



E20 Stadium LLP – Board Meeting 28.02.17

Exempt Information: This Agenda is exempt from disclosure pursuant to Section 43 of the Freedom of Information Act 2000, in that it contains commercially confidential information.

Meeting: E20 Stadium LLP

Date: 30.03.17

Time: 11:00 – 12:00

(Note that the LLDC and NLI Members are speaking at 10am – 11am, prior to the formal E20 Board meeting)

Meeting Venue: LLDC Offices – Marketing Suite

Member Representatives Expected: Nicky Dunn (Chair), Keith Edelman (LLDC), Lester Hudson (NLI), Katharine Deas (NLI) David Gregson (LLDC)

Ex-Officio Members: Kim Bromley-Derry (LBN)

Also Expected: Alan Skewis, s.40, Martin Gaunt (All E20); s.40 (NLI); Gerry Murphy (LLDC), s.40 (Lawyer, Osborne Clark)

Apologies: David Goldstone (LLDC)

Main Board Agenda (11.00am - 12.00):

1. Apologies
2. Minutes of meeting held on 28 February 2017
3. Matters arising and actions
4. Minutes of Finance and Audit Committee held 21st March 2017
5. 2017/18 E20 Budget
6. Director Update
7. Naming Rights
8. Stadium Health and Safety Report
9. Stadium Handover and Asset Surveys
10. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

Board Actions List (reported to the meeting on 28 February 2017)

Actions from last meeting

Minute No.	Item/Description	Action By	Target Date	Status/note
2.1	E20 to check concession agreement to see if E20 should be paying for turnstile operators / "gate men"	Alan Skewis	30 March 2017	<p>Yes, this is an E20 obligation in the Concession Agreement (an obligation we pass on to LS185). The relevant CA clause is:</p> <p>24.1 In accordance with the requirements of any Regulatory Body and any Governing Body Requirements, the Grantor shall, at its own cost, provide or procure all necessary ticket checkers, turnstile operators, stewards within the Island and the Park, security personnel within the Island and the Park, ambulance and other medical personnel, staff for outlets, staff for restaurants and other public catering outlets, cleaning and maintenance staff and other personnel of suitable qualification and training, in sufficient numbers to ensure the safe and efficient operation and management of the Stadium, the spectators and the public on an Event Day.</p>
2.2	E20 to carry out benchmarking against other costs at other stadia	Alan Skewis/Martin	May 2017	No progress made on other stadia Sessions with LS185 held to address how reduce stewards and other costs

		Gaunt		
2.3	Alan Skewis to provide a breakdown of Westfield charges for egress	Alan Skewis	30 March 2017	Provided to LLDC and LBN Agreed letter to Westfield sent with follow up meetings held
2.4	Chris Allison to return to the Board later in the year to provide an update on Stadium safety and egress.	s.40	Sept 2017	Agreed with Chris Allison
3.1	Chair to feed back to LS185 Chair, and require: <ul style="list-style-type: none"> An overlay paper to go with the Business Plan explaining how LS185 plan to save costs, improve their community plan and commercials. A breakdown of actual fixed costs and comparison against the bid A "road map" of targets and how they plan on achieving it 	Nicky Dunn	30 March 2017	Communicated to LS185 Response received, but no information on business plan
3.2	E20 to review all KPIs and agree KPIs for 2017/18 with LS185	Alan Skewis/Martin Gaunt	April 2017	Full list of obligations, KPIs produced
4.1	Alan Skewis to circulate summary of the asset survey report to Board once received	Alan Skewis	30 March 2017	Meeting held Summary in March Board papers LS185 presentation slides available to members
4.2	Agreed reactive lines relating to West Ham court papers to be circulated to members.	Alan Skewis	March 2017	Agreed
4.3	Alan Skewis to press LS185 for a paper comparing MLB and Cricket in plenty of time before a decision is required. Position on cost of seat moves also needs clarification	Alan Skewis	30 March 2017	Director update sets out progress Full report due end April
4.4	Ian Bright to find out who has the "extra time minutes" on the LED pitch side boards	Ian Bright	30 March 2017	Yes, under clause 3.2 - 3.2 The right to exploit 10% of the total exposure of the advertisements on the

				Pitch-Side Signage at or near pitch level in the Stadium at each Event.
4.5	Ian Bright to map out potential options for s.43 commercials and circulate to Board	Ian Bright		
5.1	David Goldstone to seek to secure a reduced fee from Mace	David Goldstone	30 March 2017	LLDC decided not to seek reduced fee. £416k in seat costs budget
5.2	Alan to follow up to secure 100% of savings from the installation of air skates	Alan Skewis	30 March 2017	Contract change being made, subject to confirmation of savings. Not yet assumed in budget

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
30 November 2016	Director Update – Alan Skewis to compile a list of outstanding issues (In relation to West Ham United)	Alan Skewis	25 April 2017	Alan Skewis to bring update to April Board.
31 January 2017	LS185 Performance – The Board to nominate an LLDC and NLI representative to form the final negotiating team alongside E20 to take forward disputed costs	E20 Board members	30 March 2017	Board nominated Gerry Murphy from LLDC and Katharine Deas from NLI as representatives



Subject: 2017-18 Budget

Meeting date: 30 March 2017

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. The E20 Board is due to consider the budget for the upcoming financial year. Once agreed, E20 will seek the necessary working capital from Members. E20 will also track performance against the budget throughout the year, with reports to the Board each quarter.
- 1.2. The Board is securing professional advice in relation to its solvency and this paper and its recommendations should be considered in light of that advice.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **APPROVE** E20's base budget for 2017-18, which forecasts a loss of £19.532m.
- 2.2. The Board is invited to **NOTE** that the base budget does not make provision for any lifecycle investment, or the realisation of risks or opportunities. These have the potential to improve or worsen the position within the range indicated.

3. 2017-18 BUDGET

- 3.1. E20 has prepared a detailed business plan covering the ten year period from 2017-18 to 2026-27. A revised draft has been circulated to officer representatives for each of E20's Members, following earlier consideration of a draft version by E20's Finance & Audit Committee. The business plan provides commentary on E20's activities in the upcoming years, and its forecast income and expenditure (with justifications for the assumptions made). The business plan also details the substantial risks and opportunities that sit beyond the base budget, and the actions E20 is pursuing in seeking to manage down the risks and exploit the opportunities. Members are considering the draft business plan.
- 3.2. Whilst an approved business plan is not strictly required, it is necessary for E20 to establish a budget for 2017-18. Members requested to see this in a high level income and expenditure format, with a breakdown between the different areas of the business. Also as requested by Members, potential lifecycle investment, together with risks and opportunities, are not provided for within the base budget. The budget also assumes "status quo" arrangements in relation to the seating system, operator and E20's primary contracts. Work to consider radical options is ongoing, but even if pursued would be unlikely to have an impact as early as 2017-18.

3.3. E20's 2017-18 base budget, for consideration by the Board, is set out below:

Income and Expenditure Summary: 2017-18 budget		
£000s	2016-17 forecast (prior year comparator)	2017-18 budget
Income		
Operator	0	3,574
Naming Rights	0	750
Other Operating Income	207	70
Total Income	207	4,394
Expenditure		
Operator	(7,323)	(8,329)
Naming Rights	(153)	(1,303)
Other Operating costs	(308)	(157)
Staffing	(343)	(339)
Overheads	(3,163)	(3,798)
Seating	(300)	(10,000)
Total Expenditure	(11,590)	(23,926)
E20 net position before lifecycle, risks and opportunities	(11,383)	(19,532)
Lifecycle investment	0	(650)
E20 net position including lifecycle, before risks and opportunities	(11,383)	(20,182)
Risks	(450)	(6,606)
Opportunities	0	1,050
E20 net position after opportunities, before risks	(11,383)	(19,132)
E20 net position, after risks, before opportunities	(11,833)	(26,788)

3.4. The budget indicates that E20 is forecasting a net loss of £19.532m in 2017-18. Lifecycle investment remains under consideration, and could require additional funds, subject to a future Board decision. A provision of £650k is shown in the table above, based on E20's assessment of LS185's initial lifecycle review findings. If subsequently approved at that level, that would increase the net loss to £20.182m.

3.5. Risks and opportunities sit outside the £20.182m figure. 2017-18 risks are quantified as follows:

£000s	2017-18
Risks	
Further Facility Management costs (potential outcome of asset survey)	(1,000)
Further utilities costs	(206)
LS185 underperformance against their business plan	(2,508)
Payment of London Living Wage	(800)
"Ipswich Ruling" Policing costs	s.43
s.43	
No naming rights	553
Additional matchday costs (non LS185)	(170)
Clean Stadium requirements	(150)
Seating requirements exceed cost provision	(1,000)
Additional lifecycle investment	(300)
Total risks	s.43

3.6. 2017-18 opportunities are quantified as follows:

£000s	2017-18
Opportunities	
Utilities savings from improved efficiency	200
West Ham 60,000 capacity increase Court judgement going for E20/LS185	450
Business rates saving secured via appeal	400
Total opportunities	1,050

- 3.7. There are further opportunities identified for E20, including securing savings on insurance and seat moves – but existing commitments are likely to preclude these being realised in 2017-18. E20 will nevertheless seek to maximise revenues, and minimise costs, wherever possible across all areas of the business.
- 3.8. If opportunities are realised in full, and risks are not realised at all, the forecast would reduce to £19.132m. If risks are realised in full, but opportunities are not realised at all, the forecast would increase to £26.788m.
- 3.9. The 2017-18 base budget of £19.532m has been profiled in order show detailed monthly cashflows (full excel file shared with Members). This translates into the quarterly working capital requirements from Members. The forecast working capital requirements, by quarter in 2017-18, are as follows:

£000s	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
LLDC	5,479	4,633	1,999	2,034	14,145
NLI	2,950	2,495	1,076	1,095	7,617
Total	8,429	7,128	3,075	3,130	21,762*

* Note that LS185's payment of 2017 final net commercial revenues is contractually due in April 2018, so is not due to be received in cash within the 2017-18 financial year. This is the primary reason why E20's working capital requirement, forecast at £21.762m on a cash basis, is slightly higher than the base budget forecast of £19.532m, on an accruals basis.

- 3.10. The working capital requirement is front loaded in the year due to a number of significant outgoings, most notably seating costs, scheduled for the first half of the year. The working capital forecast to be required in the first half of the year (injections in April and July 2017) is £15.557m. E20 will continue to manage its cashflow to secure income in a timely fashion and make payments as late as possible.
- 3.11. The working capital requirement is based on the base business plan of £19.532m – it is before any investment in lifecycle, and before any risks or opportunities. These have the potential to improve or worsen the working capital requirement (with the potential impact from quarter 2 onwards).
- 3.12. Subject to Member's review, E20 will invoice LLDC and NLI for the required funds shortly in advance of the quarter. As such, E20 intends to invoice LLDC for £5.479m, and NLI for £2.950m, by 31 March 2017. The working capital requirement for quarter 2 will be confirmed in June 2017, in E20's quarterly financial update. The working capital requirement for quarter 3 will be confirmed in September 2017, and quarter 4 in December 2017.

Report originator(s): Martin Gaunt

Email: martingaunt@e20stadium.com

Subject: E20 Director Update

Meeting date: 30 March 2017

Agenda Item: 6

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, Director of E20 Stadium LLP

1. SUMMARY

- 1.1. This report provides the E20 Stadium LLP Board with an update from the Director on various work streams.
- 1.2. The report differs from previous reports, with a focus on the 6 key priorities set out in the draft E20 business plan, risks, as well as short updates on issues of note for the Board.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** the report

3. PROGRESS ON 6 KEY THEMES

- 3.1. An update on the 6 key themes identified for the draft 2017/18 E20 business plan set out below.

	Key E20 Priority	Target (and RAG)	Current Position	Headline Actions
1	Make in Year and 18/19 Financial Efficiencies	£14.5m loss	£19m loss	<p>Clear communication to Westfield that no further E20 funds to pay for ingress / egress costs (saving of £8k per game)</p> <p>Legal letter to WHU to pay business rate contribution</p> <p>Non agreement to LLDC taking back south park for 2018 events</p> <p>Utilities contract rebate of £200k secured as part of 18 month utility contract</p>
2	Holding LS185 to account:			
a	s.43			
b	Reduce WHU costs by £50k per game	£170k per game	£220k per game	Audit of LS185 stewarding dot plans taking place, with aim of reducing numbers by 200 to contribute to £50k per game saving on costs
c	s.43			

	s.43			
3	s.43			
4	Closing out Stadium Transformation Issues	£1m	£3m	<p>LS185 reports received and being challenged to get below target:</p> <p>£800k LS185 handover claim disputed</p> <p>£1.5m pa additional cost from asset verification survey disputed, with much smaller sum legitimate</p> <p>£0.65m lifecycle in 2017/18 at E20 discretion, with direction to only do essential work</p>
5	s.43			
6	Secure Contracted local Community and Economic benefits	75% local employment	60% local employment	LS185 Jobs and Apprentice Plan not agreed, and improvement required

4. RISKS

4.1. A new format risk register has been updated and attached as Annex 1.

4.2. The key risks are:

- 4.2.1. Risk of E20 sustainability, based on business plan and Member working capital commitments This is covered under the E20 budget item
- 4.2.2. Settling stadium handover and asset issues
- 4.2.3. Health and Safety incident at stadium
- 4.2.4. Damages arising from non-delivery of relocatable seats to event deadlines
- 4.2.5. Failure of LS185 to deliver net commercial revenues
- 4.2.6. Not securing Vodafone naming rights deal
- 4.2.7. Losing legal disputes with WHU, with short and long term implications for stadium sustainability
- 4.2.8. Number of legal disputes impacting effective relationships (the business plan sets out 11 unresolved disputes)
- 4.2.9. Complexity of stakeholders impacting decision making
- 4.2.10. Unsuccessful 2017 events
- 4.2.11. Reputational Damage from WHU events at the stadium
- 4.2.12. School construction not integrated in Stadium Events / Claims

5. LS185 PERFORMANCE

- 5.1. Following the Board meeting Nicky Dunn and Katharine Deas met with the LS185 Chair. The Chair has written to confirm issues discussed at the meeting
- 5.2. LS185 have responded:
 - 5.2.1. Stating a number of breaches of the contract by E20, and referring to these as mitigating circumstances (stadium handover, stadium condition, relocatable seats) that they believe excuse LS185 under performance;
 - 5.2.2. Stating that they do not consider they have legally accepted handover of the stadium;
 - 5.2.3. Refuting the inadequacy of their business plan;
 - 5.2.4. Inferring that E20 have prevented them from delivering a number of services;
- 5.3. Members should note that there has been a distinct change in LS185 approach since the meeting, with a more contractual stance taken. The contained issues over stadium handover and their views on the condition of assets is further informing their approach.
- 5.4. A response is being sent to LS185 that confirms the Stadium has been handed over in line with the contract, and focuses on LS185 delivering financial and operational performance in the coming year. The core message included in the E20 business plan that LS185 must take ownership and accountability for delivery of the stadium is central to the response, with a commitment that E20 will step back from any involvement in LS185 responsibilities.
- 5.5. In parallel a number of actions have been taken by E20 to enforce the operator contract:
- 5.6. Obligations / KPIs:
 - 5.6.1. A full list setting out compliance or otherwise of contract obligations and KPIs is being sent to LS185. It sets out areas of non-compliance and where information supplied was late or of insufficient standard
- 5.7. Financial:
 - 5.7.1. Threat of action if LS185 refuse to provide business plan information as required by E20 following the last Board meeting
 - 5.7.2. Notice to LS185 that the LS185 business plan projections could represent an anticipatory breach of the Operator agreement termination triggers
 - 5.7.3. Notice that E20 intends to audit LS185 fixed costs, Connected Stadium costs and net commercial revenues
- 5.8. Operational:
 - 5.8.1. A requirement to report on a reduction of £50,000 in WHU match day costs of c.£220,000 from £220,000 to £170,000
- 5.9. Personnel:
 - 5.9.1. Notification of the previous failure to consult E20 on key personnel appointments, and a requirement to do so for key personnel replacing the Finance Director and Head of Safety, who have both recently left post

6. STADIUM CAPACITY

- 6.1. Further to the Director Update and witness statement provided to members on the 17 March, a date of the 21st April has been set for the court to hear the case.

7. GLA REVIEW

- 7.1. The Mayor of London appointed team (Moore Stephens) has started their investigation. Their report is scheduled for June 2017.

8. LONDON 2017

- 8.1. LS185 are working with London 2017 to get the **s.43** costs quoted to the organisers to a figure that is more acceptable to all parties. It is clear that the **s.43** was based on a lack of information being provided by London 2017, and very cautious assumptions by LS185.
- 8.2. E20 are remaining outside of the negotiations, but reinforcing the need for LS185 to act within the parameters set by the UK Agreement.

9. 2019 CRICKET AND BASEBALL

- 9.1. In mid-March there was press coverage today concerning the potential hosting of ICC Cricket World Cup matches at London Stadium. This included quotes from their CEO (Tom Harrison) who is known to be keen to 'make a statement' by hosting tournament fixtures in a 50,000+ venue.
- 9.2. The decision timeline has shifted, and now looks like being the end of April for a report to the Board and GLA, with a decision in May 2017. This is in line with current ICC/ECB and MLB expectations.
- 9.3. LS185 have provided an update on the current position:
 - 9.3.1. Tom Harrison, and **s.40**, are fully apprised that it is feasible to stage international cricket at London Stadium and LS185 are in regular contact with the tournament team
 - 9.3.2. LS185 were not party to the press coverage, and have been clear that they will be making no statement on commercial discussions
 - 9.3.3. LS185 are being clear that no agreement has been signed with ECB or MLB, and they will need to consult with the stadium owners before entering into contract
 - 9.3.4. A really positive step is that MLB and ECB are working together to reconsider the option of both being able to stage events in the same year and we are set to host a tri-party meeting, provisionally scheduled for 20 April 2017
 - 9.3.5. LS185 expect to provide the report E20 have requested showing the comparison of cricket, MLB (or both) by late-April 2017 allowing time for E20 to consult with its members
 - 9.3.6. This is in line with the revised ECB and MLB timetable for any contracts to be signed
 - 9.3.7. The commercial sums requested are very significant, and LS185 are confident the ECB / MLB would cover the costs of reinstating the pitch following their usage period
- 9.4. Members are reminded that both ICC and MLB require the west, north and south stands to be moved. This impacts the economics significantly, unless we can get the relocatable seat costs down.

10. RELOCATABLE SEATING SYSTEM

- 10.1. PHD are mobilised and have established a site presence in the stadium. A trial unit was moved on the 27th March 2017, and is expected to provide a number of learning points for PHD. A verbal update will be given to the board on lessons learnt from this test.
- 10.2. The budget is reviewed fortnightly by a steering group, on which LLDC, LBN, Mace and E20 are represented. The budget of £10m remains tight.
- 10.3. The E20 business plan assumed movement of the west, south and north stands in 2018 at a cost of just over £7m. Significant funding could be saved if the seats were not moved at all in 2018. The steering group are looking at the advantages and disadvantages of this option, with a view to reporting to the April E20 Board.
- 10.4. London Borough of Newham is leading the work on a radical seating review. Pell Frischmann fed back to a group from E20, LLDC, LBN and the GLA on the 16th March 2017. The session identifies some radical thinking in line with the brief.
- 10.5. Some key themes emerged from the session were:
 - 10.5.1. The need for considered decision that focus on the long term, rather than a quick fix
 - 10.5.2. More effective movement of the seats is important, but of equal importance is simplifying the number of components, and ease of installation of the bridges and infrastructure behind the seats.
 - 10.5.3. The potential benefit of destroying the lower tier permanent concrete seating. This has no role in supporting the lower tier seating, but does have plant, communications, changing and other spaces underneath it on the stadium lower ground floor. A trade-off between losing / relocating those spaces would have to form part of the assessment
- 10.6. Pell Frischmann is continuing to work on the options presented, and will present a completed report in April 2017.

	Annual Financial Impact							Score after	E20	Next
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S.43

E20

STADIUM LLP

Subject: Naming Rights

Meeting date: 30 March 2017

Agenda Item: 7

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, Director of E20 Stadium LLP

1. SUMMARY

1.1. This report provides the E20 Stadium LLP Board with an update on naming rights.

S.43

S.43

S.43



Subject: Health and Safety Report (LS185)

Meeting date: 30 March 2017

Agenda Item: 8

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, E20 Director

1. SUMMARY

1.1. This report focuses on the health and safety report issued by LS185, highlighting no major incidences in February 2017.

2. RECOMMENDATIONS

2.1. Members are asked to **NOTE** the report

Appendices

Appendix A – Health and Safety Report

Health and Safety Report

Month: February 2017

Subject: London Stadium Accident & Incident (A&I) review – February 2017

Prepared by: s.40 [REDACTED], Head of Safety and Security

Presented by: Linda Lennon at KPI Meeting, 8th March 2017

Issues:

This information is provided as part of LS185 best practice to provide E20 with a monthly H&S update. A review of accident and incident data for the month of January has been completed and provided below.

Recommendation:

E20 is invited to:

1. Note the information provided in Table 1.
2. Note the analysis of data from the Accident and Incident (A&I) review
3. Note the information in relation to ongoing personal injury claims being managed by LS185

Background:

The Health & Safety Executive (HSE) strongly urges Directors to keep abreast of H&S in their organisations. One element of this is to report on the accidents and incidents in London Stadium, examine the underlying causes and determine any latent failures in LS185's Health & Safety Management System.

Financial implications:

Potential cost of claims (none at present) and ad hoc consultancy cover.

Staff implications:

None.

Claims:

There are no identified claims this month.

Table 1. Accidents and Incident Reports received by LS185 on event days in January

Classification	Man City (01/02/17)	West Bromwich (11/02/17)	Fulham (u23) (20/02/17)	Total
Medical incidents	7	5	1	13
Of which are minor accidents	6	4	1	11
Of which public/staff	3 Public 4 Staff	3 Public, 2 Staff	1 Public, 0 Staff	7 Public, 6 Staff
Of which are RIDDOR	0	0	0	0
Of which were sent to hospital	1	1		2
Any additional details	s.40			

Table 2. Accidents and Incident Reports received by LS185 on non-event days in the month:

Classification	LS185	VF	DN	OCS	Other	Total
Medical incidents	0	0	0	0	0	0
Of which are minor accidents	0	0	0	0	0	0
Of which public/staff	0	0	0	0	0	0
Of which are RIDDOR	0	0	0	0	0	0
Of which were sent to hospital	0	0	0	0	0	0
Any additional details						

Near Misses:

On Thursday 23rd February members of the Stadium Grounds Team set the Stadium Grow Lights to operate overnight on the pitch. On the morning of Friday 24th the team found significant wiring damage and burning to one of the pitch side cable boxes where the power lines are connected, live cables were exposed. The unit was made safe and instructions have been given for further use to prevent repeat incidents. LS185 and Imtech are working to identify an alternative solution.

Table 3. Crime and Disorder Figures for month:

Classification	February 2017	Cumulative total for season
Stadium Bans	13	143* (see note below)
Stadium Arrests	0	Pending figures from MET
Total	12	

* this includes all stadium bans, which could be a one game ban up to an indefinite ban, and includes bans issued at away games as well as those subsequently arrested (includes number in the next row). Please also note that this number can change as appeals are considered.

Subject: Stadium Handover and Asset Survey

Meeting date: 30 March 2017

Agenda Item: 9

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, Director of E20 Stadium LLP and s.40, Capital Adviser

1. SUMMARY

- 1.1. This report provides a summary of recent information provided by LS185 on asset verification, asset condition and lifecycle.

2. RECOMMENDATIONS

- 2.1. The Board is invited to:
- 2.1.1. **NOTE** the reports received by LS185, and the potential financial implications
 - 2.1.2. **NOTE** the LS185 position on stadium handover
 - 2.1.3. **NOTE** that E20 may need to employ a claims advisor, funds to be drawn from the technical adviser budget line

3. UPDATE

- 3.1. On the 22nd March LS185 presented a summary of the reports they are obliged to complete under the operator contract. Taking each in turn:
- 3.2. Asset verification: LS185 believe they priced against 11,000 assets than the 36,000 that they have stated are in the stadium. Some might be legitimate, but they seem to have ignored the halo building. The additional cost of managing these extra assets £1.5m, on top of the current £1.9m in the fixed costs.
- 3.3. Asset Condition: They have reconciled what they thought the condition of assets would be and what they have found. There are a number of issues. Additional costs are contained in the asset verification and lifecycle figures
- 3.4. Lifecycle: they have estimated £78m over 25 years. The profile in the next 3 years is a total of £4m. LS185 proposed a change to the contract with E20 picking up all lifecycle, rather than the currently contracted assets over £10k. LS185 would reduce the fixed fee by the c.£350k per annum to reflect this, but E20 would then replace all assets
- 3.5. As reported at previous Board, LS185 have made a claim for an excusing event for the July-December 2016 period, covering both additional work required and impact of managing the additional assets. This claim is being assessed and is not agreed.
- 3.6. In dialogue it is also worth noting that:
- 3.6.1. LS185 have restated that they have not accepted stadium handover;
 - 3.6.2. They have asserted there are incomplete evidence of statutory sign offs on systems from Balfour Beatty / LLDC, and therefore are not willing to be liable for

systems that are not verified. E20 have sought clarity on the full lost, and have questioned how JLAB would have signed off the building without these being in place. Where there are gaps we need to urgently address it.

3.7. None of the points made by LS185 have been accepted.

3.8. E20 are:

3.8.1. Responding to the LS185 Stadium Handover position, stating that the Stadium is handed over under the terms of the contract.

3.8.2. Gathering evidence of where have made erroneous assumptions, setting lifecycle targets that reflect a more needs based approach and re-stating that the stadium has been handed over to LS185.

Subject: Going Concern

Meeting date: 30 March 2017

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

1.1. s.43



2. RECOMMENDATIONS

2.1. The Board is invited to NOTE s.43



3.

3.1.



4.

4.1.

S.43

4.2.

Report originator(s): Martin Gaunt
Email: martingaunt@e20stadium.com

Meeting: E20 Stadium LLP
Date: 06.04.17
Time: 07:30-08:30
Meeting Venue: Conference call

Member Representatives Expected: Nicky Dunn (Chair), Keith Edelman (LLDC), Lester Hudson (NLI), Katharine Deas (NLI) David Gregson (LLDC)

Ex-Officio Members: Kim Bromley-Derry (LBN), David Goldstone (LLDC)

Also Expected: s.40, Martin Gaunt (All E20); s.40 (NLI); Gerry Murphy, Colin Naish (All LLDC), s.40 (Lawyer, Osborne Clark)

Apologies: Alan Skewis (E20)

1. Apologies
2. Minutes of meeting held on 30 March 2017
3. Actions arising from previous meetings
4. Executive Update
5. Financial Update
6. s.43 (paper to follow from Members)
7. Relocatable Seating Contractor – s.43

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

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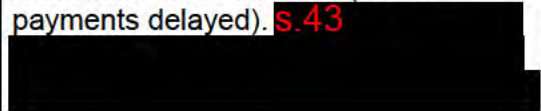
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Global access link –

http://www.btconferencing.com/globalaccess/?bid=814_public

Board Actions List (reported to the meeting on 6 April 2017)

Actions from last meeting

Minute No.	Item/Description	Action By	Target Date	Status/note
4.1	London Borough of Newham to clarify the letter sent to LLDC on 29th March 2017 by [3 April] 2017.	LB Newham	3 April	LBN to advise on status at Board.
4.2	Kim Bromley-Derry to investigate the possible deferral of payment of business rates to a later date. It was noted that this represented £690K in the first quarter. LBN requested that LLDC consider similar deferral of payments to LLDC.	Kim Bromley-Derry	6 April	With LBN for consideration. Not currently assumed.
4.3	Kim Bromley-Derry to investigate the option of including the Stadium in LBN's or LLDC's existing insurances.	Kim Bromley-Derry	6 April	Full update note circulated by E20 to Members, following detailed consideration by the LLDC and LBN insurance leads. Including the stadium in LBN's insurance appears a non-starter (not practically viable, and would not deliver savings). Including the stadium in LLDC's insurance may deliver minor savings, but would reduce the number of layers of cover LLDC has on Public and Products liability. This would represent a significant change to the risk appetite and as such would require consideration at E20/LLDC Board.
4.4	Martin Gaunt to see if insurance costs could be reduced and spread across a 12 month period	Martin Gaunt	6 April	Improved profile of insurance payments now reflected in cashflow (some payments delayed). s.43 

				s.43 [REDACTED]). Opportunities for reducing premiums under consideration, with further advice to follow.
4.5	Martin Gaunt to invoice NLI and LLDC for monthly working capital payment for April 2017 accompanied by weekly cash flow forecasts.	Martin Gaunt	6 April	Done
4.6	Consider and reflect fee provisions for advice and s.43 in the cash flows.	Martin Gaunt	6 April	Done
6.1	E20 Chair to write to LS185 Chair to set out approach to settling matters and driving performance by LS185	Nicky Dunn	6 April	Done – letter proposes positive route forward to solve contractual disputes. Extra E20 resource on board to drive forward, and working group with LS185 being established.
AOB1	Gerry Murphy to speak to Colin Naish in relation to him circulating the s.43 paper to Board. It was agreed that Colin Naish would report to and attend the next Board meeting (6 April)	Gerry Murphy	6 April	Done – paper included on Board agenda

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
30 March 2017 5.1	David Goldstone to seek to secure a reduced fee from Mace	David Goldstone	TBC	Gerry Murphy to follow up with David Goldstone (30 March). Verbal update from David Goldstone at Board.

Subject: Executive Update
Meeting date: 6th April 2017
Agenda Item: 4
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. This paper provides an update on various matters for noting and decision: naming rights, seating, stadium handover/asset survey, and legal advice. This paper covers Board approval required to commit to expenditure. The Financial Update paper covers Board approval required to make payments.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** good progress with Vodafone on naming rights, but that the press have now reported on the potential deal.
- 2.2. The Board is invited to **NOTE** the ongoing work in relation to the East Stand transition. The Board is invited to **APPROVE** seating project expenditure on:
- 2.2.1. Office partitioning and furniture (£20k);
 - 2.2.2. Seating components to reinstate those relocated as part of this season's Away Fan segregation (£30k);
 - 2.2.3. Vinyl necessary for the air skates system, in order to remove this activity from the transition critical path (£15k).
- 2.3. The Board is invited to **NOTE** LLDC Transformation's summary assessment of stadium handover/asset survey matters with LS185.
- 2.4. The Board is invited to **APPROVE** the commitment of up to a further £20k for legal advice from Osborne Clarke.

3. NAMING RIGHTS

3.1.

3.2.

3.3.



3.4.

S.43

4. SEATING

East Stand transition

- 4.1. E20's seating contractor, PHD, and project manager, Mace, are well underway in their planning for the seating transitions. The time available for transition 2 (concert to athletics) is, as has always been known, particularly tight. This transition requires the reinstatement of seven rows on the East Stand, and then the East Stand to be moved back. E20's overriding priority is to have the East Stand back in time to allow bump in in for the ParaAthletics. The Diamond League, and Great Newham London Run are also scheduled during the transition period. E20, PHD, Mace, and LS185 are reviewing in detail the logistics for this transition period. Initial planning suggests there may not be enough time to satisfy the needs of all the event owners. The E20 Board may need to consider whether to continue to go ahead with the Diamond League, and Great Newham London Run. E20 will return to the Board on 13 April with further advice.

Funding commitments

- 4.2. All E20 expenditure commitments, on seating or otherwise, now require approval of the E20 Board. E20 has established a Seating Project Group, with membership from E20, Mace, LB Newham and LLDC. This group met on 31 March and recommends that the following commitments are approved by the E20 Board. A full, updated seating forecast, at the P80 confidence level, is under preparation by Mace and will be circulated to the E20 Board once considered by the Seating Project Group later this month.

Accommodation

- 4.3. Under the terms of the Seating Contract, E20 is obliged to provide the Press Work Room for Transition 1 (pitch to concert) and Transition 2 (concert to athletics).
- 4.4. The contract envisaged no move of the East Stand and therefore no need for accommodation within the stadium during the imminent lead up to London 2017.
- 4.5. Now that the decision to move the East Stand has been made, Transition 2 is not completed until 12 days into London 2017's exclusive use period. The need for the Contractor to vacate the stadium offices has been challenged with London 2017, who remains adamant that the Contractor cannot remain in situ due to the event's bump in programme.

- 4.6. Subsequently, E20 are now faced with an unbudgeted item to move the Contractor's office functions out of the stadium. An initial cost of £165k to provide cabin accommodation has been received.
- 4.7. This cost can be eliminated if the contractor moves into one of the few pockets of stadium space – that earmarked for the Learning Zone – not impacted by London 2017's accommodation requirements. This has been approved by LB Newham at the 31 March Seating Project Group.
- 4.8. There will be some cost, estimated at £20k, to provide this accommodation within the Learning Zone space, but this is less than providing cabin accommodation off site and also more efficient in terms of locating the office close to the seating works site. The Board is asked to approve the £20k commitment.
- 4.9. The implication of not approving this sum risks adding further cost the seating budget by having to find alternative accommodation.

Seating Components

- 4.10. Various seating components were removed from the permanent lower tier when seating components were required at short notice following the Watford match earlier this season.
- 4.11. These components were customised in order to fit their new location and are therefore unable to be relocated back as they no longer fit. For athletics and concerts this summer, some of these seats are now required.
- 4.12. The Project Team have rejected LS185's proposal to procure all of the 'missing' seats, opting instead to procure just the brackets, rails and endcaps required to provide enough flexibility to move the existing seat stock.
- 4.13. Further to the last Seating Project Group meeting on 31 March, it is proposed to procure £30k of components (brackets, rails and endcaps) to deliver the required flexibility. The Board is asked to approve this £30k commitment.
- 4.14. The implication of not approving this sum is that the additional capacity required for London 2017, s.43 will not be achievable.

Airskates Vinyl

- 4.15. A vinyl product, upon which the Airskates operate, was trialled during the recent test move and was deemed to perform well. The laying and removal of vinyl to facilitate the Airskate operation, is a critical path activity as the piece of vinyl is in a constant cycle of lay, use, relay.
- 4.16. This operation can be removed from the critical path if larger quantities of vinyl are procured, such that the product can be laid in advance of each transition.
- 4.17. An initial quote from Aerofilm, suppliers of the Airskates product, was £62k.
- 4.18. The Project Team challenged PHD, the seating contractor, to source the same specification and quantity of vinyl more cost effectively. PHD has risen to the challenge and sourced an identical product for £15k.
- 4.19. In order to de-risk the programme, it is proposed that £15k of expenditure is approved in order that vinyl can be laid under all four stands prior to Transition 1. The Board is asked to approve this £15k commitment.
- 4.20. The implication of not approving this unbudgeted sum is that it condenses activity into an already busy period with the number of Operatives on site at any one time being far greater than it could be. In considering this approval, it should be noted that the programme for all three transitions remains extremely tight on time and high on risk.

5. STADIUM HANDOVER / ASSET SURVEY

- 5.1. A summary of the position on stadium handover to LS185, and LS185's asset survey, has been prepared by the LLDC Transformation team and is enclosed at Annex A. Fuller advice will follow to the E20 Board later this month.

6. LEGAL ADVICE

- 6.1. The initial legal advice provided to the E20 Board by Osborne Clarke has been concluded. An invoice for £20k has been received and is subject to approval by the Board in the Financial update Board paper (see next agenda item).
- 6.2. E20 Board members have indicated that they are minded to retain Osborne Clarke's legal input for the time being. A budget for up to a further £20k of work is proposed. If approved, this would then be drawn down as required. It is difficult to predict the extent of further assistance that will be required. Osborne Clarke therefore suggest that they are instructed on an ad hoc basis, to include attendance on the weekly Thursday Board calls, plus to provide general assistance as requested by the Board Members.
- 6.3. In order to control costs, Osborne Clark will provide a weekly update on the costs incurred. All requests for advice from Osborne Clark should be channelled through Martin Gaunt and s.40 (TfL Legal), in order for requirements and costs to be monitored. E20 will continue to call on Osborne Clarke's expertise where necessary, but will otherwise seek to meet requirements in house / via TfL Legal (e.g. in preparation of Board minutes).

Issue	Summary	Latest Position	Financial Implication
Delayed / Phased Handover	<p>Balfour Beatty were granted completion on 13 July 2016.</p> <p>Between this date and the end of November the stadium assets were commissioned and handed over in a phased manner.</p> <p>For those assets that were not yet handed over a representative from Balfour Beatty was on site for events to monitor and operate the asset if required under the control of LS185.</p> <p>Note:- this approach had no impact on any planned event during this period.</p>	<p>Vinci Facilities are claiming that they had to bring more staff on site as a result of this initially unplanned phased handover which has an increased cost. E20 do not accept the scale of LS185's claim. A detailed process of review and challenge is ongoing, and will be concluded with a recommendation to the E20 Board for decision.</p>	<p>The costs VINCI Facilities claim they have incurred between handover on 13/07/2016 and 31/12/2016 is £541,000. E20 do not accept the scale of LS185's claim.</p>
Asset Verification Report	<p>Vinci Facilities employed Thomson FM to undertake an independent review of the as-built assets within the Stadium</p>	<p>The review highlighted an asset gap of 24,771 assets. An asset register was not provided to VINCI facilities during tender stage, however utilising the drawings and schedules provided at tender stage, VINCI Facilities completed a count of 11,243 assets. The review has identified a total 36,014 stadium assets.</p> <p>There are a number of exclusions from this review such as field of play, retractable seating and bridges. The report also clearly states that it is not exhaustive and they reserve the right to update it when more information becomes available.</p> <p>E20 has begun the detailed process to review the and challenge the findings.</p>	<p>The original annual FM Fee, within the fixed costs payment to LS185, is s.43</p> <p>LS185 / Vinci Facilities are now proposing a revised annual FM fee of s.43, applicable from 1 January 2017. This represents an increase of s.43</p> <p>E20 has not accepted this proposal. Pending greater certainty, E20 has made a budget provision of an additional s.43 per annum.</p>
Asset Condition Report	<p>This report provides information to the Stadium Management Team on the conditions of key assets within the stadium.</p> <p>The report is based on 36 individual asset survey reports produced by Specialists.</p>	<p>A number of issues raised require immediate attention, other may be programmed subject to discussion on the ownership of responsibility and risk management.</p> <p>The report does not reflect E20's position that following Balfour Beatty achieving completion (on 13/07/2016) it was the responsibility of the Stadium Operator to manage, maintain and operate the stadium and its assets. Acknowledging that a number of key assets were handed over between 13/07/2016 and 25/11/2016, responsibility for operating the asset only transferred to the Operator when the corresponding Systems Acceptance Test (SAT) pack was accepted by Building Control and Mace.</p>	<p>Assumed to be reflected in Asset Lifecycle Replacement Plan</p>

Asset Lifecycle Replacement Plan	The review of assets installed in the London Stadium for which Vinci Facilities are responsible has been used to create a lifecycle model to support the stadium for 25 years.	Their review outlines the methodology used to produce the lifecycle cost plan for 25 years of usage. The Additional Year 1 costs is the amount Vinci are claiming is required to bring assets back to reasonable operating condition and closer to normal operating life which would enable the project profile to be realistic. E20 has begun the detailed process to review the and challenge the findings.	S.43
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Subject: Financial Update

Meeting date: 6th April 2017

Agenda Item: 5

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

1.1. This paper provides:

- 1.1.1. Latest weekly cashflow forecast for E20;
- 1.1.2. Analysis of E20 creditors and debtors;
- 1.1.3. Payments recommended for approval by the Board.

2. RECOMMENDATIONS

2.1. The Board is invited to **NOTE** E20's cashflow forecast and current creditors and debtors.

2.2. The Board is invited **APPROVE** payment of the following:

- 2.2.1. External audit fee, payable to EY, for E20's 2016-17 audit. In accordance with E20's engagement letter with EY, this is payable now rather than at the completion of the audit (contractually committed; £26,000+VAT);
- 2.2.2. Legal fees, payable to Osborne Clarke, for advice received before, during and after E20's Board meeting on 30 March 2017 (contractually committed; £20,250+VAT);
- 2.2.3. E20 employee income tax and national insurance contributions, plus employer national insurance contributions, in respect of the March payroll (£9,170, payable to HMRC);
- 2.2.4. Training course, provided by DPSS Consultants, on commercial management and contract disputes for E20 Business Manager (contractually committed; £2,150+VAT);
- 2.2.5. Stadium photography, provided by Isabel Infantes, to support naming rights (contractually committed; £500+VAT).

3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out at annex A. The schedule has been developed from the version circulated at the 30 March Board, and now provides the cashflow on a weekly basis through to the end of July, as requested. It also now includes cashflow adjustments for VAT. Finally, for completeness, the forecast cashflows for the capital works (Transformation and Discretionary) are also provided on the second page, so that the Board is sighted on E20's full cash position.

- 3.2. Since the 30 March Board meeting, E20 has written to LLDC and NLI formally requesting working capital contributions for April of £1,691,000 and £872,000 respectively. Invoices have been issued for these amounts and E20 is awaiting payment. Payment of these invoices will be necessary to settle major bills due for payment in mid-April. A further working capital injection will be required at the start of May.
- 3.3. The weekly cashflow indicates that, on current assumptions, after working capital contributions are made, E20 will have sufficient cash through to the end of April. The position is very tight though, with only £33k forecast to remain in the bank at the end of April. The addition of VAT cashflows in the analysis is significant in this regard. Over a quarterly period the VAT cashflow impact has previously been neutral, but now that E20 is invoicing for working capital on a monthly basis, the timelag in recovering VAT becomes material. E20 will factor this into its future working capital requests from Members (from May onwards). E20 has been able to absorb the VAT cashflow pressure in April by gaining agreement to delay payment of the first major tranche of seat moves costs into May, amongst other minor cash movements. E20 is also pursuing the following actions to potentially delay cash outflows:
- 3.3.1. Finalising arrangements with LS185 on utilities, notably the responsibility for settling outstanding electricity bills. A cash outflow estimated at £1.7m is currently shown w/c 17 April, but E20 may be able to defer a portion of this. A full reconciliation of costs can be undertaken once contractual responsibility for utilities, between E20 and LS185, is resolved.
 - 3.3.2. E20 may delay its fixed costs payment to LS185, contractually due on 24 April. There are outstanding payments owed by LS185 to E20 (see debtors report). E20's position is that the fixed costs payment, and the additional payment to LS185 for contract changes, will not be paid until these bills are settled.
 - 3.3.3. There are some cash outflows prudently forecast for April that E20 has yet to be invoiced for. E20 will not make any payments until the end of the payment term and following E20 Board approval.
 - 3.3.4. LB Newham have indicated that they may be willing to defer payment of business rates (awaiting confirmation from LBN).¹
- 3.4. The actions above are likely to increase the cash E20 holds at the end of April and early May. However, the cash flow analysis does demonstrate the tight cash position E20 is operating within, with some areas of expenditure uncertain (notably utilities), and little buffer against any adverse movements. E20 will continue to monitor the position closely and report to Board on a weekly basis. E20 has focused its attention in particular on the April and May cash position. Work is ongoing to firm up the likely timing of payments beyond that. This notably includes the seating project, where the timing of payments from mid-May onwards remains subject to ongoing discussion with the contractor.

4. CREDITORS, DEBTORS AND PAYMENTS FOR APPROVAL

- 4.1. An analysis of E20's current creditors and debtors is set out at Annex B and C respectively.

¹ To note that LLDC has agreed to defer payment by E20 for member services costs (this is already reflected in the cashflow at annex A).

- 4.2. The Board has been clear that all payments must now be approved by the Board. In order to assist the cash position, E20 is seeking to make payments as late as possible within the contractual and payment terms. The payments requested for approval by the Board this week are as follows:
- 4.2.1. External audit fee, payable to EY, for E20's 2016-17 audit. In accordance with E20's engagement letter with EY, this is payable now rather than at the completion of the audit (contractually committed; £26,000+VAT). E20 has not approached EY to request delayed payment.
 - 4.2.2. Legal fees, payable to Osborne Clarke, for advice received before, during and after E20's Board meeting on 30 March 2017 (contractually committed; £20,250+VAT). Future work by Osborne Clarke is covered in the Executive Update paper.
 - 4.2.3. E20 employee income tax and national insurance contributions, plus employer national insurance contributions, in respect of the March payroll (£9,170, payable to HMRC).
 - 4.2.4. Training course, provided by DPSS Consultants, on commercial management and contract disputes for E20 Business Manager (contractually committed; £2,150+VAT). Payment is required in advance of the course, which commences on 24 April.
 - 4.2.5. Stadium photography, provided by Isabel Infantes, to support naming rights (contractually committed; £500+VAT). This payment is overdue and should be settled.
- 4.3. Further details on the above payments, including the invoices and supporting information, is available to Members on request.

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PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
DPSS Consultants	1617-66	Provision of 5 day Contract & Commercial Training Course	07/03/2017	21/03/2017	2,150.00	430.00	2,580.00	Working Capital	
Isabel Infantes	01	Stadium Photography to support naming rights work	21/10/2016	21/11/2016	500.00	0.00	500.00	Working Capital	
Ernst & Young	GB10100123897	Fee in respect of the 2016/17 audit	06/03/2017	06/04/2017	26,000.00	5,200.00	31,200.00	Working Capital	
HMRC Cumbernauld		PAYE/NIC Payover for March 2017	31/03/2017	19/04/2017	9,169.74	0.00	9,169.74	Working Capital	
Osborne Clarke LLP	490256	Advice on members/directors duties	03/04/2017	03/04/2017	20,275.60	4,055.12	24,330.72	Working Capital	
					58,095.34	5,630.00	43,449.74		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	21/03/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	21/03/2017	14,000.00	2,800.00	16,800.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	21/03/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
					73,000.00	14,600.00	87,600.00		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Balfour Beatty Group Ltd	CSUK OU/ NV/39379	Certificate 39	19/12/2016	06/01/2017	260,805.30	52,161.06	312,966.36	Transformation	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/ NV/40380	Certificate 40	26/01/2017	13/02/2017	286,087.41	57,217.48	343,304.89	Transformation	Awaiting agreement on contract completion and defect rectification
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	18/02/2017	70,732.94	14,146.59	84,879.53	Transformation	Awaiting signed payment certificate from Mace
M & H Civils Ltd	MHC/LLP/022 A	Seating Follow On Works	31/01/2017	18/02/2017	19,808.94	3,961.79	23,770.73	Transformation	Awaiting signed payment certificate from Mace
Aerofilm Systems B.V.	17390088	Reinstallation North & South Stand	24/02/2017	14/03/2017	10,250.00	0.00	10,250.00	Transformation	Awaiting signed payment certificate from Mace
Aerofilm Systems B.V.	17390124	Test Move 22-03-17 to 27-03-17	27/03/2017	14/04/2017	11,305.00	0.00	11,305.00	Transformation	Awaiting signed payment certificate from Mace
Total Gas & Power	141405775/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	664,322.28	132,864.51	797,186.79	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842706/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	150,866.21	30,173.19	181,039.40	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405808/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	32,095.22	6,419.06	38,514.28	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842739/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	7,607.98	1,521.58	9,129.56	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405820/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	18,050.58	3,610.12	21,660.70	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842750/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	5,208.98	1,041.80	6,250.78	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405786/16	Electricity 13/07/16 to 03/12/16	22/12/2016	01/01/2017	752.41	37.62	790.03	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842717/17	Electricity 04/12/16 to 01/01/17	05/01/2017	15/01/2017	19.10	0.96	20.06	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405830/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	38,718.73	7,743.76	46,462.49	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842761/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	10,932.07	2,186.40	13,118.47	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405797/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	18,529.70	3,705.95	22,235.65	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842728/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	4,123.82	824.75	4,948.57	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141405819/16	Electricity 13/07/16 to 30/11/16	22/12/2016	01/01/2017	16,789.35	3,357.87	20,147.22	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	141842740/17	Electricity 01/12/16 to 31/12/16	05/01/2017	15/01/2017	5,531.11	1,106.21	6,637.32	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
Total Gas & Power	143488438/17	Electricity 02/01/17 to 01/02/17	05/02/2017	19/02/2017	28.46	1.42	29.88	Working Capital	Awaiting confirmation of transfer of utilities to LS 185
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17583	Bridge F17 - HVM Removal Works & Surveys	17/10/2016	17/11/2016	14,928.00	2,985.60	17,913.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17744	Re-charge of legal fees for S106 alteration	03/03/2017	03/04/2017	1,422.60	284.52	1,707.12	Working Capital	Under consideration
West Ham United Football Club Ltd	15112 A/C	Provision of goal decision services for season 16/17 - Instalment 1	22/09/2016	22/10/2016	38,750.00	7,750.00	46,500.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15199 A/C	Recharge of West Ham United - Academy Bars Project Fees	20/12/2016	20/01/2017	8,700.00	1,740.00	10,440.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15173 A/C	Ticket Office Staff Costs for England Rugby Match	16/12/2016	16/01/2017	407.32	81.46	488.78	Working Capital	Payable by LS 185. Credit note requested.
West Ham United Club London	015709	Club London Seats Royal East - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	990.00	198.00	1,188.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
West Ham United Club London	015710	Club London Seats Dining - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	400.00	80.00	480.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	16/11/2016	195.00	0.00	195.00	Working Capital	Awaiting confirmation of bank details from supplier
					1,769,301.51	349,390.30	2,118,691.81		

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Type	Comment
YOUR TRIBUTE LTD	45177	08/04/2017	1,785	Working capital	Not yet due
JSR AGENCY	45179	28/03/2017	390	Working capital	Marginally overdue
Cleft Lip and Palate Association (CLAPA)	45178	21/03/2017	180	Working capital	Marginally overdue
LONDON STADIUM 185 LIMITED	45161	13/01/2017	50,400	Working capital	Not yet paid
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Transformation	Disputed by LS185
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Working capital	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	Working capital	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	Working capital	No payment expected based on efforts to date, provided for
	Balance		894,602		
	Less provision for doubtful debts		2,220	Working capital	0.2%
	Adjusted balance		892,382		
Owed by Members					
London Legacy Development Corporation	45181	31/03/2017	1,619,000	Working capital	Per request to Members from E20 on 30/03/2017
NEWHAM LEGACY INVESTMENTS	45182	31/03/2017	872,000	Working capital	Per request to Members from E20 on 30/03/2017
	Total balance		3,383,382		
	Working capital		2,544,655		
	Transformation		838,727		
	Total balance		3,383,382		

Subject: Relocatable Seating Contractor **s.43**

Meeting date: 6 April 2017

Agenda Item: 6

Report to: E20 Stadium LLP Board

Report of: Colin Naish, Executive Director, LLDC

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Report originator(s):
Telephone:
Email:

Colin Naish
020 3288 **S.40**
colinnaish@londonlegacy.co.uk

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Subject: Post meeting update
Meeting date: 6th April 2017
Agenda Item: Post Meeting Item
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

Dear Board Members,

There were a few immediate actions I undertook to come back on following the Board call this morning:

Forecast working capital requirements

I believe Members were keen for absolute clarity on the forecast monthly working capital requirements for May, June and July. Given we are now showing the cashflow weekly – these monthly totals were not explicitly shown in the cashflow circulated. I will address this presentation for next week by showing the weekly cashflow, plus monthly totals by member (including cumulatively).

Based on the cashflow presented this morning, the forecast monthly working capital requirements would be:

- Invoices already issued 31 March: LLDC £1,619,000, NLI £872,000.
- Forecast requirement to be invoiced end April, for payment at start of May: LLDC £3,384,000, NLI £1,822,000.
- Forecast requirement to be invoiced end May, for payment at start of June: LLDC £2,364,000, NLI £1,273,000.
- Forecast requirement to be invoiced end June, for payment at start of July: LLDC £2,264,000, NLI £1,219,000.

The above covers the business plan only (excludes Transformation or Discretionary fund). Whilst this is our best current forecast, it is liable to change. As you know we are exploring all opportunities to reduce or defer payments, and there is important work in train on the seating budget (see below). The Board will be able to track the cash position on a weekly basis, and what this means in terms of working capital requirements from members.

Seating funding commitments

Following the Board's decisions this morning, we are now seeking a cost free solution to the accommodation item. We are reviewing options on the seating components item and will return to the Board for decision on this at a later date. On the airskates vinyl, we undertook to articulate the financial benefit that the £15k upfront investment would create.

E20, its project managers Mace, and contractor PHD, all advise that this investment is likely to save time in the transition programmes. Put another way, not undertaking the

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improvement will add greater risk to the completion of the transitions in time. s.43

Moreover, the investment makes it more likely that the contractor can complete the transitions using fewer resources. That makes it more likely that the transitions are completed for less than the target cost – at which point E20 benefit from 50% of the saving. It is not possible to isolate this airskates vinyl investment into its own cost-benefit analysis. However, it is one small but vital component of the project that, if approved, can help reduce the risk of cost overruns, and make savings more likely. It is therefore highly likely to more than pay back the upfront investment.

Please can Members confirm if the air skates vinyl £15k commitment is approved.

More broadly on seating, in response to the Board's views this morning, an urgent and additional meeting of the Seating Project Group (E20, LLDC, LBN and Mace members) has been set up for Monday. This will collectively agree the advice, and cashflow forecast, we put back to you at Board next Thurs.

Osborne Clarke engagement letter

This is attached.

Next Board call

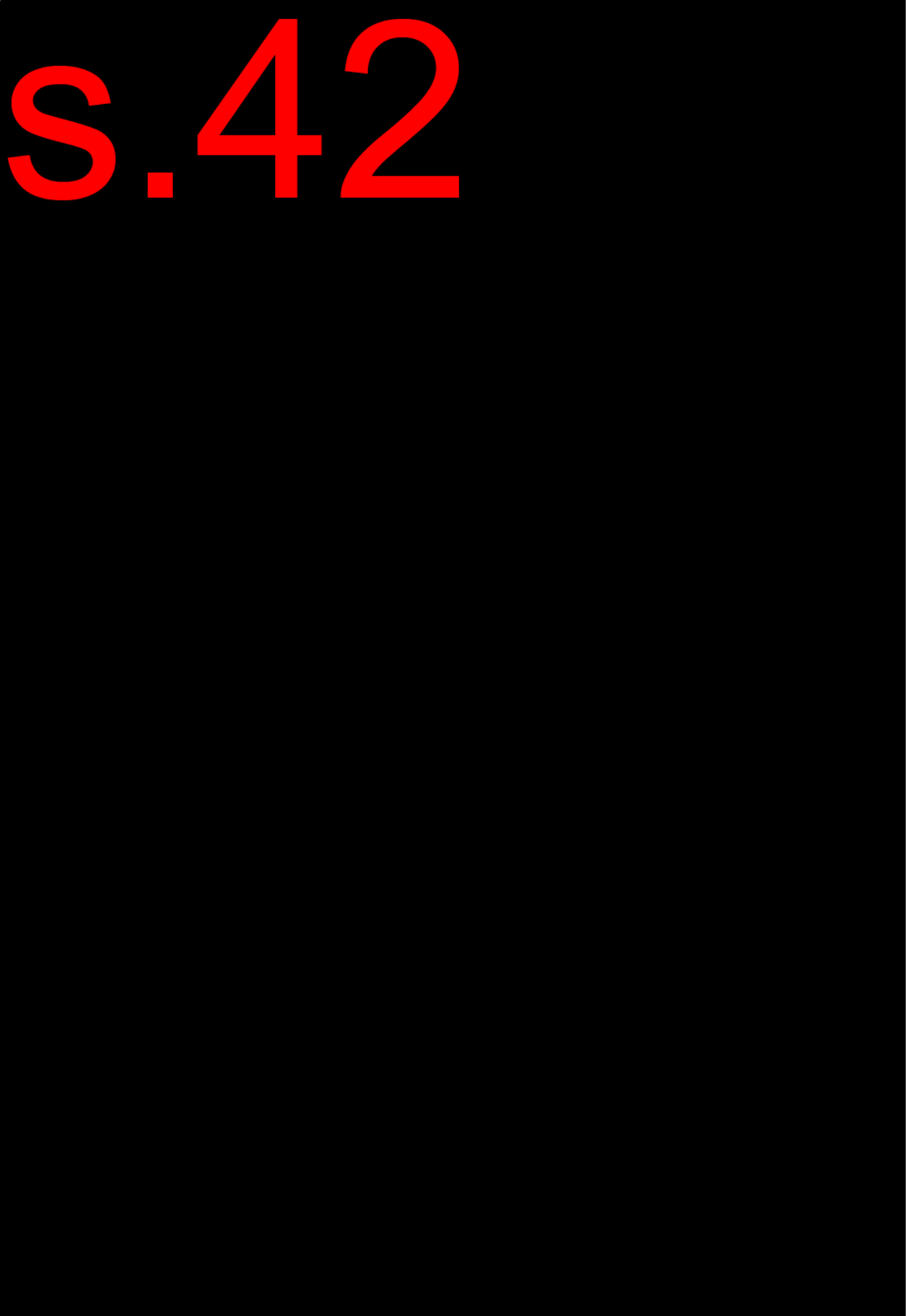
This was confirmed for next Thursday (13 April, 7.30am). We are keeping the agenda to the minimum of cashflow and urgent matters as requested. Papers will be circulated on Tues 11 April.

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E20 Stadium LLP – Board Meeting 06.04.17

Exempt Information: This Agenda is exempt from disclosure pursuant to Section 43 of the Freedom of Information Act 2000, in that it contains commercially confidential information.

Meeting: E20 Stadium LLP
Date: 13.04.17
Time: 07:30-08:00
Meeting Venue: Conference call

Member Representatives Expected: Nicky Dunn (Chair), Keith Edelman (LLDC), Lester Hudson (NLI), Katharine Deas (NLI) David Gregson (LLDC)

Ex-Officio Members: David Goldstone (LLDC)

Also Expected: s.40 [REDACTED], Martin Gaunt (All E20); s.40 [REDACTED] (NLI); Gerry Murphy, s.40 [REDACTED] (Lawyer, Osborne Clark)

Apologies: Alan Skewis (E20), Kim Bromley-Derry (LBN)

1. Apologies
2. Minutes of meeting held on 6 April 2017
3. Actions arising from previous meetings
4. Financial Update
5. s.43 [REDACTED]

Dial-in numbers

United Kingdom Freefone: s.31 [REDACTED]

United Kingdom Primary: s.31 [REDACTED]

Chairperson passcode: s.31 [REDACTED] then #

Participant passcode: s.31 [REDACTED] then #

Global access link –

http://www.btconferencing.com/globalaccess/?bid=814_public

Board Actions List (reported to the meeting on 13 April 2017)
Actions from last meeting

Minute No.	Item/Description	Action By	Target Date	Status/note
	s.40 [REDACTED] to make amends to previous minutes as requested by Board members	s.40 [REDACTED]	13 April	Done.
	Martin Gaunt to show the cumulative amount that is required from NLI/LLDC on the cash flow.	Martin Gaunt	13 April	Done.
	Martin Gaunt to show a weekly cash flow for July	Martin Gaunt	13 April	Done.
	s.40 [REDACTED] to circulate scope of work from Osborne Clark to Board	s.40 [REDACTED]	13 April	Done.
	A short paper from s.40 [REDACTED] articulating the benefits of these investments on seat moves (i.e. the return on capital employed).	s.40 [REDACTED]	13 April	Further advice circulated, but no Board decision requested yet, pending further analysis.
	Martin Gaunt to write to members following the Board summarizing the latest forecast of working capital required in May, June and July	Martin Gaunt	13 April	Done.
	David Goldstone and s.40 [REDACTED] to finalise the s.43 [REDACTED]	David Goldstone and s.40 [REDACTED]	13 April	Members to provide verbal update at Board.

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
6 April 4.1	London Borough of Newham to clarify the letter sent to LLDC on 29th March 2017 by [3 April] 2017.	LB Newham	3 April	Final version of letter not yet issued. LBN to advise on status at Board.
30 March 4.2	Kim Bromley-Derry to report back to Board the decision on LBN being able to defer Business Rates	Kim Bromley-Derry	13 April	LBN to provide update at Board.
30 March 4.4	Martin Gaunt to update the Board once quote s.43 [REDACTED] has been received	Martin Gaunt	13 April	Quote expected 13 April so likely to be tabled at 20 April Board call.
30 March 6.1	s.40 [REDACTED] to set up working group with attendees from E20, LS185 and Vinci Facilities. Gerry Murphy to circulate note to Board on recruitment of contract manager.	s.40 [REDACTED] and Gerry Murphy	13 April	Working group to be established, pending outcome of LS185 Board consideration of E20 proposal on 13 April. Gerry Murphy to update on recruitment at Board.

Subject: Financial Update

Meeting date: 13th April 2017

Agenda Item: 4

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

1.1. This paper provides:

- 1.1.1. Updates on seating and utilities;
- 1.1.2. Latest weekly cashflow forecast for E20;
- 1.1.3. Analysis of E20 creditors and debtors;
- 1.1.4. Payments recommended for approval by the Board.

2. RECOMMENDATIONS

2.1. The Board is invited to **NOTE**:

- 2.1.1. The update on seating and utilities;
- 2.1.2. E20's cashflow forecast;
- 2.1.3. E20's current creditors and debtors;
- 2.1.4. The expected payments due to be made in the coming week under Transformation.

2.2. The Board is invited **APPROVE** payment of the following:

- 2.2.1. Electricity bills as detailed under the utilities section, payable to Total Gas & Power (£1.293m+VAT).
- 2.2.2. Business rates, payable to London Borough of Newham (£230k). This payment is due on 19 April, unless LBN confirm that payment may be deferred.
- 2.2.3. BT Tele-conferencing fees (£159+VAT).

3. SEATING

- 3.1. On 17 January the E20 Board approved a budget of up to £10m in 2017-18 for the seating transitions and maintenance. Since then E20 has appointed PHD as the contractor and Mace as Project Managers. Detailed planning for the seating transitions – the first of which commences in mid-May – is well underway. Mace are also preparing an updated budget forecast at the P80 confidence level.
- 3.2. As reported to the Board last week – and has always been the case – the timetable for transitioning the East Stand is particularly tight. This is the case for both the concert to athletics transition in late June/early July and the athletics to football

transition in August. In a positive development over the past week, E20 is now more confident that the concert to athletics transition can be completed whilst still hosting the Diamond League and Great Newham London Run (though this may have cost implications – see below). Much less positively, PHD have advised that they are not confident of achieving even a partial transition of the East Stand before West Ham's first match, potentially on 26/27 August. This situation may be mitigated by West Ham's first home match potentially not taking place until September – a request that West Ham have now formally made to the Premier League.

- 3.3. As part of the tender exercise, E20 obtained a price for moving the East Stand (as a potential addition to the base scope of moving just three stands). Provided E20 can hold PHD to that contracted price, and there are no unexpected developments, E20 can be confident of delivering the transitions within the approved £10m budget. However, PHD are citing circumstances that in their view represent a justification for an entirely new, and much higher, East Stand price – c£2-3m more than the contracted price. If PHD's proposal were accepted, it could push the total seating costs in 2017-18 to £12-13m.
- 3.4. There are genuine differences to the contracted East Stand scope – hosting of Diamond League and Great Newham London Run mid-transition, and then the phased transition around the first West Ham match (if achievable). However, PHD are citing further variations to the contract that E20 is still assessing. Although the seating transitions are logistically complex, E20 does not yet accept that the differences to the contracted scope are as great as PHD are suggesting. E20 and Mace are taking all necessary steps to hold PHD to the contracted price, or a reasonable and justified variation to allow for the particular circumstances in 2017.
- 3.5. This all represents work in progress. It is shared with the Board so that it is fully sighted on the latest developments, whilst work continues apace. E20 intends to report back to the Board on 25 April with:
 - 3.5.1. An agreed price for the East Stand move (subject to the Board's views);
 - 3.5.2. An updated budget forecast at the P80 confidence level for the full seating project in 2017-18;
 - 3.5.3. An updated seating cashflow reflecting the budget forecast;
 - 3.5.4. Confirmed timetable for seating transitions;
 - 3.5.5. Any necessary advice relating to events affected by the seat moves.
- 3.6. In the meantime the seating cashflow has not been updated to reflect PHD's positioning, as there is not yet any firm basis to do so. The ongoing work on the East Stand price will have implications for E20's cashflow in Q2 2017-18 rather than Q1. Therefore, for planning purposes, the Board may continue to rely on the seating cashflow up to the end of June. The Board should note that the cashflow beyond June is liable to change, depending on the agreement that is reached with PHD in relation to the East Stand.
- 3.7. On the prior issue of investment in airskates vinyl, further advice will be provided in due course.

4. UTILITIES

- 4.1. LS185 has yet to accept responsibility for stadium utilities. Although the letter from the E20 Chair to the LS185 Chair has been received as a positive way forward in

resolving contractual disputes, LS185 have stated that it will not take on utilities until their claim relating to stadium handover has been settled. In the meantime E20 is not paying LS185 the portion of its fixed costs that relates to utilities, and a full reconciliation will be required once utilities are finally handed over. Until then, E20 is legally responsible – certainly in the view of the suppliers – for settling utilities bills.

- 4.2. E20 is already in supply agreements for water, gas and heating; E20 has – and will continue to – pay these bills until responsibility is passed to LS185. The cost of these utilities is dwarfed by that of electricity. E20 has held off entering into a supply agreement for electricity pending handover to LS185. That has meant E20 has notionally remained on the out of contract rates of the pre-existing electricity supplier for Balfour Beatty, Total Gas & Power. With Total's agreement, E20 has not paid any electricity bills dating back to 13 July, when responsibility passed from Balfour Beatty to E20. This has enabled tripartite contractual negotiations between E20, LS185 and Total, as well LS185 seeking prices from other suppliers via a utilities broker.
- 4.3. Those negotiations are now concluded, and it is also clear that LS185 will not yet accept responsibility for utilities. As such, E20 must now commit to an electricity provider and settle the outstanding bill.

4.4. s.43



- 4.5. Therefore, E20 and LS185 are agreed that Total are the best supplier. E20 and LS185 have committed to Total's fixed rates, subject to contract. Total currently advise that they do not require E20 to enter into the contract. They are content to contract with LS185 in due course (providing the delay handing over utilities to LS185 does not drag on for very much longer). However, in the meantime they require E20 to settle the outstanding bill (£1.293m), plus pay future monthly bills until handover to LS185 has occurred. E20's cashflow forecast has been updated to reflect this position, together with the forecast bills for the other utilities. **The Board is invited to approve the payment of £1.293m to Total.**
- 4.6. There now follows significant further workstreams on utilities (to be pursued in parallel):
 - 4.6.1. Handover responsibility to LS185 (linked by LS185 to wider contractual disputes), followed by full reconciliation of utilities costs;
 - 4.6.2. Recharge of some utilities costs to West Ham and events;
 - 4.6.3. Measures to address deficiencies in the metering systems – which makes the recharge of costs above more difficult (may require capital investment);
 - 4.6.4. Measures to improve stadium efficiency and reduce consumption (may require capital investment);
 - 4.6.5. LS185 are approaching Total regarding a sponsorship deal;

- 4.6.6. Commencement of the one year benchmarking period for utilities which will eventually fix E20's liability (E20 is delaying the benchmarking period until LS185 have taken responsibility and consumption has been reduced).

5. CASHFLOW

- 5.1. The latest E20 cashflow forecast is set out in Schedules A and B and follows the same format as previously circulated (incorporating the presentational amendments requested). Schedule A is concerned with just E20's "working capital" position. Schedule B adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget). Whilst the Board should note the full Schedule B position, it is recommended that the Board call focuses on Schedule A. The advice that follows relates to Schedule A.
- 5.2. Since the 30 March Board meeting, E20 has written to LLDC and NLI formally requesting working capital contributions for April of £1,691,000 and £872,000 respectively. Invoices were issued for these amounts on 31 March and E20 is awaiting payment. Payment of these invoices is required imminently if E20 is to settle major bills that will shortly be due. A further working capital injection will be required in early May.
- 5.3. The weekly cashflow indicates that, on current assumptions, after the April working capital contribution is made, E20 will have sufficient cash through to w/c 8 May. The progress made on utilities in particular means the cash position in April has improved since last week, and is now not as tight. £411k is now forecast to remain in the bank at the end of April (compared to £33k previously forecast). The expected working capital injections required from Members for May have reduced slightly. The June requirement has increased slightly, whilst the July requirement has not changed significantly. Monthly working capital requirements are now forecast as follows:

£000s	April 2017 (already invoiced)	May 2017	June 2017	July 2017
LLDC	1,619	3,168	2,617	2,242
NLI	872	1,706	1,409	1,207
Total	2,491	4,873	4,026	3,450

- 5.4. Cumulative figures are also included, by Member, in Schedule A.

6. CREDITORS, DEBTORS AND PAYMENTS FOR APPROVAL

- 6.1. An analysis of E20's current creditors and debtors is set out in the pages that follow.
- 6.2. The Board has been clear that all payments must now be approved by the Board. In order to assist the cash position, E20 is seeking to make payments as late as possible within the contractual and payment terms. E20 is processing the payments approved by the Board last week (Osborne Clarke, HMRC, DPSS Consultants (training course) and Isabel Infantes (stadium photography). The payments requested for approval by the Board this week are as follows:

- 6.2.1. Electricity bills as detailed above, payable to Total Gas & Power (£1.293m+VAT).
- 6.2.2. Business rates, payable to London Borough of Newham (£230k). This payment is due on 19 April, unless LBN confirm that payment may be deferred.
- 6.2.3. BT Tele-conferencing fees (£159+VAT).
- 6.3. The Board is also asked to note the payments expected to be made under Transformation in the coming week, as detailed in the creditor report.
- 6.4. Finally, Osborne Clarke committed to providing a weekly update on fees incurred. Since Osborne Clarke's bill up to and including 31 March (£20k), a further £2,850+VAT has been incurred.

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E20 CREDITORS AS AT 11 APRIL 2017

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Total Gas & Power		Electricity Costs for period 13/07/16 to 31/03/17	05/04/2017	05/04/2017	1,293,112.23	258,622.45	1,551,734.68	Working Capital	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Working Capital	
BT Conferencing	BT012076860	1st March to 31st March 2017	31/03/2017	04/04/2017	159.15	31.83	190.98	Working Capital	
M & H Civils Ltd	MHC/LLP/022 A	Seating Follow On Works	31/01/2017	18/02/2017	19,808.94	3,961.79	23,770.73	Transformation	
M & H Civils Ltd	MHC/LLP/024	Seating Follow On Works	03/03/2017	21/03/2017	23,564.93	4,712.99	28,277.92	Transformation	
Aerofilm Systems B.V.	17390088	Reinstallation North & South Stand	24/02/2017	14/03/2017	10,250.00	0.00	10,250.00	Transformation	
					1,576,435.25	267,329.05	1,843,764.30		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Ernst & Young	GB10100123897	Fee in respect of the 2016/17 audit	06/03/2017	06/04/2017	26,000.00	5,200.00	31,200.00	Working Capital	
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	21/03/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	21/03/2017	14,000.00	2,800.00	16,800.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	21/03/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	21/03/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Aerofilm Systems B.V.	17390139	Materials for West Stand	07/04/2017	25/04/2017	38,662.00	0.00	38,662.00	Transformation	
					137,662.00	19,800.00	157,462.00		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	06/01/2017	260,805.30	52,161.06	312,966.36	Transformation	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	13/02/2017	286,087.41	57,217.48	343,304.89	Transformation	Awaiting agreement on contract completion and defect rectification
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	18/02/2017	70,732.94	14,146.59	84,879.53	Transformation	
Aerofilm Systems B.V.	17390124	Test Move 22-03-17 to 27-03-17	27/03/2017	14/04/2017	11,305.00	0.00	11,305.00	Transformation	
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17583	Bridge F17 - HVM Removal Works & Surveys	17/10/2016	17/11/2016	14,928.00	2,985.60	17,913.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17744	Re-charge of legal fees for S106 alteration	03/03/2017	03/04/2017	1,422.60	284.52	1,707.12	Working Capital	Under consideration
West Ham United Football Club Ltd	15112 A/C	Provision of goal decision services for season 16/17 - Instalment 1	22/09/2016	22/10/2016	38,750.00	7,750.00	46,500.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15199 A/C	Recharge of West Ham United - Academy Bars Project Fees	20/12/2016	20/01/2017	8,700.00	1,740.00	10,440.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15173 A/C	Ticket Office Staff Costs for England Rugby Match	16/12/2016	16/01/2017	407.32	81.46	488.78	Working Capital	Payable by LS 185. Credit note requested.
West Ham United Club London	015709	Club London Seats Royal East - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	990.00	198.00	1,188.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
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East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	16/11/2016	195.00	0.00	195.00	Working Capital	Awaiting confirmation of bank details from supplier
					765,666.57	150,833.31	916,499.88		

E20 AGED DEBTORS REPORT AS AT 11 APRIL 2017

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Type	Comment
WEST HAM UNITED FOOTBALL CLUB LIMITED	45185	19/04/2017	750,000	Working capital	Not yet due
WEST HAM UNITED FOUNDATION	45186	06/04/2017	960	Working capital	Marginally overdue
LONDON STADIUM 185 LIMITED	45161	13/01/2017	50,400	Working capital	Not yet paid
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Transformation	Disputed by LS185
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Working capital	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	Working capital	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	Working capital	No payment expected based on efforts to date, provided for
	Balance		1,643,207		
	Less provision for doubtful debts		<u>- 2,220</u>	Working capital	0.1%
	Adjusted balance		1,640,987		
<u>Owed by Members</u>					
London Legacy Development Corporation	45181	31/03/2017	1,619,000	Working capital	Per request to Members from E20 on 30/03/2017
NEWHAM LEGACY INVESTMENTS	45182	31/03/2017	872,000	Working capital	Per request to Members from E20 on 30/03/2017
	Total balance		4,131,987		
	Working capital		3,293,260		
	Transformation		<u>838,727</u>		
	Total balance		4,131,987		

Meeting: E20 Stadium LLP
Date: 20.04.17
Time: 07:30-08:00
Meeting Venue: Conference call

Member Representatives Expected: Nicky Dunn (Chair), Keith Edelman (LLDC), Lester Hudson (NLI), Katharine Deas (NLI) David Gregson (LLDC)

Ex-Officio Members: David Goldstone (LLDC), Kim Bromley-Derry (LBN)

Also Expected: Alan Skewis, s.40, Martin Gaunt (All E20); s.40 (NLI); Gerry Murphy (LLDC), s.40 (Lawyer, Osborne Clark)

Apologies:

1. Apologies
2. Minutes of meeting held on 13 April 2017
3. Actions arising from previous meetings
4. Financial Update
5. s.43 (Verbal update)
6. s.43 (Board Member consideration)
7. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

Global access link –

http://www.btconferencing.com/globalaccess/?bid=814_public

Board Actions List (reported to the meeting on 20 April 2017) Actions from last meeting (13 April 2017)

Minute No.	Item/Description	Action By	Target Date	Status/note
3.1	s.40 will arrange for a final letter to be sent by LBN to LLDC during 13 April 2017 and by no later than the end of this week.	s.40	13 April	Members to update at Board.
4.1	Alan Skewis to circulate note to Board on correspondence with Westfield in relation to new egress route and charges. To be circulated on Tuesday 18 April.	Alan Skewis	18 April	Circulated with Board papers.
5.1	The engagement with s.43 to be finalised and signed by E20, LLDC and NLI 13 April 2017	LLDC and LBN	13 April	Appointment being finalised. s.43 work now underway.

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
30 March 4.4	Martin Gaunt to update the Board once quote s.43 has been received	Martin Gaunt	20 April	s.43

30 March 6.1	Gerry Murphy to circulate note to Board on recruitment of contract manager.	Gerry Murphy	20 April	Contract manager recruitment in progress.
30 March 6.1	s.40 [REDACTED] to set up working group with attendees from E20, LS185 and Vinci Facilities.	s.40 [REDACTED]	20 April	LS185 Chair has replied to E20 Chair stating that they do not want to provide resource for a working group. However, in practice E20 intend to continue towards resolution of issues as proposed, perhaps without reference to a formal working group structure (ad hoc meetings to be arranged as required to progress specific issues).

Subject: Financial Update

Meeting date: 20th April 2017

Agenda Item: 4

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

1.1. This paper provides:

- 1.1.1. Latest weekly cashflow forecast for E20;
- 1.1.2. Analysis of E20 creditors and debtors;
- 1.1.3. Payments recommended for approval by the Board.

2. RECOMMENDATIONS

2.1. The Board is invited to **NOTE**:

- 2.1.1. E20's cashflow forecast;
- 2.1.2. E20's current creditors and debtors.

2.2. The Board is invited **APPROVE** payment of the following:

- 2.2.1. Payment to Westfield for E20's previously agreed contribution to public access across their estate (£73k+VAT in total).
- 2.2.2. Payment to PHD for purchase of the Layher system for seating transitions (£466k+VAT).
- 2.2.3. Maintenance fee, payable to Daktronics, for the contracted maintenance of the stadium's external LED screen (£10,500+VAT).
- 2.2.4. Payment to LLDC for recharge of legal fees for the January to March 2017 quarter (£124k+VAT in total).
- 2.2.5. Payment to LS185 of the quarterly usage fee from West Ham (£625k+VAT).
- 2.2.6. Payment to LS185 for tickets for 2017 concerts (£14k+VAT).
- 2.2.7. Staff payroll, due for payment at the end of April (£17k).

3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out in Schedules A and B and follows the same format as previously circulated. Schedule A is concerned with just E20's "working capital" position. Schedule B adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget). Whilst the Board should note the full Schedule B position, it is recommended

that the Board call focuses on Schedule A. The advice that follows relates to Schedule A.

- 3.2. Since the 30 March Board meeting, E20 has written to LLDC and NLI formally requesting working capital contributions for April of £1,691,000 and £872,000 respectively. Invoices were issued for these amounts on 31 March and E20 is awaiting payment. Payment of these invoices is required imminently if E20 is to settle major bills that will shortly be due. A further working capital injection will be required in early May.
- 3.3. The weekly cashflow continues to indicate that, on current assumptions, after the April working capital contribution is made, E20 will have sufficient cash through to w/c 8 May. The delay in payments that E20 has secured means that £2.66m is now forecast to remain in the bank at the end of April (compared to £411k previously forecast). However, major payments including LS185 fixed costs are likely to require payment in early May instead, so it only represents a time delay rather than savings. The expected working capital injections required from Members for May have reduced slightly, again due to the actions taken to delay various payments (now £4.41m compared to £4.87m previously forecast). The June and July requirements have not changed significantly (but are liable to future revision, for instance to reflect the outcome of ongoing work on seating costs). Monthly working capital requirements are now forecast as follows:

£000s	April 2017 (already invoiced)	May 2017	June 2017	July 2017
LLDC	1,619	2,867	2,681	2,093
NLI	872	1,544	1,444	1,127
Total	2,491	4,411	4,125	3,220

3.4. Cumulative figures are also included, by Member, in Schedule A.

3.5. s.43

4. CREDITORS, DEBTORS AND PAYMENTS FOR APPROVAL

- 4.1. An analysis of E20's current creditors and debtors is set out in the pages that follow.
- 4.2. The Board has been clear that all payments must now be approved by the Board. In order to assist the cash position, E20 is seeking to make payments as late as possible within the contractual and payment terms. E20 is processing the payments approved by the Board last week (Electricity bills and BT Tele-conferencing fees). The payments requested for approval by the Board this week are as follows:
- 4.2.1. Payment to Westfield for E20's previously agreed contribution to public access across their estate (£73k+VAT). This relates to past events in the stadium, prior to the Board's recent intervention to seek reduced payments. The amounts (£15k per West Ham match; £7k for other event days) are in line with E20's written commitments to Westfield. £7k per event has been invoiced to

LS185 for their contractual contribution towards the cost. Westfield's invoices are not comprehensive and do not quite bring the position up to date. Payments for outstanding event days have been budgeted for but not yet invoiced by Westfield. The invoices received had a due date of 4 April, but E20 gained agreement that they would not be paid before the last week of April. See separate briefing paper for further background on Westfield public access.

- 4.2.2. Payment to PHD for purchase of the Layher system for seating transitions (walkways for North and South stands) (£466k+VAT). This was approved by the Board on 17 January 2017. It is contractually due for payment on 22 April.
- 4.2.3. Maintenance fee, payable to Daktronics, for the contracted maintenance of the stadium's external LED screen (£10,500+VAT). This relates to the period 14 November 2016 to 13 May 2017, and was contractually due for payment in February 2017. E20 has delayed payment, with the reluctant agreement of Daktronics, in anticipation of handing over responsibility for managing Daktronics to LS185 (and hence LS185 settling the bill and recovering funds from E20 via a contract change or the asset survey). Although E20 and LS185 continue to work towards this handover, it has not yet been achieved. The payment due to Daktronics should be settled, in order ensure the screen continues to be adequately maintained, and avoid Daktronics applying any interest to late payments.¹
- 4.2.4. Payment to LLDC for recharge of legal fees for the January to March 2017 quarter (£124k+VAT in total). LLDC has already paid suppliers, notably Tfl Legal and Gowling, on E20's behalf, under its arrangements with Tfl Legal. Approval is sought for these costs to now be recharged to E20. LLDC has previously confirmed it is not willing to defer these payments as they are simply pass through charges.
- 4.2.5. Payment to LS185 of the quarterly usage fee from West Ham (£625k+VAT). This has been received from West Ham and is a simple pass through to LS185 (to then be factored into their annual calculation of net commercial revenues paid to E20). Although E20 may choose to delay other payments to LS185 (notably fixed costs), it is not recommended to do so for the usage fee.
- 4.2.6. Payment to LS185 for tickets for 2017 concerts (£14k+VAT). This was a LB Newham request, for which Newham has already paid E20 the full cost. This is a pass through of that payment to LS185.
- 4.2.7. Staff payroll, due for payment at the end of April (£17k).

4.3. There are no payments expected to be made under Transformation before the next E20 Board.

4.4. Finally, Osborne Clarke committed to providing a weekly update on fees incurred. Since Osborne Clarke's bill up to and including 31 March, a further £4,394+VAT has

¹ For simplicity the payment is shown in the cashflow under "Other payments to LS185 (contract changes)", even though on this occasion it will be paid direct by E20 to Daktronics. It reduces the forecast future payment to LS185 for contract changes by an equivalent amount, so there is a net nil impact compared to previous forecasts.

been incurred. Osborne Clarke intend to raise an invoice for this amount, which would then be put the Board for agreement next week.

CONFIDENTIAL

S.43



S.43

E20 CREDITORS AS AT 18 APRIL 2017

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	04/04/2017	14,000.00	2,800.00	16,800.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Invoice received 4 April 2017
PHD Modular Access Services Ltd	5204	Seating Transition 2017 Certificate 1	04/04/2017	22/04/2017	466,055.00	93,211.00	559,266.00	Working Capital	
Daktronics UK Ltd	4801	Maintenance 14/11/16 to 13/05/17	23/12/2016	23/01/2017	10,500.00	2,100.00	12,600.00	Working Capital	Invoice held pending contract discussions with LS 185
London Legacy Development Corporation	17744	Re-charge of legal fees for S106 alteration	03/03/2017	03/04/2017	1,422.60	284.52	1,707.12	Working Capital	
London Legacy Development Corporation		Consultant Legal Costs January to March 2017	18/04/2017	25/04/2017	95,102.80	19,020.56	114,123.36	Working Capital	
London Legacy Development Corporation		TfL Legal Costs January to March 2017	18/04/2017	25/04/2017	27,100.00	5,420.00	32,520.00	Working Capital	
London Stadium 185 Ltd	V150178	West Ham Quarterly Usage Fee	05/04/2017	13/04/2017	625,000.00	125,000.00	750,000.00	Working Capital	Income received from West Ham on 13 April 2017
London Stadium 185 Ltd	V150137	2017 Concert Hospitality	01/01/2017	11/04/2017	13,930.00	2,786.00	16,716.00	Working Capital	Valid invoice not received until 11 April 2017. 100% of cost has been received from LB Newham
		April Payroll		28/04/2017	17,000.00	0.00	17,000.00		
					1,329,110.40	262,422.08	1,591,532.48		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Ernst & Young	GB10100123897	Fee in respect of the 2016/17 audit	06/03/2017	06/04/2017	26,000.00	5,200.00	31,200.00	Working Capital	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Working Capital	
Corona Energy	11969775	Gas - March 2017	11/04/2017	11/05/2017	59.48	2.97	62.45	Working Capital	
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	18/02/2017	70,732.94	14,146.59	84,879.53	Transformation	
Aerofilm Systems B.V.	17390139	Materials for West Stand	07/04/2017	25/04/2017	38,662.00	0.00	38,662.00	Transformation	
					364,994.42	19,349.56	384,343.98		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	06/01/2017	260,805.30	52,161.06	312,966.36	Transformation	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	13/02/2017	286,087.41	57,217.48	343,304.89	Transformation	Awaiting agreement on contract completion and defect rectification
Aerofilm Systems B.V.	17390124	Test Move 22-03-17 to 27-03-17	27/03/2017	14/04/2017	11,305.00	0.00	11,305.00	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17583	Bridge F17 - HVM Removal Works & Surveys	17/10/2016	17/11/2016	14,928.00	2,985.60	17,913.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
West Ham United Football Club Ltd	15112 A/C	Provision of goal decision services for season 16/17 - Instalment 1	22/09/2016	22/10/2016	38,750.00	7,750.00	46,500.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15199 A/C	Recharge of West Ham United - Academy Bars Project Fees	20/12/2016	20/01/2017	8,700.00	1,740.00	10,440.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15173 A/C	Ticket Office Staff Costs for England Rugby Match	16/12/2016	16/01/2017	407.32	81.46	488.78	Working Capital	Payable by LS 185. Credit note requested.
West Ham United Club London	015709	Club London Seats Royal East - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	990.00	198.00	1,188.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
West Ham United Club London	015710	Club London Seats Dining - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	400.00	80.00	480.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	16/11/2016	195.00	0.00	195.00	Working Capital	Awaiting confirmation of bank details from supplier
					693,511.03	136,402.21	829,913.24		

E20 AGED DEBTORS REPORT AS AT 18 APRIL 2017

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Type	Comment
WEST HAM UNITED FOUNDATION	45186	06/04/2017	960	Working capital	Marginally overdue
LONDON STADIUM 185 LIMITED	45161	13/01/2017	50,400	Working capital	Not yet paid
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Working capital	Not yet paid
London Borough of Newham	45196	12/04/2017	16,716	Working capital	Not yet paid
YOUR TRIBUTE LTD	45195	12/05/2017	1,580	Working capital	Not yet due
Battersea Arts Centre	45198	18/04/2017	540	Working capital	Not yet paid
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Working capital	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	Working capital	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	Working capital	No payment expected based on efforts to date, provided for
	Balance		970,843		
	Less provision for doubtful debts		- 2,220	Working capital	0.2%
	Adjusted balance		968,623		
<u>Owed by Members</u>					
London Legacy Development Corporation	45181	31/03/2017	1,619,000	Working capital	Per request to Members from E20 on 30/03/2017
NEWHAM LEGACY INVESTMENTS	45182	31/03/2017	872,000	Working capital	Per request to Members from E20 on 30/03/2017
	Total balance		3,459,623		
	Working capital		2,620,896		
	Transformation		838,727		
	Total balance		3,459,623		

Item: Additional item
Subject: Briefing paper on Westfield and safety matters
Meeting date: 19 April 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis, E20 Stadium LLP Director

1. SUMMARY

This paper provides an update on 2 matters for noting, Westfield costs and safety matters.

2. RECOMMENDATIONS

The Board is invited to **NOTE** the following updates on Westfield costs and safety matters, including noting that the approach set out below requires that the E20 Board give authority that:

- 2.1. E20 agree to pay up to £15k for the Everton and Spurs matches based on the current arrangements, and the need to follow safety advice for the Spurs match.
- 2.2. After that E20 should not make any further direct payments to Westfield on the basis that the new egress system should be in place and managed by LS185

3. WESTFIELD COSTS

- 3.1. The E20 Director has been asked to update on the position relating to E20 contributions to Westfield costs.
- 3.2. To date, E20 have contributed towards costs for moving spectators across the Westfield estate, in line with understood planning / S106.
- 3.3. On the 30th March the Board questioned whether any payments should be made for future events, and stated that any such payments require E20 Board authority.

Liability for Costs

- 3.4. The 2009 section 106 agreement for Westfield requires them to allow access for the general public to have access on foot at all times across defined Public Access Routes, which comprises the town centre link bridge, steps and area immediately adjoining the northern ticket hall which link to the TCLB, the Street (not including the Cow and Jamie's passage/routes) and the ground floor of the Mall up to the point where it links through to the International station.
- 3.5. Under the terms of the s.106, the Public Access Routes can be subject to Permitted Closures, which means the temporary closure of these routes for reasons of public safety, maintenance and construction activity. Westfield is obligated to seek the prior approval of the Council (LBN) where it intends to temporarily close these routes. The s.106 is silent on who decides or what constitutes public safety reasons or interests
- 3.6. Westfield argues on public safety grounds that they are not obliged to allow 57,000 spectators across their estate, and where this is the case they are able to reclaim costs.
- 3.7. To get to the Northern Ticket Hall and Stratford international spectators have to cross the Westfield estate. To date it has this has been interpreted as paying Westfield

nothing is not an option available to E20 / LS185. This is being further tested and reviewed.

- 3.8. E20 /LS185 agreed an initial £15k per match contribution for the initial football events. This was well below the (inflated) £30k-£40k Westfield estimated it costs them per match. These initial payments have been £8k from E20 direct, and £7k from LS185 as per their contract.
- 3.9. The £15k reflected the early operation of the stadium, and provided flexibility and capacity to address safety issues that may arise. It was, however an interim measure that was expected to reduce significantly.
- 3.10. There has been significant learning from the matches, with plans regularly adjusted to improve efficiency and address concerns raised by operational and safety officers. All changes have been reviewed by E20's Safety Expert, Chris Allison. Chris has focused on the egress issues since October. Before then Chris focused on the in stadium issues were are now largely resolved.

Implementing New Proposal excluding Town Centre Link Bridge

- 3.11. A proposal to significantly reduce all parties' costs has been agree in principle. These involve taking out spectator use of the town centre link bridge and creating a contingency route along Montfichet Road. The revised plans are more cost effective for all parties as they minimise interface between shoppers and spectators.
- 3.12. E20s Safety Adviser, Chris Allison, facilitated a further meeting between Westfield, LS185 and TfL on the 20th March to talk through the plans and to seek to get agreement on the new plan.
- 3.13. LS185 and Westfield have to finalise arrangements and agreements prior to implementation. It is vital that LS185 lead this, not E20, as LS185 have the safety responsibility. E20 should not impose the new arrangement on LS185.
- 3.14. However the LS185 / Westfield matters have taken longer than expected.
- 3.15. Wider LS185 concerns over their contract with E20 have impacted on the speed, and willingness, to sign a license with Westfield. LS185 stated to E20 on the 18th April that the LS185 Board was unwilling to enter into any contract change such as need for the licence agreement until there was significant progress on other unrelated outstanding matters.

Timing for Implementation

- 3.16. Time has run out to implement for the Everton game (22 April). LS185 and Chris Allison have advised E20 that it would be foolish to try the new arrangements for the first time at the Spurs match (5 May).
- 3.17. The game has a provisionally high risk rating by the Met Police, based on intelligence and the problems at the Spurs v West Ham match earlier in the season. There may be a risk of a repeat with two sets of fans that may be very antagonistic towards each other especially when stuck in queues for the station. If there were any problems, people would be likely to blame the new plan as opposed to blaming the fans and make the implementation of the new plan in the long term a lot harder to achieve.
- 3.18. As such, Chris Allison advises that the last match of the season on Sunday 14th May (a provisional Category A game versus Liverpool) is a more appropriate chance to bring in the new plan. This will require LS185 to have agreed to sign the licence and for the remaining issues to have been resolved.

Position with Westfield

- 3.19. E20 wrote to Westfield in March 2017 which included that E20 expected matters to move to new arrangements quickly and that there would be no need for E20 to make direct payments to Westfield as a result.
- 3.20. Indeed LS185 costs should be substantially less than the £7k per match they are expected to negotiate with Westfield.
- 3.21. Given slow progress by LS185 E20 now intend to tell LS185 that:
 - 3.21.1. LS185 should have moved to the new egress arrangement by now, and they should formalise arrangements and sign the licence as soon as possible
 - 3.21.2. E20 intend moving away from any direct payment to Westfield after the Spurs game
 - 3.21.3. LS185 have to pay any Westfield invoices from going forward, and we expect them to minimise these

4. SAFETY MATTERS

- 4.1. A fuller paper will be provided to the Full Board next week covering all LS185 issues, but ahead of this we wanted to make the Board aware that E20 received a letter from LS185 in response to the Chair's letter of the 31st March 2017.
- 4.2. The letter includes reference to temporary solutions to address stadium defects, and states that "In the absence of the proper rectifications of these defects by E20 and establishing safe, permanent solution no later than the 5 May 2017, we have grave doubts that LS185 will be able to continue to operate the stadium on the current basis".
- 4.3. E20 have a duty to ensure our operator is operating a safe stadium. Therefore at the meeting with LS185 on the 18th April 2017, E20 officers asked the LS185 Chief Executive to explain the text in the letter relating to safety. They:
 - 4.3.1. Confirmed LS185 are carrying out all safety and inspections and reports. This is also confirmed in their written KPI report
 - 4.3.2. Stated that as of today they are operating the stadium on the basis that it is safe to do so
 - 4.3.3. However, the stadium is only safe to operate as they are putting in a significant number of work-arounds and temporarily measures. These are a result of the condition of the stadium and outstanding defects.
 - 4.3.4. They are very concerned that the temporary measures are not sustainable for long, and they are bearing the costs of these without any agreed payment from E20 to reflect the extra work being undertaken
 - 4.3.5. They do have concerns about safety and their exposure to risk, and have commissioned an independent review of the position, which is being undertaken from 25 April (next week)
 - 4.3.6. The 5 May date is included in the letter as it is a point in time when the independent report will have been completed, and they will be able to judge if any progress has been made on reducing the E20/LS185 issues.
 - 4.3.7. Their Board last week took a strong position on the perceived lack of progress on permanent solutions, and that is what underpins the letter
 - 4.3.8. E20 confirmed that we had responded to all the reports, and confirmed in an email that where any inspections / reports were needed they should identify and action them.
- 4.4. The conclusion E20 staff drew from the response is that LS185 feel they are being asked to manage some significant safety risks due to stadium defects, and have been

doing so at their cost and risk for too long and without confirmed action to get permanent solutions in place.

- 4.5. The response forms part of a number of measures E20 have taken to assure ourselves that the stadium is being operated in a safe manner. Other measures include:
 - 4.5.1. Initial stadium handover process to LS185 to Ls185 in July 2016, system by system handover July to November, with BB only event day support etc.
 - 4.5.2. Completion end November , JLAB etc. certificates
 - 4.5.3. LS185s responsibility since
 - 4.5.4. That they have satisfied themselves safe in meantime to have operated etc.
- 4.6. However, E20 have asked **s.40** (Gowlings legal adviser on the operator contract) to confirm this is the case, and any other measures we should take to protect E20.

Report originator(s): Alan Skewis
Email: alanskewis@e20stadium.com



E20 Stadium LLP – Board Meeting 25.04.17

Exempt Information: This Agenda is exempt from disclosure pursuant to Section 43 of the Freedom of Information Act 2000, in that it contains commercially confidential information.

Meeting: E20 Stadium LLP
Date: 25.04.17
Time: 10:00 – 12:00
Meeting Venue: Marketing Suite, LLDC Office

Member Representatives Expected: Nicky Dunn (Chair), Keith Edelman (LLDC), Lester Hudson (NLI), Katharine Deas (NLI) David Gregson (LLDC)

Ex-Officio Members: David Goldstone (LLDC), Kim Bromley-Derry (LBN)

Also Expected: Alan Skewis, s.40, (All E20); s.40 (NLI); Gerry Murphy (LLDC), s.40 (Lawyer, Osborne Clark)

Apologies: Martin Gaunt (E20)

1. Apologies
2. Minutes of meeting held on 20 April 2017
3. Actions arising from previous meetings
4. Director update
5. Financial update
6. LS185:
 - a. Overview of LS185 performance
 - b. Stadium Handover and Safety
7. Seating update
8. Naming Rights/Wifi
9. s.43 (verbal)
10. s.43 (Board Member consideration)
11. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

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Board Actions List (reported to the meeting on 25 April 2017)

Actions from last meeting (20 April 2017)

Minute No.	Item/Description	Action By	Target Date	Status/note
20 April 4.1	Martin Gaunt to add total funding column required per quarter to the cash flow	MG	4 May	Being updated
20 April 4.2	Martin Gaunt to raise invoices for capital contributions from LLDC and NLI before the end of April 2017	MG	30 April	Being undertaken
20 April 5.1	Alan Skewis to speak to Ben Fletcher on communication lines in case questions are asked by stakeholders	AS	25 April	Lines circulated
20 April 5.2	Martin Gaunt to arrange with s.43 a session for them to present to Board. Update to be given at the full Board on 25 April 2017	MG	25 April	Verbal update at board Discussion with s.43 on right time to present to Board in May
20 April 5.3	s.43	GM	25 April	Cover note being produced, and s.43 reminded of confidentiality

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
30 March	Alan Skewis to circulate note to Board on correspondence with Westfield in relation to new egress route and charges.	Alan Skewis	18 April	Circulated with Board papers.
30 March 6.1	Gerry Murphy to circulate note to Board on recruitment of contract manager.	Gerry Murphy	20 April	Contract manager recruitment in progress.

Subject: E20 Director Update

Meeting date: 25 April 2017

Agenda Item: 4

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, Director of E20 Stadium LLP

1. SUMMARY

1.1. This report provides the E20 Stadium LLP Board with an overview and update from the Director on various work streams.

2. RECOMMENDATIONS

2.1. The Board is invited to:

2.1.1. **NOTE** the report

2.1.2. **AGREE** to current arrangement regarding egress for one more high risk match (Spurs on the 5 May 2017). After that E20 should not make any further direct payments to Westfield on the basis that the new egress system should be in place and managed by LS185

3. PROGRESS ON 6 KEY THEMES

3.1. An update on the 6 key themes identified in the draft 2017/18 E20 business plan set out below.

	Key E20 Priority	Draft Business plan Target (and RAG)	Current Position	Headline Actions since last full Board Meeting
1	Make Financial Efficiencies; maximum working capital of £19.5m in 2017-18	£19.5m loss in 17-18	£19.5m loss, subject to seating costs (£19.5m loss assumes s.43)	s.43 commission by LLDC and NLI Clear communication to Westfield that further E20 funds to pay for ingress / egress costs Legal letters to WHU to pay business rates and contribution and fanstallation payment under preparation. Utilities contract rebate of £200k secured as part of 18 month utility contract. Review of seating budget
2	Holding LS185 to account:			
a	s.43			

	s.43			
b	Reduce WHU costs by £50k per game	£170k per game	£220k per game	Review of WHU match day costs with LS185 COO, with aim to reduce by £50k per match in 17/18 season
c	s.43			
3	s.43			
4	Closing out Stadium Transformation Issues	£1m	£3m	Chair letter to offer group to resolve issues LS185 reports received and being challenged to get below target: £800k LS185 handover claim disputed £1.5m pa additional cost from asset verification survey disputed, with much smaller sum legitimate s.43
5	s.43			
6	Secure Contracted local Community and Economic benefits	75% local employment	63% local employment	LS185 reporting progress quarterly; improvement required

4. RISKS

4.1. A new format risk register has been updated and attached as Annex 1. An additional risk (4.2.2 below) has been added.

4.2. The key risks remain:

- 4.2.1. Risk of E20 sustainability, based on business plan and Member working capital commitments This is covered under the E20 budget item
- 4.2.2. LS185 refusing to operate the stadium after the 5 May 2017

- 4.2.3. Settling stadium handover and asset issues
- 4.2.4. Health and Safety incident at stadium
- 4.2.5. Damages arising from non-delivery of relocatable seats to event deadlines
- 4.2.6. Failure of LS185 to deliver net commercial revenues
- 4.2.7. Not securing Vodafone naming rights deal
- 4.2.8. Losing legal disputes with WHU, with short and long term implications for stadium sustainability
- 4.2.9. Number of legal disputes impacting effective relationships
- 4.2.10. Complexity of stakeholders impacting decision making
- 4.2.11. Unsuccessful 2017 events
- 4.2.12. Reputational Damage from WHU events at the stadium
- 4.2.13. School construction not integrated in Stadium Events / Claims

5. EGRESS ARRANGEMENTS

- 5.1. To date, E20 have contributed towards costs for moving spectators across the Westfield estate, in line with understood planning / S106.
- 5.2. On the 30th March the Board questioned whether any payments should be made for future events, and stated that any such payments require E20 Board authority.

Liability for Costs

- 5.3. The 2009 section 106 agreement for Westfield requires them to allow access for the general public to have access on foot at all times across defined Public Access Routes, which comprises the town centre link bridge, steps and area immediately adjoining the northern ticket hall which link to the TCLB, the Street (not including the Cow and Jamie's passage/routes) and the ground floor of the Mall up to the point where it links through to the International station.
- 5.4. Under the terms of the s.106, the Public Access Routes can be subject to Permitted Closures, which means the temporary closure of these routes for reasons of public safety, maintenance and construction activity. Westfield is obligated to seek the prior approval of the Council (LBN) where it intends to temporarily close these routes. The s.106 is silent on who decides or what constitutes public safety reasons or interests
- 5.5. Westfield argues on public safety grounds that they are not obliged to allow 57,000 spectators across their estate, and where this is the case they are able to reclaim costs.
- 5.6. To get to the Northern Ticket Hall and Stratford international spectators have to cross the Westfield estate. To date it has this has been interpreted as paying Westfield nothing is not an option available to E20 / LS185. This is being further tested and reviewed.
- 5.7. E20 /LS185 agreed an initial £15k per match contribution for the initial football events. This was well below the (inflated) £30k-£40k Westfield estimated it costs them per match. These initial payments have been £8k from E20 direct, and £7k from LS185 as per their contract.
- 5.8. The £15k reflected the early operation of the stadium, and provided flexibility and capacity to address safety issues that may arise. It was, however an interim measure that was expected to reduce significantly.
- 5.9. There has been significant learning from the matches, with plans regularly adjusted to improve efficiency and address concerns raised by operational and safety officers. All changes have been reviewed by E20's Safety Expert, Chris Allison. Chris has focused on the egress issues since October. Before then Chris focused on the in stadium issues were are now largely resolved.

Implementing New Proposal excluding Town Centre Link Bridge

- 5.10. A proposal to significantly reduce all parties' costs has been agreed in principle. These involve taking out spectator use of the town centre link bridge and creating a contingency route along Montfichet Road. The revised plans are more cost effective for all parties as they minimise interface between shoppers and spectators.
- 5.11. E20s Safety Adviser, Chris Allison, facilitated a further meeting between Westfield, LS185 and TfL on the 20th March to talk through the plans and to seek to get agreement on the new plan.
- 5.12. LS185 and Westfield have to finalise arrangements and agreements prior to implementation. It is vital that LS185 lead this, not E20, as LS185 have the safety responsibility. E20 should not impose the new arrangement on LS185.
- 5.13. However the LS185 / Westfield matters have taken longer than expected.
- 5.14. Wider LS185 concerns over their contract with E20 have impacted on the speed, and willingness, to sign a licence with Westfield. LS185 stated to E20 on the 18th April that the LS185 Board was unwilling to enter into any contract change such as need for the licence agreement until there was significant progress on other unrelated outstanding matters. The LS185 Chief Executive is seeking to unblock this issue with their Board, so the new system can be implemented for the Liverpool match.
- 5.15. In parallel discussions have taken place with Transport for London (TfL) regarding short, medium and long term improvements to station access. It is possible that an additional access to the jubilee line will be trialed on the 14th May. This would relieve dependence on the northern ticket hall.

Timing for Implementation

- 5.16. LS185 and Chris Allison have advised E20 that it would be foolish to try the new arrangements for the first time at the Spurs match (5 May).
- 5.17. The game has a provisionally high risk rating by the Met Police, based on intelligence and the problems at the Spurs v West Ham match earlier in the season. There may be a risk of a repeat with two sets of fans that may be very antagonistic towards each other especially when stuck in queues for the station. If there were any problems, people would be likely to blame the new plan as opposed to blaming the fans and make the implementation of the new plan in the long term a lot harder to achieve.
- 5.18. As such, Chris Allison advises that the last match of the season on Sunday 14th May (a provisional Category A game versus Liverpool) is a more appropriate chance to bring in the new plan. Westfield, are also keen to trial the new system at this match. This will require LS185 to have agreed to sign the licence and for the remaining issues to have been resolved.

Position with Westfield

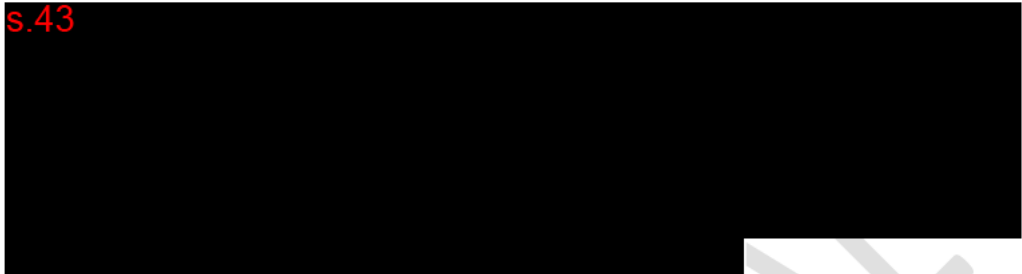
- 5.19. E20 wrote to Westfield in March 2017 which included that E20 expected matters to move to new arrangements quickly and that there would be no need for E20 to make direct payments to Westfield as a result.
- 5.20. Indeed LS185 costs should be substantially less than the £7k per match they are expected to negotiate with Westfield.
- 5.21. Given slow progress by LS185 E20 now intend to tell LS185 that:
 - 5.21.1. LS185 should have moved to the new egress arrangement by now, and they should formalise arrangements and sign the licence as soon as possible
 - 5.21.2. E20 intend moving away from any direct payment to Westfield after the Spurs game

5.21.3. LS185 have to pay any Westfield invoices from going forward, and we expect them to minimise these

6. WEST HAM UNITED

6.1. A fuller report is scheduled for the May 2017 Board. The relationship remains tense and legal on a range of matters:

6.1.1. s.43



6.1.2. “Comparable Club” Service: WHU have issued legal letters questioning whether E20 are complying with the hospitality area comparable club obligations in the concession agreement. These include provision of hospitality hosts / hostesses, draught beer and the quality of the fit out of the Academy Bar. It appears likely WHU will pursue these legally through the dispute mechanism in the concession agreement. E20 are holding the position that we are not legally obliged to provide the areas WHU assert, and are not willing to pay for them unless there is a commercial return for E20.

6.1.3. Operator Performance: WHU asserting that LS185 are not a competent operator, and that a number of issues in the stadium are a result of their inability to operate to the concession agreement

6.1.4. s.43: No agreement has been reached on these matters, with E20 retaining a hard line based on meeting, but not exceeding its obligations.

6.1.5. Cricket World Cup: WHU have written a legal letter regarding the level of consultation on the cricket world cup games. It suggests they have to approve such an event

6.1.6. Executive Box: WHU have failed to sell the Executive Box for any games, but retain a position that E20 cannot independently sell the Box. On 30 March 2017 Members agreed not to break the legal agreement relating to the Box

6.1.7. Utilities: E20 has not yet been able to charge West Ham for its contractual payment for utilities for its lease areas, as the metering system is defective. West Ham have accepted the principle that they will pay, but the amount is likely to be disputed.

6.1.8. Business rates: West Ham are disputing their contribution to stadium business rates for their lease areas. The principle is accepted, but not the amount. E20 is preparing a legal letter demanding payment.

6.1.9. Fanstallation: West Ham have refused to sign the draft lease for the space, and not paid the rental fee. E20 is preparing a legal letter demanding the lease is signed and payment made, or the rights are removed.

6.2. LS185 have received correspondence from WHU on a number of these matters, and are retaining a consistent position to E20.

7. CONCERTS

7.1

S.43

7.2. s.43

7.3. s.43

8. LONDON 2017

- 8.1. The sales for London 2017 remain good, with c.600,000 tickets sold for the IAAF Championships (sold out for some events, and averaging over 42,000). The IPC sales are approaching 150,000 tickets, with most session capped at 20,000 to limit stadium related costs.
- 8.2. LS185 are continuing to work with London 2017 to agree an acceptable stadium rental figure, but have clear differences over who pay for additional L185 team costs in the run up to the event. E20 are seeking to remain outside of the negotiations, but reinforcing the need for LS185 to act within the parameters set by the UK Agreement.
- 8.3. s.43
- 8.4. There is an advantage to settling this, as it provides additional s.43 income for London 2017 (ultimately backed by the GLA) and s.43 for the stadium.
- 8.5. London 2017 is now not planning to use Stratford Waterfront, so the space will be marketed by LS185 for alternative events in July and August 2017. If LS185 do not achieve alternative hires then this will impact their business plan.

S.43

Subject: Financial Update

Meeting date: 25th April 2017

Agenda Item: 5

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

1.1. This paper provides:

- 1.1.1. Latest weekly cashflow forecast for E20;
- 1.1.2. Analysis of E20 creditors and debtors;
- 1.1.3. Payments recommended for approval by the Board.

1.2. **Please note that the cashflow is before any adjustments necessary for potential increased seating costs (as detailed in separate agenda item).**

2. RECOMMENDATIONS

2.1. The Board is invited to **NOTE**:

- 2.1.1. E20's cashflow forecast;
- 2.1.2. E20's current creditors and debtors.
- 2.1.3. The expected payments due to be made in the coming week under Transformation.

2.2. The Board is invited **APPROVE** payment of the following:

- 2.2.1. Payment to Osborne Clarke for legal fees (£4k+VAT).

3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out in Schedules A and B and follows largely the same format as previously circulated, but with adjustments as requested by Members. This includes showing the forecast quarterly working capital requirements from Members. The creditor and debtor schedules also more clearly split out items of working capital and Transformation. A further request to reconcile the cashflow for the discretionary fund to the overall £14.286m budget has been logged – whilst it hasn't been possible to address in this iteration (as a reconciliation of the discretionary fund is ongoing), it will included shortly.

3.2. As previously, schedule A is concerned with just E20's "working capital" position. Schedule B adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget). Whilst the Board should note the full Schedule B position, it is recommended that the Board call focuses on Schedule A. The advice that follows relates to Schedule A.

- 3.3. Since the 30 March Board meeting, E20 has written to LLDC and NLI formally requesting working capital contributions for April of £1,691,000 and £872,000 respectively. Invoices were issued for these amounts on 31 March. LLDC's payment has now been received. NLI's payment has been processed and is due to be received by E20 on 24 April. Confirmation of receipt can be provided at the Board meeting.
- 3.4. The weekly cashflow continues to indicate that, on current assumptions, E20 will have sufficient cash through to w/c 8 May. There have been no significant cashflow adjustments since the version that the Board considered on 20 April. Monthly working capital requirements are forecast as follows:

£000s	April 2017 (already invoiced)	May 2017	June 2017	Total Q1
LLDC	1,619	2,868	2,706	7,193
NLI	872	1,544	1,457	3,873
Total	2,491	4,412	4,163	11,066

- 3.5. Please note that the cashflow forecast, and the summary Q1 working capital requirements above, are before any adjustments to the seating costs (as detailed in a separate agenda item). At the time of producing the cashflow, the seating costs remained under review. E20 will aim to table an updated cashflow under the latest seating scenario(s) at the Board meeting.
- 3.6. Following the Board meeting, and in particular after consideration of the seating paper, E20 will confirm to members the impact on the cashflow and the working capital requirement for May. E20 anticipates invoicing Members for the next injection of working capital by 28 April, with payment required the following week.
- 3.7. **s.43**

4. CREDITORS, DEBTORS AND PAYMENTS FOR APPROVAL

- 4.1. An analysis of E20's current creditors and debtors is set out in the pages that follow.
- 4.2. The Board has been clear that all payments must now be approved by the Board. In order to assist the cash position, E20 is seeking to make payments as late as possible within the contractual and payment terms. E20 is processing the payments approved by the Board last week. The payments requested for approval by the Board this week are as follows:
- 4.2.1. Payment to Osborne Clarke for legal advice in the period 2 April – 13 April 2017 (£4394+VAT).
- 4.3. The Board is also asked to note the payments expected to be made under Transformation in the coming week, as detailed in the creditor report.

E20 AGED DEBTORS REPORT AS AT 21 APRIL 2017

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Type	Comment
WEST HAM UNITED FOUNDATION	45186	06/04/2017	960	Working capital	Overdue - customer being contacted
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Working capital	Not yet paid
YOUR TRIBUTE LTD	45195	12/05/2017	1,580	Working capital	Not yet due
MUSLIM HANDS UK	45199	19/05/2017	600	Working capital	Not yet due
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Working capital	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	Working capital	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	Working capital	No payment expected based on efforts to date, provided for
	Balance		903,787		
	Less provision for doubtful debts	-	2,220	Working capital	0.2%
	Adjusted balance		901,567		
<u>Owed by Members</u>					
NEWHAM LEGACY INVESTMENTS	45182	31/03/2017	872,000	Working capital	Per request to Members from E20 on 30/03/2017
	Total balance		1,773,567		
	Working capital		934,840		
	Transformation		838,727		
	Total balance		1,773,567		

S.43



S.43

E20 CREDITORS AS AT 21 APRIL 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Osborne Clarke LLP	491773	Advice on members/directors duties	20/04/2017	20/04/2017	4,394.00	878.80	5,272.80	Working Capital	
					4,394.00	878.80	5,272.80		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Ernst & Young	GB10100123897	Fee in respect of the 2016/17 audit	06/03/2017	06/04/2017	26,000.00	5,200.00	31,200.00	Working Capital	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Working Capital	
KPMG LLP	5501417696	Tax Compliance Services 16 February - 9 April 2017	20/04/2017	05/05/2017	5,368.00	0.00	5,368.00	Working Capital	
Corona Energy	11969775	Gas - March 2017	11/04/2017	11/05/2017	59.48	2.97	62.45	Working Capital	
					260,967.48	5,202.97	266,170.45		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Aerofilm Systems B.V.	17390124	Test Move 22-03-17 to 27-03-17	27/03/2017	14/04/2017	11,305.00	0.00	11,305.00	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17583	Bridge F17 - HVM Removal Works & Surveys	17/10/2016	17/11/2016	14,928.00	2,985.60	17,913.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	04/04/2017	14,000.00	2,800.00	16,800.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17744	Re-charge of legal fees for S106 alteration	03/03/2017	03/04/2017	1,422.60	284.52	1,707.12	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17825	Consultant Legal Costs January to March 2017	18/04/2017	25/04/2017	95,102.80	19,020.56	114,123.36	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17826	TfL Legal Costs January to March 2017	18/04/2017	25/04/2017	27,100.00	5,420.00	32,520.00	Working Capital	Board Decision 20/04/17 - invoice on hold
West Ham United Football Club Ltd	15112 A/C	Provision of goal decision services for season 16/17 - Instalment 1	22/09/2016	22/10/2016	38,750.00	7,750.00	46,500.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15199 A/C	Recharge of West Ham United - Academy Bars Project Fees	20/12/2016	20/01/2017	8,700.00	1,740.00	10,440.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15173 A/C	Ticket Office Staff Costs for England Rugby Match	16/12/2016	16/01/2017	407.32	81.46	488.78	Working Capital	Payable by LS 185. Credit note requested.
West Ham United Club London	015709	Club London Seats Royal East - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	990.00	198.00	1,188.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
West Ham United Club London	015710	Club London Seats Dining - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	400.00	80.00	480.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	16/11/2016	195.00	0.00	195.00	Working Capital	Awaiting confirmation of bank details from supplier
					343,243.72	66,348.74	409,592.46		

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
London Legacy Development Corporation	17831	Transformation Costs January to March 2017	19/04/2017	19/05/2017	344,884.25	68,976.85	413,861.10	Transformation	
					344,884.25	68,976.85	413,861.10		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	18/02/2017	70,732.94	14,146.59	84,879.53	Transformation	
Aerofilm Systems B.V.	17390139	Materials for West Stand	07/04/2017	25/04/2017	38,662.00	0.00	38,662.00	Transformation	
					109,394.94	14,146.59	123,541.53		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	06/01/2017	260,805.30	52,161.06	312,966.36	Transformation	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	13/02/2017	286,087.41	57,217.48	343,304.89	Transformation	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25		

Subject: LS185
Item: 6a
Meeting date: 25 April 2017
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Alan Skewis

1. SUMMARY

- 1.1. A number of reports over the past 6 months have addressed various aspects of LS185 performance and disputes.
- 1.2. This short note provides a brief overview of particular areas of concern. All of the issues in October 2016 remain a concern, with additional items added. A summary is set out in Annex 1, and LS185s latest KPI, quarterly review and H&S reports are included in annexes 2, 3 and 4.
- 1.3. The most significant issue - Stadium handover and asset review -are covered in a separate paper.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** the continued issues with LS185, and potential that the issues may escalate in early May 2017.

3. UPDATE

Overview

- 3.1. Contract relations with Vinci are strained, driven mainly by the continued dispute over the stadium handover and statutory compliance, but also the exchanges regarding confidence in business planning and performance earlier in the year.
- 3.2. The LS185 Board have communicated that staff cannot agree any contract changes until significant progress has been made on the outstanding issues, including stadium handover and disputed costs.
- 3.3. This immediately impacts on moving alterations to egress plans forward, which save E20 significant funds and moves matters forward with Westfield and TfL. It also underpinned the LS185 refusal to take on the utilities contract.
- 3.4. On the ground relations remain more positive, with a genuine retained commitment to delivering operations and the 2017 business plan by the senior team at LS185. LS815 have also are appointing a replacement for s.40, the Head of Safety for the venue, and have engaged on the task of reducing WHU event day costs.

Annex 1: Overview of LS185 Issues, with RAG Rating

Issue	Area of the Business	E20 View on Progress (RAG) (April 25 2017)
Risk LS185 withdraw services / claim stadium unsafe	Facilities	While unlikely to follow through, LS185 have made this threat (from 5 May 2017) LS185 would be in breach of operator agreement Contingency plans being considered in LS185 "downed tools" E20 can mitigate the risk of this happening by ensuring defect works are being delivered
Stadium Handover and Asset Surveys	Facilities	E20 robust responses on disputes on a number of issues: <ul style="list-style-type: none"> • Whether stadium handed over • Division of responsibility for safety and delivery of compliant stadium • Extent and resolution of Stadium defects • Lifecycle needs
Disputed Costs resolved	Facilities /Finance	While the initial disputed items remain mainly agreed, they are not resolved, and widened as a result of stadium handover issues
Business Plan / Implementing Business Recovery Plan	Financial	Poor business plan rejected by E20 board in February 2017 LS185 reporting that in line with their business plan in Q1 2017, and on target for Q2, which includes net income from concerts of over £1m
LS185 Commercial Team Resourcing and Performance	Commercial	Commercial team now better resourced Non-event days use of stadium building, with more film bookings etc. However, No further sponsorship deals signed LS185 citing E20 imposed delay to WIFI as a reason for not being able to sell sponsorship deals effectively
Review and streamline reporting requirements	Governance	Joint commitment to review and streamline reporting. Work ongoing.
Improved Egress Arrangements	Operations	Board blocked any contract change with E20, so not willing to implement new arrangements until wider issues resolved. Engaged with Westfield on licence plans and operational plans
Relocatable Seating System	Operations	LS185 Board refused to take on the system on January 2017. Co-operative on the ground, with practical engagement in arrangements for moving the seats this summer
Bottom up review of Stadium Crowd Management	Operational	Work underway to reduce by £50k per match. Reluctance to increase risk
Opportunity to sell Naming rights on E20s behalf	Commercial	Expressed willingness to take on and manage the contract once agreed.

Quarterly Financial Review: Q1 2017

Commercial in confidence

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Health and Safety Report

Month: March 2017

Subject: London Stadium Accident & Incident (A&I) review – March 2017

Prepared by: s.40 [REDACTED], Deputy Safety Office

Presented by: Linda Lennon at KPI Meeting, 18th April 2017

Issues:

This information is provided as part of LS185 best practice to provide E20 with a monthly H&S update. A review of accident and incident data for the month of March has been completed and provided below.

Recommendation:

E20 is invited to:

1. Note the information provided in Table 1.
2. Note the analysis of data from the Accident and Incident (A&I) review
3. Note the information in relation to ongoing personal injury claims being managed by LS185

Background:

The Health & Safety Executive (HSE) strongly urges Directors to keep abreast of H&S in their organisations. One element of this is to report on the accidents and incidents in London Stadium, examine the underlying causes and determine any latent failures in LS185's Health & Safety Management System.

Financial implications:

Potential cost of claims (none at present) and ad hoc consultancy cover.

Staff implications:

None.

Claims:

There are no identified claims this month.

Table 1. Accidents and Incident Reports received by LS185 on event days in the month:

Classification	Chelsea (06/03/17)	Stoke (u23) (07/03/17)	Leicester (18/03/17)	Total
Medical incidents	14	0	6	20
Of which are minor accidents	12	0	6	18
Of which public/staff	10 Public 4 Staff	0	4 Public, 2 Staff	14 Public, 6 Staff
Of which are RIDDOR	0	0	0	0
Of which were sent to hospital	2	0	0	2
Any additional details	s.40			

Table 2. Accidents and Incident Reports received by LS185 on non-event days in the month:

Classification	LS185	VF	DN	OCS	Other	Total
Medical incidents	0	0	0	0	0	0
Of which are minor accidents	0	0	0	0	0	0
Of which public/staff	0	0	0	0	0	0
Of which are RIDDOR	0	0	0	0	0	0
Of which were sent to hospital	0	0	0	0	0	0
Any additional details						

Near Misses:

None reported.

Table 3. Crime and Disorder Figures for month:

Classification	March 2017	Cumulative total for season
Stadium Bans	4	147* (see note below)
Stadium Arrests	3	Pending figures from MET
Total	7	

* this includes all stadium bans, which could be a one game ban up to an indefinite ban, and includes bans issued at away games as well as those subsequently arrested (includes number in the next row). Please also note that this number can change as appeals are considered.

Item: 6 (b)
Subject: Stadium Handover and Asset Survey / Other LS185 Contractual Issues
Meeting date: 25th April 2017
Report to: E20 Stadium LLP Board
Report of: Ian Bright/ Colin Naish

1. SUMMARY

This paper mainly covers the issues related to Stadium Handover but also has a brief summary attached on other LS185 commercial issues which have now been captured in an action log.

Stadium Handover and Asset Survey

- 1.1. There has been a string of correspondence over the last couple of weeks capturing the various issues that revolve around Stadium Handover, Stadium asset condition and health and safety at the Stadium.
- 1.2. LS185 contest that the stadium has not been handed over as in their opinion the Transformation Works have not been completed and as a result they have had to implement numerous work around solutions to keep the Stadium in an operational state. They have set a deadline of the 5th of May 2017 for any necessary remedial works (connected to H&S) to be completed.
- 1.3. As part of Handover, E20 supported by LLDC has been actively involved in the defect resolution process. Balfour Beatty have made good progress in reducing the 413 defects present at Completion down to 80 defects remaining at present, the majority of which relate to the building fabric and do not impact event day operation.
- 1.4. Vinci FM's Asset Condition Report, dated March 2017, summarised the findings arising from specialist reports covering a wide range of building fabric, system and landscape condition surveys. Items identified as requiring prompt attention are being addressed (some as part of the Defect process) although with the quantum of observations made and without any identification of whether or not the observation represents a threat to statutory compliance it is not possible to adopt a risk based approach in prioritising any defect rectification required.
- 1.5. E20 has responded firmly to LS185's recent correspondence (copy attached at appendix A) to:
 - 1.5.1. Rebut the view that completion has not occurred;
 - 1.5.2. Advise that defect rectification is an ongoing process that will need to prioritise and identify the responsible party for the works;
 - 1.5.3. That there is a need for LS185 to ensure that all statutory and H&S risk assessments are being undertaken;
 - 1.5.4. That if risk assessments are not up to date then E20 will need to commission this work to discharge their H&S duty. As it is an LS185 obligation to do them this will involve a 'step-in' under the

Contract. We are not at this point yet but are pre-empting this as a possible next step if LS185 fails to perform;

- 1.5.5. That to progress this we need to meet with LS185 to prioritise the issue resolution.

Other LS185 Contractual Issues

- 1.6. There are a number of outstanding contractual issues which require resolution between E20 and LS185. The LLDC Commercial Team is now providing additional support to E20. The first action has been to capture all of these issues and start to document next steps. The action log is attached at Appendix C.

2. RECOMMENDATIONS

E20 Board Members are asked to NOTE the content of this paper and the approach being taken by officers to contract manage the handover process and the resolution of outstanding commercial issues.

3. BACKGROUND

- 3.1. LS185 contest that the stadium has not been handed over as in their opinion the Transformation Works have not been completed, the assets handed over are not in the condition they were expecting and as a result they have had to implement numerous work around solutions to keep the Stadium in an operational state. They outline in their latest letter from Linda Lennon that ...'We have grave concerns as to whether LS185 will be able to continue operations at the Stadium if any such remedial works are not performed or do not establish safe, permanent solutions having regard to applicable statutory and regulatory requirements'. They have set a deadline of the 5th of May 2017 for any necessary remedial to works to be completed.

Handover - Tier 1 Contract with Balfour Beatty (BB)

- 3.2. E20's contract with Balfour Beatty (BB) for the transformation of the stadium set a Completion Date of 27 May 2016.
- 3.3. Part One of the Contract Data of the Tier 1 Contract was amended under the Second Supplemental Agreement (SSA), so that Completion of the remaining works within the Stadium means the date that the Stadium is sufficiently completed to be capable of being licensed and operated for the Newham Great Relay and the Great Newham London Run by 13 July 2016 (including the provision by the Contractor of all operation and maintenance manuals, an operator training programme and safety certification to the extent necessary to operate the Stadium for such purpose and the cleaning of the Stadium by the Contractor in accordance with the Tier 1 Contract and the Completion Date is 13 July 2016.
- 3.4. The SSA also defined Post Completion Works which the Contractor will use all reasonable endeavours to complete in accordance with the Tier 1 Contract as soon as reasonably possible after the Completion Date and no later than 31 December 2016. These works were;
 - Commissioning of the speakers/acoustics in football mode;
 - As built drawings;
 - Environmental testing
 - West Ham branding works
 - Any other works to be advised prior to or following each event; and

- The scope of all works and services required to achieve Completion under the Tier 1 Contract.
- 3.5. Post Completion works also included Power Upgrade Works to be completed by 6 September 2016.
 - 3.6. However not all systems were fully commissioned at Completion on 13 July 2016. In order for a system to be considered complete a Site Acceptance Test (SAT) pack must be accepted by the Project Manager and uploaded to the document management system, to which the Operator has full access. The Project Manager would circulate a weekly report to update the Operator on all new systems that had been accepted and uploaded. On completion of this process JLAB issued their Building Control Completion Certificate, dated 24 November 2016. Prior to this, the Stadium was operating under letters of comfort from JLAB with Balfour Beatty providing staff to support and operate any incomplete system on event days, under the direction of the LS185.
 - 3.7. All as-built drawings were uploaded by 25 January 2017.
 - 3.8. 413 Defects were outstanding at the time of completion on 13 July 2016. The process of defect rectification remains in progress. The defect correction period concludes on 13 July 2017, one year after completion. Currently 80 defects remain outstanding.

Asset Survey - Operator Agreement LS185's

- 3.9. Under the Operator Agreement LS185's FM subcontractor Vinci FM have three months from the Stadium Opening Date to undertake a survey of Assets and produce a report of the number, type and condition of such Assets.
- 3.10. Vinci FM's Asset Condition Report, dated March 2017, summarised the findings arising from 33 specialist reports covering a wide range of building, system and landscape condition surveys. Eight more reports were to follow, of which two have been received to date.
- 3.11. The executive summary of the Asset Condition Report identifies that "there are a number of issues raised that have a significant impact and require prompt attention:
 - The report provided by the Chartered Electrical Engineer is of particular concern. In his report he raises a large number of issues surrounding the accuracy of the Electrical Certification provided. The report also questions the accuracy of the schedules and drawings leading to question whether a Safe System of Work as required by the Electricity at Work Act can be established.
 - The Legionella Risk Assessment is deemed to be insufficient and incomplete. This document is a requirement of the HSE ACoP (Health & Safety Executive, Approved Code of Practice) and should be the basis and foundation of all water safety maintenance.
 - The test and inspection of Fire Dampers is a Fire Safety critical activity. The report on these tests shows approximately 25% remain un-tested.
 - The Pressure Systems Regulations require a Written Scheme of Examination and routine inspection by a Competent Person. No documentation or certification has been provided on Pressure Systems. The report on Pressure Systems has identified 18 assets, most having been operated for several years, that have never been subjected to inspection as required by the Regulations.
 - Passive Fire Precautions (Fire Stopping) is another Fire Safety critical system. The preliminary reports on the inspection of the Fire Stopping has indicated the documentation and schedules provided are inadequate and many issues have been found with respect to the standard of the installation.

- The Balfour Beatty underground CCTV drainage survey does not cover the entire Stadium complex although it does identify a high number of defects which, if extrapolated across the entire Stadium would result in a high level of potential areas of blockages.”
- 3.12. Of these issues some are straightforward to address and rectify. For example, on the accuracy of the electrical certification, schedules and drawings, the specialist’s report (based on their inspection of documentation relating to a single transformer) was issued to Balfour Beatty’s electrical subcontractor Imtech who have returned to site, reviewed the documentation against the current installation and are in the process of making amendments as required. The review process will now be extended to cover all 15 transformers at the stadium.
- 3.13. Other issues are less straightforward to address. For example the fire stopping report schedules 1683 observations relating to the quality of the fire stopping installation across 338 rooms, but without a risk assessment or review comment provided on whether or not the observation represents a threat to statutory compliance, it is not possible to adopt a risk based approach to prioritising any defect rectification required.
- 3.14. In general, the Asset Condition Report covers the entire stadium installation, comprising the original construction works by ODA, the transformation works undertaken by E20, the operator fit-out of the kitchens and kiosks by LS185/Delware North and the tenant fit-out of the Concession Agreement leased areas by West Ham. Whilst some of the issues and observations identified by the Vinci FM review may fall to Balfour Betty to rectify, there may be others that relate to the original construction or operator/tenant fit-out works which will remain with E20 and/or the Operator or concessionaire to rectify.
- 3.15. The process of working through all the findings of the specialist reports in the Asset Condition Report is ongoing and will take many weeks to complete. A substantial number of items are currently with Balfour Beatty for their response.

4. KEY ISSUES

- 4.1. The key issues out of this which require E20 attention are:
- 4.1.1. To assert the position with LS185 that completion has occurred. ACTION – Letter to LS185 (attached appendix A);
 - 4.1.2. To continue to progress the active resolution of any outstanding defects with Balfour Beatty supported by LLDC. ACTION – LLDC to continue to review defect lists and to field with BB what is considered a defect for timely resolution. Items not considered a defect under the Tier 1 Contract to be passed to LS185 or considered as possible E20 liability;
 - 4.1.3. Ensure that LS185 has the necessary H&S/ risk assessment processes in place to discharge their obligations in this respect. ACTION – E20 to:
 - Document E20 H&S obligations under the Contract (Prepared by Gowling – Appendix B)
 - Commission H&S review of LS185 processes;
 - 4.1.4. Detailed review of all Asset Condition Reports – ACTION: E20 to commission review of specialist reports and claim from Vinci FM.;

Appendices

Appendix A – E20 Letter to LS185 Dated 21st April 2017 and letters from LS185
Appendix B – Gowling Review of E20 H&S obligations under the LS185 Contract
Appendix C – LS185 Commercial Action Log

Report originator(s): Colin Naish/ Ian Bright/ s.40
Email:

Linda Lennon
Chief Executive
London Stadium 185
The Stadium
Queen Elizabeth Olympic Park

21 April 2017

Dear Linda,

Thank you for your and Alexandra's letters dated 14th and 20th April 2017. I also refer to our email dated 30th March 2017 (where LS185 agreed to immediately complete specific statutory out of date reports to ensure the stadium is compliant) and our email dated 11th April 2017 (where we asked you to identify areas of statutory non-compliance critical to future stadium events).

In this letter I start with commenting on stadium safety as that is of course a high priority for each of us. I then go on to deal with the issues raised about completion of the stadium. I then go on to the core issue of LS185's concerns about the stadium asset condition.

Safety

E20 is well aware of its health and safety responsibilities, and I am sure LS185 is aware of its responsibilities (contractual and at law). E20 agrees with you that finding permanent safety solutions are a priority for both E20 and LS185.

The principal means by which E20 discharges its health and safety responsibilities is by ensuring it has a reputable operator who has taken on the health and safety responsibilities at the stadium, and then monitoring the operator's performance. That is reflected in our arrangements with you:

- LS185 is the holder of the General Safety Certificate for the stadium, and that is a specific requirement in our contract with you (paragraph 8 of Schedule 2).
- LS185 is also contractually committed to us to ensure the stadium is safe (see for example the obligations at Clauses 8 and 24, and the obligations at paragraphs 2 and 5 of Schedule 2).

I am assuming that LS185 accepts that LS185 is responsible for those health and safety obligations (despite LS185's position that the stadium has not been completed)? That is the impression I have from our correspondence.

Certainly E20 considers that LS185 does have and is discharging those health and safety responsibilities. If LS185 was to deny those responsibilities then E20 would

be put in a position where it would have no choice (given E20's health and safety responsibilities) but to take immediate steps to enforce the contract against LS185 (including exercising its right to step in).

My impression from our correspondence is that you are not denying your health and safety responsibilities but are expressing concern that due to the condition of certain assets and records that the cost of operating is higher than expected, and that also the temporary work arounds are not going to be sustainable as permanent solutions. Have I understood you correctly?

I note your suggestion in both of your letters that if LS185 cannot satisfy itself of safe permanent solutions for the stadium that LS185 are concerned that it will not be able to continue to operate the stadium. I very much hope that we do not come to that as I think both E20 and LS185 have a shared interest in the stadium being open, operated and safe. I am sure that you will take your own advice on taking this course but can I highlight that the contract we have with you does not allow for LS185 to suspend or terminate services. That is intentional to ensure that whatever the differences we have with you LS185 will ensure the stadium is operated. If LS185 does refuse to operate the stadium then E20 will have no choice but to take steps to enforce the contract against LS185 (including our step in right and our rights under the guarantee from your parent).

E20 wants to work in partnership with LS185 to make a success of the stadium – it does not want to have to take steps to enforce the contract I am keen then that we both work hard to resolve that. I note that we have responded to LS185's compliance report on 30 March and a further response on 14 April in detail line by line. We are prepared to meet with you to discuss further.

Given the importance of safety please confirm the following with the next 5 working days (failing which E20 will need to consider its options for enforcing LS185's contractual obligations including its step in right):

1. That you have undertaken all statutory risk assessments (in particular fire which you have highlighted) in order to maintain capacity at stadium events, and when you plan to update these next by.
2. That you have in place a planned program of statutory inspection and maintenance work, with records and reports available for inspection.
3. Where you have carried out corrective action to ensure ongoing compliance this has been fully recorded.
4. That you have as agreed brought forward planned fire, water, electrical, pressure and cooling system reports.

5. You have in place ongoing plans including short term measures to ensure that issues identified from either risk assessments and/or earlier inspection will be addressed sufficiently to ensure ongoing use of the stadium.

6. You consider the stadium is currently safe as reasonably possible to operate (albeit subject to work arounds etc.).

Bearing in mind our confirmation requests above, and in particular the need for up to date risk assessments, it would be very helpful if you would against each of the items identified in your reports clearly indicate that no further action is required, a short term solution has or will be carried out to ensure ongoing compliance, with details, and or a longer term solution is desirable. We would be grateful if you could confirm when this will be available.

Completion of the Stadium and commencement of full operating period

Your letter dated 20 April makes it very clear LS185 does not consider that the Stadium Opening Date has yet happened or that the Opportunity Period has commenced on the basis of the Transformation Works has not "Completed"

E20 strongly disagree with that assertion. I can see that there may be debate between us about exactly when in 2016 the Transformation Works were completed, but I am surprised at LS185's assertion that the Transformation Works have still not been completed.

That surprise is in part because LS185 looks as if it's fully operating the stadium. It is on site and in control of the stadium. It is running events. It is as discussed above fulfilling the health and safety obligations. It does not make sense to suggest that it is still in the Transformation Period.

Under our contract with you Completion of the Transformation Works is defined by reference to the definition of Completion in the Balfour Beatty Transformation Works contract. You have a copy of that contract and will therefore know that is completed when certified by the project manager. That has happened. I attach the initial completion certificate dated 13 July 2017. I acknowledge that that completion certificate states that certain systems have not been completed – they have been subsequently completed and I believe that your team has been supplied with the various certificates to that effect (if not I can arrange for them to be provided). I also attach WAC13 dated 29 November 2016 which I suggest is especially important as it is based on JLAB's certification that construction has been completed in accordance with the plans and the building control certificate.

Your letter seems to suggest that LS185 position is that the Transformation Works contract is only completed when LS185 accepts that it is completed. There is no such requirement in our contract with you.

If you deny that the Balfour Beatty Transformation Works contract has been completed in accordance with its terms can you identify to E20 the basis for that?

On related points:

- There is a suggestion in your letter that there are defects in the stadium and that is why it cannot have completed. We disagree with that assertion. The Balfour Beatty Transformation Works Contract specifically (as is normal) allows for Completion to happen subject to defects (and with a defects period in which to correct the defects). It is I agree frustrating to be dealing with the defects but that does not itself prevent Completion happening.
- E20 also denies that it is in breach of its responsibility to take into consideration LS185's reasonable views on completion (Clause 5.4 (e)). LS185 may disagree with E20's actions, but E20 is not obliged to have the approval of LS185, only to take into consideration LS185's perspective.
- You assert that the variations to the Balfour Beatty Transformation Works Contract following 30 January 2015 have the effect that E20 is not going to be able to fulfil its contractual obligations to LS185. I do not understand that assertion. Could you explain it?
- You assert that because E20 has indicated a willingness to consider the application of the excusing event mechanism (Clause 16) to certain claims by LS185 that that means the stadium has not been completed. E20 does not agree with that. E20 has agreed that the stadium had not fully completed by 31 July 2016 and that therefore it is willing to consider LS185's claim pursuant to Clause 5.5 and 19 of the stadium operating contract. However that does not mean that E20 considers the stadium has still not completed.
- In various correspondence there are suggestions that LS185 considers E20 is obliged to deliver a stadium which is "fit for purpose", in a "satisfactory condition". That is not the case. E20 does have contractual obligations to LS185 but they are limited to:
 - ensuring the stadium meets the specification at Appendix D of Schedule 2 of the Stadium operating contract (which E20 considers it does)
 - ensuring the Balfour Beatty Transformation Works contract is completed (which E20 considers has happened)
 - the number and type of assets in the stadium are as per the position on completion (and the agreed drawings pack) (with a process for that to be verified and adjustment made).

There is no general commitment on condition and design. That was intentional.

This is why LS185 were given the opportunity to carry out due diligence, and if it chose not then it has no claim against E20/LLDC (Clause 4).

I can imagine that for your FM contractor it must be frustrating and irritating that the stadium was not constructed in the way it might have preferred and that it is not new, having been built for the 2012 Olympics. However that is how it is and LS185 and its FM contractor knew that when LS185 entered the stadium operating agreement.

Asset Condition

I recognise that at the heart of the discussions we are having about safety and completion are LS185's concerns about the condition of the assets at the stadium.

My team has with LLDC been working hard on working through your concerns, and has dedicated resource to doing that. We have specifically engaged on safety issues, and LLDC has been responding to you on the asset conditions concerns, and there is a plan in place for a full response. As we all know there is considerable detail to work through which does take time.

As part of that E20 recognises and agrees that LS185 is entitled to make a claim for the costs arising from delay in completion (subject to and as more specifically set out in Clause 5.5 and 19 of the stadium operating contract). E20 also recognises that if and to the extent it has not fulfilled its contractual obligations then E20 will have, pursuant to Clause 19, liabilities to LS185.

I hope though that you appreciate that E20 and LLDC cannot simply accept all of the concerns of LS185 as E20/LLDC's responsibility. It has a duty as a public body to check LS185's assertions and is not going to make payments beyond what it is contractually obliged. That is why we have been exploring with you each area of claim to check this is the case.

I say this because I do sense that LS185 and its FM subcontractor do seem to consider that E20's contractual obligations in relation to stadium condition to be wider than the actual contract position. I have been through E20's key commitments above and highlighted that they are not the broad requirements that has been suggested.

As I said we do want to build a partnership with you. That is why we have not rejected out of hand the concerns on assets, and related financial impact. We certainly want to work through that with you to achieve our shared objective of a successful stadium and would like to meet with you next week to progress this further. Equally though although E20 will fulfil its contractual obligations (and LS185

has contractual remedies if it does not), E20 is not in a position to do any more than that.

Yours sincerely

A black rectangular redaction box covers the signature area. The text 'S.40' is written in a large, bold, red font across the center of the box.

Alan Skewis

E20 Stadium LLP Director

E20 Stadium LLP
Level 10
1 Stratford Place
Montfichet Road
London
E20 1EJ
FAO: Nicky Dunn

14 April 2017

Dear Nicky,

Many thanks for your letter dated 31 March 2017.

We acknowledge that there are a number of contractual issues that require resolution between us, but in relation to your suggestion of establishing a form of working group regarding these matters, we believe this would be a distraction to the safety issues which is where we must focus our resource. In any case, we have clearly set out our position on these issues previously and we reserve our position in relation to those.

At this stage, the priority for both of our organisations should remain ensuring the safe operation of the Stadium. Given E20's legal responsibilities relating to health and safety and in view of the findings of the independent surveys performed by our FM Sub-Contractor which were presented to you during our meeting on 22 March 2017, we were surprised that these safety matters were not addressed in your letter.

Whilst we have devised work-around solutions which continue to be in place to limit the impact on current operations, these are temporary solutions in respect of which LS185 is yet to be properly compensated and it is not economic or practical to continue on this basis.

We will continue to monitor these matters including by undertaking further investigations. In the absence of the proper rectification of these defects by E20 and establishing safe, permanent solutions no later than 5 May 2017, we have grave doubts that LS185 will be able to continue to operate the Stadium on the current basis. We trust you have considered and are mindful of this eventuality given your own legal responsibilities in this regard. Considering the criticality of these issues, we request a formal and structured overarching response to our communication as opposed to a piecemeal process made of a succession of e-mails and attached documents, which is the only way forward to reach a global agreement signed by all parties to close these issues out.

We will respond to your team's correspondence in respect of compliance and handover issues by separate letter.

Regarding your request for a short document summarizing the LS185 business plan, I have asked LS185 CEO to discuss it with E20 director on his return from leave as both its form and content had already been discussed and reviewed by some of E20 team before it was presented to E20 Board.

Yours sincerely,



s.40

Alexandra Boutelier, Chairman
London Stadium 185 Limited

Alan Skewis
Director
E20 LLP
Level 10,
1 Stratford Place,
Montfichet Road,
London, E20 1EJ

20th April 2017

Dear Alan,

Lack of Completion of Transformation Works and reports issued by Asset Verification Survey

I refer to Alexandra Boutelier's recent correspondence of 14 April 2017, and I take this opportunity to respond to your correspondence of 28 March 2017 relating to Stadium Handover and 30 March 2017 relating to the Compliance Report.

For the reasons stated below, we do not agree that there has been handover of the Stadium under the Operator Agreement on the basis that the Transformation Works have not been "Completed" for the purposes of the Operator Agreement and, as most recently demonstrated by the asset verification survey undertaken by VINCI Facilities and shared with you on 31 March 2017, there are significant defects and non-compliances in the Transformation Works.

Non-Completion of Transformation Works under the Operator Agreement

Firstly, we do not accept or agree with your assertions that the "Stadium Opening Date" has been achieved and that the "Opportunity Period" has commenced. Additionally, we do not accept the approach that would appear to be suggested by E20 in recent correspondence that the failure of the completion of the Transformation Works is the responsibility of LS185 and its contractors.

The document headed "Commencement Certificate" dated 13 July 2016, and the WACs numbered 1 to 21 attached to **s.40** email of 28 March 2017, make it demonstrably clear that "Completion" for the purposes of the Transformation Works Tier 1 Contract has not been achieved. The "Commencement Certificate" which E20 asserts to be illustrative of completion having been achieved admits expressly that "all works may not be completed at the completion of the Transformation Works." As the "incomplete works" were not limited to the rectification of snagging items, it cannot be the case that "Completion" for the purposes of the Transformation Works Tier 1 Contract was achieved at the date of this "Commencement Certificate".

The blanket issue to LS185 of WACs numbered 1 to 21, in the absence of any prior consultation, where such WACs are subsequently relied on by E20 to substantiate "Completion" is plainly inconsistent with your obligations under clause 5.4(e) of the Operator Agreement. As you are aware LS185 has not countersigned the WACs and this remains a standing item on the agenda for weekly meetings.

You have previously acknowledged expressly that the excusing event mechanic under the Operator Agreement has been triggered by (i) E20's failure to procure "Completion" of the Transformation Works by the Estimated Opening Date and (ii) E20's failure to consult LS185 in relation to material variations to the Transformation Works Tier 1 Contract. Indeed, we have also discussed with you, the fixed sum that is payable to LS185 for the period beginning on the Estimated Opening Date to 31 December 2016 and you have been in discussions with LS185 as to further relief available to LS185 in the periods

following 31 December 2016. Your recent assertion that "Completion" for the purposes of the Transformation Works Tier 1 Contract has been achieved on 1 December 2016 would appear to contradict this prior acknowledgement.

Given the changes that have taken place to the original form of the Transformation Works Tier 1 Contract and works to be performed under it, in respect of which LS185 was not consulted, we remain of the view that E20 is not going to be able to honour its commitments to LS185 under the Operator Agreement in relation to the completion of works under that contract as originally contemplated by the Operator Agreement. The Transformation Works Tier 1 Contract for the purposes of the Operator Agreement is the contract dated 24 December 2013 (a redacted version of which is scheduled to the Operator Agreement) and specifically, any amendments which E20 may have agreed to the Transformation Works Tier 1 Contract and which have not followed the contractual processes for consultation and change are not incorporated in the Transformation Works Tier 1 Contract for the purposes of the Operator Agreement.

Asset Verification Survey

Secondly, as discussed at the meeting held on 22 March 2017, as we consider that there have been serious failures in the Transformation Works and the Stadium cannot therefore have been handed over, VINCI Facilities proceeded with the Asset Verification Survey. The asset condition information provided by VINCI Facilities suggests that there are significant works and rectification outstanding in order for the Stadium to be completed to a satisfactory condition and formally handed over to LS185.

On the basis of these reports, we have significant concerns about key assets and systems which are presenting continuing defects. These assets and systems include electrical certification (VINCI Facilities is currently working under enhanced safety procedures to ensure a Safe System of Work), fire dampers and fire stopping (a stadium-wide Fire Safety Risk Assessment must be undertaken), the volume of compliance records which have not been provided or re-programmed and the condition of assets at the stadium generally (for example, floodlights, BMS, Fire Systems and CCTV infrastructure).

We have raised these matters with you on numerous occasions (most recently on 31 March 2017 by way of the VINCI Facilities Asset Verification Survey), and save for interim responses provided by Colin Naish on 31 March 2017 and 13 April 2017, we are yet to receive any formal and complete response from E20. In the meantime, to enable events to proceed and to limit the impact of these matters on current operations, we have co-operated with E20 and other stakeholders to devise work-around measures as temporary solutions (for example, working under enhanced safety procedures in relation to the electrical certification defects).

LS185 is yet to be properly compensated for these mitigation measures and it is not feasible economically or practically for LS185 to continue on this basis. It is your legal responsibility, as asset owner and as procurer of the Transformation Works, to ensure that the Transformation Works are Complete (for the purposes of the Operator Agreement), that the Stadium is free from defects and is safe for operation on a permanent basis. It was never intended that LS185 would, nor be required under the Operator Agreement, to absorb the financial liabilities arising out of E20's failure to procure Completion of the Transformation Works in accordance with the Transformation Works Tier 1 Contract (including the costs associated with the rectification of defects).

We will continue to monitor these matters on an interim basis, including by undertaking further investigations. However, the issues described above must be resolved urgently and, as mentioned in our letter of 14 April 2017 we require that any necessary remedial works are completed by or on behalf of E20 by no later than 5 May 2017. We have grave concerns as to whether LS185 will be able to

continue operations at the Stadium if any such remedial works are not performed or do not establish safe, permanent solutions having regard to applicable statutory and regulatory requirements.

We reserve our rights under the Operator Agreement and any rights and remedies available to us at law.

Yours sincerely,

A black rectangular redaction box covering the signature area. The text 's.40' is written in red, bold, sans-serif font across the top left of the box.

Linda Lennon CBE
Chief Executive

Stadium Safety, Stadium Completion and LS185's Concerns about Assets at the Stadium

Summary of Legal Position

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Subject: Seating Update

Meeting date: 25th April 2017

Agenda Item: 7

Report to: E20 Stadium LLP Board

Report of: s.40 [REDACTED], Assistant Business Manager, E20 Stadium LLP and Colin Naish, Executive Director, LLDC

1. SUMMARY

1.1. This paper provides the Board with an update on the 2017 Relocatable Seating Project.

2. RECOMMENDATIONS

2.1. The Board is invited to **APPROVE** the budget uplift of up to £3m in order to relocate the East Stand within an acceptable time period.

2.2. s.43 [REDACTED]

2.3. The Board is invited to **APPROVE** the alternative cashflow arrangements for Q2 proposed in order that key resource is retained throughout each transition.

2.4. The Board is invited to **NOTE** the proposed resolution of the seating contractor's office accommodation for 2017.

2.5. The Board is invited to **NOTE** the need to agree its 2018 seating strategy at its next meeting in May.

3. FINANCIAL

3.1. Background

3.1.1. The contract with PHD was tendered on the annual transition sequence of football to concert to athletics and then back to football, all based on the intent that the east stand remains forward for all modes (with the front 7 rows removed and concert gangways installed/removed as necessary for concerts and athletics).

3.1.2. In order to be able to facilitate alternative events in the stadium bowl that may require a bespoke seating arrangement such as baseball, a number of options for the transition of individual stands in isolation and for the removal/reinstall of the front seven rows was also included in the tender.

3.1.3. The contract as entered into by E20 and PHD sets target costs for the annual transition sequence and the optional transitions, along with a pain/gain share mechanism should the actual cost come in higher/lower than the target cost. It also provides a rate card for plant and labour and a mechanism for instructing variant transitions not covered by the baseline and optional transitions, as and when they are required.

- 3.1.4. A schedule of Alternative Transition Target Costs in the contract gives transition target costs for north, south, east and west stands in isolation, based on weekday and night working, but not weekend working.
- 3.1.5. As a result, PHD is entitled to use the Quoted Works Process in Schedule 4 of the contract, as the full transition of the east stand before and after the WAC 2017 event will be carried out in parallel with the other activities in the baseline annual transition sequence and will need to utilise weekend working to meet even best case event dates.

3.2. Budget Uplift

- 3.2.1. PHD have now supplied a cost which uses the agreed resourcing (plant and labour) requirements and rates taken from the contract rate card. This confirms that a budget uplift of **s.43**
- 3.2.2. There are two main reasons that justify such a significant increase:
- The increased level of site management and logistics resource required to deliver the proposed changes in scope relative to the movement of the East Stand; and
 - There is not enough time to complete either Transition 2 or 3 by moving the East Stand in isolation, or without weekend working.
- 3.2.3. To achieve moving the East Stand in isolation, as per the Alternative Transition target cost, would require 22 working days (nights but no weekends) for T2 and 27 working days for T3.
- 3.2.4. **s.43**
- 3.2.5. **s.43**
- 3.2.6. **s.43**
- 3.2.7. The quotation received from PHD makes no allowance for Risk. Since the previous Board update, E20 has generated a Quantitative Risk Assessment (QRA) which has generated a 'pre-mitigated' P80¹ value of £2.55m, a budget uplift of **s.43** from the previous cost plan.
- 3.2.8. When combining the cost supplied by PHD and the QRA, this presents an overall budget uplift of **s.43** against the £10m figure approved in January.
- 3.2.9. A spreadsheet outlining this uplift is appended to this paper.

4. TRANSITION 1 (Pitch to Concert)

- 4.1. This transition formed part of the tendered baseline case and detailed planning meetings have confirmed that the transition can be delivered within the original plan of 9 days, working days and nights.

¹ A P80 forecast figure suggests that there is a 20% chance of the value actually being higher than quoted. As the project progresses and mitigation measures are factored in, this percentage will reduce.

- 4.2. With West Ham's final home match now confirmed for the afternoon of Sunday 14th May, this transition will commence at 2000hrs on this day.
- 4.3. The movement of this game from Saturday to Sunday, has reduced the working window by 1 day (2 shifts).
- 4.4. The 9 day programme achieves a finish time of 2000hrs on Tues 23rd May, 5 days prior to the exclusive use period of the first concert.
- 4.5. The Project Team are exploring the possibility of reducing the Target Cost by utilising some of the 5 day period by either reducing weekend or night shifts. However, there are significant other works which need to be undertaken within the bowl at this time (pitch scarification, track cleaning and the laying of pitch/track protection), so any opportunity can only be defined once the duration of these works is confirmed.

5. TRANSITION 2 (Concert to Athletics)

- 5.1. Despite the need to halt works for the Great Newham Run and Diamond League and in addition to the constraint of pitch seeding and need to move the East Stand back, PHD have confirmed that this transition can be delivered on time.
- 5.2. Works are programmed to be complete by Thursday 13th July, just one day prior to the IPC World Championships.

6. TRANSITION 3 (Athletics to Pitch)

6.1.

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6.3.

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7. CASHFLOW

- 7.1. Under the terms of the seating contract PHD apply for monthly payments under clause 9.1:
 - 7.1.1. *Contractor shall provide to E20 on a monthly basis (unless otherwise agreed by the Parties) an application for payment for the Charges in accordance with Schedule 3 (Charges) and other amounts due to it under this Contract.*
- 7.2. Assuming E20 agrees with the application, it is then bound to make payment within 28 days of the application being submitted.
- 7.3. PHD has requested E20 make two payments during the months of each transition, due to cash flow issues associated with their supply chains payment terms.
- 7.4. PHD has provided a detailed resource loaded programme to demonstrate the levels of cost they expect to have expended by the mid stage of each transition. They have also evidenced the sub contract documents which confirm that most of the labour suppliers are on 7-14 day payment terms, which puts a constraint on PHD's cash flow, with the significant levels of resource required to undertake the works.
- 7.5. With a number of the subcontractors providing specialist labour, failure to make payment by PHD, could result in a failure to deliver the transition, if the E20 payment was delayed. It is therefore proposed that E20 make a payment, mid-transition, on

the basis that the works completed at that stage would be greater than the payment issued at mid stage to avoid any financial exposure.

- 7.6. Works will still need to be verified prior to any mid payment being released and Mace would undertake this task as part of their existing Task Order.

8. CONTRACTOR ACCOMMODATION

- 8.1. Further to the update provided to the Board on Thursday 6th April, subsequent discussions between LS185 and E20, have developed an alternative solution which enables London 2017, to retain their event critical accommodation.
- 8.2. This alternative solution also ensures that LS185 does not have to alter the accommodation they have contracted to this summer's Concert Promoters, an issue not known at the 6th April Board. Mace currently resides in this area and therefore need to be relocated in time for the first concert bump in in late May.
- 8.3. The solution will co-locate Mace and PHD (a strategically good move given the seating move interface) in space to the north of the indoor warm up track, originally earmarked for the Learning Zone. This move will require LS185 to fit out the accommodation in a configuration that facilitates both the PHD's and the Learning Zone's occupation. The fit out also needs to afford enough privacy to competing athletes, given PHD's need to occupy this space during the IAAF competition window.

9. 2018 SEATING STRATEGY

- 9.1. On 20th April, E20 received a draft presentation of the Feasibility Study undertaken by

Pell Frischmann. The study is concluding that alternative seating transition solutions are feasible and that there is merit in undertaking further design and cost activity. A more comprehensive summary of the report will be presented to the Board in May.

- 9.2. LS185 are beginning to finalise negotiations concerning concerts in 2018. These negotiations run significantly ahead of E20's current seating strategy, so LS185 have been advised to consult with E20 prior to contracting any concert layouts or back of house accommodation.

APPENDIX 1

Stadium Relocatable Seating East Stand Moves			
Fixed Plus Target Cost			
<u>Sheet Ref</u>	<u>Description</u>	<u>Year</u>	<u>£</u>
A	Pitch Operational Mode to Concert Operational Mode	Year 1	2,132,039
F	Concert Operational Mode to Athletics Operational Mode	Year 1	205,298
K	Athletics Operational Mode to Pitch Operational Mode	Year 1	2,342,048
Total Tendered Target Cost			4,679,386
(i) Transition Options			
Option 2	Removal/installation of front 7 rows to each individual stand	411,260	Priced as instructed tender stage as works in isolation : No Weekend Works
Option 5	Transition of the East Stand in isolation from Pitch Operational Mode into Concert Operational Mode	582,560	Priced as instructed tender stage as works in isolation : No Weekend Works
Option 9	Transition of the East Stand in isolation from Concert Operational Mode into Pitch Operational Mode	613,361	Priced as instructed tender stage as works in isolation : No Weekend Works
Total			6,286,567 Optional Sums not part of Contract
Extra Over Items included within the Forecast Target			108,117 Residual Figure for re-sequencing / supervision / logistics
Block 130 reinstated			
Removal of Super Gangway Staircases and 7.20 m Lahyer Bridge			
Modifications and Adaptions			
Logistics and Sequencing			
Weekend Working:			
T2		818,512	
T3		242,715	
T4		127,169	
T4 - East Stand Infills		347,163	
Total Notional Price Adjustment - Risk Register in Abeyance			7,930,243 Nett of 15% Fee
Plus Fee (15%)			9,119,780
Difference to Budget Sum Approved in January 2017 (£7,950,000)			1,169,780
Quantitative Risk Allowance Uplift			1,800,000
PHD BUDGET TOTAL			10,919,780
Plus Other Seating Costs (Maintenance, purchase of Layher, Mace, Bonuses etc.)			2,040,022
PROJECT TOTAL BUDGET			12,959,802

Subject: Naming Rights and Wifi

Meeting date: 25th April 2017

Agenda Item: 8

Report to: E20 Stadium LLP Board

Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

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CONFIDENTIAL

E20 AGED DEBTORS REPORT AS AT 21 APRIL 2017

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Type	Comment
WEST HAM UNITED FOUNDATION	45186	06/04/2017	960	Working capital	Overdue - customer being contacted
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Transformation	Disputed by LS185
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Working capital	Not yet paid
YOUR TRIBUTE LTD	45195	12/05/2017	1,580	Working capital	Not yet due
MUSLIM HANDS UK	45199	19/05/2017	600	Working capital	Not yet due
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Working capital	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	Working capital	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	Working capital	No payment expected based on efforts to date, provided for
	Balance		903,787		
	Less provision for doubtful debts		- 2,220	Working capital	0.2%
	Adjusted balance		901,567		
<u>Owed by Members</u>					
NEWHAM LEGACY INVESTMENTS	45182	31/03/2017	872,000	Working capital	Per request to Members from E20 on 30/03/2017
	Total balance		1,773,567		
	Working capital		934,840		
	Transformation		838,727		
	Total balance		1,773,567		

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E20 CREDITORS AS AT 21 APRIL 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Osborne Clarke LLP	491773	Advice on members/directors duties	20/04/2017	20/04/2017	4,394.00	878.80	5,272.80	Working Capital	
					4,394.00	878.80	5,272.80		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Ernst & Young	GB10100123897	Fee in respect of the 2016/17 audit	06/03/2017	06/04/2017	26,000.00	5,200.00	31,200.00	Working Capital	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Working Capital	
KPMG LLP	5501417696	Tax Compliance Services 16 February - 9 April 2017	20/04/2017	05/05/2017	5,368.00	0.00	5,368.00	Working Capital	
Corona Energy	11969775	Gas - March 2017	11/04/2017	11/05/2017	59.48	2.97	62.45	Working Capital	
					260,967.48	5,202.97	266,170.45		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Aerofilm Systems B.V.	17390124	Test Move 22-03-17 to 27-03-17	27/03/2017	14/04/2017	11,305.00	0.00	11,305.00	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17583	Bridge F17 - HVM Removal Works & Surveys	17/10/2016	17/11/2016	14,928.00	2,985.60	17,913.60	Transformation/ Working Capital	Responsibility for funding between E20 and LLDC Transformation not agreed
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	04/04/2017	14,000.00	2,800.00	16,800.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	04/04/2017	15,000.00	3,000.00	18,000.00	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17744	Re-charge of legal fees for S106 alteration	03/03/2017	03/04/2017	1,422.60	284.52	1,707.12	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17825	Consultant Legal Costs January to March 2017	18/04/2017	25/04/2017	95,102.80	19,020.56	114,123.36	Working Capital	Board Decision 20/04/17 - invoice on hold
London Legacy Development Corporation	17826	TfL Legal Costs January to March 2017	18/04/2017	25/04/2017	27,100.00	5,420.00	32,520.00	Working Capital	Board Decision 20/04/17 - invoice on hold
West Ham United Football Club Ltd	15112 A/C	Provision of goal decision services for season 16/17 - Instalment 1	22/09/2016	22/10/2016	38,750.00	7,750.00	46,500.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15199 A/C	Recharge of West Ham United - Academy Bars Project Fees	20/12/2016	20/01/2017	8,700.00	1,740.00	10,440.00	Working Capital	In dispute E20 not accepting liability
West Ham United Football Club Ltd	15173 A/C	Ticket Office Staff Costs for England Rugby Match	16/12/2016	16/01/2017	407.32	81.46	488.78	Working Capital	Payable by LS 185. Credit note requested.
West Ham United Club London	015709	Club London Seats Royal East - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	990.00	198.00	1,188.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
West Ham United Club London	015710	Club London Seats Dining - West Ham v Manchester City 06/01/17	20/12/2016	20/01/2017	400.00	80.00	480.00	Working Capital	Under consideration. Cost to be recharged to LB Newham
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	16/11/2016	195.00	0.00	195.00	Working Capital	Awaiting confirmation of bank details from supplier
					343,243.72	66,348.74	409,592.46		

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
London Legacy Development Corporation	17831	Transformation Costs January to March 2017	19/04/2017	19/05/2017	344,884.25	68,976.85	413,861.10	Transformation	
					344,884.25	68,976.85	413,861.10		

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	18/02/2017	70,732.94	14,146.59	84,879.53	Transformation	
Aerofilm Systems B.V.	17390139	Materials for West Stand	07/04/2017	25/04/2017	38,662.00	0.00	38,662.00	Transformation	
					109,394.94	14,146.59	123,541.53		

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Type	Comments
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	06/01/2017	260,805.30	52,161.06	312,966.36	Transformation	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	13/02/2017	286,087.41	57,217.48	343,304.89	Transformation	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25		