



Ebbfleet Development Corporation

Annual Report and Accounts
for the year ending
31 March 2024



Ebbfleet Development Corporation

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Government, Planning & Land Act 1980

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Performance Report

Performance Overview:

The purpose of the performance report is to provide the reader of this document with an understanding of the Corporation and how it has performed.

1 - Chairman's report

The delivery of Ebbsfleet continues apace. In 2023/24, the Corporation helped deliver another record-breaking number of new homes, with 680 new homes being constructed in that time. This takes the number of new homes in Ebbsfleet to nearly 4,200. The rest of the Corporation's performance during 2023/24 was also strong, as detailed in the performance section later in this report.

The Ebbsfleet project involves building on a series of brownfield sites at one of the best-connected locations in England to create a new community and business location. The aim remains to deliver a vibrant new location of up to 15,000 new homes, underpinned by garden city principles. To achieve this, we greatly appreciate the support we have had throughout from the Ministry of Housing, Communities and Local Government (MHCLG), our government sponsor and from our local authority partners at Dartford, Gravesham and Kent County Council.

I extend my thanks to all those involved with the Ebbsfleet project for their continued dedication and support. I also thank the EDC Board and Committee members for their expertise and judgment.

There still remains lots to deliver at Ebbsfleet, particularly with our plans and proposals for Ebbsfleet Central (the area around the Ebbsfleet International train station). EDC will ensure that vital infrastructure and amenities are delivered across the Ebbsfleet area to enhance the commercial, leisure and employment opportunities for residents and the local community.



Simon Dudley
Chairman, Ebbsfleet Development Corporation

2 - Chief Executive's report:

Completion of the 4,000th new home within Ebbsfleet Garden City occurred in January 2024 and we celebrated this significant milestone with the purchasers in an event at the Cable Wharf development in Northfleet Riverside – a scheme by Keepmoat Homes.

This event in itself highlighted two of the most important and satisfying aspects of our work. To share firsthand the experience of first-time buyers moving into their new home and quickly becoming members of the growing community was a real privilege, and reminds us all of the importance of the Corporation's task.

It also highlighted the importance of our relationships with the many housebuilders and developers who invest in the Garden City and are vital to creating the attractive and high-quality homes in vibrant new neighbourhoods. Without that investment, the Corporation could not achieve its aims.

The economic picture in the UK, including interest rates, began to stabilise in 2023/24 and this was reflected in the housing market across the Corporation's operating area. However, construction cost inflation persisted, and this continued to cause challenges for delivering capital projects.

To mirror the wider economic environment, 2023/24 has been a year of stabilisation and consolidation for the Corporation in the delivery of key elements of the Garden City vision. It has allowed us to make significant progress on a range of important capital projects which, when complete, will add significantly to the range of social and community facilities in the Garden City. We have worked with a range of partners and stakeholders to progress these projects, including the Ebbsfleet Garden City Trust who will assume the role as long term stewardship body of the shared facilities.

The number of new homes delivered this year has broken all previous records with 680 completions in total. We are proud of this achievement, and I am grateful to all of the staff for their fantastic efforts in making this happen.

Perhaps even more important than the number of new homes completed, we are proud too of the results from our Residents' Satisfaction Survey undertaken this year. Of the 2,000 responses received, 92% of residents reported being satisfied with their home, and 86% agreed that the Ebbsfleet area is a place where people from different backgrounds get on well together. Our mission is to create a great place to live, and this indicates we are well on the way to achieving that.

I would like to thank all the partners and stakeholders who have contributed to the work of the Corporation in 2023/24, including our Local Authority partners in Dartford, Gravesham and Kent, the many developers and investors, community groups and local businesses and, of course, the residents who have chosen to make Ebbsfleet their home.



Ian Piper – Chief Executive

3 - Ebbsfleet Development Corporation Purpose and Activities:

Ebbsfleet Development Corporation (EDC) was established on 20 April 2015 as a statutory body which reports to the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG), tasked with facilitating the delivery of a 'Garden City' at Ebbsfleet. The Corporation, backed with Government funding (from the sponsor MHCLG), 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.

EDC has an approved Corporate Plan that covers the period 2021-2025 (MHCLG approve the plan). The Corporate Plan sets out the aims and objectives of the Corporation (for the relevant time period) which is to assist delivery of our vision (as set out in EDC's vision for Ebbsfleet (in 2035)) with Ebbsfleet being a great place to live, work and visit.

EDC was established to facilitate delivery of around 15,000 new homes and associated employment and other developments, to an increased pace and quality. The Corporation takes a leadership role across Ebbsfleet to enable the delivery of our vision and to ensure that we bring key players together, tackle key issues, remove obstacles that block progress and give development at Ebbsfleet a strong voice.

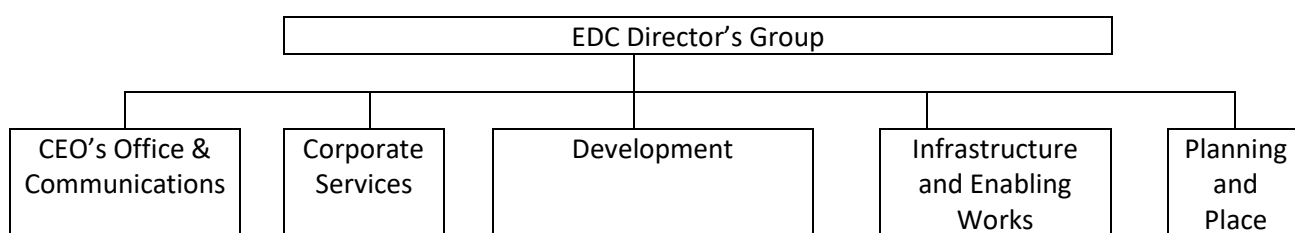
The Corporation became responsible for the local planning authority powers on 1 July 2015 for the EDC area in respect of planning functions which previously had resided with Dartford Borough Council, Gravesham Borough Council and Kent County Council.

The regeneration of Ebbsfleet is a long-term programme. To assist with achieving the Government's 'Garden City' vision, during 2023/24 EDC has continued working with partners and local communities and by investing in key infrastructure.

The Corporation is domiciled in the United Kingdom and conducts its business from The Observatory, Castle Hill Drive, Castle Hill, Ebbsfleet, Kent DA10 1EE. It was previously based at the North Kent Police Station, Gravesend, Kent.

4 – Organisational structure

EDC's work was organised in 23/24 around five teams as follows:



Headed by our Chief Executive, Ian Piper, the Corporation's Directors' Group also comprises EDC's Director of Corporate Services, Director of Development, Director of Infrastructure and Enabling Works and the Director of Planning and Place.

5 - Diversity & Inclusion

EDC has an Equality Policy that encourages equality and diversity amongst our workforce, and we are committed to further opportunities to break down barriers in this area. For 2024/25 we have identified that it would be beneficial for the Corporation to join the Government 'Disability Confident' scheme to help us to further enhance how we recruit, retain and develop disabled people and we are working towards action to facilitate this.

During 2023/24 we identified the opportunity to further enhance how we meet our obligations under the Public Sector Equality Duty. In early 2024 we ran briefing sessions for our Board, our senior managers and other staff on PSED, and our Business Plan for 2024/25 includes the following key action for the year: By the end of March 2025, we will have further enhanced our processes to support our objective to advance equality of opportunity in accordance with the Public Sector Equality Duty. An externally led review of our existing arrangements is underway, and this will lead to a series of recommendations for us to implement from the Autumn.

6 – Performance Summary

EDC now has 12 Key Performance Indicators (KPIs) and targets agreed with Government (with Community Participation being added as a new KPI in 23/24). An analysis of the Corporation's performance against these KPIs is set out later in this section.

Additionally, during 2023/24:

1. Complaints to the Local Government Ombudsman – there were none involving EDC.
 2. Whistleblowing arrangements – are in place at EDC but were not used.
 3. Health and Safety procedures are fully established. There were no incidents.
 4. Prompt payment directive – EDC took an average of 14.19 days to pay its supplier invoices in 23/24 (13.12 days in 22/23).
 5. EDC has carried out various community building activities.
- Grant funding was used (in line with the budget / Government allocation for the year) to fund:

	2023/24 £ million	2022/23 £ million
Capital Expenditure	5.4	5.8

The 23/24 Capital expenditure of £5.4m (22/23 £5.8m) comprised of £3.8m (22/23 £4.7m) of new net asset additions (Property, Plant and Equipment, Intangible Assets and Inventory) shown in the Statement of Financial Position (SoFP) on page 31 and £1.58m (22/23 £1.07m) of grants expensed through the Statement of Comprehensive Net Expenditure (SoCNE) on page 30. Grant funding was also utilised to finance revenue expenditure in the year.

7 – Key issues and risks affecting EDC delivery of objectives

The key issues faced by EDC during 2023/24 were:

1. Delays to the delivery of Community infrastructure
2. Delivery of the Ebbsfleet Central vision
3. Continued economic uncertainty and the impact on housing delivery
4. Continued uncertainty over the long-term plans for Swanscombe peninsula
5. Local connectivity and transportation challenges of the area

Despite the above, the housing market remained buoyant in Ebbsfleet throughout the year, resulting in 680 completions in the 12 months to 31st March 2024.

Uncertainty over the timescales for the London Resort Development Consent Order continued following the withdrawal of the DCO submission by the applicant in March 2022. The most obvious impact on EDC's work is the requirement under the London Resort plan for an access road through part of Ebbsfleet Central. The uncertainty around the requirement for that road has been mitigated by the Corporation by focussing our delivery of the initial phases of Ebbsfleet Central on land to the east of the Channel Tunnel high speed rail line.

EDC has worked with Natural England, following the designation of part of the land owned by the Corporation at Ebbsfleet Central as a Site of Special Scientific Interest (SSSI) – see note 10 below. The Corporation has concluded that the vision for the centre of Ebbsfleet can still be achieved.

EDC has a Risk Management Strategy in place to ensure it manages risks effectively. The strategy defines the procedures, tools and processes put in place to manage risks related to the delivery of Ebbsfleet regeneration. The key elements of EDC's risk management arrangements are: responsibility for the management of risk across the Corporation resides with EDC's Chief Executive, with oversight from EDC Board; EDC Board owns and approves the Risk Management Strategy, reviews the Strategic Risk Register periodically and sets the risk appetite for EDC; a Risk Sub-Committee comprising EDC officers meets regularly to review risks and consider mitigations; the Corporation's Audit & Risk Assurance Committee is responsible for assessing and challenging the overall effectiveness of the risk management processes; whilst EDC Project Boards are responsible for regularly reviewing and monitoring individual project risks.

8 – Going Concern basis

The financial statements and accounts within this document have been prepared on a going concern basis. Funding for the Corporation's operational and project delivery activities has been formally confirmed by the Government until March 2025.

9 – Office for National Statistics (ONS) classification of EDC

As noted in previous years annual reports, in 2019 the ONS determined that: "Ebbsfleet Development Corporation (EDC) is an Urban Development Corporation, tasked with responsibilities that include acting as the local planning authority responsible for the development of the Ebbsfleet area. ONS has assessed the classification status of EDC and has concluded that it is subject to public sector control for reasons including that the Statutory Instrument that established EDC allows the Chair and Board members to be appointed by the Secretary of State for MHCLG. The assessment also concluded that EDC is a non-market producer as it is funded primarily by grant from the MHCLG. EDC operates specifically within the geographical area of Ebbsfleet, the grants it receives are used to develop the Ebbsfleet area, and EDC was granted local planning powers which previously resided with three local authorities. Therefore, as EDC has a local sphere of competence, it has been classified to the Local Government subsector (S.1313) with effect from 20 April 2015, the date the Statutory Instrument came into effect".

Prior to the reclassification, EDC had been considered and operated as a central government organisation. EDC has worked with MHCLG / HMT to clarify the impact of the classification change. Most changes are of a technical nature and determine what rules, procedures and governance arrangements apply. One thing that is very clear is that EDC remains as an Urban Development Corporation and is not a Local Authority.

The MHCLG Permanent Secretary (Accounting Officer) remains accountable for EDC. The reclassification has not had any significant impact on EDC operations. MHCLG funding to EDC continues under the new classification arrangements.

10 – Legacy / stewardship

In October 2020 EDC obtained MHCLG approval for the establishment of a stewardship organisation – the Ebbsfleet Garden City Trust (EGCT). An implementation plan for the Trust was agreed with EDC Board and to support this activity a Project Manager was appointed by EDC to manage and coordinate delivery of the plan. The EGCT appointed its first Board Members over the summer of 2021 and produced its first set of company financial statements for the period to 31st March 2022. The Trust obtained charity status in late 2022.

In 23/24 EDC provided grant funding of £150,000 directly to the Trust, for it to use to cover its operational expenditure. That expenditure incurred (along with any other grants given to the Trust for specific purposes) has been included within EDC's 23/24 financial statements.

Under the EGCT governance structure, EDC can appoint two EDC Board Members to the EGCT Board (the EGCT can have 12 Board representatives in total). The EGCT is an independent organisation tasked with providing a viable and sustainable vehicle for the long-term stewardship and management of the community assets within the established Ebbsfleet area in perpetuity.

Given the shared aims and objectives that the Trust and EDC have, the organisations work closely together, but EDC has no financial interest / investment in the Trust, so no disclosures are required in line with IFRS 12 - Disclosure of Interest in other Entities.

Given the Board appointments (that EDC can make to the EGCT Board), EDC considers the EGCT to be a related party and will therefore disclose any expenditure with the EGCT within the related party note (note 17 within EDC's annual report and accounts) for each appropriate year.

11 – Swanscombe Peninsula Site of Special Scientific Interest (SSSI)

In November 2021 Natural England (NE) formally confirmed that some of the land owned by EDC at Ebbsfleet Central was part of the Swanscombe Peninsula SSSI. Subsequent master planning work by EDC (taking into account the impact of the SSSI) has shown that the overall quantum of development at Ebbsfleet Central will still be significant and will deliver the vision for the 'heart of Ebbsfleet'. EDC has continued to work collaboratively with NE in order to deliver an Ebbsfleet Central that will integrate nature alongside the new housing and commercial development. Consequently, full recovery on EDC's electricity investment (made to date) is still expected (see note 5 financial statements: Intangible Assets) given that this investment recovery is not reliant on development proposals on the peninsula and that demand for electricity is forecast to increase in the coming years due to the move to electric vehicles and new ways of heating homes. (Also, see note 1 financial statements: significant estimates and assumptions).

12 – Modern Slavery

Ebbsfleet Development Corporation, in line with UK government policy, is committed to eradicating modern slavery from the domestic and global economy. We recognise that Modern Slavery is a crime and a violation of fundamental human rights. We are aware that Modern Slavery takes various forms, including slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

EDC has responsible employment practices, and its procurement procedures comply with PPN 02/23 Tackling Modern Slavery in Government Supply Chains.

13 – Qualified Audit Opinion of the Comptroller and Auditor General (C&AG)

The C&AG of the National Audit Office (NAO) has given a qualified audit opinion due to insufficient evidence being available to draw a conclusion on the valuation of a key asset which has resulted in a material uncertainty in the 23/24 financial statements. See note 19 for further information.

EDC has considered the balance of the need to publish timely financial information against the need for accurate and reliable information and concluded that it is EDC's intention to proceed with certification of the annual report and accounts. The valuation of the asset is not pervasive of the remaining financial statements.

Performance Analysis:

EDC has an approved Corporate Plan that covers the period 2021-2025. The Plan includes key performance indicators (KPIs). Detailed targets are set each year as part of the annual Business Plan process, based on resources allocated and agreed with our sponsor Department, MHCLG. A summary of performance as at the end of March 2024 is set out in the table below.

A fuller description of each KPI and the methodology through which performance is assessed is included in EDC's 2021-25 Corporate Plan at <https://ebbsfleetdc.org.uk/about-us/business-corporate-plan/>

KPI 23/24 target	Performance as of end March 2024
<p>KPI 1: Housing Delivery:</p> <p>During the year EDC will facilitate at least 580 new home completions</p>	<p>Achieved - 680 homes were completed during the year, exceeding the target</p> <p>As of end March 2024 there were 4,196 new homes in total in the Ebbsfleet regeneration zone, including those delivered prior to the start of the 2021 Corporate Plan period.</p>
<p>KPI 2: Quality of Homes and Neighbourhoods:</p> <p>100% of homes completed in the year will be within housing development schemes that have achieved a Building for a Healthy Life (previously Building for Life) 'green light' (a design assessment tool used for creating places that are better for people and nature).</p>	<p>Achieved - 100% of the homes completed this year were within housing development schemes that have received the Building for a Healthy Life 'green light' assessment</p>
<p>KPI 3: Diversification of Housing:</p> <p>Completion of at least 15 diversified homes by the end of the year</p>	<p>Achieved - 21 diversified homes were completed during the year. These consisted of a mix of wheelchair units and custom build homes</p>
<p>KPI 4: Affordable Homes:</p> <p>At least 150 affordable homes will be delivered during the year definition as provided in the National Planning Policy Framework</p>	<p>Achieved - 155 affordable homes were completed during the year These were on a range of sites, including the Cable Wharf, Ashmere and Ebbsfleet Cross developments.</p>
<p>KPI 5: Commercial & Employment Floorspace:</p> <p>At least 500sqm of commercial floorspace will be delivered (calculated as GIA - Gross Internal Area).</p>	<p>Achieved – 554sqm of commercial floorspace was delivered during the year. This comprised two retail units at Cable Wharf within a riverfront apartment block.</p>
<p>KPI 6: Private Sector Investment:</p> <p>In excess of £140m* of private sector investment will be levered in during the year</p>	<p>Achieved - £187m of private sector investment levered. Calculated as Gross Development Value (no of homes delivered x average sales price*) less developer margin of 20% + cost of any commercial floorspace delivered using BCIS cost data * based upon average of Dartford and Gravesham average sales prices using UK House Price Index data</p>
<p>KPI 7: New Dedicated Footpaths and Cycle Ways Created:</p> <p>At least 3 km of new or upgraded dedicated footpaths/cycle ways will be created</p>	<p>Achieved – Approximately 3.135km completed at various locations across the Ebbsfleet regeneration area to 31st March 2024</p>

<p>KPI 8: Public Transport Connections:</p> <p>100% of completed homes to be within 5 minutes walk of a current or future bus route or other public transport connection</p>	<p>Achieved - All of the 680 new homes delivered this year have been assessed to be within 5 minutes walking distance of a current or future bus route or other public transport connection</p>
<p>KPI 9: Parks, Open Spaces and Recreation Areas:</p> <p>At least 3 hectares of new or improved parks and open, publicly accessible spaces and recreation areas will be opened</p>	<p>Achieved – 8.63 hectares delivered at various locations across the Ebbsfleet regeneration area to 31st March 2024</p>
<p>KPI 10: Investment in Social and Community Infrastructure:</p> <p>No target was set for 2023/24</p>	<p>No target was set for 2023/24. This KPI specifically measures construction costs of social and community infrastructure (e.g. schools and community buildings) and the Ebbsfleet development cycle meant that no new social and community floorspace was planned for delivery during 2023/24.</p>
<p>KPI 11: Good Financial Management:</p> <p>Annual capital and revenue expenditure remain within budget, with the final year end outturn capital position being within a 10% tolerance of the overall annual capital budget</p> <p>Investment funds recovered in line with project investment business cases</p>	<p>Not Achieved - The final capital outturn for the year (subject to audit) was below target with £5.4m expenditure achieved against a revised budget allocation of £8m. This was due to project slippage at Ebbsfleet Green and Ebbsfleet Central. The forecasted activities are now expected to take place in 2024/25.</p> <p>Revenue expenditure was on target with £6m allocation fully utilised.</p> <p>Investment contributions (receipts) relating to the A2 junctions improvement project were delivered. Two further projects are in delivery that will recover EDC funding in future years - Electricity and Fastrack projects. EDC remains confident that the total amount identified as recoverable in those two project business cases will be achieved.</p>
<p>KPI 12 Community Participation</p> <p>At least 60% of residents of the new neighbourhoods within the urban development area responding to our annual residents' satisfaction survey believe there is a strong sense of community in their neighbourhood, where they feel they belong and are welcome to get involved in community activities.</p>	<p>Not Achieved - The Resident Satisfaction Survey for the year was completed in November 2023. The responses for the individual questions are as follows: -</p> <ul style="list-style-type: none"> - 84% of responders felt there is a sense of belonging in their neighbourhood. - 41% of responders had attended an event or activity in Ebbsfleet in the past 12 months. - 14% of responders volunteer. - 85% of responders felt that their neighbourhood is a place where people of different backgrounds can get on well together. <p>The average across the 4 areas is 56.25% which is slightly below target. EDC Management are reviewing how this KPI target can be achieved for future years.</p>

In addition to the above there are also KPI's for the planning service that EDC is delivering. These are

1. 60% of major applications to be determined within 13 weeks or within such extended period as has been agreed in writing between the applicant and the local planning authority. For 2023/24 we achieved 100% (100% in 2022/23).
2. 70% of non-major applications to be determined within 8 weeks or within such extended period as has been agreed in writing between the applicant and the local planning authority. For 2023/24 we achieved 100% (100% in 2022/23)

Environmental performance

The Corporation has set a target to reduce its carbon emissions, with the aim to be net zero carbon by 2030.

Emissions for 23/24 have been calculated using the latest version of the Greenhouse Gas (GHG) Protocol Technical Guidance manual and by referring to the GHG conversion factors for the relevant year released by the UK Government.

The Corporation has calculated the emissions from fuels (Scope 1), electricity (Scope 2) and Scope 3 emissions associated with business travel, staff commuting, homeworking, water consumption and waste and recycling, as these are the most relevant to the organisation.

There are multiple greenhouse gases that prevent solar radiation from escaping the atmosphere and contribute to global warming. Each gas contributes towards this effect in different magnitudes. To account for this in reporting, a common unit of carbon dioxide equivalent (CO₂e) is used, which allows the impact of greenhouse gasses to be expressed in terms of the amount of CO₂ that would create the same amount of warming. EDC's calculated footprint therefore covers all GHG emissions, but it is reported in terms of carbon dioxide equivalent.

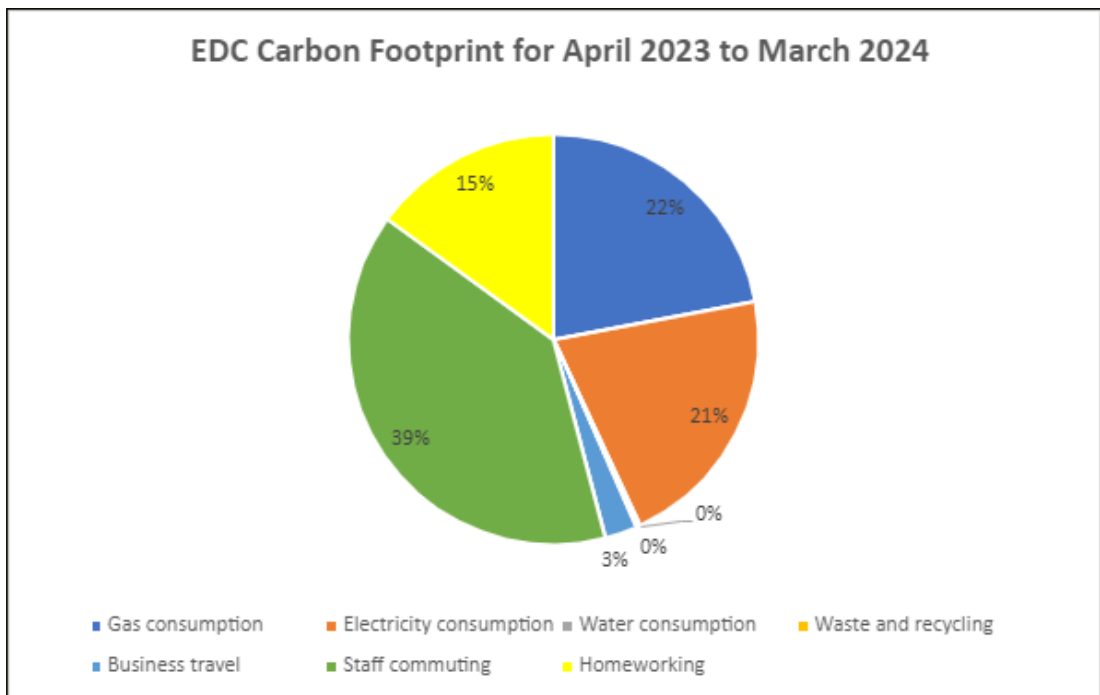
23/24 Key environmental findings

The total footprint for EDC during the financial year 23/24 was 122 tCO₂e which was a decrease of 4.7% from 22/23 due to a decrease in gas consumption.

These emissions can be broken down into three separate scopes according to the Greenhouse Gas Protocol:

- Scope 1: Direct emissions associated with purchased natural gas at the Observatory office – 26.3 tCO₂e accounting for 22% of total emissions.
- Scope 2: Emissions associated with purchased electricity at the Observatory office – 26 tCO₂e accounting for 21% of total emissions.
- Scope 3: Indirect emissions arising from the treatment and supply of waste and water at the Observatory office, business travel and homeworking – 22 tCO₂e accounting for 18% of total emissions.
- Emissions associated with staff commuting – 47.6 tCO₂e accounting for 39% of total emissions.

tCO₂e stands for tonnes (t) of carbon dioxide (CO₂) equivalent (e)



Ian Piper - Accounting Officer

6th March 2025

Accountability Report

The purpose of the corporate governance report is to explain the composition and organisation of EDC's governance structures and how they support the achievement of EDC's objectives.

1 - Corporate Governance Report:

- **Directors' report:**

Board Composition during the year to 31 March 2024

The Board is composed of up to 11 members appointed by the Secretary of State for Housing, Communities and Local Government and EDC's Chief Executive.

EDC's Chairman is Simon Dudley who was appointed in January 2021. EDC's Chief Executive is Ian Piper. Board member biography details and a register of members' interests can be found at:

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

Board Members as at 31 March 2024

Name	Date of Original Appointment	Expiry Date / Expired	Reappointed	Expiry Date
Simon Dudley	20/01/2021	20/01/2025		
Jeremy Kite	20/04/2015	20/04/2021	21/04/2021	20/04/2024
Nick Shattock	31/08/2020	31/08/2023	01/09/2023	31/08/2026
Neil Cameron	14/02/2021	14/02/2024	15/02/2024	14/02/2027
John Burden	14/02/2021	14/02/2024	15/02/2024	14/04/2027
Derek Murphy	25/10/2021	25/10/2024		
Simon Blanchflower	20/07/2022	20/07/2025		
Fred Maroudas	20/07/2022	20/07/2025		
Valerie Owen	20/07/2022	20/07/2025		
Ian Piper	25/09/2017	-		

Cllr. John Burden had been attending EDC Board since June 2019 as Gravesham's nominated representative. His formal appointment date is stated above.

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).

Name	Board	Audit and Risk	Planning	Remuneration	Investment Panel
Simon Dudley	8/8	-	-	1/1	6/7
Jeremy Kite	6/8	-	-	1/1	-
Nick Shattock	8/8	4/4	-	-	7/7
Neil Cameron	8/8	-	3/3	1/1	-
John Burden	7/8	-	-	-	5/7
Derek Murphy	5/8	-	-	-	-
Simon Blanchflower	7/8	3/4	-	-	7/7
Fred Maroudas	8/8	4/4	2/3	-	-
Valerie Owen	8/8	-	3/3	-	-
Ian Piper	8/8	-	-	-	-

Board Members - who left or resigned during 23/24

Name	Board	Audit and Risk	Planning	Remuneration	Investment Panel
Lord Moylan	3/3	-	-	1/1	0/1

Non-Board Members (Planning Committee)

Name	Board	Audit and Risk	Planning	Remuneration	Investment Panel
Rev. Penny Marsh	-	-	3/3	-	-
Cllr David Mote	-	-	2/2	-	-
Cllr Lee Croxton	-	-	1/2	-	-
Chris Hall	-	-	1/1	-	-
Cllr Lauren Sullivan	-	-	1/1	-	-
Cllr Jordan Meade	-	-	0/1	-	-

Information security risk

The Senior Information Risk Owner has confirmed that the annual assessment for 2023/24 shows compliance with HM Government's Security Policy Framework and other regulatory requirements. There were 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 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 Ebbsfleet Development Corporation and of its income and expenditure, Statement of Financial Position 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;
- confirm that the annual report and accounts as a whole are fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of MHCLG designated the current Chief Executive Officer as Accounting Officer of Ebbsfleet Development Corporation from 25 September 2017.

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 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 judgments required for determining that it is fair, balanced and understandable.

- **Governance Statement**

Introduction

This Governance Statement provides an overview of the control structure of Ebbsfleet Development Corporation. It explains the stewardship of the organisation and how EDC has responded to the risks, opportunities 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 EDC's policies, aims and objectives. I also ensure that 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 Ministry of Housing, Communities and Local Government (MHCLG) and as defined in Managing Public Money.

Accountability Arrangements

I was appointed EDC's Accounting Officer on the 25 September 2017. As Accounting Officer, I am responsible across 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 EDC's operations.

A scheme of internal delegations is in place that enables the day-to-day management of EDC to be shared with the Executive Directors of EDC. The scheme of delegations is kept under review throughout the year and was last approved by the Board in May 2024.

Relationships between the Corporation and MHCLG

The relationship between EDC and MHCLG is formally governed by a detailed Framework Document (which has been updated by MHCLG to reflect the July 2019 ONS classification change) and a supporting sponsorship infrastructure. The detailed plans and priorities for EDC are set out in the approved Corporate Plan and annual Business Plans.

I have regular meetings with officials of MHCLG and a quarterly Accounting Officer meeting. EDC's corporate risk register is regularly reviewed at that meeting along with EDC's performance.

MHCLG representatives attend the Corporation's Board and the Audit, Risk and Assurance Committee meetings, all of which help to strengthen the understanding between the two organisations.

EDC Board

The Board is presented with a range of information at each meeting to enable them to fulfil their oversight function. This includes both financial information such as budgets, expenditure and receipts, actuals, forecasts and variances together with non-financial information regarding progress towards the achievement of agreed priorities and actions.

In the spring of 2024, the annual Board Effectiveness Review for 2023/24 was carried out. The Board discussed this at the May 2024 meeting. It was noted that the Board was effective, had a good range of skills but that a lack of diversity was a weakness.

Board and its Sub- Committees

Board Members have collective corporate responsibility for ensuring that the Corporation 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 EDC complies with all statutory or administrative requirements relating to the use of public funds.

The EDC Board currently operates four sub-committees:

1. Audit and Risk Assurance Committee
2. Planning Committee
3. Investment Panel
4. Remuneration Committee

Audit and Risk Assurance Committee

This sub-committee supports the Accounting Officer and the 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 MHCLG. It met 4 times during the year and considered the Corporation's risk management arrangements, assurance controls, accounting and budgeting implications of the capital programme, as well as assurance mapping, the outcomes of internal audit reports and the annual report and accounts.

Planning Committee

EDC became the Local Planning Authority for Development Management purposes from 1 July 2015. The Planning Committee considers and determines planning applications submitted within the designated area. It met 3 times during the year.

Remuneration Committee

The sub-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 to deal with remuneration and staff policy matters.

Investment Panel

The Investment Panel was established as a formal Board sub-committee during 23/24. It considers and provides advice to the Board on significant investment decisions and at key gateways in the delivery process. It met 7 times during the year. It replaced the Investment and Infrastructure Panel (IIP) that was chaired by the Chief Executive.

2023/24 Activity

During 23/24 the Corporation continued to work with landowners, developers and other partners to ensure progress in delivering the community at Ebbsfleet. 9 housebuilders and developers have been active on site during the year, and the Corporation exceeded its annual housing target by enabling the completion of 680 new homes. At the end of March 2024 there are 4,196 new homes completed in Ebbsfleet. There is detailed planning permission for 5,766 homes, and during the year the Corporation determined 3 reserved matters applications for 383 homes.

The Corporation's plans to deliver a new commercial and residential centre on 110 hectares of land at Ebbsfleet Central, providing jobs, homes, community and cultural facilities, all based around the International Station, continued during 23/24. EDC's revised planning application was resubmitted during 23/24 and is due to be determined over the summer of 2024.

The Corporation continued working on the many other elements that make Ebbsfleet a great place to live and work, such as creating new commercial space, necessary infrastructure, community centres, cultural events and facilities. Activity on these projects focussed on design work, obtaining approval for required expenditure, and progressing planning applications.

The Risk Management process

The risk management process is integrated and multi-layered within 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 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 EDC Project Boards
- regular review of the risk registers for projects, programmes, operating areas and the corporate risk register
- regular risk management reporting to senior management, with challenge and review at Project Boards, the Audit and Risk Assurance 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.

Risks monitored during the year (and some of the various actions to mitigate, offset or reduce EDCs risk exposure) were:

Risk	Actions / Mitigations
Delays to the delivery of Community Infrastructure.	Worked with key stakeholders to resolve any delivery issues and / or considered the provision of temporary community facilities.
Delivery of the Ebbsfleet Central vision.	Submitted a revised planning application for the eastern area of Ebbsfleet Central EDC owned area. Continued to work with HM Government to facilitate financial support and therefore enable delivery of the scheme.
Continued economic uncertainty and world events and the impact this may have on Ebbsfleet housing delivery and demand including challenges in material and labour supply chains.	Working closely with house builders to minimise the impacts.
Continued uncertainty over land ownership and the impact of NSIP status results in a failure to determine a long-term solution for the peninsula	Work closely with key stakeholders to resolve.
Local connectivity and transportation challenges of the Ebbsfleet area.	Working with Kent County Council and other local stakeholders to deliver our 'green corridor' programme that aims to improve connectivity across Ebbsfleet

Counter Fraud and Whistleblowing

EDC has counter fraud and whistleblowing policies in place. There was no fraud detected in year and the whistleblowing procedures were not utilised.

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 Corporation's self-assurance process was utilised during the year and assists the internal control mechanisms.

The Corporation has reviewed and taken actions to ensure that the 13 Functional standards issued by the Government are being complied with. The standards set expectations for the management of areas of work (e.g. project delivery, commercial, grants, property, finance, HR, Communications etc) and the functional model across government. The standards have been created as the primary reference documents for improved and consistent ways of working, to help organisations achieve their objectives more effectively and efficiently.

Key control systems

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

Review of effectiveness

EDC has complied in all material aspects with the "Corporate Governance in Central Government Departments: Code of Good Practice" as it applies to arm's length bodies.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review has been informed by the work of Internal Audit, the assurances provided by the Executive Directors, 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 my review by the Board and the Audit and Risk Assurance Committee. 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 Assurance 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 Assurance Committee bases its judgment 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

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 Assurance Committee, the NAO and MHCLG. There is a rigorous process in place to follow up the implementation of actions agreed as part of their work.

The 23/24 Internal Audit work-plan included four reviews.

- Financial Receipts – substantial (green) opinion
- Project assurance governance - substantial (green) opinion
- Land and Property assets – substantial (green) opinion
- Key Financial Controls - substantial (green) opinion

Internal Audit opinion

The overall Internal Audit opinion for the period ended 31 March 2024, based on the reviews above, resulted in an overall substantial (green) opinion for governance, risk management and control.

Future challenges

Delivery of the overall vision for the garden city is heavily dependent on creating a vibrant and successful central heart. Delivery of the plans for Ebbsfleet Central will require significant public sector investment, and a good deal of work is required to assess the quantum of funding needed and determine that it represents 'value for money'. Whilst this work is underway, there is much still to do and this will continue throughout 2024 and 2025.

The number of new residents in the local area continues to grow and this brings new challenges and pressures. A major challenge is ensuring the provision of social & community facilities and statutory services keep pace with the growth of the new community. This will continue to be a priority over the next and following years.

The Corporation is the fulcrum for much that happens in Ebbsfleet so our level of engagement with the residents over the issues affecting their day to day lives will only grow. We have established a residents Community Board to provide a sounding board to help shape our support and future interventions in the area. Whilst, as the enablers of the Garden City, we have a level of involvement in most things, the Corporation must work closely with other service providers to ensure, transport, health and education facilities are provided to meet the needs of the growing community.

The Corporation is now the owner of substantial areas of land within the area, and with this comes the responsibilities for managing those assets effectively and efficiently, including for health and safety of staff, the public and stakeholders. To meet these responsibilities the Corporation has ensured that we have the required skills and capacity to manage its sites appropriately.

Conclusion

Based on the content of this report, assurances I have received from senior management, from the Board and Audit and Risk Assurance Committee and the reports from internal and external auditors, I am satisfied that appropriate governance arrangements were in place during 2023/24 and up to the date of approval of the Annual Report and Accounts.



Ian Piper - Accounting Officer

6th March 2025

2 - Remuneration and Staff Report:

The remuneration and staff report sets out how EDC's remuneration policy has been implemented during the year.

Total staff costs (excluding Non-Executive Board members' costs) are:

	Year ended 31 March 2024	Year ended 31 March 2023
	<u>£000</u>	<u>£000</u>
Permanent Staff Costs	2,983	2,302
Permanent Staff Social Security Costs	342	253
Permanent Staff Pension Costs	578	374
Seconded Staff	77	89
Contract Staff	74	25
	<u>4,054</u>	<u>3,043</u>
Capitalised Permanent Staff Costs	-690	-274
Additional Pension Costs (IAS 19)	-116	530
Agency and Temporary Staff	425	515
Total Staff Costs	<u><u>3,673</u></u>	<u><u>3,814</u></u>

The information in the table above is audited.

As at the 31 March 2024, 53 permanent staff and 3 FTC were in post (31 March 2023 = 38 permanent staff and 2 FTC)

Non-Executive Board Member' Costs	Year to 31 March 2024 £000	Year to 31 March 2023 £000
Board Members' Fees	99	95
Social Security Costs	6	6
Pension Costs	N/A	N/A
Total Board Members' costs	<u><u>105</u></u>	<u><u>101</u></u>

		Year to 31 March 2024	Year to 31 March 2023
		£000	£000
Simon Dudley	Chair	25-30	25-30
Neil Cameron	Board Member	15-20	15-20
Nick Shattock	Board Member	10-15	10-15
Lord Moylan	Board Member	5-10	10-15
	(Until August 2023)	(10-15 Full-year equivalent)	
Simon Blanchflower	Board Member	10-15	5-10
	(From July 2022)		(10-15 Full-year equivalent)
Valerie Le Vaillant	Board Member	10-15	5-10
	(From July 2022)		(10-15 Full-year equivalent)
Fred Maroudas	Board Member	10-15	5-10
	(From July 2022)		(10-15 Full-year equivalent)

The information in the table above on Non-Executive Board Member Remuneration is audited.

Simon Dudley's full year remuneration is £28k pa. EDC Non-Executives are remunerated at the full year rate of £12k pa (£18k pa for the Chair of the Planning Committee). The Chairman has a time commitment of one day per week. The Planning Committee Chair has a time commitment of up to 3 days per month, whilst the other Board members have a time commitment of up to 2 days per month.

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 (see section 1 of the Accountability Report for details of the post holders). These EDC local council positions are not remunerated, nor do they have any pension entitlement, therefore none of the post holders received any remuneration payments from 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 Non-Executive Board member in 2023/24 or 2022/23.

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

The Executive Senior Management Team

The Executive Team is led by Ian Piper, the Chief Executive. The Executive Team is responsible for delivering the strategy set by the Board.

Permanent Executive Directors

		Year ended 31 March 2024				Year ended 31 March 2023			
Name	Position	Salary received in period – range	Non-Consolidated Performance Award - range	Accrued Pension Benefits over the period (to the nearest £1,000)	Total remuneration in period – range	Salary received in period – range	Non-Consolidated Performance Award - range	Accrued Pension Benefits over the period (to the nearest £1,000)	Total remuneration in period – range
		£000	£000	£000	£000	£000	£000	£000	£000
1	Ian Piper	160-165	0-5	47	205-210	150-155	0-5	45	195-200
2	Gerard Whiteman	100-105	0-5	32	135-140	95-100	0-5	30	125-130
3	Julia Gregory	n/a	n/a	n/a	n/a	95-100 (105-110 Full-year equivalent)	0-5	30	130-135

4	Mark Pullin	Director of Planning and Place	100-105	0-5	32	135-140	95-100	0-5	30	125-130
5	Jennifer Hunt	Director of Development (From August 2022)	100-105	0-5	32	135-140	65-70 (95-100 Full-year equivalent)	0-5	28	95-100
6	Paul Abrahams	Director of Infrastructure & Enabling (From May 2023)	105-110 (120-125 Full-Year equivalent)	0	32	135-140 (150-155 Full-year equivalent)	n/a	n/a	n/a	n/a

The information on Permanent Executive Directors Remuneration above is audited.

The permanent employees shown above did not receive any benefits in kind in either year. The Director of Infrastructure and Enabling was appointed in May 2023, the Director of Development was appointed in August 2022. The former Director of Projects left EDC at the end of February 2023.

In line with the FReM, the Accrued Pension Benefits shown above represent the real increase in pension accrued over the period (shown in the following table) multiplied by 20 years, less the individual's own contributions made in the year.

The 'Salary' column above consists of gross salary. The Corporation did not pay recruitment or retention amounts or any other allowances. Remuneration levels for the Directors were agreed with MHCLG at the time of hiring. Any proposed changes in remuneration are in line with government public sector pay policy (based upon the Civil Service pay remit guidance) and are considered first by the EDC Remuneration Committee before being submitted for approval by the EDC Board. Appointments are on open-ended service contracts which do not contain any pre-determined compensation on termination of office. Employees of the Corporation have notice periods of up to three months.

In 2023/24 the 4/5 Directors each received a £1,505 non-consolidated performance payment (£1,000 in 22/23). Performance pay is determined on the basis of corporate performance during the year and is in line with government policy (Civil Service) and subject to approval from the EDC Board.

Permanent Executive Directors' Pension disclosures:

	Accrued pension at pension age at 31 March 2024 £'000	Real increase in pension at pension age £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2024 £'000	Cash Equivalent Transfer Value (CETV) at 31 March 2023 £'000	Real increase in Cash Equivalent Transfer Value (CETV) £'000
Ian Piper	10-15	2.5-5	181	115	36
Gerard Whiteman	30-35	0-2.5	516	445	30
Mark Pullin	35-40	0-2.5	383	334	16
Jennifer Hunt	20-25	0-2.5	231	188	13
Paul Abrahams	0-5	0-2.5	34	0	20

The CETVs have been calculated in accordance with the GAD guidance dated 24 January 2024 adopting the relevant factors in force as at 31 March 2023 and 31 March 2024.

The information in the table above is audited.

Reporting of compensation schemes/exit packages

There were no compensation/exit packages during 2023/24 (one in 2022/23 £0 - £25,000). This information is audited.

Fair Pay

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded remuneration of the highest paid director, the Chief Executive, in Ebbsfleet Development Corporation in the financial year 2023/24 was £160k-£165k (22/23 £150k-£155k). This was 2.85 times (22/23 2.49) the median remuneration of the workforce, which was £55-60k (22/23 £60k-£65k). The change in pay ratio is in line with the usual practice of our pay and reward policies with variance from one year to the next affected by the level of pay settlements as well as the application of our other established reward mechanisms. In addition, this year Ebbsfleet Development Corporation awarded a payment to employees of £1500 to all non-directors as a one-off cost of living payment.

In 2023-24, no employees (2022-23: no employees) received remuneration in excess of the highest-paid director.

Remuneration ranged from £20-£25k to £160k-£165k FTE (22/23 £15k-£20k to £150k-£155k 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. (It also excludes any non-reclaimable VAT).

Percentage change in remuneration of highest paid director

Percentage change in remuneration of highest paid director	Salary and allowances	Performance pay and bonuses
The percentage change from the previous financial year in respect of the highest paid director	4.50%	50.50%
The average percentage change from the previous financial year in respect of employees of the entity, taken as a whole	-2.67%	129.29%

In addition to the usual performance award, an additional cost of living payment of £1,500 was made to all EDC staff excluding Directors during 23/24, in line with the civil service pay remit. The performance bonus received by the highest paid Director was equal to that of employees.

Pay ratio information

Pay ratio information 2023/24	25th percentile	Median	75th percentile
Total remuneration	£33,718	£57,037	£77,511
Salary component of total remuneration	£30,750	£56,000	£75,632
Pay ratio information	4.82:1	2.85:1	2.10:1

Pay ratio information 2022/23	25th percentile	Median	75th percentile
Total remuneration	£33,396	£61,346	£74,510
Salary component of total remuneration	£32,396	£60,846	£73,510
Pay ratio information	4.57:1	2.49:1	2.05:1

The information on fair pay disclosures above is audited.

Staff Report

	Staff Numbers (FTE)	Permanently Employed Staff	Agency/ Temporary Staff	Seconded Staff	Total
In post at 31 March 2024	Male	19.6	2.9	0	22.5
	Female	34.2	0.8	0	35
	Total	53.8	3.7	0	57.5
In post at 31 March 2023	Male	12.6	2.9	1.0	16.5
	Female	26	1.7	0	27.7
	Total	38.6	4.6	1.0	44.2

The above table includes 5 Directors (22/23 4FTE) – the gender split as at 31 March 2024 was 4 male:1 female (22/23 3 male: 1 female).

The average number of persons (FTE) employed during the period to 31 March 2024 was 46.5 (38.4 22/23) permanent/ fixed term; 5.3 (9.5 22/23) agency/temporary, and 0 (1.0 22/23) seconded. The information on average FTE staff numbers is audited.

For the year to 31 March 2024, 178.5 working days (148.5 days, 22/23) were lost to staff sickness absence.

Staff turnover - During 23/24 6 people (10%) left EDC (6 people left in 22/23, 13%).

Off-Payroll Disclosures

Highly paid off-payroll engagements as at 31 March 2024, earning £245 per day or greater

	Year ended 31 March 2024	Year ended 31 March 2023
No. of existing engagements as of year end	6	7
Of which...		
No. that have existed for less than one year at time of reporting.	3	4
No. that have existed for between one and two years at time of reporting.	1	1
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.	2	2

These off-payroll engagements (paid via an agency or third party) relate to external Project Managers.

All Highly paid off-payroll workers engaged at any point during the year, earning £245 per day or greater

	Year ended 31 March 2024	Year ended 31 March 2023
No. of new engagements, between 1 April and 31 March	5	5
Of which...		
Not subject to off-payroll legislation	5	5
Subject to off-payroll legislation and determined as in-scope of IR35	0	0
Subject to off-payroll legislation and determined as out of scope of IR35	0	0
No. of engagements reassessed for compliance or assurance purposes during the year.	5	5
Of which: No. of engagements that saw a change to IR35 status following the review.	0	0

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

	Year ended 31 March 2024	Year ended 31 March 2023
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility.	0	0
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	12	15

Staff Policies - a wide range of staff and employment related policies have been approved by the Board. 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.

EDC is committed to encouraging equality and diversity amongst its workforce and has an Equalities Policy in place as part of the Corporation's Staff handbook / People Policies Pack. EDC monitors the diversity of applicants for EDC vacancies as part of a voluntary scheme that forms part of the Corporation's recruitment procedures.

The Corporation incurred nil expenditure on consultancy (nil 2022/23).

Loans to employees

There are no season ticket loans to employees for 23/24 (nil, 2022/23).

Pensions

The Local Government Pension Scheme (LGPS) is a funded multi-employer defined benefit scheme. For 2023/24 employers' contributions of £578k (22/23 £414k) were payable to the LGPS, being 19.9% (22/23 19.1%) of pensionable pay of participating members. From April 2024 the employer contribution rate increases to 20.9%.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during year ended 31st March 2024	Full-time equivalent employee number
0	0

Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	100%
1-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time	
Total cost of facility time	0
Total pay bill	£3,636k
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	0

3 - Parliamentary Accountability Disclosures:

The Parliamentary accountability and audit report section brings together the key Parliamentary accountability requirements. The parliamentary accountability disclosures below have been audited

Regularity of Expenditure

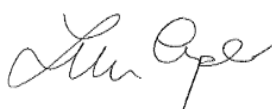
Losses and Special Payments – There were no losses or special payments in 23/24 or 22/23.

Remote Contingent Liability – None (nil 2022/23).

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/ukxi/2012/2920/pdfs/ukxi_20122920_en.pdf

Analysis of Fees & Charges	2023/24 Income Received £000	2023/24 Cost of delivering service £000	2023/24 Surplus/ (Deficit) of income v cost of service £000	2022/23 Surplus/ (Deficit) of income v cost of service £000
Total Planning Fees & Charges	209	1,326	(1,117)	(774)



Ian Piper - Accounting Officer

6th March 2025

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Qualified opinion on financial statements

I certify that I have audited the financial statements of the Ebbsfleet Development Corporation for the year ended 31 March 2024 under the Local Government, Planning and Land Act 1980.

The financial statements comprise the Ebbsfleet Development Corporation's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, except for the possible effect of the matter described in the Basis for qualified opinion on financial statements section of my certificate, the financial statements:

- give a true and fair view of the state of the Ebbsfleet Development Corporation's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure 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.

Basis for qualified opinion on financial statements

At 31 March 2024, the Ebbsfleet Development Corporation recognised an Infrastructure Asset with a net book value of £20,170k (being revalued cost of £20,819k less accumulated depreciation of £650k), as disclosed in note 4. I was unable to obtain sufficient appropriate evidence regarding the valuation of the asset's net book value; this is because investigations have not yet been completed by management at the date of approval of the financial statements to confirm whether a possible material impairment to the asset is present following the emergence of an impairment indicator after the reporting date. I was unable to satisfy myself by alternative means concerning the valuation of the asset at 31 March 2024 by using other audit procedures. Consequently, I was unable to determine whether any adjustment to the valuation of the asset, consequent reduction in the revaluation reserve, and increase in net expenditure was necessary.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Ebbsfleet Development Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Ebbsfleet Development Corporation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Ebbsfleet Development Corporation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Ebbsfleet Development Corporation is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Performance Report and Accountability Report but does not include the financial statements and my auditor's certificate thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

As described in the basis for qualified opinion section of my report, I was unable to satisfy myself concerning the valuation of the infrastructure asset of £20,170k which is included in the statement of financial position at 31 March 2024. I have concluded that where the other information refers to the infrastructure asset or related balances such as revaluation gains and losses, it may be materially misstated for the same reason.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Local Government, Planning and Land Act 1980.

In my opinion, except for the possible effects of the matters described in the basis for qualified opinion on financial statements section of my certificate, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions 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 and is in accordance with the applicable legal requirements.

Matters on which I report by exception

Except for the possible effect of the matter described in the basis for qualified opinion financial statements section of my certificate, in the light of the knowledge and understanding of the Ebbsfleet Development Corporation and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

Arising solely from the limitation on the scope of my work relating to the valuation of the infrastructure asset, referred to above:

- I have not received all of the information and explanations I require for my audit; and
- adequate accounting records have not been kept by the Ebbsfleet Development Corporation.

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

- 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 Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Ebbsfleet Development Corporation from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Local Government, Planning and Land Act 1980;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Local Government, Planning and Land Act 1980; and
- assessing the Ebbsfleet Development Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Ebbsfleet Development Corporation will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Local Government, Planning and Land Act 1980.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Ebbsfleet Development Corporation's accounting policies and key performance indicators.
- inquired of management, the Ebbsfleet Development Corporation's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Ebbsfleet Development Corporation's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Ebbsfleet Development Corporation's controls relating to the Ebbsfleet Development Corporation's compliance with the Local Government, Planning and Land Act 1980 and Managing Public Money;
- inquired of management, the Ebbsfleet Development Corporation's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant external specialists, including external specialists engaged to act as an auditor's expert on the valuation of property assets, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Ebbsfleet Development Corporation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates, the valuation of property assets (including inventories) and the valuation of intangible assets. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Ebbsfleet Development Corporation's framework of authority and other legal and regulatory frameworks in which the Ebbsfleet Development Corporation operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Ebbsfleet Development Corporation. The key laws and regulations I considered in this context included the

Local Government, Planning and Land Act 1980, Managing Public Money, employment law, pension and taxation legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Gareth Davies
Comptroller and Auditor General

Date: 7th March 2025

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

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

Introduction

The Ebbsfleet Development Corporation (the Corporation) is sponsored by the Ministry of Housing, Communities and Local Government (MHCLG) and is an urban development corporation based in Ebbsfleet, Kent. The Corporation is principally funded through grant-in-aid from MHCLG and received £11.6m from the Department in 2023-24.

My report is on the Statement of Financial Position area of Property, Plant and Equipment which includes an Infrastructure Assets balance of £20.17m as disclosed within note 4 of the financial statements. This consists of a single asset, the Springhead Bridge which forms part of the transport network in Ebbsfleet primarily for road traffic.

The purpose of my report

This report explains the basis of my qualification in relation to the availability of evidence to support the valuation of Infrastructure Assets.

Sufficiency of evidence for Infrastructure Assets

The Corporation built and owns an infrastructure asset, the Springhead Bridge, with a net book value of £20.17m. The bridge is a specialised asset for which there is no comparable market data upon which a valuation could be based for reporting purposes. It is therefore valued on a Depreciated Replacement Cost basis in accordance with guidance within HM Treasury's Government Financial Reporting Manual and the Royal Institute of Chartered Surveyors' (RICS) Red Book.

As disclosed in section 13 of the Performance Overview on page 6, information received by the Ebbsfleet Development Corporation after 31st March 2024 indicates that there is a possibility that the carrying value of the Springhead Bridge exceeds the recoverable amount and so it may be impaired at that date. The information provides evidence of conditions that potentially existed at the end of the reporting period and so would be an adjusting event under IAS 10 to be reflected in the reported valuation as at 31st March 2024. As the investigations necessary to confirm whether the impairment exists have not yet been completed then I do not have sufficient appropriate evidence over the value of the asset to a material extent so I have limited the scope of my opinion on the financial statements in respect of Property, Plant and Equipment assets.

I recognise that the Ebbsfleet Development Corporation has initiated the necessary action to assess whether the impairment exists but that there is uncertainty over what the outcome will be, as disclosed in the financial statements, or how long it will take to fully complete the action such that any impact on the financial statements can be established.

Gareth Davies

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

Financial Statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	Year ending 31 March 2024 £000	Year ending 31 March 2023 £000
Capital Receipts (S106 contributions)	3	(4,976)	(2,392)
Disposal of Inventory	3	0	(480)
Other Income	3	(1,015)	(2,254)
Total operating income		(5,991)	(5,126)
Staff costs	2.1	3,673	3,814
Purchase of goods and services	2.2	2,723	3,197
Net Book Value of Inventory disposed	2.3	0	412
Depreciation and Amortisation	4&5	277	265
Impairment – Inventory	8	4,678	8,007
Impairment - Receivables	7	4,976	2,247
Revaluation Gain – PPE	4	(48)	76
Impairment – Intangible Assets	5	0	36
Other operating expenditure – grants	2.4	1,844	1,141
		18,123	19,195
Interest on pension fund	15	(40)	85
Pension Administration Costs	15	6	3
Net expenditure for the year		12,098	14,157
Other comprehensive net expenditure			
Return on pension fund assets in excess of interest	15	70	74
Other actuarial gain on assets	15	0	(90)
Change in effect of asset ceiling	15	958	0
Change in financial assumptions	15	(250)	(5,809)
Change in demographic assumptions	15	(76)	(250)
Experience (gain) / loss on defined benefit obligation	15	19	1,321
Comprehensive net expenditure for the year		12,819	9,403

The notes on pages 34 to 49 form part of these accounts

**Statement of Financial Position
as at 31 March 2024**

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets:			
Property, plant & equipment	4	21,942	21,010
Intangible assets	5	27,363	26,381
Pension asset	1	0	571
Total non-current assets		49,305	47,962
Current Assets:			
Trade receivables & other current assets	7	1,804	870
Inventory	8	12,858	14,766
Cash & cash equivalents	9	8,613	8,572
Total current assets		23,275	24,208
Total assets		72,580	72,170
Current liabilities:			
Trade payables & other current liabilities	10	1,892	1,567
Total current liabilities		1,892	1,567
Total assets less current liabilities		70,688	70,603
Non-current liabilities:			
Non-current liabilities	11	827	644
Pension deficit	15	0	0
Total non-current liabilities		827	644
Total assets less total liabilities		69,861	69,959
Taxpayers' equity and other reserves:			
General Reserve		66,851	67,499
Revaluation Reserve	14	3,010	1,889
Pension Reserve	15	0	571
Total equity		69,861	69,959



Ian Piper - Accounting Officer

6th March 2025

The notes on pages 34 to 49 form part of these accounts

Statement of Cash Flows
for the year ended 31 March 2024

	Note	Year ending 31 March 2024 £000	Year ending 31 March 2023 £000
Cash flows from operating activities			
Net operating cost		(12,098)	(14,157)
Adjustments for non-cash transactions:			
Depreciation, amortisation & impairment	4,5 & 8	9,882	10,631
Decrease / (increase) in trade and other receivables	7	(5,910)	(399)
Increase / (decrease) in trade and other payables	10 & 11	508	(954)
Increase in Inventory	8	(2,770)	(4,313)
Decrease in pension deficit	15	571	(4,136)
Remeasurement of pension net assets/liabilities	15	(721)	4,754
Net cash outflow from operating activities		(10,538)	(8,574)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(39)	(81)
Purchase of intangible assets	5	(982)	0
Net cash outflow from investing activities		(1,021)	(81)
Cash flows from financing activities			
Grants from sponsoring department	18	11,600	11,300
Net financing			
Net increase in cash and cash equivalents in the period	9	41	2,645
Cash and cash equivalents at the beginning of the period	9	8,572	5,927
Cash and cash equivalents at the end of the period	9	8,613	8,572

The notes on pages 34 to 49 form part of these accounts

**Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2024**

Note	General Reserve	Pension Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 31 March 2023	67,499	571	1,889	69,959
Grants from MHCLG	11,600	0	0	11,600
Comprehensive net expenditure for the year	(12,819)	0	0	(12,819)
Transfers between Reserves	571	(571)	0	0
Revaluation of Non-current assets	0	0	1,121	1,121
Balance at 31 March 2024	66,851	0	3,010	69,861

Note	General Reserve	Pension Reserve	Revaluation Reserve	Total
	£000	£000	£000	£000
Balance at 31 March 2022	69,739	(3,565)	687	66,861
Grants from MHCLG	11,300	0	0	11,300
Comprehensive net expenditure for the year	(9,404)	0	0	(9,404)
Transfers between Reserves	(4,136)	4,136	0	0
Revaluation of Non-current assets	0	0	1,202	1,202
Balance at 31 March 2023	67,499	571	1,889	69,959

This statement shows the movement in the year on the three reserves held by EDC. The General Reserve represents the total assets less liabilities of EDC, to the extent that the total is not represented by other reserves and financing items. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The Pension Reserve reflects EDC's share of the actuarial gains/losses on the LGPS.

The notes on pages 34 to 49 form part of these accounts

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 2023/24 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 EDC for the purpose of giving a true and fair view has been selected.

Going Concern

The financial statements and accounts within this document have been prepared on a going concern basis due to the "continued provision of service assumption" being applied. The funding for the Corporation has been formally confirmed by the Government until 2025. This funding will enable EDC to deliver the regeneration of Ebbsfleet as outlined in the Corporation's Corporate Plan (2021 to 2025).

Impact of accounting standards

The Corporation has assessed that there are no new accounting standards that are applicable for the accounting period commencing 1 April 2023.

Significant estimates and judgments

The preparation of the financial statements requires management to make estimates and judgments 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 judgments were made in respect of:

- Valuation of Electricity Investment Intangible Asset (Note 5) – that no impairment is necessary in the valuation of EDC's intangible asset being the investment in electricity infrastructure for Ebbsfleet. EDC is working with UKPN to confirm the likely commencement of the recovery period under the electricity second comer regulations. EDC recovery will be for a period of 10 years from the date the last sub-station becomes active - this is currently forecast to be in 2026. On that basis and taking into consideration likely future demand, EDC is therefore confident that full recovery can be achieved by 2036. Cost inflation has resulted in additional investment (above the approved original business case amount) being required to bring the electricity infrastructure into use. Therefore, EDC sought and obtained MHCLG and HMT approval for the additional cost.
- Annual valuation of all EDC owned sites - Inventory Assets - Note 8, and PPE – Note 4 (Springhead Bridge and Office Building) using Royal Institute of Chartered Surveyors valuation standards (RICS Red book). Valuations are sensitive to market conditions existing at the time of the valuation. The valuations have assumed that in the event of a future sale of the properties, they would be marketed in an orderly manner and would not all be placed on the market at the same time. They also include various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination. The Ebbsfleet Central valuation assumes parcels of land are disposed of once remediation, infrastructure and enabling works have been carried out on them.
There is a material uncertainty in respect of the Springhead Bridge valuation for 23/24 (see note 19 for further information).
- Valuation of the LGPS pension liabilities and assets (Note 14) using information provided by the pension fund actuaries.

Impact of accounting standards in issue but not yet effective

The Corporation has adopted all IFRS, International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments to published standards that were effective at 31 March 2024. The Corporation has taken into account the specific interpretations and adaptations included in the FReM.

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

• The International Accounting Standards Board (IASB) has issued IFRS 17 (Insurance Contracts) which replaces IFRS 4 (Insurance Contracts). It has an effective date of 1 January 2023 and has been approved for adoption in the UK by the UK Endorsement Board. HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to delay the implementation of IFRS 17 by two years to 1 April 2025. The standard is expected to have minimal impact on EDC.

Non-current assets

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

- **Property, Plant and Equipment (PPE)**

IT and Equipment 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 (due to low value / short life assets) and so this category of PPE is not revalued.

In accordance with IAS 16 depreciation is provided at rates calculated to write off the value of IT/Equipment 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

PPE – Infrastructure/Networked Assets – Springhead Bridge was brought into use in July 2020. The asset is held on a Depreciated Replacement Cost basis, with a useful life having been established as 120 years.

PPE – Office Buildings – The Observatory is reflected in the accounts at its Current Value in Existing Use / Market Value – this was ascertained by an external valuation. The valuation was carried out as at 31 March 2024 by a MRICS qualified valuer of Avison Young. The building has an expected useful economic life of 25 years (from 20/21) and will be depreciated on a straight-line basis over this time period. No depreciation was charged in the year of purchase (20/21). An annual valuation will be carried out at each year end on the asset.

- **Intangible assets**

Electricity Project (UKPN) – The intangible asset being created by EDC's investment in the electricity project is the 'right to recover' the forward funding of the investment in infrastructure via UKPN under 'second-comer' legislation. Currently the intangible asset is still under construction and is therefore held at cost.

Once the physical energisation of the final sub-station has occurred this will activate the ten-year statutory recovery period. The useful economic life of the asset is reliant on the physical assets (transformers) which are owned by UKPN, which have an estimated useful life in excess of 30 years.

The carrying value of the entire "right to recover" intangible asset will be reviewed annually against recoverability forecasts to establish whether any impairment is necessary. Future amortisation will be on a reducing balance basis, dependent on the proportion of electricity capacity taken up by second comers during an accounting period.

Aside from the project related treatment set out above, intangible assets are valued at cost less amortisation and impairment. Non-Project intangible assets are not revalued; EDC considers the amortised replacement cost basis of valuation is not materially different from current value.

In accordance with IAS 38, any 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.

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. The need to write down these assets is considered annually and separately identified in the Statement of Comprehensive Net Expenditure.

Any write down on revaluation of these assets is charged to the Statement of Comprehensive Net Expenditure.

Any surplus on revaluation of these assets to net realisable value 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 is accounted for by a write-back to the Statement of Comprehensive Net Expenditure.

A valuation to establish net realisable value is conducted at the end of each financial year. Valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors (RICS). All EDC sites were valued as at 31 March 2024 by a MRICS qualified valuer of Avison Young.

Grants

Grants made by EDC are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs. Grant payments may be recovered from recipients depending on the grant conditions. Where recoveries are made, income is recognised at the point that the invoice, or other notice requiring repayment, has been issued.

EDC is mainly funded by grant payments from MHCLG – these grants are requested only when the need for cash has been demonstrated by EDC. Amounts received are credited to the General Reserve and are not shown as income.

Financial Instruments

Financial instruments are recognised in accordance with IFRS 9 – which specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. See note 6.

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 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.

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.

Right of Use Assets (Finance Leases)

EDC generally purchases necessary operational equipment outright. Any leases would be reviewed annually and accounted for in line with IFRS 16. The only lease currently held by EDC is that for the Castle Hill Commercial Centre, which forms part of the Corporation's Inventory Assets.

EDC leases out several of its owned sites on a short-medium term basis. The total gross investment in these sites and the rents receivable is set out in Note 3 (Income).

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 (received by EDC) and other contributions are recognised to the value to which they have been utilised within the financial year.

Income from rents generated by the letting of Inventory assets is recognised in accordance with normal accounting principles, i.e. rental income is earned based on a tenant's right to use the property in a period.

Income from disposal of Inventory will be recognised when the contract between the parties has been completed and the conditions set out in the contract have been met.

For income recognition relating to S.106 Contributions – see below.

S.106 Contributions

Developer or third-party contributions resulting from a signed S.106 planning obligation (generally a contract with an original expected duration of more than one year) become due to the Corporation as and when the S.106 trigger event(s) (performance obligation) occurs.

Amounts recognised as due in the relevant financial year are treated as follows:

- **S.106 contributions - Capital Receipts:** any S.106 contributions that reimburse EDC for capital expenditure that the Corporation has previously incurred (as a result of it forward funding infrastructure) are credited as a Capital Receipt to the Statement of Comprehensive Net Expenditure.
- **S.106 contributions – EDC Utilised:** contributions that are collected by EDC and applied to qualifying project activity in-year (not in reimbursement of previous EDC forward funding/ investment) are credited as income to the Statement of Comprehensive Net Expenditure.
- **S.106 contributions – EDC Retained:** contributions that are collected by EDC for it to apply to qualifying project activity (not in reimbursement of previous EDC forward funding/ investment) but that are unutilised at the financial year end are credited to the Statement of Financial Position (within liabilities). Once EDC utilises the funding, the S.106 liabilities balance will be reduced and the qualifying amount recognised as income (S.106 contributions – EDC Utilised).
- **S.106 contributions – Third Party Assets:** contributions that are collected on behalf of named recipients (as per the s106 agreement) which are being held by the Corporation are treated as third party assets in accordance with the Government issued Financial Reporting Manual (FRoM). Third party assets are not public assets and should not be recorded in the primary financial statements. The FRoM defines monies as “third party assets for which an entity acts as custodian or trustee but in which neither the entity nor government more generally has a direct beneficial interest. Material third party assets should be disclosed” (there are no material amounts to disclose at year end). Any third-party S.106 funds received are held on account until EDC is reasonably satisfied that the named recipient will utilise the funds as intended within the S.106 agreement. Once satisfied the funds are paid over to the named recipient.

Operating Segments

The Corporation does not report its performance using segmental accounting.

Value Added Tax

EDC is registered for VAT. The ability for EDC to recover VAT is dependent on its business and non-business activities. Full VAT recovery is made on business activities whilst no VAT is recovered on planning activities or spend related to grants. For all other activities, a partial VAT recovery method is used. Any VAT that is not recovered is incurred as a cost to EDC.

Corporation Tax

EDC is registered for Corporation Tax and is up to date with the submission of annual returns to HMRC. A Corporation Tax advisor has been appointed to assist the Corporation in its CT affairs.

2. Expenditure Analysis

2.1 Staff Costs

	Year ending 31 March 2024	Year ending 31 March 2023
	<u>£000</u>	<u>£000</u>
Direct Staff – Pay	2,460	2,028
Direct Staff – ER’s NICs	279	253
Direct Staff – ER’s IAS19 Pension Costs	358	904
Seconded Staff – Pay	77	63
Seconded Staff – ER’s NICs	0	8
Seconded Staff – ER’s Pension	0	18
Agency Staff – Inclusive	499	540
Total Staff Costs	3,673	3,814

Details with regards to the staff costs shown above can be found in the Remuneration and Staff report (within the Accountability report section of this document).

2.2 Purchase of Goods and Services

	Year ending 31 March 2024	Year ending 31 March 2023
	<u>£000</u>	<u>£000</u>
Board Member Pay	99	95
Board Members – ER’s NICs	6	6
Planning Committee Pay	3	9
Other Staff Costs	8	12
Support Services	12	43
Premises inc Facilities/Asset Mgt	735	754
ICT	391	250
Legal & Professional Services	673	1,295
External Audit	65	60
Internal Audit	25	26
Travel Expenses	28	21
Marketing & Media	131	173
Office Stationery and Equipment	27	14
Community & Placemaking	403	339
Training	54	47
Bank Charges	2	2
Insurance	59	49
Telecoms	2	2
Total	2,723	3,197

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

2.3 Disposal of Inventory:

There were no Inventory disposals in 23/24. In 22/23 EDC disposed of one site with a net book value of £412,000.

2.4 Other Operating Expenditure – grants

	Year ending 31 March 2024 <u>£000</u>	Year ending 31 March 2023 <u>£000</u>
Kent County Council – Fastrack/Smart Transport (C)	1,000	800
Ebbsfleet Garden City Trust	175	0
Grants to Schools (C)	0	20
Waste Water Treatment Solution (C)	575	250
Minor grants	94	71
Total other operating expenditure - grants	1,844	1,141

(C) denotes Capital Grants

3. Income

	Year ending 31 March 2024 <u>£000</u>	Year ending 31 March 2023 <u>£000</u>
Sale of Inventory	0	480
Planning Fees	155	311
Rental Income from EDC-owned sites	680	1,268
Other Contributions	180	675
S.106 Contributions - Capital Receipts	4,976	2,392
Total	5,991	5,126

EDC's treatment of S.106 Contributions - Capital Receipts is set out in Note 1. The Capital Receipts received relate to a contract with KCC whereby S.106 Off-Site Transport contributions relating to housing occupations at Eastern Quarry (EQ) are retained by EDC to reimburse the Corporation's forward funding contribution of the A2 Junctions Improvements project, which is classified as a qualifying project within the S.106 agreement. This contract continues until the occupation of 4,500 homes has been achieved. The S.106 agreement is a public document comprising part of the planning applications relating to EQ.

Lease Income

Site	Site Net Book Value 31.3.24 £	Non-Discounted Rents Receivable under Lease			
		Rent Received 23/24 £	Rent Receivable 24/25 £	Rent Receivable 25/26 to 27/28 £	Rent Receivable 28/29 onwards £
Ebbsfleet Central	3,700,000	220,123	0	0	0
Various Grove Road sites	4,720,000	214,699	303,459	232,438	0
Castle Hill Commercial Centre	2,790,000	194,102	165,500	496,500	1,438,815
The Observatory	1,700,000	15,608	15,608	16,368	0
Total	12,910,000	644,532	484,567	745,306	1,438,815

4. Property, Plant and Equipment

	As at 31 March 2024				As at 31 March 2023			
	Infrastructure £000	Equipment & ICT £000	Office Building £000	TOTAL £000	Infrastructure £000	Equipment & ICT £000	Office Building £000	TOTAL £000
Cost or valuation								
Opening	19,659	271	2,449	22,379	18,445	202	2,449	21,096
Additions	39	0	0	39	12	69	0	81
Revaluation	1,121	0	48	1,169	1,202	0	0	1,202
Closing	20,819	271	2,497	23,587	19,659	271	2,449	22,379
Depreciation & Impairment								
Opening	(450)	(170)	(749)	(1,369)	(269)	(160)	(599)	(1,028)
Dep'n Charged in year	(200)	(29)	(48)	(277)	(181)	(10)	(74)	(265)
Impairment Charged in year	0	0	0	0	0	0	(76)	(76)
Closing	(650)	(199)	(797)	(1,646)	(450)	(170)	(749)	(1,369)
Opening Carrying value	19,209	101	1,700	21,010	18,176	42	1,850	20,068
Closing Carrying value	20,170	72	1,700	21,942	19,209	101	1,700	21,010
Asset financing: Owned	20,170	72	1,700	21,942	19,209	101	1,700	21,010

A material uncertainty has arisen in the 23/24 valuation above (Infrastructure) due to an event after the reporting date. See note 19 for further information.

5. Intangible Assets

	As at 31 March 2024				As at 31 March 2023			
	Software £000	Green Corridors Project £000	Electricity AUC £000	TOTAL £000	Software £000	Green Corridors Project £000	Electricity AUC £000	TOTAL £000
Cost or valuation								
Opening	36	71	26,381	26,488	36	71	26,417	26,524
Additions	0	0	982	982	0	0	0	0
Impairment	0	0	0	0	0	0	(36)	(36)
Closing	36	71	27,363	27,470	36	71	26,381	26,488
Amortisation								
Opening	(36)	(71)	0	(107)	(36)	(71)	0	(107)
Charged in year	0	0	0	0	0	0	0	0
Closing	(36)	(71)	0	(107)	(36)	(71)	0	(107)
Opening Carrying value	0	0	26,381	26,381	0	0	26,417	26,417
Closing Carrying value	0	0	27,363	27,363	0	0	26,381	26,381
Asset financing: Owned	0	0	27,363	27,363	0	0	26,381	26,381

The Electricity Asset Under Construction (AUC) relates to EDC's investment in the provision of electricity for Ebbsfleet – the asset being the 'right to recover' this investment under the terms of the second-comer legislation (see Statement of Accounting Policies, Non-Current Assets, Intangible Assets).

6. Financial Instruments

As the cash requirements of 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 EDC's expected purchase and usage requirements and EDC is therefore exposed to few credit, liquidity or market risks.

7. Trade Receivables and Other Current Assets

	As at 31 March 2024 <u>£000</u>	As at 31 March 2023 <u>£000</u>
Prepayments	214	270
VAT Receivable	127	20
Accrued Income	2,783	1,284
Trade Debtors	5,903	1,543
Impairment of Receivables	<u>(7,223)</u>	<u>(2,247)</u>
Total	<u>1,804</u>	<u>870</u>

During the year, Trade Debtors (£2,213k) and Accrued Income (£2,763k) were impaired to reflect the uncertainty around the timing of when these sums will be received.

8. Inventories

	As at 31 March 2024			As at 31 March 2023		
	Inventory Building	Inventory Land	TOTAL	Inventory Building	Inventory Land	TOTAL
	£000	£000	£000	£000	£000	£000
Cost or valuation						
Opening	2,824	11,942	14,766	2,700	15,760	18,460
Additions	(37)	2,807	2,770	150	4,575	4,725
Disposals	0	0	0	0	(412)	(412)
Impairment (Write down)	3	(4,681)	(4,678)	(26)	(7,981)	(8,007)
Closing	2,790	10,068	12,858	2,824	11,942	14,766
Opening Carrying value	2,824	11,942	14,766	2,700	15,760	18,460
Closing Carrying value	2,790	10,068	12,858	2,824	11,942	14,766
Asset financing:						
Owned	2,790	10,068	12,858	2,824	11,942	14,766

Inventory	Additions	Impairment/ (Gain)	Additions	Impairment/ (Gain)
	23/24	23/24	22/23	22/23
	£000	£000	£000	£000
Ebbsfleet Central	2,527	4,627	2,761	6,111
Various sites – Grove Road	97	(189)	1,437	1,349
Station House, Northfleet	0	(38)	0	35
Northfleet Embankment East	183	183	377	378
Castle Hill Commerce Centre	(37)	(3)	150	26
Castle Hill Block D	0	98	0	108
Total	2,770	4,678	4,725	8,007

Impairment in a normal year of acquisition generally comprises of written-down SDLT (Stamp Duty Land Tax) and other due diligence and legal costs of acquisition which do not add to the value of the Inventory asset.

9. Cash and Cash Equivalents

	As at 31 March 2024	As at 31 March 2023
	<u>£000</u>	<u>£000</u>
Balance at beginning of period	8,572	5,927
Net change in cash and cash equivalent balances	41	2,645
Balance at 31 March	8,613	8,572

The following balances at end of period were held at:

Government Banking Service	8,494	6,790
Commercial banks and cash in hand	119	1,782
Balance at 31 March	8,613	8,572

10. Trade Payables & Other Current Liabilities

	As at 31 March 2024	As at 31 March 2023
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year:		
Accruals	759	1,010
Trade payables	764	324
Other payables	369	233
Total	1,892	1,567

11. Non - Current Liabilities

	As at 31 March 2024	As at 31 March 2023
	<u>£000</u>	<u>£000</u>
Amounts falling due after one year:		
S.106 developer contributions to EDC projects	827	549
Consortium partner contributions to business case	0	95
Total	827	644

12. Commitments under leases - Operating leases

	As at 31 March 2024	As at 31 March 2023
	<u>£000</u>	<u>£000</u>
Buildings		
Not later than one year	0	0
Later than 1 year	0	0
Total	0	0

13. Other financial commitments

EDC has entered into non-cancellable contracts (which are not leases or PFI (and other service concession arrangement) contracts) for long-term capital projects, IT support and various other commissions. The total payments to which EDC is committed are as follows:

	As at 31 March 2024	As at 31 March 2023
	£000	£000
Not later than one year	3,160	4,130
Later than one year and not later than five years	310	760
Total	3,470	4,890

14. Revaluation Reserve

This reserve reflects gains on revaluation of an asset not yet realised by sale – i.e. the increases arising from the annual reviews of the replacement cost of Springhead Bridge.

15. Pensions

Permanent employees of 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 an actuarial valuation of the Fund as required by the Regulations. The latest review was carried out during 2022. EDC's employer's contributions have increased from 19.1% in 2022/23 to a proposed 21.9% in 2025/26, 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:

1. 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.
2. 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.
3. 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
4. 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 2024 are shown in the table below:

Table 1: Financial Assumptions

Assumptions as at	31 March 2024 % p.a.	31 March 2023 % p.a.	31 March 2022 % p.a.
RPI increases	3.1%*	3.15%*	3.30%
CPI increases	2.90%*	2.90%*	3.05%
Salary increases	3.90%	3.9%	4.05%
Pension increases	2.90%	2.9%	3.05%
Discount rate	4.95%	4.8%	2.55%

* RPI/CPI 10 year assumption. These assumptions are set with reference to market conditions as at 31 March 2024. The pension actuaries have estimated EDC's past service liability duration as 26 years.

Table 2: Demographic Assumptions

Life expectancy from age 65 (years)	31 March 2024	31 March 2023
Retiring Today		
Males	20.8	21.1
Females	23.3	23.5
Retiring in 20 years		
Males	22.0	22.3
Females	24.7	25.0

Table 3: Employer Asset Share

Employer asset share – bid value	31 March 2024		31 March 2023	
	£000s	%	£000s	%
Equities	4,288	58%	4,078	64%
Gilts	540	7%	35	1%
Other Bonds	1,062	14%	840	13%
Property	662	9%	638	10%
Cash	117	2%	115	2%
Absolute return fund	373	5%	468	7%
Infrastructure	331	4%	218	3%
Total	7,373	100%	6,392	100%

EDC's share of the assets is approximately 0.09% (22/23 0.08%).

Table 4: Statement of financial position as at 31 March 2024

Net Pension Asset / (Liability) as at	31 March 2024	31 March 2023
	£000	£000
Present value of defined benefit obligation	6,415	5,821
Fair value of Fund assets (bid value)	7,373	6,392
Impact of asset ceiling	958	
Net defined benefit asset / (liability)	0	571

Table 5: Statement of profit or loss for the year to 31 March 2024

The amounts recognised in the statement of comprehensive net expenditure are:	Year ending 31 March 2024	Year Ending 31 March 2023
	£000	£000
Service Cost	409	944
Net interest on the defined liability	(40)	85
Administration expenses	6	3
Total loss	375	1,032

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

	Year ending 31 March 2024 £000	Year ending 31 March 2023 £000
Return on Fund assets in excess of interest	(70)	(74)
Other actuarial gains on assets	0	90
Change in financial assumptions	250	5,809
Change in demographic assumptions	76	250
Experience gain / (loss) on defined benefit obligation	(19)	(1,321)
Changes in effect of asset ceiling	(958)	0
Re-measurement of the net defined liability	(721)	4,754

Table 7: Asset and benefit obligation reconciliation for the year to 31 March 2024

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year ending 31 March 2024 £000	Year ending 31 March 2023 £000
Opening defined benefit obligation	5,821	9,249
Current service cost	409	944
Interest cost	284	237
Change in financial assumptions	(250)	(5,809)
Change in demographic assumptions	(76)	(250)
Experience (gain) / loss on defined benefit obligation	19	1,321
Estimated benefits paid net of transfers in	(21)	(59)
Past service costs, including curtailments	0	0
Contributions by scheme participants and other employers	229	188
Closing defined benefit obligation	6,415	5,821

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 2024	Year ending 31 March 2023
Opening fair value of Fund assets	6,392	5,684
Interest on assets	324	152
Return on assets less interest	(70)	(74)
Other actuarial gains	0	90
Administration expenses	(6)	(3)
Contributions by employer including unfunded	525	414
Contributions by Scheme participants and other employers	229	188
Estimated benefits paid plus unfunded net of transfers in	(21)	(59)
Closing Fair value of Fund assets	7,373	6,392

Table 9: Sensitivity Analysis

Sensitivity analysis	Year ending 31 March 2024			Year ending 31 March 2023		
	£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	6,259	6,415	6,577	5,677	5,821	5,969
Projected service cost	436	456	477	322	337	352
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%	+0.1%	0.0%	-0.1%
Present value of total obligation	6,431	6,415	6,400	5,837	5,821	5,805
Projected service cost	456	456	456	337	337	337
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%	+0.1%	0.0%	-0.1%
Present value of total obligation	6,564	6,415	6,271	5,956	5,821	5,690
Projected service cost	477	456	435	352	337	322
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year	+1 Year	None	-1 Year
Present value of total obligation	6,604	6,415	6,231	5,985	5,821	5,661
Projected service cost	476	456	436	350	337	324

Table 10: Projected pension expense for the year to 31 March 2025

	Year ending 31 March 2025 £000
Service cost	456
Net interest on the defined liability (asset)	(16)
Administration expenses	6
Total loss	446

The expected employer contributions for 2024/25 are £669k (20.9% of pensionable pay costs).

The Local Government Pension Scheme continues to consider the potential impact of the High Court & Court of Appeal judgments in the Virgin Media (VM) litigation. The VM litigation relates to amendments made to private sector and not public service schemes and as a result it does not expressly deal with whether s37 confirmations are required for relevant amendments made to public service schemes.

EDC is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case and considers that there is potential for the outcome of this case to have an impact on the Corporation. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case was taken to The Court of Appeal in July 2024 and the original ruling was upheld.

Public service scheme amendments during the relevant period would have been made by legislation (i.e. by primary legislation or regulations). The general position in public law is that legislation remains valid law until it is revoked or repealed by subsequent legislation or in the case of regulations specifically declared void by a court. The Scheme therefore continues to administer benefits and recognise liabilities in accordance with the relevant scheme regulations currently in force.

16. Contingent liabilities

EDC owns one piece of land (as at 31st March 2024) which has an overage arrangement attached to it if sold. The overage arrangements, agreed as part of EDC's purchase with the previous owner, only apply if certain conditions are met. Any land overage payment is calculated based upon an agreed formula (being site specific). No final decision has been made about the use of this land by EDC. It is intended that the land will be regenerated at some point in the future and then disposed of. Therefore, given the uncertainty related to any future overage payment, no amount has been provided for (relating to future overage payments) within these 23/24 accounts.

In December 2020, EDC intervened at a stalled commercial site in Castle Hill and acquired (by negotiation) some empty retail units. The acquisition was structured in a way that EDC initially only paid for 50% of the capital value of the units, with the vendor receiving further payments (40% of the capital value) each time a further empty unit was let. The contractual acquisition arrangement was therefore for 90% of the agreed 2020 capital valuation of the units. The contract also provided for the possibility of further amounts being payable by EDC to the previous owner contingent upon the units being valued at more than 90% of the 2020 capital valuation on the earlier of either a) 2 years from completion (i.e. December 2022) or b) when EDC disposed of its interest to another purchaser. Whilst it did take a prolonged period to reach a settlement on the value of the units as at December 22, this matter has now been finalised and resolved, and the final payment to the vendor was accommodated within previously accrued expenditure. Thus the potential contingent liability has now fallen away.

EDC has entered into an agreement with the Department for Transport and High Speed 1 related to parking spaces at Ebbsfleet Central. If EDC proceeds with its regeneration proposals for the site then a payment will be due to DfT / HS1. This payment only becomes due when certain conditions are met. Given the uncertainty related to this event, no amount has been provided for within these 23/24 accounts.

17. Contingent assets

In late March 2022, the London Resort developer withdrew its application for an Order (DCO) granting development consent relating to its proposals for Swanscombe Peninsula. As a result of this withdrawal action, EDC submitted two applications (one as local landowner impacted by the London Resort proposals and one in its capacity as the local planning authority) for the award of costs (incurred by EDC up to the date the submission was withdrawn) to the National Infrastructure Planning (PINS) organisation. PINS have still yet to determine the validity of EDC's two cost claims. Therefore, no amount has been provided for within the 23/24 accounts.

In 20/21 Highways England (HE) used Compulsory Purchase Order (CPO) powers to acquire some EDC owned land (at Ebbsfleet Central) which was required by them for the A2 Ebbsfleet road junction improvements project. EDC continues to negotiate with HE over the value of the land that was acquired as the Corporation has not accepted HE's valuation. As the negotiations over the land value between the two organisations are still ongoing, no amount has been provided for within the 23/24 accounts.

18. Related-party transactions

EDC is sponsored by the MHCLG, which is regarded as a related party, as are the other entities which MHCLG 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 23/24 £000	Amount received by EDC 23/24 £000	Amount paid by EDC 22/23 £000	Amount received by EDC 22/23 £000	Nature of Transactions	Related Party Connection	EDC Position
MHCLG	1,400	(13,000)	151	(11,300)	Support Services (IT & HR), Recharges, Grant	Sponsor Dept	Sponsor Dept
Kent Pension Fund	539	0	418	0	Pension Contributions and actuarial report	KCC Board Representative	Board Member
Kent County Council*	1,075	0	840	(417)	Grants, Professional Services,	KCC Board Representative	Board Member
Dartford Borough Council*	41	0	36	(271)	Business Rates, Planning (DCO) Cost Sharing	Jeremy Kite	Board Member
Gravesham Borough Council	39	0	62	(576)	Business Rates, Sale of Land	John Burden	Board Member
Ebbsfleet Garden City Trust (EGCT)	259	0	81	0	Support	Board Members	Board Members

No Board member, key manager or other related party has undertaken any other material transactions with EDC during the year to 31 March 2024. For details of compensation paid to management please see the Remuneration and Staff Report.

* a further £978k was paid to Kent County Council (£199k 22/23), £607k was paid to Dartford BC (£641k 22/23), being S.106 receipts (treated as a third-party asset by EDC – see accounting policy).

19. Events after the reporting period date

Ebbsfleet Development Corporation's financial statements are laid before the Houses of Parliament by the Secretary of State for the Ministry of Housing, 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.

New information has arisen since 31st March 2024 that potentially provides evidence of certain conditions, that may have existed at the end of the reporting period 23/24. That information suggests the possible presence of an impairment indicator per IAS 36 in respect of Springhead Bridge and that if present, then the asset's carrying value in the financial statements, as currently disclosed would be higher than its recoverable amount.

If it is confirmed that these conditions did exist, then it would be an adjusting event after the reporting period per IAS 10. This would mean the reported net book value of the asset in note 4 would need to be restated as at 31st March 2024, potentially at a materially lower amount. Additionally, an impairment charge equal to any reduction in value would also be recorded in the Statement of Comprehensive Net Expenditure (SOCNE).

Investigations are being undertaken by EDC to establish whether the impairment is present but until those have concluded (to determine whether there is an adjusting event required), a material uncertainty has been included within the 23/24 financial statements. This has resulted in the C&AG qualifying his audit opinion due to the limitation of scope in respect of the valuation of that one asset.

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.

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