

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
11 Downing Street
Via email

08 September 2025

DLR extension to Thamesmead

Dear Chancellor,

Ahead of the Autumn Budget, we are writing as a coalition of London business groups and major employers to urge you to commit to delivering – in partnership with the private sector – the Docklands Light Railway (DLR) extension to Thamesmead to help tackle the capital's housing crisis, support job creation and boost regional and national economic growth.

We welcomed the four-year settlement for Transport for London (TfL) as part of the Spending Review, as a very positive commitment following a series of sticking plaster funding deals since the Covid-19 pandemic.

The Spending Review also acknowledged “the potential housing and economic growth that could be stimulated by extending the DLR” but stopped short of giving the explicit commitment this project needs beyond a wider commitment to work with TfL to explore options further.

The Government should now provide a clear green light. This project has overwhelming local support and could help unlock up to 25,000 new homes, support up to 10,000 new jobs and add £15.6bn to the economy. It is also shovel-ready with extensive consultation and engagement having been already undertaken, which would enable it to be delivered relatively quickly in line with the Government's ambition to drive forward large infrastructure scheme at pace.

If London is to come close to hitting its annual 88,000 new homes target, investment in the capital's transport infrastructure is a prerequisite. We welcome investment in all regions but it is vital that London – as an engine of growth for the whole UK and a global city – also gets the backing required to deliver major projects that it needs.

London has a proven track record of delivering infrastructure through innovative funding and financing models when it has been provided with the tools to do so. The Elizabeth line, the Northern line extension and the Silvertown Tunnel are all cases in point that have provided significant benefits not only to London but also across the UK through TfL's £6bn supply chain.

BusinessLDN and WSP recently set out a proposal for how evolving the current tax-increment financing model to capture value from residential taxation from new development, could help to raise up to £4.5bn to part-fund extensions to the DLR as and the Bakerloo line, as well as the West London Orbital.

This would reduce the call on public investment for transport infrastructure in the capital, in turn freeing up extra spending for other parts of the UK.

Delivering the DLR extension to Thamesmead would help keep our capital moving, boost growth and meet the Government's ambitious housebuilding targets. We urge you to seize the moment as we head towards the Autumn Budget and would welcome the opportunity to meet with you or your team to discuss this in more detail.

Yours sincerely,

John Dickie, Chief Executive, **BusinessLDN**

Karim Fatehi OBE, Chief Executive, **London Chamber of Commerce and Industry**

Laura Timm, Regional Chair, **FSB Greater London**

Razi Mireskandari, Regional Chair, **IoD London**

CC: Rt Hon Heidi Alexander MP, Secretary of State for Transport