

Ebbsfleet Development Corporation

Board Meeting Part	One
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Date of meeting :	18 November 2020	Paper Number:	EDC 020/114
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Title of paper	Finance and Operations Report – as at 31 October 2020
Presented by	Gerard Whiteman, Director of Finance
Sub-committee	Not applicable

Purpose of Paper and Executive Summary	
To inform the Board of the EDC 20/21 EDC budget, workforce and other operational issues.	
EDC business plan and KPIs	Operational and capital activities to enable the EDC 20/21 Business Plan / KPIs to be achieved.
Recommendation	FOR INFORMATION – The Board is invited to NOTE the report.
Annexes	Annex A - 2020/21 Operational Budget.
Delegation	
Financial impact	As outlined in the report.
Legal impact	
Stakeholder impact	As outlined in the report.
Sponsor impact	Revenue budget funding for 20/21 as formally confirmed by MHCLG.

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Highlights

- Staff continue to work from home in line with current Government guidance;
- Total Admin & Programme Revenue spend for October is £530k.
- Programme Capital spend for October is £0.23m.
- Acquisition of The Observatory completed in early October (spend reported in previous month).
- Spending Review negotiations and mid-year Supplementary Budgeting processes continue.

Introduction

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

20/21 Operational Budget.

2. The EDC's revenue funding allocation from MHCLG for 2020/21 is £5,821,000 (19/20 - £5,743,000).
3. Following the Office for National Statistics (ONS) classification change, the EDC's RDEL funding allocation from MHCLG for 20/21 onwards 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 reporting of the 20/21 revenue budget continues to be presented across those headings.
4. The £5.821m RDEL allocation is 'net', and makes no assumption about receipts, therefore, subject to approval of MHCLG, we are able to supplement that allocation with in-year RDEL receipts. Receipts are currently being generated from Planning income and rents from property assets, and our forecast total receipts is currently £1.255m. Approval has been granted by MHCLG for us to retain these receipts and they can be applied to further support our activities.

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5. The bulk of the income being generated will initially fund the EDC's engagement costs as Planning Authority and as Landowner, with the DCO (Development Consent Order) relating to the proposed theme park development on the Swanscombe Peninsula. Negotiations are ongoing with the developer over their contribution toward these costs, via a Planning Performance Agreement.
6. The EDC's revenue pay budget included various assumptions around making additions to the EDC staffing complement during the year and recruitment has continued to take place wherever possible over the COVID-19 period. Most of the new roles were budgeted for the whole financial year, hence some vacancy savings against Pay budgets have accumulated, but these are continuing to slow as most roles are now recruited to.
7. The Year-to-Date actuals shown on Annex A reflect underspends against office, staff training, and travel-related budget lines, as would be expected with staff continuing to work at home. These underspends, together with the vacancy savings arising from Pay as set out above, are being redirected to support further feasibility and other project-planning work for the capital programme, as well as expenditure required in other areas of the organisation, such as management of the growing asset portfolio, which now includes The Observatory.
8. The arrangements under which some EDC staff were able to return to work from The Observatory have now put on hold for the period of the '2nd lockdown', in line with current government guidance. Arrangements are in place to support staff with their 'working from home' requirements, for example with suitable equipment, and to support staff wellbeing whilst this situation continues.

20/21 Capital Budget

9. The original capital spending budget for 20/21 was £41m. We are now forecasting that we will spend the full allocation i.e. £41m.
10. 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 during 20/21.

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20/21 Capital forecast:

	Full Year Budget/ Forecast Outturn £ m	Year To Date Actual £m
Central Area	1.4	0.412
Northfleet Riverside	1.8	1.624
Thames Way Development Area	2.1	0.091
Civic	8.1	2.193
Transport	22.0	21.581
Utilities	5.0	0.000
Other	0.6	0.285
Total	41.0	26.186

Staffing Structure and Recruitment

11. The EDC manages its own headcount within its total budget allocation.
12. The Chief Executive recruitment exercise has now been concluded. An announcement will be made once formal Ministerial approval is received.
13. Several external Project Managers continue to progress work on Transport, Parks & Open Spaces, Green Corridors, Civic Buildings, Stewardship, and Procurement & Utilities.
14. Interviews have been conducted for the Skills Co-ordinator post.
15. A permanent Asset & Facilities Manager was not appointed from the most recent recruitment exercise hence an alternative approach is being considered.
16. With the appointments and interim arrangements as set out above the headcount as at 31 October 2020 was 40.8 FTE.

Board and Recruitment

17. The current Chair will remain in post until January 2021 in order to provide a handover to the new incumbent. MHCLG are carrying out the process to appoint the new Chair.

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2019 /20 Annual Report and Accounts

18. With regards to the 2019/20 Annual Report & Accounts, the audit by the National Audit Office in partnership with BDO remains outstanding whilst awaiting the third-party opinions (audit) of the Local Government Pension Scheme, as administered locally by KCC. Further work will need to be undertaken by the audit team once this evidence is forthcoming; we are aiming to bring the final documents back to Board for the December meeting if possible. Once approved by the Board and signed off by the auditors, it can then become a public document.