen Pritchard took up post on the 6<sup>th</sup> July.
- The interim Principal Planning Officer, Colber Adamian Thomas took up post on the 29<sup>th</sup> June.
- Vikki Finnerhan has been appointed to the Assistant Director of Finance position. She will take up post in early October.
- Sarah Gemmell has been appointed to the Executive Assistant position. She will take up post before the end of July.
- Hannah Costa, Ramen Cheema and Jemma Crane have been appointed to (three of the six) Business Support Assistant positions. They will take up their posts in late July / early August.
- Recruitment activity has commenced for the posts of; Placemaker, Masterplanner and Project Manager (in the Strategy Team) and Strategic Sites Lead, Development Manager and Senior Planner (in the Planning Team).
- Of the 32 posts set out in the original structure after the appointments already made and noted above, 6 are being actively recruited to and 8 are on hold till the Board review in September.

### **4. Finance and Payroll Systems**

The finance system, “Sage One” has been set-up and is operational. A significant number of recharges are awaited from DCLG and these will be entered onto the system in July. Receipt of these recharges has been assumed in the financial report.

The payroll system (for Non-Executive Directors) “Sage One Payroll” has been secured and is in the process of being set up.

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## 5. Banking Arrangements

Banking arrangements have been secured from Handelsbanken. Accounts are now open and payments are being made and money is being receipted.

## 6. Premises (Interim)

The interim shared office solution at North Kent Police Station is now fully operational with the formal address being;

**Ebbsfleet Development Corporation**

**C/O North Kent Police Station**

**Thamesway**

**Gravesend**

**DA11 8BD.**

## 7. IT and Telephony

The Corporation as planned initially makes use of a combination of Corporation run and DCLG supplied office and business systems.

Systems are in operation that cover; networks, email, office, finance and payroll immediate needs. Improved bulk printing capability will be put in place by the end of July.

The main contact number for the Corporation is

**07482222550**

A fuller list of contact details is available upon request.

## 8. Finance and Operational Performance as at 30<sup>th</sup> June

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

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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 system an added requirement
3	Interim premises occupied		↑	22 <sup>nd</sup> June
4	Infrastructure review contract let		↑	Let to P Bretts
5	Masterplan phase 2 contract let	NA due September 15 (end of)	↑	Tender on target
6	Planning system operational	NA due November 15 (end of)	↑	Business case approved, procurement in progress
7	Staff recruitment to plan		↓	2 week delay in getting Strategy and Planning posts to advert
8	Operate within headcount limit		=	18 out of 32
9	Operate within budget limit		=	Underspend of £20,285
10	No reportable DCLG or statutory "events"		=	Nil

Financial Summary as at 30/06/15

Appendix A

Expense Heading	Annual Budget	Budget Cummulative	Actual Cummulative	Variance	Forecast Variance Year-End
	£	£	£	£	£

Chairman	56,000	10,182	10,182	-	-
Deputy Chairman	18,000	3,273	3,273	-	-
Other Board Members	48,000	8,727	8,727	-	-
Independent Members	6,000	-	-	-	-
NIC	17,920	3,258	3,258	-	-
Pension Contribution	19,200	3,491	3,491	-	-
CEO	112,000	-	-	-	-
Executive Assistant CEO/Chairman	26,800	-	-	-	-
Principal Placemaker	29,167	-	-	-	-
Principal Programme Manager Masterplanning	29,167	-	-	-	-
Senior Masterplanner Infrastructure	19,583	-	-	-	-
Senior Communications Officer	22,325	-	-	-	-
Land and Regeneration Director	82,500	-	-	-	-
Principal Land / Regeneration Officer	29,167	-	-	-	-
Principal Land / Regeneration Officer	29,167	-	-	-	-
Senior Commercial Officer	15,667	-	-	-	-
Senior Commercial Officer	15,667	-	-	-	-
Commercial Assistant	13,333	-	-	-	-
Commercial Assistant	13,333	-	-	-	-
Planning Director	52,500	-	-	-	-
Principal Planning Officer	29,167	-	-	-	-
Principal Planning Officer	29,167	-	-	-	-
Senior Planning Officer	15,667	-	-	-	-
Senior Planning Officer	15,667	-	-	-	-
Planner	13,333	-	-	-	-
Planner	13,333	-	-	-	-
Finance Director	43,750	-	-	-	-
Assistant Finance Director	34,200	-	-	-	-
Principal Finance Officer	16,667	-	-	-	-
Business Officers (min 2 of 6 apprentices)	16,750	-	-	-	-
Business Officers (min 2 of 6 apprentices)	16,750	-	-	-	-
Business Officers (min 2 of 6 apprentices)	16,750	-	-	-	(8,375)
Business Officers (min 2 of 6 apprentices)	16,750	-	-	-	(8,375)
Business Officers (min 2 of 6 apprentices)	16,750	-	-	-	(8,375)
NIC	112,256	-	-	-	-
Pension Contribution	120,274	-	-	-	-
Strategy Director	143,088	26,016	26,016	-	-
Head of Corporate Programme Office	80,809	14,693	14,693	-	-
Principal Projects and Business Manager	68,262	12,411	12,411	-	-
VAT	-	-	-	-	-
NIC	40,902	7,437	7,437	-	-
Employers Pension C	43,824	7,968	7,968	-	-
Principal Masterplanner	60,000	20,000	20,000	-	-
Principal Engagement Officer	54,000	18,000	18,000	-	-
Land and Regeneration Director	45,501	30,334	30,334	-	-
Principal Land / Regeneration Officer	129,600	-	-	-	-
Principal Land / Regeneration Officer	51,300	-	-	-	-
Planning Director	85,800	34,320	34,320	-	-
Principal Planning Officer	70,200	-	-	-	-
Finance Director	105,600	42,240	42,240	-	-

VAT						
Interim Premium	60,200	14,489	14,489	-		-
Travel / Expenses Chair and Board	11,377	2,069	2,069	-		-
Travel / Expenses CEO and Directors	14,221	2,586	2,586	-		-
Travel / Expenses Other Staff	38,398	6,981	6,981	-		-
Excess Travel	10,429	1,896	1,896	-		-
Training Chair and Board	2,844	517	517	-		-
Training CEO and Directors	7,111	1,293	1,293	-		-
Training Other Staff	38,398	6,981	6,981	-		-
Lease North Kent Police Station	208,000	104,000	104,000	-		-
IT Connection North Kent Police Station	20,000	3,636	3,636	-		-
Casual Room Hire	6,000	1,091	1,091	-		-
Operational Lease	6,000	1,091	-	(1,091)		(3,000)
Running Costs / Insurance / RF Tax	5,000	909	-	(909)		(2,500)
Business System	600	109	109	-		-
Office Systems / Network/ Email	41,600	7,564	1,200	(6,364)		(20,800)
Telephony	38,400	6,982	-	(6,982)		(28,800)
Website	5,000	909	909	-		5,000
Consumables / Stationery	4,930	896	500	(396)		-
Equipment Purchases (not capital)	10,000	1,818	2,548	730		-
Planning Services	90,000	16,364	16,364	-		-
External Audit NAO	20,000	3,636	3,636	-		-
Internal Audit GIA	20,000	3,636	3,636	-		(5,000)
Pension Admission Charge	5,000	909	-	(909)		-
Legal (general)	12,000	2,182	-	(2,182)		-
Procurement (general)	4,000	727	-	(727)		-
HSE Support	4,000	727	-	(727)		-
FOI Support	4,000	727	-	(727)		-
Planning Notices and Publication	50,000	-	-	-		-
Interest Received	-	-	-	-		-
Interest Paid	-	-	-	-		-
Planning Fees	-	-	-	-		-
Other Income	-	-	-	-		-
<b>Total Core Budget</b>	<b>2,915,868</b>	<b>437,077</b>	<b>416,792</b>	<b>(20,285)</b>		<b>(80,225)</b>
						-
						-
<b>HR and Payroll DCLG</b>	<b>50,000</b>	<b>9,091</b>	<b>9,091</b>	<b>-</b>		<b>-</b>
Advertising	16,200	-	-	-		-
Staff Incentive Scheme	39,800	-	-	-		(39,800)
Planning Systems	60,000	-	-	-		-
Public and Business Engagement	60,000	-	-	-		-
Masterplanning Phase 2	298,666	-	-	-		-
Prioritised Infrastructure / Cost Plan	180,000	-	-	-		(130,000)
Commercial opportunities	350,000	-	-	-		(350,000)
Office Pods Ebbsfleet / Bluewater / High Street	50,000	-	-	-		-
General Liability	16,000	-	-	-		(16,000)
<b>Total Business Case</b>	<b>1,070,666</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>(535,800)</b>
<b>Grand Total</b>	<b>4,036,534</b>	<b>446,168</b>	<b>425,883</b>	<b>(20,285)</b>		<b>(616,025)</b>

-4.5%

-15.3%