

2024/25 Budget Submission

1. SUMMARY

- 1.1. This report sets out London Legacy Development Corporation's (LLDC) 2024/25 capital and revenue budget submission to the Mayor of London (the Mayor). The submission is prepared in accordance with the Mayor's Budget Guidance, which was issued in July 2023. The revenue budget submission is required to cover the financial years 2024/25, 2025/26 and 2026/27.
- 1.2. There is also a requirement to produce a Capital Strategy as part of the submission and a climate budget, which is prepared in line with the Mayor's target of making London net zero carbon by 2030.

2. BACKGROUND

- 2.1. LLDC's budget forms part of the GLA Group budget. The GLA statutory budget process ensures there are robust financial plans to support Mayoral objectives and priorities within available resources.
- 2.2. As for all members of the GLA Group, LLDC is required¹ to produce a Capital Strategy. The purpose of the GLA Group Capital Strategy is to set out the Mayor's capital investment ambition and funding thereof. The strategy demonstrates that the GLA Group'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. LLDC's Capital Strategy 2024/25 is attached at Appendix 2 and covers the content required by the Mayor's Budget Guidance.
- 2.3. LLDC, along with the other members of the GLA Group, is also required to produce a climate budget, which helps provide transparency on required actions across the GLA Group and the gap/deviations to targets. The Mayor's London Climate Budget is intended to be transparent and clearly visualise for Londoners, the London Assembly and other stakeholders, how the GLA Group is prioritising efforts to achieve its emissions target and any challenges faced.
- 2.4. The Mayor requires all GLA functional bodies, including LLDC, to support his aims and priorities for London in their business plans and budgets. Many of LLDC's deliverables align to the Mayor's priorities. A summary of how LLDC is supporting the Mayor's priorities is shown in the following table, setting out the Mayor's priorities, how they are to be achieved and what LLDC is doing to deliver them.

¹ By the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code

| Mayor's priorities | Mayor's activities | LLDC activities |
|---|--|---|
| <p style="text-align: center;">Housing</p> | <ul style="list-style-type: none"> • The five priorities of the Mayor's London Housing Strategy are: <ul style="list-style-type: none"> ○ building homes for Londoners; ○ delivering genuinely affordable homes; ○ high quality homes and inclusive neighbourhoods; ○ a fairer deal for private renters and leaseholders; and ○ tackling homelessness and helping rough sleepers. | <ul style="list-style-type: none"> • First two Park neighbourhoods, Chobham Manor and East Wick and Sweetwater – 35% and 34% affordable and build to rent (at East Wick and Sweetwater) • 14,300 homes in planning area by 2023 (21,000 overall since 2014) • 50% affordable housing to be delivered on a portfolio basis across Stratford Waterfront, Pudding Mill Lane, Rick Roberts Way • Joint venture to deliver the Stratford Waterfront and Bridgewater (part of Pudding Mill Lane) residential developments • Pudding Mill Lane and Rick Roberts Way procurements either in progress or concluded |
| <p style="text-align: center;">Economy</p> | <ul style="list-style-type: none"> • Pro-business including small businesses and entrepreneurs • Infrastructure investment • Investing in technology and skills • Promoting tourism across the City • London Living Wage • Support night-time economy • Creative enterprise zones | <ul style="list-style-type: none"> • Here East: Loughborough University, Plexal, Ford Innovation • International Quarter: Transport for London, Financial Conduct Authority, Cancer Research UK, British Council • London Living Wage: paid to all employees and Tier 1 Park contractors • 170,000m² workspace granted including 18,000m² low cost space for small business and start-ups • Skills for growth programme – over 240 apprenticeships • 40,000 jobs by 2025 • Successful visitor attraction – 5m visitors per year • Hosting major events at the London Stadium (e.g. Major League Baseball) |

| Mayor's priorities | Mayor's activities | LLDC activities |
|---|---|--|
| <p>Environment, transport and public space</p> | <ul style="list-style-type: none"> • Improve air quality • Low carbon London – zero carbon by 2050 • Making cycling easier and safer • Public space and neighbourhoods are attractive and accessible • National Park City • Supporting green technology and entrepreneurs | <ul style="list-style-type: none"> • Business districts driving economic activity (IQL, Here East) • Zero carbon homes • Biodiverse green space • East Bank • Mixed-use developments • Sustainability guide to the Park • Local Plan policies • LLDC design standards and design review • Climate budget • European Smart, Sustainable District • Zero carbon homes • Biodiverse, green space • 98% waste diverted from landfill; material reused in construction • Green Flag status • Advanced mobility test bed, autonomous vehicle trials |
| <p>Arts and culture</p> | <ul style="list-style-type: none"> • Cultural Infrastructure Plan • Social integration • Challenging inequality and promoting tolerance • Accessible to all • Affordable, reliable transport system • Safer and more secure communities • Use culture as a driver for regeneration • Vision for London to be a 24-hour city and supporting the night-time economy | <ul style="list-style-type: none"> • East Bank: V&A, Sadler's Wells, University of the Arts London, University College London, BBC • Programme of major cultural festivals and global sporting events on the Park • Community focussed programmes and events, including The Great Get Together • Focus on creating an inclusive and diverse workplace across LLDC (further information is provided at Section 7) |

3. REVIEW PROCESS

- 3.1. LLDC's Long Term Model sets out all capital and revenue income and expenditure projections and underpins the budget submission. An update on the Long Term Model as presented to the Investment Committee on 17 October and to the Board on 21 November.
- 3.2. In preparing this budget, the process has involved:
- A review, involving members of the LLDC Executive Management Team (EMT), of revenue and capital budgets;
 - an extensive review of the key capital assumptions underpinning the Long Term Model and various scenario modelling;
 - updating the Long Term Model for changes identified since the previous year, based on discussions with budget holders;
 - an assessment of LLDC's capital strategy against the Mayor's priorities;
 - challenging cost and income proposals with senior budget holders, including to identify savings and efficiencies;
 - preparing the climate budget with LLDC's Sustainability Team and close liaison and check-ins with the GLA Climate Budget Working Group;
 - scrutiny by EMT and the LLDC Investment Committee; and
 - meeting senior representatives from the GLA, including the Chief Finance Officer (Interim) and the Mayor's Chief of Staff, to review the financial projections prior to submission, covering the implications for capital budgets, revenue costs and income forecasts.

4. CAPITAL BUDGET

Background

- 4.1. LLDC has a complex long-term capital programme that is subject to significant volatility, particularly in the short and medium-term. LLDC's net capital expenditure, where not funded by capital grant, is funded by capital borrowings from the GLA, which are to be repaid from capital receipts over the long-term.
- 4.2. The key items in last year's submission were:
- Expected receipts from the planned disposal of capital assets and provision for the potential reinvestment of those receipts.
 - Better than expected returns from the Stratford Waterfront and Bridgwater development (phased land receipt in 2023/24 and 2026/27), reflecting the terms of the agreement signed with Ballymore in July 2022.
 - A decrease in the forecast net receipts from the Pudding Mill Lane development, largely due to adverse changes in construction cost inflation.
 - An increase of £40.0m in the Anticipated Final Cost (AFC) of the East Bank project (£36.0m net of additional contributions from UAL). This was offset by the better than expected returns from the Stratford Waterfront and Bridgwater development (above).
 - Overall, no additional GLA capital funding or increases to the borrowing limit required.

2024/25 budget submission

- 4.3. This year's submission is presented against a backdrop of acutely challenging macroeconomic and market conditions, which all impact either directly or indirectly upon LLDC's capital plan. These include:

- significant increases in the cost of construction and financing²
- uncertainty from proposed changes to Building and Fire Safety Regulations
- a downturn in the housing market and buyers' affordability/access to borrowing

4.4. The proposed capital plan for the next four financial years is set out in the following table, alongside the forecast outturn for 2023/24 (as at 30 September 2023). Further details of LLDC's long-term capital plan are included within the Capital Strategy at Appendix 2. The table shows that LLDC is forecast to be within its borrowing limits for the next four years, although this requires additional support from the GLA.

4.5. LLDC reviews its annual capital forecasts regularly to ensure they remain as accurate as possible and based on the latest assumptions. The updated short-term forecasts are presented routinely to LLDC's EMT and Investment Committee and are published³ in LLDC's Corporate Performance Report each quarter.

| Capital Budget | 2023/24 Forecast £m | 2024/25 Budget £m | 2025/26 Plan £m | 2026/27 Plan £m | 2027/28 Plan £m | Total Budget/Plan £m |
|--|---------------------------|-------------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Income | | | | | | |
| Capital receipts | 2.6 | 18.9 | 48.9 | 13.9 | 102.5 | 184.2 |
| East Bank | 27.4 | 41.0 | 7.2 | - | - | 48.2 |
| GLA Grant | 89.5 | 54.2 | 5.0 | 32.9 | 3.6 | 95.8 |
| Other (incl Section 106/CIL) | 3.3 | 9.5 | 0.5 | - | - | 10.0 |
| Total Capital Income | 122.8 | 123.6 | 61.6 | 46.8 | 106.1 | 338.2 |
| Expenditure | | | | | | |
| East Bank | (171.4) | (22.9) | (0.8) | (0.8) | (0.8) | (25.4) |
| Development - Infrastructure | (5.2) | (18.1) | (11.8) | (6.7) | (4.4) | (40.9) |
| Development - other | (12.3) | (26.0) | (43.6) | (22.5) | (27.9) | (120.0) |
| Stadium - Capital | (4.4) | (8.8) | (3.8) | (6.2) | (5.9) | (24.7) |
| Park and Venues | (9.6) | (3.1) | (2.1) | (1.8) | (4.4) | (11.4) |
| Regeneration | (0.1) | - | - | - | - | - |
| FCCS | (2.2) | (1.6) | (0.2) | (0.3) | (0.2) | (2.3) |
| Commercial Strategy | (1.4) | (5.3) | - | 1.0 | 1.0 | (3.3) |
| Contingency | (6.4) | (0.4) | - | - | - | (0.4) |
| Corporation Tax | - | (5.0) | (1.3) | (1.8) | (8.7) | (16.8) |
| Total Capital Expenditure | (212.9) | (91.3) | (63.6) | (39.1) | (51.2) | (245.2) |
| Net Capital Expenditure | (90.2) | 32.4 | (2.0) | 7.7 | 54.9 | 93.0 |
| Cash adjustments for BBC/UAL loan funding | (9.6) | (37.4) | 4.9 | 4.9 | 4.9 | (27.6) |
| Cumulative borrowing | 542.1 | 547.1 | 544.2 | 531.5 | 471.8 | |

Capital income

Capital receipts

4.6. Capital receipts over the next four years include:

- Income from the **Stratford Waterfront and Bridgwater** development (land receipts and share of net profits from the joint venture). This reflects the terms of the agreement signed with Ballymore in July 2022, updated for LLDC's latest house and construction price inflation forecasts and changes to the delivery programme. Both schemes are experiencing delays due to viability challenges arising from adverse market/macroeconomic conditions and changes to fire safety regulations (which are also impacting the scheme designs). The timing of expected receipts has therefore moved out by a year and commercial discussions are underway with Ballymore.
- Anticipated income from the **East Wick and Sweetwater** development (Phases 1 and 2).
- Expected receipts from the **Bromley-by-Bow** development.

² Driven by adverse changes in interest rates

³ Via LLDC's website (see [here](#))

- The **Hackney Wick Neighbourhood Centre** development land receipt (in 2025/26), reflecting the terms of the development agreement with Notting Hill Genesis.
- Land receipts from the **Rick Roberts Way** residential development, reflecting the terms of the agreement due to be signed shortly with the preferred bidder.
- Income from the **Chobham Farm** land sale, the agreement for which was signed in October 2023.
- Expected receipts from the planned disposal of other **capital assets**.

East Bank

4.7. Income from East Bank includes:

- Contributions from the **BBC** towards the cost of constructing their building at Stratford Waterfront. These contributions, which will be funded via an interest-bearing loan facility from LLDC, are expected once the building reaches practical completion (currently estimated for 2024).
- **Philanthropic funds** now assumed for 2025/26.

GLA grant funding

4.8. The GLA provides **capital grant** funding, for example towards East Bank and to ensure LLDC remains within its borrowing limits; this includes an additional £50.0m of grant in 2024/25⁴ to cover pressures on LLDC's borrowings and overall Long Term Model arising primarily from:

- Reductions and delays to previously assumed capital receipts, which are being acutely impacted by the challenges set out at 4.3; and
- Increases in East Bank costs (see below).

Capital expenditure

East Bank

4.9. Last year's budget submission included an increase of £40.0m in the **East Bank** Anticipated Final Cost (AFC), driven largely by the crystallisation of design-related risks, which resulted in delays to design completion and increased direct costs. The increased costs were offset in LLDC's Long Term Model by an increase in the expected returns from the Stratford Waterfront and Bridgewater Triangle development, following conclusion of the procurement process. No additional GLA funding was therefore required.

4.10. Reflected in this year's budget submission is a further increase of c£50.0m in the East Bank AFC (c£44.0m net of additional contributions from UAL) bringing the total to £667.9m. This is driven by:

- new design issues;
- contractor performance (in particular regarding cladding and glazing which has delayed watertightness on Sadlers Wells and the BBC, and final completion on V&A);
- settlements with key contractors in excess of AFC allowances; and
- prolongation (see below).

4.11. The handover dates of buildings have slipped substantially since the November 2022 budget submission:

⁴ Note that they have also committed an extra £40.0m of capital grant in 2023/24 above what was included in last year's budget submission (subject to a Mayoral Decision).

- UAL handed over on 29 August, 13 weeks late (though works will continue to the end of the year, delays exacerbated by a key contractor insolvency);
 - V&A has slipped by 29 weeks to late November 2023;
 - Sadler's Wells has slipped 27 weeks to the end of March 2024;
 - Public Realm has slipped 17 weeks to late December 2023; and
 - the BBC has slipped 38 weeks to mid-June 2024.
- 4.12. Together with the impact of delays/reductions in capital receipts (referenced at 4.8), these issues mean that additional GLA funding is now required to meet the revised AFC of the delivery of Stratford Waterfront.
- 4.13. Although the project is reaching the final stages, significant risks remain, including:
- completion of design integration – significant design interface risks
 - package interface management – ongoing through to completion
 - commissioning and handover
 - supply volatility (material and labour) – ongoing through to completion
 - unfunded risks not mitigated – time and costs impact
- 4.14. Delivery of the project within the updated AFC is contingent upon:
- concluding deals with package contractors to settle change and prolongation claims and acceleration/improved productivity to deliver the forecast programme; and
 - no significant new design risks materialising
- 4.15. Mace, LLDC's project management partner for East Bank, also report a 'worst case' outturn in addition to the 'most likely' AFC; this budget submission is based on the 'most likely' AFC. Their current 'worst case' AFC anticipates a further c£15.3m of cost (above the 'most likely' AFC), bringing the construction AFC up to £683.2m. This is driven by the impact of prolongation and further contractor settlement risks. Mace's worst case programme outturn allows for further slippage in the Sadler's Wells building to mid-May 2024, and BBC to late August 2024.
- 4.16. Given the continued programme slippage and cost escalation on the project, LLDC continue to monitor and challenge these forecasts closely, and is working with Mace to contain the final outcome to a position no worse than Mace's 'worst case'.
- 4.17. The East Bank budget also includes funding for improvements to **Stratford Walk**⁵; this is a public realm infrastructure improvement project related to the area between the International Quarter London (IQL), London Aquatics Centre and the forthcoming Stratford Waterfront. This forms the main 'gateway' and entrance for most visitors to the Park. This project is funded by Community Infrastructure Levy (CIL) funding and LLDC budgets.
- 4.18. Construction of the UCL academic building at Marshgate is being delivered directly by UCL (in addition to the student accommodation at Pool Street), hence no income or costs are included within LLDC's budget for this aspect of the East Bank project.

Development

- 4.19. Development costs over the next four years relate mainly to Legacy Communities Scheme (LCS) **Section 106 infrastructure works**, such as for Bridgewater (including LLDC's contribution to the costs of the new bridge), Pudding Mill Lane and Rick Roberts Way in relation to the residential developments to be delivered there.

⁵ Previously budgeted within Development

- 4.20. Development costs also include the equity payments required for investment into the joint ventures to deliver the **Stratford Waterfront** and **Bridgewater** and **Pudding Mill Lane** residential sites.
- 4.21. LLDC's budget includes provision for progressing the Outline Business Case for the redevelopment of **Stratford Station**; this is being funded by LLDC, Network Rail, Transport for London and London Borough of Newham ('the partners'). The Strategic Outline Business Case for the redevelopment of Stratford Station was submitted to Government on 1 August 2023 setting out how an enhanced station can deliver up to 10,000 new jobs, 150,000 sqm of commercial space, new retail and community space centre around a major new public square, up to 2,000 new homes (50% affordable) and support the growth of east London, raise productivity and reduce carbon emissions. The partners will now develop more detailed plans for the station's redevelopment which is expected to be submitted to Government in 2025.
- 4.22. Development costs also include **staffing**, which is capitalised against projects and includes the Executive Director of Construction.
- 4.23. LLDC continues to maximise the level of **affordable housing** it can deliver within the constraints of its Long Term Model in accordance with the Mayor's Homes for Londoners Affordable Housing and Viability Supplementary Planning Guidance.
- 4.24. LLDC is delivering 50% affordable housing across its three remaining sites⁶ using a 'portfolio approach' – i.e. an average of 50% across the three sites on a habitable room basis (assumed to be 30% London Affordable Rent and 70% Intermediate product⁷).
- 4.25. The following updates/changes have occurred since last year's budget submission:
- The joint venture with Ballymore to deliver the Stratford Waterfront and Bridgewater residential sites is operational. However, progress is being impacted by viability challenges caused primarily by adverse market and macroeconomic conditions and changes to the Government's statutory guidance on fire safety. The joint venture is currently targeting submission of the Reserved Matters Applications for Stratford Waterfront in early 2024 and Bridgewater Triangle in late 2024. However, this is contingent upon the joint venture partners progressing discussions on the commercial structure during Quarter 3 of 2023/24.
 - The procurement for a joint venture partner on Pudding Mill Lane was launched and is currently at dialogue stage; appointment of the partner is expected in the first quarter of 2024/25. Outline planning permission was approved in September 2023.
 - On the Rick Roberts Way site, LLDC has selected a preferred development partner following a procurement process and approval by the Investment Committee. The contract is due to be executed shortly and the preferred bidder has commenced design work ahead of a planning submission in 2024.

Stadium

- 4.26. Costs for the **London Stadium** relate to LLDC's funding towards the capital investment for lifecycle and improvement projects. This includes investment in routine lifecycle and other projects that help to deliver operational, sustainability and/or financial efficiencies at the Stadium. Additional provision is included this year for specific lifecycle works across the next four years, including for the pitch surround (obligated to replace after 6 years), LED boards and grow lights. Also included is provision for the Stadium flooring spend-to-save project, which is subject to a business case.

⁶ Stratford Waterfront, Pudding Mill Lane (which includes Bridgewater Triangle, albeit this is being delivered alongside Stratford Waterfront) and Rick Roberts Way

⁷ Stratford Waterfront was assumed to be 100% intermediate product (of the 35% affordable housing)

4.27. Funding towards the Stadium's working capital (operational) requirements are included in LLDC's revenue budget.

Park and Venues

4.28. This budget heading includes costs relating to **lifecycle works** on the Park and in the venues based upon a lifecycle investment plan developed in conjunction with Equans, the current Park estates and facilities management contractor.

4.29. The budget also includes some provision for **sustainability projects**, which has transferred from Regeneration during the year.

Finance, Commercial and Corporate Services (FCCS)

4.30. Expenditure includes the costs of IT projects⁸ (for example, Smart Park IT equipment), staff working on capital projects and the provision of assurance on East Bank.

Commercial Strategy

4.31. The budget includes provision⁹ for investment in improved digital signage across the Park. This has the potential to generate significant placemaking and commercial benefits (through advertising and sponsorship) for LLDC and is subject to a business case, which is expected during Quarter 3 of 2023/24.

Contingency

4.32. LLDC maintains a level of corporate contingency, which is informed by a Quantitative Risk Assessment (QRA)¹⁰. Note that this excludes major projects, such as East Bank, which have their own contingency, QRA and risk monitoring processes.

Corporation Tax

4.33. As a Mayoral Development Corporation, LLDC is subject to Corporation Tax on the income it generates (capital and revenue). Certain costs are allowable against this income when determining the net liability. LLDC previously submitted a non-statutory clearance application to HMRC seeking confirmation that the significant cost of delivering East Bank is allowable as a deductible expense. LLDC is also awaiting the conclusion of a related query raised by HMRC regarding the use of taxable losses generated by the London Stadium (via E20 Stadium LLP). These matters are both ongoing at the time of writing.

Net borrowing

4.34. The following table shows the total borrowing requirement in the proposed budget against the current borrowing limits. LLDC's borrowing limit is £550m reflecting that its capital programme is a complex long-term forecast of expected receipts and costs and is, therefore, subject to significant volatility, particularly in the short and medium-term.

4.35. The following table shows that LLDC is forecast to be within its borrowing limits for the next four years with additional support from the GLA. However, there are various risks to LLDC's Long Term Model (see Appendix 3), including from the current macroeconomic and market issues being faced, and limited headroom to absorb these risks without further support from the GLA. LLDC's borrowing position will therefore be monitored closely through 2024/25 and reviewed again with the GLA as part of next year's budget submission.

⁸ Note that LLDC's IT is expected to move to a shared service model (provided by Transport for London) from 2024/25

⁹ split across 2023/24 and 2024/25

¹⁰ Risks in the QRA include the Park Headquarters relocation and options for future use of the Old Ford site wastewater treatment plant

| Summary of Borrowing Requirements | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--|----------------|--------------|--------------|--------------|--------------|
| | Forecast £m | Budget £m | Plan £m | Plan £m | Plan £m |
| Opening Borrowing Requirement | 442.3 | 542.1 | 547.1 | 544.2 | 531.5 |
| Net Capital Expenditure | 90.2 | (32.4) | 2.0 | (7.7) | (54.9) |
| Cash Adjustments for BBC/UAL Loan Funding | 9.6 | 37.4 | (4.9) | (4.9) | (4.9) |
| Cash vs accruals timing adjustment | - | - | - | - | - |
| Closing Capital Requirement | 542.1 | 547.1 | 544.2 | 531.5 | 471.8 |
| Authorised Borrowing Limit | 550.0 | 550.0 | 550.0 | 550.0 | 550.0 |
| Headroom | 7.9 | 2.9 | 5.8 | 18.5 | 78.2 |
| <i>Change in net borrowing requirement¹</i> | 39.1 | 19.8 | 9.4 | (8.0) | (26.5) |

¹ from prior year submission (including rollovers)

Changes since the 2023/24 budget submission

4.36. The changes between the capital plan presented last year¹¹ and that presented this year are detailed in this section.

| Changes - Capital | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
|--|----------------|--------------|---------------|--------------|-------------|-------------------|
| | Forecast £m | Budget £m | Plan £m | Plan £m | Plan £m | Budget/Plan £m |
| Net Capital Expenditure per 2023/24 Submission (incl rollovers) | (51.1) | 13.1 | (12.4) | (9.6) | 36.4 | 27.5 |
| Income | | | | | | |
| Capital receipts | (78.9) | 3.8 | 32.1 | 1.2 | 16.7 | 53.8 |
| East Bank | (40.6) | 39.6 | 7.2 | - | - | 46.8 |
| GLA Grant | 40.5 | 54.2 | - | - | - | 54.2 |
| Other (incl Section 106/CIL) | (3.1) | 7.4 | 0.3 | - | (0.1) | 7.6 |
| Expenditure | | | | | | |
| East Bank | (27.7) | (22.0) | (0.1) | (0.2) | (0.1) | (22.4) |
| Development - Infrastructure | 0.2 | 0.3 | 2.7 | 1.0 | (2.7) | 1.3 |
| Development - other | 27.4 | (5.6) | (31.4) | 18.2 | 8.8 | (10.0) |
| Stadium - Capital | (0.6) | (5.8) | (0.8) | (3.2) | (2.9) | (12.7) |
| Park and Venues | (1.4) | (1.4) | (0.1) | (0.1) | 0.2 | (1.5) |
| Regeneration | 0.4 | 0.2 | - | - | - | 0.2 |
| FCCS | 0.1 | (0.2) | 0.2 | (0.1) | - | (0.1) |
| Commercial Strategy | (1.4) | (5.3) | - | 1.0 | 1.0 | (3.3) |
| Contingency | 1.9 | (0.1) | 0.1 | - | - | 0.0 |
| Corporation Tax | 3.3 | (5.0) | (1.1) | (1.8) | (3.8) | (11.7) |
| Cash vs accruals adjustments (incl BBC & UAL Loans) | 41.0 | (40.8) | 1.5 | 1.4 | 1.4 | (36.5) |
| Total Capital Changes | (39.1) | 19.3 | 10.5 | 17.4 | 18.4 | 65.5 |
| Net Capital Expenditure per 2024/25 Submission | (90.2) | 32.4 | (2.0) | 7.7 | 54.9 | 93.0 |

4.37. Major changes across the *four years from 2024/25* include:

Income

Capital receipts (net increase of £53.8m)

- A **rephasing of expected receipts** from 2023/24 into 2024/25 and beyond.
- A reduction in expected profits from the **Stratford Waterfront and Bridgewater** joint venture reflecting updated house price and tender price inflation assumptions.
- An increase in the expected land receipt for **Rick Roberts Way**, which reflects the terms of the development agreement due to be signed shortly with the preferred bidder.

East Bank income (net increase of £46.8m)

- This reflects the rephasing of the **contributions from the BBC** towards the cost of constructing their building at Stratford Waterfront. These contributions, which will be funded via an interest-bearing loan facility from LLDC, are expected once the building reaches practical completion (now estimated for 2024).

¹¹ Including 2022/23 year-end rollovers as presented to and agreed by the Board on 16 May 2023

Expenditure

East Bank expenditure (increase of £22.4m)

- This is the increase in East Bank AFC referenced at 4.9 to 4.16, which is profiled across 2023/24 and 2024/25 (c£50.0m in total).

Development – other (net increase of £10.0m)

- A rephasing of the equity payments required for investment into the joint ventures to deliver the **Stratford Waterfront and Bridgewater**, offset by a removal of the previously assumed reinvestment¹² of the capital asset disposal proceeds.

Stadium – Capital (increase of £12.7m)

- This reflects the additional lifecycle costs and provision for the Stadium flooring spend-to-save project referenced at 4.26.

Commercial Strategy (net increase of £3.3m)

- Includes provision for the digital signage investment opportunity, offset by the expected repayments (starting in 2026/27) from the additional revenue income generated.

Corporation Tax (increase of £11.9m)

- The consequential impact of all the above changes.

Cash vs accruals adjustments

- This relates to the £41.0m contribution from the BBC towards the cost of their building at Stratford Waterfront. For accounting purposes, the contribution is recognised in full at the point the building is expected to be handed over (2024/25); however, in cash terms, the contribution is being funded via an interest-bearing loan from LLDC and repaid by the BBC over 20 years. Therefore, an adjustment is required when calculating LLDC's overall borrowing requirement in 2024/25 and beyond.

5. REVENUE BUDGET

Background

- 5.1. The difference between LLDC's revenue income and expenditure is met by grant from the GLA (including specific revenue grant for the London Stadium working capital requirement) and the use of funding carried forward from previous years.
- 5.2. Following completion of the East Bank project and the reversion of planning powers to the local boroughs in 2024/25, LLDC will reduce in size from 1 April 2025 onwards – see later at 5.32 for more information. Accordingly, LLDC's core revenue grant allocation from the GLA will reduce significantly to c£11.0m.
- 5.3. For the long-term financial sustainability of LLDC, the objective is that, when developments on the Park have built out and the Fixed Estate Charge reaches its peak (from the mid-2030s), the requirement for grant funding, excluding the London Stadium, will be eliminated. Work is ongoing to review how this objective can be achieved, particularly through increasing commercial income.
- 5.4. The following table sets out LLDC's funding position allocation prior to the start of the 2024/25 budget submission process; as can be seen, LLDC's starting point for this year's budget submission process was a balanced funding position.

¹² Any reinvestment will need to be supported by a robust business case and be approved by the GLA.

| Revenue Budget | 2023/24 Forecast £m | 2024/25 Budget £m | 2025/26 Plan £m | Total Budget/Plan £m |
|------------------------|---------------------------|-------------------------|-----------------------|----------------------------|
| GLA grant | | | | |
| Core revenue grant | 13.0 | 19.2 | 11.1 | 43.2 |
| Stadium | 16.7 | 11.2 | 11.6 | 39.6 |
| Carried forward | 17.2 | 0.4 | - | 17.6 |
| Total GLA grant | 46.9 | 30.8 | 22.7 | 100.4 |
| Funding gap | - | - | - | - |

2024/25 budget submission

- 5.5. The revenue income and expenditure forecast at 30 September 2023, and for the next three financial years, is shown in the following tables for LLDC and the Stadium:

| Revenue - LLDC | 2023/24 Forecast £m | 2024/25 Budget £m | 2025/26 Plan £m | 2026/27 Plan £m | Total £m |
|--|---------------------------|-------------------------|-----------------------|-----------------------|----------------|
| Income | | | | | |
| Development | 1.0 | 0.9 | 0.8 | 0.8 | 3.6 |
| East Bank | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| Finance, Commercial and Corporate Services | 0.7 | 0.3 | - | - | 1.0 |
| Park Operations and Venues (excl Trading) | 5.3 | 7.0 | 7.6 | 7.8 | 27.7 |
| Planning Policy and Decisions | 2.3 | 1.7 | - | - | 4.0 |
| Regeneration and Community Partnerships | 0.9 | 2.0 | - | - | 2.9 |
| Commercial | - | 3.3 | 3.3 | 3.3 | 9.9 |
| Trading | 10.6 | 3.2 | 3.1 | 3.0 | 19.8 |
| Total Income | 20.9 | 18.6 | 14.7 | 14.9 | 69.1 |
| Expenditure | | | | | |
| Communications, Marketing and Strategy | (2.6) | (2.3) | (1.0) | (0.9) | (6.8) |
| Development | (0.6) | (0.3) | (0.0) | (0.0) | (1.0) |
| East Bank | (0.1) | - | - | - | (0.1) |
| Executive Office | (2.9) | (3.0) | (1.5) | (1.4) | (8.8) |
| Finance, Commercial and Corporate Services | (6.8) | (7.0) | (5.8) | (5.6) | (25.2) |
| Park Operations and Venues (excl Trading) | (12.6) | (10.8) | (10.8) | (11.1) | (45.2) |
| Planning Policy and Decisions | (4.1) | (3.0) | - | - | (7.2) |
| Regeneration and Community Partnerships | (3.5) | (3.8) | (0.7) | (0.7) | (8.7) |
| Commercial | (0.7) | (0.9) | (1.6) | (1.7) | (4.9) |
| Trading | (11.0) | (1.6) | (1.0) | (1.0) | (14.7) |
| Contingency | (5.5) | (5.8) | (3.7) | (3.5) | (18.5) |
| Total Expenditure | (50.2) | (38.6) | (26.2) | (26.0) | (141.0) |
| Net Expenditure - excluding Stadium | (29.4) | (20.0) | (11.4) | (11.1) | (71.9) |
| GLA funding: | | | | | |
| Core grant | 13.0 | 19.1 | 11.1 | 11.1 | 54.3 |
| Carried-forward (MDC Reserve) | 16.4 | 0.9 | 0.3 | 0.0 | 17.6 |
| Funding gap | - | - | - | - | - |
| Revenue - Stadium | | | | | |
| Stadium net expenditure | (16.7) | (15.9) | (17.0) | (16.4) | (66.1) |
| GLA funding | 16.7 | 11.4 | 11.5 | 12.1 | 51.8 |
| Funding gap | - | (4.4) | (5.5) | (4.4) | (14.3) |

- 5.6. As can be seen in the previous tables, the funding carried forward by LLDC from previous years is forecast to be fully utilised in 2025/26 but, overall, no additional funding is required.
- 5.7. For the Stadium, a total of £14.3m of additional funding is required from the GLA across the three-year period. This is largely due to inflationary pressures, particularly on energy costs, which are outside of the Stadium's immediate control.

The additional funding requirement is net of targeted efficiencies elsewhere in the Stadium, including energy consumption reductions from recent investments, such as the LED 'back of house' lighting project.

- 5.8. The following section provides more information on the proposed revenue budget submission.

Revenue income

Development

- 5.9. Development income is now largely rental income from the East Wick and Sweetwater development (prior to eventual disposal). The income from rents grows as more units are completed, albeit this has slipped due to delays to the overall programme.

Finance, Commercial and Corporate Services

- 5.10. This income reflects recharges to E20 Stadium LLP, a wholly owned subsidiary of LLDC, for services provided by LLDC including Information Technology, finance and accounting and Human Resources support.

Park Operations and Venues (excluding Trading)

- 5.11. Largely income from the Fixed Estate Charge, a charge on all occupiers of the Park to contribute towards the cost of maintaining the Park and its facilities. LLDC's income from this charge increases as East Bank buildings are handed over (to the partners) and residential developments are completed and more occupiers move onto the Park in the later years. Other income comes from short-term programmes and events that take place on the Park and from LLDC's car park facilities. Note that the income currently received from one of the capital assets expected to be disposed of is removed from 2024/25¹³ onwards.

Planning Policy and Decisions

- 5.12. Income related to planning fees and Community Infrastructure Levy administration income payable to the LLDC Planning Authority, until the planned reversion of LLDC's planning powers to the local boroughs in 2024/25.

Regeneration and Community Partnerships

- 5.13. This income is assumed funding towards the Good Growth Hub, which is being used as the centrepiece of LLDC and its partners' work to deliver a truly inclusive innovation district, offering a dedicated space from which Park employers and local residents will co-design and access a range of bespoke services from London Living Wage-paid internships and apprenticeships to a Freelancers' Academy. It also includes income expected from SHIFT, which is the new identity for the inclusive innovation community that exists at Queen Elizabeth Olympic Park. SHIFT is expected to generate income from grants (for example, funding of £1.5m secured from the UK Shared Prosperity Fund, which is being delivered with partners Plexal and Hackney Wick and Fish Island Community Development Trust), seed funding from the SHIFT founding partners¹⁴ and from memberships and trials on the Park.

¹³ From month 9 when the agreements are expected to complete.

¹⁴ University of the Arts London, Lendlease, University College of London, Loughborough University, Here East, Plexal and LLDC

Commercial

- 5.14. This income line covers the expected income arising from the Sponsorship, Marketing and Park Assets Strategy and Park Business Plan, under which LLDC is developing its sponsorship and marketing structures and systems and identifying opportunities to derive more value from the Park assets. This work is being led by the Chief Commercial Officer.
- 5.15. This year's capital budget includes provision for a potential investment in digital signage across the Park, which has the potential to deliver significant placemaking and commercial benefits for LLDC (through sponsorship and advertisement income). The investment is subject to a business case.
- 5.16. The business case is currently being developed and expected in Quarter 3 2023/24. However, initial analysis shows that the investment has the potential to help deliver against the Commercial income target and accelerate LLDC's achievement of its financial sustainability target. Note that without the investment in digital signage and the potential income it could generate, there is risk the Commercial income target may not be achieved.

Revenue expenditure

- 5.17. Note that all areas of expenditure set out below reduce from 2025/26, reflecting the planned changes to LLDC's size and structure from 1 April 2025 – see 5.32.

Communications Marketing and Strategy

- 5.18. Expenditure on marketing promotions for the Park and attractions, media monitoring and dealing with media requests, design and implementation of corporate communications (such as the quarterly corporate performance report, statutory annual report and the website), stakeholder management, strategy development and preparation of branded material for the Park.

Executive Office

- 5.19. Covers office accommodation, corporate Human Resources activities and the costs of the Executive Office (including the Chief Executive) and other non-salary staff costs such as training and recruitment.

Finance, Commercial and Corporate Services

- 5.20. This includes finance, IT, governance and programme assurance, commercial, procurement, legal and professional fees (including tax advice), insurance, internal and external audit, commercial assurance and the costs of the LLDC Board. Legal, secretariat, indirect procurement categories and internal audit are provided through a shared service with the GLA; note that this is assumed to be expanded to IT and procurement services from 2025/26 onwards (provided by Transport for London).

Park Operations and Venues (excluding Trading)

- 5.21. Day-to-day operational costs of the Park, the most significant element being estate and facilities management of the Park, which is carried out under a third-party contract. In addition, there are other costs including Park security, utilities and rates.
- 5.22. Increases in energy-related costs for the Park are included; the direct impact upon LLDC's budget is partly mitigated by corresponding increased recharge income for such costs.
- 5.23. The directorate's budget now includes budget for activities promoting environmental sustainability, supporting the Mayor of London's sustainability objectives across the Park's operation and development. Activity includes the development and delivery of a Climate Action Strategy in pursuit of a 1.5 degree aligned future (targeting net zero carbon by 2030 and improving the climate resilience of the Park). Specific areas of focus include reducing carbon emissions (operational and embodied); sourcing more renewable energy; offsetting all flights; and working in collaboration with internal and external partners to support the decarbonisation of the Park District

Energy Network. This responsibility transferred during the year (along with three members of staff) from Regeneration and Community Partnerships.

Planning Policies and Decisions

- 5.24. Expenditure relates mainly to staff and professional fees. Note that these budgets will not continue beyond 2024/25, once the LLDC's statutory town planning powers revert to the local boroughs.

Regeneration and Community Partnerships

- 5.25. The largest element of expenditure in the directorate's budget covers socio-economic programmes, which, amongst other things, support the East Works programme, aimed at ensuring that local people and members of under-represented groups benefit fully from employment and skills development opportunities on the Park.
- 5.26. The directorate budget also supports the development of new residential and business communities on the Park, in ways that also create opportunities for local communities; for example, through extensive engagement with schools and community groups. A major focus continues to be the development of the East Bank partnership to ensure that the Strategic Objectives of the project are being delivered, with practical collaborative work streams focusing on Arts and Culture; Education and Opportunity; Employment and Enterprise; and Research and Innovation.
- 5.27. The Regeneration and Community Partnerships budget includes costs to support SHIFT activities, which drive the income described earlier.
- 5.28. From 2025/26, the budget will cover a small strategic Inclusive Economy team within LLDC, with no direct delivery of programmes but instead securing delivery with and through partners. Clear deliverables for all partners will be crucial, as will robust measurement and oversight of progress.
- 5.29. The LLDC Board has agreed Inclusive Economy will be at the heart of the next phase of LLDC. As outlined above, the organisation will move from a model of direct delivery of socio-economic programmes to one of strategic leadership together with the local boroughs, and a more prominent delivery role for East Bank and other business, academic and cultural partners, and local communities.
- 5.30. The local boroughs and LLDC have a shared ambition to maximise local benefits from the ongoing development and operation of the Park post-2025 and this ambition is reflected in the agreed long-term vision for the Park.

Commercial

- 5.31. These costs are to support the delivery of commercial-related income as set out at 5.14 (which are now shown gross of the income).

Evolution of LLDC (Transition)

- 5.32. LLDC was established as the first ever Mayoral Development Corporation (MDC) in 2012, to take forward commitments made in the original London 2012 bid in relation to the physical and socio-economic regeneration of Stratford and the surrounding area.
- 5.33. Whilst there remains significant work to do to fulfil the regeneration commitments made in the original London 2012 bid, it is anticipated that a large part of LLDC's direct role in this will be complete by 2025 – for example, completion of the East Bank project at Stratford Waterfront and all other major development sites either complete (e.g. Chobham Manor) or in contract. With a robust prioritisation of its workload, key objectives will be delivered by 2025 and plans in place for the delivery of ongoing functions and the long-term operation and oversight of the Park.
- 5.34. Regular updates are presented to the Board for discussion and approval. Guiding all decision-making for the evolution of LLDC is an agreed set of principles which set out that the oversight and operation of the Park must retain the integrity and quality

of the estate, carry the flame of the regeneration vision and be democratically accountable and financially self-sustaining.

5.35. So far, the LLDC Board has agreed:

- That there needs to be a coherent, long-term approach to estate management based on the Great Estates principle and holding the land in the Park as a contiguous whole. It remains key to promote the Park estate as a place for future inward investment and realisation of legacy, social and economic aims.
- That LLDC's statutory town planning powers should be handed back to local boroughs by 1 December 2024 and practical steps will be taken to enhance collaboration between LLDC and the boroughs in the lead up to ensure a smooth handover.
- That LLDC will remain a Mayoral Development Corporation, and a functional body of the GLA, beyond 1 April 2025 with a reconstituted board, governance structure and reduced area.
- From 2025 LLDC will continue to be responsible for the realisation of legacy commitments and will have Inclusive Economy hardwired into its strategy. Responsibilities will include:
 - Estate and neighbourhood management.
 - Commercial and asset management.
 - Strategic oversight to ensure all elements of its work contribute to an Inclusive Economy, and to encourage and support QEOP partners to work collaboratively with each other and the local boroughs and communities to contribute to an Inclusive Economy.
 - Completion of the development programme for LLDC-owned sites, which will reduce over time until construction is complete around 2032.
- The proposed reduced Mayoral development area should comprise land that is owned, operated or managed by LLDC. The broader surrounding area, where LLDC currently has statutory town planning powers, should no longer be within the boundary.
- From 1 April 2025 LLDC will have a streamlined governance structure in line the reduced geography and size of the organisation.

5.36. LLDC is working closely with the Department for Levelling Up, Housing and Communities (DLUHC) to progress the necessary legislative arrangements to effect the transfer of Town Planning functions and the reduction of the LLDC Mayoral development area.

5.37. Costs are assumed within the budget submission in relation to the above (held within contingency). These cost estimates continue to be reviewed and refined as work on the plans progresses. Included is provision for:

- Professional fees for services such as legal support and tax advice;
- Additional staff resource to deliver Transition-related activities (such as HR support);
- IT/data transfer costs; and
- Prudent estimates of staff-related costs such as redundancy and pension strain.

5.38. For the long-term financial sustainability of the successor body, LLDC's objective is that post-Transition, when developments on the Park have built out and the Fixed Estate Charge reaches its peak, the requirement for grant funding, excluding the London Stadium, will be eliminated.

5.39. Work has progressed over the past year to review LLDC's future financial projections (into the mid-2030s) and, whilst the forecast required grant has reduced significantly, there is still a gap to bridge; therefore, work is ongoing to review how this objective can be achieved through **increasing commercial income**:

- Commercial sponsorship, marketing strategy;
- Park Business Plan, which is identifying opportunities to derive more value from the Park assets (such as the investment in digital signage, which could significantly deliver the financial sustainability objective and sooner than previously anticipated); and
- Interim use income falls way but interim retail and residential income growth (10-15 year holds).

5.40. This work will carry on over the coming year and be further updated in next year's budget submission.

Stadium

5.41. Stadium expenditure relates to the working capital provided by LLDC to fund the deficit of the E20 Group (E20 Stadium LLP and London Stadium 185 Limited) and is predicated on the Stadium's updated five-year baseline projections. Changes to the funding required for the Stadium is set out at 5.47.

Trading

5.42. A breakdown of LLDC's Trading activities is provided in the following table.

| Trading | 2023/24 Forecast £000 | 2024/25 Budget £000 | 2025/26 Plan £000 | 2026/27 Plan £000 | Total £000 |
|---|-----------------------------|---------------------------|-------------------------|-------------------------|-----------------|
| Trading Income | | | | | |
| Kiosks | 62 | 65 | 67 | 68 | 262 |
| London Aquatics Centre and Copper Box Arena | 1,490 | 265 | 276 | 286 | 2,317 |
| Off Park Assets | 96 | 76 | - | - | 172 |
| On Park Assets | 859 | 1,016 | 654 | 208 | 2,737 |
| The Last Drop | 307 | 342 | 400 | 465 | 1,514 |
| Telecoms | 100 | 96 | 67 | 67 | 331 |
| East Bank retail | - | - | 181 | 450 | 631 |
| Others (grouped as currently in procurement) | 7,648 | 1,355 | 1,406 | 1,407 | 11,815 |
| Total Trading Income | 10,561 | 3,216 | 3,051 | 2,952 | 19,780 |
| Trading Expenditure | | | | | |
| Telecoms & Wifi | (7) | (5) | (5) | (5) | (22) |
| London Aquatics Centre and Copper Box Arena | (2,284) | (1,221) | (612) | (630) | (4,747) |
| Off Park Assets | (50) | (50) | (25) | - | (125) |
| On Park Assets | (109) | (38) | (38) | - | (184) |
| East Bank retail | (92) | (45) | (45) | (45) | (227) |
| Others (grouped as currently in procurement) | (6,394) | (285) | (292) | (298) | (7,270) |
| <i>Estates and Facilities Management (recharge)</i> | <i>(2,101)</i> | - | - | - | <i>(2,101)</i> |
| Total Trading Expenditure | (11,036) | (1,644) | (1,017) | (979) | (14,675) |
| Net Trading | (475) | 1,573 | 2,034 | 1,973 | 5,105 |
| Net Trading (excluding EFM recharge) | | | | | |
| Kiosks | 62 | 65 | 67 | 68 | 262 |
| London Aquatics Centre and Copper Box Arena | (794) | (955) | (337) | (344) | (2,430) |
| Off Park Assets | 46 | 26 | (25) | - | 47 |
| On Park Assets | 750 | 979 | 617 | 208 | 2,553 |
| The Last Drop | 307 | 342 | 400 | 465 | 1,514 |
| Telecoms | 92 | 91 | 62 | 62 | 308 |
| East Bank retail | (92) | (45) | 136 | 405 | 404 |
| Others (grouped as currently in procurement) | 1,254 | 1,069 | 1,114 | 1,109 | 4,546 |
| Net Trading (excluding EFM recharge) | 1,626 | 1,573 | 2,034 | 1,973 | 7,205 |
| <i>Estates and Facilities Management (recharge)</i> | <i>(2,101)</i> | <i>(0)</i> | <i>0</i> | <i>-</i> | <i>(2,101)</i> |
| Net Trading Surplus/(Deficit) | (475) | 1,573 | 2,034 | 1,973 | 5,105 |

Trading income and expenditure

5.43. Trading income is derived from rental and other income from venues on the Park (including ArcelorMittal Orbit, the London Aquatics Centre and the Copper Box Arena) and other off Park sites held by LLDC, such as 3 Mills Studios.

5.44. Key points to note:

- LLDC has made good progress on the re-procurement of its key operational contracts, including the award to Sports Limited Management (Everyone Active) for the London Aquatics Centre. There is a selected preferred bidder for the Podium and the procurement for the Timber Lodge has moved to the Invitation to Tender stage. Procurement to identify an operator for the ArcelorMittal Orbit will commence in Quarter 3 2023/24.
- The impact of the above, including estimates for those contracts not yet awarded, is reflected in the budget assumptions. These mainly take effect in a phased manner from 2024/25 onwards.
- The potential to sub-lease 3 Mills Studios is reflected from 2024/25 onwards; this procurement is underway.
- In August 2022, LLDC agreed with Equans to sub-let the AMO and Last Drop Cafe to a new operator, Orbit Live Limited, who will pay LLDC a fixed rent until the end of 2023; this is reflected in the 2023/24 forecasts.

Changes since the 2023/24 budget submission

5.45. The changes in the **revenue income** are shown in the following table:

| Changes - Revenue income | 2023/24 Forecast £m | 2024/25 Budget £m | 2025/26 Plan £m | 2026/27 Plan £m | Total £m |
|---|---------------------------|-------------------------|-----------------------|-----------------------|-------------|
| Total Revenue Income per 2023/24 Submission (incl rollovers) | 18.7 | 12.4 | 11.4 | 11.2 | 55.9 |
| Fixed Estate Charge | (0.2) | 0.2 | 0.3 | 0.9 | 1.4 |
| Trading (Venues, Attractions, Kiosks) | 2.7 | 1.1 | 1.0 | 0.9 | 2.9 |
| Property rental | (0.3) | 0.8 | 1.1 | 1.1 | 2.9 |
| Car park income | 0.3 | 0.4 | - | - | 0.4 |
| Planning-related | 0.6 | 0.6 | - | - | 0.6 |
| Events | - | 0.1 | 0.2 | 0.1 | 0.4 |
| Other | (1.0) | 3.0 | 0.8 | 0.6 | 4.4 |
| Total Revenue Income Changes | 2.2 | 6.2 | 3.3 | 3.6 | 13.1 |
| Total Revenue Income per 2024/25 Submission | 20.9 | 18.6 | 14.7 | 14.8 | 69.0 |

5.46. The key drivers of change in revenue income (over the three years from 2024/25) are:

- An increase in Fixed Estate Charge, reflecting inflation uplifts.
- Various movements to Trading and property rental income forecasts, including increases in income from the interim uses of LLDC's development plots (where development is yet to commence). It also includes increased income from the operational contract procurements described earlier.
- An increase in planning-related income (e.g. planning fees and pre-planning consultation recharges) reflecting increased levels of activity until the planned reversion of town planning powers to the local boroughs¹⁵.
- An increase in events and programming income reflecting increased hires on and around the Park, including for filming opportunities.
- Other changes include adjustments to Commercial Strategy to show the expected income gross of costs (see 5.48) and an increase in the assumed income for SHIFT activities (as described at 5.13).

¹⁵ and for a short run-on period afterwards

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

| Changes - Revenue expenditure | 2023/24 Forecast £m | 2024/25 Budget £m | 2025/26 Plan £m | 2026/27 Plan £m | Total £m |
|--|---------------------------|-------------------------|-----------------------|-----------------------|----------------|
| Total Revenue Expenditure per 2023/24 submission (incl rollovers) | (49.0) | (31.8) | (22.5) | (22.5) | (76.9) |
| Communications, Marketing and Strategy | - | (0.1) | - | - | (0.1) |
| Development | (0.3) | (0.2) | - | - | (0.2) |
| East Bank | 0.1 | - | - | - | - |
| Executive Office | (0.1) | (0.4) | 0.1 | 0.2 | (0.1) |
| Finance, Commercial and Corporate Services | 0.1 | (0.4) | (0.4) | (0.2) | (0.9) |
| Park Operations and Venues (excl Trading) | (0.1) | (0.8) | (1.2) | (1.5) | (3.4) |
| Planning Policy and Decisions | (0.7) | (1.0) | - | - | (1.0) |
| Regeneration and Community Partnerships | (0.4) | (1.5) | - | (0.1) | (1.6) |
| Commercial Strategy | (0.3) | (0.9) | (0.6) | (0.7) | (2.2) |
| Trading | (3.2) | (0.7) | 0.4 | 0.4 | - |
| Contingency | 3.7 | (0.9) | (1.9) | (1.7) | (4.5) |
| Total Revenue Expenditure Changes | (1.3) | (6.8) | (3.6) | (3.5) | (14.0) |
| Total Revenue Expenditure per 2024/25 submission (excluding Stac Stadium) | (50.2) | (38.6) | (26.2) | (26.0) | (90.7) |
| Stadium | - | (4.4) | (5.5) | (4.4) | (14.3) |
| Total Revenue Expenditure per 2024/25 submission (including Stad Stadium) | (50.2) | (43.0) | (31.6) | (30.4) | (105.0) |

5.48. Main changes (over the three years from 2024/25) are:

- An increase in **Finance, Commercial and Corporate Services** including for insurance premiums, staffing (to update for inflationary increases) and shared services in legal, treasury management and procurement (from 2025/26).
- An increase in **Park Operations and Venues** reflecting changes for:
 - Lower Park utilities recharges to the venues following re-procurement of the venue operator contracts and handover of East Bank utilities to the Stratford Waterfront management company (note that this is offset by higher unit costs assumed for the remaining Park utilities);
 - Charges for surface water discharge into the waterways (reflecting an increase in the assumed number of outfalls);
 - Park security in line with the call-off agreement projected increase in the cost of London Living Wage; and
 - Staffing to update for inflationary increases and a transfer of staff from the Regeneration and Community Partnerships directorate.
- An increase in expenditure in **Planning Policy and Decisions** to support the additional activity and income identified at 5.46; it also includes provision for run-on costs (staffing and professional services) for a short period after the reversion of town planning powers to the local boroughs.
- An increase in **Regeneration and Community Partnerships** expenditure in 2024/25 for SHIFT activities, which supports the generation of income (see 5.13). This is offset by a small reduction in expenditure from the transfer of three members of staff to the Park Operations and Venues directorate.
- An adjustment to **Commercial Strategy** where costs are now shown gross of the expected income (with a corresponding increase in gross income, resulting in overall net c£2.4m income per annum).
- An increase in **corporate contingency** to cover specific risks (including any unforeseen changes following the reprocurement of the venue operators) and for any post-Transition cost increases.
- Increases in the **London Stadium** required funding, as set out at 5.7.

6. SAVINGS AND EFFICIENCIES

6.1. LLDC has delivered a significant amount of savings and efficiencies in previous years. The core costs for LLDC's significant deliverables ahead of the planned changes to the organisation in 2025/26, and the ongoing operation and maintenance of the Park, are relatively fixed; however, LLDC continues to review its budgets each year to ensure ongoing efficiencies in its operations.

6.2. LLDC has £2.0m of additional income and savings built into the 2024/25 budget, which are expected to be delivered from:

- **Income opportunities:** From events and programmes held on the Park, including photoshoot and film hires, and additional income secured through the venue operational contracts procurements.
- **Discretionary spend:** Savings built into the budget include professional fees, marketing and communications, IT costs and savings expected from a rationalisation of LLDC's office space following a move from its current offices to an office building owned by Transport for London (part of the GLA Group). It also includes some early expected savings from the venue operational contracts procurements. LLDC has continued to protect spend on Inclusion and Diversity, which is a priority area.

6.3. These are shown in the table below (by directorate):

| Savings and efficiencies | Target £000 |
|--|----------------|
| ADDITIONAL INCOME | |
| Park Operations and Venues | 289 |
| Trading | 608 |
| Total Additional Income | 896 |
| EXPENDITURE SAVINGS | |
| Communication, Marketing and Strategy | 236 |
| Executive Office (includes accomodation) | 281 |
| Finance, Commercial and Corporate Services | 321 |
| Park Operations and Venues | 161 |
| Trading | 155 |
| Total Expenditure Savings | 1,153 |
| Total Additional Income/Expenditure Savings | 2,050 |

6.4. The opportunity for additional savings from LLDC's discretionary cost base is limited, largely due to substantial savings delivered over previous years but also the macroeconomic pressures currently being experienced.

7. EQUITY, DIVERSITY AND INCLUSION

7.1. LLDC's Equity, Diversity and Inclusion (EDI) Strategy currently has five strategic themes. Of these, four strategic themes (inclusive culture; recruitment; supporting talent from within; and leadership) are led by members of LLDC's Executive Management Team who have set up working groups to develop theme action plans to deliver on each theme. The fifth strategic theme is more externally focused through LLDC's work in the local community and is led by the Regeneration and Communities Partnerships directorate and overseen by the Regeneration and Communities Committee. LLDC's work continues to be informed by external challenge and best practice, including through work with Inclusive Employers and external networks.

7.2. Key positive actions being taken by LLDC include:

- **A refocus of the EDI priorities** to concentrate on:
 - Supporting talent from within, particularly colleagues from under-represented groups, to shape their career journeys and development.

This was identified as a specific priority as the organisation enters in to and undergoes a period of significant change (with the evolution of LLDC).

- The creation of dedicated EDI learning pathways, and the enhancement of greater opportunities for education and awareness of EDI related content across the organisation. This priority recognises the need to create a level playing field across the organisation and ensure that LLDC is continually promoting and embedding LLDC's focus on EDI as a strategic priority, as well as providing opportunities for colleagues to connect with and provide allyship to each other.
- A dedicated focus on data capture and data improvement relating to EDI, including self-declaration to increase the accuracy of LLDC's data and enable LLDC to have improved insights that lead to clear, evidence based decisions about future EDI initiatives and identify where to focus LLDC's efforts for maximum impact.
- A third-party **review of its recruitment processes** by the Diversifying Group¹⁶, who have helped develop suite of toolkits, related to the priorities identified by the project (talent attraction, fair and transparent applications, assessment and selection, inclusive decision making and inclusive onboarding). There is also a training and learning plan and methods of delivery, which is intended to complement the toolkits and support LLDC's identified priority around education and awareness related to EDI.
- A cross-representative team has created a calendar marking **national and international awareness and celebration days**, which will be used to build communication and engagement plans and ensure proactive promotion of EDI connected activity, both internally and externally. of the recent awareness and celebration events have included:
 - A dedicated webcast focussing on a newly established Inclusive Access and Disability network highlighted the activity and focus of the group and sought to invite colleagues to join the network, either as members or allies.
 - A series of blogs focussing on amplifying different intersectional voices and other areas such as religious diversity and colleagues with disabilities. Blogs have included topics such as Ramadan and how it is observed, reflections from a colleague about an educational trip they attended about the Holocaust and a member of the Inclusive Access and Disability Network who shared their lived experiences and ways and methods to practically increase inclusion in the workplace. These blogs help to promote different voices across the organisation and to raise understanding and awareness.
 - A focus on mental health awareness and associated topics including managing anxiety and depression, highlighted through a series of blogs during Mental Health Awareness week.
- Continued support for LLDC's **Race, Culture and Equity Group**, which has delivered a programme of recent internal events and engagement including 'Taste and Talk' events, which create a social space with homemade food for colleagues to spend time together and learn about and celebrate different cultures and religious celebrations (such as Eid).

7.3. LLDC's work is informed by external challenge and best practice, including through the Mayor's Diversity Standard, work with Inclusive Employers and external networks.

¹⁶ Previously known as BAME Recruitment Limited

7.4. LLDC has ring-fenced budget for its work on inclusion and diversity and protected this during the recent savings reviews to ensure it is able to commit to progressing the agenda over the coming years.

8. LONDON CLIMATE BUDGET

Overview

8.1. The Mayor's Budget Guidance requires each functional body to include a climate budget section within their submission, which focusses on actions to reduce emissions in the following internationally recognised categories:

- **Scope 1:** direct emissions from owned or controlled sources.
- **Scope 2:** indirect emissions from the generation of purchased electricity, heating and cooling.

8.2. The climate budget this year is to include both 'Level 1' and 'Level 2' reporting – these GLA-defined categories being:

- **Level 1:** actions to reduce emissions from the LLDC's estate (head offices, operational buildings, let properties under management), fleet (LLDC has no GLA-defined "operational fleet") and staff air travel (which is minimal for LLDC).
- **Level 2:** climate measures that reduce emissions or help adapt to climate change, in parts of the city outside of the LLDC's estate and fleet.

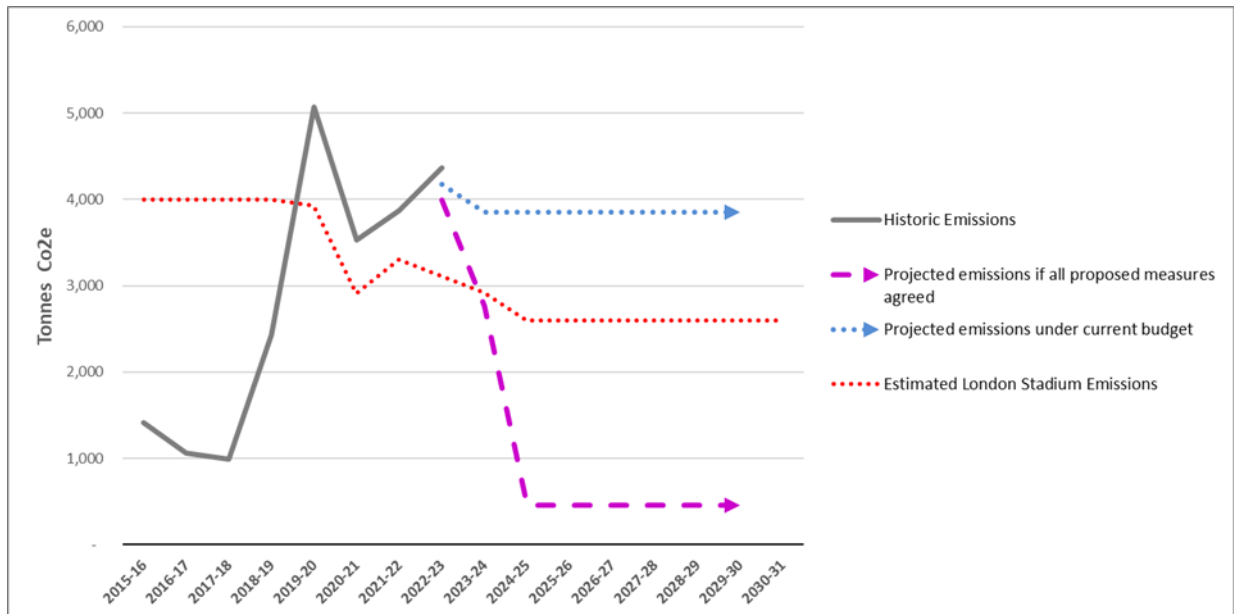
8.3. It should consist of a narrative on the actions being taken, a chart highlighting historic emissions and future trends and three tables outlining:

- **Table A:** funded climate (mitigation and adaptation) actions in the 2024/25 budget for LLDC's estate and fleet (Level 1 activities), the emissions reductions associated with each action and the additional costs – see Appendix 4.
- **Table B:** unfunded climate actions required to get LLDC's estate and fleet to net zero emissions or climate adaptation measures known to be needed for the estate and fleet (Level 1 activities) – see Appendix 5.
- **Table C:** funded climate actions in the 2024/25 budget that deliver or enable emission reductions or adaptation measures in parts of London outside of LLDC's own estate and fleet (Level 2 activities) – see Appendix 6.

8.4. The following items are excluded from the scope of the climate budget for 2024/25, although it is anticipated they will be included at a future date. These items are likely to have a significant impact on reducing London's overall emissions in the future:

- Scope 3 emissions, from the consumption of goods and services (taking account the emissions from production, transportation and disposal of goods).

8.5. The following graph highlights the impact of LLDC's climate measures on its CO₂ emissions:



8.6. Notes:

- The graph shows LLDC's historic emissions¹⁷ (grey), projected emissions based on measures included in current budgets (blue – illustrative only) and projected emissions based when including actions not currently in budget (pink – illustrative only).
- This graph will get updated each year with new data on the latest actual (historic) emissions, and new measures that have been funded (blue line) and a better understanding of unfunded measures (pink line).
- Historic emissions include transformation from Olympic venues' 'Games mode' to improved efficiency in 'Legacy mode' from 2014 to 2016. Acquisition of the London Stadium operator in 2018 causes the grey line's peak, before energy consumption is reduced. Some of the subsequent reduction is the result of energy efficiency measures but includes the substantial impact of the Covid-19 pandemic.
- The grey line commences with a 'bounce back' from the pandemic, before showing anticipated savings associated within budget (blue) and not yet within budget (purple) carbon reduction measures. The blue line shows residual carbon in 2030 of 3,850 tonnes.
- The dotted purple line includes the potential (2025/26) switch to fully renewable electricity¹⁸. Currently LLDC is considering (in collaboration with the GLA) the potential merits of a collaboratively procured power purchase agreement (PPA). The residual amount represents 459 tonnes CO₂ per year from heat and steam based on 2020/21 figures.
- From 2025, further emissions reductions of approximately 2,303 tonnes are projected following the switch to fully renewable electricity, potentially under the GLA PPA described above (which is subject to a value for money test for functional bodies).

¹⁷ With the London Stadium included from 2018/19

¹⁸ LLDC's electricity is currently from renewable sources

8.7. The main climate measures currently included in LLDC’s budget 2024/25 to 2026/27 are set out in the following table (further details in Appendix 4):

| Climate measure | Anticipated reduction in CO ₂ emissions 2024 to 2027 | Anticipated total funding required 2024 to 2027 (£000) | Type of funding required (capital/revenue or mixed) |
|--|---|--|---|
| 1) London Stadium back-of-house lighting (LED) | 46 | 100 | Capital |
| 2) London Stadium - kiosks and TV automated controls | 33 | 100 | Capital |

8.8. The actions required to implement the climate measures outlined in the table, above, are as follows:

- Replacement of halogen back of house lighting at the London Stadium with LEDs.
- Upgrades to automate the kiosk and TV controls at the London Stadium.

8.9. Further measures being undertaken, although currently out of scope of this first London Climate Budget, which will have a significant impact on London’s future emissions are as follows:

- Targeting that new residential/commercial developments are net zero carbon (whole lifecycle) by 2030 (aligned with a 1.5 degree future).
- Continuing the decarbonisation of Queen Elizabeth Olympic Park’s District Energy Network.
- Progressing ‘Table C’ projects, which include the distribution of the LLDC Carbon Offset Fund to support business and community organisations in reducing emissions, and mitigate against climate change risks, and various transport and infrastructure projects that enable climate mitigation and adaptation. Through several successful bids in relation to infrastructure design and development, LLDC has already secured significant funding that supports active travel and connectivity in neighbouring boroughs and areas outside of LLDC’s estate that is not included in the Climate Budget.

Co-benefits associated with climate measures

8.10. The climate measures above, in addition to their direct impact in lowering emissions, also provide co-benefits. These include reduced operational costs and improved air quality as a result of reduced air emissions associated with energy production.

Green tariffs and air travel

8.11. Regarding the use of green energy tariffs, LLDC anticipates transferring from a REGO¹⁹-back renewable energy contract to the GLA’s renewable Power Purchase Agreement (PPA) when possible.

8.12. Emissions from staff air travel have been calculated as 9CO₂ tonnes in the last financial year. LLDC offsets these emissions by an independently verified tree planting carbon offset scheme – delivered by Trees for Cities, verified by Avieco.

Future measures

8.13. As can be seen in the previous graph, there remains a potential gap in delivering the Mayor’s net zero 2030 target. A list of currently unfunded climate measures is outlined in Appendix 5 and includes decarbonising the District Energy Network and the cost uplift for achieving 1.5 degree-aligned housing, retail and commercial developments across LLDC’s remaining development pipeline.

8.14. The total amount of additional funding that is forecast to be required is c£16m, which is not funded within LLDC’s Long Term Model; it does also not contain funding for any additional resources that may be required. LLDC will therefore continue to engage with the GLA to consider funding opportunities. If funding can be secured, there is a high likelihood that the measures can be delivered by 2030. There is a risk

¹⁹ Renewable Energy Guarantees of Origin

that resourcing (particularly knowledge retention) and missing the opportunity for early action could adversely impact on LLDC's target of net zero carbon by 2030.

- 8.15. It is estimated that even if all these additional measures are implemented there would remain 459 CO₂ tonnes of residual emissions in 2030. More work is required to develop further options to reduce this gap which will be used to inform next year's London Climate Budget submission.
- 8.16. The main uncertainties inherent in the LLDC climate budget process are as follows:
 - Data accuracy of likely future consumption compared with current.
 - External dependencies which may affect carbon emissions (e.g. the type and timing of development agreements; and technical developments).
 - The availability of funding and the terms of any associated grant or borrowing.
 - The increasing awareness of the imperative for rapid decarbonisation, particularly with the increased use of financial analysis related to carbon emissions and their resultant impact.

9. DELIVERABLES

- 9.1. The mission of LLDC is to use the opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park (QEOP) 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.
- 9.2. The previous QEOP strategy, written in 2015 and updated in October 2016 to reflect the priorities of the (then) newly elected Mayor of London, outlined the enormous amount of work involved in transforming Queen Elizabeth Olympic Park into a new and unique visitor destination following the London 2012 Games.
- 9.3. LLDC and its partners have agreed a 2030 Vision for Queen Elizabeth Olympic Park, to create “*an innovative London metropolitan centre with a global focus, powered by inclusive growth and with community and opportunity at its heart.*”
- 9.4. In 2021, a new QEOP Strategy to 2025 was published, link [here](#). The strategy outlines key activities LLDC will take forward between now and the Transition of LLDC to support delivery of the 2030. Its structure mirrors the three strands of the Vision: **Inclusive Growth, Community and Opportunity**, set out in the following diagram:



9.5. It also sets out five priority objectives for the period to 2025:

- East Bank operational, with partners self-organising and leading delivery of strategic outcomes
- Delivery of a high quality and varied residential offer which responds to local need
- Delivery of critical physical connectivity enhancements
- Increased financial sustainability for Queen Elizabeth Olympic Park
- Groundwork laid for post-Transition operation and oversight of Queen Elizabeth Olympic Park

Inclusive Growth: a place in which people want to invest, enhancing local lives as well as national economic growth

- **East Bank:** A new powerhouse for innovation, creativity and learning
- **Residential delivery:** Chobham Manor and Hackney Wick Central complete; East Wick and Sweetwater, Stratford Waterfront, Bridgewater, and Rick Roberts Way under construction; delivery strategy agreed and delivery vehicle in place for Pudding Mill Lane
- **A diverse, unique and successful visitor destination:** Quality and safety of Park and venues; varied sporting and entertainment programme; high visitor satisfaction maintained
- **A thriving business and innovation hub:** Employment clusters; QEOP Inclusive Innovation District
- **Building the infrastructure of growth:** Long term redevelopment of Stratford Station

Community – An attractive and inspiring place where people come together to achieve great things.

- **Building successful communities:** Affordable and family housing; social and community infrastructure; public and open space
- **Connecting communities:** Focus on eight strategic routes to enhance access to and within QEOP
- **A community asset:** Community activities and events; schools and youth engagement; supporting community networks
- **Supporting sustainable lifestyles:** Delivery of environmental sustainability targets in line with Mayor’s Climate Emergency Response

Opportunity – A place where local talent is celebrated and the benefits of regeneration can be shared by all

- **Realising the wider benefits of East Bank:** Strategic Objectives Delivery Plan; Impact and Evaluation Study
- **A diverse local talent pipeline:** East Education; delivery of East Works through new Good Growth Hub
- **A local and diverse Park workforce:** Employment targets for local and priority groups; new construction training centre

Supporting Delivery:

9.6. The strategic themes are supported by the following strategic enablers:

- Increased financial sustainability for Queen Elizabeth Olympic Park.
- Groundwork laid for the future operation and oversight of Queen Elizabeth Olympic Park
- A people-centred approach

9.7. The key deliverables for 2024/25 are set out below, along with deliverables achieved in 2023/24:

Inclusive Growth

- Successful operation of East Bank with UCL East and UAL’s London College of Fashion open; opening of Sadler’s Wells Theatre; handover of V&A and BBC for tenant fit out work for opening of V&A East and BBC Studios in 2025.
- Delivery of East Bank Strategic Outcomes, led by the East Bank partners.
- Deliver an effective and responsive planning service (until handover of planning powers to the local boroughs). At least 70% of applications determined in time.
- Deliver Town Planning programme, including Annual Monitoring Report publication.

- Maintain safe and well-maintained Park and attracting visitors: measuring against the estimate of 6.2m visits per annum²⁰. Net Promoter Score from visitors surveyed of over 60.
- Manage and maintain the quality of the Park and venues, including retaining Green Flag status.
- Operate safe and well-maintained venues. Visitor estimates are: 1m visits to the London Aquatics Centre; 445k visits to the Copper Box Arena.
- Support safe delivery of major events including the London Stadium programme.
- Support safe delivery of events, community sports and filming on the Park.
- New Park operational contracts in place and delivering successfully.
- Develop a Climate Action Strategy in pursuit of a 1.5 degree Celsius aligned future (targeting net zero carbon by 2030 and improving the climate resilience of the Park).
- Contribute to delivery of the QEOP SHIFT Innovation District programme: Specifically, CleanTech work streams (electric vehicle charging; smart grid; decarbonisation; and circular economy).

Delivered²¹ in 2023/24

- *Continued to maintain safe, well-maintained and high-quality Park, which was awarded the prestigious Green Flag Award for the tenth consecutive year.*
- *Net Promoter Score (the likelihood of recommending the Park to others) was 81%; more than 90 % feel safe visiting the Park; and 79% of people (94% of local people) agree that the Park is a successful visitor destination. The proportion of Black, Asian and Minority Ethnic people visiting the Park is increasing.*
- *Delivery by the London Stadium of the most diverse range of events in Europe for any stadium: including: The Weeknd and Burna Boy's concerts; Monster Jam monster trucks; London Diamond League Athletics. The return of Major League Baseball in 2023: 100,000 spectators in attendance, a global TV audience and generating over £50m to the London economy.*
- *Completed works to move the Stadium back to football mode for the 2023/24 Premier League football season, with West Ham United playing Europa League Group stage matches.*
- *Continued to deliver an effective and responsive planning service; exceeding target for at least 70% of applications to be determined in time.*
- *The University of Arts London's London College of Fashion (LCF) building opened for the start of the 2023/24 academic year with the mayor of London attending the official opening. The public realm at the waterside area of Stratford Waterfront also opened and continued construction of the other Stratford Waterfront buildings for handover to the BBC, the V&A and Sadler's Wells for their fit out works.*
- *UCL East's Marshgate building opened for the start of the 2023/24 academic year.*

²⁰ Note that this figure may be revised upwards following the introduction of a more accurate method to collect visitor data

²¹ Note that updates on the 2023/24 deliverables can also be seen in LLDC's quarterly Corporate Performance Reports, published on its website [here](#)

- *East Bank partners implementing a Shared Apprenticeships Programme: a collective approach to creating inclusive apprenticeship opportunities within their businesses and deliver 220 apprenticeships over 3 years.*
- *Launch of the SHIFT London Inclusive Innovation District: innovation on the Park. Successes include a UK Testbed Initiative launched on the Park with the Korean International Trade Association (KITA) in 2023. The SHIFT Inclusive Innovation District received £1.5m funding from the UK Shared Prosperity Fund to expand the testbed offering.*

Community

- East Wick and Sweetwater Phase 2 construction continues to programme.
- Vacant possession and planning in place for Stratford Waterfront residential for start on site in 2025.
- Bridgewater Triangle infrastructure works commenced.
- Joint venture partnership for Pudding Mill Lane established.
- Rick Roberts Way detailed planning application approved.
- Construction of Hackney Wick Neighbourhood Centre runs to programme and first plot completes.
- Progress delivery of enhanced physical connections and improved access to and within Queen Elizabeth Olympic Park, including completion of projects relating to: new Stratford Station entrance open; and Carpenters Road works complete.
- Stratford Station: design works underway, Outline Business Case submitted, and delivery vehicle established.
- Delivery of the Great Get Together (subject to funding) and any smaller community events on the Park.

Delivered in 2023/24:

- *Commencement of main contractor works for Phase 2 of East Wick and Sweetwater.*
- *Stratford Waterfront and Bridgewater joint venture established; Outline Planning permissions gained.*
- *Completion of the Invitation to Submit Outline Proposals stage to identify a joint venture partner for Pudding Mill Lane.*
- *Procurement to identify a developer for Rick Roberts Way is complete and the development agreement is being finalised.*
- *Completion reached on the disposal of Chobham Farm North.*
- *Construction commenced for Hackney Wick Neighbourhood Centre.*
- *Submission of the Strategic Outline Business Case for the redevelopment of Stratford Station was submitted to Government.*
- *Hosted the Great Get Together, free community event on the Park each year, with content provided by East Bank and other Park partners. 2022 an expanded event took place as part of the 10th anniversary celebrations on the Park: a record 25,000 people: 62% were from 4 representing an increase on previous figures; over 70% from Black, Asian and Minority Ethnic backgrounds.*
- *Launch of Elevate, a leadership model designed for and by local young people, using their lived experience to drive innovation, shape change and elevate futures. Delivery of Elevate's annual youth conference.*

- *Successful programme of procurements for Park operational contracts: the security contract and horticulture grounds maintenance contract, London Aquatics Centre and for the Copper Box Arena have been awarded.*
- *Delivering improvements for the safety of Women and Girls – working with stakeholders on an award winning programme to deliver an action plan.*

Opportunity

- Continue to deliver the QEOP 'East Works' jobs and skills programme.
- Continue to delivery Inclusive Economy agenda with Growth Boroughs and partners.
- Successful operation of the Good Growth Hub (GGH), the physical facility to consolidate and scale the East Works, including meeting engagement targets. Agree future of GGH in the next phase of LLDC.
- Successful operation of the Build East construction training centre, including meeting engagement targets. Agree future of Build East in the next phase of LLDC.
- Meeting and exceeding targets for construction and end use jobs for local people, Black, Asian and Minority Ethnic groups, disabled people, women and apprentices.
- Completion of 2023/24 Shared Training and Employment Programme (STEP) programme and commencement of 2024/25 programme
- Delivering the 'Design...Engineer...Construct' Built Environment curriculum in ten local schools and colleges.
- Progress EAST Education, an education engagement programme with East Bank partners, including delivery of East Summer School

Delivered in 2023/24:

- *Delivery of the annual free East Summer School on the Park for over 378 students including courses from East Bank partners. 95% of participants were from the 4 Growth Boroughs and 82% were from Black, Asian and Minority Ethnic backgrounds. 9% had disclosed a learning or physical disability.*
- *Completed works at 3 Mills Studios to upgrade the studio and creative workspace.*
- *Delivery of the Good Growth Hub as a focal point for local people seeking Park-based careers and for employers including East Bank partners, looking to recruit diverse, local talent, aiming to give information, advice and guidance to local people. 860 young people have accessed careers, advice and guidance and mentoring; 424 local employees have benefited from tailored support; and 200 young people have secured positions paid at LLW or above. Delivery of the annual STEP programme offering 12 work placements for local young people.*
- *Delivery of Build East, Build East, the Construction Training Centre at East Wick, an industry-led collaboration between two GLA functional bodies (TfL and LLDC) working together through the Mayor's Construction Academy.*

Supporting Delivery

- Work towards improved financial sustainability of the Park through the Park Business Plan, and the Stadium including maximising commercial opportunities and securing a naming rights partner.
- Close working with the GLA on budget savings and efficiencies
- Unqualified statutory accounts for LLDC and its subsidiaries (where applicable).
- Annual Environmental Sustainability Report published.
- 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 within 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.
- Next phase of LLDC: planning function and powers transferred to local boroughs. Future structure of LLDC in place with agreed functions, geography and governance. LLDC employees supported through the workforce strategy to progress their careers, through re-deployment, employment in the future LLDC or other organisations.

Delivered in 2023/24:

- *Development of Park Business Plan to deliver commercial improvements. Significant progress made on securing a Stadium naming rights partner.*
- *Successful campaigns to increase support to commercial improvements through marketing: KPIs across exposure, engagement and digital growth being surpassed. Launch of the enhanced Queen Elizabeth Olympic Park website.*
- *Health and safety: construction undertaken without a fatal accident on site; preventing any life-changing injury or occupational ill-health for any individual and to minimising reportable accidents to a rate below 0.17 per 100,000 hours worked (no reportable accidents to date in 2023/24).*
- *Pursuing funding options to support LLDC's Net Zero Carbon ambitions: funding secured and procurement commenced for a solar membrane on the London Stadium's roof.*
- *Increased representation of Black, Asian and Minority Ethnic colleagues at senior bands within LLDC and across the whole workforce.*
- *Completed consultation on the revised MDC boundary for the future phase of LLDC has completed: a consultation report, which recommends that the Mayor of London formally approves the reduction of the LLDC Mayoral area, was approved by LLDC's Board and will be submitted for Mayoral Decision. Work continues to: progress legislative changes to support a reduced area and the hand back of Town Planning powers; work in close collaboration with Boroughs on the hand back of Planning powers and the Inclusive Economy agenda; and progress workforce planning.*

10. LEGAL IMPLICATIONS

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

- consult with the Mayor before approving the budget and business plan for the purpose of making a formal submission to the GLA as part of the GLA Group's annual statutory budget approval process.
- before the end of each financial year, and in consultation with relevant GLA officers, prepare a detailed core business plan for the following year as part of a rolling business planning process, including changes to base-line pay for the year covered by the budget, borrowing limits and prudential indicators.
- obtain prior consent to the consideration by the Board of any draft core business plan for approval.

10.2. LLDC has consulted the GLA on the Long Term Model and reviewed the financial information underpinning it.

11. PRIORITY THEMES

11.1. LLDC has four priority themes, which drive its objectives and outcomes and to which this budget is aligned – these are:

- Delivering inclusive growth and community well-being
- Delivering sustainable development and responding to the climate emergency
- Delivering high quality design
- Delivering inclusion and diversity

11.2. LLDC, in fulfilling the Mayor's priorities, as set out in Section 2, are in line with the priority themes set.

12. APPENDICES

- Appendix 1 – GLA Budget Submission
- Appendix 2 – LLDC's Capital Strategy
- Appendix 3 – Risks
- Appendix 4 – Climate Budget Table A
- Appendix 5 – Climate Budget Table B
- Appendix 6 – Climate Budget Table C

Appendix 1 – GLA budget submission

London Legacy Development Corporation

- 7.1 The London Legacy Development Corporation (LLDC) is a Mayoral Development Corporation (MDC), responsible for promoting and delivering physical, social, economic and environmental regeneration in Queen Elizabeth Olympic Park (QEOP) and surrounding area. LLDC aims to maximise the legacy of the London 2012 Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of increased social mobility in surrounding communities.
- 7.2 Since the London 2012 Olympic and Paralympic Games, LLDC has delivered the transformation of the Park and venues from their Olympic to their legacy configuration. LLDC also works in partnership to bring forward regeneration schemes, schools and housing to further the transformation of east London enabled by the London 2012 Games. Further work includes delivering East Bank, a new cultural and educational centre, new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.

Key deliverables

- 7.3 During 2024-25, LLDC's revenue and capital budgets will be deployed to deliver its objectives, which include:
- successful operation of East Bank with UCL East and UAL's London College of Fashion open; opening of Sadler's Wells Theatre and the public realm; handover of V&A and BBC for tenant fit out work for opening of V&A East and BBC Studios in 2025.
 - deliver an effective and responsive planning service (until handover of planning powers to the local boroughs). At least 70% of applications determined in time.
 - managing and maintaining the quality of the Park and venues, including retaining Green Flag status.
 - supporting the safe delivery of major events including the London Stadium programme.
 - East Wick and Sweetwater Phase 2 construction continues to programme and joint venture partnership for Pudding Mill Lane established.
 - Stratford Station: design works underway, Outline Business Case submitted, and delivery vehicle established.
 - continue to delivery Inclusive Economy agenda with Growth Boroughs and partners.
 - next phase of LLDC: planning function and powers transferred to local boroughs. Future structure of LLDC in place with agreed functions, geography and governance.

Appendix 1 – GLA budget submission

Responding to the London Partnership Board’s missions

- 7.4 LLDC’s work supports the Board’s missions in several areas. Its drive to create an inclusive innovation district has seen QEOP host trials for driverless vehicles, e-scooters and cargo-bike deliveries. Its skills and employment programmes are helping provide young people with the skills to compete for opportunities in the emerging tech and creative sector. The Good Growth Hub delivers preemployment boot camps, technical skills training, higher education bursaries, paid internships and placements as well as business support and inclusive training for employers. The quality parklands provide the space and environment to benefit health and well-being – both physical and mental. New neighbourhoods are being created on QEOP, including a new centre in Hackney Wick to provide the hubs to support local groups and cohesive communities. A network of Park volunteers supports all visitors to the Park providing a mobility service alongside advice and information.
- 7.5 The continued investment in local people, creating new homes and jobs is vital to signalling the confidence that exists in London’s economy. The sporting venues play host to some of the biggest international sports events keeping the world’s attention on the capital and attracting international visitors. The new museums, theatres and music studios at East Bank will help to reinforce the Park as a must-visit part of the capital while its universities and businesses will help drive further investment into the emerging innovation sector attracting businesses large and small to locate in this part of London, supported by the large pool of skilled and talented young people that exists in east London.

Key items in the 2024-25 budget

- 7.6 The following table sets out LLDC’s budget on an objective basis.

| Objective analysis | Revised Budget 2023-24 £m | Forecast Outturn 2023-24 £m | Budget 2024-25 £m | Plan 2025-26 £m | Plan 2026-27 £m |
|------------------------------------|---------------------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| Park Operations and Venues | 7.1 | 7.3 | 3.7 | 3.2 | 3.3 |
| Trading | 0.0 | 0.5 | -1.6 | -2.0 | -2.0 |
| Development | -0.3 | -0.5 | -0.6 | -0.8 | -0.8 |
| Regeneration | 2.8 | 2.6 | 1.8 | 0.7 | 0.7 |
| Corporate | 9.8 | 12.2 | 9.5 | 6.7 | 6.5 |
| Planning Authority | 1.7 | 1.8 | 1.3 | 0.0 | 0.0 |
| Contingency | 9.2 | 5.5 | 5.8 | 3.7 | 3.5 |
| Stadium | 16.7 | 16.7 | 15.9 | 17.0 | 16.4 |
| Net service expenditure | 47.0 | 46.1 | 35.8 | 28.5 | 27.6 |
| Financing costs | 13.3 | 13.3 | 16.3 | 16.4 | 16.3 |
| Net expenditure | 60.3 | 59.4 | 52.1 | 44.9 | 43.9 |
| Transfer to / from (-) MDC Reserve | -17.3 | -16.4 | -0.9 | -0.3 | 0.0 |
| Additional funding required | 0.0 | 0.0 | -4.4 | -5.5 | -4.4 |
| Financing Requirement | 43.0 | 43.0 | 46.7 | 39.1 | 39.5 |
| Retained Business Rates | 29.7 | 29.7 | 30.5 | 22.7 | 23.2 |
| GLA funding for financing costs | 13.3 | 13.3 | 16.3 | 16.4 | 16.3 |
| Council tax requirement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

- 7.7 LLDC’s funding carried forward from previous years (held within the Mayoral Development Corporation (MDC) reserve) is forecast to be fully utilised in 2025-26 but, overall, no additional funding is required for LLDC.

Appendix 1 – GLA budget submission

7.8 However, for the Stadium, a total of £14.3m of additional funding is required from the GLA across the three-year period. This is largely due to inflationary pressures, particularly on energy costs, which are outside of the Stadium's immediate control.

7.9 LLDC's revenue budget includes:

- income from the Fixed Estate Charge, a charge on all occupiers of the Park to contribute towards the cost of maintaining the Park and its facilities. LLDC's income from this charge increases as East Bank buildings are handed over (to the partners) and residential developments are completed and more occupiers move onto the Park in the later years.
- Income related to planning fees and Community Infrastructure Levy administration income payable to the LLDC Planning Authority, until the planned reversion of LLDC's planning powers to the local boroughs in 2024-25.
- expected income arising from the Sponsorship, Marketing and Park Assets Strategy and Park Business Plan, under which LLDC is developing its sponsorship and marketing structures and systems and identifying opportunities to derive more value from the Park assets.
- income expected from SHIFT, which is the new identity for the inclusive innovation community that exists at the Park and is expected to generate income from grants, seed funding from the founding partners and from memberships and trials on the Park.
- day-to-day operational costs of the Park, including estate and facilities management of the Park, which is carried out under a third-party contract.
- includes budget for activities promoting environmental sustainability, supporting the Mayor of London's sustainability objectives across the Park's operation and development.
- costs relating to the evolution of LLDC in 2025.

7.10 For the long-term financial sustainability of the successor body, LLDC's objective is that post-Transition, when developments on the Park have built out and the Fixed Estate Charge reaches its peak, the requirement for grant funding, excluding the London Stadium, will be eliminated.

Appendix 1 – GLA budget submission

Explanation of budget changes

7.11 An analysis of the year-on-year movement in the Mayor’s council tax requirement for LLDC, compared to the Mayor’s revised budget for LLDC in 2023-24 is set out in the following table. An explanation of the year-on-year changes is provided in the paragraphs that follow.

| Changes in the council tax requirement | £m |
|---|------------|
| 2023-24 council tax requirement | 0.0 |
| Changes due to: | |
| Net change in service expenditure and income | -8.2 |
| Including: | |
| Savings and Efficiencies | 2.0 |
| Inflation | 5.1 |
| Use of reserves | 16.4 |
| Retained business rates funding | -0.8 |
| GLA funding for financing costs | -3.0 |
| Additional funding required | -4.4 |
| 2024-25 council tax requirement | 0.0 |

Net change in service expenditure and income

7.12 The budget for 2024-25 reflects a £8.2 million net decrease in net service expenditure. This figure is net of several items, including:

- Expected increases in income following the re-procurement of some of LLDC’s major venue operator contracts.
- An increase in Fixed Estate Charge, reflecting inflation uplifts to be applied according to the respective leases (residential and commercial tenants) and the expected handover of East Bank buildings to the partners.
- Various movements to Trading and property rental income forecasts, including increases in income from the interim uses of LLDC’s development plots (where development is yet to commence).
- An increase in planning-related income (e.g. planning fees and pre-planning consultation recharges) reflecting increased levels of activity until the planned reversion of town planning powers to the local boroughs.
- An increase in events and programming income reflecting increased hires on and around the Park, including for filming opportunities.
- An increase in expenditure in Planning Policy and Decisions to support additional activity and income.
- An increase in Regeneration and Community Partnerships expenditure in 2024-25 for SHIFT activities, which supports the generation of income.

Appendix 1 – GLA budget submission

Savings and efficiencies

7.13 The budget incorporates planned savings and efficiencies of £2.0 million, expected to be delivered from:

- **Income opportunities:** From events and programmes held on the Park, including photoshoot and film hires, and additional income secured through the venue operational contracts procurements.
- **Discretionary spend:** Savings built into the budget include professional fees, marketing and communications, IT costs and savings expected from a rationalisation of LLDC's office space following a move from its current offices to an office building owned by Transport for London (part of the GLA Group). It also includes some early expected savings from the venue operational contracts procurements. LLDC has continued to protect spend on Inclusion and Diversity, which is a priority area.

Inflation

7.14 The budget includes a provision for inflation of £5.1 million. This is predominantly for inflationary pressures at the London Stadium, particularly on energy costs, which are outside of the Stadium's immediate control, but also includes c£0.4m relating to pay inflation.

Change in use of reserves

7.15 LLDC's reserves have been subsumed into the GLA's earmarked MDC reserve. There is a decrease of £16.4 million in the use of these reserves (compared to last year), reflecting the net impact of changes within the budget outlined earlier and the reduced amount of remaining funding available within the reserve.

Change in retained business rates

7.16 LLDC will receive £30.5 million in funding via retained business rates in 2024-25, a decrease of £0.8 million compared to 2023-24.

Change in GLA funding for financing costs

7.17 LLDC will receive £16.4 million in funding via retained business rates in 2024-25, an increase of £3.0 million compared to 2023-24 reflecting the increase in the level of borrowings from the GLA and changes in interest rates.

Additional funding required

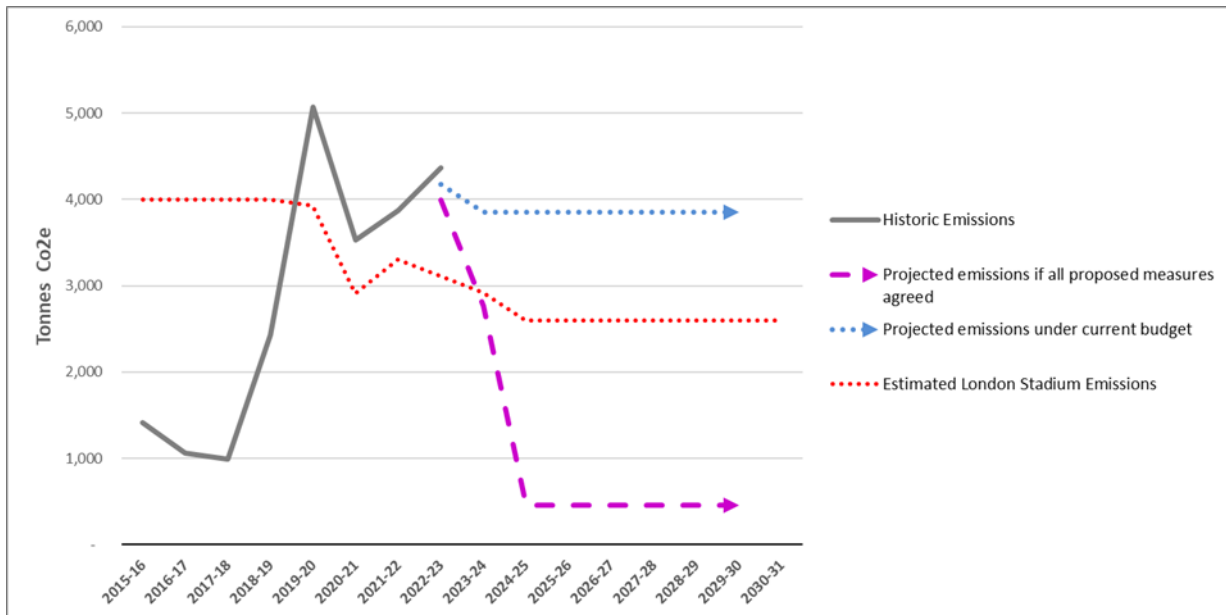
7.18 Additional funding of £4.4 million is required from the GLA for the London Stadium, largely due to inflationary pressures, particularly on energy costs, which are outside of the Stadium's immediate control. The additional funding requirement is net of targeted efficiencies elsewhere in the Stadium, including energy consumption reductions from recent investments, such as the LED 'back of house' lighting project.

Environmental impact and Climate Budget

7.19 This section of the submission outlines LLDC's response to supporting the Mayor to achieve his target to make London net zero carbon by 2030.

Appendix 1 – GLA budget submission

7.20 The following graph highlights the impact of LLDC’s climate measures on its CO₂ emissions:



7.21 Notes:

- The graph shows LLDC’s historic emissions¹ (grey), projected emissions based on measures included in current budgets (blue – illustrative only) and projected emissions based when including actions not currently in budget (pink – illustrative only).
- Historic emissions include transformation from Olympic venues’ ‘Games mode’ to improved efficiency in ‘Legacy mode’ from 2014 to 2016. Acquisition of the London Stadium operator in 2018 causes the grey line’s peak, before energy consumption is reduced as a result of energy efficiency measures but also the substantial impact of the Covid-19 pandemic.
- The grey line commences with a ‘bounce back’ from the pandemic, before showing anticipated savings associated within budget (blue) and not yet within budget (purple) carbon reduction measures.
- The dotted purple line includes the potential (2025-26) switch to fully renewable electricity under a GLA group power purchase agreement (PPA)².

7.22 The dotted purple dotted line also reflects an initial reduction in emissions from 2023 of approximately 1,000 tonnes CO₂ following the completed and planned solar energy and other energy efficiency measures at the London Stadium. From 2025, further emissions reductions of approximately 2,303 tonnes are projected following the switch to the GLA PPA (which is subject to a value for money test for functional bodies and has a risk of delay).

¹ With the London Stadium included from 2018-19

² Note that all of LLDC’s electricity is currently from renewable sources

Appendix 1 – GLA budget submission

7.23 The main climate measures currently included in LLDC’s budget 2024-25 to 2026-27 are set out in the following table (further details in the Appendix):

| Climate measure | Anticipated reduction in CO ₂ emissions 2024 to 2027 | Anticipated total funding required 2024 to 2027 (£000) | Type of funding required (capital/revenue or mixed) |
|--|---|--|---|
| 1) London Stadium back-of-house lighting (LED) | 46 | 100 | Capital |
| 2) London Stadium - kiosks and TV automated controls | 33 | 100 | Capital |

7.24 The actions required to implement the climate measures outlined in the table, above, are as follows:

- Replacement of halogen back of house lighting at the London Stadium with LEDs.
- Upgrades to automate the kiosk and TV controls at the London Stadium.

Green tariffs and air travel

7.25 Regarding the use of green energy tariffs, LLDC anticipates transferring from a REGO3-back renewable energy contract to the GLA’s renewable Power Purchase Agreement (PPA) during the 2025-26 financial year or otherwise as soon as available.

7.26 Emissions from staff air travel have been calculated as 9CO₂ tonnes in the last financial year. LLDC offsets these emissions by an independently verified tree planting carbon offset scheme – delivered by Trees for Cities, verified by Avieco.

Future measures

7.27 As can be seen in the previous graph, there remains a potential gap in delivering the Mayor’s net zero 2030 target. A list of currently unfunded climate measures includes decarbonising the District Energy Network and the cost uplift for achieving 1.5 degree-aligned housing, retail and commercial developments across LLDC’s remaining development pipeline.

Equalities

7.28 LLDC was established to deliver the legacy ambitions of the London 2012 Games through ‘the regeneration of an entire community for the direct benefit of everyone who lives there’. The host boroughs for the London 2012 Games contained some of London’s most deprived neighbourhoods and communities and ambitious plans had long been fostered to regenerate this part of east London: to transform the post-industrial landscape while preserving local heritage and to create stronger economic conditions and better life chances for its residents.

7.29 LLDC promotes equality through its objectives to:

- establish successful and integrated neighbourhoods where people want and can afford to live, work, and play.

³ Renewable Energy Guarantees of Origin

Appendix 1 – GLA budget submission

- retain, attract and grow a diverse range of high-quality businesses and employers, and maximise employment opportunities for local people and under-represented groups.
- create a global, future-ready exemplar for the promotion of cross-sector innovation in technology, sustainability, education, culture, sport, inclusion and participation.

7.30 In addition, LLDC is promoting equality by putting in place arrangements to create more affordable housing within the residential developments around QEOP which have yet to be contracted.

7.31 Key positive actions being taken by LLDC include:

- A refocus of the EDI priorities to concentrate on supporting talent from within, particularly colleagues from under-represented groups, the creation of dedicated EDI learning pathways, and a dedicated focus on data capture and data improvement relating to EDI.
- A third-party review of its recruitment processes, which has helped develop suite of toolkits, related to the priorities identified by the project (talent attraction, fair and transparent applications, assessment and selection, inclusive decision making and inclusive onboarding).
- Hosting national and international awareness and celebration days, including a programme of recent internal events and engagement including ‘Taste and Talk’ events, which create a social space with homemade food for colleagues to spend time together and learn about and celebrate different cultures and religious celebrations.

7.32 LLDC’s published budget submission to the Mayor can be found here [link to website to be added once budget is published].

Appendix 1 – GLA budget submission

Capital Strategy

7.33 LLDC's detailed five-year capital spending plan (CSP) of £490 million over 2023-28 can be summarised as follows:

- construction and completion of the East Bank educational and cultural district at Stratford Waterfront of £197 million;
- repayable loans to BBC-UAL towards the cost of their East Bank buildings of £32 million (net of repayments to LLDC);
- section 106 infrastructure works and planning, design and other costs to deliver housing developments, including required equity to invest in the Stratford Waterfront and Bridgewater and Pudding Mill Lane residential development joint ventures of £178 million; and
- Stadium, Park and venue lifecycle and other capital projects, including Hostile Vehicle Mitigations on the Park, of £50 million.

7.34 LLDC has no shortfall between its spending need and likely level of resource over the fifteen-year period from 2026-27. This is because, after allowing for the GLA direct capital grants to LLDC, it is anticipated that capital receipts will be received to repay the GLA's investment in the Park.

Appendix 1 – GLA budget submission

7.35 LLDC's draft Capital Plan to 2027-28, is set out in the following table.

| Draft capital plan | Forecast | Budget | Plan | Plan | Plan |
|--|--------------------------|---------------|---------------|---------------|---------------|
| | Outturn 2023-24 £m | 2024-25 £m | 2025-26 £m | 2026-27 £m | 2027-28 £m |
| <i>Expenditure</i> | | | | | |
| East Bank | 171.3 | 22.9 | 0.8 | 0.8 | 0.8 |
| Development | 17.5 | 44.1 | 55.3 | 29.2 | 32.3 |
| Stadium | 4.4 | 8.8 | 3.8 | 6.2 | 5.9 |
| Park and Venues | 9.6 | 3.1 | 2.1 | 1.8 | 4.4 |
| Regeneration | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Finance, Commercial and Corporate Services | 3.6 | 6.9 | 0.3 | -0.7 | -0.8 |
| Corporation Tax and Contingency | 6.4 | 5.4 | 1.3 | 1.8 | 8.7 |
| BBC/UAL Loan Cash Adjustment | 9.6 | 37.4 | -4.9 | -4.9 | -4.9 |
| Total expenditure | 222.5 | 128.6 | 58.7 | 34.2 | 46.4 |
| <i>Funding</i> | | | | | |
| Capital Receipts | 2.6 | 18.9 | 48.9 | 13.9 | 102.5 |
| Capital Grants & Third Party Contributions | 30.7 | 50.5 | 7.7 | 0.0 | 0.0 |
| Borrowing | 99.8 | 5.0 | -2.9 | -12.6 | -59.8 |
| GLA Grant | 89.5 | 54.2 | 5.0 | 32.9 | 3.6 |
| Total funding | 222.5 | 128.6 | 58.7 | 34.2 | 46.4 |

Appendix 1 – GLA budget submission

Appendix London Legacy Development Corporation

Table 1: LLDC - Subjective analysis

| Subjective analysis | Revised Budget | Forecast Outturn | Budget | Plan | Plan |
|------------------------------------|----------------|------------------|--------------|--------------|--------------|
| | 2023-24 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| | £m | £m | £m | £m | £m |
| Employee expenses | 11.7 | 11.5 | 11.5 | 6.0 | 6.0 |
| Premises costs | 1.0 | 1.1 | 1.1 | 0.5 | 0.5 |
| Supplies and services | 53.0 | 54.4 | 41.7 | 36.7 | 36.0 |
| Total operating expenditure | 65.7 | 67.0 | 54.3 | 43.2 | 42.5 |
| Financing costs | 13.3 | 13.3 | 16.3 | 16.4 | 16.3 |
| Total expenditure | 79.0 | 80.3 | 70.6 | 59.6 | 58.8 |
| Park, Operations and Venues | -5.4 | -5.3 | -7.0 | -7.6 | -7.8 |
| Trading | -7.8 | -10.6 | -3.2 | -3.1 | -3.0 |
| Development | -0.8 | -1.1 | -0.9 | -0.8 | -0.8 |
| Regeneration | -0.3 | -0.9 | -2.0 | 0.0 | 0.0 |
| Corporate | -2.7 | -0.7 | -3.7 | -3.2 | -3.3 |
| Planning Authority | -1.7 | -2.3 | -1.7 | 0.0 | 0.0 |
| Total income | -18.7 | -20.9 | -18.5 | -14.7 | -14.9 |
| Transfer to / from (-) MDC Reserve | -17.3 | -16.4 | -0.9 | -0.3 | 0.0 |
| Additional funding required | 0.0 | 0.0 | -4.4 | -5.5 | -4.4 |
| Financing Requirement | 43.0 | 43.0 | 46.7 | 39.1 | 39.5 |
| Retained Business Rates | 29.7 | 29.7 | 30.5 | 22.7 | 23.2 |
| GLA funding for financing costs | 13.3 | 13.3 | 16.3 | 16.4 | 16.3 |
| Council tax requirement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Appendix 1 – GLA budget submission

Table 2: LLDC - Capital financing costs

| Capital financing costs | 2024-25 | 2025-26 | 2026-27 |
|---------------------------------|----------------|----------------|----------------|
| | £m | £m | £m |
| Provision for repayment of debt | 0.0 | 0.0 | 0.0 |
| Interest on GLA loan | 16.3 | 16.4 | 16.3 |
| Total | 16.3 | 16.4 | 16.3 |

Table 3: LLDC - Authorised limit for external debt

| Authorised limit for external debt | Current Approval | Revised Approval | Proposed | Proposed | Proposed |
|---|-------------------------|-------------------------|-----------------|-----------------|-----------------|
| | 2023-24 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| | £m | £m | £m | £m | £m |
| Borrowing | 550.0 | 550.0 | 550.0 | 550.0 | 550.0 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 550.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Table 4: LLDC - Operational limit for external debt

| Operational limit for external debt | Current Approval | Revised Approval | Proposed | Proposed | Proposed |
|--|-------------------------|-------------------------|-----------------|-----------------|-----------------|
| | 2023-24 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
| | £m | £m | £m | £m | £m |
| Borrowing | 500.0 | 540.0 | 540.0 | 540.0 | 540.0 |
| Long term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 500.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Appendix 1 – GLA budget submission

Table 5: Existing climate measures included in budget (abridged Table A)

See LLDC’s published submission for the full Tables A, B and C

| ID | Climate Action Area | Climate Action | Description | Milestones for 2024/2025 | Total expenditure 2023/24 £000 | Total expenditure 2024/25 £000 | Total expenditure 2025/26 £000 |
|-----|---------------------|---|---|--|--------------------------------|--------------------------------|--------------------------------|
| A8 | Infrastructure | Pool Street Connectivity Project | Redesign of the highways to introduce dedicated cycle lanes, wider pavements and landscaping | | 1,524 | 1,383 | 133 |
| A9 | Infrastructure | Marshgate Lane Greenway Links Connectivity Project | Redesign of public footways to provide accessible pedestrian and cycle ramps to Greenway | Complete RIBA Stage 2, 3 design. Transfer delivery responsibility to LB Newham. Undertake engagement and design of lighting, artwork and wayfinding. | 20 | 319 | 0 |
| A10 | Infrastructure | Carpenters Road West Walking and Cycling Project | Redesign of the highways to introduce dedicated cycle lanes | Complete RIBA Stage 2, procure RIBA Stage 3 design. | 150 | 56 | 0 |
| A11 | Infrastructure | Marshgate Lane Schools Link Walking and Cycling Project (Tower Hamlets) | Redesign of the highways to introduce dedicated cycle lanes | | 39 | 590 | 0 |
| A12 | Infrastructure | Copper St Crossing | Redesign of the highways to improve walking, wheeling and cycle infrastructure, delivery 2024. | | 30 | 100 | 0 |
| A13 | Infrastructure | Here East Cycle Lane reinstatement - Walking and Cycling projects | Design services to ensure up-to-date reinstatement of infrastructure, delivery 2023. | | 0 | tbc | tbc |
| A14 | Infrastructure | Pudding Mill Lane/Bridgewater Greenway Connection | Introduction of improved walking connection to the Greenway from Bridgewater, towards Pudding Mill Lane | Procure and appoint design team to consider options (Q1) | 0 | 100 | 1,000 |

Appendix 2 – LLDC Capital Strategy 2024/25

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 projects that deliver Mayoral 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'*
 - Set out how LLDC identifies, priorities and programmes funding requirements from the GLA arising from business plans and project proposals that are submitted through LLDC's governance process
 - Consider options available for funding capital expenditure and identify the resources available for investment over the long-term
 - Identify capital income streams, assessing the associated risks and profiling
 - Establish effective arrangements for the oversight and management of expenditure, including the assessment of deliverability, outcomes, budget profiling and value for money

3. Benefits

- 3.1. The benefits of preparing a Capital Strategy are to:
 - Provide a clear framework in which LLDC's capital investment decisions are made

- Help ensure LLDC's capital plans aligns to the Mayor's priorities and, ultimately, achieves LLDC's mission (set out in 1.2)
- Promote transparency and accountability, ensuring that LLDC takes ownership of its decisions and commitments

4. Approach

- 4.1. To help ensure capital resources are allocated optimally and deliver value for money, LLDC's long-term capital planning is determined in parallel with the annual statutory GLA budget process.
- 4.2. LLDC has a Long Term Model, which underpins the Capital Strategy and forecasts LLDC's capital income and expenditure over a long-term period, using assumptions about economic factors (e.g. inflation), future spending scenarios (e.g. major capital projects) and other salient variables (e.g. staffing levels). The Long Term Model enables LLDC to plan and align its financial capacity with its corporate strategy and objectives.
- 4.3. LLDC operates within the overall legislative and governance framework provided by the GLA Act 1999 and 2007 (which include the London Assembly's power of summons and budgetary approval), provisions of the Local Government Act 1972 (for example, in relation to public access to meetings and information) and the Localism Act 2011. To aid good decision making and ensure that public funds are optimally utilised, LLDC has in place a capital investment oversight and appraisal mechanism that includes:
 - **LLDC Board:** Review and approval of all capital investment decisions above £20.0m; annual review and approval of the LLDC Capital Budget before submission to the GLA.
 - **LLDC Investment Committee:** Review and approval of all capital investment decisions between £10.0m and £20.0m; review of quarterly Corporate Management Accounts, which includes year-to-date capital expenditure versus budget and forecast outturn for the financial year; annual review and recommendation of the LLDC Capital Budget for Board approval before submission to the GLA.
 - **Executive Management Team:** Review and approval of all capital investment decisions between £0.25m and £10.0m¹; annual review of the LLDC Capital Budget prior to submission to the Investment Committee and Board (see above); review of monthly Corporate Management Accounts and other business updates that have an impact upon capital income or expenditure.
 - **Project Boards:** For major projects such as East Bank there are project boards with responsibility for oversight of project delivery, risk, programme and budget.

¹ The Executive Management Team will review all capital investment decisions above £10m prior to their submission to Investment Committee or Board

- 4.4. The Long Term Model is reviewed and updated on an annual basis (as a minimum) and shared with key stakeholders, including the GLA and the LLDC Board, as part of the annual budget setting process. It is monitored throughout the year and referenced in any business cases that arise during the financial year.
- 4.5. The Capital Strategy is updated on an annual basis as part of the budget submission process and reviewed by the Executive Management Team, Investment Committee and Board² prior to submission to the GLA.

5. Influences

- 5.1. Key influences upon LLDC's Capital Strategy include:

Internal

- **Queen Elizabeth Olympic Park (QEOP) Strategy to 2025:** The previous QEOP strategy, written in 2015 and updated in October 2016 to reflect the priorities of the (then) newly elected Mayor of London, outlined the work involved in transforming Queen Elizabeth Olympic Park into a new and unique visitor destination following the London 2012 Games. LLDC and its partners have agreed a 2030 Vision for Queen Elizabeth Olympic Park, to create “*an innovative London metropolitan centre with a global focus, powered by inclusive growth and with community and opportunity at its heart.*” In 2021, a new QEOP Strategy to 2025 was published, [link here](#). The strategy outlines key activities LLDC will take forward between now and the Transition of LLDC to support delivery of the 2030. Its structure mirrors the three strands of the Vision: Inclusive Growth, Community and Opportunity.
- **LLDC Local Plan:** sets out LLDC's strategy for the sustainable development of its planning area, including the general amount, type and location of new development it considers could take place and the policies to which applications for planning permission should conform to meet these objectives. LLDC's planning powers, including preparing and implementing the Local Plan, represent one part of its role as a development corporation.
- **Housing Delivery Plan:** This sets out LLDC's ongoing delivery strategy in relation to its land holdings within Queen Elizabeth Olympic Park and the wider Mayoral Development Corporation area.

External

- **The Mayor of London/GLA:** As set out in the following section, LLDC's Capital Strategy aligns to the Mayor's priorities including Housing, Accommodating Growth and Environment, Transport and Public Space. Clearly, a change in Mayor can bring with it a change in policy direction. In addition, the GLA is LLDC's main funder, providing funding for capital investment, which will be

² The LLDC Board has final approval of the budget before it is submitted to the GLA

repaid over the long term. LLDC maintains a continuous dialogue with the GLA at both a policy and operational level, which helps inform capital investment proposals and decisions.

- **Local authorities within LLDC area:** The mayors from each of the four ‘host’ boroughs, London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest, are members of the LLDC Board.
- **Key partners:** For example, for the East Bank project these include the V&A, Sadler’s Wells, University of the Arts London (UAL), BBC and University College London (UCL). Elsewhere, these also include Balfour Beatty Investments Limited and Places for People (East Wick and Sweetwater), Delancey (Here East) and Ballymore (Stratford Waterfront and Bridgewater Triangle).
- **Macro-economic factors:** As a development corporation, LLDC is involved in significant levels of development activity, incurring capital expenditure (such as construction costs) as well as generating capital receipts. These mean that it is exposed to key economic factors such as inflation (in particular house price and construction cost inflation), labour costs, interest rates and taxation rates. Each of these factors will influence capital investment decisions and outcomes.

6. Policies

6.1. LLDC’s Capital Strategy aligns to the Mayor’s priorities – these are set out in the following table:

| Mayor’s priority | Examples of aligned projects |
|---------------------------|---|
| <i>Arts and culture</i> | <ul style="list-style-type: none"> • East Bank (V&A, Sadler’s Wells, UAL, BBC and UCL) |
| <i>Affordable housing</i> | <ul style="list-style-type: none"> • Housing (including Chobham Manor, East Wick and Sweetwater, Stratford Waterfront, Pudding Mill Lane and Rick Roberts Way) and associated major infrastructure works |
| <i>London’s economy</i> | <ul style="list-style-type: none"> • East Bank (V&A, Sadler’s Wells, UAL, BBC and UCL), Here East, London Stadium |
| <i>Environment</i> | <ul style="list-style-type: none"> • Carbon reduction projects such as LED lighting and solar membrane at the London Stadium (as captured in LLDC’s Climate Budget) |

6.2. There are links between the Capital Strategy and the Treasury Management Strategy, which is reviewed and approved annually by the LLDC Board. LLDC is part of the GLA group investment arrangements.

7. Capital Ambition

7.1. LLDC's 20-year Capital Ambition³ is framed within the following financial parameters, as agreed with the GLA and in line with the Prudential Code:

- Maximum borrowing limit of £550m;
- Direct capital grant funding will be provided by the GLA towards the East Bank project and to remain within the borrowing limits; and
- The requirement for LLDC to be able to demonstrate that it can repay its borrowing from the GLA across all its activity, including from the proceeds of housing developments.

7.2. LLDC has four priority themes, which drive its objectives and outcomes and to which this Capital Strategy is aligned – these are:

- Delivering inclusive growth and community well-being
- Delivering sustainable development and responding to the climate emergency
- Delivering high quality design
- Delivering inclusion and diversity

7.3. The priority capital programmes included in LLDC's Capital Ambition (included in the Capital Investment Plan⁴ at Appendix 1) are as follows:

East Bank

Mayoral priorities: Arts and culture

LLDC and its partners, Sadler's Wells, UAL, V&A in collaboration with Smithsonian and UCL have been working together to bring forward transformative, world-leading additions to the education and cultural offer in Stratford.

The key elements are to establish a new campus for UCL (to be delivered by UCL), to the south of the Park (UCL East), and at Stratford Waterfront, a mixed educational and cultural district with housing on the Stratford Waterfront site. This will include a new V&A Museum, consolidation of all UAL's London College of Fashion on one site, a new Sadler's Wells dance theatre and a new building for the BBC's Symphony Orchestra and broadcasting studio currently located in Maida Vale, and residential development (covered further under 'Housing').

East Bank will bring an additional 1.5 million visitors to the Park and surrounding area each year, create more than 2,500 jobs and generate an estimated £1.5 billion for the local economy.

Within LLDC's Capital Ambition are the costs to be incurred by LLDC in delivering the Stratford Waterfront cultural and education buildings. The Capital Funding Plan⁵

³ As defined by the Mayor's Budget Guidance 2024-25 (issued July 2023)

⁴ As defined by the Mayor's Budget Guidance 2024-25 (issued July 2023)

⁵ As defined by the Mayor's Budget Guidance 2024-25 (issued July 2023)

(see Appendix 2) includes third-party funding for the East Bank project, including contributions towards costs from certain partners, lease premiums and philanthropic donations. The remaining net costs is funded through borrowings and direct capital grant funding from the GLA.

Housing delivery plans

Mayoral priorities: Affordable housing and London’s economy

LLDC secured outline consent to build five new neighbourhoods on the Park under the Legacy Communities Scheme (LCS) in 2012, with the aim of delivering 24,000⁶ homes by 2031. These are Chobham Manor, East Wick and Sweetwater, Rick Roberts Way, Pudding Mill Lane 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, 28% affordable and 75% family units.

The **East Wick and Sweetwater** neighbourhoods were originally planned to start in 2022 but were accelerated to bring forward housing, sooner. To do this successfully, LLDC included Private Rented Sector (PRS) housing into the housing mix and has also accelerated the social infrastructure to create successful and sustainable neighbourhoods.

The housing is being delivered by East Wick and Sweetwater Projects (Balfour Beatty Investments and Places for People). It will deliver c1,850 homes, approximately 34% affordable. Phase one (302 units in total) construction is complete (and properties occupied) and Phase 2 main works have started on site.

Income from the East Wick and Sweetwater development is included within ‘Capital Receipts’ in the Capital Funding plan. The expected receipts are based upon the terms of the development management agreement and are subject to external factors such as housing demand and house price inflation. LLDC also retain ownership of a portfolio of 28 PRS units from the development (known as the ‘co-investment units’), which will provide an income stream for 10-15 years, followed by a capital receipt when sold. Place for People manage these units on behalf of LLDC.

In June 2018, the Mayor announced that at least 50% of new homes across the remaining development sites on the Park – Stratford Waterfront, Pudding Mill and Rick Roberts Way - will be affordable, in line with the Mayor’s commitment that all sites he disposes of will be at least 50% affordable (sites already under contract remain unchanged). That commitment was embedded within the planning consent granted for Stratford Waterfront in July 2019.

Stratford Waterfront was initially intended, under the original LCS outline masterplan consent, to include a significant amount of residential development –

⁶ Note that this will be less due to the impact of the East Bank project on Stratford Waterfront

approximately 900 homes. Subsequent plans for East Bank reduced this residential provision to accommodate the new cultural and education district, with the intention that the residential delivered on Stratford Waterfront will help to cross-subsidise the East Bank project. Outline planning permission was granted in July 2019 and the developer procurement concluded in 2022 (Ballymore were appointed). This site, along with Bridgewater Triangle (part of Pudding Mill Lane) is being delivered via a joint venture with Ballymore in which LLDC is an equity investor using funds borrowed from the GLA.

Alongside Bridgewater, a detailed mixed-use masterplan has been developed for the site at **Pudding Mill Lane**, which will provide new homes, later living accommodation, employment space, retail, a nursery, medical centre, pharmacy and community uses, alongside new public spaces. The masterplan envisages c.950 homes across a range of unit types and tenures targeting up to 45% affordable housing by habitable room in a mix of Social Rent, London Living Rent and Shared Ownership. Outline planning application approved by the Planning Decisions Committee in October 2022 and the procurement for a joint venture partner is underway.

LLDC has now completed the procurement for a developer at **Rick Roberts Way**, which has an obligation to deliver the balance of the portfolio affordable housing on the site. The site is subject to a planning obligation as part of the Stratford Waterfront scheme to help LLDC provide a portfolio approach of 50% affordable housing.

Development

Mayoral priorities: Affordable housing

Development expenditure contained within the Capital Investment Plan includes the cost of discharging LLDC's Section 106 obligations under the LCS planning consent. It also covers the significant investment required in necessary infrastructure to deliver the housing developments – for example, roads and bridges.

London Stadium

Mayoral priorities: London's economy and Environment

LLDC owns the freehold to the London Stadium and leases it to E20 Stadium LLP (a subsidiary of LLDC) on a long lease (until 2115).

LLDC's capital expenditure on the Stadium mainly includes funding for lifecycle and improvement works (such as spend to save and energy efficiency projects).

8. Capital Funding

- 8.1. Funding for LLDC's capital programme was previously on the basis that capital investment would be self-financing over the long term, repaid from capital receipts generated from the exploitation of LLDC's ownership of development platforms on and around the Park, ultimately generating a surplus to be paid to the GLA.
- 8.2. LLDC's capital investment falls within, and needs to comply with, the CIPFA 'Prudential Code for Capital Finance in Local Authorities' (the Code). Under the Code local authorities (including LLDC) have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver capital plans and programmes.
- 8.3. However, the GLA is providing significant levels of capital grant funding to ensure LLDC's level of borrowings remain prudent and to directly fund part of the East Bank project.
- 8.4. This means that whilst LLDC's LTM generates a long-term capital 'surplus', this is reliant upon the recycling of land receipts into funding from the GLA, which, ultimately, will only be provided by the GLA to enable LLDC to achieve an overall capital breakeven position.
- 8.5. LLDC's third-party funding sources include:
 - Capital receipts from the sale of land and property
 - Partner contributions
 - Philanthropic donations to East Bank
 - Section 106 and Community Infrastructure Levy (as developer)
- 8.6. LLDC regularly reviews its capital receipt assumptions and 'stress-tests' these in particular circumstances. LLDC regularly shares the outputs of such exercises with its funded, the GLA, to ensure the sensitivity and risks associated with LLDC's capital receipt assumptions are clearly understood, particularly in circumstances where these receipts are subject to third party and/or market performance. When and where appropriate, LLDC also considers exit plans for key contractors.
- 8.7. LLDC's Capital Funding Plan can be seen at Appendix 2.

9. Ambition Gap

9.1. As set out in Section 8, LLDC’s capital plan breaks even over time. The breakeven point falls outside of the 20-year timeline in the Capital Investment Plan; the difference between the Capital Investment Plan and the Capital Funding Plan is met through borrowings from the GLA.

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 under-performance against expectations | Close working with development partners and monitoring of housing market conditions, including inputs from third-parties (e.g. property consultants) |
| Impact of macroeconomic conditions on demand for housing, cost of building or industry capacity and other supply chain issues | Close work with development partners, close economic and financial monitoring, including of potential supply chain issues. |
| Lack of progress towards Mayor’s 2030 Net Zero Carbon target | Close working and engagement with the GLA’s Climate Budget Working Group and Environmental Implementation Group (chaired by the Deputy Mayor for Environment and Energy). Production of annual Climate Budget and development of LLDC’s Climate Action Strategy. |
| East Bank does not deliver within current budget or delays to the East Bank project resulting in financial implications | Effective design management and coordination. Cost control. Close work with Mace, the Project Management Partner, Arcadis, who provide commercial assurance on the project, East Bank partners, GLA and Government. ‘Three lines of defence’ assurance approach. |

11. Appraisal

11.1. Capital proposals are developed, appraised and monitored as follows:

- **LLDC Board:** Review and approval of all capital investment decisions above £20.0m; annual review and approval of the LLDC Capital Budget before submission to the GLA.
- **LLDC Investment Committee:** Review and approval of all capital investment decisions between £10.0m and £20.0m; review of quarterly Corporate Management Accounts, which includes year-to-date capital expenditure versus budget and forecast outturn for the financial year; annual review and recommendation of the LLDC Capital Budget for Board approval before submission to the GLA.
- **Executive Management Team:** Review and approval of all capital investment decisions between £0.25m and £10.0m⁷; annual review of the LLDC Capital Budget prior to submission to the Investment Committee and Board (see above); review of monthly Corporate Management Accounts and other business updates that have an impact upon capital income or expenditure.
- **Corporate Change Board:** The forum in which formal requests (e.g. from project managers or budget holders) to modify the schedule, budget and/or scope of an existing project or to add a new project into a programme is approved and/or reported for noting. The Board's membership includes Executive Directors and Directors and is chaired by the LLDC Finance Director.
- **Project Boards:** For major projects such as East Bank there are project boards with responsibility for oversight of project delivery, risk, programme and budget.
- **Senior Budget Holders:** Each directorate has a senior responsible officer for their budget with delegated budget holders beneath them. Senior responsible officers have budgetary responsibility within their job descriptions and their annual personal objectives. Senior responsible officers are responsible for sponsoring any capital investment appraisal that relates to, and originates from, their directorate.
- **Project/Delivery Manager:** Each capital project will have an assigned project manager or lead whose responsibility it is to put forward capital investment proposals, see these through the necessary governance process, monitor and manage risk and budgets and, overall, secure successful delivery of the project. LLDC will often commission external project management services; however, in these instances, there must always be an identified individual within LLDC, at both a senior and operational level, with responsibility for the oversight of the external project manager.

⁷ The Executive Management Team will review all capital investment decisions above £10m prior to their submission to Investment Committee or Board

12. Capital Strategy – Delivery, Affordability and Risk

- 12.1. Within the Prudential Code it is the responsibility of the Chief Finance Officer (the Deputy Chief Executive at LLDC) to explicitly report on the delivery, affordability and the risks associated with this Strategy. This is set out in the following paragraphs.

Delivery

- 12.2. The delivery of the individual schemes in LLDC's Capital Investment Plan⁸ are set out in the original approval of the capital project supported by each project having a senior responsible officer and a project manager who are responsible for the delivery of the project and the subsequent achievement of the objectives of that project.
- 12.3. LLDC's Executive Management Team receive regular updates on capital budgets. These updates are driven by the requirement of internal and external financial reporting (e.g. quarterly budget monitoring reports), however in doing so the Executive Management Team can review and challenge the delivery of projects and any changes to both the timing and value of the Capital Investment Plan. There is also regular reporting on all major projects, and updates to the Housing Delivery Plan, both to the LLDC Executive Management Team and LLDC Board.
- 12.4. If, subsequent to a capital scheme being authorised, there are variations to the income expected to be generated from that project, or the cost of delivering the project, these will be brought to the Corporate Change Board (as appropriate) or Project Board and reported as a variance in monthly budget reporting (Corporate Management Accounts) and, if ongoing, will be included in the following year's budget proposals, which are reviewed by LLDC's Investment Committee and Board.
- 12.5. LLDC's Executive Management Team has ultimate responsibility for the oversight of delivery of the Capital Investment Plan.

Affordability

- 12.6. Affordability is critical in applying the Capital Strategy and approving projects for inclusion in the Capital Investment Plan.
- 12.7. This is demonstrated by the relevant project approval document (e.g. business case) identifying the income, expenditure and funding, appraisal of alternative options and the risks for any given project.
- 12.8. Affordability of each project needs to be clear, not only for the funding of the capital spend, but also to cover any ongoing revenue costs of the capital investment (e.g. maintenance costs).

Risks

- 12.9. The risks associated with capital investment should be made clear in any proposal, including how these risks will be mitigated (e.g. adequate project management

⁸ Regarded as LLDC's Long Term Model for operational purposes

and/or project boards, suitable skills for the delivery of the project, tax planning). Where relevant a full Quantitative Risk Assessment should be undertaken on the project and used to identify, quantify and manage risk over the lifetime of the project.

12.10. There are links between the Capital Strategy and the Treasury Management Strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by the Executive Management Team, Audit Committee (for the Treasury Management Strategy), Investment Committee and Board.

12.11. Borrowing limits are agreed with the GLA on an annual basis and all major projects are discussed with the GLA (and Mayoral approval sought as necessary).

13. Appendices

- Appendix 1 – Capital Investment Plan
- Appendix 2 – Capital Funding Plan

Appendix 1 – Capital Investment Plan

| Capital Investment Plan Table 1 | | Years | Capital Spending Plan (Schedule 1a) | | | | | | | |
|--|--|-------|-------------------------------------|---------------------------------|--|----------------------------|----------------------------|----------------------------|----------------------------|--|
| | | | 2022-23 Outturn £m | 2023-24 Revised Budget £m | 1 2023-24 Forecast Outturn £m | 2 2024-25 Plan £m | 3 2025-26 Plan £m | 4 2026-27 Plan £m | 5 2027-28 Plan £m | |
| Item | Further information | | | | | | | | | |
| East Bank | | | 157.4 | 143.6 | 171.3 | 22.9 | 0.8 | 0.8 | 0.8 | |
| Development | Incl infrastructure costs (required under S106 obligations) an | | 11.5 | 45.0 | 17.5 | 44.1 | 55.3 | 29.2 | 32.3 | |
| Stadium | Includes lifecycle costs and other capital investment | | 14.5 | 3.7 | 4.4 | 8.8 | 3.8 | 6.2 | 5.9 | |
| Park and Venues | Includes Park and venue lifecycle costs | | 10.1 | 8.1 | 9.6 | 3.1 | 2.1 | 1.8 | 4.4 | |
| Regeneration | | | 0.2 | 0.6 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Finance, Commercial and Corporate Services | Includes ICT and East Bank assurance costs | | 2.1 | 2.3 | 3.6 | 6.9 | 0.3 | -0.7 | -0.8 | |
| Corporation Tax and Contingency | Incurred on capital receipts and income | | 0.2 | 11.7 | 6.4 | 5.4 | 1.3 | 1.8 | 8.7 | |
| Other | Includes a cash versus accruals adjustments | | -11.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| BBC/UAL Loan Cash Adjustment | Adjustment for BBC/UAL loan | | 29.4 | 50.6 | 9.6 | 37.4 | -4.9 | -4.9 | -4.9 | |
| Total | | | 214.2 | 265.6 | 222.5 | 128.6 | 58.7 | 34.2 | 46.4 | |

| Capital Investment Plan Table 1 | | Years | Capital Strategy (Schedule 1b) | | |
|--|--|-------|---|--|--|
| | | | 6 to 10 2028-29 to 2032-33 Plan £m | 11 to 15 2033-34 to 2037-38 Plan £m | 16 to 20 2038-39 to 2042-43 Plan £m |
| Item | Further information | | | | |
| East Bank | | | 0.6 | 0.0 | 0.0 |
| Development | Incl infrastructure costs (required under S106 obligations) an | | 19.7 | 0.0 | 0.0 |
| Stadium | Includes lifecycle costs and other capital investment | | 19.0 | 3.3 | 0.0 |
| Park and Venues | Includes Park and venue lifecycle costs | | 17.7 | 11.6 | 15.0 |
| Regeneration | | | 0.0 | 0.0 | 0.0 |
| Finance, Commercial and Corporate Services | Includes ICT and East Bank assurance costs | | -3.7 | 1.0 | 0.4 |
| Corporation Tax and Contingency | Incurred on capital receipts and income | | 32.0 | 18.5 | 7.7 |
| Other | Includes a cash versus accruals adjustments | | 0.0 | 0.0 | 0.0 |
| BBC/UAL Loan Cash Adjustment | Adjustment for BBC/UAL loan | | -24.5 | -24.5 | -24.4 |
| Total | | | 60.8 | 9.9 | -1.3 |

Appendix 2 – Capital Funding Plan

| | | Capital Funding Plan | | | | | | | |
|---------------------------------|------------------------------|--|--------------------------|---------------------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Years | | 1 | 2 | 3 | 4 | 5 | |
| Capital Funding Plan Table 2 | Item | Further information | 2022-23 Outturn £m | 2023-24 Revised Budget £m | 2023-24 Forecast Outturn £m | 2024-25 Plan £m | 2025-26 Plan £m | 2026-27 Plan £m | 2027-28 Plan £m |
| | Capital Receipts | | 10.6 | 81.5 | 2.6 | 18.9 | 48.9 | 13.9 | 102.5 |
| | GLA Grant | | 108.7 | 49.0 | 89.5 | 54.2 | 5.0 | 32.9 | 3.6 |
| | East Bank | | 47.1 | 68.0 | 27.4 | 41.0 | 7.2 | 0.0 | 0.0 |
| | Other (incl Section 106/CIL) | Includes contributions towards projects (e.g. Section 106) | 4.5 | 6.4 | 3.3 | 9.5 | 0.5 | 0.0 | 0.0 |
| | Borrowing | GLA borrowings / Repayment of GLA borrowings | 13.8 | 10.1 | 90.2 | -32.4 | 2.0 | -7.7 | -54.9 |
| | Borrowing | Adjustment for BBC/UAL loan | 29.4 | 50.6 | 9.6 | 37.4 | -4.9 | -4.9 | -4.9 |
| | | | 214.1 | 265.6 | 222.6 | 128.6 | 58.7 | 34.2 | 46.3 |

| | | Capital Strategy | | | |
|---------------------------------|------------------------------|--|---|--|--|
| | | Years | | | |
| Capital Funding Plan Table 2 | Item | Further information | 6 to 10 2028-29 to 2032-33 Plan £m | 11 to 15 2033-34 to 2037-38 Plan £m | 16 to 20 2038-39 to 2042-43 Plan £m |
| | Capital Receipts | | 195.0 | 104.4 | 41.2 |
| | GLA Grant | | 34.5 | 21.2 | 0.0 |
| | East Bank | | 0.0 | 0.0 | 16.2 |
| | Other (incl Section 106/CIL) | Includes contributions towards projects (e.g. Section 106) | 0.4 | 0.0 | 0.0 |
| | Borrowing | GLA borrowings / Repayment of GLA borrowings | -144.6 | -91.1 | -34.4 |
| | Borrowing | Adjustment for BBC/UAL loan | -24.5 | -24.5 | -24.4 |
| | | | 60.8 | 10.0 | -1.4 |

Appendix 3 – Risks to the Budget

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

CAPITAL RISKS

1. Development receipts

Timing

LLDC has experienced challenges with the timing of capital receipts and slippage on development programmes in recent years, particularly due to viability issues faced by the contracted developers. This year there is an increased risk of delays to development programmes – and therefore the timing of capital receipts – due to acute inflationary and financing cost pressures and the impact of changes in Government fire safety regulations.

Market risk and house price inflation assumptions

Forecast development receipts are sensitive to market risk and house price indexation (HPI) assumptions. Small variations in the rates can have a large impact on receipts.

As set out in the Housing Delivery Plan update to the Board in July 2023, LLDC has updated its HPI assumptions based on an average of third-party London-wide forecasts (Savills, Knight Frank and Jones Lang LaSelle) who have updated their projections this year.

Rising mortgage interest rates, the cost-of-living crisis, and significant increases in construction costs are having a strong impact on both sales values (residential homes and land) as well as consumer appetite, particularly for first time buyers, with the expectation that the market will dip in the short-term, before returning to a steady forecasted growth, as previously seen.

Tender price inflation

Significant increases in tender price inflation (TPI) have impacted construction costs in recent years, due to a range of factors. Demand exceeded supply as the economy recovered from the worst impacts of the pandemic, with manufacturers and logistics companies struggling to scale up to manage pent-up demand.

Exacerbating this, Brexit and the war in Ukraine have caused labour and materials supplies shortages. While the outlook for TPI inflation is lower than last year, the commentaries continue to highlight the significant uncertainty and risks of volatility inherent in the forecasts. Although construction demand has held up to date, the rise in interest rates is affecting both construction companies who rely on credit but also major investors such as the local authorities who have invested significantly in housebuilding in recent years. While labour pressures are anticipated to remain acute, the outlook for other material costs looks more favourable.

Other assumptions

There is a risk that variations to other assumptions, such as financing costs and developer profits, could have a material impact upon LLDC's development receipts assumed within the Long Term Model. This is particularly relevant in current market conditions where development viability is under increasing pressure.

Demand from both developers and occupiers appears to be stalling, nationally, regionally and locally, due to the cost-of-living crisis. There is also uncertainty and

additional costs around the fire safety regulation, which puts added pressure on scheme viability.

2. Corporation Tax

LLDC is liable to pay corporation tax and there is a risk that changes in tax legislation or rulings from HMRC could have an adverse impact upon LLDC's forecasts.

3. East Bank

Anticipated Final Cost

East Bank costs have increased by £50m in this budget submission. Significant risks remain on this project, including:

- Completion of design integration – significant design interface risks
- Package interface management – ongoing through to completion
- Commissioning and handover
- Supply volatility (material and labour) – ongoing through to completion

Key mitigations:

- Close scrutiny of the project by the LLDC senior executive – fortnightly project principles review with the Chief Executive and executive and key project personnel including the Mace executive lead; monthly Implementation Reviews (deep dive on all aspects of the project), ad hoc scrutiny of specific issues and regular meetings between the LLDC Chief Executive and key contractors;
- Three lines of defence, being the project team (first line), Arcadis commercial assurance (second line) and an independently chaired Risk and Assurance Board¹ (third line);
- Transparency in reporting – to partners through project governance, the GLA at Finance and Policy Liaison, but also quarterly monitoring reports now contain project anticipated final costs vs budget; and
- Close monitoring of risks and risk mitigation.

Philanthropic funding

The fundraising environment continues to be challenging; however, work continues on securing philanthropic funding. Notwithstanding, there is a risk that the philanthropic receipts assumed in the Long Term Model are not raised.

4. District Heating Network

With the greater decarbonisation of the grid, there is a significant risk (with associated costs) that the District Heating Network falls below the requirements of building regulations for new connections. Work, including the lobbying of Government (who recently announced their support for the phasing of improvements/decarbonisation to existing infrastructure) and discussions with Equans (who have agreed the installation of a first heat pump) are ongoing to mitigate the risk.

¹ the Chair also attends Implementation Review meetings and relevant discussions at the Investment Committee

5. Asset disposals

LLDC currently owns and is responsible for a range of infrastructure and other assets (including roads and bridges) that will require future adoption by third parties, such as the local boroughs.

6. Lifecycle

There is a risk that the current lifecycle provision across the estate is not sufficient.

REVENUE RISKS

7. Inflation

The budget last year included significant increases for cost inflation, particularly for utility-related costs, which were being funded through additional GLA revenue grant. This year there is further inflationary increases, largely at the London Stadium, for which additional GLA funding is required.

There is a risk, however, that if inflation increases beyond the levels provided for, then LLDC's carry-forward funding may be fully utilised earlier than currently assumed; this would require additional GLA funding to mitigate such pressures.

8. Commercial sponsorship and new attractions risk

The budget currently assumes additional income per year from the Marketing, Sponsorship and Park Assets strategy and Park Business Plan (e.g. advertising or naming rights on individual assets and/or Park-wide). There is a risk that the full extent of the budgeted new income is not achieved within the timeframes.

9. Rental income

The rental income from Public Rented Sector (PRS) units on the Eastwick and Sweetwater development is dependent on the timing of the development. Any delays to the construction programme will have a knock-on effect to the timing of when the rental income will be received.

The Here East rental agreement pays 10% of net rental income received on a cash basis to LLDC. There is the risk that Here East takes longer to reach the expected levels of net cashflow, thereby impacting the amount and timing of any receipt of rental income for LLDC. Here East have an option to buy out LLDC's rental interest at market value, which would result in a credit to LLDC's borrowings from the GLA, however the rental stream forgone is significant.

10. Trading performance

LLDC has made good progress in reprocurring its Estates and Facilities Management and venue operator contracts. Whilst this has secured savings/increased income, LLDC is still exposed to risk within the contracts – for example, utilities cost risk at the London Aquatics Centre.

Note that there is no provision in the budget for repayment of the ArcelorMittal Orbit loan (and interest on the loan) as this is assumed to fall outside of the budget period.

11. E20 Stadium LLP (E20)

E20 deficit funding is included within LLDC's revenue budget and is based upon the consolidated E20 and London Stadium 185 Limited (LS185) 5-year baseline (updated for this budget submission). There is a risk that E20 and LS185 do not deliver within the business plan baseline and/there is a continuing adverse impact upon its operations that increases costs and/or reduces revenue income.

12. Post-transition costs

LLDC has made prudent assumptions about income and expenditure for the evolved organisation in 2025/26 and beyond. There is a general risk that income is lower and/or costs are higher than assumed for currently unknown/unforeseen reasons, such as a change in Local Government pension requirements/costs. Some provision is retained to absorb such changes; however, this will need to be monitored closely with the GLA to ensure the evolved organisation has adequate budget provision to deliver its responsibilities.

The risks outlined in this Appendix are included in the corporate and departmental risk registers and are managed through LLDC's embedded risk management process.

Appendix 4 – TABLE A: Existing climate measures included in budget

Items A1 to A7 – Part 1

| ID | Climate Action Area | Climate Action | Description | Funding source | Year funding starts | Year funding ends | Lifetime cumulative CO2e savings (tonnes) | Year emissions savings start | Average annual CO2e savings to 2030 (tonnes) | Co-benefits | Responsibility (Department) |
|----|---------------------|--|---|----------------------------|---------------------|-------------------|---|------------------------------|--|--|-----------------------------|
| A1 | Estate | Climate Action Strategy | Consultancy fees in relation to the development of LLDC's Climate Action Strategy. Includes various net zero/climate resilience guidance documents, feasibility studies and stakeholder engagement. | LLDC Sustainability budget | 2024/2025 | 2024/2025 | Enabler | Enabler | Enabler | Improved strategy to inform climate mitigation and adaptation measures. Broader stakeholder base involved in climate related activities. | Sustainability Team |
| A2 | Estate | Estate carbon monitoring and reporting. | Existing carbon monitoring and reporting platform that supports the planning of LLDC carbon interventions. | LLDC Sustainability budget | 2024/2025 | 2024/2025 | Enabler | Enabler | Enabler | Better prepared to plan and implement climate mitigation interventions. | Sustainability Team |
| A3 | Buildings | Building renovation | Repurpose the Old Ford site and building to provide a new permanent home for the currently temporary locations of the Park Depot and Park Headquarters, responsible for the ongoing management of Queen Elizabeth Olympic Park. | LLDC Development | 2023/2024 | 2025/2026 | Enabler | 2025/2026 | Enabler | Net zero commercial building renovation demonstrator. | Development |
| A4 | Buildings | LED lighting installation | Replace halogen back of house lighting at London Stadium with LED lighting. | London Stadium | 2024/2025 | 2028/2029 | 379 | 2024/2025 | 46 | Reduces business risk to price increases to utility costs. | London Stadium |
| A5 | Buildings | Energy Efficiency | Automate kiosk and TV controls at London Stadium | London Stadium | 2024/2025 | 2024/2025 | 275 | 2024/2025 | 33 | Reduces business risk to price increases to utility costs. | London Stadium |
| A6 | Buildings | Water efficiency | Water audit report and recommendations to identify water efficiency opportunities at London Stadium | London Stadium | 2023/2024 | 2023/2024 | Enabler | 2024/2025 | Enabler | Reduced demand on local water sources/ supply | London Stadium |
| A7 | Estate | Climate strategy, monitoring and reporting | New environmental reporting platform that supports monitoring and planning climate interventions | LLDC Sustainability budget | 2024/2025 | 2024/2025 | Enabler | 2024/2025 | Enabler | Improve resilience to climate risk | Sustainability Team |

Items A1 to A7 – Part 2

| ID | Climate Action Area | Climate Action | Description | Milestones for 2024/2025 | Total expenditure 2023/24 £000 | Total expenditure 2024/25 £000 | Total expenditure 2025/26 £000 | Capital/ Revenue/Mixed | Total cash savings 2023/24 £000 | Total cash savings 2024/25 £000 | Total cash savings 2025/26 £000 |
|----|---------------------|--|---|---|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| A1 | Estate | Climate Action Strategy | Consultancy fees in relation to the development of LLDC's Climate Action Strategy. Includes various net zero/climate resilience guidance documents, feasibility studies and stakeholder engagement. | Confirm funding/budget. Q1 draft brief and procure consultancy service in Q2. | 0 | 40 | - | Revenue | N/A | N/A | N/A |
| A2 | Estate | Estate carbon monitoring and reporting. | Existing carbon monitoring and reporting platform that supports the planning of LLDC carbon interventions. | n/a rolling contract to March 2025. | 11 | 11 | 0 | Revenue | N/A | N/A | N/A |
| A3 | Buildings | Building renovation | Repurpose the Old Ford site and building to provide a new permanent home for the currently temporary locations of the Park Depot and Park Headquarters, responsible for the ongoing management of Queen Elizabeth Olympic Park. | Submit planning application Q1. | 0 | 50 | 100 | Mixed | - | - | tbc |
| A4 | Buildings | LED lighting installation | Replace halogen back of house lighting at London Stadium with LED lighting. | Draft procurement strategy Q1. | 0 | 100 | 400 | Capital | 0 | 31 | 124 |
| A5 | Buildings | Energy Efficiency | Automate kiosk and TV controls at London Stadium | Complete procurement Q1. | 0 | 100 | TBC | Capital | TBC | TBC | TBC |
| A6 | Buildings | Water efficiency | Water audit report and recommendations to identify water efficiency opportunities at London Stadium | Complete water audit and report Q1, Develop water efficiency improvement action plan and business case for funding. | 0 | 0 | 0 | Revenue | 0 | 0 | 0 |
| A7 | Estate | Climate strategy, monitoring and reporting | New environmental reporting platform that supports monitoring and planning climate interventions | Complete specification of reporting platform Q1. | 0 | 0 | 0 | Revenue | N/A | N/A | N/A |

Items A8 to A14 – Part 2

| ID | Climate Action Area | Climate Action | Description | Funding source | Year funding starts | Year funding ends | Lifetime cumulative CO2e savings (tonnes) | Year emissions savings start | Average annual CO2e savings to 2030 (tonnes) | Co-benefits | Responsibility (Department) |
|-----|---------------------|---|---|--|---------------------|-------------------|---|------------------------------|--|---|-----------------------------|
| A8 | Infrastructure | Pool Street Connectivity Project | Redesign of the highways to introduce dedicated cycle lanes, wider pavements and landscaping | Community Infrastructure Levy | 2021/2022 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A9 | Infrastructure | Marshgate Lane Greenway Links Connectivity Project | Redesign of public footways to provide accessible pedestrian and cycle ramps to Greenway | Community Infrastructure Levy | 2022/2023 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A10 | Infrastructure | Carpenters Road West Walking and Cycling Project | Redesign of the highways to introduce dedicated cycle lanes | Community Infrastructure Levy | 2023/2024 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A11 | Infrastructure | Marshgate Lane Schools Link Walking and Cycling Project (Tower Hamlets) | Redesign of the highways to introduce dedicated cycle lanes | Section 106, Community Infrastructure Levy | 2021/2022 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A12 | Infrastructure | Copper St Crossing | Redesign of the highways to improve walking, wheeling and cycle infrastructure, delivery 2024. | Section 106, Community Infrastructure Levy | 2021/2022 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A13 | Infrastructure | Here East Cycle Lane reinstatement - Walking and Cycling projects | Design services to ensure up-to-date reinstatement of infrastructure, delivery 2023. | Transport for London | 2023/2023 | 2024/2025 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |
| A14 | Infrastructure | Pudding Mill Lane/Bridgewater Greenway Connection | Introduction of improved walking connection to the Greenway from Bridgewater, towards Pudding Mill Lane | Community Infrastructure Levy | 2021/2022 | 2028/2029 | Enabler | Enabler | Enabler | Improved air quality, increase uptake of active travel, improve health and wellbeing. | Development - Design Team |

Items A8 to A14 – Part 2

| ID | Climate Action Area | Climate Action | Description | Milestones for 2024/2025 | Total expenditure 2023/24 £000 | Total expenditure 2024/25 £000 | Total expenditure 2025/26 £000 | Capital/ Revenue/Mixed | Total cash savings 2023/24 £000 | Total cash savings 2024/25 £000 | Total cash savings 2025/26 £000 |
|-----|---------------------|---|---|--|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------|------------------------------------|------------------------------------|------------------------------------|
| A8 | Infrastructure | Pool Street Connectivity Project | Redesign of the highways to introduce dedicated cycle lanes, wider pavements and landscaping | | 1,524 | 1,383 | 133 | Capital | N/A | N/A | N/A |
| A9 | Infrastructure | Marshgate Lane Greenway Links Connectivity Project | Redesign of public footways to provide accessible pedestrian and cycle ramps to Greenway | Complete RIBA Stage 2, 3 design. Transfer delivery responsibility to LB Newham. Undertake engagement and design of lighting, artwork and wayfinding. | 20 | 319 | 0 | Capital | N/A | N/A | N/A |
| A10 | Infrastructure | Carpenters Road West Walking and Cycling Project | Redesign of the highways to introduce dedicated cycle lanes | Complete RIBA Stage 2, procure RIBA Stage 3 design. | 150 | 56 | 0 | Capital | N/A | N/A | N/A |
| A11 | Infrastructure | Marshgate Lane Schools Link Walking and Cycling Project (Tower Hamlets) | Redesign of the highways to introduce dedicated cycle lanes | | 39 | 590 | 0 | Capital | N/A | N/A | N/A |
| A12 | Infrastructure | Copper St Crossing | Redesign of the highways to improve walking, wheeling and cycle infrastructure, delivery 2024. | | 30 | 100 | 0 | Capital | N/A | N/A | N/A |
| A13 | Infrastructure | Here East Cycle Lane reinstatement - Walking and Cycling projects | Design services to ensure up-to-date reinstatement of infrastructure, delivery 2023. | | 0 | tbc | tbc | Capital | N/A | N/A | N/A |
| A14 | Infrastructure | Pudding Mill Lane/Bridgewater Greenway Connection | Introduction of improved walking connection to the Greenway from Bridgewater, towards Pudding Mill Lane | Procure and appoint design team to consider options (Q1) | 0 | 100 | 1,000 | Capital | N/A | N/A | N/A |

Appendix 5 – TABLE B: Unfunded climate measures required to facilitate net zero 2030 target

Items B1 to B8 – Part 1

| ID | Climate Action Area | Climate Action | Description | Funding source | Year funding starts | Year funding ends | Lifetime cumulative CO2e savings (tonnes) | Year emissions savings start | Average annual CO2e savings to 2030 (tonnes) | Co-benefits | Responsibility (Department) |
|----|--|---------------------------|---|----------------|---------------------|-------------------|---|------------------------------|--|---|-----------------------------|
| B1 | Buildings | Renewable Energy | Fabric wrap solar trial panel at London Stadium. Proposed trial installation to replace fabric membrane on sections of the outer upper surfaces below the roof line with solar panels. | TBC | 2024/2025 | 2024/2025 | TBC | 2024/ 2025 | 4 | Staff and community education and behaviour change opportunity | London Stadium |
| B2 | Estate | Energy Efficiency | LED growlights for pitch area at London Stadium. Replacement of existing lighting with higher efficiency lighting that creates special growing conditions for the football pitch to meet Premier League standard. Current lighting is a significant contributor to London Stadiums energy consumption and carbon emissions. | London Stadium | 2027/ 2028 | 2027/ 2028 | 284 | 2027/ 2028 | 42 | Staff and community education and behaviour change opportunity | London Stadium |
| B3 | Buildings | Water efficiency | Water efficiency project at London Stadium. Measures to be implemented following water audit and report described in table A (A6). | London Stadium | TBC | TBC | TBC | TBC | TBC | Reduced pressure and demand on local water sources | London Stadium |
| B4 | Buildings | Energy efficient heating | Capturing and supplying waste heat into heat networks. | TBC | TBC | TBC | TBC | TBC | TBC | Contributes to innovation and knowledge development in heat network energy performance improvements | Park Operations and Venues |
| B5 | Infrastructure | Renewable Energy | Purchase of renewable energy through a power purchase agreement. | TBC | TBC | TBC | 22,013 | TBC | 2,303 | Opportunities for education, employment and skills development | LLDC Finance |
| B6 | Buildings | Heating Energy Efficiency | Heat pump considerations at London Stadium. | TBC | TBC | TBC | TBC | TBC | TBC | Skills/ training opportunities in heat pump technology | Park Operations and Venues |
| B7 | Buildings | Heating Energy Efficiency | Heat recovery from chillers at London Stadium. | TBC | TBC | TBC | TBC | TBC | TBC | Early stage consideration by senior engineer | Park Operations and Venues |
| B8 | Buildings, Public Realm and Infrastructure | Canal Park Play | Creation of play space and planting improvements to Canal Park at Monier Rd | Section 106 | 2024 | 2024 | Enabler | Enabler | Enabler | Provides play space for local children | Development |

Items B1 to B8 – Part 2

| ID | Climate Action Area | Climate Action | Further information | Proposed Expenditure 2023/24 £000 | Proposed Expenditure 2024/25 £000 | Proposed Expenditure 2025/26 £000 | Proposed Expenditure 2026/27 to 2030/2031 £000 | Total Proposed Expenditure £000 | Capital/ Revenue/ Mixed | Proposed cash savings 2023/24 £000 | Proposed cash savings 2024/25 £000 | Proposed cash savings 2025/26 £000 | Proposed cash savings 2026/27 to 2030/2031 £000 | Total Proposed cash savings to 2030/2031 £000 | Grant and/or Debt funding | Readiness |
|----|--|---------------------------|--|-----------------------------------|-----------------------------------|-----------------------------------|--|---------------------------------|-------------------------|------------------------------------|------------------------------------|------------------------------------|---|---|---------------------------|-----------|
| B1 | Buildings | Renewable Energy | Opportunity identified and discussed with industry specialist. No detailed cost or performance figures have been provided. The project involves testing a solar panel system on an area of the stadium façade (20% approx of the total identified area) to then establish its performance benefits across a wider area. Detailed cost and emissions estimate required. | 0 | 100 | 500 | 0 | 600 | Capital | TBC | TBC | TBC | TBC | TBC | TBC | Red |
| B2 | Estate | Energy Efficiency | Identified in stadium lifecycle plan from 2027, when current growlight units will be at their end of life. Bringing this project forward would lead to carbon savings at an earlier date. | 0 | 0 | 0 | 0 | 0 | Capital | 0 | 0 | 0 | 0 | 0 | TBC | Green |
| B3 | Buildings | Water efficiency | | 0 | 200 | TBC | TBC | 200 | Capital | TBC | TBC | TBC | TBC | TBC | tbc | Amber |
| B4 | Buildings | Energy efficient heating | Plans to begin feasibility work into recovering exhaust heat from the A/C plants and distributing the reclaimed heat into the District Heating Network (DHN) to improve energy and carbon performance. | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | Amber |
| B5 | Infrastructure | Renewable Energy | Process of agreeing PPA in collaboration with GLA Functional Bodies underway. Awaiting further information and next steps. | TBC | TBC | TBC | TBC | TBC | Mixed | TBC | TBC | TBC | TBC | TBC | TBC | Red |
| B6 | Buildings | Heating Energy Efficiency | Early stage consideration by senior engineer to be explored and developed as a part of the climate budget process. | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | Red |
| B7 | Buildings | Heating Energy Efficiency | Project initiation stage | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | TBC | Red |
| B8 | Buildings, Public Realm and Infrastructure | Canal Park Play | Project is in beginning phases, funding application to be submitted for December 2023, hope to have funding for 2024. | 0 | 50 | 0 | 0 | 50 | Capital | Enabler | Enabler | Enabler | Enabler | Enabler | Section 106 funding | Amber |

Readiness key

- Red – Concept/Pre-development - Project identified but no project development work
- Amber – Development - Project identified and Feasibility or Outline Business Case undertaken
- Green - Ready for Finance and Implementation - Project identified, Feasibility or Outline

Appendix 6 – TABLE C: funded climate actions in the 2024/25 budget that deliver or enable emission reductions or adaptation measures in parts of London outside of LLDC’s own estate and fleet

Items C1 to C6 – Part 1

| ID | Climate Action Area | Climate Action | Description | Funding source | Year funding starts | Year funding ends | Lifetime cumulative CO2e savings, tonnes | Year emissions savings start | Average annual CO2e savings to 2030, tonnes | Co-benefits | Milestones for 2024/2025 |
|----|--|--|--|--|---------------------|-------------------|--|------------------------------|---|--|--|
| C1 | Energy Efficiency and Renewable Energy | Distribution of LLDC Carbon Offset Fund (CoF) | Grant allocation of LLDC Carbon Offset Fund to fund various energy efficiency and renewable energy projects across East London. | Developer payments into LLDC Carbon Offset Fund | 2023/2024 | 2024/2025 | Enabler | 2023/2024 | Enabler | Various social, economic benefits including reducing bills, community engagement in climate related matters, improving thermal comfort. | Complete distribution of 2023/2024 CoF. Dec 2024. Close out LLDC contribution to 2024/2025 Carbon Offset Fund allocation. Dec 2024 |
| C2 | Emissions reduction and Climate Resilience | Climate action start up accellerator programme | Supporting business, communities and organisations to respond to and scale climate emergency solutions through the SHIFT innovation programme. Various projects. | GLA | 2023/2024 | 2025/2026 | Enabler | Enabler | Enabler | Supporting scaling of solutions aimed at: Reducing risk from flooding and drought, Reducing air pollution, Safeguarding biodiversity, reducing urban heat island effect, minimising waste. | - First cohort kicks off Q1 - Funding disseminated to cohort 1 Q1 - Second challenge shared Q2 |
| C3 | Buildings | Energy Efficiency | Post Occupancy Evaluation study and engagement with residential tenants and properties developed by LLDC. Considers issues such as overheating, transport, energy usage. | GLA | 2023/2024 | 2025/2026 | Enabler | Enabler | Enabler | Improved understanding of design and planning of the built environment. Improved engagement with residents in climate related matters. | Complete focus group p1-Q2 2023/2023. Complete Focus groups P2 Q3 2023/2024. |
| C4 | Transport | Stratford Station redevelopment | Consultancy fees in relation to the design and planning of Stratford Station redevelopment project. | LLDC Development budgets and Community Infrastructure Levy | 2024/2025 | 2024/2025 | Enabler | Enabler | Enabler | Improved connectivity across the stratford and wider area. Improved quality of public realm in the area. | Completion of design and appraisal work. Q3 Completion and submission of business case for approval. Q4 |
| C5 | Buildings (New development) | Design and build of LLDC funded development beyond Building Regs | Consultancy fees associated with the design of sustainability aspects of the planned development at Stratford Waterfront residential. | LLDC and developers | 2024/2025 | 2024/2025 | Enabler | Enabler | Enabler | Supply of social housing, reduction in fuel bills for residents, reduced risk of fuel poverty. | Planning permission Reserved Matters determined Q2. Completion of RIBA Design stage 3 - Q4 |
| C6 | Energy Efficiency (Heating) | District Energy Network decarbonisation | Feasibility and capital investment into the decarbonisation of the Queen Elizabeth Olympic Park District Energy Network. | LLDC | 2024/2025 | TBC | TBC | TBC | TBC | TBC | TBC |

Items C1 to C6 – Part 2

| ID | Climate Action Area | Climate Action | Description | Total Expenditure 2024/25 £'000 | Total Expenditure 2025/26 £'000 | Total Expenditure 2026/27 £'000 | Capital/Revenue/Mixed | Total cash savings 2023/24 £'000 | Total cash savings 2024/25 £'000 | Total cash savings 2026/27 £'000 |
|----|--|--|--|------------------------------------|------------------------------------|------------------------------------|-----------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| C1 | Energy Efficiency and Renewable Energy | Distribution of LLDC Carbon Offset Fund (CoF) | Grant allocation of LLDC Carbon Offset Fund to fund various energy efficiency and renewable energy projects across East London. | 1486 | 0 | 0 | Capital | Enabler | Enabler | Enabler |
| C2 | Emissions reduction and Climate Resilience | Climate action start up accelerator programme | Supporting business, communities and organisations to respond to and scale climate emergency solutions through the SHIFT innovation programme. Various projects. | 730 | - | - | Revenue | N/A | N/A | N/A |
| C3 | Buildings | Energy Efficiency | Post Occupancy Evaluation study and engagement with residential tenants and properties developed by LLDC. Considers issues such as overheating, transport, energy usage. | 49 | - | - | Revenue | N/A | N/A | N/A |
| C4 | Transport | Stratford Station redevelopment | Consultancy fees in relation to the design and planning of Stratford Station redevelopment project. | 1,000 | - | - | Revenue | N/A | N/A | N/A |
| C5 | Buildings (New development) | Design and build of LLDC funded development improvement beyond Building Regs | Consultancy fees associated with the design of sustainability aspects of the planned development at Stratford Waterfront residential. | 65 | TBC | TBC | Revenue | TBC | TBC | TBC |
| C6 | Energy Efficiency (Heating) | District Energy Network decarbonisation | Feasibility and capital investment into the decarbonisation of the Queen Elizabeth Olympic Park District Energy Network. | TBC | TBC | TBC | Revenue | TBC | TBC | TBC |