

## REQUEST FOR DIRECTOR DECISION – DD2751

### Thames Estuary Growth Board grant funding

#### Executive summary

The decision seeks approval to provide one-off funding to the Thames Estuary Growth Board (the Board) to support economic development and infrastructure planning functions. The funding will enable the Board to continue delivering strategic priorities aligned with the London Growth Plan. It will sustain key strategic activities in 2025–26, while the Board seeks to develop a viable and sustainable long-term funding model. The funding is conditional on it being used for activity of benefit to Greater London; approval does not imply any commitment to further financial support beyond this period.

#### Decision:

That the Executive Director of Good Growth approves:

- allocating up to £200,000 to the Thames Estuary Growth Board for 2025–26
- entering into any necessary grant or funding agreements with the Thames Estuary Growth Board to facilitate this allocation, subject to the following conditions:
  - funding must be spent on activity benefiting Greater London
  - this decision does not constitute a commitment to any future or ongoing funding
  - prior to disbursement, the Thames Estuary Growth Board must confirm that this funding forms part of a viable and clearly defined funding package to support their operations in 2025–26, while it seeks to develop a sustainable long-term financial model.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Philip Graham

**Position:** Executive Director, Good Growth

**Signature:**



**Date:**

16/06/2025

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. The Thames Estuary Growth Board (the Board) was established to drive fair and sustainable growth across the Thames Estuary region. This region encompasses south and east London; south Essex; and north and east Kent. The Board aims to unlock the area's potential by addressing systemic inequalities, fostering investment, and delivering transformational projects.
- 1.2. The Board was set up by the UK government following the Thames Estuary 2050 Growth Commission's recommendations. The GLA has supported the aims of the Board since its inception. The Deputy Mayor for Planning, Regeneration and the Fire Service (the Deputy Mayor) serves as a member of the Board.
- 1.3. The Board is tasked with driving economic and infrastructural growth across the Thames Estuary, one of the most significant opportunity areas in the UK. In spring 2025 the Board reported a critical funding gap due to an unexpected withdrawal of government funding for 2025-26, following a review of regional partnerships. In response, the Board is seeking to develop a new, more commercial business model. This will include charging for services; taking commissions and fees; and entering service-level agreements, with financial compensation, with a range of stakeholders. The Board's aim is for a sustainable funding model of this kind to be in place from 2026-27 onwards.
- 1.4. To maintain its operations over the intervening period, and to give time for the development and implementation of a new, sustainable funding model, the Board is therefore requesting support, from its key partners, to put in place a one-off funding package for 2025-26. The proposed funding would constitute the GLA's contribution to that package, and would be contingent on confirmation of wider contributions from partners. It would not imply any commitment to longer-term funding from the GLA.
- 1.5. The funding requested would need to be spent on activity benefiting Greater London. It would be expected to secure the ongoing delivery of outcomes in relation to:
  - new homes
  - the Thames Estuary Production Corridor
  - the circular economy
  - new jobs
  - investment
  - new data centres
  - net-zero energy projects.

These outcomes are explored in more detail below. This funding will supplement funding from the Growth Board's other partners; and will safeguard the roles of key members of staff, to ensure they drive outcomes for London. Without early intervention, essential planning and coordination work would need to be paused. This creates the risk of delaying major development projects and undermining investor confidence.

- 1.6. The Board's action plan focuses on several strategic priorities, relevant to growth and development in London:

- **Net-zero and hydrogen power:** advancing decarbonisation technologies and establishing the Estuary as a hub for hydrogen energy solutions
- **river freight and transport:** enhancing the use of the River Thames for freight and passenger transport to reduce congestion and emissions
- **Creative industries:** supporting the growth of creative sectors through joint initiatives with the GLA (for example, the Thames Estuary Production Corridor), aiming to position the region as a leader in creative and cultural industries
- **data centres and digital infrastructure:** developing cutting-edge digital infrastructure to attract investment and support business growth
- **housing and infrastructure:** accelerating housing delivery and improving infrastructure to meet the needs of growing communities.

- 1.7. The GLA works particularly closely with the Board on the Thames Estuary Production Corridor programme and partnership. As set out in MD2623 and MD2668, this is a collaboration between the Mayor of London and the Thames Estuary Growth Board that aims to make the Thames Estuary the UK's leading hub for creative and cultural production. It does so by investing in creative cluster development; specialist workspace; talent; connectivity; strong partnerships; and place-making. The Thames Estuary Production Corridor includes over 20,000 creative and cultural production businesses. It has the potential to create 50,000 jobs and generate £3.7bn GVA per year, as part of the wider development and growth of the Estuary.
- 1.8. The Thames Estuary Production Corridor was established by the Mayor of London and the South East Local Enterprise Partnership in 2017. However, since 2020, the Board has played an increasingly important role in delivery of the Thames Estuary Production Corridor, adopting the programme as its creative industries strategy for the Thames Estuary. Over several years, the GLA has provided funding (both external and GLA core) and staff resources to support this work – which is well aligned with its goals for economic fairness, sustainability and inclusive regeneration, and is referenced in the London Growth Plan. Without funding to enable the Board to develop a longer-term financial model, this work will be put at significant risk.

## 2. Objectives and outcomes

- 2.1. This one-off funding (as part of a wider package provided by its partners) will enable the Board, in 2025-26, to:
  - maintain momentum on strategic initiatives aligned with the London Growth Plan
  - strengthen its institutional resilience
  - develop a long-term, sustainable funding model.
- 2.2. The Thames Estuary Growth Board expects to work on 14 London investment projects this year, with a conservative value to London of £634m. Three of these projects are detailed below.

### *Inward investment*

The Board is planning missions to the US, the Middle East and South East Asia over the next year. It will meet with new and existing investors, and secure their interest and investment in London and the wider Estuary, working alongside Opportunity London and London & Partners.

### *Safeguarding and accelerating investment*

The Board aims to deliver six major energy projects covering hydrogen; sustainable aviation fuel; district heat networks; and battery power and storage solutions. In addition, three waterborne freight projects will relieve congestion on London roads; and improve air quality by using green vessels and electric motorbikes for last-mile delivery.

The Board will work with local authorities, and relevant parties, to unlock stalled housing and mixed-use developments in the London boroughs of Lewisham, Havering and Newham. This will create the potential for thousands of new homes and jobs, as well as new green spaces for local residents.

The Board will work with Network Rail to: review the C2C Line, to ensure new development needs are met and journey times are not slowed; and increase provision for new freight networks between London, the Ports, the UK and Europe.

### *Climate adaptation and resilience*

The Thames Estuary Growth Board is working with the Environment Agency to deliver the Thames Estuary 2100 plan. This includes securing funding for new green assets to mitigate flooding in the Estuary; and work on wider resilience measures, including a new Thames Barrier.

## **3. Equality comments**

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation; and to advance equality of opportunity, and foster good relations, between people who have a protected characteristic and those who do not. This involves having due regard to the need to remove or minimise any disadvantage suffered by those who share a relevant protected characteristic that is connected to the characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low.
- 3.2. The Board's work is underpinned by its five-point plan for fair growth and investment. This plan focuses on addressing systematic inequalities by prioritising fairness in investment decisions; enhancing community engagement; and ensuring economic opportunities are accessible to all residents in the region.
- 3.3. To further support these goals, the Board has developed a tool that maps social inequalities across the region, providing valuable insights to inform targeted interventions and resource allocation aimed at reducing disparities.

## **4. Other considerations**

### *Key risks and issues*

- 4.1. The key risk associated with this funding is that the Board cannot identify a sustainable long-term financial model, and so cannot continue trading after 2025-26. However, the funding will give the Board time to develop its new financial model; and (should that be unsuccessful) enable the Board and the GLA to carry out contingency planning, with the aim of maintaining priority workstreams wherever possible.
- 4.2. There is also a risk that the Board cannot secure the contributions needed from other partners to put in place a viable funding package for 2025-26. For this reason, the GLA's funding will be contingent on confirmation that such a package is in place.

### *Links to Mayoral strategies and priorities*

- 4.3. The Thames Estuary Growth Board's initiatives are closely aligned with the London Growth Plan, launched in March 2025. Both strategies emphasise the need for sustainable economic development in the Thames Estuary region, identified as a key area for growth.
- 4.4. The London Growth Plan aims to enhance London's productivity by 2 per cent annually, potentially boosting the economy by £107bn by 2035. It focuses on transformative infrastructure projects and the development of "industrial innovation corridors", with the Thames Estuary highlighted as a significant area for expansion. Key proposals include extending the Docklands Light Railway to Thamesmead and the Bakerloo line to Lewisham, facilitating better connectivity and supporting housing developments in areas such as Barking and Croydon.
- 4.5. No conflicts of interest have been identified for the Mayor or any of the officers involved in drafting this decision. The Deputy Mayor for Planning, Regeneration and the Fire Service (the "Deputy Mayor") is a member of the Board. The Deputy Mayor was not involved in the decision-making process in relation to the decisions in this decision form, neither was he involved in the preparation, the review nor the approval of the decision form. Furthermore, the Deputy Mayor will not participate in any way in future decision-making by the GLA in relation to the funding the subject of this decision form. Finally, the Deputy Mayor will comply with the rules of the Board and will recuse himself from the decisions of the Board as required in the event of conflicts of interest.
- 4.6. Entry into any grant agreement will be in accordance with the GLA's Contracts and Funding Code (the Code).

### *Subsidy control*

- 4.7. The Subsidy Control Act (the SCA) sets out a four-limbed test for the assessment of public assistance to organisations, to see whether it amounts to a subsidy for the SCA's purposes. If such assistance meets all the limbs of the four-limbed test, it is considered a subsidy. The Board engages in both economic and non-economic activities. Its non-economic activities include supporting non-profit, public-good initiatives such as convening stakeholders, unblocking investments and accelerating delivery of government-aligned objectives (e.g. net zero, affordable housing, district heating). The GLA is funding activities that fall within the ambit of the Board's non-economic activities. In light of this, the proposed funding does not meet the second limb of the four-limbed test; accordingly, it does not amount to a subsidy for the purposes of the SCA.

## **5. Financial comments**

- 5.1. Approval is sought to award funding, of up to £200,000, to the Thames Estuary Growth Board to support its critical economic development and infrastructure planning functions.
- 5.2. The cost of this proposal will be funded from redirecting money originally set aside to cover any irregularities that may have been identified from European Regional Development Fund (ERDF) projects in London. The ERDF programmes have now been closed and this proposal will draw down on this allocation, with the balance currently totalling £1.356m.
- 5.3. This proposal will be governed by a GLA funding agreement, and will include all the relevant clauses to mitigate any risk of financial loss for the GLA. This includes, but is not limited to, withholding milestone payments; requesting repayment where ineligible expenditure is discovered; and requesting accounting records to satisfy itself that the funding is being used for its intended purpose.
- 5.4. The income and expenditure for this grant will be accounted for within the Economic Development and Programmes Unit. It is intended that the entire grant award will be paid by 31 March 2026. All appropriate budget adjustments will be made.

## 6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Executive Director of Good Growth (the Director) concern the exercise of the GLA's general powers, and fall within the GLA's statutory power to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation within Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
  - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the UK
  - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the director must have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not (section 149 of the Equality Act 2010). To this end, the director should have particular regard to section 3 (above) of this report.
- 6.3. The proposed grant of up to £200,000 to the Board may be viewed as a conditional gift, rather than a contract for services and supplies. Officers are reminded to comply with section 12 of the Code; and to put in place an appropriate grant agreement between the GLA and the Board.
- 6.4. The SCA requires that grant funding be assessed against its four-limbed test. At paragraph 4.7, above, officers have indicated that they have undertaken such an assessment; and have concluded that the proposed funding to the Board does not amount to a subsidy, for the SCA's purposes.

## 7. Planned delivery approach and next steps

- 7.1. The work will be delivered according to the following schedule:

Activity	Timeline
Delivery start date	16 June 2025
Sustainable financial model to be presented to the GLA	28 February 2026
Delivery end date	31 March 2026

### Appendices and supporting papers:

None

### Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

### Part 1 – Deferral

**Is the publication of Part 1 of this approval to be deferred? NO**

### Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form? NO**

### ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

#### Drafting officer:

Binal Cadieu has drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Assistant Director/Head of Service:

Alex Conway has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

#### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

#### Mayoral Delivery Board

A summary of this decision was reviewed by the Mayoral Delivery Board on 16 June 2025.

✓

### CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature:**



**Date:**

16/06/2025