



WEST NORTHAMPTONSHIRE  
DEVELOPMENT CORPORATION

Annual Report  
and Accounts

For the year ended 31 March 2009

Presented to the House of Commons pursuant to section 7 of the Government  
Resources and Accounts Act 2000

Ordered by the House of Commons to be printed: 17 July 2008

## Chair's Report



The work of WNDC in Northampton, Daventry and Towcester is pivotal to the long term prospects of the area which is the UK's largest growth area. Over 60,000 new homes have been identified for West Northamptonshire between 2001 and 2026, and progress has been encouraging with over 15,000 new homes delivered so far.

Nationally, 2008/09 was a challenging year for the UK economy, with the housing and regeneration sector feeling the brunt of the overall slowdown. However, at a local level, WNDC has been well placed to maintain momentum, investing a total of £13.4m into infrastructure projects across the area and progressing planning applications for around 20,000 new homes, accompanied by major commercial development.

This year new facilities have been unveiled, and changes to the local landscape starting to unfold, including new roads, such as the award winning Cross Valley Link Road as well as public realm improvements, youth and community facilities and business opportunities, such as the Portfolio Innovation Centre.

New development has continued, including the new European Headquarters of Avon Cosmetics in Northampton town centre and the new Abbey Retail Centre in Daventry town centre.

Looking ahead, WNDC has secured a further £32 million of Government and European funding to invest in the area from 2009 to 2011. We will continue with our programme of work which will transform Northampton from a traditional market town into a dynamic city of 300,000 people. Land acquisition and masterplanning activities will progress as we seek to redevelop Castle Station and bring major mixed use development to the Waterside and wider Avon Nunn Mills area. Meanwhile, in Daventry and Towcester we are delivering an established vision for each town, helping Daventry to double in population and emerge as a national centre for green technologies and sustainable construction.

2008/09 has seen some significant achievements across our area. I'm confident that with the ambition, talent, and drive of our team it will enable us to achieve significant improvements in the area in the coming years. I'd like to thank both our Board and staff for their efforts over the past year.

**John Markham**

Chair

## Chief Executive's Report

2008/09 was a key year in WNSD's drive to bring new homes, new jobs and extra investment to Northampton, Daventry and Towcester.

It saw a number of achievements in terms of housing and commercial development, while infrastructure including transport and community facilities has also been delivered.



### Development Control

Overall, it has been a positive period for the planning team, with our annual performance indicators showing that 2008/09 was our best year yet in terms of speed and efficiency.

- 40% of 'Major' applications were determined within 13 weeks, an improvement of over 20% compared to last year.
- 82% of 'Minor' applications were determined within 8 weeks, exceeding the government's target by 17%
- 82% of 'Other' applications were determined within 8 weeks, exceeding the government's target by 2%

WNSD provided outline planning approval for around 1,500 new homes in 2008/09 as well as 36,000 sq m of commercial floor space. Significant planning approvals included:

- Princess Marina Hospital: this development will deliver 550 new homes and provide developer contributions of nearly £9m to local and strategic infrastructure. It was the first deal to be completed in line with WNSD's standardised charging system.
- Northampton school sites: a process which saw us work closely with the owners Northamptonshire County Council, while consulting with the local community. 857 new homes were given approval, accompanied by a Section 106 contribution of £6.2 million towards local and strategic infrastructure.



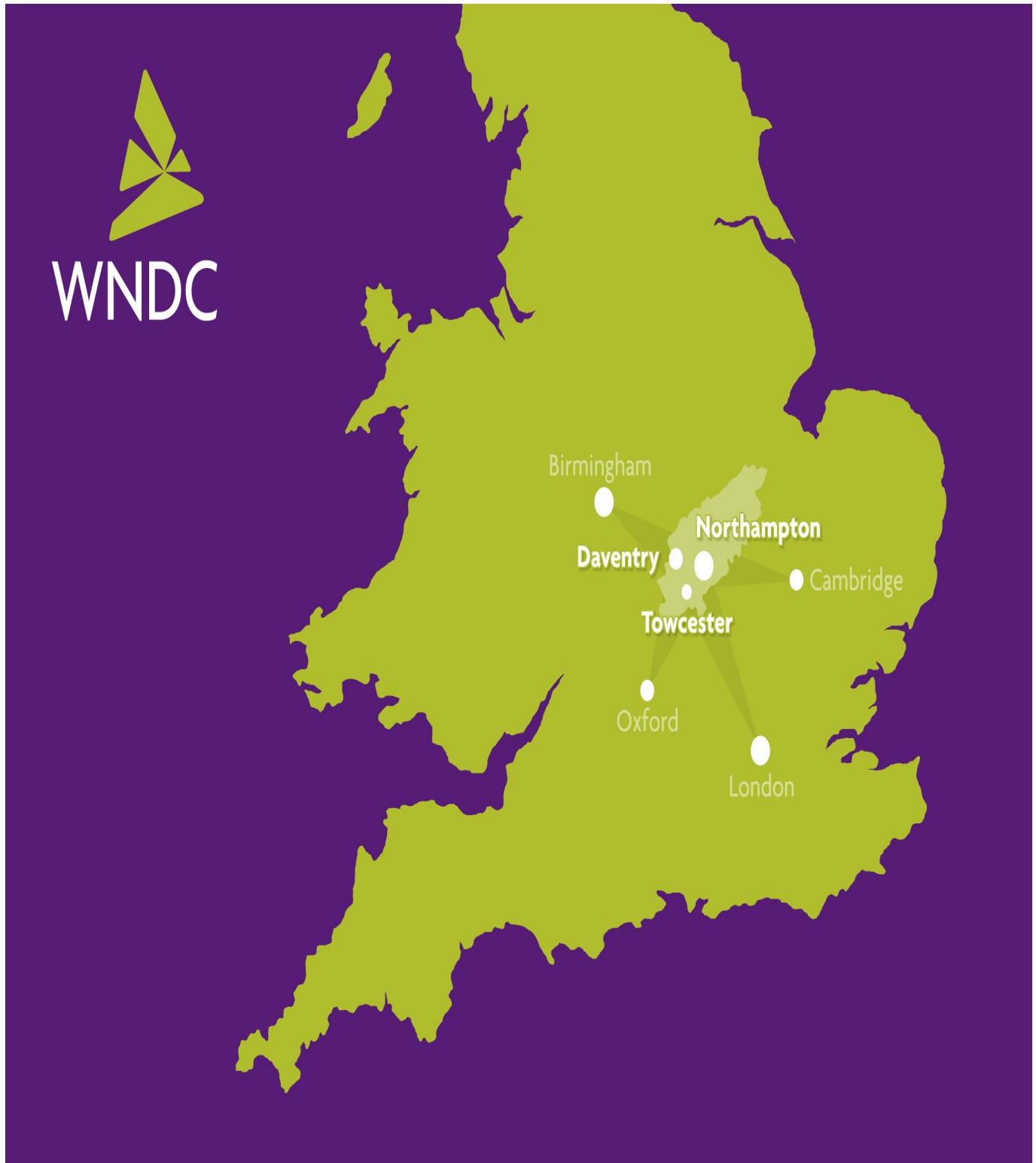
Many more approvals have been made at WNSD's planning committees and will be granted full permission once legal agreements are signed. This includes:

- Upton Lodge: potential for a new community of over 1,700 new homes, as well new employment space, and community facilities.
- Grange Park: an application for around 450 new homes, together with commercial development that could provide around 700 new jobs.
- Royal Mail: a major new sorting office at Swan Valley in Northampton, with the potential to provide up to 1,000 new jobs.

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**Areas covered by the West Northamptonshire Development Corporation**



**GENERAL INFORMATION****BOARD MEMBERS**

John Markham (Chair) (From 1 December 2008)  
Keith Barwell (Chair) (to 27 June 2008)  
John Weir (Deputy Chair) (Interim Chair from 28 June 2008 to November 2008)  
John Farrow  
Mary Burrows  
David Dickinson  
Ann Tate  
Nick Thompson  
Lee Barron  
Cllr Ben Smith  
Cllr Chris Millar  
Cllr Sandra Barnes  
Cllr Tony Woods  
Cllr Richard Church

**EXECUTIVE DIRECTORS**

CHIEF EXECUTIVE OFFICER	Mike Hayes (to 9 September 2008)
DEPUTY CHIEF EXECUTIVE	Roger Mendonca (Interim CEO from 10 September 2008)
PLANNING AND DEVELOPMENT DIRECTOR	Stephen Kelly
DIRECTOR OF INFRASTRUCTURE DELIVERY	Harj Dhaliwal
ACCOUNTING OFFICER	Mike Hayes (to 9 September 2008) Roger Mendonca (from 10 September 2008)
EXTERNAL AUDITOR	Comptroller and Auditor General

## The Board

WNSD's Board is made up of 13 members, including the Chair and Deputy Chair. Six members were nominated by local authorities, the other seven members including the Chair and Deputy Chair, were selected in open competition. All thirteen members were selected on merit by the Secretary of State in accordance with the rules for Ministerial appointments set out by the Office of the Commissioner for Public Appointments (OCPA).

The Chair was appointed on 1st December 2008, the remainder of the Board were appointed on 15 March 2005 for two and three year terms. In March 2007, six members previously appointed for a two year term all had their contracts extended for a further three years by the Secretary of State.

In March 2008 two Board members, Cllrs Phil Larratt and Arthur McCutcheon's contracts ended. They were replaced by Cllr Tony Woods and Cllr Richard Church nominees from Northampton Borough Council and Northamptonshire County Council respectively. The remaining four Board Members on three year contracts were reappointed for a second and final term. Board member biographies are available on the WNSD website, [www.wndc.org.uk](http://www.wndc.org.uk) under the 'About Us/Board Members' section.

The previous Chair's contract ended on 27 June 2008 and the Deputy Chair, John Weir was confirmed by CLG as Interim Chair from 28 June 2008 until 1st December 2008 when the new Chair John Markham (OBE) was appointed for a three year term.

Board members are collectively responsible for the conduct of all business undertaken by WNSD. In addition to the statutory powers and duties of WNSD, members have both fiduciary duties and general duties of skill and care. This means that they are responsible for the Board's strategic direction and policies, and for ensuring that WNSD is properly and effectively managed. In particular, members are responsible for the stewardship of the public funds entrusted to the Board.

### Register of Declarable Interests

The Register of Declarable Interests for the Board Members of WNSD is available on the WNSD website, [www.wndc.org.uk](http://www.wndc.org.uk) under the 'About Us/Board Members' section.



In Daventry, the majority of WNDC's development control activity has focused on 3 major applications for Churchfields, Monksmoor and Danetree. In total, they propose new development amounting to over 10,000 new homes, with five new schools, various retail and business units, community buildings, health centres and public open spaces.

Following a holding direction from the Highways Agency, the applicants for Churchfields and Monksmoor lodged an appeal on the basis of non-determination, joining Danetree who previously lodged an appeal in April. The public inquiry commenced in January and WNDC has been working closely with all parties to ensure a satisfactory resolution.

One of WNDC's most significant achievements during the year was the launch of our Planning Obligations Strategy. Following consultation with local partners, including developers, it introduced a standard charge at a discounted rate equivalent to £20,000 per dwelling for new developments. It provides certainty to developers and reassurance to the local community about contributions to new infrastructure. The first deal in line with the charge was completed for the Princess Marina development.

2008/09 also saw the launch of WNDC's 'Planning Principles' which, reflecting the results of previous consultation, state the intentions of WNDC to deliver quality service, shape quality places, ensure a sustainable environment and deliver key infrastructure.

The planning service has been actively putting these principles into practice. We used design reviews, in co-operation with CABE and OPUN to help create places that local people can be proud of and others will want to visit, work, and invest in. We carried out a range of reviews throughout the year including the Monksmoor, Churchfields and iCon applications.

2008/09 saw WNDC manage the investment of our full £13.4m growth funding allocation across Northampton, Daventry and Towcester. This means we have invested just under £45m since being established, helping to deliver new homes and jobs as well as better facilities for the existing and future residents of the area. During the year, we marked our transition from a funding organisation to a delivery organisation by introducing a best practice approach to programme management and adopting the Office of Government Commerce's 'Managing Successful Programmes' framework.

## **Infrastructure Delivery**

### **Northampton**

On the outskirts of the town centre, the Cross Valley Link Road is now complete, while the adjoining Sandy Lane Relief road has also commenced construction, supported by £1.7m of funding by WNDC. Together, these new roads will help deliver a wider vision for the South West district of Northampton, supporting a community of up to 5,000 new homes.

Meanwhile, in the centre of the town, major public realm works are almost complete and improvements to walking and cycle paths along the waterside have started. In March 2009, WDC committed £1.8 million to the development of a marina at Becket's park, further strengthening the future of Northampton's waterside.

Daventry is making swift progress, with WDC benefiting from a productive partnership with Daventry District Council. In 2008/09, WDC awarded over £2m to the Daventry I-CON, which will be the home of the Sustainable Construction Innovation Network (iNet) and will be a national and international business centre for the sector. WDC has secured an additional £6.4m for the scheme from the East Midlands Development Agency (EMDA) and the European Development Fund (EDRF), reflecting the international standing of the project. Alongside this, we have been helping to progress several other regeneration projects across the town, including a new 'learning quarter', which will bring together further and higher education campuses in the town.

### **Daventry**

WDC has been working towards a vision for the redevelopment of Towcester town centre, providing new civic, commercial and community facilities in the heart of the town. In 2008/09 we took our investment in this scheme to £2m, supporting South Northamptonshire District Council to acquire strategic sites in the 'Moat Lane Area' of the town and prepare the way for future development.

### **Towcester**

WDC's work in the community started to show results in 2008/09. Funded by WDC, new community facilities at the Kings Park Youth and Conference Centre have opened, while the Stronger Communities Fund was launched, with a £800k pledge from WDC. The fund is supporting a wide cross section of society, supporting not for profit groups in growing communities. Over £200k has been awarded to projects ranging from sports facilities at the Northampton Sikh Centre to supporting the refurbishment of local artist studios.

### **Community**

Another WDC community scheme, which has attracted national interest, was launched by Communities Minister Iain Wright this year. 'Construction Futures' will use developer contributions to enable young people to receive practical construction skills training on new developments, alongside a tailored college programme. It is one of the only schemes of its kind in the UK and will help local people to realise the benefits of growth.

**Economy**

Funded by £1.7m from WDC, an extension to Northampton's Portfolio Innovation Centre has opened, providing first class office accommodation and a supportive network for young creative companies. Working hand in hand with Northamptonshire Enterprise Limited (NEL), we are also bringing forward new commercial floor space and jobs in the area, after awarding £1m to the Economic Development Agency in 2008.

**Conclusion**

It has been a successful year in difficult times. The current economic climate may be challenging and beyond our control, but WDC, with our partners in the public and private sector has an opportunity to build on the momentum we have gathered over the past 12 months.

There is still a great deal to be achieved, but we are clear about our priorities and have established the robust working practices and delivery partnerships to succeed.

I am extremely grateful to have had the opportunity to work with my predecessor, Mike Hayes, who's lifetime of public service was recognised by a CBE in the Queen's Birthday Honours List, and would like to thank our tireless and committed team, as well as our energetic and supportive board. Together, we are looking forward to an important chapter in our growth and regeneration programme.



## Management Commentary

The financial statements contained within this Report and Accounts have been prepared under the 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. The full document, together with the attached Schedules 1 & 2, is reproduced on pages 44-48.

**Accounts  
Direction**

“Sustainable Communities: building for the future” (ODPM, February 2003) set out the Government’s aim of achieving a step change to deliver successful, thriving and inclusive communities. As part of the Plan, four Growth areas were identified as the focus for policy led growth with additional support from Government on infrastructure and stronger delivery arrangements. West Northamptonshire is a key area within the Milton Keynes/South Midlands (MKSM) Growth Area and the West Northamptonshire Development Corporation (WNDC) is the delivery vehicle established to drive delivery forward.

**Background  
Information**

The Order<sup>2</sup> establishing an Urban Development Corporation (UDC) for West Northamptonshire – specifically the towns of Northampton, Daventry and Towcester – was approved by Parliament in December 2004.

WNDC has developed an Infrastructure Delivery Programme (IDP) based on robust data analysis, transparent processes and evidence-based decision making. This Programme enables WNDC and its partners to focus on the priority infrastructure projects, understand issues of affordability and risk, and identify what projects can be delivered in the short, medium and long term.

**Operational  
approach**

In 2008/09 WNDC adopted a best practice approach to the delivery of projects within our over arching Infrastructure Delivery Programme. We introduced the Office of Governments Commerce’s ‘Managing Successful Programmes’ model and strengthened our programme delivery function. We are now in the process of sharing this model with our partners to ensure a cohesive and focused approach to delivery.

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<sup>2</sup>Statutory Instrument (SI/2004/3370)

## Aims and Objectives

### WNSC's Vision

*By 2021, Northampton will be transformed into a prosperous and dynamic regional city, with a growing knowledge economy. Daventry and Towcester will become distinctive market towns. West Northamptonshire will be better connected to regional, national and international markets, capitalising on its position at the centre of England.*

In our Prospectus ("Realising the Opportunity", December 2005), we identified ten areas where action would be required from the public sector to deliver our mission. These were:

- Improving and diversifying the economic base
- Transforming the town centres
- Providing a greater number and range of well-designed, eco-friendly and diverse housing
- Establishing a more recognisable sense of place and identity
- Improving connectivity
- Creating inclusive communities
- Developing high quality skills
- Achieving quality in the natural and built environment
- Improving the management of environmental assets and resources
- Helping West Northamptonshire's rural communities

Within these ten areas, three key actions fall to WNSC. These are:

- Delivering housing growth and infrastructure that enables housing and growth
- Ensuring new housing meets design and environmental quality standards and is integrated with existing communities
- Ensuring new housing is supported by appropriate infrastructure, employment and town centre regeneration

With the delivery of Sustainable Communities at the heart of WNSC's objectives, we place great importance on the quality and effectiveness of our relationships with community and voluntary sector partners.

## Social and Community issues

WNSC acknowledges the importance of new and existing social and community infrastructure. As a consequence we continue to support the development plans of local community groups as they prepare their services and buildings for population growth. Through our £800,000 Stronger Communities Fund, we offer direct financial support for community and voluntary sector groups planning to provide new services in areas likely to be affected by growth.

Our work in 2008/09 included leading on the development of the West Northamptonshire Cultural Investment Plan (CIP) – a forward plan for investment in arts and culture against a background of growth and change. The steering group overseeing the CIP included senior officers from all four West Northamptonshire Local Authorities, Arts Council England, the University of Northampton, English Heritage and Museums, Libraries and Archive and the Plan has already been incorporated into many of their activities. WDC will continue to progress that work throughout 2009/10 and beyond.

The net expenditure for the period 1 April 2008 to 31 March 2009 was £19,450,000 (2007/08 £16,630,000). This net expenditure is not a loss but instead will be fully met by 'grant-in-aid'.

The Income and Expenditure report states the individual figures for WDC Core activities and those relating to Development Control activities, in line with a request from Communities and Local Government.

The Balance Sheet at 31 March 2009 shows Net Current Assets of £503,000 .

The Balance Sheet at 31 March 2009 shows Net Assets of £218,000. This reflects the level of debtors at 31 March 2009. Income in respect of these debtors was received in April 2009.

Grant-in-aid for 2009-10, taking into account the amounts required to meet WDC's liabilities falling in that year, has already been included in the department's Estimates for that year, which have been approved by Parliament. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

WDC is in the process of a Quinquennial review by CLG in conjunction with the other UDC's which is due to conclude in December 2009.

The Corporation's policy is to pay a supplier within 30 days of the submission date of a valid invoice unless the terms of contract dictate otherwise.

During the period under review WDC did not incur any interest charges with respect to late payments against submitted invoices (as defined by the Payment of Commercial Debts (Interest) Act 1988).

## **Financial Performance**

## **Going Concern basis of accounting**

## **Payment Performance**

**Environmental  
policy**

WDC aims to be carbon-neutral over our lifetime. We aim to minimise our impact on the environment by reducing our consumption, re-using resources wherever possible, and recycling what cannot be re-used. Current working practices include participating in an approved recycling programme, whereby all discarded office stationery and packaging is collected and passed to recycling contractors each week, and wherever possible, all new office stationery is ordered from sustainable or recycled products.

**Corporate  
Governance**

The Corporation has developed key corporate policies and has an internal audit programme, which is provided under a service level agreement by the internal audit division of CLG and carried out to Government Internal Audit Standards.

**Employee  
policies**

The Corporation aims to be a responsible employer and to this end has produced and distributed to all staff a guidance document (The Corporation's 'Employee Handbook') modelled on the terms and conditions of employment of other non-departmental public bodies and CLG.

The Corporation is fully committed to a policy of equal opportunities in respects of employment and to ensure the fair and equal treatment of all employees, customers and contractors regardless of race, colour, age, nationality, ethnic or national origin, disability, sex or marital status, sexual orientation, religion or belief



## Key Performance Indicators

		Target (as revised in WDC 2008/09 Business Plan)	Result (using latest available figures as of May 2009)
<b>Housing</b>	No. of outline residential planning permissions (affordable)	1,991 (697)	1,431 (501)
	No. of reserved matters residential planning permissions (affordable)	400 (140)	400 (140)
	No. of housing starts—with planning permissions from WDC (affordable)	382 (133)	328 (0)
	No. of housing completions—with planning permissions from WDC (affordable)	263 (92)	263 (0)
	No. of housing units enabled by WDC's Growth Fund	0	0
<b>Infrastructure</b>	Commercial floor space (m <sup>2</sup> ) given planning permission	117,072	35,964
	Commercial floor space (m <sup>2</sup> ) given reserved matters planning permission	90,373	81,976
	Commercial floor space (m <sup>2</sup> ) started (with planning permission from WDC)	43,731	43,731
	Commercial floor space (m <sup>2</sup> ) completions (with planning permission from WDC)	22,197	22,197
	Commercial floor space (m <sup>2</sup> ) created by WDC's Growth Fund	21,921	13,534
	No. of jobs created by WDC's Growth Fund	333	333
	Planning contributions secured (£m)	12.5	12.5
	Planning contributions invested in infrastructure (£m)	0	0
<b>Quality</b>	Building for Life Silver Standard achieved on 100% of developments over 50 units		
	Code Level 3 achieved on 100% of residential developments to be delivered post-2010		
	Code Level 4 achieved on 100% of residential developments to be delivered post-2013		
	Code Level 6 achieved on 100% of residential developments to be delivered post-2016		

## Disclosures to Auditors

The Comptroller and Auditor General is the statutorily appointed auditor under the provisions of the Local Government, Planning and Land Act 1980 and the Government Resources and Accounts Act 2000.

The cost of work performed by the auditors in respect of the year ended 31 March 2009 is as follows:

Fee for statutory audit work: £29,200

## REMUNERATION REPORT

### Corporate Performance Committee Membership

Nick Thompson - Chair  
 Richard Church - Deputy Chair  
 Ann Tate – Board member  
 David Dickinson - Board member  
 Cllr Chris Millar - Board member

### Policy

- 1 As set out in section 12 of Schedule 26 of the Local Government, Planning and Land Act 1980, the WDC Board is responsible for determining the remuneration for WDC staff.
- 2 During 2008, the Corporate Performance Committee was established in place of the Remuneration Committee, to provide advice and support to the Chief Executive and assurance to the Board. The Committee is not a decision-making body.
- 3 The Committee's remit includes:
  - All aspects of Corporate Support
  - Corporate Policies
  - Communications and Stakeholder Management
  - Governance
  - Programme Management System
- 4 The Committee will report their findings to the Board Members and will produce a formal written report to the Board every six months

### Performance Related Pay

The performance related pay will be a maximum of 10% of gross annual salary.

### Duration of contracts

Directors	Fixed 5 year contracts
	3 months notice for both parties
	No contractual termination payment

### Directors' contracts

Chief Executive	Commenced 12 September 2005
	Terminated 9 September 2008

Deputy Chief Executive/ Interim Chief Executive	Commenced 1 August 2005 Expires 31 July 2010 Unexpired term 2 year 4 months
Planning and Development	Commenced 1 August 2005 Expires 31 July 2010 Unexpired term 2 years 4 months
Infrastructure Delivery	Commenced 17 December 2005 Expires 16 December 2010 Unexpired term 2 years 8.5 months
	Commenced 14 January 2008 Expires 01 January 2013 Unexpired term 4 years 9 months

Board members' costs	2008-09		2007-08
	£	Pension	£
Name	Salary	Contributions	Salary
Keith Barwell—Chair to 27 June 2008	2,890	-	11,560
John Markham—Chair from 1 December 2008	15,544	-	-
John Weir—Deputy Chair	39,985	-	34,344
John Farrow	11,791	-	11,560
Mary Burrows	11,791	-	11,560
David Dickinson	11,791	-	11,560
Ann Tate	11,791	-	11,560
Nick Thompson	11,791	-	11,560
Lee Barron	11,791	-	11,560
Cllr Ben Smith	11,791	-	11,560
Cllr Chris Millar	11,791	-	11,560
Cllr Sandra Barnes	11,791	-	11,560
Cllr Tony Woods	11,791	-	482
Cllr Richard Church	11,791	-	482
Cllr Phil Larratt	-	-	11,078
Cllr Arthur McCutcheon	-	-	11,078

The Chair's contract ended on 27 June 2008 and the Deputy Chair was confirmed by CLG as Interim Chair from 28 June 2008 until the appointment of a new Chair on 1 December 2008.

The Barwell corporation (Chair and CEO Keith Barwell) also invoiced WDC for the use of the Chair's office an amount of £9,375 until 27 June 2008 (2007/08 annual cost—£37,501)

The Chair had not taken up the offer of a 'by analogy' pension by 31 March 2009. The Deputy Chair has declined to take up the offer of a 'by analogy' pension scheme.

The information on board members' costs above is subject to audit.

**Salaries of Senior Managers**

	Salary £'000	2008-09		2007-08
		Bonus £,000	Total £'000	Salary £'000
Michael Hayes Chief Executive	95-100 (120-125 full year)	0	95-100 (120-125 Full year)	125-130
Roger Mendonca Deputy Chief Executive/ Interim Chief Executive	100-105	10-15	110-115	90-95
Stephen Kelly Planning & Development Director	70-75	5-10	75-80	80-85
Harj Dhaliwal Director of Infrastructure Delivery	105-110	10-15	115-120	20-25

There were no benefits in kind in the year ended 31 March 2009 (2008 £Nil)

**Pensions**

WNDC is an admitted body within the Local Government Pension Scheme (LGPS) as administered by Northamptonshire county council (NCC). The LGPS is a contributory defined benefit final salary scheme. The appointed Actuaries to the scheme are Hymans Robertson LLP. The Corporation and its employees pay contribution into the fund at rates intended to meet the growth in pension liabilities over the longer term.

The Service Level Agreement between NCC and Hymans Robertson LLP requires the provision of full FRS 17 disclosure details to each of the admitted bodies. The full disclosure of the WNDC scheme details is given in Note 16 to the Accounts.

As regards to individual members of the scheme, the following details apply to senior management:

	Accrued pension at age 65 as at 31/03/09 and related lump sum	Real increase in pension and related lump sum at age 65	CETV at 31/03/2009	CETV at 31/03/2008	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
Roger Mendonca Deputy Chief Executive	15-20 Plus lump sum of 40-45	2.0-2.5 plus lump sum of 1.5-2.0	207	150	57
Stephen Kelly Planning & Development Director	15-20 plus lump sum of 45-50	1.5-2.0 plus lump sum of 2.0-2.5	250	185	65
Harj Dhaliwal Director of Infrastructure Delivery	10-15 plus lump sum of 25-30	10-15 plus lump sum of 25-30	151	3	148

The information on senior managers' pensions above is subject to audit.

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which is disclosure applies.

The CETV figures also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### SIGNATURE

Signed:

Roger Mendonca Accounting Officer and Chief Executive

Date:

## Statement of The Board's and Accounting Officer's Responsibilities

The Accounts were prepared as at 31 March 2009 in accordance with the Accounts Direction provided by the Secretary of State. A copy of the Accounts Direction is provided on page 44 to 48 of this document.

On the 10 September 2008, Roger Mendonca was appointed Interim Chief Executive and designated as Accounting Officer. The relevant responsibilities of the Accounting Officer, including the responsibilities for the propriety and regularity of the public finances for which an Accounting Officer is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies Accounting Officer Memorandum.

The accounts were prepared on an accruals basis and show a true and fair view of the WDC's state of affairs at the period-end and of its income and expenditure and cash flows for the financial period.

In drawing up these accounts the Board is required 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 have been followed, and disclose and explain any material departures in the financial statements; and;
- Prepare financial statements on a going concern basis, unless it is inappropriate to presume that the WDC will continue in operation.

## Statement on Internal Control 2008/2009

### Scope of responsibility

The Board is accountable for internal control. As Accounting Officer and Interim Chief Executive of the Corporation, I have personal responsibility for maintaining a sound system of internal control which supports the achievement of WDC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets in accordance with the responsibilities assigned to me in "Managing Public Money". This brings with it responsibility for governance issues and includes custodianship of Risk Management and its adoption throughout the Organisation.

The Chief Executive provides Board level leadership for corporate governance and risk management. The Board Committee that oversee these processes, namely the Audit and Risk Committee, is chaired by a Non-Executive Board Member of the West Northamptonshire Development Corporation. The Chief Executive and Head of Finance attend the Committee to ensure an effective and integrated governance process.

### The Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable 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;
- Evaluate the likelihood of those risks being realised and assess their impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in WDC for the year ended 31 March 2009, and up to the date of approval of the annual report and accounts, and accords with Treasury guidelines.

### Capacity to handle risk

I have given clear leadership to the Risk Management Approach of WDC, sponsoring and leading a piece of work to rewrite the Risk Management Policy in line with the Office of Government Commerce's guidance 'Management of Risk 2007' (MoR), developing a new Risk Management process and a Risk Management Strategy for the Organisation.

I have undertaken with the Executive Management Team and a group of senior managers, a one day workshop in Risk Management based on MoR and the new Policy and Process of the Organisation. We have reviewed and updated our understanding of our risk capacity and appetite and our stated tolerance for risk in a number of categories

A significant number of our Managers and staff have received Risk Management Training based on MoR, as a module of the current delivery of training in Programme Management based on Managing Successful Programmes, and there is a plan in place and work commissioned to follow that up with formal and accredited training.

In support of the Risk Management training detailed above WNDC now have a clear and up to date Risk Management Policy and Risk Management Process. A Risk Management Strategy has been drafted which will guide all involved in WNDC activities to ensure that they adhere to the compliance of all activities with the WNDC Policy and Process. All involved in activities within the scope of this strategy will be given appropriate levels of training about the framework, tools and techniques to ensure their competence. Non compliance with this Strategy is not acceptable within WNDC.

**The Risk and Control Framework**

All individuals and teams with identified Risk Management Roles and Responsibilities will have to refer to our WNDC Risk Management Process Guide for implementing the steps in the Risk Management Process.

The WNDC Risk Process gives clarity on the activities to be carried out, and the tools and techniques that should be used at each stage in the process.

The Executive Team have assessed their capacity and appetite for risk and have created the following scales for Likelihood and Impact to be used in the Risk Assessment Process.

The risk matrix below provides a visual representation of the Impact and Likelihood scores:

**The Risk and Control Framework**

Likelihood	5	5	10	15	20	25	
	4	4	8	12	16	20	
	3	3	6	9	12	15	
	2	2	4	6	8	10	
	1	1	2	3	4	5	
		1	2	3	4	5	
	Impact						

The scores shown in RED will be allocated as High risk, ORANGE is medium risk and GREEN is low risk.

The Rules and Criteria for the escalation and delegation of risks between Strategic, Programme, Project and Operational levels are clearly stated in the Process Guide, and our process and policy will be applied to all four perspectives. Our escalation process will enable managers to understand who to consult when escalation is required in the event that threats or opportunities have been identified that will significantly affect an activity's objectives.

Detailed criteria for the escalation of risk are given in the WDC Risk Management Process Guide. Our Programme Office will ensure that the escalation and delegation of risks between all business areas, strategic level and programmes and projects is taking place, and quality assure the effective management of risk in Projects and Programmes. Our Project and Programme Frameworks will ensure that Risk is as effectively managed at Programme and Project level as it is in Business and Strategic areas.

Information  
Risk

I have commissioned a piece of work to carry out a high-level security review to identify where WDC need to improve information risk management processes and controls to meet Cabinet Office requirements relating to the handling of information assets holding personal data. As an output of this report, we have now in place Roles and Responsibilities statement for Senior Information Risk and Information Asset Owners, Security Classification for Information Assets, an Information Security Risk Level Matrix, an Information Security Policy and an Information Charter.

It is a requirement to report information risk related incidents to the Information Commissioner's Office and the Corporation takes a serious approach to the way it handles the information that is generated and received by the Organisation.

We are not aware of and there were no protected personal data related incidents formally reported to the Information Commissioner's office in 2008-09.

Review of  
effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. The Risk Management Approach of WDC has the full support of the Board. The Audit Function is delivered by an independent external organisation who have no relationship with those carrying out the Risk Management Function. The Audit and Risk Committee of the Board have clear terms of reference and meet regularly. The focal point for risk management is a senior manager with appropriate skills and training, and a specific member of the Executive Team is sponsor for risk management effectiveness on a day to day basis.

In specialist areas we have identified a need for expertise in Health and Safety, and specific training has been identified for appropriate staff. In addition a review of our Business Continuity arrangements have revealed that, whilst the key elements are in place, this is not deemed sufficient for operational purposes and specific steps are being taken to address the issue as part of the organisational review of risk policies.

In order to fulfil my responsibilities to the Board and the Public, a system of governance is in place that provides the necessary challenge and scrutiny of the functions of West Northamptonshire Development Corporation. As part of an objective assessment of this process, we continue to work with the National Audit Office and the Internal Audit Service of Communities and Local Government which holds the Board, and myself, to account for financial probity and corporate governance.

There are no significant control issues to report on this occasion.

Signed..... Date

**Roger Mendonca, Accounting Officer and Interim Chief Executive**

West Northamptonshire Development Corporation

## THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND TO THE BOARD OF THE WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION

I certify that I have audited the financial statements of the West Northamptonshire Development Corporation for the year ended 31 March 2008 under the Local Government, Planning and Land Act 1980. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the West Northamptonshire Development Corporation Board, Chief Executive and auditor**

The West Northamptonshire Development Corporation and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Board's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Chief Executive's Report, the Management Commentary and the un-audited parts of the Remuneration Report, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the West Northamptonshire Development Corporation has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the West Northamptonshire Development Corporation's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the West Northamptonshire Development Corporation's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chief Executive's Report, the Management Commentary and the un-audited parts of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of Audit Opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the West Northamptonshire Development Corporation and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the West Northamptonshire Development Corporation's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Local Government, Planning and Land Act 1980 and directions made thereunder by the Secretary of State, of the state of the West Northamptonshire Development Corporation's affairs as at 31 March 2008 and of its net expenditure for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Local Government, Planning and Land Act 1980 and Secretary of State directions made thereunder; and
- information, which comprises the Chief Executive's Report, the Management Commentary and the un-audited parts of the Remuneration Report, included within the Annual Report, is consistent with the financial statements.

## Opinion on Regularity

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

## Report

I have no observations to make on these financial statements.

**Amyas C E Morse**  
*Comptroller and Auditor General*  
*National Audit Office*  
*151 Buckingham Palace Road*  
*Victoria*  
*London*  
*SW1W 9SS*

## FINANCIAL STATEMENTS

## INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2009

				Total	Total
		Core	DC	2008-09	2007-08
Note	£'000	£'000	£'000	£'000	£'000
<b>Income</b>					
Grants from other public bodies	2a	1,926	0	1,926	168
Other Operating Income	2b	612	659	1,271	1,485
		<b>2,538</b>	<b>659</b>	<b>3,197</b>	<b>1,653</b>
<b>Expenditure</b>					
Staff Costs	3	2,362	568	2,930	2,180
Other Administration Costs	4a	2,537	198	2,735	2,875
Appeal Costs	4b	0	1,535	1,535	0
Grants Payable		0	0	0	146
Project Costs	5	15,501	0	15,501	13,132
		<b>20,400</b>	<b>2,301</b>	<b>22,701</b>	<b>18,333</b>
<b>Net Operating Expenditure</b>		<b>(17,862)</b>	<b>(1,642)</b>	<b>(19,504)</b>	<b>(16,680)</b>
Interest Receivable	1d	9	9	18	24
Finance charge for pensions		(44)	0	(44)	2
Cost of Capital		54	0	54	185
<b>Net expenditure on ordinary activities for the year</b>		<b>(17,843)</b>	<b>(1,633)</b>	<b>(19,476)</b>	<b>(16,469)</b>
Corporation Tax	14	(4)	0	(4)	(5)
<b>Net expenditure after tax for the year</b>		<b>(17,847)</b>	<b>1,633)</b>	<b>(19,480)</b>	<b>(16,474)</b>
Transfer to pension reserve	16	84	0	84	29
Reversal of Cost of Capital		(54)	0	(54)	(185)
<b>Net expenditure retained for the year</b>		<b>(17,817)</b>	<b>(1,633)</b>	<b>(19,450)</b>	<b>(16,630)</b>

Funding received from government as Grant-In-Aid in respect of the above deficit for the year is included in Balance Sheet reserves.

WDC has responsibility for the Development Control (DC) in respect of planning applications in addition to its statutory function (Core) and the Income and Expenditure Account reflects this. **£'000** **£'000**

STATEMENT OF RECOGNISED GAINS AND LOSSES	2008-09	2007-08
Actuarial Gain on pension liabilities	342	(699)
<b>Recognised gains and losses relating to the year</b>	<b>342</b>	<b>(699)</b>

The notes on pages 31 to 43 from part of these accounts

**FINANCIAL STATEMENTS**

**BALANCE SHEET as at 31 March 2009**

	Note	2008-09 £'000	2007-08 £'000
<b>Fixed Assets:</b>			
Tangible Assets	7	302	304
Intangible Asset	8	143	174
		<b>445</b>	<b>478</b>
<b>Debtors: amounts falling due after one year</b>	<b>9</b>	<b>1</b>	<b>2</b>
<b>Current assets:</b>			
Debtors and prepayments	9	1,175	556
Stocks, Land & Buildings	10	450	500
Cash at bank and in hand	11	3,348	3,704
		<b>4,973</b>	<b>4,760</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	12a	(4,470)	(7,498)
Net Current Assets/(Liabilities)		<b>503</b>	<b>(2,738)</b>
Creditors: amounts falling due after more than one year	12b	(14)	(57)
Total assets less liabilities (before pension liability)		<b>935</b>	<b>(2,315)</b>
Pension Liability	16	(717)	(975)
Net Assets/(Liabilities) including pension liability		<b>218</b>	<b>(3,290)</b>
<b>Capital &amp; Reserve</b>			
General Reserve	15	935	(2,315)
Pension Reserve	16	(717)	(975)
		<b>218</b>	<b>(3,290)</b>

The notes on pages 31 to 43 form part of these accounts

(Signed).....(Chair)

(Signed).....(Accounting Officer)

Date

**FINANCIAL STATEMENTS****CASH FLOW STATEMENT for the period ended 31 March 2009**

	Note	2008-09 £'000	2007-08 £'000
<b>Net cash (outflow) from operating activities</b>	<b>i</b>	<b>(23,507)</b>	<b>(20,174)</b>
<b>Returns on Investments and servicing of finance</b>			
Interest received		18	24
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(100)	(152)
Payments to acquire intangible fixed assets		(33)	(50)
<b>Financing</b>			
GIA received		22,700	21,338
(Decrease)/Increase in debt		(43)	57
Increase in cash from S106 agreements		609	2,135
<b>(Decrease) / Increase in cash in the period</b>	<b>ii</b>	<b>(356)</b>	<b>3,178</b>

The notes on pages 31 to 43 form part of these accounts.

**FINANCIAL STATEMENTS**

Notes to the Cash Flow Statement	2008-09 £'000	2007-08 £'000	
<b>i RECONCILIATION OF OPERATING DEFICIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Net expenditure from I&E account	(19,504)	(16,680)	
Depreciation / amortisation charges	166	130	
Pension cost as valued for FRS 17	253	193	
Pension contribution made in year	(213)	(162)	
Decrease / (Increase) in stock	50	(500)	
Increase in debtors due within one year	(619)	(64)	
Decrease in debtors due after one year	1	2	
Decrease in creditors payable within one year	(3,641)	(3,093)	
<b>Net cash outflow from operating activities</b>	<b>(23,507)</b>	<b>(20,174)</b>	
<b>ii RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
(Decrease) / Increase in cash in the period	(356)	3,178	
Cash outflow / (Inflow) from decrease in debt	43	(57)	
Movement in net funds in the period	(313)	3,121	
Net funds at 1 April 2008	3,647	526	
Net funds at 31 March 2008	<b>3,334</b>	<b>3,647</b>	
<b>iii ANALYSIS OF NET FUNDS</b>			
	<b>At 1 April 2008</b>	<b>Cash Flow</b>	<b>At 31 March 2009</b>
Cash in Bank and in hand	3,704	(356)	3,348
Debt due after 1 year	(57)	43	(14)
	<b>3,647</b>	<b>(313)</b>	<b>3,334</b>

**FINANCIAL STATEMENTS****Notes to the Accounts**

These financial statements have been prepared in accordance with the 2008-09 government Financial Reporting Manual (FRM) issued by H.M. Treasury. The accounting policies contained in the FRM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FRM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Corporation for the purpose of giving a true and fair view has been selected.

The Corporation's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets where material.

**a) Project Management Recharge**

As part of the funding awarded to projects WDC agrees with the applicant an amount in respect of WDC programme management costs, which will be recharged to the Grant funding recipient. This income and the related costs fall due over the life of the project and are recognised in the accounts on a matching accruals basis.

**b.) Planning Fees**

WDC receives a statutory fee for each Planning Application lodged. The accounting policy adopted by WDC in respect of these fees is to apportion the fee over the period from receipt of application to final determination. Any balance of fees received not credited to income by the end of the accounting period is shown as deferred income, amounts falling due within 1 year.

**C.) S106 Income**

All monies received by WDC from S106 agreements which includes those signed by WDC and those inherited on the granting of WDC planning powers are held in a separate bank account. These funds are solely for the provision of infrastructure and services as specified in the S106 agreement and as such are not treated as WDC income but included within creditors.

**D.) Grant income**

WDC may receive grants from various bodies as contribution towards the provision of specific projects. This income and the related costs fall due over the life of the project and are recognised in the accounts on a matching accruals basis. Any balance of grant received not credited to income by the end of the accounting period is shown as deferred income. At the end of the project any grant not spent may be repayable.

**1.a Statement of Accounting Policies****1.b Accounting Convention****1.c Recognition of Income**

<b>1.d Capital Charge</b>	To comply with HM Treasury guidance, the Corporation is required to charge a nominal cost of capital charge against the income and Expenditure Account to reflect the use of capital in the business in the year. This charge is reversed out again at the bottom of the Income and Expenditure Account. The charge is calculated as 3.5% of the average carrying value of net assets during the period (2007/08: 3.5%)				
<b>1.e Pensions</b>	WNDC employees are invited to join the Local Government Pension Scheme (LGPS) administered by NCC a final salary, defined benefit scheme. Pension costs are accounted for under FRS 17 as calculated by the scheme appointed Actuaries, Hymans Robertson LLP.				
<b>1.f Tangible Fixed Assets</b>	<p>Tangible fixed assets comprise computer and office equipment which are deemed to have a useful economic life of 4 years and furniture and fittings which are deemed to have a useful economic life of 8 years. All are valued on an historical cost basis.</p> <p>The capitalisation threshold is £2,500. items below this amount will be grouped into a single asset where they form part of a distinct or specific project.</p> <p>Depreciation is provided to write off the costs of individual assets over their useful economic life on a straight line basis at the following rates.</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Computer equipment</td> <td style="text-align: right;">25%</td> </tr> <tr> <td>Office Equipment</td> <td style="text-align: right;">25%</td> </tr> </table> <p>Furniture &amp; Fittings integral to the building are written off over the length of the lease.</p>	Computer equipment	25%	Office Equipment	25%
Computer equipment	25%				
Office Equipment	25%				
<b>1.g Intangible Fixed Assets</b>	<p>Intangible fixed assets comprise software licences and are deemed to have a useful economic life of 4 years and are valued on an historical cost basis.</p> <p>The capitalisation threshold is £2,500. Items below this amount will be grouped into a single asset where they form part of a distinct or specific project.</p> <p>Amortisation is provided to write off the costs of individual assets over their useful economic life on a straight line basis at the following rates:</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Computer Software</td> <td style="text-align: right;">25%</td> </tr> </table>	Computer Software	25%		
Computer Software	25%				
<b>1.h Stock</b>	Stock Held by WNDC is recognised in the accounts at the lower of estimated replacement cost and estimated net realisable value.				
<b>1.i Operating Leases</b>	Expenditure under operating leases is recognised in the Income & Expenditure account on a straight line basis over the period of the lease.				
<b>1.j VAT</b>	WNDC is registered for VAT. On 1 January 2007 WNDC brought in-house the Development Control function in respect of planning applications received by WNDC and as a result the Planning Fees for those applications are paid direct to WNDC. Such fees are deemed 'Out of Scope' for VAT purposes. A partial recovery of VAT has been agreed with HM Revenue & Customs whereby WNDC expenditure is matched to the relevant income stream and the VAT dealt with accordingly. Income and expenditure will be included in the accounts either gross or net depending upon the VAT recovery for that particular item.				

WNDC deems that project costs are payable only when the terms of the grant have been met.

**1.k Project Costs**

**2. Other Operating Income**

		2008-09	2007-08	
		£'000	£'000	
<b>2a</b>	Grants from other public bodies	1,926	168	<b>Other Operating Income</b>
<b>2b</b>	Other Operating Income:			
	Other Income	110	(13)	
	Project Management Recharge	574	743	
	Planning Fees	587	779	
	Planning Contribution	-	(24)	
	<b>Total Other Operating Income for year</b>	<b>1,271</b>	<b>1,485</b>	

**3. Staff Numbers and Related Costs**

					2008-09	2007-08	<b>Staff Numbers and Related Costs</b>
					£'000	£'000	
		<b>Agency &amp;</b>					
		<b>Permanents</b>	<b>temporary</b>	<b>Board</b>	<b>Total</b>	<b>Total</b>	
		<b>Staff</b>	<b>Staff</b>	<b>Members</b>			
	Staff costs comprise						
	Wages and salaries	2,126	167	188	2,481	1,798	
	Social security costs	179	-	14	193	152	
	Other pension costs	256	-	-	256	230	
	<b>Total net costs</b>	<b>2,561</b>	<b>167</b>	<b>202</b>	<b>2,930</b>	<b>2,180</b>	

No staff costs were capitalised during the year (2007-08: nil)

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). WNDC is an admitted member of the Scheme as administered by Northamptonshire county council.

LGPS is contributory final salary, defined benefit scheme with a variable contribution rate, between 5.5% and 7.5% from employees and a 14.7% contribution rate from WNDC.

**Loans to Employees**

There is 1 loan to an employee for £2,590 (2008: 3 loans £8,747)

**Average Number of persons employed**

The average number of full-time equivalent persons employed during the year was as follows.

			2008-09	2007-08	
			Number	Number	
	Permanent	Agency & Board			
WNDC	Staff	Temporary Staff	Total	Total	
Staff Numbers	52	4	2	58	47

4a	Other Administration Costs	2008-09	2007-08
		£'000	£'000
	External consultancy fees	1,123	1,187
	Office running costs	44	89
	Communications & PR	174	231
	Rentals operating leases & licences	154	110
	Recruitment	124	129
	Other	126	183
	Legal fees	172	333
	Professional fees	404	263
	Training	99	147
	Travel & Subsistence	59	36
	Auditors' remuneration for audit work:		
	National Audit Office	29	23
	ODPM Internal Audit Service	11	14
	<i>Non-Cash Items</i>		
	Depreciation	96	79
	Amortisation	64	51
	Impairment of Assets	6	-
	Impairment of Stock	50	-
		<b>2,735</b>	<b>2,875</b>
4b	<b>Appeal Costs</b>	<b>1,535</b>	<b>-</b>

**5 Project Costs**

	2008-09	2007-08
<b>Grants payable to the public sector in respect of the following</b>		
<b>5a Approved growth area projects:</b>	<b>£'000</b>	<b>£'000</b>
I Net Revenue	200	-
Daventry Library	542	-
Northampton Waterside	500	-
Northampton, University Portfolio Centre	1,746	-
Northampton, SNEAP Implementation Project	1,000	-
Northampton, Community Foundation	208	-
Northampton, Sandy Lane Relief Road	1,716	-
Northampton, Public Realm	2,393	1,134
Towcester, Moat Lane	4,359	602
Towcester, Bury Mount & Mill Streams	870	-
Northampton, CCTV systems Digital Upgrade	345	239
Northampton, Land Acquisition Southbridge	-	80
Northampton, Joint Brownfield initiative	-	4409
Daventry Town Centre Regeneration Phase 1	-	2988
Northampton, flood Mitigation Phase 3	-	2699
Northampton, Kings Park Development	-	758
Northampton, Cultural Strand	-	233
	<b>13,879</b>	<b>13,132</b>
<b>5b Amounts payable directly to suppliers of WDC projects</b>	<b>2008-09</b>	<b>2007-08</b>
	<b>£'000</b>	<b>£'000</b>
WDC Project Northampton Castle Station	285	-
WDC Project Northampton Avon Nunn Mills	133	-
WDC Project Northampton Waterside	232	-
WDC Project Daventry iHub	760	-
Construction Futures	122	65
Sport England	45	-
Arts Council Arts Delivery Plan	45	-
Other Projects	-	81
	<b>1,622</b>	<b>146</b>

**6 Leases**

Operating lease in respect of office premises with Northampton RFC Limited (Company registered in England: number 3139409).

Full Term of lease from 1 February 2005 to 14 December 2014, with provision for a mutual break rights on 31 March 2011.

Operating lease in respect of office premises with Daventry District Council.

Full term of lease from 3 March 2008 to 3 March 2013, with an option to break on the 3 March 2011.

Various operating leases in respect of office equipment, expiring between December 2009 and March 2015.

The following annual amounts were committed at the balance sheet date.

Leases which expire:	2008-09	2007-08
	£'000	£'000
Within 1 year	3	-
Between 2 and 5 years	149	94
Over 5 years	3	-

The Corporation had no finance leases during either period.

7. Tangible Fixed Assets	Fixtures & Fittings	Information technology	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2008	179	271	450
Additions	15	85	100
Disposals	-	-	-
<b>At 31 March 2009</b>	<b>194</b>	<b>356</b>	<b>550</b>
Depreciation & Impairment			
At 1 April 2008	22	124	146
Charged in year	30	72	102
Disposals	-	-	-
<b>At 31 March 2009</b>	<b>52</b>	<b>196</b>	<b>248</b>
<b>Net book value at 31 March 2009</b>	<b>142</b>	<b>160</b>	<b>302</b>
<b>Net book value at 31 March 2008</b>	<b>157</b>	<b>147</b>	<b>304</b>
<b>Asset Financing</b>			
Owned	142	160	302

8. Intangible fixed assets

Intangible fixed assets comprise software licences.	<b>Total</b>
<b>Cost of Valuation</b>	<b>£'000</b>
At 1 April 2008	238
Additions	33

Disposals	-
<b>At 31 March 2009</b>	<b>271</b>
<b>Amortisation</b>	
At 1 April 2008	64
Charged in year	64
Disposals	-
<b>At 31 March 2009</b>	<b>128</b>
<b>Net book value 31 March 2009</b>	<b>143</b>
<b>Net book value 31 March 2008</b>	<b>174</b>

	2008-09	2007-08
	£'000	£'000
<b>9. Debtors</b>		
Analysis by type		
<b>9a Amounts falling due within one year</b>		
Trade debtors	876	220
Grant receivable	71	87
Other debtors—VAT	181	172
Prepayments and accrued income	45	70
Loan to employees	2	7
	<b>1,175</b>	<b>566</b>
<b>Amounts falling due after more that one year:</b>	<b>1</b>	<b>2</b>
<b>9b Bad debt provision</b>		
No bad debt provision was made in the year ended 31 March 2009 (2008-£Nil)		
<b>9c Intra Government balances</b>	<b>2008-09</b>	<b>2007-08</b>
	<b>£'000</b>	<b>£'000</b>
Balances with other central government bodies	976	319
Balances with local authorities	59	113
Balance with bodies external to government	140	124
	<b>1,175</b>	<b>556</b>
<b>10 Stock of development assets</b>	<b>2008-09</b>	<b>2007-08</b>
	<b>£'000</b>	<b>£'000</b>
Balance as at 1 April 2008	500	-
Additions in the year	-	500
Impairment	(50)	-
<b>Balance as at 31 March 2009</b>	<b>450</b>	<b>500</b>

WNDC will seek to purchase land where appropriate for development and regeneration purposes.

<b>11</b>	<b>Cash at Bank and in hand</b>	<b>2008-09</b>	<b>2007-08</b>
		<b>£'000</b>	<b>£'000</b>
	Balance as at 1 April	3,704	526
	Net change in cash balances	(356)	3,178
	<b>Balance as at 31 March</b>	<b>3,348</b>	<b>3,704</b>

The following balances at 31 march were held at:

Commercial banks and cash in hand	<b>3,348</b>	<b>3,704</b>
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Note that the cash at bank and in hand balance includes S106 £2,781,550 (2007: £2,172,110) & planning £157,117 (2007: £169,187) monies held. It also holds £Nil (2007: £2,726) worth of Euros.

<b>12</b>	<b>Creditors</b>	<b>2008-09</b>	<b>2007-08</b>
	<b>Analysis by type</b>	<b>£'000</b>	<b>£'000</b>
<b>12a</b>	<b>Amounts falling due within one year</b>		
	PAYE, NIC and Taxation	107	94
	Trade Creditors	721	1,133
	Grant payable—Growth Area Funding	-	3,539
	Other creditors S106	2,762	2,170
	Accruals and deferred income	880	562
	<b>Total</b>	<b>4,470</b>	<b>7,498</b>

<b>12b</b>	<b>Amounts falling due after more that one year:</b>	<b>2008-09</b>	<b>2007-08</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income	14	57
		<b>14</b>	<b>57</b>

<b>12c</b>	<b>Intra government balances</b>	<b>2008-09</b>	<b>2007-08</b>
		<b>£'000</b>	<b>£'000</b>
	Balance with other central government bodies	103	2,777
	Balance with local authorised	46	1,129
	Balance with bodies external to government	4,321	3,592
		<b>4,470</b>	<b>7,498</b>

**13 Provisions for liabilities and charges**

There are no provisions for liabilities and charges as at 31 March 2009. (None as at 31 March 2008)

	2008-09	2007-08
	£'000	£'000
<b>14 Corporation Tax</b>		
Corporation tax @ 21% (2008:20%)	4	5
	<b>4</b>	<b>5</b>

	2008-09	2007-08
	£'000	£'000
<b>15 Reserves</b>		
<b>General Reserve</b>		
Balance at 1 April	(2,315)	(7,023)
Net Expenditure	(19,450)	(16,630)
Grant-in-Aid received towards Resource expenditure	5,850	3,773
Growth Area Fund received towards Project expenditure	16,850	17,565
<b>Balance at 31 March</b>	<b>935</b>	<b>(2,315)</b>

**16 Pension cost**

The Local Government Pension Scheme run by NCC to which WNDC belongs is a defined benefit final salary scheme.

A full actuarial valuation was carried out at 31 March 2009 by a qualified independent actuary.

The major assumptions used by the actuary were:

	At 31/03/2009
Rate of increase in salaries	4.6%
Rate of increase in pensions / inflation	3.1%
Discount rate	6.9%
Expected Return on Assets	6.4%

The assets in the scheme and the expected rate of return at 31 March 2009	£'000
Equities	7.0% 1,012
Government Bonds	5.4% 275
Property	4.9% 101
Cash/Liquidity	4.0% 58
<b>Total market value of assets</b>	<b>1,446</b>

	<b>£'000</b>
<b>Present value of scheme</b>	<b>(2,163)</b>
(Deficit) in the scheme	(717)
<b>Analysis of the amount charged to operating profit</b>	<b>£'000</b>
Current service cost	(253)
Past service/Curtailment/Settlement (gain)	-
Total operating charge	<b>(253)</b>
<b>Analysis of the amount charged to other finance income</b>	<b>£'000</b>
Expected return on pension scheme assets	118
Interest on pension scheme liabilities	(162)
Net Charge	(44)
<b>Analysis of amount recognised in statement of recognised gains and losses (SRGL)</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	(484)
Experience gains arising on scheme liabilities	826
Changes in assumptions underlying the present value of the scheme liabilities	-
<b>Actuarial gain recognised in SRGL</b>	<b>342</b>
<b>Movement in deficit during the year</b>	
Deficit at 1 April 2008 (restated)	<b>(975)</b>
Current service cost	(253)
Employer contributions	213
Past service costs	-
Other finance charge	(44)
Actuarial gain	342
<b>Deficit at 31 March 2009</b>	<b>(717)</b>

	<b>At 31/03/2009</b>	
<b>History of experience gains and losses</b>	<b>£'000</b>	
Difference between the expected and actual return on schemes assets		(484)
Percentage of scheme assets		-33.5%
Actuarial gains and losses on scheme liabilities		826
Percentage of the present value of the scheme liabilities		-38.2%
Total amount recognised in statement of recognised gains and losses		342
Percentage of the present value of the scheme liabilities		-15.8%
	<b>2008-09</b>	<b>2007-08</b>
		<b>Restated</b>
<b>Pension Reserve</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 April	(975)	(246)
Actuarial Liability loss	826	(459)
Movement on change in actuarial assumption	-	(72)
Actuarial calculation of asset gain during the year	(484)	(169)
Transfer from I&E	(84)	(29)
<b>Balance at 31 March</b>	<b>(717)</b>	<b>(975)</b>

## 17 Financial Instruments

Financial Reporting Standard (FRS) 29 requires WNDG to disclose information on the significance of financial instruments to its financial position and performance.

WNDG is exposed to very little credit risk resulting from the non payment of debts relating to the private sector. Payment for planning applications is received up front and Project Management Recharges are received from third parties via the Growth Area Fund.

As a non-departmental public body (NDPB) funded almost exclusively by CLG and with no borrowings, WNDG is not exposed to any market or liquidity risk.

WNDG has no material deposits in interest bearing accounts given that the majority of cash held on the balance sheet relates to s.106. As all material assets and liabilities are denominated in sterling, WNDG is not exposed to any significant interest rate or currency risk.

## 18 Contingent Liability

### Planning appeals

In 2008/09 3 planning applications were subject to a conjoined appeal process. WNDG does not hold a specific contingency for planning appeals, but was able to call on a central reserve held by our sponsor Department to meet the costs of the appeal. The appeal is due to concluded in August 2009 and unbudgeted costs continue to be incurred.

### VAT on land sale

WNDG recognises that the VAT recovered on the land acquired in 2007/08 may be repayable to HM Revenue & Customs if sold, depending upon the VAT status of the subsequent purchaser.

**18 Related party transactions**

The WNDC is a Non-Departmental Public Body sponsored by communities and Local Government. Communities and Local Government is regarded as a related party, as are other entities that it sponsors.

Keith Barwell (Chair—to 27 June 2008) is a major shareholder of Northampton Rugby Club Ltd. WNDC incurred cost of £34,000 during his period as Chair relating to the use of the WNDC offices and meeting facilities which are provided by Northampton Rugby Football Club Ltd.

WNDC incurred costs of £9,375.24 to the 27 June 2008 for the use of the Chair's office which in invoiced by the Barwell corporation Ltd. Keith Barwell (Chair) is Chairman's and CEO of the Barwell Corporation Ltd.

WNDC had transactions during the normal course of its business with Northampton Borough Council, Northamptonshire county Council, Daventry District Council and South Northamptonshire Council. Cllrs Sandra Barnes (South Northamptonshire) Chris Millar (Daventry) Ben Smith (Northamptonshire) Tony woods (Northampton) and Richard Church (Northamptonshire) are Board Members of the corporation nominated by those local authorities.

No other board member or key management staff or other related parties have undertaken any material transactions with WNDC during the year.

**19 Commitments**

At the balance sheet date WNDC had no grant or capital commitments.

**20 liquid Resources**

WNDC operates current account facilities with Lloyds TSB plc. There were no other financial instruments maintained by the Corporation during the year.

**21 Post Balance Sheet Events**

WNDC's financial statements are laid before the House of Parliament by the Secretary of State for Communities and Local Government. FRS21 requires WNDC to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are despatched to the Secretary of State for Communities and Local Government.

**The authorised date for issue is xxxxxxxxxxxx**

**ACCOUNTS DIRECTION****WEST NORTHAMPTONSHIRE 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 accounts of West Northamptonshire 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 annual accounts for 2006/07 and for subsequent years shall be prepared in accordance with:-

(a) the accounting and disclosure requirements given in *Government Accounting* and in, the *Government Financial Reporting Manual* issued by the Treasury ("the FReM") as amended or augmented from time to time, and subject to Schedule 1 to this direction;

(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;

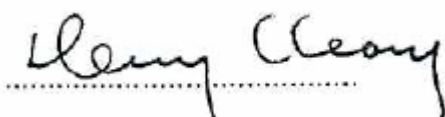
insofar as these requirements are appropriate to the Corporation and are in force for the year for which the accounts are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the accounts.

2. Schedule 1 to this direction gives clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards and also gives any exceptions to standard Treasury requirements. Additional disclosure requirements of the Secretary of State and further explanation of Treasury requirements are set out in Schedule 2.

3. This direction shall be reproduced as an appendix to the annual accounts.

4. This direction replaces all previously issued directions.

Signed by authority of the Secretary of State



Henry Cleary

An officer in the Department  
for Communities and Local Government

**SCHEDULE 1**

1. Stocks and work in progress shall be included in the balance sheet at the lower of estimated replacement cost and estimated net realisable value.
  
2. The annual accounts shall be signed and dated by the chairman on behalf of the board members, and by the accounting officer.

**SCHEDULE 2****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 paragraphs 1 and 2 of this direction.

**1. The notes to the annual accounts**

(a) an analysis of grants from:

- (i) government departments
- (ii) European Community funds
- (iii) other sources identified as to each source;

(b) For grants from the Department for Communities and Local Government, the following information shall also be shown:

- (i) the amount that the Corporation is entitled to receive for the year
- (ii) the amount received during the year
- (iii) the amount released to the income and expenditure account for the year
- (iv) the amount used to acquire or improve fixed assets in the year
- (v) movements on amounts carried forward in the balance sheet

and the note should make it possible to reconcile any of the amounts in (i) to (v) above, to each of the other amounts;

(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 organisation

(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) an analysis of liquid resources, as defined by accounting standards;

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

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

(h) 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 £250,000, with separate disclosure and particulars of any individual amounts in excess of £250,000.

Disclosure shall also be made of any loss or special payment of £250,000 and below if it is considered material in the context of the Corporation's operations.

\* (i) particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the year end (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 venturer
  - (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 settlor 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 venturer
- (12) settlements in which a member of the close family of a board member or of a key manager is a settlor 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 members 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 1(i) 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.