

Ebbsfleet Development Corporation

Board Meeting Part One

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	---------------	----------------------	-------------

Title of paper	Finance and Operations Report – as at 31 March 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

Ebbsfleet Development Corporation

Board Meeting Part One

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	----------------------	----------------------	--------------------

1. Introduction

- 1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of March 2017 and the 2016/17 draft year end outturn.

2. 16/17 Operational Budget.

- 2.1 The detail of the budget is shown at **Annex A**. The operational budget for 16/17 was 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 reflected the full year impact of the cost of 28 FTE permanent staff and other running costs.
- 2.2 As at the end of March, the draft outturn for Total Pay Costs has remained in line with last month's forecast, with a year-end underspend of £241,310, reflecting vacancy savings accrued by the formerly 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 and employer pension contributions, net of additional expenditure on temporary resource in the Projects Team and on the Ebbsfleet Central feasibility/scoping. 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 has utilised the further pay underspends in excess of the £180k already approved also for this purpose.
- 2.3 Income from Planning Fees is £348,700 (which includes £96k from the Keepmoat application received in late March) compared to the original budget of £25,000 for the year. This surplus income has largely helped to absorb project expenditure that cannot be capitalised (together with the Pay underspend explained above) as well as providing essential 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 reviewed its five year programme of investment and submitted a revised expenditure profile to the DCLG and HMT for their consideration. The draft final outturn for capital expenditure for 16/17 (subject to audit) is just over £1.55m. The agreement between the EDC and UKPN for forward-funding of electricity infrastructure was not completely finalised before the end of March and the expenditure will now occur early in 17/18. 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.

Ebbsfleet Development Corporation

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

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	----------------------	----------------------	--------------------

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.

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	309
Utilities Programme	0
Transport Programme	1,065
Green Corridors	178
	1,552

Ebbfleet Development Corporation

Board Meeting Part One

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	----------------------	----------------------	--------------------

NB: some project expenditure relating to feasibility and due diligence for the Northfleet Embankment East Employment project 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 completed the procurement of legal support services to its Project Team and Planning Team in mid- April and is currently in a standstill period before the contracts commence.

4. Staffing Structure and Recruitment

4.1 Throughout 16/17 the EDC has been limited to an approved headcount of 28 FTE staff. This ceiling has now been removed, with delegated authority permitted to exceed the headcount limit as long as the costs of doing so can be accommodated within the EDC's budget allocation. With projects in delivery mode, EDC staff salaries will be capitalised when it is legitimate to do so, hence maximising the revenue budget available to fund the recruitment of additional resources.

4.2 As of the end of March 2017, the EDC had 24 FTE permanent appointments in post.

4.3 The Chief Executive post continues to be covered on an interim basis. The permanent role has been advertised and the closing date has now passed, with shortlisting and the next steps of recruitment underway, with support from DCLG.

4.4 The Corporate & Governance Lead has been covered for the past 9 months by a secondment from the DCLG which concluded at the end of March 2017. Some of those tasks have been redistributed to an existing EDC member of staff. In addition to this, the use of Dartford's IT team to assist with the planning system IT support is also being implemented and a request to recruit a part time HR member of staff is with DCLG awaiting approval to advertise that post.

4.5 The vacant Strategic Planning Manager position will not be filled immediately, but in place of this we intend to recruit a new planner to support the workload of the planning team.

4.6 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.

4.7 The Project Manager – Utilities role has been advertised with interviews likely to take place in May.

4.8 An appointment has been made to the Planning Administration Support Officer post and the new team member will start in late April.

4.9 With the appointments and interim arrangements as set out above the headcount as at the 31st March 2017 was 25.9 FTE.

Ebbfleet Development Corporation

Board Meeting Part One

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	----------------------	----------------------	--------------------

4.10 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 still awaited, but is being progressed by DCLG. Year-end performance reviews have been carried out for all EDC staff and performance pay for eligible non-SCS staff relating to 2016/17 should be paid in April.

5 Board appointments

5.1 Recruitment to the vacant Board member position is ongoing with the sifting being progressed at central government level.

5.2 We continue to wait on DCLG Secretary of State approval of the temporary appointment of Cllr David Turner to the Board as representative of Gravesham Borough Council.

6 Planning Committee

6.1 We continue to await 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 reported last month, 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.

8. 2017/18 Budget Allocation

8.1 The indicative revenue budget allocation for the EDC for the forthcoming year shows a £76k (2%) reduction against the 16/17 net budget and is set out below:

Ebbsfleet Development Corporation

Board Meeting Part One

Date of meeting :	19 April 2017	Paper Number:	EDC 017/025
--------------------------	----------------------	----------------------	--------------------

	£
Pay	2,475,000
Non Pay	<u>1,243,000</u>
Total Expenditure	3,718,000
Planning Income	<u>-50,000</u>
Net Budget	<u><u>3,668,000</u></u>