

Ebbfleet Development Corporation

Board Meeting Part	One
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Date of meeting :	15 March 2017	Paper Number:	EDC 017/014
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Title of paper	Finance and Operations Report – as at 28 February 2017
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 February 2017 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 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 February, the forecast year end underspend of employee salary costs that was reported to previous board meetings has further increased to £237,199, reflecting the vacancy savings accrued by the then-vacant Chief Planning Officer role, an agreed reduction in the recharge by the DCLG HR & Payroll service, and general vacancy savings from recruitment lead in times, net of additional expenditure on temporary resource in the Projects Team. The DCLG approved the EDC's business case earlier in the year to transfer £180k of the pay underspend to non-pay costs i.e. to fund project-related costs that cannot be charged to capital and the EDC will use the additional forecast underspends in excess of the £180k already approved also for this purpose.

2.3 Income from Planning Fees has risen to £249,444 compared to the original budget of £25,000 for the year. The Planning team have confirmed that the year-end forecast outturn position of £337,000 previously reported remains achievable pending the submission of a significant application by the end of March. This surplus income is (together with the pay underspend detailed previously) largely absorbing project expenditure that cannot be capitalised as well as providing external professional support in other areas of the corporation, e.g. VAT and Accounting advice, Strategic Transport Planning, and the Single Integrated Development Programme.

3 16/17 Project Budget

3.1 The EDC has reviewed its five year programme of investment and submitted a revised expenditure profile to the DCLG and HMT for their consideration. The latest forecast of capital programme spend for 16/17 is up to £8.5m; this is dependent on the agreement between the EDC and UKPN being finalised before the end of March and the amount may increase if it is possible to make two payments to UKPN in that timescale. Discussions regarding the spend profile and the total investment over the remainder of the Spending Review period between the EDC, the DCLG and HMT are ongoing.

3.2 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.

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3.3 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 at pace.
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 and unlocking the development of Ebbsfleet Central.
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 strategic highways infrastructure and 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 additional green public realm space.

3.4 The 2016/17 project expenditure to date:

Pillar	Year to Date
	£'000
Housing Programme	0
Commercial Programme	414
Utilities Programme	0
Transport Programme	871
Green Corridors	152
	1,437

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NB: some of the project expenditure relating to pre-delivery costs for Green Corridors has been reclassified as revenue since the last report.

3.5 The February Infrastructure and Investment Panel requested that the Board be updated with current procurement activity as part of this monthly report so that Board members might add value from their own experiences of similar commissions. The EDC is currently at the Tender Evaluation stage of procuring legal support services to its Project Team and Planning Team. Where specific shortlists or procurement activities are commercial in confidence, they will be reported in a Part Two paper.

3.6 During the month of February, Peter Brett Associates were awarded the contract for feasibility of the short-term signage requirements for the garden city following a short procurement exercise commensurate with the relatively low value of the commission.

4. Staffing Structure and Recruitment

4.1 The EDC has an approved headcount of 28 FTE staff. As of the end of February 2017, the EDC had 24 FTE permanent appointments in post.

4.2 The Chief Executive post continues to be covered on an interim basis. Approval has been sought from the DCLG to place recruitment advertisements for the permanent position and this is expected to commence within the next two weeks.

4.3 The Corporate & Governance Lead has to date been covered by a secondment from the DCLG. This will conclude at the end of March 17 and we are progressing plans to fill this role.

4.4 Mark Pullin has been appointed to the role of Chief Planning Officer with effect from 15th February. His previous role (Strategic Planning Manager) will not be filled but in place of this we intend to recruit a new planner.

4.5 The role of Projects Manager (Transport & Infrastructure Delivery) has been recruited to, with the successful candidate due to join the EDC on 18th April. In the meantime, a temporary incumbent is in place on a 0.8 FTE basis.

4.6 Approval has been sought from the DCLG to place advertising to commence the recruitment to the Project Manager – Utilities role, and the new planner position as referenced above.

4.7 Interviews took place recently for the role of Planning Administration Support Officer. An appointment will be made shortly.

4.8 With the appointments and interim arrangements as set out above we are just under our full headcount at 26.9 FTE.

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4.9 A 1% inflationary uplift was paid to eligible non-senior Civil Service equivalent staff during February. The approval of a similar increase for SCS-equivalent staff is awaited. Additionally, year-end performance reviews are being scheduled for all EDC staff to establish the scale of any performance pay to be awarded for 2016/17.

5 Board appointments

5.1 Recruitment to the vacant Board member position continues having attracted a great deal of interest from potential candidates which was reflected in the large number of applications received. The shortlist from the initial sift is being considered at Ministerial level before interviewees are contacted. The interview slots are scheduled for the last week of March.

5.2 We continue to wait on DCLG Secretary of State approval to the temporary appointment of Cllr David Turner to the Board pending Cllr Cubitt's return to good health.

6 Planning Committee

6.1 We continue to wait on DCLG Secretary of State approval to the appointment of Cllr Clive Pearman as the Kent County Council substitute representative for Cllr Matthew Balfour on the Planning Committee.

7 Tailored Review

7.1 As part of the regular assurance and challenge for good governance and efficiency of public bodies, DCLG have advised that tailored reviews will be carried out in 17/18 on all of its Arms-Length Bodies (ALBs) including the EDC. A tailored review generally considers:

i) the continuing need for the ALB, covering:

- how each of the functions contributes to Government objectives;
- whether each function and the body is still required; and
- the best future delivery options.

ii) the capacity of the ALB to deliver more efficiently and effectively.

iii) whether corporate governance and management arrangements are sufficiently robust and transparent and that the ALB is operating in line with recognised principles of good corporate governance.

No date has yet been set for the EDC's review.