

# Ebbsfleet Development Corporation

<b>Board Meeting Part</b>	<b>One</b>
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<b>Date of meeting :</b>	<b>17 April 2019</b>	<b>Paper Number:</b>	<b>EDC 019/024</b>
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<b>Title of paper</b>	<b>Finance and Operations Report – as at 31 March 2019</b>
<b>Presented by</b>	<b>Gerard Whiteman, Director of Finance</b>
<b>Sub-committee</b>	<b>Not applicable</b>

<b>Purpose of Paper and Executive Summary</b>	
An update on EDC budgets, workforce and other operational issues.	
<b>EDC business plan and KPIs</b>	Operational and capital activities to enable the EDC 2018/19 Business Plan / KPIs to be achieved
<b>Recommendation</b>	<b>FOR INFORMATION</b>  The Board is invited to <b>NOTE</b> the report
<b>Annexes</b>	<b>Annex A</b> - 2018/19 Operational Budget
<b>Delegation</b>	Not applicable
<b>Financial impact</b>	As outlined in the report
<b>Legal impact</b>	None
<b>Stakeholder impact</b>	As outlined in the report
<b>Sponsor impact</b>	Budgets confirmed by MHCLG

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## Highlights

- CDEL programme expenditure in March 19 - **£2.978m**.
- Final outturn for year (subject to audit) - **£24.3m** (99% of budget).
  
- RDEL Admin & Programme Revenue expenditure in March 19 - **£1.46m**.
- Final outturn for year (subject to audit) - **£5.862m** (99.5% of budget).
  
- 2019/20 budgets:
  - RDEL Admin budget for year (net) - **£3.743m** plus **£2m** RDEL Programme Revenue Budget.
  - Forecast CDEL Programme expenditure - **£66m**.

## 1. Introduction

1.1. This paper updates the Board on budgets, workforce and other operational issues for the month of March 2019 and the 2018/19 outturn positions (subject to audit).

## 2. 18/19 Operational Budget.

2.1 The detail of the budget is shown at **Annex A**. The net operational revenue budget for 2018/19 was approved by MHCLG at £3,892,000 (compared to a net budget of £3,853,000 for 2017/18) with an additional £2m of revenue support specifically for programme expenditure.

As part of the net operational budget, the corporation generates planning fee income, which was budgeted at £75k for 18/19. The final income figure (subject to audit) will fall just short of budget, with receipts totalling just over £71k. We forecast that several applications that were expected to be submitted during 18/19 will now be delayed until the new financial year. The income budget for 19/20 remains at £75k.

2.2 The Pay budget covers the full budgeted staffing complement, together with Board member pay, and Agency/ Temporary staff. There are currently a number of planned vacancies in the organogram that result in ongoing savings against the Pay budget; in the Projects Team specifically the underspend accruing against vacant posts is mainly being utilised to fund external Project Management resources, and other commissions supporting the current strategy work.

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## 3 18/19 Capital Budget

- 3.1 The original budget position for 18/19 forecast a capital spending requirement of up to £40m for the year, with full spend dependent on potential property/ land acquisitions and other project activities. Whilst submitting the Supplementary Estimates in November, the EDC revised the forecast outturn to £24.5m for the year, requesting that the unspent budget be rolled forward into the programme for future years. The final outturn (subject to audit) is £24.3m.
- 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
<b>Housing Programme</b>	To complement the EDC’s activities in bringing forward developer activity that will deliver additional housing in the garden city at pace.
<b>Commercial Programme</b>	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.
<b>Utilities Programme</b>	To provide a co-ordinated strategic utility network across the Garden City. Establishing shared utility corridors and advancing the provision of strategic infrastructure.
<b>Transport Programme</b>	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.
<b>Green Corridors Programme</b>	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 2018/19 programme capital expenditure as at 31<sup>st</sup> March:

<b>Pillar</b>	<b>Full Year Budget £000</b>	<b>Final Outturn (subject to audit) £000</b>	<b>Comments</b>
Housing	2,729	1,685	Site acquisitions
Commercial	0	0	
Utilities	750	925	Spend on Electricity & other utilities
Transport	20,305	20,969	Spend on Springhead Bridge, A2 and Fastrack
Green Corridors and Signage	716	681	Spend on Green Corridors 1, Green Corridors 2 and Signage.
<b>Total</b>	<b>24,500</b>	<b>24,260</b>	

## 4. Staffing Structure and Recruitment

- 4.1 The EDC has delegated authority to manage its own headcount as long as the costs of doing so can be accommodated within the EDC's total budget allocation for pay.
- 4.2 The Chief Executive is on an 18 month secondment from Homes England, due to end in September 2019.
- 4.3 Several external Project Managers have been recruited to lead work on Transport, Parks & Open Spaces, and Stewardship.
- 4.4 Three external staff are providing professional services to the Springhead Bridge project during the construction phase (Project Manager, Quantity Surveyor, and EDC Site Supervisor).
- 4.5 The Assistant Project Manager vacancy is being covered by an interim external incumbent.
- 4.6 A new Business Support Officer for the Projects Team has taken up post.
- 4.7 Maternity cover for the Finance Officer role is being provided by a fixed-term appointment to the end of May 2019, supported by a part-time agency candidate.
- 4.8 With the appointments and interim arrangements as set out above the headcount as at the 31<sup>st</sup> March 2019 was 37.4 FTE.

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## 5. Board and Recruitment

- 5.1 The process to recruit two new Board members continues, led by MHCLG. The appointments are expected to be finalised by late Spring 2019.

## 6. General Data Protection Regulations (GDPR) update

- 6.1 The GDPR regulations came into force on the 25 May 2018. The EDC had established an action plan to deal with the GDPR implementation which was presented to and discussed by ARAC and the Board prior to the go live date.

Since the 25 May 2018 the EDC has adopted GDPR compliant policies and ways of working. The Government Internal Audit Agency carried out a review during 2018 in order to provide independent and objective assurance that the EDC has effective arrangements in place to ensure that personal data holdings and related processing activities are compliant with the GDPR. There have been no disclosures of GDPR-related issues required during this period.

As part of ongoing business as usual processes the EDC is continuing to ensure and monitor its GDPR compliance.

## 7. 2018/19 Indicative Budgets / Forecasts

- 7.1 The indicative gross revenue budget allocation for the EDC from MHCLG for 2019/20 is £3,818,000 (18/19 £3,967,000), less £75k budgeted income.

This translates into a draft admin / operational (RDEL) budget as follows:

<b>Description</b>	<b>Amount £'000</b>
Pay Costs	2,524
Placemaking / Stewardship / NSIP /KPI's	352
Rent	238
Planning Support	200
Information Technology (IT)	160
Travel, Training and other staff costs	80
Audit	65
Corporate Services	60
Communications	50
Office and recruitment costs	59
Community Investment Fund	30
<b>Total</b>	<b>3,818</b>

In addition, the EDC has received written confirmation from MHCLG that the extra funding for project feasibility that was provided in 18/19 will also be made available in 19/20. An additional £2m for 19/20 has been approved by the Ministry for this purpose.

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7.2 The EDC's current forecast for capital expenditure in 19/20 (and therefore the indicative capital budget for the year) is £66 million.