

Ebbsfleet Development Corporation

Board Meeting Part One

Date of meeting :	20 July 2016	Agenda item :	EDC 016/055
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Title of paper	Finance and Operations Report – as at 30 June 2016
Presented by	Gerard Whiteman, Director of Finance
Sub-committee	Not applicable

Purpose of Paper and Executive Summary	
An update on EDC budgets, workforce and other operational issues.	
EDC business plan and KPIs	Operational and capital activities to enable the EDC 16/17 Business Plan / KPIs to be achieved
Recommendation	<p>FOR DECISION</p> <p>Approval is sought for the EDC Eye Care Policy (Annex A)</p> <p>FOR INFORMATION</p> <p>The Board is invited to note the update.</p>
Annexes	<p>ANNEX A – EDC Eye Care Policy</p> <p>ANNEX B - 2016/17 Operational Budget</p>
Delegation	Not applicable

Financial impact	As outlined in the report
Legal impact	None
Stakeholder impact	As outlined in the report
Sponsor impact	Operational Budget to be confirmed by DCLG

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1. Introduction

1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of June 2016.

2. 16/17 Operational Budget.

2.1. The detail of the budget is shown at **Annex B**. The operational budget for 16/17 has not yet been formally agreed / approved by DCLG. The indicative amount is £3,744,000 which compares to a budget £3,430,000 for the 15/16 financial year (from 20 April 2015). The increase reflects the full year impact of the cost of the 28 FTE permanent staff.

2.2. As at the end of June there is an underspend of employee salary costs that has arisen because a number of staff recruited to permanent posts have commenced employment with the EDC later than budgeted. Whilst some of the underspend has been utilised to provide interim cover to the vacant posts, there is a net favourable position of £182,014. With most of the staff now in post, including the transfer of the interim Chief Executive to the EDC payroll, this underspend position is not likely to increase significantly.

3. 16/17 Project Budget

3.1 On 25 November 2015, the Chancellor of the Exchequer announced that £310 million of Government investment would be made available to support the delivery of Ebbsfleet Garden City. The Chancellor also announced that parts of the EDC area would be designated as an Enterprise Zone as part of a North Kent Innovation Zone.

3.2 The £310 million government funding is split as follows:

2016/17 £39.1 million	2017/18 £46.1 million
2018/19 £60.6 million	2019/20 £55.6 million
2020/21 £108.6 million	

3.3 The overall £310 million will be used on a variety of EDC activities to deliver the Garden City Vision. These activities have been grouped into programmes of work. Each programme comprises a number of individual projects.

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Infrastructure Delivery Plan – Programme Summary

PROGRAMME	DESCRIPTION SUMMARY
Utilities	To provide a co-ordinated strategic utility network across the Garden City focusing on opportunities for collaborative working and best practice. Establishing shared utility corridors and advancing the provision of strategic infrastructure.
Enterprise Zones	Working with landowners to provide employment opportunities fostering both local and inward investment – capitalising on Enterprise Zone investment.
Transport and Connectivity	To provide safe and integrated highway system, improving connectivity between the existing and new communities, investing in local road improvements and creating “green corridor” routes for pedestrians and cyclists.
Community Development	To create a city with vibrancy and a range of uses through targeted investment encouraging flexible use of public realm and the reinforcement of recreational and cultural facilities. Supporting investment with skills development and investment in further education infrastructure.
Direct Development	Supporting the market by sharing development risk and reward by participating in joint ventures in core areas and potentially acquiring “windfall” sites identified by the masterplan in and around the Garden City.

3.4 The focus of attention in 2016/2017 is in the following areas.

- Utilities – utilities corridors, utility provider asset strategies and primary utility infrastructure.
- Enterprise Areas – securing an early start on the Enterprise Zones
- Transport and connectivity:
 - Delivering improved local transport connections including the Springhead Northern access road and bridge link to facilitate efficient access to and from the Station.
 - The Fastrack service to ensure it builds upon previous successes and offers a solid public transport service.
- Direct Development – Garden City wide activity to facilitate development / housing delivery

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3.5 The 2016/17 forecast quarterly expenditure is detailed below.

Quarterly	1	2	3	4	Total
	£'000	£'000	£'000	£'000	£'000
Utilities	0	40	1,000	960	2,000
Enterprise Zones	7	64	7,235	7,194	14,500
Transport & Connectivity	35	485	1,060	4,420	6,000
Community Development	0	0	0	0	0
Direct Development	0	30	150	17,620	17,800
	42	679	9,445	30,194	40,300

3.6 In addition to the expenditure above, it is anticipated that the EDC will pay a deposit during 16/17. This deposit relates to the future provision of utilities within the Garden City. The deposit is a 16/17 cash payment, however the expenditure will only count / score against the EDC budget in a future year (anticipated at this stage to be 17/18). Depending on the timing of the utilities contract, the cash deposit and staged payments required in 16/17 could be in the region of between £10 - £15 million. The EDC will be able to draw down the necessary cash for this from DCLG as well as the money budgeted to pay for the other 16/17 project activity.

3.7 The profile of the 16/17 project expenditure shows the majority of the spend occurring in the last two quarters. On a monthly basis, this is forecast to occur as follows:

- October 2016 £7,440,000
- November 2016 £1,030,000
- December 2016 £975,000
- January 2017 £1,385,000
- February 2017 £2,190,000
- March 2017 £26,619,000

3.8 The EDC is deliberately over-programming its activities given that 2016/17 is the first year of project activity. Steps will be taken later in the financial year (if required) to ensure that the final expenditure for the year is limited to the £39.1 million that is available.

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4. 15/16 Annual Report and Accounts

4.1 The NAO completed their audit and signed off the report and accounts on the 7th July.

4.2 The document will now be laid before Parliament. It is intended that this will be done on the 19th July i.e. before the Parliamentary summer recess. The document can be made publicly available once it has been put before Parliament.

5. Staffing Structure and Recruitment

5.1 The EDC has an approved headcount of 28FTE staff. As of the end of June 2016, the EDC has 22 permanent appointments in post. There is also one post being filled by a long term secondment.

5.2 An appointment has been made for the Director of Projects role and is anticipated to be in post in late September. An interim is currently covering this role.

5.3 The following recruitments are in progress:

- Development Director - being advertised with a closing date of 25th July.
- Programme Manager - has been advertised with interviews planned for late July. This role is currently being covered by a secondee.

5.4 At the end of June there were two further roles being covered by interim staff i.e. the Chief Executive and the Community Building Manager (CBM). The recruitment process for the CBM post is due to start imminently, whilst the Interim Chief Executive will be employed directly from 1 July.

6. Eye Care Policy

6.1 Attached at Annex A is the EDC Eye Care Policy. It has been drafted in conjunction with DCLG and is based on their current policy.