

Ebbsfleet Development Corporation

Board Meeting Part	One
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Date of meeting :	17 June 2020	Paper Number:	EDC 020/058
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Title of paper	Finance and Operations Report – as at 31 May 2020
Presented by	Gerard Whiteman, Director of Finance
Sub-committee	Not applicable

Purpose of Paper and Executive Summary	
	<ul style="list-style-type: none"> • To inform the Board of the EDC 20/21 EDC budget, workforce and other operational issues • Scheme of Delegation Review
EDC business plan and KPIs	Operational and capital activities to enable the EDC 20/21 Business Plan / KPIs to be achieved
Recommendation	<p>FOR INFORMATION – The Board is invited to NOTE the report, and:</p> <p>FOR APPROVAL The Board is asked to APPROVE the following recommendation: The Scheme of Delegations (Annex B)</p> <p>ADDITIONALLY – The Board is invited to NOTE the temporary resolution made during the COVID-19 lockdown period, and its subsequent reversal, with regards to the EDC Board’s Terms of Reference (Seal of the Corporation).</p>
Annexes	<p>Annex A - 2020/21 Operational Budget</p> <p>Annex B – The Scheme of Delegations</p>
Delegation	<p>Review of Scheme of Delegation as set out in the report</p> <p>Temporary resolution to Board ToR, and subsequent reversal, per paras 20 & 21</p>
Financial impact	As outlined in the report
Legal impact	Temporary resolution to Board ToR, and subsequent reversal, per paras 20 & 21
Stakeholder impact	As outlined in the report

Ebbfleet Development Corporation

Board Meeting Part		One	
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Sponsor impact	Revenue budget funding for 20/21 not yet formally confirmed by MHCLG		

Ebbfleet Development Corporation

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

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

Highlights

- All EDC staff continue to work from home in line with current Government guidelines
- Total Admin & Programme Revenue spend for April & May is £811.48k
- Programme Capital spend for April & May is £346.22k
- Scheme of Delegations Review
- Formal noting of the temporary resolution taken by the Board by email during the COVID-19 lockdown (and its subsequent reversal), relating to the Board's Terms of Reference (Seal of the Corporation)

Introduction

1. This paper updates the Board on the current 20/21 budget position, workforce and other operational issues for the month of May 2020.

20/21 Operational Budget.

2. The EDC has been notified that the indicative revenue funding allocation from MHCLG for 2020/21 is £5,821,000 (19/20 - £5,743,000). However, the indicative funding will be regularly reviewed by both parties in light of the impact of the COVID-19 pandemic, any wider changes in the economy, and any in-year requests from Government relating to economic recovery work.
3. Following the Office for National Statistics (ONS) classification change, the EDC's (indicative) RDEL funding allocation from MHCLG for 20/21 will no longer be formally split between Pay, Non Pay and Programme (as the EDC will receive a single RDEL funding amount), however, for consistency, the 20/21 revenue budget continues to be presented across those headings.
4. The (indicative) single revenue funding allocation does not currently include a budget for Income/ Receipts, and for prudence, as a result of the COVID-19 pandemic, no income 'target' has yet been agreed with MHCLG.

Ebbfleet Development Corporation

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

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

5. Revenue receipts are generated via planning fee income, and from rental income from EDC owned land / sites. To date, £164k income has been received. Approval to retain/ utilise these receipts will need to be obtained from MHCLG before the actual/forecast income can be built into the working budget.
6. EDC's revenue pay budget includes various assumptions around making some additions to the EDC staffing complement during the year. It also includes assumptions on office space and home working. The EDC office remains closed and all EDC staff are working from home in line with Government guidelines. The EDC is planning for how and when the office might be able to reopen (when the government guidelines permit) and the number of staff who would be able to work safely in that environment. A full risk assessment and return-to-office strategy is being formulated to cover all aspects of a potential return to 'normality' to include provision for safe distancing, review of cleaning regimes, and all matters pertaining to staff health and safety. The timing and any budget implications will continue to be monitored and reported.

19/20 Annual Report and Accounts

7. As reported last month, the audit of the 19/20 annual report and accounts is being carried out remotely, given that the EDC offices are closed. In previous years, the final document has become publicly available in July. However, the impact of COVID-19 restrictions this year has meant that some essential audit assurance required from external sources has delayed this timescale. The document can only be published once the audit has been fully completed and the document laid before Parliament. It is currently anticipated that this will now occur in September 2020.

20/21 Capital Budget

8. The current forecast position for 20/21 is for a capital spending requirement of up to £41m for the year.
9. The EDC's overall capital programme of investment has previously been organised around five sub-programmes (pillars). Given EDC's recent land acquisitions, the investment programme is now being monitored under six activity headings. These are listed below along with the current forecast of how the £41m will be invested / spent during 20/21.

Ebbfleet Development Corporation

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

Date of meeting :	17 June 2020	Paper Number:	EDC 020/058
--------------------------	---------------------	----------------------	--------------------

20/21 Capital forecast:

	Full Year Budget/ Forecast Outturn £ m	Year To Date Actual £m
Central Area	1.5	0.008
Northfleet Riverside	1.7	0.009
Thames Way Development Area	1.5	0.011
Civic	9.3	0
Transport	22.0	0.318
Utilities	5.0	0
Total	41.0	0.346

Staffing Structure and Recruitment

10. 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.
11. The Chief Executive is currently on secondment from Homes England until March 2021.
12. Several external Project Managers are in post to lead work on Transport, Parks & Open Spaces, Green Corridors, Civic Buildings, Stewardship, Procurement & Utilities.
13. Three external staff are providing professional services to the Springhead Bridge project during the final stages of the construction phase (Project Manager, Quantity Surveyor, and EDC Site Supervisor).
14. An Asset/ Facilities Manager has been recruited on a fixed-term basis in order to provide an in-house resource to manage the EDC's office and growing portfolio of assets.
15. The Programme Manager role is being covered in-house on a temporary basis, with backfill being provided by other team members.
16. Recruitment is currently under way for the following posts: Cultural Development Manager, Community Building Manager (Healthy Placemaking), and Senior Development Surveyor.

Ebbsfleet Development Corporation

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

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

17. With the appointments and interim arrangements as set out above the headcount as at the 31st May 2020 was 39 FTE.

Board and Recruitment

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

EDC Board: Terms of Reference

19. In late March 2020, following the Government's lockdown announcement, the Board approved (by email) a resolution to temporarily amend the Board's Terms of Reference to allow a change in the existing procedure for signing documents that required the official EDC seal. With the recent slight easing of the Government's COVID-19 restrictions, the EDC is now in a position to recommence using the official seal. Board members have now approved (by email) the reversal of the temporary measures put into place by the March resolution.

20. For the avoidance of doubt, the recommendation was as follows: 'With immediate effect (8 June 2020), clause 16 of the EDC Board's Terms of Reference (Seal of the Corporation) incorporating the resolution passed by the EDC Board on 25 March 2020 relating to sealing, be revised. The EDC seal, or the wet ink signature of the Chief Executive (as required), will be used to authorise any official deed or document, instead of the electronic signature of the Chief Executive.'

21. The EDC Board acknowledges that prior to 25 March 2020, the process for the EDC in signing documents was to apply the EDC seal in the presence of the Chief Executive, who also signs in wet ink (in relation to deeds), or for the Chief Executive to sign in wet ink (in relation to contracts). This resolution reinstates that process.'

Scheme of Delegation Review

22. Attached at **Annex B** is the EDC's current Scheme of Delegation document for Board's annual review.

23. In May 2019, the EDC Board approved an updated scheme of delegation which had been revised to reflect that the Board was permitted to approve capital expenditure on project activity up to the value of £10 million.

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24.No changes are proposed to the current version. Board is requested to approve the Scheme of Delegation document.