

# Annual Report 2019



Unlocking state land for new communities

## In this Report

### Business Review

Chairperson's and Chief Executive's Statement	2
Board Of Directors	4
Our Strategy	6
Building on strong foundations	8
Building new communities	12
Project/Schemes 2019	13
Strategic Area Initiatives	16

### Financial Statements

Governance Statement and Agency Members' Report	17
Statement on Internal Control	22
Statement of Income and Expenditure and Retained Revenue Reserves	27
Statement of Financial Position	28
Statement of Cash Flows	29
Notes to the Financial Statements	30

### Other Information

General Information	39
---------------------	----



## Who we are

The Land Development Agency (LDA), established in September 2018, is a key Government initiative to make the development of homes happen where and when it should be happening, with a key focus on state-owned land.

The LDA is overseen by an independent board of directors and the Government has committed to providing the LDA with an initial portfolio of development sites and equity of €1.25 billion when our primary legislation is enacted.

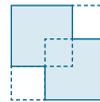
## What the LDA does

The LDA opens up state owned land to improve housing options for individuals and families. We also drive the medium to long term compact development of our cities by providing a vision and delivery strategy for larger scale strategic land areas.

We will achieve this by:



Working with State bodies and local authorities to make more effective use of State lands, providing a stable, sustainable supply of land for housing.



Bringing together individual sites to make large strategic development areas in our cities.



Generating partnerships and collaborations with partners and other people seeking to deliver affordable sustainable homes.



Finding new ways to provide affordable homes.



Helping to ensure that we continue to deliver homes through tougher times.



Visit our website for more information  
[www.lda.ie](http://www.lda.ie)

## Chairperson's and Chief Executive's Statement

# A good start and much more to do

John Moran | Chairperson



John Coleman | Chief Executive



The newly created Land Development Agency (LDA) is a critically important State initiative to drive better uses of land in Ireland. Doing this effectively will be crucial to how we live in the future, how we work, commute, use our available time and address major climate change issues.

The LDA has spent the first 15 months of its existence productively. We have:

- Established a strong staff platform approaching 35 people to deliver on our mandate over the coming years;
- Advanced planning work for over 3,000 homes, with planning applications currently being lodged;
- Partnered with local authorities to help them deliver large housing projects and drive visions for large scale strategic development areas;
- Contributed significantly to developing solutions for financing and delivering affordable homes, solutions which we will deploy on our sites;
- Engaged extensively with the Government and the Joint Oireachtas Committee on Housing, Planning and Local Government to advance our draft legislation through the legislative process.

The foundations are built for an organisation ready to accept its legislative mandate from the Oireachtas and make a significant positive impact on the sustainable and equitable provision of homes in Ireland.

In many respects, the establishment of the LDA is all the more relevant in the context of the damage likely to be inflicted on the economy and housing supply by the Covid-19 situation. In the previous crisis that afflicted the State, the Global Financial Crisis, there was no lever available or possible to take a long-term approach to the ongoing improvement and enablement of land, which has been a major restraint on the recovery of the housing market. There are many differences between this crisis and the last, one of which is that we now have an agency capable of stepping into the breach and acting in a countercyclical way, engendering continued investment in land and the development of new homes.

The new challenges facing Ireland and the rest of the world have had a significant bearing on our draft strategic statement, which is prepared and will be released in 2020 following consultation with the new government.

Put simply, the LDA's strategy is to help make the development of housing happen where and when it should be happening, in line with Ireland's compact growth objectives. That includes both in the short term and the medium to long term.

In the short term, we must deliver badly needed homes. We have design professionals working on nine sites which can yield over 3,000 homes. Planning permissions will be lodged in 2020, and we are already putting in place our procurement processes to get builders working on these sites. We will unlock a number of additional State-owned sites for housing development throughout 2020.

In the medium to long term, our key focus is unlocking large scale areas within our main cities. These are areas of strategic significance that can release mixed-use developments including thousands of homes per area. A great example of this is Limerick Colbert Station, where we are creating a spatial framework for a 50 hectare space in the middle of Limerick City at the main train station. The LDA's role is to bring together State and other landowners to create a vision for the land, diagnose physical and social constraints, such as critical infrastructure needs, and implement a delivery plan to make the vision a reality. Colbert is an excellent example of the impact this activity will have. There are multiple similar strategic areas that we are working to unlock in our main cities. This approach is how the LDA will deliver tens of thousands of homes where they are needed in the years to come.

Indeed, regional balance and development is a key objective of the LDA. We will allocate significant resources in the months and years ahead to creating sustainable, compelling living and working propositions in our cities that are so critical to attracting foreign direct investment, employment and the prosperity that every citizen deserves.

This prosperity has been made harder to achieve in recent years due to high housing costs. That is why creating homes that are affordable to people that struggle to meet private sector prices is another key objective of the LDA. We are developing new ways of making affordable homes available to people, in a strategic way that can eventually be provided on a mass scale, using models such as cost rental and affordable purchase mechanisms on land where we gain access. A great example of this is our partnership with Dún Laoghaire-Rathdown County Council, where we have agreed to work together to provide almost 600 social and affordable homes at Shanghanagh, Shankill, Co. Dublin.

We have grown our operating platform from scratch to a point where we will have in excess of 40 employees by the end of 2020. Our high calibre staff base comprises planners, engineers, development professionals, project managers, finance and investment professionals and economists. We have created efficient procurement frameworks to allow the quick advancement of planning applications and site development. We are ready to take on the significant challenges that lie ahead.

Looking forward, 2020 is an inflection point for the LDA. Most critical is the enactment of the LDA's grounding legislation, which will also trigger its initial capital funding. This needs to happen so that we can confirm and implement our mandate given to us by the Oireachtas.

We will:

- Release our strategic statement following consultation with the government and other stakeholders;
- Achieve planning permissions on sites to build new homes;
- Add new sites to our portfolio;
- Continue to build a diverse and inclusive workforce; and
- Support new ways of delivering large-scale affordable housing, providing new options for those that are struggling with their current housing costs.

We would like to thank the previous and current Ministers and officials of the Department of Housing, Planning and Local Government, the Department of Finance, the Department of Public Expenditure and Reform and the Department of the Taoiseach for their continued support of the Agency.

Creating a major State agency is a significant undertaking, and the LDA represents a collaboration of all our stakeholders, including the Government, government departments, State agencies and local authorities. On behalf of the board and management of the LDA, we are most grateful to you all.



**John Moran**  
Chairperson



**John Coleman**  
Chief Executive

## Board of Directors



### John Moran | Chairperson

John A Moran is Chair of the Board of the Land Development Agency. John is also the founder and CEO of RHH International. He is best known for his role as Secretary General at the Department of Finance but as a trained lawyer and banker he has also held roles as a Director of the European Investment Bank, in Banking Supervision at the Central Bank of Ireland and as a CEO of Zurich Bank and Capital Markets. John is a graduate of University College Dublin where he studied civil law (BCL) and also holds a masters in law and taxation (LLM) from the University of Pennsylvania, Law/Wharton Schools.



### John Coleman | Chief Executive

John Coleman has been Chief Executive of the Land Development Agency since its inception in September 2018. John previously held senior roles at Ireland's National Asset Management Agency (NAMA), worked extensively on the set up of its Residential Delivery division and was its Chief Financial Officer. John is a graduate of University College Dublin (BComm) and a chartered accountant (FCA). Prior to joining NAMA in 2011 he worked in banking and accountancy.



### Timothy Bouchier-Hayes | Board Member

Timothy Bouchier-Hayes is a solicitor and former partner in McCann FitzGerald Solicitors, where he headed the firm's Construction Law Group for 15 years. He is Vice Chair of the National Paediatric Hospital Development Board and a member of the Adjudication Panel appointed pursuant to the provisions of the Construction Contracts Act. From 2012 to 2018 he was Ireland's member of the Paris-based International Court of Arbitration, part of the International Chamber of Commerce. He is a company director and adviser to a leading Irish construction company. He is also a Mediator and Conciliator.



### Clare Costello | Board Member

Clare Costello is a Principal Officer at the Department of Public Expenditure and Reform, where she has responsibility at Principal level for matters including the management of public expenditure in relation to housing, planning and local government and advising on related sectoral policy areas.



### Michelle Norris | Board Member

Michelle Norris is Professor of Social Policy at the School of Social Policy, Social Work and Social Justice at University College Dublin, where her teaching and research interests focus on social housing policy and urban regeneration. Since 2012 she has been Chairperson of the Housing Finance Agency, which raises finance on international markets on behalf of local authorities and housing associations for the provision of housing to low income households.



### John O'Connor | Board Member

John O'Connor is the Chief Executive Officer of the Housing Agency. It is a government agency that supports and provides services to, among others, local authorities, approved housing bodies and the Department of Housing, Planning and Local Government in the delivery of housing and housing services, in addition to a range of other services. John was previously CEO of the Affordable Homes Partnership and Executive Manager in the Housing and Communities Department of Dublin City Council. John is a structural engineer with a wide range of experience in both the public and private sectors. He has extensive experience in the development, provision and direct delivery of housing, particularly in the areas of social housing, affordable housing and regeneration projects.



### Michael Stone | Board Member

Michael Stone is Chief Executive of the Designer Group, an engineering contracting business which he founded in 1992 and has offices in Ireland, the UK, Germany, Africa and the USA. He is a former President of the Construction Industry Federation (CIF). Earlier in his career he worked for the ESB. He is currently Chairperson of the Implementation Board for the North East Inner City Regeneration Programme.



### Caroline Timmons | Board Member

Caroline Timmons is a Principal Officer at the Department of Housing, Planning and Local Government. She has responsibilities in the area of housing policy, including the social housing system. She works to ensure that appropriate housing supports are available to those most in need. She previously worked in the Planning Division of the Department. She is a barrister and practiced for a number of years before joining the Attorney General's Office as Advisory Counsel and subsequently worked as a legal advisor to the Department of Children and Youth Affairs.



### Conn Murray | Board Member

Conn Murray was Chief Executive of Limerick City and County Council until August 2019, since the councils were amalgamated in 2014. Prior to that, he was Dual Manager of both councils from 2012 to 2014. He is formerly a board member of the PRTB, the Housing and Sustainable Communities Agency, and is currently a member of the Board of Governors of Mary Immaculate College. He served as a member and former chairperson of the County & City Management Association (CCMA) over a twenty year period, and also chaired the CCMA Housing Committee on two occasions for a total of 8 years. Conn is currently chairperson of both Limerick Twenty Thirty and BDO Ireland Public Service Practice.



## Our Strategy

# A Strategic Framework that delivers on our purpose

The Land Development Agency's purpose is to make sustainable, compact development happen where and when it should be happening, by coordinating State and other land for development, with a focus on the provision of affordable and mixed-tenure homes.

Our Strategy will be confirmed by the Government and the mandate given to us by the Oireachtas when our legislation is enacted. However, we are wasting no time in driving solutions for the clear challenges that face the provision of homes in Ireland.

That is why we are directing our activity in line with five interim strategic pillars:

### 1. Activate State land for sustainable development



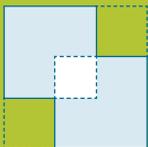
The LDA's core purpose is to proactively identify where State owned land could be used to develop much-needed housing in the short-term, and to activate and anchor large-scale regeneration areas in the long-term.

The LDA will deploy a comprehensive, transparent and initially targeted approach to identifying land suitable for these purposes in a collaborative yet proactive manner.

This means working with State-owned landowners, the government and other public and private stakeholders to create a predictable and stable supply of readily available land for social, affordable and mixed tenure housing.

We must do this in a way that combats climate change, by engendering sustainable development methods.

### 2. Catalyse large-scale regeneration



All land in need of regeneration to meet Ireland's compact growth goals are not State owned. There are large scale development opportunities across multiple land ownerships, including land owned by State bodies, that can be activated for development if they were coordinated in a coherent manner by a State actor.

Engendering an ethos of collaboration will ensure the efficient coordination of these lands. Elements of successful European efforts to regenerate large scale areas could be adopted in Ireland. The LDA's mandate positions it to target longer-term large-scale strategic areas within our cities to coordinate for development, regardless of where their ownership lies.

It can step beyond planning schemes and into a powerful implementation role as an active land manager with collaboration at its core.

### 3. Achieve results through collaboration



The LDA recognises and respects the essential role played by other organisations in land enablement, the planning process and housing delivery. Local Authorities, the government/government departments and other State agencies are key amongst these organisations, in addition to Approved Housing Bodies and other providers of homes.

The LDA will seek to leverage, enable and facilitate these organisations. It will seek to add to their impact rather than displace. Only through collaborating in an open and engaging manner will the LDA maximise its net positive impact on the provision of homes in Ireland.

### 4. Drive affordable housing models



The gap between the affordability of private and public sector housing has widened considerably in the past decade. Ireland needs an affordable housing sector of scale and the LDA is charged with delivering affordable housing on public lands.

Hence, the LDA is well positioned to play a major role in the development and delivery of new affordable housing models which will greatly support mixed tenure communities.

The LDA will utilise the land and capital available to it to deliver housing that supports new affordable housing options for individuals and families, including cost/affordable rental and affordable purchase.

### 5. Continuous and stable housing supply



The Global Financial Crisis of 2008 and resultant economic downturn had the effect of reducing housing supply and land enablement in Ireland to a trickle for a number of years. This had a major impact on housing undersupply and affordability that is being played out today.

The LDA, through its capitalisation, access to land and growing platform, is well positioned to continue to support housing development through economic downturns. It can step in to ensure development happens where it is needed in the short-term.

By being active when others struggle to be, the LDA can represent a significant countercyclical tool for the State to deploy to ensure continued delivery of homes.



## Building on strong foundations

# A major force for good for Ireland's housing market.

The LDA has got off to a great start. Notwithstanding that our legislation has yet to be enacted, in the short time since our launch in September 2018 we have built a high quality platform comprising an experienced board of directors, expertise within our growing staff team and a level of activity that makes the LDA a major force for good for Ireland's housing market.

Some of the progress we have made is outlined below:



### Launch of the LDA

Our launch in September 2018 was supported by several Ministers and the Taoiseach, setting out the considerable ambition for the LDA.



### The LDA's initial land portfolio

The LDA has secured, by way of government decision, seven significant sites that will yield in excess of 3,000 homes.

We have made considerable progress in advancing designs and planning applications for our sites and will have planning applications lodged in the planning system in 2020. See the next section for further information on our projects.



## Panels of top level architects and design teams

We have put considerable effort into securing a panel framework of high quality design teams so that we can quickly get going on planning and design work on the sites that we access. This avoids lengthy delays in making appointments on a one-off basis.



## Partnerships with Local Authorities

Local Authorities are major partners and enablers of the LDA. That is why we have partnered with Dún Laoghaire-Rathdown County Council to provide almost 600 social and affordable homes in Shankill, Co. Dublin.

We are also partnering with Galway City Council and Limerick City and County Council to drive major strategic areas in the hearts of their cities (see below). We will announce additional partnerships with Local Authorities in 2020.



## Opening up major strategic areas in our cities through RIAI Design Reviews

Design reviews are a great way to create ideas and visions to frame the delivery of major development opportunities in our cities. Panels comprising talented architects are organised in collaboration with the RIAI to provide a way to consult and engage with communities on the way forward for these transformational developments.

We have run two of these processes for large areas at Limerick Colbert and Galway Sandy Road, which can yield thousands of new homes. Design practices such as Grafton Architects, Scott Tallon Walker and Metropolitan Workshops have participated in our design review processes, which is reflected in the quality of the output.







## Acting on our nation-wide remit

The LDA is supporting Ireland's policy of rebalancing activity from Dublin to our regional cities. We are actively pursuing activities in our non-Dublin cities through our general business development processes, as well as strategic initiatives.

The LDA has established a practice of rotating board meetings through our main cities. For instance, in October 2019 we held our board meeting in Limerick and combined it with a stakeholder engagement event comprising local community groups and other people interested in advancing the development and growth of Limerick city.

The LDA will hold its next non-Dublin board meeting in Cork and follow on with other cities once public health restrictions permit.

## Supporting the legislative process

LDA executives have engaged with the Joint Oireachtas Committee on Housing, Planning and Local Government and various political parties and politicians in order to inform and update them on the LDA's strategy and direction in a transparent and open way, so that they can have a fully informed view as they set the LDA's mandate through the legislative process.



## Building new communities

Driving projects that will yield thousands of homes for all tenures including social and affordable

SCHEME	HOMES
<b>A</b> Central Mental Hospital, Dundrum, Dublin	1,200
<b>B</b> Castlelands Balbriggan, Dublin	800-1,000
<b>C</b> Shanganagh, Shankill, Dublin	600
<b>D</b> Dyke Road, Galway	250
<b>E</b> Devoy Barracks, Naas, Kildare	200
<b>F</b> Hacketstown, Skerries	340
<b>G</b> St. Kevin's Hospital, Cork	250
<b>H</b> Meath Hospital, Dublin	100
<b>I</b> Columb Barracks, Mullingar	100
<b>J</b> Sandy Road, Galway	TBC
<b>K</b> Colbert Station, Limerick	TBC

*Estimated numbers of homes*



# Project/Schemes 2019

>  
Hectares  
**9.7**

## Shanganagh Shankill, Co. Dublin

Shanganagh Castle Residential Development will provide c.597 homes from studios to 4-bedroom homes, the majority of them being apartments. This landmark development will include a community crèche, external play areas; significant central amenity spaces including a new square and park. There will be four times as many bicycle spaces as car parking spaces. The site is owned by Dún Laoghaire-Rathdown County Council and the project is being undertaken in partnership with the Council.



Residential Homes  
**597**  
v





## St. Kevin's Hospital

Cork

This proposed scheme is a residential development of over 250 homes that will provide social, affordable and private housing in a number of typologies ranging from townhouses, duplexes, walk up apartments and converted apartments in the old St. Kevin's hospital, a late Victorian former mental hospital building.

The development is arranged over the 5.7-hectare (14 acre) site to take advantage of its south facing steeply sloping topography and views over the river Lee and Cork city beyond.

The development will consist of three and four-bedroom townhouses, two-bed duplex apartments and three / four-bed duplex townhouses. All of these homes will have direct own door access. The development proposal also has apartments in three walk up blocks with direct access to the street and apartments in the converted St Kevin's hospital.

## Central Mental Hospital

Dundrum, Dublin

The Dundrum Central Mental Hospital (CMH) is a landmark site with potential for significant residential development and reuse of key historic structures to develop a compact and integrated sustainable community for Dundrum.

The CMH site represents a unique opportunity to unlock a distinctive compact and integrated community as a new quarter for Dundrum. The CMH is currently in use by the HSE as an operational mental health facility. The HSE is due to vacate the CMH facility in 2021, with patients and staff transferring to a new purpose-built facility in Portrane, Co. Dublin. Following this relocation, the CMH site will become available to progress plans to create an entirely new neighbourhood.

Site Hectares

5.7

Residential Homes

>250

Site Hectares

11.3

Residential Homes

1,200





## Devoy Barracks

### Naas

In 2019, the LDA procured and appointed an architect led design team to advance the strategy for the development of the site.

Preliminary work was advanced during late 2019 and a site masterplan has been developed which is anticipated to deliver c. 200 high quality, low maintenance homes. The LDA development strategy and site masterplan will focus on the delivery of a scheme comprising approx. 10% social housing and 90% affordable/cost rental housing.

It is expected that the delivery of a low energy sustainable scheme with one to three bedroom apartments, townhouses, duplexes and houses will be adaptable to meet the changing needs of the community over the long term. The LDA will meet and exceed the density requirements of the town centre location, while providing a sensitive response at the interface of existing housing surrounding the site.



Residential Homes  
**340**

Cost Rental Homes  
**75%**

## Hacketstown

### Skerries

The 7.30ha site is located on the south side of the town of Skerries, approx. 1.5km from the town centre in a largely rural setting. The boundary to the west is to the Dublin/Belfast railway line and the site has reasonable public transport accessibility, with the bulk of the lands located within 1km of Skerries railway station.

The proposed development will consist of c. 340 homes and crèche/amenity facilities. The tenure mix will be approximately 75% cost rental, with the remainder provided as social homes.

Site Hectares  
**4**

Residential Homes  
**200**

## Strategic Area Initiatives

### Colbert Station

#### Limerick

The LDA in partnership with Limerick City and County Council, CIÉ and the HSE commissioned the Design Review for the redevelopment of a brownfield mixed-use 31 hectare site at Colbert Station, Limerick. The aim is to explore opportunities for the development of this pivotal area in the heart of Limerick City, particularly exploring underutilised brownfield land and the potential for compact urban development and regeneration to provide a walkable neighbourhood comprising new homes, as well as employment, transport and leisure uses.



Site Hectares

31

### Sandy Road

#### Galway

The Design Review for Sandy Road was commissioned by the Land Development Agency in collaboration with Galway City Council and other stakeholders in December 2019 to explore the potential for regeneration and development of three separate parcels of land with a combined site area of 8 hectares around Sandy Road and the Joyce Roundabout on the eastern edge of Galway city centre. The parcels of land are owned jointly by Galway City and County Councils, the ESB and Galway Bay FM, and partially used by Educational Training Board, and so fall within the LDA's remit to assemble and unlock strategic State and private owned lands for redevelopment.

Site Hectares

8



## Governance Statement and Agency Members' Report

### Governance

Statutory Instrument (S.I.) No. 352/2018-The Land Development Agency (Establishment) Order 2018 (the "Order") as amended by Land Development Agency (Amendment) Order 2018, S.I. No 603 of 2018 is the grounding document for the Land Development Agency ("LDA" or the "Agency") which was launched on 13 September 2018. The LDA Bill, when enacted, will replace the Order. Section 5 of the Order sets out the following services to be provided by the LDA:

- Development and regeneration of land and property including structures, for the purposes of the delivery of housing and the achievement of wider physical, social and economic development and regeneration;
- Supporting the consolidation and replenishment of the publicly owned development land bank and expediting the most efficient use of such land;
- Establishing appropriate mechanisms and collaborative structures between public and private bodies to develop key strategic sites in public ownership;
- Creation of a database of public lands relevant to the functions of the Agency;
- Master planning and development appraisal services;
- Securing development consents for relevant lands and development projects;
- Procurement of such technical administrative or implementation activities as may be necessary; and
- Procurement of development construction and evaluation services to deliver housing and wider urban regeneration and development projects.

The Agency is accountable to the Minister for Housing, Planning and Local Government. Governance of the LDA is overseen by its Board members, which sets strategic objectives and informs strategic decisions on all key business issues. The day-to-day management, control and direction of the LDA is the responsibility of the Agency's senior management team.

### Board Responsibilities

In preparing the Financial Statements below, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that it will continue in operation; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the Financial Statements comply with the Order. The maintenance and integrity of the corporate and financial information on the LDA's website is the responsibility of the Agency.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the Agency by reference to the annual plan and budget was carried out during the period. The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board considers that the Financial Statements give a true and fair view of the financial performance and the financial position of the Agency at 31 December 2019.

## Governance Statement and Agency Members' Report (continued)

### Board Structure

During 2019, the Agency's Board members consisted of a Chairperson in addition to eight other members, all of whom were appointed by the Minister for Housing, Planning and Local Government. The members of the Board met nine times throughout 2019. The table below details the appointment dates for current members:

Board Member	Role	Date Appointed
John Moran*	Chairperson (Interim)	25 January 2019
John Coleman*	CEO	25 January 2019
Clare Costello	Member	25 January 2019
Caroline Timmons	Member	25 January 2019
John O'Connor	Member	25 January 2019
Michael Stone	Member	25 January 2019
Michelle Norris	Member	25 January 2019
Timothy Bouchier-Hayes	Member	25 January 2019
Conn Murray	Member	25 January 2019

\* John Moran is acting as Chairperson on an interim basis. John Coleman acted as interim CEO for the period 13 September 2018–8 October 2019 when his appointment was confirmed.

The Agency has established a number of sub-committees to deal with other areas:

**1. Audit and Risk Committee:** Comprises Conn Murray (Chairperson), Clare Costello (Board Member), and Tony O'Brien (External Member). The purposes of the Audit and Risk Committee are:

- To assist the Agency in the oversight of the quality and integrity of the Financial Statements and to review and monitor the effectiveness of the systems of internal control, the internal audit process and the compliance function, and to consider the outputs from the statutory auditor; and

- To assist the Agency in its oversight of the Agency's risk management framework including:
  - Setting risk appetite, monitoring adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported;
  - Setting a standard for the accurate and timely monitoring of large exposures and risk types of critical importance; and
  - Keeping under review the overall risk assessment processes that inform the Agency's decision making, ensuring both qualitative and quantitative metrics are used.

In addition, the Audit and Risk Committee shall oversee the internal audit and risk management functions, which are managed on a day-to-day basis by the appropriately appointed external advisors and the Head of Finance.

**2. Investment Committee:** Comprises Michael Stone (Chairperson), John O'Connor (Board Member), John Coleman (CEO) and Barry O'Brien (Head of Investment). The Investment Committee will appoint 2 external members to the committee in 2020.

- The purpose of the Investment Committee is to assist and advise the Board in the control and management of the Agency's commercial investments, specifically:
  - advising the Agency on its commercial investment strategy;
  - overseeing the implementation of this commercial investment strategy;
  - assessing individual investment/development opportunities and the funding mechanisms to deliver them to determine how well these fit with the Agency's strategy and the Investment Policy;
  - approving investment/development projects and their funding mechanisms and/or making recommendations to the Board in relation to the above in accordance with the Delegated Authority levels; and
  - approving the proposed purchase and sale of lands and/or making recommendations to the Board in relation to the above in accordance with the Delegated Authority levels.

**3. Remuneration and Nominations Committee:**

Comprises Timothy Bouchier-Hayes (Chairperson), Michelle Norris (Board Member) and John Moran (Board Chairperson). The purpose of the Remuneration and Nominations Committee is:

- To assist the Board in ensuring that the Board and Executive management team, (“ExCo”) retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the Agency.
- To assist the Board in meeting its responsibilities regarding the determination, implementation, and oversight of senior remuneration arrangements to enable the recruitment, motivation and retention of senior executive staff, and
- To oversee arrangements for senior appointments, succession planning and reviewing and making recommendations to the Board in respect of the remuneration policies and framework for all staff.

The Remuneration and Nominations Committee is not responsible for the appointment of Board members, or the appointment or remuneration of the CEO of the Agency.

**Key Personnel Changes**

John Coleman, Chief Executive Officer was appointed 8 October 2019.

Omar Bhamjee, Head of Finance was appointed 4 June 2019.

Barry O’ Brien, Head of Investment was appointed 1 October 2019.

Phelim O’ Neill, Head of Property was appointed 8 August 2019.

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Agency and Committee meetings for 2019 is set out below including the fees and expenses received by each member:

	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Investment Committee	Fees 2018-2019 €	Expenses 2018-2019 €
<b>Number of meetings</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>0</b>		
John Moran	9	n/a	1	n/a	29,481	-
John Coleman	9	n/a	n/a	n/a	-	-
Clare Costello	9	2	n/a	n/a	-	-
Caroline Timmons	7	n/a	n/a	n/a	-	-
John O’Connor	8	n/a	n/a	n/a	-	-
Michael Stone	9	n/a	n/a	n/a	-	-
Michelle Norris	8	n/a	1	n/a	-	-
Timothy Bouchier-Hayes	9	n/a	1	n/a	14,740	-
Conn Murray	5	2	n/a	n/a	-	-
Tony O’Brien (Non-Board)	n/a	1	n/a	n/a	-	-
					<b>44,221</b>	<b>-</b>

## Governance Statement and Agency Members' Report (continued)

### Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Agency is responsible for compliance with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

#### Employee Short-Term Benefits

Range of total employee benefits From To	Number of Employees 2019
€60,000 - €69,999	3
€70,000 - €79,999	1
€80,000 - €89,999	1

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but exclude employer's PRSI.

As the LDA did not begin hiring employees until mid-2019, the above benefits breakdown represents the range of salary payments made to LDA employees recruited during 2019. It does not represent actual contracted salaries or include costs relating to employees seconded from the NTMA.

Range of total employee benefits based on contracts (Salaries > €50,000) From To	Number of Employees 2019
€50,001 - €75,000	1
€75,001 - €100,000	-
€100,001 - €125,000	4
€125,001 - €150,000	1
€150,001 - €175,000	2
€175,001 - €200,000	1

The Agency had ten employees as at 31st December 2019. It should be noted that the Agency commenced the recruitment of its staffing platform with the most senior level positions, which is reflected in the above table. Middle and junior level positions were generally not

added until 2020. The LDA is continually growing its staffing base and expects to have in excess of 40 staff by the end of 2020. The Agency runs openly advertised competitive processes for its roles.

#### Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2018-2019 €
Legal advice	273,862
Corporate advisory	332,100
Total consultancy costs	605,962
Consultancy costs capitalised	-
Consultancy costs charged to Income and Expenditure and Retained Revenue Reserves	605,962
<b>Total</b>	<b>605,962</b>

Costs included above relate to two consultancies procured by the Department of Housing, Planning and Local Government during the establishment phase of the LDA.

#### Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Agency which is disclosed in consultancy costs above.

	2018-2019 €
Legal fees - legal proceedings	-
Conciliation and arbitration payments	-
Settlements	-
<b>Total</b>	<b>-</b>

## Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018-2019 €
Domestic	
– Board*	2,680
– Employees	6,549
International	
– Board*	-
– Employees	261
<b>Total</b>	<b>9,490</b>

\* no travel and subsistence sums were paid directly to Board members in 2018/2019. Board costs are expenses associated with facilitating meetings of the Board.

## Hospitality Expenditure

The Statement of Income and Expenditure and Retained Revenue Reserves includes the following hospitality expenditure:

	2018-2019 €
Staff hospitality	780
Client hospitality	-
<b>Total</b>	<b>780</b>

## Statement of Compliance

The Agency has adopted the Code of Practice for the Governance of State Bodies (revised 2016) (“the Code”) and has put procedures in place to ensure compliance with the provisions of the Code. The Agency is in full compliance with the Code for 2019.

## Taxation

The Agency confirms compliance with tax laws. Procedures are in place to ensure that the Board is exemplary in its compliance with its obligations under taxation laws and that all tax liabilities are paid on or before relevant due dates.

## Freedom of Information

The LDA is a prescribed organisation under the Freedom of Information Act 2014 (“FOI”). The Freedom of Information Act establishes three statutory rights:

- A legal right for each person to access information held by public bodies;
- A legal right for each person to have official information held by a public body, relating to him/herself, amended where it is incomplete, incorrect, or misleading; and
- A legal right to obtain reasons for decisions affecting oneself taken by a public body.

As set out in Section 6(12) of the FOI, the LDA, as a public body, is not subject to Freedom of Information until a maximum of 6 months have passed since the date of establishment. As the LDA was established on 13 September 2018, it was not officially bound by FOI until 13 March 2019. We received six Freedom of Information requests in 2019. There were no requests under the Access to Information on the Environment (AIE) regulations.

## Protected Disclosures Act, 2014

The Protected Disclosures Act, 2014, requires every public body to establish and maintain procedures for dealing with protected disclosures and to provide written information to employees regarding these procedures. The Agency has these procedures in place. During 2019, no protected disclosures were made by an employee of the Agency under the terms of the legislation.



**John Moran**  
Chairperson



**John Coleman**  
Chief Executive Officer

30 June 2020

## Statement On Internal Control

### Scope of Responsibility

As Chairperson, I acknowledge that the Board is responsible for ensuring that an effective system of internal control is maintained and operated. The Board has delegated responsibility to the Chief Executive Officer to deal with management and operational issues and to report to the Board regularly.

### Purpose of the System of Internal Control

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely manner.

### Capacity to Handle Risk

The following steps have been taken to ensure risk is managed effectively:

- The Board of the Agency has a regular schedule of meetings (at least 6 per annum) at which it is provided with regular updated reports of expenditure and budgets for approval and review;
- An Audit and Risk Committee of the Agency has been established. The Audit and Risk Committee's Terms of Reference are in accordance with the Code of Practice for the Governance of State Bodies (revised 2016) to include oversight on financial reporting, external and internal audits, risk management and internal controls; and
- Management responsibilities are assigned, with corresponding accountability.

### Risk and Control Framework

The Agency is establishing processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of financial risks and business risks facing the Agency;
- Assessing the likelihood of identified risks occurring; and
- Assessing the Agency's ability to manage and mitigate the risks that do occur.

### Ongoing Monitoring and Review

The system of internal control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular it includes:

- Appropriate budgeting system with an annual budget as well as periodic financial reports which are reviewed regularly by senior management;
- Regular senior management team meetings with senior employees of the Department of Housing Planning and Local Government and members of the Audit and Risk Committee, Investment Committee, Remuneration Committee and the Board; and
- The Agency has an outsourced internal audit function which reports to the Audit and Risk Committee of the Agency. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The Agency's monitoring and review of effectiveness of the systems of internal control is informed by the work of the outsourced internal auditor and the Audit and Risk Committee. The internal audit services were tendered in 2019 and the award made in December 2019. Internal audits commenced in 2020.

Mechanisms for ensuring the adequacy of the security of the Information and Communication Technology (ICT) systems that include the establishment of appropriate policies and control procedures have been established.

### Procurement

The Land Development Agency ("LDA") is subject to EU Directive 2014/24/EU as implemented in Ireland by the European Union (Award of Public Authority Contracts) Regulations 2016 (the 'Regulations'), in respect of the procurement of goods, works and services above certain value thresholds set by the EU.

The Office of Government Procurement (OGP) has subsequently issued Public Procurement Guidelines for Goods and Services (Version 2: Issued January 2019) which requires public bodies to implement these guidelines for not only above EU thresholds but also values below the aforementioned EU thresholds.

The procurement requirements of LDA are carried out in accordance with the aforementioned documents which incorporate applicable laws.

## Review of Effectiveness

The Audit and Risk Committee has reviewed the Statement on Internal Control to ensure it accurately reflects the control system in operation during the reporting period.

The Agency is of the opinion that reasonable assurance can be placed on the effectiveness of the system of internal controls instituted and implemented for the financial period ended 31 December 2019.

## Internal Control Issues

The LDA has incorporated a high level of transparency through its procurement processes and uses eTenders and the Official Journal of the European Union (OJEU) in line with Regulations.

During the start-up phase of the Agency there have been a low number of matters identified which did not comply with the procurement guidelines. An internal review of procurement within the financial period identified €84,598.80 (excluding VAT) of spend which did not comply with the guidelines as noted below.

- LDA procured procurement advisory services in January 2019 for less than €25,000 through a competitive process in line with the Regulations. However, as a result of increased requirements for procuring goods and services it was identified that the value of the contract would be exceeded. The Agency subsequently proceeded to run an Open Procedure competition for procurement advisory services which was advertised on eTenders and OJEU in September 2019. The LDA continued to use the incumbent supplier to avoid any delay to the Agency's progress and the correct procedures being applied to other procurement processes, whilst running this process in parallel. The value of spend which did not comply with the guidelines totalled €27,836.80.
- LDA procured engineering services with three separate suppliers in 2019 for less than €5,000 for each service. However, given the similarity of services provided, the LDA on review determined that going forward these services of a similar nature should be aggregated and the agency has now procured engineering services through a design team framework competition advertised on eTenders and OJEU in April 2019. The value of spend on engineering services which did not comply with the guidelines totalled €22,300.
- LDA procured planning advisory services with two suppliers for less than €5,000 for each service. However, given the similarity of services provided, the LDA on review determined that going forward these services of a similar nature should be aggregated and the agency has now procured planning advisory services through a design team framework competition advertised on eTenders and OJEU in April 2019. The value of spend on planning advisory services which did not comply with the guidelines totalled €13,497.
- LDA procured a number of land surveying services with one supplier for less than €5,000 per individual service. However, given the similarity of services provided, the LDA on review determined that going forward these services of a similar nature should be aggregated and the agency has now procured land surveying services through a design team framework competition advertised on eTenders and OJEU in April 2019. The value of spend on land surveying services which did not comply with the guidelines totalled €13,965.
- LDA procured two construction legal services with one supplier in 2019 for less than €5,000 for each service. However, given the similarity of services provided, the LDA on review determined that going forward these services of a similar nature should be aggregated. The value of spend which did not comply with the guidelines totalled €4,000. The LDA now has a legal advisory services framework in place following a procurement competition openly advertised on eTenders and OJEU in May 2019.

## Statement On Internal Control (continued)

- LDA procured architectural services for a feasibility study with one supplier in 2019 for less than €5,000. However, following a review of final costs it was noted that the services provided exceeded this value. The value of spend which did not comply with the guidelines totalled €3,000. The LDA now has a design team framework in place following a procurement competition advertised on eTenders and OJEU in April 2019.

The following steps have been undertaken as part of the creation of the LDA's operating infrastructure to ensure ongoing compliance with procurement guidelines:

- The Agency has now procurement frameworks in place for all the significant services required. These were openly tendered in full compliance with the Regulations. Services are being and will be drawn from these frameworks and hence the circumstances that gave rise to the non-compliant procurements from the LDA's initial start-up phase noted above do not arise going forward.
- The Agency has recruited an experienced procurement professional and will continue to expand the procurement function in line with commercial operations.
- Staff training has been undertaken to improve understanding and awareness of procurement requirements throughout the LDA. This will continue on an ongoing basis.
- Standardised templates and procurement procedures are centralised for all steps of procurement processes.

Internal control reviews will commence in 2020.



**John Moran**  
Chairperson

30 June 2020

# Independent Auditor's Report to the Members of Land Development Agency

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of the Land Development Agency ('the agency') for the period ended 31 December 2019, which comprise the Statement of Income and Expenditure and Retained Revenue Reserves, Statement of Financial Position and Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the agency as at 31 December 2019 and of its result for the period then ended; and
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the agency in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the agency's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The board members are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent Auditor's Report to the Members of Land Development Agency (continued)

### Respective responsibilities

#### Responsibilities of board members for the financial statements

The board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board members are responsible for assessing the agency'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 management either intends to liquidate the agency or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

### The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the agency's members, as a body. Our audit work has been undertaken so that we might state to the agency's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the agency and the agency's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Tuohy**  
for and on behalf of Mazars



Chartered Accountants & Statutory Audit Firm  
Harcourt Centre,  
Block 3,  
Harcourt Road,  
Dublin 2.

30 June 2020

## Statement of Income and Expenditure and Retained Revenue Reserves

For the Period Ended 31 December 2019

	Notes	Period From 13.09.2018 to 31.12.2019 €
<b>Income</b>		
Oireachtas Grants	3	2,771,637
Total Income		2,771,637
<b>Expenditure</b>		
Staff Costs	4	652,304
Rent and Service Charges	5	250,283
Office Administration	6	34,882
Communications and IT	7	92,786
Professional Fees	8	1,694,481
Board Costs	9	46,901
Total Expenditure		2,771,637
<b>Balance for the period</b>		
Balance at 31 December 2019		-

All income and expenditure for the year relates to continuing activities at the reporting date.

The Statement of Income and Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the period.

The Statement of Cash Flows and Notes 1 to 18 form part of these Financial Statements.



**John Moran**  
Chairperson



**John Coleman**  
Chief Executive Officer

30 June 2020

## Statement of Financial Position

As at 31 December 2019

	Notes	31.12.2019 €
<b>Fixed Assets</b>		
Property, Plant and Equipment	10	-
<b>Current Assets</b>		
Receivables	11	188,771
Cash at Bank		281,409
Accrued Grant Income	3	110,514
		580,694
<b>Current Liabilities (Amount falling due within one year)</b>		
Payables	12	580,694
		-
Net Current Assets		-
		-
Net Assets		-
<b>Representing</b>		
Retained Revenue Reserves		-
Capital Account		-
		-

The Statement of Cash Flows and Notes 1 to 18 form part of these Financial Statements.



**John Moran**  
Chairperson



**John Coleman**  
Chief Executive Officer

30 June 2020

## Statement of Cash Flows

For the Period Ended 31 December 2019

Notes	Period From 13.09.2018 to 31.12.2019
<b>Cash Flows from Operating Activities</b>	
Balance for the period	-
Transfer to/(from) Capital Account	-
(Increase) in Receivables	(299,285)
Increase in Payables	580,694
<b>Net Cash Inflows from Operating Activities</b>	<b>281,409</b>
<b>Cash Flows from Investing Activities</b>	
	-
<b>Increase in Cash at Bank</b>	<b>281,409</b>
Cash at Bank at the beginning of the period	-
Cash at Bank at the end of the year	281,409

Business Review

Governance

Financial Statements

Other Information



**John Moran**  
Chairperson



**John Coleman**  
Chief Executive Officer

30 June 2020

## Notes to the Financial Statements

For the Period Ended 31 December 2019

### 1. Accounting policies

The basis of accounting and significant accounting policies adopted by the Agency are set out below. They have been applied consistently throughout the period.

#### a) General Information

The Agency was set up under the Land Development Agency (Establishment) Order 2018, S.I. No 352 of 2018, as amended by Land Development Agency (Amendment) Order 2018, S.I. No 603 of 2018, with a head office at Ashford House, Tara Street, Dublin 2. The primary function of the Agency is to deal with the development and regeneration of land and property, for the purposes of the delivery of housing and the achievement of wider physical, social and economic development and regeneration.

It is anticipated that the Land Development Agency Bill, which will place the LDA on a primary legislative basis, will be enacted by the Oireachtas during 2020, however this is outside the control of the LDA.

#### b) Statement of Compliance

The Financial Statements of the Agency for the period ended 31 December 2019 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC).

#### c) Basis of Preparation

The Financial Statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Ireland, and the Code of Practice for the Governance of State Bodies. The Financial Statements are prepared in Euro which is the functional currency of the Agency. All amounts are inclusive of VAT as the LDA is not currently in a VAT recoverable position.

#### d) Going Concern

The Financial Statements for the period ended 31 December 2019 have been prepared on a going concern basis as the Board is satisfied, having considered the principal risks and uncertainties impacting the Agency, that it has the ability to continue in business for the period of assessment. The period of assessment used by the Board is twelve months from the reporting date of these Financial Statements.

#### e) Oireachtas Grants

Income recognised in the Financial Statements under Grants represents funding provided to the Agency through the Vote of the Department of Housing, Planning and Local Government. Grant income is recognised on an accruals basis in the Financial Statements.

#### f) Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits.

#### g) Receivables

Receivables are initially measured at fair value and subsequently measured at amortised cost, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence that the Agency will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### h) Payables

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### i) Foreign Currencies

Transactions denominated in foreign currencies are translated into euro and recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the rates of exchange ruling at the reporting date or at forward purchase contract rates where such contracts exist. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the period in which they arise.

#### j) Retirement Benefits

Section 7 (8) of Statutory Instrument No 352 of 2018 provides that the LDA may make provision for the superannuation of the staff of the Agency. The pension entitlements of employees of the Agency are provided by two pension schemes at 31 December 2019:

- a) A defined benefit scheme which is funded on a pay-as-you-go basis. The scheme is being operated on an administrative basis pending the approval of the Minister for Housing, Planning and Local Government with the consent of the Minister for Public Expenditure and Reform; or
- b) The Single Public Service Pension Scheme which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single scheme members' contributions are paid over to the Department of Public Expenditure and Reform. There are no employer contributions.

All employees of the Agency are temporarily members of these public service pension schemes, accordingly no charge arises in these Financial Statements for any liabilities which may arise in respect of their retirement benefits.

It is intended that the LDA will have its own Defined Contribution Scheme, in line with other Commercial Semi State schemes, once the Land Development Agency Bill is enacted. At this point all staff, with the potential exception of the CEO, will exit the existing pension schemes and transfer to the new pension scheme. The CEO may take up separate pension options upon enactment of the Land Development Agency Bill which is in line with options available to CEO's in other comparable State bodies.

#### k) Operating Leases

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

#### l) Expenditure

Expenditure comprises of operational and capital expenditure. Operational expenditure comprises staff costs, board costs, rent, service charges and professional fees. Expenditure that is capital in nature comprises primarily property specific spend.

## Notes to the Financial Statements (continued)

### 2. Critical Accounting Judgements and Estimates

In the application of the Agency's accounting policies, which are described in note 1, the Board is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made by the Board for the current financial period.

### 3. Oireachtas Grants

	<b>2018-2019</b> <b>€</b>
LDA Pay Grant	893,627
LDA Non-Pay Grant	1,262,949
LDA Capital Grant	504,547
Accrued Grant Income*	110,514
	<b>2,771,637</b>

The LDA is funded from the vote of the Department of Housing, Planning and Local Government. The Department of Housing, Planning and Local Government provides an annual state grant to the Agency to support the work undertaken by the Agency. The Agency receives funding from the Department of Housing, Planning and Local Government as follows;

- a) Pay Grant to support all staff salary and pay related costs of the Agency.
- b) Non-Pay Grant to support all operational costs of the Agency.
- c) Capital Grant to support property specific expenditure of the Agency.

The balance remaining on the Pay Grant at 31 December 2019 was €281,409, the balance remaining in relation to the Non-Pay and Capital Grant was nil.

\*Accrued Grant Income relates to income accrued for expenses incurred but not paid at 31 December 2019. These costs were paid in full post year end.

#### 4. Staff Costs and Employee Information

	<b>2018-2019</b> €
Wages and Salaries (including PRSI)	640,010
Staff Training and CPD	6,809
Travel and Subsistence	5,485
<b>Total Staff Cost</b>	<b>652,304</b>

##### a) Employee Numbers

The average number of employees during the year was made up as follows:	<b>2018-2019</b>
Chief Executive Officer	1
Senior Management Team	3
Operations	2
<b>Total</b>	<b>6</b>

The agency commenced hiring employees in mid-2019, prior to this, employees were assigned from the NTMA.

##### b) Termination Benefits

No termination benefits were paid during the year.

##### c) Short Term Benefits

No short term benefits such as overtime or allowances were made during the year.

##### d) Key Management Personnel

Key management personnel in the LDA consists of Board Members, the Chief Executive Officer and three members of the Senior Management Team. The total value of employee benefits paid to key management personnel for the period comprised of salaries amounting to €274,024.

## Notes to the Financial Statements (continued)

### 4. Staff Costs and Employee Information (continued)

#### e) Chief Executive Officer's Remuneration

The remuneration in 2019 of the Chief Executive Officer is as follows:

	2018-2019 €
Chief Executive Officer's annual basic salary (pro rata)	46,153

The Chief Executive Officer ('CEO') was appointed on an interim basis on 13 September 2018 and on the basis of a seven-year contract on 8 October 2019 following an open competitive recruitment process. Prior to 8 October 2019, the CEO was an employee of the National Treasury Management Agency ('NTMA') and seconded to the Department of Housing, Planning and Local Government for the purposes of fulfilling the role of LDA CEO on an interim basis. The secondment was provided by the NTMA without cost to the LDA. The terms of this secondment are outlined in the related parties transactions (note 16).

The CEO receives an annual salary of €200,000. The CEO salary payment during the period ended 31 December 2019 represents salary payments from the date of appointment of 8 October 2019. The CEO did not receive any performance related payments or any other benefit in kind during the year, however the CEO is entitled to receive the use of a car and family health insurance premiums pursuant to the terms of his employment contract. The CEO's pension entitlements are in line with standard entitlements in the model public sector defined benefit superannuation scheme and those applying to other comparable State bodies.

### 5. Rent and Service Charges

	2018-2019 €
Rent	246,754
Service Charges	3,529
	250,283

### 6. Office Administration

	2018-2019 €
Printing Postage and Stationery	10,816
Office Maintenance and Restoration	9,911
Insurance	7,234
Telephone	3,542
General Expenses	2,345
Meetings, Conferences and Seminars	1,034
	34,882

## 7. Communications and IT

	<b>2018-2019</b> €
Communications and Media	30,206
IT Expenses	62,580
	<b>92,786</b>

## 8. Professional Fees

	<b>2018-2019</b> €
Property Advisory Fees	721,185
Legal Fees	389,591
Corporate Advisory	350,550
Procurement Services	111,289
Recruitment and Human Resource Support	81,934
Accounting, Auditing, and other Fees	39,932
	<b>1,694,481</b>

## 9. Board Costs

	<b>2018-2019</b> €
Board Fees	44,221
Board Meetings	2,680
	<b>46,901</b>

## 10. Fixed Assets

There are no Fixed Assets recorded during the period ended 31 December 2019.

## 11. Receivables

	<b>31 December</b> <b>2019</b> €
Prepayments	185,540
Other Debtors	3,231
	<b>188,771</b>

All receivables are due within one year.

## Notes to the Financial Statements (continued)

### 12. Payables

	<b>31 December 2019 €</b>
<b>Amounts falling due within one year:</b>	
Trade Creditors	222,588
Accruals	296,907
PAYE/PRSI	58,089
Pension	3,110
	<b>580,694</b>

### 13. External Audit Remuneration

In March 2020, the LDA appointed Mazars, Chartered Accountants and Statutory Audit Firm as statutory auditors of the LDA. The LDA accrued €18,450 (inclusive of VAT) for the estimated cost of the statutory audit of the LDA for the 31 December 2019 period end.

### 14. Lease Commitments

The Agency has commitments in respect of a lease on office accommodation at Ashford House, Tara Street Dublin 2.

At 31 December 2019 the Agency had the following future minimum lease payments under non-cancellable leases:

	<b>31 December 2019 €</b>
Payable within 1 year	287,122
Payable within 2 – 5 years	1,148,488
Payable after 5 years	1,435,610
	<b>2,871,220</b>

### 15. Capital Commitments

The Agency has commitments in respect of several planning and design schemes for public land to be transferred to the LDA when the Agency's primary legislation is passed into law. Professional advisors have been appointed to frameworks following openly tendered procurement processes for architect-led design services, project management and property advisory services, among other essential services.

At the balance sheet date, the Agency had approved various fee arrangements with service providers relating to the delivery of housing projects. The fees approved at 31 December 2019 are estimated to be €2,376,617, however the Agency is not contractually bound to continue the related services through to completion.

## 16. Related Party Transactions/Disclosure of Interests

The Agency complies with the Code of Practice for the Governance of State bodies issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by the Agency members and its staff. Formal procedures exist to ensure adherence with this requirement of the code. No related party transactions took place in 2019.

During the period from inception of the LDA to October 2019, some key management were seconded from the NTMA to facilitate the establishment of the Agency. The NTMA waived all reimbursement costs in respect of these secondments.

During the set-up phase of the LDA the agency utilised serviced office space leased by the Office of the Planning Regulator ('OPR') in addition to availing of IT hardware facilities. Under the terms of a Memorandum of Understanding ('MOU') between the OPR and LDA dated 16 April 2019, the LDA reimbursed the OPR for the cost of office space, stationery, and IT services. The reimbursement was €186,666 for the period Sept 2018 to 31 July 2019 and is included in the "rent and service charges" figure of €250,283 in the Statement of Income and Expenditure and Retained Revenue Reserves.

From 1 August 2019 the LDA entered into a temporary direct letting agreement with the landlord/service provider at the serviced office space until December 2019 when the lease on the permanent office accommodation at Ashford House, Tara Street, Dublin 2 was finalised.

In accordance with a MOU entered into between the LDA and the Department of Housing, Planning & Local Government (the 'Department') the Department provided payment services whereby the Department made payments on behalf of the LDA on a temporary basis until the LDA had a financial management system in place. The payments were recorded as grants to the LDA. The total payments made in the period from September 2018 to 31 December 2019 were €1,811,123.

In April 2019 the LDA entered into a MOU with The Housing Agency. The Housing Agency incurred various expenses on behalf of the LDA which were subsequently reimbursed by the LDA. The LDA has also entered into agreements with various State bodies to provide employees on a secondment arrangement. During the period September 2018 to 31 December 2019 the LDA paid a total amount of €120,037 in respect of expense and secondment reimbursements to the Housing Agency and other government bodies.

The Chief Executive of the Housing Agency, John O'Connor, is also a Board member of the LDA.

## 17. Post Balance Sheet Events

The Agency has prepared the accounts on a going concern basis. The Agency is currently established as a statutory body under the Order. The General Scheme of the Land Development Agency Bill to establish the LDA as a commercial state body on a primary legislative basis was approved by Government for publication, consideration for pre-legislative scrutiny and priority drafting in July 2019. The pre-legislative scrutiny process is now complete, and the Joint Oireachtas Committee on Housing, Planning and Local Government's report has been received by the Department. At the date of signing these accounts the Land Development Agency Bill has not been brought before the Oireachtas.

The outbreak of Covid-19 is being monitored on an ongoing basis by the Agency and a dedicated risk register is maintained and reviewed by the Board. The Agency has ensured the health and wellbeing of its employees by providing safe work practices in accordance with government guidelines. Management continue to assess the impact of Covid-19 on capital projects.

## Notes to the Financial Statements (continued)

### 18. Approval of Financial Statements

The Financial Statements were approved on 25 June 2020.

## General Information

### Head Office

Land Development Agency  
2nd Floor Ashford House  
Tara Street  
Dublin 2.  
D02 VX67

**T** 01 910 3400

**E** info@lda.ie

**W** www.lda.ie

### Board

John Moran (Interim Chairperson)  
John Coleman (Chief Executive Officer)  
Clare Costello  
Caroline Timmons  
John O'Connor  
Michael Stone  
Michelle Norris  
Timothy Bouchier-Hayes  
Conn Murray

### Auditor

Mazars  
Chartered Accountants and Statutory Audit Firm  
Harcourt Centre  
Block 3  
Harcourt Road  
Dublin.

### Solicitor

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2.  
D02 T380

### Banker

AIB  
1-4 Lower Baggot Street  
Dublin 2.  
D02 X342







**Ghníomhaireacht Forbartha Talún**  
**Land Development Agency**

2nd Floor Ashford House  
Tara Street  
Dublin 2

**T** 01 910 3400  
**E** [info@lda.ie](mailto:info@lda.ie)  
**W** [www.lda.ie](http://www.lda.ie)