

Ebbfleet Development Corporation

Board Meeting Part	One
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Date of meeting :	19 October 2016	Agenda item :	EDC 016/084
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Title of paper	Finance and Operations Report – as at 30 September 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	FOR INFORMATION The Board is invited to note the update.
Annexes	ANNEX A - 2016/17 Operational Budget
Delegation	Not applicable

Financial impact	As outlined in the report
Legal impact	None
Stakeholder impact	As outlined in the report
Sponsor impact	Budgets 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 September 2016 and the 2016/17 year to date.

2. 16/17 Operational Budget.

2.1 The detail of the budget is shown at **Annex A**. The operational budget for 16/17 has now been formally approved by DCLG at £3,744,000 which compares to a budget £3,430,000 for 2015/16 (part-year from 20 April 2015). The increase reflects the full year impact of the cost of 28 FTE permanent staff.

2.2 As at the end of September, the forecast underspend of employee salary costs that was reported to the last board meeting remains at the same level - £182,644 - having arisen because a number of staff recruited to permanent posts have taken up post later than budgeted. Whilst some of the underspend has been utilised to provide interim cover to those vacancies, it is proposed (subject to DCLG approval) to utilise the remainder for non-pay costs i.e. on project activity that cannot be charged to capital. With most of the permanent EDC staff now in post, this underspend position is not likely to increase significantly, plus one secondee post and one interim post are being extended for approximately 3 months for handover and additional support to project delivery.

2.3 Income from Planning Fees has already exceeded the original budget (£25,000) for the year, with the latest income forecast at £108,000. The surplus income is largely funding other contracted support, e.g. VAT and Accounting advice, and the Strategic Transport Planning project.

3 16/17 Project Budget

3.1 On 25 November 2015, the then Chancellor of the Exchequer, George Osborne, announced that £310 million of Government investment would be made available to support the delivery of the Ebbsfleet Garden City. The £310 million government funding is currently profiled 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 £310 million will fund a programme of EDC activities to deliver the garden city vision. The EDC programme of investment is organised around five sub-programmes (pillars) that focus on specific projects that can be delivered at pace and that demonstrate value for money.

3.4 The EDC has reviewed its five year programme of investment and is currently in discussions with DCLG and HMT to seek approval for the funding profile to be changed. These discussions may impact on the anticipated programme spend for 16/17 and the years beyond. We anticipate being able to report an update next month.

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Infrastructure Delivery Plan – Programme Summary

Pillar	DESCRIPTION SUMMARY
Housing Programme	To complement the EDC's activities in bringing forward developer activity that will deliver additional housing in the garden city.
Commercial Programme	Working with landowners and investors to provide commercial space and employment opportunities fostering both local and inward investment whilst capitalising on the Enterprise Zone status.
Utilities Programme	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.
Transport Programme	To enable safe and integrated highway systems, investment in local road improvements including the Springhead Bridge, and proposals to upgrade the Fastrack bus service.
Green Corridors Programme	Improving connectivity between the existing and new communities and creating "green corridor" routes for pedestrians and cyclists to minimise car travel within the garden city. To also include the provision of green public realm space.

3.5 The 2016/17 project expenditure to date:

Pillar	Year to Date
	£'000
Housing Programme	55
Commercial Programme	78
Utilities Programme	18
Transport Programme	214
Green Corridors	15
	380

3.6 There remains a significant amount of 16/17 budgeted project expenditure to be incurred before the financial year end i.e. 31 March 2017. The majority of this is forecast to occur in the last quarter of 16/17. However, subject to DCLG and HMT approval, the EDC's

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investment in electricity infrastructure is anticipated to start before the end of December 2016.

The EDC is also currently seeking approval from DCLG to acquire some land for housing development within the Garden City during 16/17.

4 Staffing Structure and Recruitment

4.1 The EDC has an approved headcount of 28 FTE staff. As of the end of September 2016, the EDC had 23 FTE permanent appointments in post.

4.2 The Chief Executive post continues to be covered on an interim basis, and the Corporate and Governance Lead is a long term secondment from the DCLG.

4.3 James Richardson is likely to continue at the EDC on secondment from the Cabinet Office until at least the end of December.

4.4 Julia Gregory, Projects Director, started with the EDC on 3 October.

4.5 Simon Newsholme, the new Development Director, will start on 17 October.

4.6 Paul Boughen, the new Community Building Manager, will start on 31 October. The role is being covered on a part-time basis by an interim.

4.7 With the appointments and interim arrangements as set out above we are at our full headcount of 28.