

# Ebbsfleet Development Corporation

<b>Board Meeting Part</b>	<b>One</b>
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<b>Date of meeting:</b>	<b>17 February 2021</b>	<b>Paper Number:</b>	<b>EDC 021/017</b>
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<b>Title of paper</b>	<b>Finance &amp; Operations Report as at 31 January 2021</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>	
To inform the Board of the EDC 20/21 EDC budget, workforce and other operational issues.	
<b>EDC Business Plan and KPIs</b>	Operational and capital activities to enable the EDC 2020/21 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 – 2020/21 Operational Budget</b>
<b>Delegation</b>	Not applicable
<b>Financial impact</b>	As outlined in the report.
<b>Legal impact</b>	Not applicable
<b>Stakeholder impact</b>	As outlined in the report.
<b>Sponsor impact</b>	Revenue budget funding for 20/21 as formally confirmed by MHCLG.

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## Highlights

- All staff continue to work from home during National Lockdown
- Total Admin & Programme Revenue spend for January is £484.91k.
- Programme Capital spend for January is £1.12m.
- Simon Dudley has taken up post as new Chair of the EDC.

## 1. Introduction

1.1. This paper updates the Board on the current 20/21 budget position, workforce and other operational issues for the month of January 2021.

## 2. 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).

2.1 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.

2.2 The £5.821m RDEL allocation is 'net', and makes no assumption about receipts, therefore, subject to approval of MHCLG, the corporation can supplement that allocation with in-year RDEL receipts. Receipts are currently being generated from Planning Fees/other planning income, together with rents from property assets, and our forecast total receipts for the year is currently £1.32m. Approval has been granted by MHCLG for us to retain these receipts and they will be applied to further support our activities.

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- 2.3 The bulk of the income being generated is funding 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.
- 2.4 The EDC's original 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 most new budgeted roles are now recruited to and in post. Because the budget is not allocated by MHCLG between Pay and Non-Pay (per above), the EDC can utilise Pay budget underspends to increase activity elsewhere.
- 2.5 The Year-to-Date actuals shown on Annex A continue to accrue underspends against various 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.
- 2.6 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 3rd 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.

### **3. 20/21 Capital Budget**

- 3.1. The original capital budget for 20/21 was £41m. Actual capital expenditure as at the end of January is £32.9m.
- 3.2. The latest forecast is that we will spend the full original allocation of £41m, plus approved retained forecast Capital Receipts of c£1.3m, totalling approx £42.3m for the year.

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3.3. Further detail and analysis of the Capital Programme is now reported in the Investment Plan Report elsewhere on this agenda.

## **4. Staffing Structure and Recruitment**

- 4.1. The EDC manages its own headcount within its total budget allocation.
- 4.2. The Chief Executive recruitment exercise has now been concluded. Ian Piper has been appointed to the permanent role with a contractual start date of 1<sup>st</sup> February 2021.
- 4.3. Several external Project Managers continue to progress work on Transport, Parks & Open Spaces, Green Corridors, Civic Buildings, Stewardship, and Procurement & Utilities
- 4.4. The EDC's newly recruited Skills Co-ordinator will take up post shortly. A new Assistant Asset & Facilities Manager role is currently being advertised
- 4.5. With the appointments and interim arrangements as set out above the headcount as at 31 January 2021 was 44.48 FTE.

## **5. Board Structure and Recruitment**

- 5.1 Following an open recruitment process by MHCLG, Simon Dudley was appointed as the Corporation's new Chair for a four-year term with effect from 21 January 2021.

## **6. 2020/21 Annual Report & Accounts**

- 6.1 The EDC's annual report and accounts document is prepared shortly after the financial year end (31<sup>st</sup> March). The document is then audited by the National Audit Office (NAO) and once their audit is complete, the document is signed off and laid before Parliament. At this point it can then become a public document and is made available on the EDC website.
- 6.2 Historically the EDC's annual report and accounts document has been laid before Parliament prior to the summer recess i.e. each July. However last year, owing to the delay of information required by the auditors pertaining to the Local Government Pension Scheme (LGPS), caused by COVID-19, this timescale was not able to be achieved and the EDC accounts were laid before Parliament at the earliest opportunity which was December 2020.

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- 6.3 The NAO requires certain assurances from the LGPS auditors before they can complete their EDC audit work. The NAO has notified the EDC that the LGPS timescales for pension information relating to this financial year (20/21) being available to the NAO will be similar to last year and therefore the EDC should plan for a late calendar year submission to Parliament (rather than July). The EDC is therefore planning for a December timescale for when the 20/21 annual report and accounts document can be made public. If an earlier date can be achieved then the EDC will strive to deliver to it.
- 6.4 As a result of this revised timescale, the EDC will make the following changes: The Audit, Risk and Assurance Committee (ARAC) meetings are being rescheduled throughout the 2021 calendar year (so as to align with the revised timescales of the NAO audit work). Board will review a draft version (unaudited) of the 20/21 annual report and accounts over the summer and then sign off the final audited version in late 2021.