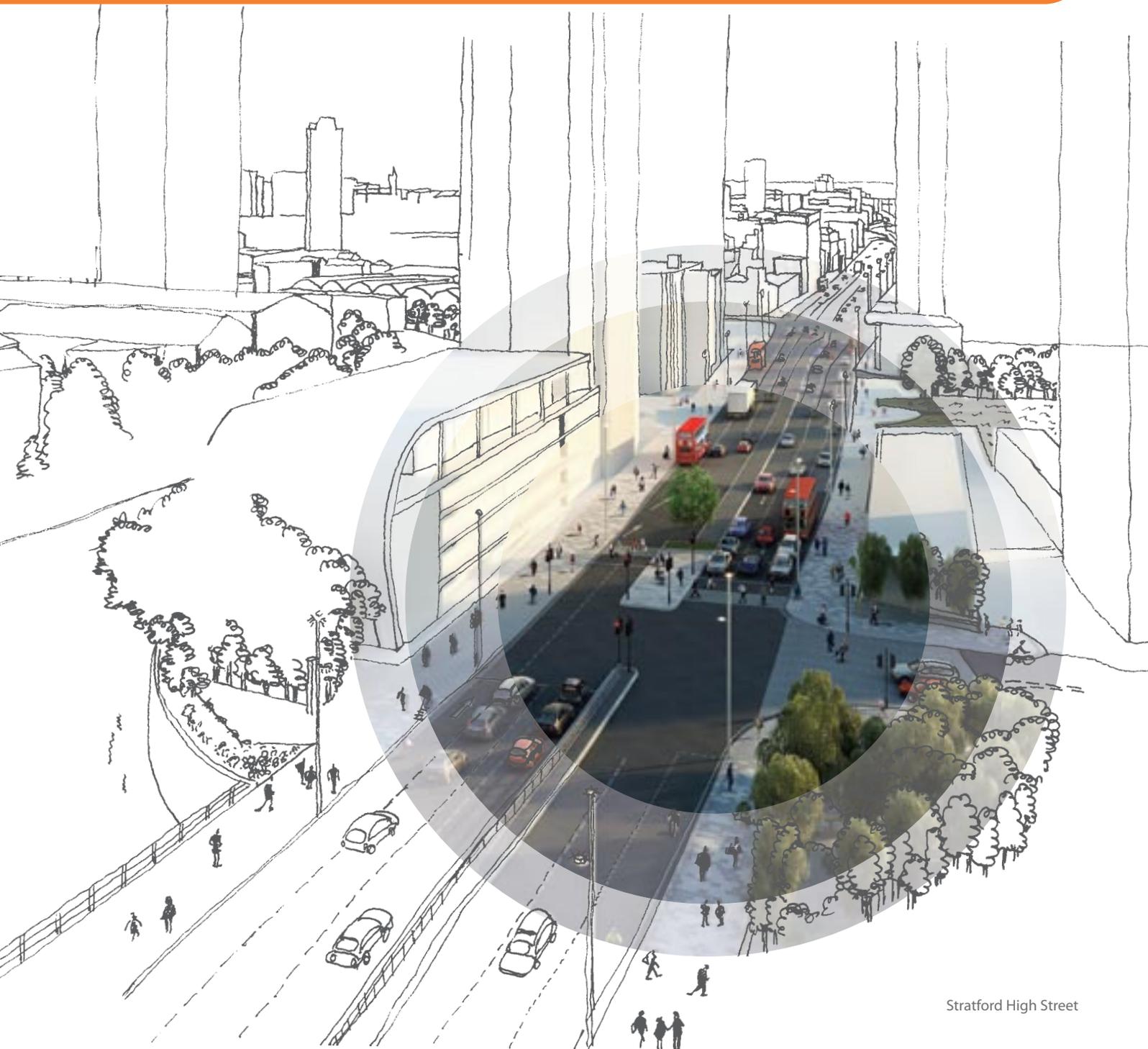


DELIVERING GROWTH

London's hotspot: EAST LONDON

Annual Report and Accounts 2009 > 2010



Stratford High Street

London Thames Gateway Development Corporation

Annual Report and Accounts 2009/10

Final Accounts for the year ended 31st March 2010

Presented to Parliament pursuant to Schedule 26, Sections 134 and 135
of the Local Government Planning & Land Act 1980

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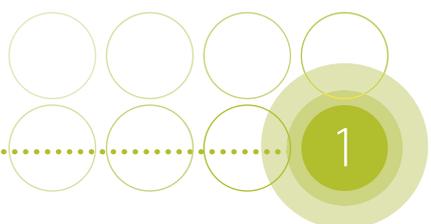
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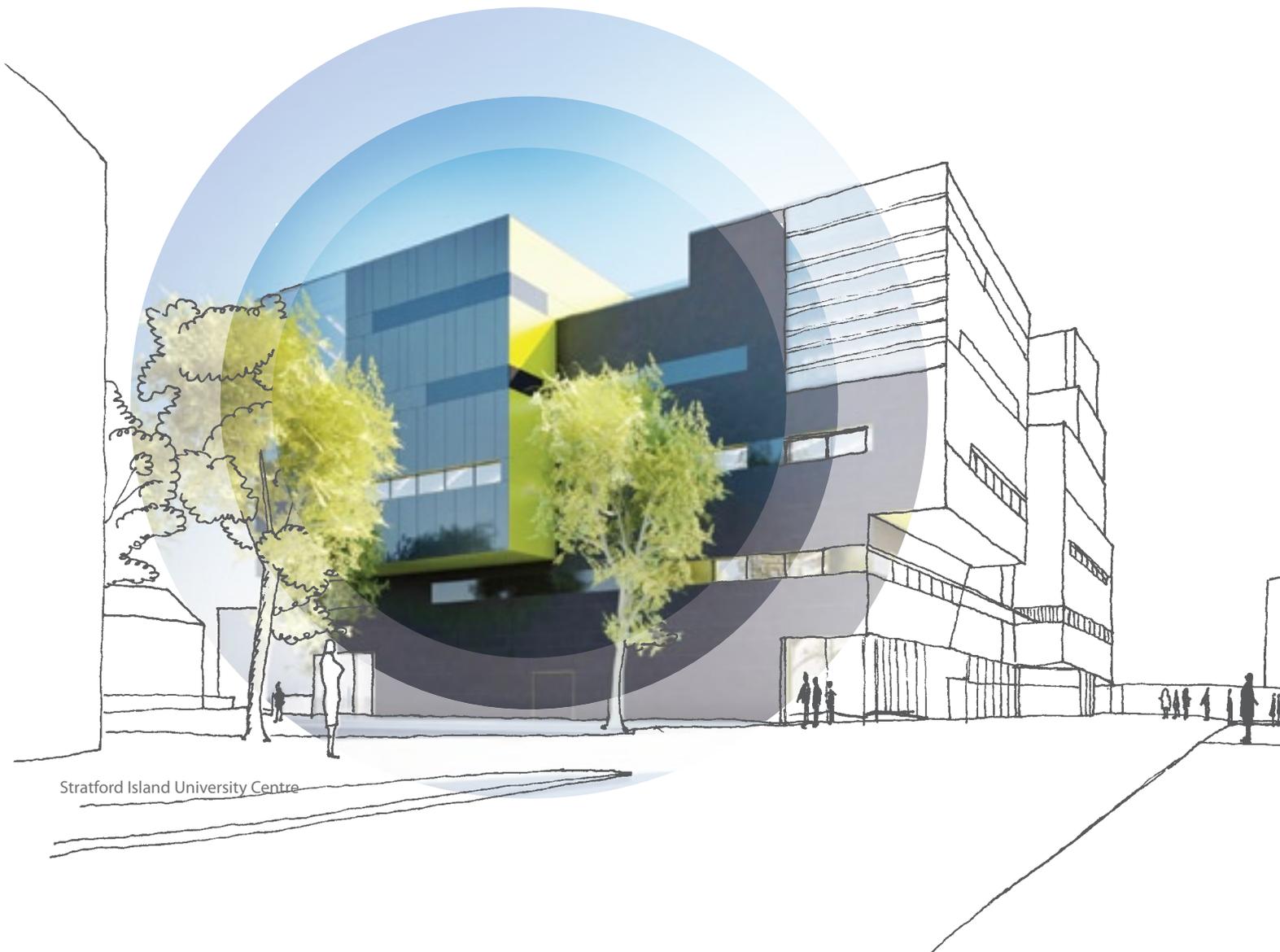


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LTGDC is starting to deliver real and tangible benefit for the area through its investment in new homes, jobs, open space, transport infrastructure, and its education and skills programme

continuing



Stratford Island University Centre

Foreword by Chairman

3



success

Bob Lane, Chairman



My first full year as Chairman coincided with the end of the longest period of economic growth in the UK and the deepest slump in the housing market since 1945.

LTGDC responded to this turbulence and turmoil in the economy by undertaking a comprehensive review of its 2008/11 Corporate Plan, placing the priority on creating the conditions, by reduced risk and increased certainty, that would encourage a return of the private sector. Recognising LTGDC's crucial leadership role in the midst of market failure – it is why we were created – we confidently announced the course we wanted to take and the milestones we would achieve when growth resumed.

In all those areas our goals have been reached.

At the same time as we reshaped our plans in the face of unprecedented market conditions, we faced probing questions into our role and purpose as part of the Quinquennial Review of

the three Urban Development Corporations. I am pleased to say that the outcome of this was positive for LTGDC with Government deciding not to make any changes to the structure or responsibilities of the Development Corporation prior to the London 2012 Olympic Games. Of great encouragement was the Government's statement that "LTGDC has performed well, working in an extremely complicated environment ... and is starting to deliver real and tangible benefit for the area through its investment in new homes, jobs, open space, transport infrastructure, and its education and skills programme".

I was particularly pleased by the very positive responses from the private sector and the community to the consultation exercise. I would like to thank all of you who took the time to respond and to emphasise my pledge that our performance will ensure your confidence was not misplaced.

The Government also recognised that LTGDC has an important role to play in securing a long term

legacy in east London from the London 2012 Olympic Games and asked that we continue to increase our focus on this in the run up to the Games.

LTGDC's achievements this year clearly reveal why it is increasingly held in such high regard as a key partner in making things happen.

I thank the Board, its executive team, and all the staff for their hard work, loyalty, and commitment during the turbulent period of uncertainty.

I know that they all look forward with relish to continuing success in the year ahead.

Roger Evans of the Greater London Assembly joined the Board in November 2009 as the nominee of the Mayor of London. On behalf of the Board, I welcome him and look forward to working with him.

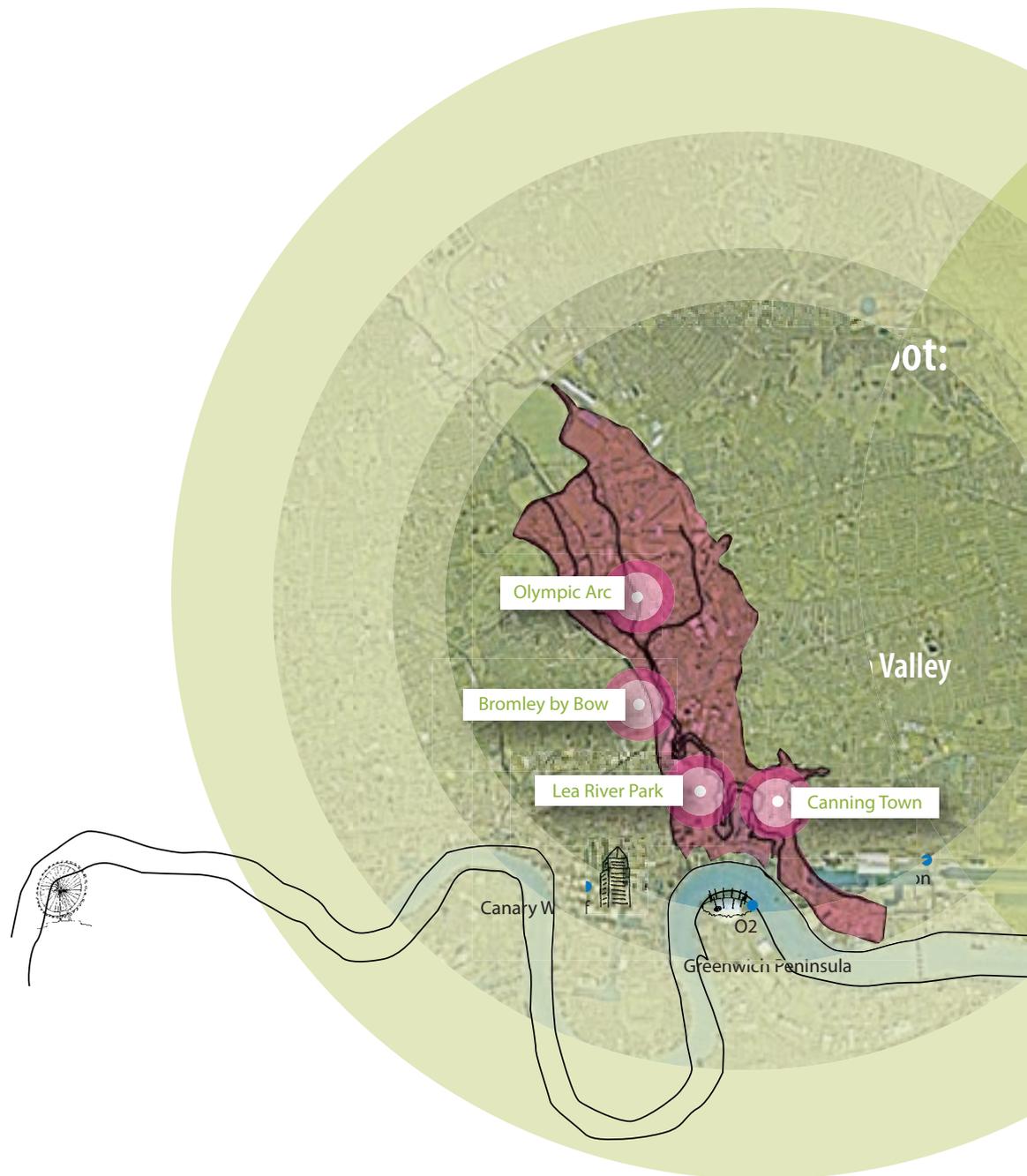
Bob Lane OBE
Chairman

Chief Executive's Report



Conceptualising and planning for regeneration has given way to real delivery on the ground, establishing an unstoppable momentum in our projects and activities

Peter Andrews, Chief Executive



£39.4 million invested

EAST LONDON



Chief Executive's Report

Last year marked the half way point of London Thames Gateway Development Corporation's indicative 10 year life. Conceptualising and planning for regeneration has given way to real delivery on the ground, establishing an unstoppable momentum in our projects and activities.

In response to the significant changes in the economy, LTGDC reviewed its 2008/11 Corporate Plan programme. We needed to be responsive to the reduced appetite for risk from the private sector, reductions in property values and the deferral and shrinking of receipts from proposed land sales.

Whilst core priorities remain unchanged, greater emphasis was put on providing infrastructure and de-risking sites to make the area more attractive to the private sector and ensure that place-making continues.

LTGDC also reviewed the means of delivering its projects to ensure that they are delivered as efficiently and effectively as possible whilst maximising private sector investment.

During the year, LTGDC invested a further £39.4 million into the region, funded by a capital allocation of £37.45 million from our sponsor department, Communities and Local Government, £0.6 million of grants and contributions from partners, and £1.35 million from asset sales.

Of the total invested, LTGDC spent £25.6 million on Development Assets which included acquiring 11.7 hectares of land, the most significant of which was our purchase of 10 hectares at Dagenham Dock from the London Development Agency for the London Sustainable Industries Park. A further £8.9 million was grant funded to partners for various projects with £1.9 million invested in building works and land remediation. The balance provided for professional fees, project staff, masterplanning, and design costs.

Total expenditure for the year is broken down by our 8 project areas and by borough in the following pie charts.

Figure 1: LTGDC Net Expenditure 2009/10 by Big Eight

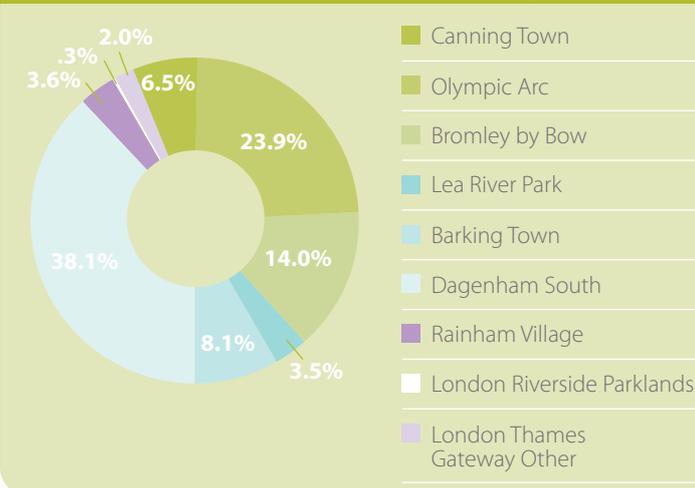
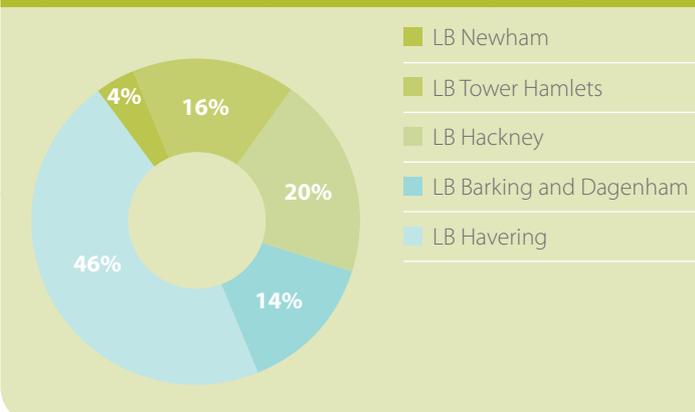


Figure 2: LTGDC Net Expenditure 2009/10 by Borough



HIGHLIGHTS

We have achieved a great deal this year and a detailed review of our operational activity during the year (by each of my executive team) is set out below. Nevertheless, it is worth recording the highlights of a busy year:

- **March 2009**
Institute for Sustainability is incorporated
- **April 2009**
Marshland Discovery Zone in Rainham Marshes opened
- **May 2009**
Planning permission granted for the Cultural Industries Quarter in Barking
- **June 2009**
Detailed planning permission granted for the first 3,300 homes at Barking Riverside
- **June 2009**
Three Mills Lock opens at Bromley by Bow
- **June 2009**
Bouygues selected as development partner to build a new town centre at Canning Town
- **September 2009**
Goodman appointed as development manager for the London Sustainable Industries Park
- **October 2009**
The opening of the View Tube, a new Olympic viewing platform and community venue
- **November 2009**
Havering Construction Skills academy opens
- **December 2009**
Purchase of a further 10 hectares of land at Dagenham Dock completed
- **December 2009**
Final part of funding package secured from the Higher Education Funding Council to allow the new Birkbeck/UEL campus to be built in Stratford
- **December 2009**
Works start on new transport interchange in Rainham
- **January 2010**
The opening of the View, our new inward investment and marketing suite
- **February 2010**
East London Transit starts running in Barking
- **March 2010**
Works commenced on public realm upgrade to Stratford High Street
- **March 2010**
Purchase of Leycol Printers as part of Land assembly for Bromley by Bow
- **March 2010**
Sites at Hackney Wick purchased from bank receivers
- **March 2010**
Sale of the Granary building in Barking for refurbishment and extension



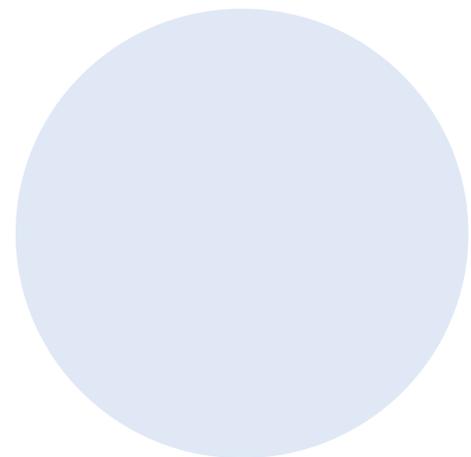
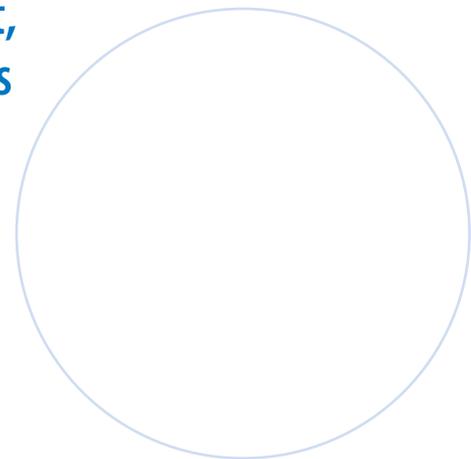
Chief Executive's Report

Whilst LTGDC made tremendous progress during the year, it was against a backdrop of some of the harshest conditions experienced in the property market for decades. The initial euphoria in the area around the Olympic Park was swept away by the new market realities. Average residential property values fell by some 20% and development activity slowed to a crawl. Site values for all property classes fell across east London and the eye-watering values that had been established for residential sites in close proximity to the Olympic Park during the boom, collapsed along with the febrile speculative activity. The value of LTGDC's portfolio was not immune to the fall in land values across most locations and further write downs were incurred this year. However, as the year progressed, property values began to stabilise and LTGDC was able to purchase sites at historically attractive values.

As a result of the economic downturn and the lack of liquidity in the project finance and mortgage markets (especially for first time buyers), residential development activity slowed and a number of sites in the pipeline stalled. Housing completions across the Lower Lea Valley and London Riverside were 20% down on 2008/9 and are likely to fall further in 2010/11. However, housing starts were, against the national trend, up on previous years as a result of a number of RSLs commencing schemes funded by the Homes and Communities Agency and the commencement of the 2,880 homes which form the Athletes Village in the Olympic Park.

Although the economic downturn severely reduced activity in the property market, LTGDC continued to receive a high level of planning applications, with the number only 2% down on last year. Interestingly, the number of homes and amount of commercial space consented during the year were at an all time high: planning consent was granted for 4,462 homes (29% up on 2008/9) and commercial space providing capacity for 3,542 jobs (48% up on 2008/9).

**For every £1 of public money spent,
£6 of private sector investment has
been leveraged**



Personnel

I was pleased to welcome Steve Oakes as our new Director of Development in August 2009. Steve is a Chartered Surveyor and Structural Engineer with over 25 years' experience in the planning and delivery of large, complex regeneration sites for the public and private sectors. He was previously a Director for the London Region of the Homes and Communities Agency and a Director of Barking Riverside Limited.

With the establishment and the growth of the Institute for Sustainability, Ian Short, my Deputy Chief Executive, has been spending an increasing amount of time as the interim Chief Executive of the Institute. In December 2009, the Institute appointed a Board of Trustees chaired by Peter Head. The Institute now has a significant amount of research development and demonstration work and in January 2010, its staff of 14 moved into their own premises in Canary Wharf. In order to support the growth of the Institute, LTGDC agreed to second Ian Short full time as the Institute's

Chief Executive for 13 months effective 1st March 2010.

With the increasing workload, the development team was strengthened during the year and the organisation's headcount rose from 38 to 41 full time equivalents (FTE employees).

There has been huge pressure on my executive and staff this year to produce results during a time of some uncertainty about the organisation's future. I am delighted that the future is now clear and I am especially grateful to them for their continuing dedication, hard work, and professionalism that has allowed the Development Corporation to deliver results.

The Future

The outcome of the Quinquennial (5 year) Review directed LTGDC to continue delivering its programme, but in the run up to the London 2012 Olympic Games, to focus on securing a long term legacy for east London. As a consequence of LTGDC's preparations over the last few

years and the emerging clarity on the Olympic and Legacy Masterplans, I anticipate a natural transition of focus from London Riverside to the Lower Lea Valley. In future years, the majority of the LTGDC's net new investment is programmed for the Lower Lea Valley. The pace of change will also accelerate as our CPO programme delivers our long held ambition to assemble fragmented sites and with this, transformational change. We are hopeful that the compulsory purchase orders made this year for the 'Fatwalk' and the 5.64 hectare site at Bromley by Bow for a new district centre will be approved following the imminent public inquiries.

With forthcoming cuts in government expenditure we will continue to review how we deliver our projects and planning decisions to ensure maximum efficiency, reducing costs where possible, whilst maintaining our effectiveness and continuing to focus our efforts on attracting private sector investment.

During the economic turmoil of the last two years, LTGDC proved itself adept and capable of adapting to change, enabling it to continue to make solid progress in regenerating east London. The next few years are likely to be even more challenging as the new Government tackles the massive public sector deficit. Once again, I am hopeful that we will be able to rise to the challenges ahead.



Peter Andrews
Chief Executive

Planning consents have been granted for 4,462 homes and commercial capacity

With the London 2012 Olympic Games fast approaching
LTGDC will be placing more emphasis on the Lower Lea Valley

sustainable





legacy



Steve Oakes

The platform for investment that LTGDC set in train five years ago continues to bear fruit and is now in a new phase of delivery. By combining effectively its planning, compulsory purchase, and development skills, LTGDC is working with key partners to bring about regeneration in the Lower Lea Valley and London Riverside.

Each project area has an identified Business Plan agreed with our partners enabling all agencies to focus investment activity and engage with the private sector where it matters most, providing the platform for homes, jobs, communities and an improved environment.

With the London 2012 Olympic Games fast approaching and the increasing importance of securing a sustainable legacy, LTGDC will be placing more emphasis on the Lower Lea Valley. However, we are still within our Corporate Plan key deliverables in London Riverside.

£39.4million invested in east London during the year

Canning Town

LTGDC is working with the London Borough of Newham to create the ambitious plan for a new town centre opposite the transport interchange with over 30,000sq m of retail, leisure, office, and community space together with over 1,200 residential units. The centre will be enhanced by greatly improved pedestrian connections from the north by the removal of the roundabout under the A13 flyover.

The project is making good progress with the appointment by LTGDC and the London Borough of Newham of Bouygues UK as the town centre developer. Bouygues is now pushing ahead with their plans to submit an outline planning application in December 2010, and is also undertaking detailed negotiations to secure the anchor food retailer for the scheme by this summer.

LTGDC has continued to invest a further £2.4m during the past year to complete the decant of existing housing and demolition, including three tower blocks, to create the cleared site for the first phase of the 3.14 hectares town centre development.

In tandem, contractors were appointed and work commenced, for the removal of the roundabout under the A13. A continuous pedestrian connection between the two communities north and south of the A13 will be created.

Over 30,000sq m of retail, leisure, office and community space with over 1,200 residential units



Canning Town

Olympic Arc

LTGDC is combining its efforts and investments with the London Development Agency, the Olympic Park Legacy Company, and the Host Boroughs to maximise the physical legacy of the London 2012 Olympic Games for local communities. Masterplans have been prepared to ensure the Olympic Park is fully integrated into the surrounding communities and that they benefit from the investment in the Games. LTGDC is designing and funding improvements to the public realm around the Olympic Park and assembling a number of sites for the development of new homes, retail and commercial space, schools, and open space.

LTGDC is funding two of the largest public realm projects outside the Olympic Park. Stratford High Street, an important gateway to the Park is undergoing dramatic change. LTGDC committing £10 million to funding the design and delivery of public realm

LTGDC is funding two of the largest public realm projects outside the Olympic Park

enhancement works to ensure that the High Street is a proud global advertisement and an early legacy benefit to the local community. During the year, design was completed, permissions secured, and in March 2010, work began on the improvements which will see roads resurfaced, new pavements, lighting, improved street furniture, and more than 3,500 shrubs and 70 trees planted.

Stratford will also be the home to a new university campus. LTGDC's support in business plan development and funding will see the delivery of a £33m scheme. Known as the Stratford Island University Centre, the development will see the University of East London and Birkbeck College (University of London) combining in an 8,500sq m development providing higher education courses to 3,400 students. It will also provide much needed rehearsal space for both the Theatre Royal East Stratford and Stratford Circus assisting them to increase their artistic programme. The new centre will open towards the end of 2013.

To the north-eastern fringe of the Olympic Park in Hackney

Wick, LTGDC has embarked on two critical interventions. Firstly, safer cycle and pedestrian routes designed to provide improved access and connections to the opportunities created by the Olympic Park, are being designed and delivered with LTGDC's £2.8m contribution. Secondly, the acquisition of seven key sites around Hackney Wick Station to facilitate improved accessibility to the East London line station as well as increasing the potential for new developments of homes, retail, business, and cultural uses will bring a new vibrancy to the area.

Along with actively shaping developments in the Olympic Arc to create new and special places, LTGDC is keen to ensure that the range of regeneration activity is beneficial and accessible to the local community. The View Tube – a community centre and café provides the closest public viewing platform to the Olympic Park. Positioned to be a rest stop for those cycling or walking the area, it has attracted very positive media interest. In the short time that it has been open, visitor numbers have risen dramatically, with its double role as an attractor to the area and a community resource resulting in being commended at the recent London Planning Awards.



Bromley by Bow

LTGDC's aim is to secure comprehensive regeneration of the areas immediately south of Stratford High Street on both sides of the River Lea. An area that suffers from fragmented ownership and under-utilised land, LTGDC is working to realise Bromley by Bow's potential. Embarking on land assembly in strategic locations – aided by our compulsory purchase powers – and driving improvements for access across the A12 and the river, our vision is to link residential communities creating the right environment to secure investment in new homes, workspace, schools, health, and neighbourhood facilities.

In the Hancock Road/Imperial Street area, a planning application by Tesco to create a new district centre was facilitated by an innovative indemnity agreement with LTGDC to assemble land. This flagship regeneration scheme – with wide support from Tower Hamlets and Newham Councils, the Greater London Authority, and the local community – consists of a new superstore and independent retail units, a primary school, and residential. New open space, riverside walk, and community library complete the recreational and leisure aspects of the development alongside a gym and a 104 bed hotel. The scheme, which

fully meets LTGDC ambitions for the area, will provide safer pedestrian connections across the A12 by making improvements to Bromley by Bow station underpass and a new all movements junction on the A12 at Three Mills Lane.

Our acquisition of the Leycol Printers site in the northern part of Bromley by Bow was our second key purchase in the Lower Lea Valley and will enable comprehensive development to be brought forward with East Thames and Southern Housing Group creating a positive link with the Tesco's development in the south and complementing it by the provision of a high quality mixed use residential development.

Beyond the Lea River, Sugar House Lane provides a unique opportunity to promote mixed use regeneration to revitalise a tired and unutilised industrial

area. LTGDC is working with Newham Council, the Greater London Authority, and the Olympic Park Legacy Company to agree planning policy and informing the Mayor's London Plan. LTGDC continues to negotiate with all parties to bring forward comprehensive development and is prepared to use its CPO powers to achieve this.

The range of LTGDC coordinated interventions to improve Bromley by Bow cannot be understated. At Lochnagar Street, the introduction of the first pedestrian crossing on the A12 will soon begin. Delivered by Transport for London with LTGDC funding, the scheme will enable the development of key sites in Poplar Riverside along with providing a shortened and safer link to currently isolated communities.

The Sugar House Lane area provides a unique opportunity where our ambition is to enable the revitalisation of a tired under-utilised industrial area through the promotion of mixed-use regeneration

Lea River Park

LTGDC's vision is to transform the Lower Lea Valley into a high quality mixed-use district, set within unrivalled landscape with new high quality parkland and waterways soon to be anchored by the Olympic Park. Central to this is the extension south from the Olympic Park, providing safer cycle and pedestrian routes, incorporating a number of new bridges, connecting local communities and creating a range of leisure and recreational opportunities.

The design framework for the Lea River Park was completed in 2008 and included details of the first phase of the southern extension known as the 'Fatwalk', a continuous and generous north-south walking and cycling parkland link from the Olympic Park to the Thames. Delivering this complex scheme has necessitated the use of LTGDC's compulsory purchase powers to assemble the 80 interests required to form the new access routes, planning applications for which have been submitted with the aim of construction starting early in 2011.

A key part of the project has been maintaining close contact and engagement with neighbouring businesses and local communities. Working with Thames 21, we have consulted extensively and continued volunteering activities along the route of the park and the river, raising their profile and engendering a sense of local ownership with the Lea River Park's own website, www.leariverpark.org, and an established Community Board with twelve local members. The scheme is seen as an exemplar project receiving commendation at last year's BURA Waterways Award being followed this year with the silver award from the International Urban Landscape Awards (IULA) and being named as one of the London Mayor's Great Spaces.

The earlier part of the year saw the completion of the water impoundment work at Three Mills Wall River and Prescott Channel. This jointly funded project with British Waterways Board, the Olympic Delivery Authority, the Department for Transport, the London Delivery Agency, and Transport for London involved the construction of a new weir and lock creating a permanent navigable water level north of the River Lea. Enhancing leisure activities and allowing commercial water freight to service the construction of the Olympic venues, works commenced in February 2007 with the completed lock opening in the summer of 2009.



Barking Town

Barking has suffered from under investment, a declining industrial base, and competition from other centres for many years. It has the lowest property prices in London and yet its town centre has excellent public transport links with central London, a rich history, and a broad cultural offer. LTGDC is revitalising the town centre by leading projects that improve the transport services, provide new retail and leisure provision, create new space for cultural industries, and secure new housing.

A real success story for LTGDC has been its diverse investments into the Barking Central scheme developed by Redrow for Barking and Dagenham Council. Phase one completed in late 2008 provided 247 homes and the new Life Long Learning Centre around a new town square. Phase two is well advanced and will be completed in early summer 2010 including a further 232 homes along with a Travelodge Hotel, a Tesco Metro store, offices, and further shops and restaurants. LTGDC funding was instrumental in assembling the site and ensuring the high quality award winning public realm, including the prestigious European Prize for Urban Public Space. Funding also supported the 'Barking Apprentice', a new restaurant and delicatessen, due to open this summer, being created by Training for Life, who run the famous Hoxton Apprentice, providing up to 40 apprenticeships for local disadvantaged youths.

The £20 million high quality, high frequency bus service, East London Transit (ELT) has been running since February 2010. In preparation for its delivery, LTGDC jointly funded the purchase of properties and the construction of a new market square off London Road allowing part of Barking's street market to be relocated to provide a new dedicated route through the town centre for the ELT service. LTGDC investments also funded enhanced public realm and passenger facilities along the route. Carrying 6 million passengers a year, ELT provides a fast and direct link up to once every 12 minutes between Ilford, Barking, Barking Riverside, and Dagenham Dock. Along with vastly improving access for existing residents, ELT will also act as a catalyst for new development in Barking Riverside and Dagenham Dock. Work is progressing on a further phase of the ELT which is expected to be operating by 2013.

As part of its holistic approach to regeneration and the importance of improved transport connections, LTGDC is nearing the completion of a masterplan for Barking Station and the surrounding area. Working with architects Grimshaw and engineers Atkins, the plan is due to be completed in summer 2010 and is expected to be adopted by Barking and Dagenham Council as supplementary planning guidance. The first part of the works upgrading the station forecourt is currently being designed and with construction planned to begin later this year.

Creating new character in any regeneration strategy is an essential ingredient, and in Barking this is focused to the west of the town centre at Abbey Road. To set about achieving this LTGDC acquired and refurbished the 'Malthouse' providing accommodation and business support for theatre groups and arts and design companies. This was followed by the May 2009 planning consent which facilitates the restoration of a primary warehouse into a residential development of four new high quality terraces over Rodin Road. The scheme provides 100 sq m of industrial space, links, and routes. The initial success of the project is evidenced by the fast sold Granary scheme some adjoining buildings who have commenced sympathetic refurbishment and new development to provide space for their new headquarters.

LTGDC is revitalising the town centre by leading projects that improve the transport services, provide new retail and leisure provision, create new space for cultural industries, and secure new housing



Dagenham Dock London Sustainable Industries Park

LTGDC has a focused plan to secure the regeneration of 25 hectares of vacant and under-used former industrial land to enable the creation of new employment opportunities by the development of the London Sustainable Industries Park (London SIP).

The London SIP spearheads the unique offer that east London provides to 'forward thinking' environmental technology businesses and is now one of the most advanced projects in the East London Green Enterprise District which will be launched by the Mayor this summer. With excellent access to both the A13 and public transport networks including the new East London Transit service, the scheme meets the sustainability agenda head on.

LTGDC continues to make substantial progress in delivering the Park. In December 2009, LTGDC's acquisition of 10 hectares from the London Development Agency was added to 15 hectares acquired in several parcels over the previous year, providing the scale of land ownership required to deliver a substantive scheme. The London SIP will provide 75,000sq m of high quality space to accommodate, support, and grow environmental technology (clean tech) businesses and sustainable construction related industries.

To drive delivery, LTGDC appointed international business park developer, Goodman as development management partner in September 2009 to jointly produce a development framework for this flagship development. The planning

applications for the first phases of infrastructure will be submitted in summer 2010 with serviced sites for disposal to new occupiers funded and delivered by LTGDC from early 2011.

The foundations for success are being laid with Closed Loop, the park's first occupier, joined by Thames Gateway Power (TGP), the London SIP's first sustainable low carbon energy facility. Set to occupy 3.5 hectares with an advanced gasification facility producing 15 mega watts of energy annually, TGP will provide heat and power for both London SIP occupants and up to 20,000 homes. A planning application for the facility was lodged by TGP in March 2010 and is expected to be determined this summer.

Rainham Village

Retaining much of its historic character, Rainham lies within LTGDC's London Riverside area. Although benefiting from good access to central London and the revitalised Rainham Marshes, it has suffered from long periods of under-investment and is in need of improvement to inject much needed vitality to the area.

The key projects capturing LTGDC's aspirations for Rainham are a new library and transport interchange which will provide a new focus in the village. Design work for both has been completed and construction of the interchange is well advanced. The Library scheme, which includes a community space and children's playgroup together with 16 apartments, is awaiting planning consent with construction planned to commence late in 2010. LTGDC are also supporting further public realm improvements helping the village to address a number of access issues.

In the industrial area south of the railway, LTGDC is providing new accommodation and joint investment aimed at improving safety and security. In Lamson Road, planning consent was achieved for the development of new business units. Recognising the need for smaller business units, LTGDC is taking the large single unit warehouse and converting it into 5 units

providing attractive space for new occupiers. Tenders for the construction work have been sought and construction work funded by LTGDC is planned to commence this summer.

The London Riverside Business Improvement District area covers Lamson Road and takes in the Albright Industrial and Fairview Estates. LTGDC provided a grant of £171,600 matched by a further £113,481 by the private sector through a levy administered by London Riverside BID Ltd. This provided improvements to new road surfaces, carriageways, and drainage. A key element was the installation of a security barrier, CCTV cameras, and carriageway lighting.

To the west of the village fronting the A1306, LTGDC's 3.2 hectare site is providing a number of opportunities around further education and the development of new homes.

The old 'Carpentright' warehouse has been demolished with the existing building to the rear being refurbished by Havering College to provide a construction skills training centre. Opened by the Minister for the Thames Gateway in November 2009, it is proving highly popular with local students and the College is already considering the construction of a mezzanine floor to create additional capacity.

Progress has also been made for 2.3 hectare of the cleared site to be acquired by Havering College to enable their 'Rainham College Campus' which achieved outline planning consent in November 2009. With the remaining 0.9 hectare of land adjacent to the proposed Dovers Corner residential development, LTGDC has shortlisted residential developers to bring a scheme forward in 2010.

The key projects capturing LTGDC's aspirations for Rainham are a new library and transport interchange which will provide a new focus in the village

LTGDC is supporting opportunities to grow London's largest new public park for over a century

London Riverside Parklands

LTGDC has placed importance on the provision of a network of green spaces, open spaces, and connections readily accessible to the public across the London Riverside area.

The 645 hectare nature reserve at Rainham Marshes, managed by the Royal Society for the Protection of Birds, provides park and wetlands and LTGDC, with Havering Council and other agencies, is supporting opportunities to grow this to become London's largest new public park for over a century with the capability of attracting one million visitors a year.

LTGDC, jointly with Thames Gateway Parklands, has provided funding on a second phase of projects to open up the park to a wider audience and incorporate improved pedestrian links across railway lines, cycle hire facilities, and a green 'land train' linking Rainham residents to Wildspace and the River Thames. A planning application for the works will be submitted in early summer 2010 with a start site planned for the autumn.

Steve Oakes
Director of Development



LTGDC has agreed developments which will generate 13,700 residential units (including 3,638 affordable units) and commercial developments that will generate over 13,000 jobs

13,700





residential units



John Allen

Planning activity and achievements

By improving the pace at which planning consents are made and reducing uncertainty within the process, LTGDC has sought to promote the London Thames Gateway as an attractive area for investment. All applications subject to Planning Performance Agreements (PPAs) were determined within agreed timelines with 65% of major planning applications determined within 13 weeks. We have continued to implement our locally based tariff for financial contributions to infrastructure provisions via our Planning Obligations and Community Benefits Strategy. To date, we have agreed more than £83 million of contributions to infrastructure.

During the year, LTGDC received 141 planning applications and determined 114. Of these, we approved 109. The approvals will deliver 4,309 new homes (broadly comparable with the previous year), of which 1,595 will be affordable homes. We have also approved applications which, if implemented, should deliver 3,462 jobs. Cumulatively,

LTGDC has agreed developments which will generate 13,700 residential units (including 3,638 affordable units) and commercial developments that will generate over 13,000 jobs. Our refusal rate of less than 5% over the past year together with our continuing 100% success rate at planning appeals provides objective proof of our expertise and grasp of the strategic planning issues and challenges within our area. We take a robust line where we do not consider an application accords with relevant policies or is of insufficient quality. Of the five appeals against our decisions which were determined during the year, four were dismissed by the Secretary of State and one was withdrawn. We consider that the overall approach that we take should instil confidence in developers and inward investors to bring forward proposals to exploit development opportunities.

We have now received more than £4 million in planning tariff and other planning obligation contributions (£106 contributions

and have started to invest it in energy and environmental/highway infrastructure. Agreements signed during the past year will generate just under £19 million in planning obligation payments. A total of £83 million in planning obligation payments have been negotiated in connection with all planning applications received to date.

Our positive planning perspective has opened up the frontier of regeneration in east London establishing a sound planning basis for its transformation. It has been our action with Thames Water that has prompted major investment at Beckton Sewage Treatment Works. This will enable a major reduction in the odour contour opening up the opportunity for development activity in Gallions Reach as well as making planned residential development at Barking Riverside even more attractive.

John Allen
Director of Planning



John Middleton

better

Economic Development

The London 2012 Olympic Games casts a global spotlight on east London which provides an invaluable opportunity to deliver economic development, especially inward investment.

The need to create a coherent story for east London, focusing on its proximity to central London and fantastic transport networks, was the driving force behind us creating our inward investment and marketing suite. Named the View, because of its 360 degree views of London, it possesses an unrivalled outlook of the Olympic Park, Olympic Arc, Lower Lea Valley, and Thames Gateway. The facility is constructed within 4 penthouse apartments which have been converted into a single, spectacular place to host inward investors. The View opened in October 2009 for the second only meeting of the Chairman's Club, the meeting of the businesses sponsoring the London 2012 Olympic Games, and also attended by the Mayor of London, the Olympics Minister, and Olympic Delivery Authority Chair. Formally opened to its members from January 2010, the View is used by Think London, Gateway to London, Invest Thames Gateway, UK Trade and Investment, Communities and Local Government, the boroughs, East London Business Alliance, and the Olympic Park Legacy Company in addition to LTGDC to secure inward investment in east London.

As part of our culture programme, the LTGDC also part-funded and lead the development of the View Tube – a community centre run by social enterprises. Located immediately outside the Olympic Park, it has already been a tremendous success. The café and bike hire have become an important stopping point for those cycling or walking the various pathways in east London, and the classroom is the base for a range of new programmes enjoyed by children from the area.

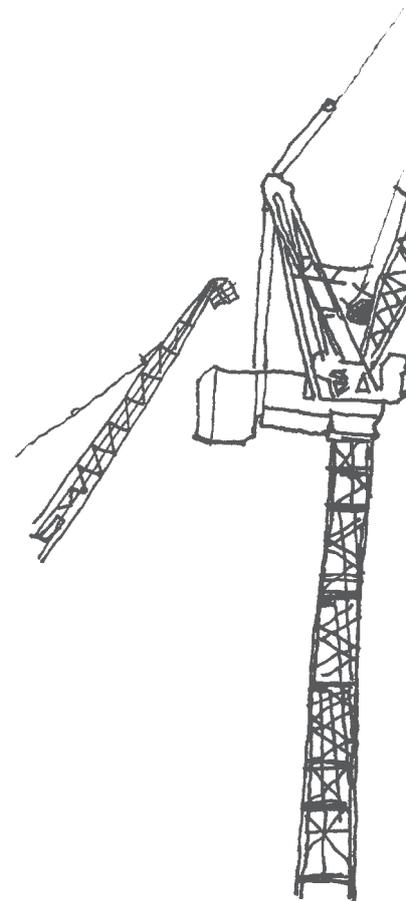
Education and Skills

Schools anchor communities and good schools attract aspiring families to locate to areas as well as promoting a wider mix of development. Inward investors require skilled labour pools within easy reach of their preferred location. The combination of these factors provides a compelling rationale for LTGDC's commitment to spend 5% of its capital programme increasing excellence in academic standards. Rokeby School was the first recipient of LTGDC funding and support and is now the most improved school in Newham. The £28 million new school buildings will open in September 2010 complete with its new sports hall – now an Olympic training venue – paid for by LTGDC along with their additional community and enterprise facilities.

LTGDC's investment at St Paul's Way has enabled state of the art science facilities and a teaching programme that has been essential for the school in acquiring Project Faraday status. Placing science at the heart of the curriculum will equip students to exploit jobs and educational opportunities in science and health. LTGDC's investment on cutting edge science facilities formed part of a £36 million building programme for a new school. And at Eastbury School, the first phase of a refurbishment programme saw a sports science and maths laboratory installed along with a learning resources centre used both for teaching and training.

Allied to the capital programme, LTGDC has made £1.5 million available over 3 years to help schools accelerate improvements in students' academic standards, aspirations, and employability. This essential component of the education and skills strategy enables schools to create new, sustainable activities or programmes as part of their school development plans. So far, over 50 projects have been delivered. Rokeby has secured a specialist status, Eastbury is bidding for additional specialist status, and St Paul's Way is now a trust school.

John Middleton
Head of Economic Development



Report of the Deputy Chief Executive

23



Ian Short

future

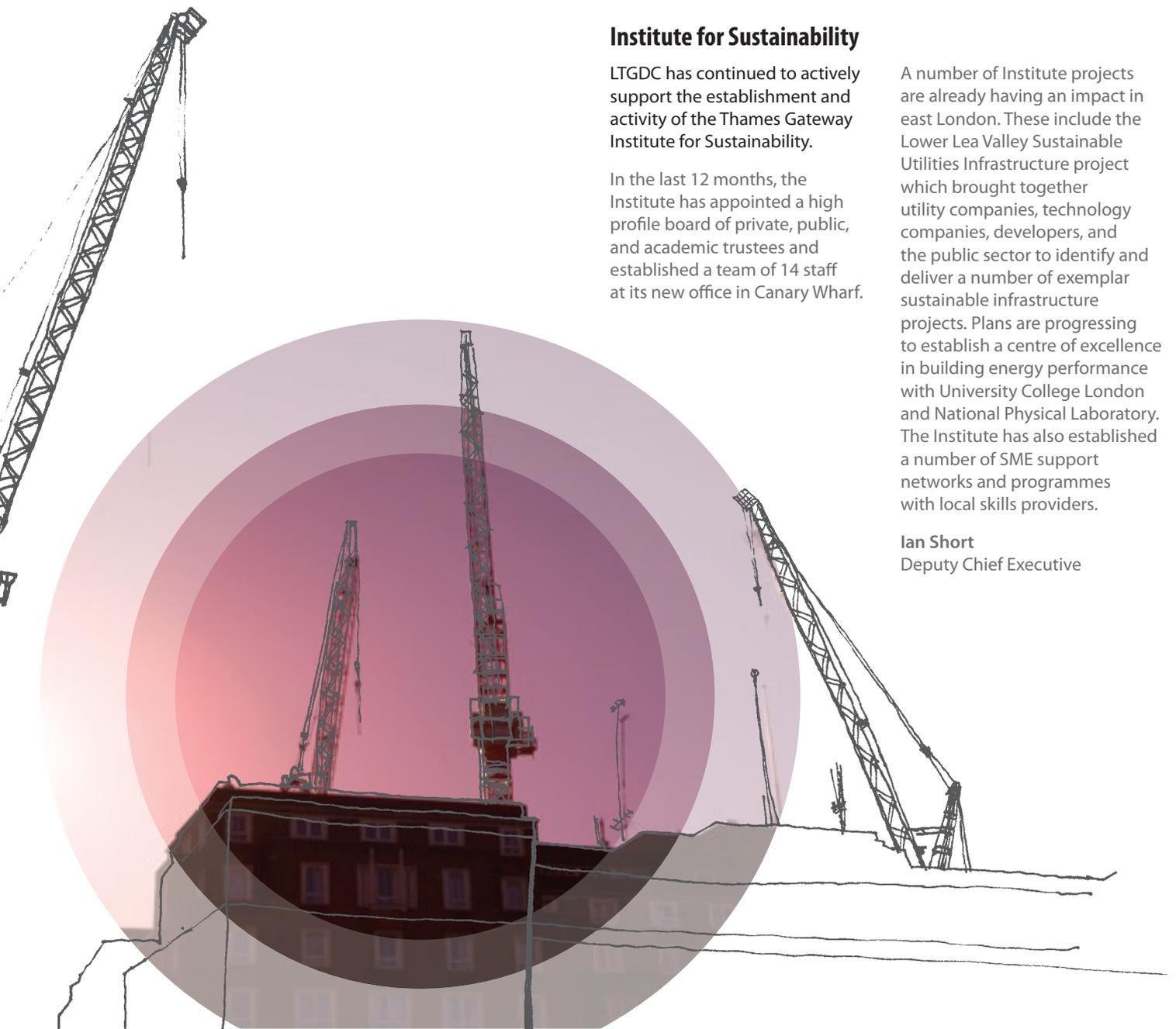
Institute for Sustainability

LTGDC has continued to actively support the establishment and activity of the Thames Gateway Institute for Sustainability.

In the last 12 months, the Institute has appointed a high profile board of private, public, and academic trustees and established a team of 14 staff at its new office in Canary Wharf.

A number of Institute projects are already having an impact in east London. These include the Lower Lea Valley Sustainable Utilities Infrastructure project which brought together utility companies, technology companies, developers, and the public sector to identify and deliver a number of exemplar sustainable infrastructure projects. Plans are progressing to establish a centre of excellence in building energy performance with University College London and National Physical Laboratory. The Institute has also established a number of SME support networks and programmes with local skills providers.

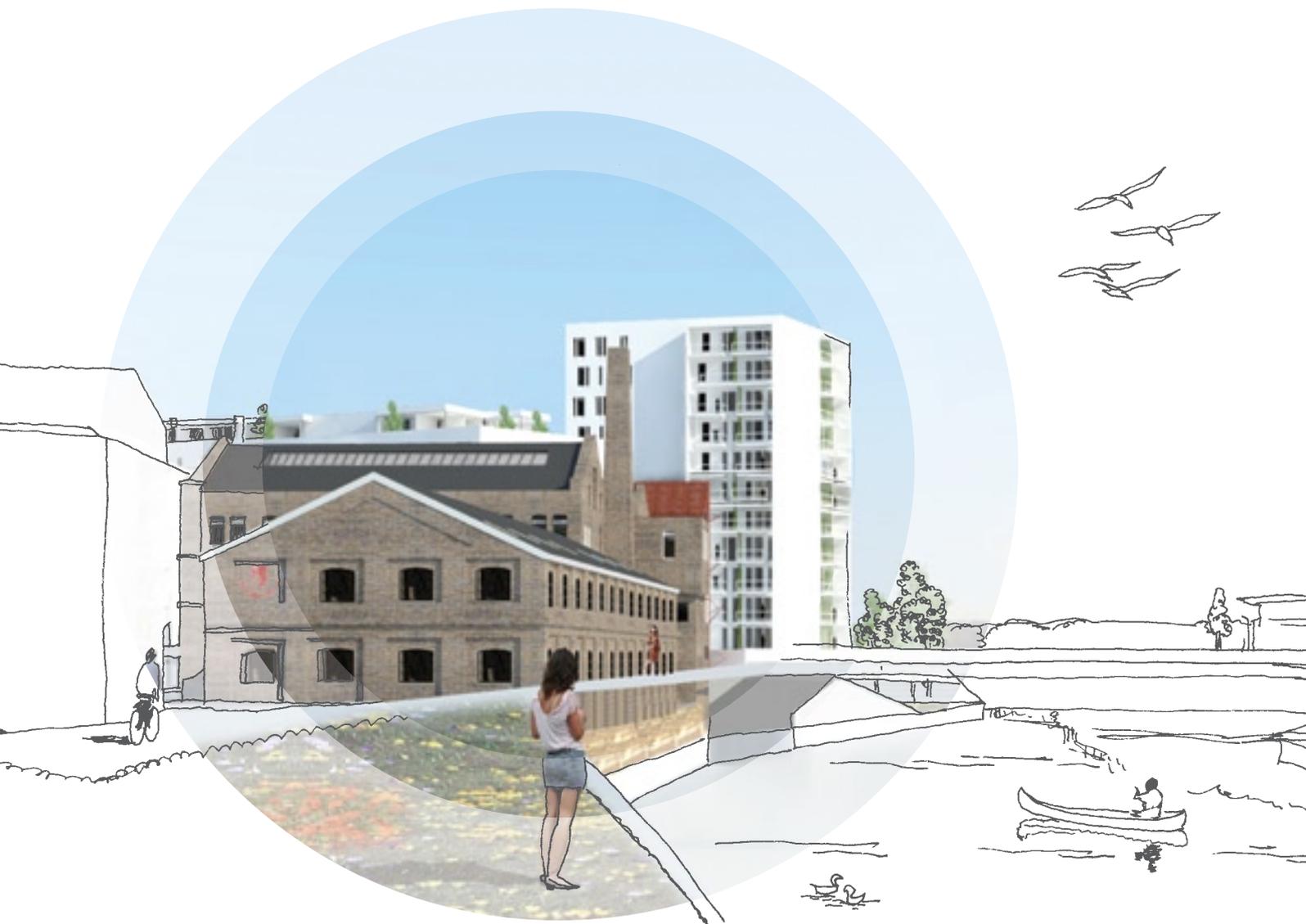
Ian Short
Deputy Chief Executive



Background information

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The aim of LTGDC is to promote and deliver sustainable regeneration and growth of the London Thames Gateway





3,542

jobs

Statutory Background

The LTGDC was established under the provisions of Schedule 26, sections 134 and 135 of the Local Government Planning & Land Act 1980 to bring about the regeneration of the Lower Lea Valley and London Riverside.

LTGDC came into existence on 26th June 2004 as a result of the London Thames Gateway Development Corporation (Area & Constitution) Order, Statutory Instrument 2004 No.1642, and became operational on the appointment of the Chairman and Board members on 1st November 2004.

The LTGDC is the planning authority for relevant applications under the provision of s.149 of the Local Government, Planning & Land Act 1980.

Aims and Objectives of the Development Corporation

The aim of LTGDC is to promote and deliver sustainable regeneration and growth of the London Thames Gateway within the context of the national policies set out in the Department for Communities & Local Government's Sustainable Communities Plan, the strategies for the wider Thames Gateway sub-region and the Spatial Development Strategy for Greater London ('London Plan')

LTGDC's statutory objectives are to:

- Bring land and buildings into effective use
- Encourage the development of existing and new industry and commerce
- Create an attractive environment
- Ensure housing and social facilities are available to encourage people to live and work in the area

In order to pursue these duties the LTGDC has the following powers:

- To acquire, hold, manage, reclaim and dispose of land and other property
- Carry out building and other operations
- Seek to ensure the provision of water electricity gas sewerage and other services
- Generally do anything necessary or expedient to meet this purpose.

LTGDC's Operational Area

LTGDC's designated boundary is split into two areas and includes land in six boroughs – the Lower Lea Valley (London boroughs of Hackney, Newham, Tower Hamlets, and Waltham Forest), and London Riverside (London boroughs of Barking & Dagenham, Havering, and a different part of Newham).

It is a limited life organisation (10 years), wholly financed by the Department for Communities & Local Government with a board of directors appointed by the Secretary of State.

Statement of Board and Members' Responsibilities

The Chairman and Board members have overall responsibility for the conduct of the business of LTGDC, both for ensuring that it meets the statutory responsibilities and for the quality of its management. This includes responsibility for the stewardship of public funds so as to ensure the highest standard of regularity, propriety, and value for money from all financial transactions. Members are responsible, subject only to the directions of the Secretary of State and the advice of the Accounting Officer, for determining the Development Corporation's strategy and for developing its policies and programmes.

The Financial Memorandum to the Development Corporation, together with the internal delegations, set out a number of matters that require specific Board and Departmental approval and authorisation limits. In addition, the Board has agreed a Code of Practice for Board Members based on the Cabinet Office guidance.

The Development Corporation has formally appointed a Resources Committee, an Audit and Risk Committee, and a Planning Committee.

Board Composition and Committee Memberships

The Development Corporation has been established with a Board of 13 members. The Board Chairman, Bob Lane, is an ex officio member of both the Audit and Risk and Resources Committees.

The Board members provide the Development Corporation with a strong connection with the principal stakeholders within the local communities, and the private and public sectors.

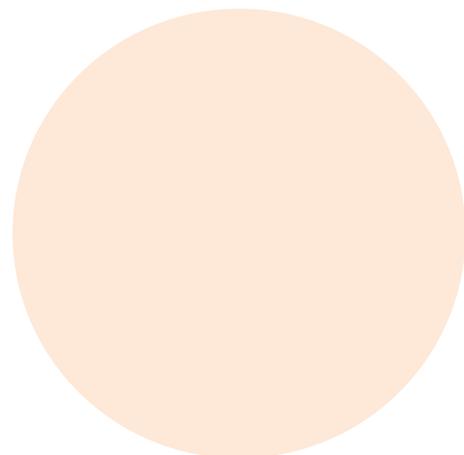
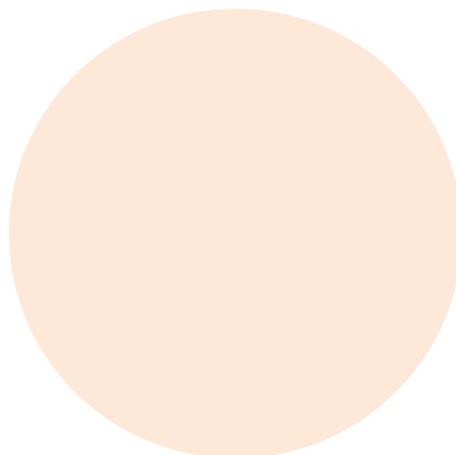
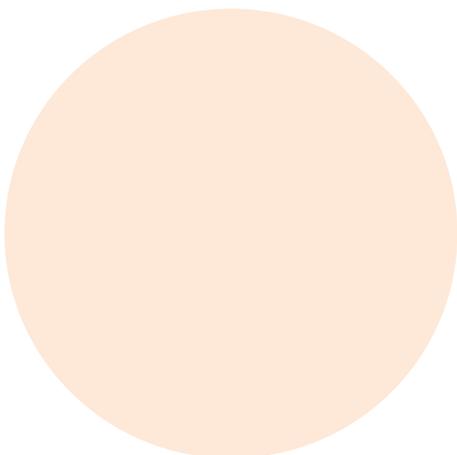
The Resources Committee of the Board is responsible for approving material and contentious expenditure and advising the LTGDC Board on budgets, management systems, financial policies, and human resource policies. The Resources Committee met seven times between 1 April 2009 and 31 March 2010.

The Audit and Risk Committee of the Board advises the Accounting Officer and the Board on the adequacy of the Corporation's risk management and internal control arrangements. The Audit and Risk Committee met four times between 1 April 2009 and 31 March 2010.

The primary function of the Planning Committee is to be the decision maker on all planning applications to be determined by the Development Corporation and applications to be considered by the Mayor or Secretary of State. It considers, and also advises the Board, on strategic planning and planning policy issues and the preparation of planning and regeneration plans and frameworks within the UDC area. It met 12 times between 1 April 2009 and 31 March 2010.

The Executive

The Executive is led by Peter Andrews who is the Chief Executive and Accounting Officer. The Executive is responsible for delivering the strategy set by the Board.



Board Composition and Committee Memberships during 2009/10

Current Board Members	Audit	Planning	Resources
Bob Lane (Chairman)	✓	–	Deputy Chair
Ohid Ahmed	✓	–	–
Sheila Drew Smith	–	–	✓
Imtiaz Farookhi	Chair	–	✓
Ken Giles	✓	–	✓
Stan Hornagold	–	–	Chair
Conor McAuley	–	Chair	–
Mick McCarthy	–	✓	–
Guy Nicholson	–	–	✓
Sylvie Pierce	–	✓	–
Dru Vesty	–	Deputy Chair	–
Michael White	Deputy Chair	–	–
Roger Evans	–	–	–

Non Board Members	Audit	Planning	Resources
Paul Clarke (co-opted)	✓	–	–
Alan Clark (co-opted)	–	✓	–
Richard Turner (co-opted)	–	✓	–
Malcolm Chumbley (co-opted)	–	✓	–
Neil Deely (co-opted)	–	✓	–

Attendance at meetings

Name	Board	Audit	Planning	Resources
Bob Lane (Chairman)	11:11	4:4	–	7:7
Ohid Ahmed	9:11	2:4	–	–
Sheila Drew Smith	10:11	–	–	5:7
Imtiaz Farookhi	9:11	4:4	–	6:7
Ken Giles	11:11	1:4	–	5:7
Stan Hornagold	11:11	–	–	7:7
Conor McAuley	11:11	–	10:12	–
Mick McCarthy	7:11	–	7:12	–
Guy Nicholson	10:11	–	–	6:7
Sylvie Pierce	10:11	–	8:12	–
Dru Vesty	10:11	–	10:12	–
Michael White	8:11	3:4	–	–
Roger Evans	2:3	–	–	–

Format of the Financial Statements

The Financial Statements for the year to 31 March 2010 have been prepared in accordance with the Direction on the Annual Accounts issued on 31 March 2010 by the Secretary of State, with the consent of HM Treasury and in accordance with paragraph 10(3) of schedule 31 to the Local Government, Planning and Land Act 1980.

Responsibilities of the Accounting Officer

The Accounting Officer for the Department for Communities and Local Government (DCLG) designated the Chief Executive as the Accounting Officer for the LTGDC. The Accounting Officer's responsibilities include the signing of the LTGDC's Financial Statements and ensuring the propriety and regularity of the public finances for which he is answerable, and the keeping of proper accounting and other records and systems, as set out in the Financial Memorandum to the LTGDC.

The Chief Executive, as Accounting Officer, states:-

- As far as I am aware, there is no relevant audit information of which the LTGDC's auditors are unaware; and
- I have taken all the steps necessary to make myself aware of any relevant audit information and to establish that the LTGDC's auditors are aware of such information.

Employee Relations

LTGDC is an equal opportunities employer. All applicants are given full and fair consideration and are judged on the merit of their qualifications and experience in relation to the particular requirements of the post.

The LTGDC aims to promote and maintain good relations with staff through an open management style and with informal and regular consultation at all levels.

The LTGDC incurred 71.75 days of staff sickness absence from its 41.17 FTEs (see note 4) during 2009/10. This equates to an average of 1.74 days per FTE for 2009/10.

Better Payment Practice Code

The LTGDC supports the Better Payment Practice Code and aims to pay all undisputed invoices within the due date and wherever possible within 10 working days from the receipt of invoice. For the 12 months to 31 March 2010 89% of undisputed invoices were paid within 30 days and 41% paid within 10 days.

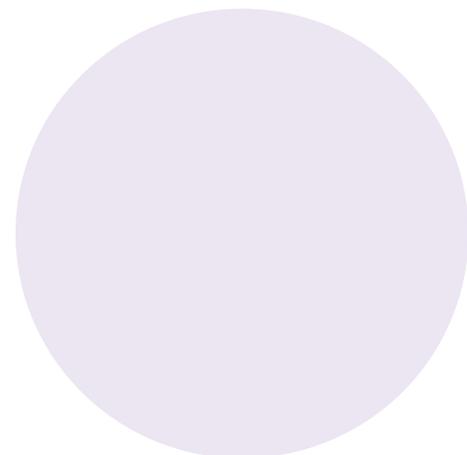
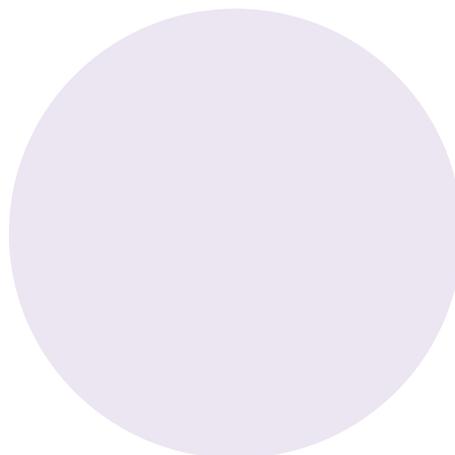
It is the LTGDC's policy to agree the terms of payment with suppliers when contracts are signed and pay invoices in accordance with the contract.

Open Government and Freedom of Information

As a public body, the LTGDC is committed to the principles of open government, customer service information provision and value for money.

The Board of the LTGDC has agreed to abide by the principles of the Freedom of Information Act 2000, in anticipation of being listed as a body to which the Act applies.

The LTGDC has an Information Risk Management Policy, which has been developed using guidelines and best practice from the government.



Sustainable Development Policy

The LTGDC's Sustainable Development Strategy and Policy has been implemented and sets out the environmental, social and economic requirements and standards for developments that the LTGDC is promoting.

For development of its sites, or where it provides funding, LTGDC requires minimum standards in line with those set by the GLA and the Homes and Communities Agency under the Code for Sustainable Homes (residential developments) and BREEAM (non-residential developments) have been set to be in line with those set by the GLA, The Homes and Communities Agency (which has taken over the functions of English Partnerships and the investment functions of the Housing Corporation), which are higher than the building regulations. However, The LTGDC will look to work with developers to exceed these minimum standards.

Key Performance Indicators

The LTGDC has agreed with CLG that its performance will be measured on the outputs delivered as a result of its project activities. The core output measures are:

- Housing Units
- Permanent FTE Jobs
- Private Sector Investment
- Brownfield Land remediated
- Commercial floor space
- Green or Open space created

Many of the outputs will be delivered in future years and beyond the life of the organisation. The majority of work undertaken by the LTGDC in 2009/10 continued the strategy of acquiring strategic sites and supporting our partners in delivering regeneration schemes through grant funding. The investment in 2009/10 will enable the LTGDC to deliver against its core output targets in the forthcoming years and ultimately achieve the desired longer term outcomes for the Lower Lea Valley and London Riverside areas.

For 2009/10 LTGDC is able to report the following outputs have been delivered;

318 new homes, 153 new / safeguarded jobs, £55 million of private sector investment, 13,253(sq m) of green and open space refurbished, 2,208(sq m)

of new commercial floor space, 3.6 hectares of brownfield land remediated. LTGDC also delivered 9.75 km of new and upgraded roads along with 1.07 km of new pedestrian routes.

Overall LTGDC expects the 2009/10 spend to result in the delivery of 875 new homes, 980 new jobs, £214 million of private sector investment, 10 hectares of brownfield land being remediated, 63,000sq m of new commercial floor space and 18,000sq m of green or open space being created by 2016.

Register of Interests

A Register of Interests is maintained by the LTGDC which is open to the public and can be obtained from the Chief Executive.

Auditors

The Comptroller and Auditor General is the statutorily appointed auditor of the LTGDC under 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 31st March 2009/10 was £31,350 which comprises £27,500 in respect of the statutory audit of the 2009/10 financial statements and £3,850 for the restatement of 2008/9 financial statements in line with International Financial Reporting Standards (IFRS).

Remuneration Report

Salaries	186,323	201,269
Pension Costs	0	4,000
Social Security Costs	14,768	15,979

					09
	Position	Salary £'000	Benefits in Kind (nearest £100)	Salary £'000	fits and est 0)
Bob Lane	Chairman	47,938	–	19,974	–
Ohid Ahmed	Board Member	12,121	–	12,121	–
Sheila Drew Smith	Board Member	12,121	–	2,020	–
Imtiaz Farookhi	Board Member	12,121	–	12,121	–
Kenneth Giles	Board Member	12,121	–	12,121	–
Stan Hornagold	Board Member	12,121	–	12,121	–
Conor McAuley	Board Member	12,121	–	12,121	–
Mick McCarthy	Board Member	12,121	–	4,040	–
Guy Nicholson	Board Member	12,121	–	12,121	–
Sylvie Pierce	Board Member	12,121	–	2,020	–
Dru Vesty	Board Member	12,121	–	12,121	–
Michael White	Board Member	12,121	–	12,121	–
Roger Evans	Board Member	5,051	–	–	–

Former Members:

Lorraine Baldry	Chairman	–	–	27,964	–
John Biggs	Deputy Chair	–	–	21,007	–
Sid Kallar	Board Member	–	–	7,071	–
Atul Patel	Board Member	–	–	10,101	–
John Worthington	Board Member	–	–	13,601	–

Lorraine Baldry: Left LTGDC on 31/10/2008
 John Biggs: Left LTGDC on 31/10/2008
 Sid Kallar: Left LTGDC on 31/10/2008
 Atul Patel: Left LTGDC on 31/01/2009
 John Worthington: Left LTGDC on 31/01/2009
 Roger Evans: Left LTGDC on 01/11/2009

The current Chairman has a time commitment of two days per week. The remaining board members have a time commitment of 3 days per month.

Board Members attendance at Board meetings is shown in the annual report section.

There is a £3,000 reconciling adjustment (accrual reversal) for the 2009 Board member total compared to the total of individual salaries in the table above.

The previous Chairman and Deputy Chair are entitled to pension benefits through a scheme operated under broadly the same rules as the Local Government Pension Scheme (LGPS). The scheme is unfunded with benefits being paid as they fall due by the LTGDC. The value of the accrued pension benefits payable to the previous Chairman and Deputy Chair as at 31 March 2010 have been calculated by the scheme actuary as £104,000. The current Chairman has no pension entitlement.

Unfunded by-analogy Pension Scheme (Audited)

Financial Assumptions

The financial assumptions used for the purposes of the IAS 19 calculations as at 31st March 2010 and 31st March 2009 are shown in the table below.

Discount Rate	4.60% pa	6.04% pa
Rate of increase in salaries	4.29% pa	4.29% pa
Rate of increase in pensions in payment	2.75% pa	2.75% pa
Inflation assumption	2.75%	2.75 %

Present Value of scheme liabilities

	Value at 31/03/2010 £ '000s	Value at 31/03/2009 £ '000s
Liability in respect of		
Active members	–	–
Deferred Pensioners	–	69
Current Pensioners	104	–
Total present value of scheme liabilities	104	69

Liabilities are valued on an actuarial basis using the Projected Unit Method.

Remuneration Report

Movement in scheme liability

	2009/10 £ '000s	2008/09 £ '000s
Scheme liability at the beginning of year	69	66
Movement in the year:		
Current service cost (net of employee contributions)	–	9
Interest costs	4	4
Employee contributions	–	3
Actuarial loss / (gain)	55	(13)
Benefits paid	(23)	–
Past service cost	–	–
Net individual pension transfers-in	–	–
Settlements and curtailments	–	–
Scheme liability at the end of year	104	69

Expense to be recognised in profit or loss	2009/10 £ '000s	2008/09 £ '000s
Current service cost (net of employee contributions)	–	9
Interest cost	4	4
Past service cost	–	–
Settlements and curtailments	–	–
Total expense / (income)	4	13

Staff Costs

Details of the Key Managers (Directors) emoluments for the year were as follows:

Name	Position	2010		2009	
		Salary £'000	Benefit in Kind (nearest £100) £	Salary £'000	Benefit in Kind (nearest £100) £
John Allen	Director of Planning	110-115	–	110-115	–
Peter Andrews	Chief Executive Officer	140-145	–	140-145	–
Steve Oakes	Director of Development	75-80	–	–	–
Wayland Pope	Director of Development	10-15	–	65-70	–
Ian Short	Deputy Chief Executive	120-125	–	115-120	–
Jim Sneddon	Director of Development	–	–	10-15	–

Steve Oakes: Joined LTGDC 06/08/2009

Wayland Pope: Left LTGDC on the 25/04/2009

Jim Sneddon: Left LTGDC on the 30/04/2008

The deputy chief executive was seconded to Thames Gateway Institute for Sustainability from 01/03/2009. LTGDC is not receiving any reimbursement from Thames Gateway Institute for Sustainability.

The information in the table above is audited.

'Salary' includes gross salary; performance pay or bonuses; recruitment and retention allowances and any other allowances to the extent that they are subject to UK taxation.

The LTGDC also received the services of Kevin Whittle as Head of Policy, seconded from London Borough of Tower Hamlets for 2009/10. This service has been valued at £125 – £130k (2008/09 £115 – £120k).

Remuneration levels for the Directors were agreed with DCLG at the time of hiring. All changes in remuneration are approved by DCLG.

The annual performance related bonuses of the Directors were payable up to 10% of their base salary. Up to 5% is based on personal performance against agreed individual targets as set by the Chief Executive, with a further 5% based on the performance of the LTGDC against the deliverables as contained in the annual Business

plan. The Chairman conducted the review of the Corporations performance against these targets. All bonus payments are approved by the Chair and the Board.

Appointments are on open-ended service contracts which do not contain any pre-determined compensation on termination of office. The Chief Executive Officer is on a six month notice period, the Senior Management are on three month notice periods with other staff on one or two months notice periods.

Pension Information – Key Managers (Directors)

Name	Real increase in pension at age 65 £'000	Real increase in related lump sum at age 65 £'000	Accrued annual pension at age 65 at 31 March 2010 £'000	Total accrued related lump sum at age 65 at 31 March 2010 £'000	CETV At 31 March 2009 – using pay data at 31/3/09 but 2010 transfer factors £'000	CETV equivalent transfer value at 31 March 2010 £'000	Real increase in CETV after adjustment for inflation, market conditions £'000
John Allen	0 – 3	0 – 3	41 – 44	119 – 122	932	980	40
Peter Andrews	0 – 3	0	11 – 14	22 – 25	171	202	21
Steve Oakes	0	0	0 – 3	0	0	19	13
Wayland Pope	0	0	0 – 3	0	13	13	0
Ian Short	0 – 3	0	6 – 9	10 – 13	73	92	10

The information in the tables above is audited.



Peter Andrews
Chief Executive and
Accounting Officer

Accountability Arrangements

The Secretary of State has delegated the responsibility to me for the management of the Development Corporation. I am accountable both to the Secretary of State and, in my Accounting Officer role, directly to Parliament.

Scope of Responsibility

As Accounting Officer of the Development Corporation, I have responsibility for maintaining a sound system of internal control that supports the achievement of agreed aims and objectives. I also have responsibility for safeguarding the public funds and the Development Corporation's assets for which I am personally responsible in accordance with the advice set out by the Treasury in Managing Public Money.

Through the Board and my role as Accounting Officer the Development Corporation works closely with its sponsor department, Communities and Local Government. This relationship ensures all parties are kept abreast of issues, statutory requirements, Government policy and overall corporate governance.

Arrangements for Securing Accountability

Arrangements for securing accountability within the Development Corporation are as follows:

1. The Board

A Board has been appointed by the Secretary of State in accordance with the Code of Practice for Public Appointments Procedures issued by the Commissioner for Public Appointments. Board members initial appointments vary between one and three years, and the level of their emoluments is set by Communities and Local Government.

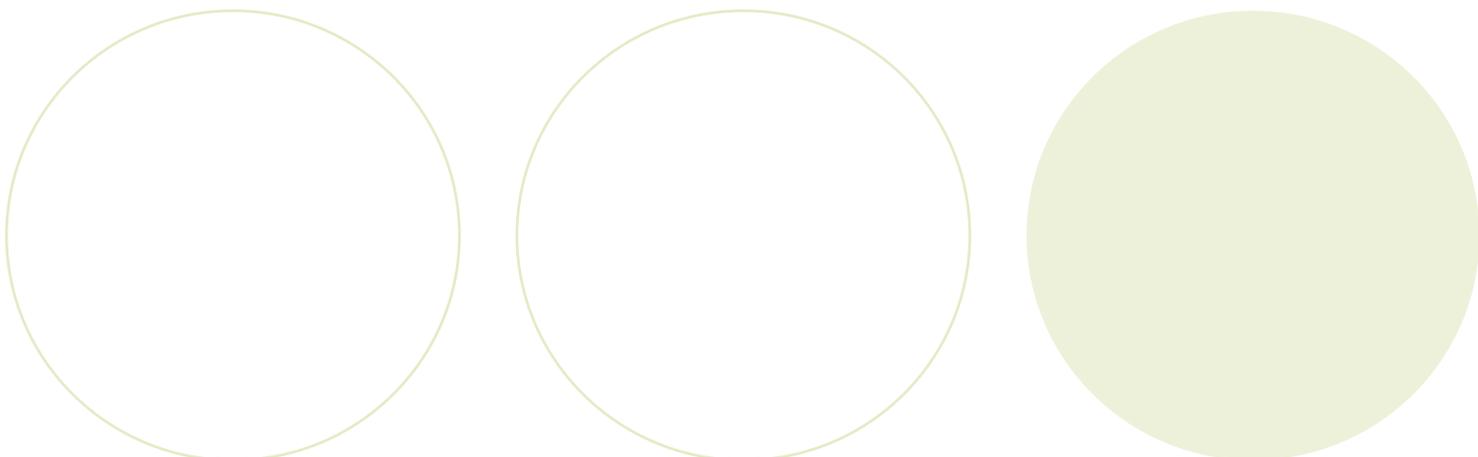
The Board responsibilities include:

- setting the overall strategic direction of the Development Corporation to ensure that regeneration is achieved, while having regard to the need to ensure the highest standards of regularity, propriety and value for money in the use of public funds,
- directing the Development Corporation in the production of the corporate strategy which will make economic and effective use of public funds,

- representing the Development Corporation in public, promoting its interests and communicating its aims to external stakeholders,
- making full use of any property or commercial experience, special knowledge or other relevant skills of its members in reaching decisions,
- ensuring the Development Corporation's activities conform to legislative requirements and fulfilling the collective responsibility of the Board for the conduct of the Development Corporation's business and ensuring that the Development Corporation achieves maximum value for money from its administrative expenditure.

Board members are subject to a Code of Practice which is consistent with the Guidance on Code of Practice for Members of Public Bodies published by the Cabinet Office.

The Board meets at least 6 times a year and I have regular meetings with the Chairman to discuss all relevant risks and control issues.



2. Audit and Risk Committee

The Board (the Chair of the Development Corporation) appoints members to an Audit and Risk Committee that meets on a quarterly basis. The Audit and Risk Committee is an advisory committee with no executive authority. The Committee advises me as the Accounting Officer and the Board on the adequacy of the Corporation's risk management and internal control arrangements. It regularly reviews the corporate risk register.

3. Resources Committee

The Board (the Chair of the Development Corporation) also appoints members to a Resource Committee that meets on a regular basis to review progress on delivery, monitor project risks and approve certain project expenditure under delegated authority.

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 Development Corporation's policies, aims and objectives; evaluate the likelihood of those risks being realised and the impact should they be realised, and manage them efficiently, effectively and economically.

The system of internal control accords with Treasury guidance and has been in place in the Development Corporation throughout the whole year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

As Accounting Officer, I have ultimate responsibility for the risk management process. The responsibility for this process is on an ongoing basis and is included within the terms of reference of the Audit and Risk Committee. The Board has reviewed the Development Corporation's risk management strategy and reviews the risk register annually. The risk register is reviewed at each meeting of the Audit & Risk Committee and is reviewed and updated by the Executive regularly.

During the year LTGDC has monitored and responded to the changing risk environment in the following ways:

The economic downturn has resulted in a reduction in property values and the property market operating at reduced levels of turnover. Consequently the Development Corporation's anticipated output targets in terms of jobs and houses are at risk of not being delivered within the planned timescale and receipts from land sales are likely to be delayed and reduced. The Development Corporation has sought to mitigate these risks through a thorough review and prioritisation of its programme to determine where it should invest its limited resources. The objectives of the review and prioritisation was to ensure that momentum of delivery would be maintained and that available resource is directed to those projects that maximise short and long term outputs.

Receipts from the planning disposal of sites are intended

to be recycled into providing future years' funding for the programme. It was therefore important that site disposals and the risk pertaining to these formed part of the review and prioritisation. The site disposal programme is being carefully monitored with formal reviews each month.

The Development Corporation has commenced a programme of site acquisitions through using its Compulsory Purchase Order (CPO) powers. The strategy for CPO incorporates measures to mitigate as far as possible, the potential reputational and financial risks associated with using CPOs. All CPOs are actively monitored and regular updates provided to the Board.

As the planning authority for strategic planning applications within its areas, there are costs associated with defending any planning inquiry. Some contingency funding is available from the sponsor department to assist with covering these costs. LTGDC actively takes steps to minimise and mitigate planning inquiry costs where practically possible.

The Risk and Control Framework

LTGDC's risk and control framework is well established and is set out in the LTGDC Risk Management Strategy which includes:-

- creation of formal risk registers at corporate, programme and project level

- the identification of risks in relation to the achievement of the Development Corporation's objectives,
- an assessment of their relative likelihood and impact,
- the Development Corporation's response to the risks identified, taking into account its level of tolerance to risk and risk appetite,
- the review and reporting of risks, ensuring the risk profile is up to date, to gain assurances that the responses are effective and when further action is necessary.

The Risk Management Strategy has been evaluated by the Development Corporation's internal audit team and overseen by the Audit & Risk Committee.

The Development Corporation has a section on risk management within the organisation's intranet. This includes the Risk Management Strategy, HMT Orange guidance and other documents to assist staff.

The corporate risk register and the programme risk register are regularly reviewed by the Executive team. The project risk registers are regularly updated by the project managers and reported to the Executive and then the Resources Committee. The risk registers are reviewed by Audit & Risk Committee at each of its meetings and by the Board annually.

The Development Corporation has implemented a new in-house finance system which interfaces with the programme management system. The control environment around budget, purchase order and approvals are now automated and this ensures compliance with internal procedures.

The Disaster Recovery and Business Continuity plan is being updated as a result of investment in new IT equipment. As a result, the planned recovery time from a major incident will be significantly improved compared to the previous solution.

Information Risk Management

The Development Corporation has an Information Management Policy, which follows government guidelines on managing information and data. The Development Corporation is in the process of implementing the Information Management Policy.

During 2009/10 the Development Corporation has not incurred any incidents of data loss.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, and the Executive who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The Internal Audit included reviews during 2009/10 on Health and Safety, the Planning Service Agreement and Information Security and Handling. I look forward to further assessment of our controls by Internal Audit in 2010/11 as part of a process of continuous improvement.

My review of the effectiveness of the system of internal control has determined that there are no weaknesses that need addressing. The Development Corporation will ensure that continuous improvements are delivered to the system.

The Board and Audit & Risk Committee have endorsed the internal control system in place and advised me that no changes are required.

The Development Corporation regularly reviews and updates all its risk registers in line with the risk management strategy and takes appropriate action as required. The project prioritisation process also demonstrates how the Development Corporation has reacted and responded to the changing risks it faces from the external environment.

Significant Control Issues

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



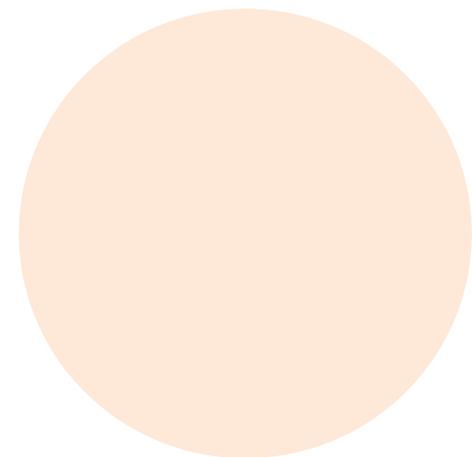
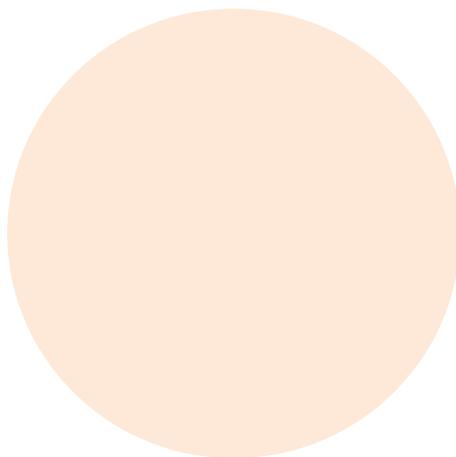
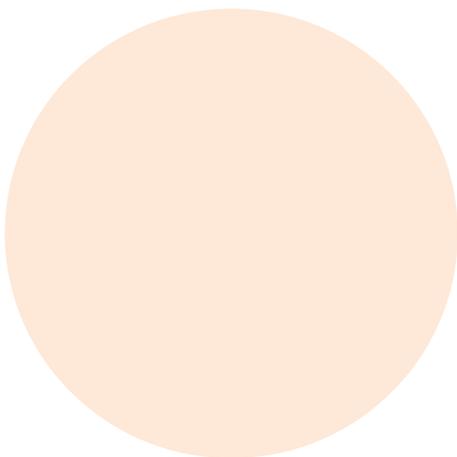
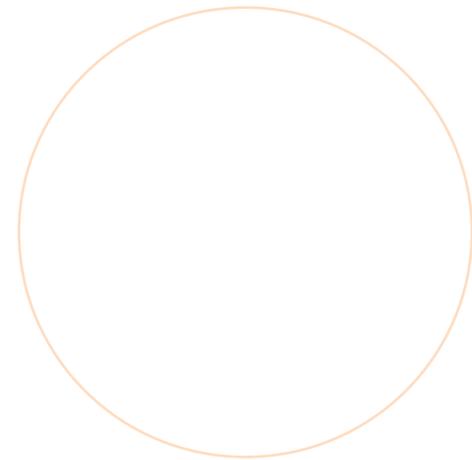
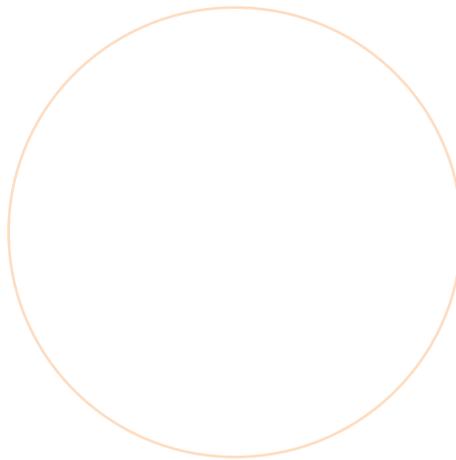
Peter Andrews
Chief Executive and
Accounting Officer

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and to the Board of the London Thames Gateway Development Corporation

I certify that I have audited the financial statements of the London Thames Gateway Development Corporation (the Corporation) for the year ended 31 March 2010 under the Local Government, Planning and Land Act 1980 and directions made thereunder by the Secretary of State. These comprise the Net Expenditure Account, the Statement of Financial Position, the Cashflow Statement and Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the London Thames Gateway Development Corporation Board, Chief Executive and auditor

As explained more fully in the Statement of Responsibilities of the Corporation and its Chief Executive, the Corporation and Chief Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.



Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Corporation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Corporation; and the overall presentation of the financial statements.

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

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.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Corporation's affairs as at 31 March 2010 and of its met expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the with the Local Government, Planning and Land Act 1980 and directions made thereunder by the Secretary of State.

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under with the Local Government, Planning and Land Act 1980 and directions made thereunder by the Secretary of State; and
- the information given in 'Foreword by Chairman', 'Chief Executive's Report', 'Background Information', 'Corporate Governance', 'Management Commentary', 'Statement on Internal Control and unaudited part of the Remuneration Report, included within the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records or returns;
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

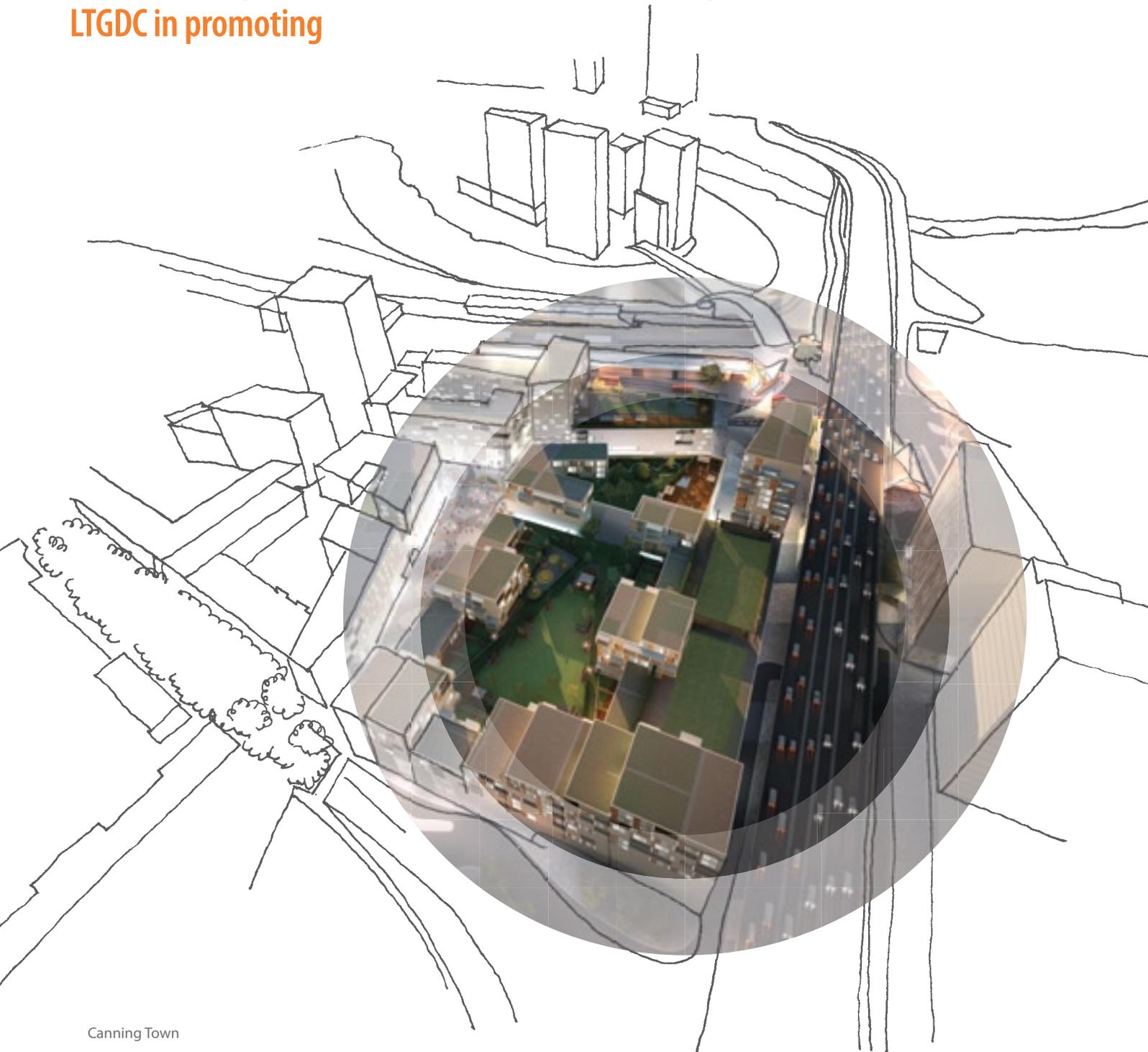
Report

I have no observations to make on these financial statements.

AMYAS C E MORSE

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London SW1W 9SP

The LTGDC's Sustainable Development Strategy and Policy has been implemented and sets out the environmental, social and economic requirements and standards for developments that the LTGDC is promoting



NET EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

The notes on pages 46 to 69 form an integral part of these annual accounts

	Notes	2010 £'000	2009 £'000
Expenditure			
Capital project Expenditure	5a	12,747	17,701
Book value of development asset sold	5b	2,175	0
Administration expenditure	5c	23,032	21,263
Staff costs	4	2,766	2,363
Revenue project expenditure	5c	516	617
Total operating expenditure		41,236	41,944
Income			
Operating income	6	3,179	2,259
Total income		3,179	2,259
Net expenditure		(38,057)	(39,685)
Interest	6	8	106
Notional cost of capital	10	(1,386)	(1,184)
Net expenditure on ordinary activities before taxation		(39,435)	(40,763)
Taxation	7	(3)	2
Net expenditure on ordinary activities after taxation		(39,432)	(40,765)
Add back notional cost of capital		1,386	1,184
Net Expenditure for the period		(38,046)	(39,581)

The 2009 figures are restated to comply with International Financial Reporting Standards

All activities above derive from continuing operations.

Note: The Net Expenditure shown above is due to the accounting treatment of Government Grant in Aid funding received by the LTGDC. Grant in Aid receipts are no longer treated as income in the annual accounts process but as a financing flow. These receipts are now credited directly to the General Reserve on the balance sheet.

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31st MARCH 2010

The notes on pages 46 to 69 form an integral part of these annual accounts

	Notes	2010 £'000	2009 £'000	2008 £'000
NON-CURRENT ASSETS				
Property, Plant and equipment	8	3,013	1,815	452
Intangible assets	8	117	139	134
TOTAL NON CURRENT ASSETS		3,130	1,954	586
CURRENT ASSETS				
Inventories (Development Assets)	11	53,715	48,089	45,011
Trade and other Receivables:				
Amounts falling due more than one year	12	0	0	3
Amounts falling due within one year	12	1,506	1,604	397
Cash and cash equivalent	13	16,466	10,079	26,439
TOTAL CURRENT ASSETS		71,687	59,772	71,850
TOTAL ASSETS		74,817	61,726	72,436
CURRENT LIABILITIES				
Trade and other payables:				
Amounts payable within one year	14	20,383	16,309	37,942
TOTAL CURRENT LIABILITIES		20,383	16,309	37,942
NET CURRENT ASSETS		51,304	43,463	33,908
NON CURRENT ASSETS PLUS NET CURRENT ASSETS		54,434	45,417	34,494
NON-CURRENT LIABILITIES				
Provisions	15	(1,624)	(552)	0
Pension (Deficit) / Surplus	4	(1,482)	(236)	113
Chair's Pension Liability		(104)	(69)	(66)
TOTAL NON-CURRENT LIABILITIES		(3,210)	(857)	47
TOTAL ASSETS LESS TOTAL LIABILITIES		51,224	44,560	34,541
RESERVES				
Pension reserve	4	(1,482)	(236)	113
General grant reserve		52,650	44,721	34,304
Revaluation reserve		56	76	124
TOTAL CAPITAL EMPLOYED		51,224	44,560	34,541

The 2008 figures are included to comply with IFRS 1– First-time Adoption of International Financial Reporting Standards (revised 2008). The figures show that the change from UK GAAP to IFRS was applied retrospectively.

Signed by the Accounting Officer
PETER ANDREWS



Date: 6 July 2010

Chairman BOB LANE
On behalf of the Board



Date: 6 July 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

The notes on 46 to 69 form an integral part of these annual accounts.

	Notes	2010 £'000	2009 £'000	2008 £'000
Net Cash Outflow from operating activities	(i)	(22,410)	(29,675)	(25,527)
Returns on investments and servicing of finance				
Interest received		8	106	38
Taxation		0	0	0
Capital expenditure				
Payments to acquire PPE and intangible assets		(1,380)	(1,627)	(133)
Payments to acquire development assets		(17,181)	(35,164)	(13,996)
Investing Activities				
Proceeds from sale of development asset		1,350	0	0
Financing				
Grant in Aid and revenue Grants received from CLG	(ii)	46,000	50,000	44,000
Increase / (Decrease) in cash in the period	(iii)	6,387	(16,360)	4,382

CASH FLOW STATEMENT

For the year ended 31 March 2010

The notes on pages 45 to 50 form part of these annual accounts.

	2010 £'000	2009 £'000	2008 £'000
(i) CASH FLOWS FROM OPERATING ACTIVITIES			
Net (Deficit)/Surplus after cost of capital and interest	(39,435)	(40,763)	(45,507)
Adjustments:			
Cost of capital charge	1,386	1,184	733
Interest	(8)	(106)	(38)
Net Operating Cost	(38,057)	(39,685)	(44,812)
Decrease / (Increase) in trade and other receivables	98	(1,204)	2,342
Increase / Decrease in inventories:			
Write off (Development assets)	17,681	15,663	4,078
Revaluation movement	20	0	0
Depreciation and Amortisation charges	286	259	179
Increase / Decrease in trade payables	4,074	(21,633)	18,946
Less movement in payables:			
Corporation tax accrual	3	(2)	(24)
Development asset accrual – current year	(9,016)	(640)	(17,014)
Non current assets accrual – current year	(35)	(9)	(9)
Development asset accrual – previous year	640	17,014	10,679
Non current asset accrual – previous year	9	9	24
Loss on disposal	825	0	0
Increase in pension liabilities	(10)	1	85
Increase in provisions	1,072	552	0
Net cash outflow from operating activities	(22,410)	(29,675)	(25,527)
(ii) CASH FLOW FROM FINANCING ACTIVITIES			
Grant in aid and revenue grant received from CLG	46,000	50,000	44,000
(iii) CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of development asset	1,350	0	0
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENT IN YEAR			
(iv)			
Cash at bank and in hand at end of the year	14,880	9,579	6,243
Cash held by third parties	1,586	500	20,127
Cash in transit	0	0	70
Less: Cash at bank and in hand at beginning of year	(10,079)	(26,439)	(22,058)
Increase / Decrease in cash in the year	6,387	(16,360)	4,382

CHANGES IN TAXPAYERS EQUITY FOR THE YEAR ENDED 31st MARCH 2010

STATEMENT OF CHANGES IN TAXPAYERS EQUITY

	General Reserve £'000	Revaluation Reserve £'000	Pension Reserve £'000	Total £'000
Net Expenditure for the year	(38,046)	0	0	(38,046)
Grant in aid received towards resource expenditure	46,000	0	0	46,000
Revaluation movement	76	(20)	0	56
Actuarial gain / (loss) in staff pension scheme	0	0	(1,291)	(1,291)
Actuarial gains / (loss) in board pension scheme	(55)	0	0	(55)
Amounts recognised in income and expenditure transfer to pension reserve	(45)	0	45	0
Total surplus / deficit	7,930	(20)	(1,246)	6,664
Balance brought forward	44,721	76	(236)	44,560
At 31st March 2010	52,650	56	(1,482)	51,224

GENERAL GRANT RESERVE

	2010 £'000	2009 £'000
Opening Balance	44,721	34,304
Grant in Aid received from CLG	46,000	50,000
Net Expenditure	(38,046)	(39,581)
Revaluation movement – Development Assets	76	0
Net Operating Cost – transfer to Pension reserve	(45)	(2)
Actuarial gain / (loss) board pension scheme	(55)	0
	52,650	44,721

REVALUATION RESERVE

	2010 £'000	2009 £'000
Opening Balance	76	124
Revaluation movement – Development Assets	(76)	(48)
Revaluation movement – Land & Buildings	56	0
	56	76

NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

1. ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with the 2009/10 Government Financial Reporting Manual (FReM) and the accounts direction issued by the Secretary of State with consent of HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the London Thames Gateway Development Corporation (LTGDC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the LTGDC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Standards, amendments and interpretations to IFRS and FReM issued but not yet effective and have not been adopted early

The standards, amendments, and interpretations issued but not yet effective and have not been adopted early, and are relevant to the LTGDC are:

- IAS 24 – Related Party Disclosures

The main amendments to IAS 24 are:

1. A partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government; and
2. Amendments to the definition of a related party.

The revision of IAS 24 simplifies and clarifies the definition of a related party, and provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances (including commitments).

LTGDC will still need to show name of Related Parties, nature of relationship, types of transactions and "qualitative and quantitative indications of their extent", even when Related Party Transactions do not exist.

The revision to IAS 24 becomes effective from 1 January 2011.

- FReM

Income and Expenditure

The Cost of Capital charging will be removed from accounts. This will be effective from 1 April 2010. Currently LTGDC accounts include cost of capital. This will be removed in the 2010/11 accounts.

Grants and Grant in Aid

The LTGDC's activities are funded by way of grants provided by the Department for Communities and Local Government (CLG), to cover expenditure incurred in meeting the LTGDC's objectives.

Grant in Aid and grant received used to finance activities and expenditure which support the statutory and other objectives of the LTGDC are treated as financing and are credited to the General Reserve, because they are regarded as contributions from a controlling party.

During 2009/10 the LTGDC received only Grant in Aid contributions.

Property Plant and Equipment

Property Plant and Equipment comprise furniture, fixtures and fittings, carpets and office equipment. It also includes buildings owned or held under long term arrangements which are used by the LTGDC for operational purposes. These are different to Development Assets/ Inventories. All assets apart from building/leasehold properties are valued at depreciated historic cost, which is not materially different from depreciated replacement cost. It is the LTGDC's policy to capitalise individual items where related expenditure exceeds £2,500. Individual items below this value are expended to the Net Expenditure account during the period when incurred.

Buildings/leasehold properties are accounted for under IAS 16 revaluation model. They are subject to an annual valuation and impairment review. Any reductions are charged to Net Expenditure account, whilst any increases are credited to the balance sheet i.e. revaluation surplus/reserve.

Intangible Assets

Intangible assets, consisting of software and software licenses, are valued at amortised historic cost which is not materially different from amortised replacement cost.

Depreciation

Depreciation is provided to write off the cost of tangible non-current assets and intangible assets on a straight line basis over their expected useful lives at the following rates:

Property Plant and Equipment:-

- Computer Equipment and non bespoke software development costs – three years
- Furniture and Fittings – seven years

The asset is depreciated over the useful life of the asset. If the useful life is lower than the rates specified above, then the actual life would be used to calculate depreciation. LTGDC owns one leasehold property – Inward Investment Centre, which is being depreciated over 125 years.

Intangible Assets:-

- Software, Software Licences and software development costs – normally three years or life of license if over three years.

Inventories – Stock of Development Assets

Development Assets are held for regeneration purposes and are shown as inventories, and in line with FReM requirements, are held at current costs. Any resulting financial write downs (historic costs less current cost) of these properties to current cost (open market value) are accounted for annually and separately identified in the income and expenditure account.

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

A valuation to establish current cost is conducted at the end of each financial year. Valuations are carried out in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. It is the LTGDC's policy to have Development Assets valued externally every two years.

Segmental Analysis

Income and Expenditure segmental analysis is split by Project and Operational costs which follows the same format used internally by LTGDC management for management decision making purposes.

Segmental analysis for the balance sheet items is not practical as most assets and liabilities are held centrally and cannot be split out. However, Development Assets can be split out on a projects area basis and this analysis has been included.

Financial Instruments

The estimated fair values of the financial instruments of the LTGDC approximate to their book value as at 31 March 2010. The following criteria has been used to assess the fair values of the LTGDC's financial instruments:

- Trade and other receivables are based upon discounted cash flows at prevailing interest rates or at their nominal amount less impairment losses if due less than 12 months. The discount rate used in respect of amounts due over 12 months is 3.5%.
- Trade and other Payables are based on their nominal amount.
- Cash and Cash equivalent approximate to their book value due to the short maturity period.

Cost of Capital

The LTGDC is required to charge a notional cost of capital against the Net Expenditure Account to ensure it bears an appropriate charge for the use of capital in the business in the year. The charge is set at a rate of 3.5% of average net assets. After the surplus or deficit for the year reported in the Net Expenditure Account there is an entry reversing this amount.

Deferred Taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

Pensions

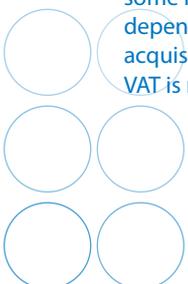
LTGDC staff that are on permanent contracts and staff contracts greater than three months are entitled to join the Local Government Pension Scheme (LGPS) which is administered by the London Pension Fund Authority. Annual actuarial valuations are sought for this scheme and the costs are accounted for in accordance with IAS 19 'Employee Benefits' as disclosed in Note 4.

Operating Leases

Operating lease rentals payable are accounted for in the Net Expenditure Account on a straight line basis over the term of the lease in accordance with IAS 17 'Leases'.

Value Added Tax

The LTGDC is registered for VAT. It has agreed a VAT recovery position and is able to recover some input VAT charged on goods and services received. This partial recovery VAT calculation depends upon the split of expenditure between grants given and the amount spent on acquisition of sites. Full VAT recovery is made on sites that have been 'opted to tax' whilst no VAT is recovered on planning activities or spend related to grants.



Planning Fee income and related Planning expenditure

Large strategic planning applications that are within LTGDC's development area are dealt with by LTGDC. Planning applications have a statutory planning fee charge (under the relevant legislation) which is payable by the applicant. Planning Fees are payable by the applicant at the time of submitting a planning application and exclude VAT.

Local Authorities assist LTGDC by undertaking the administrative tasks associated with these large planning applications. Local Authorities charge LTGDC for providing this service. Their charges to the LTGDC reflect the amount of planning application fee that is payable by the applicant.

The amount of Fee which is recognised as income by LTGDC, is based on a percentage estimate of how far the planning application has progressed within the planning decision stage. This percentage estimate is applied to individual planning fees above five thousand pounds. Any individual amounts below five thousand pounds are recognised in full. The LTGDC planning department calculate the estimate of how far the planning application has reached.

Any unrecognised income is treated by LTGDC as deferred income and shown in the balance sheet. Any deferred income will be matched to the related expenditure (in the Net Expenditure account) at a later date, once the planning decision has been determined.

Related planning expenditure relates to the planning work done by the Local Authorities and also includes the VAT charged. The expenditure is recognised by LTGDC (in the Net Expenditure account) on a matching basis to the income recognised.

Section 106 Planning Agreements

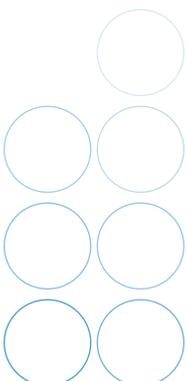
The power of the LTGDC as local planning authority to enter into planning obligation with an owner of land in its area is set out in s106 of the Town and Country Planning Act 1990 (as amended). LTGDC as the local planning authority for strategic applications can enter into Section 106 planning agreements when determining planning applications. LTGDC recognises s106 contributions as income only when the related expenditure is incurred. Until that time any s106 contributions are treated as deferred income and shown in the balance sheet.

2. FIRST TIME ADOPTION OF IFRS

	General reserve £'000	Revaluation reserve £'000	Pension reserve £'000
Taxpayers' equity at 31 March 2009 under UK GAAP	44,798	76	(236)
Adjustments for:			
Increase in current liabilities			
Carry over leave at 31Mar09	(38)	0	0
Rent free period adjustment 31Mar08	(30)	0	0
Rent free period adjustment 31Mar09	(10)	0	0
Taxpayers' equity at 01 April 2009 under IFRS	44,720	76	(236)

	£'000
Operating Expenditure for 2008-09 under UK GAAP	41,919
Adjustments for:	
Increase in Administrative expenditure:	
Add rent free period adjustment	10
Increase in Staff Costs:	
Less carry over leave at 31Mar08	(23)
Add Carry over leave at 31Mar09	38
Operating Expenditure for 2008-9 under IFRS	41,944

The IFRS restatement of the 2008/09 accounts did not result in the cash and cash equivalents balance being adjusted.



3. ANALYSIS OF NET EXPENDITURE BY SEGMENT

	2010 Gross Expenditure £'000	2010 Income £'000	2010 Net Expenditure £'000	2009 Net Expenditure £'000
Capital Project Expenditure				
Canning Town	2,425	0	2,425	4,708
Olympic Arc	7,911	(180)	7,731	2,265
Bromley by Bow	5,577	(316)	5,261	1,856
Lea River Park	1,460	(150)	1,310	603
Barking Town	4,400	(1,354)	3,046	12,666
Dagenham South	14,295	(42)	14,253	12,573
Rainham Village	1,549	(226)	1,323	1,274
London Riverside Parklands	117	0	117	241
LTG Other	79	0	79	196
Development Staff Time	478	0	478	412
Transfer to Statement of Financial Position – Inventories (Development Assets)	(25,557)	0	(25,557)	(20,283)
VAT Adjustment	13	0	13	0
Total Capital Project Expenditure	12,747	(2,268)	10,479	16,511
Book Value of Development Asset Sold				
Barking Town	2,175	0	2,175	0
Administration Expenditure				
Board Costs	201	0	201	221
Other Staff Costs	79	0	79	127
Professional Services	366	(11)	352	482
Promotion and Publicity	492	0	492	370
Other Operating Costs	352	0	352	326
Strategy Consultancy	348	(65)	283	212
Development Control Support	651	(27)	624	1,495
Planning Applications	895	(776)	119	104
Estate Management	612	0	612	674
Depreciation and Amortisation	286	0	286	259
Provisions	1,072	0	1,072	552
Development Assets Written off	17,681	0	17,681	15,663
Total Administration Expenditure	23,035	(879)	22,153	20,485
Staff Costs	2,766	0	2,766	2,333
Revenue Project Expenditure	516	0	516	549
Rental Receipts	0	(32)	(32)	(191)
Interest Received	0	(8)	(8)	(106)
Taxation	(3)	0	(3)	2
Total	41,236	(3,187)	38,046	39,583

Analysis of Cumulative Development Assets by Segment

Project Area	2009/10 Development Assets £'000	2008/09 Development Assets £000
Canning Town	–	–
Olympic Arc	4,350	–
Bromley by Bow	1,800	–
Lea River Park	–	–
Barking Town	3,195	6,355
Dagenham South	35,900	31,394
Rainham Village	8,470	10,340
London Riverside Parklands	–	–
LTG Other	–	–
Total Development Assets	53,715	48,089

4. STAFF COSTS AND DEFINED BENEFIT PENSION SCHEME

	2010 £'000	2009 £'000
Staff Costs		
Permanent Staff Costs	2,369	2,151
Permanent Staff Social Security Costs	232	214
Permanent Staff Pension Current Service Costs	267	208
Seconded Staff	128	117
Contract Staff	145	0
	3,141	2,690
Development Staff Time	(478)	(412)
	2,663	2,278
Additional Pension Costs – (IAS19)	(45)	(2)
Agency and Temporary Staff	148	87
Total staff costs	2,766	2,363

Average number of persons employed

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

	2009/10	2008/09
Permanent Staff	41.17	38.09
Seconded Staff	1	2.25
Contract, Agency and temporary staff	3.93	2.49
Total	46.10	42.83

Details of board members costs and costs of key managers can be found in the remuneration report on pages 30 to 33.

At 31st March 2010 no employees of LTGDC had received a loan from the LTGDC, other than travel season ticket loans. The balance owing on season ticket loans at 31st March 2010 was £10,376 relating to 10 members of staff (2009 balance was £13,363, 11 staff members).

Defined Benefit Pension Scheme

Pension Reserve Most of the LTGDC's employees belong to the Local Government Pension Scheme, a defined benefit statutory pension scheme.

Opening Balance	(236)	113
Pension Reserve adjustment	0	0
Actuarial (Loss) / Gain	(1,291)	(351)
Income and Expenditure deficit – transfer to Pension reserve	45	2
Closing Balance	(1,482)	(236)

The most recent full actuarial valuation of that scheme was undertaken on 31st March 2009, however in order for the LTGDC to ascertain its own actuarial liabilities under the scheme, a valuation for IAS 19 purposes was undertaken as at 31st March 2010.

The following financial information and statistical data has been compiled in accordance with IAS 19 requirements:

Financial Assumptions

The financial assumptions used for the purposes of the IAS 19 calculations as at 31st March 2010 and 31st March 2009 are shown in the table below.

Inflation / Pension Increase Rate	3.9%	3.1%
Salary increase rate	5.4%	4.6%
Expected Return on Assets	6.8%	6.4%
Discount rate	5.5%	6.9%

Fair Value and Expected Return on Assets

The expected return on assets is based on the long term future expected investment return for each asset class at the beginning of the period (i.e. as at 31st March 2010).

The expected returns as at 31st March 2010 and 31st March 2009 are shown in the table below.

Asset Class	Expected Return at 31st Mar 2010 (% p.a.)	Asset Class	Expected Return at 31st March 2009 (% p.a.)
Equities	7.5%	Equities	7.0%
Target return funds	4.5%	Target return funds	5.5%
Alternate assets	6.5%	Alternate assets	6.0%
Cash	3.0%	Cash	4.0%
Corporate Bonds	5.5%	Corporate Bonds	0.0%

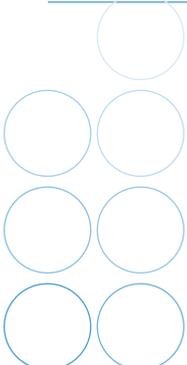
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Net Pension Liability	31st March 2010 £'000	31st March 2009 £'000
Fair Value of Scheme Assets	2,741	1,921
Present Value of Funded Obligation	(4,223)	(2,157)
Present Value of Unfunded Obligation	0	0
Total Value of Liabilities	(1,482)	(236)
Net Liability	(1,482)	(236)

Surplus / (deficit) at beginning of the year	(236)
Current Service Cost	(189)
Interest Cost	(154)
Employer contributions	258
Contributions in respect of Unfunded benefits	0
Other income	0
Other outgoing (e.g. expenses etc)	0
Past service costs	0
Impact of settlement and curtailments	0
Expected Return on Assets	130
Actuarial gains / (losses)	(1,291)
	(1,482)

Analysis of projected amount to be charged to operating profit for the year to 31 March 2011

Amount Charged to Operating Profit	Period to 31st March 2011 £'000
Projected Service Cost	452
Interest Cost	244
Expected Return on Assets	(194)
Past Service Cost	0
Losses / (Gains) on Curtailments and Settlements	0
Total Operating Charge	502
Employer Contributions	289



5. OPERATING EXPENDITURE

	2010 £'000	2009 £'000
5a. Capital Project Expenditure which comprises		
Capital Grants to Local Authorities	5,508	8,168
Capital Grants to Other Bodies	3,386	3,517
Other Capital project expenditure	3,375	5,604
Development staff time	478	412
	12,747	17,701
5b. Net Book Value of Asset Sold	2,175	0
This sale relates to one site sold at Barking Town. (See note 11)		
5c. Administration Expenditure which comprises		
Board Members' Costs	201	221
Travel, Hospitality and Subsistence	50	54
Board & Staff Training, Conferences	54	86
Accommodation and other rental costs	340	310
IT Expenditure	155	182
Consultancy Fees:		
Strategy consultancy	348	237
Planning Policy Documents	16	117
Planning Support	418	1,237
Legal, Accountancy and Professional Fees	393	543
Publications, Events and Publicity	457	340
External Auditors Remuneration (Statutory fee)	28	25
External Auditors Remuneration (IFRS Compliance fee)	4	3
Internal Auditors Remuneration	13	18
Provisions (Note 15)	1,072	552
Depreciation and Amortisation costs (Note 8)	286	259
Planning Fees (Including VAT)	895	746
Estate Management costs	612	674
Development Assets Write Off (Note 11)	17,681	15,663
Bad debts (Note 12)	(1)	(4)
VAT adjustment	10	0
	23,032	21,263
Staff Salaries (Note 4)	2,663	2,278
Additional Pension Costs – IAS19 (Note 4)	(45)	(2)
Agency & Temporary Staff (Note 4)	148	87
	2,766	2,363
Project revenue costs	516	617
	26,314	24,243

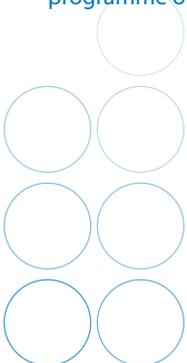
The reduction in 5(a) capital project expenditure between 2010 and 2009 was due to less capital grants relating to Canning Town. (See Analysis of Capital Grant Expenditure – overleaf).

Analysis of Capital Grant Project Expenditure (5a)

Local Authority	Project	2010 £'000	2009 £'000
LB of Newham	Canning Town	2,299	4,480
LB of Newham	Olympic Arc	842	140
LB of Tower Hamlets	Olympic Arc	46	0
LB Tower Hamlets	Bromley by Bow	144	920
LB of Barking & Dagenham	Barking Town	1,800	1,700
LB of Havering	Rainham Village	267	878
LB of Havering	London Riverside Park	110	0
LB of Waltham Forest	Olympic Arc	0	50
Total Local Authority		5,508	8,168

Other Bodies	Project	2010 £'000	2009 £'000
Art Services Grant	Barking Town	15	0
British Waterways	Prescott Lock	0	25
British Waterways	Olympic Arc	52	0
Childrens Discovery Centre	Olympic Arc	250	0
London Development Agency	Olympic Arc/Silvertown Way & Ailsa Street	0	4
RSPB	London Riverside Parklands (Wildspace)	0	245
DLR Ltd	Olympic Arc	93	10
Leaside Regeneration	Olympic Arc	529	21
London International Festival of Theatre	LIFT	25	186
Transport for London	Barking Town	694	2,912
Transport for London	Bromley by Bow	170	0
London Riverside BID	Rainham Village	172	0
River Lea Tidal Mill Trust	Lea River Park	24	0
East London University	Olympic Arc	749	0
TG Institute for Sustainability	Olympic Arc	95	0
TG Institute for Sustainability	Dagenham South	114	0
Poplar Harca	Bromley by Bow	405	114
Total		3,386	3,517

The change in capital grant project expenditure between 2010 and 2009 is reflective of LTGDC's programme of projects which is not uniform for each area and varies on an annual basis.



6. INTEREST AND OPERATING INCOME

	2010 £'000	2009 £'000
Rental income	32	191
Contributions	1,005	1,417
Planning Application Fees Received	776	642
Recharges	0	9
Refunds	16	0
Capital Receipts (Note 11)	1,350	0
	3,179	2,259
Bank Interest Received	8	106
	3,187	2,365

Rental Income is receivable under operating leases. This relates to four sites as follows:

Area	Amount £
West Rainham	(25,326)
Rainham Broadway	(21,748)
Barking	36,902
West Dagenham	(21,750)
	(31,922)

The Barking rental figure reflects a renegotiation of the amount outstanding at termination of the lease.

Contributions (Grants) were received as follows:

Contributors	Area	Amount £
London Development Agency	Dagenham South	(42,000)
London Development Agency	Lea River Park	(149,987)
London Development Agency	Bromley by Bow Connections	(12,211)
English Partnerships (HCA)	Area Action Plan	(22,223)
Tesco	Bromley by Bow CPO	(277,408)
Rail for London	LR Sustainable Logistics	(65,000)
East Thames	Olympic Arc	(35,000)
LB of Havering	Rainham Station Interchange	(225,987)
Transport for London	A12 Study	(18,091)
London Development Agency	A12 Study	(10,788)
LB of Hackney	Hackney Wick & Fish Island	(49,398)
LB of Tower Hamlets	Hackney Wick & Fish Island	(24,398)
East London University	Economic Development	(35,428)
Birkbeck College	Economic Development	(35,428)
Barford Chemicals	Barking	(2,786)
Smith Bailey Anderson	Barking	(1,000)
Design for London	Chrisp Street Link	2,447
		1,004,686

provided for fees and charges purposes, not for

	2009/10	Amount b/f (from 08/09 deferred income)	Income (as shown)	Related Expenditure, Inc accruals and VAT (see note 3)	Deficit
LB of Havering	£35,275	£37,385	£72,660	£84,486	(£11,826)
LB of Barking and Dagenham	£71,485	£221,177	£292,662	£336,151	(£43,489)
LB of Newham	£120,846	£205,723	£326,569	£377,441	(£50,872)
LB of Tower Hamlets	£66,638	£17,348	£83,986	£96,901	(£12,915)
Total	£294,244	£481,633	£775,877	£894,979	(£119,102)

Planning Fee income relates to the statutory charge payable by applicants for making large, strategic planning applications which fall within the LTGDC's geographical area. Fees are payable at the time of making a planning application. Planning Fees are determined by government legislation which is contained in the Town and Country Planning Regulations 2005. The responsibility for determining large, strategic planning applications within the LTGDC area rests with the LTGDC. Local Authorities provide a planning service to LTGDC to enable and assist them to determine planning applications and to carry out any other planning functions which have been bestowed upon the LTGDC. Planning Application Fees are intended to cover the costs involved in dealing with each type of planning application. (See Accounting Policies for LTGDC's recognition of Planning Fee income and expenditure).

Planning fees exclude VAT (as it is a statutory charge). Related planning services provided by the Local Authorities to LTGDC are subject to VAT.

The deficit on planning relates to the amount of VAT charged. All Planning applications have been dealt with under the due processes as laid down in the planning legislation.

7. TAXATION

	2010 £'000	2009 £'000
Current year taxation charges	0	2
Taxation charges relating to prior years	(3)	0
Released to income and expenditure	(3)	2

Deferred Tax

Unprovided deferred tax assets have not been recognised on the basis of their uncertain realisation, at the rate of 21% the overall figure of £6,586 is made up as follows:

- Trading losses carried forward (£1,793)
- Board pension provision (£3,103)
- Accelerated capital allowances (£1,690)

The deferred tax amounts are subject to the change in staff split (between taxable and non-taxable activities) in future periods which is the basis for the corporation tax calculation. All the tax amounts are still subject to confirmation from HMRC.

8. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Furniture & Fittings £'000	Computer Equipment £'000	Total £'000
Cost				
At 1st April 2008	0	671	38	709
Additions	1,492	19	2	1,513
Revaluation	0	0	0	0
At 31st March 2009	1,492	690	40	2,222
Additions	11	1,215	120	1,346
Revaluation	56	0	0	56
At 31st March 2010	1,559	1,905	160	3,624
Depreciation				
At 1st April 2008	0	226	30	256
Charge for the year	53	98	0	151
At 31st March 2009	53	324	30	407
Charge for the year	0	192	12	204
At 31st March 2010	53	516	42	611
Net Book Value				
At 31st March 2008	0	445	8	452
At 31st March 2009	1,439	366	10	1,815
At 31st March 2010	1,506	1,389	118	3,013

Land and Buildings relates mostly to the acquisition of the Inward Investment Centre. This property was acquired in March 2009 for £1.5million.

Furniture & Fittings additions mostly relates to internal works and fittings at the Inward Investment Centre. Computer Equipment includes amounts expended on non-bespoke IT software development.

INTANGIBLE ASSETS

	Software & Licences £'000
Cost	
At 1st April 2008	269
Additions	115
At 31st March 2009	384
Additions	61
At 31st March 2010	445
Amortisation	
At 1st April 2008	135
Charge for the year	110
At 31st March 2009	245
Change for year	82
At 31st March 2010	327
Net Book Value	
At 31st March 2008	134
At 31st March 2009	139
At 31st March 2010	117

IAS 7 (Disclosure), IAS 32 (Presentation) and 39 (Recognition and Measurement) are applied to the LTGDC. Under those provisions disclosures are made of the financial instruments (financial assets and financial liabilities) maintained by the LTGDC, the risks associated with them and the LTGDC's approach to that risk.

Except for short term receivables and payables the only financial instrument maintained by the LTGDC is cash held on current account.

Financial Assets by category

Financial Assets per balance sheet	Loans and Receivables £'000
Cash at bank and in hand	16,466
Trade Receivables	1,199
Total	17,665

The above figures exclude statutory receivables which related to VAT from HM Revenue and Customs. None of the Financial Assets have been subject to impairment.

At the Balance Sheet date the cash balances analysed in Note 13 which comprised:

- Cash balance held at Office of HM Paymaster General – £10,605,217.05 (2008/09 – £5,964,858.79) (2007/08 – £5,455,281.48)
- Cash balance held at HSBC – £4,274,755.39 (2008/09 £3,614,369.26) (2007/08 £787,886.09)
- Cash held at solicitors – £1,586,250 (2008/09 – £500,000) (2007/08 £20,126,580)
- Cash in transit – £nil (2008/09 – £nil) (2007/08 – £69,730)

Liquidity Risk

There was no cash in hand. The LTGDC has no borrowings and relies primarily on departmental grants for its cash requirements and all accounts are instant access, and is therefore not exposed to liquidity risks. It also has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

Credit Risk

An analysis of the ageing of the non-impaired trade receivables as at 31 March 2010 is shown below.

	0-30 days £'000	30 days and over £'000	Total £'000
Trade Receivables	749	450	1,199

Financial Liabilities by category

Financial Assets per balance sheet	Loans and Receivables £'000
Trade Payables	275
Accruals	15,366
Total	15,641

The above figures exclude statutory receivables which related to Tax and Social Security due to HM Revenue and Customs. All of the liabilities are payable within one year.

The LTGDC's financial assets include bank balances and trade receivables. These represent the LTGDC's maximum exposure to credit risk in relation to financial assets. The credit risk is primarily attributable to its trade receivables.

Management of risks – the majority of LTGDC's trade receivables are from local authorities and other government bodies. The LTGDC considers these as stable organisations that are unlikely to default on payments. LTGDC carries out credit checks prior to conducting financial transactions.

Hedging

The LTGDC does not partake in any hedging related transactions.

10. NOTIONAL COST OF CAPITAL

	2010 £'000	2009 £'000
At 3.5% on average of total assets less total liabilities during the period	1,386	1,184

11. INVENTORIES (DEVELOPMENT ASSETS)

	2010 £'000	2009 £'000
Opening balance	48,089	45,011
Additions	25,557	18,789
Revaluations – write offs	(17,681)	(15,663)
Revaluations – written down	(76)	(48)
Sales Receipts	(1,350)	
Loss on Disposal	(825)	
Net Book Value of Asset Sold	(2,175)	0
Closing Balance	53,715	48,089

Development Assets Write Offs occur as a result of the annual valuation (note 1). In 2010, LTGDC's assets were again subject to a considerable write off. This reflects the prevailing market and economic conditions and the risks associated with regeneration. Write offs were incurred on all of the sites owned by the LTGDC. If in future market and economic conditions improve and the LTGDC still own these Development Assets, it could result in a revaluation write-back (note 1).

CURRENT ASSETS

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Amount			
Planning fees recoverable	0	45	1
Trade receivables	1,199	899	265
VAT	58	243	68
Prepayments	258	428	78
Bad Debt reserve	(10)	(11)	(15)

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Amount falling due in more than one year

Trade Receivables	0	0	3
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RECEIVABLES – INTRA-GOVERNMENT BALANCES

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Trade receivables falling due within one year

Balances with other central government bodies	292	369	79
Balances with local authorities	305	450	97
Balances with bodies external to government	909	785	221

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Trade receivables falling due more than one year

Balances with bodies external to government	0	0	3
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13. CASH AND CASH EQUIVALENTS

	2010 £'000	2009 £'000	2008 £'000
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The following balances at 31 March were held at:

Office of HM Paymaster General	10,605	5,965	5,455
HSBC	4,275	3,614	788
Cash held at Solicitors	1,586	500	20,126
Cash in Transit	0	0	70
	16,466	10,079	26,439

14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Amount falling due within one year

Trade Payables	275	63	0
Accruals	15,366	11,898	36,851
Deferred income	4,669	4,273	994
Other tax and social security costs	73	75	97

PAYABLES – INTRA-GOVERNMENT BALANCES

Trade payables due within one year

Balances with other central government bodies	1,793	1,712	11,238
Balances with local authorities	2,895	5,182	6,270
Balances with public corporations and trading funds	0	0	2
Balances with bodies external to government	15,695	9,415	20,432

15. PROVISIONS

	2010 £'000	2009 £'000
Opening balance	552	0
In-year provision:		
Inward Investment Centre	95	552
CPO costs	977	0
	1,624	552

The inward investment provision relates to the future contractual obligation to convert the Inward Investment Centre accommodation back from non-residential to residential usage. The refurbishment/restoration back to residential usage is expected to be completed by March 2014. The Inward Investment Centre is classified as a non-current asset (PPE) and the cost associated with its acquisition is shown in note 8.

The CPO cost relates to estimated legal fees on three projects: Bromley by Bow South, Creative Industries Quarters and Fat Walk.

16. CAPITAL COMMITMENTS

As at 31st March 2010, the Capital Commitments that LTGDC had authorised and contracted for were as follows:

Organisation	Project	Amount £'000
Amion Consulting	London Sustainable Industries Park (LSIP)	13
Atkins Ltd	Barking Interchange Masterplan	63
British Waterways	Fat Walk Phase 1	13
Demo One Ltd	Captain Cook Public House, Barking	36
Denton Wilde Sapte	Fat Walk Phase 1	47
Drivers Jonas	Fat Walk Phase 1	77
Eversheds LLP	Amberley Residential, Development around Hackney Wick Station, Fat Walk Phase 1, LSIP, Rainham Station Interchange	99
FPCR LLP	LSIP	20
GVA Grimley	Amberley Residential Disposals, CIQ Land Assembly and Development, Rainham Broadway	35
Jones Lang Lasalle	CIQ CPO, Hackney Wick Station, Lamson Road, Property Development Advice, Rainham Library, Rainham Station Interchange	299
Maccreeanor Lavington Architects B.V	Rainham Library	103
Northcroft	Fat Walk Phase 1	105
Scottish And Southern Energy	LSIP	212
Sergison Bates Architects LLP	LSIP	123
Steer Davies & Gleave Ltd	Bromley By Bow South, Fat Walk Phase 1	11
Turner & Townsend	LSIP	310
W B Associates	Inward Investment Centre Project	17
White Young Green Ltd	CIQ Granary, Jenkins Lane	100
Wildwood Futures Ltd	LSIP	16
Others Suppliers	Various	62
Total		1,761

Grants – as at 31st March 2010 LTGDC had outstanding agreed grant contracts amounting to:

Organisation	Project	Amount £'000
London Borough of Havering	Rainham Public Realm, Rainham To The River	519
London Borough of Newham	Canning Town Project, Old Stratford Station, Stratford High St Works	13,464
Transport For London	Transport for London	2,121
Eastbury Schools	Education Grant	82
Birkbeck College	Education Grant	1,355
Ian Mikardo School	Education Grant	338
Thames View Infants School	Education Grant	651
LIFT Project	Education Grant	25
Institute for Sustainability	IfS Set-up	21
Total		18,576

All the amounts above have not been included in the income or expenditure in the current year.

In addition, LTGDC has committed an amount of £3 million to provide a road of adoptable standard at the LSIP. With the ongoing CPO activities LTGDC estimates that a further £19 million will be required by the Development Corporation to fulfil the CPO process, net of any contributions from interested parties. Of the £19 million only £977,000 has been provided for in 2009/10 (see note 15) which relates to CPO legal fees.

17. OPERATING LEASES

As at 31st March 2010, the LTGDC was committed to making the following annual rental payments in respect of the following:-

	Land and Buildings £'000	Other £'000
Payment due within 1 year	87	1
Payment due within 1-5 years	58	0
Payment due over 5 years	-	-
	145	1

LTGDC's current lease is due to expire on 29/11/2011 – figures provided are up to this date.

Comparison with actual payment

In 2009/10 the actual operating lease payment was £123,000

Land & buildings relates to the office space in London whilst other relates to hire of the franking machine.

The LTGDC had no finance leases during the period.

18. STATEMENT OF LOSSES AND SPECIAL PAYMENTS

The LTGDC had no special payments or losses during the year.

19. CONTINGENT LIABILITIES

LTGDC acquired a site known as Land at Broadway / Ferry Lane in 2006/07. It was valued at 31st March 2010 at £500,000. If the site was developed in a manner (subject to planning approval), such that it can achieve a value above £560,000 then a clawback provision would apply. This clawback is on a 50:50 basis with the previous owner for any amounts over £560k. However, if 80% of the site is used for public open space, then the clawback provision is not enforceable.

20. CONTINGENT ASSET

Following the completion of the Compulsory Purchase Order Indemnity Agreement with Tesco Stores Limited in relation to the Bromley by Bow South CPO, LTGDC are able to recover the majority of the consultant fees and acquisition costs incurred by the Development Corporation in preparing for, managing and executing the compulsory purchase of land required to enable Tesco to deliver their proposals. This is estimated as £450,000 and has not been recognised.

DATE

The Corporation's financial statements are laid before the Secretary of State of Communities and Local Government. The accounts are audited by the London Thames Gateway Development Corporation to disclose the date on which the accounts are authorised for issue. This is the date on which the certified accounts are despatched by London Thames Gateway Development Corporation's management to the Secretary of State of Communities and Local Government.

The authorised date for issue is 12 July 2010

22. RELATED PARTY TRANSACTIONS

The LTGDC is a Non-Departmental Public Body sponsored by the DCLG, which is regarded as a related party, as are the other entities which DCLG sponsors. The Local Government Pension Scheme (LGPS), which is administered by the London Pension Fund Authority is also regarded as a related party. During 2009/10, LTGDC assisted in the set up of The Thames Gateway Institute for Sustainability (TGfS). The LTGDC's finance, programme office, IT team and office manager's time were spent during the year we estimate the staff time spent to be £153,955. This figure also includes the deputy chief executive's time. (80% for 11 months of the year and 100% for the month from 1/03/10). The deputy chief executive was seconded to TGfS from 01/03/10 details of which can be found in remuneration report on page 32. The TGfS is a charitable company. It was incorporated in March 2009.

During the year the following payments were made to related parties:

Organisation	No of transactions	Amount Paid by LTGDC	Amount Accrued by LTGDC	Amount Outstanding to LTGDC	Nature of transactions	Related Party Connection	LTGDC Position
BT Group	4	£4,727	£0	£0	Rental Charges	Mick McCarthy	Board Member
Centre for Engineering and Manufacturing Excellence	2	£14,579	£0	£0	Room hire	Michael White	Board Member
Leaside Regeneration	13	£335,349	£218,740	£0	Capital grants (projects)	Ohid Ahmed	Board Member
LB of Barking & Dagenham	34	£1,638,430	£698,467	£0	Planning expenditure, Capital grants (projects)	Mick McCarthy	Board Member
LB of Havering	18	£1,816,720	£377,394	£42,923	Planning expenditure, Capital grants (projects), contributions to capital projects	Michael White Roger Evans	Board Member
LB of Newham	122	£4,507,336	£1,252,690	£10,000	Planning expenditure, Capital grants (projects), Room hire, contributions to capital projects	Conor McAuley	Board Member
LB of Tower Hamlets	45	£142,634	£408,633	£141,657	Office rates, Planning expenditure, Capital grants (projects), Secondee costs and contributions to capital projects	Ohid Ahmed	Board Member
LB of Hackney	1	£0	£0	£5,012	Contribution towards capital project	Guy Nicholson	Board Member
SEEDA	1	£13,852	£0	£0	Contribution re:OFFPAT	Imitiaz Farookhi	Board Member
DCLG	5	£13,254	£4,606	£0	Internal audit costs	Sponsor Dept	Sponsor Dept
LPFA	2	£913	£0	£0	Pension reports	Via sponsor dept	Pension provider
TG Institute for Sustainability*	6	£232,000	£209,194	£165,000	Capital grants (projects)	Ian Short	Deputy Chief Executive

* The deputy chief executive was seconded to TGfS from 01/03/10 details of which can be found in remuneration report on page 27. The TGfS is a charitable company. It was incorporated in March 2009.

DISCLOSURE OF REGISTERED INTERESTS BY BOARD MEMBERS AND HIGHER PAID EMPLOYEES

The following interests have been properly declared for the period to 31st March 2010:

Board Members

Bob Lane – Chairman

National Housing and Planning Advice Unit – Board Member
Homes & Communities Agency – Board Member
Corby City Academy – Trustee

Ohid Ahmed – Board Member

London Borough of Tower Hamlets – Councillor
Thames Gateway London Partnership – Board Member
City Fringe Partnership – Board Member
Tower Hamlets Homes – Shadow Board Member

Sheila Drew Smith – Board Member

Infrastructure Planning Commission – Board Member and Non Executive Director
Audit Commission for England – Board Member
Tenant Service Authority – Board Member
Action for Bow (Charity) – Chair

Imtiaz Farookhi – Board Member

NHBC – Director
BBA Ltd – Director
Land Data – Board Member
SEEDA – Board Member
Milton Keynes Partnership – Board Member
Milton Keynes Employment and Development Partnership – Board Member
Constructing Skills – Board Member

Ken Giles – Board Member

KRG Consulting Ltd – Own Company
Greater Manchester Passenger Transport Executive – Non-Executive Director
Oxford Infracare Lift Co – Non-Executive Director
Autistica (autism Research) – Vice President
The Warner School – Chair of Governors

Stan Hornagold – Board Member

Marstan Group – Director
Construction Skills Strategic Partnership Panes – Council Member
Construction Industry Council – Executive Board

Conor McAuley – Board Member

London Borough of Newham – Councillor
Gateway to London Ltd – Non-Executive Director
Newham Primary Care Trust – Non-Executive Director
Olympic Delivery Authority – Planning Committee Member
London Councils – Economic Development Forum – Forum Member
Thames Gateway London Partnership – Board Member
5 Host Borough Joint Committee – Committee Member

Mick McCarthy – Board Member

BT Group – Employee
London Borough of Barking & Dagenham – Shadow Board Member
Gateway to London – Board Member

Guy Nicholson – Board Member

London Borough of Hackney – Councillor
London Regional Arts Council – Council Member
Greater London Enterprise – Full Board Member
London Councils – Culture, Tourism & 2012 Forum – Forum Member
London Councils – Economic Development Forum – Forum Member
LGA Urban Commission – Commission member
European Social Fund London Programme Monitoring Committee – Committee Member
Thames Gateway London Partnership – Board Member
North London Strategic Alliance – Board Member
5 Host Borough Joint Committee – Committee Member
Gateway to London – Director
Tour East – Director
ProActive East London Partnership – Board Member
Cultural Industries Development Agency – Director
Shoreditch Trust – Director
Hackney Empire Theatre Ltd – Board Member
Community Union – Member
Greater London Enterprise – Local Authority Nominee

Sylvie Pierce – Board Member

Bath and West Somerset Council – Director
Building Better Health (New Cross Gate) Ltd – Chief Executive
Building Better Health (White City) Ltd – Chief Executive
Earth Regeneration Ltd – Director
Fulcrum Infrastructure Ltd – Property Developer

Kensington & Chelsea Primary Care trust – Director
London Remade Ltd – Executive Director
Mossbourne Community Academy – Chair of Governors
Mossbourne Trust – Director
National Interaction Trust – Director
Property / Regeneration – Self Employed

Dru Vesty – Board Member

Estea Ltd – Own Company
Olympic Delivery Authority – Planning Committee Member
Homes & Communities Agency – Board Member
City of London Magistrates court – Justice of the Peace

Michael White – Board Member

London Borough of Havering – Elected Leader of Council
Thames Gateway London Partnership – Vice Chair
IDeA – Member Lead of London RIEP
Centre for Engineering and Manufacturing Excellence – Non-Executive Board Member
Gateway to London – Board Member
London Councils – Executive Member

Roger Evans – Board Member

European Committee of the Regions – Member
Greater London Authority (GLA) – Assembly Member
London Borough of Havering – Councillor
London Fire and Emergency Planning authority – Audit Committee

Alan Clark – Planning Committee Member (Co-opted)

Nottingham City Council – Councillor
Nottingham Regeneration Limited – City Council Appointee
Greater Nottingham Partnership – City Council Appointee
Nottingham Development Enterprise – City Council Appointee
Open University – Associate Lecturer

Malcolm Chumbley – Planning Committee Member (Co-opted)

Cluttons LLP – Equity Partner, Main Board Member and Head of the Land and Development Division

Richard Turner – Planning Committee Member (Co-opted)

Department of Transport –Employee
DHL UK Foundation – Trustee
Road Safety Foundation – Trustee
FTA Pension Fund – Trustee

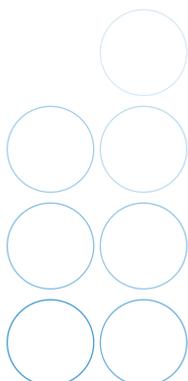
LONDON THAMES GATEWAY DEVELOPMENT CORPORATION**ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE WITH THE CONSENT OF THE TREASURY,
IN ACCORDANCE WITH PARAGRAPH 10(3) OF SCHEDULE 31 TO THE LOCAL GOVERNMENT,
PLANNING AND LAND ACT 1980**

1. The annual financial statements of London Thames Gateway Development Corporation (hereafter in this accounts direction referred to as 'the Corporation') shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the financial statements for 2009/10 and for subsequent years shall be prepared in accordance with:-
 - (a) the accounting and disclosure requirements given in Managing Public Money and in the Government Financial Reporting Manual issued by the Treasury ('the FReM'), as amended or augmented from time to time;
 - (b) any other relevant guidance that the Treasury may issue from time to time;
 - (c) any other specific disclosure requirements of the Secretary of State;insofar as these requirements are appropriate to the Development Corporation and are in force for the year for which the financial statements are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the financial statements.
2. Schedule 1 to this direction gives additional disclosure requirements of the Secretary of State.
3. This direction shall be reproduced as an appendix to the financial statements.
4. This direction replaces all previously issued directions.

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



An officer in the Department for
Communities and Local Government
Date: 31 March 2010

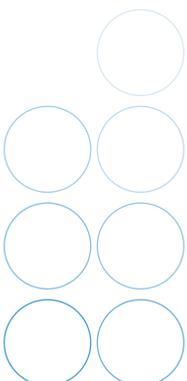


Schedule 1: additional disclosure requirements

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

- (a) an analysis of grants from:
 - (i) government departments
 - (ii) European Community funds
 - (iii) other sources identified as to each source;
 - (b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;
 - (c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income
 - (d) details of employees, other than board members, showing:-
 - (i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to the Corporation, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)
 - (ii) the total amount of loans to employees
 - (iii) employee costs during the year, showing separately:-
 - (1) wages and salaries
 - (2) early retirement costs
 - (3) social security costs
 - (4) contributions to pension schemes
 - (5) payments for unfunded pensions
 - (6) other pension costs
 - (7) amounts recoverable for employees on secondment or loan to other organisations
- (The above analysis shall be given separately for the following categories:
- I employed directly by the Corporation
 - II on secondment or loan to the Corporation
 - III agency or temporary staff
 - IV employee costs that have been capitalised);

- (e) in the note on receivable, prepayments and payments on account shall each be identified separately;
 - (f) a statement of debts written off and movements in provisions for bad and doubtful debts;
 - (g) a statement of losses and special payments during the year, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £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.
- * (h) 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 Development 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 Development 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 Development 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 member of the Corporation's management board.
- (ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, 'spouse' includes personal partners, and 'relatives' means brothers, sisters, ancestors, lineal descendants and adopted children.
- (iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at Development Corporation meetings of the company.

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



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