

Ebbfleet Development Corporation

Board Meeting Part One

Date of meeting :	18 October 2017	Paper Number:	EDC 017/072
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Title of paper	Finance and Operations Report – as at 30 September 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 17/18 Business Plan / KPIs to be achieved
Recommendation	FOR INFORMATION The Board is invited to note the report.
Annexes	Annex A - 2017/18 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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---------------------------	------------

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--------------------------	------------------------	----------------------	--------------------

Highlights

- Retention of additional Planning Fee income approved by DCLG
- RDEL annual revenue expenditure forecast outturn on budget
- CDEL programme expenditure forecast for current & future years under review for agreement with DCLG
- Tailored Review under way
- New Interim CEO in post

Introduction

- 1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of September 2017 and the 2017/18 forecast outturn.
2. **17/18 Operational Budget.**
 - 2.1 The detail of the budget is shown at **Annex A**. The net operational budget for 17/18 has been approved by DCLG at £3,853,000 which compares to a net budget of £3,744,000 for 2016/17. The Pay element of the budget was reduced from the inception years to reflect an anticipated reducing need for temporary/ agency staff. As part of the net operational budget, the corporation generates planning fee income, which as at the end of September totals £192k (versus an original budget of £60k for the whole year). The forecast outturn for income is now £270k for the full year, subject to several large planning applications coming forward as anticipated. The retention of this additional income by the EDC to utilise for non-capital project and other related expenditure has now been approved by the DCLG finance team.
 - 2.2 Several underspends against the year-to-date budgets for permanent staff roles have accrued within Pay (arising from staff vacancies and delays in recruitment); whilst the majority of this will be reallocated within Pay to the Agency Staff budget to cover the costs of temporary staff required to infill those posts, we will also submit a business case to DCLG to request that any excess savings (currently estimated at £126k) can be utilised in the Non-Pay budget lines, primarily to fund feasibility and non-capital project costs.
 - 2.3 Within Non Pay, the project feasibility budget is constantly being reviewed alongside the requirements of the capital programme, and all spend is approved and monitored by IIP. Wherever possible the EDC maximises funds available for feasibility by unlocking resources from other key stakeholders and partners.

Ebbsfleet Development Corporation

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Date of meeting :	18 October 2017	Paper Number:	EDC 017/072
--------------------------	------------------------	----------------------	--------------------

3 17/18 Project Budget

3.1 The EDC continually reviews its programme of investment, and the latest capital forecast outturn for 17/18 is now £21,382k from the original budget of £41,776k. It is intended that this capital budget slippage be re-phased to be used in later years. Discussions remain ongoing with DCLG about the re-phasing of funds and around the total investment over the remainder of the Spending Review period. The agreement or otherwise of DCLG to these proposals does represent a potential risk to the future budget available to support the capital programme.

3.2 The EDC's overall capital 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. 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.

Ebbfleet Development Corporation

Board Meeting Part One

Date of meeting : 18 October 2017 Paper Number: EDC 017/072

3.4 The 2017/18 project expenditure to date:

Pillar	Year to Date	Forecast Outturn 17/18
	£'000	£'000
Housing Programme	0	0
Commercial Programme	42	42
Utilities Programme	5,874	9,364
Transport Programme	367	11,567
Green Corridors	154	473
	6,437	21,446

4. Staffing Structure and Recruitment

- 4.1 The EDC has delegated authority to manage its own headcount in 17/18 as long as the costs of doing so can be accommodated within the EDC's budget allocation for pay. With several projects now in delivery mode, EDC staff salaries (and those of external contractors) will be capitalised when it is legitimate to do so, hence maximising the revenue budget available.
- 4.2 The new Interim Chief Executive is in post on secondment from the HCA to cover the role until the permanent post can be filled.
- 4.3 There are two vacancies in the Development Team.
- 4.4 A part-time interim candidate has been brought in to provide cover to specifically progress the Springhead Bridge project.
- 4.5 The vacant Programme Manager role is being back-filled by a part-time interim.
- 4.6 Recruitment to vacancies will recommence when the outcomes of the Tailored Review have been considered.
- 4.7 With the appointments and interim arrangements as set out above the headcount as at the 30th September 2017 was 26.2 FTE.
- 4.8 The request for a 1% inflationary uplift to pay (relating to April 2016 base pay rates) for eligible Senior Civil Service - equivalent staff is still awaiting approval by DCLG.

5 Board Recruitment

- 5.1 The board member vacancy is with the Housing Minister for a decision on appointment; will then need to go to No. 10 for PM approval.

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---------------------------	------------

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--------------------------	------------------------	----------------------	--------------------

- 5.2 The formal appointment of Cllr David Turner to the board and the appointment of Cllr Payne as KCC substitute on Planning Committee are both with the Housing Minister for a decision - no further clearance is needed after that.