

Ebbfleet Development Corporation

Board Meeting Part One

Date of meeting :	20 December 2017	Paper Number:	EDC 017/088
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Title of paper	Finance and Operations Report – as at 30 November 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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Highlights

- RDEL revenue forecast outturn for 17/18 on budget;
- CDEL programme expenditure forecast for current & future years under continuing review.
- The Directors have agreed a timetable for producing the 18/19 Business Plan, including a review of KPIs and resourcing requirements.

Introduction

- 1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of November 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 November totals £283k (versus an original budget of £60k for the whole year). The latest forecast outturn for income is now £360k for the full year. The retention of additional income by the EDC to utilise for non-capital project and other related expenditure has 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); 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, and the remainder will 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.
 - 2.4 Since the last report, an additional expenditure line has been introduced within Non-Pay, namely Stewardship & Legacy, to resource the commission for progressing that work to the next stage.

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

3 17/18 Project Budget

3.1 The EDC continually reviews its programme of investment and the latest forecast outturn for the year remains at £34.4m. This forecast, together with a reprofiling of the remaining years of the spending review period, formed the basis of the recent Supplementary Budget return to DCLG, the outcome of which will be known in the Spring of 2018. The agreement or otherwise of DCLG to these proposals does represent some 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.

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

3.4 The 2017/18 project expenditure to date:

Pillar	Year to Date	Forecast Outturn 17/18	Comments
	£'000	£'000	
Housing Programme	0	0	
Commercial Programme	42	42	EGC information centre
Utilities Programme	9,324	19,714	Electricity Infrastructure investment
Transport Programme	710	14,153	A2 junctions, Springhead Bridge, Fastrack
Green Corridors	158	473	Walking & cycling connectivity, wayfinding
	10,234	34,382	

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 Interim Chief Executive is on secondment from the HCA to cover the role until the permanent post can be filled.
- 4.3 The former Business Support Officer to the Projects Team is on long-term secondment to the HCA. The replacement of the role is being considered.
- 4.4 There are two vacancies in the Development Team.
- 4.5 A part-time interim candidate has been brought in to provide cover to specifically progress the Springhead Bridge project.
- 4.6 The vacant Programme Manager role is being back-filled by a part-time interim.
- 4.7 The part-time Accounting Manager has resigned with effect from mid-January; the recruitment to the vacancy to be considered along with other back office support function requirements across the organisation.
- 4.8 It is envisaged that recruitment to the vacancies outlined above will commence when the outcomes of the Tailored Review have been formally received and considered by DCLG, the Board and the Executive Team.
- 4.9 With the appointments and interim arrangements as set out above the headcount as at the 30th November 2017 was 24.2 FTE.

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

4.10 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 new board member, Sandra Fryer, took up her post with effect from 1st December.

6 2018/19 Business Plan

6.1 In accordance with the Framework Document, an annual Business Plan must be agreed between the EDC & DCLG. The draft timetable is shown below:

- January
Directors initial session on 2018/19 priorities, and drafting commences (including review of KPIs);
- February
Proposed priorities for the EDC and draft form of Business Plan presented to EDC Board;
- March
Full draft Business Plan presented to Board for comment;
- April
Final draft formally tabled at Board, alongside annual review of 2017/18 performance.