

**MINUTES of the private
session – not for publication**

Minutes of the Meeting of the Board of the London Legacy Development Corporation

Meeting date: 19 February 2013
Time: 2pm
Venue: Rooms 1-3, LLDC, Level 10, 1 Stratford Place, London E20 1EJ

PRESENT: Boris Johnson (Chair)
Sonita Alleyne
Nick Bitel
Neale Coleman (Deputy Chair)
Nicky Dunn
David Edmonds
David Gregson
Baroness Grey-Thompson
Keith Edelman
Philip Lewis
Lord Mawson
Lutfur Rahman
Jayne McGivern
Jules Pipe
Sir Robin Wales (until 2.30pm)
Councillor Mark Rusling (attended for Chris Robbins in his absence)

APOLOGIES: Chris Robbins
David Ross

IN ATTENDANCE: Dennis Hone (Chief Executive)
Jonathan Dutton, Executive Director of Finance and Corporate Services
Jan Boud, General Counsel
Duncan Innes, Executive Director of Real Estate
Kathryn Firth, Chief of Design (item 8)
Colin Naish, Executive Director of Infrastructure (items 9, 13 and 14)
Paul Brickell, Executive Director of Regeneration and Community Partnerships (item 17)
Victoria O'Byrne, Director of Communications and Public Affairs
Rachel Massey, secretariat
Sir Edward Lister, Mayor's Observer to the Board
Michelle Reeves, Mayor's Observer to the Committees

1 Exclusion of the press and public

- 1.1 The Board **AGREED** to exclude the public and press from the meeting, in accordance with Section 100A(4) of the Local Government Act 1972, for the next items of business on the grounds that it would be likely to involve the disclosure of exempt information as defined in part 1, paragraph 3 of Schedule

12A of the Act as it 'relates to the financial or business affairs of any particular person (including the MDC holding that information)'.
1.2 The members of the press and public left at 2.25pm.

[Relevant extract starts]

9 Stadium concessions competition

9.1 The advisors to the LLDC on the stadium concessions competition, David Lee from Allen & Overy and Majid Ishaq and Roland Oakshett from Rothschilds, joined the meeting.

9.2 The Chief Executive introduced Report 12 on the stadium concessions competition and provided an update on the negotiations with the first ranked bidder, West Ham United (WHU).

9.3 He reported that LLDC has agreed key commercial terms with WHU and is working through the legal drafting of the concession agreement with WHU. Progress has been made on a number of points and the commercial proposals set out in the paper have not changed. The aim is to have a draft legal agreement shortly.

9.4 The following points were highlighted in the discussion:

(a) Board Members commented that the deal was acceptable and much improved from the original proposals.

(b) Board Members noted the importance of getting the right relationship between the stadium operator, E20 LLP and WHU.

(c) [REDACTED]

(d) In response to a question about the valuation of the WHU, Rothschilds noted that this was based on equity value threshold which was a fair number for both parties and included any equity or debt leakage.

(e) In response to a query about a legal challenge from Leyton Orient, the General Counsel noted that LLDC had responded to the Letter Before Action and that Leyton Orient had indicated that they want to proceed with a judicial review. David Lee from Allen & Overy noted that the Letter Before Action related to the decision not to team Leyton Orient with WHU, and that this would not stop LLDC entering into the agreement with WHU or making adaptations to the stadium.

(f) In response to a query about whether the deal was subject to Premier League approval, it was noted this was a condition precedent and that Premier League arbitration was underway. It was noted that approval from the WHU fans was not a condition precedent, but that WHU was undertaking consultation.

(g) The Executive Director of Real Estate noted that the London Borough of Newham was meeting on 25 February to discuss its funding to the project. LLDC was exploring other options such as GLA borrowing to meet the additional funding requirement.

(h) [REDACTED]



- 9.5 The Chairman summarised the discussion by noting that the Board was content with the negotiation strategy adopted.
- 9.6 The Board **NOTED** the commercial proposals in section 4 of the report and **APPROVED** the key commercial terms as the basis for finalising a Concession Agreement with WHU.
- 9.7 The Board **AGREED** that the LLDC Stadium team should finalise legal terms on the basis of the commercial proposals.
- 9.8 The Board **ENDORSED** E20 Stadium LLP to enter into a Concession Agreement with WHU on the terms set out in the report, subject to the commercial proposals being legally incorporated in the final terms of the Concession Agreement.
- 9.9 The Board **DELEGATED** authority to the Chief Executive of LLDC to enter into the Agreement for Lease and Lease with the LLP on the terms set out in Appendix B to the report.
- 9.10 This section will be excluded from the minutes sent to Sir Robin Wales.

[Extract ends]