

5 December 2016

INTERNAL REVIEW - REFERENCE 15-053

Dear [REDACTED]

We refer to your request for an internal review under the Freedom of Information Act 2000 (FOIA) with regard to the response you received from the London Legacy Development Corporation (Legacy Corporation) in relation to your information request as referenced above.

1. Background

1.1. On 25 August 2015 the requestor made the following request:

In respect of the Concession Agreement between E20 LLP, West Ham Holding Ltd, and West Ham United FC Ltd, a redacted copy of which you previously supplied to me (via this website), please provide me with the following information

- *A list of the professional services companies, consultancies, and external self-employed consultants hired by LLDC (or E20 LLP if that is applicable) to assist in developing, negotiating, writing and completing the signing of the contract.*
- *a schedule of the fees paid to each of the entities named in the above list for the provision of the services*

1.2. The Legacy Corporation responded on 21 September 2015. The response provided a list of the four professional service companies that assisted in the Concession Agreement, as well as the type of service provided by each (legal, financial, cost and technical advisory). In response to the requestor's second question, the Legacy Corporation responded:

...these advisors were already retained and providing services in addition to the concession agreement work before, during and after the actual concession agreement negotiations. Creating schedules of the fees paid for this specific work for each advisor would be very difficult and time consuming to create and compile.

- 1.3. The Legacy Corporation stated that the resources required to respond to this request would exceed the limit provided in Section 12 of the Freedom of Information Act 2000 and would therefore not be processed.
- 1.4. The requestor responded on 2 October. The requestor asked for an internal review, stating that, "It is not credible that extracting the information would take one person two and a half days to extrapolate."

2. Review findings

- 2.1. The review found that the Legacy Corporation was correct in its original response in that 19.25 hours were required in seeking to respond to the original question as part of this internal review. This is in excess of the threshold provided in Section 12 of the Freedom of Information Act 2000.
- 2.2. The activities contained within the 19.25 hours included gathering relevant invoices, requesting further information from the consultants, consulting staff who worked on the Concession Agreement and reviewing each of the relevant invoices received.
- 2.3. The gathering of invoices was time consuming because the Legacy Corporation had subsequently transitioned to a new finance system and the relevant searches required were on the previous accounting system. In addition, documents that provide back-up detail against invoices are not routinely held within the finance system and searches within other filing systems would have been time-consuming, impacting the Section 12 threshold; therefore the review panel requested information directly from consultants, including a request for detailed breakdown of expenditure specific to the Concession Agreement.
- 2.4. In addition to the four consultants listed in the original response, the internal review panel identified another consultant that provided services on the Concession Agreement: Rothschild & Son (Rothschild). Unlike the other consultants, Rothschild & Son worked exclusively on the Concession Agreement.
- 2.5. Rothschild provided financial advisory and due diligence to advise negotiations on the Concession Agreement. The total fees paid to them were £180,616.39 (including VAT).
- 2.6. With regards to the four other consultants listed in the Legacy Corporation's original response, the Legacy Corporation does not hold the information requested. Each of the consultants listed in the original response provided a range of interconnected work streams relating to the redevelopment of the Stadium ('Legacy conversion'). These services included financial cost consultancy, tax and legal advice, design and engineering and establishment of the joint venture with the London Borough of Newham, E20 Stadium LLP. In order to respond to this original request, the work would need to have been commissioned with a specific Concession Agreement work stream, and it was not.
- 2.7. The Internal Review Panel reviewed relevant invoices and requested additional information from the consultants. This information is not available retrospectively and, due to the approach for commissioning the work and method of invoicing, it is not possible to provide a schedule of fees paid for their work specifically relating to

- the development, negotiation, writing and signing of the Concession Agreement, as per the original request.
- 2.8. A summary of each consultant's scope of work and method of invoicing is summarised below.
- 2.8.1. Allen and Overy provided legal services relating to the business case, Concession Agreement and the establishment of E20. The invoices provided a brief breakdown of activities, the hours per activity and the rate. However, some listings of activities were related to both the Concession Agreement and other areas of work. It was not possible to identify with certainty the costs specifically relating to the Concession Agreement.
- 2.8.2. Pricewaterhouse Coopers (PwC) provided bid evaluation, financial and tax advisory services relating to the business case, Concession Agreement and the establishment of E20. The invoices reflected the range of work, but did not break down the cost per activity. The invoice did not provide sufficient information to calculate the costs specifically relating to the Concession Agreement.
- 2.8.3. Gardener and Theobald provided cost consultancy services on the Legacy conversion. This work is not directly related to the Concession Agreement; however, from our review of the invoices, there would appear to have been some FM advisory which could have related to the Concession Agreement. The invoices were based on total hours spent for each consultant and did not provide a breakdown or description of work. The consultant was unable to retrospectively provide a breakdown of work at the time of this internal review.
- 2.8.4. Mott MacDonald provided engineering and architectural services relating to the Legacy conversion, which was not directly related to the Concession Agreement; however the Concession Agreement may have had minor impacts their overall work. This consultant invoiced based on the total fees for engineering and architectural services during each invoicing period and did not provide a fuller breakdown or description of work. The consultant was unable to retrospectively provide a breakdown of work at the time of this internal review.
- 2.9. LLDC's Financial Control Manual requires that purchase orders are aligned with approved budgets and that, before a corresponding invoice can be paid, the responsible officer confirms that LLDC has incurred a liability to pay for those goods or services.
- 2.10. 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.
- 2.11. 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,



Executive Director of Finance and Corporate Services
London Legacy Development Corporation