

# News Release

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## LONDON DOCKLANDS DEVELOPMENT CORPORATION REPORT AND FINANCIAL STATEMENTS 1989/90

The London Docklands Development Corporation's (LDDC) Report and Financial Statements for the year ended 31 March, 1990, presented to Parliament on 23 July, 1990, highlights the continued urban regeneration achieved by the London Docklands Development Corporation over the last twelve months.

Within the last year, more than £165 million has been spent on road and transport related schemes to make London Docklands one of the most accessible areas of the Capital by the mid 1990s. £43 million has been spent on community activities to further improve facilities for the local population. These include major social housing schemes, education and training initiatives and health and recreation projects.

David Hardy, Chairman, LDDC said:-

"With more than £8 billion of private investment attracted to London Docklands since 1981, 11.2 million square feet of commercial and industrial floor space completed to date, over 30,000 jobs new to the area, and with the excellent transport and business communication networks rapidly fitting into place, London Docklands is now poised to become one of the largest financial and commercial centres in Europe."

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Neil Spence, Director of Finance, LDDC said:-

"This year's Report shows that although expenditure within the year exceeded income by £4.2 million, the Corporation held a cash balance of over £3 million and reserves in excess of £115 million at 31st March 1990. The LDDC, like all urban development corporations, cannot borrow and operates on a cash basis - it simply cannot "go into the red".

"With the present downturn in the nation's property market, it remains essential that regeneration activity continues. The Corporation is a pro-active organisation and therefore, with the backing of the Department of the Environment, has increased expenditure on public assets and community projects. The deficit therefore reflects the change in emphasis in the Corporation's activities.

"The excess of expenditure over income takes into account increased spend on community activities and transport, together with £19 million set aside against any possible future losses from sales of individual sites, a necessary book-keeping exercise, given today's UK property market."

- ENDS -

For further information contact:-

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Copy of Report and Financial Statements 1989/90 enclosed

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## NOTES TO EDITORS

### BACKGROUND INFORMATION ON LDDC FUNDING:-

The LDDC is a non-profit making organisation.

The LDDC is funded by Government grant together with proceeds from land sales.

The LDDC's financial regime is regulated by the Department of the Environment and the Treasury.

Government grant is voted by Parliament on an annual basis, negotiated through the Department of the Environment. The amount received each year from the Government varies, depending on the anticipated and approved level of expenditure in the forthcoming year.

Like all urban development corporations, the LDDC operates on a cash basis, which means that its payments cannot exceed available funding. It cannot borrow and it cannot hold an overdraft.

### FURTHER INFORMATION RELATING TO THE 1989/90 OPERATING DEFICIT:-

The operating deficit of £4.2 million reflects:-

- increased expenditure on community projects (from £8 million in 1988/89 to £43 million in 1989/90)
- increased expenditure on roads, transport and the Docklands Light Railway (from £116 million in 1988/89 to £165 million in 1989/90)

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- £19 million set aside against possible future losses on individual sites - this is necessary to take into account the present value of land in today's property market.
- the utilisation of a large opening cash balance (£32 million)
- the financial regime within which the Corporation operates - this limits the cash balance that can be held to 2% of Grant in Aid (Government funding) received in any financial year.