



E20 Stadium LLP – Board Meeting 01.06.17

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

**Meeting:** E20 Stadium LLP  
**Date:** 01.06.17  
**Time:** 07:30 – 08:00  
**Meeting Venue:** Conference call

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**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), Ibi Eso (LBN – Secretariat)

**Apologies:** s.40 (E20)

1. Apologies
2. Minutes of meeting held on 25 May 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 Freephone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

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**Subject:** Financial Update

**Meeting date:** 1<sup>st</sup> June 2017

**Agenda Item:** 4

**Report to:** E20 Stadium LLP Board

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

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## 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, including an aged creditor schedule;
- 1.1.3. Payments recommended for approval by the Board, from working capital (funded by Members) and Transformation (funded by LLDC);
- 1.1.4. Updates in relation to business rates, sale of naming rights inventory by LS185, and London Living Wage.

## 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. Updates in relation to business rates, and sale of naming rights inventory by LS185.

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

*Working capital (funded by LLDC and NLI)*

- 2.2.1. Payment to Westfield for E20's previously agreed contribution to public access across their estate (£73k+VAT).
- 2.2.2. Payment to Osborne Clarke for legal advice to E20 Directors (£6013+VAT).
- 2.2.3. Payment to Total Gas & Power for a further electricity bill for April (£87k+VAT).
- 2.2.4. Payment to Cintra for payroll administration (£131+VAT)

*Transformation (funded by LLDC)*

- 2.2.5. Payments to M&H Civils (£71k+VAT) and PHD (£152k+VAT) for follow on seating works.

2.3. The Board is invited to **APPROVE** the draft response to Citizens UK at annex 2, in relation to payment of London Living Wage at the stadium.

## Private and Confidential – Legally Privileged

### 3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A. Members are reviewing the format of the cashflow – 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).
- 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 9) of £6.576m (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 £25.935m. Save for very minor VAT movements, this is unchanged from the 25 May version.
- 3.6. There has been only one notable change in the forecast cash requirements from members each month. There has been a reprofiling of the timing of payments to PHD, to reflect the process now established between Mace and PHD to verify the works. This has the effect of reducing the payments forecast to PHD in June, with a corresponding increase in July and August. This reduces E20's overall working capital requirement for June, from £499k to £156k. However, E20 has already issued invoices for the higher amount following Board consideration last week. Members are still requested to fund the full amount invoiced, as it provides cover against any adverse movements, and in any case E20 will still require any surplus funds in early July. As at 31 May, invoices have been issued to Members, but not yet paid.
- 3.7. The table below shows the date at which existing committed funds from Members are forecast to be exhausted.

	<b>LLDC</b>	<b>NLI</b>
Committed funding	Up to £12.5m	Up to £5m, although current commitment to only fund Q1 (which totals £2.591m in paid and outstanding invoices)
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 £18.625m 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. This is unchanged from the position previously advised.

#### 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. This now includes an aged creditor schedule, as suggested at Board last week. This shows how long creditors' invoices have been outstanding. It provides Board Members with more visibility of the aged creditor profile and payment of the trade creditors of E20. This is because Board Members may need to demonstrate that the continuation of trading is not worsening the trade creditors' positions. On the advice of Osborne Clarke, payments due to Members (LLDC or Newham) are excluded, as they are informed parties and effectively the funders. Payments due to Primary Users (West Ham or UKA) are also excluded, as they are subject to long term agreements with E20. For completeness, all E20's creditors are still shown in the standard creditors report. Both creditor reports will now be routinely included in the Board pack each week.
- 4.2. The Board has been clear that all payments must 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. Payment to Westfield for E20's previously agreed contribution to public access across their estate (£73k+VAT). This relates to past events in the stadium, prior to the Board's recent intervention to seek reduced payments. The amounts (£15k per West Ham match; £7k for other event days) are in line with E20's written commitments to Westfield. £7k per event has been paid by LS185 to E20 for their contractual contribution towards the cost. Westfield's invoices are not comprehensive and do not quite bring the position up to date. The invoices had a due date of 4 April and were previously considered – and rejected – by the E20 Board on 25 April. Westfield have chased payment on a number of occasions since, and a continued policy to delay payment may unsettle the fragile agreement that has now been reached – subject to LS185 cooperation – with Westfield for alternative (cheaper) egress arrangements. To note that further payments for outstanding event days have been budgeted for but not yet invoiced by Westfield.
- 4.3.2. Payment to Osborne Clarke for legal advice to E20 Directors (totalling £6013+VAT for the period 9 May – 19 May). This is contractually due.
- 4.3.3. Payment to Total Gas & Power for a further electricity bill for April (£87k+VAT), which was due for payment on 19<sup>th</sup> May but only recently received. The Board previously agreed earlier bills totalling £39k+VAT, and were advised at the time that further bill(s) were expected. This now completes the picture for April's electricity bills, and the total cost is slightly less than expected.
- 4.3.4. Payment to Cintra for payroll administration (£131+VAT)

*Transformation (funded by LLDC)*

- 4.3.5. Payments to M&H Civils (£71k+VAT) and PHD (£152k+VAT) for follow on seating works that fall within the scope of Transformation. The payments relate to the removal of temporary seating works

and the further installation of the airskates system on the East Stand.

## **5. BUSINESS RATES**

- 5.1. The Board requested an update on stadium business rates.
- 5.2. The rateable value of the Stadium is £4.6m (up from the previous figure of £4m from 1 April 2017 as a result of the nationwide revaluation exercise). This equates to an annual rates bill of c£2.3m (50% of the rateable value). Currently, E20 are paying the full rates bill (£2.3m, although LB Newham are temporarily not chasing payment) and West Ham are paying nothing.
- 5.3. Under the terms of the Concession Agreement and underleases, West Ham are liable for the business rates for the lease areas they have exclusive use of (stadium store, offices, etc) but not for the wider stadium.
- 5.4. Previous advice from the Valuation Office (confirmed in letter of 8 February 2017) stated that E20 is the rateable occupier, and West Ham are not. As such, E20 has been seeking to apportion some of the rates bill (c.£200k, based on locally benchmarked values) to West Ham – i.e. get West Ham to contribute to the full £2.3m rates bill via a £200k payment to E20. E20 had been pursuing this legally to secure the contribution, a process that was ongoing. It would have been backdated to July 2016.
- 5.5. However, perhaps prompted by press interest and a general shift in policy, the Valuation Office wrote again to E20 on 18 May to say that they will now charge West Ham direct for their lease spaces. The amount is still to be determined, but again, would be backdated to July 2016. It means that E20 won't need to apportion its rates bill to West Ham. It effectively ends the E20 – West Ham dispute on business rates.
- 5.6. E20 does not accept the current or previous rateable value for the stadium. E20 formally lodged an appeal with the Valuation Office several months' ago, via our advisers GeraldEve. The rateable value is based upon a forecast of E20's income and expenditure supplied to the Valuation Office in 2015. There has of course been a very significant downturn in E20's forecasts since this time, justifying – in E20's view – a reduction in the rateable value. It was on this basis that the appeal was lodged.
- 5.7. The Valuation Office's change of policy in relation to the West Ham lease areas adds a second focus to E20's appeal. In E20's view, now that West Ham will be charged rates direct for their lease areas, E20's bill should come down by at least an equivalent amount (i.e. £2.3m should be reduced to £2.1m, assuming the amount charged to West Ham is c£200k). E20 will argue that the Valuation Office are no longer valuing a full stadium in arriving at E20's rateable value – instead, it is now a stadium without some key profit-making areas.
- 5.8. Recent press coverage appears to have had the beneficial effect of pushing the stadium up the priority list in the Valuation Office's extensive backlog of appeals. Arrangements are being made for the Valuation Office to meet E20 and view the stadium on 28 June, as part of E20's appeal. E20 will update the Board on progress.

## **6. SALE OF NAMING RIGHTS INVENTORY**

- 6.1. As the Board is aware, the Vodafone deal has collapsed and there is no realistic prospect of securing a naming rights partner in the short-term. E20 has yet to decide its future approach to selling naming rights, and has intentionally put this on hold until broader issues are more settled. **s.43**

s.43  
s.43

- 6.2. As such, E20 has agreed in principle that LS185 can sell the most valuable inventory – E20's 10% of the pitchside LED boards – on E20's behalf for the 2017-18 season. LS185 have agreed an in principle deal with the agency Lagardere, for £270k for these rights for the season. This is the same agency West Ham use (which helps avoid conflict), and is for the same amount West Ham receive per minute. It compares favourably to offers from other agencies. It is therefore a good outcome, and represents additional income to E20 compared to its draft business plan (given that the business plan assumed the Vodafone naming rights deal which was loss making in 2017-18). s.43

- 6.3. E20 is discussing arrangements with LS185 on the treatment of the income. E20's cashflow currently prudently assumes that the income is treated as LS185 net commercial revenues. In effect this means that 95% flows through to E20, with the first portion not until April 2018 (when 2017 net commercial revenues are paid). There is therefore no immediate impact on the cashflow. E20 may push for alternative arrangements to realise the benefit sooner; if secured, the cashflow will be updated accordingly.

## 7. LONDON LIVING WAGE

- 7.1. The East London Citizens Organisation (TELCO), part of Citizens UK, have written to all E20 Board Members in relation to payment of the London Living Wage at the Stadium – see annex 1. A draft response is included at annex 2 for approval. This reiterates the same public lines previously used, except that it now makes a commitment to a decision on LLW this summer. A workshop is being arranged with LS185 to further consider the implications (cost) of fully implementing payment of LLW at the stadium. This will inform advice to the Board, potentially for consideration at the 27 June meeting. The Board will be required to make a formal decision on whether to implement LLW or not.

## 8. OSBORNE CLARKE

- 8.1. Finally, Osborne Clarke committed to providing a weekly update on fees incurred. In the period from 23 May to 30 May (i.e. the period following their most recent bill as detailed above), a further £7037+VAT has been incurred. This reflects a lot of activity last week surrounding the full Board meeting, the draft s.43 report and the proposed letter from Osborne Clarke to the Designated Members.

ANNEX 1 – Letter to E20 Board Members on London Living Wage – note that identical but individually addressed letters were received for other Board Members too.

Mrs. Nicky Dunn  
E20 Stadium LLP  
Queen Elizabeth Olympic Park  
Stratford, E20 2ST



25/05/2017

Dear Mrs Dunn,

**We are writing to urge you, as a board member on E20 Stadium LLP, to come to a deal with the contractors who operate at London Stadium to ensure everyone who works at the London Stadium is paid at least the London Living Wage of £9.75 an hour, including all of the subcontracted workers London Stadium are responsible for.**

We are The East London Citizens Organisation (TELCO), part of the community organising group Citizens UK, made up of 67 local organisations from faith, educational and community institutions from across five east London boroughs.

We have been in dialogue with **s.40**, Head of Commercial at London Stadium 185, and we understand the contractors who operate at London Stadium, including Delaware North and OCS, have submitted to you budgets of what it would cost to pay the London Living Wage to all staff at London Stadium following a review.

We understand this is now under consideration by Linda Lennon and the E20 Stadium LLP board. We would like to urge you and the board to come to a deal with the contractors to ensure all staff are paid the London Living Wage and the easiest way to ensure this would be for E20 Stadium LLP to become a Living Wage employer with the Living Wage Foundation.

The Foundation has experience in supporting employers through their process of moving their onsite subcontracts to Living Wage, an implementation which can be phased over time. It recognises and celebrates Living Wage Employers and provides the Living Wage Employer Mark to employers who pay directly employed and onsite subcontracted staff the Living Wage as a minimum. The Mark allows over 3000 Living Wage employers to publicly express their commitment to responsible employment practice.

The number of staff at the London Stadium who are paid below the London Living Wage has come to our attention over the past months, as well as the affect this is having on them and their community. We continue to hear stories of workers having to take out pay day loans, second and third jobs, and are struggling to pay for the basics of food and rent. A legacy of low pay was not what East Londoners had in mind when the Olympic Games graced our community five years ago.

The Mayor of London Sadiq Khan has been quoted in the media as saying he is “extremely unhappy with this position and has given instructions for this to be put right immediately” and we understand his office has remained in dialogue with London Stadium to that affect.

**We hope this can be resolved quickly by the board and look forward to hearing news of a decision.**

We would like to hear your views on the issue and a reply can be sent to both **s.40** [@citizensuk.org](mailto:s.40@citizensuk.org) or **s.40** [@citizensuk.org](mailto:s.40@citizensuk.org)

Yours sincerely,

TELCO (The East London Citizens Organisation), Citizens UK



**E20 STADIUM LLP**  
Level 10, 1 Stratford Place,  
Montfichet Road, London, E20 1EJ  
T +44 (0) 20 3288 1800

The East London Citizens Organisation (TELCO),  
Citizens UK

1 June 2017

Dear Representatives of TELCO,

### **LONDON STADIUM**

Thank you for your letters dated 25 May to the Board Members of E20 Stadium LLP in relation to pay levels at London Stadium. I have discussed your letter with the Board Members and they have requested that I respond on their behalf.

E20 Stadium LLP are the owners of London Stadium, and we have appointed London Stadium 185 (LS185) to operate the stadium. In turn, LS185 have appointed a number of sub-contractors to assist in delivering stadium services.

E20 Stadium, LS185, and its sub-contractors, are committed to fair levels of pay. All permanently employed staff at the stadium have always have been paid at or above the London Living Wage. Some sub-contracted employees are currently paid below that level, but these contracts are already under review with the aim of ensuring all staff are paid the London Living Wage as soon as possible.

The E20 Board is due to consider and confirm its policy in relation to London Living Wage this summer. We will update you further following this consideration.

Best Regards,

A black rectangular box with the text 's.40' written in red, indicating a redacted signature.

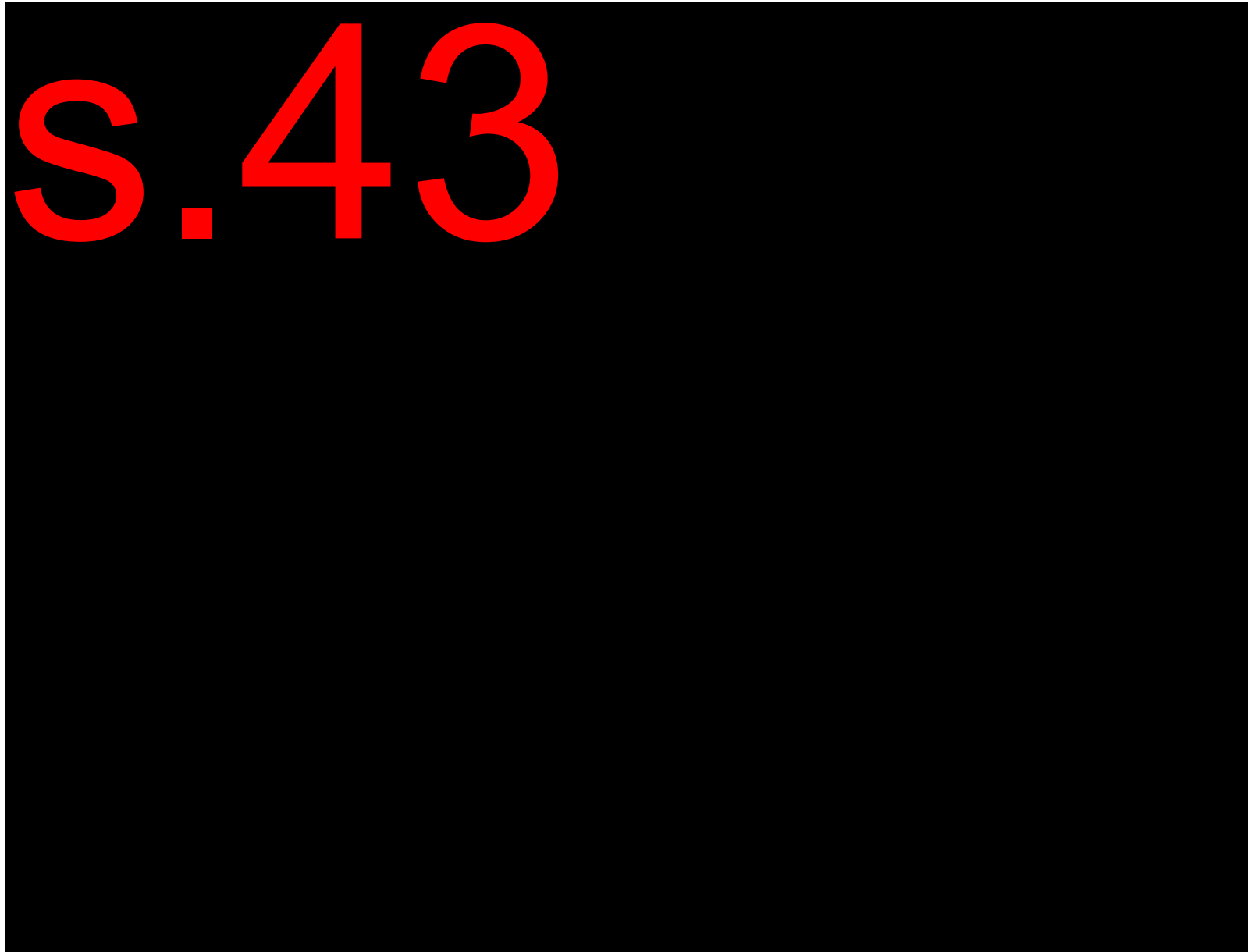
**MARTIN GAUNT**  
**BUSINESS MANAGER**  
**E20 STADIUM LLP**



**SCHEDULE A**

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 1 June 2017

COMMERCIALY SENSITIVE



S.43



S.43

**E20 CREDITORS AS AT 30 MAY 2017**

**WORKING CAPITAL**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	04/04/2017	7,000.00	1,400.00	8,400.00	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
Osborne Clarke LLP	494761	Provision of Legal Services	22/05/2017	29/05/2017	6,013.40	1,202.68	7,216.08	
Total Gas & Power	148440319/17	Electricity - April 2017	05/05/2017	19/05/2017	87,038.38	17,407.70	104,446.08	Invoice received 19 May 2017
Cintra HR & Payroll Services Ltd	SIN049318	Payroll Administration for March & April 2017	30/04/2017	29/05/2017	131.16	26.23	157.39	Invoice received 24 May 2017
					166,182.94	33,236.61	199,419.55	

**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	
London Legacy Development Corporation	17858	Recharge of Finance & IT Costs April 2017	18/05/2017	17/06/2017	9,067.00	1,813.40	10,880.40	
London Legacy Development Corporation	17866	Legal Costs for the Supplemental Deed for the Stadium Island School	22/05/2017	21/06/2017	4,068.16	813.63	4,881.79	
London Legacy Development Corporation	17874	Recharge of HR & FM Costs April 2017	25/05/2017	24/06/2017	2,433.00	486.60	2,919.60	
					15,624.55	3,116.45	18,741.00	

**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 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	Board agreed to defer (payment shown in October 2017)
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	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)
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
					868,480.62	99,829.90	968,310.52	

**TRANSFORMATION/DISCRETIONARY FUND**

**PAYMENT PROPOSAL**

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 - now received
PHD Modular Access Services Ltd	5286	Seating Transition Follow On Works	23/05/2017	06/06/2017	152,193.87	30,438.77	182,632.64	
					222,926.81	44,585.36	267,512.17	

**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
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	

**AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 30 MAY 2017**

**WORKING CAPITAL**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1846	England v Australia 13/11/16	21/03/2017	7,000.00	1,400.00	8,400.00				8,400.00		For Board approval 1 June 2017
Stratford City Shopping Centre (No 1) GP	RI - 1848	Anniversary Games 22/23 July 2016	21/03/2017	14,000.00	2,800.00	16,800.00				16,800.00		For Board approval 1 June 2017
Stratford City Shopping Centre (No 1) GP	RI - 1849	AC/DC Concert 04/06/16	21/03/2017	7,000.00	1,400.00	8,400.00				8,400.00		For Board approval 1 June 2017
Stratford City Shopping Centre (No 1) GP	RI - 1850	WHU v West Bromwich Albion 11/02/17	21/03/2017	15,000.00	3,000.00	18,000.00				18,000.00		For Board approval 1 June 2017
Stratford City Shopping Centre (No 1) GP	RI - 1851	WHU v Manchester City 01/02/17	21/03/2017	15,000.00	3,000.00	18,000.00				18,000.00		For Board approval 1 June 2017
Stratford City Shopping Centre (No 1) GP	RI - 1852	WHU v Leicester City 18/03/17	21/03/2017	15,000.00	3,000.00	18,000.00				18,000.00		For Board approval 1 June 2017
Osborne Clarke LLP	494761	Provision of Legal Services	22/05/2017	6,013.40	1,202.68	7,216.08	7,216.08					For Board approval 1 June 2017
Total Gas & Power	148440319/17	Electricity - April 2017	05/05/2017	87,038.38	17,407.70	104,446.08	104,446.08					For Board approval 1 June 2017
Cintra HR & Payroll Services Ltd	S N049318	Payroll Administration for March & April 2017	30/04/2017	131.16	26.23	157.39		157.39				For Board approval 1 June 2017
Corona Energy	12036442	Gas Supply for April 2017	11/05/2017	56.39	2.82	59.21	59.21					Not yet due
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	195.00	0.00	195.00					195.00	Awaiting confirmation of bank details from supplier
				166,434.33	33,239.43	199,673.76	111,721.37	157.39	0.00	87,600.00	195.00	

**TRANSFORMATION/DISCRETIONARY FUND**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
M & H Civils Ltd	MHC/LLP/011 A	Seating Transition & Other Works	31/01/2017	70,732.94	14,146.59	84,879.53					84,879.53	For Board approval 1 June 2017 signed payment certificate delayed
PHD Modular Access Services Ltd	5286	Seating Transition Follow On Works	23/05/2017	152,193.87	30,438.77	182,632.64	182,632.64					For Board approval 1 June 2017
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	260,805.30	52,161.06	312,966.36					312,966.36	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	286,087.41	57,217.48	343,304.89					343,304.89	Awaiting agreement on contract completion and defect rectification
				769,819.52	153,963.90	923,783.42	182,632.64	0.00	0.00	0.00	741,150.78	

TOTALS

294,354.01	157.39	0.00	87,600.00	741,345.78
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**E20 AGED DEBTORS REPORT AS AT 30 MAY 2017**

**WORKING CAPITAL**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
UK Athletics Limited	45206	18/06/2017	91,234	Not yet due
YOUR TRIBUTE LTD	45205	17/06/2017	670	Not yet due
BLINK PRODUCTIONS LTD	45207	22/05/2017	540	Not yet paid
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		<b>94,664</b>	
	Less provision for doubtful debts		- 2,220	2.3%
	<b>Adjusted balance</b>		<b>92,444</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
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		<b>838,727</b>	



London Legacy Development Corporation ("LLDC")  
Level 10  
1 Stratford Place  
Montfichet Road  
London  
E20 1EJ  
By email only: [davidgoldstone@londonlegacy.co.uk](mailto:davidgoldstone@londonlegacy.co.uk)

Newham Legacy Investments Limited ("NLI")  
Newham Dockside  
1000 Dockside Road  
London  
E16 2QU  
By email only: [Kim.Bromley-Derry@newham.gov.uk](mailto:Kim.Bromley-Derry@newham.gov.uk)

**S.42**

**s.42**



**Meeting:** E20 Stadium LLP  
**Date:** 08.06.17  
**Time:** 07:30 – 08:00  
**Meeting Venue:** Conference call

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**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), Ibi Eso (LBN – Secretariat)

**Apologies:** s.40 (E20)

1. Apologies
2. Minutes of meeting held on 1 June 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](http://www.btconferencing.com/globalaccess/?bid=814_public)

## Board Actions List (reported to the meeting on 8 June)

### Actions from last meeting (1 June 2017)

Minute No.	Item/Description	Action By	Target Date	Status/Note
2	Item on the June 27 Board meeting agenda with regards the direction of travel on restructuring work and possible appointment of a Corporate Restructuring Officer	Gerry Murphy	27 June	Complete - In draft agenda.
2	Martin Gaunt to send a note round with regards to security arrangements for the concerts.	Martin Gaunt	8 June	Complete - Note sent to Board
5	LLDC and NLI to provide a prompt reply to the Board Members on the funding and the options for long term use of the stadium	LLDC NLI	8 June	Outstanding- letter issued 1 June
<b>Items at Previous Meetings</b>				
25/5	Members' to respond to s.40 letter, including addressing the Q2 funding commitment.	E20 Members	8 June	Outstanding- letter issued 1 June
25/5	Osborne Clarke LLP to continue to liaise with Martin Gaunt about the trade creditor profiles.	s.40 Martin Gaunt	5 June	Complete - MG and s.40 agreed regular liaison
25/5	s.43 revised scope (concerning advising E20 Members) would be shared with s.40 and agreed between Members	s.43 E20, Members	8 June	Complete -Agreed 1 June.
25/5	The Board requested that Alan Skewis write to Members with the seating/events proposal for 2018 and 2019.	Alan Skewis	8 June	Letter Sent to Members 5 June.

Minute No.	Item/Description	Action By	Target Date	Status/Note
2	Item on the June 27 Board meeting agenda with regards the direction of travel on restructuring work and possible appointment of a Corporate Restructuring Officer	Gerry Murphy	27 June	Complete - In draft agenda.
2	Martin Gaunt to send a note round with regards to security arrangements for the concerts.	Martin Gaunt	8 June	Complete - Note sent to Board
5	LLDC and NLI to provide a prompt reply to the Board Members on the funding and the options for long term use of the stadium	LLDC NLI	8 June	Outstanding- letter issued 1 June
<b>Items at Previous Meetings</b>				
25/5	E20 to consider further the communication with UKA around athletics at the stadium.	Alan Skewis	8 June	David Goldstone to inform UKA of the position. Meeting set up for week beginning 11 June with UKA Chair
25/5	It was agreed that Colin Naish should present a note to the Board on the s.43	Colin Naish	15 June	CN to provide note to Board
25/5	E20 will require legal advice on the possible procurement challenges in the event of a restructure.	Alan Skewis	27 June	To be sought in due course
25/5	It was agreed that LS185 should provide a report to the June 27 Board with regards to security.	LS185	27 June	Complete - Requested from LS185 and on agenda
25/5	It was agreed that local jobs should be monitored by the Board and therefore a regular report should be presented to the Board on all community benefits including LS185's, UKA's and West Ham's compliance in this regard.	Alan Skewis	27 June	Complete – on 27 June Board Agenda.



**Subject:** Financial Update

**Meeting date:** 8<sup>th</sup> June 2017

**Agenda Item:** 4

**Report to:** E20 Stadium LLP Board

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

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## 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, including an aged creditor schedule;
- 1.1.3. Payments recommended for approval by the Board, from working capital (funded by Members) and Transformation (funded by LLDC);
- 1.1.4. Update in relation to Osborne Clarke legal costs.

## 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. Gas bill payable to Corona (£56+VAT)
- 2.2.2. Payment to Aerofilm for additional beams required to deliver the East Stand airskates improvement works (£816).
- 2.2.3. Payment to HMRC for income tax and National Insurance in respect of May payroll (£9382).

*Transformation (funded by LLDC)*

- 2.2.4. Payments to M&H Civils (£27k+VAT) for follow on seating works that fall within the scope of Transformation.

2.3. The Board is invited to **APPROVE** a commitment to up to a further £20k of work by Osborne Clarke.

## Private and Confidential – Legally Privileged

### 3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A.
- 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 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 9) of £6.880m (see ringed figure on schedule B). This follows payment of the June working capital contributions by Members – £324k from LLDC and £175k from NLI – which were received w/c 29 May.<sup>1</sup>
- 3.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, has reduced very slightly from £25.935m to £25.900m. The minor improvement results from a small reduction in the forecast outstanding payment to Westfield for matchday crowdflow costs (although this remains subject to change). There have not been any notable changes in the forecast cash requirements from members each month. The forecast working capital requirement for July is £2.927m (£1.902m from LLDC, £1.024m from NLI). This is likely to move around slightly over the course of the next month, and will be invoiced – pending the outcome of Members' funding discussions – in late June.
- 3.6. 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 (which totals £2.591m)
Working Capital funding provided to E20 in 17-18	£4.811m (see ringed figure on Schedule B)	£2.591m (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).

- 3.7. On current forecasts, E20 will require £18.590m 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. This is unchanged from the position previously advised.

<sup>1</sup> Due to the prompt payment of these contributions in w/c 29 May, they actually appear in the May column of schedule A, rather than June.

**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, including an aged creditor schedule as previously.
- 4.2. The Board has been clear that all payments must 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. Gas bill payable to Corona (£56+VAT)
- 4.3.2. Payment to Aerofilm for additional beams required to deliver the East Stand airskates improvement works (£816).
- 4.3.3. Payment to HMRC for income tax and National Insurance in respect of May payroll (£9382).

*Transformation (funded by LLDC)*

- 4.3.4. Payments to M&H Civils (£27k+VAT) for follow on seating works that fall within the scope of Transformation.

**5. OSBORNE CLARKE**

- 5.1. The Board has previously approved the commitment of up to £40k worth of work by Osborne Clarke. To date, E20 has paid Osborne Clarke a total of £37k for the advice received between late March and 19 May. In the period since 19 May, a further £10,951+VAT has been incurred. Given the ongoing nature of the Osborne Clarke advice, the original Board commitment is no longer sufficient, and indeed has already been breached. With the current expectation that Osborne Clarke will be required to advise the Board Members until at least late June, the Board is invited to commit up to a further £20k of work. If and when this amount has been exhausted, a further commitment will be sought from the Board. E20 is seeking to limit the work required from Osborne Clarke to the minimum necessary, whilst protecting the interests of Board Members. If approved, the cashflow will be updated to reflect the additional commitment.

**SCHEDULE A**

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 8 June 2017

COMMERCIALY SENSITIVE



**S.43**

S.43



S.43

**E20 CREDITORS AS AT 5 JUNE 2017**

**WORKING CAPITAL**

**PAYMENT PROPOSAL**

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	11.28	67.67	
Aerofilm Systems BV	17390198	Additional Beams required to deliver the East Stand Airskate Improvements	17/05/2017	04/06/2017	816.00	0.00	816.00	
HMRC Cumbernauld		Payment of income tax and NIC in respect of May payroll	31/05/2017	19/06/2017	9,382.06	0.00	9,382.06	
					10,254.45	11.28	10,265.73	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17858	Recharge of Finance & IT Costs April 2017	18/05/2017	17/06/2017	9,067.00	1,813.40	10,880.40	
London Legacy Development Corporation	17866	Legal Costs for the Supplemental Deed for the Stadium Island School	22/05/2017	21/06/2017	4,068.16	813.63	4,881.79	
London Legacy Development Corporation	17874	Recharge of HR & FM Costs April 2017	25/05/2017	24/06/2017	2,433.00	486.60	2,919.60	
					15,568.16	3,113.63	18,681.79	

**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	Board agreed to defer (payment shown in October 2017)
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	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)
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
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
					928,480.62	111,829.90	1,040,310.52	

**TRANSFORMATION/DISCRETIONARY FUND**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
M & H Civils Ltd	MHC/LLP/025	Seating Follow On Works	05/04/2017	04/05/2017	16,552.46	3,310.49	19,862.95	
M & H Civils Ltd	MHC/LLP/027	Seating Follow On Works	05/05/2017	04/06/2017	10,409.80	2,081.96	12,491.76	
					26,962.26	5,392.45	32,354.71	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	30/06/2017	55,975.00	11,195.00	67,170.00	
					55,975.00	11,195.00	67,170.00	

**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	

**AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 5 JUNE 2017**

**WORKING CAPITAL**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Aerofilm Systems BV	17390198	Additional Beams required to deliver the East Stand Aiskate Improvements	17/05/2017	816.00	0.00	816.00	816.00					For Board approval 8 June 2017
HMRC Cumbernauld		Payment of income tax and NIC in respect of May payroll	31/05/2017	9,382.06	0.00	9,382.06	9,382.06					For Board approval 8 June 2017
Corona Energy	12036442	Gas Supply for April 2017	11/05/2017	56.39	2.82	59.21	59.21					For Board approval 8 June 2017
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	195.00	0.00	195.00					195.00	Awaiting confirmation of bank details from supplier
				<b>70,449.45</b>	<b>12,002.82</b>	<b>82,452.27</b>	<b>82,257.27</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>195.00</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
M & H Civils Ltd	MHC/LLP/025	Seating Follow On Works	05/04/2017	16,552.46	3,310.49	19,862.95			19,862.95			For Board approval 8 June 2017
M & H Civils Ltd	MHC/LLP/027	Seating Follow On Works	05/05/2017	10,409.80	2,081.96	12,491.76		12,491.76				For Board approval 8 June 2017
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	55,975.00	11,195.00	67,170.00	67,170.00					Invoice will be presented to the Board for payment at the end of June
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	260,805.30	52,161.06	312,966.36					312,966.36	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	286,087.41	57,217.48	343,304.89					343,304.89	Awaiting agreement on contract completion and defect rectification
				<b>629,829.97</b>	<b>125,965.99</b>	<b>755,795.96</b>	<b>67,170.00</b>	<b>12,491.76</b>	<b>19,862.95</b>	<b>0.00</b>	<b>656,271.25</b>	
<b>TOTALS</b>							<b>149,427.27</b>	<b>12,491.76</b>	<b>19,862.95</b>	<b>0.00</b>	<b>656,466.25</b>	

**E20 AGED DEBTORS REPORT AS AT 5 JUNE 2017**

**WORKING CAPITAL**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
UK Athletics Limited	45206	18/06/2017	91,234	Not yet due
YOUR TRIBUTE LTD	45205	17/06/2017	670	Not yet due
BLINK PRODUCTIONS LTD	45207	22/05/2017	540	Not yet paid
BOUNDLESS PRODUCTIONS	45208	30/05/2017	180	Not yet paid
GREENWOOD EVENTS	45209	29/06/2017	990	Not yet due
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	<b>95,834</b>	
		Less provision for doubtful debts	-	2.3%
		<b>Adjusted balance</b>	<b>93,614</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
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	<b>838,727</b>	

Kim Bromley Derry  
Chief Executive  
London Borough of Newham

5 June 2017

***By email***

Dear David and Kim

**Stadium Configuration in 2018 and 2019**

Following an E20 Board meeting on the 25<sup>th</sup> May 2017 I am writing to request confirmation of Member support for the proposed seating configuration in 2018 and 2019.

The Board identified that in order to minimise the E20 financial loss:

- As a minimum, the stadium would adopt a configuration in 2018 that involves only moving the south stand. This delivers a concert capacity of c.57,000, with a strong desire to push this capacity up to 65,000 if an economic case can be made for doing so.
- In 2019, E20 should move the West Stand and remove 7 rows from the other 3 stand. This allows E20 to host baseball and cricket.

I have not repeated the rationale for the decisions in this letter. The rationale is contained in the Board reports which you have access to.

Please confirm that this approach is supported by your organisation.

Yours sincerely,



s.40

Alan Skewis  
E20 Director

David Goldstone  
Chief Executive  
LLDC

5 June 2017

***By email***

Dear David and Kim

### **Stadium Configuration in 2018 and 2019**

Following an E20 Board meeting on the 25<sup>th</sup> May 2017 I am writing to request confirmation of Member support for the proposed seating configuration in 2018 and 2019.

The Board identified that in order to minimise the E20 financial loss:

- As a minimum, the stadium would adopt a configuration in 2018 that involves only moving the south stand. This delivers a concert capacity of c.57,000, with a strong desire to push this capacity up to 65,000 if an economic case can be made for doing so.
- In 2019, E20 should move the West Stand and remove 7 rows from the other 3 stand. This allows E20 to host baseball and cricket.

I have not repeated the rationale for the decisions in this letter. The rationale is contained in the Board reports which you have access to.

Please confirm that this approach is supported by your organisation.

Yours sincerely,



s.40

Alan Skewis  
E20 Director

**Meeting:** E20 Stadium LLP  
**Date:** 15.06.17  
**Time:** 07:30 – 08:00  
**Meeting Venue:** Conference call

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**Member Representatives Expected:** Nicky Dunn (Chair), Keith Edelman (LLDC), Andrew Ireland (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:**

1. Apologies
2. Minutes of meeting held on 8 June 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](http://www.btconferencing.com/globalaccess/?bid=814_public)

Board Actions List (reported to the meeting on 15 June)

Actions from last meeting (8 June 2017)

Item/Description	Action By	Target Date	Status/note
All references to "Stratford City Shopping Centre" to be changed to refer to "Westfield Stratford"	Alan Skewis	12 June	Stratford City Shopping Centre is the correct trading name, and appears on their invoices and throughout LLDC's accountancy system. This wording should be retained to maintain consistency.
Members responding to seating/events proposal for 2018 and 2019	Alan Skewis	12 June	Response received 8 June (note this is different correspondence to 5 below)
Note to the Board on the <b>s.43</b> , reflecting Board approval to agree heads of terms and <b>s.43</b> . Requirement to supply parts in future to be confirmed in report	Colin Naish	15 June	Settled on 9 June. Note circulated with 15 June Board papers
Trade creditor profile over time to be included in the Finance Paper	Martin Gaunt	15 June	Included in 15 June Finance paper
LLDC and NLI to review <b>s.43</b>	Martin Gaunt	15 June	Legal advice received, reviewed and distributed to E20, LLDC and NLI officers plus <b>s.43</b>



updated report including legal advice, distribute to Board and set up a meeting if required for the Board to discuss prior to the 27 June			Meeting date tbc.
Members' to respond to s.40 letter requesting clarification of the Q2 funding commitment and the options for long term use of the stadium	E20 Members	15 June	Holding response received 9 June, noting full response by 20 June.

<b>Items at Previous Meetings</b>				
25/5	E20 to consider further the communication with UKA around athletics at the stadium	Alan Skewis	15 June	Meeting held with UKA Chair on 13 June
25/5	E20 will require legal advice on the possible procurement challenges in the event of a restructure.	Alan Skewis	27 June	To be sought in due course

# E20

STADIUM LLP

**Subject:** Financial Update

**Meeting date:** 15<sup>th</sup> June 2017

**Agenda Item:** 4

**Report to:** E20 Stadium LLP Board

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

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## 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, including an aged creditor schedule;
- 1.1.3. Payments recommended for approval by the Board, from working capital (funded by Members) and Transformation (funded by LLDC);

## 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. Payments to Aerofilm of £31k and £118k.
- 2.2.2. Payment to PHD (£2.289m+VAT) for work done in the month of May.
- 2.2.3. Payment to Momentum (£3k+VAT).
- 2.2.4. Payments to Total Gas & Power totalling £125k+VAT for the stadium's electricity bills for May.

### *Transformation (funded by LLDC)*

- 2.2.5. Payment to Aerofilm (£72k).
- 2.2.6. Payment to Portview (£12k+VAT).

### 3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A.
- 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 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 11) of £6.946m (see ringed figure on schedule B).
- 3.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, has improved slightly from £25.900m to £25.751m. The movements are summarised below:

Summary of movements on total 17-18 cash position	(£000s)	Explanation
Version to 8 June Board (£000s)	(25,900)	Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18
Further commitment of funding for Osborne Clarke legal advice	(20)	As agreed at last week's Board
Follow up <b>s.43</b> [REDACTED]	(12)	As commissioned at 25 May Board
VAT recovery	181	Recovery of more VAT from 2016-17 financial year than had been forecast.
Version to 15 June Board (£000s)	(25,751)	Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18

- 3.6. The forecast working capital requirement for July is £3.145m (£2.045m from LLDC, £1.024m from NLI). This is a slight increase from the previous version, as c£300k seat move costs have shifted forward from August to late July. The July working capital requirement is likely to continue to move around slightly over the course of this month, and will be invoiced – pending the outcome of Members' funding discussions – in late June.
- 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 (which totals £2.591m)
Working Capital funding provided to E20 in 17-18	£4.811m (see ringed figure on Schedule B)	£2.591m (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 £18.381m 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. This is unchanged from the position previously advised.

#### 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, including an aged creditor schedule as previously. The aged creditor schedule now shows a comparison to the previous week. As further versions are issued in the coming weeks, additional rows will be added showing the progression in the weekly position, and hence the trend over time. Currently, the aged creditor schedule shows that E20 has a higher amount of outstanding bills than last week, although these are all within the 0-30 day period. With one notable exception, E20 has actually cleared all significant older bills it was holding, following payment approvals by the E20 Board last week. The main point of interest on the aged creditor schedule remains the £656k+VAT of long overdue bills to Balfour Beatty. However, as has been previously agreed, these are being deliberately held pending resolution of outstanding stadium defects.
- 4.2. The Board has been clear that all payments must 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. Payment to Aerofilm (£31k). This relates to Aerofilm's standby presence during the Transition 1 works. This entailed at least one Aerofilm employee being present throughout the airskating activities (15 – 23 May) in case of failure and the time critical consequences of any delay. The cost is in line with forecasts. Under the terms of their contract, payment is due on 18 June.
- 4.3.2. Payment to Aerofilm (£118k). This relates to Aerofilm's installation of the additional airskates to facilitate Transition 2 along with the spares purchased as contingency. The cost is in line with forecasts. Under the terms of their contract, payment is due on 25

June. Approval is sought now, but payment will not be made until 25 June.

- 4.3.3. Payment to PHD (£2.289m+VAT). This relates to work done in the month of May. The majority of this relates to Transition 1 (s.43) with the remainder being the bonus PHD are entitled to for on time completion (s.43), and other costs (s.43) incurred during May which are not specific to T1. The biggest single item of the s.43 is the Layher scaffolding system at s.43. This is used to create the super gangways. All of the s.43 payment has been verified by Mace and is contractually due on 21 June. It is in line with forecasts. The Seating Project Board will review this payment at its meeting on 14 June and provide further advice on the E20 Board call.
- 4.3.4. Payment to Momentum (£3k+VAT) for transport/crowdflow advice. This is the first tranche of a feasibility study into concert capacities with minimal seat moves. The initial study was delivered on time and at short notice. It has helped inform the seating strategy for 2018. Payment is due on 15 June, 14 days from the invoice date.
- 4.3.5. Payments to Total Gas & Power totalling £126k+VAT for the stadium's electricity bills for May. These continue to be well within forecast consumption levels. They are due for payment on 20 June. We expect that there may still be one further minor bill to follow, which will complete the picture for the month of May.

*Transformation (funded by LLDC)*

- 4.3.6. Payment to Aerofilm (£72k) for the transformation baseline airskate install to the East Stand. This is funded in full by LLDC transformation.
- 4.3.7. Payment to Portview (£12k+VAT) for stadium access hatches. Provision of access hatches in hospitality area ceilings to enable access to fire dampers for inspection and maintenance purposes, a scope gap between the Balfour Beatty and Portview transformation contracts. This is funded in full by LLDC transformation.

**SCHEDULE A**

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 15 June 2017

COMMERCIALY SENSITIVE

**S.43**



S.43

S.43



**E20 CREDITORS AS AT 12 JUNE 2017**

**WORKING CAPITAL**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Aerofilm Systems BV	17390206	Assistance during the transition in May 2017	24/05/2017	18/06/2017	31,525.00	0.00	31,525.00	
Aerofilm Systems BV	17390220	East & West Stand Installation Works	07/06/2017	25/06/2017	118,172.00	0.00	118,172.00	
PHD Modular Access Services Ltd		Seating Transition No.1 Works		21/06/2017	2,289,134.22	457,826.84	2,746,961.06	
Momentum Transport Planning	954	Concert Mode Assessment	31/05/2017	30/06/2017	3,375.00	675.00	4,050.00	
Total Gas & Power	150233561/17	Electricity for May 2017	06/06/2017	20/06/2017	5,131.24	1,026.25	6,157.49	
Total Gas & Power	150233572/17	Electricity for May 2017	06/06/2017	20/06/2017	96,530.01	19,306.05	115,836.06	
Total Gas & Power	150233594/17	Electricity for May 2017	06/06/2017	20/06/2017	9,321.92	1,864.40	11,186.32	
Total Gas & Power	150233605/17	Electricity for May 2017	06/06/2017	20/06/2017	2,772.21	554.45	3,326.66	
Total Gas & Power	150233616/17	Electricity for May 2017	06/06/2017	20/06/2017	7,742.60	1,548.52	9,291.12	
Total Gas & Power	150233583/17	Electricity for May 2017	06/06/2017	20/06/2017	4,031.84	806.37	4,838.21	
					2,567,736.04	483,607.89	3,051,343.93	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17866	Legal Costs for the Supplemental Deed for the Stadium Island School	22/05/2017	21/06/2017	4,068.16	813.63	4,881.79	
London Legacy Development Corporation	17874	Recharge of HR & FM Costs April 2017	25/05/2017	24/06/2017	2,433.00	486.60	2,919.60	
					6,501.16	1,300.23	7,801.39	

**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	Board agreed to defer (payment shown in October 2017)
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	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17858	Recharge of Finance & IT Costs April 2017	18/05/2017	17/06/2017	9,067.00	1,813.40	10,880.40	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)
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
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
					937,547.62	113,643.30	1,051,190.92	

**TRANSFORMATION/DISCRETIONARY FUND**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Aerofilm Systems BV	17390222	East Stand Installation Works	07/06/2017	25/06/2017	72,290.00	0.00	72,290.00	
Portview Fit-Out Ltd	INO47866	Stadium Access Hatches	18/05/2017	18/05/2017	11,725.55	2,345.11	14,070.66	
					84,015.55	2,345.11	86,360.66	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	30/06/2017	55,975.00	11,195.00	67,170.00	
					55,975.00	11,195.00	67,170.00	

**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	

**AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 12 JUNE 2017**

**WORKING CAPITAL**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Aerofilms Systems BV	17390206	Assistance during the transition in May 2017	24/05/2017	31,525.00	0.00	31,525.00	31,525.00					For Board approval 15 June 2017
Aerofilms Systems BV	17390220	East & West Stand Installation Works	07/06/2017	118,172.00	0.00	118,172.00	118,172.00					For Board approval 15 June 2017
Momentum Transport Planning	954	Concert Mode Assessment	31/05/2017	3,375.00	168.75	3,543.75	3,543.75					For Board approval 15 June 2017
Total Gas & Power	150233561/17	Electricity for May 2017	06/06/2017	5,131.24	256.56	5,387.80	5,387.80					For Board approval 15 June 2017
Total Gas & Power	150233572/17	Electricity for May 2017	06/06/2017	96,530.01	4,826.50	101,356.51	101,356.51					For Board approval 15 June 2017
Total Gas & Power	150233594/17	Electricity for May 2017	06/06/2017	9,321.92	466.10	9,788.02	9,788.02					For Board approval 15 June 2017
Total Gas & Power	150233605/17	Electricity for May 2017	06/06/2017	2,772.21	138.61	2,910.82	2,910.82					For Board approval 15 June 2017
Total Gas & Power	150233616/17	Electricity for May 2017	06/06/2017	7,742.60	387.13	8,129.73	8,129.73					For Board approval 15 June 2017
Total Gas & Power	150233583/17	Electricity for May 2017	06/06/2017	4,031.84	201.59	4,233.43	4,233.43					For Board approval 15 June 2017
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	195.00	0.00	195.00					195.00	Awaiting confirmation of bank details from supplier
				<b>338,796.82</b>	<b>18,445.24</b>	<b>357,242.06</b>	<b>357,047.06</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>195.00</b>	
Aged Creditor Totals for week commencing 5 June 2017				70,449.45	12,002.82	82,452.27	82,257.27	0.00	0.00	0.00	195.00	
Change from Previous Week				268,347.37	6,442.42	274,789.79	274,789.79	0.00	0.00	0.00	0.00	

**TRANSFORMATION/DISCRETIONARY FUND**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Aerofilms Systems BV	17390222	East Stand Installation Works	07/06/2017	72,290.00	0.00	72,290.00	72,290.00					For Board approval 15 June 2017
Portview Fit-Out Ltd	INO47866	Stadium Access Hatches	18/05/2017	11,725.55	2,345.11	14,070.66	14,070.66					For Board approval 15 June 2017
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	55,975.00	11,195.00	67,170.00	67,170.00					Invoice will be presented to the Board for payment at the end of June
Balfour Beatty Group Ltd	CSUK OUI/INV/39379	Certificate 39	19/12/2016	260,805.30	52,161.06	312,966.36					312,966.36	Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OUI/INV/40380	Certificate 40	26/01/2017	286,087.41	57,217.48	343,304.89					343,304.89	Awaiting agreement on contract completion and defect rectification
				<b>686,863.26</b>	<b>122,918.65</b>	<b>809,801.91</b>	<b>153,530.66</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>656,271.25</b>	
Aged Creditor Totals for week commencing 5 June 2017				629,829.97	125,965.99	755,795.96	67,170.00	12,491.76	19,862.95	0.00	656,271.25	
Change from Previous Week				57,053.29	(3,047.34)	54,005.95	86,360.66	(12,491.76)	(19,862.95)	0.00	0.00	

TOTAL AGED CREDITOR ANALYSIS FOR WORKING CAPITAL & TRANSFORMATION/DISCRETIONARY FUND

510,577.72	0.00	0.00	0.00	656,466.25
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**E20 AGED DEBTORS REPORT AS AT 12 JUNE 2017**

**WORKING CAPITAL**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
UK Athletics Limited	45206	18/06/2017	91,234	Not yet due
YOUR TRIBUTE LTD	45205	17/06/2017	670	Not yet due
BOUNDLESS PRODUCTIONS	45208	30/05/2017	180	Not yet paid
OUTSIDER	45213	07/06/2017	1,200	Not yet due
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	<b>95,504</b>	
		Less provision for doubtful debts	-	2.3%
		<b>Adjusted balance</b>	<b>93,284</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
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	<b>838,727</b>	

# Memo



**To:** E20 Board  
**cc:** David Goldstone  
**From:** Colin Naish, Executive Director of Construction, LLDC  
**Date:** 13 June 2017  
**Subject:** Stadium Transformation – s.43

s.43

**Meeting:** E20 Stadium LLP  
**Date:** 22.06.17  
**Time:** 07:30 – 08:00  
**Meeting Venue:** Conference call

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**Member Representatives Expected:** Nicky Dunn (Chair), Keith Edelman (LLDC), Andrew Ireland (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 s.40 (Lawyer, Osborne Clark); Martin Gaunt (E20), s.40 (E20)

**Apologies:**

1. Apologies
2. Minutes of meeting held on 15 June 2017
3. Actions arising from previous meetings
4. Financial update
5. s.43 report and cover paper enclosed. This is also for consideration at 27 June Board, so an in depth discussion on 22 June is not necessary.
6. s.43 (Board Member consideration)
7. Revised 2018 seat configuration
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](http://www.btconferencing.com/globalaccess/?bid=814_public)

Board Actions List (reported to the meeting on 22 June)

Actions from last meeting (15 June 2017)

<b>Actions</b>			
s.40 ██████████ to provide further justification to Board in relation to Aerofilm's standby presence during the Transition 1 works	s.40 ██████████	22 June 2017	Provided by email and included in finance paper.
Alan Skewis and Martin Gaunt to update at full Board on 27 June 2017 on issues relating to West Ham and LS185.	Alan Skewis/Martin Gaunt	27 June 2017	On agenda for 27 June.
Members' to respond to Osborne Clarke's letter dated 31 May 2017 requesting clarification of the Q2 funding commitment and the options for long term use of the stadium.	LLDC/LBN	22 June 2017	Outstanding. Members to advise on status.
s.40 ██████████ to look into the differences of buying or renting the scaffolding for the seating project.	s.40 ██████████	22 June 2017	Provided by email and included in finance paper.
Martin Gaunt to circulate an update note to WHU expert determination and capacity issue	Alan Skewis/Martin Gaunt		Complete by e mail

# E20

STADIUM LLP

**Subject:** Financial Update

**Meeting date:** 22 June 2017

**Agenda Item:** 4

**Report to:** E20 Stadium LLP Board

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

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## 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, including an aged creditor schedule;
- 1.1.3. Payments recommended for approval by the Board, from working capital (funded by Members) and Transformation (funded by LLDC).

## 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. Payment to Aerofilm (£31k).
- 2.2.2. Payment to PHD (£284k+VAT).
- 2.2.3. Payments to JLT, E20's insurance broker (s.43 ).
- 2.2.4. Payment to Osborne Clarke (£11,839+VAT).
- 2.2.5. BT teleconferencing fees of £242+VAT.
- 2.2.6. Corona gas bill of £53+VAT.
- 2.2.7. Payment to Cintra (£65+VAT).
- 2.2.8. E20 staff payroll for June of £15k.

*Transformation (funded by LLDC)*

- 2.2.9. Payment to Spadeoak (£56k+VAT).

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### 3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A.
- 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 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 11) of £6.792m (see ringed figure on schedule B).
- 3.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, has worsened slightly from £25.751m to £25.833m. This is all accounted for by an adjustment in forecast VAT recovery.
- 3.6. The forecast working capital requirement for July is £3.196m (£2.078m from LLDC, £1.119m from NLI). This is consistent with the forecasts provided over the past few weeks', albeit there have been minor movements. The July working capital requirement will be firmed up in next week's cashflow to the 27 June Board. Pending the outcome of Members' funding discussions, it will then be invoiced by 30 June.
- 3.7. The table below shows the date at which existing committed funds from Members are forecast to be exhausted.

	<b>LLDC</b>	<b>NLI</b>
Committed funding	Up to £12.5m	Up to £5m, although current commitment to only fund Q1 (which totals £2.591m)
Working Capital funding provided to E20 in 17-18	£4.811m (see ringed figure on Schedule B)	£2.591m (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 £18.466m 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. This is unchanged from the position previously advised.

### 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, including an aged creditor schedule as previously. E20 has cleared a number of outstanding invoices in the past week. However, the first significant invoice for 2017-18 insurance premiums – payable to E20's broker, JLT – has now been received. This is further explained at para 4.3.3 and recommended for approval.



## Private and Confidential – Legally Privileged

4.2. The Board has been clear that all payments must 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. Payment to Aerofilm (£31k) for their standby presence during Transition 1 of the seat moves. This was previously considered by the Board, with further information requested. **s.40** has since circulated Aerofilm's invoice, outlining the time spent providing cover in case of any airskate failure. There were four occasions during Transition 1 where Aerofilm were called into action. That does amount to significant periods of unproductive time, but given that Aerofilm are based in the Netherlands, to have needed to call out their staff would have significantly risked late handback. Their overseas base also means accommodation and higher travel costs are incurred. Mace have verified their presence and that the level of cover reflected the programme. In future, since there is now greater air skate knowledge within PHD's resources, the level of cover can be reduced in Transition 3. Given that we are skating a stand (the East Stand) which has never been skated before, it is not recommended that cover is reduced in the time critical Transition 2. There remains an outstanding Board request to confirm the contract rates for standby labour during each seat transition. This will be provided either by separate email on 21 June, or on the Board call.
- 4.3.2. Payment to PHD (£284k+VAT) for the purchase of the Layher seating system. Last week, the Board approved £2m of the PHD payment proposal. The Board did not at that stage approve a further £284k, and instead requested further information to inform the decision of whether to hire or purchase the Layher seating system. Purchase of the system is recommended, as set out in the appendix to this paper.
- 4.3.3. Payments to JLT, E20's insurance broker **s.43**. The **s.43** invoice represents the first significant tranche of payments for E20's 2017-18 insurance premiums. The amount is in line with expectations, and covers Property Damage. The invoice is shown on the schedule as having been issued on 20 April. However, it was not logged on the finance system at that time as it was necessary for E20's insurance adviser to liaise with JLT to request corrections to the invoice. Now these are resolved, it is recommended that payment is now made. The **s.43** payment represents the first quarter of JLT's broker fees. Further invoices are expected shortly, to cover E20's remaining 2017-18 premiums, notably Public and Products liability.
- 4.3.4. Payment to Osborne Clarke (£11,839+VAT). This is for the legal advice provided in the period 23 May to 9 June, which included attendance at the 25 May full Board meeting. Osborne Clarke fees incurred since this billing period currently stand at an additional £1591+VAT.
- 4.3.5. BT teleconferencing fees of £242+VAT.

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- 4.3.6. Corona gas bill of £53+VAT.
- 4.3.7. Payment to Cintra for payroll administration (£65+VAT).
- 4.3.8. E20 staff payroll for June of £15k.

### *Transformation (funded by LLDC)*

- 4.3.9. Payment to Spadeoak (£56k+VAT). This is the second and final payment to Spadeoak, for the completed works to provide a chamfered transition between the Mondo track and the tarmac to ease the transition of the seating units when on airskates. It is 100% funded by LLDC Transformation.

CONFIDENTIAL



**Item:** Item 4 Appendix  
**Subject:** Layher System Hire or Purchase  
**Meeting date:** 22 June 2017  
**Report to:** E20 Stadium LLP Board  
**Report of:** s.40

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## 1. PURPOSE OF REPORT

- 1.1. The purpose of this short report is to assess the merits of either buying or hiring the Layher Seating components currently on hire within the stadium.

## 2. BACKGROUND

- 2.1. As part of the Concert Mode configuration, which was installed during Transition 1, it was a safety requirement to install three Super Gangways, two in the North Stand and one in the East Stand; and install 13 staircases in front of the East Stand once the front 7 rows have been removed.
- 2.2. The Super Gangways and Staircases have been constructed using the Layher Scaffolding system which is the same system used to form the walkways and bridges behind the North and South Stands.
- 2.3. The Layher system is flexible enough that it could be used to provide Super Gangways and temporary staircases in different positions within the Stadium in future years. It can also be used as spares for the North and South walkways. With some design modifications, it could also replace the Sapa bridges on the East and West stands, which are most costly and timely to remove and install.
- 2.4. Layher components will always be required to deliver the following configurations:
  - 2.4.1. Football mode – to connect N&S stands to the concourse;
  - 2.4.2. Concert mode – to deliver Super Gangways;
  - 2.4.3. Concert mode – to connect the pitch to any stand that has the front seven rows removed;
  - 2.4.4. Concert mode – to provide the balustrade at the front of any stand which has the front seven rows removed;
  - 2.4.5. Athletics – to provide head on camera positions. This is normally provided by the Event Owner but could be a value added service to the venue hire fee.

## 3. HIRE OR PURCHASE

- 3.1. E20 have the option to either hire the Layher system for the duration of the 2017 concerts (4 weeks) or purchase it.

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3.2. The table below shows the difference in costs between the hire and purchase options:

Option	Material Costs	Annual Consumables	PHD Fee @ 15%	Total
Hire for 2017	£167,497.69	£26,960.03	£29,168.66	£223,626.38
Purchase	£219,794.23	£26,960.03	£37,013.14	£283,767.40
Difference	£52,296.54	£0	£7,844.48	<b>£60,141.02</b>

3.3. The £26,960.03 is for annual consumables such as GRP coverings, fixings, screws, etc, which would need to be purchased each year irrespective of whether the Layher system is hired or purchased.

3.4. Should the Seating Strategy radically change such that the Layher system was no longer required, there is the option to negotiate the sale of the Layher system back to PHD or Layher. It is assumed that 25% of the material costs could be recouped if the Layher system was sold, which currently equates to £54,948.56.

#### 4. RECOMMENDATION

4.1. The Board is invited to **APPROVE** the purchase of the Layher system given that it is highly likely the front 7 rows will be removed from the East Stand each year to facilitate the Concert Mode, and Super Gangways will be required on the East and North Stands to achieve a concert capacity of 65,000.

#### 5. BUDGET

5.1. The purchase cost of Layher system will be funded from the £1m contingency within the Stadium Seating 2017 budget. This equates to using 22% (hire) or 28% (purchase) of the £1m contingency.

#### 6. RISKS

6.1. The key risk is that a redesigned Lower Tier seating system – the likely output of the Pell Frischmann study – will no longer require the Layher components and should a new system be delivered in 2019 and no seat moves are undertaken in 2018, the decision to purchase is less attractive. However, this is deemed to be Low Risk, given the unknown delivery timetable of any alternative seating system and increasing likelihood of seat moves being undertaken in 2018.

SCHEDULE A

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 22 June 2017

COMMERCIALY SENSITIVE

S.43

S.43

S.43

**E20 CREDITORS AS AT 19 JUNE 2017**

**WORKING CAPITAL**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Aerofilm Systems BV	17390206	Assistance during the transition in May 2017	24/05/2017	18/06/2017	31,525.00	0.00	31,525.00	
PHD Modular Access Services Ltd		Seating Transition No.1 Works		21/06/2017	2,289,134.22	457,826.84	2,746,961.06	
Osborne Clarke LLP	496314	Advice on Board Members Duties	12/06/2017	12/06/2017	11,839.00	2,367.80	14,206.80	
JLT Speciality Ltd	BB045943	Premium due in respect of Property Damage, Loss of Revenue, Property Owners Liability, Employers Liability, Legal Contingencies and Terrorism	20/04/2017	20/04/2017	5.43	0.00	5.43	
JLT Speciality Ltd	LB188484	Broker Fees	03/05/2017	02/05/2017	5.43	0.00	5.43	
BT Conferencing	BT012092620	Telephone Conferencing Service for May 2017	31/05/2017	18/06/2017	241.86	48.37	290.23	
Corona Energy	12102400	Gas Usage for May 2017	09/06/2017	08/07/2017	53.44	2.67	56.11	
Cintra HR & Payroll Services Ltd	SIN049729	Payroll Administration for May 2017	31/05/2017	30/06/2017	65.80	13.16	78.96	
		June Payroll		30/06/2017	15,000.00	0.00	15,000.00	
					2,728,095.54	460,243.02	3,173,219.32	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17874	Recharge of HR & FM Costs April 2017	25/05/2017	24/06/2017	2,433.00	486.60	2,919.60	
London Legacy Development Corporation	17903	Recharge of Finance & IT Costs May 2017	15/06/2017	15/07/2017	9,066.00	1,813.20	10,879.20	
London Legacy Development Corporation	17904	Recharge of HR & FM Costs May 2017	15/06/2017	15/07/2017	2,434.00	486.80	2,920.80	
					13,933.00	2,786.60	16,719.60	

**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	TRL 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	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17857	Mace PMP Costs March & April 2017 - 2017 Seating Transition	17/05/2017	17/05/2017	50,715.03	10,143.40	60,858.04	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17858	Recharge of Finance & IT Costs April 2017	18/05/2017	17/06/2017	9,067.00	1,813.40	10,880.40	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17866	Legal Costs for the Supplemental Deed for the Stadium Island School	22/05/2017	21/06/2017	4,068.16	813.63	4,881.79	Board agreed to defer (payment shown in October 2017)
KPMG LLP	5501449159	Fee for tax compliance services from 10 April 2017 to 9 June 2017	16/06/2017	15/07/2017	4,550.00	910.00	5,460.00	Invoice will be presented to the Board for payment at the end of June
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 - 1901	WHU v Swansea City 08/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	Ri - 1900	WHU v Everton 22/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	Ri - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	Ri - 1898	WHU v Liverpool 14/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment at the end of June
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
					946,165.78	115,366.93	1,061,532.71	

**TRANSFORMATION/DISCRETIONARY FUND**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	30/06/2017	55,975.00	0.00	55,975.00	
					55,975.00	0.00	55,975.00	

**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	
					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
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	



**AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 19 JUNE 2017**

**WORKING CAPITAL**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment at the end of June
JLT Speciality Ltd	BB045943	Premium due in respect of Property Damage, Loss of Revenue, Property Owners Liability, Employers Liability, Legal Contingencies and Terrorism	20/04/2017	£.43	0.00	£.43			£.43			For Board approval 22 June 2017
JLT Speciality Ltd	LB188484	Broker Fees	03/05/2017	£.43	0.00	£.43		£.43				For Board approval 22 June 2017
KPMG LLP	5501449159	Fee for tax compliance services from 10 April 2017 to	16/06/2017	4,550.00	910.00	5,460.00	5,460.00					Invoice will be presented to the Board for payment at the end of June
Aerofilm Systems BV	17390206	Assistance during the transition in May 2017	24/05/2017	31,525.00	0.00	31,525.00	31,525.00					For Board approval 22 June 2017
Osborne Clarke LLP	496314	Advice on Board Members Duties	12/06/2017	11,839.00	2,367.80	14,206.80	14,206.80					For Board approval 22 June 2017
BT Conferencing	BT012092620	Telephone Conferencing Service for May 2017	31/05/2017	241.86	48.37	290.23	290.23					For Board approval 22 June 2017
Corona Energy	12102400	Gas Usage for May 2017	09/06/2017	53.44	2.67	56.11	56.11					For Board approval 22 June 2017
Cintra HR & Payroll Services Ltd	SIN049729	Payroll Administration for May 2017	31/05/2017	65.80	13.16	78.96	78.96					For Board approval 22 June 2017
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	195.00	0.00	195.00					195.00	Awaiting confirmation of bank details from supplier
				488,706.32	15,342.00	504,048.32	123,617.10	4,375.00	375,861.22	0.00	195.00	
Aged Creditor Totals for week commencing 12 June 2017				338,796.82	18,445.24	357,242.06	357,047.06	0.00	0.00	0.00	195.00	
Change from Previous Week				149,909.50	(3,103.24)	146,806.26	(233,429.96)	4,375.00	375,861.22	0.00	0.00	
Aged Creditor Totals for week commencing 5 June 2017				70,449.45	12,002.82	82,452.27	82,257.27	0.00	0.00	0.00	195.00	

**TRANSFORMATION/DISCRETIONARY FUND**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Spadeoak	CSP 24947079	Seating Follow On Works	30/05/2017	55,975.00	11,195.00	67,170.00	67,170.00					For Board approval 22 June 2017
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	260,805.30	52,161.06	312,966.36				312,966.36		Awaiting agreement on contract completion and defect rectification
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	286,087.41	57,217.48	343,304.89				343,304.89		Awaiting agreement on contract completion and defect rectification
				602,867.71	120,573.54	723,441.25	67,170.00	0.00	0.00	0.00	656,271.25	
Aged Creditor Totals for week commencing 12 June 2017				686,883.26	122,918.65	809,801.91	153,530.66	0.00	0.00	0.00	656,271.25	
Change from Previous Week				(84,015.55)	(2,345.11)	(86,360.66)	(86,360.66)	0.00	0.00	0.00	0.00	
Aged Creditor Totals for week commencing 5 June 2017				629,829.97	125,965.99	755,795.96	67,170.00	12,491.76	19,862.95	0.00	656,271.25	
TOTAL AGED CREDITOR ANALYSIS FOR WORKING CAPITAL & TRANSFORMATION/DISCRETIONARY FUND							190,787.10	4,375.00	375,861.22	0.00	656,466.25	

**E20 AGED DEBTORS REPORT AS AT 19 JUNE 2017**

**WORKING CAPITAL**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
YOUR TRIBUTE LTD	45214	15/07/2017	2,551	Not yet due
BOUNDLESS PRODUCTIONS	45208	30/05/2017	180	Not yet paid
OUTSIDER	45213	07/06/2017	1,200	Not yet due
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		<b>6,151</b>	
	Less provision for doubtful debts		-	36.1%
	<b>Adjusted balance</b>		<b>3,931</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
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		<b>838,727</b>	

Item: 7  
 Subject: Revised 2018 Seat Configuration  
 Meeting date: 22 June 2017  
 Report to: E20 Stadium LLP Board  
 Report of: Alan Skewis, E20 Stadium LLP Director

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## 1. PURPOSE OF REPORT

- 1.1. The purpose of this paper is to request a revised decision on the seating configuration for 2018.
- 1.2. It does not cover the 2019 position, which remains as reported to the Board in May 2017 with a strong case for holding cricket and baseball in 2019, with no concerts or athletics.

## 2. KEY POINTS

- 2.1. It was agreed in May 2017 that E20 would investigate whether the concert capacity could be increased from 57,000 by moving the South Stand only, and report back to Board.
- 2.2. The key changes since then are:
  - 2.2.1. It is not possible to get to 65,000 concert capacity just moving the South Stand. Further assessment has shown only a 60,500 concert capacity is possible, even if the south stand and front 7 rows from the other stands are removed.
  - 2.2.2. s.43 [REDACTED]
  - 2.2.3. A 65,000 concert capacity can be achieved by moving back the South and North Stands & removing some of the front rows of the East, North and West stands. If the North Stand is moved back, then staging athletics is feasible, albeit in a compromised mode.
  - 2.2.4. The points above change the outcome reported in May 2017. s.43 [REDACTED]
- 2.3. The conclusion reached is that the Board should consider whether protecting the reputational and contractual implications of securing a 65,000 concert capacity (Option B) and staging athletics in 2018 are worth up to s.43 impact on the E20 business plan.

Option	Stands Moved	Concert Capacity	Athletics Hosted	Net E20 Position	Additional Cost to Option B	Capital Investment
A	None	<50,000	N	s.43 [REDACTED]		
B	South, North, Adapt West	65,000	Y			

2.4. To assist members in weighing up this choice, the wider implications of not moving the seats are set out in Appendix 1. The weighting placed on these factors is heavily influenced by the conclusions LLDC and NLI come to on the purpose of the stadium; its position regarding LS185; and how it wants to approach naming rights in the coming 12 months.

### 3. RECOMMENDATION

3.1. It is recommended that the Board considers the position and either:

3.1.1. **AGREE** none of the stands are moved in 2018, minimising the net loss at **s.43** and noting this generates a number of wider implications.

**OR**

3.1.2. **AGREE** to move the North Stand as well as the South Stand to guarantee a 65,000 concert capacity now and the ability to stage athletics.

3.2. The latter choice is recommended by the E20 Director, as it:

3.2.1. Protects the longer term reputation of the stadium;

3.2.2. **s.43**

3.2.3. Provides certainty to LS185 to book concerts.

3.3. It is accepted that it does also:

3.3.1. Costs an estimated **s.43** to the E20 business plan when compared to not moving the seats.

3.3.2. Require up to another **s.43** capital investment on permanent measures that improve the long term concert capacity and seat moves costs.

3.3.3. Limits the potential to make more radical changes arising from the Pell Frischmann work in summer 2018.

### 4. UPDATE ON PREFERENCE TO MOVE SOUTH STAND ONLY

4.1. At the May 2017 Board the preferred option was for only the South Stand to move back. Further work on this option has concluded:

4.1.1. It is not possible to get the 57,000 concert capacity reported up to 65,000 capacity.

4.1.2. The modelling was adapted to include removing 7 rows on other stands. The most realistic capacity is 60,459. The seat move costs to accommodate this are far higher, at least **s.43** and potentially up to **s.43**.

4.1.3. **s.43**

4.1.4. Further legal advice has indicated that the strength of E20's case with UKA is weaker in 2018 than 2019, as the UKA Agreement includes a clause relating to Major Sporting Events such as the Cricket World Cup. **s.43**

4.2. The result is that this option has been reassessed as a net loss of **s.43**

	South Stand Only (May 2017)	South Stand Only (June 2017)	South Stand and 7 Rows off
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			(June 2017)
Concert Capacity	57,000	57,000	60,459
Net Concert Income			

s.43

s.43

LS185 Compensation
Seat Moves
<b>Net Position</b>

4.3. On this basis the option of moving just the south stand is a worse outcome than moving no seats at all. It is therefore recommended that this option is no longer pursued.

**5. REASSESSMENT OF ALTERNATIVE OPTIONS**

5.1. As a result, other options have been reassessed. Two have been considered worthy of consideration by the Board:

5.1.1. Do not move any seats (Option A)

5.1.2. Secure a 65,000 concert capacity and stage athletics in a compromised configuration (Option B)

**6. DO NOT MOVE ANY SEATS (OPTION A)**

6.1. s.43 [Redacted]

6.2. s.43 [Redacted]

	Move No Seats
Concert Capacity	
Net Concert Income	
Other Hires *	
s.43	
LS185 Compensation	
PHD / Other Compensation	
Seat Moves	
<b>Net Position</b>	

s.43

\* likely to be from corporate pitch hires minor music events, boxing.

6.3. s.43 [Redacted]

6.4. s.43 [Redacted]

6.5. s.43 [Redacted]

**7. SECURE A 65,000 CONCERT CAPACITY AND HOST ATHLETICS IN A COMPROMISED CONFIGURATION (OPTION B)**

7.1. s.43 [Redacted]

7.2.

**S.43**

7.3. **s.43**

	<b>Guarantee 65,000 Capacity and Host Athletics</b>
Concert Capacity	65,000-70,000
Net Concert Income	
<b>s.43</b> LS185 Compensations	<b>S.43</b>
Seat Moves	
<b>Net Position</b>	
<b>Capital Investment</b>	
<b>Total</b>	

7.4. Capital Investment

7.5. The 65,000 concert capacity assumes a number of capital investments to secure long term improvements to the seating system and configuration. These are set out in Appendix 3.

7.6. The majority of the improvements are on the East Stand. This is driven by the assumption that the East Stand will not move after 2017. The Pell Frischmann work is yet to conclude, this seems a safe option given the cost of moving the East Stand, and the ability to accommodate concerts, athletics, cricket and MLB without moving the stand.

7.7. The improvements include permanent removal of Block 1114 and Block 130. These are in front of the main vomitories, so restrict the access to and from the field of play for concert promoters and the seating contractor. Removal requires WHU approval, so may be deferred until 2019 or later. In those circumstances the first task for the seating contractor would be removing those blocks.

7.8. These are separated from the 2018 seat move calculation as they offer long term improvements way past 2018. However, they would be a cost incurred in the next 12 months.

7.9. While these costs will be minimised it is recommended that an allocation of up to **s.43** to implement those capital investment needs is made.

7.10. Athletics

7.11. Moving the North and South Stands means that the venue is close to providing an athletics venue.

7.12. The additional work needed is temporary adaptation to the West Stand. The minimum needed is removal of 7 rows and relocation of 4 blocks at each end to expose the athletics track home straight in its entirety.

7.13. This means that Diamond League athletics could be held, albeit in a significantly compromised venue and some restricted spectator sightlines. At the time of this paper

being released KSS are undertaking detailed calculations. However it is anticipated that this will generate a credible saleable capacity of close to 50,000 with well over 50% having unrestricted sightlines.

- 7.14. While not yet quantified, it is reasonable to assume the adaptations to the West Stand will push the concert capacity up as they create more field of play space.
- 7.15. The associated 2018 seat moves are estimated at s.43. This compares to s.43 to move the North and South Stands, excluding the West Stand adaptations. However, E20 would avoid a s.43 by spending s.43 on West stand adaptations. Appendix 4 illustrates the seating configuration.
- 7.16. Appendix 5 sets out the seat move costs. While there remains a degree of uncertainty on the costs, the figures are considered more robust than those provided in the past when making decisions on seating options for the reasons set out in the appendix.

**Attached:**

- Appendix 1: Positive and Negative Implications of Not Moving Any Seats in 2018
- Appendix 2: Concert Capacities
- Appendix 3: Capital Improvements to secure increased Concert Capacity
- Appendix 4: Option B Seating Configuration
- Appendix 5: Seat Move Costs Associated with Option to Guarantee 65,000 Concert Capacity AND Hold Athletics (Option B)

Appendix 1: Positive and Negative Implications of Not Moving Any Seats in 2018

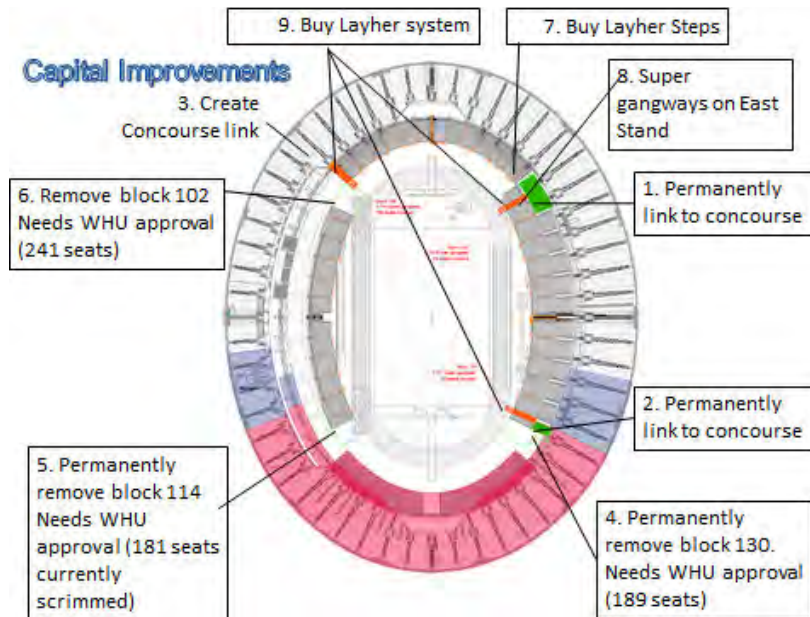
S.43



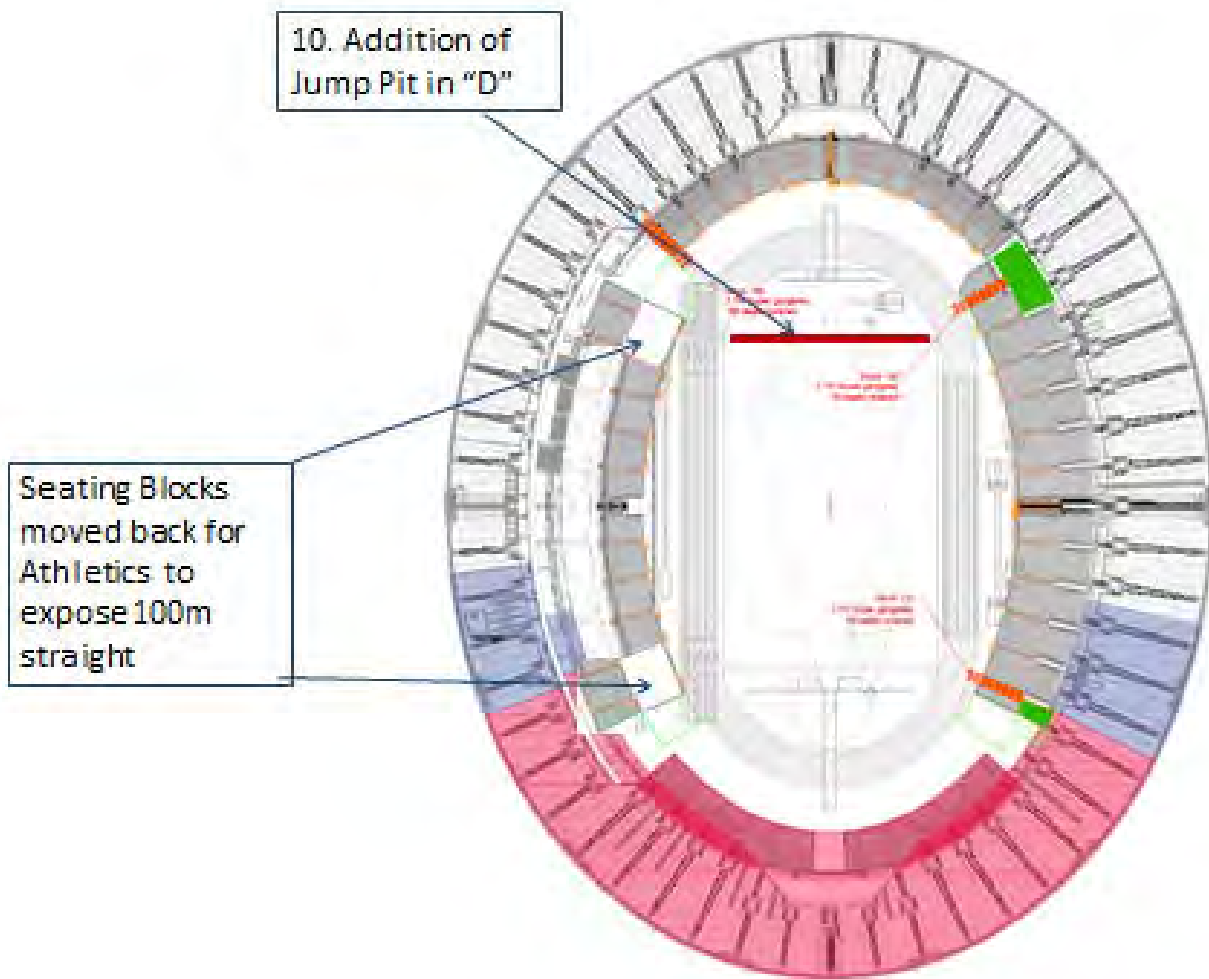
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Appendix 3: Capital Improvements to secure increased Concert Capacity

# S.43



#### Appendix 4: Option B Seating Configuration



## Appendix 5: Seat Move Costs Associated with Option to Guarantee 65,000 Concert Capacity AND Hold Athletics (Option B)

Item	Contract Option	Target Cost	Works not in Isolation Allowance (10% Uplift)	Weekend Working Allowance (25% Uplift)+	Estimate	Total
Pre-Transition Charges						
Move North Stand Back	3					
Move North Stand Forward	7					
Move South Stand Back	4					
Move South Stand Forward	8					
Remove and reinstall from 7 rows off East & West Stands	2					
Move 4 out 7 modules on West Stand back	6*					
Move 4 out 7 modules on West Stand forward	10*					
PHD Welfare & Offices	N/A					
Layher Ballustrade and staircases for West Stand	N/A					
Additional labour to install Supergangways	N/A					
LS185 Costs	N/A					
Mace Project Management	N/A					
Atkins Technical Assurance	N/A					
Contingency @ 20%	N/A					
Inflation @ 3%	N/A					
Contractor Bonuses (£100k per transition)	N/A					

**S.43**

### Notes:

- The figures have the benefit of experience of the previous moves and 2017's T1. We therefore know how much it costs PHD to move the north, south and west stands
- PHD have inputted into the figures
- None of the 2018 moves include the East Stand. Historically the majority of issues have been on this stand as it is the most complex as the mid-tier has to be removed.
- Mace have reviewed and added the management, storage etc. costs. I have been clear I want no surprises post decision
- They all contain a 20% contingency on top of the figures produced by PHD
- None of the seat moves will be time critical. T1 took 9 days and involved more than we are planning to do in 2018. We have allowed 12 days to move from Sunday 13 May 2018 to first possible concert on Saturday 26 May 2018. In July 2018 UKA would have their last event on Sunday 22nd July (and we could require them to be earlier), 10 days before the 1 August and 14 days before the first Saturday in August 2018 (4<sup>th</sup> August).

**Meeting:** E20 Stadium LLP  
**Date:** 27.06.17  
**Time:** 10:00 – 12:00  
**Meeting Venue:** LLDC Offices, Marketing Suite

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**Member Representatives Expected:** Nicky Dunn (Chair), Keith Edelman (LLDC), Andrew Ireland (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:** Katharine Deas (NLI)

1. Minutes of meeting held on 22 June 2017
2. Actions arising from previous meetings
3. Strategic direction of Stadium
  - a. Members Position
  - b. s.43 updated report
4. 2017 Stadium Seating Update
5. 2018/2019 Stadium Seating Update
6. London Living Wage and local employment
7. LS185 Update, H&S Report and Disputes Log
8. WHU issues
9. Director Update
10. Financial Update
11. s.43 (Board Member consideration)
12. 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](http://www.btconferencing.com/globalaccess/?bid=814_public)



Board Actions List (reported to the meeting on 27 June)

Actions from last meeting (22 June 2017)

<b>Actions</b>			
Alan Skewis to speak to LS185 for assurance over 6 concerts being delivered in 2018 if the capacity is at 65,000	Alan Skewis	27 June 2017	
Alan Skewis to produce an update report for 27 June including: <ul style="list-style-type: none"> <li>• A table on sensitivities and figures against the different seat move options;</li> <li>• Updated information on seat move costs and capital investment;</li> <li>• Athletics capacity in the proposed seating configuration.</li> </ul>	Alan Skewis	27 June 2017	
s.40 [REDACTED] to produce one PDF for Board papers	s.40 [REDACTED]	Ongoing	

# E20

STADIUM LLP

**Subject:** s.43

**Meeting date:** 22 and 27 June 2017

**Agenda Item:** 3.b.

**Report to:** E20 Stadium LLP Board

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

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1. SUMMARY

s.43

**S.43**



**S.43**



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Item: 4  
Subject: 2017 Seating Update  
Meeting date: 27 June 2017  
Report to: E20 Stadium LLP Board  
Report of: Alan Skewis and s.40

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## 1. SUMMARY

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

## 2. RECOMMENDATIONS

2.1. The Board is invited to;

2.1.1. **NOTE** a successful Transition 1 (T1)

2.1.2. **NOTE** plans for Transitions 2 and 3

2.1.3. **APPROVE** the same delegated authority level applied in Transition 1 for Transitions 2 and 3

## 3. BUDGET

3.1. The 2017 seat move budget remains £12.4m, with £11.8m funded by E20 and an unconfirmed £0.6m from GLA.

3.2. Appendix 1 shows the current budget allocation, tracked between January 2017 and June 2017.

3.3. **£566,000** of the £1m contingency has been allocated. The uses are set out in Appendix 2. While significant, it should be noted that:

3.3.1. The items allocated in T1 are used in T2 and T3 without additional call on the contingency

3.3.2. The biggest single item - £281k - is for the purchase, rather than hire, of the Layher gangway system, as discussed on June 15 and 22 Board calls.

3.4. There remain a number of risks and opportunities that will impact the final cost.

3.5. Opportunities:

3.5.1. Reduced costs of T3, as time pressure reduced due to WHU fixtures. The biggest saving would be not working over the 3 days of the August Bank Holiday weekend, when labour rates are higher. The current programme would allow for this, but the saving in cost has not been assumed.

3.6. Risks:

3.6.1. East Stand proves difficult to move, adding cost and time pressure.

3.6.2. Over spend in T2.

3.6.3. £600k GLA funding not being secured.

3.7. Further review of the budget will take place after T2. This will take into account learning from the transitions, as well the more detailed T3 programme.

## 4. TRANSITION 1 (Pitch to Concert)

4.1. This transition formed part of the tendered baseline case. Subject to some minor verification, T1 was delivered within the budget of £2.45m and will achieve a £55k gain to be shared equally between E20 and PHD.

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- 4.2. It was also delivered within the original plan of 9 days, working days, nights and weekends. Work completed on the 23 May.
- 4.3. 83 lessons were recorded in T1. Key learning points were:
  - 4.3.1. It is more productive to lift the North and South Stand modules rather than skate them across the running track camber
  - 4.3.2. Clearly identify teams working on each stand
  - 4.3.3. Order oversized cover strips that can then be cut to size
  - 4.3.4. Ensure someone on night shift is trained in use of the biometrics system
  - 4.3.5. It is far more productive to be installing modules on the night shift than removing modules
  - 4.3.6. Value of delegations on the ground decision making without referral back to E20
- 4.4. The delivery of T1 to budget gives greater confidence in the figures being used for 2018 and 2019 decision making.

## 5. TRANSITION 2 (Concert to Athletics)

- 5.1. Work starts on the 25th June once the concert stage has been dismantled. Despite the need to halt works for the Great Newham London Run & Diamond League, as well as the constraint of pitch seeding, PHD have confirmed that this transition can be delivered on time.
- 5.2. Works are programmed to be complete by Thursday 13th July, one day prior to the IPC World Championships.
- 5.3. The budget for this transition is £2.96m.

## 6. TRANSITION 3 (Athletics to Pitch)

- 6.1. WHU do not have a fixture until the 9 September 2017. The game scheduled in August (Southampton at home on the 19<sup>th</sup> August) falls within the window that WHU do not have rights to play in the stadium. WHU are, of course, expected to contest that they should be paid damages, with a recent legal letter suggesting E20 should still be obliged to have moved the seats by the 25 August, regardless of when the first fixture is.
- 6.2. The WHU fixtures present a potential T3 cost saving opportunity. The current T3 delivery date of 3rd September does not fully utilise the working window of 15th Aug – 7th Sept.
- 6.3. The Project Team have therefore asked PHD to requote assuming a working window of 0800hrs on 15th August to 0800hrs on Thursday 7th September. The team has also asked for the requote to be based on the optimal working pattern in terms of cost savings i.e. either reduced weekend working or reduced night working.

## 7. DELEGATED AUTHORITY

- 7.1. Delegations were given in T1 to aid efficiency of delivery. The Board asked for a review of the delegations after T1.
- 7.2. Feedback from Mace and the contractor is that delegations have significant benefits in assuring a time critical programme is delivered to the delivery dates.
- 7.3. It is therefore proposed that the same delegations apply in T2 and T3.
- 7.4. 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.
- 7.5. 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

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- 7.6. 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 LBN, LLDC and the E20 Chair.

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**APPENDIX 1: COST SUMMARY TRACKED OVER 2017**

(£'000s)	Approved by Board January 2017	February 28 Board 2017	April 2017 Board	June 27 Board before Opportunities	Outcome if Achieve Opportunities	Update
Contractor Payment	£8,000	£8,000	£9,318	£9,318	£9,000	T1 complete and in budget Opportunity to adjust T3 programme
Contractor Bonuses	£200	£200	£200	£200	£200	T1 complete and bonus of £100k paid
Project Management	£200	£300 - £476	£413	£413	£400	Set with Mace. Potential to reduce in T3 as time and logistical pressure off
Compound, Maintenance of Airskate System	£200	£200	£216	£216	£216	
<b>s.43</b>						
Purchase of Layher System for N&S Stands	<b>s.43</b>					
Airskates incremental improvement	£0	£30	£250	£250	£250	Spent prior to and during T1
Air Cushion Spares	£0	£30	£30	£0	£0	Included in airskates incremental improvement from April 2017
Planned Maintenance over 12 months	NA	NA	£308	£308	£308	Monthly checks on the seats. Being challenged as at just over £25k per month Not included in seat costs budget until April 2017.
Contractor Overspend Allowance	£400	£400	NA	NA	NA	Into contingency in April 2017
Contingency Used	NA	NA	£0	£500	£565	£200k for hire or £284k for Layher purchase, ADD
Contingency Unallocated	£350	£170	£1,000	£500	£435	50% already allocated
<b>TOTAL COST</b>	<b>£10,000</b>	<b>£9,975 - £10,261</b>	<b>£12,440</b>	<b>£12,410</b>	<b>£11,929</b>	
GLA Contribution	£0	£0	(£600)	(£600)	(£600)	Still not confirmed
<b>TOTAL E20 Budget</b>	<b>£10,000</b>	<b>£10,000</b>	<b>£11,840</b>	<b>£11,810</b>	<b>£11,329</b>	
<b>Additional Risks:</b>						
<b>s.43</b>						
Rest of QRA			£1,100	£0	£0	Risks reduced following successful T1
<b>s.43</b>						

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**APPENDIX 2: CONTINGENCY SPEND**

ITEM	VALUE (£)
Temporary accommodation on compound	18,835.
Purchase vinyl for entire stadium bowl	17,250
Setup of welfare facilities at Stadium compound	34,639
Office setup in warm up track location	1,145
Additional Armourdeck	105,667
Atkins Inspections	18,215
s.43	21,157
Storage of WHUFC Marquee sign	2,500
Lateral barrier	33,458
Attendance by Aerofilm during Transition 1.	31,525
Purchase of Layher components for Concert Mode	281,384
<b>TOTAL</b>	<b>565,775</b>

**Item:** 5  
**Subject:** Revised 2018 Seat Configuration Update Note  
**Meeting date:** 27 June 2017  
**Report to:** E20 Stadium LLP Board  
**Report of:** Alan Skewis, E20 Stadium LLP Director

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## 1. PURPOSE OF REPORT

- 1.1. The purpose of this paper is to update members on the 2018 seating option discussed at the 22<sup>nd</sup> June 2017. The 22<sup>nd</sup> June board papers are not replicated in the Board pack.
- 1.2. At the 22<sup>nd</sup> June 2017 the board noted that they were minded to select option B providing a 65,000 concert capacity and athletics venue in 2018.

Option	Stands Moved	Concert Capacity	Athletics Hosted	Net E20 Position	Additional Cost to Option B	Capital Investment
A	None	s.43				
B	South, North, Adapt West					

- 1.3. A final decision was to be made on the 27<sup>th</sup> June, subject to a number of points being clarified. These are set out in section 3 below.

## 2. RECOMMENDATION

- 2.1. It is recommended that the Board **AGREE** to move the North Stand as well as the South Stand to guarantee a 65,000 concert capacity now and the ability to stage athletics, in order to:
  - 2.1.1. Protects the longer term reputation of the stadium;
  - 2.1.2. s.43 [REDACTED]
  - 2.1.3. Provides certainty to LS185 to book concerts.
- 2.2. In making the decision the Board noted that:
  - 2.2.1. it involves a forecast s.43 [REDACTED] more expenditure than not moving the seats.
  - 2.2.2. The decision took into account that the Board have required seat move costs to be reduced; that they had reservations about the net income included in the "not moving seats";
  - 2.2.3. it required up to another s.43 [REDACTED] capital investment on permanent measures that improve the long term concert capacity and seat moves costs. The Board required that these are minimised, while retaining the 65,000 concert capacity.

## 3. UPDATE ON POINTS OF CLARIFICATION

### Confirmation of Concerts



- 3.1. Immediately after the Board LS185 were informed of the Board's position, and the need to provide a level of assurance on at least 6 concerts.
- 3.2. LS185 have chosen to write to set out a long list of reasons why they should not approach promoters until E20 have made a final decision. Therefore the Board does not have written assurances from LS185.
- 3.3. However, E20 understands there is a realistic prospect of securing c.6 concerts in 2018.

#### Confirmation of Athletics Seating Capacity

- 3.4. Work has confirmed that we could provide a compromised, but credible venue.
- 3.5. KSS have issued a report (copies available on request). While precise capacities are to be determined by more detailed work, it is clear that there would be an athletics capacity with unrestricted seats in excess of s.43 and up to a further s.43 with partially restricted views. Appendix 1 shows the West Stand seat layout and across section.
- 3.6. A similar s.43 ratio applies in the hospitality spaces. There are sufficient press areas to provide suitable unrestricted capacity.
- 3.7. s.43

#### Seat Move Costs

- 3.8. The Board questioned the s.43 estimate of seat move costs, and noted that the figures should be substantially reduced.
- 3.9. For the purposes of the decision it is recommended that the s.43 figure is retained.
- 3.10. However, a number of specific actions are being undertaken to get the cost down. These include:
  - 3.10.1. Minimise weekend working (up to s.43 )
  - 3.10.2. Minimise the number of West Stand blocks moved s.43
  - 3.10.3. Revise contract terms to secure a fixed price and lower bonuses (s.43
  - 3.10.4. Reduce Project management fee (s.43
  - 3.10.5. Limit contingency to 10% rather than 20% (s.43 )

#### Compatibility with Pell Frischmann work

- 3.11. Pell Frischmann's report was received on the 23 June 2017. LLDC and NLI staff has held an initial discussion on the reports. It is too early to draw conclusions from the report, other than there does appear to be the potential to make radical changes to the seating system that require capital investment but could generate significant savings on annual seat move costs.
- 3.12. The report has been assessed for compatibility with the 2018 seating proposal.
- 3.13. While confirming Option B potentially restricts the ability to test prototypes in 2018, it also provides an impetus to trial new solutions. If a demountable option was selected for the North and South 2 stands it may be possible to trial one demountable stand in 2018.

Stand	Possible Conclusion from Pell Frischmann Work	Compatibility with 2018 Seating Solution
South Stand	Retain or Replace with Demountable or modular stand	Compatible Opportunity to implement in 2018
North Stand	Retain or Replace with Demountable or modular stand	Compatible Opportunity to implement in 2018

West Stand	Focus PF on making improvements to the stand potentially including a new system or adaptations	Compatible Focus innovation on blocks being removed in 2018 to host athletics
East Stand	Permanently in football mode, retaining ability to host cricket, baseball, athletics and concerts by removing front 7 rows Retain ability to move back if mega event staged at Stadium (e.g. Olympics)	Compatible. Agreement to not move stand unless for a mega event would support the capital improvements identified for blocks 130,131, 141 and 142
Front 7 row removal	Retain flexibility for North, East and West and find cheaper solution	Compatible 2018 configuration should provide impetus for finding a cheaper solution to removal and movement of the 7 rows.

### Capital Investment Needs

3.14. The s.43 capital investment need included in the 22<sup>nd</sup> June report have been revised, to reflect that the s.43 for Layher purchase has been made from the 2017 contingency (noting the impact on that). This means the capital investment need is now up to s.43. There is a prospect of a further saving of s.43 through prioritisation of the remaining works.

### Impact on E20 Business Plan

3.15. The 2018-19 base business plan forecasts a deficit of £14m. s.43 identified a further £6.5m of “sensitivities” (risks) that could increase the deficit to £20.5m. This is based on the status quo of moving three stands at a cost of £7m. The net income from concerts was forecast in the business plan at s.43.

3.16. The impact of the “Option B” seating proposal is an improvement of £3m on the 2018-19 business plan. This is because seating costs are forecast to be £3m less (c.£4m as opposed to £7m), whilst concert income remains forecast at the same level. The overall impact on the business plan is therefore to reduce the base forecast deficit from £14m to £11m (or after sensitivities, from £20.5m to £17.5m).

3.17. The 'no seat moves' option would be £3.5m better (i.e. £10.5m base deficit, or £17m deficit after sensitivities).

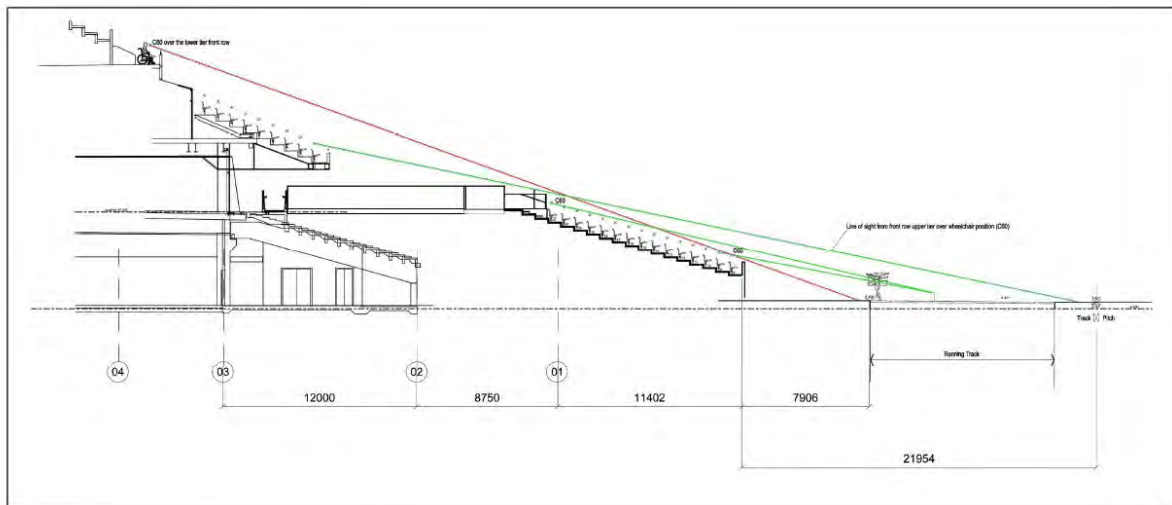
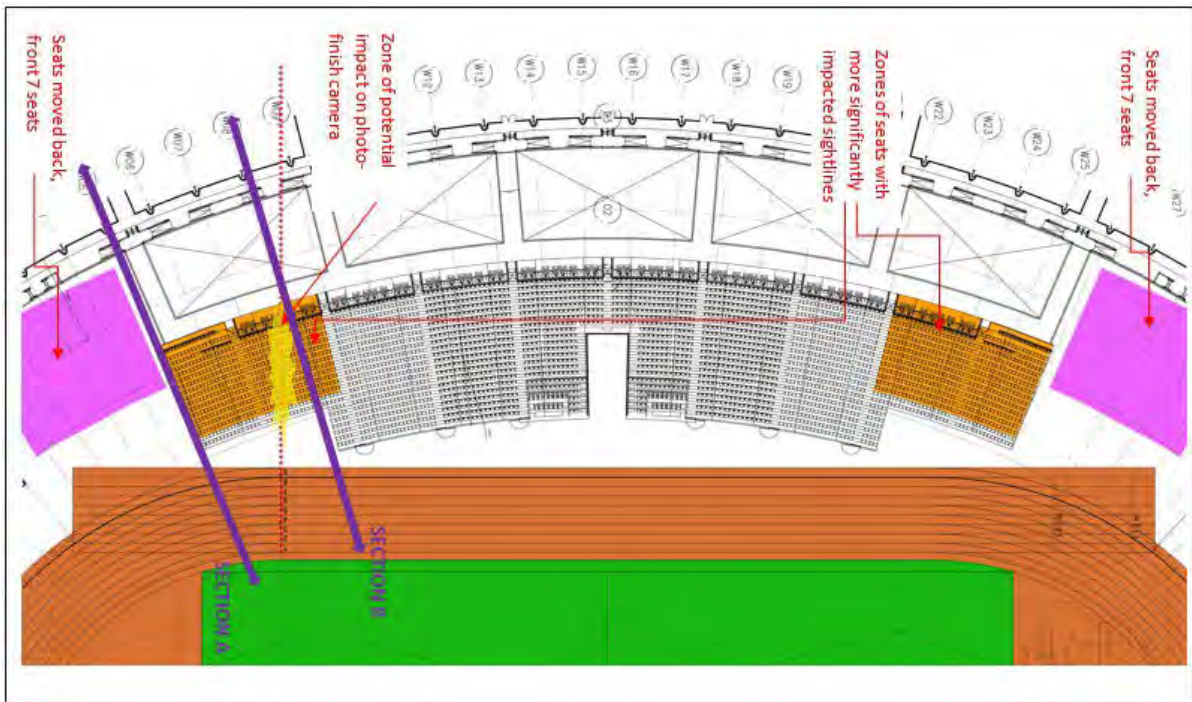
3.18. Therefore both options A and B improve the position set out in the draft business plan.

3.19. This analysis ignores any other movements in the business plan, or in s.43, since they were established (eg. naming rights). E20 will provide its regular quarterly update on its financial forecasts to the 25 July Board, reflecting the latest position across all lines of the business plan.

### Move Dates and impact on WHU

3.20. A question asked outside the Board, but worthy of note is the position with WHU. A headline programme for seat moves and events is attached at Appendix 2.

# Appendix 1: KSS Sightline Image and Cross Section



**West Stand - Section B**

## Appendix 2: Outline 2018 Seat Move and Event Programme

Activity	Start Date	End Date	Days
Final Football Game	Sunday 13th May	Sunday 13 <sup>th</sup> May	1 day
T1 Seat Moves: North and South Back West Adaptations 7 Rows removed into concert mode	Monday 14 <sup>th</sup> May	Wednesday 23 <sup>rd</sup> May	10 days (including 1 weekend)
Concert Period	Thursday 23 <sup>rd</sup> May	Sunday 1 July	37 days, (including 18 Friday /Saturday/ Sundays)
Seat Transition 2: Movement of 7 rows	Monday 2 July	Wednesday 4th July	3 days (no weekends)
Shell Event (Stadium hospitality) [Potential to combine with Great Newham London Run using stadium and Shell track]	Thursday 5 July	Sunday 8 July	3 days
USA v GB Athletics	Saturday 14 July	Saturday 14 July	1 day
Diamond League	Saturday 21 July	Sunday 22 July	2 days
Seat Transition 3 North and South Forward West Adaptations restored to football mode 7 rows reinstated where not in place 7 Rows removed into concert mode	Monday 23 July	Tuesday 31 July	9 Days (including one weekend)
Stadium in Football Mode	1 August 2018	14 May 2019	NA



**Subject:** London Living Wage and Local Employment

**Meeting date:** 27 June 2017

**Agenda Item:** 6

**Report to:** E20 Stadium LLP Board

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

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## 1. SUMMARY

- 1.1. The purpose of this paper is to request a decision on payment of London Living Wage.
- 1.2. This is now necessary – even if that decision is to defer the matter for consideration at a future date. The Board will need to balance two powerful and conflicting factors:
  - 1.2.1. Political and public pressure to pay LLW;
  - 1.2.2. The substantial cost of paying LLW, which would be additional to an already large E20 annual deficit position.
- 1.3. For these reasons, and because E20 recognises this is a decision for the Members (in LLDC's case in consultation with the GLA), no recommendation is made. Proposed next steps are set out in the event that the Board are minded to adopt LLW.
- 1.4. The paper also provides an update on levels of local employment at the stadium. Although still below target, there is an improving picture with regards to the percentage of stadium employees from Newham and other local boroughs.

## 2. RECOMMENDATIONS

- 2.1. The Board is invited to **DECIDE IN PRINCIPLE** whether to:
  - 2.1.1. Instruct LS185 and its subcontractors to pay at least the London Living Wage to all stadium staff. This will cost E20 an estimated c£800k per annum; or
  - 2.1.2. Continue as per the current LS185 contract, requiring LS185 to pay sub-contractors LLW "where possible"; or
  - 2.1.3. Defer a decision until the future direction of the stadium is more certain.
- 2.2. The Board is invited to **NOTE** the progress being made in relation to local employment at the stadium.

## 3. LLW – CURRENT AND CONTRACTUAL POSITION

- 3.1. The London Living Wage is currently £9.75/hour, whereas the National Minimum wage (for over 25's) is £7.50/hour.

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- 3.2. Currently, LS185 and its subcontractors do not pay London Living Wage (LLW) to all staff working at the stadium. Indeed, the bulk of event day staff, who are temporary and not directly employed by LS185, are paid less than LLW. For instance, on a typical West Ham matchday approximately 53% of the c.1100 stewards, and 93% of the c.700 catering staff, are paid under LLW.
- 3.3. All permanent LS185 staff are paid at least LLW, with the exception of the groundsman apprentice. All permanent subcontracted stadium staff, with the exception of eight VINCI Facilities cleaners and four OCS security staff, are paid at least LLW.
- 3.4. E20's Operator Agreement with LS185 reflects the Mayor's policy on LLW. Under the employment and skills commitments, it states (emphasis added):
  - 3.4.1. "Payment of the London Living Wage is a Mayoral priority and LLDC requires the Operator and, where possible, the Subcontractors of the Operator to comply at all times with the London Living Wage and to remunerate each member of their respective workforces who is working for all or most of his or her time in London, by payment of the London Living Wage".
- 3.5. LS185 maintain that they are fulfilling this obligation. They rely upon the "where possible" wording in order to not pay LLW to many subcontractor staff.<sup>1</sup> They advise that to do so would create operational challenges for their subcontractors (as it would create an inconsistency for staff operating across a number of venues), although LS185 have confirmed it is practically possible if E20 were so minded.
- 3.6. LS185 have also advised that the cost would be very significant. Indeed, the cost implication is keenly felt by E20 too, as under the terms of the Operator Agreement event day staffing costs are classed as an "Event Cost". Event Costs are factored into the annual net commercial revenues generated by LS185, which is currently split 95% to E20, 5% to LS185. It therefore follows that E20 would currently bear at least 95% of the cost to uplift event day staff to LLW.

## 4. LLW – PUBLIC POSITION

- 4.1. There has been growing interest and pressure to pay LLW at the stadium. Annex 1 sets out statements made earlier this year.
- 4.2. It is clear from the statements that the Mayor of London expects LLW to be paid at the stadium. E20 has already suggested that it is matter of when, not if. It therefore follows that a decision to not pay LLW could result in significant reputational and political challenges.

## 5. LLW – FINANCIAL IMPLICATIONS

- 5.1. In its draft business plan prepared in March 2017, E20 identified the financial risk of a subsequent decision to adopt LLW. It was quantified at an additional cost to E20 of £800k per annum, beyond the base business plan forecasts.
- 5.2. E20 has since commissioned analysis from LS185 to identify the financial implications of paying LLW, and the practical steps to do so. Specifically, LS185 were asked to provide:

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<sup>1</sup> E20 understands a similar situation exists at other QEOP venues. For instance, not all staff at the Aquatics Centre or Copperbox are paid LLW.

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- 5.2.1. “The forecast annual cost of fully implementing LLW (all staff, permanent or temporary, LS185 or subcontractor), with breakdown. You should breakdown by event and role, stating your assumptions. It should draw any necessary distinction between net commercial revenues and fixed costs. It should also be the complete cost of implementation, including any cost of altering contracts. It should take account of any reductions in staff numbers that can be achieved by paying higher wages.
  - 5.2.2. Proposed process and timeline for fully implementing LLW. What practical and contractual steps need to be taken?”
- 5.3. LS185’s report in response is attached in Annex 3. In common with previous submissions (eg. business plan), it is very disappointing. It is incomplete, unclear, and fails to answer the exam question posed. E20 and Member representatives held a workshop with LS185 to feedback, and in an attempt to glean further information to inform the E20 Board decision.
- 5.4. LS185 have been uncooperative, retreating back to their strict contractual obligations. These state that in circumstances such as this, E20 must first issue a formal contract change request. LS185 will then undertake an impact assessment (at E20’s cost). Until that point, LS185 refuse to be drawn on offering even a ballpark estimate of the total annual cost of implementing LLW – or even on commenting on E20’s own analysis.
- 5.5. Nevertheless, E20 has undertaken a full assessment of the potential annual cost of implementing LLW. This draws upon the limited information provided in LS185’s report, and makes other reasonable assumptions. It is at annex 2.
- 5.6. The table at annex 2 forecasts an additional annual cost to E20 of £769k. This is dependent upon a number of stated assumptions; there is fair amount of uncertainty. LS185 are likely to resist any share of the financial burden, so, subject to negotiation and potential legal challenge, E20 could be required to meet the full £875k cost. Some lines in the table are, in the absence of LS185 data, little more than guesses (that LS185 refuse at this stage to comment on).
- 5.7. On the upside, the figures for West Ham matches are based on the most recently adopted stewarding levels. Plans are well advanced to reduce the number of stewards in future, and an uplift in pay would further strengthen LS185’s ability to do so. This is not yet factored into the analysis, so once adopted would be likely to reduce the cost impact.
- 5.8. E20 will not have a wholly reliable cost estimate until LS185 provide their impact assessment of the proposed contract change. If LLW is adopted, it will be difficult to ever establish the actual precise cost of the decision, as it will be difficult to isolate it from other operational changes.

## 6. LLW – DECISION AND NEXT STEPS

- 6.1. The decision on whether to instruct full implementation of LLW comes down to the balance between:
  - 6.1.1. Political and public pressure to pay LLW;
  - 6.1.2. The substantial cost of paying LLW, which would be additional to an already large E20 annual deficit position.
- 6.2. If the Board are minded to adopt LLW, E20 suggests the following next steps:
  - 6.2.1. E20 Board decision in principle to fully implement LLW (27 June)

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- 6.2.2. Draft contract change request issued by E20 to LS185 (by end June)
  - 6.2.3. LS185 undertake full impact assessment to identify cost, practical considerations, and timeline for delivery. Cost of undertaking impact assessment is to be borne by E20 and hence will be agreed in advance.
  - 6.2.4. E20 and LS185 discuss and agree financial impact and implementation plan.
  - 6.2.5. E20 Board is asked to reconfirm its decision, in light of the agreed cost and implementation plan.
  - 6.2.6. E20 issues final contract change requiring LS185 to implement LLW.
  - 6.2.7. LS185 implement LLW. E20 would push for adoption by September 2017, in time for West Ham's first match (although that will depend on the speed of the earlier steps; LS185 currently refuse to commit to a timetable).
- 6.3. If the Board are not minded to adopt LLW, E20 and Members will develop a communications plan to minimise any fallout.

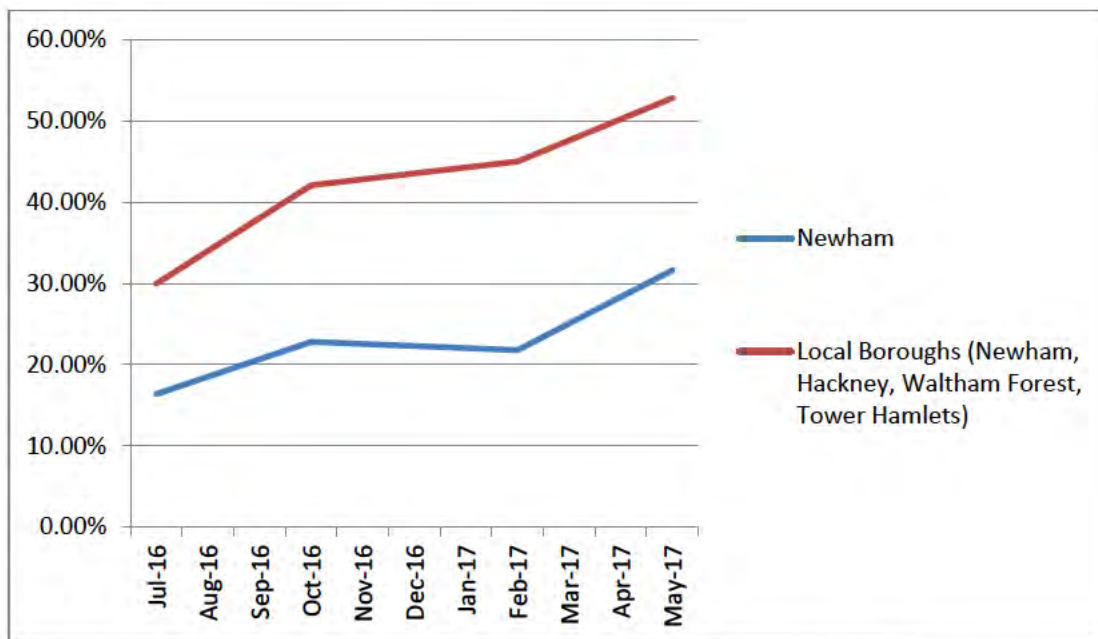
## 7. LLW – LONDON 2017

- 7.1. The Board should note that many of LS185's subcontracted staff for London 2017 will not be paid LLW. LS185 have advised that it is too late to implement LLW for London 2017, as planning is now too far advanced.
- 7.2. London 2017 **s.40** has been informed of the position. To note that London 2017 pay LS185's actual operational costs for the championships. It has therefore arguably been within London 2017's gift to instruct payment of LLW. London 2017 have not done so, despite the GLA being a major funder of the event.

## 8. LOCAL EMPLOYMENT

- 8.1. Employment of local people at the stadium – in particular Newham residents – is an important wider economic benefit for E20 and its Members. The Operator Agreement states:
  - 8.1.1. "The Operator will promote jobs and apprenticeship opportunities to local people, using reasonable endeavours to recruit seventy five percent (75%) of its Personnel from the London Borough of Newham utilising the Workplace scheme, or where this is not possible from the boroughs of Hackney, Waltham Forest and Tower Hamlets."
- 8.2. E20 drives progress against this commitment via a quarterly jobs and apprentice report it requires from LS185. The latest report is available to Members on request.
- 8.3. It demonstrates improving trends, but still a long way to go to achieve the target. 31.6% of stadium employees are from Newham; this rises to 52.8% across the four local boroughs. The progression over the past year is set out in the graph below:





- 8.4. E20 hosted a workshop with LS185, LLDC and LBN on 20 June to review local employment levels, and identify opportunities for further improvements. The key to driving further progress – in particular in Newham – is to ensure the partnership between Workplace and LS185 (and its subcontractors) is as effective as possible. To that end, a follow-up operational meeting is now being set up between LS185, its key subcontractors (including Delaware North), LBN s.40 ██████████ Workplace, and LLDC s.40 ██████████

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## ANNEX 1 – PUBLIC STATEMENTS ON LONDON LIVING WAGE

Following press interest in February 2017, when it was disclosed that not all London Stadium staff were paid LLW, the GLA issued the following statement:

“A spokesperson for the Mayor of London said: “Although these are sub-contracted staff, Sadiq is extremely unhappy with this position and has given instructions for this to be put right immediately. Sadiq is wholly committed to the London Living Wage and is leading by example.”

At the same time, E20 also issued a statement as follows:

“We fully support the Mayor’s commitment to the London Living Wage. All permanently employed staff have always have been paid at or above this rate.<sup>2</sup> Some sub-contracted employees are paid below that level, but these contracts are already under review with the aim of ensuring all staff are paid the London Living Wage as soon as possible.”

In response to a Mayoral Question in March 2017, the following answer was given:

Can you confirm whether all staff that work at the Olympic Stadium are paid the London Living Wage and, if not, what roles do not award this level of pay? Keith Prince AM

MQ response:

LLDC is a London Living Wage (LLW) employer and ensures that all its direct employees, interns, and apprentices are paid the LLW as a minimum. In addition the LLDC has made it a contractual requirement for its main construction contractors and end-use contractors to pay the LLW to their directly employed staff. The London Stadium is managed by such a main contractor and as a result their directly employed staff have always have been paid at or above the LLW. Some match-day staff, in roles such as catering and safety, are employees of sub-contracting firms who currently pay wage rates below that level. These contracts are already under review with the aim of ensuring all staff are paid the LLW as soon as possible.

In May 2017 E20 issued the following statement to Citizens UK (who have been lobbying for payment of LLW):

“The London Stadium fully supports the Mayor’s commitment to the London Living Wage. All permanently employed staff have always have been paid at or above this rate. We are currently working with our sub-contracting firms as they review the pay rates of their employees who are paid below that level with the aim of ensuring all staff are paid the London Living Wage as soon as practically possible. A formal decision will indeed be taken by the E20 Board in due course.”

In further correspondence with Citizens UK, E20 has indicated that the E20 Board will make a decision on LLW “this summer”. Given the Mayor’s public position, and the time that has elapsed since, it was necessary to make this commitment.

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<sup>2</sup> At the time, that position had been confirmed by LS185. E20 now understands that a handful of permanent staff are not paid LLW – as set out in para 3.3.

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ANNEX 2: E20 assessment of impact of paying London Living Wage								
Category	Additional cost per annum of paying London Living Wage (£)							
	LS185	Delaware North	OCS	Vinci Facilities	Sub-total	Potential treatment - subject to agreement with LS185	Total cost to E20	Notes
Permanent staff (x4) - OCS security	S.43							
Permanent staff (x8) - VF Cleaners								
Permanent staff (x1 apprentice) - LS185 Groundsman								
West Ham matchday staff (assumes 23 matches)								
UKA event day staff (assumes 2 days @ 40,000 attendance)								
Concerts (assumes 1 concerts @ 65,000 capacity)								
Other major event (assume 1 day @ 40,000 attendance)								
Community events (assume 6 small scale)								
Conference and banqueting								
Tours								
<b>Total per annum</b>								

## London Living Wage Report

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**Date of meeting:** 20<sup>th</sup> June 2017

**Subject:** London Living Wage Analysis

**Presenter:** Linda Lennon

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**Summary of Paper:** The impact of increasing the pay rates of all staff, including all sub-contractors, on both event days and non-event days is estimated to be £xx per year.

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### Background:

As part of the Operator Agreement (schedule four), payment of the London Living Wage is a Mayoral priority and LLDC requires LS185 and, **where possible**, the Subcontractors of the Operator to comply at all times with the London Living Wage and to remunerate each member of their respective workforces who is working for all or most of his or her time in London, by payment of the London Living Wage.

London Living Wage means the minimum hourly wage figure set annually by the Greater London Authority and calculated according to the basic cost of living in London, including any increases, including each annual uplift. This is currently £9.75, which is £2.80 than the current National Minimum Wage of £7.50 (for over 21's).

All information provided in this report is subject to an impact assessment being carried out and provides indicative figures only.

### Issues:

Some staff employed at London Stadium are currently paid wages below London Living Wage. This creates increased competition across other venues, impacts on the calibre of staff we are able to attract, decreases retention and consistency of staff, and has a reputational risk on the business.

We do however recognise that payment of LLW across other London base Premier clubs is not consistent.

Sub-contractor's business models and original bid put together would be impacted by any changes to implementation of any increase to pay, in particular Delaware North who need to have parity across the estate.

### Recommendations:

E20 is invited to:

1. Note the information provided in this report
2. Provide feedback on the information in this report
3. Approve the implementation of an impact assessment to increase pay rates to London Living Wage via a contract change

### Financial implications:

The impact of paying all staff the current London Living Wage (£9.75) is shown in detail in Annex A. This includes data from all sub-contractors and their sub-contractors.

This impact does not include any annual uplifts.

There will also be some one off costs for implementation such as HR costs and payroll costs.

Sub-contractor	Current staff costs	Costs with LLW	Difference
Delaware North	s.43		
OCS			
VINCI Facilities			

**Assumptions:**

We have worked out the costs on the following assumptions:

1. A base number of 25 competitive home matches per year, as per the Operator Agreement. This includes 19 premier league games, three premier league two games and three cup games (EFL, FA and European). The impact would be increased should WHU be playing in the Championship, whereby the base number would increase to 30.

Further analysis needs to be completed to look at the impact of other events listed below which have different lengths of hours for deployment:

2. Two athletic events
3. s.43 (tbc) concerts of a 65,000 capacity (tbc)
4. One other major event, such as RFL, international football,
5. Six small events, such as community events (for example the Mayor’s Football Event)
6. XX conference and banqueting events
7. XX tours

For catering and cleaning staff, the numbers have been kept the same as current requirements as this is worked out on a ratio basis.

For stewarding staff, the numbers have been calculated on current requirements as new dot plans have not yet been approved by the Safety Officer or SAG. However, we have worked out costs based on the following categories of matches from the 2017/18 season fixtures, which may change nearer to each match as the Police provides updated intelligence. It also assumes that a category A club is drawn in any cup games where WHU are at home. This may differ from season to season depending on the clubs promoted/relegate to/from the Premier League.

- 16 category A matches
- Six category B matches
- Three category C matches

The concert resource requirements are worked out on the basis of a 3pm opening and would be increased if the start time was brought forward, for example if a festival type of event was booked.

It is important to note that this is an estimate and could be impacted by the teams WHU draw in any cup games, any changes to C&B events and the ability of LS185 to put on summer events.

**Information:**

For all sub-contractors, paying LLW would be beneficial in improving retention and consistency of staff, calibre of staff we are able to attract and encouraging staff to work at London Stadium when there are clashes at other venues.

LS185 staff

The only member of staff who is paid under LLW is the Groundsman Apprentice. As discussed extensively during the initial proposals, the agreed rate of pay was National Minimum Pay (currently £7.50) with annual rises as directed by the Government. To increase this would mean that the Apprentice would be paid only £720 less per year than our already qualified Groundsman and would mean increasing our pay scales for the whole of the Groundsman Team structure to account for this. It would also be above other industry practices and could leave partnership working with other venues at risk. We strongly recommend no increase in wages to the position, above the annual uplift to NMW.

#### Stewarding

Annex A shows the impact of paying stewards LLW. The current pay rate is £8.40, so an increase of £1.35 is needed to bring this into line with LLW. The charge rate for LS185 includes 12% which accounts for a portion of holiday pay and admin fee. For the purpose of this, we have also looked at the impact on the differential rates between positions, i.e. between stewards, their managers and their managers etc.

Alongside this, LS185 has been doing a piece of work to provide consistency on rates for any supplier and to reduce numbers across the board following the deployment needed for the first season at a new stadium.

In addition, there are four OCS security staff currently paid £9.40 per hour on a 42 hour per week contract. The impact of increasing this to £9.75 has not been included.

#### Catering

S.43

#### Cleaning

VINCI Facilities has a team of seven day to day cleaners who are paid £8.80 and one supervisor who is paid £9.50. The cost impact resulting from increasing the cleaner rate to LLW, and subsequently increasing the supervisor rate to £9.50 is £14,418.54 per annum and separate from any other fee indexation adjustment.

Activation Costs as a result of up lift from National Living Wage to London Living Wage an increase of £2,225 per event. The current activation cost for the remainder of 2017 will therefore be £42,284 for a 55,001 - 60,000 range event, this also takes into account annual indexation from 2015 as per Schedule of Activation Costs provided.

Note: Periodic Cleaning and Deep cleaning has not been considered in this calculation and is still to be agreed between the parties.

#### **Summary and next steps:**

This paper is for an informal discussion and provides indicative figures only. All information provided is subject to change when the full impact assessment is completed.

As this is out of scope and as per the Operator Agreement, a contract change should be issued by E20 to LS185, which LS185 would pass on to sub-contractors. An impact assessment would then need to be completed as per schedule nine with a consultant HR representative undertaking the necessary steps.

To implement LLW for 1<sup>st</sup> September, to coincide with the start of the new Premier League Season 2017/18, a decision is needed in line with the timelines set out in the Change Request Procedure.

**Item:** 7  
**Subject:** LS185 Issues  
**Meeting date:** 27 June 2017  
**Report to:** E20 Stadium LLP Board  
**Report of:** Ian Bright

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## 1. SUMMARY

- 1.1. This update report focuses on the commercial items in dispute between E20 and LS185.
- 1.2. It does not provide a wider assessment of LS185 performance, which remains a concern.
- 1.3. Significant additional effort and resource has been put into resolving these issues by E20, LLDC and NLI. As a result they are now progressing, albeit slower than hoped for which is down to:
  - 1.3.1. The initial pre-work required to capture and log all disputed items;
  - 1.3.2. The need to adapt the existing meeting structures to enable there to be a focus on key areas i.e. Defect close out;
  - 1.3.3. Poor meeting attendance from LS185 and Vinci FM;
  - 1.3.4. Engagement with LS185 and Vinci FM is slow due to their lack of resource and because they are more focused on concert delivery at the moment.
- 1.4. Progress has been made in areas such as:
  - 1.4.1. All issues are now properly documented with clear work streams and actions in place to close out issues – most actions now with LS185;
  - 1.4.2. Where possible we have started to quantify E20's assessment of claims;
  - 1.4.3. The Defect resolution rate has increased and a concerted effort to capture all Defects related to LS185/ Vinci FM claims, prior to end of Defect Period, has decreased a potential E20 liability;
  - 1.4.4. E20's detailed review of the LS185/ Vinci claim has enabled the development of a contra charge to Balfour Beatty.

## 2. RECOMMENDATIONS

- 2.1. The Board is requested to **NOTE** the work being undertaken to manage and resolve the outstanding items in dispute with LS185.

## 3. BACKGROUND

- 3.1. The areas of dispute can be summarised under two headings:



- 3.1.1. **Completion and Handover** – To date LS185 and Vinci FM have raised significant concerns in relation to the handover and condition of the Stadium. It has caused them to make statements such that the Stadium is not complete/ or it is unsafe to operate. Recent work between E20 and LS185 has resulted in the more rapid close out of Defects but also the raising of more Defects by the Supervisor (see below).
- 3.1.2. **Operational** - To date the focus has been to capture and log all of the disputed items so they can be appropriately managed in accordance with the contract. The source of relief under the contract is through the Excusing Event mechanism and so this process needs to be followed. Following numerous requests and finally developing E20's own, we have just received a first draft Excusing Event Log from LS185 i.e. their point of view of all the disputed items where they expect relief.

#### 4. Completion and Handover

4.1. The main areas in discussion with LS185 and Vinci FM are:

- 4.1.1. **Health and Safety** – 'Park H&S' undertook a health and safety review on behalf of E20. Their report was received on the 12<sup>th</sup> June and has been shared with LS185. The report advises that ... *Event Safety Management is undertaken to a high standard. However, most of the procedures and high level documents are over 12 months old and should be reviewed and updated.... And .... LS185 has identified some issues within the Stadium, and currently additional control measures are being implemented in discussion with Newham Council. These have been deemed suitable and sufficient to enable events to be held safely, in compliance with the General Safety Certificate, while permanent solutions are developed and implemented.*

The report makes recommendations and identifies actions which should be addressed within specified timescales. There are five '14 day actions' which go into a further level of detail and request evidence to back up Park H&S's findings. The LS185 CEO has agreed to respond to by 28<sup>th</sup> June 2017:

- a) Issue to E20 the current (v6) Fire Risk Assessment plus confirm issues raised in October 2016 version are closed out;
- b) Issue to E20 the current water risk assessment and confirm that any specified actions are being undertaken;
- c) Develop a plan in relation to fire compartmentalisation to address issues which have been identified enabling workarounds to be become redundant;
- d) Provide evidence of key persons holding Level 4 certification to demonstrate event safety competent persons;
- e) Electrical fixed installation testing and certification: develop a plan to address these issues in practice. Thereafter, monitor progress to close-out.

Item (a), the Fire Risk Assessment will be critiqued by Park H&S once received. Any obvious deficiencies will be highlighted by Pak H&S with particular focus on the competency of the author as well as its content. Non receipt of this from LS185 should be treated seriously now that it has been requested on a number of occasions and it is an important action to demonstrate E20 is doing all it should in this regard. Items (b), (c) and (e) are being addressed with Balfour Beatty and Vinci FM as part of the Defects rectification process.

There is also one '14 day action' for E20 – .....*E20 safety objectives: clearly define and cascade these to LS185. This requirement is set out in the Stadium Operator Contract and can provide clear Client (Landlord) direction to the Operator on their expectations in all aspects of Health and Safety.*

Park H&S will produce a draft set of objectives for E20 to approve and issue as a draft to LS185.

There are also 3x28 and 1x56 day actions for LS185 covering the review and updating of out of date documentation, auditing subcontractors and committing to continuous improvement. E20 will continue to monitor the actions supported by Park H&S where appropriate.

4.1.2. **Delayed Completion** – E20 considers (backed by legal advice) that the Full Operating Period has commenced and will therefore apply and enforce the stadium operating contract with LS185 on that basis. If LS185 fails to fulfil its obligations to perform the services and otherwise fulfil the stadium operating agreement on that basis then it is in breach of contract. LS185 would be better served in dropping its position that the Stadium has not Completed (which appears to needlessly risk LS185 being in breach) and instead focusing on its rights under the Excusing Event mechanic to recover, to the extent it is entitled, its additional costs. We have now fully engaged in dialogue on a without prejudice basis to review and assess the delay claim – See claim assessment below.

4.1.3. **Defect Rectification** – Defects under the Transformation Works Contract need to be agreed by the 'independent' NEC Supervisor. E20 has set up a regular forum which has now been running for 1 month where LS185 and Vinci FM can meet and review the Defect List with the Supervisor. This ensures that any claims from LS185 around 'non-compliance/ un safe/ not complete' can be 'diffused' because at the time of entering into contract LS185 effectively agreed the scope of the Transformation Contract which the NEC Supervisor (Mott MacDonald) polices. The meetings have resulted in a more focused approach to defect resolution and also enabled LS185 and Vinci FM to raise issues from their Asset Condition Survey Reports. The current status is:

- a) 384 Defects to date (20 new);
- b) 294 Defects closed;
- c) 77 Defects remain open;
- d) 13 Defects disputed;
- e) 8 Further Defects being reviewed by the Supervisor.

Mace are currently pricing all of the remaining Defects (including disputed) as these, if not closed by Balfour Beatty, will form a contra charge to Balfour Beatty. LS185 has been requested to confirm by 28<sup>th</sup> June that they are satisfied that all of their concerns are recorded on the Defect list and any commercial impacts from having to work around a Defect are given to E20.

4.1.4. **Asset Condition Survey Reports** – In accordance with an obligation to undertake an Asset Survey, LS185 and Vinci FM have issued circa 30 reports in relation to the condition of the Stadium. LLDC Transformation has confirmed that these reports have all been reviewed by Mace and the NEC Supervisor. This way, any items which are Defects are passed back to Balfour Beatty as the Supervisor raises them as Defects and therefore any costs associated are also passed to them and do not reside with E20 or LS185. There will be certain

items in the condition reports where it is not a Defect and in these instances they will need to be reviewed against a lifecycle allowance – this was the mechanism expected under the Operator Contract as it is acknowledged that the Stadium is not new in certain areas (see lifecycle below).

- 4.1.5. **Asset Verification** – As expected, Vinci FM has undertaken a revised asset count as part of their obligation under the contract to carry out Asset Surveys. From the survey, Vinci FM has highlighted that they believe the asset count has increased from 11,000 (at bid stage) to 36,000 post the Transformation works. As a result, a claim has been submitted increasing the fixed FM price from £1.9m PA to £3.1m PA and that the £10k comprehensive limit should be put aside (due to condition of assets – See Lifecycle) and charged at cost. Valuing the comprehensive limit at cost would increase the claim to circa £3.3m PA.

E20 has appointed BWA to review the claim and benchmark the FM costs. The work is ongoing and is focusing on validating the base line for the asset count and the allowable addition/subtractions resulting from changes to the Balfour Beatty contract post the LS185 bid. Early indications suggest the difference will be significantly less as BWA has highlighted that the bid information shows a much higher starting point for the number of assets than claimed by LS185 (i.e. not 11,000) and the allowable extra's under the Transformation Works Contract are fairly minor. BWA are to report W/C 26<sup>th</sup> June.

- 4.1.6. **Lifecycle** - Based on the 36k of assets claimed by Vinci FM, they have put forward a profiled lifecycle fund of £78m over 25 years with £12m forecast for the period 2017 to 2021. The total 25 year quantum is broadly in line with E20's expectations from the lifecycle plan developed by Gardiner&Theobald in 2014. However, LS185's lifecycle profile is much more front loaded. LS185's proposed lifecycle fund was largely adopted by E20 in its March 2017 draft business plan. Vinci FM advise that £746k of spend is necessary in year 1 as a result of the stadium condition at handover. This spend is necessary in order to preserve the lifecycle profile advised above. A breakdown of this figure has been requested but has been delayed as Vinci FM has advised that a reconciliation exercise is underway as the amount will reduce now that Defect work is being undertaken by Balfour Beatty. When the revised Lifecycle costings have been received they will be reviewed by BWA.

4.1.7. **Claim Summary** –

Delayed completion/ disruption claim – This relates to any additional input required as a result of 4.1.2 and 4.1.3 above, such as Defect work around solutions or additional resource requirements over the extended handover period. The claim is:

- a) July to Dec 2016 - £542k covering both LS185 & Vinci FM. Dialogue has commenced. Based on further details provided, E20 assessment is currently is £230k then split roughly 50:50 between contra charge to Balfour Beatty and liability to E20 (such as additional resource due to delayed handover).
- b) Jan to March 2017 - £245k (excluding LS185). Further details have been requested.

Asset verification/ quantum claim – Relates to 4.1.5 and is an annual increase.

- a) Original fixed FM price - £1.9m PA
- b) Increased fixed FM price - £3.1m PA

- c) Increased fixed FM price including allowance for comprehensive limit at cost - £3.3m PA

Asset Condition/ Lifecycle – Relates to 4.1.4 and 4.1.6 above.

- a) Current claim based on the condition surveys is £746k
- b) Vinci FM amending prior to E20 review

Possible contra charges to BB – Vinci FM has completed works to systems where Defects have been present and so these should be contra charged; there are also other Defects identified now where Vinci FM will do the work and the costs will be contra charged.

Defects works complete by Vinci FM	- £300k
Identified Defect Works to be instructed	- £150k
Year 1 life cycle catch up	- £750k
Total	- £1200k

## 5. Operational

5.1. E20 operates its own Commercial Log (23 items (as we have split items out for more clarity)) which now cross references to the Excusing Event Log issued by LS185 (9 items). Over time, as we are able to agree common Excusing Events, there will only need to be one list. The main items on the E20 list which are in discussion are:

5.1.1. **WIFI** - LS185 are re-engaging with O2 and Axians. LS185 did agree to come back w/c 19/06/17 on forecast date for letting contract and the programme for delivering the Connected Stadium but we are yet to receive anything. The excusing event claim has not been quantified by LS185 yet but E20 current estimate for delay/ price increase/ lost revenue is £300k.

5.1.2. **Historic Disputed Costs** – Now that WIFI is separated out and there is no compensation to pay for this loss of category, the historic disputed costs are to be resolved separately. E20 has been requesting that LS185 engage on this but the latest meeting to pick this up was cancelled by them. The disputed items relate to the electricity CapEx power upgrade, grow lights, and banquet seating. The estimated net position on these three items is £500k to E20.

5.1.3. **London Living Wage** – Separate Board Paper on this. The Excusing Event value for this item is estimated at c£800k per annum.

5.1.4. **Retractable Seating** – LS185 has issued a letter outlining their basis for an Excusing Event related to the retractable seating not delivering the anticipated crowd capacities for concerts and athletics. Their letter is a high level estimate with some flawed assumptions. E20 is writing back to LS185 to advise them of their contractual obligation to mitigate the impact of an Excusing Event and to work with E20 to look at all potential seating configurations and this work is in progress. The claim from LS185 is £2.4m for 2018 alone compared to E20's assessment of £500k. Refer to separate board paper for more detail.

5.1.5. The above are the main Excusing Events. The full list can be seen in appendix A

## Appendices

Appendix A – E20 Commercial Log Tracking all Excusing Events

Report originator(s): Ian Bright/s.40  
Email: ianbright@londonlegacy.co.uk

## APPENDIX A

Commercial Log - E20/ LS185		WC/19/06/17	Current ACTION		Owner
Item	Issue	Status	Action	Date for Action	
1	Health and safety review	Advised LS185 of H&S review in letter 4th May 2017 Report Issued to LS185 on 13th June. E20 and LS185 to address actions within 14 Days.	Note E20/ LS185	Note 27/06/2017	
2	WiFi	EE009 E20 issued request for information - 5th May 2017 LS185 re-engaging with O2 and Axians. LS185 agreed to comeback w/c 19/06/17 on forecast date for a) letting contract and b) having connected stadium fully installed. LS185 will write to E20 on separate issue of LLDC wifi on stadium island	LS185 LS185	Closed w/c 19/06/17	IB/ MG
3	Disputed Costs	Itemised Below		CLOSED	
4	Completion/ Operation Commencement				
4.a	Completion Process	Completion under the Tier 1 NEC contract	13/07/2016	CLOSED	
4.b	LS185 Excusing Event for delayed completion	EE001 Next Meeting on the 20/06/17  • Jan to March VFM claim (CEN 17)– received with part back up – the rest to be provided later this week. • Survey invoices received • CEN 11 to 16 (matched to EWN's) to be issued imminently by LS185	LS185	16/06/2017	
4.c	Defect Rectification	EE001 New Defect Meeting will supersede the actions on this tracker. Going forward propose having just a high level note on this tracker. Main action is for any related costs associated with Defects under the Transformation Works Contract to be issued by LS185/ Vinci by 20th June 2017	E20 LS185	CLOSED 20th June 2017	IB IB
5	Work Around Solutions	EE001/ EE007 Additional Letter Sent on 25/05/17 requesting the details in relation to Excusing Events Main action is for any related costs associated with Defects and any consequential work around solutions to be issued by LS185/ Vinci by 20th June 2017	LS185 to Provide Detail LS185	30/05/2017 20th June 2017	IB IB
6	Statutory Compliance Issues/ Capitec Compliance Report/ Transformer Report/ Fire Stopping and Fire Doors	EE001 Capitec Report Received 31/03/17 Topic Moved to Defect Meeting Electrical Transformer issue raised by LS185/ Vinci 31/03/17 Topic Moved to Defect Meeting Legionella Topic moved to Defect Meeting Fire Dampers Issue raised 31/03/17 Topic moved to Defect Meeting Pressure Systems Topic moved to Defect Meeting Fire Stopping Report received on 31/03/17 Topic moved to Defect Meeting	LS185 LS185 Note Note	Moved Moved Moved Moved	
7	Asset Condition Survey Reports (as per the contract)	EE001 All reports have been reviewed by Mace and the Supervisor. Items which the Supervisor agrees are Defects have been passed to BB to rectify. LS185/ Vinci to advise if any items which they have been notified as 'not Defects' that they review these and agree with E20 the appropriate course of action i.e. Lifecycle for example.	LS185/ Vinci	20/06/2017	IB
8	Lifecycle Review	EE001 Meeting cycle to be confirmed/ Set Up Life cycle – E20 requested breakdown of stated £750k first year works required to allow profile provided to work.	E20/ LS185 LS185	May-17 W/C 15th May	

9	Asset Verification	EE001			
	FM Fixed Cost	Presentation and Report Issued by LS185 on End March 2017	N/A	CLOSED	
		Asset verification – E20 requested original bid take off quantities.	LS185	30/05/2017	s.40
		LS185 to confirm when full asset claim will be submitted.	LS185	30/05/2017	s.40
10	Payment Report Confirming Net Commercial Revenues 2016				
		Payment report from LS185 is overdue. LS185 to provide an update.	LS185	13-Jun-17	MG
		April to June Fixed Cost payments on hold until report is provided.	E20	13-Jun-17	MG
		LS185 will confirm if they need anything from E20, then E20 will provide.	LS185	27/06/2017	MG
11	Change Requests	Change request log managed by s.40	E20	Ongoing	s.40
		Circa £690k agreed with £130k still in discussion. PA to provide update at next meeting.	E20	13-Jun-17	s.40
12	London Living Wage				
		LS185 to provide report on financial impact of implementing LLW, for discussion at E20-LS185 workshop on 20 June. Then onto E20 Board 27 June for decision.	LS185	20/06/2017	MG
13	Seating Capacity 2018/2019	EE008			
		Excusing Event being produced by LS185 - As advised in letter 2nd June	LS185	16/06/2017	IB
		LS185 quantifying impact of excusing event and will provide to us by 16 June.	LS185	16/06/2017	MG/ IB
14	Electricity/ CAPEX Upgrade				
		Subject to LS185 action above (Ines to review); E20 and LS185 to re-engage on this disputed item.	LS185/ E20	13-Jun-17	MG
15	Growlight				
		Subject to LS185 action above (Ines to review); E20 and LS185 to re-engage on this disputed item.	LS185/ E20	13-Jun-17	MG
16	Banquette Seating				
		Subject to LS185 action above (Ines to review); E20 and LS185 to re-engage on this disputed item.	LS185/ E20	13-Jun-17	MG
17	Excusing Event Log				
		In the absence of an Excusing Event Log from LS185 all disputed items need to be referred to this forum by LS185	LS185	13-Jun-17	IB
		Two excusing event logs have been received. First from Vinci FM is covering all items related to delay and condition which are also captured in the second log from LS185 (EE001). Logs to be rationalised and decision taken on who is driving the actions to close out individual excusing events.	E20/ LS185	27-Jun-17	IB
		EE not captured on this log have been added - item 19/ 20/ 21/22/23	Note		
18	Security Uplift				
		Cost increase as a result of Threat Level being higher. Liability and where costs lie to be agreed. LS185 agreed to make case.	LS185	27/06/2017	MG
19	Branding Allocation	EE002			
		s.43	LS185	27/06/2017	
		LS185 to complete and Excusing Event as per contract if there is a loss that can be demonstrated.	LS185	27/06/2017	
20	TUPE costs	EE003			
		LS185 claim that TUPE costs are higher than what was advised at bid time. LS185 waiting for information from E20 (according to EE log).	E20/ LS185	27/06/2017	
21	Retractable Seating	EE004			
		LS185 to advise of impact retractable seating not meeting the 7 day turnaround and capacity for [2017?]	LS185	27/06/2017	
22	Additional Interface With Stakeholders	EE005			
		LS185 to advise of impact	LS185	27/06/2017	
23	Heineken Bar location	EE006			
		Impact from seat configuration on DDA seats. LS185 to advise of impact	LS185	27/06/2017	



**Item:** 8  
**Subject:** West Ham United issues  
**Meeting date:** 27 June 2017  
**Report to:** E20 Stadium LLP Board  
**Report of:** Alan Skewis, E20 Stadium LLP

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## 1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to provide an update on WHU issues.
- 1.2. The key points covered are:
  - 1.2.1. WHU remain a litigious, difficult concession holder. Angus Kinnear, the managing Director has left his post. Karren Brady is taking a more day-to-day interest in matters as a result.
  - 1.2.2. The issue of compensation for 2017 seating has, in E20s opinion, fallen away due to the WHU fixtures meaning that they do not play until the 9 September. However, WHU have indicated they will still seek some compensation.
  - 1.2.3. LS185 and E20 are working on plans to reduce WHU event day costs significantly. There is a need to approve two “spend to save” proposals that will reduce WHU event day costs by £11,000 per match.

## 2. RECOMMENDATIONS

- 2.1. The Board is invited to:
  - 2.1.1. **NOTE** the current position and strategy for dealing with WHU
  - 2.1.2. **AGREE** up to £118,000 commitment to deliver a spend to save measure that will reduce event days cost by £4,000 per match. The initial capital outlay will be repaid within 30 events (c.1 year) and then create an ongoing saving.
  - 2.1.3. **AGREE** up to £221,000 commitment to deliver improvements to Montfichet Road, that will reduce match days cost by £7,000 per match. The initial capital outlay repaid within 31 events (c.1 year) and then create an ongoing saving.
  - 2.1.4. **NOTE** that E20 will request that LS185 fund investment of both measures (in 2.1.2 and 2.1.3 above) and treat as event costs (which ultimately are funded 95% by E20). This would be a sensible approach for a stadium operator with a long term perspective to take. However, in the event that LS185 refuse, E20 would (in consultation with Members) fund either from its £14.286m discretionary fund or working capital.

# S.43

## **4. DISPUTES**

- 4.1. Appendix 1 sets out the log of WHU issues being dealt with. There has been limited progress on the issues, with entrenched positions.
- 4.2. E20 are holding firm on a range of issues with WHU. WHU are seeking to pick off issues that suit them. They are also following a “divide and conquer” strategy, contacting people at LBN, LLDC and LS185.
- 4.3. Those connected are retaining a consistent position on all issues. This is vital as any weakness is reflected in negotiations and legal correspondence.

## **5. ADDITIONAL CAPACITY**

- 5.1. The board has recently received written updates on additional capacity. This is not repeated in this paper.

## **6. EXPERT DETERMINATION**

- 6.1. Expert determination has been triggered on three hospitality related issues. A briefing note has been provided which sets out the position. West Ham have since requested that the courts expedite these matters as they are clearly very keen to resolve ahead of the new season. The expedition hearing is on 27 June. E20’s legal advisers anticipate that West Ham’s request will be refused; in the context of all the matters that the UK courts consider, whether West Ham’s fans drink bottled beer or draught is not considered urgent.
- 6.2. E20 will further consider its strategy on these matters following the expedition hearing.

# S.43

# S.43

## **8. FANSTALLATION**

- 8.1. The dispute log highlights WHU non agreement to pay for the “fanstallation” stones in the north east corner of the stadium. Permission was given to WHU to locate the stones in this location in return for an annual rent equivalent to at least £20k. The stones were laid in July 2016 for practical reasons, as doing so after then would have disrupted stadium operations.
- 8.2. West Ham have since repeatedly refused to sign the lease, which formalises their occupation of the space and their £20k annual payment.
- 8.3. The issue is highlighted to Board as the next step for E20 is to cover the stones. This would be an action by E20 that directly impacts the club and its supporters. It would, however, emphasise that E20 is willing to take action where WHU act unreasonably.
- 8.4. Covering the stones using armour deck would happen after the World Athletics Championships. This is preferable to removal, as work would disrupt the podium, cost more and be easier to reinstate once WHU pay the rent due.

## **9. MEASURES TO REDUCE WHU EVENT DAY COSTS**

- 9.1. There is an opportunity to invest capital in improvements that reduce WHU 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.
- 9.2. Two investments are proposed for approval now:
  - 9.2.1. £118,000 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 £580,484 over 10 years and £78,180 over 2 years. It saves £4,000 per WHU match, and could be used for other events including London 2017.
  - 9.2.2. 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 and the revised egress arrangements varied the initial scheme proposals.
- 9.3. 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.
- 9.4. There are likely to be further capital expenditure needs:
  - 9.4.1. To be compliant with the Sports Grounds Safety Authority guidelines the lower tier gates should be a different colour to the other barriers. Last season they were claret, as part of the WHU branding. As this will not be replaced the gates need to be painted. These should have been painted during

transformation work so the relatively small costs will be sought from that budget.

- 9.4.2. The Concession Agreement obliges E20 to address any changes to English Premier League “K rule” or Broadcaster requirements. These will be resisted unless essential, and are not expected to be extensive. However there could be additional requests for capital expenditure once the annual review has taken place in July 2017.

## **Appendix 1: West Ham United Issues Log**

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

### Proposal

- Invest £118,000 to purchase barriers currently hired in the ‘Away’ fan 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 are currently deployed on the podium area during concerts and London 2017 to support the event management plan. A figure of £30,000 for London 2017 and £10,000 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 £118,000 will save £4,000 hire costs per game.
- An NPV analysis shows a payback period of 30 WHU events
- The 10 year NPV analysis generates a figure of +£580,484. If only the WHU events savings are included this reduces to +£475,424
- A 2 year NPV generates a figure of +£78,180

### **Example of Barrier inside Stadium**



### **Appendix 3: Montfichet Road Barriers**

#### Proposal

- Invest up to £221,000 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 £221,000 and mean that on match days £7,000 would be saved by LS185.
- A scheme has been 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 for Members to review.

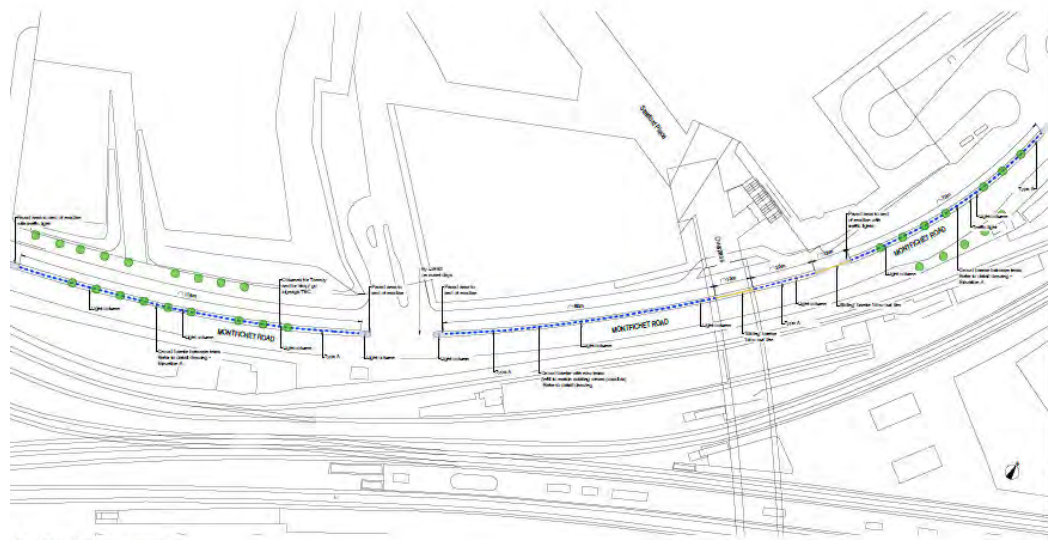
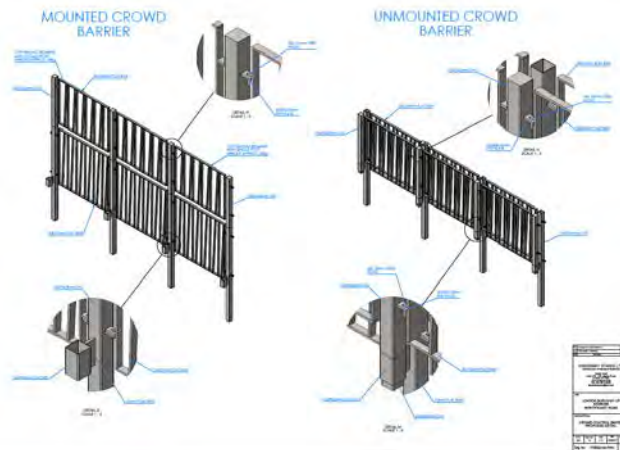
#### Justification of Need

- 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 £221,000 will save £7,000 per WHU game and 5 other events per annum.
- An NPV analysis shows a payback period of 32 events, so just over 1 year.
- The 10 year NPV analysis generates a figure of +£1,285,400.
- A 2 year NPV generates a figures of over +£123,000.

# Design of Montfichet Road Barriers



PLAN: CROWD BARRIER IN MEDIAN SCALE: 1:500

Legend and project information:

- Legend:
  - Blue line: Mounted Crowd Barrier (1.5m)
  - Green line: Unmounted Crowd Barrier (1.5m)
  - Green box: Safety Zone
- Notes:
  - The drawing is based on the information provided by the client and is not a guarantee of the accuracy of the information.
  - The drawing is not a guarantee of the accuracy of the information.
  - The drawing is not a guarantee of the accuracy of the information.
  - The drawing is not a guarantee of the accuracy of the information.
  - The drawing is not a guarantee of the accuracy of the information.
- Table:
 

NO.	REVISION	DATE	BY	CHECKED BY
1	ISSUED FOR TENDER	15/03/2024	...	...
2	...	...	...	...
3	...	...	...	...
4	...	...	...	...
5	...	...	...	...
- PROJECT CENTRE logo
- Client: LONDON BOROUGH OF HENLOW
- Project: MONTFICHET ROAD MEDIAN
- Drawing No: DEMO CONTROL BARRIER (GROUP) 4
- Drawing Status: PRELIMINARY
- Scale: 1:500
- Sheet: 1 of 1



Reference	Issue	Status	Commentary on status	Next steps	E20 owner
1	Increase in capacity. E20 believe it is only obliged to provide a capacity of 53 500 and that anything beyond is subject to a commercial deal. West Ham believe they have rights to use all the seats in the Stadium (up to 66 000) without paying anymore than their £2.5m usage fee.	Ongoing	Issue has been referred to the courts. Ruling in favour of E20 on dispute being a Part 7 (longer and more comprehensive) case.	E20 now following Part 7 process. Unlikely to conclude before autumn 2018. Briefing note issued to Board.	Alan Skewis
2	s.43				
3	Draught beer and Academy bar fitout. West Ham believe E20 is obliged to provide draught beer to the hospitality areas including the Academy bar E20 do not.	Ongoing	West Ham have triggered expert determination. Draught Beer and Academy bar fitout have been separate legal issues though are likely to be considered and resolved together.	E20 and West Ham to agree process for expert determination. Legal cost to go through expert determination on issues 3 4 and 5 is estimated at a total of £120k. Likely to take 3-6 months to resolve.	Martin Gaunt
4	Internal screen content. West Ham want the TVs in the hospitality areas to show Sky Sports whereas LS185 prefer to show adverts (that generate commercial income for them - and E20)	Ongoing	West Ham have triggered expert determination.	E20 and West Ham to agree process for expert determination. Legal cost to go through expert determination on issues 3 4 and 5 is estimated at a total of £120k. Likely to take 3-6 months to resolve.	Martin Gaunt
5	Hospitality staff / hostesses. E20 do not believe the provision of hostesses is within the scope of its catering obligations to West Ham in the Concession Agreement; West Ham argue they are. Operator Agreement is clear that LS185 do not provide hostesses.	Ongoing	E20 has stated it is not paying for hostesses beyond the agreement to initially contribute for the first 8 games of the 2016-17 season. West Ham have triggered expert determination.	E20 and West Ham to agree process for expert determination. Legal cost to go through expert determination on issues 3 4 and 5 is estimated at a total of £120k. Likely to take 3-6 months to resolve.	Martin Gaunt
6	s.43				
7	West Ham contribution to business rates. West Ham must pay the business rates for their lease areas. They have not been doing so as their amount is not agreed. However the principle that they will pay the rates and that they will be backdated to July 2016 is agreed.	Resolved	Valuation Office Agency informed E20 of a change in policy on 18 May that there will be a separate business rates bill for the lease areas issued to West Ham. E20 no longer need to agree a contribution from West Ham - they will pay direct.	No further steps with West Ham. E20 is pursuing a business rates appeal with the VOA.	Martin Gaunt
8	Signing leases for West Ham lease areas (Stadium store offices etc). An Agreement for Underleases was established when the Concession Agreement was signed in 2013. This requires the leases for West Ham's areas to be signed once they begin using these spaces.	Ongoing	The leases are being finalised by E20 and Gowlings ahead of issue to West Ham for signature.	Finalise leases and Gowlings to issue to West Ham.	Martin Gaunt
9	Fan installation. West Ham are using space on the stadium island site for their fan installation (supporter engraved paving stones) without a lease in place. E20 want a minimum of £20k per year for the space. West Ham do not agree to a minimum figure and instead want the commercial arrangements based only on the number of stones.	Ongoing	Gowlings wrote to West Ham on 18 May reissuing a lease with the minimum £20k commercial terms. It requested that West Ham agree the lease by 2 June 2017 or if not E20 will take action to cover and/ or to permanently remove the fan installation (at E20's convenience). West Ham responded striking out minimum £20k clause.	1. Gowlings have written back and say "enter the lease as drafted or remove/ E20 will remove the stones" 2. We'll give it a week to see if that prompts any change of heart from WH 3. If not we then start arranging to cover the stones after WAC 4. Again we'll see if that prompts any change of heart from WH. 5. If not we will cover stones until payment is made.	Martin Gaunt
10	Contribution to utilities. E20 has not yet been able to charge West Ham for its contractual payment for utilities for its lease areas as the metering system is defective and the leases are not yet signed - see 8. West Ham have accepted the principle that they will pay but the amount is likely to be disputed.	Ongoing	E20 has written to West Ham saying that it will be recharged in due course for utilities bills for its lease spaces and that these will be backdated to July 2016.	Metering defects need to be resolved (so that usage can be assessed) and leases signed before E20 can request payment.	Martin Gaunt
11	s.43				
12	Operator performance. West Ham have been asserting that LS185 are not a competent operator and that a number of issues in the stadium are a result of their inability to deliver requirements under the Concession Agreement.	Parked	West Ham have not been recently pursuing this argument.	None for the time being other than to ensure LS185 are fulfilling their obligations (e.g. on 14).	Alan Skewis and Martin Gaunt
13	Community tickets. West Ham are providing some community tickets but not as many as 100 000 per season as required under the Concession Agreement. West Ham dispute that they have to provide this many and are linking the matter to the capacity dispute (1).	Ongoing	[REDACTED] to provide]	[REDACTED] to provide]	[REDACTED]
14	West Ham share of catering revenues. West Ham are due 30% of catering revenues above £500k per season. LS185 have not supplied the required info to West Ham to allow this to be settled. West Ham have also been adding a premium to the hospitality packages which arguably means they should no longer receive their 30% share on top.	Ongoing	West Ham have repeatedly raised with E20. E20 has been clear this is a West Ham - LS185 matter as these responsibilities are passed to LS185 under the Operator Agreement. LS185 now taking ownership but well behind the curve. E20 has requested information from LS185 (e.g. catering account statements) to assess if they are fulfilling obligations.	Matter for LS185 and West Ham to resolve. E20 to enforce LS185 fulfilment of obligations.	Martin Gaunt
15	Stadium commencement date. E20 has stated the commencement date for the Concession Agreement is 23 December 2016. West Ham do not agree but have not been clear on what date they think it is. Implications if any are unclear. The issue is included in the Additional Capacity documents with claiming 3rd August 2016.	Ongoing	Commencement date not agreed.	None for the time being.	Martin Gaunt
16	s.43				
17	s.43				
18	HMRC raid. West Ham were "raided" by HMRC as part of a football transfer investigation. E20 reserved its position in relation to reputational damage caused to the Stadium.	Ongoing	E20 has written to West Ham reserving its position.	None for the time being.	Alan Skewis
19	East Stand / August 2017 seat moves. E20 will not be able to provide the stadium in full football mode by 25 August 2017 as it is contractually required to do.	Resolved by fixtures	E20 has kept West Ham updated on the position and had offered compensation for the c3000 supporters that would have been displaced if there was a game on the 26 August. Premier League fixtures announced. WHU scheduled to be home on 19 August when have no rights to stadium use. WHU away on 12 and 26 August.	Issue should be resolved by WHU rescheduling with no recourse to E20. However cannot rule out WHU seeking damages on spurious grounds	[REDACTED]
20	Cricket World Cup 2019. West Ham have read press reports and fear LS185 are contractually committing to cricket without the necessary consultation with West Ham. That is not the case; LS185 are still in the feasibility stage.	Ongoing	LS185 are committed to consulting with West Ham prior to contractually committing to cricket.	LS185 committed to consulting with West Ham if and when it becomes a real opportunity. Briefing session being set up.	Alan Skewis



**Subject:** E20 Director Update  
**Meeting date:** 27 June 2017  
**Agenda Item:** 9  
**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. It includes progress on key themes, E20's risk register, plus updates on naming rights, concerts, London 2017, **s.43** and Health & Safety.

**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.	<b>s.43</b> Full quarterly update on current forecast against business plan to be provided to 25 July Board meeting.
2	Holding LS185 to account:		
a	<b>s.43</b>		
b	Reduce WHU costs by £50k per game	£220k per game	New LS185 Safety Advisor reviewing and cutting stadium staffing costs. Some potential impacts for LLDC from reducing stewarding in the Park. Separate agenda items on LLW and West Ham matchday costs.
c	<b>s.43</b>		
3	<b>s.43</b>		

4	Closing out Stadium Transformation Issues	£1m - £3m	Significant progress on closing out defects. Update in LS185 paper
5	s.43		
6	Secure Contracted local Community and Economic benefits	52.8% local employment against target of 75%	LS185 reporting progress quarterly Improvement required from current 31.6% Newham and 52.8% four local boroughs. See separate agenda item.

#### 4. RISKS

- 4.1. The risk register has been updated and attached as Annex 1. Two risks have moved from Red to Amber. These are the risk of LS185 walking away from stadium operation, and the risk of a substantial claim from WHU for E20 not being able to fulfil its obligations on the weekend of 25-28 August weekend.

#### 5. NAMING RIGHTS

- 5.1. s.43

#### 6. CONCERTS

- 6.1. By the time of the Board over s.43 concert goers will have visited the stadium in 3 weeks. The concert actual attendance was:
- 6.1.1. Depeche Mode s.43
  - 6.1.2. Guns n Roses Friday s.43
  - 6.1.3. Guns n Roses Saturday s.43
  - 6.1.4. Robbie Williams s.43 (estimate at time of paper)
- 6.2. A visible armed Police presence and 100% security checking in place, reflected the alert levels in London.
- 6.3. Two issues have been highlighted on ingress / egress:
- 6.3.1. Spectators not familiar with the venue have tended to use the most obvious route over F10 Bridge and the Stitch in higher numbers than football crowds. LS185 have reduced stewarding in response to the E20 call to reduce event day costs.
  - 6.3.2. LS185 are not cleaning the main spectator routes in between concerts

#### 7. LONDON 2017

- 7.1. The matters relating to stadium hire and release of additional seating capacity have been resolved. This required instruction from E20 to LS185 to accept London 2017 terms relating to use of digital assets and the sale of additional capacity. Over s.43

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worth of additional tickets of a total of **s.43** were sold when they went on sale on the 15 June.

7.2. London 2017 and IAAF continue to push for a fully clean stadium, with costs in excess of the funds agreed by E20. E20 are pushing back on unnecessary items, or items not seen by the public or media. This includes the hanging signs in the concourses. The WHU marquee sign has been taken down from the East Stand.



**S.43**

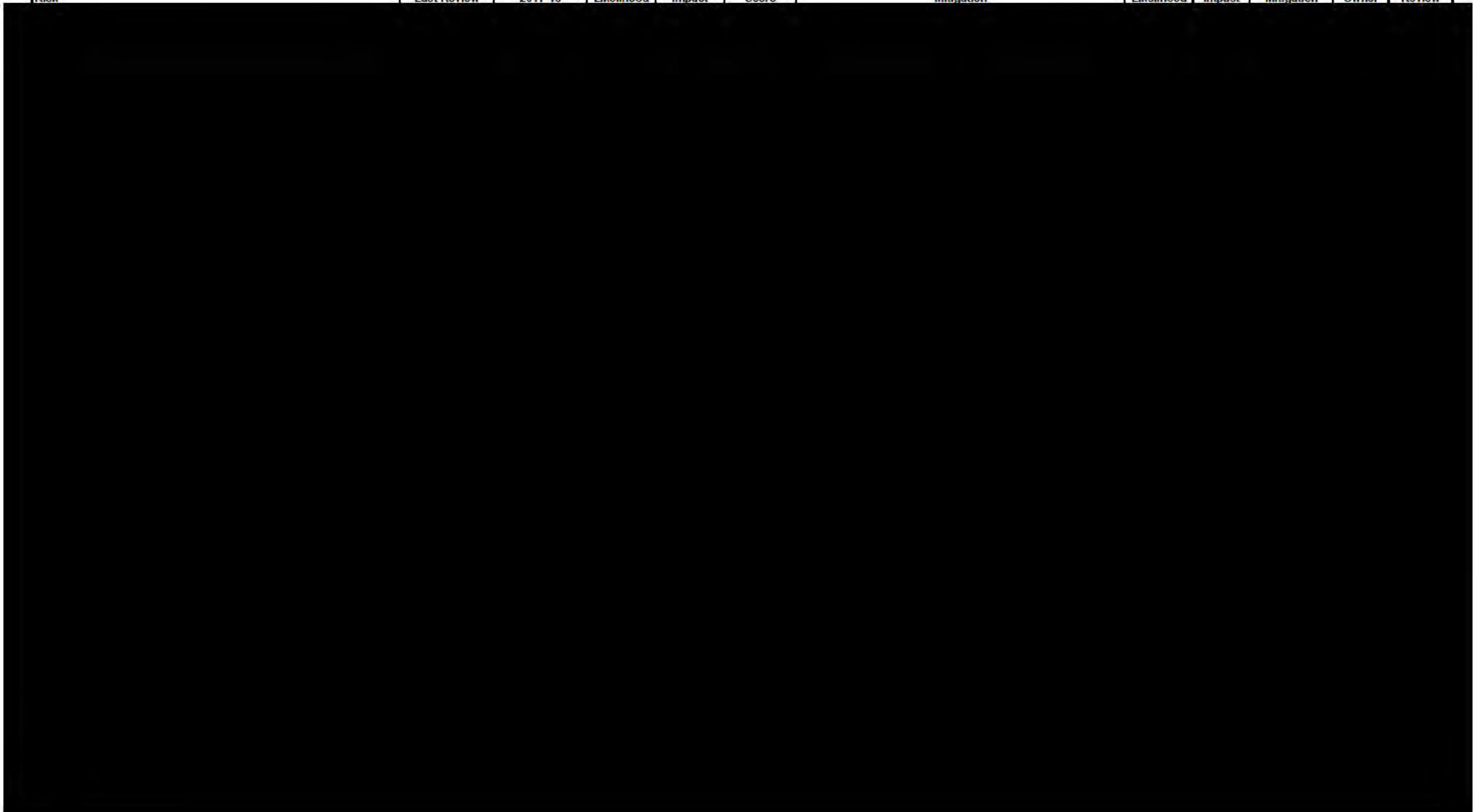
## 9. HEALTH AND SAFETY

9.1. LS185's regular health and safety report is attached at Appendix 2. No significant issues are identified.

BEFORE MITIGATION

AFTER MITIGATION

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:** May 2017

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

**Prepared by:** Graham Harris, Deputy Safety Officer

**Presented by:** Linda Lennon at KPI Meeting, 14<sup>th</sup> June 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 May 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	Tottenham (05/05/17)	Liverpool (14/05/17)	Shell (25/05/17 – 28/05/2017)	Total
Medical incidents	15	9	0	24
Of which are minor accidents	S.40			
Of which public/staff	11 public and 4 staff	5 public and 4 staff	N/A	16/8
Of which are RIDDOR	None	None	N/A	
Of which were sent to hospital	None	None	N/A	
Any additional details	Pitch gate incident was fully investigated and no RIDDOR was completed. This includes three incidents during egress (last three)	N/A	N/A	

**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	May 2017	Cumulative total for season
Stadium Bans	0 – pending	143* (see note below)
Stadium Arrests	3 at Liverpool for attempting to breach the pitch None at Spurs (3 arrests outside stadium)	39
Ejections	Liverpool: 11 (6 Away fans in home end ejected, 4 ejections for abuse and 1 <b>s.40</b> breach of ABC Spurs: 18 (6 Away fans in home end ejected, 8 fans ejected for alcohol inside bowl and 4 fans for drunk and disorderly)	

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





**Subject:** Financial Update

**Meeting date:** 27 June 2017

**Agenda Item:** 10

**Report to:** E20 Stadium LLP Board

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

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## 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, including an aged creditor schedule;
- 1.1.3. Payments recommended for approval by the Board, from working capital (funded by Members) and Transformation (funded by LLDC).

## 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. Payment to Total Gas & Power (£4335+VAT);
- 2.2.2. Payment to KPMG (£4550+VAT);
- 2.2.3. Payments to JLT totalling **s.43**

## 3. CASHFLOW

3.1. The latest E20 cashflow forecast is set out in Schedules B and C, with a summary topsheet at Schedule A.

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 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 13) of £3.747m (see ringed figure on schedule B). This follows significant recent payments to PHD for seating and JLT for insurance.

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- 3.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, has improved by £200k from £25.833m to £25.632m. E20 has adjusted downwards its forecast of utilities costs for the year, as the monthly bills are now running consistently under the forecast made in E20's draft business plan. E20 had prudently assumed constant utilities consumption across the year, based on the only data available at the time for autumn/winter. The additional data now available suggests significant seasonality in the stadium's electricity consumption, with reduced bills in the summer. A full review of E20's utilities costs is underway and will be reflected – alongside other adjustments to forecasts right across the business plan – in E20's end of Q1 quarterly financial update (to the 25 July E20 Board).
- 3.6. As a result of the utilities adjustment, the forecast working capital requirement for July has reduced slightly to £2.925m (provisionally, £1.901m from LLDC, £1.024m from NLI). This now represents the amount that will be invoiced immediately following this Board meeting. The split between member contributions remains subject to agreement between LLDC and NLI; E20 requires this to be confirmed on or before 27 June.
- 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 (which totals £2.591m)
Working Capital funding provided to E20 in 17-18	£4.811m (see ringed figure on Schedule B)	£2.591m (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 £18.265m 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. This is unchanged from the position previously advised.
- 3.9. In a scenario where NLI does not provide further working capital beyond the existing £2.591m, but LLDC continues to fund up to £12.5m, it would leave a total from both Members of £15.091m for the current year. On current forecasts this would still last until w/c 18 September. There is a very significant (c£4m) seating payment for transition 3 expected to be made that week. That has the effect of tipping E20 beyond currently available funds, regardless of whether NLI provides £5m or £2.591m.

## 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, including an aged creditor schedule as previously. E20 has cleared a number of

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outstanding invoices in the past week. E20 proposes to clear two payments due to JLT (as per para 4.3.3 below), leaving only Balfour Beatty as a significant overdue creditor – for deliberate reasons relating to stadium defects, as previously discussed.

- 4.2. The Board has been clear that all payments must 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. Payment to Total Gas & Power (£4335+VAT) for stadium electricity. This is the final outstanding bill for E20's consumption during May, and is in line with expectations.
  - 4.3.2. Payment to KPMG (£4550+VAT) for their service in providing E20's monthly VAT and Construction Industry Scheme (CIS) returns, plus some minor ad hoc tax advice.
  - 4.3.3. Payments to JLT totalling **£.43** for E20's next set of insurance premiums due for payment. The main cost is for Directors & Officers cover, with a small additional bill for Personal Accident and Travel cover. There are further insurance invoices expected shortly, although E20's insurance adviser has confirmed that these have yet to be received.
- 4.4. There are no payments proposed under Transformation this week.

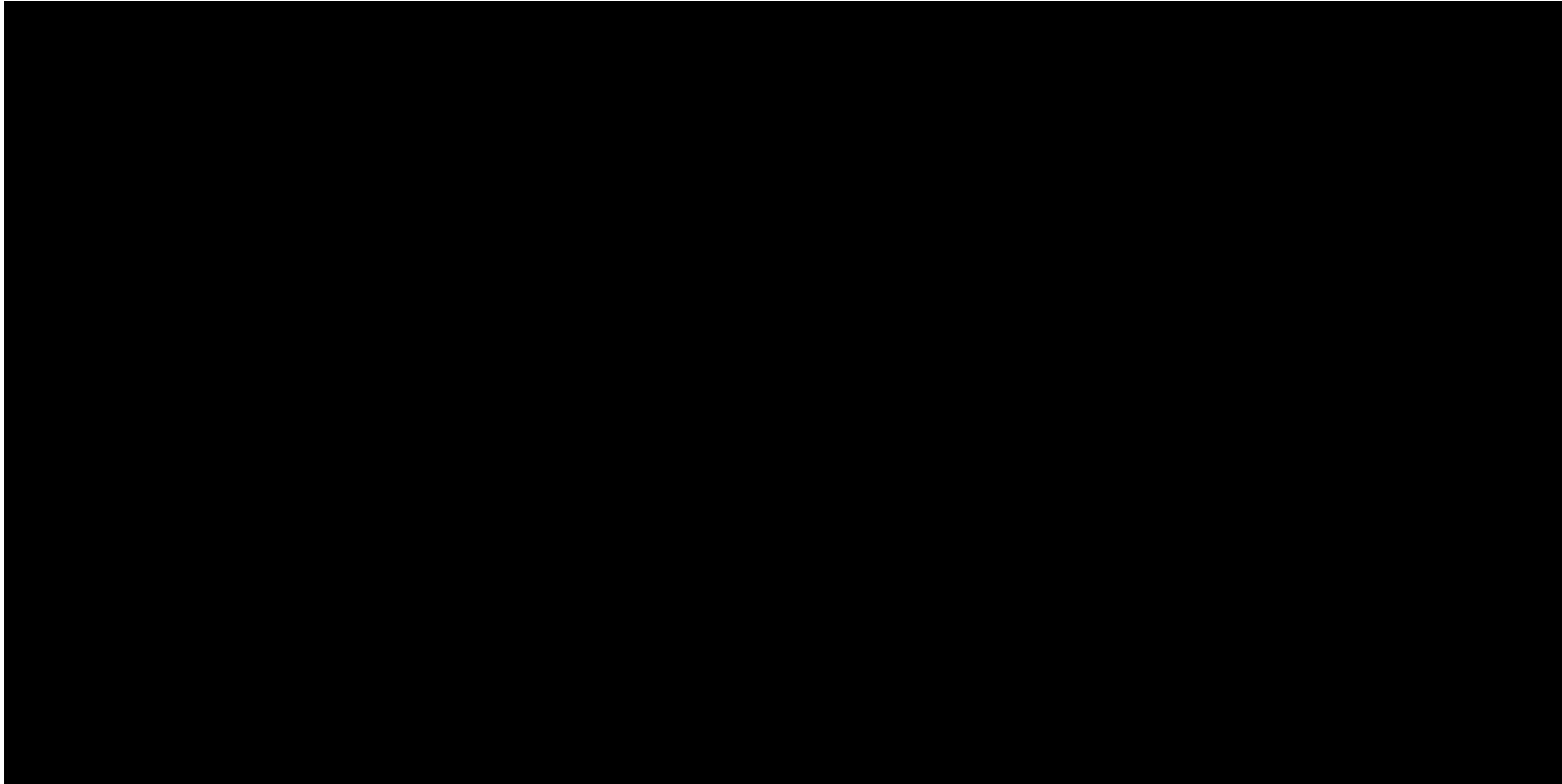
**SCHEDULE A**

E20 Stadium LLP 2017-18 Cashflow - as tabled at E20 Board 27 June 2017

COMMERCIALY SENSITIVE







**E20 CREDITORS AS AT 22 JUNE 2017**

**WORKING CAPITAL**

**PAYMENT PROPOSAL**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
Total Gas & Power	151391047/17	Electricity Cost May 2017	16/06/2017	30/06/2017	4,335.05	867.01	5,202.06	
KPMG LLP	5501449159	Fee for tax compliance services from 10 April 2017 to 9 June 2017	16/06/2017	15/07/2017	4,550.00	910.00	5,460.00	
JLT Speciality Ltd	LB188558	Directors and Officers Liability Insurance Premium	08/05/2017	08/05/2017	S.43	0.00	S.43	
JLT Speciality Ltd	LB187928	Personal Accident & Travel Policy Insurance Premium	07/04/2017	07/04/2017	S.43	0.00	S.43	
					15,127.94	1,777.01	16,904.95	

**INVOICES NOT YET DUE**

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Legacy Development Corporation	17903	Recharge of Finance & IT Costs May 2017	15/06/2017	15/07/2017	9,066.00	1,813.20	10,879.20	
London Legacy Development Corporation	17904	Recharge of HR & FM Costs May 2017	15/06/2017	15/07/2017	2,434.00	486.80	2,920.80	
					11,500.00	2,300.00	13,800.00	

**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 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	Board agreed to defer (payment shown in October 2017)
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	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17858	Recharge of Finance & IT Costs April 2017	18/05/2017	17/06/2017	9,067.00	1,813.40	10,880.40	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17866	Legal Costs for the Supplemental Deed for the Stadium Island School	22/05/2017	21/06/2017	4,068.16	813.63	4,881.79	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	17874	Recharge of HR & FM Costs April 2017	25/05/2017	24/06/2017	2,433.00	486.60	2,919.60	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)
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	22/05/2017	15,000.00	3,000.00	18,000.00	Invoice will be presented to the Board for payment in July
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
					944,048.78	114,943.53	1,058,992.31	

**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	
					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
					0.00	0.00	0.00	
					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
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	

**AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 22 JUNE 2017**

**WORKING CAPITAL**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 1901	WHU v Swansea City 08/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1900	WHU v Everton 22/04/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1899	WHU v Tottenham Hotspur 05/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment in July
Stratford City Shopping Centre (No 1) GP	RI - 1898	WHU v Liverpool 14/05/17	22/05/2017	15,000.00	3,000.00	18,000.00	18,000.00					Invoice will be presented to the Board for payment in July
JLT Speciality Ltd	LB188558	Directors and Officers Liability Insurance Premium	08/05/2017	5.43	0.00	5.43		5.43				For Board approval 27 June 2017
JLT Speciality Ltd	LB187928	Personal Accident & Travel Policy Insurance Premium	07/04/2017	5.43	0.00	5.43			5.43			For Board approval 27 June 2017
KPMG LLP	5501449159	Fee for tax compliance services from 10 April 2017 to 9 June 2017	16/06/2017	4,550.00	910.00	5,460.00	5,460.00					For Board approval 27 June 2017
Total Gas & Power	151391047/17	Electricity Cost May 2017	16/06/2017	4,335.05	867.01	5,202.06	5,202.06					For Board approval 27 June 2017
East London Rugby Club	16/027	3 places st the British Police v French Military & Gendarmerie fixture	16/10/2016	195.00	0.00	195.00					195.00	Awaiting confirmation of bank details from supplier
				75,322.94	13,777.01	89,099.95	82,662.06	5,885.00	357.89	0.00	195.00	
Aged Creditor Totals for week commencing 19 June 2017				488,706.32	15,342.00	504,048.32	123,617.10	4,375.00	375,861.22	0.00	195.00	
Change from Previous Week				(413,383.38)	(1,564.99)	(414,948.37)	(40,955.04)	1,510.00	(375,503.33)	0.00	0.00	
Aged Creditor Totals for week commencing 12 June 2017				338,796.82	18,445.24	357,242.06	357,047.061	0	0	0	195	
Aged Creditor Totals for week commencing 5 June 2017				70,449.45	12,002.82	82,452.27	82,257.27	0.00	0.00	0.00	195.00	

**TRANSFORMATION/DISCRETIONARY FUND**

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments	
Balfour Beatty Group Ltd	CSUK OU/INV/39379	Certificate 39	19/12/2016	260,805.30	52,161.06	312,966.36					312,966.36	Awaiting agreement on contract completion and defect rectification	
Balfour Beatty Group Ltd	CSUK OU/INV/40380	Certificate 40	26/01/2017	286,087.41	57,217.48	343,304.89					343,304.89	Awaiting agreement on contract completion and defect rectification	
				546,892.71	109,378.54	656,271.25	0.00	0.00	0.00	0.00	656,271.25		
Aged Creditor Totals for week commencing 12 June 2017				686,883.26	122,918.65	809,801.91	153,530.66	0.00	0.00	0.00	0.00	656,271.25	
Change from Previous Week				(139,990.55)	(13,540.11)	(153,530.66)	(153,530.66)	0.00	0.00	0.00	0.00		
Aged Creditor Totals for week commencing 5 June 2017				629,829.97	125,965.99	755,795.96	67,170.00	12,491.76	19,862.95	0.00	0.00	656,271.25	

TOTAL AGED CREDITOR ANALYSIS FOR WORKING CAPITAL & TRANSFORMATION/DISCRETIONARY FUND

82,662.06	5,885.00	357.89	0.00	656,466.25
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**E20 AGED DEBTORS REPORT AS AT 22 JUNE 2017**

**WORKING CAPITAL**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
YOUR TRIBUTE LTD	45214	15/07/2017	2,551	Not yet due
BOUNDLESS PRODUCTIONS	45208	30/05/2017	180	Not yet paid
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		<b>4,951</b>	
	Less provision for doubtful debts		-	44.8%
	<b>Adjusted balance</b>		<b>2,731</b>	

**TRANSFORMATION/DISCRETIONARY FUND**

<b>Customer Name</b>	<b>Transaction No</b>	<b>Due Date [DD/MM/YYYY]</b>	<b>Amount Due [£]</b>	<b>Comment</b>
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		<b>838,727</b>	