

Ebbsfleet Development Corporation

Board Meeting Part One

Date of meeting :	22 January 2020	Paper Number:	EDC 020/005
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Title of paper	Finance and Operations Report – as at 31 December 2019
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 19/20 Business Plan / KPIs to be achieved
Recommendation	FOR INFORMATION: The Board is invited to NOTE the report.
Annexes	Annex A - 2019/20 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 for 19/20 formally confirmed by MHCLG

Ebbfleet Development Corporation

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

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

Highlights

- CDEL programme expenditure in December - £206k
- RDEL Admin & Programme Revenue expenditure in December - £490k
- MHCLG approval has been received to utilise income received in excess of budget, in year

Introduction

1.1 This paper updates the Board on budgets, workforce and other operational issues for the month of December 2019 and the latest 2019/20 forecast outturn position.

19/20 Operational Budget

2.1 The detail of the budget is shown at **Annex A**. The net operational revenue budget for 19/20 is £3,743,000 (compared to a net budget of £3,892,000 for 2018/19) 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 originally budgeted at £75k for 19/20. As at the end of December, actual receipts from Planning Fees (and Planning Officer contributions from developers) are £253k, with the forecast year end outturn remaining at £340k. MHCLG has confirmed that any planning fee income generated in excess of budget can be utilised by the EDC to fund the additional resource requirements of the Planning Team in managing those planning applications, and also to support further programme revenue and feasibility expenditure and other activities if necessary.

Temporary rental income, currently estimated at £200k for 19/20, is being generated from the acquisition of the Central Area and MHCLG has also confirmed that these receipts can be utilised in-year to fund further EDC activities.

Ebbsfleet Development Corporation

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

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

2.2 The Pay budget covers the full budgeted staffing complement, together with Board member pay, and Agency/ Temporary staff. There are currently several 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.

2. 19/20 Capital Budget

3.1 The original forecast position for 19/20 was a capital spending requirement of up to £66m for the year. The current outturn forecast remains unchanged from the previous report, at £62m, although this is under final review heading into the last quarter, and is likely to reduce.

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.

Ebbsfleet Development Corporation

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

Date of meeting :	22 January 2020	Paper Number:	EDC 020/005
--------------------------	------------------------	----------------------	--------------------

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 2019/20 programme capital expenditure as at 31st December:

Pillar	Full Year Budget £000	Year to Date Spend £000	Comments
Housing	2,414	986	Acquired sites
Commercial	36,433	36,041	Central Area
Utilities	4,219	2,569	Electricity
Transport	14,387	3,660	Springhead Bridge
Green Corridors and Signage	2,197	358	Green Corridors
Other Projects	2,350	0	
Total	62,000	43,614	

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 secondment from Homes England until March 2021.
- 4.3 Several external Project Managers have been recruited to lead work on Transport, Parks & Open Spaces, Green Corridors, Stewardship, Procurement & Utilities.
- 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 A fixed term, temporary Business Support Officer is in post to cover Maternity Leave in the CEO team.
- 4.6 Recruitment is under way for 2 Project Managers to lead work on the proposed HEIQ, and Health & Wellbeing Hub projects.

Ebbfleet Development Corporation

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

Date of meeting :	22 January 2020	Paper Number:	EDC 020/005
--------------------------	------------------------	----------------------	--------------------

4.7 With the appointments and interim arrangements as set out above the headcount as at the 31st December 2019 was 40.1 FTE.

5. Board and Recruitment

5.1 There is no further progress to report this month regarding the recruitment of two new Board members by MHCLG.