



The Ebbfleet Development Corporation

Annual Report and Accounts
for the year to 31 March 2017



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

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A) Performance Report

Overview:

A1 - Chairman's report


Ebbsfleet Garden City is now into its stride with around 600 homes under way. Come to the sites at Ebbsfleet and you will sense the pace and degree of activity. The focus of our efforts has been to drive forward the infrastructure elements - a notable achievement has been to pioneer arrangements that will deliver enhanced power supply across the whole project.

Externally, we have been working to progress initiatives with others to boost this part of Kent through Government programmes - highways, Thames Crossing, possible Crossrail extension and local partnerships. Our two local authorities, Dartford and Gravesham have been sturdy allies in all of these schemes. We believe we have identified rewards for these efforts that will come through in the coming months.

Our regular consultations with local communities have informed each stage of master-planning of the area - now completed and publicised. We will work on increasing the understanding and appreciation of our local environment with new signage for the area and an information centre.

We have ideas for developing commercial opportunities for the prospective city centre - derived from the hi-tech and health sectors. Our planning team are keen to hear from any prospective occupiers who see the benefits of locating close to the magnet of London whilst enjoying the dynamism of a new community in the Garden of England.

My thanks to our executive team, the wider partnership of Ebbsfleet and the dedicated members of the Board for another busy and productive year. Finally, to our DCLG sponsors with the other Government departments involved, we would like to acknowledge their commitment and contribution to making all this happen in such a constructive manner.

A handwritten signature in black ink, reading "Michael Cassidy". The signature is written in a cursive, flowing style with a long, sweeping tail on the final letter.

Michael Cassidy CBE
Chairman, Ebbsfleet Development Corporation

A2 - Interim Chief Executive's report:

In 2016/17 Ebbsfleet Garden City really started to take shape. Our first priority was to work with our land owners and developers to accelerate new house building. By the end of the year we achieved over 600 new starts on site and a pipeline of over 1000 new homes receiving planning permissions. Six housebuilders were on site and two more developers about to commence their developments.

These developments all sit within our Implementation Framework approved in 2016/17. This provides a comprehensive planning framework for the Garden City's development and the Board's ambition to create a distinctive, high quality and integrated Garden City.

In 2016/17 the EDC embarked on its first phase of major infrastructure to support these ambitions with investments approved for the new Springhead Bridge, for the first phase of the new green corridors to promote walking and cycling, and for the comprehensive upgrade of power supplies for the garden city. An innovative agreement was reached with UKPN which enables the EDC to recover its funding as developers connect to the new supply. Investment in a major new job creation scheme was approved in 2016/17 as a first phase of our Enterprise Zone.

Work has started with land owners of stalled housing sites to bring forward these for developments. By the end of the year all the major residential neighbourhoods have planning approval or have plans submitted for their development. This includes the revised masterplan for the two new villages at Eastern Quarry, which includes up to 4600 new homes.

Our pre application work with developers has resulted in new housing schemes which closely meet our Implementation Framework ambitions for quality and place making. During the year the EDC was awarded starter homes funding with the HCA, and also Healthy New Towns status. The latter recognises our plans with the NHS to establish the garden city on healthy living principles and provides revenue funding for new health and environment programmes.

As we ended the year, the EDC and the land owner of the Ebbsfleet central area had started work on new plans for the city centre and this bodes well for creating the new and dynamic heart to our Garden City.

All of this progress has been achieved through the hard work of a strong professional team, back by the proactive leadership of our board, and the effective collaborative and partnership established with all of our key stakeholders.



Paul Spooner – Interim Chief Executive

A3 - Ebbsfleet Development Corporation Purpose and Activities:

The Ebbsfleet Development Corporation (EDC) was established on 20 April 2015 as a statutory body (Non Departmental Public Body) which reports to the Secretary of State for the Department of Communities and Local Government (DCLG). The Corporation backed with Government funding provides the direction, focus and expertise necessary to coordinate investment and facilitate new development at Ebbsfleet 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 Corporation became responsible for the local planning authority powers on 1 July 2015 for the EDC area in respect of planning functions which previously had resided with Dartford Borough Council, Gravesham Borough Council and Kent County Council.

The development of a garden city at Ebbsfleet is a long term programme. During 2016/17 the EDC has been engaging and working with partners and local communities to develop the forward strategy and agree longer term delivery plans.

The Corporation is domiciled in the United Kingdom and conducts its business from North Kent Police Station, Thames Way, Gravesend, Kent DA11 8BD.

A4 – Key issues and risks affecting delivery of objectives

The key issues faced by the EDC over 2016/17 were:

- Resolving vital utilities and infrastructure requirements
- Seeking solutions to the transportation challenges of the Garden City area

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 2017 the EDC received both an operational budget and capital programme funding. The programme/investment funding for 2016/17, has resulted in the following Key Performance Indicators (KPIs) / outputs for the year.

549 new homes have been started in the Ebbsfleet Development Corporation redline area. In the wider Garden City area (including the red line element) there were 643 starts.

Additionally during 2016/17:

- The Ebbsfleet Garden City Implementation Framework was completed and endorsed by our local planning authorities and is now being applied to all EDC work.
- 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 4.66 days to pay its supplier invoices in 16/17.

Performance Analysis:

Ebbsfleet Development Corporation uses the following Key Performance Indicators (KPIs) to measure its performance. This relates to the capital programme investment / funding that the government has announced will be made available to deliver the Ebbsfleet Garden City. The KPIs were developed and agreed with DCLG and are 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)

The table on the following page shows Ebbsfleet Development Corporation's performance for the above 10 Key Performance Indicators. It should be noted that in 2016/17 the EDC had recorded quantitative progress against our housing target (KPI 1) but that for other targets we have established baseline data against which future performance will be measured quantitatively, or we have initiated action against which performance will be measured in later years.

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, for 2016/17 we achieved 100%.
- 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 for 2016/17 we achieved 100%.
- 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 for 2016/17 we achieved 100%.

Annual Performance Review by KPI in 2016/17	
Key Performance Indicator	Performance 2016/17
<p>KPI 1 <u>Housing Numbers</u></p> <ul style="list-style-type: none"> 500 starts on site in EDC red line area 600 starts in Garden City area Towards 5,100 completions by 2021 	<ul style="list-style-type: none"> 549 starts in the EDC red line area 643 starts in the Garden City area Planning approvals for 1,000 additional homes Planning applications submitted for 5,000 further homes Developers forecasting 4,300 completions from existing sites New sites agreed with local authorities to deliver additional units First phase utilities infrastructure (electricity) approved to accelerate delivery
<p>KPI 2 <u>Housing Quality and Range</u></p> <ul style="list-style-type: none"> Improve quality of new developments Deliver affordable homes in line with policies 	<ul style="list-style-type: none"> Masterplan Implementation Framework approved and endorsed by local and strategic planning authorities Revised plans approved for Northfleet West in line with our framework All approved schemes compliant with affordable housing policies. 160 new affordable homes started on site Sites for specialist homes and self-build developments identified
<p>KPI 3 <u>Number of New Jobs</u></p> <ul style="list-style-type: none"> Bring forward sites for new employment opportunities Support local business to expand including SMEs 	<ul style="list-style-type: none"> Deemed planning consent granted for 250,000 sq ft of new employment space at Northfleet Embankment West Business case approved and outline planning application submitted for Northfleet Embankment East proposing 230,000 sq ft of new employment space, including a new business centre for SME development. This scheme will provide 500-700 new jobs Enterprise Zone launched on schedule
<p>KPI 4 <u>Ebbsfleet Central</u></p> <ul style="list-style-type: none"> Progress with EIGP a scheme for the comprehensive development of Ebbsfleet Central 	<ul style="list-style-type: none"> Land Securities committed to creating a viable scheme within a new masterplan for Ebbsfleet Central HCA working with EDC on potential for public investment in support of high infrastructure costs and to secure the pace of development Plan for new medical centre of excellence being developed with Kings College, Guys and St Thomas Hospital and NHS as catalyst for new 'city centre'
<p>KPI 5 <u>Modal Shift</u></p>	<ul style="list-style-type: none"> Base Line Traffic Surveys completed. 80% of short journeys made by car

<ul style="list-style-type: none"> Increasing use of non-car means of transport Improving existing highway infrastructure to reduce congestion Developer support to bring forward development on back of new transport infrastructure 	<ul style="list-style-type: none"> Strategic case for Fastrack upgrade supported in principle by DCLG. Business case in preparation to increase non-car use for short journeys Developer contributions to new Fastrack corridors incorporated in new planning applications and consent schemes Springhead Bridge scheme approved and in design First phase of new cycle and footways in design A2 improvements – business case progressing
<p>KPI 6 <u>Open space and Public Realm Provision</u></p> <ul style="list-style-type: none"> Delivery of net gain in new public open spaces and public realm Enhancing and regenerating the riverfront 	<ul style="list-style-type: none"> Seven new city parks agreed with landowners – two advanced through planning applications Green Corridors Phase One programme approved for Northfleet and Castle Hill Grove Road regeneration scheme masterplan in preparation with OPE funding
<p>KPI 7 <u>Improvements to Quality of Life</u></p> <ul style="list-style-type: none"> Additional investment in addressing poor health outcomes Increased levels of participation in sports and recreation 	<ul style="list-style-type: none"> Baseline health surveys completed pinpointing obesity issues Healthy New Town status awarded – initial investment in community based health projects in areas of poorest health outcomes Second round of HNT monies agreed to include provision for improved design for quality environments and healthy eating
<p>KPI 8 <u>Improved rates of resident satisfaction</u></p> <ul style="list-style-type: none"> Stakeholder engagement Community involvement in design of projects 	<ul style="list-style-type: none"> EDC new website showing significant increases in visitor numbers and positive feedback on our plans Regular stakeholder engagement meetings held with district and town councils, business groups and voluntary sector agencies
<p>KPI 9 <u>Enhanced Environmental Standards in new homes (under development)</u></p>	<ul style="list-style-type: none"> Implementation Framework adopted which sets higher environmental standards
<p>KPI 10 Air Quality and Sustainable Urban Drainage (under development)</p>	<ul style="list-style-type: none"> Air Quality Baseline surveys being undertaken University led research project on sustainable urban drainage plan agreed



Paul Spooner - Accounting Officer

29 June 2017

B) Accountability Report

B1 - Corporate Governance Report:

- **Directors' report:**

Board Composition during the year to 31 March 2017

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 2017

	Board	Audit and Risk	Planning	Remuneration
Name				
Michael Cassidy CBE	11/11	-	1/1*	1/1
David Holt	10/11	4/4	1/1*	1/1
Bob Lane OBE	10/11	4/4	1/1*	-
David Lock CBE	11/11	-	3/3	1/1
Louise Hardy	10/11	4/4	-	-
Jeremy Kite	9/11	-	-	-
John Cubitt	5/11	-	-	-
Mark Dance	11/11	-	-	1/1
Paul Spooner	11/11	3/4	-	1/1

* Please note with respect to Planning Committee, the Board vacancy was covered by the 3 Board Members indicated.

Board Members who resigned during 16/17

Katie Perrior	3/3	-	-	-
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Non Board Members (Planning Committee)

Derek E Hunnisett	-	-	3/3	-
Robin Theobald	-	-	3/3	-
Rev. Penny Marsh	-	-	3/3	-
Matthew Balfour	-	-	1/3	-
Chris Hall	-	-	2/3	-

Information security risk

The Senior Information Risk Owner has confirmed that the annual assessment for 2016/17 shows full compliance with HM Government's Security Policy Framework and other regulatory requirements. During 2016/17 one laptop was stolen and later recovered this was reported to the DCLG and 2 RSG fobs have been reported missing, the fobs do not contain any information 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 Interim Chief Executive Officer as Accounting Officer of the Ebbsfleet Development Corporation from 25 July 2016. Prior to that date, the Director of Finance had held the position from 15 December 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

I was appointed the EDC Accounting Officer from 25 July 2016. Prior to that date the Accounting Officer role was carried out by the EDC Director of Finance. A handover was implemented at that date.

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.

Relationships between the 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 approved Corporate Plan.

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 the Infrastructure and Investment Panels, all of which help to strengthen the understanding between the two organisations.

An Assurance Framework is being developed by the two organisations which will seek to give the EDC Board a higher budgetary approval limit for EDC project activity in 2017/18 and beyond.

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 Board have carried out their annual Effectiveness Review for 2016 and discussed it at their May 2017 meeting. Some 50 criteria were considered with input from senior staff and DCLG participants. There was a good balance of outcomes with no significant areas of concern and, inevitably individual comments that the Board have noted for possible action. Improvement of information flow and Board scope for discussion was noted over the previous year. There are some organisational recruitment issues that need to be resolved to help the organisation going forward.

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 four times during the year.

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 year.

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. It met once during the year.

Investment Committee

The Board originally 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, one Non Executive Board Member, relevant project delivery staff, and observers from DCLG and HM Treasury. It reports to the Board and oversees the delivery of the EDC's capital investment programmes. The IIP met 10 times in the year.

2016/17 Activity

During 2016/17 the EDC delivered on the government's priority of working with landowners and developers to accelerate house building in the Garden City. From little or no development activity in the previous year, Ebbsfleet has seen over 600 new homes started in 2016/17 and planning applications determined to bring forward nearly 1,000 further new homes. The market demand for new housing remains strong and there is now greater confidence among all landowners and developers in the Garden City.

The EDC has also made good progress on clarifying its role in relation to the delivery of essential utilities to underpin the development of the Garden City. Through a coordinated approach with the utility companies all the necessary infrastructure improvements will be delivered by 2020/21.

The EDC approved its Implementation Framework which articulates the ambition to develop the full potential of the Garden City in line with the EDC vision. The Implementation Framework priorities the planning principles to secure the garden city ambitions in terms of the built and natural environment and promotes the importance of place-making.

The EDC Investment programme is now structured around five pillars to integrate housing, employment, transport, utilities and environmental measures. The EDC investment is targeted at key projects to enable delivery of the Garden City.

Also during 2016/17, the EDC carried out various permanent staff recruitments to ensure the organisation is fit for purpose. These appointments have established a strong integrated EDC team which is focussed on delivery at pace.

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 project 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

Specific arrangements are 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 corporate and business planning processes set out the EDC's objectives and resource allocation, and establish budgets and targets against which performance is ultimately judged.

Reporting and monitoring routines have been established for the investment programme and project activity. These enable progress to be tracked, forecasts to be made and corrective action to be taken where this is deemed necessary. Operating costs are also 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 16/17 Internal Audit work-plan included four reviews;

- Fraud Profiling - Substantial opinion – that the Fraud Profiling is adequate and effective
- Business Continuity Plan and resilience – No Opinion, purely advisory.
- Modelling and KPI – Moderate – (April 2017) Some improvements are required to enhance the adequacy and effectiveness of the framework of Governance, risk management and control.
- Key Financial Controls – Substantial opinion – (April 2017) that the Key Financial Controls are adequate and effective.

Internal Audit opinion

The overall Internal Audit opinion for the period ended 31 March 2017, based on the four reviews above, resulted in an overall Substantial opinion. This stated that the internal reviews completed in 2016/17 found the framework of governance, risk management and control to be adequate and effective.

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 quality 21st century garden city. Project and programme funding to enable the garden city has been secured from central government. Delivering the objectives as set out in the EDC Corporate Plan and the Implementation Framework is the main task facing the organisation.

Conclusion

As detailed earlier in this report, the EDC had two Accounting Officers during 16/17. Reliance has been placed on the Governance Statement obtained from the previous role holder.

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 2016/17.



Paul Spooner - Accounting Officer

29 June 2017

B2 - Remuneration and Staff Report:

The information in this section is audited.

Total staff costs (excluding non-executive board members' costs) are:

Staff Costs comprise:	Permanently Employed Staff	Agency/ Temporary Staff	Seconded Staff	Year ended 31 March 2017	Period ended 31 March 2016
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Wages & Salaries	1,394	187	209	1,790	1,509
Social Security Costs	160	0	5	165	69
Other Pension Costs	277	0	10	287	125
Net Total	1,831	187	224	2,242	1,703

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

The EDC was 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 2017, 24.3 permanent staff were in post of an approved headcount limit of 28 FTE.

Non-Executive Board Member' Costs	Year to 31 March 2017 £000	Period to 31 March 2016 £000
Board Members' Fees	113	116
Social Security Costs	10	9
Pension Costs	N/A	N/A
Total Board Members' costs	123	125

**Non-Executive Board Member Remuneration
(in bands)**

	Year to 31 March 2017 £000	Period to 31 March 2016 £000
Michael Cassidy CBE Chair	55-60	50-55
David Holt Deputy Chair	15-20	15-20
Bob Lane OBE Board Member	10-15	10-15
David Lock CBE Board Member	10-15	10-15
Louise Hardy Board Member	10-15	10-15
Katie Perrior Board Member	0-5	10-15

Katie Perrior resigned from the Board on the 14 July 2016.

In addition to the board members listed, 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 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 2016/17.

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 is led by Paul Spooner who is the interim Chief Executive. Paul was appointed by DCLG as Interim Chief Executive via an agency in January 2016. He transferred to the EDC's payroll on 1 July 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

	Name	Position	Year ended 31 March 2017				Period ended 31 March 2016			
			Salary received in period – range £000	Non-cash benefits in period – range £000	Accrued Pension Benefits over the period (to the nearest £1,000) £000	Total remuneration in period – range £000	Salary received in period – range £000	Non-cash benefits in period – range £000	Accrued Pension Benefits over the period (to the nearest £1,000) £000	Total remuneration in period – range £000
1	Gerard Whiteman	Director of Finance	75-80	0	25	100-105	45-50	0	14	55-60
2	Julia Gregory	Director of Projects	45-50	0	15	60-65	-	-	-	-
3	Simon Newsholme	Director of Development	40-45	0	-	40-45	-	-	-	-
4	Mark Pullin	Chief Planning Officer	70-75	0	22	90-95	20-25	0	8	30-35
5	Stephen Pritchard	Director of Land & Regeneration	15-20	0	5	20-25	80-85	0	5	85-90
6	Tracey Coleman	Chief Planning Officer	55-60	0	9	65-70	35-40	0	2	35-40
7	Robin Cooper	(Former) Chief Executive	-	-	-	-	85-90	0	24	110-115

1. **Gerard Whiteman** – the FTE salary for the role was in the range £75k-£80k
2. **Julia Gregory** – the FTE salary for the role was in the range £95k-£100k
3. **Simon Newsholme** – the FTE salary for the role was in the range £95k-£100k
4. **Mark Pullin** – the FTE salary for the role was in the range £80k-£85k. Comparators included for 2015/16 non Directorship.
5. **Stephen Pritchard** – left May 2016 – the FTE salary for the role was in the range £105k-£110k
6. **Tracey Coleman** – left November 2016 – the FTE salary for the role was in the range £85k-£90k
7. **Robin Cooper** – left December 2015, received an agreed settlement in the range £5k-£10k. The FTE salary for the role was in the range £135k-£140k.

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. Any performance pay for the year is awaiting approval from the DCLG.

Permanent Executive Directors' Pension disclosures:

Name	Accrued pension at age 65 at 31 March 17 £'000	Real increase in pension at age 65 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2017 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2016 £'000	Real increase in Cash Equivalent Transfer Value (CETV) £'000
Gerard Whiteman	0-5	0-2.5	26	10	8
Julia Gregory	0-5	0-2.5	11	0	5
Simon Newsholme	-	-	-	-	-
Mark Pullin	0-5	0-2.5	12	3	2
Stephen Pritchard	0-5	0-2.5	11	6	3
Tracey Coleman	0-5	0-2.5	9	2	4
Robin Cooper	-	-	-	25	-

Mark Pullin was a member of staff contributing into the pension scheme in 15/16 prior to becoming an Interim Director in November 2016 and Director from February 2017.

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. In early 2016, DCLG recruited an interim Chief Executive following the departure of the previous postholder. 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	Year ended 31 March 2017			Period ended 31 March 2016		
			Interim fees paid during the period – range £000	Non-cash benefits £000	Total – range £000	Interim fees paid during the year – range £000	Non-cash benefits £000	Total – range £000
1	Paul Spooner	Interim Chief Executive	155-160	0	155-160	50-55	0	50-55
2	Nick Fenton	Interim Projects Director	60-65	0	60-65	0	0	0
3	Louise Wyman	Director of Strategy (seconded)	5-10	0	5-10	85-90	3.3	85-90
4	Philip Williams	Interim Commercial Director	0	0	0	0	0	0
5	Nicky Linihan	Interim Chief Planning Officer	0	0	0	95-100	0	95-100
6	Nick Dawe	Interim Finance Director	0	0	0	110-115	0	110-115

1. **Paul Spooner** was initially an interim contracted by DCLG via an agency. He transferred to the EDC payroll with effect from 1 July 2016 at a salary range of £165k-£170k on a 0.8FTE basis (FTE £205k-£210k)
2. **Nick Fenton** was employed on a 0.8 FTE fixed-term appointment between May 16 and January 17 via the EDC payroll at a salary in the range £105k-£110k FTE.
3. **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
4. **Phillip Williams** was seconded by HM Treasury at nil cost.
5. **Nicky Linihan** was an interim supplied via an agency. The notional equivalent FTE salary was in the range £160k-£165k pa (inc. agency fees).
6. **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

	Year ending 31 March 2017			Period ending 31 March 2016		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
Exit package cost band: <£10,000	0	0	0	0	1	1
Total number of exit packages	0	0	0	0	1	1
Total resource cost	0	0	0	0	£5k-£10k	£5k-£10k

There were no compensation schemes or exit packages during 2016/17.

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 2016/17 was £205k-£210k. This was 3.93 times the median remuneration of the workforce, which was £50k-£55k. No employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £20k-£25k to £205k-£210k (FTE).

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.

	Year ended 31 March 2017 £000	Period ended 31 March 2016 £000
Mid point of Band of Highest Paid Director's Total	205-210	135 - 140
Median Total Remuneration	52.7	62.5
Ratio	3.93	2.20

Ebbsfleet Development Corporation's published accounts for 2015/16 show the median total remuneration as a banded range, however that figure has been amended above to show the actual median salary in order to demonstrate a fair comparison. The salary ranges are shown above on a Full Time Equivalent (FTE) basis. The Highest Paid Director is shown as earning £207.5k, however this post is 0.8 of a full time post and therefore the above salary is notional and was not paid to any member of staff. The Median total remuneration is lower than the 15/16 comparator primarily because the Corporation's staff complement increased during the year by the employment of staff on comparatively lower bandings.

Staff Report

	Staff Numbers (FTE)	Permanently Employed Staff	Agency/ Temporary Staff	Seconded Staff	Total
In post at 31 March 2017	Male	11.3	0	0	11.3
	Female	13.8	0.8	0	14.6
	Total	25.1	0.8	0	25.9
In post at 31 March 2016	Male	6	3	1	10
	Female	11	1	1	13
	Total	17	4	2	23

The average number of persons employed during the period to 31 March 2017 was 23.6 (8) permanent, 1.3 (4) agency / temporary, and 1.8 (2) seconded.

For the period to 31 March 2017, 87 (27) working days were lost to staff sickness absence.

Off-Payroll Disclosures

For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than 6 months

	Year ended 31 March 2017	Period ended 31 March 2016
No. of existing engagements as of year end	2	5
Of which...		
No. that have existed for less than one year at time of reporting.	1	5
No. that have existed for between one and two years at time of reporting.	1	0
No. that have existed for between two and three years at time of reporting.	0	0
No. that have existed for between three and four years at time of reporting.	0	0
No. that have existed for four or more years at time of reporting.	0	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	Yes

For all new off-payroll engagements, or those that reached 6 months duration between 1st April 2016 and 31st March 2017, for more than £220 per day and that last longer than 6 months

	Year ended 31 March 2017	Period ended 31 March 2016
No. of new engagements, or those that reached six months in duration, in financial year...	1 (for 5 months)	9
No. of 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 (As contract was for less than 6 months)	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	0	2
Of which...		
No. for whom assurance has been received	0	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	0
No. that have been terminated as a result of assurance not being received	0	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1st April 2016 and 31st March 2017

	Year ended 31 March 2017	Period ended 31 March 2016
Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility.	1	3
Details of the exceptional circumstances that led to each of the engagements above.	DCLG appointment	DCLG appointment
Details of the length of time each of these exceptional engagements lasted.	January 2016 to 30 th June 2016	Range between 3 & 8 months
Total no. of individuals both on and off pay-roll 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	18	14

Staff Policies - a wide range of staff and employment related policies have been approved by the Board, including Gifts and Hospitality Policy. A Gifts and Hospitality Register is maintained by the Corporation and is examined annually by the Audit & Risk Assurance Committee.

During the year the Corporation gave full and fair consideration to all applications for employment made by disabled persons, having regard to their particular aptitudes and abilities;

No employees of the Corporation have become disabled persons during the period when they were employed by the Corporation;

The Corporation fully supports the training, career development and promotion of disabled persons employed by it.

The Corporation incurred expenditure on consultancy to the value of £265,000 (£513,000 2015/16)

Loans to employees

There are two Season ticket loans to employees. As at the 31 March 2017 the outstanding value of these loans totalled £5,198.

Pensions

The Local Government Pension Scheme (LGPS) is a funded multi-employer defined benefit scheme. For 2016/17, employers' contributions of £125,182 were payable to the LGPS, being 12.3 per cent of pensionable pay of participating members. The scheme's Actuary has reviewed the EDC's contributions at the year end and has revised the contribution rate to 16.2 per cent of pensionable pay for 2017/18.

Parliamentary Accountability Disclosures

Losses and Special Payments – None

Standard Remote Contingent Liability – None

Fees and Charges – The Corporation generates income from planning fees based on the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012'. A list of current charges can be found here:

http://www.legislation.gov.uk/uksi/2012/2920/pdfs/uksi_20122920_en.pdf

Analysis of Fees & Charges	2016/17 Income Received £000	Cost of delivering service £000	Surplus/ (Deficit) of income v cost of service £000	2015/16 Income Received £000
Planning Fees	291	1,032	-741	49
S.106 contributions from developers	68	100	-32	0
Total Fees & Charges	359	1,132	-773	49



Paul Spooner - Accounting Officer

29 June 2017

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 year ended 31 March 2017. 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 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 2017 and of the net expenditure for the year 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
Comptroller and Auditor General

Date: 4th July 2017

National Audit Office
157-197 Buckingham Palace Road
Victoria
London, SW1W 9SP

C) Financial Statements**Statement of Comprehensive Net Expenditure for the year ended 31 March 2017**

	Note	Year ending 31 March 2017 £000	Period ending 31 March 2016 £000
Income from sale of goods and services	3	(642)	(49)
Total operating income		(642)	(49)
Staff costs	2.1	2,242	1,703
Purchase of goods and services	2.2	2,296	1,300
Depreciation	4&5	18	3
Impairment – Intangible Assets	5	178	0
Impairment - Inventory	8	221	0
Other operating expenditure – grants	2.3	0	94
Total operating expenditure		4,955	3,100
Interest on pension fund	13	-	(1)
Net expenditure for the year		4,313	3,050
Other comprehensive net expenditure			
Return on pension fund assets in excess of interest	13	(28)	2
Other actuarial gain on assets		(153)	-
Change in financial assumptions		292	(7)
Change in demographic assumptions		7	-
Experience loss on defined benefit obligation		185	-
Comprehensive net expenditure for the year		4,616	3,045

**Statement of Financial Position
as at 31 March 2017**

	Note	31 March 2017 £000	31 March 2016 £000
Non-current assets:			
Property, plant & equipment	4	116	15
Intangible assets	5	23	35
Total non-current assets		139	50
Current Assets:			
Trade receivables & other current assets	7	324	137
Inventory	8	1,065	0
Cash & cash equivalents	9	570	440
Total current assets		1,959	577
Total assets		2,098	627
Current liabilities:			
Trade payables & other current liabilities	10	828	394
Total current liabilities		828	394
Total assets less current liabilities		1,270	233
Non-current liabilities			
Pension deficit	13	501	48
Total non-current liabilities		501	48
Total assets less total liabilities		769	185
Taxpayers' equity and other reserves:			
General Reserve		1,270	233
Pension Reserve	13	(501)	(48)
Total equity		769	185



Paul Spooner - Accounting Officer

29 June 2017

Statement of Cash Flows
for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £000	Period ended 31 March 2016 £000
Cash flows from operating activities			
Net operating cost		(4,313)	(3,050)
Adjustments for non-cash transactions:			
Depreciation & Impairment	4, 5 & 8	417	3
(Increase)/Decrease in trade and other receivables	7	(187)	(137)
Increase in trade and other payables	10	434	394
(Increase) in Inventory	8	(1,286)	0
(Increase)/Decrease in pension deficit	13	453	48
Remeasurement of pension net assets	13	(303)	5
Net cash outflow from operating activities		(4,785)	(2,737)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(107)	(18)
Purchase of intangible assets	5	(178)	(36)
Other investing activities		0	1
Net cash outflow from investing activities		(285)	(53)
Cash flows from financing activities			
Grants from sponsoring department	14	5,200	3,230
Net financing			
Net increase/(decrease) in cash and cash equivalents in the period	9	130	440
Cash and cash equivalents at the beginning of the period	9	440	0
Cash and cash equivalents at the end of the period	9	570	440

Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2017

Note	General Reserve	Pension Reserve	Total
	£000	£000	£000
Balance at 31 March 2016	233	(48)	185
Grants from DCLG	5,200	0	5,200
Comprehensive net expenditure for the year	(4,616)	0	(4,616)
Transfers between Reserves	453	(453)	0
Balance at 31 March 2017	1,270	(501)	769

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 2016/17 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 – 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 result in any available for sale assets to be accounted for at fair value, but with changes in fair value being recognised in net expenditure. This would result in the elimination of any fair value reserve (included within the general fund 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. The application of IFRS 9 in the public sector context has yet to be confirmed by the FReM.

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 has yet to be endorsed by the EU and its application in the public sector context has yet to be confirmed by the FReM.

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 Corporation.

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
Equipment: 5 years

Intangible assets

Intangible assets comprise the capitalised value of bought-in software and software licences. It also includes some project related activities (see below). 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.

Green Corridors Project – The design and development costs of this project are considered non-monetary and non-physical in that they are designs and therefore fall within the scope of IAS38: Intangible Assets. The design cost (intangible asset) is subject to an annual impairment review.

Inventories

Development Assets are held for regeneration purposes and are shown as inventories, and in line with IAS 2 requirements are valued at the lower of cost or net realisable value (market value). Any resulting financial write downs of these assets to current cost (open market value) are accounted for annually and separately identified in the Statement of Comprehensive Net Expenditure.

Any surplus on revaluation of these assets to current cost are credited to the Revaluation Surplus/Reserve but only after eliminating any accumulated write-downs that had previously been charged to the Statement of Comprehensive Net Expenditure. The elimination of the accumulated write-down are accounted for by a write-back to the Statement of Comprehensive Net Expenditure.

A valuation to establish current value is conducted at the end of each financial period. Valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

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 Corporation 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.

Income Recognition

Planning Fee income is recognised at the point of validation of the planning application after which the fee is no longer refundable. Grants and other contributions are recognised to the value to which they have been utilised within the reporting period.

Operating Segments

The Corporation does not report its performance using segmental accounting.

2. Expenditure Analysis

2.1 Staff Costs

	Year ending 31 March 2017	Period ending 31 March 2016
	<u>£000</u>	<u>£000</u>
Direct Staff – Pay	1,394	487
Direct Staff – ER's NICs	160	52
Direct Staff – ER's Pension	277	95
Seconded Staff – Pay	209	222
Seconded Staff – ER's NICs	5	17
Seconded Staff – ER's Pension	10	30
Agency Staff – Inclusive	187	800
	<hr/>	<hr/>
Total Staff Costs	2,242	1,703
	<hr/> <hr/>	<hr/> <hr/>

The direct staff pension costs have been adjusted per IAS19.

2.2 Purchase of Goods and Services

	Year ending 31 March 2017	Period ending 31 March 2016
	<u>£000</u>	<u>£000</u>
Board Member Pay	113	116
Board Members – ER's NICs	10	9
Planning Committee Pay	5	4
Consultancy	266	513
Support Services	43	206
Premises	209	162
ICT	94	87
Legal & Professional Services	1,221	65
External Audit	44	36
Internal Audit	22	18
Travel Expenses	36	28
Marketing & Media	39	24
Office Stationery and Equipment	38	16
Training	13	9
Bank Charges and Interest	2	0
Healthy New Towns – Project Expenditure	139	0
Telecoms	2	7
	<hr/>	<hr/>
Total	2,296	1,300
	<hr/> <hr/>	<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

	Year ending 31 March 2017	Period ending 31 March 2016
	<u>£000</u>	<u>£000</u>
Dartford Borough Council – community schemes	0	40
Gravesham Borough Council – community schemes	0	40
No Walls Gardens – community schemes	0	14
Total other operating expenditure - grants	0	94

3. Income

	Year ending 31 March 2017	Period ending 31 March 2016
	<u>£000</u>	<u>£000</u>
Planning Fees and S106 Contributions	359	49
Healthy New Towns – Grant	139	0
Other Contributions	144	0
Total	642	49

4. Property, Plant and Equipment

	As at 31 March 2017			As at 31 March 2016	
	Equipment	Information Technology	TOTAL	Information Technology	TOTAL
	£000	£000	£000	£000	£000
Cost or valuation					
Opening	0	18	18	0	0
Additions	87	20	107	18	18
Closing	87	38	125	18	18
Depreciation					
Opening	0	(3)	(3)	0	0
Charged in year	0	(6)	(6)	(3)	(3)
Closing		(9)	(9)	(3)	(3)
Opening Carrying value	0	15	15	0	0
Closing Carrying value	87	29	116	15	15
Asset financing:					
Owned	87	29	116	15	15

5. Intangible Assets

	As at 31 March 2017			As at 31 March 2016	
	Green Corridors Project £000	Software £000	TOTAL £000	Software £000	TOTAL £000
Cost or valuation					
Opening	0	36	36	0	0
Additions	178	0	178	36	36
Impairment	(178)	0	(178)	0	0
Closing	0	36	36	36	36
Depreciation					
Opening	0	(1)	(1)	0	0
Charged in year	0	(12)	(12)	(1)	(1)
Closing	0	(13)	(13)	(1)	(1)
Opening Carrying value	0	35	35	0	0
Closing Carrying value	0	23	23	35	35
Asset financing:					
Owned	0	23	23	35	35

During the year the Corporation expended project funds relating to the formulation of plans and designs for the Garden City's Green Corridors programme. At the year end consideration was made as to the value of these designs and as no market value could be established the carrying value has been impaired to nil.

6. Financial Instruments

As the cash requirements of the EDC are met through the Parliamentary 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 2017	As at 31 March 2016
	£000	£000
Prepayments	110	80
Accrued Income	0	49
Other Receivables	5	6
Deposits and Advances	0	2
Trade Debtors	195	0
KCC - Fastrack	14	0
Total	324	137

8. Inventories

	As at 31 March 2017			As at 31 March 2016	
	Inventory-Land	Inventory-Building	TOTAL	Inventory	TOTAL
	£000	£000	£000	£000	£000
Cost or valuation					
Opening	0	0	0	0	0
Additions	221	1,065	1,286	0	0
Impairment (Write down)	(221)	0	(221)	0	0
Closing	0	1,065	1,065	0	0
Opening Carrying value	0	0	0	0	0
Closing Carrying value	0	1,065	1,065	0	0
Asset financing:					
Owned	0	1,065	1,065	0	0

Inventory additions 2016/17	£000
Springhead Bridge	1,065
Northfleet East Embankment	221
Total	1,286

During the year the Corporation carried out due diligence and other pre-development activities at a site at Northfleet Embankment East with the intention of purchasing the land. Shortly before year end the proposed deal changed to only buying a proportion of the site and therefore it was considered prudent to impair the carrying value of the Corporation's investment to a level commensurate with the scale of the proposed purchase.

9. Cash and Cash Equivalents

	As at 31 March 2017	As at 31 March 2016
	£000	£000
Balance at beginning of period	440	0
Net change in cash and cash equivalent balances	130	440
Balance at 31 March	570	440

The following balances at end of period were held at:

Government Banking Service	0	0
Commercial banks and cash in hand	570	440
Short term investments	0	0
Balance at 31 March	570	440

10. Trade Payables & Other Current Liabilities

	As at 31 March 2017	As at 31 March 2016
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year:		
Accruals	465	300
Trade payables	322	92
Other payables	41	2
	<hr/>	<hr/>
Total	828	394
	<hr/>	<hr/>

11. Commitments under leases - 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 :

	As at 31 March 2017	As at 31 March 2016
	<u>£000</u>	<u>£000</u>
Buildings		
Not later than one year	36	36
	<hr/>	<hr/>
Total	36	36
	<hr/>	<hr/>

12. Other financial commitments

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

	As at 31 March 2017	As at 31 March 2016
	<u>£000</u>	<u>£000</u>
Not later than one year	183	139
Later than one year and not later than five years	27	50
	<hr/>	<hr/>
Total	210	189
	<hr/>	<hr/>

13. 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 2017 are shown in the table below:

Table 1: Financial Assumptions

Assumptions as at	31 March 2017		31 March 2016		1 June 2015	
	% p.a.	Real	% p.a.	Real	% p.a.	Real
RPI increases	3.6%	-	3.4%	-	3.6%	-
CPI increases	2.7%	-	2.5%	-0.9%	2.7%	-0.9%
Salary increases	4.2%	-	4.3%	0.9%	4.6%	1.0%
Pension increases	2.7%	-	2.5%	-0.9%	2.7%	-0.9%
Discount rate	2.8%	-	3.8%	0.4%	3.7%	0.1%

These assumptions are set with reference to market conditions at 31 March 2017.

Table 2: Demographic Assumptions

Life expectancy from age 65 (years)	31 March 2017	31 March 2016	1 June 2015
Retiring Today			
Males	23.0	22.9	22.8
Females	25.0	25.3	25.2
Retiring in 20 years			
Males	25.1	25.2	25.1
Females	27.4	27.7	27.6

Table 3: Employer Asset Share

Employer asset share – bid value	31 March 2017		31 March 2016		1 June 2015	
	£000s	%	£000s	%	£000s	%
Equities	326	71%	44	67%	0	68%
Gilts	3	1%	1	1%	0	1%
Other Bonds	45	10%	7	11%	0	11%
Property	58	12%	10	15%	0	12%
Cash	12	3%	2	3%	0	3%
Absolute return fund	18	4%	3	4%	0	4%
Total	462	100%	67	100%	0	100%

Table 4: Statement of financial position as at 31 March 2017

Net Pension asset as at	31 March 2017	31 March 2016
	£000	£000
Present value of defined benefit obligation	963	115
Fair value of Fund assets (bid value)	462	67
Net defined benefit liability	501	48

Table 5: Statement of profit or loss for the year to 31 March 2017

The amounts recognised in the statement of comprehensive net expenditure are:	Year ending 31 March 2017	Period Ending 31 March 2016
	£000	£000
Service Cost	274	93
Net interest on the defined liability	-	-1
Total loss (profit)	274	92

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

	Year ending 31 March 2017 £000	Period ending 31 March 2016 £000
Return on Fund assets in excess of interest	28	(2)
Other actuarial gains/(losses) on assets	153	-
Change in financial assumptions	(292)	7
Change in demographic assumptions	(7)	-
Experience gain/(loss) on defined benefit obligation	(185)	-
Re-measurement of the net assets / defined liability	(303)	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	Year ending 31 March 2017 £000	Period ending 31 March 2016 £000
Opening defined benefit obligation	115	-
Current service cost	274	93
Interest cost	6	-
Change in financial assumptions	292	(7)
Change in demographic assumptions	7	-
Experience loss/(gains) on defined benefit obligation	185	-
Contributions by scheme participants and other employers	84	29
Closing defined benefit obligation	963	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	Year ending 31 March 2017	Period ending 31 March 2016
Opening fair value of Fund assets	67	0
Interest on assets	6	1
Return on assets less interest	28	(2)
Other actuarial gains/(losses)	153	-
Contributions by employer including unfunded	124	39
Contributions by Scheme participants and other employers	84	29
Closing Fair value of Fund assets	462	67

The total return on the fund assets for the period to 31 March 2017 is £34,000

Table 9: Sensitivity Analysis

Sensitivity analysis	Year ending 31 March 2017			Period ending 31 March 2016		
	£000	£000	£000	£000	£000	£000
Adjustment to discount rate	+0.1%	0.0%	-0.1%	+0.1%	0.0%	-0.1%
Present value of total obligation	932	963	995	112	115	118
Projected service cost	366	379	392	101	103	105
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%	+0.1%	0.0%	-0.1%
Present value of total obligation	968	963	958	115	115	115
Projected service cost	379	379	379	103	103	103
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%	+0.1%	0.0%	-0.1%
Present value of total obligation	991	963	936	118	115	112
Projected service cost	392	379	366	105	103	101
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year	+ 1 Year	None	-1 Year
Present value of total obligation	994	963	933	118	115	112
Projected service cost	391	379	367	106	103	100

Table 10: Projected pension expense for the year to 31 March 2018

	Year ending 31 March 2018 £000	Period ending 31 March 2017 £000
Service cost	379	103
Net interest on the defined liability (asset)	12	1
Administration expenses	-	-
Total loss (profit)	391	104

The expected employer contributions for 2017/18 are 163k (16.2% of pensionable pay costs)

14. Grant in Aid

	2016/17 £000	2015/16 £000
Capital	1,571	54
Revenue	3,384	3,046
Unutilised	245	130
Total	5,200	3,230
Reconciliation		
Brought Forward Balance	185	0
Unutilised Grant in Aid	245	130
Income	642	49
Pension Adjustments on SoCNE	(303)	6
Total Taxpayers Equity	769	185

The table shows the split of in-year Grant in Aid income between Capital and Revenue expenditure. Comparative figures for 2015/16 were not included in published accounts.

15. Contingent liabilities disclosed under IAS 37

The EDC has no contingent liabilities.

16. 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 16/17 £000	Amount Received by EDC 16/17 £000	Amount paid by EDC 15/16 £000	Amount Received by EDC 15/16 £000	Nature of Transactions	Related Party Connection	EDC Position
DCLG	90	(5,200)	504	(3,230)	Salary, Support Services and Recharges	Sponsor Dept	Sponsor Dept
Kent Pension Fund	125	-	43	-	Pension Contribution	Mark Dance	Board Member
Kent County Council	82	(128)	19	-	Professional Services and advice	Mark Dance	Board Member
Dartford Borough Council	7	(57)	129	-	Planning Service Level Agreement	Jeremy Kite	Board Member
Gravesham Borough Council	0	(8)	92	-	Planning & IT support, Community Grants	John Cubitt	Board Member

Related party income received in 2015/16 has been added to the table above to allow fair comparison; these figures were not included within the 2015/16 published accounts. No board member, key manager or other related parties has undertaken any material transactions with the EDC during the year to 31 March 2017.

17. Events after the reporting period date

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.

On 16 June 2017, the Corporation entered into a contract with UK Power Networks (UKPN) for the provision of electricity supply to the garden city at an estimated cost of £23m. The terms of this agreement, whereby the Corporation's investment in the project is recoverable in future years, will result in an Intangible Asset on the Statement of Financial Position (SoFP).

The authorised date for issue is: 4th July 2017

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 FReM”) 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.

The Ebbsfleet Development Corporation
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