



17 August 2023

INFORMATION REQUEST REFERENCE 23-021 and 23-022

Thank you for your information requests, 23-021 received on 20 July 2023 and 23-022 received on 24/07/23. You asked the London Legacy Development Corporation (Legacy Corporation) to provide the following information under the Freedom of Information Act 2000 (FOIA). The information requested in both requests is being addressed together to avoid unnecessary crossover or duplication within the requests:

23-021 – Fixed Estate Charge (FEC)

“Having reviewed the 2021/22 Budget submission and Mayor of London’s report, I have a number of concerns, can you please clarify these under the FOIA:

- 1. Why is there conflicting information of the “fixed estate charge” between the budget submission and the Mayor’s review (attached) for the 2021 figures?*
- 2. Please can you quantify the amount of dwellings contributing to the FEC (and of each use)*
- 3. The Mayor’s report states that indexing will be temporarily removed. Is this happening for the 2023/24 year ahead and future years and when will this be confirmed?*
- 4. Please confirm when this paragraph is going to be removed from future budgets.*
- 5. Why is the FEC not reducing while more residential, dwellings are being built and contributing to the park?”*

23-022 – Fixed Estate Charge venue contributions.

“Following the media financial reported disagreements between the LLDC and Westham United football club:

- Does residents FEC (Park Charge) contribute to the running and maintenance cost of the London Stadium?*

- *West Ham made 'further payment' in dispute with London Stadium owners over Kretinsky shares purchase* ([Link](https://www.onlondon.co.uk/west-ham-made-further-payment-in-dispute-with-london-stadium-owners-over-kretinsky-shares-purchase/))
[<https://www.onlondon.co.uk/west-ham-made-further-payment-in-dispute-with-london-stadium-owners-over-kretinsky-shares-purchase/>]
- *West Ham rent 'does not cover costs of staging matches', according to LLDC chief executive* ([Link](https://www.skysports.com/football/news/11685/11491814/west-ham-rent-does-not-cover-costs-of-staging-match-according-to-lldc-chief-executive))
[<https://www.skysports.com/football/news/11685/11491814/west-ham-rent-does-not-cover-costs-of-staging-match-according-to-lldc-chief-executive>]
- *New row over naming rights for West Ham's London Stadium* ([Link](https://www.standard.co.uk/news/london/west-ham-united-london-stadium-sponsorship-naming-rights-row-karren-brady-b1051246.html))
[<https://www.standard.co.uk/news/london/west-ham-united-london-stadium-sponsorship-naming-rights-row-karren-brady-b1051246.html>]

Which venues does the FEC contribute to? If there is any, why aren't the business models for each venue sufficient enough to not require financial support?"

Please note: the full email requests including referenced attachments are attached in **Annex A (23-021)** and **Annex B (23-022)**.

I can confirm that the Legacy Corporation holds information which falls within the scope of your request. The answers to the majority of your questions can be found in the following records:

- Fixed Estate Charge briefing on our website: [Fixed Estate Charge | Queen Elizabeth Olympic Park](#).
- Our current Annual report and accounts on our website: [Annual Report on FEC for residents and commercial occupiers \(2021/22\)](#).
- There is more information on the Fixed Estate Charge on the GLA website here: www.london.gov.uk/decisions/md1646-lldc-queen-elizabeth-olympic-park-maintenance-obligations

Further information relevant to your request is below and our response follows your order:

Q1. Why is there conflicting information of the "fixed estate charge" between the budget submission and the Mayor's review (attached) for the 2021 figures?

Fixed Estate Charge income is accounted for as revenue income by the Legacy Corporation, in accordance with International Accounting Standards and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Local Authorities and International Accounting Standard. Consequently, it is included within Financing and Investment Income in the Annual Report and Accounts (see Note 7) and within Park Operations and Venues revenue income in the Legacy Corporation's annual budget submission and quarterly Corporate Performance Reports.

The extract included in your request (taken from the Legacy Corporation's 2021/22 Quarter 3 Corporate Performance Report) is for capital income. It would not therefore include any income from the Fixed Estate Charge.

Q2. Please can you quantify the amount of dwellings contributing to the FEC (and of each use).

Currently there is a total of 1,182 homes that contribute to the Fixed Estate Charge. The breakdown is as follows:

- 744 Private Homes.
 - 172 at East Wick
 - 572 at Chobham Manor

- 438 Affordable Homes.
 - 130 at East Wick
 - 308 at Chobham Manor

Please clarify the information you are interested in if this is not the information you were requesting. Any clarified request submitted will be dealt with as a new request.

Q3. The Mayor's report states that indexing will be temporarily removed. Is this happening for the 2023/24 year ahead and future years and when will this be confirmed?

The 2023/24 budget submission did not identify additional funding for a temporary cap on indexation of the Fixed Estate Charge given the wider budgetary pressures faced by the Legacy Corporation and the GLA. This may be considered again as part of future budget setting process.

Q4. Please confirm when this paragraph is going to be removed from future budgets.

The annual budget submission will continue to explain all key changes to the Legacy Corporation's income and expenditure assumptions, as appropriate.

Q5. Why is the FEC not reducing while more residential, dwellings are being built and contributing to the park?"

As referenced above, the charge is not a service charge as, if it was, then the whole costs rather than a portion of them would be covered. In that scenario, as the number of residents and businesses increased the charge would reduce. However, it would start at a considerably higher level to meet the total costs. Currently, the majority of the costs are covered by GLA grant, and as more occupiers join the scheme that level of grant will be reduced.

Q6. Does residents FEC (Park Charge) contribute to the running and maintenance cost of the London Stadium?

Fixed Estate Charge income does not contribute to the running and maintenance cost of the London Stadium; rather this is covered by GLA funding (to the extent that the costs are not

covered by income generated directly by the Stadium). The London Stadium pays Fixed Estate Charge under the terms of its lease.

Q7. Which venues does the FEC contribute to? If there is any, why aren't the business models for each venue sufficient enough to not require financial support?"

Fixed Estate Charge from commercial properties contributes to the cost of running the London Aquatics Centre and the Copper Box Arena, both of which offer discounts to local residents as well as having the prices capped at similar rates to other local alternative provision.

If you are unhappy with our response to your request and wish to make a request for an internal review of our response, you should write to:

Deputy Chief Executive
London Legacy Development Corporation
Level 9
5 Endeavour Square
Stratford
E20 1JN

Email: FOI@londonlegacy.co.uk

Please note: requests for internal reviews received more than forty working days after the initial response will not be handled.

If you are not content with the outcome of the internal review, you may appeal directly to the Information Commissioner at the address given below. You should do this within two months of our final decision. There is no charge for making an appeal.

Further information on the Freedom of Information Act 2000 is available from the Information Commissioner's Office:

Wycliffe House
Water Lane
Wilmslow
SK9 5AF

Telephone 08456 30 60 60 or 01625 54 57 45

Website www.ico.gov.uk

Yours sincerely

FOI / EIR Co-ordinator
London Legacy Development Corporation