GREATER**LONDON**AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD2825

Title: London Legacy Development Corporation Guarantee Agreement – East Bank / Stratford Waterfront Public Realm District Heating Novation

Executive Summary:

This decision form seeks consent for the London Legacy Development Corporation (LLDC) to enter into a financial guarantee and indemnity (the 'Guarantee Agreement') with East London Energy Limited (ELEL) in consideration of ELEL agreeing to provide energy services to Stratford Waterfront Management Company Limited (ManCo) (a private company limited by guarantee, of which LLDC is a member) under a supply agreement (the 'Supply Agreement'), which is to be novated from the LLDC to ManCo.

The Guarantee Agreement is required by ELEL as a condition of their entering into a novation of the Supply Agreement in respect of district heating for the Podium, public realm and retail units at East Bank and Stratford Waterfront. This is because ManCo had previously failed energy supplier credit checks due to a limited trading history. The value of the Supply Agreement is approximately £24,000 per annum.

Under section 213 of the Localism Act 2011, the Mayor must consent to the LLDC (as a Mayoral Development Corporation) giving financial assistance to any person. Financial assistance can take the form of a guarantee or indemnity. In 2019 an Updated LLDC Governance Direction was made under section 220 of the Localism Act. Under that Direction, the Mayor and/or Executive Director on behalf of the Mayor can consent to any financial assistance by LLDC which does not already fall within or meet the terms of the LLDC General Financial Assistance (Grant) Consent 2014. For such purposes the Executive Director means the Executive Director of Good Growth operating in consultation with the Chief Finance Officer, or such other member of GLA staff authorised under the Mayoral-Decision Making in the GLA and GLA Financial Regulations.

Decision:

That the Executive Director of Good Growth consents, on behalf of the Mayor, under Section 213 of the Act and the LLDC Governance Direction 2019 to the London Legacy Development Corporation (LLDC) (as a Mayoral Development Corporation) giving financial assistance to East London Energy Limited (ELEL) by entering into an agreement under which LLDC provides a financial guarantee and indemnity to ELEL of Stratford Waterfront Management Company Limited's financial obligations under the Supply Agreement, noting that the estimated annual cost exposure is £24,000.

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

Date: 5 October 2026

Signature:



PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

1.1. The East Bank / Stratford Waterfront Public Realm District Heating Supply Agreement is currently between ELEL and LLDC. This matches standard practice for new district heating supplies created for venues across the Queen Elizabeth Olympic Park.

1.2. LLDC wishes to novate the Supply Agreement to ManCo. ManCo is a private company limited by guarantee whose members include LLDC and the Stratford Waterfront partners (being Sadler's Wells Trust, the British Broadcasting Corporation, the Victoria & Albert Museum, the University of the Arts London and Stratford Waterfront Retail Management Company Limited). ManCo handles the operational service charge arrangements for the Stratford Waterfront public realm. Currently, LLDC recharges the District Heating costs incurred to ManCo on a monthly basis.

1.3. During the governance review by ELEL, ManCo failed to pass credit approval criteria. This rejection stemmed from its limited trading history and thin balance sheet position. It should be noted that ManCo's only financial activity relates to the Service Charge mechanism – collecting funds from ManCo partners to pay for the general services provided for the benefit of the ManCo partners.

1.4. Bring Energy, parent company of ELEL, made commercial contract novation conditional on receiving parent-level security.

1.5. The principal users of the PPRR District Heating supply are the retail units on Aquatics Walk. These retail units are leased to individual tenants by Stratford Waterfront Retail Management Company Limited (RetailCo) which is a wholly owned subsidiary of LLDC. RetailCo is a party to the ManCo Service Charge mechanism, in line with their lease agreement with LLDC.

1.6. LLDC has therefore agreed in principle to provide a guarantee of ManCo's financial obligations to overcome the hurdle of ManCo's credit worthiness and to finish transferring its estate management liabilities.

1.7. Under section 213 of the Localism Act 2011, the Mayor must consent to LLDC (as a Mayoral Development Corporation (MDC)) giving financial assistance to any person. Financial assistance can take the form of a guarantee or indemnity.

1.8. In 2019 an Updated LLDC Governance Direction was made under section 220 of the Localism Act. Under that Direction, the Mayor and/or Executive Director on behalf of the Mayor can consent to any financial assistance by LLDC which does not already fall within or meet the terms of the LLDC General Financial Assistance (Grant) Consent 2014. For such purposes the Executive Director means the Executive Director of Good Growth operating in consultation with the Chief Finance Officer, or such other member of GLA staff authorised under the Mayoral-Decision Making in the GLA and GLA Financial Regulations.

2. Objectives and expected outcomes

2.1. The objective of this proposal is to complete the novation of the East Bank / Stratford Waterfront Public Realm District Heating Supply Agreement from the London Legacy Development Corporation to Stratford Waterfront Management Company Limited, thereby transferring the rights and obligations under the agreement to the management company.

2.2. A further objective is to ensure the continued and uninterrupted provision of district heating services to the Stratford Waterfront public realm, associated office accommodation and retail units. The

proposed Guarantee Agreement will satisfy East London Energy Limited's credit support requirements and enable the novation to proceed while allowing the operational responsibility for the service to sit with Stratford Waterfront Management Company Limited.

3. Equality comments

3.1 The GLA has related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people (section 33(1) of the Greater London Authority Act 1999 (the GLA Act))
- exercise the power in section 30 of the GLA Act in the way it considers is best calculated to:
    - promote improvements in the health of persons in Greater London
    - promote the reduction of health inequalities between persons living in Greater London
    - contribute towards the achievement of sustainable development in the UK
    - contribute towards the mitigation of, or adaptation to, climate change in the UK (section 30(5) of the GLA Act); and
- consult with such bodies or persons as considered appropriate in this particular case (section 32(1) of the GLA Act).

3.2 Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities must comply with the public sector equality duty (PSED) by having due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.

3.4 The proposal is not expected to have any impact on persons who share protected characteristics under the Equality Act 2010, because it relates to provision of a guarantee and indemnity to facilitate the novation of the Supply Agreement from LLDC to ManCo for commercial administrative purposes.

4. Other considerations

4.1. Completion of the Guarantee Agreement is a condition of ELEL completing the novation of the Supply Agreement. Without this, LLDC would remain the primary contracting counterparty to the Supply Agreement, keeping utility liabilities permanently on its balance sheet.

4.2. LLDC confirms at the time of writing there are no known conflicts of interest.

5. Financial comments

5.1. The Guarantee Agreement provides a financial guarantee and indemnity in favour of ELEL if ManCo does not discharge its obligations to pay any amounts due under the Supply Agreement. The primary end-user of this heating line is RetailCo, a wholly owned subsidiary of LLDC. Because RetailCo funds the service charges collected by ManCo, the probability of ManCo defaulting on payments to ELEL is considered extremely low.

5.2. In the event of a tenant defaulting on paying RetailCo, then the ultimate cost liability would sit with RetailCo – there is a budget provision within the RetailCo budgets for potential void or default expenditure.

5.3. Therefore, in practice, the risk of additional financial calls on LLDC's budget would only arise if RetailCo (a wholly owned subsidiary of LLDC) failed to keep up its Service Charge obligations to ManCo.

5.4. LLDC calculates its total exposure under the Supply Agreement at £24,000 per annum.

6. Legal comments

6.1. Under section 213 of the Localism Act 2011, the Mayor must consent to LLDC (as a Mayoral Development Corporation) giving financial assistance to any person. Financial assistance can take a number of forms, including by way of grant, loan, guarantee or indemnity, investment or incurring expenditure for the benefit of the person assisted. The financial assistance may be given by LLDC on such terms and conditions as LLDC considers appropriate, (including provision for repayment, with or without interest). Under section 221(1) of the Act, a consent under section 213 of the Act may be given unconditionally or subject to conditions, and generally or specifically.

6.2. In 2019 an Updated LLDC Governance Direction was made under section 220 of the Act. Under that Direction the Executive Director shall exercise the Mayor's function under the Direction. The Direction requires that 'Consent' is obtained to any financial assistance by LLDC that does not already fall within or meet the terms of the LLDC General Financial Assistance (Grant) Consent 2014). Consent means of the Mayor and/or the Executive Director on behalf of the Mayor under the Direction. For such purposes the Executive Director means the Executive Director of Good Growth operating in consultation with the Chief Finance Officer, or such other member of GLA staff authorised under Mayoral-Decision Making in the GLA and GLA Financial Regulations.

6.3. LLDC officers will need to finalise the draft form of the Guarantee Agreement at Appendix 1 of this decision form before proceeding with the novation of the Supply Agreement

7. Planned delivery approach and next steps

7.1. Subject to the consent requested in this decision, LLDC will execute the final tri-party novation agreements alongside the underlying energy infrastructure documents

Activity	Timeline
Mayoral Consent Approval	28 September 2026
Execution of Guarantee Agreement	12 October 2026
District Heating Contract Novation	12 October 2026

Appendices and supporting papers:

- **Appendix 1**: Latest Draft Guarantee Agreement between LLDC and Bring Energy
- **Appendix 2**: Final Form of Direct Supply Agreement (ManCo and Bring Energy)

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 either be published 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

If YES, for what reason: N/A

Until what date: (a date is required if deferring) N/A

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under 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: Jamie Dean has drafted this report in accordance with GLA procedures and confirms the following:	✓
Assistant Director/Head of Service: Louise Duggan 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 5 October 2026.	

CHIEF FINANCE OFFICER:

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

Signature:

Fay Hammond

Date:

8 October 2026