



The Ebbfleet Development Corporation

Annual Report and Accounts
for the period 20 April 2015 to
31 March 2016



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Presented to Parliament pursuant to Schedule 31 of the Local
Government Planning & Land Act 1980

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HC 561

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A) Performance Report

Overview:

A1 - Ebbsfleet Development Corporation Purpose and Activities:

The Ebbsfleet Development Corporation (EDC) was established on 20 April 2015 as a statutory body which reports to the Secretary of State for the Department of Communities and Local Government (DCLG). The Corporation provides the direction, focus and expertise necessary to coordinate investment and facilitate new development which meets the needs of both residents and businesses. It also acts as the catalyst for the regeneration and development of the area, ensuring that any future development benefits the existing residents and businesses in the wider area – including those beyond the corporation's boundary.

The development of a garden city at Ebbsfleet is a long term programme. During the first year of its operation the EDC has been engaging and working with partners and local communities to refresh the vision for the area, develop the forward strategy and agree longer term delivery plans.

Since 1 July 2015 the corporation has also taken on the local planning authority powers for the EDC area in respect of planning functions which previously resided with Dartford Borough Council, Gravesham Borough Council and Kent County Council.

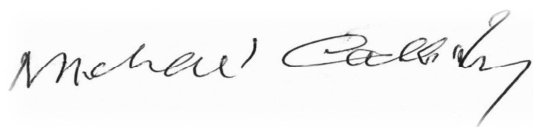
A2 - Chairman's report

One year into the Ebbsfleet Development Corporation's existence, I am pleased to report that with strong government and local authority support we are now firmly based to take on the challenges of the job. Up to 15,000 homes and a thriving commercial centre close to the magnificent international station at its heart, Ebbsfleet has the ambition to be the first 21st century model of a true garden city which will draw residents and businesses to its location.

Garden cities aim to achieve quality of design within a green environment, founded on good transport and public service provision of health, schooling and amenity. As we roll out our planning objectives, it will become clear how serious we are to deliver this ambition.

Now backed by an impressive government funding of £310m over the first 5 years and full involvement at the delivery level from the Department of Communities and Local Government, the Board have confidently moved into the crucial active phase where you will see obvious progress at ground level and buildings emerging in and around the old quarry.

I would like to thank my Board and government colleagues for their tremendous commitment to date and look forward to detailing how we are doing this time next year.



Michael Cassidy CBE
Chairman, Ebbsfleet Development Corporation

A3 - Interim Chief Executive's report:

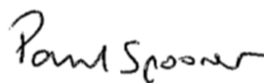
During 2015/16 the Ebbsfleet Development Corporation has made significant strides to accelerate the delivery of Infrastructure, new housing and community facilities in the garden city. The EDC team is now well established with permanent appointments being made to critical areas of planning, project management and delivery.

The EDC has been awarded £310 million capital investment (for the years 2016 to 2021) from the government to support the creation of a strategic network of new utilities with energy and water providers, and to unlock new development areas and create platforms for a significant increase in housing and employment. This investment also enables the EDC to make a strong start in delivering its new Enterprise Zone, a status which was awarded to the EDC in November 2015. Ebbsfleet Enterprise Zone will provide incentives to attract new investors and occupiers to the garden city and will support the regeneration of existing industrial areas.

The EDC has established its new planning service for the garden city, with daily planning surgeries held at Eastgate Community Centre. The planning service has received strong support from local authority partners in Kent and from DCLG.

We are progressing work on the development of major new projects including the proposed Springhead Bridge and the possible refurbishment of Church Path footbridge. These projects demonstrate the EDC's commitment to improving connections between existing and new communities.

The EDC is completing its new draft master plan with its development and land owner partners. This will guide future development and support the EDC's Board's ambition for significant housing and economic growth.



Paul Spooner – Interim Chief Executive

A4 – Key issues and risks affecting delivery of objectives

The key issues faced by the EDC over 2015/16 were:

- Agreeing a housing delivery plan and obtaining key stakeholder support – this involved working closely with all stakeholders particularly with the Ebbsfleet master plan
- Understanding the local infrastructure requirements and the opportunities for EDC facilitation and intervention to ensure future infrastructure delivery.
- Securing future government project funding – funding has been obtained for 16/17 and the following four financial years
- Setting up and establishing the EDC – including finding an office location and carrying out staff recruitment
- Delivering the statutory planning function in house – ensuring that planning staff had been recruited and that a planning IT solution was operational

A5 – Going Concern basis

The financial statements and accounts within this document have been prepared on a going concern basis. Future funding for the EDC and the Ebbsfleet Garden City has been announced by the government

A6 – Performance Summary

For the period to 31 March 2016 the EDC received an operational budget but no programme funding. This was deliberate as the programme/investment funding for Ebbsfleet (from April 2016 onwards) was announced as part of the Spending Review process in late 2015. As the EDC received no programme/investment funding for 15/16, no Key Performance Indicators (KPIs) or outputs were measured in this period.

As at 31 March 2016, 398 homes in the Ebbsfleet area have been completed. With seven house builders due to start on site, this figure is expected to increase significantly in 16/17.

The 15/16 operational budget enabled the EDC to get established, recruit staff and take on the planning functions. During 15/16:

- Complaints to the Local Government Ombudsman – there were none involving the EDC
- Whistleblowing arrangements – are in place at the EDC but were not used
- Health and Safety procedures are fully established. There were no incidents.
- Prompt payment directive – The EDC took an average of just under 6 days to pay its supplier invoices in 15/16.

Performance Analysis:

For future years, Ebbsfleet Development Corporation will use the following Key Performance Indicators (KPIs) to measure its performance. This will relate to the programme investment / funding (£310 million) that the government has announced will be made available to deliver the Ebbsfleet Garden City. The KPIs were developed and agreed with DCLG during 15/16 and will be used to monitor the EDC performance.

- **Quality homes and neighbourhoods**

Indicator 1: Number of new homes (completions p.a.)

Indicator 2: Quality and range of housing opportunities delivered

- **Enterprising Economy**

Indicator 3: Number of new jobs created in the garden city

Indicator 4: Progress on Ebbsfleet Central (floor space under construction)

- **Connected people and places**

Indicator 5: % modal shift towards sustainable forms of transport or movement within the city (from a 2016 base)

- **Healthy Environments**

Indicator 6: Net gain in accessible open space, public realm and recreation areas completed

Indicator 7: Improvements to agreed local quality of life indicators (from a 2016 base)

- **A Civic Community**

Indicator 8: Improved rates of resident satisfaction with living and working in the garden city (from a 2016 base)

- **Sustainable City**

Indicator 9: Number of homes completed which meet enhanced standards for environmental performance, space and accessibility above the statutory minimum

Indicator 10: Net improvements to air quality and sustainable urban drainage (from a 2016 base)

In addition, there are statutory KPIs for the planning service that the EDC is delivering. These are

- 50% of major applications determined within 13 weeks or within such extended period as has been agreed in writing between the applicant and the local planning authority
- 65% of minor applications determined within 8 weeks or within such extended period as has been agreed in writing between the applicant and the local planning authority
- 80% of other applications determined within 8 weeks or within such extended period as has been agreed in writing between the applicant and the local planning authority



Gerard Whiteman - Accounting Officer

7 July 2016

B) Accountability Report

B1 - Corporate Governance Report:

- **Directors' report:**

Board Composition during the period to 31 March 2016

The Board is composed of 9 non-executive members and the Chief Executive.

The EDC Chairman is Michael Cassidy and the Interim Chief Executive is Paul Spooner.

Board member biography details and a register of members' interests can be found at:

<http://www.ebbsfleetdc.org.uk/about-us/the-board/>

Board and committee attendance

Attendance as a member at EDC Board and committee meetings during the year is as follows. For each committee, attendance by the member is shown followed by the number of times each committee met during that member's tenure.

Board Members as at 31 March 2016	Board	Audit and Risk	Planning
Name			
Michael Cassidy CBE	12/12	-	-
David Holt	10/12	3/3	-
Bob Lane OBE	11/12	3/3	-
David Lock CBE	12/12	-	3/3
Katie Perrior	12/12	-	3/3
Louise Hardy	10/12	2/3	-
Jeremy Kite	12/12	-	-
John Cubitt	9/10	-	-
Mark Dance	4/6	-	-
Paul Spooner	3/3	-	-
Board Members who resigned during 15/16			
Paul Carter CBE	2/6	-	-
John Burden	2/2	-	-
Robin Cooper	5/5	-	-
Non Board Members (Planning Committee)			
Derek E Hunnisett	-	-	3/3
Robin Theobald	-	-	3/3
Rev. Penny Marsh	-	-	3/3
Matthew Balfour	-	-	3/3
Chris Hall	-	-	3/3

Information security risk

The Senior Information Risk Owner has confirmed that the annual assessment for 2015/16 shows full compliance with HM Government's Security Policy Framework and other regulatory requirements. There have been no lost/stolen hardware incidents reported to DCLG and no incidents reported to the Information Commissioner during the year as no personal data was lost.

- **Statement of Accounting Officer's responsibilities**

Under the Local Government, Planning and Land Act 1980, the Secretary of State has directed the Ebbsfleet Development Corporation to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Ebbsfleet Development Corporation and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Secretary of State including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of DCLG designated the permanent Director of Finance as Accounting Officer of the Ebbsfleet Development Corporation from 15 December 2015. Prior to this date the former Chief Executive had held the position between 22 June 2015 to 15 December 2015, whilst the Interim Finance Director held the role between 20 April 2015 and 22 June 2015.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, keeping proper records and safeguarding the Ebbsfleet Development Corporation's assets, are set out in Managing Public Money published by the HM Treasury.

As Accounting Officer I confirm that, as far as I am aware, there is no relevant audit information of which the entity's auditors are unaware, and that as Accounting Officer I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

As Accounting Officer I confirm that the annual report and accounts as a whole are fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

- **Governance Statement**

Introduction

This Governance Statement provides an overview of the control structure of the Ebbsfleet Development Corporation. It explains the stewardship of the organisation and how the EDC has responded to the risks and challenges it has faced over the past year, and looks ahead to those it faces going forward.

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the EDC's policies, aims and objectives. I also ensure that the EDC operates to a high standard of probity and uses its resources efficiently, economically and effectively, in accordance with the responsibilities assigned to me by the Principal Accounting Officer of the Department for Communities and Local Government (DCLG) and as defined in Managing Public Money.

Accountability Arrangements

The EDC was established on 20 April 2015, at which point the interim Finance Director, Nick Dawe, was the Accounting Officer. Robin Cooper was appointed Chief Executive in June 2015 and undertook the Accounting Officer responsibilities until December 2015. From that date the Accounting Officer role was carried out by the Director of Finance.

This situation raises some issues around the governance arrangements in that the AO, who is personally responsible for the regularity and propriety of expenditure, value for money, and for the management of risk, is subordinate to the interim Chief Executive. This has been successfully managed by the two post holders during the period to ensure that the AO has met their duties as set out in their appointment letter and in 'Managing Public Money'.

As Accounting Officer, I am responsible across the EDC as a whole for ensuring:

- regularity and propriety
- affordability
- value for money
- accounting accurately for the organisation's financial position and transactions

The Accounting Officer responsibility covers all aspects of the EDC's operations

A scheme of internal delegations is in place that enables the day-to-day management of the EDC to be shared with the Executive Directors of the EDC. The scheme of delegations is kept under review throughout the year and was last approved by the Board in April 2015.

Legal form of the Ebbsfleet Development Corporation

The EDC is a Non-Departmental Public Body sponsored by the Department for Communities and Local Government. The corporation is domiciled in the United Kingdom and conducts its business from North Kent Police Station, Thames Way, Gravesend, Kent DA11 8BD.

Relationships between EDC and DCLG

The relationship between the EDC and DCLG is formally governed by a detailed framework document and a supporting sponsorship infrastructure. The detailed plans and priorities for the EDC are set out in the Corporate Plan which was submitted to DCLG. It focused on the set up of the Development Corporation and the future programme of activity of the EDC. The plan also considers how the Development Corporation will develop as an organisation to be ready for the future.

The EDC sponsorship function is located in a team within the DCLG's Arm's-Length Body Sponsorship Division. I have regular meetings with officers of DCLG.

DCLG representatives attend the EDC Board, Audit and Risk Committee meetings, and Infrastructure Investment Panel, all of which help to strengthen the understanding between the two organisations.

EDC Board

The Board is presented with information at each meeting, including financial information such as budgets, expenditure and receipts, actuals and forecasts and variances. Non-financial information includes progress towards the achievement of targets agreed with DCLG.

The EDC has complied in all material aspects of the corporate governance in central government departments: Code of Good Practice as it applies to arm's length bodies.

The EDC Board carried out a self-assessment exercise in March and reported that overall the Board was operating effectively. It felt that the Board, like the organisation had developed well over the initial period and was now in a strong position to ensure the future delivery of the EDC programme.

The EDC Board and its Committees

Board Members have collective corporate responsibility for ensuring that the EDC discharges its functions effectively and efficiently in accordance with the Framework Document; fulfils the overall aims, objectives and the priorities approved by the Secretary of State in the Corporate Plan; follows all guidance and directions issued by the Secretary of State; and ensures that the EDC complies with all statutory or administrative requirements relating to the use of public funds.

The EDC Board currently operates three committees:

- Audit and Risk Committee
- Planning Committee
- Remuneration Committee

Audit and Risk Committee

The committee supports the Accounting Officer and the EDC Board in their responsibilities for risk control, governance, financial stewardship and financial and statutory reporting. It reviews the comprehensiveness of assurances and reporting processes, consistent with the Accounting Officer's assurance needs. Meetings are attended by representatives of the National Audit Office (NAO), the Government Internal Audit Agency (GIAA), and DCLG. It met 3 times during the period.

Planning Committee

The EDC became the local planning decision-making authority from 1 July 2015. The Planning Committee determines Development Control (planning) applications. It met 3 times during the period.

Remuneration Committee

The committee advises the Board on pay and reward matters. It oversees the development of the corporation's pay structure and reward policies. The committee did not need to convene in the period ending 31 March 2016.

Investment Committee

The Board in April 2015 also approved the establishment of an Investment Committee. For operational purposes this committee did not become active and has been superseded by an Infrastructure and Investment Panel (IIP). The IIP is attended by the EDC executive directors, non-executive directors, relevant project delivery staff, and representatives from DCLG and HM Treasury. It reports to the Board and oversees the delivery of the EDC's capital investment programmes. The IIP met three times in the period.

The Risk Management process

The risk management process is integrated and multi-layered within the EDC. It operates from both a top down perspective, through the identification of strategic risks and a bottom up process, through the identification of risks associated with individual projects, programmes and activities. The risk reporting regime aims to ensure that responses to risks are effective and that emerging risks are escalated in a timely fashion.

Key methods of embedding risk management in the activity of the business include:

- risk identification, assessment and mitigation plans included in corporate and business plans
- routine consideration of risk in all investment decision making processes – and these are reviewed and monitored by the IIP
- regular review of the risk registers for projects, programmes, operating areas and the strategic corporate risk register
- regular risk management reporting to senior management, with challenge and review at the Audit and Risk Committee and the Board

Risks associated with the ongoing, day-to-day management of the EDC are captured in the operational area risk registers.

Specific arrangements are also in place to ensure that information risk is appropriately dealt with. The Senior Information Risk Officer is the Accounting Officer. Directors and staff collectively monitor compliance with the Security Policy Framework issued by the Cabinet Office including the mandatory data handling guidelines and aims to ensure that information security is aligned with mainstream business.

The system of internal control

The system of internal control is designed to manage risk to an acceptable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives, to ensure the safeguarding of assets, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has developed since the inception of the EDC, across the start-up phase as it has evolved over the period under review, and is largely based on the controls adopted by its sponsor department, adapted for a smaller scale organisation.

Key control systems

The EDC operates a range of key controls covering policies and procedures, resource allocation, appraisal methodologies, IT systems, reporting routines, delegations of authority and many others to mitigate risks to within acceptable levels. The most significant being the corporate and business planning processes which set out the EDC's objectives and resource allocation, and establish budgets and targets against which performance is ultimately judged.

Reporting and monitoring routines are being established for investment programmes and project activity. These will enable progress to be tracked, forecasts to be made and corrective action to be taken where this is deemed necessary. Operating costs are already routinely monitored and reported in this way.

Significant control issues

There have been no significant control issues.

Independent assurance arrangements

The EDC uses the Government Internal Audit Agency (GIAA) to provide an Internal Audit function. They provide independent assurance across all of the EDC's governance, risk and control arrangements, and operate in accordance with Public Sector Internal Audit Standards. The EDC is subject to external audit by the NAO.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has been informed by the work of Internal Audit, the assurances provided by the Executive Directors of the EDC who collectively and individually have responsibility for the development and maintenance of the internal control framework through their management assurance statements and comments made by the NAO acting as external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

The system of internal control is subject to ongoing review, and this process is coordinated and managed through the Audit and Risk Committee who in turn provide both regular feedback to the main Board and an annual report and overall opinion on the system of internal control.

The Audit and Risk Committee bases its judgement on the reports and opinions of Internal Audit, updates provided by the National Audit Office, internal risk reports, externally commissioned reviews, reports on the preparation of the Financial Statements and reports from the Senior Information Risk Officer.

Internal Audit has performed a programme of independent and objective reviews, in accordance with the Public Sector Internal Audit Standards and other work to provide assurance on the system of internal control. Internal Audit update their programme of work during the year to reflect changes in the risk profile and assurance requirements. The outcome of their work has been regularly reported to me, the Audit and Risk Committee, the NAO and DCLG. There is a rigorous process in place to follow up the implementation of actions agreed as part of their work.

Internal Audit

The 15/16 Internal Audit work-plan included three reviews on which they expressed an opinion.

- Governance and Risk Management – Substantial (green) opinion - (October 2015) that the framework of governance, risk management and control is adequate and effective
- Preparedness for Planning Function – Moderate (yellow) opinion – (November 2015) that some improvements were required to enhance the adequacy of EDC's plans
- Financial Controls 2016- Moderate (yellow) opinion – (March 2016) that some improvements were required

Internal Audit opinion

The overall Internal Audit opinion for the period ended 31 March 2016, based on the three reviews above, resulted in an overall moderate assurance opinion. This stated that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

Future challenges

The EDC has been created to work locally, at pace, to boost the overall housing supply within its area and to create a 21st century garden city. Project and programme funding to enable the garden city has been secured from government for 16/17 and onwards. Delivering the objectives set out in the EDC Corporate Plan is the main task now facing the organisation.

Conclusion

As detailed earlier in this report, the EDC had three Accounting Officers during the period ending 31 March 2016. Reliance has been placed on the Governance Statements obtained from previous role holders.

Based on the content of this report, assurances I have received from senior management, from the Board and Audit and Risk Committee and the reports from internal and external auditors, I am satisfied that appropriate governance arrangements were in place during 2015/16.



Gerard Whiteman - Accounting Officer

7 July 2016

B2 - Remuneration and Staff Report:

The information in this section is audited.

Total staff costs, excluding the non-executive board members' costs are:

Staff Costs comprise:	Permanently Employed Staff	Agency/ Temporary Staff	Seconded Staff	Period ended 31 March 2016
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Wages & Salaries	487	800	222	1,509
Social Security Costs	52	0	17	69
Other Pension Costs	<u>95</u>	<u>0</u>	<u>30</u>	<u>125</u>
Net Total	634	800	269	1,703

The pension costs in the table are included on an IAS19 basis

The EDC is a new organisation established in April 2015, and was initially staffed at all levels, including director grade mainly by agency/ temporary appointments contracted by the sponsor department, DCLG, until permanent staff could be recruited. At the 31 March, 17 permanent staff were in post of an approved headcount limit of 28 FTE.

Non-Executive Board Members' Costs

	Period to 31 March 2016 £000
Board Members' Fees	116
Social Security Costs	9
Pension Costs	N/A
Total Board Members' costs	125

Non-Executive Board Member Remuneration (in bands)		Period to 31 March 2016
		£000
Michael Cassidy CBE	Chair	50-55
David Holt	Deputy Chair	15-20
Bob Lane OBE	Board Member	10-15
David Lock CBE	Board Member	10-15
Louise Hardy	Board Member	10-15
Katie Perrior	Board Member	10-15

In addition to the board members listed above, there are also representatives of the three local councils (Dartford BC, Gravesham BC, and Kent CC) on the EDC board. These positions are not remunerated, nor do they have any pension entitlement, therefore none of the post-holders (including the two who resigned during the period) received any remuneration payments from the EDC.

The other EDC non-executive board members are entitled only to their remuneration, plus travel expenses in accordance with the corporation's expenses policy. They do not have any pension entitlement. No bonus or performance pay was made to any board member in 15/16.

The Chief Executive is a member of the board, but the costs of this role are included within staff costs.

The Chairman has a time commitment of up to two days per week. Other board members have a time commitment of up to 2 days per month.

The Executive Senior Management Team

The Executive Team was led by Robin Cooper who was the Chief Executive until his departure in December 2015. Paul Spooner was appointed as Interim Chief Executive in January 2016. The Executive are responsible for delivering the strategy set by the Board. All permanent directors are classed as Senior Civil Servant equivalents.

Permanent Executive Directors

		Period ended 31 March 2016				
Name	Position	Salary received in period - range £000	Non-cash benefits in period - range £000	Accrued Pension Benefits over the period - to the nearest £1,000	Total remuneration in period - range £000	
1	Robin Cooper	(Former) Chief Executive	85-90	0	24	110-115
2	Stephen Pritchard	Director of Land & Regeneration	80-85	0	5	85-90
3	Tracey Coleman	Chief Planning Officer	35-40	0	2	35-40
4	Gerard Whiteman	Director of Finance	45-50	0	14	55-60

- Robin Cooper** received an agreed settlement in the range £5k-£10k. The FTE salary for the role was in the range £135k-£140k.
- Stephen Pritchard** - the FTE salary for the role was in the range £105k-£110k.
- Tracey Coleman** - the FTE salary for the role was in the range £85k-£90k.
- Gerard Whiteman** - the FTE salary for the role was in the range £70k-£75k. From December 15, an additional allowance in the range £0k-£5k was payable in respect of temporary AO duties.

The 'Salary' column consists of gross salary. The EDC did not pay recruitment or retention amounts or any other allowances. Remuneration levels for the Directors were agreed with DCLG at the time of hiring. Any changes in remuneration are approved by DCLG. Appointments are on open-ended service contracts which do not contain any pre-determined compensation on termination of office. All employees of the corporation have notice periods of one month, until four years' service has been reached. Permanent EDC senior managers do not receive any benefits in kind, and no performance pay or bonuses were paid.

Permanent Executive Directors' Pension disclosures:

Name	Accrued pension benefits at age 65 at 31.3.16 - range £000	Real increase in pension at age 65 over the period - range £000	Cash Equivalent Transfer Value (CETV) at 1 June 2015 - to nearest £1,000	Cash Equivalent Transfer Value (CETV) at 31 March 2016 - to nearest £1,000	Cash Equivalent Transfer Value (CETV) increase in period - to nearest £1,000
Tracey Coleman	0 - £5k	0 - £2.5k	0	£2k	£2k
Robin Cooper	0 - £5k	0 - £2.5k	0	£25k	£25k
Stephen Pritchard	0 - £5k	0 - £2.5k	0	£6k	£6k
Gerard Whiteman	0 - £5k	0 - £2.5k	0	£10k	£10k

Interim Executive Directors

In order to mobilise the EDC, the sponsor department in DCLG initially recruited a number of interim executive directors whilst recruitment for permanent post holders took place. Additionally, DCLG recruited an interim Chief Executive following the departure of Robin Cooper. Rates for interims are generally higher than the permanent equivalents to reflect the temporary nature of the role. Notional equivalent annualised salary bands have been derived from the daily rate paid to the agencies and do not denote the amount received by individuals.

Interim Executive Directors

Name	Position	Period ended 31 March 2016		
		Interim fees paid during the period - range £000	Non-cash benefits £000	Total - range £000
1 Phillip Williams	Interim Commercial Director	Nil	0	Nil
2 Paul Spooner	Interim Chief Executive	50-55	0	50-55
3 Louise Wyman	Director of Strategy (seconded)	85-90	3.3	85-90
4 Nicky Linihan	Interim Chief Planning Officer	95-100	0	95-100
5 Nick Dawe	Interim Finance Director	110-115	0	110-115

- Phillip Williams** was seconded by HM Treasury at nil cost
- Paul Spooner** is an interim contracted by DCLG via an agency. The notional FTE salary would be in the range £175k-£180k pa (excluding VAT & agency fees), although the contract is for 0.8 FTE which is in the range £140k-£145k pa.
- Louise Wyman** was on secondment from the Homes & Communities Agency. The FTE salary for the role was in the range £85k-£90k pa. Her non-cash benefits comprised a leased car.
- Nicky Linihan** was an interim supplied via an agency. The notional equivalent FTE salary was in the range £160k-£165k pa (inc. agency fees).
- Nick Dawe** was an interim supplied via an agency. The notional equivalent FTE salary would be in the range £190k-£195k pa (inc. agency fees).

Reporting of compensation schemes/ exit packages

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Exit package cost band:			
<£10,000	nil	1	1
Total number of exit packages	nil	1	1
Total resource cost	nil	£5k-£10k	£5k-£10k

An agreed departure payment in the range £5k-£10k was paid to the former Chief Executive in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. All exit costs are accounted for in the year of departure.

Fair Pay

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in the Ebbsfleet Development Corporation in the financial year 2015-16 was £135k-£140k. This was 2.2 times the median remuneration of the workforce, which was £60k-£65k. No employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £15k-£20k to £135k-£140k.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	Period ended 31 March 2016 £000
Band of Highest Paid Director's Total	135-140
Median Total Remuneration	60-65
Ratio	2.20

Staff Report

Staff Numbers (FTE)	Permanently Employed Staff	Agency/ Temporary Staff	Seconded Staff	Total
Male	6	3	1	10
Female	11	1	1	13
In post at 31 March 2016	17	4	2	23

The average number of persons employed during the period to 31 March 2016 was 8 permanent, 4 agency / temporary, and 2 seconded.

For the period to 31 March 2016, 27 working days were lost to staff sickness absence.

Off-Payroll Disclosures

For all off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than 6 months

No. of existing engagements as of 31 March 2016	5
Of which...	
No. that have existed for less than one year at time of reporting.	5
No. that have existed for between one and two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0
Declarations	
Declaration that all existing off-payroll engagements outlined above, have at some point been subject to a risk-based assessment as to whether assurance needs to be sought that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.	Yes

For all new off-payroll engagements, or those that reached 6 months duration between 1st April 2015 and 31st March 2016, for more than £220 per day and that last longer than 6 months

No. of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	9
No. of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations. NB In exceptional cases where such contractual clauses have not been included, ALB should set out the reasons for this.	Nil. (3 Capita contracts novated from DCLG; 1 contract with Local Partnerships is held by DCLG and recharged to EDC; 1 was contracted via AECOM, 1 via MatchTech, and 1 via Local Partnerships. 2 have supplied the assurance requested per below).
No. for whom assurance has been requested	2
Of which...	
No. for whom assurance has been received	2
No. for whom assurance has not been received. (This will include: individuals who leave after assurance is requested but before assurance is received; instances where ALB is still waiting for information at the time of reporting).	0
No. that have been terminated as a result of assurance not being received	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 20 April 2015 and 31 March 2016

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility.	3
Details of the exceptional circumstances that led to each of the engagements above.	DCLG appointment
Details of the length of time each of these exceptional engagements lasted.	Range between 3 & 8 months
Total no. of individuals both on and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. The total figure must include engagements which are ON PAYROLL as well as those off-payroll ¹	14

Staff Policies - a wide range of staff and employment related policies were approved by the board in April 2015,

Loans to employees

A small number of EDC staff were incorrectly paid in March 2016, resulting in a year end balance due to the corporation of just over £2k, which was fully repaid by the end of April 2016.

Pensions

The Local Government Pension Scheme (LGPS) is a funded multi-employer defined benefit scheme. For 2015-16, employers' contributions of £38,609 were payable to the LGPS, being 12.3 per cent of pensionable pay of participating members. The scheme's Actuary will review the EDC's contributions at the year end when it will perform a valuation of the scheme membership.

Losses and special payments

None



Gerard Whiteman - Accounting Officer

7 July 2016

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I have audited the financial statements of the Ebbsfleet Development Corporation for the period ended 31 March 2016. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and the Parliamentary Accountability disclosures within the Accountability Report that is described in those reports and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Ebbsfleet Development Corporation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Ebbsfleet Development Corporation; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Ebbsfleet Development Corporation's affairs as at 31 March 2016 and of the net expenditure for the period then ended; and
- the financial statements have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State direction issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with Secretary of State direction made under the Local Government, Planning and Land Act 1980; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Sir Amyas C E Morse

7 July 2016

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

C) Financial Statements

Statement of Comprehensive Net Expenditure for the period ended 31 March 2016

	Note	Period ending 31 March 2016 £000
Income from sale of goods and services	3	(49)
Total operating income		(49)
Staff costs	2.1	1,703
Purchase of goods and services	2.2	1,300
Depreciation and impairment charges	4	3
Other operating expenditure - grants	2.3	94
Total operating expenditure		3,100
Interest on pension fund	14	(1)
Net expenditure for the year		3,050
Other comprehensive net expenditure		
Return on pension fund assets in excess of interest		2
Change in financial assumptions	14	(7)
Comprehensive net expenditure for the year		3,045

**Statement of Financial Position
as at 31 March 2016**

	Note	31 March 2016 £000
Non-current assets:		
Property, plant & equipment	4	15
Intangible assets	5	35
Total non-current assets		50
Current assets		
Trade receivables & other current assets	7	137
Cash & cash equivalents	8	440
Total current assets		577
Total assets		627
Current liabilities		
Trade payables & other current liabilities	9	394
Total current liabilities		394
Total assets less current liabilities		233
Non-current liabilities		
Pension deficit	12	48
Total non-current liabilities		48
Total assets less total liabilities		185
Taxpayers' equity and other reserves:		
General Reserve		233
Pension Reserve	12	(48)
Total equity		185

C. Whiteman

Gerard Whiteman - Accounting Officer

7 July 2016

**Statement of Cash Flows
for the period ended 31 March 2016**

	Note	Period ended 31 March 2016 £000
Cash flows from operating activities		
Net operating cost		(3,050)
Adjustments for non-cash transactions:		
Depreciation		3
(Increase)/Decrease in trade and other receivables		(137)
(Increase) in trade and other payables		394
(Increase)/Decrease in pension deficit		48
Remeasurement of pension net assets		5
Net cash outflow from operating activities		(2,737)
Cash flows from investing activities		
Purchase of property, plant and equipment		(18)
Purchase of intangible assets		(36)
Other investing activities		1
Net cash outflow from investing activities		(53)
Cash flows from financing activities		
Grants from sponsoring department		3,230
Net financing		
Net increase/(decrease) in cash and cash equivalents in the period		440
Cash and cash equivalents at the beginning of the period		0
Cash and cash equivalents at the end of the period	8	440

Statement of Changes in Taxpayers' Equity
For the period ended 31 March 2016

	Note	General Reserve	Pension Reserve	Total
		£000	£000	£000
Balance at 31 March 2015		0	0	0
Grants from DCLG		3,230	0	3,230
Comprehensive net expenditure for the year		(3,045)	0	(3,045)
Transfers between reserves		48	(48)	0
Balance at 31 March 2016		233	(48)	185

Notes to the Accounts

1. Statement of accounting policies

General

These financial statements have been prepared in accordance with the Accounts Direction issued on the 31 March 2016 by the Secretary of State with the consent of HM Treasury and in accordance with Paragraph 10 (3) of Schedule 31 to the Local Government, Planning and Land Act 1980.

The accounting policies adopted are in accordance with the 2015/16 Financial Reporting Manual (FReM) issued by HM Treasury and apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the EDC for the purpose of giving a true and fair view has been selected.

Significant estimates and judgements

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts. All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events and actions. Where appropriate, the relevant Notes to the Accounts and the specific accounting policies provide further details on the estimation techniques. During the preparation of these accounts, significant estimates and judgements were made in respect of:

- Accruals – the value of external Consultancy project work being carried out but not completed at the accounting date.
- Accruals – receipt of recharges for pay costs and shared services from DCLG and other government departments.

Impact of accounting standards in issue but not yet effective

The Corporation has assessed the following standards and amendments that have been issued but are not yet effective and determined not to adopt them before the effective date:

IFRS 9 Financial Instruments – effective from 2018-19. The new standard simplifies the classification and measurement of financial assets as well as addressing how impairments should be calculated and reported. The standard is expected to impact on available for sale assets, with changes in fair value being recognised in net expenditure. This would result in the elimination of the fair value reserve (included within the general reserve balance) and increased volatility in net expenditure. The IFRS 9 impairment model is expected to bring forward the recognition of losses on financial assets that are subject to the new impairment model.

IFRS 16 Leases – effective from 2019-20. The standard largely removes the distinction between operating and finance leases for lessees by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The most significant effect of the new requirements will therefore be an increase in lease assets and liabilities on the statement of financial position.

IFRS 16 and IFRS 9 have yet to be endorsed by the EU and their application in the public sector context has yet to be confirmed by the FReM. There is therefore significant uncertainty about how the standards may affect central government.

IFRS 15 Revenue from Contracts with Customers – effective from 2018-19. Its application in the public sector context has yet to be interpreted by the FReM. However, the new standard is unlikely to have a material impact on the EDC.

Non-current assets (excluding trade and other receivables)

Non-current assets are held at current value, as described below.
The EDC's capitalisation threshold is £5,000.

Property, Plant and Equipment (PPE)

All assets are reported in accordance with IAS 16 (*Property, Plant and Equipment*) and stated at Depreciated Historical Cost (DHC). DHC is considered an acceptable proxy for current value and so Property, Plant and Equipment assets are not restated.

In accordance with IAS 16 depreciation is provided at rates calculated to write off the value of buildings and other PPE assets on a straight-line basis over their estimated useful lives. Asset lives are in the following ranges:

IT equipment and infrastructure: 3 years

Office equipment: 5 years

Intangible assets

Intangible assets comprise the capitalised value of bought-in software and software licences. Intangible assets are valued at cost less amortisation and impairment. Intangible assets are not revalued; the EDC considers the amortised replacement cost basis of valuation is not materially different from current value.

In accordance with IAS 38, software and software licences are amortised on a straight line basis over the shorter of the term of the licence and the useful economic life: 3 years.

Pensions and other employee benefits

Employees of EDC are able to join the Local Government Pension Scheme (LGPS), a funded, defined benefit scheme. The LGPS undertakes a full valuation triennially with actuarial estimates being provided for the intervening years, and the actuarial report estimates the EDC's share of underlying assets and liabilities on a consistent and reasonable basis. Pension assets are measured at fair value, and liabilities are measured on an actuarial basis and discounted to present value. The net obligation is recognised as a liability within provisions for pensions. The operating and financing costs of the pension scheme are recognised separately in the Statement of Comprehensive Net Expenditure. Service costs are spread over the working lives of employees and financing costs are recognised in the period in which they arise. Actuarial gains and losses are recognised directly in Other Comprehensive Expenditure in full.

The EDC accrues for short-term employee benefits (which fall due within twelve months of the period in which they are earned). The Department recognises a liability and expense for other employee benefits, including unused annual leave and maternity leave, accrued at the Statement of Financial Position date.

Leases

All leases are reviewed annually and, where the risks and rewards of ownership rest with the EDC, are treated as finance leases. The capital value of finance leases, together with the current value of future capital repayments are held as assets and liabilities in the EDC's Statement of Financial Position.

Leases other than finance leases are classified as operating leases. Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease, taking account of any lease incentives in accordance with the terms of IAS 17 such that benefits from rent free or other incentives are equalised over the period of the lease or the period to the next rent review. Long term liabilities arising from this treatment are not discounted on grounds of materiality.

Provisions

Under the terms of IAS 37, the EDC provides for legal or constructive obligations, which are of uncertain timing or amount but where it is considered probable that a liability exists at the year-end date. Amounts are assessed on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

Contingent Liabilities

Contingent liabilities are disclosed in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

2. Expenditure Analysis

2.1 Staff Costs

	<u>£000</u>
Direct Staff - Pay	487
Direct Staff - ER's NICs	52
Direct Staff - ER's Pension	95
Seconded Staff - Pay	222
Seconded Staff - ER's NICs	17
Seconded Staff - ER's Pension	30
Agency Staff - Inclusive	800
	<hr/>
Total Staff Costs	1,703
	<hr/> <hr/>

The direct staff pension costs have been adjusted per IAS19.

2.2 Purchase of goods and services

	<u>£000</u>
Board Member Pay	116
Board Members - ER's NICs	9
Planning Committee pay	4
Consultancy	513
Support Services (Planning/ HR etc)	206
Premises	162
ICT	87
Legal & Professional Services	65
External Audit	36
Internal Audit	18
Travel Expenses	28
Marketing & Media	24
Office Stationery and Equipment	16
Training	9
Telecoms	7
	<hr/>
	1,300
	<hr/> <hr/>

During the period the Ebbsfleet Development Corporation purchased no non-audit services from its auditor, the National Audit Office.

2.3 Other Operating Expenditure – grants

	£000
Dartford Borough Council - community schemes	40
Gravesham Borough Council - community schemes	40
No Walls Gardens - community scheme	14
	<hr/>
Total other operating expenditure - grants	94
	<hr/> <hr/>

3. Income

The EDC, having obtained planning powers on 1 July 2015, has worked in partnership with Dartford and Gravesham Borough Councils throughout the year to deliver a planning and development control service. In early 2016 the EDC had recruited staff and established sufficient systems to take on the non-administrative tasks from the councils and agreement was reached whereby the councils would novate any planning fee income over to the EDC. The corporation did not generate any other income during the reporting period.

	Period ended 31 March 2016 £000
Planning Fees	<hr/> 49
Total	<hr/> <hr/> 49

4. Property, Plant and Equipment

	Information Technology	TOTAL
	£000	£000
Cost or valuation		
At 20 April 2015	0	0
Additions	18	18
At 31 March 2016	18	18
Depreciation		
At 20 April 2015	0	0
Charged in year	3	3
At 31 March 2016	3	3
Carrying value at 20 April 2015	0	0
Carrying value at 31 March 2016	15	15
Asset financing:		
Owned	15	15
Carrying value at 31 March 2016	15	15

5. Intangible Assets

	Software	TOTAL
	£000	£000
Cost or valuation		
At 20 April 2015	0	0
Additions	36	36
At 31 March 2016	36	36
Depreciation		
At 20 April 2015	0	0
Charged in year	1	1
At 31 March 2016	1	1
Carrying value at 20 April 2015	0	0
Carrying value at 31 March 2016	35	35
Asset financing:		
Owned	35	35
Carrying value at 31 March 2016	35	35

6. Financial Instruments

As the cash requirements of the EDC are met through the Estimate process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the EDC's expected purchase and usage requirements and the EDC is therefore exposed to few credit, liquidity or market risks.

7. Trade Receivables and other current assets

	As at 31 March 2016
	£000
Amounts falling due within one year:	
Prepayments	80
Accrued income	49
Other receivables	6
Deposits and advances	2
	<u>137</u>
	<u><u>137</u></u>

8. Cash and cash equivalents

	As at 31 March 2016 £000
Balance at 20 April	0
Net change in cash and cash equivalent balances	440
Balance at 31 March	440

The following balances at 31 March were held at:

Government Banking Service	0
Commercial banks and cash in hand	440
Short term investments	0
Balance at 31 March	440

9. Trade payables & other current liabilities

	As at 31 March 2016 £000
Amounts falling due within one year:	
Accruals	300
Trade payables	92
Other payables	2
	<u>394</u>

10. Commitments under leases**10.1 Operating leases**

The EDC has taken out a lease for its office premises within North Kent Police Station. Total future minimum lease payments under the operating lease are given in the table below:

Obligations under operating leases for the following periods comprise:	As at 31 March 2016 £000
Buildings	
Not later than one year	36
	<u>36</u>
Total	36

11. Other financial commitments

The EDC has entered into non-cancellable contracts (which are not leases or PFI (and other service concession arrangement) contracts) for the provision of master planning services and for support to the planning IT system. The total payments to which the EDC is committed are as follows:

	As at 31 March 2016
	£000
Not later than one year	139
Later than one year and not later than five years	50
Total	189

12. Pensions

Permanent employees of the EDC are eligible to become members of the Local Government Pension Scheme (as administered locally by Kent County Council); a funded Defined Benefit scheme providing benefits based on career average revalued salary and length of service on retirement.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations, with the next review being due as at 31 March 2016. The EDC currently pays an employer's contribution of 12.3%, whilst employees make contributions on a scale based on their salary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- **Investment Risk** – the Fund holds investment in assets such as equities, which have volatile market values, and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.
- **Interest Rate Risk** – The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- **Inflation Risk** – All the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- **Longevity Risk** – In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

The actuary for the scheme is Barnett Waddingham, and the disclosures have been made in accordance with International Accounting Standard 19 (IAS19 (2011)).

The financial assumptions used for the purposes of the IAS 19 calculations as at 31 March 2016 are shown in the table below:

Table 1: Financial Assumptions

Assumptions as at	31 March 2016		1 June 2015	
	% p.a.	Real	% p.a.	Real
RPI increases	3.4%	-	3.6%	-
CPI increases	2.5%	-0.9%	2.7%	-0.9%
Salary increases	4.3%	0.9%	4.6%	1.0%
Pension increases	2.5%	-0.9%	2.7%	-0.9%
Discount rate	3.8%	0.4%	3.7%	0.1%

These assumptions are set with reference to market conditions at 31 March 2016

Table 2: Demographic Assumptions

Life expectancy from age 65 (years)	31 March 2016	1 June 2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

Table 3: Employer Asset Share

Employer asset share - bid value	31 March 2016		1 June 2015	
	£000s	%	£000s	%
Equities	44	67%	0	68%
Gilts	1	1%	0	1%
Other Bonds	7	11%	0	11%
Property	10	15%	0	12%
Cash	2	3%	0	3%
Target Return Portfolio	3	4%	0	4%
Total	67	100%	0	100%

Table 4: Statement of financial position as at 31 March 2016

Net pension asset as at	31 March 2016
	£000
Present value of defined benefit obligation	115
Fair value of Fund assets (bid value)	67
Net defined benefit liability	48

Table 5: Statement of profit or loss for the period to 31 March 2016

The amounts recognised in the statement of comprehensive net expenditure are:	Period to '31 March 2016
	£000
Service cost	93
Net interest on the defined liability	-1
Total loss	92

Table 6: Re-measurements in other comprehensive income**Re- measurements in other comprehensive income**

	Period to 31 March 2016 £'000
Return on Fund assets in excess of interest	(2)
Change in financial assumptions	7
Re-measurement of the net assets / defined liability	5

Table 7: Asset and benefit obligation reconciliation for the period to 31 March 2016

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Period to 31 March 2016 £000
Current service cost	93
Change in financial assumptions	-7
Contributions by scheme participants	29
Closing defined benefit obligation	115

Table 8: Reconciliation of opening & closing balances of the fair value of Fund assets

Reconciliation of opening & closing balances of the fair value of Fund assets	Period to 31 March 2016
Opening fair value of Fund assets	0
Interest on assets	1
Return on assets less interest	(2)
Contributions by employer including unfunded	39
Contributions by Scheme participants	29
Closing Fair value of Fund assets	67

The total return on the fund assets for the period to 31 March 2016 is
-1000

Table 9: Sensitivity Analysis

Sensitivity analysis	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	112	115	118
Projected service cost	101	103	105
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	115	115	115
Projected service cost	103	103	103
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	118	115	112
Projected service cost	105	103	101
Adjustment to life expectancy assumptions	+ 1 Year	None	- 1 Year
Present value of total obligation	118	115	112
Projected service cost	106	103	100

Table 10: Projected pension expense for the year to 31 March 2017

	Year to 31 March 2017 £'000
Service Cost	103
Net interest on the defined liability (asset)	1
Administration expenses	0
Total loss (profit)	104

The expected employer contributions for 2016-17 are £46k (12.3% of pensionable pay costs)

13. Contingent liabilities disclosed under IAS 37

The EDC has no contingent liabilities.

14. Related-party transactions

The EDC is a Non-Departmental Public Body sponsored by the DCLG, which is regarded as a related party, as are the other entities which DCLG sponsors. The Local Government Pension Scheme (LGPS), which is administered by the Kent County Council Pension Fund is also regarded as a related party.

During the period the following transactions occurred with related parties:

Organisation	Amount paid by EDC £000	Nature of transactions	Related Party Connection	EDC Position
DCLG	504	Salary, rent, support services and general recharges	Sponsor Dept	Sponsor Dept
Kent Pension Fund	43	Set-up costs and employer's contributions	Mark Dance (and previously Paul Carter)	Board Member
Kent County Council	19	Planning Service Level Agreement	Mark Dance (and previously Paul Carter)	Board Member
Dartford Borough Council	129	Planning & IT support. Community grants	Jeremy Kite	Board Member
Gravesham Borough Council	92	Planning & IT support. Community grants	John Cubitt (and previously John Burden)	Board Member
Homes and Communities Agency	143	Secondment of Louise Wyman	Bob Lane	Board Member

No board member, key manager or other related parties has undertaken any material transactions with the EDC during the period to 31 March 2016.

15. Events after the reporting period date

The EDC has commenced the delivery of its Infrastructure and Investment delivery plan, being financed by the £310 million capital allocated by the Government to create the Ebbsfleet Garden City.

At the end of May 2016, Stephen Pritchard the Director of Land and Regeneration resigned from the EDC. An Interim Director has been appointed whilst a permanent recruitment exercise is carried out.

The Ebbsfleet Development Corporation's financial statements are laid before the Houses of Parliament by the Secretary of State of Communities and Local Government. In accordance with the requirements of IAS 10 'Events After the Reporting Period', post Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue. This has been interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.

The authorised date for issue is: 7 July 2016

EBBSFLEET DEVELOPMENT CORPORATION**ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE WITH THE CONSENT OF THE TREASURY, IN ACCORDANCE WITH PARAGRAPH 10(3) OF SCHEDULE 31 TO THE LOCAL GOVERNMENT, PLANNING AND LAND ACT 1980**

1. The annual Financial Statements of Ebbsfleet Development Corporation (hereafter in this accounts direction referred to as “the Corporation”) shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the Financial Statements for 2015/16 and for subsequent years shall be prepared in accordance with:-

(a) the accounting and disclosure requirements given in *Managing Public Money* and in the *Government Financial Reporting Manual* issued by the Treasury (“the FR&M”) as amended or augmented from time to time;

(b) any other relevant guidance that the Treasury may issue from time to time;

(c) any other specific disclosure requirements of the Secretary of State;

insofar as these requirements are appropriate to the Corporation and are in force for the year for which the Financial Statements are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the Financial Statements.

2. Schedule 1 to this direction gives additional disclosure requirements of the Secretary of State.

3. This direction shall be reproduced as an appendix to the Financial Statements.

4. This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for Communities and Local Government



An officer in the Department for Communities and Local Government

Date 31 March 2016

SCHEDULE 1**ADDITIONAL DISCLOSURE REQUIREMENTS**

The following information shall be disclosed in the Annual Accounts, as a minimum, and in addition to the information required to be disclosed by paragraph 1 of this direction.

(a) an analysis of grants from:

(i) government departments

(ii) European Community funds

(iii) other sources identified as to each source;

(b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;

(c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income and expenditure account;

(d) details of employees, other than board members, showing:-

(i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to the Corporation, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)

(ii) the total amount of loans to employees

(iii) employee costs during the year, showing separately:-

(1) wages and salaries

(2) early retirement costs

(3) social security costs

(4) contributions to pension schemes

(5) payments for unfunded pensions

(6) other pension costs

(7) amounts recoverable for employees on secondment or loan to other organisations

The above analysis shall be given separately for the following categories:

- (i) employed directly by the Corporation
- (ii) on secondment or loan to the Corporation
- (iii) agency or temporary staff
- (iv) employee costs that have been capitalised);

(e) in the note on receivables, prepayments and payments on account shall each be identified separately;

(f) a statement of debts written off and movements in provisions for bad and doubtful debts;

(g) a statement of losses and special payments during the year, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £300,000, with separate disclosure and particulars of any individual amounts in excess of £300,000. Disclosure shall also be made of any loss or special payment of £300,000 and below if it is considered material in the context of the Corporation's operations.

*(h) particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the yearend (other than those arising from a contract of service or of employment with the Corporation), between the Corporation and a party that, at any time during the year, was a related party. For this purpose, notwithstanding anything in the accounting standard, the following assumptions shall be made:

- (i) transactions and balances of £5,000 and below are not material
- (ii) parties related to board members and key managers are as notified to the Corporation by each individual board member or key manager
- (iii) the following are related parties:
 - (1) subsidiary and associate companies of the Corporation
 - (2) pensions funds for the benefit of employees of the Corporation or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds)
 - (3) board members and key managers of the Corporation
 - (4) members of the close family of board members and key managers
 - (5) companies in which a board member or a key manager is a director
 - (6) partnerships and joint ventures in which a board member or a key manager is a partner or venture

- (7) trusts, friendly societies and industrial and provident societies in which a board member or a key manager is a trustee or committee member
- (8) companies, and subsidiaries of companies, in which a board member or a key manager has a controlling interest
- (9) settlements in which a board member or a key manager is a settler or beneficiary
- (10) companies, and subsidiaries of companies, in which a member of the close family of a board member or of a key manager has a controlling interest
- (11) partnerships and joint ventures in which a member of the close family of a board member or of a key manager is a partner or venture
- (12) settlements in which a member of the close family of a board member or of a key manager is a settler or beneficiary
- (13) the Department for Communities and Local Government, as the sponsor department for the Corporation.

For the purposes of this sub-paragraph:

- (i) A key manager means a member of the Corporation's management board.
- (ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, "spouse" includes personal partners, and "relatives" means brothers, sisters, ancestors, lineal descendants and adopted children.
- (iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at Corporation meetings of the company.

* Note to paragraph (h) of Schedule 1: under the Data Protection Act 1998 individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.

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