

**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session – not for publication**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

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**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

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**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) It was noted that LLDC had made an application to government for the funding gap and will have to cover the capital contribution until this is received from WHU. It was noted that the WHU capital contribution is guaranteed by Gold and Sullivan.
- (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) In response to a query about State Aid, the General Counsel noted that LLDC was confident that there were no State Aid issues, but wanted more assurance from the European Commission (EC). The Chief Executive noted that the LLDC would need to consider if its position had changed the

submission of the non-paper to the EC and that on balance he did not consider there to have been any significant changes. There was a discussion about whether or not to provide further information and it was noted that LLDC would submit a supplemental paper to the EC but not make a full submission to the EC.

- 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]*