## 1. BACKGROUND

1.1. Queen Elizabeth Olympic Park was created as a long-term investment in East London and in the future of the capital. Building on the legacy of the London 2012 Olympic and Paralympic Games, the vision was to create new neighbourhoods, support jobs and businesses, attract world-class culture and education, and improve opportunities for local communities. Public investment by the Greater London Authority and its partners has enabled the transformation of the area and delivered significant economic, social and environmental benefits.

1.2. A key element of the original funding model was that, over time, the value generated through regeneration would contribute towards repaying the substantial public investment made in the Park. This includes land and property value growth, development receipts and wider economic activity arising from the area's transformation. Significant progress has been made towards this objective, with thriving neighbourhoods, major cultural and educational institutions, and increasing levels of business activity and visitation now established across the Park.

1.3. As with any regeneration programme of this scale and ambition, delivery takes place over many years and is influenced by wider economic conditions. In recent years, higher construction costs, increased borrowing costs and uncertainty in the residential development market have affected the pace and viability of development across London, including within Queen Elizabeth Olympic Park. LLDC has worked closely with its development and investment partners to respond to these challenges and adapt plans where appropriate. While market conditions continue to influence the timing and pace of regeneration activity, LLDC remains focused on securing long-term value from the Park's remaining development opportunities, helping to repay public investment while continuing to deliver homes, jobs and wider regeneration benefits.

## 2. STRATEGIC CONTEXT

2.1. As Queen Elizabeth Olympic Park enters a more mature phase of its development, LLDC's focus is evolving from the delivery of major development projects towards the stewardship, activation and optimisation of the Park's assets. This reflects both the progress made to date and the need to maximise the long-term economic, social and financial benefits generated by the significant public investment that has created the Park.

2.2. In this context, LLDC worked with partners to consider the Park's long-term role and priorities. While completing the remaining development programme remains important, there is also an increasing focus on how the Park's assets, institutions, partnerships and communities can be used to support sustainable economic growth, attract investment, create opportunities for local people and maximise long-term value.

2.3. LLDC's Framework for Inclusive Growth ("the Framework") provides the strategic foundation for this next phase and is structured around three priorities: Habitat, Inclusive Talent and Health and Wellbeing. Together, these priorities seek to maximise the value generated by the Park's unique combination of places, institutions and partnerships, supporting both the long-term regeneration objectives of the Park and the realisation of value from the public investment made in its development.

2.4. The Framework aligns with the ambitions set out in the Government's Modern

Industrial Strategy and the Mayor of London and London Councils' London Growth Plan and Inclusive Talent Strategy. LLDC will continue to convene partners from across industry, academia, culture, local government and communities to explore how the Park's assets can support innovation, economic growth and improved opportunities for local people.

2.5. This budget has been prepared in the context of the Framework and includes provision for the further development and testing of priority initiatives and investable propositions. Any material financial implications arising from these proposals will be developed and assessed during the year and reflected in future budget submissions as appropriate.

2.6. Many of LLDC's activities contribute directly to the Mayor's priorities. A summary of this contribution is set out in the following section, which demonstrates how LLDC's programmes and investments support delivery of those priorities while helping to secure long-term value from the public investment made in Queen Elizabeth Olympic Park.

| Mayor's priority | Mayor's focus | LLDC contribution and support |
|---|---|---|
| **Housing and Good Growth** | Building homes for Londoners; delivering affordable housing; creating high-quality neighbourhoods. | LLDC continues to deliver its remaining residential developments at Stratford Waterfront, Pudding Mill Lane, Bridgewater Triangle and Rick Roberts Way, including a portfolio-wide commitment to affordable housing. |
| **Economic Growth and Productivity** | Delivering the London Growth Plan; supporting growth sectors; raising productivity and attracting investment. | Queen Elizabeth Olympic Park is projected to support 48,300 jobs by 2030 and generate up to £5.5bn of annual GVA by 2035, with regeneration activity expected to generate over £200m per annum in council tax and business rates by the late 2030s. |
| **Innovation, Research and Future Industries** | Supporting innovation districts, research collaboration and business growth. | The Park is one of London's designated Innovation Districts and is home to major institutions including UCL, East Bank, Here East and the BBC. The Future Industries Demonstrator has supported 255 businesses and enabled 20 innovation trials. |
| **Skills, Talent and Good Work** | Delivering the Inclusive Talent Strategy; improving access to skills and employment; promoting good work. | LLDC supports the Mayor's Inclusive Talent Strategy through skills, employment and apprenticeship programmes. More than 240 apprenticeships have been supported through the Skills for Growth programme. |

| | | |
|---|---|---|
| **Culture, Education and the Visitor Economy** | Supporting London's cultural sector, educational excellence and visitor economy. | East Bank is projected to generate £1.5bn of economic benefit. The Park attracts around 20 million visits annually, supporting approximately £230m of visitor spending each year. |
| **Health and Wellbeing** | Tackling health inequalities; promoting prevention, wellbeing and physical activity. | Through its Framework for Inclusive Growth, LLDC is developing a programme focused on health and wellbeing, building on the Park's sporting, environmental and community assets. |
| **Environment and Climate** | Supporting net zero ambitions, climate adaptation and sustainable growth. | LLDC incorporates climate considerations into planning, development and estate management activities and contributes to the Mayor's Climate Budget process, supporting climate resilience and sustainable growth. |
| **Partnership and Public Value** | Working across sectors to deliver inclusive growth and maximise public benefit. | LLDC brings together public, private, academic, cultural and community partners to maximise the long-term economic, social and financial benefits generated by investment in Queen Elizabeth Olympic Park. |

## 3. REVIEW PROCESS

3.1. LLDC's Long Term Model sets out projected capital and revenue income and expenditure and forms the basis of this budget submission. Updated Long Term Model projections and risks were considered by the Finance and Investment Committee on 20 October.

3.2. To ensure the budget is robust, affordable and continues to represent value for money, its preparation has included:

- a comprehensive review of revenue and capital budgets with members of the Senior Leadership Team (SLT);
- a detailed review of the key assumptions underpinning the Long Term Model, including scenario and sensitivity analysis;
- updating the Long Term Model to reflect changes since the previous budget submission;
- assessment of LLDC's capital programme and investment plans against Mayoral priorities and strategic objectives;
- challenge sessions with senior budget holders to review expenditure, income forecasts, efficiencies and savings opportunities;
- preparation of the Climate Budget in collaboration with LLDC's Sustainability Team and engagement with the GLA Climate Budget Working Group;

- review and scrutiny by SLT and the Finance and Investment Committee; and
- discussions with senior GLA representatives, including the Mayor's Chief of Staff, on the key assumptions and implications of LLDC's financial projections, capital programme and revenue forecasts.

## 4. CAPITAL BUDGET

*Background*

4.1. LLDC has a complex capital programme that is subject to significant uncertainty in both expenditure and capital receipts, particularly over the short and medium term. Net capital expenditure not funded through grant is financed through borrowing from the GLA. This borrowing is expected to be repaid over time through capital receipts generated by land development and regeneration activity across Queen Elizabeth Olympic Park. The funding model is founded on the principle that the significant public investment made in the Park would generate long-term economic growth, development value and regeneration benefits, with value being realised over time as development is delivered.

4.2. Since the previous budget submission, LLDC has undertaken a comprehensive review of the assumptions underpinning its capital programme and Long Term Model. Forecasts have been updated to reflect the latest market conditions, development phasing, expected capital receipts, construction and financing costs, and wider economic factors. These revised assumptions inform the proposed capital budget and long-term funding projections.

*2027/28 budget submission*

4.3. The 2027/28 budget submission has been prepared against a continued backdrop of challenging market and economic conditions that affect the delivery and financial performance of LLDC's capital programme. These include:

- elevated construction and financing costs, notwithstanding recent stabilisation in inflation and interest rates;
- the impact of regulatory and policy changes, including Building Safety and Fire Safety requirements;
- continued weakness in the London residential development market and lower medium-term house price growth expectations; and
- reduced capacity within the affordable housing sector to support new development.

4.4. Regeneration and development on this scale takes place over many years and is influenced by wider economic and property market conditions. In response to current market challenges, LLDC continues to review the timing and phasing of development activity, investment decisions and land disposals to maximise long-term value from the Park's remaining development opportunities. This approach seeks to balance prevailing market conditions with the objective of delivering regeneration benefits and generating the capital receipts required to support the repayment of public investment over the long term.

4.5. The proposed capital programme for the next four financial years is set out in the following table, alongside the forecast 2026/27 outturn position as at 30 September 2026. Further detail is provided in the Capital Strategy at Appendix 3. The forecasts indicate that LLDC is expected to remain within its approved borrowing limits throughout the planning period, although borrowing headroom is expected to remain constrained.

4.6. LLDC keeps its capital forecasts under regular review to ensure they reflect the latest information and assumptions. Updated forecasts are reported routinely to SLT and the Finance and Investment Committee and are published through LLDC's quarterly Corporate Performance Reports.

| Capital | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | 2029/30 Plan £m | 2030/31 Plan £m | Total Budget/Plan £m |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Capital receipts | 22.6 | 16.6 | 34.5 | 26.7 | 36.8 | **114.7** |
| East Bank | 41.2 | 0.1 | - | - | - | **0.1** |
| GLA Grant | 24.8 | - | 5.7 | - | 5.4 | **11.1** |
| Other (incl Section 106/CIL) | 7.1 | 3.6 | 1.6 | - | 0.4 | **5.7** |
| **Total Capital Income** | **95.7** | **20.3** | **41.9** | **26.7** | **42.6** | **131.5** |
| | | | | | | |
| **Expenditure** | | | | | | |
| East Bank | (13.5) | (4.4) | (0.2) | (0.2) | (0.2) | **(5.0)** |
| Development | (17.6) | (33.5) | (26.7) | (18.8) | (9.9) | **(89.0)** |
| Estate and Neighbourhoods | (5.5) | (5.4) | (5.8) | (1.6) | (2.5) | **(15.3)** |
| Corporate Services | (0.7) | (0.5) | (0.5) | (0.5) | (0.3) | **(1.7)** |
| Stadium | (0.4) | - | - | - | - | **-** |
| Contingency | (7.5) | - | - | - | - | **-** |
| Corporation Tax | (5.2) | - | (2.0) | (1.4) | (2.6) | **(5.9)** |
| **Total Capital Expenditure** | **(50.5)** | **(43.7)** | **(35.2)** | **(22.5)** | **(15.5)** | **(116.9)** |

## Capital income

*Capital receipts*

4.7. The capital receipts forecast over the next four financial years includes:

- receipts from the **Stratford Waterfront and Bridgewater Triangle** joint venture developments. Forecasts have been updated to reflect current assumptions for house price growth, construction cost inflation and affordable housing delivery;
- profit-share receipts from the **Pudding Mill Lane** joint venture with Vistry Group, with LLDC's share of development profits expected to commence from 2027/28;
- receipts from the **East Wick and Sweetwater** development. Following completion of Phase 2, receipts continue to be generated through open market sales, with further receipts anticipated from Phase 3 from 2028/29 onwards. A revised strategy is being finalised for the remaining phases of development;
- the **Hackney Wick Neighbourhood Centre** land receipt in 2027/28 in accordance with the development agreement with Notting Hill Genesis;
- disposal proceeds from the **Multi-Storey Car Park**, which is expected to complete during 2026/27; and
- forecast overage from previously disposed land interests and receipts from the planned disposal of other capital assets.

*Grant funding*

**4.8.** The GLA provides capital grant funding to support the delivery of LLDC's capital programme and to ensure that borrowing remains within approved limits. No additional capital grant funding is being requested from the GLA as part of this budget submission.

**Capital expenditure**

*East Bank*

4.9. **East Bank** is now substantially complete and operational. The London College of Fashion, operated by University of the Arts London, and University College London East are fully open and delivering teaching and research activity on Queen Elizabeth Olympic Park. Sadler's Wells East opened in February 2025, and the V&A East Museum opened in April 2026.

4.10. On 31 July 2026, LLDC and the BBC agreed a plan to enable handover of the BBC Music Studios at East Bank for fit-out works, following delays to the completion of the building. Having evaluated the available options, LLDC reached a commercially negotiated settlement with the BBC that provided certainty over costs, programme and next steps for delivery. The settlement protected the value of the public investment in the project, accelerated progress towards opening the facility and established a clear pathway to delivering the full benefits of occupation. While the Music Studios are expected to open in 2029, the BBC will continue to play an active role in East Bank partnership activity before then.

4.11. The East Bank retail and public realm elements have been completed and are operational, with tenants secured for all retail units. LLDC continues to oversee the resolution of a small number of remaining defects and final close-out activities across the programme.

4.12. The East Bank programme budget has increased by £1.9m since the previous budget submission, funded from LLDC's Corporate Capital Contingency, bringing the forecast final programme cost to £728.9m. Remaining expenditure relates primarily to programme close-out activities, defect rectification and completion of the remaining works associated with the BBC Music Studios.

*Development*

4.13. Development expenditure over the next four years includes investment in the joint ventures delivering the **Stratford Waterfront**, **Bridgewater Triangle** and **Pudding Mill Lane** residential developments, together with the supporting infrastructure required to unlock these sites.

4.14. LLDC continues to work with partners, including Network Rail, Transport for London and the London Borough of Newham, to progress plans for the redevelopment of **Stratford Station**. The programme has the potential to support significant economic growth, including new homes, jobs, commercial floorspace and improved public realm, while enhancing Stratford's role as a major transport hub for east London. Following submission of an Outline Strategic Business Case to Government, partners are expected to submit a further business case during 2027/28 setting out a preferred development concept. LLDC's budget includes provision to support the development of the preferred concept and associated public realm proposals. The Government's October 2026 Budget announcement further recognised Stratford's strategic importance through support for future international rail services at **Stratford International Station**, helping to strengthen the long-term case for investment in both Stratford Station and Stratford International.

4.15. Development expenditure also includes project **staffing costs**, which are capitalised where appropriate. These resources support the delivery and management of LLDC's development programme, including residential developments, infrastructure projects and strategic regeneration initiatives.

4.16. Provision is also included for a range of smaller **infrastructure**, **public realm** and **connectivity** projects across the Park and surrounding neighbourhoods, supporting access, place-making and the long-term development objectives of Queen Elizabeth Olympic Park.

4.17. LLDC continues to maximise the delivery of **affordable housing** within the constraints of its Long Term Model. , LLDC’s budget submission is based on an assumption that it will target the delivery of 35% affordable housing in accordance

with the Mayor's Homes for Londoners Affordable Housing and Viability Supplementary Planning Guidance and through a portfolio approach that balances affordability objectives with overall scheme viability. Cashflow assumptions continue to be reviewed to reflect market conditions, including potential changes to sales phasing and an increased emphasis on Build to Rent products where appropriate, supporting the long-term financial resilience of the development programme.

4.18. The following updates/changes have occurred since last year's budget submission:

- For **Pudding Mill Lane**, expenditure and income assumptions have been updated to reflect the joint venture's latest programme for equity investment, land drawdowns and future profit share receipts.
- Forecasts for **Stratford Waterfront and Bridgewater Triangle** have been updated to reflect revised development phasing, changes to affordable housing assumptions and market conditions. This includes reprofiling of land receipts, updated equity investment requirements and associated financing costs across the plan period.
- Following the decision not to proceed with a development agreement with the preferred bidder for **Rick Roberts Way**, the budget has been revised to reflect alternative delivery work, including planning, legal and development costs, together with the removal of previously assumed infrastructure contributions and the reprofiling of anticipated land receipts.
- **East Wick and Sweetwater** forecasts have been updated to reflect revised assumptions regarding the timing and value of development receipts from Phases 2 and 3, alongside a revised approach to the delivery of the later phases of the development. This approach is intended to support the continued delivery of new homes, including affordable housing, while providing flexibility to respond to market conditions and maximise future development opportunities.
- The timing of expenditure and funding for a number of **Section 106 and Community Infrastructure Levy (CIL)** projects has been updated to reflect delivery programmes and funding availability, including Park Central (Green Spine), City Mill Greenway Links, Pool Street and Hackney Wick connectivity projects.

*Estate and Neighbourhoods*

4.19. This budget includes costs relating to **lifecycle works** on the Park, noting that LLDC has transferred responsibility for much of the venue lifecycle programme under the new operational contracts finalised during 2024. LLDC currently retains responsibility, and therefore budget provision, for lifecycle works at the ArcelorMittal Orbit. The budget also includes investment in wider Park infrastructure and asset management, including parklands, bridges, CCTV and wayfinding infrastructure, together with provision for future asset adoptions.

4.20. The budget also includes some provision for **sustainability projects**, which are reflected within LLDC's London Climate Budget (see Section 8).

*4.21.* The Long Term Model continues to include targeted provision for investment in **Investable Propositions** that could support future development and commercial growth across Queen Elizabeth Olympic Park. Budget provision has reduced since the previous submission as opportunities have been reviewed and prioritised in line with current delivery plans and available resources. Potential future income from these propositions has not yet been reflected in LLDC's budget.

*Corporate Services*

4.22. Expenditure includes IT and digital projects, capitalised staff costs associated with the delivery of development projects, and specialist commercial, technical and assurance support. This includes ongoing assurance and close-out activity relating to East Bank and support for major development projects across the Park.

*Contingency*

4.23. LLDC maintains a corporate contingency budget, informed by an assessment of programme and delivery risks[1] across the organisation. Any drawdown from contingency is subject to approval through LLDC's formal change control process, administered by the Corporate Change Board.

*Corporation Tax*

4.24. As a Mayoral Development Corporation, LLDC is subject to Corporation Tax on income generated from its activities. Certain expenditure is deductible when calculating the Corporation Tax liability. In 2024, HMRC confirmed, through a non-statutory clearance process, that the costs associated with delivering East Bank are deductible for Corporation Tax purposes.

4.25. LLDC continues to engage with HMRC regarding the treatment of taxable losses arising from the operation of the London Stadium during the period it was under LLDC's control. This matter remains under consideration at the time of writing and may affect LLDC's future Corporation Tax position.

**Net borrowing**

4.26. The table below compares LLDC's forecast borrowing requirement with its approved borrowing limit. The borrowing limit, set by the GLA, is £550m and reflects the long-term and complex nature of LLDC's capital programme. As the programme is dependent on the timing of significant capital receipts and expenditure, borrowing requirements can be subject to considerable volatility, particularly in the short to medium term. Current forecasts indicate that LLDC will remain within its approved borrowing limit throughout the four-year budget period, although available headroom is expected to remain limited.

| Summary of Borrowing Requirements | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | 2029/30 Plan £m | 2030/31 Plan £m |
|---|---|---|---|---|---|
| Opening Borrowing Requirement | 531.2 | 520.1 | 541.6 | 530.0 | 520.8 |
| Net Capital Expenditure | (45.2) | 23.4 | (6.6) | (4.2) | (27.1) |
| Cash Adjustments for BBC/UAL loan funding | 39.5 | (2.0) | (5.0) | (5.0) | (5.0) |
| Timing adjustments (cash vs accruals) | (5.4) | - | - | - | - |
| **Closing Borrowing Requirement** | **520.1** | **541.6** | **530.0** | **520.8** | **488.7** |
| Authorised Borrowing Limit | 550.0 | 550.0 | 550.0 | 550.0 | 550.0 |
| Headroom | 29.9 | 8.4 | 20.0 | 29.2 | 61.3 |
| *Change in net borrowing requirement* [1] | (3.9) | (6.1) | (0.1) | 37.8 | 60.6 |

[1] from prior year submission (including rollovers)

4.27. LLDC's Long Term Model remains subject to a range of risks and uncertainties (see Appendix 1), including those arising from current macroeconomic conditions, property market performance and the timing of major capital receipts. Given the limited headroom available within LLDC's borrowing limit, there is limited capacity for LLDC to absorb significant adverse movements in expenditure, income or programme delivery without further support from the GLA. LLDC's borrowing position will therefore continue to be monitored closely throughout 2027/28 with the GLA

[1] Risks reflected within the contingency include the proposed relocation of Park Headquarters and uncertainty regarding the future operation and use of the Old Ford Wastewater Treatment Works site.

## Key changes since last year's budget submission

4.28. The key changes between the capital plan presented in last year's budget submission and that proposed in this year's submission are set out below.

| Changes - Capital | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | 2029/30 Plan £m | 2030/31 Plan £m | Total Budget/Plan £m |
|---|---|---|---|---|---|---|
| **Net Capital Expenditure - previous submission** | **38.4** | **(28.6)** | **12.5** | **42.2** | **49.9** | **76.1** |
| ***Income*** | | | | | | |
| Capital receipts | (20.1) | (3.4) | 3.5 | (38.8) | (18.6) | **(57.3)** |
| East Bank | 0.2 | 0.1 | - | - | - | **0.1** |
| GLA Grant | - | - | - | - | - | **-** |
| Other (incl Section 106/CIL) | (0.8) | 1.5 | 1.1 | (1.0) | (0.6) | **1.0** |
| ***Expenditure*** | | | | | | |
| East Bank | 0.0 | (1.9) | 0.0 | 0.0 | (0.1) | **(1.9)** |
| Development | 14.5 | 12.2 | (7.9) | (1.6) | (4.9) | **(2.2)** |
| Estate and Neighbourhoods | 9.4 | (3.3) | (2.9) | 1.0 | (0.4) | **(5.6)** |
| Corporate Services | - | (0.0) | (0.0) | (0.2) | - | **(0.2)** |
| Contingency | 3.0 | - | - | - | - | **-** |
| Corporation Tax | 0.6 | - | 0.3 | 2.6 | 1.8 | **4.8** |
| **Total Capital Changes** | **6.7** | **5.2** | **(5.9)** | **(37.9)** | **(22.8)** | **(61.5)** |
| **Updated Capital Expenditure for 2027/28 submission** | **45.2** | **(23.4)** | **6.6** | **4.2** | **27.1** | **14.5** |

4.29. The key changes across the *financial years 2027/28 to 2029/30* include:

***Income***

*Capital receipts (£57.3m decrease)*

- Reprofiling of expected receipts from the **Stratford Waterfront and Bridgewater Triangle** joint venture, including land receipts and future profit share income.
- Reprofiling of expected receipts from the **Pudding Mill Lane** joint venture following completion of procurement and agreement of the latest delivery programme.
- Revised timing of **East Wick and Sweetwater** receipts reflecting updated delivery assumptions.
- Reprofiling of anticipated receipts from **Rick Roberts Way** and a number of other capital receipts.

*GLA capital grant (No change)*

- No additional capital grant is being requested from the GLA as part of this submission.

***Expenditure***

*East Bank (£1.9m increase)*

- Additional budget provision relating to the revised arrangements agreed with **the BBC** and completion of remaining works associated with the BBC Music Studios building.

*Development – other (£2.2m increase)*

- Largely revised profiles for **joint venture** equity investment, infrastructure expenditure and associated financing costs across the residential development programme.
- Reprofiling of **Section 106 and Community Infrastructure Levy** funded projects.

*Estate and Neighbourhoods (£5.6m increase)*

- This primarily reflects the reprofiling of investment in **Investable Propositions**, with expenditure previously assumed in 2026/27 now expected to be incurred in 2027/28. It also reflects the reprofiling of ArcelorMittal Orbit (AMO) lifecycle works, which are now expected to be delivered in 2027/28.

*Corporation Tax (£4.8m decrease)*

- The consequential impact of all the above changes but includes timing impacts (i.e. the **Corporation Tax** will still be incurred but beyond the four-year budget period).

## 5. REVENUE BUDGET

*Background*

5.1. The difference between LLDC's revenue income and expenditure is funded through GLA grant and the use of grant funding carried forward from previous years.

5.2. LLDC is now in the second year of operating under its revised organisational structure. As a result, its core revenue grant allocation from the GLA has reduced significantly compared with previous years.

5.3. LLDC's long-term objective is to eliminate its reliance on GLA revenue grant funding as development is completed and Fixed Estate Charge income increases. The Framework for Inclusive Growth supports this objective through growing commercial income and attracting investment to Queen Elizabeth Olympic Park.

*2027/28 budget submission*

5.4. The following table shows LLDC's forecast revenue income and expenditure position as at 30 September 2026 and the projected position for the remainder of the budget period to 2029/30.

| Revenue | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | 2029/30 Plan £m | Total Budget/Plan £m |
|---|---|---|---|---|---|
| **Income** | | | | | |
| Estate and Neighbourhoods | 8.5 | 9.5 | 9.8 | 10.3 | **38.0** |
| Trading | 9.2 | 9.1 | 9.3 | 9.5 | **37.0** |
| Corporate Services | 0.2 | - | - | - | **0.2** |
| Development | 0.3 | 0.1 | 0.1 | 0.1 | **0.6** |
| Inclusive Growth | 0.9 | 0.9 | 1.1 | 1.2 | **4.2** |
| **Total Income** | **19.1** | **19.6** | **20.3** | **21.0** | **80.0** |
| **Expenditure** | | | | | |
| Estate and Neighbourhoods | (12.7) | (13.9) | (13.4) | (13.6) | **(53.6)** |
| Trading | (7.1) | (6.7) | (6.9) | (6.9) | **(27.6)** |
| Corporate Services | (9.5) | (9.3) | (9.4) | (9.6) | **(37.9)** |
| Development | (0.4) | (0.2) | (0.1) | (0.1) | **(0.8)** |
| Inclusive Growth | (2.3) | (2.3) | (2.1) | (2.2) | **(9.0)** |
| Contingency | (2.4) | (1.0) | (1.3) | (1.2) | **(5.8)** |
| **Total Expenditure** | **(34.4)** | **(33.4)** | **(33.2)** | **(33.7)** | **(134.7)** |
| **Net Expenditure** | **(15.4)** | **(13.8)** | **(12.8)** | **(12.7)** | **(54.7)** |
| **GLA funding:** | | | | | |
| Core grant | 11.5 | 11.7 | 12.0 | 12.2 | **47.4** |
| Funding transferred to London Stadium | (0.8) | (1.4) | - | - | **(2.2)** |
| Brought-forward funding | 4.6 | 3.5 | 0.9 | 0.5 | **9.5** |
| **Total GLA funding** | **15.4** | **13.8** | **12.8** | **12.7** | **54.7** |
| **Funding gap** | **-** | **-** | **-** | **-** | **-** |

5.5. LLDC's remaining grant funding carried forward from previous years is forecast to be fully utilised over the budget period. This position is net of the £2.2m of funding released following the transfer of the London Stadium to Greater London Authority Holdings Limited on 31 March 2025.

5.6. LLDC does not require additional revenue funding from the GLA over the budget period. However, this results in reduced contingency balances, limiting LLDC's capacity to absorb adverse movements in income or expenditure, including delays in the delivery of anticipated commercial income.

5.7. The following sections provide further information on the proposed revenue budget submission.

**Revenue income**

*Development*

5.8. Development income now primarily comprises project management fees for **Eastwick and Sweetwater** and grant income for the **Chobham Manor** overheating project.

*Corporate Services*

5.9. Income includes **interest received** on LLDC's bank balances.

*Estate and Neighbourhoods (excluding Trading)*

5.10. Income is primarily derived from the **Fixed Estate Charge**, which is levied on occupiers of Queen Elizabeth Olympic Park to contribute towards the cost of maintaining the Park and its facilities. Income from the charge is expected to increase as residential developments are completed.

5.11. LLDC also **generates income** from car parking, events, interim uses of development sites, rental income from assets including Here East, and a range of commercial activities across the Park.

5.12. The Estate and Neighbourhoods budget includes the day-to-**day operational costs** of Queen Elizabeth Olympic Park, including estate and facilities management services delivered through third-party contracts, together with security, utilities, waterways charges, business rates and other operational expenditure.

5.13. The budget also includes activities that support environmental sustainability and delivery of LLDC's **Climate Action Strategy**, including initiatives to reduce carbon emissions, increase the use of renewable energy and support the decarbonisation of the Park's District Energy Network.

5.14. Rental income from **LLDC-owned residential units** within East Wick and Sweetwater Phase 1. These units continue to generate income pending disposal in accordance with LLDC's strategy.

5.15. Expenditure also includes staffing costs associated with the directorate.

*Inclusive Growth*

5.16. The Inclusive Growth Directorate (IGD) helps ensure that the growth and investment generated by Queen Elizabeth Olympic Park delivers tangible benefits for local communities. Through the Framework for Inclusive Growth, IGD supports delivery of the Mayor's Inclusive Talent Strategy by connecting local people to education, skills and employment opportunities associated with the Park and wider growth in east London.

5.17. IGD delivers programmes including **East Ed, Good Growth Hub, Build East** and the emerging **Green Futures Hub**, creating pathways from education into employment in sectors including construction, culture, creative industries, digital and green skills. Since 2021, **753 participants** have secured employment through the Good Growth Hub, while Build East has supported **1,648 residents**, including

**958 people entering employment** and **272 apprenticeship starts**.

5.18. The Directorate also supports community participation through initiatives including **Elevate** and the **Community Anchors Network**, while helping to strengthen the Park's role as one of London's designated Innovation Districts.

5.19. IGD has a strong track record of securing external funding and partnership contributions, using core budget provision to unlock wider investment. For every **£1 of core programme funding**, the Directorate secures approximately **£1.70 of partner funding**, rising to **£2.30** when longer-term Innovation District and health and wellbeing investment is excluded. During 2026/27, the Directorate exceeded its income target by around **40%**, with further growth in external income forecast over the budget period.

5.20. As a result, income generated increasingly offsets the cost of programme delivery, helping to reduce the net call on LLDC resources while continuing to deliver employment, skills and wider social value outcomes for east London communities.

5.21. Inclusive Growth income in 2027/28 is forecast to be generated from the following sources:

- Future Projects Testbed: funding to support the development and extension of existing projects, including the Future Industries Demonstrator and Design to Deliver programmes, innovation challenge activity with public and private sector partners, and the exploration of future EU-funded opportunities.
- CORESPACES: £0.5m of EU funding to support the transformation of urban public spaces by addressing challenges relating to space scarcity, mobility, energy efficiency and sustainability.
- Consultancy: £0.2m of income from consultancy services provided by LLDC.
- Services provided to residential joint ventures: income received for the delivery of social impact activities.
- Creative Careers Programme: external funding and partner contributions secured to support the delivery of a coordinated Creative Careers programme through LLDC's Good Growth Hub at Hackney Bridge, helping to ensure that Growth Borough residents benefit from East Bank.
- Delivery partner income: £0.2m per annum to support the progression of the Talent Pathway programme.

**Revenue expenditure**

*Corporate Services*

5.22. Budgets for the **Corporate Services** directorate include:

- Finance, IT, governance, programme assurance, commercial, procurement and legal services, together with insurance, internal and external audit, tax and other professional advice, commercial assurance activity and the costs of the LLDC Board. Legal, secretariat, indirect procurement and internal audit services are provided through shared service arrangements with the GLA.
- Communications, marketing and stakeholder engagement activities, including media relations, website management, strategic communications, events promotion and the development of branded materials for the Park.
- Office accommodation, people and organisational development activities, including recruitment, training and staff development.
- Staffing costs associated with the directorate.

*Estate and Neighbourhoods (excluding Trading)*

5.23. Budgets for **Estate and Neighbourhoods** include:

- The day-to-day operational costs of Queen Elizabeth Olympic Park, including estate and facilities management services delivered through third-party contracts, together with security, utilities, business rates and other operational expenditure.
- Activities that support environmental sustainability and the delivery of LLDC's Climate Action Strategy, helping to achieve a 1.5°C-aligned pathway towards net zero carbon by 2030 and improve the climate resilience of the Park. This includes initiatives to reduce operational and embodied carbon emissions, increase the use of renewable energy, offset business flights and support the decarbonisation of the Park's District Energy Network in partnership with internal and external stakeholders.
- Expenditure required to support the generation of commercial income, including the delivery of commercial opportunities across the Park and its assets.
- Staffing costs associated with the directorate.

*Inclusive Growth*

5.24. Over the next three years, the Inclusive Growth directorate (IGD) will focus on scaling delivery and increasing impact for east London residents through the following priorities:

- Further integration of its four core assets into a more efficient Talent Pathway, increasing access to opportunities and improving outcomes for residents.
- Opening and operating the Green Futures Hub. Between 2027 and 2032, the Hub is expected to train 5,742 residents, support 3,000 people into employment and engage 1,200 young people who are not in education, employment or training (NEET).
- Piloting the Public Services Adoption Lab in partnership with the GLA, Plexal, LOTI and Bloomberg Associates, using Queen Elizabeth Olympic Park as a real-world testbed for innovation that improves the effectiveness of public services.

5.25. Budgets for the **Inclusive Growth** directorate include:

- Community Anchor Network (CAN) and Elevate: These programmes underpin the Park's inclusive growth agenda by connecting people, place and opportunity through youth leadership and community partnership. They strengthen community infrastructure by enabling young people and local communities to influence and co-design decisions that shape the future of the Park. The budget includes LLDC funding and projected external funding to commission CAN and Elevate to deliver community engagement and co-design activities.
- Inclusive Growth: LLDC's contribution funds one-third of the Park's Creative Careers Programme, supporting delivery of the Inclusive Talent Strategy. This investment enables LLDC to maintain strategic oversight, provide delivery stability and leverage match funding through a multi-partner funding model. Funding supports activities for school-age children through to working-age residents, helping to raise awareness of opportunities in the creative and cultural sectors while equipping those facing barriers to entry with the skills, knowledge and confidence to succeed.
- Innovation: Funding supports the exploration of innovative approaches with partners to improve health and wellbeing outcomes, in line with the Park's strategic framework. LLDC's contribution is intended to leverage additional

investment and match funding from external partners and funders.

- Talent Pathways: Expenditure supports delivery of East Ed, the Good Growth Hub, Build East and the Green Futures Hub, which together provide an integrated pathway from education through to employment.
- CORESPACES: Expenditure associated with the externally funded CORESPACES programme, an EU Horizon research and innovation initiative that uses the Park as a testbed for developing more inclusive, sustainable and connected public spaces.
- Staffing: Staffing costs for the directorate, a proportion of which are recovered from external funding sources.

*Trading*

5.26. Trading income is derived from rental and other income generated by venues and attractions on Queen Elizabeth Olympic Park, including the ArcelorMittal Orbit, London Aquatics Centre and Copper Box Arena, together with other LLDC-owned assets such as 3 Mills Studios and interim uses of development sites pending redevelopment.

5.27. LLDC operates its principal venues through outsourced management arrangements, including Sports and Leisure Management (Everyone Active) for the London Aquatics Centre and Zip World for the ArcelorMittal Orbit.

*5.28.* The following table provides a breakdown of LLDC's **trading activities**.

| Trading | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | 2029/30 Plan £m | Total Budget/Plan £m |
|---|---|---|---|---|---|
| **Trading Income** | | | | | |
| 3 Mills Studios | 6,385 | 6,500 | 6,663 | 6,829 | **26,376** |
| ArcelorMittal Orbit | 17 | 17 | 18 | 18 | **71** |
| Kiosks | 70 | 72 | 74 | 76 | **292** |
| London Aquatics Centre and Copper Box Arena | 283 | 290 | 297 | 305 | **1,175** |
| Off Park Assets | 63 | - | - | - | **63** |
| On Park Assets | 1,539 | 1,390 | 1,348 | 1,348 | **5,626** |
| Riverside East | 379 | 200 | 206 | 212 | **997** |
| Timber Lodge Café | 54 | 56 | 61 | 62 | **233** |
| Telecoms & Wifi | 158 | 108 | 107 | 102 | **475** |
| East Bank retail | 270 | 427 | 492 | 502 | **1,691** |
| **Total Trading Income** | **9,218** | **9,060** | **9,266** | **9,455** | **36,999** |
| | | | | | |
| **Trading Expenditure** | | | | | |
| 3 Mills Studios | (6,098) | (6,100) | (6,253) | (6,409) | **(24,859)** |
| London Aquatics Centre and Copper Box Arena | (651) | (434) | (512) | (392) | **(1,990)** |
| Off Park Assets | (29) | - | - | - | **(29)** |
| On Park Assets | (31) | (63) | (32) | (32) | **(158)** |
| Riverside East | (75) | - | - | - | **(75)** |
| Timber Lodge Café | (30) | (30) | (33) | (34) | **(126)** |
| Telecoms & Wifi | (5) | (5) | (5) | (5) | **(20)** |
| East Bank retail | (196) | (59) | (47) | (48) | **(350)** |
| **Total Trading Expenditure** | **(7,115)** | **(6,691)** | **(6,881)** | **(6,920)** | **(27,608)** |
| **Net Trading** | **2,103** | **2,369** | **2,384** | **2,535** | **9,391** |
| | | | | | |
| **Net Trading** | | | | | |
| 3 Mills Studios | 287 | 400 | 410 | 420 | **1,517** |
| ArcelorMittal Orbit | 17 | 17 | 18 | 18 | **71** |
| Kiosks | 70 | 72 | 74 | 76 | **292** |
| London Aquatics Centre and Copper Box Arena | (368) | (144) | (215) | (88) | **(814)** |
| Off Park Assets | 33 | - | - | - | **33** |
| On Park Assets | 1,508 | 1,327 | 1,316 | 1,316 | **5,468** |
| Riverside East | 304 | 200 | 206 | 212 | **922** |
| Timber Lodge Café | 24 | 26 | 28 | 28 | **106** |
| Telecoms & Wifi | 153 | 103 | 102 | 97 | **455** |
| East Bank retail | 74 | 368 | 445 | 454 | **1,340** |
| **Net Trading** | **2,103** | **2,369** | **2,384** | **2,535** | **9,391** |

*Contingency*

5.29. LLDC maintains a **corporate contingency** budget to manage unforeseen costs and risks arising across the organisation. The level of contingency is informed by an assessment of programme, operational and commercial risks, including the proposed relocation of Park Headquarters and future options relating to the Old Ford Wastewater Treatment Works site.

5.30. Contingency balances reduce over the budget period and remain limited relative to the risks facing LLDC. Any drawdown from contingency is subject to approval through LLDC's formal change control process, administered by the Corporate Change Board.

*Inflation and reserves*

5.31. The budget includes provision for **pay inflation** of 2.5% (approximately £0.2m). With the exception of specific contracts, including those affected by increases in the London Living Wage, non-pay inflation is expected to be largely offset through efficiencies and savings arising from LLDC's revised operating model introduced on 1 April 2025.

5.32. LLDC's **reserves** form part of the GLA Group's earmarked Mayoral Development Corporation Reserve. Grant funding carried forward by LLDC is held and managed through this reserve.

## Key changes since the 2026/27 budget submission

5.33. The changes in the **revenue income** over the period 2027/28 to 2028/29, compared with the budget submitted last year, are shown in the following table:

| Changes - Revenue income | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | Total £m |
|---|---|---|---|---|
| **Total Revenue income per 2026/27 submission (incl rollovers)** | **21.6** | **21.3** | **21.9** | **43.2** |
| Estate & Neighbourhoods | 0.1 | 0.3 | (0.0) | **0.2** |
| Trading | (2.2) | (1.7) | (1.6) | **(3.3)** |
| Corporate Services | - | - | - | **-** |
| Development | (0.8) | (0.7) | (0.7) | **(1.4)** |
| Inclusive Growth | 0.3 | 0.4 | 0.7 | **1.1** |
| **Total changes** | **(2.6)** | **(1.7)** | **(1.6)** | **(3.3)** |
| **Total Revenue income per 2027/28 submission** | **19.1** | **19.6** | **20.3** | **39.9** |

5.34. The key drivers are:

- A reduction in Fixed Estate Charge income, reflecting delays to the occupation of East Bank buildings and the disposal of the Multi-Storey Car Park.
- Changes to trading and property income forecasts, including increased income from interim uses of development sites pending redevelopment and higher income from other on-Park properties.
- A reduction in Development income, primarily reflecting the transfer of rental income from East Wick and Sweetwater Phase 1 private rented sector units from Development to Estate and Neighbourhoods budgets.
- Additional Inclusive Growth income, including grant funding for the CORESPACES programme, consultancy income and income generated through services provided to LLDC's residential joint ventures.

5.35. The changes in **revenue expenditure** are shown in the following table:

| Changes - Revenue expenditure | 2026/27 Forecast £m | 2027/28 Budget £m | 2028/29 Plan £m | Total £m |
|---|---|---|---|---|
| **Total Revenue expenditure per 2026/27 submission (incl rollovers)** | **(38.6)** | **(34.0)** | **(34.8)** | **(68.7)** |
| Estate and Neighbourhoods | 0.8 | (1.1) | (0.2) | **(1.4)** |
| Trading | 2.0 | 2.3 | 2.3 | **4.6** |
| Corporate Services | 0.3 | (0.2) | (0.1) | **(0.3)** |
| Development | 0.1 | (0.2) | (0.0) | **(0.2)** |
| Inclusive Growth | (0.2) | (0.5) | (0.4) | **(0.9)** |
| Contingency | 1.2 | 0.3 | 0.1 | **0.4** |
| **Total changes** | **4.2** | **0.5** | **1.6** | **2.2** |
| **Total Revenue expenditure per 2027/28 submission** | **(34.4)** | **(33.4)** | **(33.2)** | **(66.6)** |

5.36. The key drivers are:

- An increase in Estate and Neighbourhoods expenditure, reflecting the operating costs of the Multi-Storey Car Park pending disposal and investment in the Health and Wellbeing Strategic Pillar of the Framework, partly offset by lower security contract costs.
- A modest increase in Corporate Services expenditure, reflecting additional professional and corporate costs, partly offset by savings arising from lower insurance premiums following contract renewal.
- A small increase in Development expenditure, primarily relating to the assessment and development of Investable Propositions.
- An increase in Inclusive Growth expenditure to support the delivery of key priorities, including the Talent Pathways programme and other externally funded initiatives. This is partly offset by higher forecast income from grants, consultancy activity and services provided to LLDC's residential joint ventures.
- A reduction in corporate contingency, reflecting the utilisation of contingency provision for risks that have materialised, including delays in securing commercial and sponsorship income.
- A reduction in Trading expenditure, primarily reflecting lower operating costs at 3 Mills Studios, offset by a corresponding reduction in forecast income.

## 6. SAVINGS AND EFFICIENCIES

6.1. LLDC has delivered substantial **savings and efficiencies** in recent years, including approximately £0.9m in 2026/27, primarily through efficiencies across its trading activities and the implementation of its revised operating model.

6.2. A further £1.1m of savings is reflected in the 2027/28 budget, achieved through a combination of cost reductions, operational efficiencies and additional income generation. However, following the significant savings already delivered, the scope for further reductions within LLDC's discretionary cost base is now limited.

| Revenue savings | 2027/28 Budget £m | 2028/29 Budget £m | 2029/30 Budget £m |
|---|---|---|---|
| Estate and Neighbourhoods | 0.3 | 0.2 | 0.0 |
| Trading | 0.4 | 0.2 | 0.0 |
| Corporate Services | 0.3 | 0.2 | 0.1 |
| Inclusive Growth | - | 0.3 | 0.3 |
| Staffing | 0.1 | 0.0 | 0.0 |
| **Total savings** | **1.1** | **0.8** | **0.4** |

## 7. DIVERSITY AND INCLUSION

7.1. LLDC's Diversity, Equity and Inclusion Strategy has been developed in partnership with internal colleague networks, including the Race, Culture and Equity Network, the Queer Forum and the Inclusive Access and Disability Network. Structured around four strategic themes, the strategy builds on progress made to date and sets a clear direction for the organisation's inclusion objectives over the coming years. It also supports the organisation in fulfilling its responsibilities under the Public Sector Equality Duty, as set out in Section 149 of the Equality Act 2010, by promoting equality of opportunity, fostering good relations and ensuring that equality considerations are embedded within decision-making, policy development and service delivery.

7.2. The strategy has four strategic themes that were identified as high impact action areas:

- Growth and Skills
- Leadership and Management
- Values and Culture
- Processes, Systems and Ways of Working

7.3. The strategy was developed through robust engagement and consultation, including dialogues internally with staff. LLDC's work is also informed by external challenge and best practice, including through the Mayor's Equality Objectives, alongside work with external networks and inclusion partners, such as Inclusive Employers.

7.4. LLDC is dedicated to reflecting the vibrant diversity of its four local growth boroughs – and London more widely – within its workforce, embodying the organisation's values both internally and externally. LLDC integrates equity and inclusion throughout its policies, practices, contracts, and services. Overall, this approach is expected to have a positive equality impact by supporting a more representative, inclusive and equitable workforce, while also promoting fairer access to opportunities, services and decision-making processes for the partners we engage with and the communities we serve. This will help strengthen organisational culture, improve accessibility and support more inclusive regeneration outcomes. Any potential adverse impacts are primarily associated with implementation and can be mitigated through ongoing engagement, accessible communications, regular monitoring of outcomes, and review of inclusion measures to ensure they remain effective and proportionate.

7.5. In the external programmes and projects that LLDC undertakes, it consults, co-designs and engages with local communities and community partners. This includes consultation on its development projects and planning applications through various fora including Elevate, Youth Leadership Board and the Park Panel, which comprise residents, communities and businesses and includes individuals from under represented groups and with a range of protected characteristics.
All planning applications for its major developments are reviewed to ensure excellent and inclusive design.

7.6. LLDC's Employment Skills and Education programme connects local talent to learning, career development and job opportunities in and around Queen Elizabeth Olympic Park. This includes programmes that connect into the cultural, creative, digital, and the built environment sectors operating on the Park. It also includes apprenticeships and internships to equip residents and young people with the technical skills required to access jobs in these sectors.. LLDC maintains a dedicated budget internally to support its inclusion and diversity activity and is protecting this investment as it evolves. This reflects a broader commitment to advancing equity, inclusion and opportunity, recognising the role all organisations

play in creating fairer workplaces and communities.

7.7. This investment supports a programme of activity including inclusive leadership and colleague training, enhancements to onboarding and recruitment practices, support for colleague networks, colleague engagement surveys, and independent challenge through a critical friend to assess the effectiveness and impact of diversity, equity and inclusion initiatives.

7.8. Savings reflected in LLDC's budget submission have been implemented in a way that safeguards equality and inclusion commitments. The ring-fenced allocation for diversity and inclusion work remains intact, ensuring that programmes supporting individuals with protected characteristics under the Equality Act 2010 – such as accessible design, inclusive recruitment, and community engagement – continue. Cost efficiencies have been achieved through operational adjustments, rather than reductions in services or initiatives that promote equity.

7.9. The budget supports the organisation's strategic direction detailed in LLDC's published Framework for Inclusive Growth, which the organisation believes will drive positive impacts for the communities – including under represented groups and those with protected characteristics – surrounding Queen Elizabeth Olympic Park.

7.10. Examples of activity that may have a positive impact on these community groups include youth talent, skills and employment programmes that widen access to opportunities for young people and underrepresented groups; intergenerational spaces that strengthen social connection and community cohesion; and inclusive, accessible design that improves access and participation for disabled people, older people and others with access requirements. Initiatives that support the safety of women and girls can increase confidence and participation in public spaces, while inclusive cultural events can improve representation, celebrate diversity and foster a stronger sense of belonging. Collectively, these activities help ensure the benefits of investment, regeneration and placemaking are accessible to a broad range of communities while promoting equality of opportunity and social cohesion.

7.11. Examples of areas that need to be effectively monitored to address any risks of inequality include the potential exclusion of particular age demographics if design is not inclusive, digital exclusion for socioeconomically disadvantaged groups and older people, potential imbalances in leadership roles and a risk of underrepresentation of minoritised groups in governance.

7.12. LLDC's strategy for mitigating the impact of decisions on groups with protected characteristics includes its commitment to regular interaction and connection with local communities and network groups, such as Elevate and the Community Anchors Network. This continuous engagement serves as an important early warning system and an iterative process for service adaptation. Other mitigating actions include:

- Embedding equality in governance and delivery principles, including adherence of LLDC's partners to its schedule of workforce standards referencing the Equality Act, supplier diversity and London Living Wage.
- Ensuring inclusive access to the Park and its venues
- Monitoring affordability and access.

7.13. LLDC's Equality Impact Assessment confirms that LLDC's budget decisions align with its statutory obligations under the Equality Act 2010 and the Public Sector Equality Duty and ensures that programmes supporting protected characteristics – such as accessible design, inclusive recruitment, and community engagement – remain unaffected by financial adjustments.

7.14. Operational efficiencies have been prioritised over reductions in equality-focused services, mitigating risks of disproportionate impact on vulnerable groups.

Monitoring mechanisms provide assurance that budgetary changes will not compromise LLDC's commitment to inclusive growth across Queen Elizabeth Olympic Park. LLDC has developed inclusive growth assets over multiple years that have helped spearhead the creation of the park and the vision for the legacy. These assets cut across local youth voice and community anchors spread across our four neighbouring boroughs.

7.15. The process confirms a commitment to the principles of equality analysis for all future financial planning. Any future proposals requiring significant funding will be subjected to their own Equality Impact Assessment prior to approval, ensuring that equalities considerations are embedded at the initial design and decision-making stage.

## 8. LONDON CLIMATE BUDGET

*Introduction*

8.1. The Mayor of London has set a target for making London a net zero carbon city by 2030. This ambition requires all areas of the Greater London Authority (GLA) group to contribute to achieving this target. LLDC fully supports this ambition, and its wider sustainability commitments and initiatives are aligned with Mayor's net zero 2030 strategy.

8.2. This climate budget is aligned with the Mayor's 2027-28 Budget Guidance published on 30 June 2026, which requires each functional body to submit a climate budget.

8.3. LLDC's Climate Action Strategy (CAS) provides the framework through which it delivers the Mayor's climate ambitions. Net zero targets and climate risk considerations are integrated into LLDC's budgeting process through the governance arrangements established under the CAS, with clear accountability for delivering carbon reduction and climate resilience across the organisation.

8.4. Through this governance process, net zero targets and climate risks are communicated, considered and prioritised by informed budget holders and their teams as a part of the business planning and delivery process.

8.5. LLDC's 2027/28 Climate Budget submission considers Corporate Level and Programme Level emissions and climate risks, as defined in the GLA Budget Guidance:

***Corporate Level (formerly Level 1): GLA Group's own estate and fleet***

*This includes funded and unfunded measures that support Green House Gas (GHG) emissions reduction, increased resilience, and climate adaptation on the GLA Group estate (head offices, operational buildings, let properties or land under GLA management1), operational fleet (i.e. Tube, buses, fire engines, police cars) and support fleet (all other GLA Group vehicles).*

***Programme Level (formerly Level 2): London-wide actions***

*This involves funded and unfunded measures delivered through programmes or policies that support GHG emissions reductions, climate resilience and adaptation in parts of the city outside of the GLA estate and fleet.*

*Corporate Level summary*

8.6. LLDC's estate and operations are unique in terms of operational carbon in that over 90% of GHG emissions associated with operational energy are generated using grid electricity to power operations. Consequently, the adoption of a Power Purchase Agreement (PPA) for the supply of renewable electricity to support LLDC's operations has the greatest potential impact on its emissions profile through to 2030.

8.7. Opportunities also exist to reduce energy demand through improvements to public

realm lighting and the buildings used to support park management and maintenance activities. Funding for the proposed park management building will be confirmed following completion of the RIBA Stage 4 cost plan. Climate-related measures associated with its delivery are expected to be funded through LLDC's capital programme and, where appropriate, external grant funding. Similarly, funding arrangements for the proposed PPA will be confirmed once procurement and commercial arrangements have been finalised. Accordingly, both measures are currently included as unfunded within this budget.

8.8. The evolving nature of Queen Elizabeth Olympic Park through ongoing development presents several opportunities for the incorporation of actions that support the management of identified climate risks, whilst supporting climate resilience and positive social outcomes across LLDC's estate, delivering multiple social and environmental benefits. Four funded projects that add or improve green infrastructure, connectivity and shading are included in the budget.

8.9. In addition, two further projects, groundwater abstraction and Northwall Road rewilding, are included as currently unfunded measures. These projects would strengthen water security and enhance green infrastructure, biodiversity, connectivity and wellbeing outcomes. Teams are actively exploring funding opportunities to support their delivery.

8.10. Grants, Section 106 contributions, Community Infrastructure Levy funding and stakeholder partnerships are all being considered as potential sources of funding.

8.11. Initial feasibility work indicates that both projects could deliver significant environmental and social benefits, with the potential for positive medium-term financial and operational returns. Subject to further development and detailed business cases, they may represent attractive opportunities for external funding and investment.

*Corporate Level emissions*

8.12. The following climate measures are included within the scope of LLDC's budget:

- Actions to reduce 'Scope 1' (direct emissions from owned or controlled sources) and 'Scope 2' (indirect emissions from the generation of purchased electricity, heating, and cooling) emissions from the following areas:
- Estate (head offices, operational buildings, let properties under management).
- Support fleet (LLDC has no GLA-defined "operational fleet").

8.13. Scope 3 emissions[2] are out of scope for the 2027/28 budget, although it is expected that they will be included within the London Climate Budget at a future date. These items are likely to have a significant impact on reducing London's overall emissions in the future.

8.14. The following graph illustrates the impact of LLDC's implemented and planned climate measures on its Corporate Level (scope 1 and scope 2) $CO_2e$ emissions profile to 2030.

[2] All indirect greenhouse gas emissions outside of LLDC's operational control but occur in LLDC's wider supplier value chain due to LLDC's business activities.

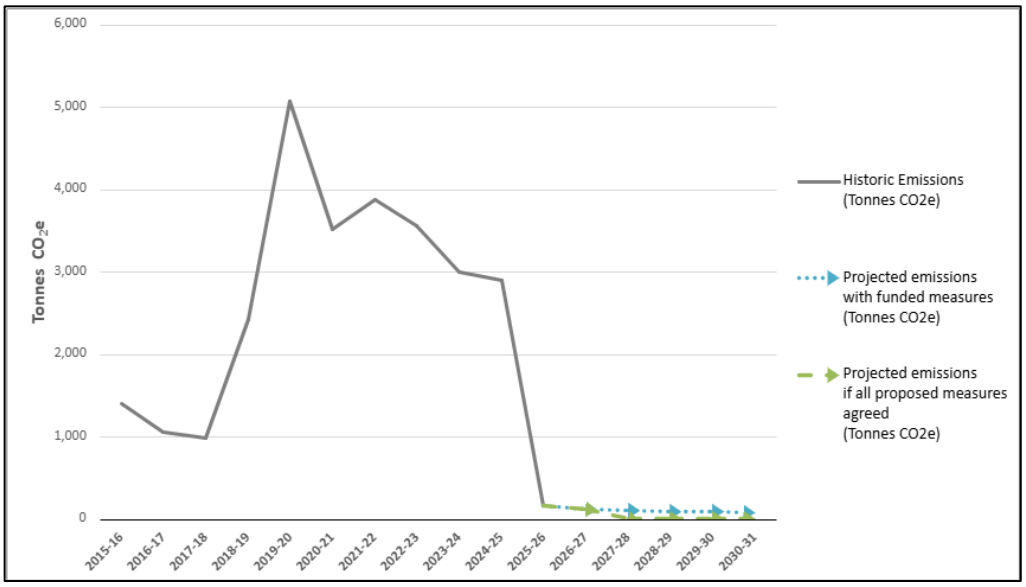



Figure 1. Graph illustrating LLDC's historic and projected GHG emissions trajectory for funded and unfunded measures included in this budget.

*Emissions trajectory graph notes:*

8.15. The graph shows historic emissions (grey), projected emissions based on measures included in the current budget (blue) and projected emissions when including all actions not currently in budget/ unfunded (green).

8.16. Historic emissions include transformation from Olympic venues' 'Games mode' to improved efficiency in 'Legacy mode' from 2015 to 2018. Acquisition of the London Stadium operator is reflected in the grey line's rise and peak in 2020, before energy consumption is reduced through energy efficiency measures, but also includes the substantial impact of the Covid-19 pandemic in 2020.

8.17. Following the temporary reduction in emissions during the Covid-19 pandemic, emissions rebounded before entering a sustained downward trajectory from 2021 onwards as a result of energy efficiency improvements and other carbon reduction measures. Continuing decarbonisation of the national electricity grid has also contributed significantly to this trend, given LLDC's reliance on electricity across its operations.

8.18. The marked reduction in emissions between 2024/25 and 2025/26 reflects the transfer of management and operational responsibility for London Stadium away from LLDC, together with the continued reduction in grid electricity emissions factors.

8.19. Beyond 2025/26, the projected reductions shown by the blue line reflect further grid decarbonisation and the implementation of climate measures included within this budget. As a result, residual emissions are projected to reduce to approximately 80 tonnes $CO_2e$ by 2030/31, enabling greater focus on climate adaptation, resilience and wider programme-level interventions.

8.20. Through participation in a GLA Group Power Purchase Agreement, combined with further grid decarbonisation and energy efficiency measures from 2027/28, residual emissions are projected to fall to approximately 18 tonnes $CO_2e$ per annum by 2030/31. These emissions are principally associated with diesel fuel used in maintaining the Park grounds.

8.21. Emissions associated with refrigerant losses from air-conditioning systems are included until 2027/28, after which operational activities are expected to relocate to a refurbished low-carbon facility at the Old Ford site.

*Co-benefits associated with climate actions*

8.22. Several co-benefits are associated with the carbon reduction and climate resilience actions included in the budget. These are broad ranging and include:

- Improved safety and quality of light for park users.
- Operational and maintenance cost savings.
- Supports health and wellbeing and biodiversity through increasing green space, planting.
- Facilitates active travel in and across the park.
- Reduced risks associated with heat exposure, increases opportunities for outdoor activities associated with health and wellbeing.
- Improved climate resilience through flood risk related adaptation measures such as sustainable urban drainage, increased green space and biodiversity improvements.
- The PPA supports security of supply, price security and stability of electricity costs.
- Supports the uptake and growth of the renewable energy market and supports the decarbonisation of the UK electricity grid.
- Lower carbon water supply and cost savings.
- Improved water quality for irrigation and reduces contaminants in soil and run-off from potable water.
- A more secure water supply.
- Safer public space, reduced anti-social behaviour, increase health & wellbeing opportunities, biodiversity improvements.
- Business connected to the network can access low carbon heating and cooling contributing to London wide and business specific carbon reduction ambitions.
- Supporting the expansion of low carbon heat networks.

*Summary of climate measures*

8.23. The budget includes eight funded Corporate Level climate measures, with total investment of £4.4m between 2027/28 and 2030/31, as summarised in the following table and detailed in Appendix 3.

8.24. A further five Corporate Level measures have been identified to support carbon reduction and climate resilience across LLDC's estate. These measures, with an estimated value of approximately £5.5m, are informed by LLDC's Climate Risk Materiality Assessment, supporting evidence studies and wider corporate priorities relating to health, wellbeing, employment and skills.

| | Climate Measure | Anticipated impact (social/ environmental/ tonnes of $CO_2e$ emissions to 2030/31). | Anticipated total funding needed to 2031 (£000)[3] | Type of funding (Capital/ Revenue/Mixed) |
|---|---|---|---|---|
| 1 | Public realm lighting improvements. | 3[4] | 120 | Capital |
| 2 | Green Spine, green infrastructure project. | Supports health and wellbeing and biodiversity through increasing green space, planting and helping to active travel in and around the park. | 0[5] | Capital/ revenue |
| 3 | Shading at South Park Play area. | Reduced risks associated with heat exposure, increases opportunities for outdoor activities associated with health and wellbeing. | 50 | Capital |
| 4 | Pool Street connectivity and green infrastructure. | Supports health and wellbeing and biodiversity through increasing green space, planting and helping to active travel in and around the park. | 1,335 | Capital |
| 5 | City Mill River connectivity and green infrastructure. | Supports health and wellbeing and biodiversity through increasing green space, planting and helping to active travel in and around the park. | 2,972 | Capital |
| 6 | Low-carbon procurement and supplier engagement | Low carbon knowledge and skills development within LLDC and supply chain. | 0 | Revenue |
| 7 | Whole life and embodied carbon | Low carbon knowledge and skills development within LLDC and supply chain. | 0 | Revenue |
| 8 | Building controls, metering and energy management | More efficient management of energy, cost reduction and more informed decision making. | 0 | Revenue |
| 9 | Relocation of LLDC's Park Depot to refurbished building. | 18 | 430 | Capital |
| 10 | PPA low carbon electricity supply. | 84 | 2,500 | Revenue |
| 11 | Installing groundwater abstraction. | Lower carbon water supply, cost saving. Improved water quality for irrigation and reduced contaminants in soil and run-off. A more | 320 | Capital |

[3] Projects with nil cost indicate a revenue cost to LLDC staff time and does not incur additional external consultancy or capital costs.
[4] Co-benefits include a reduction in lighting and maintenance costs and improvements to lighting quality on the Park.
[5] Expenditure is currently profiled in the 2026/2027 budget but is expected to be re-profiled into the 2027/28 budget following approvals that will take place after this budget submission.

| | | | | |
|---|---|---|---|---|
| | | secure water supply. | | |
| 12 | Introducing safe walking and cycling route, increasing green space and enhancing biodiversity at Northwall road. | Safer public space, reduced anti-social behaviour, increase health & wellbeing opportunities, biodiversity improvements. | 2,200 | Capital |
| 13 | Asset Specific Climate Risk assessments | Improving resilience as LLDC and stakeholders are better informed and better able to plan and prepare for climate risks. Reduced long term impact in business operations and public health. | 90 | Revenue |

Table 1 Summary of funded and unfunded climate actions. Climate measure 1 – 8 represent funded corporate level measures, 9-13 represent unfunded corporate level measures.

*Programme level climate actions*

8.25. Two carbon reduction projects have been included at the programme level:

- The District Heat Network (DHN) decarbonisation and,
- Energy and carbon reduction at the London Aquatics Centre.

8.26. Both initiatives have the potential to make a significant contribution to reducing emissions associated with LLDC's wider value chain. However, each presents technical, commercial and operational challenges that will need to be addressed to enable delivery.

8.27. LLDC is working closely with the operators of the District Heat Network to support the development and implementation of a decarbonisation roadmap. Consistent with the ambitions of the Climate Action Strategy, this work seeks to support a just transition by improving environmental performance while maintaining affordable and reliable heat supplies for residents and businesses connected to the network.

*Co-benefits associated with programme level climate measures*

8.28. The climate measures above, in addition to their direct impact in lowering emissions, also provide co-benefits. These include:

- Reduced operational costs through low carbon energy efficient measures.
- Improved air quality due to a reduction in emissions to air associated with energy generation.
- Supporting the uptake in low carbon technologies
- Future proofing assets from policy and market changes

*Wider programme level actions*

8.29. In addition, LLDC currently has four Inclusive Growth programmes that contribute to the GLA’s wider climate efforts:

- CORESpaces adopts a citizen co-design approach to identify innovative climate related solutions relating to traffic management, kerbside space use, and user safety. Funding is secured through an EU Horizon Grant.
- The Adoption Lab brings together businesses, universities, public bodies and communities to help identify, test and accelerate the uptake of solutions that support decarbonisation, climate adaptation and sustainable growth, contributing to London's wider net zero and resilience ambitions.

- The Green Futures Hub will develop the skills, partnerships and workforce needed to support London's climate transition. Through specialist retrofit and green skills training, employer collaboration and community engagement, it will create pathways into good jobs, strengthen local supply chains and support housing decarbonisation.
- Build East supports young people to develop career skills in construction and the built environment, including work on sustainable practices including reusable materials and green skills.

*Future programme level climate actions*

8.30. LLDC will continue to be a key partner in the decarbonisation planning of these assets, supporting the Mayor's carbon reduction and environmental objectives for London. Effective delivery of these programmes has the potential to generate significant environmental, social, health and economic benefits for communities in east London.

*Scope 3 emissions*

8.31. In future years, the climate budget is expected to incorporate Scope 3 supply chain and embodied carbon emissions. While these emissions are outside the scope of the current climate budget, LLDC is already targeting new residential developments to achieve net zero carbon by 2038 through a whole-life carbon approach.

*Green tariffs and air travel*

8.32. LLDC anticipates transferring from a REGO[6]-backed renewable electricity contract to participation in the GLA Group renewable electricity Power Purchase Agreement (PPA).

8.33. Emissions from staff air travel have been calculated at approximately 4 tonnes $CO_2e$ in the 2025/26 reporting period. LLDC's approach to offsetting these emissions has been to use an independently verified tree planting carbon offset scheme – delivered by Trees for Cities, a London based not for profit organisation delivering environmental and social outcomes for urban communities through tree planting and urban greening initiatives. Due to the relatively small amount of offset necessary for LLDC flights, emissions are aggregated over 2-4 years and offset accordingly to achieve a greater impact.

*The main uncertainties inherent in the LLDC climate budget process are as follows:*

8.34. Forecast assumptions regarding future energy consumption and emissions. As climate budgeting becomes more embedded within LLDC's planning and decision-making processes, data quality and confidence continue to improve, particularly at Corporate Level. Further work is underway to strengthen Programme Level forecasting and prepare for future Scope 3 reporting requirements.

8.35. The availability of funding and the terms of any associated grant or borrowing.

8.36. External dependencies which may affect emissions performance, including the nature and timing of future development activity, the maturity and deployment of emerging technologies, and medium- to long-term energy market conditions.

8.37. Given these uncertainties and the number of external factors involved, variations in future costs are treated as neutral within this budget submission.

[6] Renewable Energy Guarantees of Origin

## 9. DELIVERABLES

9.1. The key deliverables for 2027/28 are set out below. Updates on delivery against the 2026/27 Business Plan can be found in LLDC's quarterly Corporate Performance Reports, published on its website here. This is not an exhaustive list.

**Strategic Framework**

- Work with stakeholders to undertake partnership working to deliver on the themes set out in the Framework for Inclusive Growth, including those listed below and other opportunities to be determined.
- Convert opportunities identified through the Investment Prospectus into secured investment, funding and strategic partnerships for the Park's priority projects.
- Progress the development and implementation of an outcomes framework establishing how LLDC will monitor, measure and evaluate success in the short, medium and long term.

**Habitat**

9.2. Deliver against the new Development Strategy setting out how it will deliver the remaining legacy neighbourhoods, providing more housing for local people as well as new community facilities and places of work where enterprise and innovation can flourish. Milestones below therefore subject to change:

- East Wick Phase 3 construction on programme. Delivery strategy for Sweetwater agreed and programme established.
- Prepare for Stratford Waterfront residential start on site in 2028/29.
- Bridgewater Triangle enabling works underway. Prepare for start on site in 2028/29.
- Pudding Mill Lane Phase 1 and 2 construction underway.
- Rick Roberts Way progress revised delivery strategy and work towards submission of planning for the site.
- Construction of Hackney Wick Neighbourhood Centre on programme for completion in 2027/28.
- Deliver the Climate Action Strategy (supported by a carbon budget) for LLDC, in line with the Mayor's targets (net zero carbon by 2030, aligned with a 1.5-degree future).
- Stratford Station redevelopment: progress next stage of Strategic Outline Business Case as the lead organisation in partnership with DfT and TfL, to identify preferred concept for redevelopment of the station.
- Continued successful operation of East Bank with UCL East and UAL's London College of Fashion and Sadler's Wells Theatre; fit out work continues to programme for opening of the BBC.
- Progress delivery of the Waterden Green development youth play space with dedicated area for teenage girls.
- Delivery of connectivity projects on the Park on programme: Pool Street Phase 2, Green Spine and Westfield Avenue.
- All East Bank Retail units operating well.
- Successful opening and operation of Zip Line at ArcelorMittal Orbit.
- Bringing new partners, public and private, into the innovation ecosystem define what makes this ecosystem unique and align efforts toward shared

outcomes.

- Deliver placemaking strategy for Park centre, south Park and waterways with clear investment options.

**Inclusive Talent**

9.3. Working with partners to deliver and further develop an expanded Talent Pathway that leverages the opportunities created by the world-class partners at East Bank, ABBA Voyage and beyond, to engage more creative sector employers, broaden access, deepen impact, increase awareness and connect more people to sustainable careers including jobs paid at or above London Living Wage. Including securing additional programme funding providing careers information, advice and guidance.

- Successful operation and scaling of the Build East construction training centre, including demands of employers on the Park and wider east London contractors, responding to the skills needs establishing delivery through the new Green Futures Hub at Pudding Mill Lane.
- Meeting targets for construction and end use jobs for local people, Black, Asian and Minority Ethnic groups, disabled people, women and apprentices.
- Working with partners to deliver and scale an enhanced education and careers offer through East Ed engaging young east Londoners in education and careers programmes and supporting educators through East Ed's continuing professional development offer.
- Community engagement; supporting the Community Anchors Network to lead strategic community voice and influence across the Park, and supporting Elevate to deliver youth engagement, co-design and advisory activity through a sustainable operating model.

**Health and Wellbeing**

9.4. Delivery of strategic partnership working to develop programmes to promote health and wellbeing and open up the Park to test and learn.

- Maintain safe and well-maintained Park and attracting visitors: measuring against the target of up to 20.5m visits per annum.
- Successful opening and operation of Zip World at ArcelorMittal Orbit.
- Manage and maintain the quality of the Park and venues, including retaining Green Flag status.
- Operate safe and well-maintained venues, including over 1m visits to the London Aquatics Centre. Hold major sporting events including the British Swimming Championships.
- Deliver inclusive volunteering and Park information service that increases opportunities for local residents to contribute to the Park, provides a welcoming and informative visitor experience.
- Support safe delivery of events, community sports and filming on the Park.
- Delivery of community and cultural events on the park including the development of the East Bank cultural programme.

**Supporting Delivery**

9.5. Act as custodian of the Park assets and principles of inclusive growth that will support delivery of the Framework and the London Mayor's Growth Plan and Inclusive Talent Strategy.

- Close working with the GLA on budgets, funding and LLDC's Long Term Model.
- Deliver improved commercial performance.

- Unqualified accounts for LLDC and its subsidiaries.
- Support the Mayor's Agenda for ensuring that GLA Group organisations are inclusive and diverse including: improvements in gender and ethnicity pay gap; increased representation of under-represented groups at senior levels at LLDC.
- Health and safety: construction undertaken without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked.
- Support LLDC's operations, reputation, stakeholder management and commercial activities through communication and marketing activities.
- Convene Park based anchor organisations, including East Bank partners, the Growth Boroughs and wider industry partners to deliver the Inclusive Talent pillar of the Framework for Inclusive Growth.

## 10. GROUP COLLABORATION

10.1. The GLA Group Collaboration Board develops and oversees initiatives that enable the GLA Group to work more closely together to deliver greater efficiency, effectiveness, economic benefit and Mayoral priorities. The Board's ambition is for Group organisations to "work as one, delivering maximum benefit to Londoners". This is achieved by removing operational and cultural barriers to collaboration, enabling GLA Group organisations and key partners to work together as efficiently and effectively as possible.

10.2. Examples of projects delivered through GLA Group Collaboration include:

- Transport for London providing shared IT services to the GLA, Old Oak and Park Royal Development Corporation (OPDC), Mayor's Office for Policing and Crime (MOPAC) and LLDC, improving resilience, consistency and value for money while reducing duplication.
- A Treasury Collaboration initiative between the GLA and Transport for London, delivering improved systems, processes, resilience and financial outcomes, particularly in relation to treasury operations and investment activities.
- A group-wide Estates and Facilities Management (EFM) Strategy, supporting office and headquarters accommodation rationalisation, relocations, improvements and wider collaboration across corporate estate functions.
- An Energy Procurement project that leverages Transport for London's purchasing power to secure benefits across the GLA Group through long-term power purchase agreements.
- A secondment portal and mentoring platform available to all Group organisations, helping to develop, retain and share talent across the GLA Group.
- Electric Vehicle Infrastructure Delivery (EVID), with plans to deliver up to 200 EV charging bays on suitable GLA Group-owned sites.

10.3. LLDC is committed to greater collaboration across the GLA Group and plays an active role in a range of Group initiatives, including:

- Chairing Collaborative Professional Communities (CPCs), including Finance, Housing and Procurement, helping to strengthen professional networks, share best practice and deliver collaborative improvements across the GLA Group.
- Acting as an early adopter of shared services, including arrangements for governance, internal audit, legal services, procurement and insurance,

supporting improved resilience, consistency and value for money.

## 11. LEGAL IMPLICATIONS

11.1. Under the terms of the Mayoral London Legacy Development Corporation Governance Direction 2013, LLDC is required to:

- Consult the Mayor before approving its Budget and Business Plan for formal submission to the GLA as part of the GLA Group's annual statutory budget process.
- Prepare, before the end of each financial year and in consultation with relevant GLA officers, a detailed Core Business Plan for the following year as part of a rolling business planning process. This includes proposed changes to baseline pay, borrowing limits and prudential indicators.
- Obtain the Mayor's prior consent before the Board considers any draft Core Business Plan for approval.

11.2. LLDC has engaged with the GLA throughout the development of the Long Term Model and has reviewed with GLA officers the key assumptions, financial information and projections that underpin it. The consultation undertaken and approvals sought through this process are consistent with the requirements of the Mayoral London Legacy Development Corporation Governance Direction 2013.

## 12. APPENDICES

- Appendix 1 – Risks to the budget
- Appendix 2 – LLDC’s Capital Strategy 2027/28
- Appendix 3 – Table A: Level 1 Climate Measures (funded)
- Appendix 4 – Table B: Level 1 Climate Measures (unfunded)
- Appendix 5 – Table D: Level 2 Climate Measures (unfunded)

# Appendix 1 – Risks to the budget

There are several risks to achieving the financial forecasts in the budget as submitted.

**CAPITAL RISKS**

**1. Development receipts**

*Timing*

LLDC has experienced challenges in the timing of capital receipts and development programme delivery in recent years, reflecting viability pressures across the residential development sector. There remains a risk that delays to development programmes could affect the timing of capital receipts assumed within the Long Term Model. Key factors include construction cost inflation, financing costs, market conditions and the impact of evolving building safety and fire safety requirements.

*Market risk and house price inflation assumptions*

Forecast development receipts remain sensitive to residential market conditions and assumptions relating to house price inflation (HPI). Relatively small changes in HPI assumptions can have a significant impact on forecast receipts.

LLDC's assumptions have been updated using the average of independent London-wide forecasts produced by Savills, Knight Frank and JLL.

*Tender price inflation*

Construction cost inflation has moderated compared with recent years; however, uncertainty remains and construction costs continue to be influenced by labour availability, supply chain pressures, financing costs and overall market conditions. Any material increase in tender prices could adversely affect development viability and the timing and value of future capital receipts.

*Affordable Housing Grant*

Failure to secure Affordable Housing Programme grant allocation presents a significant viability risk to LLDC's development schemes. Without grant support, scheme viability may be materially weakened, potentially leading to a reduction in affordable housing outputs, delays to delivery, additional funding requirements and reduced investor confidence. This could adversely affect LLDC's financial returns from its development schemes and its ability to meet its housing objectives while funding uncertainty remains.

*Other assumptions*

Development receipts are also sensitive to a range of other assumptions, including financing costs, construction costs, affordable housing values, development phasing and developer profit expectations.

Demand from developers and Registered Providers remains constrained by viability pressures, including the costs associated with building safety requirements. Although recent Government interventions are expected to support housing delivery, there remains uncertainty regarding the timing and scale of market recovery.

Key mitigations:

- Regular review of development programmes, cashflows and viability assumptions.
- Active engagement with development partners to identify and mitigate delivery risks.
- Independent benchmarking and validation of key market assumptions.
- Ongoing review of tenure mix, phasing and delivery strategies to respond to changing market conditions.

2. **Corporation Tax**

As a Mayoral Development Corporation, LLDC is subject to Corporation Tax. Changes to tax legislation, HMRC guidance or the outcome of ongoing discussions with HMRC regarding historic taxable losses associated with the London Stadium could have an impact on LLDC's future Corporation Tax position.

Key mitigations:

- Regular engagement with HMRC and external tax advisers.
- Ongoing monitoring of relevant tax legislation and guidance.
- Periodic review of Corporation Tax assumptions within financial forecasts.

3. **East Bank**

East Bank is now substantially complete. The principal remaining risks relate to the completion of agreed acoustic works associated with the BBC Music Studios building and the resolution of defects during the contractual defects period. These risks continue to be actively monitored and managed through established project governance arrangements, independent commercial assurance and regular reporting to partners and the GLA.

Key mitigations:

- Close monitoring of the remaining acoustic works associated with the BBC Music Studios building.
- Ongoing oversight through established project governance arrangements.
- Independent commercial assurance support where required.
- Active management of defects and associated mitigation measures.

4. **District Heating Network**

Continued decarbonisation of the national electricity grid may affect the ability of the District Heating Network to meet future regulatory and environmental performance requirements. LLDC is working with the concessionaire, Bring Energy, and engaging with Government to identify and implement appropriate mitigation measures.

Key mitigations:

- Continued engagement with Bring Energy and relevant stakeholders.
- Assessment of technical and commercial options to maintain compliance with future requirements.
- Ongoing engagement with Government and industry bodies regarding policy and regulatory developments.

5. **Asset disposals**

The Long Term Model assumes the future disposal of a number of capital assets. There is a risk that disposals occur later than forecast or at values below those assumed, which could place pressure on LLDC's borrowing position and wider financial forecasts.

LLDC also owns a range of infrastructure assets, including roads, bridges and public realm assets, which will require future adoption by third parties. Delays to, or costs associated with, asset adoption represent a further financial risk.

Key mitigations:

- Regular review of disposal assumptions and timings through the Long Term Model.
- Active asset management to maximise disposal values.
- Early engagement with adopting authorities and utility providers.

- Ongoing assessment of adoption liabilities and associated costs.

**6. Lifecyle**

There is a risk that future lifecycle requirements across Queen Elizabeth Olympic Park exceed current budget assumptions, resulting in additional expenditure requirements.

Key mitigations:

- Regular condition surveys and asset inspections.
- Periodic review and updating of lifecycle forecasts.
- Prioritisation of lifecycle investment according to asset condition and operational requirements.
- Maintenance of corporate contingency provision for unforeseen requirements.

**REVENUE RISKS**

**7. Inflation**

Although inflation has moderated, there remains a risk that pay or non-pay inflation exceeds the levels assumed within the budget. Should inflationary pressures increase materially, LLDC may require additional funding or compensating savings to mitigate the impact.

Key mitigations:

- Inclusion of pay and non-pay inflation assumptions within budget forecasts.
- Active contract management and procurement controls.
- Identification of offsetting efficiencies where cost pressures arise.
- Regular monitoring of inflation assumptions through budget reporting.

**8. Commercial income**

The budget includes assumptions regarding the delivery of commercial income from a range of sources, including sponsorship, advertising and other commercial opportunities. There is a risk that these income targets are not achieved in full or are delivered later than anticipated.

Given LLDC's limited contingency provision, the crystallisation of such risks could require additional support from the GLA.

Key mitigations:

- Active management of the commercial pipeline and income opportunities.
- Regular review of income forecasts and delivery plans.
- Development of alternative commercial opportunities where appropriate.
- Ongoing monitoring of performance against income targets.

**9. Rental income**

LLDC receives a share of net rental income generated by Here East. The value and timing of this income are dependent upon factors including tenant demand, rent-free periods, occupancy levels and allowable management costs.

Here East also retains an option to acquire LLDC's rental interest at market value. While this would generate a capital receipt and reduce borrowing requirements, it would also remove a future revenue income stream.

Key mitigations:

- Ongoing engagement with Here East management regarding occupancy and

leasing activity.

- Long-term financial planning to manage potential variations in income timing and value.

## 10. Trading performance

LLDC remains exposed to operational and market risks associated with its trading activities and operator contracts, including utility costs at the London Aquatics Centre and commercial performance at 3 Mills Studios.

The budget does not assume any repayment of the ArcelorMittal Orbit loan or associated interest, as the venue is not currently forecast to generate sufficient cumulative profitability to trigger repayments under the loan agreement.

Key mitigations:

- Active contract management of venue operators and trading partners.
- Regular review of trading performance and business plans.
- Monitoring of utility cost exposure and other operating cost pressures.
- Ongoing oversight of 3 Mills Studios' commercial performance.

## 11. Contingency

LLDC has utilised part of its contingency provision during the current budget cycle to manage risks that have materialised.

LLDC continues to maintain a corporate contingency budget to mitigate specific risks, including staff-related costs arising from the evolution of the organisation and potential shortfalls in commercial income delivery. However, contingency balances remain limited relative to the risks facing the organisation and will continue to be monitored closely with the GLA.

Key mitigations:

- Maintenance of a corporate contingency provision informed by regular risk assessments.
- Formal change control and approval arrangements for all contingency drawdowns.
- Regular review of contingency adequacy through budget monitoring and updates to the Long Term Model.
- Ongoing engagement with the GLA regarding emerging risks and funding pressures.

The risks outlined in this appendix are reflected within LLDC's corporate and departmental risk registers and are managed through the organisation's established risk management and governance process.

# Appendix 2 – LLDC Capital Strategy 2027/28

## 1. Introduction

1.1. London Legacy Development Corporation (LLDC) is a Mayoral Development Corporation established under the Localism Act 2011 and a functional body of the Greater London Authority (GLA). The GLA is the strategic authority for London and supports the Mayor and the London Assembly in delivering their responsibilities and functions.

1.2. LLDC's mission is 'to use the opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to change the lives of people in east London and drive growth and investment in London and the UK, by developing an inspiring and innovative place where people want - and can afford - to live, work and visit'.

## 2. Intention

2.1. The Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code now requires all local authorities to produce a Capital Strategy.

2.2. LLDC's Capital Strategy will form part of a GLA Group-wide strategy, intended to drive the Mayor's capital investment ambition, whilst ensuring the sustainable, long term delivery of services. The strategy will demonstrate that LLDC's capital expenditure and investment decisions are made in line with Mayoral priorities and properly take account of stewardship, value for money, prudence, sustainability and affordability, and give due regard to risk and reward.

2.3. The aims of the Capital Strategy are to:

- Prioritise investment that supports the Mayor's priorities and LLDC's vision to create '*an innovative London metropolitan centre with a global focus, powered by inclusive growth, with community and opportunity at its heart'*.
- Support the delivery of LLDC's statutory objectives and the long-term transformation of Queen Elizabeth Olympic Park through investment in housing, regeneration, culture, education, economic growth and environmental sustainability.
- Set out how LLDC identifies, prioritises and approves capital investment proposals through its governance and decision-making processes.
- Identify the capital funding and financing requirements arising from approved business plans and project proposals, including any support required from the GLA.
- Consider the options available for funding capital expenditure and identify the resources available for investment over the long term.
- Identify and assess capital income streams, including the timing, risks and uncertainties associated with those receipts.
- Ensure that capital investment remains affordable, sustainable and prudent, taking account of LLDC's borrowing requirements and Long Term Model.
- Establish effective arrangements for the oversight and management of capital expenditure, including the assessment of deliverability, outcomes, risk, budget profiling and value for money.

## 3. Benefits

3.1. The benefits of preparing a Capital Strategy are to:

- Provide a clear framework for capital investment decision-making across LLDC.
- Help ensure that LLDC's capital plans align with Mayoral priorities and contribute to the delivery of LLDC's mission (set out in paragraph 1.2).
- Support the effective prioritisation of capital investment and the allocation of limited resources.
- Promote transparency and accountability by providing a clear basis for capital investment decisions and commitments.
- Strengthen the long-term planning, management and monitoring of LLDC's capital programme.

## 4. Approach

4.1. To help ensure that capital resources are allocated effectively and deliver value for money, LLDC's long-term capital planning is undertaken alongside the annual GLA budget-setting process.

4.2. LLDC maintains a Long Term Model, which underpins the Capital Strategy and forecasts capital income and expenditure over the long term using assumptions relating to economic conditions, development programmes, major capital projects and other relevant variables. The Long Term Model enables LLDC to align its financial capacity with its strategic objectives and investment priorities.

4.3. LLDC operates within the legislative and governance framework established by the GLA Acts 1999 and 2007, the Local Government Act 1972 and the Localism Act 2011. Capital investment decisions are subject to a defined governance, appraisal and approval process designed to ensure effective stewardship of public funds and the delivery of value for money. Details of LLDC's capital governance arrangements are set out in Section 11.

4.4. The Long Term Model is reviewed and updated at least annually as part of the budget-setting process and is shared with key stakeholders, including the GLA and the LLDC Board. It is monitored throughout the year and referenced in the development of significant business cases and investment decisions.

4.5. The Capital Strategy is reviewed annually as part of the budget-setting process and considered by the Senior Leadership Team, Finance and Investment Committee and Board prior to submission to the GLA.

## 5. Influences

5.1. Key influences upon LLDC’s Capital Strategy include:

*Internal*

- **Queen Elizabeth Olympic Park (QEOP) Framework for Inclusive Growth:** Sets out LLDC's approach to maximising the economic, social and environmental benefits generated by the Park. The Framework focuses on three priorities: enhancing the Park environment, scaling inclusive talent, and exploring new approaches to health and wellbeing. These priorities build on the Park's foundation of partnership, innovation and creativity and seek to ensure that growth benefits local communities and supports wider economic growth across east London and beyond.

- **Development Strategy:** Sets out LLDC's approach to the delivery of its remaining development sites and land holdings within Queen Elizabeth Olympic Park and the wider Mayoral Development Corporation area.
- **Growth Borough local plans:** The Local Plans of the London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest provide the planning framework within which development proposals are brought forward, including policies relating to housing, employment, infrastructure, sustainability and design.

*External*

- **Mayor of London and the GLA:** LLDC's Capital Strategy supports delivery of the Mayor's priorities, including housing delivery, economic growth, environmental sustainability, transport and public realm improvements. The GLA is also LLDC's principal funding partner and lender. Ongoing engagement with the GLA helps inform investment priorities, funding assumptions and capital investment decisions.
- **Local authorities:** The four Growth Boroughs are key strategic partners in the delivery of LLDC's objectives. The Mayors of Newham, Hackney, Tower Hamlets and Waltham Forest are represented on the LLDC Board, helping to ensure alignment between local and Park-wide priorities.
- **Key partners:** LLDC works with a range of public and private sector partners to deliver its capital programme. These include East Bank partners, development partners, operators, educational institutions and other stakeholders whose investment and delivery activity influence the timing and success of projects.
- **Macroeconomic conditions:** LLDC's capital programme remains sensitive to wider economic conditions, including residential and commercial property market performance, inflation, construction costs, labour availability, financing costs and taxation. These factors influence development viability, investment decisions, project costs and the timing and value of future capital receipts.

## 6. Policies

6.1. LLDC's Capital Strategy supports the delivery of the Mayor's priorities, as illustrated in the table below:

| **Mayor's priority** | **Examples of aligned projects** |
|---|---|
| *Arts and culture* | • East Bank, including the V&A, Sadler's Wells East, UAL, BBC Music Studios and UCL East |
| *Housing and growth* | • Residential developments including Chobham Manor, East Wick and Sweetwater, Hackney Yards, Stratford Waterfront, Bridgewater Triangle, Pudding Mill Lane and Rick Roberts Way, together with supporting infrastructure |
| *London's economy* | • East Bank, Here East, Stratford Station and innovation and business growth initiatives across Queen Elizabeth Olympic Park |
| *Environment and sustainability* | • Carbon reduction and sustainability projects, including those reflected within LLDC's Climate Budget and Climate Action Strategy |

6.2. The Capital Strategy is closely linked to LLDC's Treasury Management Strategy, Prudential Indicators and Long Term Model. Together, these provide the framework for ensuring that capital investment remains affordable, prudent and sustainable. The Treasury Management Strategy is reviewed and approved annually by the LLDC Board, and LLDC participates in the GLA Group's treasury management arrangements.

## 7. Capital Ambition

7.1. LLDC's 20-year Capital Ambition[1] is framed within the following financial parameters, agreed with the GLA and consistent with the Prudential Code:

- Maximum borrowing limit of £550m;
- Capital grant funding provided by the GLA where appropriate; and
- The requirement for LLDC to demonstrate that its borrowing remains affordable and can be supported by future capital receipts and other funding sources over the long term.

7.2. LLDC's Capital Strategy supports delivery of the priorities set out in the Framework for Inclusive Growth, namely: modelling of the Park habitat, scaling inclusive talent, and discovering new approaches to health and wellbeing.

7.3. The priority capital programmes included in LLDC's Capital Ambition (included in the Capital Investment Plan[2] at Appendix 1) are as follows:

**East Bank**

*Mayoral priority: Arts and culture*

East Bank is a landmark cultural and education district delivered through a partnership between LLDC, **Sadler's Wells, University of the Arts London (UAL), University College London (UCL), the Victoria and Albert Museum (V&A)** and **the BBC.** The programme has created a globally significant concentration of cultural, educational, research and creative institutions at Queen Elizabeth Olympic Park, strengthening Stratford's role as a centre for innovation, learning and economic growth.

The programme has delivered the London College of Fashion, UCL East, V&A East Museum, V&A East Storehouse, Sadler's Wells East and the BBC Music Studios, establishing a major new destination for culture, education and the creative industries. East Bank is expected to generate more than 2,500 jobs, attract around 1.5 million additional visitors annually and contribute an estimated £1.5 billion of economic benefit.

East Bank is now substantially complete and represents one of the most significant capital investments undertaken by LLDC since its establishment. The programme demonstrates the long-term value of public investment in Queen Elizabeth Olympic Park by supporting skills, employment, inward investment and cultural participation, while strengthening east London's contribution to London's wider economy and international competitiveness.

Delivery of East Bank was funded through a combination of partner contributions, lease premiums, GLA capital grant and borrowing. This blended funding model

[1] As defined by the Mayor's Budget Guidance 2027/28 (issued July 2026)
[2] As defined by the Mayor's Budget Guidance 2027/28 (issued July 2026)

enabled the creation of a major cultural and education district while maximising the impact of public investment and leveraging significant third-party investment.

**Development Strategy**

*Mayoral priorities: Housing and Growth*

LLDC's Development Strategy focuses on the delivery of the remaining residential development sites within Queen Elizabeth Olympic Park.

LLDC secured outline consent to build six new neighbourhoods on the Park under the Legacy Communities Scheme (LCS) in 2012, with the aim of delivering over 6,000 across LLDC-owned land, once all schemes are complete. These are Chobham Manor, East Wick and Sweetwater, Rick Roberts Way, Pudding Mill Lane, Bridgewater Triangle and Stratford Waterfront.

**Chobham Manor** was the first of the LCS neighbourhoods to welcome residents. Now complete, it was delivered by Chobham Manor LLP (Taylor Wimpey and London & Quadrant) and consists of 880 new homes, 35% affordable and 75% family units.

In 2015, LLDC entered into a Development Agreement (DA) with 'EW+S' – a joint venture between Balfour Beatty Plc (BB) and Places for People (PfP) to deliver the **East Wick and Sweetwater neighbourhoods**. In total, the development will deliver 1,859 homes, including 34% affordable homes.

East Wick (Phases 1 to 3 and 7) sits in the London Borough of Hackney. Phase 1 is complete (302 homes with 19 retail/commercial units), the final blocks of Phase 2 (210 homes) completed in February 2026, and, with the site now hoarded off, Phase 3 (411 homes) is due to start on site by the end of 2026/early 2027. Phase 7 comprises plots adjacent to the Copper Box Arena with consent to deliver 164 homes and c.800 sqm of employment/retail floorspace and is currently home to Hackney Bridge meanwhile use.

Sweetwater (Phase 4 and 5) is in the London Borough of Tower Hamlets, comprises 772 homes, with 35% affordable homes (271 homes). Non-residential uses include a health centre, nursery, library/community space, along with retail and employment space. Build East and the Park Headquarters both sit on Sweetwater land.

Income from the East Wick and Sweetwater developments is included within 'Capital Receipts' in the Capital Funding plan. The expected receipts for East Wick are based upon the terms of the agreement with EW+S and are subject to external factors such as housing demand and house price inflation. LLDC also retains ownership of a portfolio of 28 private rental sector units in Phase 1 (known as the 'co-investment units'), which will provide an income stream for 10-15 years, followed by a capital receipt when sold.

LLDC entered into a joint venture with Ballymore in 2022 to deliver the **Stratford Waterfront and Bridgewater Triangle** residential developments. LLDC is an equity investor in the joint venture, funded through borrowing from the GLA.

Detailed planning permission for **Stratford Waterfront** was secured in November 2024; however, challenging market conditions and viability pressures have delayed progression to construction. The joint venture is currently exploring a phased delivery approach, with market housing expected to come forward first and affordable housing delivered in a subsequent phase.

A reserved matters planning application for **Bridgewater Triangle** was submitted in February 2026 and is expected to be determined in 2027. As with Stratford

Waterfront, market conditions and affordable housing requirements continue to present viability challenges. During 2025/26, the joint venture completed a new pedestrian and cycle bridge, funded by Homes England, which improves connectivity between the site, Queen Elizabeth Olympic Park and the surrounding area.

Alongside Bridgewater Triangle, LLDC developed a detailed mixed-use masterplan for **Pudding Mill Lane**, comprising new homes, later living accommodation, employment space, retail, a nursery, medical centre, pharmacy, community facilities and new public realm. The masterplan provides for approximately 1,000 homes across a range of tenures and unit types, with a target of up to 45% affordable housing by habitable room, including Social Rent, London Living Rent and Shared Ownership.

Outline planning permission was secured in October 2022 and, in December 2024, LLDC entered into a joint venture with Countryside/Vistry to deliver the development. Planning permission for Phase 1 has now been secured and an application for Phase 2 has been submitted. The first land drawdown is currently expected in 2027.

On the **Rick Roberts Way** site, a revised delivery strategy was approved by the Finance and Investment Committee in July 2026 following the conclusion of the previous developer procurement exercise without a development agreement being completed. LLDC will fund an outline/hybrid planning application to de-risk the site, enhance development readiness and support the exploration of partnership delivery models for the scheme.

**Affordable housing** assumptions across Stratford Waterfront, Bridgewater Triangle, Pudding Mill Lane and Rick Roberts Way are being reviewed in light of changes to Government and Mayoral policy intended to support housing delivery, whilst ensuring schemes remain deliverable and financially viable. LLDC remains committed to maximising affordable housing delivery across its residential development programme within the constraints of prevailing market conditions and scheme viability.

Development expenditure within the Capital Investment Plan includes the cost of discharging LLDC's **Section 106 obligations** arising from the Legacy Communities Scheme planning consent. It also provides for the significant infrastructure investment required to unlock and support the delivery of residential development across the Park, including highways, bridges, utilities and other enabling works.

**Commercial investment and asset management**

LLDC seeks to maximise the long-term value generated from its land, property and other assets by supporting sustainable commercial income streams and investment opportunities. This includes the strategic management of its property portfolio through leasing, development, asset optimisation and other commercial activities that support regeneration and economic growth.

Investment opportunities are assessed against clear criteria, including strategic fit, value for money, deliverability, financial return and alignment with LLDC's risk appetite. Where appropriate, investment proposals are also assessed against their contribution to wider social, economic and environmental objectives.

Through this approach, LLDC aims to strengthen its long-term financial sustainability, reduce its reliance on GLA funding and support the long-term affordability of borrowing associated with its capital programme, while maintaining

transparency, accountability and compliance with relevant statutory and regulatory requirements.

## 8. Capital Funding

8.1. Funding for LLDC's capital programme was originally based on the principle that capital investment would be self-financing over the long term, with borrowing repaid from capital receipts generated through the development of LLDC-owned land and assets. Under this model, the programme was expected to generate a long-term capital surplus for return to the GLA.

8.2. LLDC's capital investment programme operates within the requirements of the CIPFA *Prudential Code for Capital Finance in Local Authorities* (the Code). The Code provides local authorities, including LLDC, with flexibility to determine prudent levels of borrowing to support capital investment, subject to affordability, sustainability and prudential indicators.

8.3. In recent years, the GLA has provided significant capital grant funding to support the delivery of LLDC's investment programme, including East Bank, and to ensure that LLDC's borrowing requirements remain prudent and affordable.

8.4. While LLDC's Long Term Model continues to forecast the generation of significant capital receipts over the long term, the timing of those receipts and changes in market conditions mean that the programme now relies on a combination of borrowing, capital receipts and GLA grant funding.

8.5. LLDC's third-party funding sources include:

- Capital receipts from the sale of land and property
- Partner contributions
- Section 106 and Community Infrastructure Levy (as developer)

8.6. LLDC has previously secured Brownfield, Infrastructure and Land (BIL) funding from Homes England to support infrastructure delivery at the Bridgewater Triangle development. LLDC continues to engage with Homes England regarding potential additional funding opportunities across its remaining development sites, including Stratford Waterfront.

8.7. LLDC regularly reviews and stress-tests its capital receipt assumptions as part of its Long Term Model and financial planning processes. The results of this analysis are shared with the GLA to ensure that the risks and sensitivities associated with LLDC's capital receipt forecasts are clearly understood, particularly where receipts are dependent on market conditions or the performance of third parties. Where appropriate, LLDC also considers contingency and exit arrangements for key contractors and development partners.

8.8. LLDC's Capital Funding Plan can be seen at Appendix 2.

## 9. Ambition Gap

9.1. As set out in Section 4, LLDC's capital programme is forecast to achieve an overall breakeven position over the long term. However, the projected breakeven point falls beyond the 20-year period covered by the Capital Investment Plan. As a result, the difference between the Capital Investment Plan and the Capital Funding Plan is funded through borrowing from the GLA pending the realisation of future capital receipts.

## 10. Risk

10.1. The key risks to LLDC's Capital Investment Plan are set out in the following table along with how they are to be managed.

| Risk | Mitigation |
|---|---|
| **Housing market underperformance against expectations** | Regular review of market conditions, development appraisals and receipt forecasts, supported by ongoing engagement with development partners and independent property market forecasts and advice. |
| **Impact of macroeconomic conditions on housing demand, construction costs, financing costs and supply chains** | Ongoing monitoring of economic conditions and development viability, together with close engagement with development partners to identify and respond to emerging risks affecting delivery programmes and costs. |
| **Failure to make sufficient progress towards the Mayor's 2030 Net Zero Carbon target** | Ongoing engagement with the GLA's Climate Budget Working Group and Environmental Implementation Group, production of an annual Climate Budget and delivery of LLDC's Climate Action Strategy. |
| **Residual liabilities associated with East Bank, including completion of remaining acoustic works at the BBC Music Studios building and the resolution of defects during the contractual defects period** | Ongoing monitoring of the remaining BBC acoustic works and active management of defects through established contractual processes, supported by project governance, independent commercial assurance where required, and regular reporting to partners and the GLA. |

## 11. Governance

11.1. Capital proposals are developed, appraised and monitored through the following governance arrangements:

- **LLDC Board:** Approval of all capital investment decisions above £20.0m and annual approval of the Capital Budget prior to submission to the GLA.
- **LLDC Finance and Investment Committee:** Approval of all capital investment decisions between £10.0m and £20.0m; review of quarterly Corporate Management Accounts, including capital expenditure against budget and forecast outturn; and review and recommendation of the annual Capital Budget to the Board prior to submission to the GLA.
- **Senior Leadership Team:** Approval of all capital investment decisions between £0.25m and £10.0m[3]; review of the annual Capital Budget prior to submission to the Finance and Investment Committee and Board; and consideration of

[3] The Senior Leadership Team will review all capital investment decisions above £10m prior to their submission to Finance and Investment Committee or Board

monthly Corporate Management Accounts and other matters that may affect capital income, expenditure or delivery.

- **Corporate Change Board:** The forum responsible for approving, or noting where appropriate, requests to amend the scope, budget or programme of existing projects, or to add new projects to the capital programme. Membership comprises Executive Directors (or their nominated substitutes) and Directors and is chaired by the Finance Director.
- **Capital Projects Board:** A monthly forum chaired by the Chief Executive that provides strategic oversight, challenge and issue resolution for LLDC's key capital projects and programmes. This includes oversight of capital expenditure, capital receipts and activities that could affect LLDC's Long Term Model. The Board reports regularly to the LLDC Board, Finance and Investment Committee and the GLA.
- **Senior Budget Holders:** Each directorate has a Senior Responsible Officer accountable for its budget and capital programme. Senior Responsible Officers are responsible for sponsoring capital investment proposals originating from their directorates and for ensuring effective financial and programme management.
- **Project/Delivery Manager:** Each capital project has an assigned project or delivery manager responsible for developing investment proposals, securing the necessary approvals, managing project delivery, monitoring budgets and risks, and reporting progress. Where external project management services are commissioned, accountability remains with nominated LLDC officers at both senior and operational levels.

## 12. Capital Strategy – Delivery, Affordability and Risk

12.1. Under the Prudential Code, the Chief Finance Officer is required to report on the delivery, affordability and risks associated with the Capital Strategy. This assessment is set out below.

*Delivery*

12.2. Delivery arrangements for individual schemes within LLDC's Capital Investment Plan[1] are established through the relevant project approval process. Each project is assigned a Senior Responsible Officer and Project/Delivery Manager who are accountable for project delivery and the achievement of approved objectives.

12.3. LLDC's Senior Leadership Team receives regular monitoring reports on capital expenditure, forecasts and programme performance through monthly and quarterly budget reporting. This enables ongoing review and challenge of project delivery, expenditure, receipts and programme assumptions. Major projects and updates to the Development Strategy are also reported regularly to the Senior Leadership Team and LLDC Board.

12.4. Significant changes to project scope, programme, funding, receipts or expenditure are considered through the appropriate governance arrangements, including the Corporate Change Board and project boards. Material variances are reported through Corporate Management Accounts and reflected in future budget submissions where necessary.

12.5. Overall responsibility for oversight of the Capital Investment Plan rests with LLDC's Senior Leadership Team.

*Affordability*

12.6. Affordability is a key consideration in the application of the Capital Strategy and the approval of projects for inclusion within the Capital Investment Plan.

12.7. Capital investment proposals are supported by an appropriate business case, setting out anticipated costs, funding sources, expected benefits, options appraisal and associated risks.

12.8. Affordability assessments consider both the capital expenditure required to deliver a project and any ongoing revenue implications arising from that investment, including operational, maintenance and lifecycle costs.

*Risks*

12.9. Risks associated with capital investment proposals must be clearly identified, assessed and managed throughout the life of a project. Proposals are required to set out key risks, mitigation measures and governance arrangements.

12.10. The Capital Strategy is closely linked to the Treasury Management Strategy, Prudential Indicators, authorised borrowing limits and the revenue budget. These are subject to oversight by the Senior Leadership Team, Audit Committee, Finance and Investment Committee and Board.

12.11. LLDC's borrowing limits are agreed annually with the GLA, and major capital projects are developed and reviewed in consultation with the GLA, with Mayoral approval obtained where required.

## 13. Appendices

- Appendix 1 – Capital Investment and Funding Plan

## Appendix 1 – Capital Investment and Funding Plan (Years 1 to 5)

| Capital plan | Forecast Outturn (at Q2) | Budget | Plan | Plan | Plan |
|---|---|---|---|---|---|
| **LLDC** | **2026-27** | **2027-28** | **2028-29** | **2029-30** | **2030-31** |
| | **£m** | **£m** | **£m** | **£m** | **£m** |
| East Bank | 13.5 | 4.4 | 0.2 | 0.2 | 0.2 |
| Development | 17.6 | 33.5 | 26.7 | 18.8 | 9.9 |
| Estate and Neighbourhoods | 5.5 | 5.4 | 5.8 | 1.6 | 2.5 |
| Corporate Services | 0.7 | 0.5 | 0.5 | 0.5 | 0.3 |
| Corporation Tax and Contingency | 12.8 | 0.0 | 2.0 | 1.4 | 2.6 |
| Other | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| BBC/UAL Loan Cash Adjustment | 34.1 | (2.0) | (5.0) | (5.0) | (5.0) |
| **Total expenditure** | **84.7** | **41.7** | **30.3** | **17.5** | **10.5** |
| Capital Receipts | 59.9 | 20.3 | 24.6 | 17.5 | 5.1 |
| Capital grants and third-party contributions | 24.8 | 0.0 | 5.7 | 0.0 | 5.4 |
| Borrowing | 0.0 | 21.4 | 0.0 | 0.0 | 0.0 |
| **Total funding** | **84.7** | **41.7** | **30.3** | **17.5** | **10.5** |
| **GLA loan repayments** | **(11.0)** | **0.0** | **(11.6)** | **(9.2)** | **(32.1)** |

**Appendix 1 – Capital Investment and Funding Plan (Years 6 to 20)**

| **Capital strategy**<br>**Outturn prices** | **Years 6-10**<br>**2031-32 to 2035-36**<br>**£m** | **Years 11-15**<br>**2036-37 to 2040-41**<br>**£m** | **Years 16-20**<br>**2041-42 to 2045-46**<br>**£m** | **Total Years 6-20**<br>**2031-32 to 2045-46**<br>**£m** |
|---|---|---|---|---|
| Construction | 57.2 | 20.1 | 8.6 | 86.0 |
| Infrastructure | 0.0 | 0.0 | 0.0 | 0.0 |
| Lifecycle | 15.5 | 8.6 | 7.8 | 31.9 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **Sub-total GLA** | **72.7** | **28.7** | **16.4** | **117.8** |
| Likely funding | 72.7 | 28.7 | 16.4 | 117.8 |
| **Sub-total GLA shortfall** | **0.0** | **0.0** | **0.0** | **0.0** |

## Appendix 3 – Table A: Level 1 Funded Climate Measures Funded (Estate and Fleet)

| Project Details | | | | | Finance | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Organisation | Activity ID | Climate Action Area | Climate Action | Description | Expenditure 2027-28 | Expenditure 2028-29 | Expenditure 2029-30 | Type of Funding | Funding Source | Year Funding Starts | Year Funding Ends |
| | | | | | £'000 | £'000 | £'000 | | | | |
| LLDC | LLDC-A.10 | Estate | Buildings - energy efficiency | Replacement of light fittings with lower energy light fittings at selected locations across LLDC's public realm. | 40 | 40 | 40 | Capital | Mayor | Before 2022 | Beyond 2035 |
| LLDC | LLDC-A.11 | Other | Adaptation | Construction phase of the Green Spine - green infrastructure project covering over 1,500sqm of landscape, including a range of climate adaptation and resilience features. The design aims to increase tree planting and soft landscaping where possible. The amount of green space will be increased by up to 25%. Stepped rain gardens have been integrated as a key element of the designs, to capture rainfall and slow the flow of any risk of flooding events. The stepped rain gardens will have visible sustainable drainage systems (SuDS). | 1,378 | - | - | Capital | Other | 2024-25 | 2027-28 |
| LLDC | LLDC-A.12 | Other | Adaptation | Shading at South Park Play area. To provide canopy shading (up to 49m²) in an exposed area of the Park. | 50 | - | - | Capital | Mayor | 2026-27 | 2027-28 |
| LLDC | LLDC-A.13 | Other | Adaptation | Connectivity and green infrastructure projects located at Pool Street including: Narrowed carriageway, slower traffic speeds, increase public realm and green space<br>Crossing points adjusted to better suit pedestrian desire lines.<br>New cycle lanes, new dedicated coach parking bay<br>Bus stop locations adjusted to better serve local facilities<br>Additional blue badge parking<br>New planting including street trees, surface level planting and raised planters<br>Improved lighting<br>Additional cycle parking locations | 1,335 | - | - | Capital | Mixed | 2026-27 | 2027-28 |
| LLDC | LLDC-A.14 | Other | Adaptation | Connectivity and green infrastructure projects located at City Mill River. The project will connect gaps in the City Mill River towpath running north-south, and deliver better routes for pedestrians and cyclists between emerging neighbourhoods either side of the project site at Pudding Mill Lane and Bridgewater Triangle. | 1,740 | 1,232 | - | Capital | Mixed | 2026-27 | 2028-29 |

# Appendix 4 – Table B: Level 1 Funded Climate Measures Unfunded (Estate and Fleet)

| Project Details | | | | | | Finance | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Organisation | Activity ID | Climate Action Area | Climate Action | Description | Project Readiness | Expenditure 2027-28 | Expenditure 2028-29 | Expenditure 2029-30 | Proposed Expenditure 2030-31 to 2031-2032 (incl.) | Total Proposed NZ Expenditure | Type of Funding | Funding Source | Year funding starts | Year funding ends |
| | | | | | | £'000 | £'000 | £'000 | £'000 | £'000 | | | | |
| LLDC | LLDC-B.09 | Estate | Buildings - retrofit | Development work for the retrofit and repurposing of the Old Ford waste water plant for use as an estate management depot including office space for operations at QEOP. The retrofit includes insulation measures, solar panels and low carbon materials. | One to three years | 430 | - | - | - | 430 | Capital | Mixed | 2025-26 | 2027-28 |
| LLDC | LLDC-B.01 | Estate | Electricity supply - PPA | Procurement of a PPA to supply electricity to LLDC's operational estate. | Immediate | 500 | 500 | 500 | 1,000 | 2,500 | Revenue | Mayor | 2027-28 | Ongoing |
| LLDC | LLDC-B.10 | Other | Adaptation | Installing groundwater abstraction boreholes into the Chalk aquifer in the River Lea catchment for amenity and horticulture irrigation. | One to three years | 100 | 180 | 20 | 20 | 320 | Mixed | Mayor | 2026-27 | 2029-30 |
| LLDC | LLDC-B.11 | Other | Adaptation | Design strategy and concept design proposals for the re-wilding of Northwall Road. A key objective of the project is to reduce hard standings along the route and enhance biodiversity with the aim of returning much of the space to nature, alongside enhancing safe walking and cycling routes. | One to three years | 596 | 1,460 | 234 | - | 2,290 | Mixed | Mixed | 2027-28 | 2029-30 |
| LLDC | LLDC-B.12 | Other | Adaptation | Asset specific climate resilience assessments to identify asset specific climate risks and opportunities and quantify the social, environmental and economic impact. | Immediate | 30 | 60 | - | - | 90 | Revenue | Unidentified | 2027-28 | 2030-31 |
| LLDC | LLDC-B.4 | Estate | Buildings - retrofit | Chiller and Air Handling Unit replacements at London Aquatics Centre | One to three years | 300 | - | - | - | 300 | Capital | Mixed | 2027-28 | 2028-29 |

## Appendix 5 - Table D: Level 2 Climate Measures - Unfunded

| Project Details | | | | | Finance | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Organisation | Activity ID | Climate Action Area | Climate Action | Description | Proposed spend 2025-30 £'000 | Type of Funding | Funding source | Year funding starts | Year funding ends |
| LLDC | LLDC-D.01 | Energy | Low carbon heat networks | Carbon reduction of the District Heat Network (DHN) serving the Queen Elizabeth Olympic Park residents and businesses. | 77,000 | Capital | Mixed | 2028-29 | Beyond 2035 |