



E20 Stadium LLP – Board Meeting 04.05.07

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: 04.05.17
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: None

1. Apologies
2. Minutes of meeting held on 25 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 4 May) Actions from last meeting (25 April 2017)

Minute No.	Item/Description	Action By	Target Date	Status/note
4.1	Alan Skewis to pick up with LS185 why Met Police agreed change to fixture date.	Alan Skewis		Request for information sent to LS185
5.1	Martin Gaunt to make revisions required (In relation to the cash flow)	Martin Gaunt		Complete
6a.1	Alan Skewis to send Keith Edelman the CV of the Head of Safety applicant.	Alan Skewis		Complete – No comments from Keith Edelman
6b.1	s.40 ██████████ to arrange meeting with Gerry Murphy and Linda Lennon regarding the outcome of letters.	s.40 ██████████		s.40 ██████████ to update
6b.2	E20 to compose a contingency plan with a realistic time frame and financial impact.	Alan Skewis/Ian Bright		Recent letter from LS185 reduces likelihood of contingency plan in the short term. Meeting arranged for 5 May.
6b.3	Alan Skewis to seek legal advice on costs of termination of LS185 contract	Alan Skewis		Complete
6b.4	Ian Bright to continue to work through the detail in the reports provided by LS185 and update the Board accordingly.	Ian Bright		Detailed work underway to address LS185 claims. Update to follow at future meetings.
7.1	Alan Skewis to update consequences on not moving the East Stand and circulate to Board.	Alan Skewis		Note to be provided week commencing 8 May

7.2	s.40 to set out the east stand costs, and separately explain the £1.17m east stand cost increase, and the identified £1.8m contingency.	s.40		Note to be provided week commencing 8 May
7.3	s.40 to record and report how we got to the position we are in now with the seat move costs. In particular, it was requested that the note sets out this history of the decision making and the points that have changed.	s.40		Note to be provided week commencing 8 May
7.4	David Goldstone and Kim Bromley-Derry to consult with the GLA about access surplus funds from the World Athletics event.	David Goldstone/Kim Bromley-Derry		David Goldstone arranged meeting with Kim Bromley-Derry and Jeff Jacobs week commencing 8 May.
8.1	s.40 to send s.40 any draft naming rights contract.	s.40		Complete.
8.2	Alan Skewis confirms timings for the installation of Wifi in the Stadium and report back to Board	Alan Skewis		Confirmed that only partial Wifi for London 2017 events now possible if go ahead given immediately.

Actions from previous Board meetings

Board meeting	Item/Description	Action By	Target Date	Status/note
20 April 2017	s.40 /Martin Gaunt to set up initial workshop with s.43 in early May with them coming to present to Board week. Date to be determined but planning for week commencing 15 May.	s.40 /Martin Gaunt		s.43 presentation to Board scheduled for existing 25 May Board meeting. To note we are currently looking at availability to extend the meeting, to allow 1 hour for "usual business" and 2 hours for s.43 presentation and Q&A.



Subject: Financial Update

Meeting date: 4th May 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, from working capital (funded by Members), and under Transformation (funded by LLDC);
- 1.1.4. A very brief update on other financial matters.

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 brief update on other financial issues.

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

Working capital (funded by LLDC and NLI)

- 2.2.1. Payments to Aerofilm systems for airskates (totalling £50k);
- 2.2.2. Payment to PHD for their preliminary works and allowable costs (£156k+VAT);
- 2.2.3. External audit fee payable to EY (£26,000+VAT);
- 2.2.4. Payment to KPMG for tax compliance services (£5k+VAT);
- 2.2.5. Payment to Corona Energy for E20's gas bill (£59);
- 2.2.6. Payment to LLDC for 2016-17 South Park event costs (£95k+VAT);
- 2.2.7. Payment to LLDC for recharge of legal fees (£97k+VAT in total).

Transformation (funded by LLDC)

- 2.2.8. Transformation payments totalling £468k+VAT, relating to the completion and close-out of the LLDC transformation works.

3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C. Adjustments have been made to the format in order to address the requests of Members; this includes a top sheet (Schedule A) which summarises the forecast funding requirement monthly, quarterly and cumulatively. A further request to reconcile the cashflow for the discretionary fund to the overall £14.286m budget is a work in progress and will be included shortly.
- 3.2. Schedule B is concerned with just E20's "working capital" position. Schedule C 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 C position, it is recommended that the Board call focuses on Schedule B. The advice that follows in this section of the paper relates to Schedule B.
- 3.3. Since the 25 April Board meeting, E20 has written to LLDC and NLI formally requesting working capital contributions for May of £2,868,000 and £1,544,000 respectively. Invoices were issued for these amounts on 28 April, and payments from both Members have been received. As a result, E20 has a forecast cash balance at the end of this week of £7.3m.
- 3.4. There has been one significant change in the cashflow forecast since the 25 April Board meeting. An updated seating cashflow has been adopted showing a revised total forecast cost for seating in 2017-18 of £11.727m. This figure has not been approved by the Board.¹ It is an interim forecast whilst the work commissioned at the 25 April Board is ongoing. It represents the best estimate based on current information of the cost of seat moves in 2017-18, but does not include any provision for risks. A full Quantified Risk Assessment (QRA) is under preparation, which once complete will indicate the outstanding risk E20 is exposed to. E20 will return to the Board, potentially on 11 May, with further advice on seating costs including a full budget and QRA. The £11.727m is an interim figure that is subject to change.
- 3.5. The movements since the 25 April version of the cashflow, in total across the year, are summarised below:

¹ The 2017-18 seating budget approved by the Board is £10m. Previous 2017-18 cashflows presented to the Board showed a forecast cost of £10.471m. The Board did not approve a revised budget at its 25 April meeting, but recognised that the East Stand is likely to create a cost pressure, and that the seating cashflow would need to be revised. On balance, E20 has decided to adopt a revised seating cashflow at this stage, despite the seating budget work being ongoing, and before any Board approval. The alternative would have been to re-present the previous seating cashflow – but this would not have given the Board the very latest information.

Summary of movements	(£000s)	Explanation
Version to 25 April Board	(25,224)	Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18
Increase in forecast relocatable seating movement costs	(1,256)	Increase from £10.471m to £11.727m, as described in paper
Decrease in net cash impact of VAT in year	349	Combined impact of revised relocatable seating forecast (above), plus favourable adjustment to VAT recovery assumptions
Version to 4 May Board (£000s)	(26,131)	Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18

- 3.6. Despite the overall increase in seating costs, the cash requirement for seats *in May* has reduced substantially since the 25 April version of the cashflow (from £3.226m to £0.711m). Similarly, the seating cash requirement for Q1 as a whole has reduced, as payments are pushed back slightly. As a result, the current forecast shows that E20 will have sufficient cash through to w/c 12 June, and that the June working capital requirement from members will be much reduced (forecast at £309k from LLDC and £166k from NLI). However, Members should note that substantial monthly working capital requirements are forecast thereafter.

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. Following further advice from LLDC, the E20 Board will now be asked to approve Transformation payments too (as well as working capital payments as previously). 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:

Working capital (funded by LLDC and NLI)

- 4.2.1. Payments to Aerofilm systems totalling £50k, which are part of the £250k cost approved by the Board on 28 February for air skates improvements. £39k is to procure the long lead materials for the airskates improvement. 11k is to provide and install the airskates improvement for Block 114. Both payments are contractually due now.
- 4.2.2. Payment to PHD for their preliminary works and allowable costs in March 2017 (156k+VAT). Their application for payment has been verified by Mace and is contractually due now (at the end of the 28 day payment period).

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- 4.2.3. External audit fee (£26,000+VAT), payable to EY, for E20's 2016-17 audit. This was payable previously, but the payment was deferred by a month. EY are actively chasing payment.
- 4.2.4. Payment to KPMG for tax compliance services (£5k+VAT; contractually due).
- 4.2.5. Payment to Corona Energy for E20's gas bill (£59; contractually due).
- 4.2.6. Payment to LLDC for 2016-17 South Park event costs (£95k+VAT). E20 has already benefitted from the income from LLDC for these events, which successfully generated a small profit. This payment settles the associated costs.
- 4.2.7. Payment to LLDC for recharge of legal fees for the January to March 2017 quarter (£97k+VAT in total). LLDC has already paid suppliers, notably TfL Legal and Gowling, on E20's behalf, under its arrangements with TfL Legal. Following the Board's prior consideration of this item (when it totalled £124k+VAT), LLDC has agreed to temporarily defer the recharge of the TfL Legal payment (£27k+VAT). LLDC has requested payment of the remaining balance due. These are simply pass through charges already incurred by LLDC.

Transformation (funded by LLDC)

- 4.2.8. Transformation payments totalling £468k+VAT, relating to the completion and close-out of the LLDC transformation works, including Project Management, Supervisor and External Technical Reviewer fees for January – March 2017, costs associated with the Seating follow-on works (defect resolution and pre and post-match safety inspections and match-day attendance) and the installation of Hostile Vehicle Mitigation measures.

5. OTHER FINANCIAL ISSUES TO NOTE

- 5.1. The Board is also asked to note the following, which will be returned to at subsequent Board meetings:
 - 5.1.1. E20 is likely to require approval to commit c **s.43** to deliver "clean stadium" requirements for London 2017 (E20 is contractually required to provide the stadium free of branding). This was previously identified as a risk item (quantified at **s.43**), sitting beyond the E20 base business plan for 2017-18.
 - 5.1.2. Progress is being made on securing revenue from the proposed additional capacity for London 2017, to help fund seating costs.
 - 5.1.3. E20 is likely to seek approval soon to go ahead with the Wifi project (assuming continued positive developments with Vodafone).
- 5.2. Finally, Osborne Clarke committed to providing a weekly update on fees incurred. Since Osborne Clarke's bill up to and including 13 April, a further £3,950+VAT has been incurred.

SCHEDULE A

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 4 May 2017

COMMERCIALY SENSITIVE



S.43

S.43



S.43

E20 CREDITORS AS AT 3 MAY 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	
Aerofilm Systems B.V.	17390139	Materials for West Stand	07/04/2017	25/04/2017	38,662.00	0.00	38,662.00	
PHD Modular Access Services	5247	QEOP 2017 Relocatable Seating	28/04/2017	09/05/2017	156,302.53	31,260.51	187,563.04	
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	
KPMG LLP	5501417696	Tax Compliance Services 16 February - 9 April 2017	20/04/2017	05/05/2017	5,368.00	1,073.60	6,441.60	
Corona Energy	11969775	Gas - March 2017	11/04/2017	11/05/2017	59.48	2.97	62.45	
London Legacy Development Corporation	17845	South Park Event Costs 2016/17	28/04/2017	28/04/2017	94,930.04	18,986.01	113,916.05	
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	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	Board Decision 20/04/17 - invoice on hold
					429,152.45	75,828.17	504,980.62	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Board agreed to defer (payment shown in August 2017)
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	Board agreed to defer (payment shown in June 2017)
London Legacy Development Corporation	17843	Procurement Team Costs 2016/17 to 31 December 2016	28/04/2017	28/04/2017	63,860.70	12,772.14	76,632.84	Under review - may be funded from discretionary fund
London Legacy Development Corporation	17840	Central Services Costs for period January to March 2017	27/04/2017	27/04/2017	30,900.00	6,180.00	37,080.00	Board agreed to defer (payment shown in October 2017)
					351,400.70	24,372.14	375,772.84	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	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	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	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	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	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	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	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	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	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	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	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	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	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	Awaiting confirmation of bank details from supplier
					208,313.32	41,623.66	249,936.98	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	
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	
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	
PHD Modular Access Services	5230	Seating Follow On Works Certificate 7	20/04/2017	08/05/2017	31,873.85	6,374.77	38,248.62	
London Legacy Development Corporation	17822	Temporary HVM control measures	11/04/2017	11/05/2017	14,251.70	2,850.34	17,102.04	
London Legacy Development Corporation	17813	Installation of Bollards at F17 Bridge	07/04/2017	07/05/2017	33,300.00	6,660.00	39,960.00	
					467,683.67	93,536.73	561,220.40	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	Awaiting Signed Payment Certificate
					70,732.94	14,146.59	84,879.53	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	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	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25	

E20 AGED DEBTORS REPORT AS AT 3 MAY 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
BAPS SWAMINARAYAN SANTHA	45203	28/04/2017	390	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	904,177		
		Less provision for doubtful debts	- 2,220	Working capital	0.2%
		Adjusted balance	901,957		
<u>Owed by Members</u>					
London Legacy Development Corporation	45202	28/04/2017	2,868,000	Working capital	Per request to Members from E20 on 28/04/2017
NEWHAM LEGACY INVESTMENTS	45201	28/04/2017	1,544,000	Working capital	Per request to Members from E20 on 28/04/2017
		Total balance	5,313,957		
		Working capital	4,475,230		
		Transformation	838,727		
		Total balance	5,313,957		

Meeting: E20 Stadium LLP
Date: 11.05.17
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 (All E20); s.40 (NLI); Gerry Murphy (LLDC), s.40 (Lawyer, Osborne Clark), s.40 (E20)

Apologies: Martin Gaunt

1. Apologies
2. Minutes of meeting held on 4 May 2017
3. Actions arising from previous meetings
4. Relocatable Seating:
 - a. 2017 Seat Moves Budget
 - b. Approach to 2018 and 2019 Seat Moves
5. Financial Update
6. s.43 (Verbal update)
7. s.43 (Board Member consideration)
8. AOB

Dial-in numbers

United Kingdom Freephone: 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 11 May)

Actions from last meeting (4 May 2017)

Minute No.	Item/Description	Action By	Target Date	Status/note
4	It was noted that a revised budget for the seating costs will be brought to the next Board call, due to be held on 11 May 2017.	s.40 [REDACTED]	11 May	Seating paper at 11 May board
AOB	It was requested by members that papers come out at least 2 days in advance of any meeting.	Alan Skewis	9 May	Complete – E20 staff sending papers by Tuesday each week
AOB	E20 to respond to the letter by 5 May 2017. E20 are currently “not stepping in” but this is being kept under review.	Ian Bright	5 May	Complete – letter sent
AOB	The Chair noted that Katharine Deas had been working on a milestone document which is to be shared with Alan Skewis and Martin Gaunt.	Nicky Dunn	11 May	Discussions on milestone document. Also discussed with s.43 team for inclusion in their report

Actions from previous Board meetings

Minute No.	Item/Description	Action By	Target Date	Status/note
4.1	Alan Skewis to pick up with LS185 why Met Police agreed change to fixture date.	Alan Skewis	Completed	Clarified that Met police contacted and did not object. Met stated that

				game was high risk regardless of date held
6b.1	s.40 [REDACTED] to arrange meeting with Gerry Murphy and Linda Lennon regarding the outcome of letters.	s.40 [REDACTED]	25 May	Meeting being arranged
6b.2	E20 to compose a contingency plan with a realistic time frame and financial impact.	Alan Skewis/Ian Bright	25 May	Draft being discussed by INB, AS and MG To board in due course. Immediate "downing of tools highly unlikely given engagement with E20 and LS185
6b.4	Ian Bright to continue to work through the detail in the reports provided by LS185 and update the Board accordingly.	Ian Bright	25 May	Detailed work underway to address LS185 claims. Update to follow to May board.
7.1	Alan Skewis to update consequences on not moving the East Stand and circulate to Board.	Alan Skewis	Complete	Briefing note to Board 11 May
7.2	s.40 [REDACTED] to set out the east stand costs, and separately explain the £1.17m east stand cost increase, and the identified £1.8m contingency.	s.40 [REDACTED]	Complete	Briefing note to Board 11 May
7.3	s.40 [REDACTED] to record and report how we got to the position we are in now with the seat move costs. In particular, it was requested that the note sets out this history of the decision making and the points that have changed.	s.40 [REDACTED]	Complete	Briefing note to Board 11 May
7.4	David Goldstone and Kim Bromley-Derry to consult with the GLA about access surplus funds from the World Athletics event.	David Goldstone/Kim Bromley-Derry		David Goldstone arranged meeting with Kim Bromley-Derry and Jeff Jacobs week commencing 8 May.

Item: 4a
Subject: 2017 Seat Moves Budget
Meeting date: 11 May 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis and s.40, E20 Stadium LLP

1. PURPOSE OF REPORT

The purpose of this report is to seek a decision on a revised committed budget. Between September 2016 and January 2017, the costs provided to Board were pre-tender estimates based on advice from Mace and the LLDC transformation team. The estimates fluctuated, but were within the £8m-£10m mark reported in January 2017.

The key changes since January 2017, which have resulted in an increased cost from £10m to the budget now recommended for approval (£11.8m), are:

- Our contractor, PHD, submitting an impact assessment for the East Stand move which includes a Target Cost laden with Risk. This is largely due to the need to move multiple stand options in parallel, which has never been previously undertaken.
- Greater certainty on East Stand logistical planning. Most critically during Transition 3 (athletics to pitch) there are greater constraints on crane equipment manoeuvrability due to the pitch preparation needs.
- In January 2017 the estimated East Stand cost was priced using rates from the tender documents. It has been subsequently realised that these costs did not allow for weekend working.
- The inclusion of up to £1.5m income from the GLA, sourced from tickets sales for the London 2017 event. This is not currently confirmed and is more likely to be c.£600k.

The report also addresses a number of actions regarding the history of decisions made, and whether there is an option to reverse the decision to move the East stand.

The purpose of the report is not to confirm a fixed commitment for the seat moves in 2017. Despite the fact that the seats have been moved a number of times in 2015 and 2016 the system remains unpredictable. A worst case figure of £14.6m is included in the report.

2. RECOMMENDATIONS

The Board is invited to:

- **AGREE** a revised budget commitment of £11.8m, an increase from the £10m commitment in January 2017.
- **NOTE** the level of identified risk sitting outside of the revised budget commitment, including a worst case figure of £14.6m
- **CONFIRM** that the East Stand should be moved back in 2017
- **AGREE** to delegating authority to commit Contingency funds during the actual Transition 1 period between May 14th 20-17 and June 3 2017

3. 2017 EAST STAND DECISION MAKING

The table, below, shows the financial information provided to Board at key decision stages since September 2016. Further detailed information is provided in Appendix 1, 2 and 3 on how costs have developed, and the key issues at decision points.

In September 2016, E20 decided to not move the East Stand. Relocatable seat tender documents were being prepared at that time, so included no east stand move as part of the base case. During the tender period, E20 indicated (October 2016), and then confirmed (January 2017) that it wished to reverse this decision and move the East Stand back for the London 2017 events.

The tender process ran from October 2016 to January 2017. The tender documents were not adjusted to reflect this change, due to the provisional nature of the E20 decision, and the potential that it would complicate the tender process and have a higher risk of legal challenge.

	Sept 2016	Oct / Nov 2016	Jan 2017	Feb 2017	May 2017 (Best Case)	May 2017 (Mid Case)	May 2017 (Worst Case)
Total Seat Moves Costs inc. contingency	Up to £8.8m	Up to £9.3m	£8-10m	£10m	£11.3m	£12.4m	£14.6m
GLA Contribution (from London 2017 share of Ticket Sales over 50k)	NA	NA	NA	NA	£1.5m	£0.6m	£0m
Total Net Position	£8.8m	£10m	£10m	£10m	£9.8m	£11.8m	£14.6m
Decision on East Stand	Do not move	Minded to Move East Stand	Confirmed Move East Stand	Move East Stand	Move East Stand	Move East Stand	Move East Stand
Key Assumptions							
	Sept 2016	Oct / Nov 2016	Jan 2017	Feb 2017	May 2017 (Best Case)	May 2017 (Mid Case)	May 2017 (Worst Case)
Estimated East Stand Move Cost	Over £3.8m	£3.7m plus	£2.4m	£3m	£4.5m	£4.5m	£4.5m
Contingency	Not included	Not broken down	£0.38m	£0.18m	£0m	£1m	£2.1m

s.43

4. REVISED BUDGET

The Board are asked to approve a committed budget of £11.8m, the Mid Case shown in the table. These reflect the changes to the budget set out in paragraph 1 of this paper.

In doing so, the Board should note that every effort will be made to achieve the best case scenario, but also that there could be further cost pressures. To deliver within the mid case AFC of £12.4m, risk will need to be contained within c. 50% of the £2.1m contingency set out in the quantified risk assessment (QRA).

The QRA has been issued to both LLDC and Newham. The best case assumes £0; the mid case assumes £1m; and the worst case assumes all of the £2.1m identified by E20s project managers, Mace.

Calls on the £1m contingency could include:

- s.43 [REDACTED]
- A GLA contribution lower than £600k.

Staff cannot underemphasise the potential for further change. The next milestone for review will be June 2017, after Transition 1; once the Premier League football fixtures are announced and when GLA funds from additional ticket sales for London 2017 are confirmed.

Appendices 1-3 include detail on the movement in costs in more detail, as well as movement in Contingency since January 2017.

5. REVERSING THE DECISION TO MOVE THE EAST STAND IN 2017

At the April 2017 Board meeting, the option of reversing the decision to move the East stand was raised. This option remains open to the Board.

Nailing down a cost of the East stand has been difficult during the decision making period, as evidenced by the table below. The current costs are £4.5m.

	October & November 2016	January 2017	February 2017	May 2017 (Best Case)
Seat Moves Saving from Not Moving East Stand	£3.7m plus	£2.4m	£3m	£4.5m

s.43 [REDACTED]

The East Stand seat move costs have risen substantially. However, so has the level of reputational damage and compensation due to London 2017.

Given the profile and scale of the event, and the impact on London's relations with worldwide organisations, time has run out to change the decision. Appendix 3 sets out this in more detail, including:

- s.43 [REDACTED]
- Changes to seat and blocks sold to ticket purchasers on the basis of being close to certain jump events.
- A need to substantially revise the arrangements with international broadcasters.
- Logistical risk that the changes to jumps and throws programme could not be accommodated in the time before the Championships.
- s.43 [REDACTED]

On balance it is not recommended that the decision to move the East stand is reversed.

6. OTHER OPPORTUNITIES TO REDUCE COST OF 2017 SEAT MOVES PROGRAMME

Work is progressing with PHD to reduce the East Stand cost, but the high level of risk remains the key factor. Since the moving of the East Stand is such a significant shift from the Base Case, E20 is using the Quoted Works Process as opposed to the Target Cost mechanism that the Base Case uses. This may result in a lower out-turn cost as it involves E20 absorbing greater amounts of risk and removal of the bonus criteria for Transition 3. It will, however, require increased scrutiny of PHD’s operation by Mace, to ensure risks are effectively managed out.

A full proposal of this impact will be presented to next week’s Board. No account of these potential savings is taken in the figures used in this report.

7. DELEGATED AUTHORITY DURING TRANSITION PERIODS

With such a time critical programme and in order to meet the target delivery dates, there is a risk that quick financial decisions will be required ‘on the ground’ during the transition periods. A full paper trail will exist using a similar process employed on the Stratford Waterfront project.

Funds would only be drawn from the approved contingency budget, and no new budget allocation would be able to be committed for items outside the agreed scope of work.

To facilitate this, it is recommended that Board agree to delegate authority to E20 and Mace staff during each transition phase. The delegations sought below only apply to the imminent Transition. These will be reviewed for future transitions 2 and 3 in June 2017.

The financial impact of the required change will dictate the level of authority required and is proposed as follows:

Name	Role	Authority Threshold
s.40	Mace Project Manager	£10k
s.40	Mace Project Director	£50k
s.40	Mace Senior Lead Director	£75K
s.40	E20 Project Sponsor	£100k

A weekly report of any delegations will be submitted to the Board with any cash flow implications also notified. As a further measure it is proposed that any over £50,000 involve immediate notification to the E20 Chair.

S.43

Appendix 2: Summary of Seat Moves Information at Key Decision Points

September 2016

Key Factors:

- Figures provided based on advice from LLDC transformation team, using experience of 2015 and 2016 seat moves.
- All figures caveated by the fact that the system was proving unpredictable, and that 2017 seat move figures were pre-tender estimates.
- In September 2016 E20 had decided to not move the East Stand. Relocatable seat tender documents were being prepared at that time, so included no east stand move as the base case. During the tender period E20 indicated (October 2016), and then confirmed (January 2017) that it wished to reverse this decision and move the east stand back for the London 2017 events.
- The tender process ran from October 2016 to January 2017. The tender documents were not adjusted to reflect this change, due to the provisional nature of the E20 decision, and the potential that it would complicate the tender process and have a higher risk of legal challenge.
- Board reports identified the risk of a WHU claim.

Stands Moved	Seat Move Costs	Including Seat Move Contingency of -	S.43	Other Income (e.g. GLA)	TOTAL Net Position
All Back	c.£8.8m	NA		£0	£8m
West, North, South Back No East Stand Back	£5.6m	NA		£0	£6.6m

January 2017

Key Factors:

- PHD appointed but not priced variation to East Stand, so figure was an estimate
- S.43
- Exec reported a risk of not moving East Stand back by 25 August, but more confident that could get Lower tier in place minus the c.2,000 mid-tier seats.

Stands Moved	Seat Move Costs	Including Seat Move Contingency of -	S.43	Other Income (e.g. GLA)	TOTAL Net Position
All Back	£10m	£0.38m		£0	£10m
West, North, South Back No East Stand Back	£7m	£0.38m		£0	£8m

May 2017

Key Changes:

- There was not enough time to extend the tender to include the full East Stand transition. To do so, would have delayed the appointment and risked delivery of the first seat move. With hindsight it would have been advisable to also include a more significant sum for the post tender variation to include a time limited east stand move.
- PHD contracted and formally priced East Stand at an extra £1.5m, including PHD extended hours required to achieve East Stand move back, not included in January 2017 estimate. This is being challenged but is the best information available at the current time.
- £0.5m of additional costs for air skates (£0.25m), project management (£0.2m) account for majority of additional costs

- s.43 [Redacted]
- s.43 [Redacted]

Stands Moved	Seat Move Costs	Including Seat Move Contingency	Other Income (e.g. GLA / tickets)	TOTAL Net Position
All Back	£12m	£0.6m	£0	£12m-£13.25m
West, North, South Back No East Stand Back	£7.5m	£0.6m	£0	£9.5m
Difference				£2.5m-£3.75m

s.43

Appendix 3: Key Factors influencing Movement of East Stand Decision in October 2016 and May 2017

Issue	Stakeholder Position	E20 Commentary (October 2016)	E20 Commentary (May 2017)
Seating Contractor	Uncertainty over work required and logistical planning gets worse the shorter period between instruction and seat move period.	<p>£3.7m to move back Not tendered. Tender based on not moving east stand back, but options to include east stand back in isolation.</p>	<p>£4.5m to move back No instruction, but mobilising as if moving East stand back. Abortive costs if do not move east stand. Drop dead date in June 2017</p>
LS185	Want all 4 stands back. Agreed to instruction that East Stand will not move back in Summer 2016, and sold concerts accordingly.	<p>£1.3m Possible impact from concerts income of £1.3m as a result of east stand being forward.</p>	<p>£0m</p>

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Item: 4b

Subject: Briefing Note on approach to 2018 and 2019 Seat Moves

Meeting date: 11 May 2017

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, E20 Stadium LLP Director

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E20

STADIUM LLP

Subject: Financial Update
Meeting date: 11th May 2017
Agenda Item: 5
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Alan Skewis

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, from working capital (funded by Members);
- 1.1.4. Proposal on the appointment of Bernard Williams Associates

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:

Working capital (funded by LLDC and NLI)

- 2.2.1. E20 employee income tax and national insurance contributions, plus employer national insurance contributions, in respect of the March payroll (£9k, payable to HMRC). This is a statutory payment due on 19 May.
- 2.2.2. £6,827 to Osborne Clark for legal advice to E20 Directors

2.3. The Board is invited **APPROVE** the commitment of up to £28k for Bernard Williams Associates (BWA) to advise E20 on LS185's claim in respect of asset condition, number and lifecycle .

3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A. The format is as per last week to allow easy comparison.
- 3.2. Schedule B is concerned with just E20's "working capital" position. Schedule C adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget). With regard to the discretionary fund, E20 has spent £9.076m to date. The cashflow indicates the balance of £5.209m being drawn down over the course of the coming months. This is

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likely to fund existing commitments, contingent liabilities, and future items the Board may choose to fund. The timing of these payments is difficult to predict and subject to change. A full breakdown of the discretionary fund position is available on request.

- 3.3. As previously, it is recommended that the Board call focuses on Schedule B. The advice that follows in this section of the paper relates to Schedule B.
- 3.4. E20 has a forecast cash balance at the end of this week of £7.05m.
- 3.5. The two significant changes in the cashflow forecast since the 4 May meeting are:
 - 3.5.1. £74k increase for seat move costs from £11.727m to £11.801m. £61k of these funds would be expended in June 2017 (Q1).
 - 3.5.2. An additional £28k for the appointment of BWA has been included, which will be expended before the end of Q1. This work will provide support against LS185s claim for increased hard facilities management costs in the and if required test Vinci's approach to statutory compliance (see 5.1 below)
- 3.6. A number of forecast cash outgoings have been pushed back a matter of weeks. This includes the fixed cost payment to LS185 (which has yet to be invoiced, given E20's stance that it will not pay until outstanding net commercial revenues are paid), insurance premiums (not yet invoiced but expected imminently), and payments to LLDC for various services (for which the Board requested E20 defer payment).
- 3.7. Despite the changes above the cashflow forecast continues to show that E20 will have sufficient cash through to w/c 12 June. The forecast June working capital requirement has not materially changed since last week (now forecast at £400k from LLDC and £215k from NLI). Members should note that substantial monthly working capital requirements are forecast from July onwards.

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. s.43

The 2 only payments requested for approval by the Board this week is:

Working capital (funded by LLDC and NLI)

- 4.2.1. E20 employee income tax and national insurance contributions, plus employer national insurance contributions, in respect of the March payroll (£9k, payable to HMRC). This is a statutory payment due on 19 May.
 - 4.2.2. £6,827 to Osborne Clark for legal advice to E20 Directors
- 4.3. Following the Board's previous steer, E20 is deferring seeking approval to make a £140k payment now due to LLDC, for rental of a compound at Pudding Mill Lane for storing seats.

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- 4.4. There are no Transformation payments requiring approval this week. The Board agreed last week that Transformation payments, funded by LLDC, did not require weekly approval (although they will continue to be included in the backup papers for completeness and to provide an audit trail).

5. OTHER FINANCIAL ISSUES

- 5.1. **Appointment of BWA to support E20's defence against LS185s claim for increased hard facilities management costs and if required test Vinci's approach to statutory compliance:**
 - 5.1.1. E20 propose to engage BWA immediately to support the work dealing with LS185 claims in respect of asset number and condition. There are two elements to the work at this stage:
 - 5.1.2. Review and shadow pricing of Vinci hard FM bid and claim assumptions and benchmarking analysis (BWA have the services of an FM specialist who developed a similar model for Wembley) – total cost **£28k**; work will provide an analysis of what was known at bid stage, at handover and given current construction form; note this work will support the **s.43** work to determine if Vinci pricing is competitive; the work will take 3-4 weeks
 - 5.1.3. E20 would like the Board to note that further work may be undertaken for which we are **not** asking for approval today: (i) work to test Vinci's approach to statutory compliance should the outputs of the health and safety review suggest we need to do this and (ii) review of LLDC's life cycle model with a view to providing a base to compare to the Vinci lifecycle model (likely to be a further £20-30k in total)
- 5.2. Approval will be requested imminently for clean stadia requirements for London 2017, including the largest item – removal of the WHU marquee sign at a cost of c. £70k.

E20 CREDITORS AS AT 9 MAY 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
HMRC Cumbernauld		PAYE/NIC Payover for April 2017	28/04/2017	19/05/2017	9,381.43	0.00	9,381.43	Statutory Payment
Osbourne Clarke LLP	494382	Advice on members/directors duties	08/05/2017	08/05/2017	5,689.20	1,137.84	6,827.04	
					15,070.63	1,137.84	16,208.47	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
					0.00	0.00	0.00	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	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	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17845	South Park Event Costs 2016/17	28/04/2017	28/04/2017	94,930.04	18,986.01	113,916.05	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board agreed to defer (payment shown in June 2017)
London Legacy Development Corporation	17843	Procurement Team Costs 2016/17 to 31 December 2016	28/04/2017	28/04/2017	63,860.70	12,772.14	76,632.84	Under review - may be funded from discretionary fund
London Legacy Development Corporation	17840	Central Services Costs for period January to March 2017	27/04/2017	27/04/2017	30,900.00	6,180.00	37,080.00	Board agreed to defer (payment shown in October 2017)
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Board agreed to defer (payment shown in August 2017)
BT Conferencing	BT012084854	01-Apr-2017 to 30-Apr-2017	30/04/2017	30/04/2017	223.76	44.75	268.51	
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	Board Decision 04/05/17 - to be paid 18/05/17
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	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	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	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	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	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	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	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	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	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	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	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	Awaiting confirmation of bank details from supplier
					777,393.22	109,531.64	886,924.86	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
					0.00	0.00	0.00	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	Awaiting Signed Payment Certificate
					70,732.94	14,146.59	84,879.53	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	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	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25	

E20 AGED DEBTORS REPORT AS AT 9 MAY 2017

WORKING CAPITAL

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Not yet paid
YOUR TRIBUTE LTD	45195	12/05/2017	1,580	Not yet due
MUSLIM HANDS UK	45199	19/05/2017	600	Not yet due
JOHN ALFLATT PRODUCTION	45204	04/06/2017	3,540	Not yet due
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	No payment expected based on efforts to date, provided for
		Balance	67,640	
		Less provision for doubtful debts	-	2,220 3.3%
		Adjusted balance	65,420	

TRANSFORMATION/DISCRETIONARY FUND

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Disputed by LS185
		Balance	838,727	

SCHEDULE A

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 4 May 2017

COMMERCIALY SENSITIVE

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Meeting: E20 Stadium LLP
Date: 18.05.17
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, (E20); s.40 (NLI); Gerry Murphy (LLDC), s.40 (Lawyer, Osborne Clark); Martin Gaunt (E20), s.40 (E20)

Apologies: None

1. Apologies
2. Minutes of meeting held on 11 May 2017
3. Actions arising from previous meetings
4. Naming rights (paper as per below for noting)
5. Financial update
6. s.43 (Verbal update)
7. s.43 (Board Member consideration)
8. 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 18 May)

Actions from last meeting (11 May 2017)

Minute No.	Item/Description	Action By	Target Date	Status/note
4a.1	Daily reporting on cost, programme and delegated authority log will be circulated to the members representatives from LLDC (Gerry Murphy) and LBN (s.40) during seat move transitions.	s.40	Ongoing	
4a.2	A separate meeting will be set up for members to provide greater detail and respond to members questions on 2017 seat move costs and risks.	s.40	25 May 2017	Meeting set up for 18 May at 2pm
AOB1	LBN/LLDC correspondence regarding funding letters to be circulated to the Board	s.40	15 May 2017	Letters sent with 18 May board papers
AOB2	Simple table to be included in financial update that shows for each member the committed funding, funding provided to E20 at the date of the Board meeting, and the month in which the committed funding is scheduled be spent	Martin Gaunt	18 May 2017	Table included in Finance Update

Actions from previous Board meetings

Minute No.	Item/Description	Action By	Target Date	Status/note
25 April 2017	E20 to compose a contingency plan with a realistic time frame and financial impact. The Chair requested for this information to be in draft before the 25 May Board.	Alan Skewis	18 May 2017	Draft in development, covering risk assessment, options if LS185 breach contract or walk away, and plans for resourcing critical elements of the stadium operation if required.

				Draft to be distributed to Chair on 18 May following meeting with legal adviser on 17 May
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Private and confidential



Item: 4
Subject: Naming Rights
Meeting date: 18 May 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis

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Subject: Financial Update

Meeting date: 18th May 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, from working capital (funded by Members);
- 1.1.4. An approval request relating to one other financial matter – clean stadium requirements.

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:

Working capital (funded by LLDC and NLI)

- 2.2.1. Payment to Aerofilm (£139k).
- 2.2.2. Payment to PHD (£300k+VAT).
- 2.2.3. BT tele-conferencing fees of £224+VAT.
- 2.2.4. Payment to Total Gas & Power (£39k+VAT).

2.3. The Board is invited to **APPROVE** commitment of up to £70k for removal and reinstallation of the West Ham United marquee sign, as contractually required under E20's clean stadium obligations to London 2017.

3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A. There has been a request from LLDC to adjust the presentation of the cashflow. There has not been sufficient time to change the format for this version, but E20 will aim to do so for future versions.

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- 3.2. Schedule B is concerned with just E20's "working capital" position. Schedule C adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget).
- 3.3. As previously, it is recommended that the Board call focuses on Schedules A and B (and the advice that follows refers to only that).
- 3.4. E20 has a forecast cash balance at the end of this week (week 7) of £6.877m (see ringed figure on schedule B).
- 3.5. The movements since the 11 May version of the cashflow, in total across the year, are summarised below:

Summary of movements on total 17-18 cash position	(£000s)	Explanation
Version to 11 May Board (£000s)	(26,206)	Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18

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Increase in staffing forecast	(27)	Adjustment to take account of previously agreed extension to s.40 secondment from Newham to E20.
Version to 18 May Board (£000s)	(25,931)	Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18

- 3.6. Beyond naming rights, there have not been any significant changes in the timing of income or expenditure, and therefore the forecast monthly working capital requirements. The June working capital request will be submitted and invoiced by E20 at the end of May, although on current projections E20 looks likely to have sufficient cash already in the bank until week 13 (w/c 26 June).
- 3.7. As requested at the last Board, the table below shows, for each Member, the committed funding, funding provided to E20 at the date of the Board meeting, and the month in which the committed funding is scheduled to be spent.

	LLDC	NLI
Committed funding	Up to £12.5m	Up to £5m, although current commitment to only fund Q1 (for which forecast total requirement is £2.591m)
Working Capital funding provided to E20 in 17-18	£4.487m (see ringed figure on Schedule B)	£2.416m (see ringed figure on Schedule B)
Date at which committed funding is scheduled to be spent	£12.5m is projected to be exhausted in October 2017 (see schedule A).	£5m is projected to be exhausted in September 2017 (see schedule A).

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. This includes potentially delaying payments beyond contractual due dates, following the Board's steer on 4 May. For instance, E20 is currently resisting paying Westfield for their agreed historic costs associated with egress.
- 4.3. Payments requested for approval this week are as follows:

Working capital (funded by LLDC and NLI)

- 4.3.1. Payment to Aerofilm (£139k) for the installation of airskate improvements, as previously approved by the Board. This is the second of three payments and is now contractually due.
- 4.3.2. Payment to PHD (£300k+VAT) for their costs incurred for April, in the lead up to the first seating transition. All costs have been verified by Mace, and payment is due on 31st May. Approval this week will not facilitate any early payment. It merely ensures that there is sufficient time to generate, receipt and sign off the invoice so that payment can be made on 31st May.
- 4.3.3. BT tele-conferencing fees of £224+VAT.
- 4.3.4. Payment to Total Gas & Power for electricity bills received for April (£39k+VAT), due for payment on 19th May. Note that this is lower than expected so is likely to not represent a complete set of bills – this is currently being reviewed by E20 and Total.

- 4.4. There are no Transformation payments requiring approval this week.

5. OTHER FINANCIAL MATTERS

- 5.1. The Board is requested to commit up to £70k for removal and reinstallation of the West Ham United marquee sign, as contractually required under clean stadium commitments to London 2017. Discussions are ongoing with London 2017 on further clean stadium requirements. This may increase E20's total clean stadium bill to

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c£130k (inclusive of the £70k). We will revert to the Board once the ongoing discussions are concluded. The marquee sign removal commitment is required now in order for it to be taken down in time (it is actually expected to be taken down between the Depeche Mode and Guns n Roses concerts – w/c 5 June).

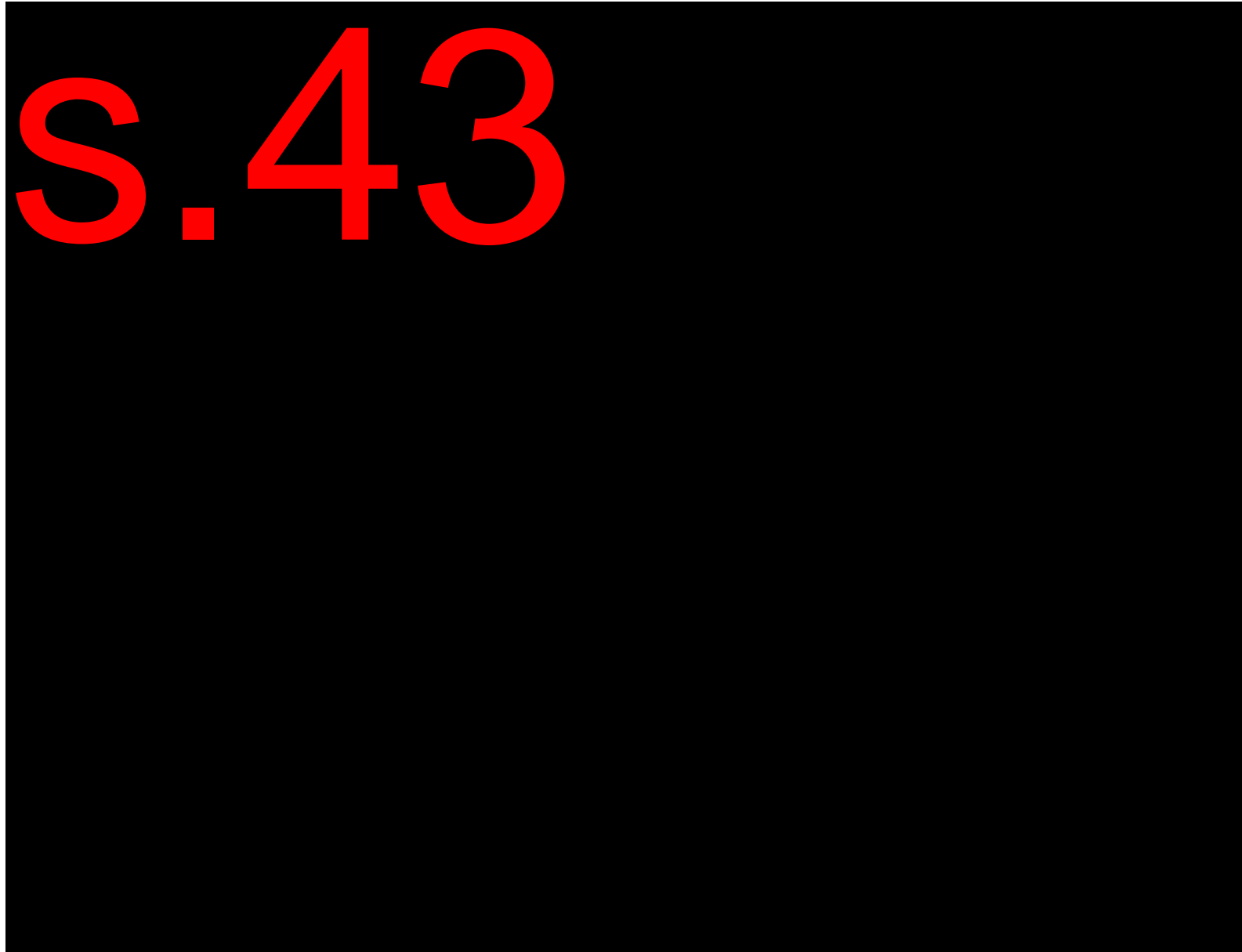
- 5.2. Clean stadium requirements were previously shown as a risk in the draft E20 business plan, quantified at £150k. The cash requirement is not yet reflected in the cashflow.

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SCHEDULE A

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 18 May 2017

COMMERCIALY SENSITIVE



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E20 CREDITORS AS AT 16 MAY 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
BT Conferencing	BT012084854	01-Apr-2017 to 30-Apr-2017	30/04/2017	30/04/2017	223.76	44.75	268.51	
Aerofilm Systems BV	17390180	Delivery of 100% of Materials for East Stand	09/05/2017	23/05/2017	138,600.00	0.00	138,600.00	Payment due by 23.05.2017 under contract terms
PHD Modular Access Services Ltd		Seating Transition Works Certificate 2		31/05/2017	299,933.51	59,986.70	359,920.21	
Total Gas & Power	Various	Stadium Electricity April 2017	05/05/2017	19/05/2017	39,130.32	7,826.06	46,956.38	
					477,887.59	67,857.52	545,745.11	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
					0.00	0.00	0.00	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	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	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17845	South Park Event Costs 2016/17	28/04/2017	28/04/2017	94,930.04	18,986.01	113,916.05	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board agreed to defer (payment shown in June 2017)
London Legacy Development Corporation	17843	Procurement Team Costs 2016/17 to 31 December 2016	28/04/2017	28/04/2017	63,860.70	12,772.14	76,632.84	Under review - may be funded from discretionary fund
London Legacy Development Corporation	17840	Central Services Costs for period January to March 2017	27/04/2017	27/04/2017	30,900.00	6,180.00	37,080.00	Board agreed to defer (payment shown in October 2017)
Spadeoak	CSP 24643824	Seating Transition Works	30/03/2017	30/04/2017	5,745.00	1,149.00	6,894.00	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Board agreed to defer (payment shown in August 2017)
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	Board Decision 04/05/17 - to be paid 18/05/17
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	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	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	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	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	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	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	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	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	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	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	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	Awaiting confirmation of bank details from supplier
					782,914.46	110,635.89	893,550.35	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
					0.00	0.00	0.00	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	Awaiting Signed Payment Certificate
					70,732.94	14,146.59	84,879.53	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	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	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25	

E20 AGED DEBTORS REPORT AS AT 16 MAY 2017

WORKING CAPITAL

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Not yet paid
YOUR TRIBUTE LTD	45195	12/05/2017	1,580	Not yet due
BAPS SWAMINARAYAN SANTHA	45203	28/04/2017	390	Not yet paid
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	No payment expected based on efforts to date, provided for
	Balance		63,890	
	Less provision for doubtful debts		- 2,220	3.5%
	Adjusted balance		61,670	

TRANSFORMATION/DISCRETIONARY FUND

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Disputed by LS185
	Balance		838,727	

Date: 26th April 2017
Ref: CE141617

David Goldstone CBE
Chief Executive
London Legacy Development Corporation

By email

Dear David,

Resolution Mechanism for Dispute Regarding the Retractable Seating Costs

Further to our letter dated 11th April 2017, I am writing to agree the mechanism that we will use to resolve the dispute between NLI/Newham and LLDC regarding which Member of E20 should pay for the additional costs of the relocatable seating to make the stadium suitable for 'athletics mode'.

There was broad agreement at the E20 Board meeting on 30th March that we should use mediation to reach an agreement and to do so as soon as possible. We consider that there are significant benefits to the parties in pursuing this route. The Members Agreement also provides for members to refer a dispute to mediation if it cannot be otherwise resolved. Participating in mediation will be less costly than other formal legal routes and should also lead to a resolution in a much shorter period of time. We wish to maintain the collaborative approach that LBN/NLI and LLDC have adopted thus far and we trust that the LLDC is still in agreement that this is the best option for us to try to settle this dispute in the immediate term. This option is also in line with the previous Lord Chancellor's formal pledge to promote ADR within government and his aim that government departments consider using ADR to settle legal disputes in all suitable cases if this can be agreed.

We propose that we jointly approach the ADR Group (a recognised provider of mediators in London) with brief details of the dispute and ask them to put forward three mediators who would be suitable to act for us. We will then approach all three to check that they have no conflict and to check their availability and rates. To expedite this, we suggest that we write the initial letters to the ADR Group and the proposed mediators, copying you. You will of course be able to speak to the proposed mediators directly.

London Borough of Newham
Newham Dockside
1000 Dockside Road
London E16 2QU

T +44 (0) 20 8430 2000
W www.newham.gov.uk

Once we have this information, we will seek to agree together which mediator to use. However, if we cannot reach agreement then we will ask the ADR Group to make this decision. Following the selection of a mediator, we will agree a date and venue for the mediation and each provide a summary of the dispute (a Position Statement). We will swap this statement with each other 48 hours before the Mediation.

In terms of selecting a venue for the mediation, we suggest that we would need access to four rooms – one large, to hold all of us, and three smaller rooms: one for each of us and one for the mediator.

Regarding scheduling, we suggest we aim for a date after 18th May 2017 but before 1st June 2017, subject to availability and agreement of all parties. In relation to costs, we suggest that we each bear our own costs and we each pay half of the mediator's and ADR Group's fees.

We are keen to agree the process so please could you confirm whether you agree to mediation as the mechanism we use to resolve this dispute. Your thoughts with regards to selecting a mediator, date and venue would also be helpful. In recognition of the original timescale to agree this process by 28th April, we agree to extend the date whereby we both agree on the process to 3rd May.

Yours sincerely,

A black rectangular box containing the text "s.40" in large, bold, red font, indicating a redacted signature.

s.40

Kim Bromley-Derry CBE
Chief Executive

Kim Bromley-Derry CBE
Chief Executive
London Borough of Newham
Newham Dockside
1000 Dockside Road
London
E16 2QU

By email

28 April 2017

Dear Kim,

Re: Resolution Mechanism for Dispute Regarding the Retractable Seating Costs

Thank you for your letter of 26 April in respect of the resolution mechanism for the dispute in relation to seating costs.

We agree that mediation is the appropriate route to reach agreement in this matter.

Thank you for your further detailed proposals which we will consider and come back to you on next week. We agree that resolution of the dispute as early as possible is in both of our interests, mindful of the timing of the current review of the business.

Thank you also for your further letter of 26 April in relation to NLI's 17/18 capital contributions to E20, confirming that following the confirmation in this letter, no further conditions will be applied to NLI's funding of the partnership in the first quarter of 2017/18.

Yours sincerely



David Goldstone CBE
Chief Executive

Meeting: E20 Stadium LLP
Date: 25.05.17
Time: 10:00 – 13:00
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: David Goldstone (LLDC), Kim Bromley-Derry (LBN)

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

Apologies: s.40 (E20)

Main Session (10am-11am)

1. Apologies
2. Minutes of meeting held on 18 May 2017
3. Actions arising from previous meetings
4. Director Update
5. LS185 Issues and Contingency Plans
6. WHU Event Costs
7. Stadium Seating
8. Financial Update
9. Update on draft E20 Annual Report and Accounts
10. s.43 (Board Member consideration)
11. AOB

s.43 Session (11am)

12. s.43 Presentation
13. Q&A

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



Subject: E20 Director Update
Meeting date: 25 May 2017
Agenda Item: 4
Report to: E20 Stadium LLP Board
Report of: Alan Skewis, Director of E20 Stadium LLP

1. PURPOSE OF REPORT

- 1.1. This report provides the E20 Stadium LLP Board with an overview and update from the Director on various work streams not covered on other parts of the agenda.
- 1.2. The key points are:
 - 1.2.1. Four risks have moved from Amber to Red on the risk register, all relating to LS185 fulfilment of their contract
 - 1.2.2. Relations with West Ham united remain strained, although there is progress on the court dispute over additional capacity
 - 1.2.3. London 2017 stadium costs are close to being settled, with additional seats for World Athletics Championship events likely to go on sale before the 25 May

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 in the draft 2017/18 E20 business plan set out below.

	Key E20 Priority	Current Position	Headline Actions since last full Board Meeting
1	Make Financial Efficiencies; maximum working capital of £19.5m in 2017-18	£21.3m loss, given £1.8m increase in seating costs.	<p>s.43 commission by LLDC and NLI</p> <p>Clear communication to Westfield that further E20 funds to pay for ingress / egress costs</p> <p>Legal letters to WHU to pay business rates and contribution and fanstallation payment under preparation.</p>
2	Holding LS185 to account:		

a

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b	Reduce WHU costs by £50k per game	£220k per game	Separate Board paper shows progress on achieving £50k per match saving
c	s.43		
3	s.43		
4	Closing out Stadium Transformation Issues	£1m - £3m	Update in LS185 and contingency planning paper
5	s.43		
6	Secure Contracted local Community and Economic benefits	63% local employment against target of 75%	LS185 reporting progress quarterly; improvement required

4. RISKS

- 4.1. A new format risk register has been updated and attached as Annex 1. Since the last report four risks have moved from Amber to Red:
- 4.1.1. Securing naming rights
 - 4.1.2. LS185 carrying through a threat to not operate stadium or not undertake safety responsibilities under the contract, leaving E20 exposed
 - 4.1.3. Damages to LS185 and UKA arising from non-delivery of relocatable seats to event deadlines
 - 4.1.4. Number of legal disputes impacting effective relationships (the business plan sets out 11 unresolved disputes)

5. NAMING RIGHTS

- 5.1. As reported to the Board on the 18th May, Vodafone have withdrawn from negotiations. The Board decided to await consideration of the s.43 before considering the way forward with naming rights and associated issues. These issues include:
- 5.1.1. Whether to give LS185 the freedom to let a contract to the lowest tendered supplier for the Wi-Fi contract.
 - 5.1.2. Settlement of the Wi-Fi position may help towards concluding LS185 “disputed costs”.
 - 5.1.3. s.43
 - 5.1.4. The approach to selling naming rights, and cutting ties with ESP.
- 5.2. The Board may wish to discuss these once they have digested and discussed the s.43

6. WEST HAM UNITED

- 6.1. The 14th May match concluded the first season at the stadium.

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- 6.2. Disputes reported last month are still ongoing. A regular review of a log by E20, LLDC an LBN is being undertaken.
- 6.3. The additional capacity process continues to run:
- 6.3.1. E20's Counterclaim information was supplied to the court on the 19th May.
 - 6.3.2. On June 9th 2017 we expect a ruling on whether the dispute is a Part 8 (quick, but incomplete determination), or a Part 7 (E20 preference as gives competed determination although takes longer).
 - 6.3.3. WHU have issued a Part 7 claim as well as a Part 8. The details have yet to be submitted by WHU, but are expected to weaken their part 8 case, and increase the likelihood of the longer Part 7 process.
- 6.4. Three long running issues have been referred to expert determination by WHU. The process will now run for 3-6 months and determine if WHU or E20 are correct on these issues. The impact of losing would be:
- 6.4.1. hospitality staff ("hostesses") costs of s.43 per game
 - 6.4.2. draught beer capital investment of £100-£200k
 - 6.4.3. £3k per game forgone income to LS185 on the IPTV content

7. LONDON 2017

- 7.1. The matters relating to stadium hire and release of additional seating capacity have progressed, with a difference of over s.43 now reduced to a gap under s.43.
- 7.2. It is expected that by the time the Board meets the matters will be settled and the additional capacity tickets will be on sale.

8. HEALTH AND SAFETY

- 8.1. LS185's regular health and safety report is attached at Appendix A. Despite the various assertions made by LS185 relating to safety (see agenda item 5), this report does not indicate any significant health and safety incidents.

Risk	Change since Last Review	Annual Financial Impact 2017-18	Likelihood	Impact	Score	Mitigation	Likelihood	Impact	Score after Mitigation	E20 Owner	Next Review
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Health and Safety Report

Month: April 2017

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

Prepared by: Graham Harris, Deputy Safety Officer

Presented by: Linda Lennon at KPI Meeting, 10th May 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. The data includes that for the full geographic area of LS185's responsibility, for example Stadium Island, and ingress and egress to transport hubs on event days.

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	Swansea (08/04/17)	Middlesbrough u23's (10/04/17)	Everton (22/04/17)	Total
Medical incidents	10	1	8	
Of which are minor accidents	10	1	0	
Of which public/staff	7/3	1/0	3/5	
Of which are RIDDOR	0	0	0	
Of which were sent to hospital	0	0	0	
Any additional details				

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	April 2017	Cumulative total for season
Stadium Bans	0 – pending	147* (see note below)
Stadium Arrests	0	Pending figures from MET
Total	0	

* 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: 5
Subject: 2018 and 2019 Seat Configuration
Meeting date: 11 May 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis, E20 Stadium LLP Director

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APPENDIX 1 – 2018 SUMMARY TABLE ON SEAT MOVE OPTIONS

ATTACHED SEPARATELY

APPENDIX 2 – 2019 SUMMARY TABLE ON SEAT MOVE OPTIONS

ATTACHED SEPARATELY

APPENDIX 1: 2018 SEAT CONFIGURATION OPTIONS TABLE

Option Number	Stand(s) Moved	Sports Accommodated	Sports not Accommodated	Mid-Point Concert Capacity	Maximum Concert Capacity
A	Move all 4 stands	Football, rugby, athletics, cricket, baseball, boxing	None	80,000	80,000 +
B	Move 3 stands + Option F	Football, rugby, athletics, cricket, baseball, boxing	None	75,000	80,000
C	Move West and South Stands + Option F	Football, rugby, cricket, baseball, boxing	Athletics	66,000	70,000
D	West Stand + Option F	Football, rugby, cricket, baseball, boxing	Athletics	56,000	60,000
E1	Move South Stand + Option F (remove front 7 rows)	Football, rugby, cricket, baseball, boxing	Athletics	62,000	65,000
E2	Move South Stand + G (Do not remove 7 rows)	Football, rugby, boxing	Athletics, cricket, baseball	57,000	60,000
F	Move Block 155 and remove 7 rows on 3 stands	Football, rugby, boxing	Athletics, cricket, baseball	57,000	60,000
G	Only move block 155	Football, rugby, boxing	Athletics, cricket, baseball	52,000	54,000
H	None	Football, rugby, boxing	Athletics, cricket, baseball	< 50,000	50,000

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APPENDIX 2: 2019 SEAT CONFIGURATION OPTIONS TABLE

Option Number	Stand(s) Moved	Sports Accommodated	Sports not Accommodated	Mid-Point Concert Capacity	Maximum Concert Capacity
A	Move all 4 stands	Football, rugby, athletics, cricket, baseball, boxing	None	80,000	80,000 +
B	Move 3 stands + Option F	Football, rugby, athletics, cricket, baseball, boxing	None	75,000	80,000
C	Move West and South Stands + Option F	Football, rugby, cricket, baseball, boxing	Athletics	66,000	70,000
D	West Stand + Option F	Football, rugby, cricket, baseball, boxing	Athletics	56,000	60,000
E1	Move South Stand + Option F (remove front 7 rows)	Football, rugby, boxing	Athletics, cricket, baseball	62,000	65,000
E2	Move South Stand + G (Do not remove 7 rows)	Football, rugby, boxing	Athletics, cricket, baseball	57,000	60,000
F	Move Block 155 and remove 7 rows on 3 stands	Football, rugby, boxing	Athletics, cricket, baseball	57,000	60,000
G	Only move block 155	Football, rugby, boxing	Athletics, cricket, baseball	52,000	54,000
H	None	Football, rugby, boxing	Athletics, cricket, baseball	< 50,000	50,000

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APPENDIX 4: LS185 CONCERT REVENUES USED IN ASSESSMENT

2018 Programme

Dates	Event	Description	Days
Weekend 1	Festival	2 stages on community track and one in stadium, currently located in the North location	2-3
Weekend 2	Festival	2 stages on community track and one in stadium, currently located in the North location	2-3
Weekend 3	Major Act	Up to 75,000 capacity Northern stage	2 plus nights
Weekend 4	Major Act	Up to 80,000 capacity Southern stage	2 plus nights
TOTAL			



E20 Assessment OF Net Commercial Revenues associated with Concert Capacity

Concert Capacity
<50,000
50,000-55,000
55,000-59,999
60,000-64,999
65,000-69,999
70,000-74,999
75,000 plus



Competitor Venues
O2
O2, Emirates, Chelsea, Spurs
O2, Emirates, Chelsea, Spurs
O2, Emirates, Chelsea, Spurs
Emirates, Chelsea, Spurs
Twickenham, Wembley
Twickenham, Wembley

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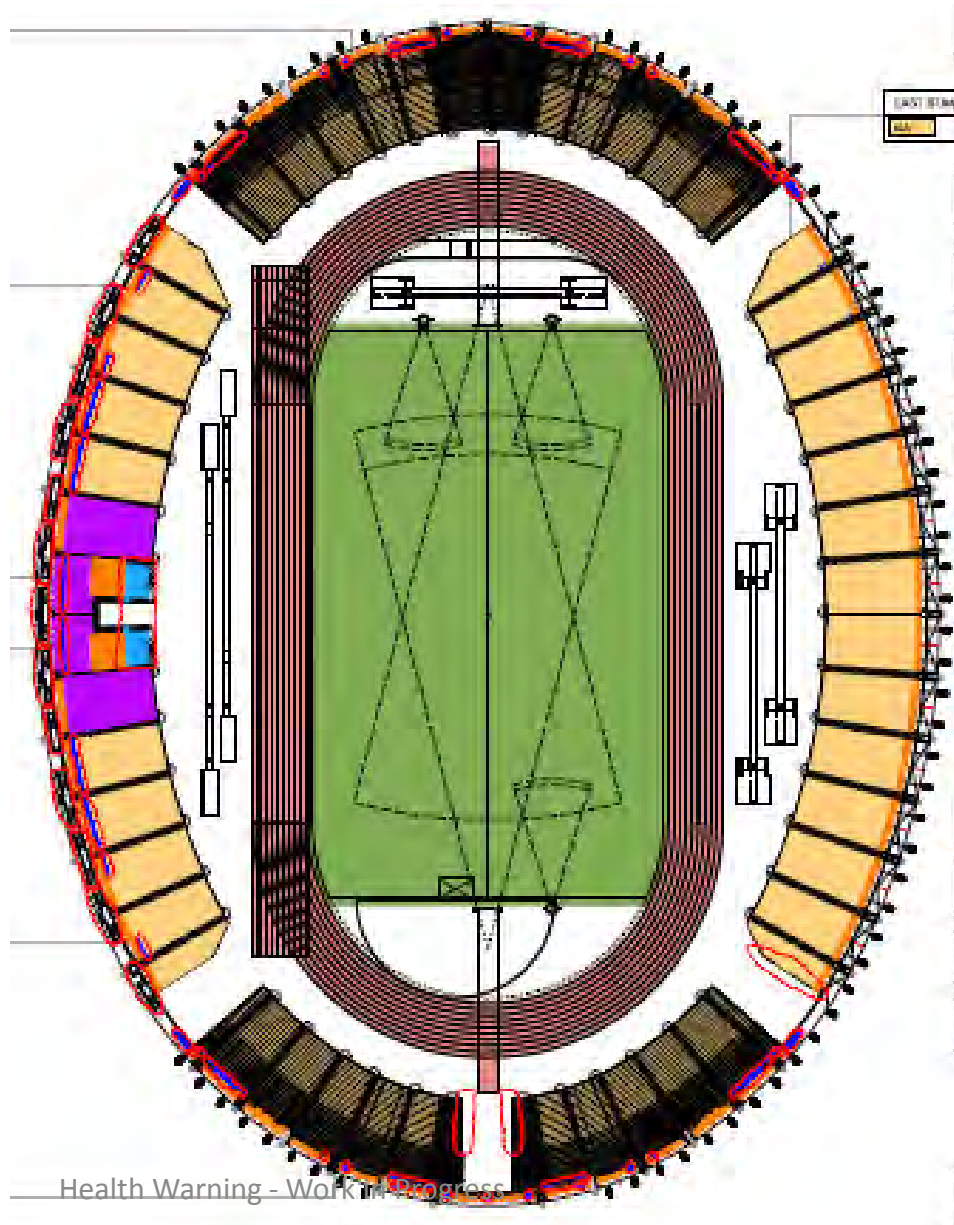
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Appendix 1: 2018 and 2019 Seat Options

A: Move All Stands

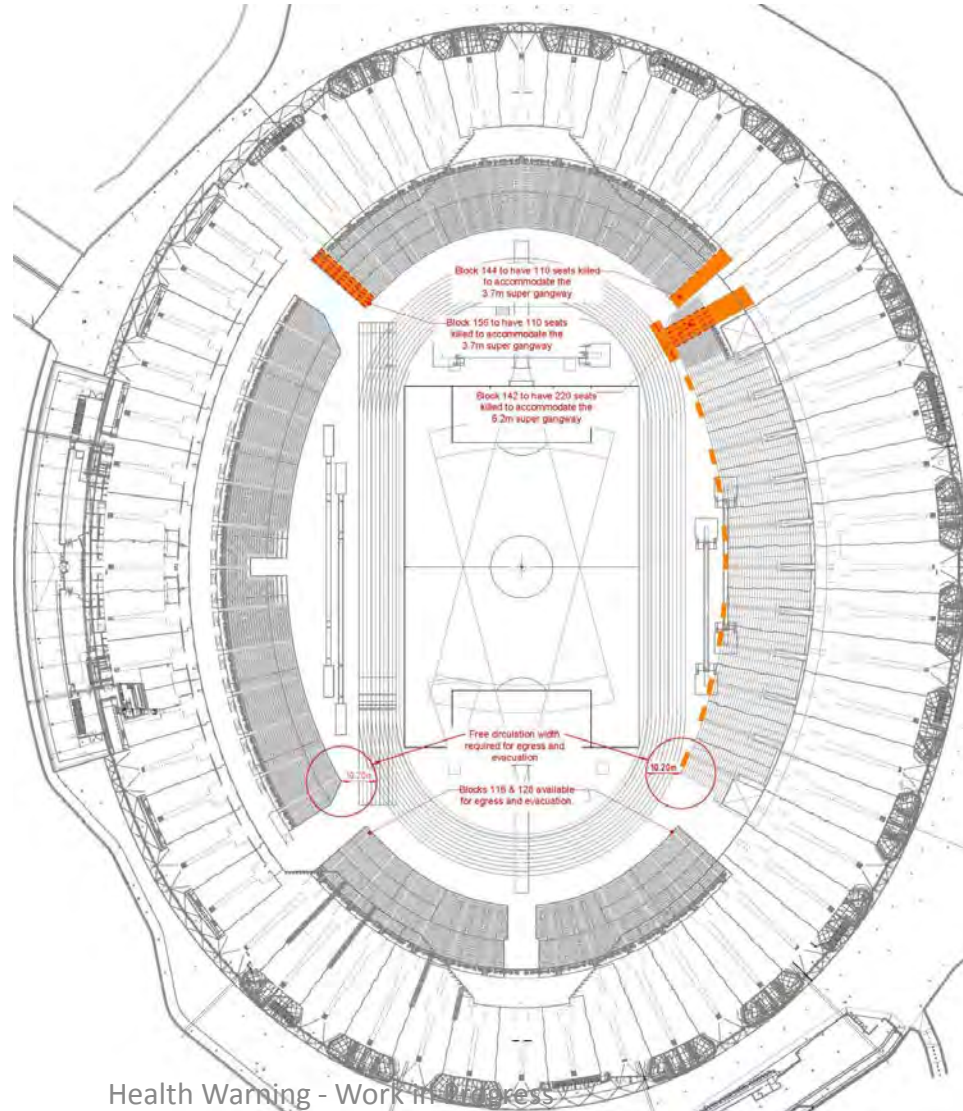
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B. Move 3 Stands (N,W,S)

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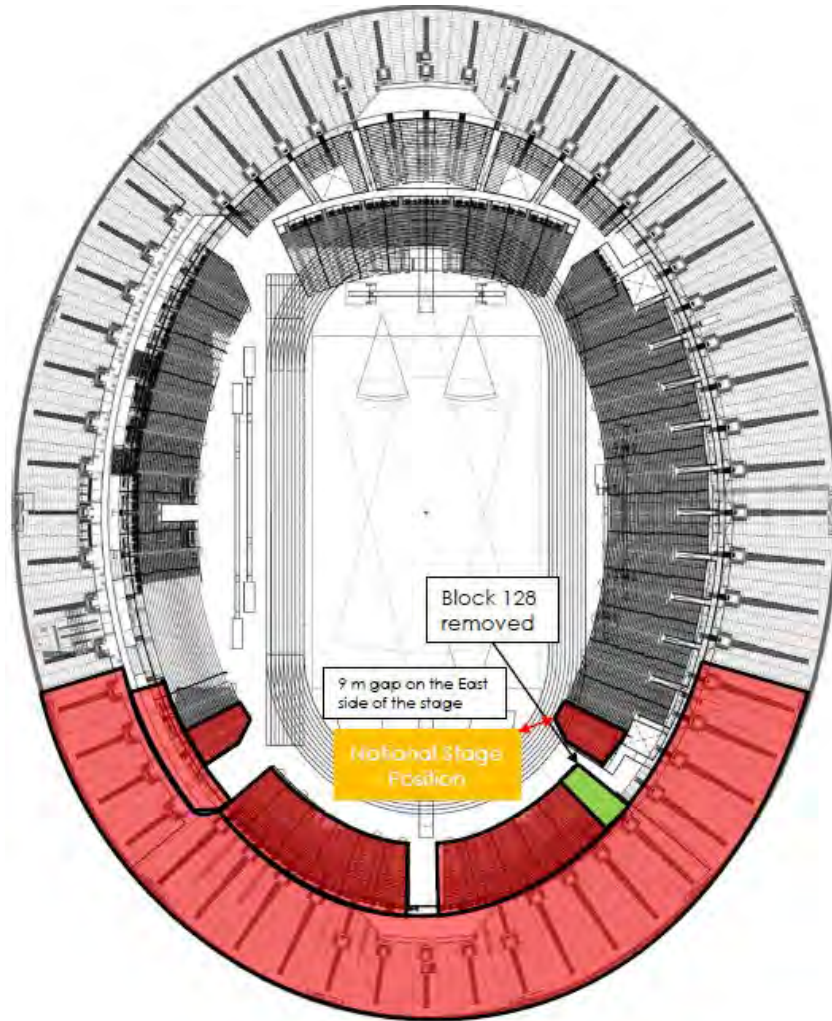


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C. Move West and South Stands

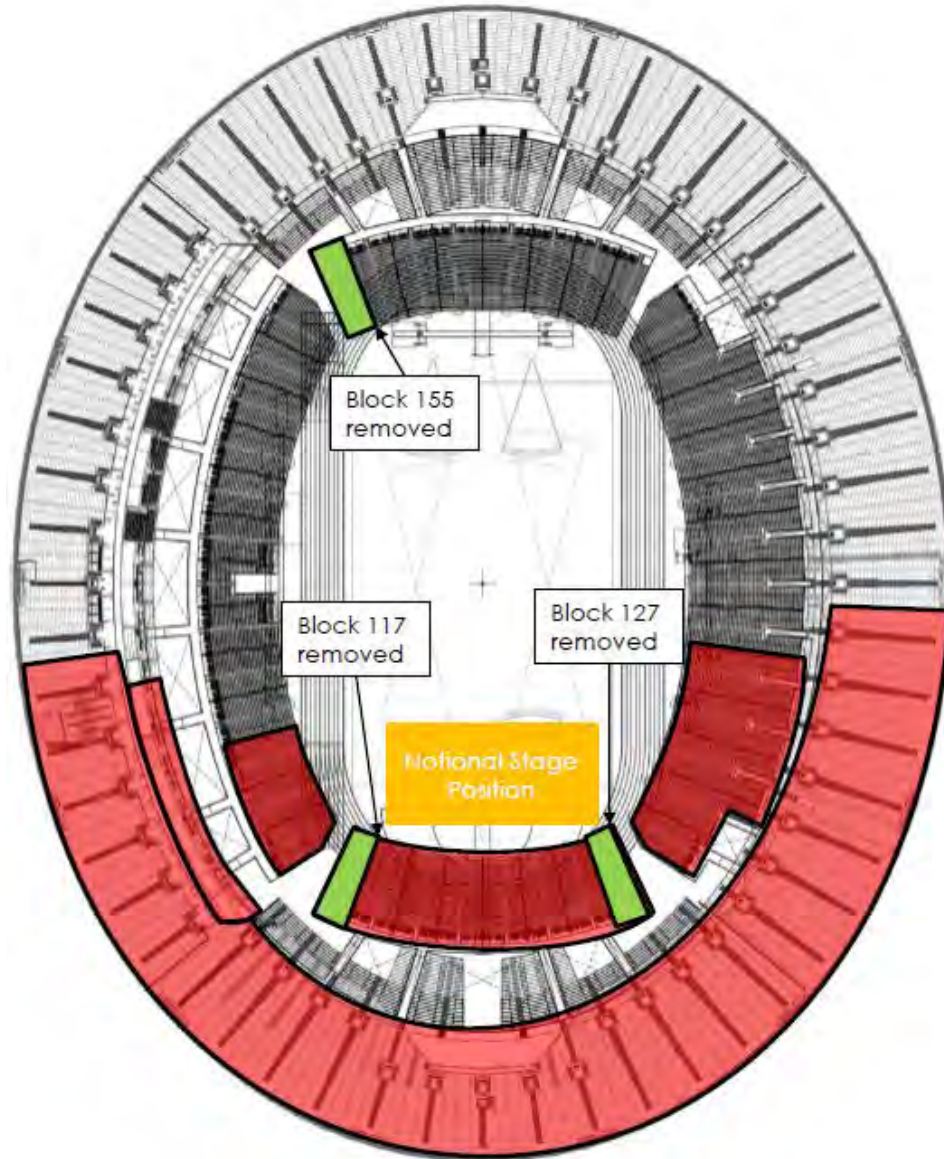
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D. Move West Stand Only

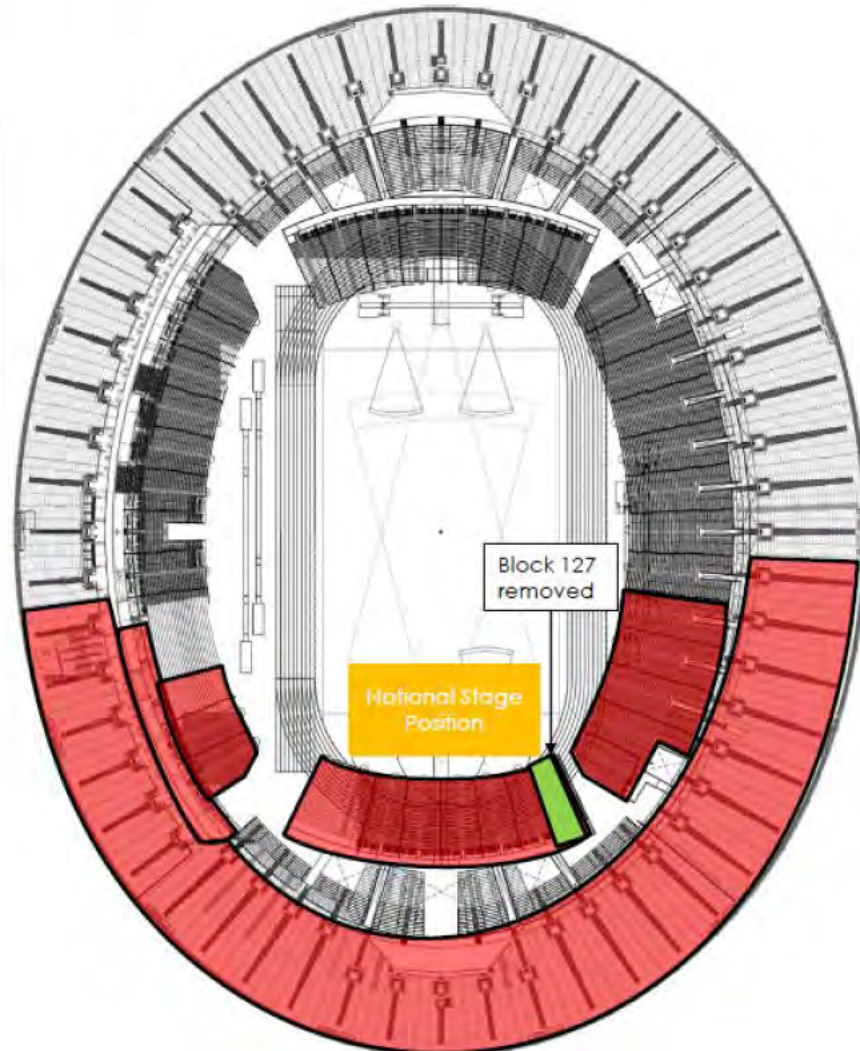
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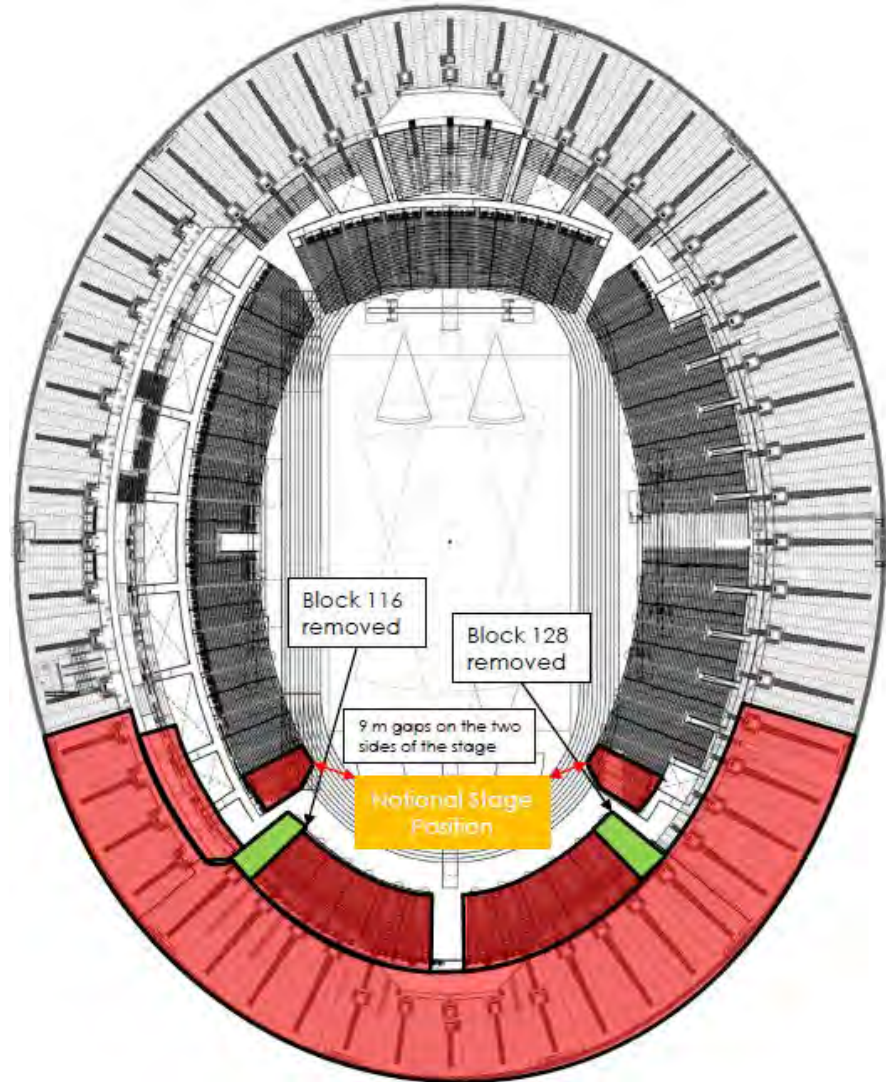
Impact on Concerts with West Back and South Forward

Lots of seat kills as south stand is forward



E1. Move Only South Back (and front 7 rows)

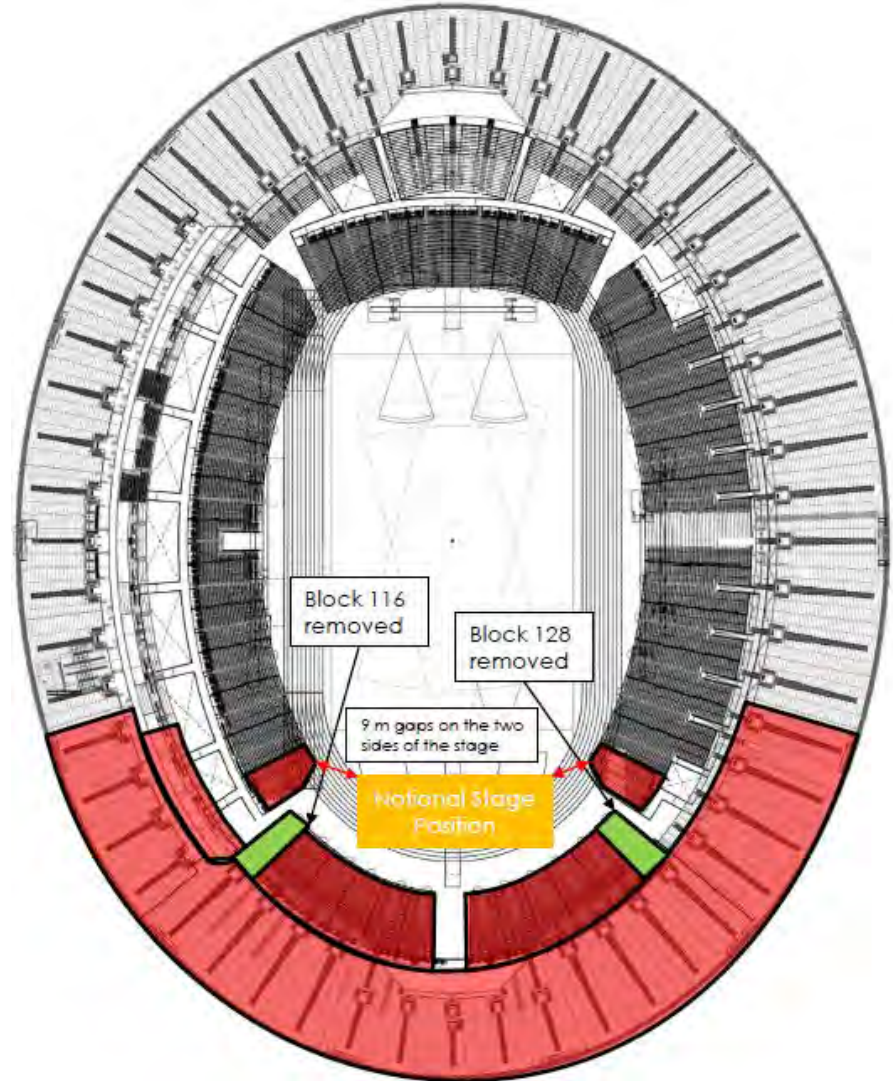
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E2. Move Only South Back (no front 7 rows)

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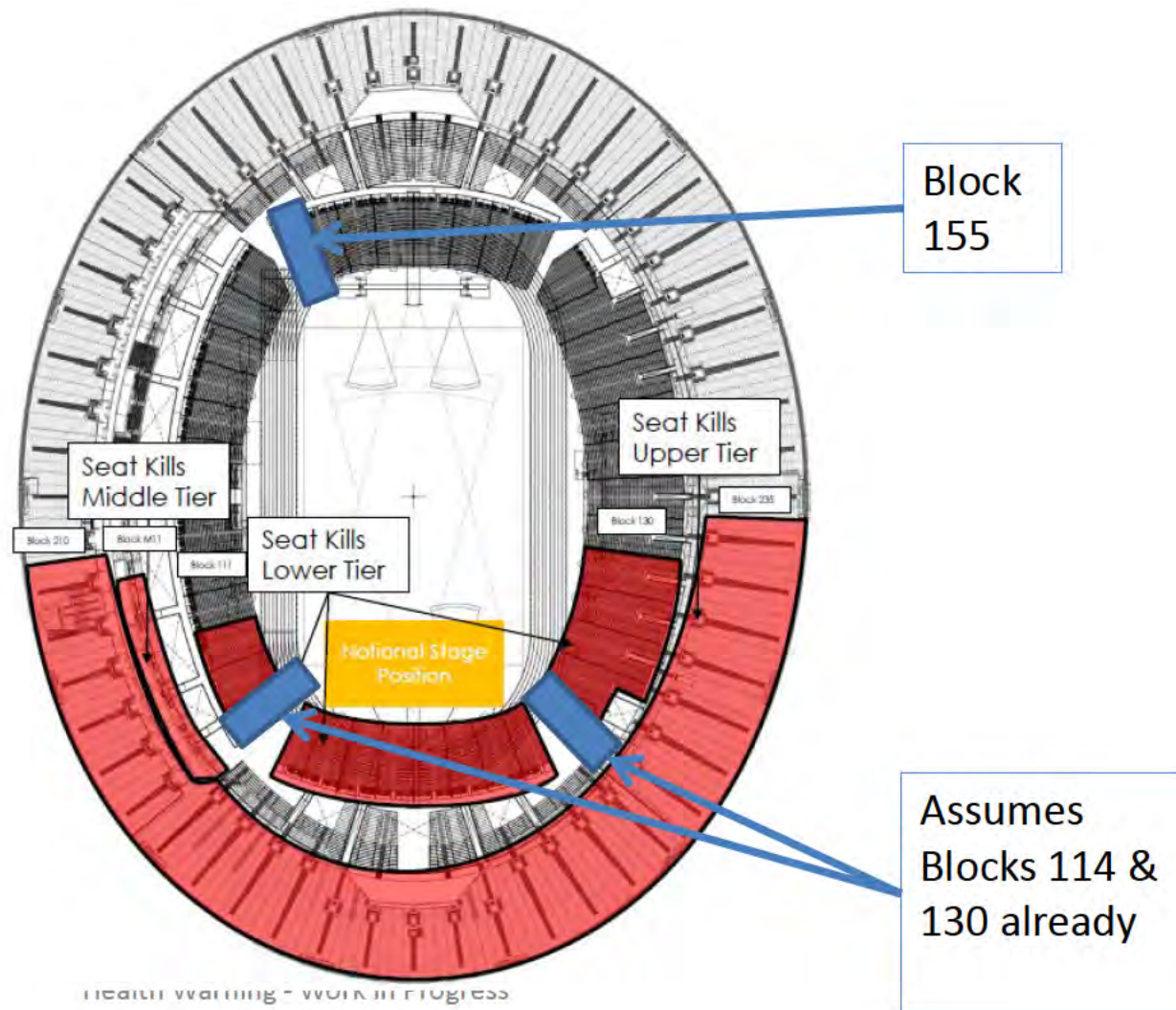


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F. Only remove Block 155 and 7 rows

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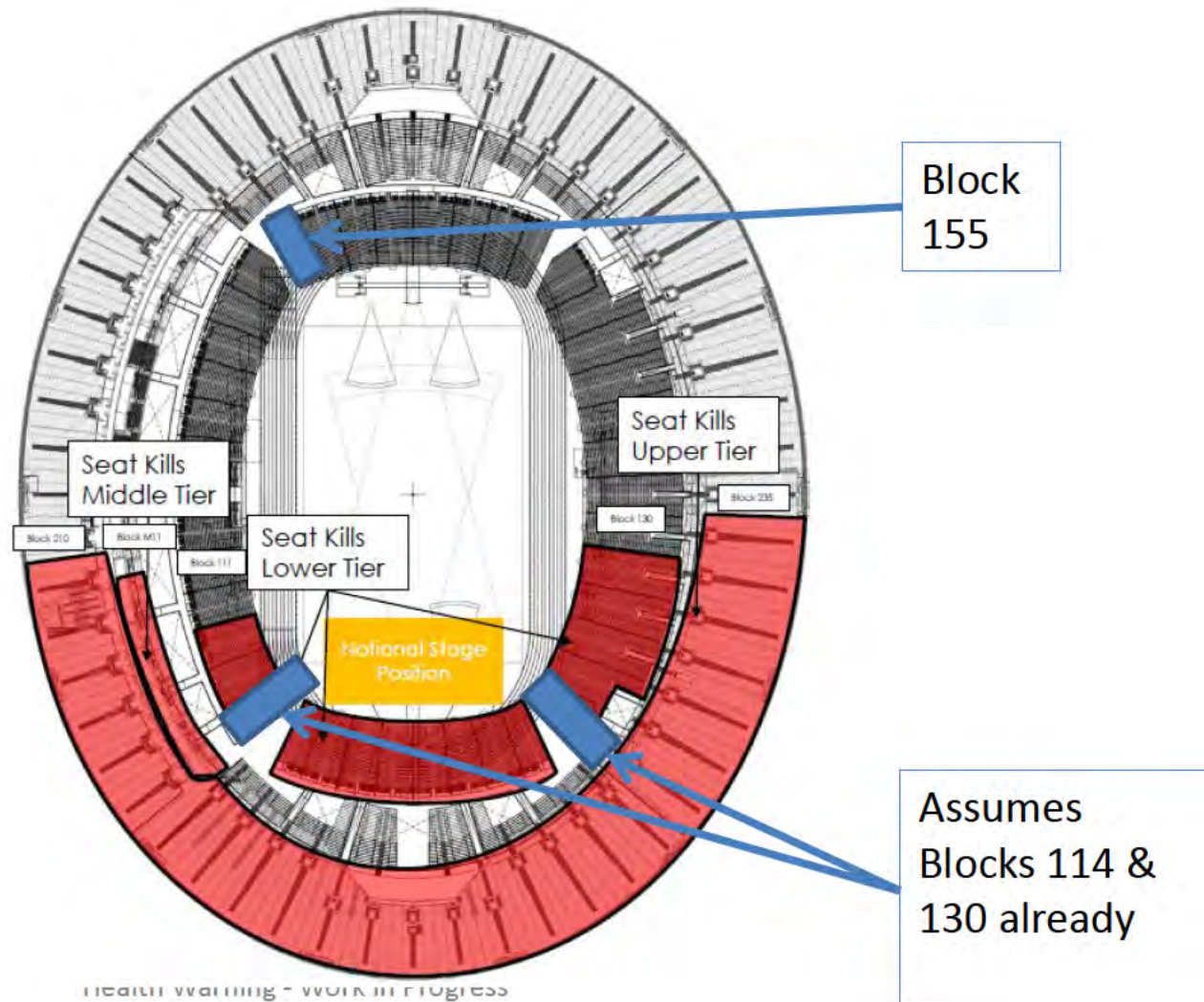
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G. Only remove block 155, NOT 7 rows

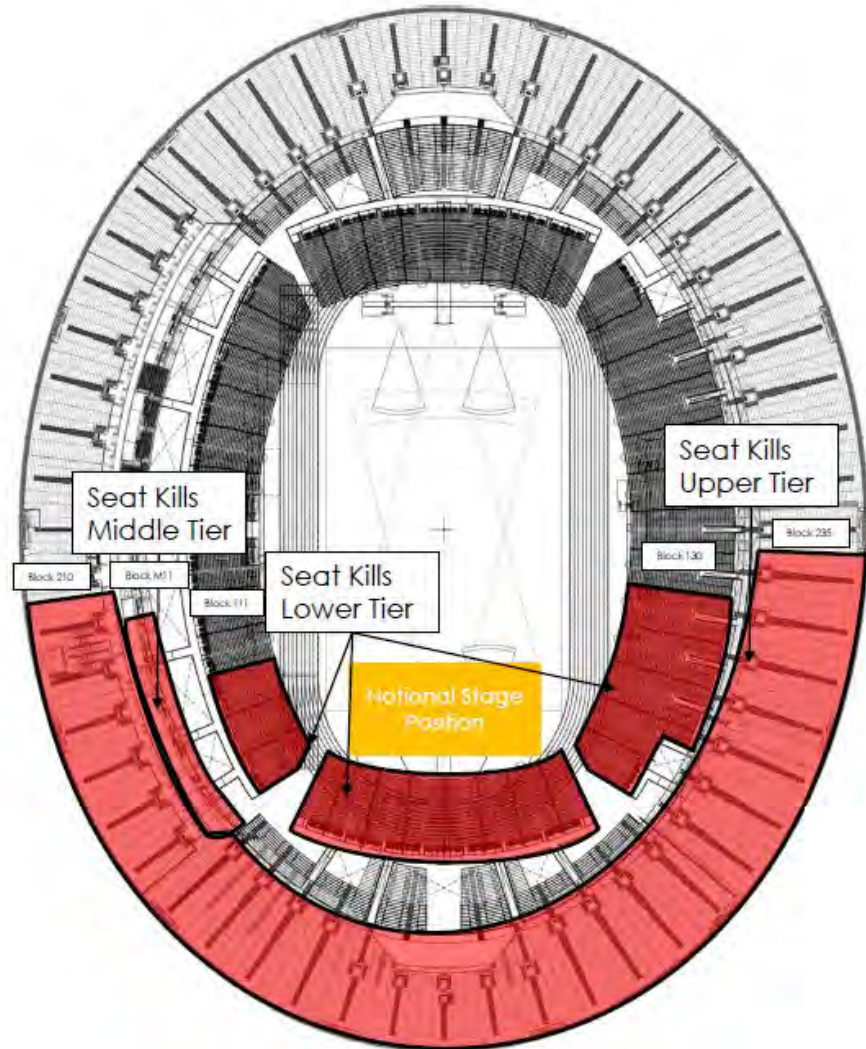
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H. No Seats Moved

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Subject: LS185 and E20 Contingency Planning

Meeting date: 25 May 2017

Agenda Item: 5

Report to: E20 Stadium LLP Board

Report of: Alan Skewis, Director of E20 Stadium LLP

1. PURPOSE OF REPORT

- 1.1. This report provides the E20 Stadium LLP Board with update on LS185 disputes, and contingency planning for LS185 either failing to meet operator obligations or refusing to operate the stadium.
- 1.2. The key points are:
 - 1.2.1. A number of disputes remain with LS185 and are impacting on LS185's engagement, approach to E20 request for alterations to the contract and operational matters.
 - 1.2.2. LS185 have made veiled threats to cease operation of the stadium on the grounds that the stadium is not safe. E20 is satisfied the stadium is safe, given the current workarounds LS185 have in place. E20 believe the threats are instead underpinned by LS185's frustration on progress with the disputes.
 - 1.2.3. The likelihood of LS185 carrying through such a threat in May and June remains. However, the likelihood is lower as the legal and commercial implications of cancelling concerts are different to football.
 - 1.2.4. E20 staff (supported by Gowlings legal advice) are developing contingency plans. The focus is to ensure E20 is prepared for keeping the stadium open, as well as able to protect its legal, reputation and contractual position.

2. RECOMMENDATIONS

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

3. LS185 DISPUTES

LS185 issues and work in progress

- 3.1. LLDC commercial team are continuing to support E20. The two primary causes which are undermining the contractual relationship with LS185 are:
 - 3.1.1. Outstanding disputed items;
 - 3.1.2. Condition of the Stadium and an LS185 view that Completion of the Transformation Works has not occurred and the Operational phase has not commenced.

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- 3.2. Within these two items there are many sub issues which collectively has led LS185 to say that the Stadium is not safe to operate without 'workaround solutions' and to look to E20 for assurance to open the Stadium prior to the last two football matches.
- 3.3. Despite these requests for assurance, E20 has asserted that LS185, as the Operator, needs to undertake the evaluation as to the Stadiums operational safety and to complete the appropriate risk assessments to support their judgement. Which they have done but then to prove a point they have deployed additional fire marshals and continue to claim of other work around solutions causing them to incur additional cost and risk. On both occasions the brinkmanship has led to LS185 asking for their additional workaround costs to be underwritten.
- 3.4. As the issues are purported to be H&S issues stemming from the condition of the Stadium we have to date told LS185 that the costs should be covered by event costs caveating that they need to be linked to a Defect (under the Transformation Works Contract) for these to be accepted as an Excusing Event under the Operator Contract. For a degree of perspective additional marshals are numbering fourteen at a s.43 and other workaround solution details have not been issued to E20 despite repeated requests.
- 3.5. To prevent this behaviour from continuing, E20 has separated all of the issues out into commercial work streams to enable an agreed position on current status with LS185 and to assign appropriate actions. In the last month, a number of separate work stream meetings have been held which report up to a Commercial Review Meeting chaired by E20. Three high level meetings have been held:
 - 3.5.1. In the first meeting focus was placed on the potential statutory non-compliance issues so that efforts were focused on resolution of these. As a result, where there were Defects related to any system or installation which need to meet a statutory standard these are now being rectified as a priority through the Defect process and both parties are aware of the actions. For context this relates to fire compartmentation and electrical testing.
 - 3.5.2. In the second meeting E20 agreed to develop the detailed work streams highlighting the actions to date as well as the future necessary actions. The purpose of the historic actions was to dispel the view which LS185 held that no work was being undertaken to resolve issues. The work streams have been presented in a Commercial Log and has been issued to both LS185 and Vinci FM.
 - 3.5.3. The third meeting was the most productive as the Commercial Log now provides a clear agenda for issue resolution.
- 3.6. The main items on the current commercial log and key actions at the moment are:
 - 3.6.1. Health and Safety Review – E20's review of LS185's Health & Safety organisation & structure is scheduled for 23rd May 2017.
 - 3.6.2. Wi-Fi – Position prior to the Naming Rights news changing the potential compensation position; The Capex cost increase had been evaluated by E20 at circa s.43 (subject to LS185 verification of costs) and category loss at 5% of s.43 per annum for losing the branding rights on Wi-Fi front page ('powered by') and captive portal part of Wi-Fi system (data capture and analytics).
 - 3.6.3. Historic disputed items – other than Wi-Fi these were largely agreed (Delaware North/ Electrics/ MLB/ IT costs/ Lounges). The current action is for LS185 to confirm this. We suspect they will come back and say that they are not agreed as they had previously linked these to an inflated Wi-Fi compensation claim for loss of sponsorship category rights.

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- 3.6.4. LS185 Excusing Event for Delayed Completion – Joint review meetings between Vinci FM and E20 in play. Claim at £550k (July to December 2016). E20 current estimate at £300k.
- 3.6.5. Defect Rectification – Joint meetings between Vinci FM and NEC Supervisor to be held.
- 3.6.6. Work Around Solutions – This information is outstanding from LS185. E20 will exercise Audit Rights if not made available as this is the measure of how much the alleged 'poor condition of stadium assets' is actually inconveniencing LS185 in operating the Stadium.
- 3.6.7. Vinci Asset Condition Survey Reports – Will be reviewed by the Transformation Works Supervisor to ascertain if any 'condition' related issues are Defects.
- 3.6.8. Asset Verification and FM Fixed Cost Claim – This exercise has now commenced following the appointment of BWA to support E20.
- 3.6.9. Lifecycle Review – This exercise is yet to commence as the contractual process for Defect rectification needed to be resolved first. Ensuring that ALL relevant Defects are passed back to Balfour Beatty first ensures they don't end up in lifecycle.
- 3.7. The E20 focus for next month is:
 - 3.7.1. Continue to work on existing work streams and start to refine the max/min (£) values.
 - 3.7.2. Make sure all maintenance records and asset log information that Vinci are entitled to under the Transformation Works Information is provided in the required format or is formally logged as a Defect. This is a key action to enable E20 to protect and enforce its 'maintenance £10k comprehensive limit' under the FM contract.
 - 3.7.3. Commence review of lifecycle.
 - 3.7.4. Push Balfour Beatty to close out as many Defects as possible or pass to Vinci FM to resolve.
- 3.8. The broad objective next month is to undermine LS185's argument that the Stadium is not complete as we believe they may be using this as a potential lever for renegotiation because of the August 1st 2017 longstop date where they can terminate if the Stadium is not complete. Contractually, and backed by legal advice, their argument is very weak as Completion, in accordance with the NEC Contract, occurred on the 13th July 2016 and LS185 has been operating the Stadium from this date.

4. CONTINGENCY PLANNING

- 4.1. In light of the disputes, contingency plans are being developed to ensure E20 is prepared for a scenario where LS185 cease operation of the stadium.
- 4.2. The plans have focused on:
 - 4.2.1. Mitigating the likelihood of LS185 ceasing to operate the stadium;
 - 4.2.2. Interim options if LS185 did cease operating;
 - 4.2.3. Critical services needed to be maintained if LS185 ceased operating.

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Mitigating the likelihood of LS185 ceasing to operate the stadium

- 4.3. Legal advice has been taken on the contractual position. Advice indicates that if LS185 were to cease operations they would be in breach of contract.
- 4.4. However, they could refuse to open the stadium on the basis that it is not safe to operate. E20 do not believe the stadium is not safe. LS185 have operated the stadium with a safety certificate (albeit with “workarounds”) for over 10 months. However, an E20 safety audit has been commissioned to assure ourselves of this.
- 4.5. Commercial and legal assessment has concluded that the likelihood of LS185 actually ceasing to operate is remote. This is particularly the case for the upcoming June concerts as:
 - 4.5.1. The concerts are contracted to LS185. Cancellation would, in the first instance, lead to the concert promoter suing LS185. While LS185 would seek to sue E20 this would be more complex than the case if it were a WHU or UKA game, with whom E20 are contracted.
 - 4.5.2. s.43 
- 4.6. The likelihood of LS185 ceasing to operate the stadium increases on 1 August 2017, as this is a contractual Longstop Date for completion of the transformation works.
- 4.7. To mitigate the likelihood of LS185 ceasing to operate the stadium work has focused on:
 - 4.7.1. Ensuring LS185 is aware of E20 legal consequences of ceasing to operate without good reason. Legal advice is that unless the stadium is not safe to operate then LS185 would be in breach of contract if they ceased operating without following the appropriate termination and notice procedures (typically 60 days).
 - 4.7.2. Reducing the number of safety related defects / issues LS185 can raise (regardless of how legitimate these are) to reduce the likelihood of them ceasing to operate the stadium on the basis it is not safe.
 - 4.7.3. Settling financial disputes with LS185, which is an underpinning driver behind threats to cease operation.
 - 4.7.4. Developing E20 Contingency plans ready to implemented if required. A credible threat to step in / take over will be a valuable tool for E20 to have in circumstances where they threaten to cease operation

Initial Option Analysis if LS185 did cease operating

- 4.8. There are a number of options for E20 if LS185 ceased operating. The options differ depending on the event type as contractually E20 has fewer rights and may be less inclined to step into Concerts where LS185 has the direct Contract.
- 4.9. E20 has considered a number of options which require further development around practicality and consequences:
 - 4.9.1. A partial step in to resolve the operational elements which LS185 is citing as the reason not to open the Stadium i.e. E20 is fully aware of the H&S work arounds in place and has advice that suitable work arounds are in place. Step out would generally follow this.

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- 4.9.2. E20 take over operation with an interim team including core LS185 employees and existing sub-contractors;
 - 4.9.3. Agree with LS185 to continue for short term 3 months, accompanied by an exit plan;
 - 4.9.4. Purchase LS185 from Vinci, and thereby automatically take over all sub contracts.
 - 4.9.5. Injunct LS185 to continue to operate the stadium;
 - 4.9.6. Retaining LS185 and settle disputes.
 - 4.9.7. WHU operate on interim basis;
 - 4.9.8. Shutting stadium.
- 4.10. Current work is focused on the pros and cons of the options and the best way for E20 to reach a position where they are least exposed contractually, commercially, operationally and reputationally.

Initial Assessment of Critical services needed to be maintained if LS185 ceased operating

- 4.11. An assessment of the critical services required to keep the stadium open has been assessed. This is set out in Appendix 1.
- 4.12. The key areas required, and which E20 would need to ensure continuity of, are:
 - 4.12.1. Secure core team with knowledge of the stadium;
 - 4.12.2. Retain Safety Certificate;
 - 4.12.3. Transfer or replacement of key sub-contractors and event contracts;
 - 4.12.4. Management of Communications.
- 4.13. Details of work on each of these areas are not set out in this report, but are being progressed.

5. NEXT STEPS ON CONTINGENCY PLANNING

- 5.1. During the next month:
 - 5.1.1. E20 Contingency plans will continue to be developed, and be ready to implement if required by mid-June 2017.
 - 5.1.2. Work will continue to limit the number of safety related issues LS185 can raise, in order to reduce the likelihood of them ceasing to operate the stadium.
 - 5.1.3. Work will continue to settle disputes with LS185.
- 5.2. A report will be brought to the June 2017 Board, with consultation on the plan in the intervening period.
- 5.3. The Board will be informed and consulted if the risk of LS185 ceasing to operate the stadium materially increases at any time.

Appendix 1: Critical services needed to be maintained if LS185 ceased operating

Key requirement
Stadium Operations (break down further into key areas)
Facilities Management (break down further into key areas)
Stewarding
Event day catering
Ground staff
LS185 Finance and other critical corporate services
Stadium safety, notably retaining safety certificate
Managing and delivering event contract requirements



Item: 6
Subject: West Ham Event Costs
Meeting date: 25 May 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis, E20 Stadium LLP

1. PURPOSE OF REPORT

The purpose of this report is to demonstrate progress on a key priority for E20 – driving down event days costs by £50,000 per WHU game. This equates to an annual improvement of £1.25m.

The final game of the football season has been played, with no fixture for 3 months. This allows time to implement changes to plans and complete infrastructure changes.

The key points covered are:

- Plans are progressing with LS185 to reduce stewarding costs significantly. This reflects the reduced risk of initial crowd trouble and learning points from the 1st season. This could generate an up to £20,000 per game saving
- The need to enforce changes on egress arrangements, in the QEOP and the Westfield estate to make significant further savings. This could generate an up to £25,000 per game saving
- The need to approve two “spend to save” proposals that will reduce event day costs by £11,000 per match. Further spend to saves may increase this figure.

2. RECOMMENDATIONS

The Board is invited to:

- **NOTE** progress towards achieving a saving of £50,000 per game target
- **AGREE** up to £118,000 capital funding from the E20 discretionary fund to deliver two spend to save measures that will reduce event days cost by £4,000 per match
- **AGREE** up to £200,000 from the E20 discretionary fund for improvements to Montfichet Road, that will reduce match days cost by £7,000 per match

3. REDUCTIONS IN STADIUM STEWARDING COSTS

Appendix 1 sets out the historic, current cost and targeted savings.

A key focus is stewarding in the stadium. **s.43**. This has proven to be a significant under provision by LS185.

The combination of opening a new stadium, issues at the initial games, pressure from the safety authorities and a lack of financial incentive for LS185 to minimise cost has resulted in

the first season costs being higher than other clubs and unsustainable at over £60,000 per match.

Work is underway to reduce stewarding costs. Savings of up to £20,000 have been identified.

The key task for the coming 3 months is to secure these savings prior to the start of next season, as well as finding additional savings per match.

4. REDUCTIONS IN QEOP STEWARDING COSTS

LS185 have responsibility for movement of supporters from the stadium to the key stations. This currently involves a cost of s.43. Assessment to date has concluded that:

- This number of stewards on the egress route is high compared to other football stadia
- Stewards have the role of “stop and holds” to manage access to the transport hubs, but also protecting the QEOP and buildings on the route
- there are no more issues that stewarded routes to some unstewarded routes

The review is currently focused on efficiencies on:

- The main F10 route, which has the largest spectator flows and needs to be stewarded appropriately. Savings can be made in this area, but not elimination of all stewards
- “Stop and holds” are a necessary function, although the number of these could reduce
- Challenging the need for stewards on the Bridge 5 –Pool Street route, and the Bridge 2 – Westfield Avenue-Stratford International route
- Whether Montfichet Road should be closed past the Westfield Avenue turn
- Reducing road closure, and stewarding periods

The savings that can be made are yet to be quantified, but a target of at least £10,000 per game should be achievable.

It should be noted that this will require a shift in the QEOP and other stakeholder views on the level of stewarding that should be provided to protect their estates.

5. REDUCTIONS IN WESTFIELD STEWARDING COSTS

Work on reducing Westfield egress costs has been reported to the Board. While the egress plan was not implanted for the Liverpool game, the review assumes it will in future and save up to £15,000 per match.

6. APPROVAL OF SPEND TO SAVES INVESTMENTS

There is an opportunity to invest capital in improvements that reduce match day costs. The time is right to implement such changes, as temporary measures have been in place for some time and been proven to be needed long term.

Two investments are proposed for approval now:

- s.43 to purchase barriers currently hired inside the stadium and on the stadium podium to segregate away and home supporters. Appendix 2 sets out that the investment generates a positive NPV of s.43 over 10 years and s.43 Over 2 years. It saves s.43 per WHU match, and could be used for other events including London 2017.

- Confirmation of investment of up to £200,000 to introduce a permanent fence line on Montfichet Road. This was presented to Board in January 2016. It saves £7,000 per WHU match, and would be used for other events including London 2017 and concerts. The Board approved £100,000 towards this cost. The project was then put on hold as:
 - LBN Urban design staff costed the scheme at £200,000.
 - The revised egress arrangements varied the initial scheme proposals.
- Appendix 3 sets out that the investment of up to £200,000 is required. However, it generates a positive NPV of over £800,000 over 10 years and over £66,000 over 2 years. .

Appendix 1: Summary of Match Days Costs

	Bid	Sept 2016 Actual	Sept 2016 LS185 Target	E20 May 2017 Actual	E20 Sept 2017 Target	Gap to E20 Target (rounded)
Safety – Security:						
Command Management						
Stadium Stewarding						
Egress Stewarding						
Park Barriers / signage						
Traffic Management						
Westfield Egress						
WHU Crowd Mitigation						
Medical						
H&S						
Printing						
Policing						
Soft and Hard Services:						
<i>Soft and Hard FM</i>						
<i>VF Overhead and Profits</i>						
<i>Waste Management</i>						
<i>Cleaning</i>						
System Operations:						
<i>Turnstiles</i>						
<i>Radios</i>						
<i>IT Support and IPTV</i>						
Pitch side LED						
Additional Costs:						
<i>Food</i>						
<i>Pitch casual staff</i>						
<i>Event Staff</i>						
<i>Licensing</i>						
<i>Contingency</i>						
TOTAL						

S.43

Appendix 2: Purchase of Barriers in “Away” areas of the Stadium

Proposal

- Invest **s.43** to purchase barriers currently hired in the ‘Away’ fan zone areas to ensure a safe stadium

Description:

- 116 metres of barriers deployed in the stadium podium and inside the ground to ensure segregation of supporters, as well as protection against spectators accessing the “void areas”
- Pictures of the barriers are provide below
- The barriers are movable, so can be deployed to other areas in non-football mode. For example, they can be deployed on the podium area during London 2017 to support the event management plan. A figure of £30,000 for London 2017 and **s.43** per annum for other events has been include in the NPV analysis

Justification of Need

- The temporary barriers have been in place since September 2016. They now form an integral part of the football event management plan and will be required for the foreseeable future.
- The barriers were not in the original specification for stadium transformation. It could be argued they should have been, but they were not required for Green Guide compliance, and are an operational measure required by the stadium operator based on experience of the initial football matches at the stadium
- The terms of the concession agreement do not provide for WHU having to pay for the barriers

Financial Case

- A capital expenditure by E20 of **s.43** will save **s.43** per game.
- An NPV analysis shows a payback period of 30 WHU events
- The 10 year NPV analysis generates a figure of **s.43**. If only the WHU events savings are included this reduces to **s.43**
- A 2 year NPV generates a figures of **s.43**

Example of Barrier inside Stadium



Appendix 3: Montfichet Road Barriers

Proposal

- Invest up to £200,000 to install a permanent fence line along Montfichet Road to replace barriers currently hired in these areas to ensure a safe egress route.

Description:

- A temporary fence line has to be created on football match event days on Montfichet Road between the corner of Westfield Avenue and Stratford Station. This costs £7,000 per football match. Subject to planning and other approvals a permanent fence could be provided. This would cost up to. £200,000 and mean that on match days £7,000 would be saved by LS185.
- A scheme is being developed by the LB Newham Urban Design Team in consultation with E20, LS185 and other interested parties. A final costed proposal should be available by the end of May 2017 and could be implemented prior to commencement of 2017/18 football season.
- A plan of the draft proposal is available.

Justification of Need

- The temporary fence line along Montfichet Road has been in place since September 2016. The fence line forms an integral part of the football event management plan and will be required for the foreseeable future.
- The temporary fence line was not in the original specification for stadium transformation. It is an essential element of the stadium egress solution and an operational measure required by the stadium operator and other interested parties to ensure safe egress along the stadium route to Stratford Station.
- The terms of the concession agreement do not provide for WHU having to pay for the barriers

Financial Case

- A capital expenditure by E20 of £200,000 will save £7,000 per game.
- An NPV analysis shows a payback period of 30 WHU events
- The 10 year NPV analysis generates a figure of £865,120.
- A 2 year NPV generates a figures of £66,000



Subject: Financial Update

Meeting date: 25th May 2017

Agenda Item: 9

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, from working capital (funded by Members) and Transformation (funded by LLDC);
- 1.1.4. An approval request relating to one other financial matter – to enter into contracts with Spadeoak.

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 to **APPROVE** payment of the following:

Working capital (funded by LLDC and NLI)

- 2.2.1. E20 staff payroll for May 2017 (£17k).

Transformation (funded by LLDC)

- 2.2.2. Payment to Spadeoak (£5745+VAT).

2.3. The Board is invited to **APPROVE** E20 entering into two new contracts, both with Aggregate Industries UK (trading as Spadeoak).

3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A. E20 is reviewing the format with Members – it remains as previously for the time being.

3.2. Schedule B is concerned with just E20's "working capital" position. Schedule C adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget).

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- 3.3. As previously, it is recommended that the Board focuses on Schedules A and B (and the advice that follows refers to only that).
- 3.4. E20 has a forecast cash balance at the end of this week (week 8) of £6.934m (see ringed figure on schedule B).
- 3.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, remains at £25.931m. This is unchanged from the 18 May version.
- 3.6. There has been only one notable change in the forecast cash requirements from members each month. There is now a slight delay in forecast VAT recovery from July to August. E20's previous and ongoing actions to delay making various payments also have the effect of delaying VAT recovery (on those payments). The effect is to increase the forecast July working capital requirement by £383k, reducing the August requirement by the same amount.
- 3.7. The table below shows the date at which existing committed funds from Members are forecast to be exhausted.

	LLDC	NLI
Committed funding	Up to £12.5m	Up to £5m, although current commitment to only fund Q1 (for which forecast total requirement is £2.591m)
Working Capital funding provided to E20 in 17-18	£4.487m (see ringed figure on Schedule B)	£2.416m (see ringed figure on Schedule B)
Date at which committed funding is scheduled to be spent	£12.5m is projected to be exhausted in October 2017 (see schedule A).	£5m is projected to be exhausted in September 2017 (see schedule A).

- 3.8. On current forecasts, E20 will require £18.614m in cash, from 1 April 2017, through to 30 September 2017. This exceeds the total current commitment of both members' of £17.5m. The critical date at which E20 is forecast to tip beyond the £17.5m commitment is w/c 18 September. It is during this week that E20 expects to make a major **s.43** payment to PHD for seating transition 3 (athletics to football transition, which happens in late August). E20 can be reasonably sure that a payment of this magnitude will be required in or around that week. However, the precise date at which E20 is forecast to tip beyond committed funds is subject to change, as it is of course dependent on any and all adjustments to the cashflow from the present day onwards. This includes any adverse movements in seating costs, of which E20 has previously reported there remains significant unbudgeted risk. E20 will continue to report its forecast of this critical date in this weekly financial Board paper.
- 3.9. The forecast working capital requirement for June remains unchanged since the 18 May version. E20 requires £499k (£324k from LLDC, £175k from NLI). E20 will formally write to Members following the Board requesting these amounts, and issue invoices accordingly. Members are requested to make prompt payment, even though on current expectations E20 already has sufficient cash in the bank until week 13 (w/c 26 June).

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- 3.10. The Board should also note that E20 is only requesting the precise amount it currently forecasts to require, with no “float”. Any adverse movement, that cannot be offset, would potentially leave E20 short of funds in the month and precipitate a further request to Members. This prospect has always been successfully avoided in the past, for instance by delaying cash outflows where E20 has a degree of flexibility on payment dates. However, the actions E20 has recently taken mean that many such opportunities have already been taken, and are already assumed in the cashflow. The Board should therefore note the increased risk, albeit still unlikely, that the initial June working capital request may prove insufficient. The same risk will apply in all subsequent months, and is a symptom of E20’s current “hand to mouth” existence.

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. This includes potentially delaying payments beyond contractual due dates, following the Board’s steer on 4 May.
- 4.3. Payments requested for approval this week are as follows:
- Working capital (funded by LLDC and NLI)*
- 4.3.1. E20 staff payroll for May 2017 (£17k).
- Transformation (funded by LLDC)*
- 4.3.2. Payment to Spadeoak (£5745+VAT). See further information below.

5. OTHER FINANCIAL MATTERS

- 5.1. The Board is requested to approve E20 entering into two new contracts, both with Aggregate Industries UK (trading as Spadeoak). The contracts are for work to provide a chamfered transition between the Mondo track and the tarmac to ease the transition of the seating units when on airskates. The first contract, for a sum of £5745+VAT, is for a test section. The second contract, for a sum of £55,975+VAT, is for the remaining full scope. Both are to be funded in full from Transformation (i.e. LLDC funded), as opposed to from E20 working capital from members. The initial payment (£5745+VAT) is overdue, having been held up by E20’s inability to pay without a contract in place. The Board is therefore asked to approve entering into the contracts, and then immediately making this initial payment.
- 5.2. Finally, Osborne Clarke committed to providing a weekly update on fees incurred. In the period since Osborne Clarke’s last bill (5 May), up to and including 12 May, a further £1221+VAT has been incurred.

SCHEDULE A

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 25 May 2017

COMMERCIALY SENSITIVE



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E20 CREDITORS AS AT 19 MAY 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
		May Payroll		31/05/2017	17,000.00	0.00	17,000.00	
					17,000.00	0.00	17,000.00	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Corona Energy	12036442	Gas Supply for April 2017	11/05/2017	11/06/2017	56.39	2.82	59.21	
					56.39	2.82	59.21	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17584	F07 Anti Tipple Installation	18/10/2016	18/11/2016	70,943.00	14,188.60	85,131.60	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	Responsibility for funding between E20 and LLDC Transformation not agreed
London Legacy Development Corporation	17845	South Park Event Costs 2016/17	28/04/2017	28/04/2017	94,930.04	18,986.01	113,916.05	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board Decision 04/05/17 - 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	Board agreed to defer (payment shown in June 2017)
London Legacy Development Corporation	17843	Procurement Team Costs 2016/17 to 31 December 2016	28/04/2017	28/04/2017	63,860.70	12,772.14	76,632.84	Under review - may be funded from discretionary fund
London Legacy Development Corporation	17840	Central Services Costs for period January to March 2017	27/04/2017	27/04/2017	30,900.00	6,180.00	37,080.00	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17847	Licence Fee Payable for Compound A at Pudding Mill Lane	08/05/2017	08/05/2017	139,596.13	0.00	139,596.13	
London Legacy Development Corporation	17857	Mace PMP Costs March & April 2017 - 2017 Seating Transition	17/05/2017	17/05/2017	50,715.03	10,143.01	60,858.04	
London Borough of Newham	45603721	Business Rates - 1st Instalment	01/03/2017	19/04/2017	229,540.00	0.00	229,540.00	Board agreed to defer (payment shown in August 2017)
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	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	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	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	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	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	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	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	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	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	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	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	Awaiting confirmation of bank details from supplier
					941,480.62	114,429.90	1,055,910.52	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Spadeoak	CSP 24643824	Seating Transition Works	30/03/2017	30/04/2017	5,745.00	1,149.00	6,894.00	
					5,745.00	1,149.00	6,894.00	

INVOICES NOT YET DUE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	Awaiting Signed Payment Certificate
					70,732.94	14,146.59	84,879.53	

INVOICES ON HOLD OR IN DISPUTE

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	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	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	Awaiting agreement on contract completion and defect rectification
					546,892.71	109,378.54	656,271.25	

E20 AGED DEBTORS REPORT AS AT 19 MAY 2017

WORKING CAPITAL

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45197	12/04/2017	58,800	Not yet paid
GLL (Greenwich Leisure Limited)	45106	24/09/2016	900	Payment expected based on correspondence with customer
CONNECTED PICTURES LTD	45055	31/03/2016	720	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	No payment expected based on efforts to date, provided for
	Balance		61,920	
	Less provision for doubtful debts		- 2,220	3.6%
	Adjusted balance		59,700	

TRANSFORMATION/DISCRETIONARY FUND

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
LONDON STADIUM 185 LIMITED	45142	17/12/2016	112,000	Disputed by LS185
LONDON STADIUM 185 LIMITED	45143	17/12/2016	726,727	Disputed by LS185
	Balance		838,727	

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