

Ebbsfleet Development Corporation

Board Meeting Part	One
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Date of meeting :	21 February 2018	Paper Number:	EDC 018/013
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Title of paper	Finance and Operations Report – as at 31 January 2018
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 MHCLG

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Highlights

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| <ul style="list-style-type: none">• RDEL revenue forecast outturn for 17/18 on budget;• Actual CDEL programme expenditure to end January has reached £23.5m - forecast outturn & future years programme under continuing review. |
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Introduction

- 1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of January 2018 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 MHCLG 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 January totals £320k (versus an original budget of £60k for the whole year). Planning fees nationally increased by 20% with effect from 17th January 2018 and indications are that at least one large scheme will be submitted earlier than forecast in order that the developer can avoid the additional fee. The latest forecast outturn for income remains at £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 MHCLG finance team.
 - 2.2 As previously reported, 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.

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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 MHCLG, the outcome of which will be known in the Spring of 2018. The agreement or otherwise of MHCLG 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 end January:

Pillar	Year to Date	Forecast Outturn 17/18	Comments
	£'000	£'000	
Housing Programme	0	0	Expenditure planned for future years
Commercial Programme	35	42	EGC information centre
Utilities Programme	12,755	19,714	Electricity Infrastructure investment
Transport Programme	10,496	14,153	A2 junctions, Springhead Bridge, Fastrack
Green Corridors	192	473	Walking & cycling connectivity, wayfinding
	23,478	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.
- 4.2 The Interim Chief Executive is on secondment from Homes England 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 Homes England. Some aspects of the role will now be covered by the Business Support Officer vacancy, which has now been shortlisted for interview.
- 4.4 There are two vacancies in the Development Team.
- 4.5 A part-time interim project manager is providing 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 resigned with effect from mid-January; the replacement of the role will now comprise a small reorganisation of tasks within the Finance Team, along with support from the newly advertised Business Support Officer position.
- 4.8 With the appointments and interim arrangements as set out above the headcount as at the 31st January 2018 was 25.6 FTE.
- 4.9 The request for a 1% inflationary uplift to pay (relating to April 2016 base pay rates) for eligible Senior Civil Service-equivalent staff was approved, and the backdated payments will be made in February.