



E20 Stadium LLP – Board Meeting 20.07.17

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: 20.07.17
Time: 07:30 – 08:00
Meeting Venue: Conference call

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

Ex-Officio Members:

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

Apologies: David Goldstone (LLDC), Kim Bromley-Derry (LBN)

1. Loan Agreement between LLDC and E20

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

Global access link – http://www.btconferencing.com/globalaccess/?bid=814_public



Subject: Loan Agreement between LLDC and E20
Meeting date: 20 July 2017
Agenda Item: 1
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. The draft Loan Agreement between LLDC and E20, to provide working capital for Q2 2017-18, is attached. It has been agreed by Members, subject to final Board sign-off.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **APPROVE** the Loan Agreement between LLDC and E20.

3. LOAN AGREEMENT

- 3.1. The draft Loan Agreement between LLDC and E20, to provide working capital for Q2 2017-18, is attached. It sets out the detail of the commitment made by LLDC at the 27 June E20 Board meeting (the statement by LLDC is reproduced at the end of this paper). Subject to Board sign-off, all necessary approvals are in place: E20, LLDC and LBN officers are content, as are their respective legal advisers, and LLDC has also gained GLA approval.
- 3.2. The Loan Agreement provides for up to £10.863m in working capital to be provided by LLDC to E20 in Q2 (1 July – 30 September 2017). The Members and E20 intend to agree a restructuring plan for the business by the end of Q2. It is necessary for the loan to be agreed now, to enable payment of necessary working capital to E20 this week. As set out in the finance update to the Board on 11 July, E20 could otherwise have a cash shortfall next week (w/c 24 July).
- 3.3. The core terms of the loan are as follows:
- 3.3.1 LLDC are providing a Funding Advance pursuant to the Members Agreement.
 - 3.3.2 A sum of £10,863,000 is being advance by LLDC to E20 for Q2 2017-18 with monthly payments using the mechanics set out at clause 2.2.
 - 3.3.3 Interest is charged as detailed in the Loan Agreement and mirrors the terms in the Members Agreement.
 - 3.3.4 A repayment date has been set of 31 March 2022.
 - 3.3.5 There are repayment events linked to Events of Default.
 - 3.3.6 The Events of Default are in a standard form and have received considerable attention from the legal advisers to E20, LLDC an LBN.

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3.3.7 It is acknowledged that LLDC's rights to repayment under the loan agreement rank after E20's other unsecured and unsubordinated obligations.

3.3.8 LLDC shall be paid the loan in priority to other payments to Members.

- 3.4 Osborne Clarke LLP has reviewed the Loan Agreement from the perspective of the Board Members of E20 and has liaised with the other legal advisors (TfL Legal, Freeths and BLP). s.31 [REDACTED] of Osborne Clarke LLP considers that it is appropriate and in the best interests of E20 for the loan agreement to be executed and completed as soon as possible. It is noted that the terms within the Loan Agreement are standard marketplace terms and the core provisions have been subject to negotiation.

CONFIDENTIAL

E20 Members Statement to the E20 Board

Following discussions with senior members of the Mayor's team and GLA officials, LLDC has agreed to fund E20 100% of the partnership's working capital requirement for the second quarter of 2017/18. The funding will be made via a loan to E20 as permitted by clause 4.5 of the Members Agreement. LLDC are therefore securing the required approvals to inject loan funding into the partnership. Given the financial circumstances of the partnership, LLDC are willing to agree that this loan funding is subordinate to the ordinary creditors of the partnership.

The provision of additional funding to be made available to E20 via a loan requires the appropriate governance to be in place. Accordingly, LLDC has filed the relevant paperwork for consideration by the GLA's internal Corporate Investment Board on 3 July, following which it is expected that a positive recommendation be made to the Mayor to agree additional funding and give consent for the loan (under section 213 of the Localism Act). This may take a further 5-10 business days, and hence between 11-18 July. In tandem with this, LLDC will call an LLDC Board meeting under its emergency procedures to consider the issue on 5 July 2017. The current cashflow for the partnership is positive until w/c 24 July without further funds and therefore approvals should be in place well before then to make further payments into the partnership. It is anticipated that the June invoice will be able to be paid by LLDC w/c 10 July, subject to the required approvals being in place.

Newham will continue as a full partner in E20 and remains committed to the partnership but will not commit further funds until a viable business plan is developed.

LLDC recognises their obligations under the West Ham Concession and Operator Agreement, and will resolve the approach to funding for the rest of the 2017/18 financial year, following discussions with Newham, by 8 September, in advance of the end of quarter two. s.43

The members continue to work jointly on a restructuring plan for the partnership and engaging with the GLA to secure sufficient resource and buy-in to develop and support such a plan s.43, and the Mayors of London and Newham will be meeting to discuss this over the next month.

s.43

It is the position of both members that the stadium continue to operate as a multi-purpose venue subject to developing a financially sustainable business plan.

26 June 2017

Date: _____ **2017**

LOAN AGREEMENT

**LONDON LEGACY DEVELOPMENT
CORPORATION**

and

E20 STADIUM LLP

THIS AGREEMENT is made the day of 2017

BETWEEN:

- (1) **THE LONDON LEGACY DEVELOPMENT CORPORATION** whose principal office is at level 10, 1 Stratford Place, Montfichet Road, London E20 1EJ ("**LLDC**"); and
- (2) **E20 STADIUM LLP** a limited liability partnership incorporated in England and Wales with registered number 0C376732 and having its registered office at Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ ("**E20**").

RECITALS:

- A. LLDC and NLI are the Members of E20 and entered into the Members Agreement in order to document the terms and conditions on which NLI and LLDC have agreed to participate in the LLP and the rights and obligations of each of them as its Members in relation to E20.
- B. Pursuant to clause 4.5(e) of the Members Agreement, this Agreement sets out the terms on which the parties have agreed that LLDC will provide the Funding Advance to E20 for the purpose of providing the working capital requirements of E20 for the quarter ending 30 September 2017, by which date the Members and E20 intend to agree a restructuring plan of the business.

THE PARTIES AGREE THAT:

1. Definitions and Interpretation

In the Agreement (including the Recitals):

1.1 unless the context indicates otherwise the following expressions shall have the following meanings:

- "Confidential Information"** has the meaning given in Clause 9.1
- "Event of Default"** means any event set out in Clause 7
- "Funding Advance"** means the sum of Ten Million Eight Hundred and Sixty Three Thousand Pounds (£10,863,000)
- "Interest Rate"** means:
 - a) for the period from the date of payment of the Funding Advance to the date on which the Members have discharged their obligations under clause 2.3(a) of the Members Agreement in full, 6% above the base rate from time to time of

Barclays Bank Plc; and

b) thereafter, 4% above the base rate from time to time of Barclays Bank Plc

- “Member”** has the meaning defined in the Members Agreement
- “Members Agreement”** means the Members Agreement (as amended and restated) dated 28 October 2015 between NLI (1) LLDC (2) and E20 (3)
- “NLI”** means Newham Legacy Investments Limited, a private limited company wholly owned by the London Borough of Newham, incorporated in England and Wales with registered number 8012276 and having its registered office at Newham Dockside, 1000 Dockside Road, London E16 2QU
- “Operational Surplus”** means profits remaining after deducting from revenue, operating expenses excluding depreciation, impairments and Corporation Tax
- Such profits shall be calculated on an annual basis
- “Repayment Date”** means 31 March 2022 or such other date as shall be agreed between the parties
- “Repayment Event”** has the meaning given in Clause 6.2
- “Security Interest”** means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect
- 1.2 a reference to the singular includes the plural and vice versa, and a reference to any gender includes all genders;
- 1.3 headings are included in this Agreement for ease of reference only and do not affect the interpretation or construction of this Agreement;
- 1.4 references to Clauses are, unless otherwise provided, references to clauses of this Agreement;
- 1.5 in the event, and only to the extent, of any conflict between the Clauses and the Schedules, the Clauses shall prevail;
- 1.6 the Schedules form part of the Agreement and will have the same force and effect as if expressly set out in the body of the Agreement; and

1.7 the words “including”, “includes” and “included” will be construed without limitation unless inconsistent with the context.

2. **Funding Advance**

2.1 The parties acknowledge that the purpose of the Funding Advance is to provide the working capital requirements of E20 for the quarter ending 30 September 2017 and agree that during such period they shall progress and endeavour to agree a restructuring plan of the business.

2.2 LLDC shall advance by way of loan to E20 the Funding Advance in the following three (3) tranches:

2.2.1 The first tranche shall be for such amount (not exceeding the Funding Advance) as shall be specified by E20 in a written notice to LLDC as being its cashflow requirement for the period 1 July to 31 July 2017 and shall be paid by LLDC within 7 calendar days of the date of receipt of such notice.

2.2.2 The second tranche shall be for such amount (which together with the amount paid under the first tranche shall not exceed the Funding Advance) as shall be specified by E20 in a written notice to LLDC as being its cashflow requirement for the period 1 August to 31 August 2017 and shall be paid by LLDC within 7 calendar days of the date of receipt of such notice.

2.2.3 The third tranche shall be for the balance of the Funding Advance as shall be specified by E20 in a written notice to LLDC as being its cashflow requirement for the period 1 September to 30 September 2017 and shall be paid by LLDC within 7 calendar days of the date of receipt of such notice.

2.3 Payment of the Funding Advance will be made to the following bank account:

Account name: E20 Stadium LLP Current Account

Bank: s.31 [REDACTED]

Sort Code: s.31 [REDACTED]

Account No: s.31 [REDACTED]

3. **Interest**

3.1 The Funding Advance shall accrue interest on a daily basis at the Interest Rate in accordance with Clause 3.2, from the date the Funding Advance is paid to E20 until the date of repayment.

3.2 E20 shall be liable to pay interest to LLDC on the Funding Advance at the Interest Rate, such interest to accrue on a daily basis and to be paid to LLDC by E20 in arrears at three monthly intervals (calculated from the

date the Funding Advance is paid to E20) or if not paid compounded on the date of each such three monthly interval.

4. Conditions

- 4.1 E20 shall apply the Funding Advance for the purpose of providing working capital for E20 for the second quarter of the financial year 2017/18, ending 30 September 2017.
- 4.2 E20 shall, on request, provide LLDC with appropriate financial and operational reports on its use of the Funding Advance.
- 4.3 E20 shall maintain appropriate financial accountancy and management information and records for audit and monitoring purposes.
- 4.4 E20 shall not (without the prior written consent of LLDC):
 - 4.4.1 create or permit to subsist any Security Interest on the whole or any part of its present or future property, assets or revenues;
 - 4.4.2 sell, transfer or otherwise dispose of any of its assets on terms whereby such property or asset is or may be leased to or re-acquired or acquired by it;
 - 4.4.3 sell or otherwise dispose of any of its receivables on recourse terms except for the discounting of bills or notes in the ordinary course of business; or
 - 4.4.4 enter into any other analogous arrangement having a similar effect.

5. Repayment

- 5.1 E20 shall repay the Funding Advance in full, together with accrued interest, to LLDC by no later than the Repayment Date (or so much of the Funding Advance, together with accrued interest, as shall be outstanding at that date).
- 5.2 Without prejudice to the provisions of Clause 5.1, from time to time, as and when E20 generates an Operational Surplus and has sufficient funds (cash) to repay all or part of the Funding Advance, together with accrued interest, E20 shall make such repayment or repayments to LLDC in the full amount of such Operational Surplus. Such repayments shall be payable in priority to all or any sums otherwise due and payable to either of the parties in their capacity as Members of E20.
- 5.3 The Funding Advance, together with accrued interest, (to the extent not already repaid) shall be repayable on a Repayment Event.
- 5.4 E20 shall be entitled to repay all or part of the Funding Advance, together with accrued interest, without penalty at any time prior to the Repayment Date or a Repayment Event.

6. **Repayment Event**

6.1 LLDC may demand immediate repayment of all or any of the Funding Advance, together with accrued interest, on a Repayment Event.

6.2 A Repayment Event occurs when an Event of Default occurs.

7. **Events of Default**

7.1 An Event of Default occurs where any of the following apply:

7.1.1 E20 does not pay on its due date any amount payable pursuant to this Agreement unless:

- (a) the failure to pay is caused by an administrative or technical error; and
- (b) the payment is made within five (5) calendar days of its due date.

7.1.2 E20 fails to perform and observe any of its other obligations under this Agreement and either the failure is incapable of remedy or it does not remedy the failure within ten (10) calendar days.

7.1.3 The Members Agreement is terminated.

7.1.4 An Insolvency Event (as defined in the Members Agreement) has occurred and is continuing.

7.1.5 Other than in the course of a reconstruction previously approved by LLDC in writing, any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of E20, other than a solvent liquidation or reorganisation approved by LLDC in writing;
- (b) a composition, compromise, assignment or arrangement with any creditor of E20;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation approved by LLDC in writing), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of E20 or any of its assets;
- (d) enforcement of any Security Interest over any assets of E20; or

(e) any analogous procedure or step is taken in any jurisdiction.

7.1.6 E20 is unable or admits inability to pay its debts as they fall due within the meaning of section 123(1) Insolvency Act 1986 or suspends making payments on any of its debts.

7.1.7 A moratorium is declared in respect of any indebtedness of E20.

7.1.8 Any distress, execution, attachment, sequestration or other legal process is levied, enforced or sued on against E20 and such possession or process is not dismissed, discharged, stayed or restrained, in each case within 42 calendar days thereafter.

7.1.9 E20 ceases or threatens to cease to carry on its business.

8. **Order of Priority**

8.1 Subject to the provisions of Clause 8.2 below, the parties acknowledge and agree that LLDC's rights to repayment under this Agreement will rank after all E20's other unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent.

8.2 Without prejudice to the generality of Clause 8.1 above, the parties acknowledge and agree that LLDC's rights to repayment under this Agreement shall be payable in priority to all or any sums otherwise due and payable to either of the Members of E20.

9. **Confidentiality**

9.1 Subject to Clause 9.2 each party:

9.1.1 shall treat as strictly confidential the provisions of this Agreement and all information about the other party obtained or received by it as a result of entering into or performing its obligations under this Agreement ("**Confidential Information**"); and

9.1.2 shall not disclose or permit to be disclosed to any person or persons or otherwise make use of or permit to be made use of any of the Confidential Information without the prior written consent of the other party, save that the receiving party may disclose the Confidential Information to its employees, officers, representatives or advisers as may be reasonably necessary in relation to this Agreement subject to each party ensuring that its employees, officers, representatives or advisers to whom it discloses the other party's Confidential Information comply with this clause 9.

9.2 The obligation of confidence referred to in Clause 9.1 shall not apply to any Confidential Information received under this Agreement which:

9.2.1 is in the possession of and is at the free disposal of the receiving party or is published or is otherwise in the public domain prior to the receipt of such information by the receiving party; or

- 9.2.2 is or becomes publically available on a non-confidential basis through no fault or negligence of the receiving party; or
- 9.2.3 is required by law or is required or requested by any supervisory, regulatory or governmental body having jurisdiction over it to be disclosed; or
- 9.2.4 it is required to be disclosed to the Mayor of London or the Greater London Authority.

10. **Notices**

The provisions of clause 21 of the Members Agreement shall apply to the service of any notices under this Agreement.

11. **Assignment**

Neither party may assign or transfer any of its rights or interests in this Agreement without the prior written consent of the other party.

12. **Waiver**

- 12.1 A waiver of any right or remedy under this Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.
- 12.2 A failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

13. **Counterparts**

This Agreement may be executed in one or more counterparts which, taken together, shall constitute one instrument, and any of the parties may execute this Agreement by signing one or more of such counterparts.

14. **Governing Law**

This Agreement shall be governed by and construed in accordance with the law of England and Wales and shall be subject to the exclusive jurisdiction of the courts of England.

Executed as a deed by the parties and delivered on the date of this Agreement.

THE COMMON SEAL of LONDON LEGACY)
DEVELOPMENT CORPORATION)
affixed to this **DEED** is authenticated by:)

Chair/Board Member/Authorised Person

EXECUTED as a DEED by E20 STADIUM LLP)
acting by its members **NEWHAM LEGACY)**
INVESTMENTS LIMITED and LONDON)
LEGACY DEVELOPMENT CORPORATION)

Member

Member

Meeting: E20 Stadium LLP
Date: 25.07.17
Time: 10:00 – 12:00
Meeting Venue: LLDC Offices, Marketing Suite

Member Representatives Expected: Nicky Dunn (Chair), Andrew Ireland (NLI), David Gregson (LLDC), Katharine Deas (NLI)

Ex-Officio Members: David Goldstone (LLDC)

Also Expected: Alan Skewis, (E20); s.40 (NLI); Gerry Murphy (LLDC), Martin Gaunt (E20), s.40 (Secretariat), Alan Fort (E20), Ian Bright (LLDC)

Apologies: Keith Edelman (LLDC), Kim Bromley-Derry (LBN)

1. Minutes of meeting held on 25 June 2017
2. Actions arising from previous meetings
3. Director Update
4. Seating:
 - a. Update on Relocatable Seat Moves
 - b. Relocatable Seating Options Study
 - c. s.43
5. LS185 Performance:
 - a. Overview
 - b. Ingress and Egress Arrangements
6. Quarterly Finance Update
7. s.43
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

Next Board meeting

22 August, 10am -12pm, Newham Dockside, WG.06 (West Wing, ground floor)

Board Actions List (reported to the meeting on 25 July)

Actions from last meeting (27 June 2017)

| Actions | | | |
|---|---------------|---------|--|
| Keith Edelman to provide wording for the minutes to express his disappointment with members funding from LBN. | Keith Edelman | 6 July | Completed – Keith Edelman provided text to s.40 |
| s.43 to re-address the s.43 report to E20 and its members. | s.43 | 4 July | Completed – final report issued with Board papers |
| Gerry Murphy to clarify the additional £600K funding with the GLA. | Gerry Murphy | 25 July | Completed - The £600k contribution is dependent upon need and ticket sales |
| s.40 to circulate Pell Frischmann report to the Board once final has been received. | s.40 | 9 July | Report being finalised. See Board update paper. |
| Alan Skewis to look at West Ham fixtures and Stadium events calendar for 2018 to try and find a window for testing on seats with Pell Frischmann. | Alan Skewis | 6 July | Complete. One 3 week window in November 2017, assuming no rugby league game booked |

| Actions | | | |
|--|-------------------|---------|--|
| Kim Bromley-Derry to speak to the GLA to ensure Pell Frischmann report is able to be relied upon by LBN, LLDC and E20 | Kim Bromley-Derry | 9 July | Status unknown |
| Alan Skewis to check planning restrictions on how many concert days you can have in the Stadium and which day of the week they have to be. | Alan Skewis | 6 July | <p>Planning permission sets limit.</p> <ul style="list-style-type: none"> • 10 concerts per annum allowed, limited by the decibel limit. • No restriction on day of the week <p>Planning law allows E20 to apply for additional concerts</p> |
| Martin Gaunt to instruct LS185 to carry out an impact assessment of implementing London Living Wage to all staff and sub-contractors at the Stadium. | Martin Gaunt | 9 July | Completed- Instruction issued, with cost estimate required from LS185 by 14 July. LS185 have not provided complete cost estimate. E20 writing to put them on notice of non-compliance. |
| Ian Bright to update Members' regularly on Health and Safety actions from LS185. | Ian Bright | 25 July | Verbal update to be given at Board under Health and Safety section on Director Update |
| Martin Gaunt to update discretionary fund and circulate to the Board. | Martin Gaunt | 25 July | Completed – included in quarterly finance Board paper |

| Actions | | | |
|---|---------------|---------|--|
| Martin Gaunt to circulate draft milestones document to the Board. | Martin Gaunt | 25 July | Completed – included with Board papers. |
| Alan Skewis to chase LS185 on concert figures and revenue | Alan Skewis | 6 July | LS185 confirmed that the ^{s.43} concerts are on track to achieve ^{s.43} as per their business plan |
| Board members to feed back any comments or views in relation to the concerts. | Board members | 9 July | Comments awaited. LLDC staff comments received LS185 concert debrief on 4 July |
| Ben Fletcher to send feedback from the concerts to Alan Skewis which was received via the customer service email address. | Ben Fletcher | 9 July | Comments being fed into overall comments on concerts and debrief. . |
| Alan Skewis to get Gowlings to check the file note David Goldstone took at his meeting with UKA | Alan Skewis | 6 July | Gowling reviewing. |

Action on Concerts.

The extract from the planning application states:

“No more than 10 Events shall be held at the Stadium per calendar year of which:

- 6 are permitted to have a music noise level of not more than 75dB(A) 15mins Leq measured 1m from the facade of sensitive receptors; and
- 4 are permitted to have a music level of not more than 65dB(A) 15 mins Leq measured 1m from the facade of sensitive receptors. “



Subject: E20 Director Update
Date: 25 July 2017
Item: 3
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 between the June and July board meetings.
- 1.2. Since the last Board meeting:
 - 1.2.1. The stadium has hosted the International Paralympic Championships;
 - 1.2.2. It is ready to host the world's biggest IAAF athletics events;
 - 1.2.3. LS185 are closer to securing c.8-10 concerts for 2018, in a seating configuration that retains a 70,00 plus capacity, and is at least **s.43** cheaper than moving 3 stands;
 - 1.2.4. A Rugby Union match – Saracens vs Harlequins – has been announced for the 24th March. This fixture should generate over **s.43** net commercial revenues.
 - 1.2.5. Alan Fort has been appointed and started work with the E20 team on the 16th July.

2. RECOMMENDATIONS

- 2.1. **NOTE** the report
- 2.2. **AGREE** that two naming rights contracts, with Brian Jokat and WPP should be formally terminated.

3. WEST HAM UNITED

- 3.1. Overall, relations remain strained with various legal and personal correspondences with the club and Karren Brady respectively. A meeting is taking place prior to the Board with Karren Brady, and a verbal update will be given.
- 3.2. It is also suggested that the Board receive initial views from Alan Fort on the strategy with WHU at the Board meeting.
- 3.3. Appendix 1 sets out a log of issues between E20 and WHU. Points of note are:
 - 3.3.1. The fanstallation reaches a critical point in mid-August. That is when E20 have said we will cover the stones if WHU do not agree to pay the £20k per annum rent. While a small sum of money this will have large public impact, and will need to be managed carefully.
 - 3.3.2. The pitch side static signage also reaches a critical point in early September late August, prior to WHU's first home game. E20 have said they will brand this space replacing the Betway branding WHU installed last season. This is valued at circa **s.43** per season. WHU have threatened a court injunction to protect the Betway branding.

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- 3.3.3. WHU continue to seek approval to install a claret cover for the track protection. This is not a right they have under the CA, and E20 are refusing to give consent until other **s.43** are resolved, including the aforementioned pitch side static signage. On 18th July WHU threatened to seek an injunction.
- 3.3.4. West Ham have also indicated that they are going to seek damages for the seating not being in place on the 25th August, although they lose nothing from this as they do not have a game until the 11th September (game v Huddersfield has moved to Monday evening for TV coverage.)
- 3.3.5. WHU raised concerns over the Saracens game on the 24th March 2018. The focus was the potential impact on the quality of the pitch given there will be 4 pitch sport games during March. These concerns were taken on board by LS185, but not considered significant enough to not take the booking.

4. LONDON 2017

- 4.1. At the time of writing the London 2017 events have started. A verbal update will be given at the Board, reflecting completion of the Para Athletics Championships.
- 4.2. The event to date has been a success. There were over 200,000 attendees (although a significant number of ticket holders did not attend), an excellent athlete experiment inside the stadium and more limited ingress / egress arrangements to reflect the scale and profile of the spectators.
- 4.3. Over 50,000 school children attended Monday and Tuesday morning sessions through the Mayor of London schools programme.
- 4.4. The stadium is now in transition to the IAAF mode, ahead of the start of the event on the 4th August 2017.
- 4.5. The main unresolved clean stadium issue is the hanging signs in the concourses. E20 are not willing to spend over £50,000 removing the hanging pieces as they contain no commercial branding. A lighter touch solution is being sought which costs less than £10,000.

5. NAMING RIGHTS

- 5.1. No work is being undertaken on naming rights since the collapse of the Vodafone deal.
- 5.2. **s.43**
- 5.3. E20 have contracts with Brian Jokat and WPP, but neither are actively doing any work, or incurring any cost to E20 at the current time. These contracts could be retained, but given the lack of success with them it is recommended that the contracts are formally terminated.

6. PROGRESS ON 6 KEY THEMES

- 6.1. 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 | Loss c.£24m | Alan Fort appointed Seat costs likely to be reduced given T1 & T2 performance Rates Valuation appeal submitted, as well as case for exclusion of WHU from E20 rates bill made to Valuation Office |
| 2 | Holding LS185 to account: | | |
| a | s.43 | | |

| | | | |
|---|---|----------------|--|
| | s.43 | | |
| b | Reduce WHU costs by £50k per game | £220k per game | £11k secured through “spend to save” measures on barriers Meeting with New LS185 Safety Officer Adviser £xx reductions |
| c | s.43 | | |
| 3 | s.43 | | |
| 4 | Closing out Stadium Transformation Issues | £1m - £3m | Significant progress on closing out defects by BB, including fire doors and fire stoppers. Focus on resolving water treatment issues E20 assessment of valuation completed, and assessed at much lower levels than LS185 have formally stated. |
| 5 | s.43 | | |
| 6 | Secure Contracted local Community and Economic Benefits | Below target | 52.8% local employment against target of 75% Further concerns over performance on community plan, community track. Improvement required by LS185, with formal notice on non-compliance being sent to LS185. |

7. RISKS

7.1. The risk register has been updated and attached as Appendix 2. Of 13 risks after mitigation 2 are Red, 5 Amber and 6 Green. This is the same profile as reported last month. The 2 red risks are the impact of not having a naming rights deal on the business plan, and the Number of legal disputes impacting effective relationships.

8. MILESTONES

8.1. As previously requested by the Board, a milestone plan is at Appendix 3. This gives a summary overview of all E20 activity. It indicates the current status on all major workstreams, and the upcoming milestones and target completion dates through to March 2018. The Red/Amber/Green colouring relates to whether is E20 is on track to deliver the outcomes within the timeframe shown. This can be updated and issued to the Board monthly, if the Board would find this helpful.

| Reference | Issue | Status | Commentary on status | Next steps | E20 owner | Possible Settlement - if E20 sought a wrap-up deal | 2017/18 Annual Impact of Settlement beyond status quo |
|-----------|--|----------|--|---|------------------------------|--|---|
| 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 68 000) 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. Claim and defence submitted. | E20 now following Part 7 process. Unlikely to conclude before autumn 2018. Briefing note issued to Board. | Alan Skewes | | |
| 2 | s.43 | | | | | | |
| 3 | Draught beer and Academy bar float. 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 float have been separate legal issues though are likely to be considered and resolved together. Halsbeek have now offered to contribute £40k to draft to Boleyn bar which make make it worth doing (NPV analysis underway). | 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. Hearing on 31 July-2 August to decide. F clause 10.6 is relevant. Winning will help E20 on ED and more generally. | Martin Gault | | |
| 4 | Internal screen content. West Ham want the TVs in the Hospitality areas to show Sky Sports whereas LS18S prefer to show adverts (that generate commercial income for them - and E20) | Ongoing | West Ham have triggered expert determination. LS18S have proposed fee to West Ham of £38/match. | 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. Hearing on 31 July-2 August to decide. F clause 10.6 is relevant. Winning will help E20 on ED and more generally. | Martin Gault | | |
| 5 | Hospitality staff / hostesses. E20 do not have 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 LS18S 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. Hearing on 31 July-2 August to decide. F clause 10.6 is relevant. Winning will help E20 on ED and more generally. | Martin Gault | | |
| 6 | Executive box and hospitality tickets. E20 is bound into a 3 year contractual commitment to the Exec box and hospitality tickets. In a bid to cut costs E20 may no longer want this many tickets. | Ongoing | E20 has not yet approached West Ham in an attempt to reduce this commitment. | Members to respond on paper issued to SEG on tickets for 17- 18 season. | Martin Gault | | |
| 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 Gault | | |
| 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 Gault | | |
| 9 | Plantation. West Ham are using space on the stadium island site for their plantation (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 plantation (at E20's convenience). West Ham responded stating minimum £20k clause. | 1. Gowlings have written back and say "renew 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 Gault | | |
| 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 bill 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 payment can be requested from WH. E20 reaching pressure to pass utilities over to LS18S. Recovery of WH's contribution then becomes their problem. | Martin Gault | | |
| 11 | s.43 | | | None for the time being. | Alan Skewes | | |
| 12 | Operator performance. West Ham have been asserting that LS18S 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. | Parted | West Ham have not been recently pursuing this argument. | None for the time being other than to ensure LS18S are fulfilling their obligations (e.g. on 14). | Alan Skewes and Martin Gault | | |
| 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 (5). | Ongoing | s.43 to provide) | s.43 to provide) | s.43 | | |
| 14 | s.43 | | | | | | |
| 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 deadline 3rd August 2016. | Ongoing | Commencement date not agreed. | None for the time being. | Martin Gault | | |
| 16 | s.43 | | | | | | |
| 17 | s.43 | | | | | | |
| 18 | HMRC ruled West Ham were "aided" by HMRC as part of a Football transfer investigation. E20 reserved its position in relation to reputational damage caused to the Stadium. | Parted | E20 has written to West Ham reserving its position. | None for the time being. | Alan Skewes | | |
| 19 | s.43 | | | | | | |
| 20 | Cricket World Cup 2019. West Ham have read press reports and fear LS18S are contractually committing to cricket without the necessary consultation with West Ham. That is not the case; LS 18S are still in the feasibility stage. | Ongoing | LS18S are committed to consulting with West Ham prior to contractually committing to cricket. | LS18S committed to consulting with West Ham if and when it becomes a real opportunity. Briefing session being set up but LS18S being slow. E20 chasing LS18S and reminding them of the obligation to consult with WHU | Alan Skewes | | |
| 21 | E20 may wish to adjust the seating manifest to support the more efficient delivery of the relocatable seating system. This could include one block (1 D) that contains c.200 seats in good locations c.200 seats in block 114 currently scissored off to create a barrier between away and home supporters and removal of block 102 (c.200 seats). | Ongoing | E20 have identified the potential savings in time and costs. These are being validated during the 2017 seat moves. A value to the saving will be put on the costs in September 2017 but it thought to be £200 000-£500 000 per annum. | Await former saving figures in Sept 2017 | s.43 | | |
| 22 | s.43 | | | | | | |

s.43

| Risk | Change since Last Review | Annual Financial Impact 2017-18 | BEFORE MITIGATION | | | Mitigation | AFTER MITIGATION | | | E20 Owner | Next Review |
|------|--------------------------|---------------------------------|-------------------|--------|-------|------------|------------------|--------|------------------------|-----------|-------------|
| | | | Likelihood | Impact | Score | | Likelihood | Impact | Score after Mitigation | | |

S.43

E20 Milestone Plan 2017-18

| Business Area | Workstream | Current status | Owner | 2017 | | | | | | | | | | | | 2018 | | |
|---|--|--|--|---|--|---|--|---|---|--|--|---|--|--|---|----------------------------|--|--|
| | | | | w/c 19 June | w/c 26 June | w/c 3 July | w/c 10 July | w/c 17 July | w/c 24 July | August | September | October | November | December | January | February | March | |
| Overarching Business Strategy and Member Review | Member Review | Members considering ownership and strategy | Gerery Murphy | LLDC and NU write to Board 20 by June | 27 June Board to consider overarching strategy | | | Alan Fort appointed | | | | Members intend to agree a restructuring plan by end Sept | | | | | | |
| | | Report finalised | Martin Gaunt | Draft report to Board 20 June | Consideration at 27 June Board | Final report to be issued | | | | Board to formally note / approve report | | | | | | | | |
| Operator | Events | Concerts successfully completed | Martin Gaunt | Robbie Williams 23 June | | | | | | | | | | | | | | Saracens Rugby Union match |
| | Net Commercial revenues | 2016 revenues confirmed. Risks identified to 2017 revenues | Martin Gaunt | | | | | | Quarterly financial review | Interim 2017 revenues due | | Quarterly financial review | | | | Quarterly financial review | | Final 2017 revenues due |
| | "Disputed costs" | Not agreed. E20 and LS185 about to re-engage | Ian Bright | Meeting with LS185 23 June - cancelled by LS185 | | | E20/LS185 meeting to discuss Excusing Event Mechanism | Excusing Event Review | Excusing Event Review | Excusing Event Review | Excusing Event Review | Excusing Event Review | | | | | | |
| | Excusing events | Log established, working through one by one | Martin Gaunt, Ian Bright | Meeting with LS185 23 June - cancelled by LS185 | | | | | | Excusing Event Review | Excusing Event Review | Excusing Event Review | Excusing Event Review | Excusing Event Review | Excusing Event Review | | | |
| | Defects | Being worked through and gradually resolved. Some still outstanding | | Deadline of 20 June for LS185 to submit | | | All defects logged with Balfour Beatty | Defect Rectification | Defect Rectification | Defect Rectification | Defect Rectification | Defect Rectification | | | | | | |
| | Facility Management | BWA reviewing asset survey | | BWA report on assets due | | | | | | BWA review concluded | Potential (Target) agreement with LS185 | | | | | | | |
| | Lifecycle | BWA review to commence once Facility Management review complete | | | | BWA review to commence | | | | BWA review to conclude | Potential agreement of lifecycle plan with LS185 | | | | | | | |
| | Connected stadium | LS185 re-engaging market | Martin Gaunt | LS185 to confirmed timetable for delivery | | | | Prices received from O2 and Axians | | | LS185 to issue potential excusing event, and commence install | | End of E20 commitment to fund temporary wifi | Potential completion of Connected Stadium installation | | | | |
| | Health & safety | Independent report received, recommendations being progressed. | | | Recommendations to be actioned by end June | | | | Closing high water hygiene (legionella) risk assessment | | | | | | | | | |
| | Contingency plan | High level plan in place if LS185 walk out. LS185 dispute handover has occurred | Alan Skewis | | More detailed plans to be developed | | | | Present update and Contingency Plan to Board | 1 August deadline for completion of stadium. LS185 could seek to trigger termination | if LS185 triggered termination on 1 Aug. 60 day notice period (End Sept) | if LS185 departed, new arrangements in place from 1 Nov | | | | | | |
| Egress | LS185 refusing to agree to sign licence with Westfield | Alan Skewis | | Debrief on concerts. Contingency Plans review options including "step in" | | Letter to LS185 requiring them to sign licence ot step in | | | | Football egress finalised | | | | | | | | |
| West-Ham United | WHU Events | Next home match 11 Sept | Alan Skewis | | | Broadcast picks 4 July to confirm timing of early season fixtures | | | | | Draw for League Cup (Add date). Possible 22 August match at home but no E20 obligation | First home match 11 Sept | | | | | | |
| | Additional capacity | E20 won Part 8 claim. Now proceeding along Part 7 court judgement | Alan Skewis | | | E20 Defence submitted (4 July) | | | | | | | | | | | | >>>> Unlikely to conclude until well into 2018 |
| | Expert determination | Triggered by West Ham. E20 proceeding down legal process | Martin Gaunt | Meeting to review strategy | | | Court hearing on clause 10.6 on 13 July | | | | Part 8 Hearing scheduled on comparable club | | Likely to conclude autumn 2017 if legal process followed | | | | | |
| | | | | | | Pitch surround negotiations | | | | | Ideally to be resolved ahead of new season | | | | | | | |
| UK Athletics | Events | ParaAthletics underway | Alan Skewis | | | Diamond League 9 July | | ParaAthletics 14-23 July | | WAC 4-13 Aug | | | | | | | | |
| Future of athletics at stadium | UKA briefed. Athletics retained for 2018 | Alan Skewis | Confirm 2018 viability to host athletics | Decision at 27 June Board | | Decision to be confirmed once E20 funding confirmed | | | | Communication with UKA | | | | | | | | |
| London 2017 prep | Staging agreement signed | | | LS185-LOC staging agreement to be signed | Agree "Clean" Stadium scope | Stadium "cleaning" completed | | | | Reinstatement of WHU branding | | | | | | | | |
| Community | Events | Newham Run successfully staged | Martin Gaunt | | Newham Run 2 July | | | | | | | Community Track scheduled to be opened by LS185 | | | | | | |
| | Jobs and skills | 31.6% of stadium staff are from Newham; 52.8% from across the four local boroughs | Martin Gaunt | Workshop with LS185 20 June | | | | | | | Quarterly Job and Apprenticeship report due | | Quarterly Job and Apprenticeship report due | | | | Quarterly Job and Apprenticeship report due | |
| | London Living Wage | Currently not paying LLW. Change request issued | Martin Gaunt | Workshop with LS185 20 June | Decision at 27 June Board; contract change issued | Cost estimate for impact assessment due from LS185 but not received | E20 issue notice of non-compliance to LS185 | | | Consideration at August Board | Potentially implement LLW for first West Ham match | | | | | | | |
| | Community tickets | West Ham supplying limited number of tickets to LBN. Legal dispute ongoing | | | | | | | | Ideally to be resolved ahead of new season | | | | | | | | |
| Naming Rights | | | | | | | | | | Possible consideration at August Board | | | | | | | | |
| Seating | Transitions | T2 complete, planning for T3 | | | T2 25 June - 13 July | | | | | | T3 14 Aug - 7 Sept | Seating review following completion of 2017 transitions | | | | | | |
| | Commercial | Contract renegotiation ongoing | | | | | | | Board Paper to outline options | | | Finalise negotiations | | | | | | |
| | 2018 and 2019 seat moves | Plans being finalised | Alan Skewis | | 27 June E20 Board to confirm plans | Communicate decision to stakeholders and manage any fallout | | | | | | | | | | | | |
| | Pell Frischmann study | Proposals being costed | | Meeting 23 June to review costed report | | Report issued to Board | Workshops | Workshops | Report at Board | | | Seating review following completion of 2017 transitions | | | | | | |
| Finance | Annual Report and Accounts | Draft position included in LLDC / LBN accounts. E20 accounts delayed. | Richard Irish | | GL Hearn to redo valuation pending outcome | | E20 Finance & Audit Committee 11 July - postponed until Autumn | | | | | Finance & Audit Committee consider draft (meeting date TBC) | Board approval | Submitted to Companies House by December | | | | |
| | Business Plan and 18-19 Budget | 17-18 Business Plan not agreed. | Martin Gaunt | | | | | | Quarterly Finance update to Board | | Commence E20 business planning | | | Business Plan for approval to E20 Board | | | | |
| | Working Capital | LLDC Q2 loan agreed. Uncertainty beyond that. | Martin Gaunt | | Members confirm Q2 commitment | | | LLDC loan agreed, July working capital paid | | Due 1 Aug | Due 1 Sept. Members to agree Q3 arrangements | Due 1 Oct | Due 1 Nov | Due 1 Dec | Due 1 Jan | Due 1 Feb | Due 1 March | |
| Corporate | Staffing | Team of 6 following extensions and Alan Fort appointment | Alan Skewis | | Possible consideration of CRG recruitment at 27 June Board | E20 resourcing considered by Members | Confirmed resourcing communicated to team | Alan Fort appointed | | | | | | | | | | |
| Other | Utilities | Not handed over to LS185. Opportunity for more efficient use of stadium to drive savings | Martin Gaunt | | | | | | E20-LS185 workshop to progress handover, recharge of costs to West Ham, and opportunities to reduce consumption | Possible go ahead for capital projects to reduce consumption | Possible handover to LS185 and recharge to West Ham | | | | Possible completion of capital projects | | Possible commencement of benchmarking exercise | |
| | Business rates appeal | Appeal lodged, awaiting consideration | Martin Gaunt | | VOA site visit 28 June | | | | | Additional info to be issued to VOA | VOA commitment to respond in Sept | Anticipated appeal outcome | | | | | | |

Key: Red / Amber / Green coloured bars represented the duration of the workstream, with the RAG rating representing whether work is on track to complete within the timeframe shown. Board decisions shown in boxes.



Item: 4a
Subject: Update on Relocatable Seat Moves in 2017, 2018 and 2019
Meeting date: 25 July 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis and s.40

1. SUMMARY

1.1. This paper provides the Board with an update on the 2017 relocatable seating project, and progress with plans for 2018 and 2019.

2. RECOMMENDATIONS

2.1. The Board is invited to:

2.1.1. **NOTE** a successful Transition 2 (T2), 5 days ahead of schedule

2.1.2. **NOTE** plans for Transition 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 July 2017. There are opportunities to make savings on the budget. However, these are not being reported as secure, as there remain a number of risks and opportunities that will impact the final cost.

3.3. Risks:

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

3.3.2. Unbudgeted Pre Transitions costs exceeding savings made during Transitions 1&2.

3.3.3. £600k GLA funding not being secured.

3.3.4. WHU seeking damages for the non-delivery of the seats by the date of 25 August included in the concession agreement. This is being resisted as WHUs recourse is damages, and they have suffered now due to the fixtures not having a game between the 19th August and 9th September.

3.4. Opportunities:

3.4.1. 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.

3.5. £727,015 of the £1m contingency has been allocated, as set out in Appendix 2. While 73% of the contingency being used is significant, it should be noted that:

3.5.1. Items purchased from contingency in T1 and T2 also used in T3 without additional call on the contingency

3.5.2. Over 50% of the contingency used is on items that will be used in future seat moves

3.5.3. 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.

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4. TRANSITION 1 (Pitch to Concert)

- 4.1. Details of the Successful transition reported in June 2017, and not repeated in this report.

5. TRANSITION 2 (Concert to Athletics)

- 5.1. Work started on the 25th June once the concert stage has been dismantled.
- 5.2. PHD delivered this transition 5 days ahead of schedule, before the Diamond league event. The works also accommodated a pause for the Great Newham London Run, as well as the parallel task of pitch seeding.
- 5.3. The budget for this transition is s.43. The outturn is expected to be less than this due to the early completion. A verbal update on this will be given at the Board meeting.

6. TRANSITION 3 (Athletics to Pitch)

- 6.1. WHU now do not have a fixture until the 11th September 2017, as the game scheduled for the 9th September has been moved from the 9th for Sky TV coverage.
- 6.2. The game scheduled in August (Southampton at home on the 19th August) falls within the window that WHU do not have rights to play in the stadium. WHU have contested 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.
- 6.3. A programme based on a seat transition working flat out from the 14th August to 25th August has been produced. s.43
s.43 This is consistent with the position set out to WHU in January 2017.
- 6.4. This programme will only be used if required to defend a WHU claim. It makes no sense to expend additional sums delivering a programme that is not required for events.
- 6.5. The WHU fixture change present even greater potential T3 cost saving opportunity. The Project Team have requoted assuming a working window of 0800hrs on 15th August to 0800hrs on Thursday 7th September, excluding work on Sundays and Bank Holidays.
- 6.6. Given the reduced likelihood of moving the East Stand in the coming 5-10 years, a number of additional works to “permanitise” the stand will be undertaken. These are:
- 6.6.1. Ensuring the stand is accurately located, so no temporary works are required
 - 6.6.2. Filling in the Voids on blocks 131 and 142 to create additional circulation and catering units
- 6.7. For clarity, these works do not mean the East stand cannot move in future. They do make any move slightly more costly and time intensive. This is more than paid off by the balancing factor of reduced inspections in the intervening years.

7. 2018 SEATING UPDATE

- 7.1. At the June Board the 2018 seating configuration was agreed.
- 7.2. Since the decision:
- 7.2.1. No concerts have been contracted, but it is highly likely LS185 will reach and exceed the s.43 net commercial revenues on which the decision was made.
 - 7.2.2. LS185 have received a concert manifest that provides a minimum 65,000 capacity. They have worked with this and believe with the right licencing and promoter this could increase to a 70,000 to 75,000 capacity.
 - 7.2.3. LS185 have asked for support in seeking planning and licencing consent for increased decibel levels. They are also investigating the potential for over 10 concerts in 2018, in case artists sign up for all 6 weekends available.
 - 7.2.4. UK Athletics have not yet been informed of the configuration until full technical work has been completed. A verbal update will be given to the Board, but current information is positive, in that:

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- There will be an unrestricted capacity of over 30,000;
- At least another 10,000 views will only have minor restrictions;
- Views of the track will provide a credible athletics venue with no significant restrictions in the upper tier;
- An adequate number of press and TV views are unrestricted;
- There may be a need to provide a limited number of wheelchair spaces in alternative positions to ensure adequate unrestricted views.
- The hospitality areas will have the most affected sight lines. This should be manageable, as UKA do not sell close to the 3,400 hospitality capacity for their events. See Appendix 3.

7.2.5. A review of seat move cost has been planned in, after T3. These are expected to reduce the costs from the **s.43** reported to Board. This is before any account of the Pell Frischman study is taken into account.

8. 2019 SEATING UPDATE

- 8.1. The 2019 seating configuration currently proposed by the Board in May 2017 is for the playing for cricket and baseball. The west stand would be retracted, with the North, East and South stands forward with the front 7 rows removed.
- 8.2. LS185 have indicated a revised timetable of September 2017 for signature of contracts. This is later than expected, however, there has been positive progress on both sports with:
 - 8.2.1. MLB confirming the 2019 seating configuration is suitable for their games. The next stage is to agree commercial terms.
 - 8.2.2. The ICC held a positive meeting with LS185 on the 12th July, and should be close to progressing to commercial discussions.
- 8.3. If these sports fell ways, alternatives would be to provide the venue in the 2018 seating mode or have no events and use the time to implement seating solutions.

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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 | July 25 Board before Opportunities | Best Case Outcome if Achieve Opportunities and No Risks Arise | Update |
|--|--------------------------------|------------------------|------------------|------------------------------------|------------------------------------|---|--|
| Contractor Payment | £8,000 | £8,000 | £9,318 | £9,318 | £9,428 | £9,000 | T1 complete and in budget Opportunity to adjust T3 programme |
| Contractor Bonuses | £200 | £200 | £200 | £200 | £100 | £100 | T1 complete and bonus of £100k paid |
| Project Management | £200 | £300 - £476 | £413 | £413 | £413 | £413 | Set with Mace. Potential to reduce in T3 as time and logistical pressure off |
| Compound, Maintenance of Airskate System | £200 | £200 | £216 | £216 | £216 | £216 | |
| s.43 | | | | | | | |
| Purchase of Layher System for N&S Stands | £500 | £555 | £555 | £555 | £555 | £555 | Purchased. Proposal for purchased of more |
| Airskates incremental improvement | £0 | £30 | £250 | £250 | £250 | £250 | Spent prior to and during T1 |
| Air Cushion Spares | £0 | £30 | £30 | £0 | £0 | £0 | Included in airskates incremental improvement from April 2017 |
| Planned Maintenance over 12 months | NA | NA | £308 | £308 | £308 | £308 | Monthly checks on the seats. Being challenged. Not included in seat costs budget until April 2017. |
| Contractor Overspend Allowance | £400 | £400 | NA | NA | NA | NA | Into contingency in April 2017 |
| Contingency Used | NA | NA | £0 | £500 | £727 | £727 | |
| Contingency Unallocated | £350 | £170 | £1,000 | £500 | £263 | £0 | 50% already allocated |
| TOTAL COST | s.43 | | | | | | |
| GLA Contribution | £0 | £0 | (£600) | (£600) | (£600) | (£600) | Still not confirmed |
| TOTAL E20 Budget | s.43 | | | | | | |
| Additional Risks: | s.43 | | | | | | |
| Rest of QRA | | | £1,100 | £0 | £0 | £0 | Risks reduced following successful T1 |
| TOTAL(exc. GLA Contribution) | | | £14,650 | £12,410 | £12,410 | £11,569 | |

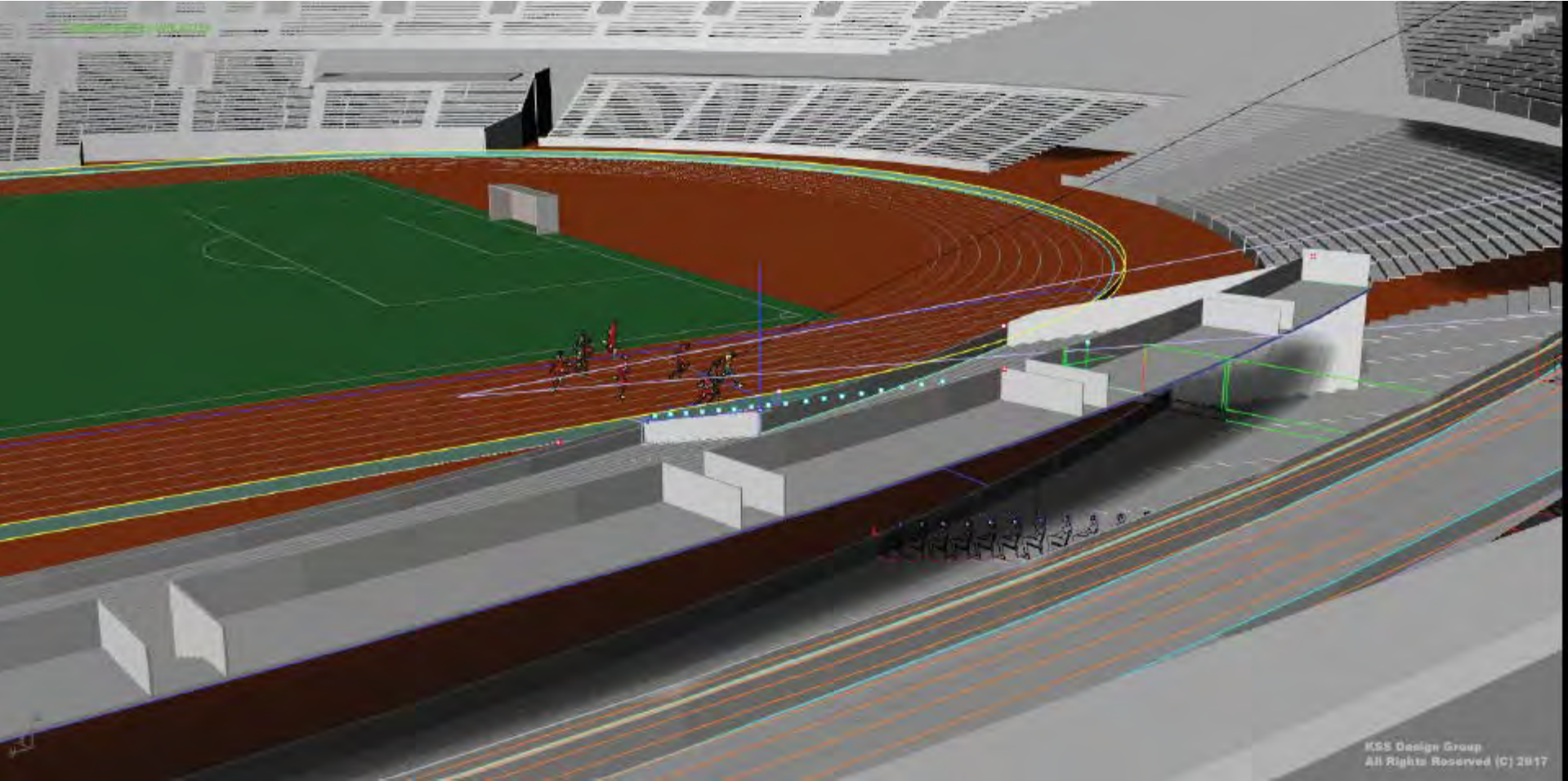
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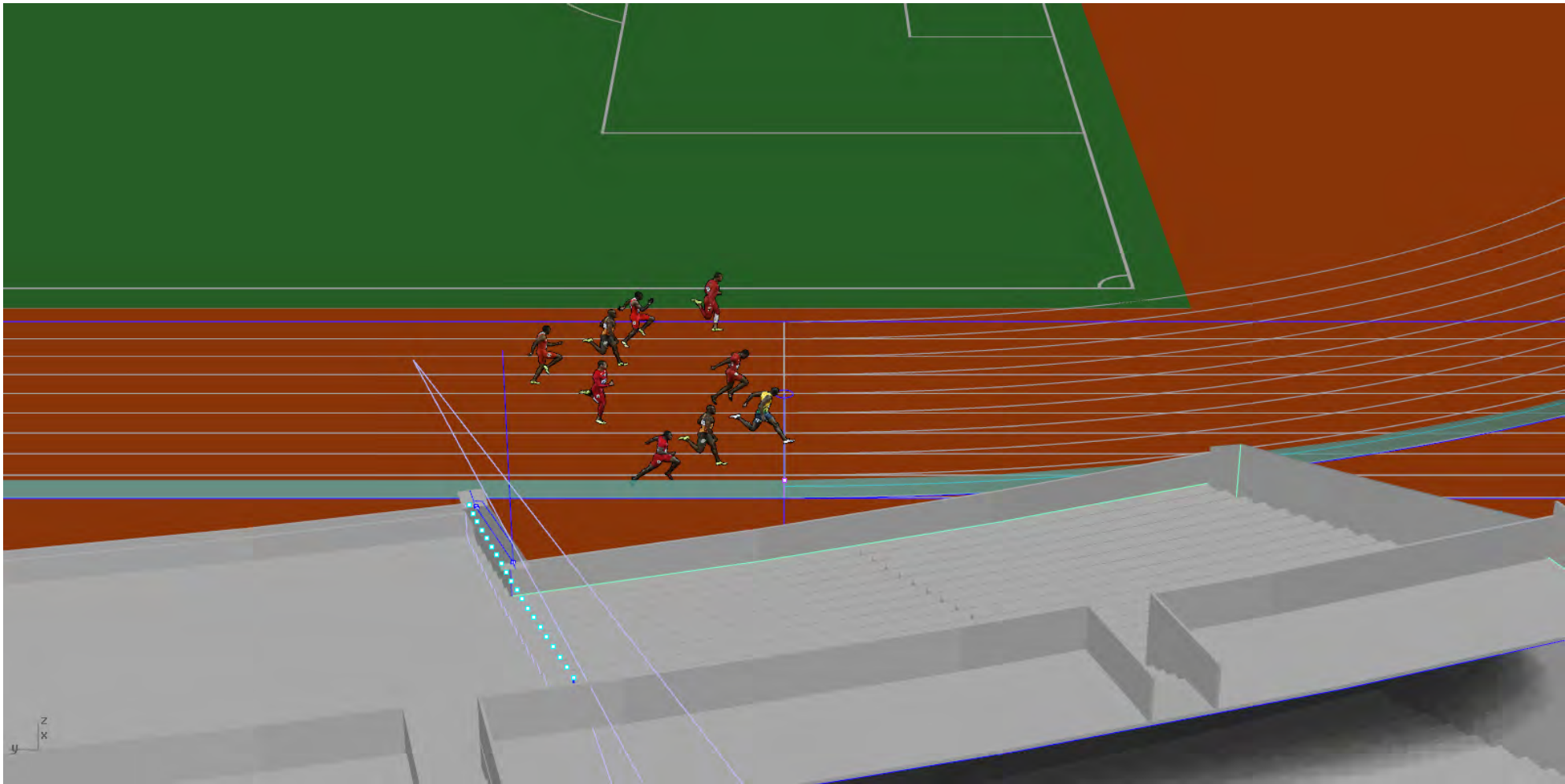
APPENDIX 2: CONTINGENCY SPEND

| 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 |
| Removal of seating related 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 |
| Compound Hoarding | 5,000 |
| Seat refurbishment and rails | 55,000 |
| Slide back plates | 21,900 |
| Jacks | 46,100 |
| Deck 25 missing Parts | 4,000 |
| GRP Covers for broadcast trench | 3,400 |
| Dismantle redundant Sapa components for use in T3 and future | 25,840 |
| TOTAL | 727,015.00 |

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Appendix 3: Image of Finish Line in 2018 Seating Configuration





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Appendix 4 – Contingency for T3 seating move

Subject: Request for use of £25,840 Contingency for T3 Seating Move
Report of: s.40, Assistant Business Manager, E20 Stadium LLP
Report to: E20 Stadium LLP Board
Date: 25 July 2017

1. SUMMARY

- 1.1. At this week's Seating Project Board, the team reported the excellent T2 transition 5 days ahead of schedule.
- 1.2. The team also reported a £700k use of the approved £1m contingency. Over 50% of the contingency spend is on materials that will support future year seat moves.
- 1.3. One additional item was presented for approval between now and the start of T3 - £25,840 to dismantle redundant Sapa bridge units to use as spares and extras for T3 and beyond.
- 1.4. The Seating Project Board agreed that in light of the benefits outlined above, it is sensible to fund the dismantling of the redundant seating components.
- 1.5. However, given that the Board has no financial authority, it was agreed that this paper be submitted to the main E20 Board for approval. The team need to commence the dismantling process in advance of the T3 start and the next E20 Stadium LLP Board meeting on 25th July, so the E20 Chair, in consultation with LLDC and NLI delegates are asked to approve this before the 25th July Board meeting.

2. RECOMMENDATION

- 2.1. **AGREE** to £25,840 of expenditure to dismantle the redundant Sapa components prior to T3. This will be drawn from the contingency.
- 2.2. In doing so, **AGREE** that the SAPA components will not be used on the north and south stands again. The purchased Layher products will be used.

3. RATIONALE

- 3.1. **Layher cheaper and more efficient than SAPA on North and South Stands:** Learning gleaned from previous seat moves has informed the team that use of Layher bridge components on the North and South stands saves both time and money when compared to the original Sapa components. As a result, the North and South stand Sapa bridge components are largely redundant.
- 3.2. **Compound space is at a premium.** Presently, all of the seating components not required for athletics are stored on the ground, taking up circa. 500 sqm. Longer term, the aspiration is to significantly reduce the demand for compound space and its related cost. This can only be achieved if redundant components are scrapped

and spares are stored more efficiently. It is estimated that by dismantling the existing components will save circa. 400 sqm.

3.3. Components are needed for T3 East Stand move: The East Stand has only ever been moved back into its forward position once before and at the time, due to time pressure, certain temporary works were undertaken to ensure all the components fitted together. These works have now been removed and these customised components are not reusable. Instead, it is proposed to use the original Sapa components, which have been ordered from Sapa. However, it is highly recommended that a quantity of critical spares is held in case of positioning difficulties. These spares will not need to be ordered if the redundant Sapa bridges can be dismantled.

4. FINANCIAL

4.1. Our seating contractor, PHD, has supplied a price of £25,840 in line with agreed contract rates, to dismantle the redundant Sapa bridges.

4.2. Quantifying the saving is difficult as they relate to reducing risk, and T3 time savings and future parts orders. An estimate is:

4.2.1. Reduced risk from lack of available parts creating a delay (£c.20,000)

4.2.2. Reduced compound space (c.£20,000)

4.2.3. Reduced future part orders (c.£10,000)

4.3. It is proposed that this sum is funded from the Stadium Seating Contingency budget, highlighted in the table below.

| 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 |
| Removal of seating related 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 |
| Compound Hoarding | 5,000 |
| Seat refurbishment and rails | 55,000 |
| Slide back plates | 21,900 |
| Jacks | 46,100 |
| Deck 25 missing Parts | 4,000 |
| GRP Covers for broadcast trench | 3,400 |
| Dismantle redundant Sapa components for use in T3 and future | 25,840 |
| TOTAL | 727,015.00 |

Report originator(s): s.40

Email: s.40 @e20stadium.com



Subject: Relocatable Seating Options Study Update
Meeting date: 25 July 2017
Item: 4b
Report to: E20 Stadium LLP Board
Report of: Alan Skewis and s.40

1. SUMMARY

1.1. This paper provides the Board with an update on the Relocatable Seating Options Study report.

2. RECOMMENDATIONS

2.1. The Board is invited to **NOTE** the progress and focus for the Pell Frischmann work.

2.2. **NOTE** that E20 suggest a focus for the next stage of work should be on:

2.2.1. Demountable or Framed Modular System solutions for the North and South Stands

2.2.2. Demountable or Framed Modular System applied to the end modules being moved in 2018 at either end of the West Stand

2.2.3. Reducing the cost of removing and reinstalling the front 7 rows on each stand

2.2.4. No further work on the East Stand at the time being

3. PELL FRISCHMANN REPORT OUTCOMES

3.1. Following their appointment by the London Borough of Newham, the consultants Pell Frischmann and Core Five have been working in recent months with stadium stakeholders to develop a report that identifies the technical options for optimising the seating in the London Stadium. These options have now been subjected to a high level feasibility and commercial analysis.

3.2. A copy of the report has been issued to Members.

3.3. The work fulfilled the objective of taking an independent review of the options for the seats, offering a number of options for improving the system – from the radical to incremental improvements.

3.4. As might be expected the options reveal a tension between combining a low capital expenditure and poor transition performance, with those combining low transition costs/times with high capital expenditure.

3.5. This is a complicated project, with very many variables, and a high public profile. It is therefore important that we work thoroughly to develop a solution, taking proper account of the relevant commercial and technical factors.

3.6. Based upon our high-level commercial and technical consideration of the consultant's reports, LBN are proposing to develop a preferred solution for each stand – that works for each event type - using a series of stakeholder workshops.

3.7. As explained in this paper, we will use the 'Fully 'Demountable'' and 'Framed Modules' options as a starting point, with 'Locked' modules as an option for a small number of discrete locations. (The terminology is explained in Appendix A). We have not specifically considered the 'Do Nothing' option, and are assuming that all four stands require a moveable seating solution in some form.

3.8. Whilst we will develop solutions for each stand, the overall solution ultimately recommended may be to modify some stands now, and leave others either as they are, or

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locked in position, until a business need can be identified to support their modification. A key input to our work is an early decision by stakeholders board on the modes they wish to operate the stadium in.

- 3.9. LBN/E20 propose to complete this current project phase and to present our preferred option by 30 September 2017, with a view to prototyping and/or implementing at least some of the solution during the summer of 2018.

4. ANALYSIS OF THE REPORTS

- 4.1. For the purposes of comparison, the current system in use in the stadium can be considered to be a relocatable demountable system.
- 4.2. At this early 'options identification' stage of the project, the data provided by the consultants is based upon a number of assumptions and is therefore not precise. As a result, any analysis at this stage is to an extent simplistic and intended only to allow us to rule out those options that lie at the extremes so that we can focus more detailed work on the option/s most likely to form the basis of the preferred solution.

Commercial

- 4.3. The Indicative Seating Cost Matrix, attached in Appendix B, shows technical options that can be considered in two groups; those that are moved manually, and those that are moved using jacks or other automated lifting apparatus.
- 4.4. The manual options are similar to those currently deployed in the stadium and are characterised by low CapEx costs, but long and expensive transitions. It is also true that they exhibit the 'look and feel' of a temporary stand.
- 4.5. The automatic options have much higher CapEx costs, but offer cheaper, quicker transitions, and would look like permanent seating.
- 4.6. The top two options in the table; 'Demountable', and 'Modular', are physically similar trusses but differ in terms of CapEx and transition times/costs, 'Demountable' being the cheapest option and therefore preferred at this stage.
- 4.7. The bottom three options in the table; 'Framed Modules', 'Framed Modules - Lifting Platform', and 'Scissor Lifts', all offer similar transition times/costs, and therefore, on the basis of selecting the cheapest CapEx, the bottom two have been rejected for now.
- 4.8. Following from the above, we propose to consider 'Demountable', and 'Framed Modules', in more detail in the workshops. 'Framed Modules' would be stored within the stadium whereas 'Demountable' would probably require offsite storage.
- 4.9. For a comprehensive commercial analysis we need to resolve a number of issues, not least the likely lifespan of the various options. At this current time, the costings provided by the consultants are based on a considerable number of assumptions, and should be treated with caution.

Technical

- 4.10. The Technical Options Comparison Table, attached in Appendix C, shows a number of criteria by which the technical options can be assessed.
- 4.11. The 'Construction Risk' column is important because it reflects the likelihood that the stadium would not be returned to use on time (or in a suitable condition) following installation works. The 'Demolition' and 'M&E (MEP) Works' columns reflect the extent of disruptive activities that could also impact on the reliability of handback.
- 4.12. The 'Operational Complexity' and 'Reliability' columns reflect upon the ease of transition and the potential lifespan of the equipment.
- 4.13. The option of locking seats in place is currently being considered by E20 as it has the potential to provide a low risk/cost solution albeit at the loss of operational flexibility. Nevertheless, it could be a temporary solution for some stands until operational experience, and businesses cases for particular events, have been developed enough to justify some form of relocatable seating, or permanent locking, in a few years' time.
- 4.14. The more technical/complex systems at the bottom of the table all bring with them considerable risk, (excavation, demolition, MEP relocations) and are therefore rejected at this stage in favour of the systems selected above under the commercial criteria, which appear to offer less disruptive build and more reliable operation.

Other Considerations

- 4.15. The required analysis is not a straight comparison between the various technical or commercial criteria and needs instead to take into account the stadium modes that need to be supported, and the lessons learnt from the operation of the stadium to date. This is the reason for proposing the summer workshops.
- 4.16. It is also the case, that different solutions may be adopted on the same stand, for example, a 'Framed Modules – Lifting Platform' solution for mid-tier seating with a 'Demountable' solution for the lower 7 rows.
- 4.17. It is important that an agreed model for the operational modes of the stadium is developed in parallel with this project, since that will allow all the required transition patterns to be accommodated, and accurate 'whole life' costings produced.
- 4.18. We may revisit rejected options if they are found to be appropriate for discrete locations within the stadium, or if the selected options do not perform well under the detailed analysis of the workshops.
- 4.19. Based upon high-level commercial and technical consideration of the consultant's reports, we are proposing to develop a preferred solution for each stand using a series of stakeholder workshops. We will use the 'Demountable' and 'Framed Modules' options as a starting point, with lockable stands an option for a small number of discrete locations.
- 4.20. The solution ultimately recommended may be to modify some stands now, and leave others as they are, or locked in position, until a business need can be identified to support their modification at this time.
- 4.21. We will engage appropriate consultants during the summer to support this work.

5. NEED FOR A DIFFERENT APPROACH TO EACH STAND

- 5.1. The PF work demonstrates that improving movement of each stand is possible. Each stand presents different challenges and costs. This is reflected in the different solutions, relative capital costs, and annual seat moves costs covered in more detail in other sections of this report.
- 5.2. Financial assessment for each stand has been undertaken and shown in Appendix 2.
- 5.3. The approach is also influenced by the need to move the stands to meet the multi-purpose requirement of the stadium.



S.43

- 1.1. Most critically, the sports and events identified in the table do not require the East Stand to move. The one exception is a repeat of the World Athletics Championships or similar scale athletics event (e.g. Olympic and Paralympic Games). At most these are once in a 20 year occurrence.
- 5.4. The most likely stand moves are the South, North and West (part in 2018 and all in 2019).

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- 5.5. These 3 stands all are required to move to deliver the 2018 and 2019 seat configurations to accommodate:
 - 2018 Configuration: Football – 65k Concert – Compromise Athletics – Football
 - 2019 Configuration: Football - Cricket – Baseball - Football
- 5.6. Visual representations of these moves are included in Appendix 3.
- 5.7. The table below takes the matrix in Appendix 2 and applies what the annual seat move costs to deliver the 2018 and 2019 options. The table shows comparators for the current, demountable or framed modular systems.

| | Annual Seat Move Costs (all rounded) | | |
|--------------------|--------------------------------------|---------------------------------|-----------------------------------|
| | Current System | Proposed new Demountable System | Proposed new Framed Module System |
| 2018 Configuration | s.43 | | |
| 2019 Configuration | | | |

- 5.8. In addition to the seat move cost there are capital sums to deliver the new system. These are indicatively as follows:
 - The 2018 configuration requires **s.43** capital investment (demountable) or **s.43** (framed modular).
 - The 2019 configuration requires **s.43** capital investment (demountable) or **s.43** (framed modular).
- 5.9. The figures in brackets integrate the capital costs being paid back evenly over **s.43**.
- 5.10. For E20s short to medium term objectives of getting seat move costs down, the work suggests a prioritisation of stands and systems in the next stage of work. These are set out below.

North and South Stands – Work on Demountable Stands and Automated Modular System

- 5.11. The majority of multi-purpose brief of the stadium require these stands to move on a regular basis.
- 5.12. The conclusions support further work on:
 - 5.12.1. Replacing north and south stands with fully demountable units or modular units
 - 5.12.2. Seeking to increase capacity and providing a straight edge to give some more seats closer to the pitch
 - 5.12.3. Leave permanent athletics seats in place (rows 14 and above) Find system that allows front 7 rows of east and west to attach to north and south if required in athletics/concert mode(optional)

5.13. The conclusions do not support further examining the other options.

5.14. The timeline for this work should be highest Priority to Change at least one stand to be tested in 2018.



S.43

Front 7 Rows – Work on Options to reduce Costs

- 5.21. The stadium sports configurations, PHD transitions and Pell Frischmann work has highlighted how important the ability to remove 7 rows from each stand are. This flexibility provides the ability to achieve a cricket field of play, baseball field of play and supports a higher concert capacity, and makes the 2018 athletics configuration work.
- 5.22. However, the cost of doing so are significant, up to **s.43** of the 2018 seat move costs are to remove and reinstall the front 7 rows. The main driver of those costs is the need to remove and store the 7 rows outside the stadium.
- 5.23. Therefore a priority for the upcoming work is therefore to find a more cost effective solution to removal, storage and reinstallation of the 7 rows.
- 5.24. Work has not been undertaken by PF on the best option to deliver this, so none should be ruled out at this stage.

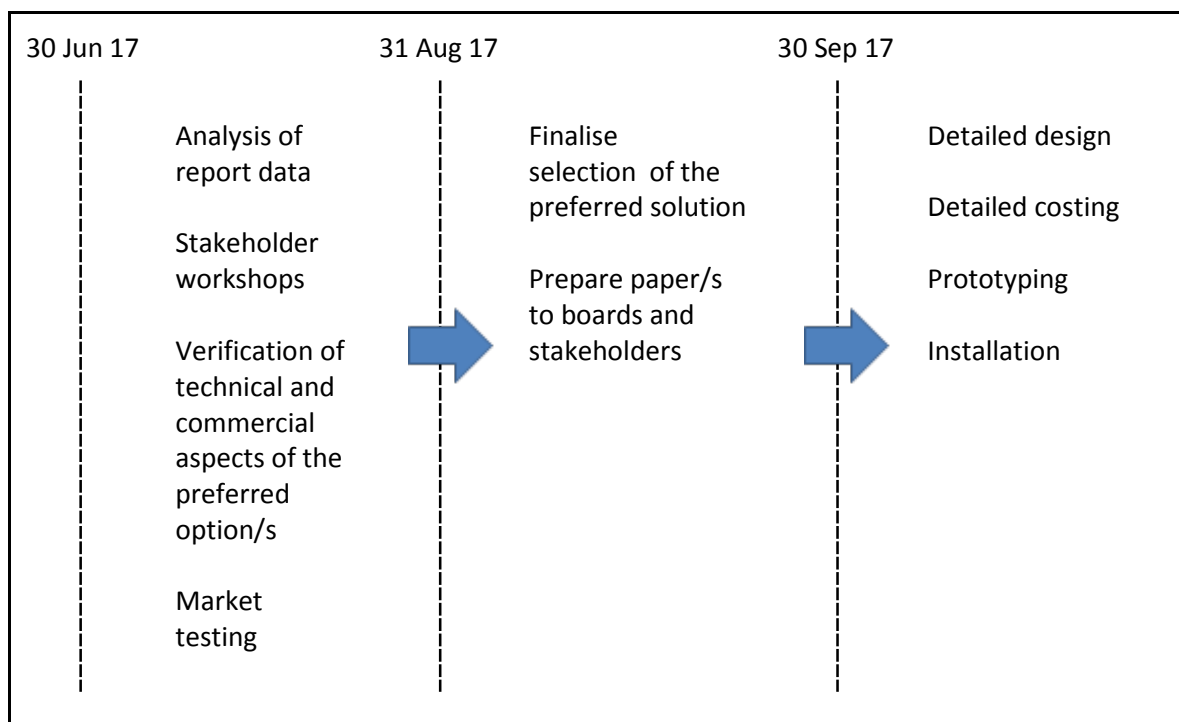
East Stand – Lower Priority for immediate work

- 5.25. It is proposed that no further work is undertaken specifically on the East Stand. The design, prototypes and implementation on other stands may assist future review of the East Stand.
- 5.26. The focus for this stand should be:
- 5.26.1. Making the stand more permanent, but retaining the capability to move for a Mega event
 - 5.26.2. Retain ability to move front 7 rows, but find more efficient means or removal and storage of the 7 rows
 - 5.26.3. Implement improvements to north east and south east corner links to the concourses. These are as reported in the June Board paper, and assist egress and provide additional disability and catering location
 - 5.26.4. Investigate permanently removing block 130 and replace c.200 seats elsewhere in stadium
 - 5.26.5. Consider putting in catering and toilets under the stand to improve income and experience
- 5.27. Accepting the above conclusion means that all options for improving the East Stand are not a priority in the next stage of work.

6. NEXT STEPS

- 6.1. The proposed timeline for the next phase of the project is as follows:

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6.2. After considering the consultant's reports, we have identified the most likely seating solutions for further consideration. These solutions will be tested in a series of workshops in August, with each workshop focussing on a single stand, the idea being to identify gaps in our knowledge which require further consultancy input, and ultimately to establish the best solution for each stand.

6.3. A report will come back to Board which will summarise the work, including:

- 6.3.1. The identified most viable options from the consultant's reports
- 6.3.2. Tests against stadium usage modes
- 6.3.3. Outcomes from technical and commercial consultancy support to resolve any information gaps
- 6.3.4. Validation of the selected options against the rejected options to ensure they remain optimal following the detailed works
- 6.3.5. Recommendations on the achievable timescales going forward, and identify opportunities for prototyping and installation

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Appendix 1: Terminology Associated with Seating Options

Demountable/Relocatable:

The existing seating solution in the London Stadium is a demountable system, meaning that it can be broken down into its component parts and taken into storage or used elsewhere. The system is also relocatable in that it can be rolled around to suit different seating configurations, or lifted out in blocks to be stored offsite.

A fully demountable system that does not involve any “skating” of seats between modes is a potential solution considered worthy of further work.

Modular

A system based upon standardized modules that are assembled to provide the required seating configurations. There may be a small number of module types, but the intention is to standardize the module as much as possible to simplify the transition process. This system can be demountable.

Framed Modules

A system based upon a module built from a structural steelwork frame within which the seating is fixed. This system provides a largely free space beneath the stand in which components such as bridge units can be stored when not in use. The frame can be moved by many means including tractors and hydraulic jacks. The intention is to design the system so that all components are stored within the stadium.

Locked

There is the option to lock the current stands in place. This has the advantage of reducing the safety inspection regime required, and therefore reducing costs. Many stadia worldwide have locked seating in place once their relocatable seating systems became too expensive to repair, say after 20 years

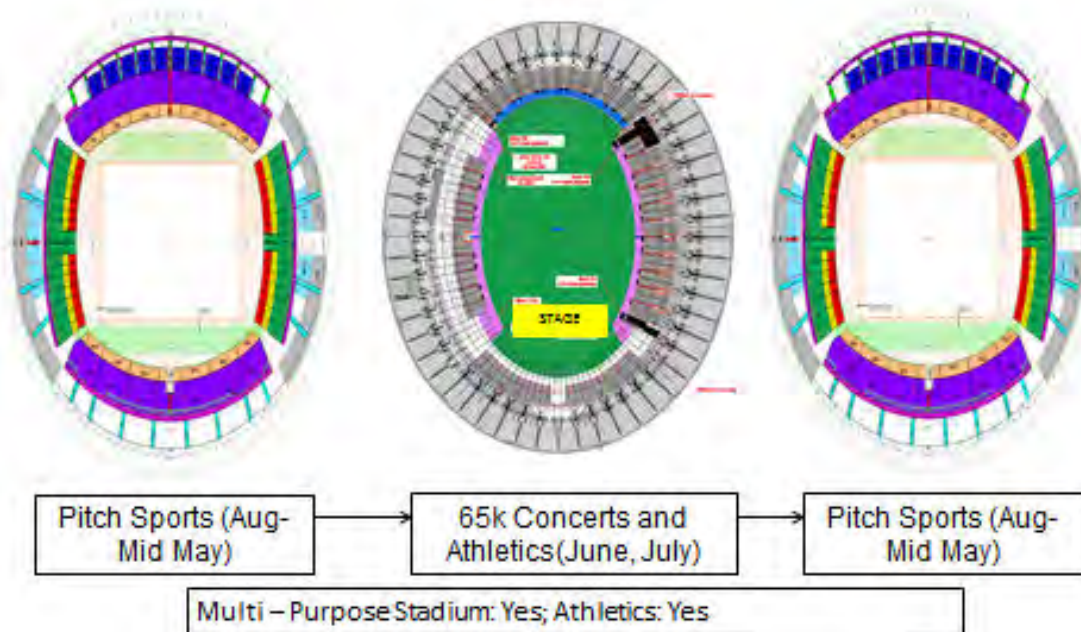
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Appendix 2: Capital and Conversion Cost Matrix for Each Stand

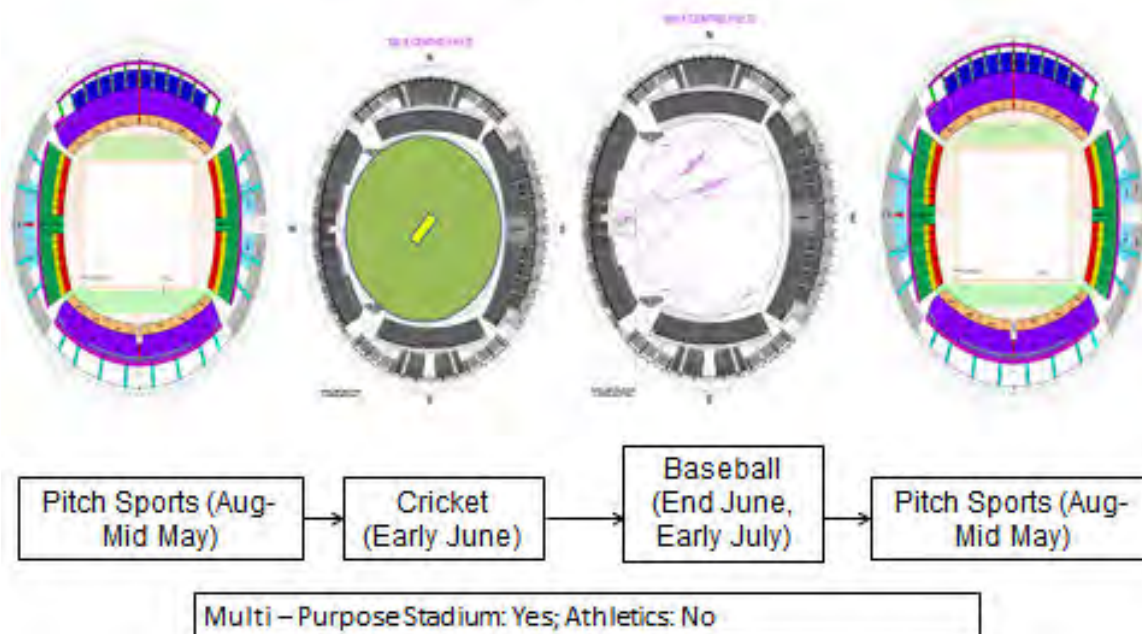
See separate paper

Appendix 3: 2018 and 2019 Seating Configurations

2018 Configuration - Multi Purpose with Concerts and Athletics



2019 Configuration: Multi Purpose with Cricket and Baseball



S.43

Subject: Relocatable Seating Contract – s.43 [REDACTED]

Meeting date: 25 July 2017

Agenda Item: 4c

Report to: E20 Stadium LLP Board

Report of: Colin Naish, LLDC Executive Director of Construction

S.43

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S.43



Subject: LS185 Overview

Meeting date: 25 July 2017

Agenda Item: 5a

Report to: E20 Stadium LLP Board

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

1. SUMMARY

- 1.1. This paper provides a short overview of the status of current commercial issues with LS185. It includes an update on the contingency planning E20 is undertaking in the unlikely event that LS185 trigger termination of the Operator Agreement on 1 August.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** this update.

3. HEALTH & SAFETY

- 3.1. Following the Health & Safety review by the QEOP Health and Safety team, matters which were identified as requiring action have progressed:
 - 3.1.1. LS185 has accepted they are the Duty Holder for Water Risk Assessment and responsible for formal record keeping as required by the legislation. They have also then subsequently and formally appointed Vinci FM as the Responsible Party to discharge the works identified in the Water Risk Assessment and to be responsible for ongoing monitoring / maintenance. This will reduce the risk from high to normal.
 - 3.1.2. LS185 has issued the up to date Fire Risk Assessment which has been graded as normal, i.e. safe to operate. At the moment it does miss out the West Ham and Delaware North areas which E20 have gone back and challenged LS185 on.
- 3.2. There are a number of Defects under the Transformation Works Contract which are still progressing. These need attention from Balfour Beatty or to be delivered by Vinci FM and contra charged i.e. electrical fixed wire testing.

4. CONTRACTUAL DISPUTES

- 4.1. The latest commercial log of contractual issues and disputes with LS185 is at annex A (this is as at 3 July, so please note that some issues have moved on slightly since; an updated log is due to be issued imminently, and will be available on request). Progress remains frustratingly slow, with LS185 not adequately resourced to fulfil their actions or engage with the substance of the issues. As requested at the last Board meeting, LS185's failure to respond in a timely fashion is being documented.
- 4.2. For the most part, the log comprises issues and disputes that LS185 initially raised (yet have since been slow to properly substantiate). However, E20 has its own

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increasing list of areas of contractual non-compliance by LS185. This includes health & safety (as above), reporting, business planning, community obligations, commercial performance, utilities, London Living Wage (as below) and resourcing. E20 is finalising a letter to LS185 putting them on notice of non-compliance in these areas, and they will be added to the commercial log.

4.3. Progress has been made on the disputes with Vinci FM:

4.3.1. The delay claim has been assessed internally and E20s current view is it is £600k to Vinci FM's £1m. Commercial discussions are ongoing with Vinci FM. As a minimum, approximately £200k of this is going to be challenged as a contra charge to Balfour Beatty. This would have an impact of £400,000 on the E20 business plan. An allowance of £1m is currently made.

4.3.2. In respect of the increase in the FM fixed cost, E20 believe the asset increase is c.20% of that claimed by Vinci FM.

4.3.3. This is driven by the alleged increase in the asset count, BWA (the FM consultant appointed by E20) has advised:

4.3.3.a. By doing a 'take off' from the information at bid stage (drawings and Schedules) they count 29,000 of assets versus Vinci FM 11,000 (still an unsubstantiated figure from Vinci FM);

4.3.3.b. By doing a further 'take off' from as built information they count 34,500 of as built assets versus Vinci FM of 36,000;

4.3.3.c. From this analysis there is clearly a much smaller difference in the asset increase from bid stage to the as built stage. This is demonstrated by the BWA calculation of 5,500 (35,500-29,000) versus Vinci FM calculation of 25,000 (36,000-11,000).

4.3.3.d. Benchmarking undertaken by BWA also supports the level of pricing at bid stage put in by Vinci FM as being reasonable albeit at the lower range of the benchmark data;

4.3.3.e. This information will now be used to negotiate the claim for annual increase of the FM cost from Vinci FM.

4.4. The next stage for BWA to review will be the Lifecycle. Their appointment will need to be extended to cover this now that E20 has received the latest lifecycle model from Vinci FM.

5. LONDON LIVING WAGE

5.1. Following the decision by the Board on 27 June to commission an impact assessment from LS185 on the payment of London Living Wage (LLW), E20 issued the change request on 30 June. LS185 were required under the Operator Agreement to respond with a proposal and cost estimate by 14 July.

5.2. LS185 did not adequately comply. They forwarded a proposal from a HR consultancy which excluded key items of scope, yet proposed a cost of £40k-55k. LS185 are maintaining the extraordinary position that the perceived complexity of the task is beyond their (and VINCI's) capability or capacity.

5.3. As set out above, E20 is finalising a letter putting LS185 on notice of their non-compliance on this and other matters.

6. CONTINGENCY PLANNING

- 6.1. The threat of LS185 triggering termination of the Operator Agreement on 1 August has not escalated, though nor has it entirely diminished.
- 6.2. LS185 have previously indicated that that they might seek to trigger termination on that date, as it is the longstop date for the completion of the Stadium in the Operator Agreement. They could conceivably seek to do so on the grounds of, in their view:
 - 6.2.1. Completion having not occurred;
 - 6.2.2. Frustration / diminution of the exploitation of the opportunity.
- 6.3. E20 and Gowlings strongly refute both these assertions. Gowlings have advised that LS185 would be taking a very big risk by triggering termination on 1 August. They assess it to be highly likely that an LS185 termination would represent a wrongful termination and represent a major breach of the contract by LS185.
- 6.4. In E20's view (and that of Gowlings), it is more likely that LS185 are threatening termination as a means to substantially renegotiate the contract. E20's is strongly resistant to this, and E20 has been clear that the contract already gives LS185 adequate recourse, via the excusing event process.
- 6.5. A contingency planning session was held with the E20 Chair and Member representatives on 7 July. It concluded that:
 - 6.5.1. E20 are prepared for an LS185 termination, although the scale of work to be done in that circumstance would be substantial;
 - 6.5.2. E20's considered position is that we do not want LS185 to trigger termination on 1 August. The timing does not yet suit E20 for LS185 to depart;
 - 6.5.3. As such, E20's strategy is not to provoke LS185 into a reckless termination, but rather to cool down such suggestions;
 - 6.5.4. E20 will remain robust on disputing LS185 claims, and put LS185 on notice of areas where they are non-compliant with the contract.
- 6.6. In the meantime E20 has taken prudent steps to prepare for the possibility that LS185 may nevertheless trigger termination. If LS185 did trigger termination on 1 August, they would be contractually required to remain as operator for 60 days. As such, E20 would need to have alternative arrangements in place by 1 October.
- 6.7. The contingency planning session on 7 July concluded that in such a scenario, E20 would seek to appoint an alternative interim operator.
- 6.8. **s.43** [REDACTED] A draft service specification (i.e. scope) for an interim operator has been prepared.
- 6.9. E20 has also concluded that it would be critical – particularly from a venue safety perspective (i.e. to retain the safety certificate) – to keep key members of operational staff and subcontractors in place.
- 6.10. The contingency plan is based on the interim operator inheriting a number of LS185 staff (through TUPE) and sub-contractors. E20 is reviewing the detail of TUPE rights and obligations.
- 6.11. E20 will continue to progress contingency planning, and closely monitor the position LS185 is adopting. In the event that the likelihood of LS185 termination substantially shifts, the Board will be immediately informed.

| Commercial Log - E20/ LS185 | | WC/03/07/17 | Current ACTION | | Owner |
|-----------------------------|--|--|----------------|-----------------|--------|
| Item | Issue | Status | Action | Date for Action | |
| 1 | Health and safety review | Report Issued to LS185 on 13th June. E20 and LS185 to address actions within 14 Days. | E20/ LS185 | Closed | TL |
| | | Fire Risk Assessment Issued to E20. Being reviewed by Park H&S | E20 | 11/07/2017 | TL |
| | | Water Risk Assessment Issued to E20. Being reviewed by Park H&S. | E20 | 11/07/2017 | TL |
| | | Fire Compartmentalisation Plan LLDC to produce programme to close out Fire related issues. | LLDC | 11/07/2017 | TL |
| | | Event Safety competent Person Evidence of Level 4 Event Safety Training Certificate required. | LS185 | 11/07/2017 | TL |
| | | Electrical Fixed Installation testing and Certification Plan required to address issues - LLDC has raised as Defect. LS185/ Vinci has issued a price should BB not do works required by NEC Supervisor. | LLDC | 11/07/2017 | TL |
| | | E20 Safety Objectives Issued in draft to LS185 - Dave Saddler and Paul Haxell to meet | E20 | 11/07/2017 | TL |
| | | 56 Day Actions to be reviewed at next meeting | E20/ LS185 | 11/07/2017 | TL |
| 2 | WiFi | EE009 | | | |
| | | LS185 advised on 27th June that: Waiting for O2 revised pricing - expected same week Advise E20 thereafter PO next step if in agreement triggering 4-6 week lead in 3 month Install | LS185 | Update 11/07/17 | 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 | | | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 4.c | Defect Rectification | EE001 | | | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 5 | Work Around Solutions | EE001/ EE007 | | | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 6 | Statutory Compliance Issues/ Capitec Compliance Report/ Transformer Report/ Fire Stopping and Fire Doors | EE001 | | | |
| | | Topic Moved to Defect Meeting | | | |
| 7 | Asset Condition Survey Reports (as per the contract) | EE001 | | | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 8 | Lifecycle Review | EE001 | | | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 9 | Asset Verification FM Fixed Cost | EE001 | | | |
| | | Presentation and Report Issued by LS185 on End March 2017 | N/A | CLOSED | |
| | | Moved to Defect Meeting where Vinci Present | Closed | Closed | |
| 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 confirmed nothing required from E20. Awaiting the reports being signed off by auditor | LS185 | Update 11/07/17 | MG |
| 11 | Change Requests | Change request log managed by s.40 | E20 | Ongoing | PA |

| | | | | | |
|----|--|---|------------|-----------------|--------|
| | | Circa £690k agreed with £130k still in discussion. PA to provide update at next meeting. | E20 | 13-Jun-17 | PA |
| | | Meeting set up cancelled due to being during the concert window. LS185/ E20 to rearrange. | E20/ LS185 | Update 11/07/17 | PA |
| 12 | London Living Wage | | | | |
| | | Change Request Issued to LS185. Update required at next meeting. | LS185 | Update 11/07/17 | MG |
| 13 | Seating Capacity 2018/2019 | EE008 | | | |
| | | Excusing event Letter received from LS185. E20 preparing response but landscape has changed. Update and discussion at next meeting. | E20/ LS185 | Update 11/07/17 | MG/ IB |
| | | LS185 agreed to send E20 the basis and back up behind the Delaware North part of the Excusing Event claim. | LS185 | 11-Jul-17 | 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 |
| | | E20 and LS185 agreed to meet and close out. MG/ LL to arrange | LS185/ E20 | 11-Jul-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 |
| | | E20 and LS185 agreed to meet and close out. MG/ LL to arrange | LS185/ E20 | 11-Jul-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 |
| | | E20 and LS185 agreed to meet and close out. MG/ LL to arrange | LS185/ E20 | 11-Jul-17 | MG |
| 17 | Excusing Event Log | | | | |
| | | Agreed that this register would run in parallel with the LS185 Excusing Event Log for the time being. | Note | Note | IB |
| 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 and issue information to MG/ IB | LS185 | 27/06/2017 | MG |
| 19 | S.43 | | | | |
| 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 and LS185 to reinstate meetings to resolve. | E20/ LS185 | 27/06/2017 | MG |
| 21 | Retractable Seating | EE004 and EE006 | | | |
| | | LS185 to advise of impact retractable seating not meeting the 7 day turnaround and capacity for 2017 Including any impact on Heineken. Was a hybrid mode this year. | LS185 | 27/06/2017 | MG/ IB |
| 22 | Additional Interface With Stakeholders | EE005 | | | |
| | | LS185 to advise of impact | LS185 | 27/06/2017 | IB |
| 23 | London 2017 Deal | | | | |
| | | LS185 to advise of impact | LS185 | 11/07/2017 | IB |
| 24 | Utilities | | | | |
| | | LS185 to advise of impact | LS185 | 11/07/2017 | IB |



Subject: Quarterly Financial Update
Date: 25 July 2017
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP
Item: 6

1. SUMMARY

- 1.1. E20 provides a full financial update to the Board every quarter. This paper presents the position at the end of Q1 (end June 2017). It provides:
 - 1.1.1. A summary of the 2016-17 outturn position Annex A);
 - 1.1.2. A revised financial forecast for 2017-18 (Annex B);
 - 1.1.3. A fully updated cashflow projection reflecting the latest financial forecast (Annexes C, D, E);
 - 1.1.4. An analysis of creditors and debtors including an aged creditor schedule (Annexes F, G, H);
 - 1.1.5. Upcoming payments recommended for approval by the Board;
 - 1.1.6. Latest position on E20's discretionary fund for capital works (Annex I).
- 1.2. The Board may also consider whether to agree delegated authority to officer representatives of the Members for future financial approvals.
- 1.3. The Loan Agreement between LLDC and E20 has been signed and (at the time of writing) E20's invoice for the first tranche of Q2 working capital is being processed. This paper assumes that the injection of working capital is received on or before 21 July.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE**:
 - 2.1.1. E20's out-turn position for 2016-17;
 - 2.1.2. E20's end of Q1 forecast for 2017-18;
 - 2.1.3. E20's cashflow forecast for 2017-18;
 - 2.1.4. E20's current creditors and debtors;
 - 2.1.5. The current position on E20's discretionary fund for capital works.
- 2.2. The Board is invited to **APPROVE** payment of the following:

Working capital (currently funded from remaining E20-held cash, and once exhausted by a Q2 loan from LLDC)

 - 2.2.1. Payment to LS185 for fixed costs for the period 1 April to 30 June 2017 (£1.242m+VAT).

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- 2.2.2. Total Gas & Power electricity bill for June (£135k+VAT).
- 2.2.3. Corona gas bill (£45+VAT).
- 2.2.4. Payment to LS185 to pass through the latest usage fee already received from West Ham (£625k+VAT).
- 2.2.5. Payment to **s.43** for the full balance of their **s.43** consultancy services (£172k+VAT).
- 2.2.6. Payment to West Ham for use of the Executive Box for the 2017-18 season, or alternative hospitality tickets below this value (£105k+VAT).
- 2.2.7. Payments to PHD of £239k+VAT, £974k+VAT and £936k+VAT.
- 2.2.8. BT Conferencing fees (£396+VAT).
- 2.2.9. Payment to HMRC for PAYE and NIC (£9k).
- 2.2.10. Staff payroll for August (£15k).

Transformation (funded by LLDC)

- 2.2.11. Payment to PHD (£44k+VAT).

- 2.3. The Board is invited to **CONSIDER** whether to grant delegated authority to Member representatives (Gerry Murphy for LLDC, **s.40** on behalf of NLI) for subsequent payment approvals. This would be intended to accommodate any minor additional costs that emerge in the month that haven't been approved at this Board meeting itself.

3. 2016-17 OUTTURN POSITION

- 3.1. E20's out-turn position for 2016-17 was a deficit of £10.446m, as set out in Annex A. This exceeded the March 2016 business plan forecast deficit of £3.732m. However, the out-turn position is a slight improvement on the forecast deficit made by E20 at the end of Q3 (January 2017) of £11.193m. The reasons behind the movements have previously been detailed at length in the January 2017 financial report, and in **s.43** report.

4. END OF Q1 FORECAST

- 4.1. E20 presented a business plan to Members in March 2017. This was not considered or approved by the Board, but is nevertheless used as the baseline position. E20's updated financial forecast for 2017-18 is at Annex B, including a commentary on movements. The position is summarised below.

| 2017-18 | March 2017 draft business plan (£000s) | End Q1 forecast (£000s) | Variance (£000s) |
|---|--|-------------------------|------------------|
| E20 net position before lifecycle, risks and opportunities | (19,532) | (24,497) | (4,966) |
| E20 net position including lifecycle, before risks and opportunities | (20,182) | (25,147) | (4,966) |
| E20 net position including lifecycle and opportunities, before risks | (19,132) | (24,597) | (5,466) |
| E20 net position including lifecycle and risks, before opportunities | (26,788) | (28,242) | (1,455) |

- 4.2. This shows that E20 is forecasting a deficit of between £24m and £28m in 2017-18. A number of the risks identified in the draft business plan are materialising. These include an increase in seating costs beyond £10m, likely underperformance of LS185 against their business plan, and lack of naming rights (though the latter has a cash positive benefit in 17-18). Moreover, E20 is incurring additional costs unforeseen in the draft business plan: professional fees relating to the s.43 restructuring and greater legal costs.
- 4.3. The Board should note that the forecast of LS185 net commercial revenues in Annex B has been undertaken without any meaningful input from LS185 itself, despite requests. A quarterly financial review is scheduled with LS185 on 27 July¹ where LS185 will present their own forecasts. E20's current expectation is that LS185 will fall significantly short of their business plan, as they appear to be underperforming against a number of their revenue targets. Further information has been supplied to the Chair and Member representatives. The Board is advised to await LS185's own report (27 July) before judging the likely net commercial revenues for this year.
- 4.4. The overall 2017-18 position is broadly consistent with the figures presented by s.43 in their s.43 report. s.43 forecast a deficit of £27.5m in 2017-18 after all vulnerabilities, sensitivities and upsides.
- 4.5. Please note that the forecast does not include the potential payment of loan interest to LLDC. It is deemed unlikely that this would be payable in 2017-18.
- 4.6. A fully updated forecast for 2018-19 and subsequent years is not provided at this stage, s.43, funding and strategy. The March 2017 draft business plan forecast a deficit (before risks) of £14m in 2018-19. There have been two significant developments since then: an expected £3m saving on seating due to more limited transitions, and the s.43.

¹ This was originally scheduled for 11 July in order to inform this Board paper. It was postponed at late notice by LS185.

s.43 . All else being equal, these movements approximately cancel each other out. There remains significant further uncertainty, risk and opportunity, but pending a full review, the 18-19 forecast remains at a deficit of c£14m before risks.

5. CASHFLOW

- 5.1. The latest E20 cashflow forecast is set out in annexes D and E, with a summary topsheet at annex C.
- 5.2. Annex D is concerned with just E20's "working capital" position. Annex E adds in Transformation cashflows (fully funded by LLDC) and E20 Discretionary Fund items (funded by Members from the £14.286m budget).
- 5.3. As previously, it is recommended that the Board focuses on Annexes C and D (and the advice that follows refers to only that).
- 5.4. The cashflow has been substantially updated in order to reflect the latest forecast for 2017-18. E20 has a forecast cash balance at the end of week 17 (w/c 24 July) of £5.474m (see ringed figure on annex D). This assumes that the £4.694m invoice E20 issued to LLDC to cover the forecast working capital requirement for July is paid by 21 July (which at the time of writing was expected to happen).
- 5.5. The total net cash outflow across the whole year (2017-18), before working capital contributions, has worsened by £0.514m, from £26.092m to £26.606m. This is for similar reasons to those set out in annex B. For completeness, the cashflow movements are summarised below:

| Summary of movements on total 17-18 cash position | (£000s) | Explanation |
|--|------------------|--|
| Version in 11 July Board paper (£000s) | (26,092) | Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18 |
| West Ham share of catering revenues | 35 | This is no longer an E20 cash outflow as any payment will be made by LS185. |
| Restructuring | (165) | Adjusted from prior estimate to reflect contract terms and expected duration. |
| Legal advice (TfL Legal, Gowlings, Osborne Clarke) | (669) | Forecast cost of legal advice increased to reflect current run rate. E20, LLDC and TfL Legal actively considering options to reduce costs. |
| VAT adjustments | 335 | VAT adjustments, in particular VAT recovered in July 2017 was higher than forecast. |
| Other minor adjustments | (50) | Various minor movements. |
| Version circulated to Board 25 July (£000s) | (26,606)* | Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18 |

* Please note that the reduction in forecast LS185 net commercial revenues is not, as yet, expected to adversely impact the 2017-18 cashflow. The impact would instead be in April 2018 due to the timing of payments. However, there is the risk of an impact in August 2017, as detailed in para 5.7 below.

- 5.6. LLDC has agreed to provide E20's necessary working capital for Q2 as a loan. The Loan Agreement defines the Q2 funding advance as £10.863m – this being the forecast Q2 requirement advised to the E20 Board on 27 June. The latest forecast Q2 requirement has since increased to £11.607m. This is due to the same impacts detailed above and in the Board paper of 11 July (where restructuring, clean stadium and Westfield costs were identified). It is nevertheless likely that E20 will be able to delay forecast payments if necessary (for instance those forecast to be made to Members themselves), and live within available Q2 funding.
- 5.7. E20's forecast working capital requirement for August is £1.134m. This assumes a £675k cash inflow from LS185 during August for the interim 2017 net commercial revenues. The amount and timing of this payment is doubtful and will be confirmed in E20's meeting with LS185 on 27 July. E20 will then write to Members specifying the working capital requirement for August. LLDC has undertaken to make payment within 7 calendar days of notice.
- 5.8. E20's funding beyond Q2 remains unclear. In order to present a complete picture for the year, the cashflow schedules assume that from Q3 onwards, working capital is provided by LLDC (65%) and NLI (35%) as previously. This does not indicate an agreed position; it is simply the default assumption to make in the absence of any agreement.

6. CREDITORS AND DEBTORS

- 6.1. An analysis of E20's current creditors and debtors is set out in annexes F-H, including an aged creditor schedule as previously. E20 has cleared a number of invoices since the last Board meeting. The only overdue working capital invoice shown in the aged creditor schedule is to West Ham for the Executive Box. This is proposed for payment in this Board paper. With regards to Transformation, the value of unpaid Balfour Beatty invoices totals £655k. LLDC has valued the contra charge to Balfour Beatty, resulting from deficiencies in their work, as £671k. Following consideration, E20 and LLDC therefore conclude that E20 is justified in continuing to withhold payment for the time being. This matter will be kept under regular review.
- 6.2. **s.40** has advised that now LLDC has given comfort about the payment of creditor claims, he is less concerned than previously about aged creditors.

7. PAYMENTS FOR APPROVAL

- 7.1. The Board is asked to approve all payments listed below. These represent all the payments that are expected to be necessary in the period up to the subsequent Board meeting on 22 August. This is more difficult to forecast than when the Board met weekly, as there is always the prospect of an increased, or unexpected, payment emerging that is nevertheless necessary. As such, it is recommended that the Board delegates authority and discretion to Member representatives (Gerry Murphy and **s.40**) to agree any payments that emerge that are not adequately covered in the list below. In the event of a very significant new/increased payment, the Board will be consulted by correspondence. All payments made will be reported at the subsequent Board. It is proposed that these arrangements exist until the point at which E20 has an agreed budget (and alternative arrangements for delegated decision making).
- 7.2. Payments requested for approval are as follows:

Working capital (currently funded from remaining E20-held cash, and once exhausted by a Q2 loan from LLDC)

- 7.2.1. Payment to LS185 for fixed costs for the period 1 April to 30 June 2017 (£1.242m+VAT). LS185 have been very late in invoicing for this payment, as E20 has maintained the position that LS185 must first confirm the 2016 net commercial revenues. They have now confirmed these as £94k – a very poor performance, but in line with recent forecasts. LS185 are withholding payment of 2016 net commercial revenues in accordance with an E20-LS185 agreement made in October 2016 that they could do so until the dispute around funding for growlights is resolved (which it isn't, yet). This was a necessary step to ensure that growlights were installed and hence the pitch properly maintained. The fixed costs payment is the contractual sum, less the portion that relates to utilities (given that LS185 has yet to accept responsibility for utilities and E20 continues to pay the supplier bills itself). E20 (including Members) has a Quarterly Financial Review with LS185 scheduled for 27 July where their application for the fixed costs payment will be considered. E20 could withhold payment to LS185 in light of various points of dissatisfaction detailed in this and other Board papers. However, in doing so E20 would likely be in breach of the Operator Agreement, and could cause supply chain issues for LS185 that threaten the operation of the stadium. The Board is asked to approve the payment, although it will be further

considered by E20 and Members ahead of and at the 27 July meeting before the payment is made. The fixed cost payment for July-September is now also contractually due, though LS185 have yet to invoice for it.

- 7.2.2. Total Gas & Power electricity bill for June (£135k+VAT). Consumption was c5-10% higher than usual last month, reflecting activity in the stadium, though still within expectations.
- 7.2.3. Corona gas bill (£45+VAT).
- 7.2.4. Payment to LS185 to pass through the latest usage fee already received from West Ham (£625k+VAT). This represents the fourth quarterly installment by West Ham, totalling £2.5m as per the Concession Agreement. E20 and LS185 are satisfied that indexation does not currently apply, but will do from the October 2017 payment onwards. E20 is simply an intermediary in passing the funds on to LS185, as West Ham refuse to pay LS185 direct (citing that their contractual relationship is with E20, not LS185). The usage fee flows into LS185's calculation of net commercial revenues.
- 7.2.5. Payment to s.43 for the full balance of their s.43 consultancy services (£172k+VAT). This comprises phase one costs of £155k, phase two costs of £12k, and expenses of £5k. In all three cases s.43 report actual costs in excess of these amounts, and therefore the caps put in place by E20 apply.
- 7.2.6. Payment to West Ham for use of the Executive Box for the 2017-18 season, or alternative hospitality tickets below this value (£105k+VAT). This is the second year of a three year contractual commitment with West Ham for an Executive Box. Nevertheless, E20 has consulted with Members on requirements; specifically on what blend of tickets represents the best value for money to help achieve strategic objectives. Members have indicated (20 July) a preference for alternative hospitality tickets, potentially at a lower overall cost, whilst retaining an ability to return to the box at a later date. E20 is now approaching West Ham to discuss options. A verbal update can be provided at the Board.
- 7.2.7. Payments to PHD of £239k+VAT, £974k+VAT and £936k+VAT. The £239k relates to pre transition and Transition 1 payments which have only recently been verified. This is due to either a delay in PHD being invoiced by their sub contractors, or PHD being unable to provide supporting evidence to verify their costs. This does mean that the T1 costs, in isolation, are forecast to be in excess of the s.43 target cost, but with some Transition 1 costs still unverified, it is not currently possible to state the out-turn of T1. The overall budget position remains unchanged due to savings realised and forecast for T2 and T3 respectively. This T1 cost has been verified by Mace and is contractually due prior to the next Board meeting. The £974k payment relates to T2 works incurred during June. These have been verified by Mace and are contractually due prior to the next Board meeting. Finally, the £936k payment is for the completion of T2. These costs have been verified by Mace and are contractually due prior to the next Board meeting. These T2 costs are ahead of forecast by circa. s.43 but as with T1, some costs still remain unverified.

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- 7.2.8. BT Conferencing fees (£396+VAT).
- 7.2.9. Payment to HMRC for PAYE and NIC (£9k).
- 7.2.10. Staff payroll for August (£15k).

Transformation (funded by LLDC)

- 7.2.11. Payment to PHD for seating follow on works (£44k+VAT). This is for the removal of the temporary scaffold support structure to the East stand. It is to be funded in full by LLDC. At the time of writing, this invoice has not been received, but is expected to be payable before 22 August.

8. DISCRETIONARY FUND

- 8.1. E20's Members established a £14.286m fund for additional capital investment in the stadium – typically items of a discretionary nature that are demonstrated to deliver long term income or savings for E20. An update on the status of the fund is shown at annex I. It indicates that E20 has already committed £9.9m, of which it has spent £9.1m. E20 has contingent liabilities potentially against this fund of £4.2m. If realised in full, these would all but exhaust remaining funds. In addition, E20 has identified £0.85m of potential future investments.

ANNEX A - 2016-17 Outturn Position

| £000s | Full year 2016-17 | | | Full year 2016-17 | | |
|--|-------------------|-------------------------------------|------------------|-------------------|-------------------------------|------------------|
| | Actual £000 | March 2016 Business Plan £000 | Variance £000 | Actual £000 | End of Q3 Forecast £000 | Variance £000 |
| Operator (LS185) | | | | | | |
| Fixed costs (base) | (5,080) | (5,449) | 368 | (5,080) | (5,749) | 668 |
| Adjustment to fixed costs for higher utilities costs | (1,341) | 0 | (1,341) | (1,341) | (1,000) | (341) |
| Other payments to LS185 (contract changes) | (8) | 0 | (8) | (8) | 0 | (8) |
| Net Commercial Revenues after Operator share, as forecast in LS185 business plan | 94 | 2,583 | (2,489) | 94 | (272) | 366 |
| Total LS185 | (6,335) | (2,865) | (3,470) | (6,335) | (7,021) | 685 |
| s.43 | | | | | | |
| Other operating income and costs | | | | | | |
| Fanstallation | 0 | 200 | (200) | 0 | 20 | (20) |
| Asset disposal | 64 | 100 | (36) | 64 | 75 | (11) |
| Net income from the wrap | 0 | 100 | (100) | 0 | 0 | 0 |
| West Ham share of catering revenues | s.43 | | | | | |
| South Park Event Income | 236 | 0 | 236 | 236 | 200 | 36 |
| South Park Event Costs | (95) | 0 | (95) | (95) | (100) | 5 |
| UKA Payment for Track Maintenance | 0 | 35 | (35) | 0 | 35 | (35) |
| Matchday costs (non LS185) | (210) | 0 | (210) | (210) | (261) | 51 |
| Total Other operating income and costs | (5) | 396 | (401) | (5) | (70) | 65 |
| Total Staffing | (361) | (339) | (22) | (361) | (363) | 2 |
| Overheads | | | | | | |
| LLDC Member Services | (187) | (124) | (64) | (187) | (124) | (64) |
| Estate charge payable to LLDC | (148) | (252) | 104 | (148) | (252) | 104 |
| Business rates | (1,712) | (1,500) | (212) | (1,712) | (1,517) | (195) |
| Insurance | s.43 | | | | | |
| Brand and marketing | (35) | (40) | 5 | (35) | (35) | 0 |
| Legal advice (excluding Osborne Clarke) | (403) | (80) | (323) | (403) | (392) | (11) |
| Accounting advice | (69) | (50) | (19) | (69) | (50) | (19) |
| External audit fees | (26) | (26) | 0 | (26) | (26) | 0 |
| Transport advice | (59) | (134) | 75 | (59) | (99) | 40 |
| Technical advice | (107) | (50) | (57) | (107) | (50) | (57) |
| Osborne Clarke | (20) | 0 | (20) | (20) | 0 | (20) |
| Lifecycle review | 0 | (50) | 50 | 0 | 0 | 0 |
| Event tickets | (5) | (70) | 65 | (5) | (100) | 95 |
| Total Overheads | s.43 | | | | | |
| Seating Transition | (347) | (300) | (47) | (347) | (300) | (47) |
| E20 net position | s.43 | | | | | |

ANNEX B - End of Q1 forecast for 2017-18

| £000s | Q1 (April-June 2017) | | | Full year (2017-18) | | | Commentary |
|--|----------------------|-------------------------------------|---------------|-----------------------------------|-------------------------------------|----------------|--|
| | Actual £000 | March 2017 draft business plan £000 | Variance £000 | Latest forecast as at end Q1 £000 | March 2017 draft business plan £000 | Variance £000 | |
| Operator (LS185) | | | | | | | |
| Fixed costs (base) | (1,260) | (1,512) | 253 | (5,544) | (6,049) | 505 | Fixed costs and utilities should be considered in combination. A net £77k saving was secured in Q1, forecast to replicated in subsequent quarters saving c£300k over the year. Potential for savings, but too early to capture any. Adjusted up for 3 months' more temporary wifi (LS185 on notice this is limited to Oct 2017). Based on E20's assessment of performance, pending LS185's own analysis to be presented on 27 July. Breakdown available on request. |
| Adjustment to fixed costs for higher utilities costs | (448) | (273) | (176) | (1,289) | (1,090) | (199) | |
| Adjustment to fixed costs for additional Facility Management (potential outcome of asset survey) | 0 | 0 | 0 | (1,000) | (1,000) | 0 | |
| Other payments to LS185 (contract changes) | (2) | (48) | 45 | (238) | (190) | (48) | |
| Net Commercial Revenues after Operator share, as forecast in LS185 business plan | 0 | 0 | 0 | 1,098 | 3,574 | (2,476) | |
| Total LS185 | (1,711) | (1,832) | 122 | (6,973) | (4,755) | (2,218) | |
| s.43 | | | | | | | |
| Other operating income and costs | | | | | | | |
| Fanstation | 0 | 20 | (20) | 20 | 20 | 0 | Unsecured and disputed by West Ham. "Own the Track" plans in place for London 2017. Agreement this will be paid out of LS185 revenues. |
| Asset disposal | 3 | 3 | 0 | 40 | 40 | 0 | |
| West Ham share of catering revenues | s.43 | | | | | | |
| South Park Event Income | 16 | 5 | 11 | 10 | 10 | 0 | Increased provision given uncertainty around egress arrangements and hosts. Risk materialised in line with quantification. |
| South Park Event Costs | 0 | 0 | 0 | 0 | 0 | 0 | |
| Matchday costs (non LS185) | (93) | (25) | (68) | (150) | (100) | (50) | |
| Clean Stadium for London 2017 | | | | (130) | 0 | (130) | |
| Total Other operating income and costs | (73) | 3 | (76) | (210) | (87) | (123) | |
| Staffing including restructuring | | | | | | | |
| Payroll | (94) | (80) | (14) | (339) | (339) | (0) | Some changes but total cost unlikely to be much different to budget. New cost - consultancy services for estimated 8.5 months. |
| Restructuring | 0 | 0 | 0 | (425) | 0 | (425) | |
| Total Staffing | (94) | (80) | (14) | (764) | (339) | (425) | |
| Overheads | | | | | | | |
| LLDC Member Services | (35) | (35) | 0 | (138) | (138) | 0 | No West Ham contribution assumed, but appeal to VOA forecast to reduce bill from £2.3m to £2.1m. Minor savings secured. |
| Estate charge payable to LLDC | 0 | 0 | 0 | (325) | (325) | 0 | |
| Business rates | (689) | (690) | 1 | (2,100) | (2,100) | 0 | Forecast based on run-rate for April and May continuing for rest of the year. E20, LLDC and TFL Legal actively considering options to reduce costs. |
| Insurance | s.43 | | | | | | |
| Legal advice | (120) | (88) | (32) | (996) | (350) | (646) | Extended accounts preparation period may result in increased fees. |
| Accounting advice | (5) | (10) | 5 | (39) | (39) | 0 | |
| External audit fees | 0 | 0 | 0 | (40) | (26) | (14) | New cost as requested by Board. New cost as requested by Board. |
| Technical advice | (21) | (25) | 4 | (100) | (100) | 0 | |
| Osborne Clarke | (55) | 0 | (55) | (80) | 0 | (80) | E20 is reducing its ticket requirements, but appears as an increase as Exec Box cost is moved from naming rights budget line. |
| Business Consultancy | 0 | 0 | 0 | (172) | 0 | (172) | |
| Event tickets | (23) | 0 | (23) | (150) | (100) | (50) | |
| Total Overheads | (1,333) | (1,467) | 134 | (4,740) | (3,798) | (942) | |
| Seating | | | | | | | |
| Main Contractor | (4,214) | (4,565) | 351 | (9,428) | | | Changes to structure of seating budget permits only an analysis of overall movement here. Cost increase as previously set out, see seating Board paper for more details. |
| Project Management | (192) | (219) | 26 | (413) | | | |
| Other | (297) | (481) | 185 | (2,569) | | | |
| GLA contribution | 0 | 0 | 0 | 600 | | | |
| Seating Transition | (4,703) | (5,265) | 562 | (11,810) | (10,000) | (1,810) | |
| E20 net position before lifecycle, risks and opportunities | (7,914) | (8,641) | 727 | (24,497) | (19,532) | (4,966) | |
| Lifecycle | | | | -650 | -650 | 0 | No reliable basis to adjust yet. |
| E20 net position including lifecycle, before risks and opportunities | | | | (25,147) | (20,182) | (4,966) | |
| Total risks | | | | (3,095) | (6,606) | 3,511 | Some risks/opportunities have diminished, others have been realised, and the balance remain. Breakdown available on request. |
| Total opportunities | | | | 550 | 1,050 | (500) | |
| E20 net position after opportunities, before risks | | | | (24,597) | (19,132) | (5,466) | |
| E20 net position after risks, before opportunities | | | | (28,242) | (26,788) | (1,455) | |

Notes - "Actual" represents the amounts accrued in that period. This is prepared on an accruals (rather than cash) basis.

S.43



S.43



S.43



E20 CREDITORS AS AT 19 JULY 2017

WORKING CAPITAL

PAYMENT PROPOSAL

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|--------------|--|--------------|------------|--------------|------------|--------------|--|
| HMRC Cumbernauld | | PAYE & NIC Payover for July | 31/07/2017 | 19/08/2017 | 9,400.00 | | 9,400.00 | |
| | | July Payroll | | 31/07/2017 | 15,000.00 | 0.00 | 15,000.00 | |
| London Stadium 185 Ltd | V150196 | Annual Fixed Costs 1 April 2017 to 30 June 2017 | 10/07/2017 | 10/07/2017 | 1,250,715.01 | 250,143.00 | 1,500,858.01 | |
| London Stadium 185 Ltd | CNV/150196 | Annual Fixed Costs 1 January 2017 to 31 March 2017 | 10/07/2017 | 10/07/2017 | (8,952.64) | (1,790.53) | (10,743.17) | Credit Note |
| London Stadium 185 Ltd | V150219 | West Ham Quarterly Usage Fee | 06/07/2017 | 06/07/2017 | 625,000.00 | 125,000.00 | 750,000.00 | Income received from West Ham 14/07/17 |
| | 1111488429 | Professional Services in respect of | 17/07/2017 | 16/08/2017 | 172,000.00 | 34,400.00 | 206,400.00 | |
| Total Gas & Power | 152019136/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 5,234.71 | 1,046.94 | 6,281.65 | |
| Total Gas & Power | 152019147/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 100,183.78 | 20,036.76 | 120,220.54 | |
| Total Gas & Power | 152019158/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 4,027.14 | 805.43 | 4,832.57 | |
| Total Gas & Power | 152019169/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 9,586.51 | 1,917.30 | 11,503.81 | |
| Total Gas & Power | 152019170/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 2,815.08 | 563.02 | 3,378.10 | |
| Total Gas & Power | 152019180/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 4,300.14 | 860.03 | 5,160.17 | |
| Total Gas & Power | 152019191/17 | Electricity for June 2017 | 06/07/2017 | 20/07/2017 | 7,806.36 | 1,561.27 | 9,367.63 | |
| Total Gas & Power | 152451898/17 | 13/07/16 to 03/07/17 | 08/07/2017 | 18/07/2017 | 880.11 | 176.02 | 1,056.13 | |
| Corona Energy | 12206111 | Gas supply for June 17 | 10/07/2017 | 09/08/2017 | 44.74 | 2.24 | 46.98 | |
| BT Conferencing | BT012100323 | 01-Jun-2017 to 30-Jun-2017 | 30/06/2017 | 14/07/2017 | 396.40 | 79.28 | 475.68 | |
| West Ham United Football Club Limited | 17030 A/C | Use of Box 9 for 2017/18 Season | 01/06/2017 | 30/06/2017 | 104,550.00 | 20,910.00 | 125,460.00 | Requirement under review |
| PHD Modular Access Services Ltd | | Seating Transition Certificate 4 | | 28/07/2017 | 239,559.78 | 47,911.96 | 287,471.74 | |
| PHD Modular Access Services Ltd | | Seating Transition Certificate 5 | | 28/07/2017 | 974,384.64 | 194,876.93 | 1,169,261.57 | |
| PHD Modular Access Services Ltd | | Seating Transition Certificate 6 | | 11/08/2017 | 936,702.68 | 187,340.54 | 1,124,043.22 | |
| | | | | | 4,453,634.44 | 885,840.18 | 5,339,474.62 | |

INVOICES NOT YET DUE

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

INVOICES IN DISPUTE

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|-------------|---|--------------|------------|------------|-----------|--------------|---|
| Aerofil Systems BV | 17390257 | Delivery engineered drawings towing bars | 07/07/2017 | 25/07/2017 | 4,200.00 | 0.00 | 4,200.00 | Value of invoice in dispute |
| 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 | 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 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 | 15221 A/C | Provision of goal decision services for season 16/17 - Instalment 2 | 22/02/2017 | 22/03/2017 | 38,750.00 | 7,750.00 | 46,500.00 | In dispute E20 not accepting liability |
| 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 |
| | | | | | 176,678.32 | 34,495.66 | 211,173.98 | |

INVOICES ON HOLD

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|--------------|---|--------------|------------|------------|-----------|--------------|---|
| London Borough of Newham | 610000036019 | Secondment 15/2/16 to 31/3/17 | 04/07/2017 | 04/07/2017 | 48,500.00 | 0.00 | 48,500.00 | Board agreed to defer (payment shown in August 2017) |
| London Borough of Newham | 610000036018 | Secondment 01/4/17 to 31/8/17 | 04/07/2017 | 04/07/2017 | 26,775.00 | 0.00 | 26,775.00 | Board agreed to defer (payment shown in September 2017) |
| West Ham United Football Club Ltd | 17030 A/C | Use of Private Box 9 for 2017/18 | 01/06/2017 | 01/07/2017 | 104,550.00 | 20,910.00 | 125,460.00 | Under consideration. |
| 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 October 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 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 | Board agreed to defer (payment shown in October 2017) |
| 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 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17940 | Recharge of Finance & IT Costs June 2017 | 07/07/2017 | 06/08/2017 | 9,067.00 | 1,813.40 | 10,880.40 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17939 | Recharge of HR & FM Costs June 2017 | 07/07/2017 | 06/08/2017 | 2,433.00 | 486.60 | 2,919.60 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17941 | Mace PMP Costs May & June 2017 - 2017 Seating Transition | 07/07/2017 | 07/07/2017 | 141,588.90 | 28,317.78 | 169,906.68 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17942 | Recharge of 2017/18 Transformation Costs for April to June 2017 | 07/07/2017 | 06/08/2017 | 150,177.35 | 30,035.47 | 180,212.82 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17944 | Consultant Legal Costs April to June 2017 | 07/07/2017 | 06/08/2017 | 65,277.50 | 13,055.50 | 78,333.00 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17943 | Engie Heating & Lighting Costs March to May 2017 | 07/07/2017 | 06/08/2017 | 64,917.40 | 12,983.48 | 77,900.88 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17947 | Health & Safety Review | 10/07/2017 | 09/08/2017 | 4,000.00 | 800.00 | 4,800.00 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17948 | Temporary HVM Control Measures for Football Matches | 10/07/2017 | 09/08/2017 | 5,253.98 | 1,050.80 | 6,304.78 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17949 | Temporary HVM Control Measures for Football Matches | 10/07/2017 | 09/08/2017 | 4,863.63 | 972.73 | 5,836.36 | 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) |

| | | | | | | | | |
|------------------------|--------|--|------------|------------|--------------|------------|--------------|---|
| 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 |
| | | | | | 1 387 834.22 | 188 645.62 | 1 576 479.84 | |

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------|-------------|-------------------------|--------------|----------|------------|----------|--------------|----------|
| PHD Modular Access Services Ltd | | Seating Follow On Works | | | 43,883.39 | 8,776.68 | 52,660.07 | |
| | | | | | 43,883.39 | 8,776.68 | 52,660.07 | |

INVOICES NOT YET DUE

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|-------------|-------------------------------------|--------------|------------|------------|----------|--------------|-----------------------|
| London Legacy Development Corporation | 17913 | Completion of Reed Bed Installation | 27/06/2017 | 27/07/2017 | 28,123.21 | 5,624.64 | 33,747.85 | Transformation funded |
| | | | | | 28,123.21 | 5,624.64 | 33,747.85 | |

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/ NV/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/ NV/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 | |

ANNEX G

AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 10 JULY 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 |
|---------------------------------------|--------------|--|--------------|--------------|------------|--------------|---------------|----------------|----------------|----------------|------------------|---|
| London Stadium 185 Ltd | V150196 | Annual Fixed Costs 1 April 2017 to 30 June 2017 | 10/07/2017 | 1,250,715.01 | 250,143.00 | 1,500,858.01 | 1,500,858.01 | | | | | |
| London Stadium 185 Ltd | CN/V150196 | Annual Fixed Costs 1 January 2017 to 31 March 2017 | 10/07/2017 | (8,952.64) | (1,790.53) | (10,743.17) | (10,743.17) | | | | | |
| London Stadium 185 Ltd | V150219 | West Ham Quarterly Usage Fee | 06/07/2017 | 625,000.00 | 125,000.00 | 750,000.00 | 750,000.00 | | | | | |
| S.43 | 1111488429 | Professional Services in respect of S.43 | 17/07/2017 | 172,000.00 | 34,400.00 | 206,400.00 | 206,400.00 | | | | | |
| Total Gas & Power | 152019136/17 | Electricity for June 2017 | 06/07/2017 | 5,234.71 | 1,046.94 | 6,281.65 | 6,281.65 | | | | | |
| Total Gas & Power | 152019147/17 | Electricity for June 2017 | 06/07/2017 | 100,183.78 | 20,036.76 | 120,220.54 | 120,220.54 | | | | | |
| Total Gas & Power | 152019158/17 | Electricity for June 2017 | 06/07/2017 | 4,027.14 | 805.43 | 4,832.57 | 4,832.57 | | | | | |
| Total Gas & Power | 152019169/17 | Electricity for June 2017 | 06/07/2017 | 9,586.51 | 1,917.30 | 11,503.81 | 11,503.81 | | | | | |
| Total Gas & Power | 152019170/17 | Electricity for June 2017 | 06/07/2017 | 2,815.08 | 563.02 | 3,378.10 | 3,378.10 | | | | | |
| Total Gas & Power | 152019180/17 | Electricity for June 2017 | 06/07/2017 | 4,300.14 | 860.03 | 5,160.17 | 5,160.17 | | | | | |
| Total Gas & Power | 152019191/17 | Electricity for June 2017 | 06/07/2017 | 7,806.36 | 1,561.27 | 9,367.63 | 9,367.63 | | | | | |
| Total Gas & Power | 152451898/17 | 13/07/16 to 03/07/17 | 08/07/2017 | 880.11 | 176.02 | 1,056.13 | 1,056.13 | | | | | |
| Corona Energy | 12206111 | Gas supply for June 17 | 10/07/2017 | 44.74 | 2,700.00 | 2,744.74 | 2,744.74 | | | | | |
| BT Conferencing | BT012100323 | 01-Jun-2017 to 30-Jun-2017 | 30/06/2017 | 396.40 | 79.28 | 475.68 | 475.68 | | | | | |
| West Ham United Football Club Limited | 17030 A/C | Use of Box 9 for 2017/18 Season | 01/06/2017 | 104,550.00 | 20,910.00 | 125,460.00 | | | 125,460.00 | | | |
| Aerofilm Systems BV | 17390257 | Delivery engineered drawings towing bars | 07/07/2017 | 4,200.00 | 0.00 | 4,200.00 | 4,200.00 | | | | | Value of invoice in dispute |
| 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 |
| | | | | 2,282,982.34 | 458,408.52 | 2,741,390.86 | 2,615,735.86 | 0.00 | 125,460.00 | 0.00 | 195.00 | |
| | | Aged Creditor Totals for week commencing 26 June 2017 | | 103,920.10 | 14,432.00 | 118,352.10 | 118,157.10 | 0.00 | 0.00 | 0.00 | 195.00 | |
| | | Change from Previous Week | | 2,179,062.24 | 443,976.52 | 2,623,038.76 | 2,497,578.76 | 0.00 | 125,460.00 | 0.00 | 0.00 | |
| | | Aged Creditor Totals for week commencing 26 June 2017 | | 103,920.10 | 14,432.00 | 118,352.10 | 118,157.10 | 0.00 | 0.00 | 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 | |
| | | 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 | |
| | | 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 |
|--------------------------|--------------------|---|--------------|------------|------------|--------------|---------------|----------------|----------------|----------------|------------------|--|
| Aerofilm Systems BV | 17390256 | Completion of East Stand Installation | 07/07/2017 | 13,860.00 | 0.00 | 13,860.00 | 13,860.00 | | | | | |
| 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 |
| | | | | 560,752.71 | 109,378.54 | 670,131.25 | 13,860.00 | 0.00 | 0.00 | 0.00 | 656,271.25 | |
| | | Aged Creditor Totals for week commencing 26 June 2017 | | 546,892.71 | 109,378.54 | 656,271.25 | 0.00 | 0.00 | 0.00 | 0.00 | 656,271.25 | |
| | | Change from Previous Week | | 13,860.00 | 0.00 | 13,860.00 | 13,860.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| | | Aged Creditor Totals for week commencing 19 June 2017 | | 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 | |
| | | 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

2,629,595.86 0.00 125,460.00 0.00 656,466.25

ANNEX H**E20 AGED DEBTORS REPORT AS AT 17 JULY 2017****WORKING CAPITAL**

| Customer Name | Transaction No | Due Date [DD/MM/YYYY] | Amount Due [£] | Comment |
|---------------------------------------|-----------------------------------|------------------------------|-----------------------|--|
| YOUR TRIBUTE LTD | 45221 | 10/08/2017 | 858 | Not yet due |
| Daniel J.Edelman Ltd | 45216 | 21/06/2017 | 2,760 | Not yet paid |
| LONDON STADIUM 185 LIMITED | 45215 | 19/07/2017 | 33,600 | Not yet due |
| LONDON STADIUM 185 LIMITED | 45220 | 09/08/2017 | 33,600 | Not yet due |
| London Legacy Development Corporation | 45218 | 03/07/2017 | 4,694,000 | 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 | | 4,767,038 | |
| | Less provision for doubtful debts | | - 2,220 | 0.0% |
| | Adjusted balance | | 4,764,818 | |

TRANSFORMATION/DISCRETIONARY FUND

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

Annex I - E20 Discretionary Fund - 20 July 2017 version

| Summary - commitments | £ |
|--|------------|
| Discretionary funds budget | 14,285,714 |
| Funds committed to date | 9,940,705 |
| Budget remaining | 4,345,009 |
| Contingent liabilities | 4,167,768 |
| Funds remaining if all liabilities fell to E20 | 177,241 |
| Total value of future investments identified | 851,000 |
| Overspend if all liabilities fell to E20, and it committed to all future items | -673,759 |

| Summary - spend | £ |
|----------------------------|------------|
| Discretionary funds budget | 14,285,714 |
| Spend to date | 9,076,831 |
| Funding remaining | 5,208,883 |

Discretionary Fund - Funds Committed to date and contingent liabilities

| Item | Existing Commitments | | Notes |
|--|----------------------------|------------------|--|
| | Funds committed by E20 (£) | Spent | |
| s.43 | | | |
| Original digital wrap design costs | 497,113 | 497,113 | Sunk costs on previous wrap proposal |
| Widening stadium gangways | 740,000 | 740,000 | |
| Hard FM Services for 2015 events | 673,000 | 673,000 | E20 Board (30 March) agreed the £673k is allocated in full to E20. £159k cost increase unresolved between E20 and Transformation. |
| IT Active Equipment / switches | 316,000 | 316,000 | E20 Board (30 March) agreed 80% of the £395k cost is attributed to E20 (CR 01) |
| Access to CCTV | 0 | 0 | Spend to save measure already agreed with LS185, but not yet charged for. [TBC] |
| Mid tier LEDs | 440,000 | 331,450 | £360k approved by the E20 Board on 30 March 2016. Further £80k for power and data approved by E20 Board 28 Feb 2017 (CR 9) |
| Stadium Dressing (Fabric Wrap and Digital Screen) | 4,777,389 | 4,476,816 | £5m agreed by E20 Board. Small underspend delivered, but £200k marquee sign did not need to be delivered. Reconciliation between commitment and spend ongoing. |
| Additional security and movement of heras fencing | 101,734 | | Further costs associated with Stadium dressing (incurred by LS185) |
| IPTV | 251,250 | 251,250 | Responsibility between transformation and E20 tbc (CR 03) |
| Armordeck | 500,000 | 500,000 | Out-turn cost under reconciliation, expected to be within £500k provision |
| Concourse clean (June 2016) | 15,000 | 15,000 | CR 28 |
| Black Magic system for LEDs | 57,370 | 57,370 | As per change request with LS185 (CR 21). |
| Montfichet Road barriers | 221,000 | 0 | Agreed by E20 Board 27 June 2017. To be confirmed whether it will be funded from discretionary fund |
| Overspend on hospitality FF&E budget | 95,336 | 0 | As advised by s.40 27 Apr 2017 (separate FF&E log held, available on request). |
| Additional "spend to save" measures (see separate log) | 513,513 | 476,831 | See E20 DD Funds tab (available on request) |
| Sub-total (existing commitments) | 9,940,705 | 9,076,831 | |

| Contingent Liabilities | | | |
|---|-------------------------|------------------|---|
| Item | Potential liability (£) | Spent | Notes |
| Contingent risk on Director Delegation Items | 131,768 | | See E20 DD Funds tab (available on request) |
| Disputed costs with LS185 | 2,500,000 | | Previous £2.859m figure based on settlement previously agreed in principle between E20 and LS185, following approval by E20 Board on 26 May 2016. E20 Board has since indicated it does not wish to settle at this level. s.43 Therefore, liability reduced to a maximum of £2.5m. Note that Transformation has already funded £1.82m (power and catering upgrade). It is expected that this will ultimately be funded from the discretionary fund instead, so £1.82m will be transferred from the discretionary fund to Transformation. |
| Unresolved costs with LLDC Transformation | 946,000 | | As detailed to 31 Jan 2017 E20 Board: Additional £107k for first phase MLB works, additional £159k for 2015 Hard FM services, additional £65k for 2016 Hard FM services, £358k for delay and disruption costs relating to power upgrade, £182k for various "spend to save measures". Plus £60k for power supply to grow lights and £15k for Toro report. |
| LS185 claim for handover delay | 540,000 | | Based on LS185 claim of £540k to end Dec 2016, with expectation of further costs by April 2017. Large share expected to be recharged to Transformation / Balfour Beatty. £540k includes £480k VF costs, £60k LS185 costs. |
| Dispute with LS185 on responsibility for funding fit out of downstairs control room | 50,000 | | LS185 went ahead with works without agreement from E20 over funding. LS185 are now seeking payment by E20 for cost of works; E20 refusing. |
| Sub-total (contingent liabilities) | 4,167,768 | 0 | |
| Total (existing commitments plus all contingent liabilities) | 14,108,473 | 9,076,831 | |

| Potential future items | | | |
|--|--------------------|------------------|---|
| Item | Potential cost (£) | Spent | Notes |
| Various items listed in Future items tab | 851,000 | 0 | See Future items tab (available on request) |
| Total (existing commitments plus all contingent liabilities, plus all potential future items) | 14,959,473 | 9,076,831 | |

E20

STADIUM LLP

Subject: s.43
Meeting date: 25 July 2017
Agenda Item: 7
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. The s.43 report from s.43 is enclosed. This addresses the minor amends requested at the 27 June Board meeting. It brings to a conclusion s.43 work.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** s.43 report.

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Meeting: E20 Stadium LLP Board
Date: 22.08.17
Time: 10:00 – 12:00
Meeting Venue: Newham Dockside

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

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

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

Apologies: David Gregson (LLDC), Ian Bright (LLDC)

1. Minutes of meeting held on 25 June 2017
2. Actions arising from previous meetings
3. Outline Plan
4. London 2017
5. PA/Fire System
6. 2018 events
 - a. Event bookings and income
 - b. Reducing event costs
7. Seating Update
8. London Living Wage
9. Director Update
10. Finance Update
11. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #


Participant passcode: s.31 then #

Global access link – http://www.btconferencing.com/globalaccess/?bid=814_public



Board Actions List (reported to the meeting on 22 August

Actions from last meeting (25 July)

| Actions | | | |
|----------------|---|-------------|--|
| 3.1 | Alan Fort to produce a summary of what he is proposing with the contracts. | Alan Fort | s.43  |
| 4b.1 | Alan Skewis to re do the table for annual seat move costs – Look at the return on capital employed. | Alan Skewis | Complete. Included in appendix 5 to seating paper. |

Subject: Relocatable Seating System – Residual Risks

Meeting date: 22 August 2017

Agenda Item:

Report to: E20 Stadium LLP Board

Report of: Colin Naish, LLDC Executive Director of Construction

1. SUMMARY

1.1. s.43

[REDACTED] this paper sets out the residual risks to E20 associated with the Relocatable Seating System (RSS). Once the proposed warranty with Atkins is obtained for the existing design, E20 proposes to manage these residual risks by:

- 1.1.1. Ensuring that PHD transition the RSS in accordance with the requirements of the Operation and Maintenance (O&M) Manual;
- 1.1.2. Continue to apply the existing “three lines of defence” structural integrity assurance process and the regime of pre- and post-match inspections (as set out below); and
- 1.1.3. Ensure Atkins either undertake the detailed design, or verify and adopt the design by others, of any future incremental improvements approved by E20, under the terms of their design warranty agreement (to be agreed).

1.2. Discussions are currently underway with Atkins on their appointment and the terms and conditions of their warranty. Until such time as the Atkins warranty is in place, the risk of transitioning the RSS using airskates over the tarmac surface sits largely with E20 and should continue to be mitigated through the post-transition inspection regime continuing to check for any visible signs of distress that would require further investigation and possible member strengthening or replacement. During an event, when being used as Sapa’s design intended (e.g. baseline Pitch, Athletics or Concert mode), E20 have a warranty for its structural design from Nolan Associates, Sapa’s Structural Engineer.

1.3. s.43

[REDACTED]

1.4. There remains a cost risk that Atkins’ design review may reveal the need for some additional works to the RSS before Atkins are prepared to warrant the design.

1.5. This paper contains confidential and legally privileged information and therefore has restricted circulation.

2. RECOMMENDATIONS

2.1. The Board is invited to:

- 2.1.1. **NOTE** the residual risks associated with the RSS and the mitigation measures that have been put in place.

3. BACKGROUND

3.1.

S.43

3.2. The Board also agreed at its meeting on 25 July 2017 that E20 should seek a design warranty from Atkins to provide the following benefits:

- 3.2.1. A full third party design check of the RSS in its static condition, sitting on jacks in pitch or track modes;
- 3.2.2. A full third party design check of the seating structure as it transitions on airskates;
- 3.2.3. A third party warranty on these design checks, backed up with Professional Indemnity Insurance cover;
- 3.2.4. A sound baseline structural model for the assessment of any structural implications of future incremental improvement options; and
- 3.2.5. The ability for the third party to review and/or design any future incremental improvement options, extending the coverage of the design warranty as appropriate.

3.3. There will be a cost to this warranty and any additional works that Atkins require to be undertaken to the RSS in order to provide their warranty, see section 5 of this paper. Discussions are currently underway with Atkins on their appointment and the terms and conditions of their warranty.

4. RESIDUAL RISKS

4.1.

S.43

STRUCTURAL INTEGRITY

4.2. The RSS is used in three principle modes:

- 4.2.1. During an event when being used as Sapa's design intended (e.g. baseline Pitch, Athletics or Concert mode), for which E20 have a warranty for its structural design from Nolan Associates, Sapa's Structural Engineer.
- 4.2.2. During an event when not used as Sapa's design intended (e.g. alternative concert gangway overlay), for which E20 either have PHD or the event organiser design, install and provide a warranty for the additional overlay; and
- 4.2.3. During a transition using Airskates over the tarmac surface (not as Sapa intended), for which Atkins undertook design checks for E20.

4.3. The risk of compromise to structural integrity is currently mitigated through a "three lines of defence" assurance process.

- 4.3.1. Following each transition PHD provide certification that the transition is complete in accordance with the requirements of the O&M Manual;
 - 4.3.2. Atkins undertake an inspection to confirm the transition is complete in accordance with the requirements of the O&M manual and look for any early signs of distress that would require further investigation and possible member strengthen or replacement; and
 - 4.3.3. London Borough of Newham's Licensing Officers undertake their own inspection for compliance with venue licensing requirements.
- 4.4. In addition, PHD carry out pre- and post-match inspections and undertake reactive maintenance where required.
- 4.5. It is intended that in due course Atkins will warrant the RSS in baseline event and transition modes assuming that PHD transition the RSS in accordance with the requirements of the O&M Manual. The residual risk therefore will be with E20 to ensure PHD transition the RSS in the manner specified in the O&M Manual, as required by their contract with E20, in order to maintain the validity of the warranty.

E20 CHANGES TO THE RSS

- 4.6. Future incremental improvements which result in modifications to the baseline Sapa/Nolan structure will potentially invalidate the warranty Nolan have provided. However, this risk is mitigated by the warranty E20 are seeking from Atkins. Before any change is made to the RSS, it is first reviewed by Atkins who then either undertake the detailed design themselves or verify and adopt the design by others under the terms of their design warranty agreement (to be agreed).
- 4.7. E20 have decided to use Layher bridges and walkways in the North and South stands instead of the Sapa designed bridges. The decision to make this change was driven by time constraints during the 2015/2016 transitions as well as the lack of confidence that Sapa had provided a complete set of parts. This change introduced risk to the RSS as it is a move away from Sapa's original design intent. Layher is not a product designed specifically for the stadium but rather an off the shelf scaffold system which PHD have designed to be fit for its intended use. This risk is currently mitigated by PHD being responsible for the design and maintenance of the Layher scaffold system, along with the methodology of its assembly and disassembly during transitions, which is now included in the O&M Manual. The design of the Layher bridges and walkways to the North and South will be in scope for the proposed Atkins warranty.

OUTSTANDING DELIVERABLES

4.8. s.43

[REDACTED]

PARTS AND s.43

4.9. s.43

[REDACTED]

4.10. s.43

[REDACTED]

- 4.11. s.43 [redacted]
- 4.12. s.43 [redacted]
- 4.13. s.43 [redacted]

5. FINANCIAL IMPLICATIONS

- 5.1. It is proposed that Atkins will undertake a design review and structural analysis, leading to the provision of a structural design warranty which is likely to cost in the order of £500k. This is subject to appointment and agreement with Atkins on the terms and conditions of the warranty s.43 [redacted]
- 5.2. Atkins' design review may reveal the need for some additional works to the RSS structure before Atkins are prepared to warrant the design. The likely cost and scope of any required additional works is unknown and not quantifiable at this stage, but c£300k in fee to Atkins would have been expended getting to this point, which could then prove to be abortive should agreement on extent of any additional works required (which of course would serve to mitigate Atkins' warranty risk) not be agreed, resulting in the warranty not being signed.
- 5.3. Any additional works and/or future incremental improvements that result in changes to the RSS that would require E20 funding will be subject to a business case that will be submitted to the E20 Board for review and approval.
- 5.4. The costs of replacement aluminium parts have been agreed with Sapa and E20 should now agree an annual budget for critical spares.
- 5.5. s.43 [redacted]
- 5.6. s.43 [redacted]

6. LEGAL IMPLICATIONS

- 6.1. The legal implications have been covered earlier in the paper.

7. APPENDICES

- 7.1. None.

List of Background Papers:
s.43 [redacted]

Item: 3
Subject: Outline Plan
Meeting date: 22 August 2017
Report to: E20 Stadium LLP Board
Report of: Alan Fort

1. SUMMARY

This document sets out observations and recommendations on how to improve the performance of the stadium. It should be used as a “straw man” to encourage debate about the issues and solutions.

2. RECOMMENDATIONS

- 2.1. One party should be nominated as being the sole body to have legal capacity to contract with counterparties to minimise potential confusion as to what is agreed
- 2.2. If possible agree to a standstill period between the Members for the short term
- 2.3. LLDC/GLA is recommended as sole contracting body in the short term as
 - a. they guarantee all future liabilities
 - b. it reduces need for negotiation. Establishing value of liabilities in an uncertain situation is difficult, takes time and deflects from the core activity of improving the business
 - c. eliminates need to novate liabilities to another organisation
- 2.4. Newham continue to play a central role in driving the stadium forward as their citizens are the key beneficiaries
- 2.5. The Members/GLA should consider custodianship as a way forward. The custodian would be responsible for executing the agreed vision and plan

3. BACKGROUND

- 3.1. Through our contracting process we have contracted out “Control “ to our counterparties
- 3.2. Regaining “Control” is required to improve performance. We can only regain “Control” through influencing/persuasion and leadership
- 3.3. A Vision which is shared and agreed by all stakeholders is essential otherwise our negotiating position is unclear.

3.4. Simplifying the interface between E20 and our counterparties so they are clear how we contract is essential.

Appendix 1 – Outline plan PowerPoint presentation

Report originator(s): Alan Fort
Email: alanfort@e20stadium.com

Outline Plan

Agenda

- Issues
- Vision
- Control
- Sustainability
- Deliver the Vision
- Timescale

Issues

- **Functioning Asset**
 - Focus on delivering contract obligations
 - Broader aspects of project not being delivered
 - Commercial opportunity not monetised
 - No future view
- **Contract Ambiguity**
 - Contracts don't recognise the physical reality of different modes
 - Different interpretations of contracts
 - Responsibility for delivery of contracts unclear
- **Counterparties interests not aligned with E20 or members**
 - No common vision, no surprise – each counterparty maximising own situation
- **Lack of Information**
 - Measuring and improving performance with lack of data is challenging
- **Legal Capacity**
 - Members have perceived legal capacity so counterparties get conflicting views which weakens any negotiation
- **Poor Economic Outcome**

Vision (Within 6 months)

- Agreed Stadium Vision
 - Key stakeholders – GLA/LLDC/LBN/NLI
 - Interested stakeholders – WHU/UKA/LS185
 - Impacted stakeholders – Westfield
- Delivers
 - Clarity of Objectives and Priorities
 - Opportunity to Reset Relationships with existing Counterparties
 - Explains why brands would want Naming Rights/Sponsorship
- Converted to
 - Detailed Long Term Plan
 - s.43

Control (3 months)

- Legal capacity – One person has ability to contract
 - Provide confidence and clarity to counterparties
 - GLA/LLDC recommended- leave liabilities where they lie: Is standstill possible
 - Actively involve GLA/ Newham as prospective long term custodian
- Basic Weekly Information
 - Gross Revenue and Costs
 - Planned v Actual Expenditure
 - Commercial Opportunities Pipeline
 - Cost reduction Plan
 - Marketing?
- Contract Ambiguity
 - In absence of contract clarity create way of working to build respect (weekly meetings and agenda)
 - s.43 [REDACTED]
- s.43 [REDACTED]

Sustainability (15 months)

Contracts

S.43

UKA

Price
Rights including Naming Rights
Athletics Season and Penalties
Seat Configuration

LS185

Sole Interface for users
Commercial Capability?
Ability to deliver vision?

Understanding the business

Seat Configuration

Lowest costs solution to meet contracts /other event needs
Optimal Seating Configuration in existing form
Seating configuration for vision

Commercial Exploitation of Physical and Signage Assets

Identify all current unused space with potential use to maximise commercial benefit
Identify better ways of working with park to maximise commercial benefits
Create marketing Plan to drive attraction on "non event" days
Physical configuration to deliver vision
Future investment plan
Establish best way to market stadium to maximise value of rights/signage

Cost Certainty – Optimal cost profile for all types of events

Team and Operator to Deliver Vision

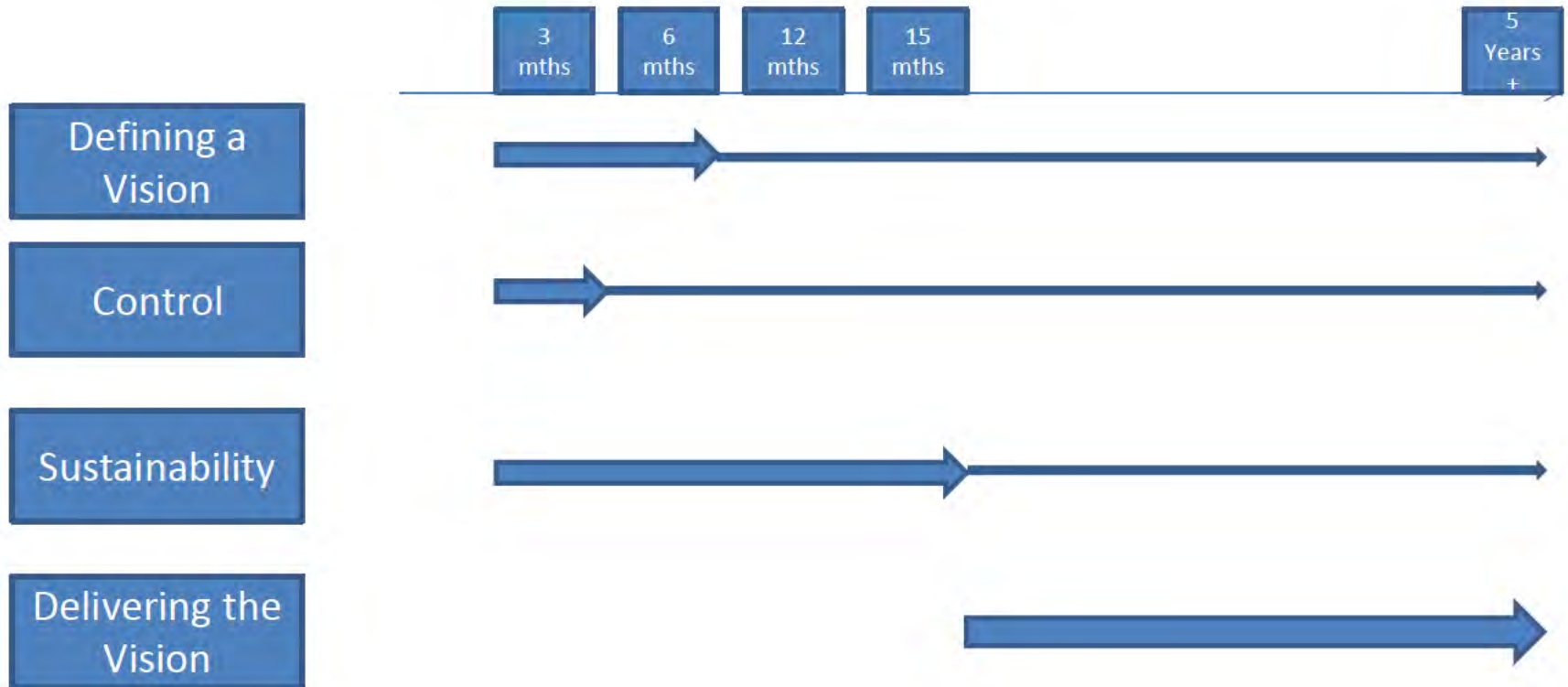
Business Model for current position and future Vision

Active Participation by all and review Custodianship

Delivering the Vision (15 months to)

- Agreed vision with GLA/LLDC/Newham
- WHU/LS185/UKA/Westfield consulted on Vision
- Custodian responsible for delivering Vision
- Team and Operator to Deliver Vision
- Detailed Costed Plan to Deliver Vision
- Agreed Funding to Deliver Vision

Timescales



The narrower arrow reflects that improving control/sustainability are continuums

s.43

Health Warning—the existing contracts may act as constraints on timing & cost of delivery of vision

Role of Newham

- Newham residents are beneficiaries from the Stadium
- Essential that Newham team are actively involved in all aspects
 - Determine the Vision
 - Getting Control of LS185
 - Understanding the business
 - Establish liabilities
 - Ensuring short term actions do not adversely affect the future
 - Create the plan for delivering for the vision
 - Executing the Vision
- Potentially acting as broker to resolve impasses with various counterparties

Subject: London 2017
Report to: E20 Board
Date: 22 August 2017
Item: 4
Report of: Alan Skewis, Martin Gaunt


1. SUMMARY

- 1.1. This report provides a summary of the London 2017 event.
- 1.2. The key points are:
 - 1.2.1. The event was an overwhelming public success.
 - 1.2.2. E20 did make some revenues from the event, but this was limited by the parameters set by the UKA Access Agreement. The revenues were vastly exceeded by the seat move costs.
 - 1.2.3. The event highlighted some serious issues with the Fire and PAVA system. In LS185's view, we were fortunate to get through the Championships without these issues causing a session to be cancelled.

2. RECOMMENDATIONS

- 2.1.1. **NOTE** the report.

3. HEADLINE FIGURES

- 3.1. **s.43**

- 3.2. The LS185 March 2017 business plan forecasted several revenue streams from the Championships. These are set out below, together with the latest indication of the out-turn position:

| Income stream | LS185 business plan forecast (£) | Expected out-turn based on latest LS185 view (£) |
|--|----------------------------------|--|
| Increase in capacity (25% share of ticket sales beyond 54,000) | | |
| Catering revenues | | |
| South Park hire | | |
| Hire of digital assets | | |
| Staging costs | | |
| Merchandising | | |
| Hire of office space to London 2017 | | |
| Total | | |

S.43

- 3.3. Please note that the breakdown of expected revenues in the LS185 business plan was unclear (and hence was the subject of senior level correspondence between E20 and LS185 at the time, which did not generate improved clarity). Similarly, the latest expectation of out-turn does not represent figures submitted by LS185 to E20 – rather they were teased out of LS185 in a recent meeting. As such, both the business plan forecast and the expected out-turn should be regarded as indicative rather than absolute.¹
- 3.4. It is worth noting that the revenues are far exceeded by the cost of the 2017 seat moves (forecast at £11.8m).
- 3.5. LS185 and London 2017 will now need to reconcile the costs relating to the event, and LS185 to recover these in full together with the other payments due from London 2017. London 2017 has already paid **s.43** of the amount due upfront. It is conceivable that London 2017 will seek to use the inconvenience caused by the fire and PAVA system issues, and/or other minor matters, to seek to reduce its payments to LS185. LS185 (and E20) will take a robust position on this.
- 3.6. The issues relating to the Fire and PAVA system are covered in a separate Board paper.

¹ It is recognised that this is far from ideal, and is symptomatic of broader concerns with LS185 that E20 is taking action to address, especially their financial management and reporting.

4. WHAT WENT WELL

- 4.1. The successful staging of London 2017 at the stadium had the following benefits:
 - 4.1.1. Built London's reputation;
 - 4.1.2. Built Newham and QEOP reputation;
 - 4.1.3. Showed London to be a sports mad city, through huge ticket sales and a commitment to disability equality demonstrated;
 - 4.1.4. Re-emphasised stadium role as a multi-purpose venue, not just WHU's home;
 - 4.1.5. QEOP retention of stadium visitors for longer day visit;
 - 4.1.6. A pulling together to get the event successfully delivered;
 - 4.1.7. Showed LS185 operations team can deliver and are committed to the stadium job;
 - 4.1.8. Did not create issues that WHU will pursue legally for damages;
 - 4.1.9. Was highly valued by the Mayor (e.g. The Mayor presented Usain Bolt with a framed section of the 2012 track, live on TV – the culmination of E20's successful Own the Track project.)

5. AREAS FOR IMPROVEMENT

- 5.1. The Championships would have been even better if:
 - 5.1.1. The revenues had been at a level that went some way further towards justifying the seat move cost;
 - 5.1.2. The PAVA system had not been so vulnerable;
 - 5.1.3. The seating mode used for the event could reasonably be replicated in future – it can't in the short-term, given the prohibitive cost;
 - 5.1.4. Showed up the complexity of our stadium operating and decision making structures;
 - 5.1.5. There had been better and engagement and interest from WHU. There was no joint marketing, and no use of boardroom.



Subject: PA and Fire Systems during London 2017
Report to: E20 Board
Date: 22 August 2017
Item: 5
Report of: Alan Skewis, Director of E20 Stadium LLP

S.31

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S.31

S.31

Item: 6
Subject: 2018 Event
Meeting date: 22 August 2017
Report to: E20 Stadium LLP Board
Report of: Alan Skewis, E20 Stadium LLP Director

1. PURPOSE OF REPORT

- 1.1. The purpose of this paper is to update members on the 2018 events. It follows decisions at the 22nd June 2017 Board, where the board agreed to provide a 65,000 concert capacity and athletics venue in 2018.
- 1.2. Key points are:
 - 1.2.1. LS185 have progressed negotiations with concert promoters, but are yet to contract with any events for Summer 2018;
 - 1.2.2. UKA have agreed the seating configuration in principle;
 - 1.2.3. There is an event calendar clash at the end of July, with both WHU and UKA refusing to flex on their contractual rights

2. RECOMMENDATION

- 2.1. **NOTE** the update

3. CONCERTS

- 3.1. Immediately after the June 2017 Board LS185 were informed of the Board's position.
- 3.2. The seating manifest was provided, and they are confident of increasing the minimum 65,000 capacity to over 70,000.
- 3.3. LS185 have reported that they are confident of securing 8-10 concerts. LS185 have approached LLDC planning and LBN licencing on the basis of increasing the number of concerts above 10 in 2018, reflecting their high level of confidence.
- 3.4. However, LS185 are yet to contract with any concert promoters. If the position has not improved by the next Board, the risk will be increased, and a paper to review the position provided to Board.

4. ATHLETICS SEATING CAPACITY AND EVENT DATES

- 4.1. A meeting has been held with UKA to set out the challenges E20 faces with the seats, and the UKA contracts.
- 4.2. At the meeting E20 confirmed the seating configuration agreed by Board, and that the athletics capacity was over 50,000 unrestricted seats. On that basis UKA have verbally agreed the principle of a revised seating configuration for 2018.
- 4.3. However, UKA have not accepted that they should adjust the date of the Diamond League from the 27/28 July 2018. Appendix 1 sets out details of this clash which has not been managed effectively by LS185. Basically there is not time to host the Diamond League on the 27/28 July; move the seats (7-9 days) and hold a possible Europa League football match on the 2nd August 2018.

4.4. Analysis supports moving the Diamond League. The alternative is another dispute with WHU.

5. SEAT MOVE COSTS

5.1. The seat move cost of £3.9m estimate remains. A full review of the costs will be undertaken after transition 3, and taking into account potential seat improvements covered elsewhere on the August Board agenda.

6. FINANCIAL POSITION

6.1. The anticipated, and secured financial position compared to the time of the decision is set out below.

| | At time of Board Decision (June 2017) | Current Contracted | Current Expected | Worst Case |
|------------|---------------------------------------|--------------------|------------------|------------|
| Concerts | s.43 | | | |
| Athletics | | | | |
| Seat Moves | (£3.9m) | (£3.9m) | (£3.9m) | (£3.9m) |
| Net Income | s.43 | | | |

6.2. The secured position is expected to improve in the next month. If not, proposals will be made to the Board. s.43

Appendix 1: Diamond League s.43

UKA Contractual Rights

In the UKA Access Agreement they have the right to stage athletic events until the 31 July each year.

UKA assert the 2018 Diamond League date is confirmed with the IAAF and cannot be moved. They also claim that (with more justification) this is their right under the UKA Access Agreement.

UKA put the tickets on sale, in breach of the UAK Access Agreement. Legal advice has been obtained that confirms E20 have n liability to UKA for changing the date. E20 are writing to UKA to record the breach.

S.43

S.43

Item: 7
Date: 22 August 2017
Subject: Relocatable Seating Update
Report to: E20 Board
Report of: Alan Skewis, Director of E20 Stadium LLP

1. SUMMARY

- 1.1. This report briefs on the seat moves and the next stages of work into the future movement of the seats.

2. RECOMMENDATIONS

The Board is asked to:

- 2.1.1. **NOTE** that T3 has started and is due to finish by the 6th September
2.1.2. **NOTE** work by E20 to assess the future seating solutions

The Board is asked to:

- 2.1.3 **APPROVE** £10k commitment for SAPA parts
2.1.4 **APPROVE** £50k commitment for a feasibility study into process improvements and whether the North and South Stands could have a straight, as opposed to the current curved, frontage. Examples of proposed process improvements include the following:

3. 2017 SEAT MOVES 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 August 2017. There remain opportunities to make savings on the budget. However, these are not being reported as secure, as there remain a number of risks that could impact the final cost.
- 3.3. Risks:
- 3.3.1. East Stand proves difficult to move and precisely relocate, adding cost and time pressure.
- 3.3.2. Unbudgeted Pre Transitions costs exceeding savings made during Transitions 1&2.
- 3.3.3. £600k GLA funding not being secured.
- 3.3.4. WHU seeking damages for the non-delivery of the seats by the date of 25 August included in the concession agreement. This is being resisted as WHU's recourse is damages, and they have suffered none due to the fixtures not scheduling a home game between the 19th August and 9th September.
- 3.4. Opportunities:

- 3.4.1. Reduced costs of T3, as time pressure reduced due to WHU fixtures. The biggest saving could be not working over the 3 days of the August Bank Holiday weekend, when labour rates are higher. The current programme does not schedule any works over this period, but the saving in cost has not been assumed.
- 3.5. £728,366 of the £1m contingency has been allocated, as set out in Appendix 2.
- 3.6. The Board are asked to approve:
 - 3.6.1. £10k commitment for SAPA parts,
 - 3.6.2. £50k commitment for a feasibility study into process improvements and whether the North and South Stands could have a straight, as opposed to the current curved, frontage. Examples of proposed process improvements include the following:
 - 3.6.2.a. Guided rails and winching system to allow accurate positioning of the Stand.
 - 3.6.2.b. Fire resistant vinyl or equivalent which could remain in situ throughout the season.
 - 3.6.2.c. Water ballast system to replace the existing requirement for Kentledge
 - 3.6.2.d. Cradle storage system to reduce overall footprint of materials stored in compound.
 - 3.6.2.e. East stand review to create a more permanent structure and reduce the inspection regime.
 - 3.6.2.f. North/South stand review to reduce the overall number of lifts.
- 3.7. As agreed by Board, during T3 contingency use is delegated to the Mace team and E20 teams to an agreed level. It is expected there will be calls on the contingency, but the expectation is that these will be within the £1m contingency budget.

4. TRANSITIONS 1 AND 2

- 4.1. Details of the successful transition were reported in July 2017, and not repeated in this report. The final financial position of T1 remains unclear as Mace and the contractor, PHD, reconcile true T1 and Pre Transition costs. This exercise should be completed by the next Board and will be reported in September.

5. TRANSITION 3 (Athletics to Pitch)

- 5.1. Work started on T3 as soon as soon as the athletics events finished on the 14th August. The programme is scheduled to finish on the 6th September 2017.
- 5.2. There have been some delays in the 'soft start' period of programme as a result of London 2017 not bumping out to the agreed programme. This has been communicated to London 2017, with a log of issues being kept. The delays are frustrating as they were a condition of E20 agreeing to move the East Stand for the event.
- 5.3. A verbal report will be given at Board on time and budget.

6. NEXT STEPS ON SEATING REVIEW

- 6.1. Following completion of the Seating Study review by Pell Frischmann and Core 5, a single report combining the technical and commercial findings has been produced (see fuller note in Appendix 3).

- 6.2. By working with the consultants we have been able to rationalise and focus their findings. There are now two options for supporting the seats and two methods of moving the stands.
- 6.3. Support Systems
 - 6.3.1. Fully Demountable System
 - 6.3.2. Framed Modules
- 6.4. Moving Options
 - 6.4.1. Smart Wheels (Dollys)
 - 6.4.2. Cranage
- 6.5. The two support systems can be combined to offer:
 - 6.5.1. A generic solution that applies everywhere in the Lower Tier of the stadium and for all the identified modes.
 - 6.5.2. A business-case based approach that de-risks the transition to a new seating system.
 - 6.5.3. The ability to pay incrementally over years rather than in a one-off lump sum.
 - 6.5.4. The ability to upgrade seating blocks in a very short window of opportunity, therefore removing the need to wait for the summer break.
- 6.6. We propose the following actions throughout August/September 2017:
 - 6.6.1. Workshop with E20/LLDC/LBN - to test that the proposal works on paper for E20.
 - 6.6.2. Workshop with the attendees above plus specialists - to test that the proposal works operationally in the context of systems elsewhere, lessons learnt from the current system, and stadium constraints.
 - 6.6.3. Identify the first blocks to upgrade and build a business case for these. Obtain business case approval.
 - 6.6.4. Design, fabricate, and install the first blocks. Monitor to determine their performance in situ. The risk in prototyping is low as only a small number of blocks will be involved and similar systems have been tried and tested elsewhere previously.
- 6.7. Mace and PHD wish to carry out exploratory work on the North and South stands using funds within the 2017 seating budget. These stands both move in 2018, and therefore there is an immediate opportunity to find cost savings which will drive down the estimated £3.9m cost from May 2018. This work will inform negotiations with UKA and WHU. For example:
 - 6.7.1. It has been identified within the Concession Agreement that E20 are not obliged to provide any seats closer than 18.9m on the north or south stands. The curved nature of the current stands means only the furthest front row seat is 18.9m from the pitch (see Appendix 4). When creating a new system there is the opportunity of a trade off with WHU, involving moving the north stand closer to the pitch (a rectangular stand may be able to get c.4m closer); and / or leaving the lower tier of the south stand in athletics mode, where the majority of football supporters in the Lower Tier are from the away team.

- 6.7.2. The results of the UKA seating manifest in the 2018 seating configuration have shown an unrestricted capacity of 55,000. The front 13 rows of the north and /or south stands could be excluded from the manifest and still retain a capacity over 50,000. Excluding these rows will make transitions easier and cheaper.

APPENDIX 1: 2017 SEATING BUDGET SUMMARY

| (£'000s) | Approved by Board January 2017 | February 28 Board 2017 | April 2017 Board | June 27 Board before Opportunities | July 25 Board before Opportunities | August 22 Board before Opportunities | Best Case Outcome if Achieve Opportunities and No Risks Arise | Update |
|----------|--------------------------------|------------------------|------------------|------------------------------------|------------------------------------|--------------------------------------|---|--------|
|----------|--------------------------------|------------------------|------------------|------------------------------------|------------------------------------|--------------------------------------|---|--------|

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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 at indoor track location | 1,145 |
| Additional Armourdeck | 105,667 |
| Atkins Inspections | 18,215 |
| Removal of seating related s.43 | 21,157 |
| Storage of WHUFC Marquee sign | 1,500 |
| Lateral barrier | 32,702 |
| Attendance by Aerofilm during Transition 1. | 31,525 |
| Purchase of Layher components for Concert Mode | 281,384 |
| Compound Hoarding | 5,000 |
| Seat refurbishment and rails | 55,000 |
| Slide back plates | 21,952 |
| Jacks | 46,087 |
| Deck 25 missing Parts | 4,000 |
| GRP Covers for broadcast trench | 3,468 |
| Dismantle redundant Sapa components for use in T3 and future | 25,840 |
| Aerofilm Design fees for towbars | 3,000 |
| TOTAL | £728,366 |

Items in green are 2017 specific (£290k). Items in blue are long life items (£438K)

APPENDIX 3: NEXT STAGES OF RELOCATABLE SEATING STUDY

Introduction

We have now concluded the stadium seating feasibility study, and have a single report combining the technical and commercial findings, the contents of which has already been shared with this group. We believe that this completes the reporting milestone set for the end of September 2017.

By working with the consultants we have been able to rationalise and focus their findings. There are now two options for supporting the seats and four methods of moving the stands.

Support Systems

- Fully Demountable System (seats supported on a purpose designed scaffolding system)
- Framed Modules (seats supported on a structural steel frame)

Moving Options

- Air Skates
- Smart Wheels (typically used to move buildings and other awkward loads)
- Rail-Based Wheels
- Cranage

From discussions with E20, we believe that these options allow us to meet any seating configuration that E20 has so far identified. This enables us to provide a menu of options from which E20 can design and price seat moves going forwards.

Outputs

We have defined two seating systems; demountable, which is best suited to small numbers of seats that need to be installed/removed quickly and frequently, and framed modules that are better suited to moving large blocks of seating on a reasonably infrequent basis.

Our findings permit three parallel courses of action:

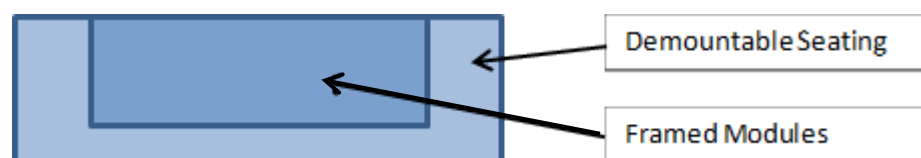
- Members can now take a decision on the extent of capital works to invest in at this time. This investment can be module by module, rather than for an entire stand, therefore focusing the investment where there is most benefit. This also reduces the risk of the system failing to work as intended on a stadium-wide basis.
- E20 can use the menu to produce business cases for small scale improvements on the seating now and in the future. For example, if a particular event is proposed it will be possible to set the anticipated revenue from the event against the cost of delivering the changes to the seating structure necessary to achieve it.
- As space is created beneath the stands there is also the opportunity to explore uses that generate revenue or improve service i.e. concessions and toilets.

Benefits

The new arrangement of the report separates out the structural solution for the physical stand, from the motive power used to move it, and this has a number of advantages (to be verified by testing):

- For any seating module, the system can be pre-fabricated off site and potentially installed in days rather than weeks.
- Reduced costs for transition plant and people.
- A new seating module can be built and installed, but only have the motive power provided when you need to move it i.e. no built-in jacks, and no need for excavated pits or wide-scale demolition.
- Opens up space for revenue generating concessions or service improvements.
- No off site storage required.
- Less frequent safety inspections.
- Extended life span as the components are fully replaceable and structural steelwork will last decades.
- The motive power can be hired when needed; this removes the need for up-front investment, ongoing maintenance, and there will be no future need for E20 to replace life-expired plant.
- None of the safety risks associated with using the present demountable system as a relocatable system.
- E20 can price future stadium events as a mini 'stand-alone' business case to justify seating moves, and changes to the structure.
- E20 can potentially deliver the incremental improvements now envisaged for 2018, as permanent works.

We envisage this structural solution being deployed for each stand as a central core of framed seating modules, with the sides and front in demountable seating. Stands that are intended to be locked in position, can be fabricated to include jacking points at minimal additional cost, and therefore be movable in future if that becomes a requirement.



The preferred option for motive power is to use smart wheels to move stands (similar to the technology used to move the Hackney Wick Station subway into place). It is anticipated that demountable components, bridge units, etc. can be stored beneath the framed modules when not in use. The area beneath the framed modules will also be available for concessions or additional toilets. Spectator access from pitch level will also be possible, if

required. When required, scissor lifts or adapted smart wheels can be used for lifting components such as bridge units into position.

Next Steps

This paper seeks authority to seek quotes and then incur fees to the end of the financial year 2017-18, to commence a Solution Development phase of designing, pricing and testing a very limited number of seating modules in the stadium.

Where possible this prototyping work will involve the small-scale changes already proposed by E20 and will therefore have the advantage that at least some of the expenditure, currently being requested by E20 to deliver their 2018 events programme, can be invested in long-term permanent works.

During this Solution Development phase, we will also market test the systems, and peer review the technical and operational aspects of the proposed solution.

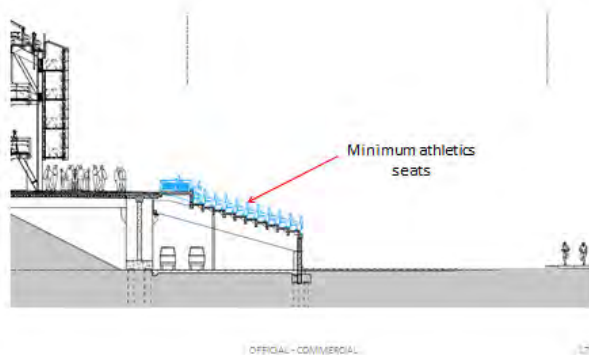
We propose to test the Smart Wheels (in stand-alone mode, not with a seating module) in the stadium early in the Solution Development phase. This will confirm that they can accommodate the undulations/camber in the surface, and that they do not damage the track surface. This technology is almost identical to the equipment used recently by LLDC to move a 2000 tonne subway into position at Hackney Wick station within 20 minutes.

APPENDIX 4: EXAMPLES OF IDEAS INFORMING NEXT STAGE OF WORK ON NORTH AND SOUTH STANDS

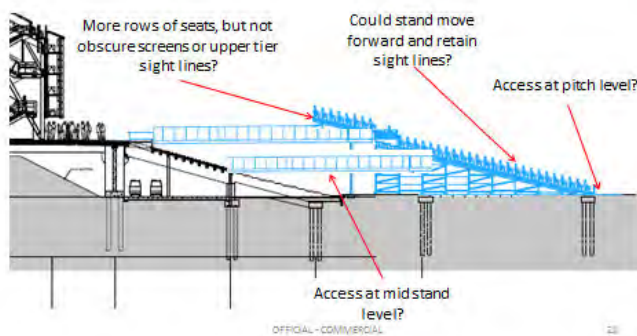
Potential Location of Rectangular Stands



Minimum Athletics Seats



Potential Additional Benefits for Rectangular Stands in Football Mode



APPENDIX 5: FINANCIAL ANALYSIS OF SEAT MOVE SYSTEMS IDENTIFIED IN PELL FRISCHMANN REPORT

At the 25 July meeting, the Board requested that the financial analysis was recirculated showing an assessment of Return on Capital Employed for each option. This is below.

| | | | | | |
|--|--------------|-----------------------|--|------------------------|-----------|
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| Seat move systems identified in Pell Frischmann Report: Financial analysis including Return on Capital Employed (ROCE) | | | | | |
| North, South and part of West stands (2018 configuration) | | | | | |
| £ | Capital cost | Annual operating cost | Annual operating saving compared to current system | Payback period (years) | ROCE |
| Current system | 0 | 3,200,000 | 0 | N/A | N/A |

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| | | | | | |
|--------------------------------------|--------------|-----------------------|--|------------------------|------|
| West Stand only (2019 configuration) | | | | | |
| £ | Capital cost | Annual operating cost | Annual operating saving compared to current system | Payback period (years) | ROCE |
| Current system | 0 | 2,300,000 | 0 | N/A | N/A |

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Subject: London Living Wage

Meeting date: 22 August 2017

Agenda Item: 8

Report to: E20 Stadium LLP Board

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

1. SUMMARY

- 1.1. LS185 has submitted its draft Impact Assessment for the potential implementation of London Living Wage (LLW) for all stadium staff. This has only just been received and therefore E20's review and challenge is ongoing. LS185 have estimated that the cost to E20 of fully implementing LLW is £1.567m, before mitigations. This cost could reduce to £1.342m if realistic measures to reduce workforce numbers can be adopted in parallel to paying LLW.
- 1.2. Due to the late issue of this paper, the significance of the financial impact, and given that E20's review and challenge is still ongoing, no Board decision is sought at this stage.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** LS185's draft Impact Assessment for the potential implementation of LLW.
- 2.2. The Board is also invited to **NOTE** the follow up actions that will be pursued by E20 to enable fuller consideration at the next E20 Board on 26 September.

3. CURRENT AND CONTRACTUAL POSITION

- 3.1. The London Living Wage (LLW) is currently £9.75/hour, whereas the National Minimum wage (for over 25's) is £7.50/hour. The LLW is set to be increased in November 2017. Previous increases have seen the wage rise by an average of 65p.
- 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):

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- 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.¹
- 3.6. E20 has obtained legal advice on LS185’s existing obligations – this is at annex 1. This provides a very helpful table demonstrating which categories of staff (temporary or permanent, and from which subcontractor) LS185 is already obliged to pay LLW to. LS185 is compliant with this, with the exception of eight permanent VINCI Facilities cleaners and arguably the groundsman apprentice.

4. LS185 IMPACT ASSESSMENT

- 4.1. The E20 Board considered the issue of LLW at its 27 June meeting. The Board did not make an in principle decision at that stage as to whether it should be implemented or not. However, the Board did request that E20 commission an impact assessment from LS185 to establish a firmer estimate of the cost. E20 commissioned this on 30 June.
- 4.2. After a period of delay as LS185 established how to resource this piece of work, they have now undertaken the impact assessment. LS185 has just submitted the draft impact assessment report to E20. The financial analysis underpinning the report was carried out by **s.40** (connection to Linda Lennon), and now a consultant. The cost of the impact assessment to E20 was agreed at just £3300, down from c£50,000 originally proposed by LS185.
- 4.3. The draft impact assessment report is at annex 2. It has been submitted to E20 alongside a detailed Excel workbook underpinning the figures. E20’s initial view is that the quality of the report may not do justice to the detailed analysis that appears have been undertaken.
- 4.4. LS185 have estimated that the gross cost of fully implementing LLW at the stadium is £1.775m per annum. LS185 assess that some costs would be absorbed by event owners and LS185 itself², although the bulk of the cost (£1.567m) would flow to E20. This is the cost before mitigations; LS185 assess that cost to E20 could reduce to £1.342m if realistic measures to reduce workforce numbers can be adopted in parallel to paying LLW. If more extreme mitigation measures could be adopted, the cost to E20 could conceivably come down to £880k.
- 4.5. All these figures are significantly more than the £800k estimated by E20 in its 27 June Board paper. This appears to be mainly due to higher costs relating to Delaware North staff, particularly for West Ham matches and concerts. At the time of writing E20 has yet to fully review and challenge the LS185 financial analysis – E20 is commencing this process with a meeting with LS185 on the afternoon of 21 August. A verbal update can be provided at Board.

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

² Although the report appears to contradict itself on LS185 absorbing 5% of event costs. E20 anticipates that, if and when it comes to it, LS185 will not be contractually obliged – or willing – to absorb 5%, and therefore almost the entire cost would fall to E20.

5. NEXT STEPS

- 5.1. Due to the late issue of this paper, the significance of the financial impact, and given that E20's review and challenge of the impact assessment is still ongoing, no Board decision is sought at this stage.
- 5.2. The Board may note that the cost of implementing LLW is very significant, and additional to existing costs. The Board may also note that agreeing the financial impact with LS185, where these costs sit, and the necessary changes to the Operator Agreement and LS185's subcontracts, is likely to prove challenging, complex and time consuming.
- 5.3. Assuming the Board is minded to continue towards LLW – or at least to a final decision point – E20 will take the following steps ahead of the 26 September E20 Board:
 - 5.3.1. Review and challenge the LS185 Impact Assessment, to seek to establish a common view, supported by legal advice on the correct interpretation of the Operator Agreement, on the estimated cost of implementing LLW. This will include a reconciliation between the E20 and LS185 cost estimates, and full scrutiny of all LS185 assumptions and analysis.
 - 5.3.2. Prioritise which categories of staff should be paid LLW. E20 would identify and seek to agree "quick wins" to potentially pay LLW now to some staff.³
 - 5.3.3. Establish the contractual steps necessary to implement LLW – i.e. how do we practically do it. This is currently absent from the LS185 impact assessment, despite it being a specific request from E20.

³ This is likely to include the eight permanent VINCI Facilities cleaners currently paid below LLW. E20 will push for these staff to be paid LLW, and the cost absorbed by LS185/VINCI Facilities (as per the legal advice). Permanent OCS security staff may also fall into this bracket, although the cost in this instance is likely to be E20's.

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ANNEX 2 - London Living Wage Report

Date of meeting: For the E20 Board meeting on 22nd August 2017

Subject: London Living Wage Impact Assessment

Presenter: Linda Lennon

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 £1,774,733 per year, with no mitigation costs.

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 £2.25 more than the current National Minimum Wage of £7.50 (for over 25's). However, to be compliant with London Living Wage, 12.07% for holiday pay allowance needs to be added in addition to the £9.75 to give true LLW of £10+.

This paper includes the information requested by E20 in the change request issued on 30th June 2017.

Benefits:

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. In the majority of cases we will pay the same staff more but should make us more attractive as a venue of choice when staff have multiple options.

There would also be other benefits such as positive press coverage, being an accredited LLW company/venue (in line with only two other Premier League clubs – Chelsea and Everton) and increased staff morale.

Issues:

Whilst all permanent LS185 staff (excluding the apprentice who is on a rate consistent with that paid across the LLDC family) are paid the LLW, some staff employed by our sub-contractors are 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 based Premier clubs is not consistent and LS185 is concerned about the impact that payment of LLW would have on our global business in terms of costs and commercial viability.

The sub-contractors' business models and original bid submitted would be impacted by any changes to implementation of any increase to pay. In particular Delaware North who need to have parity across their

catering estate which includes other London based venues. As far as our business is concerned, and considering the competitive environment between Stadium venues across the London market we anticipate that the decision to pay LLW at London Stadium will potentially affect our efforts to reduce the operating costs on events. The consequence of this could potentially damage our positioning and attractiveness towards our competitors.

The cost of the increase is calculated on the current LLW rate, but we anticipate a further increase in November 2017.

Recommendations:

E20 is invited to:

1. Note the information provided in this report
2. Provide feedback on the information in this report
3. Approve, dependent on 1 and 2 above, the implementation of increasing pay rates to London Living Wage via a contract change. Alternatively, to confirm that this is not an option at this stage in which case LS185 and its subcontractors will continue to pay LLW whenever possible.

Financial implications:

The impact of paying all staff the current London Living Wage (£9.75, plus 12.07% holiday pay allowance) is shown in detail in the enclosed/attached spreadsheet. This includes data from all sub-contractors and their sub-contractors, and has been broken down per event as well. This impact does not include any annual uplifts.

There may also be some one off costs for implementation such as HR costs and payroll costs, but most sub-contractors have either assumed this in the calculations or the figure is negligible.

A summary of the financial implications is shown below together with the assumptions this is based on. Currently, the estimated impact of the cost for E20 is £1,566,804 before any mitigations come into effect. Over time, this figure could, with maximum mitigations, reduce to £879,668 based on the current LLW. However, our current estimate with expected mitigations would reduce the figure to £1,342,225.

| Comparison of TOTAL IMPACT to E20 estimates | Gross cost to date | Gross cost per E20 estimate on 20/06/17 | Revised impact on E20 to date | Impact on E20 as per estimate on 20/06/2017 | Comments | | | | |
|--|--------------------|---|-------------------------------|---|----------|-----------|---------|-----------|---------|
| Permanent(annual cost) | S.43 | | | | | | | | |
| Event day costs per day | | | | | | | | | |
| Football - A | | | | | | | | | |
| Tours | | | | | | | | | |
| Concerts | | | | | | | | | |
| Athletics | | | | | | | | | |
| Rugby | | | | | | | | | |
| GNLR-Community event | | | | | | | | | |
| Conf & banqueting | | | | | | | | | |
| Cost of implementation | | | | | | | | | |
| Costs of LLW gross | | | | | | | | | |
| Mitigations at 100% | | | | | | | | | |
| With expected mitigationMit | | | | | | | | | |
| Net cost with maximum mitigation | | | | | | 1,051,432 | 800,798 | 879,668 | 712,176 |
| Best estimate of LLW effects net of mitigation | | | | | | 1,538,366 | 800,798 | 1,342,255 | 712,176 |

Assumptions:

We have worked out the costs on the following event calendar:

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.
2. A football match with a “usual” deployment for a regular 90 minute game. The calculations do not include any allowances for games being held on a bank holiday or any cup games going into extra time or penalties. The costs will increase if either situation occurs.
3. Two athletic events, totalling two days of staff costs
4. Five concerts of a 75,000 capacity
5. One other sporting event, such as a Rugby game
6. One community event (for example Great Newham London Run)
7. Conference and banqueting events

Information:

Events

Concerts



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Rugby

In the event of a lower capacity game changes may be made, but due to the design of the stadium and the guidance issued through the Sports Advisory Safety Group (SGSA)'s Green Guide, we have assumed that a similar deployment will be made.

Athletics

We have assumed that there will be two days of athletics such as the Muller Anniversary Games, where the deployed hours are longer than a football game, but less than what was seen at double sessions during the World Athletic Championships.

Community Event

We have assumed that this is recharged to the event organiser, who has previously requested the costs to be reduced. We have worked hard with the Great Run Company and London Borough of Newham to explain costs and operations, but would highlight that the increased cost from paying LLW may be raised to E20 directly.

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 regardless of age (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. LS185 already covers training costs for the apprentice and follows the guidance issued from the Living Wage Foundation (below). We strongly recommend no increase in wages to the position, above the annual uplift to NMW.

Apprentices

Statutory apprentice wages are lower than the minimum wage as a contribution to the cost of training, particularly in the earlier stages where apprentices may spend more time training than working. For the same reason we do not require apprentices to be paid the Living Wage. However, it is good practice to ensure pay rises over the course of the apprenticeship, and many accredited employers have chosen to extend the full Living Wage to apprentices.

Stewarding

We have used current prices charged by OCS and their subcontractors in our analysis. The contract with OCS expires next year and will be re-tendered. Rates may change beyond those assumed. Please note that the current charge rates do not include holiday pay in some cases and one supplier has suggested that stewarding charge rates could increase beyond £16/hour if they are included. We recommend that a more detailed discussion is held with our core suppliers to revise their charge rates with holiday pay to be included. We have currently made the following assumptions for each event type.

Football:

The current pay rate for a steward is £8.40, so an increase 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. We envisage that efficiencies can be made as the season progresses, and have allowed a period of three months to phase the numbers down safely and securely. We have shown this in the spreadsheet.

Our current deployment is based on a “Category A” match. Changes to this will only be made on an intelligence basis, so the total impact figure could increase depending on information receive from the MET Police.

Changes to the deployment of stewards on the egress plan to cover the Northern Ticket Hall, if approved by E20 and LS185, has not been considered.

Athletics

As above, this is based on an Anniversary Games type event rather than an event with double sessions with extended deployment hours.

Rugby

The deployment for a rugby game follows the same plan as a “Category A” football game. There would be minimum changes as the deployment is made on covering set positions.

Conference and banqueting

Costs for stewarding will vary depending on the event – number of rooms used, times of the day (outside of Stadium opening times will need security staff to staff on to the evening), numbers of people attending and any other events being held. This cost will be passed to the organiser as a cost.

Catering

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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. Please note that VINCI Facilities are considered a sub-contractor due to the contracts held. LS185 is a separate registered company and VINCI Facilities tendered for the contract as per other sub-contractors.

Activation Costs as a result of up lift from National Living Wage to London Living Wage totals 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 provides indicative figures only and is worked out on the assumptions explained above. We reserve our rights to increase the indicative figures if:

- ***Inflation and or increase of LLW or any related or new taxes through an adjustment mechanism.***
We believe the number of hours worked per annum by subcontractors to be in excess of 400,000. The high majority of these will either be at the LLW rate or be at levels where the wage rate would probably need adjusting to maintain differentials. If the next LLW revision, which is due to be published in November 2017, was in line with the last 2 changes in LLW rates the hourly cost increase could be circa 40-50p per hour. Allowing for employer on costs (NIC, holiday pay, etc) the additional cost could easily be in a range of £200- £250k. Further work would be needed to make a more considered estimate. Such increase would be higher than the expected inflation allowed for in business plans.
- ***Real cost of human resources,*** where the actual calculation will be made on forecast only (forecast of a certain number of concerts, sports events, average number of banqueting days) as if the real activity is above forecast it will need to be covered by an adjustment mechanism.

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- ***General increase of our operating costs:*** the LLW would increase our operating event costs, which means that LS185 will pay 5% of the increase and should be compensated for that. The increase of

our operating event costs could also damage the competitiveness or profitability of the Stadium compared to other venues and LS185 has to be compensated for that.

A contract change is needed to implement LLW for 11th September, to coincide with the start of the new Premier League Season 2017/18, which all sub-contractors believe with goodwill is achievable in the timescale. The other option is to await the revised rate in November and bring this in at this time.



Subject: E20 Director Update
Date: 22 August 2017
Item: 9
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 since the July 2017 Board meeting that are not covered elsewhere on the agenda.
- 1.2. Since the last Board meeting:
 - 1.2.1. The stadium has hosted the world's largest athletics event - World Athletics Championships;
 - 1.2.2. Preparations are underway to return the stadium to football mode;
 - 1.2.3. The community track will open in mid-September, with a programme of local athletics, school and commercial use

2. RECOMMENDATIONS

- 2.1. **NOTE** the report.

3. WEST HAM UNITED

- 3.1. Appendix 1 sets out a log of issues between E20 and WHU. Points of note are:
 - 3.1.1. The fanstallation has been substantially agreed, with a lease expected to be signed shortly. It allows for an immediate £16,000 payment, and income of up to £160,000 once 30,000 stoned are sold.
 - 3.1.2. The pitch side cover and inventory rights remains unresolved, but E20 are in active negotiations
- 3.2. A verbal update will be given at the meeting.
- 3.3. Revised stewarding and ingress/ egress plans are being finalised. Most significantly this includes E20 signing the licence with Westfield for the Northern Ticket Hall. Assuming the licence is signed in time the plans will be implemented for the first WHU game.

4. COMMUNITY

- 4.1. The Community track opens in mid-September 2017.
- 4.2. Work has been undertaken to assure that LS185 comply with their contractual obligations, which reflect E20 commitments to London Marathon Trust, London Borough of Newham and LLDC. This included sending a non-compliance letter to LS185 to address concerns over LS185 plans for use, and commitment to community obligations.
- 4.3. London Borough of Newham officers have been instrumental in holding LS185 to account. The Council are considering some improvements to the facility, including

potential location of the Council's Learning Zone previously identified for another area of the stadium.

- 4.4. To fulfil its obligations, E20 has paid for the community track equipment at a cost of c.£50,000. An approval for this payment is included in the Financial Update.
- 4.5. More broadly on community activity, an E20-LLDC-LBN-LS185 steering group met on 15 August. Updated community plans are now being prepared by LS185 and West Ham United, in time to be considered at the 26 September E20 Board. At this stage E20 is not pursuing a community plan with UKA given the current uncertainty around athletics at the stadium. If and when the 2018 stadium athletics events are confirmed, E20 intends to request 5000 community tickets, plus a Newham sports day in the stadium.

5. MANAGEMENT REPORTS

Risks

- 5.1. The risk register has been updated and attached as Appendix 2.
- 5.2. An additional risk has been added, vulnerability of the PA system.
- 5.3. Of the 14 risks after mitigation, 2 are Red, 6 Amber and 6 Green. This is the same profile as reported last month. The 2 red risks are the impact of not having a naming rights deal on the business plan, and the Number of legal disputes impacting effective relationships.

Health & Safety

- 5.4. The latest LS185 Health and Safety report is attached in appendix 3. In addition other reported incident is 3 stewards having 3, norovirus at the London 217 event and a contained small fire in the Seating compound.

6. PROGRESS ON 6 KEY THEMES

- 6.1. 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 to Address since last full Board Meeting |
|---|---|------------------|--|
| 1 | Make Financial Efficiencies; maximum working capital of £19.5m in 2017-18 | Loss c.£25m | Alan Fort appointed Seat costs likely to be in budget Rates Valuation appeal submitted, as well as case for exclusion of WHU from E20 rates bill made to Valuation Office |
| 2 | Holding LS185 to account: | | |
| a | s.43 | | |
| b | Reduce WHU costs by £50k per game | £220k per game | £11k secured through "spend to save" measures on barriers. Northern ticket hall changes agreed. LS185 yet to provide updated football season savings. London Living Wage and Policing costs are major risks. |
| c | s.43 | | |
| 3 | s.43 | | |
| 4 | Closing out Stadium | £1m - £3m | Stadium PA system not believed to be related to the |

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| | | | |
|---|---|--------------|---|
| | Transformation Issues | | transformation works. |
| 5 | s.43 | | |
| 6 | Secure Contracted Local Community and Economic Benefits | Below target | <p>Community track due to open on 12 September 2017 52.8% local employment against target of 75% Non-compliance note sent to LS185 regarding opening of community track Improvement required by LS185, with formal notice on non-compliance being sent to LS185. Updated LS185 and WHU Community Plans commissioned, to be considered at 26 Sept E20 Board.</p> |

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| 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. Claim and defence submitted. | | Alan Skewis |
| 2 | s.43 | | | | an Bright S |
| 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. Heineken have now offered to contribute £40k to draft to Boleyn bar which make make it worth doing (NPV analysis underway). | 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 be heard September 2017. E20 lost at court on if clause 10.6 is relevant. Wider implications from ruling. | 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. LS185 have proposed fee to West Ham of £3k/match. | 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. Hearing on 31 July-2 August to decide if clause 10.6 is relevant. Winning w ll help E20 on ED and more generally. | 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. Hearing on 31 July-2 August to decide if clause 10.6 is relevant. Winning w ll help E20 on ED and more generally. | Martin Gaunt |
| 6 | Executive box and hospitality tickets. E20 is bound into a 3 year contractual commitment to the Executive box and hospitality tickets. In a bid to cut costs. E20 may no longer want this many tickets. | Ongoing | E20 has not yet approached West Ham in an attempt to reduce this commitment. | Members to respond on paper issued to SEG on tickets for 17-18 season. | Martin Gaunt |
| 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 £20k per year for the space but setig at £10 per every stone over 13 574. | Aug-17 | Letter to WHu week 11 August to agree terms. No covering while in positive discussion | 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 utility bills 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 utility 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 payment can be requested from WH. E20 ratcheting pressure to pass utilities over to LS185. Recovery of WH's contribution then becomes their problem. | Martin Gaunt |
| 11 | s.43 | | | None for the time being. | Alan Skewis |
| 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 |

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| | | | | | |
|----|--|---------|--|---|-----------------|
| 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] s.40 to provide] | [REDACTED] s.40 to provide] | [REDACTED] s.40 |
| 14 | s.43 | | | [REDACTED] | 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 claimant 3rd August 2016. | Ongoing | Commencement date not agreed. | one for the time being. | Martin Gaunt |
| 16 | s.43 | | | [REDACTED] | Ian Bright |
| 17 | s.43 | | | [REDACTED] | Martin Gaunt |
| 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. | Parked | E20 has written to West Ham reserving its position. | one for the time being. | Alan Skewis |
| 19 | s.43 | | | [REDACTED] | [REDACTED] s.40 |
| 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 but LS185 being slow. E20 hasing LS185 and reminding them of the bligation to consult with WHU | Alan Skewis |
| 21 | E20 may wish to adjust the seating man fest to support the more efficient deliery of the relocatable seating system. This could include one block (130) that contains c.200 seats in good locations c.200 seats in block 114 currently scrimmed off to create a barrier between away and home supporters and removal of block 102 (c.200 seats). | Ongoing | E20 have identified the potential savings in time and costs. These are being validated during the 2017 seat moves. A value to the saving will be put on the costs in September 2017 but it thought to be £200 000-£500 000 per annum. s.43 | wait firmer saving figures in Setp 2017 | [REDACTED] s.40 |
| 22 | s.43 | | | [REDACTED] | Ian Skewis |
| 23 | Potential dispute over responsibility for paying fees (£78k/annum) due to the Premier League for the hawkeye goalline technology system | Ongoing | West Ham have paid the fees (£78k per annum) but are seeking to recharge in full to E20. Unclear what the fees relate to or whether they should fall to WH E20 or LS185. Advice sought from Gowlingz (25 July). | egal advice suggested on weak ground. E20 should accept have to pay | Martin Gaunt |

| 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: July and August (up to 14th) 2017

Subject: London Stadium Accident & Incident (A&I) review – July and August 2017

Prepared by: Graham Harris, Deputy Safety Officer

Presented by: Linda Lennon at KPI Meeting, 16th August 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 July and part of August 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.

Actions:

Whilst the majority of staff related incidents are non-event related, e.g. headaches, existing conditions, period pain etc, the CEO has noticed a small trend related to catering staff, i.e. minor injuries which she has asked to be investigated further. This will be shared when completed.

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

| Classification | World Athletics Championship – session 1 | World Athletics Championship – session 2 | World Athletics Championship – session 3 | World Athletics Championship – session 4 | World Athletics Championship – session 5 | World Athletics Championship – session 6 | World Athletics Championship – session 7 |
|---|--|--|--|--|--|--|--|
| Medical incidents | S.40 | | | | | | |
| Of which are minor accidents | | | | | | | |
| Of which are more serious medical incidents | | | | | | | |
| Of which public/staff | | | | | | | |
| Of which are RIDDOR | | | | | | | |
| Of which were sent to hospital | | | | | | | |
| Any additional details | | | | | | | |

Please note that “serious” incidents refers to treatments that could have an impact on operations through increased usage of medical drugs and equipment, ambulances needing to move during road closures or incidents that have the risk of becoming a RIDDOR or picked up by media.

Please also note that the numbers transferring to hospital is independent of the numbers above so should not equal any other totals in the table. This is documented to show the usage of ambulances from site, but does not only include the serious incidents as other patients with minor conditions such as broken bones may be transferred under recommendation of the stadium’s medical team.

| Classification | World Athletics Championship – session 8 | World Athletics Championship – session 9 | World Athletics Championship – session 10 | World Athletics Championship – session 11 | World Athletics Championship – session 12 | World Athletics Championship – session 13 | World Athletics Championship – session 14 | Total |
|---|--|--|---|---|---|---|---|-------|
| Medical incidents | S.40 | | | | | | | |
| Of which are minor accidents | | | | | | | | |
| Of which are more serious medical incidents | | | | | | | | |
| Of which public/staff | | | | | | | | |
| Of which are RIDDOR | | | | | | | | |
| Of which were sent to hospital | | | | | | | | |
| Any additional details | | | | | | | | |

Please note that “serious” incidents refers to treatments that could have an impact on operations through increased usage of medical drugs and equipment, ambulances needing to move during road closures or incidents that have the risk of becoming a RIDDOR or picked up by media.

Please also note that the numbers transferring to hospital is independent of the numbers above so should not equal any other totals in the table. This is documented to show the usage of ambulances from site, but does not only include the serious incidents as other patients with minor conditions such as broken bones may be transferred under recommendation of the stadium’s medical team.

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 | July and part August 2017 | Cumulative total for season |
|-----------------|---------------------------|-----------------------------|
| Stadium Bans | None | |
| Stadium Arrests | 1 (streaker) | |
| Ejections | None | |

* 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.

E20

STADIUM LLP

Subject: Finance Update
Date: 22 August 2017
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP
Item: 10

1. SUMMARY

1.1. This paper provides:

- 1.1.1. Latest cashflow forecast for E20 (Annexes A, B, C);
- 1.1.2. Analysis of creditors and debtors including an aged creditor schedule (Annexes D, E, F);
- 1.1.3. Upcoming payments recommended for approval by the Board;
- 1.1.4. Financial commitments recommended for approval by the Board.

2. RECOMMENDATIONS

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

- 2.1.1. E20's cashflow forecast for 2017-18;
- 2.1.2. E20's current creditors and debtors.

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

Working capital (currently funded from remaining E20-held cash, and once exhausted by a Q2 loan from LLDC)

- 2.2.1. Payment to PHD for seating costs (£1.077m+VAT).
- 2.2.2. Payment to LS185 for July-Sept fixed costs (£1.25m+VAT).
- 2.2.3. Payment to HMRC for PAYE and National Insurance Contributions (£9k).
- 2.2.4. August staff payroll and travel expenses (£19k).
- 2.2.5. Payment to Callfort Ltd for the E20 restructuring consultant costs for the period 17 July – 13 August (£41k+VAT).
- 2.2.6. Payment to LLDC as a recharge of Gowlings legal costs (£55k+VAT).
- 2.2.7. Total Gas & Power electricity bill for July (£145k+VAT).
- 2.2.8. Corona gas bill (£45+VAT).
- 2.2.9. Payment to Castle Water for the water supply to the Stadium for the period 2 December 2016 – 2 August 2017 (55k+VAT).
- 2.2.10. Payment to JLT for the outstanding 2017-18 insurance premiums

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- 2.2.11. Payment to KPMG for ad hoc tax advice (£2k+VAT).
 - 2.2.12. Payment to BWA for consultancy work in support of E20's review of Stadium Facility Management costs (£29k+VAT).
 - 2.2.13. Payment to Osborne Clarke for legal advice in the period 10 July – 21 July (£4k+VAT).
 - 2.2.14. BT Conferencing fees (£102+VAT).
- 2.3. The Board is invited to **APPROVE** the following financial commitments:
- 2.3.1. Up to £50k to purchase/provide athletics equipment required for the community track.
 - 2.3.2. Necessary investment to resolve the serious PAVA / fire systems issues at the Stadium, as set out in the separate Board paper.
 - 2.3.3. Potential track cover ("pitch surround") cost of £30k.
 - 2.3.4. Further BWA asset survey work, priced at £4k.

3. CASHFLOW

- 3.1. The latest E20 cashflow forecast is set out in annexes B and C, with a summary topsheet at annex A.
- 3.2. Annex B is concerned with just E20's "working capital" position. Annex C adds in Transformation cashflows (fully funded by LLDC), E20 Discretionary Fund items (funded by Members from the £14.286m budget), and E20 lifecycle costs (expected to be funded by payments from LLDC under the commercial arrangements agreed between E20 and Members for Rick Roberts Way receipts).
- 3.3. As previously, it is recommended that the Board focuses on Annexes 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 (w/c 21 August) of £4.305m. E20 invoiced LLDC on 31 July for the forecast August working capital requirement of £1.134m. However, E20 has since been able to delay or reduce payments, to the extent that this working capital has not yet been required – hence LLDC has not yet paid it. Indeed, this latest cashflow forecast indicates that E20 will not require this cash until w/c 25 September. Annex B forecasts substantial cash outgoings w/c 25 September, notably the bulk of the transition 3 seating payment to PHD. As a result, E20 will require the outstanding £1.134m, plus a further £1.330m, by this date. E20 will confirm the £1.330m requirement following this Board meeting, and invoice LLDC accordingly.
- 3.5. Annex A shows that the forecast total working capital requirement for Q2 now stands at £7.158m. This is comfortably within the £10.863m allowed for in the LLDC-E20 Loan Agreement for this period. The Q2 requirement has fallen considerably in the past month as E20 has pushed back payments into Q3, including the vast majority of payments/recharges to LLDC and LBN. This approach is consistent with earlier steers from the Board, and increases E20 confidence that it can live well within available loan funding in Q2.
- 3.6. The total net cash outflow across the whole year (2017-18), before working capital contributions, has changed marginally, from £26.606m to £26.636m. Although the overall net change is negligible, there have been a number of significant movements to individual budget lines:

| Summary of movements on total 17-18 cash position | (£000s) | Explanation |
|---|-----------------|---|
| Version in 25 July Board paper (£000s) | (26,606) | Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18 |
| Operator | 376 | Several movements within the operator line, including a £301k improvement in the interim 2017 net commercial revenues, and a new cash inflow of £228k from the recovery of utilities costs from London 2017. These improvements are partially offset by an increase in utilities costs and a minor adjustment to fixed costs. |
| Staffing | 70 | Reduction to forecast staffing costs to reflect latest expectation of resourcing for the year. |
| Insurance | 543 | Saving secured on insurance premiums for the year. |
| Legal advice | (55) | Payment of West Ham's legal costs (see payment proposal for more details). |
| VAT adjustments | (495) | E20 has undertaken a full review of VAT recovery since the previous version. Adjustments to the timing and amount of VAT recovery are necessary. |
| Other minor adjustments | 15 | Other minor movements. |
| Version in 22 August Board paper (£000s) | (26,636) | Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18 |

- 3.7. E20's funding beyond Q2 remains unclear. Members have committed to resolving this by 8 September. In order to present a complete picture for the year, the cashflow schedules assume that from Q3 onwards, working capital is provided by LLDC (65%) and NLI (35%) as previously. This does not indicate an agreed position; it is simply the default assumption to make in the absence of any agreement.

4. CREDITORS AND DEBTORS

- 4.1. An analysis of E20's current creditors and debtors is set out in annexes D-F, including an aged creditor schedule as previously. E20 has cleared a number of invoices since the last Board meeting. The only overdue working capital invoice shown in the aged creditor schedule is to LS185 for their fixed costs. This was approved for payment by the Board last month, subject to LS185 evidencing the 2016 net commercial revenues, for instance by providing a copy of their 2016 Annual

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Report and Accounts. LS185 continue to be unable to do, and accept that this payment will not be made until they do.

- 4.2. With regards to Transformation, E20 and LLDC continue to maintain the policy of not paying the outstanding Balfour Beatty invoices. The approach is set out by LLDC (Colin Naish) below:

Stadium Transformation – Balfour Beatty defect rectification and unpaid invoice status summary

- 4.3. *Progress is being made by Balfour Beatty towards closing out defects on their Stadium Transformation contract works, but it has become protracted and has to be scheduled around planned events and exclusive use periods in the Stadium. Of the 422 Notice of Defective Works (NDW's) raised by E20's Supervisor, to date, 311 have been closed, with the remainder (111) being in the process of either the required rectification works being defined and agreed, the rectification works being undertaken, the Supervisor inspecting the rectified works or a financial settlement being agreed and rectification responsibility being transferred to LS185.*
- 4.4. *The Stadium Transformation contract payment position with Balfour Beatty is as follows:*
- 4.5. *£260,805.30 - Mace Certificate Assessment 39 (November 16), Balfour Beatty invoice received by E20, currently unpaid by E20.*
- 4.6. *£286,087.69 - Mace Certificate Assessment 40 (December 16), Balfour Beatty invoice received by E20, currently unpaid by E20.*
- 4.7. *–£356,122.14 - Mace Certified Assessment 41 (July 17), negative assessment issued to Balfour Beatty reflecting an increase in the number and valuation of NDW's notified and pending rectification, E20 not invoiced Balfour Beatty.*
- 4.8. *Therefore, the total of unpaid Balfour Beatty invoices is £546,892.99 (being £260,805.30 + £286,087.69) and the aggregate value of Mace Certified Assessments currently unpaid by E20 to end July 17 is £190,770.85 (being £546,892.99 - £356,122.14) and should remain unpaid until the extent of any potential counterclaim is established (see below).*
- 4.9. *Costs to go to current E20/Balfour Beatty Contract Total of the Prices (assuming all certified payments above are processed) is £727,318.57, reflecting the current Mace valuation of defects yet to be rectified by Balfour Beatty.*
- 4.10. *Therefore the actual cost to go currently held by E20 is £918,089.42 (being £190,770.85 + £727,318.57)*
- 4.11. *LLDC Commercial (for E20) are currently in the process of validating claims from LS185 arising from the condition of the Stadium as at Balfour Beatty contract completion on 13 July 2016 which, if validated as a claim under the E20/LS185 contract, a proportion may result in a counterclaim from E20 to Balfour Beatty. This claim would be based on a combination of lack of maintenance records at completion that required the bringing forward of statutory inspection works by LS185, investigative reports that went beyond LS185's obligation to survey for life cycle planning, defect rectification works that LS185 have undertaken urgently to ensure event continuity and workarounds that LS185 have put in place to mitigate risk whilst defects are being rectified. LLDC/E20's current best estimate of the value of this potential counterclaim is £670k.*
- 4.12. *Balfour Beatty have confirmed their intention to rectify the outstanding NDWs by the end of September 2017 and therefore, should they achieve this, the £918,089.42 of*

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retained cost to go would become payable, subject to any counterclaim made by E20.

- 4.13. *Balfour Beatty have submitted compensation event claims totalling some £1.4m for post Supplemental Agreement 2 works which have been rejected by E20 as they are considered to be defect correction work in connection with Balfour Beatty's contracted scope, settled in the Supplemental Agreement, and therefore not payable.*
- 4.14. *So in summary, E20 hold £918,089.42 of Balfour Beatty costs to go (including £546,892.99 of unpaid invoices), and have a potential cost exposure of £1,588,089.42 comprising £727,318.57 of defect correction work (should it not be completed by Balfour Beatty be required to be undertaken by others and paid for by E20), £190,770.85 aggregate value of Mace Certified Assessments currently unpaid by E20 (should it become payable by E20) and the circa £670,000 of potential LS185 counterclaim (should it be validated and become payable by E20 to LS185 and not recoverable from Balfour Beatty). Therefore the unpaid invoices should remain so until the extent of any potential counterclaim is established.*
- 4.15. The commentary above has been reviewed by **s.40**, as it followed his previous advice that, if E20 continued to pursue a policy of non-payment, that it should set out a more extensive commentary on the reasons for non-payment. Nigel is satisfied that the commentary above adequately explains the rationale.

5. PAYMENTS FOR APPROVAL

- 5.1. At the last meeting the Board agreed to delegate authority to Gerry Murphy and **s.40** to approve any necessary payments (within overall forecasts) that had not already been approved by the Board. Only one such approval was required in the past month: £3k to Aerofilm for customised tow bars (fitted to the front of the seat units when skated), to improve transition times and provide fork lift drivers with more directional control.
- 5.2. The Board is asked to approve all payments listed below.

Working capital (currently funded from remaining E20-held cash, and once exhausted by a Q2 loan from LLDC)

- 5.2.1. Payment to PHD for seating costs (£1.077m+VAT). This sum has been verified by Mace and is contractually due w/c 28 August. The sum is a combination of pre-transition costs (£494k), T2 costs (£276k) and T3 costs (£307k). All sums are within budget and the Anticipated Final Cost remains at £12.4m as per the Seating Board paper (£11.8m after potential GLA contribution). No further seating payments are anticipated until the end of September (and hence can be considered at the 26 September Board). At this point, a payment in the region of £3.1m is expected to be requested – that being the remaining cost of T3.
- 5.2.2. Payment to LS185 for July-Sept fixed costs (£1.25m+VAT). This has not yet been invoiced by LS185 even though it is contractually due. Indeed, E20 has yet to pay the invoice for the preceding quarter, as explained in para 4.1.
- 5.2.3. Payment to HMRC for PAYE and National Insurance Contributions (£9k).
- 5.2.4. August staff payroll and travel expenses (£19k).

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- 5.2.5. Payment to Callfort Ltd for the E20 restructuring consultant costs for the period 17 July – 13 August (£41k+VAT). This payment is subject to final contract agreement.
 - 5.2.6. Payment to LLDC as a recharge of Gowlings legal costs (£55k+VAT). LLDC has already paid Gowlings. Gowlings are in the process of paying West Ham's lawyers. This follows the Court judgement on the Part 8 trial on 2 August that E20 is required to pay West Ham's legal costs.
 - 5.2.7. Total Gas & Power electricity bill for July (£145k+VAT).
 - 5.2.8. Corona gas bill (£45+VAT).
 - 5.2.9. Payment to Castle Water for the water supply to the Stadium for the period 2 December 2016 – 2 August 2017 (55k+VAT).
 - 5.2.10. Payment to JLT, E20's insurance brokers, for the outstanding 2017-18 insurance premiums s.43. These policies cover Public and Products liability, and Employers liability. Total insurance costs for the year are coming in under budget.
 - 5.2.11. Payment to KPMG for ad hoc tax advice (£2k+VAT).
 - 5.2.12. Payment to BWA for consultancy work in support of E20's review of Stadium Facility Management costs (£29k+VAT).
 - 5.2.13. Payment to Osborne Clarke for legal advice in the period 10 July – 21 July (£4k+VAT).
 - 5.2.14. BT Conferencing fees (£102+VAT).
- 5.3. There are no Transformation payments anticipated in the coming month. s.43

6. FINANCIAL COMMITMENTS

- 6.1. The Board is asked to approve the following financial commitments:
- 6.1.1. Up to £50k to purchase/provide athletics equipment required for the community track. E20 is required to provide this (not LS185) under the Operator Agreement. E20 is exploring the most cost efficient way of purchasing/providing this.
 - 6.1.2. Necessary investment to resolve the serious PAVA / fire systems issues at the Stadium, as set out in the separate Board paper. The Board will be advised on the amounts in due course. It is likely that the cost will be incurred by LS185 in the first instance, but recovered from E20 in the upcoming settlement for 2017-18 lifecycle investment.
 - 6.1.3. E20 remains in discussions with West Ham in relation to the track cover ("pitch surround"). In the event that agreement cannot be reached with West Ham, E20 will ask LS185 to purchase a green "summer grass" cover. This will cost an estimated £30k and be classified by LS185 as an event cost (95% of which ultimately flows back to E20 via a reduction to net commercial revenues).
 - 6.1.4. For the asset count verification exercise, E20's consultants BWA have assessed that VINCI Facilities should have reasonably

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allowed for 29,000 assets at bid stage versus 34,000 as built. This compares favourably to LS185's claim of 11,000 allowed versus 36,000 built. Some assets require different efforts to maintain than others, and to be equitable in reaching a settlement E20 seek approval to engage BWA to 'labour load' the discrepancy in the number of assets using the recognised industry productivity standard (known as SFG20). BWA have priced this work at £4133.

CONFIDENTIAL

S.43

S.43

S.43

E20 CREDITORS AS AT 16 AUGUST 2017

WORKING CAPITAL

PAYMENT PROPOSAL

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|--------------|---|--------------|------------|--------------|------------|--------------|----------|
| HMRC Cumbernauld | | PAYE & NIC Payover for August | 31/07/2017 | 19/08/2017 | 9,400.00 | 0.00 | 9,400.00 | |
| | | August Payroll | | 31/07/2017 | 15,000.00 | 0.00 | 15,000.00 | |
| Osborne Clarke LLP | 499253 | Provision of Legal Services | 21/07/2017 | 21/07/2017 | 4,292.00 | 858.40 | 5,150.40 | |
| BWA (Europe) Limited | 235 | Consultancy Work relating to Vinci FM contract | 21/07/2017 | 21/08/2017 | 28,657.00 | 5,731.40 | 34,388.40 | |
| JLT Speciality Ltd | L6158821 | Combined Liability Insurance - Primary | 25/07/2017 | 25/07/2017 | \$,43 | 0.00 | \$,43 | |
| JLT Speciality Ltd | L6158822 | Public Liability Insurance - 1st Excess | 25/07/2017 | 25/07/2017 | \$,43 | 0.00 | \$,43 | |
| JLT Speciality Ltd | L6158820 | Public Liability Insurance - 2nd Excess | 25/07/2017 | 25/07/2017 | \$,43 | 0.00 | \$,43 | |
| BT Conferencing | BT012107805 | 01-Jul-2017 to 31-Jul-2017 | 31/07/2017 | 31/07/2017 | 102.27 | 20.45 | 122.72 | |
| Castle Water | 00412073 | Supply for period 2/12/2016 - 2/8/2017 | 02/08/2017 | 16/08/2017 | 55,187.81 | 11,037.56 | 66,225.37 | |
| Corona Energy | 12279130 | July 2017 | 10/08/2017 | 31/08/2017 | 45.48 | 2.27 | 47.75 | |
| Total Gas & Power | 153889280/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 4,127.34 | 825.47 | 4,952.81 | |
| Total Gas & Power | 153889301/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 5,420.42 | 1,084.08 | 6,504.50 | |
| Total Gas & Power | 153889246/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 8,139.68 | 1,627.94 | 9,767.62 | |
| Total Gas & Power | 153889257/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 4,468.08 | 893.62 | 5,361.70 | |
| Total Gas & Power | 153889268/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 2,907.51 | 145.38 | 3,052.89 | |
| Total Gas & Power | 153795394/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 66.89 | 13.38 | 80.27 | |
| Total Gas & Power | 153889279/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 9,879.59 | 1,975.92 | 11,855.51 | |
| Total Gas & Power | 153889290/17 | Electricity for July 2017 | 05/08/2017 | 19/08/2017 | 109,847.04 | 21,969.41 | 131,816.45 | |
| London Stadium 185 Ltd | | Annual Fixed Costs 1 July 2017 to 30 September 2017 | | | 1,250,715.01 | 250,143.00 | 1,500,858.01 | |
| KPMG LLP | | Tax advice on \$,43 | | | 2,250.00 | 450.00 | 2,700.00 | |
| Callfort Ltd | 2017-01 | Services to E20 for week ending 23rd July 2017 | | | 11,250.00 | 2,250.00 | 13,500.00 | |
| Callfort Ltd | 2017-02 | Services to E20 for week ending 30th July 2017 | | | 10,000.00 | 2,000.00 | 12,000.00 | |
| Callfort Ltd | 2017-03 | Services to E20 for week ending 6th August 2017 | | | 7,500.00 | 1,500.00 | 9,000.00 | |
| Callfort Ltd | 2017-04 | Services to E20 for week ending 13th August 2017 | | | 12,500.00 | 2,500.00 | 15,000.00 | |
| PHD Modular Services Ltd | | Seating Transition Works Summer 2017 | | | 1,077,066.49 | 215,413.30 | 1,292,479.79 | |
| London Legacy Development Corporation | | Recharge of Legal Costs Arising from Court Judgement on 4th August 2017 paid by LLDC to Gowling WLG | | | 55,000.00 | 11,000.00 | 66,000.00 | |
| | | | | | 2,835,740.81 | 520,441.57 | 3,301,182.38 | |

INVOICES NOT YET DUE

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

INVOICES IN DISPUTE

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|-------------|---|--------------|------------|------------|-----------|--------------|---|
| 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 | 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 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 | 15221 A/C | Provision of goal decision services for season 16/17 - Instalment 2 | 22/02/2017 | 22/03/2017 | 38,750.00 | 7,750.00 | 46,500.00 | In dispute E20 not accepting liability |
| 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 |
| | | | | | 172,478.32 | 34,495.66 | 206,973.98 | |

INVOICES ON HOLD

| Supplier Name | Invoice No. | Description | Invoice Date | Due Date | Net Amount | VAT | Gross Amount | Comments |
|---------------------------------------|--------------|---|--------------|------------|------------|-----------|--------------|---|
| London Borough of Newham | 610000038687 | Secondment 15/2/16 to 31/3/17 | 14/08/2017 | 14/08/2017 | 48,500.00 | 9,700.00 | 58,200.00 | Board agreed to defer (payment shown in October 2017) |
| London Borough of Newham | 610000038686 | Secondment 01/4/17 to 31/8/17 | 14/08/2017 | 14/08/2017 | 26,775.00 | 5,355.00 | 32,130.00 | Board agreed to defer (payment shown in October 2017) |
| 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 agreed to defer (payment shown in October 2017) |
| 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 agreed to defer (payment shown in October 2017) |
| 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 agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17826 | TfL Legal Costs January to March 2017 | 18/04/2017 | 25/04/2017 | 27,100.00 | 5,420.00 | 32,520.00 | Board agreed to defer (payment shown in October 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 | Board agreed to defer (payment shown in October 2017) |
| 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 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 | Board agreed to defer (payment shown in October 2017) |
| 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 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17940 | Recharge of Finance & IT Costs June 2017 | 07/07/2017 | 06/08/2017 | 9,067.00 | 1,813.40 | 10,880.40 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17939 | Recharge of HR & FM Costs June 2017 | 07/07/2017 | 06/08/2017 | 2,433.00 | 486.60 | 2,919.60 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17941 | Mace PMP Costs May & June 2017 - 2017 Seating Transition | 07/07/2017 | 07/07/2017 | 141,588.90 | 28,317.78 | 169,906.68 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17942 | Recharge of 2017/18 Transformation Costs for April to June 2017 | 07/07/2017 | 06/08/2017 | 150,177.35 | 30,035.47 | 180,212.82 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17944 | Consultant Legal Costs April to June 2017 | 07/07/2017 | 06/08/2017 | 65,277.50 | 13,055.50 | 78,333.00 | Board agreed to defer (payment shown in October 2017) |

| | | | | | | | | |
|---------------------------------------|----------|--|------------|------------|--------------|------------|--------------|---|
| London Legacy Development Corporation | 17943 | Engie Heating & Lighting Costs March to May 2017 | 07/07/2017 | 06/08/2017 | 64,917.40 | 12,983.48 | 77,900.88 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17947 | Health & Safety Review | 10/07/2017 | 09/08/2017 | 4,000.00 | 800.00 | 4,800.00 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17948 | Temporary HVM Control Measures for Football Matches | 10/07/2017 | 09/08/2017 | 5,253.98 | 1,050.80 | 6,304.78 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17949 | Temporary HVM Control Measures for Football Matches | 10/07/2017 | 09/08/2017 | 4,863.63 | 972.73 | 5,836.36 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17973 | Recharge of Finance & IT Costs July 2017 | 04/08/2017 | 03/09/2017 | 9,067.00 | 1,813.40 | 10,880.40 | Board agreed to defer (payment shown in October 2017) |
| London Legacy Development Corporation | 17975 | Recharge of HR & FM Costs July 2017 | 04/08/2017 | 03/09/2017 | 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 October 2017) |
| 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 |
| | | | | | 1,294,784.22 | 185,090.62 | 1,479,874.84 | |

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/ NV/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/ NV/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 |
| London Legacy Development Corporation | 17913 | Completion of Reed Bed Installation | 27/06/2017 | 27/07/2017 | 28,123.21 | 5,624.64 | 33,747.85 | Board agreed to defer (payment shown in October 2017) |
| | | | | | 546,892.71 | 109,378.54 | 656,271.25 | |

ANNEX E

AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 16 AUGUST 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 |
|---|--------------|--|--------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|------------------|---|
| London Stadium 185 Ltd | V150196 | Annual Fixed Costs 1 April 2017 to 30 June 2017 | 10/07/2017 | 1,250,715.01 | 250,143.00 | 1,500,858.01 | | 1,500,858.01 | | | | Additional information requested from LS185 |
| London Stadium 185 Ltd | CNV/150196 | Annual Fixed Costs 1 January 2017 to 31 March 2017 | 10/07/2017 | (8,952.64) | (1,790.53) | (10,743.17) | | (10,743.17) | | | | Additional information requested from LS185 |
| Osborne Clarke LLP | 499253 | Provision of Legal Services | 21/07/2017 | 4,292.00 | 858.40 | 5,150.40 | 5,150.40 | | | | | |
| BWA (Europe) Limited | 235 | Consultancy Work relating to Vinci FM contract | 21/07/2017 | 28,657.00 | 5,731.40 | 34,388.40 | 34,388.40 | | | | | |
| JLT Speciality Ltd | L6158821 | Combined Liability Insurance - Primary | 25/07/2017 | \$ 43 | \$ 43 | \$ 43 | \$ 43 | | | | | |
| JLT Speciality Ltd | L6158822 | Public Liability Insurance - 1st Excess | 25/07/2017 | \$ 43 | \$ 43 | \$ 43 | \$ 43 | | | | | |
| JLT Speciality Ltd | L6158820 | Public Liability Insurance - 2nd Excess | 25/07/2017 | \$ 43 | \$ 43 | \$ 43 | \$ 43 | | | | | |
| BT Conferencing | BT012107805 | 01-Jul-2017 to 31-Jul-2017 | 31/07/2017 | 102.27 | 20.45 | 122.72 | 122.72 | | | | | |
| Castle Water | 00412073 | Supply for period 2/12/2016 - 2/8/2017 | 02/08/2017 | 55,187.81 | 11,037.56 | 66,225.37 | 66,225.37 | | | | | |
| Corona Energy | 12279130 | July 2017 | 10/08/2017 | 45.48 | 9.10 | 54.58 | 54.58 | | | | | |
| Total Gas & Power | 153889280/17 | Electricity for July 2017 | 05/08/2017 | 4,127.34 | 825.47 | 4,952.81 | 4,952.81 | | | | | |
| Total Gas & Power | 153889301/17 | Electricity for July 2017 | 05/08/2017 | 5,420.42 | 1,084.08 | 6,504.50 | 6,504.50 | | | | | |
| Total Gas & Power | 153889246/17 | Electricity for July 2017 | 05/08/2017 | 8,139.68 | 2,700.00 | 10,839.68 | 10,839.68 | | | | | |
| Total Gas & Power | 153889257/17 | Electricity for July 2017 | 05/08/2017 | 4,468.08 | 893.62 | 5,361.70 | 5,361.70 | | | | | |
| Total Gas & Power | 153889268/17 | Electricity for July 2017 | 05/08/2017 | 2,907.51 | 581.50 | 3,489.01 | 3,489.01 | | | | | |
| Total Gas & Power | 153795394/17 | Electricity for July 2017 | 05/08/2017 | 66.89 | 13.38 | 80.27 | 80.27 | | | | | |
| Total Gas & Power | 153889279/17 | Electricity for July 2017 | 05/08/2017 | 9,879.59 | 1,975.92 | 11,855.51 | 11,855.51 | | | | | |
| Total Gas & Power | 153889290/17 | Electricity for July 2017 | 05/08/2017 | 109,847.04 | 21,969.41 | 131,816.45 | 131,816.45 | | | | | |
| 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 |
| | | | | 1,627,016.68 | 326,436.40 | 1,953,453.08 | 463,143.24 | 1,490,114.84 | 0.00 | 0.00 | 195.00 | |
| Aged Creditor Totals for week commencing 24 July 2017 | | | | 2,282,982.34 | 458,408.52 | 2,741,390.86 | 2,615,735.86 | 0.00 | 125,460.00 | 0.00 | 195.00 | |
| Change from Previous Week | | | | (655,965.66) | (131,972.12) | (787,937.78) | (2,152,592.62) | 1,490,114.84 | (125,460.00) | 0.00 | 0.00 | |
| Aged Creditor Totals for week commencing 26 June 2017 | | | | 103,920.10 | 14,432.00 | 118,352.10 | 118,157.10 | 0.00 | 0.00 | 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 | |
| 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 | |
| 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 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 |
| | | | | 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 24 July 2017 | | | | 560,752.71 | 109,378.54 | 670,131.25 | 13,860.00 | 0.00 | 0.00 | 0.00 | 656,271.25 | |
| Change from Previous Week | | | | (13,860.00) | 0.00 | (13,860.00) | (13,860.00) | 0.00 | 0.00 | 0.00 | 0.00 | |
| Aged Creditor Totals for week commencing 26 June 2017 | | | | 546,892.71 | 109,378.54 | 656,271.25 | 0 | 0 | 0 | 0 | 656,271.25 | |
| Aged Creditor Totals for week commencing 19 June 2017 | | | | 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 | |
| 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

463,143.24 1,490,114.84 0.00 0.00 656,466.25

ANNEX F**E20 AGED DEBTORS REPORT AS AT 14 AUGUST 2017****WORKING CAPITAL**

| Customer Name | Transaction No | Due Date [DD/MM/YYYY] | Amount Due [£] | Comment |
|---------------------------------------|-----------------------------------|------------------------------|-----------------------|--|
| YOUR TRIBUTE LTD | 45221 | 10/08/2017 | 858 | Not yet paid |
| KO PRODUCTIONS | 45223 | 19/08/2017 | 780 | Not yet due |
| LONDON STADIUM 185 LIMITED | 45225 | 27/08/2017 | 1,171,560 | Not yet due |
| LONDON STADIUM 185 LIMITED | 45220 | 09/08/2017 | 33,600 | Not yet paid |
| London Legacy Development Corporation | 45227 | 01/08/2017 | 1,134,000 | 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 | | 2,343,018 | |
| | Less provision for doubtful debts | | - 2,220 | 0.1% |
| | Adjusted balance | | 2,340,798 | |

TRANSFORMATION/DISCRETIONARY FUND

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