



E20 Stadium LLP – Board Meeting 26.09.17

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 Board
Date: 26.09.17
Time: 10:00 – 12:00
Meeting Venue: LLDC

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

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

Also Expected: Alan Skewis (E20), Gerry Murphy (LLDC), s.40 (Secretariat), Alan Fort (E20), Ian Bright (LLDC), s.40 (Gowling), s.40 (LBN)

Apologies:

Martin Gaunt (E20), s.40 (LBN)

1. Minutes of meeting held on 22 August 2017
2. Actions arising from previous meetings
3. Update Plan
4. Legal Disputes
5. 2017/18 Football Stadium Branding
6. E20-LS185 Commercial Update
7. London Living Wage
8. 2018 Events
9. Relocatable Seats
10. Director Update
11. Finance Update
12. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

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



Board Actions List (reported to the meeting on 26 September)

Actions from last meeting (22 August)

Actions			
1.1	s.40 [REDACTED] to circulate previous minutes	26 September	Circulated with Board papers
1.2	E20 to send papers earlier to the Board	26 September	September meeting papers circulated on Wednesday 20 th September
4.1	E20 to get final figures from London 2017 and LS185	26 September	LS185 still reconciling figures. Finalised by 11 October 2017
4.2	Alan Fort to request weekly P&L's from LS185	26 September	LS185 asked to provide.
6.1	E20 to find out when concerts for 2017 were booked and confirmed.	26 September	Booked in between May 2016 and March 2017

Actions			
7.1	s.40 [REDACTED] to ensure all seating documents have a column explaining how many days each move takes.	26 September	<p>Included in reports.</p> <p>In 2017 figures were:</p> <ul style="list-style-type: none"> • T1: Football to concerts (9 working days) • T2: Concerts to World Athletics (15 working days) • T3: Athletics to football (18 working days) <p>In 2018:</p> <ul style="list-style-type: none"> • T1 (football to concerts/ compromised athletics (7 days) • T2: Compromise Athletics to football (7 days)
7.2	Full report and update at the 26 September Board on relocatable seat moves	26 September	Presentation before Board, and Report on Agenda
8.1	Martin Gaunt to produce a table of pros and cons of LLW and report at next Board	26 September	Report on agenda
10.1	Alan Skewis to produce a report on all legal positions and court proceedings	26 September	Report on Agenda

Item: 3
Subject: Update Plan
Meeting date: 26 September 2017
Report to: E20 Stadium LLP Board
Report of: Alan Fort

1. SUMMARY

1.1. The purpose of the report is to update members on work on the restructuring of the E20 Stadium business.

2. RECOMMENDATIONS

2.1. **NOTE** the report

3. BACKGROUND

The plan consists of 4 elements:

- a) Vision
- b) Control
- c) Sustainability
- d) Deliver the Vision

3.1. The current status on each area is as follows:

4. VISION

4.1. It has been agreed that creating a Vision would be very helpful in generating consensus between the stakeholders, reinvigorating relationships (namely WHU), helping make investment decisions as well as explaining to potential sponsors what they get from the Stadium.

4.2. This is now being progressed with procurement.

5. CONTROL

5.1. Ownership/Single Decision Maker: GLA / Newham / LLDC in discussions with the aim of resolving ownership and single decision maker by end of October 2017.

5.2. Information: Template to produce meaningful management information for E20 has been submitted to LS185 - now with VINCI Paris. There is a better flow of information from LS185 and Delaware North but it remains somewhat unstructured.

5.3. Match Day Costs: Event based review of stewarding costs (pre and post). Better understanding of operations but LS185 reluctant to provide costs.

5.4. List of all E20 rights created: Delegation to LS185 under supervision to monetise through agencies. No review of marketing activity yet.

5.5. An observation is that no rigorous review exists within LS185, with limited data for decision making. There is a limited management process to drive improvement and subcontractors performance – therefore suboptimal outcomes.

- 5.6. Contract Ambiguity: An increasingly assertive approach is being taken with WHU. The default is that "If in doubt it belongs to E20" to prevent land grab by WHU.
- 5.7. We recognise that there is ambiguity so there are two processes
 - a) Consensual approach to improvement (WHU is challenging) with weekly meetings sharing of issues and solutions
 - b) Separate discussion on how improve the contract failings

6. SUSTAINABILITY

WHU:

- 6.1. The legal issues and early stage conflicts are being used to clarify the contract. A separate paper deals with the detail on these, and associated costs.
- 6.2. Negotiation to improve contract rent will be driven by:
 - 6.2.1. Use of existing Capacity over 53000 in upper tier legal case
 - 6.2.2. Lower tier – can we resolve seat transformation and create football stadium in lower tier, potentially with a higher capacity and seats closer to the pitch.

UKA:

- 6.3. Notice has verbally been given that E20 will not be able to support Athletics unless change in economics and Athletics mode only in early July in restricted configuration.
- 6.4. UKA are attempting to change Diamond League date in 2018. Written notice will be given to UKS after this to regularise the position.

LS185:

- 6.5. LS185 do not have commercial capability to deliver what is required. They are safe operators, but will not drive stadium commercially to compensate for poor rental deals.
- 6.6. They do not recognise that all the value is in Food and Beverage (i.e. number of events) and Rights.
- 6.7. A meeting has been set up for the 25th October in Paris. The tone will be that E20 are unhappy s.43
- 6.8. It is suggested that for 2018 financial year E20 work with LS185 to create a 1 year budget with improvement assumptions, rather than produce a multi-year business plan.

Contingency Plan:

- 6.9. If LS185 are terminated, stadium could be managed short term by existing team with help from E20.
- 6.10. The reason for terminating is to bring in an operator with the commercial capability with brand relationships to develop stadium. We have to consider how we would appoint another contractor.
- 6.11. VINCI have indicated they will leave if not wanted, but there will be a cost and E20 will have to resolve all outstanding issues. An update on unresolved commercial matters with LS185 is covered in a separate agenda item.
- 6.12. Contract analysis and legal advice is that there are no grounds to terminate LS185 until 2020 on grounds of not delivering commercial revenue. List of KPI's with

penalties is shown in Appendix A, but it is unforeseeable that LS185 would fail on these KPI's. E20's current assessment of LS185's performance against the KPIs is at Appendix B.

- 6.13. If LS185 walked away or terminated, assessment is that LS185 staff is that all will TUPE apart from direct VINCI appointees i.e. Finance Head.
- 6.14. One real change risk identified is that LS185 use VINCI accounting systems in Paris to maintain financial records – Stadium accounting will need to migrate to E20 (or LLDC who provide this service to E20).
- 6.15. To manage risk E20 staff are building stronger relationships with LS185 and Delaware North by working in a collaborative way. The E20 team are also planning a move into the stadium.

Seat Moves

- 6.16. A separate paper on the future seat movement options is on the agenda. It is being synthesised down to simple hypothesis
 - Rigid steel frame modules
 - Crane in and out
 - Modules fit on back of lorry and fit through tunnel
 - Probably need jacking points with foundations on track
- 6.17. This is similar to previous conclusions. High level work is being undertaken on whether a football stadium atmosphere can be created in lower tier to enable E20 to increase rent to WHU. However WHU are very cost conscious so there may not be a deal.
- 6.18. Proposals to take forward solution combining engineering solution/seat capacity/cost/time between October and December 2017, focusing on North Stand as a prototype.

7. DELIVER THE VISION

- 7.1. Delivery of the vision will follow once the 3 elements are progressed.

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

Appendix A: Operator Agreement KPI Summary - to be read in conjunction with E20's current assessment of LS185 performance against the KPIs. The KPIs are relatively easily achieved, and it would take a very serious (or repeated) error by LS185 for E20 to be able to terminate the Agreement on the basis of KPI failure. As such, the KPIs are unlikely to offer a realistic exit route for E20 from the Operator Agreement.

KPI Ref	Description	Target	Testing period	Trigger	KPI Failure Type
1	Pitch (Primary User)	Fit and Proper Condition	Pre Event	Event cancelled / postponed	2
1	Pitch (Operator Event)	Fit and Proper Condition	Pre Event	Event cancelled / postponed	3
1	Pitch (All Events)	Fit and Proper Condition	Pre Event	Not cancelled / postponed, but not required standard	4
2	Track/Field (Primary User)	Fit for purpose	Pre Event	Event cancelled / postponed	2
2	Track/Field (Operator Event)	Fit for purpose	Pre Event	Event cancelled / postponed	3
2	Track/Field (All Events)	Fit for purpose	Pre Event	Not cancelled / postponed, but not required standard	4
3	Retractable Seating (Primary User)	Change completed; correct mode	Pre Event	Event cancelled / postponed	2
3	Retractable Seating (Operator Event)	Change completed; correct mode	Pre Event	Event cancelled / postponed	3
3	Retractable Seating (All Events)	Change completed; correct mode	Pre Event	Not cancelled / postponed, but not required standard	4
4	Licences/Planning (Primary User)	Licences and Permission in place	Pre Event	Event cancelled / postponed	2
4	Licences/Planning (Operator Event)	Licences and Permission in place	Pre Event	Event cancelled / postponed	3
4	Licences/Planning (All Events)	Licences and Permission in place	Pre Event	Not cancelled / postponed, but not required standard	4
5	Event ICT (Primary User)	In place and functioning	Pre Event	Event cancelled / postponed	3
5	Event ICT (Operator Event)	In place and functioning	Pre Event	Event cancelled / postponed	4
6	Clean Stadium (branding) (Primary User)	Clean Stadium provided	Pre Event	Event cancelled / postponed	3
6	Clean Stadium (branding) (Operator Event)	Clean Stadium provided	Pre Event	Event cancelled / postponed	4
6	Clean Stadium (branding) (Primary User)	Clean Stadium provided	Pre Event	Not cancelled / postponed, but not required standard	4
7	Facilities (Primary User)	Fit for purpose	Pre Event	Event cancelled / postponed	3
7	Facilities (Operator Event)	Fit for purpose	Pre Event	Event cancelled / postponed	4
7	Facilities (Primary User)	Fit for purpose	Pre Event	Not cancelled / postponed, but not required standard	4
8	Event Staffing (Primary User)	Correct designations and levels	Post Event	Staffing not provided as required each Event Day	3
8	Event Staffing (Operator Event)	Correct designations and levels	Post Event	Staffing not provided as required each Event Day	4
9	Catering/hospitality standards (Primary User)	Comparable Club / Event Plan standard	Post Event	Service not provided as required each Event Day	3
9	Catering/hospitality standards (Operator Event)	Comparable Club / Event Plan standard	Post Event	Service not provided as required each Event Day	4
10	Event Cleaning standards (Primary User)	Facilities clean; waste removed	Post Event	Not clean or undamaged	3
10	Event Cleaning standards (Operator Event)	Facilities clean; waste removed	Post Event	Not clean or undamaged	4
11	Post Event Cleaning Standard in South Park	South Park clean and waster removed	Post Event	Each occurrence South Park is not clean	3
12	Police/Public Order Incidents	Event Plan followed; plan to prevent reoccurrence	Post Event	Incident due to Event Plan not being followed	3
13	Floodlighting (Primary User)	Provided to required levels and maintained	Post Event	Floodlighting not provided as required	3
13	Floodlighting (Operator Event)	Provided to required levels and maintained	Post Event	Floodlighting not provided as required	4
14	Health & Safety Incident	Free from reportable RIDDOR incidents	Monthly	Reportable RIDDOR incident and no rectification	3
15	Health & Safety Safe Working	Services managed and delivered in safe manner	Monthly, Annual	Deviance from Consents or Laws and no rectification	3
16	Helpdesk provision (during Event)	Helpdesk provided in compliance with Ops Manual	Monthly, Annual	Not provided in compliance with Ops Manual	3
16	Helpdesk provision (not during Event)	Helpdesk provided in compliance with Ops Manual	Monthly, Annual	Not provided in compliance with Ops Manual	4
17	Facilities Management Compliance	Compliant with Laws and Grantor's Policies	Monthly, Annual	Contravention of Laws or Grantor's Policies	3
18	Operations Manual	Provide and maintain Ops Manual	Annual	Compliant Ops Manual not provided	3
19	Statutory Tests and Inspections	Tests/Inspections on or before planned date	Monthly, Annual	Tests/Inspections not complete by planned date	3
20	Planned Maintenance	Maintenance carried out as per planned schedule	Monthly, Annual	Maintenance not complete by planned date	4
21	Reactive Maintenance (Priority 1 - Emergency)	Defects rectified	Monthly, Annual	Not rectified within rectification time	3
21	Reactive Maintenance (Priority 2,3,4 -Urgent to Routine)	Defects rectified	Monthly, Annual	Not rectified within rectification time	4
22	ICT Services (Priority 1 - Critical)	ICT requests and failures rectified	Monthly, Annual	Not rectified within rectification time	3
22	ICT Services (Priority 2,3,4 - High Importance to Routine)	ICT requests and failures rectified	Monthly, Annual	Not rectified within rectification time	4
23	Reporting	Monthly Reports in accordance with Agreement	Monthly, Annual	Monthly Report not issued in accordance with Agreement	4
24	Payment	Payments made in accordance with Agreement	Monthly, Annual	Payments not made in accordance with Agreement	4
-	Catastrophic Failure	No catastrophic failures	Ongoing	Material failure which results in the Site being completely unavailable, as a result of the Operator not fulfilling its obligations	1

Key

Primary Users are West Ham, UKA, London 2017

Operator Events are effectively all events other than those of the Primary Users (so concerts, community, rugby, etc)

Service Credits / Warning Notices / Termination Rights

KPI Failure Type	Service Credit per KPI Failure	Warning Notices	Termination Rights
1	N/A	N/A	If a single failure, Grantor can terminate unless remediation plan agreed. If 2 failures in 12 months, Grantor can terminate regardless
2	£2,000	1 per failure	4 or more warning notices in a 12 month period, or annual service credits exceed £84,000
3	£500	1 for every 2 failures in a 12 month period	
4	£200	1 for every 10 failures in a 3 month period	

APPENDIX B: E20 REVIEW OF LS185 PERFORMANCE ON KPIS, SEPTEMBER 2017

Final column provides E20 R/A/G rating of LS185 compliance, with accompanying commentary. The other columns are lifted straight from the Operator Agreement

KPI Ref:	Key Performance Indicators	KPI Group	KPI Target	KPI Criticality	Definition of Failure	Measurement and Reporting	KPI Trigger	KPI Failure Type	E20 REVIEW SEPT 2017 (RED / AMBER GREEN)
1	Pitch	Event Readiness	The Pitch is in a Fit and Proper Condition, to the standard that is required by Comparable Clubs for Events shown in the Event Calendar.	High	A KPI Failure will occur for each Event where the pitch is not ready to the standard required in the Event Plan, identified through either:- - The Pre Event Inspection if upheld by the Grantor (acting reasonably). -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably).	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 2 Operator Events – Type 3	Ok
							Each Event that is not cancelled or postponed	All Events – Type 4	

2	Track / Field	Event Readiness	Track / Field fit for purpose as set out in the Services Specification for Events shown in the Event Calendar.	High	<p>A KPI Failure will occur for each Event where the Track/Field is not ready to the standard required in the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection process if upheld by the Grantor (acting reasonably). -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 2 Operator Events – Type 3	Ok
							Each Event that is not cancelled or postponed	All Events – Type 4	
3	Retractable Seating	Event Readiness	Retractable Seating change completed (as set out in Retractable Seating Operations and Maintenance Manual) and in the correct mode for Events	High	<p>A KPI Failure will occur for each Event where the Retractable Seating is not provided in the correct mode, or is not ready for use as required in the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection process if upheld by the Grantor (acting reasonably). -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation 	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 2 Operator Events – Type 3	Not yet handed over to LS185 – so KPI is currently not applicable.

			shown in the Event Calendar.		following an incident if upheld by the Grantor (acting reasonably).		Each Event that is not cancelled or postponed	All Events – Type 4	
4	Licenses / Planning	Event Readiness	Correct Operating Licenses and Planning Permission requirements in place.	High	<p>A KPI Failure will occur for each Event where the relevant Necessary Consent is not in place as required by legislation or the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection if upheld by the Grantor (acting reasonably). -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor 	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 2 Operator Events – Type 3	Ok. Licences and planning have all been in place.

					(acting reasonably).		Each Event that is not cancelled or postponed	All Events – Type 4	
5	Event ICT	Event Readiness	Correct ICT infrastructure in place and functioning as set out in the Services Specification.	Medium	<p>A KPI Failure will occur for each Event where the necessary ICT infrastructure, connectivity or functionality is not in place as required by the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection process if upheld by the Grantor (acting reasonably). -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Pre Event Inspection report	Each Event that is cancelled or postponed	<p>Primary User Events – Type 3</p> <p>Operator Events – Type 4</p>	<p>Ok so far. E20 has been clear wifi should be in place by 1 Nov (subject to business case). E20 increasingly concerned LS185 will not achieve this, as no business case provided, and no supplier appointed.</p>

6	Clean Stadium	Event Readiness	Clean Stadium provided as set out in the Services Specification for Events shown in the Event Calendar.	Medium	<p>A KPI Failure will occur for each Event where the Stadium is not provided in accordance with the Clean Stadium standard when required in the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection process if upheld by the Grantor (acting reasonably). -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 3 Operator Events – Type 4	LS185 did not lead on clean stadium for London 2017, E20 did.
							Each Event that is not cancelled or postponed	Primary User Events – Type 4	

7	Facilities	Event Readiness	All facilities required for the Event are clean and fit for purpose as defined in the area data sheets contained within the Operations Manual.	Medium	<p>A KPI Failure will occur for each Event where the Stadium is not provided in a clean condition in accordance with the cleaning standards, identified through either:-</p> <ul style="list-style-type: none"> - The Pre Event Inspection process if upheld by the Grantor (acting reasonably). -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Pre Event Inspection report	Each Event that is cancelled or postponed	Primary User Events – Type 3 Operator Events – Type 4	Ok
							Each Event that is not cancelled or postponed	Primary User Events – Type 4	

8	Event Staffing	Event Day	Correct designations and levels of staff as set out in the Services Specification and Event Plan requirements	Medium	<p>A KPI Failure will occur for each Event where the staffing is not provided in accordance with the Service Specification or Event Plan, identified through either:-</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Post Event Report	Each Event Day	<p>Primary User Events – Type 3</p> <p>Operator Events – Type 4</p>	<p>LS185 are fulfilling this. However, permanent staffing (eg. Finance Director, "spate of resignations") they are not fulfilling adequately.</p>
---	----------------	-----------	---	--------	--	-------------------	----------------	---	---

9	Catering / Hospitality Standards	Event Day	Standards of service, the range of food and beverages and ancillary services offered at Events (within the Hospitality Areas and in all other Concession Areas) are to the standard that is required by Comparable Clubs or as set out in the Event Plan.	Medium	<p>A KPI event Failure will occur for each Event Day where the Catering/Hospitality Service is not provided in accordance with the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> -The results of a Customer Satisfaction Survey; -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation, following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Post Event Report	Each Event Day	<p>Primary User Events – Type 3</p> <p>Operator Events – Type 4</p>	Fail on not opening South Park kiosks on the terms required
---	----------------------------------	-----------	---	--------	---	-------------------	----------------	---	---

10	Event Cleaning Standards	Event Day	All facilities required for the Event are clean and all waste is removed as defined in the area data sheets contained within the Operations Manual.	Medium /Low	<p>A KPI Failure will occur for each Event Day where the Stadium(or other location for which the Operator has responsibility pursuant to this Agreement) is not provided in a clean condition in accordance with the cleaning standards and undamaged, identified through either:-</p> <ul style="list-style-type: none"> -The results of a Customer Satisfaction Survey; -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation, following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Post Event Report	Each Event Day	<p>Primary User Events – Type 3</p> <p>Operator Events – Type 4</p>	Ok
----	--------------------------	-----------	---	-------------	---	-------------------	----------------	---	----

11	Post Event Cleaning Standards	Post Event Day	All South Park areas are clean and all waste is removed as defined in the area data sheets contained within the Operations Manual.	Medium	<p>A KPI Failure will occur for each day where South Park is not provided in a clean condition in accordance with the cleaning standards, identified through either:-</p> <ul style="list-style-type: none"> -The post Event inspection process. -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; or -The Grantor audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Post Event Inspection Report	Each occurrence	Each occurrence will incur a Type 3 KPI Failure	Ok
----	-------------------------------	----------------	--	--------	---	------------------------------	-----------------	---	----

12	Police / Public Order Incidents	Event Day	Any incidents are investigated to determine if the Event Plan was followed and plans put in place to prevent re-occurrence where appropriate.	Medium	<p>A KPI Failure will occur when a Police or Public Order Incident is recorded due the Operator not following the Event Plan, identified through either:-</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Post Event Report	Each Event Day	All Events Days – Type 3	Ok
----	---------------------------------	-----------	---	--------	--	-------------------	----------------	--------------------------	----

13	Floodlighting	Event Day	When required for the Event, Floodlighting is providing the lux levels to be maintained in accordance with design and commissioning and as witnessed during handover.	Medium	A KPI Failure will occur for each Event Day where the floodlighting for the pitch and/or the track (if required) is not provided in accordance with the Stadium Specification, identified through either:- -A Lighting Level Test; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably).	Post Event Report	Each Event Day	Primary User Events – Type 3 Operator Events – Type 4	Ok.
14	Health and Safety Management - Incidents and reportable RIDDOR incident	Facilities Management	The Services are delivered free from Incidents and reportable RIDDOR incident	High	A KPI Failure will occur for each instance where a reportable RIDDOR incident is recorded, identified through either:- -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably) <u>And</u> the Operator has not put in place a rectification plan to prevent re-occurrence.	Monthly Reports	Each reportable RIDDOR incident	Rectification plan must be implemented with 30 days Where the rectification plan has not been produced, or implemented a Type 3 KPI Failure will occur	Ok.

15	Health and Safety Management - Safe Working	Facilities Management	The Services are managed and delivered in a safe manner.	High	<p>A KPI Failure will occur for each and every deviance from a Necessary Consent or relevant Applicable Law, identified through either:</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably) <p><u>And</u> the Operator not putting in place a rectification plan to prevent re-occurrence.</p>	Monthly and Annual Trends	Each occurrence	Rectification plan must be implemented with 30 days Where the rectification plan has not been produced, or implemented a Type 3 KPI Failure will occur	Ok.
16	Helpdesk Provision	Facilities Management	The Helpdesk is provided in compliance with the Operations Manual.	Medium	<p>A KPI Failure will occur for each instance where a Helpdesk is not provided in compliance with the Operations Manual, identified through either:-</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each occurrence	Each occurrence during an Event will incur a Type 3 KPI Failure	Ok.

									Each occurrence not during an Event will incur a Type 4 KPI Failure	
--	--	--	--	--	--	--	--	--	---	--

17	Compliance	Facilities Management	The Operator shall be compliant with all Applicable Laws and the Grantor's policies as they relate to the management and delivery of the Services.	Medium	<p>A KPI Failure will occur for each instance where the Operator is found to have acted (or not acted) in a way that contravenes Applicable Laws and or the Grantor Policies (where these are not covered by other KPI), identified through either: -</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit as set out in the Operator's Plans; -The Operator's own investigation following an incident; -The Grantor audit or investigation following an incident; or -The Event Owner's audit or investigation following an incident if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each occurrence	Each occurrence will incur a Type 3 KPI Failure	<p>LS185 are compliant with laws. In terms of policies, if this is read as the priority themes, LS185 are not yet fulfilling their employment & skills commitments (for instance).</p>
----	------------	-----------------------	--	--------	---	---------------------------	-----------------	---	--

18	Operations Manual	Facilities Management	The Operator shall provide and maintain the Operations Manual in compliance with the requirements set out in the Services Specification.	High	<p>A KPI Failure will occur for each instance where the Operations Manual is not provided in compliance with the Agreement, identified through either:-</p> <ul style="list-style-type: none"> -The Operator's own self-monitoring and audit; -The Operator's own investigation following a request; or -The Grantor audit or investigation following a request. 	Annual	Each occurrence	Each occurrence will incur a Type 2 KPI Failure	Ok.
----	-------------------	-----------------------	--	------	---	--------	-----------------	---	-----

19	Statutory Tests and Inspections	Facilities Management	The Operator shall ensure that all required planned activities for Statutory Tests and Inspections within the scope of the Services are undertaken on or before the planned date in the annual planned maintenance schedule shown in the Operations Manual.	Medium	<p>A KPI Failure will occur for each instance where:</p> <ul style="list-style-type: none"> - The status for a planned activity is set to "Closed" on the Operator's CAFM system after the due date and time for the completion of planned activity; - A planned activity will remain shown as "Open" (i.e. has not been "Closed on the Operator's CAFM system on or before the due date and time for its completion) on the Operator's CAFM System past its due date and time Where: - - The Operator did not carry out the planned activity at the time stated on the CAFM System; - The required Statutory Test or Inspection is found to be missing from the Annual planned maintenance schedule and not carried out within 1 month of identification. Identified through either: - - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following a complaint; the Grantor audit or investigation following a complaint; or -The Event Owner's audit or investigation following a complaint if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each occurrence	Each occurrence will incur a Type 3 KPI Failure	Ok.
----	---------------------------------	-----------------------	---	--------	---	---------------------------	-----------------	---	-----

20	Planned Maintenance	Facilities Management	The Operator shall carry out all maintenance planned activities on the annual planned maintenance schedule shown in the Operations Manual.	Low	<p>A KPI Failure will occur for each instance of where:</p> <ul style="list-style-type: none"> - The Planned activity is "Closed" on the Operator's CAFM system after the due date and time for the planned activity; - A planned activity is "Open" on the Operator's CAFM System past the due date and time; or <p>Where: -</p> <ul style="list-style-type: none"> - The Operator did not carry out the planned activity at the time stated on the CAFM System; - The Operator did not carry out the planned activity in accordance with the Services Specification and any manufacturers requirements. <p>Identified through either: -</p> <ul style="list-style-type: none"> - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following a complaint; -The Grantor audit or investigation following a complaint; or -The Event Owner's audit or investigation following a complaint if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each occurrence	Each occurrence will incur a Type 4 KPI Failure	Ok.
----	---------------------	-----------------------	--	-----	---	---------------------------	-----------------	---	-----

21	Reactive Maintenance	Facilities Management	The Operator shall ensure that all defects are attended and permanently rectified in accordance with the Operations Manual.	Medium/Low	<p>A KPI Failure will occur for each instance where:</p> <ul style="list-style-type: none"> - The Operator did not rectify the defect or service request within the rectification time indicated in table 1 below; - A defect or service request is "Open" on the Operator's CAFM System and the permanent rectification time has been exceeded; or <p>Where: -</p> <ul style="list-style-type: none"> - The Operator did not rectify the defect or service request at the time stated on the CAFM System; - The Operator did not implement a temporary rectification where a permanent rectification could not be undertaken. <p>Identified through either: -</p> <ul style="list-style-type: none"> - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following a complaint; -The Grantor audit or investigation following a complaint; or -The Event Owner's audit or investigation following a complaint if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each Priority 1 occurrence	Each occurrence not rectified within the permanent rectification time (set out in Table 1 – Reactive Maintenance Rectification Times below) will incur a Type 3 KPI Failure	Ok.
----	----------------------	-----------------------	---	------------	--	---------------------------	----------------------------	---	-----

22	ICT Services	ICT	The Operator shall ensure that all ICT requests and failures are attended and permanently rectified in accordance with the Operations Manual.	Medium/Low	<p>A KPI Failure will occur for each instance where:</p> <ul style="list-style-type: none"> - The Operator did not respond to and rectify the ICT service request within the rectification time indicated in table 2 below; - A defect or service request is "Open" on the Operator's CAFM System and the permanent rectification time has been exceeded; or <p>Where: -</p> <ul style="list-style-type: none"> - The Operator did not rectify the ICT service request at the time stated on the CAFM System; - The Operator did not implement a temporary rectification where a permanent rectification could not be undertaken. <p>Identified through either: -</p> <ul style="list-style-type: none"> - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation following a complaint; -The Grantor audit or investigation following a complaint; or -The Event Owner's audit or investigation following a complaint if upheld by the Grantor (acting reasonably). 	Monthly and Annual Trends	Each Priority 1 occurrence	Each occurrence not rectified within the permanent rectification time (set out in Table 2 - ICT Response and Rectification Times below) will incur a Type 3 KPI Failure	Ok.
----	--------------	-----	---	------------	---	---------------------------	----------------------------	---	-----

23	Reporting	Management	The Operator shall ensure that all Monthly Reports are issued in accordance with the Agreement.	Low	<p>A KPI Failure will occur for each instance where:</p> <ul style="list-style-type: none"> - The Operator did not issue a Monthly Report in accordance with the Agreement. Identified through either: - - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation; or -The Grantor audit or investigation. 	Monthly and Annual Trends	Each occurrence	Each occurrence will incur a Type 4 KPI Failure	Possible Fail – various reports (albeit not monthly) either not submitted or of unacceptable quality (as detailed in non compliance letters).
----	-----------	------------	---	-----	--	---------------------------	-----------------	---	---

24	Payment	Management	The Operator shall ensure that all payments due to the Grantor in accordance with Schedule 3 are paid in accordance with the Agreement.	Low	<p>A KPI Failure will occur for each instance where:</p> <ul style="list-style-type: none"> - The Operator has not paid sums due to the Grantor in accordance with the Agreement. Identified through either: - - The Operator's own self-monitoring and audit as set out in the Operations Manual; -The Operator's own investigation; or -The Grantor audit or investigation. 	Monthly and Annual Trends	Each occurrence	Each occurrence will incur a Type 4 KPI Failure	LS185 either not providing, or providing very late, financial info requested by E20 to support payments. Currently payments generally are not being made between E20 and LS185 (in both directions).
----	---------	------------	---	-----	--	---------------------------	-----------------	---	--

Item: 4
Subject: Summary of E20 Legal Proceedings
Meeting date: 26 September 2017
Report to: E20 Stadium LLP Board
Report of: Alan Fort and s.40 (Gowling)

1. SUMMARY

- 1.1. This report provides an overview of current E20 legal disputes with WHU. The report notes, but does not provide details of, disputes with LS185 or UKA, as these are not in formal legal proceedings.
- 1.2. Key points are:
 - 1.2.1. One year on from opening of the stadium E20 is in dispute on all 3 of its main contracts
 - 1.2.2. The cost of defending the disputes runs into over £3m over the next 2 years.
 - 1.2.3. However, the cases are worth pursuing as are the implications of winning or losing have implications for the long term viability of the stadium.

2. RECOMMENDATIONS

- 2.1. **NOTE** the report

3. BACKGROUND

- 3.1. E20 have entered into three primary agreements:
 - 3.1.1. Concession Agreement with West Ham United dated 22 March 2013 for 99 years
 - 3.1.2. Access Agreement with UK Athletics dated May 2013 for 50 years
 - 3.1.3. Stadium Plus Operator Agreement with LS185 dated 30 January 2015 for 25 years
- 3.2. All of these contracts were entered into before Transformation of the Stadium was completed. The contracts therefore had general clauses which have to be interpreted specifically in the light of the final Stadium configuration.
- 3.3. The E20 legal actions are a consequence of:
 - 3.3.1. The generality of the contracts at the time – because the final build of the Stadium was not then known (for example, exact number of seats within 190m if the pitch, the Digital Screen). The legal process is being used by the parties (certainly by WHU) to clarify the meaning of the contracts;
 - 3.3.2. The term of each of the contracts means that relatively small sums or changes in rights, although small on a short term view, are significant over the life of each contract (for example, IPTV rights are £3k per game, but this equates to £75k per season or £7.5m over 99 years)

3.3.3. s.43 [Redacted]

3.3.4. The attitude of one of the counterparties, who culturally take an aggressive stance in any negotiation.

4. WEST HAM UNITED DISPUTES

4.1. Dealing specifically with the West Ham United related disputes, there are three main categories of legal dispute currently live (and one simmering: on the 2017 seating move into Football Mode).

4.2. The three live categories are:

4.2.1. Additional Capacity

4.2.2. Rights

4.2.3. Expert Determination

4.3. The estimated Impact of West Ham related disputes are summarised below, with greater detail provided in Appendix 1.

£m	Estimated Legal costs April 2017 to March 2019	Annual Profit Impact	One off Capital Costs
Capacity	s.43	[Redacted]	[Redacted]
Rights	s.43	[Redacted]	[Redacted]
Expert Determination	£0.35m	£0.15m	£0.3m to install draught beer

5. ADDITIONAL CAPACITY

5.1. s.43 [Redacted]

5.2. s.43 [Redacted]

5.3. s.43 [Redacted]

5.4. s.43 [Redacted]

s.43

5.5. s.43

Timeline

5.6. February 2017: WHU issued a Part 8 claim. E20 opposed the Part 8 jurisdiction – as that is for short, simple claims. The Court has effectively agreed with E20 on that, but to avoid dismissal of the Part 8 claim, WHU also issued (in May 2017) a Part 7 claim as well, and (somewhat untidily, E20 says) the Court has allowed WHU to reverse the Part 8 claim into that new Part 7 claim – there is now one consolidated Part 7 claim.

5.7. On that Part 7 claim, we have 3 hearings in Court in the upcoming 4 weeks:

To be listed in the week of September 18-22 2017:

5.8. A half day hearing to obtain directions to trial from a Judge: this will set the timetable for the procedural steps to trial: disclosure/ witness statements/ expert evidence; and will set a trial date (E20 has suggested between October 2018 and March 2019; WHU has asked for June 2018 – which E20's lawyers view as optimistic, as the Chancery Court website states that a trial of the length needed will not be listed until November 2018 at the earliest). This hearing will also decide whether all of the claim will be heard at one trial (on all liability and quantum issues), or (as E20 asks) if it can deal effectively with liability only (thereby saving substantial costs on accounting and other experts and trial days, if the Court will allow a 'split trial').

September 25 2017:

5.9. An all-day hearing to consider our application to strike out elements of WHU's case which are new and/ or inconsistent with its claim as originally pleaded. This hearing may yet be able to be dealt with by consent (or on a shorter timescale than originally envisaged) as WHU's lawyers have this week started a discussion as to narrowing/ tightening WHU's pleaded case on a voluntary basis. A verbal update will be given to Board on the outcome.

October 16th-2017:

5.10. A 2 hour hearing to determine who pays the costs of the hearings to date – on E20's challenge to the Part 8 claim/ jurisdiction (which ended up being heard over 3 court hearings – on 21 April, 9 June and 25 July).

After 16th October 2017:

5.11. Disclosure of documents, witness statements, and appointment of expert witnesses by both parties to make/defend the case.

Autumn 2018

5.12. Hearing of Case, probably over 10 days (if a split trial), or Spring 2019 and probably 20 days if not.

Value

5.13. Depending on the outcome of the case, if E20 win the case the potential increase in "rent" of up to £750,000 - £1.5m per annum for 60,000 to 66,000 seats. This is significant compared to existing Usage Fee of £2.5m per annum.

- 5.14. If E20 loses – very material, as potentially E20 will be required to provide (and steward) the Stadium for up to an additional 12,500 capacity (ie, up to, potentially, the 66,000 seat maximum) for the next 98 years (plus any damages for not having done so last year).
- 5.15. The operational cost are c.£250,000 to £500,000 per annum (60,000 / 66,000), some of which we are currently incurring.
- 5.16. Additionally E20 would need to meet the costs of expanding Stadium Concession units, toilets, transport measures etc. This would run into millions for a capacity over 60,000.
- 5.17. In summary the difference between winning and losing the case is c £1.25m - £2m per year. Operational costs plus potentially significant capital costs.

Additional Capacity Estimated Legal Costs From April 2017 to March 2019

5.18. The estimates legal cost are £2.2m. This assumes no appeal by the losing party. WHU choosing to take the matter to Court rather than expert determination has substantively increased the costs

6. RIGHTS (EXPECTATION OF LEGAL ACTION)

6.1. s.43 [Redacted]

6.2. s.43 [Redacted]

6.3. s.43 [Redacted]

6.4. s.43 [Redacted]

6.5. s.43 [Redacted]

6.6. s.43 [Redacted]

6.7. s.43 [Redacted]

6.8. s.43

6.9. The primary areas of contention are:

Pitch Surround:

- 6.9.1. This is the covering over the running track, running all the way around the pitch. Under the Concession Agreement, it is E20's obligation to procure/ install/ maintain this.
- 6.9.2. WHU would like the Pitch Surround to be (ideally) in claret; if not, will accept in LS blue, but in either case requested to be with West Ham branding and (preferably) also Betway branding. WHU have offered to pay to procure/ maintain such a Pitch Surround.
- 6.9.3. E20 have said that it would consider this if WHU in return agrees that the Pitch Side Static Signage is E20's (and, given that E20 has now procured/ installed/ paid for a new green Pitch Surround, may want some compensation for those costs).
- 6.9.4. E20's legal advice is that WHU has no real claim in relation to what it wants for the Pitch Surround.

WHU Honours on Mid-Tier:

- 6.9.5. This matter has been settled: WHU have the rights to display their honours (FA Cup wins, Fairs Cup Win, with no sponsor branding) on the Mid -Tier for 2017/18 season. WHU have, as part of the agreement concluded, acknowledged and confirmed that the Mid -Tier Rights are ours and they pay £2,000 per annum for the use of this space. This has to be renewed annually, and there is no automatic right of renewal.

Pitch Side Static Signage:

- 6.9.6. These are the boards that face the pitch at the foot of the Lower-tier; they sit behind (but can be seen on TV arc behind) the Pitch-Side LED.
- 6.9.7. E20 says that the P-SSS is its, as they are not mentioned as CSR. WHU claims them either as part of the stand livery, or as Pitch-side decals or logos. E20 considers both such claims as weak, as not in accordance with what one thinks of as stand livery or as Pitch-side decals or logos (ie, they could be decals and logos, but the Pitch-side ones lie flat on the side of the Pitch).
- 6.9.8. Unbeknownst at the time to E20, WHU sold these rights to Betway last year, even though they were in dispute with E20 as to their right to them, and although they knew that E20's position is that they are not within WHU's gift. With the take down of all branding for the World Athletics, WHU were informed the Betway signage would not be reinstalled unless they paid E20 for the use of the P-SSS: and E20 has now offered a deal at £225k per annum for a 2 year agreement, and with WHU to acknowledge and confirm the rights to the P-SSS as E20's. WHU have not agreed to this, so for the first match London Stadium signage was installed.
- 6.9.9. WHU have threatened legal action. E20's legal advice is that these seem weak claims on WHU's part.

Digital Screen:

6.9.10. s.43

s.43

6.9.11. s.43

6.9.12. s.43

Legal Process

6.10. It is unclear which elements WHU will test first. But WHU has made regular threats, which have become more frequent and at times aggressive in the run up to its first home game of this Season. E20 could expect either that these were hot air threats to seek to force E20 to concede rights to WHU, and, having had its bluff called, matters will now subside; or WHU does really believe it has these rights (or will gamble that it might) and may issue – and if that it is to be what it does, later this month seems the most likely time.

Value

6.11. s.43

Estimated Costs from April 2017 to March 2019:

6.12. £0.3m assuming that no legal action is launched and the role is limited to drafting/ reviewing documentation between the parties.

7. Expert DETERMINATION

7.1. There are three areas which have been submitted for Expert Determination, a contract process of resolving 'technical' disputes. These are:

- A. Provision of Draught Beer in the Hospitality Area
- B. Provision of Sky TV on E20's IPTV screens in the Hospitality Area
- C. Provision of Meet and Greet Hostesses in the Hospitality Area

7.2. At dispute is the definition and interpretation of two phrases

- A. Standards of a Reasonable and Prudent Operator
- B. Comparable Clubs

7.3. WHU want us to provide the three items above free of charge as part of the existing contract on the basis that Comparable Clubs do that and, acting to the Standards of a Reasonable and Prudent Operator, E20 would do that.

7.4. WHU has filed a Reference to Expert Determination, but not filed any detail of or evidence to support its claims. When it does, E20 will argue that to provide these services WHU should pay for them as (a) they are not explicitly required in the contract, (b) none is required (ie, there are many reasonable ways of running a football venue, and what E20 is providing is all of reasonable, adequate, and comparable, and (c) it is neither reasonable nor prudent for E20 to provide these services at its cost, free of charge.

Timeline:

7.5. WHU has filed a Reference to Expert Determination, and an expert has been nominated. However, despite saying the matter is urgent, WHU has taken no procedural step to establish the expert in situ or agree a timetable with him. It is likely that a hearing on the claims could still be in Spring 2018.

Legal Process:

7.6. Disclosure of some documents, limited witness statements, and a hearing before the expert.

Value:

7.7. If WHU win then:

- (a) WHU will require us to upgrade the 3 services in question with no increase in revenue (and with us bearing the capital and operational costs for so doing – some £325k for the draught beer, some £3,000 a game (c£75k per season) to compensate LS185 for lost advertising revenue for the IPTV screens, and some £3,000 a game (c£75k per season) for the hostesses.
- (b) E20 might expect many other small (or indeed big) service provision improvements – these are hard to predict, but let us imagine to the catering menus, or the comfort of seats in the stands for hospitality guests, or any other such that might be offered at Arsenal, Chelsea or Tottenham.

Estimated Costs From April 2017 to March 2019

7.8. The cost of the expert determination is estimated to be up to £0.35m.

**FOR: E20 STADIUM LLP (and LLDC)
LONDON STADIUM
LITIGATION SUPPORT: COSTS BUDGET (POSSIBLE)**

Forecast dispute / legal costs (£000s) ^[1]	Apr-June 2017 (actual)	July-Sept 2017	Oct-Dec 2017	Jan-Mar 2018	Apr-June 2018	July-Sept 2018	Oct-Dec 2018	Jan-Mar 2019	Total
WH: S.43 [2]	£112,700	£225,000 ^[3]	£700,000 ^[4]	£375,000 ^[5]	£200,000 ^[6]	£100,000 ^[7]	£450,000 ^[8]	£50,000 ^[9]	£2,212,742
WH: S.43 [10]	£37,900	£40,000	£30,000	£30,000	£40,000 ^[11]	£40,000	£30,000	£30,000	£277,900
WH: Expert determination (hospitality) [12]	-	£75,000 ^[13]	£100,000	£150,000 ^[14]	£10,000	-	-	-	£335,000
WH: Fanstallation/ business rates ^[15]	£9,800	£10,000	£10,000	-	-	-	-	-	£29,800
WH: Saracens game ^[16]	-	-	-	£10,000	£20,000	-	-	-	£30,000
WH: WCC 2019/ MLB ^[17]	£1,750	£2,500	£2,500	£2,500	£20,000	£20,000	£10,000	£20,000	£79,250
WH: summer 2017 seating ^[18]	£2,250	£2,500	-	-	-	-	-	-	£4,750
LS185 issues ^[19]	£16,400	£15,000	£45,000	£45,000	£45,000	£5,000	-	-	£171,400
UKA issues ^[20]	£600	£10,000	£30,000	£30,000	£30,000	£5,000	-	-	£105,600
Total	£181,400	£380,000	£917,500	£642,500	£365,000	£170,000	£490,000	£100,000	£3,246,400

Notes

- 1 All figures inclusive of internal charges and disbursements, exclusive of VAT; all disbursement sums are current best guesses.
- 2 Assumes that E20 can limit first trial to Issues 1 and 2; assumes Court will adopt E20's suggested timetable (so a trial in Q4 of 2018)
- 3 Directions hearing and strike out application in September. Counsel: £50,000.
- 4 Costs budgeting; disclosure; likely second directions hearing; and costs hearing (of April to July hearings). Counsel: £25,000. Disclosure provider: £60,000.
- 5 Inspection; start witness statements. Disclosure provider: £30,000.
- 6 Witness statements; expert reports. Experts: £70,000 (as assuming only planning; not forensic accountant, or stadium/ SR+PO experts).
- 7 Meeting of experts; finalising experts.
- 8 Trial prep; trial. Counsel: £280,000. Experts: £20,000 (as footnote 6 above). Assumes no appeal – but WHU quite likely to seek to appeal if lose.

9 Costs hearing. Counsel: £20,000.

10 s.43

11 Higher in the football closed season (as has been this year's experience).

12 Assumes ED held in spring 2018; assumes only the 3 current disputes (therefore not including Pitch Surround).

13 Counsel: £20,000.

14 Counsel's fees: £50,000 (assumes a junior Counsel, not a senior).

15 Assumes no covering up of the Fanstallation; assumes Fanstallation resolved in September 2017; assumes all leases can be signed; assumes no Court litigation or ED.

16 Assumes no Court litigation or ED.

17 Assumes no Court litigation or ED; assumes Event Calendar issues escalate in summer 2018 (it may in fact be sooner).

18 West Ham consistently allege breach and losses from the delayed start to playing at home at the start of the 2017/18 Football Season – a claim might be made; how/ if it will be launched by WHU is hard to predict – assume, if made, by ED under clause 10.1; but that is too speculative to cost, as no basis to know what the claim might be; this budget has to assume no such claim (whether thereby realistic or not).

19 Assumes no termination of LS185; assumes a commercial 'deal' with LS185; assumes will require contract re-negotiation; assumes may be procurement issues to resolve (but a procurement exercise can be avoided); assumes LS185 performance recovers to satisfactory by late 2018; assumes no Court litigation or ED.

20 Assumes no termination of UKA; assumes UKA accept new seating plans/ reduced timetable; assumes will require contract re-negotiation; assumes may be procurement issues to resolve (but a procurement exercise can be avoided); assumes concluded by next athletics window in summer 2018; assumes no Court litigation or ED.

8 September 2017

Item: 5

Subject: 2017/18 Football Stadium Branding

Meeting date: 26 September 2017

Report to: E20 Stadium LLP Board

Report of: s.40 [REDACTED], Assistant Business Manager, E20 Stadium LLP

S.43

S.43

CONFIDENTIAL

APPENDIX 1: Current Status of Negotiations with WHU on Pitch Side Branding (as at 20th September 2017)

E20 Proposal

- Pitch Side Static Signage (PSSS):
 - The rights to the Pitch Side Static Signage belong to E20
 - Agreement for the use of the PSSS for two seasons 2017/18 and 2018/2019 at £225k per year but for 2017/2018 £210k to allow for the two games missed
 - Initial Term 2 seasons to be renewable annually thereafter if we agree on-going commercial terms, and to allow for the introduction of any SNRP
 - E20 will offer to WHU first refusal at market price, which E20 will have to justify, unless there is a Stadium Naming Rights Partner who would like the space as part of their contract. For the avoidance of doubt the PSSS does not form part of the SNRP package as defined in Schedule 9 of CA. if an naming rights partner want the PSSS we will discuss with you buying those rights back as both E20 and WHU benefit from SNRP.
 - The London Stadium pitch side signs will be met by E20 and used at other events

- Pitch Surround:
 - WHU can have Blue Pitch Surround with WHU logos for 2 years, but no commercial branding, provided they pay for the surround and installation by LS185 and confirm that:
 - A) PSSS is not a Decal or Pitch Side Logo
 - B) Can be replaced if Stadium Naming Partner is found

- Pitch Surround:
 - WHU pay for the acquisition and the installation of the Pitch Surround in Blue with WHU logos
 - WHU confirm that PSSS is not a Pitch Side decal or logo
 - In the event of a SNRP the SNRP partners brand will be attached to the Pitch Surround
 - E20 will produce drawings to show position of LED etc. This will show precise locations and be attached to agreement
 - Initial Term 2 seasons to be renewable annually thereafter if we agree on-going terms, and to allow for the introduction of any SNRP

- If an SRNP comes forward in the Initial Term the SNRP may request of us for the Pitch Surround to be in the SNRP colours and with West Ham's name and logo attached. In this case E20 would come to WHU to discuss how we do this, and if the SNRP is paying at or above £4m there is an incentive for WHU to agree. The cost of the change would be for E20 account.

s.43

West Ham Current Offer (received 19th September):

- Proposed Two Year Agreement for PSSS:
 - West Ham United will confirm that the PSSS are E20s
 - West Ham will pay £225,000 for 2017/18 season and £225,000 for 2018/19 season.
 - Thereafter WHU have first option at market rate
 - Accept that could be used for naming rights
 - Not willing to pay abortive costs for London Stadium branding
- Pitch Surround:
 - WHU will pay for a London Stadium Blue pitch surround (as set out by E20 above). E20 insisting on separate legal agreement to PSSS. Would be implemented in October 2017 as long as legal agreement signed.

s.43

S.43

S.43

S.43

S.43

S.43

S.43

S.43

S.43

S.43



Subject: E20-LS185 Commercial matters outstanding
Meeting date: 26 September 2017
Agenda Item: 6
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. This paper provides a summary update on commercial matters outstanding with LS185.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** this update.
- 2.2. The Board is invited to **RECONFIRM ITS APPROVAL** to settle historic disputed costs on the terms set out in paragraph 3. Note that it is not yet clear whether LS185 will settle on this basis; a verbal update will be provided.

3. HISTORIC DISPUTED COSTS

- 3.1. The long standing dispute with LS185, initially around responsibility for funding electricity and catering upgrades to the Stadium, remains unresolved. The previous in principle agreement, for a wrap up deal that took in a number of other items including ICT category compensation, unravelled with the collapse of E20's naming rights deal.
- 3.2. E20 is seeking to close out the outstanding items in dispute on the following terms:
 - 3.2.1. Electricity upgrade (£1.8m) to be funded £1.3m E20 (Transformation), £0.5m LS185. LS185 need to pay E20 the £0.5m.
 - 3.2.2. **s.43** 
 - 3.2.3. Growlights and grounds maintenance equipment (c£1m) to be funded by LS185 from E20's capital contribution. Already paid by LS185 (without prejudice), so no transaction necessary.
 - 3.2.4. Banquette seating and waiter stations (£0.8m) to be funded by LS185 from E20's capital contribution. LS185 need to pay E20 (Transformation) the £0.8m E20 has incurred procuring these items on LS185's behalf.
 - 3.2.5. IT fit-out costs (£0.2m) to be funded by E20 (tbc whether Transformation or working capital). E20 need to pay LS185 the £0.2m.

Private and Confidential – Legally Privileged

- 3.3. These terms, if they can be agreed, are the same as previously discussed and agreed with the Board in the wrap up deal. However, with the generous ICT category compensation to LS185 now stripped out, it remains to be seen if LS185 will settle on this basis. E20 is seeking a net payment from LS185 of £1.1m (0.8+0.5-0.2) to settle. It is therefore perhaps not surprising that LS185 are slow to progress matters. A meeting is scheduled with LS185 on 21 September to discuss a potential settlement; a verbal update will be provided at Board.

4. CONTRACT CHANGES

- 4.1. A number of payments are due from E20 to LS185 under contract changes agreed between the parties. These have all been formalised via the contract change procedure, although the only actual change to the Operator Agreement is to add obligations to LS185, and for E20 to meet the cost. These are typically new assets that E20 has asked LS185 to procure on its behalf, in order to fill necessary scope gaps or deliver long-term savings (“spend to save” measures). E20 proposes to close out many of these items now; they are proposed for payment in the finance Board paper. A handful of further items worth c.£100k are disputed, with work ongoing to resolve.

5. HANDOVER/DEFECTS EXCUSING EVENT

- 5.1. Disputed Handover – Last football season LS185 maintained that the stadium had not been formally completed or handed over and also would not be by the long stop date in the Contract so they would be entitled to terminate in August 2017. E20 had been advised legally that the LS185 grounds for termination were weak but to further mitigate this risk LLDC resource was deployed to support E20 to resolve the issues that were the root cause of the assertions from LS185. To update, LS185 has pulled back from asserting the stadium is not complete (for the time being) as Defect rectification is ongoing in accordance with the Contractual procedures as set out in the Transformation Works Contract.
- 5.2. Defects - Where Defects have remained outstanding for some time now and go beyond the rectification period in the Transformation Works Contract, LS185 has been asked to price for undertaking these rectification works with a view to contra charging Balfour Beatty. Where Defects are disputed by Balfour Beatty, the NEC Supervisor has been asked to adjudicate. If a Defect is deemed to be Balfour Beatty’s responsibility then they will be instructed to rectify it (or LS185 as a contra charge); if the NEC Supervisor deems that under the Transformation Works it is not a Defect i.e. out of Balfour Beatty’s scope, then it will need to be treated as works required under the first year lifecycle or deferred as a business decision.

6. OTHER EXCUSING EVENTS

- 6.1. LS185 have raised further excusing events with E20, with varying degrees of formality. This includes the impact of the seating system issues on LS185 revenues. However, in no cases (other than in their delay/disruption claim below) have they yet been able to demonstrate financial loss (and therefore make a viable compensation claim). Until they do so, there is no compensation claim for E20 to consider.

7. FACILITY MANAGEMENT

- 7.1. Delay/Disruption Claim – With the support of external advisors (Bernard Williams Associates (BWA)), the delay disruption claim has been assessed in detail by E20/LLDC. This is now being challenged at circa £350k of the original claimed value of £900k. Around 50% of this is being assessed as a contra charge to Balfour Beatty (Transformation works contractor).
- 7.2. Fixed Price Increase – Following the asset count work undertaken with BWA, E20's assessment of the annual fixed FM charge claim has now been assessed at circa £450k of the original claim value of £1.2m per annum. E20 has subsequently received further claims in relation to cleaning, waste management and grounds maintenance totalling a further £400k per annum. This further claim is currently being assessed.
- 7.3. Settlement Strategy - Following the next round of discussions with LS185, E20 intend to be able to make a recommendation to the E20 Board in October on what it believes to be a realistic range for settling these two disputed matters.

8. LIFECYCLE

- 8.1. Analysis of the lifecycle plan to catch up on any historic end of life works and short term lifecycle requirements has commenced. This is also looking at what areas will need to be contra charged to Balfour Beatty following the lack of maintenance or records during the Transformation Works resulting in early failure (fire alarm).
- 8.2. This is a joint working group consisting of E20 (supported by BWA), LS185 and VINCI Facilities. E20 is working towards reporting the position in respect of lifecycle to the November Board.

9. CONTRACTUAL PAYMENTS

- 9.1. At the time of writing, E20 has not paid LS185 its fixed costs for the April-June 2017, or July-September 2017 quarters (c£1.25m per quarter). E20 has withheld payment on the basis that LS185 has yet to provide signed, audited accounts for their 2016 financial year, as they are required to do.
- 9.2. At the time of writing, LS185 has not paid E20 the second tranche of 2016 net commercial revenues (£95k), nor the interim 2017 net commercial revenues (£976k). The former is justifiably being withheld by LS185 as it is wrapped up with the close-out of historic disputed costs. The latter is contractually overdue. E20 has formally put LS185 on notice that this sum is now accruing interest as per the terms of the Operator Agreement. LS185 have informally advised E20 that they are experiencing cashflow difficulties, and will not be in a position to make this payment until E20 has itself paid LS185 its fixed costs.
- 9.3. It therefore follows that the contractual payments can be sequentially solved, once LS185 provide signed, audited accounts for their 2016 financial year. They are reportedly very close to doing so (as indeed they will need to be given they must be filed by 20 September).

10. CONNECTED STADIUM

- 10.1. LS185 is contractually required to invest at least £2m in the Connected Stadium (wifi to all areas). E20 had previously requested that LS185 await clarity on Vodafone

Private and Confidential – Legally Privileged

naming rights discussions before appointing a wifi supplier. E20 removed this restriction on 2 June 2017, when the Vodafone deal collapsed.

- 10.2. To allow time to review and update proposals, E20 agreed to continue to fund temporary wifi until the end of October 2017. That timeframe was informed by LS185 itself identifying the time needed to contract and install the permanent wifi system. In July 2017 E20 also requested LS185's business case for investment in the Connected Stadium, in order to satisfy ourselves (or not) that it remains a worthy investment with demonstrable payback. Subject to this, E20 has been clear that LS185 are required to deliver the Connected Stadium by 31 October.
- 10.3. LS185 has not provided a business case, nor have they yet appointed a wifi supplier. It therefore appears highly unlikely that they will deliver the Connected Stadium by 31 October. E20 has formally raised this matter in ongoing correspondence with LS185 on areas of LS185 non-compliance (see below). However, E20 will need to consider carefully whether it actually still wishes LS185 to deliver the Connected Stadium. It would be simpler and less costly to effect the termination of the Operator Agreement if the Connected Stadium investment has not been made.

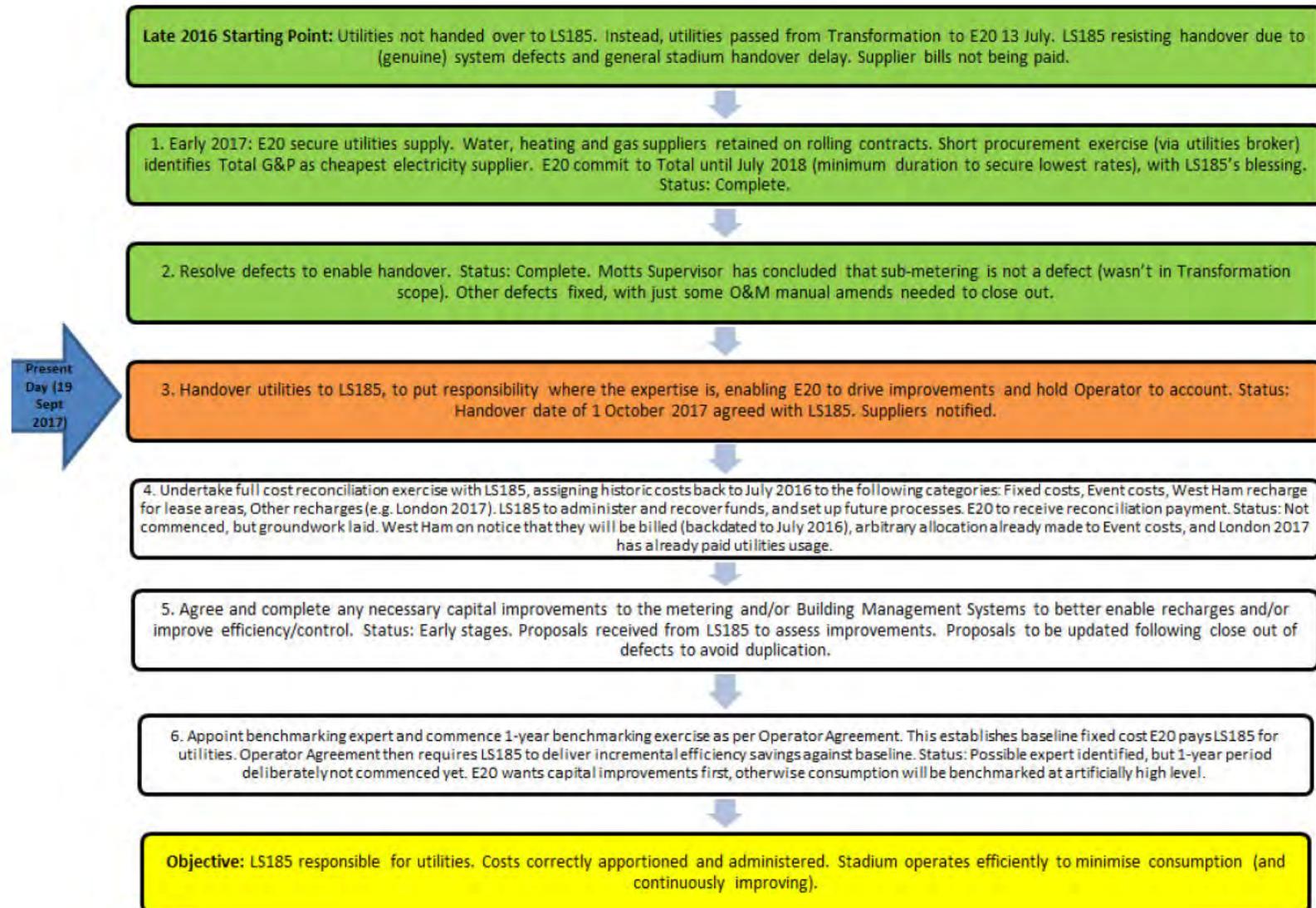
11. LS185 NON-COMPLIANCE

- 11.1. E20 has been dissatisfied with LS185's performance in a number of areas. These include: reporting, resourcing, business planning, fulfilment of priority themes (such as local employment and community engagement), management of event calendar, and a failure to open South Park kiosks as required. E20 has been formally pursuing these matters in ongoing correspondence with LS185 on areas of non-compliance. This is beginning to drive results, and the list of issues is slowly narrowing. E20 has also put notice LS185 on notice of our potential remedies if the outstanding issues are not resolved satisfactorily. These remedies are damages, E20 step-in, or – ultimately – termination of the Operator Agreement.

12. UTILITIES

- 12.1. E20 has closed out utilities-related defects and has agreed with LS185 that handover of responsibility for utilities (including paying bills) will pass to LS185 on 1 October. Further steps are still necessary to get utilities into a good place. See process plan overleaf.

Stadium Utilities: Process Plan





Subject: London Living Wage

Meeting date: 26 September 2017

Agenda Item: 7

Report to: E20 Stadium LLP Board

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

1. SUMMARY

- 1.1. This paper considers the potential introduction of the London Living Wage at the stadium. It follows earlier consideration by the Board, and this paper represents an updated version of a previous draft already shared with LLDC and LBN. The paper is supported by E20's legal advice on this matter (Annex 1), and an LS185 Impact Assessment (Annex 2). The paper recommends that E20 should work towards the full introduction of LLW.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **APPROVE** the following approach:
- 2.2. **E20 should take immediate steps to implement payment of LLW to all permanent staff at the stadium.** The only permanent staff not currently paid LLW are 8 VINCI Facilities cleaners. E20 should take proportionate legal steps to seek to enforce VINCI Facilities payment of LLW to these staff. If that proves unsuccessful, E20 should fund the uplift itself (c£14,000 per annum).
- 2.3. **E20 and LS185 should *work towards* payment of LLW to all temporary staff at the stadium.** The cost to implement LLW to these staff is likely to be above or around £1m per annum to E20 (additional to existing losses). Successful implementation will take time, as the Living Wage Foundation itself advises. It has taken 3 years to fully implement at Chelsea FC, the only club currently paying all staff LLW. For E20, it will also require more stable operating arrangements as a first step. It would be counter-productive to introduce payment of LLW for temporary staff immediately, in the context of uncertainty over E20 ownership, **s.43** and in the absence of a stable operating cost baseline. To do so immediately would layer further complexity and potential for dispute on an already challenged situation, slowing progress on all fronts (including LLW). E20 will commence preliminary planning, ahead of a further review of LLW policy in May 2018. Subject to an E20 Board decision at that time, LLW could conceivably be fully implemented for the start of the 2018-19 football season.
- 2.4. In the meantime, E20 believes LS185 should have already done more, and be doing more, to fulfil their existing contractual obligations to pay LLW "where possible". E20 should take robust action, supported by legal advice, to enforce its rights under this clause.
- 2.5. E20 should work closely with Members to agree lines of communication on the decision.

Private and Confidential – Legally Privileged

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.¹ All permanent subcontracted stadium staff, with the exception of eight VINCI Facilities cleaners, are paid at least LLW.
- 3.4. E20's Operator Agreement with LS185 reflects the Mayor's policy on LLW. Under the employment and skills commitments, it states (emphasis added):
 - 3.4.1. "Payment of the London Living Wage is a Mayoral priority and LLDC requires the Operator and, where possible, the Subcontractors of the Operator to comply at all times with the London Living Wage and to remunerate each member of their respective workforces who is working for all or most of his or her time in London, by payment of the London Living Wage".
- 3.5. LS185 maintain that they are fulfilling this obligation. They rely upon the "where possible" wording in order to not pay LLW to many subcontractor and/or temporary staff.²
- 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. E20 has challenged VINCI Facilities on this point. They have refused to uplift these staff to LLW, unless E20 funds the cost (currently c£14,000 per annum). VINCI Facilities argue the contract clause – which E20 recognises is slightly ambiguous – does not require payment of LLW. They also argue that it was clear in their bid submission that LLW would not be paid (a point E20 has yet to be able to verify). E20 is continuing to pursue VINCI Facilities on this matter.
- 3.7. E20 does not believe that LS185 has adequately met its obligations to pay LLW "where possible". E20 has seen very limited evidence that LS185 has genuinely sought to pay LLW – for instance we are not aware of them having sought parallel LLW-compliant quotes from suppliers. It should be noted that, given the cost of implementing LLW for event day staff would largely flow back to E20 via reduced net commercial revenues, E20 has not robustly enforced this requirement to date. E20 has instead been pressuring LS185 to *minimise* event day costs.

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

¹ The Living Wage Foundation do not require apprentices to be paid LLW. Therefore E20 considers that LS185 are compliant in not paying this member of staff LLW. E20 accepts this approach.

² E20 understands a similar situation exists at other QEOP venues. For instance, not all staff at the Aquatics Centre or Copperbox are paid LLW.

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. 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 first draft of the impact assessment report was considered by the Board at its meeting on 22 August. E20 has provided feedback on a number of changes necessary. LS185 has now submitted a revised draft, as attached at annex 2. Whilst E20 still has some reservations over the quality of the impact assessment (LS185 have not adequately fulfilled *all* of E20's requests), it does now provide a reasonable basis for decision making. E20 accepts that it would be difficult for LS185 to progress very much further, or to a greater degree of precision, until an in principle decision is made on whether to pay LLW or not.
- 4.4. The Impact Assessment shows that LS185 have estimated that the gross cost of fully implementing LLW at the stadium is £1.137m per annum.³ This has come down from £1.775m in the first draft, as E20 identified that LS185 had been too generous in its earlier assumptions.⁴ LS185 assess that some costs would be absorbed by event owners (UKA and LBN), although the bulk of the cost (£978k) would flow to E20. This is the cost before mitigations; LS185 assess that the cost to E20 could reduce to £871k 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 £400k (though this looks unachievable in the short-term). These are approximate estimates; the actual cost of implementing LLW cannot be precisely known in advance. Indeed, it may never be known, as it will be difficult to isolate LLW-related costs from the effect of other operational changes.
- 4.5. The cost impact of paying LLW is largely felt by E20 for the following reasons:
 - 4.5.1. West Ham pay a fixed rent. If E20 pays LLW for West Ham event day staffing, it cannot contractually pass the cost on to West Ham. However, E20 could present a moral case to West Ham to contribute to the cost.
 - 4.5.2. E20/LS185 could seek to pass the additional cost of LLW for concerts and other events onto promoters. However, LS185 assess that this would make the stadium less competitive, given no other comparable venues pay LLW. This would be counterproductive, making it harder to secure events and constraining E20's most profitable income stream. Therefore, LS185's assumption is that E20 should absorb the additional cost itself. The exceptions are athletics events and community events, where the staging terms enable actual event staffing costs to be charged back to the event owners (in this case UKA and LBN).
 - 4.5.3. 95% of event day costs are currently passed through to E20; 5% remain with LS185. LS185 are not currently contractually required to pay LLW to temporary staff. Therefore, LS185 will not even

³ Based on the existing LLW rate of £9.75/hour. This will soon be increased.

⁴ LS185 had previously assumed knock-on pay increases far up the sub-contractor pay structures. LS185's baseline stewarding numbers were too high and not reflecting latest operational plans. Finally, LS185 had over-allowed for the number of West Ham matches.

Private and Confidential – Legally Privileged

accept a 5% share of the uplift, and would seek to recover this from E20.

5. PROCESS / CHALLENGES TO IMPLEMENT LLW

- 5.1. LS185 have yet to provide sufficient clarity on the steps that they would take to implement LLW. This remains a work in progress, and the development of a full implementation plan will require the expert input of the Living Wage Foundation. LS185 have – reasonably – requested an in principle decision on LLW before commencing detailed planning work with the Foundation.
- 5.2. E20's judgement is that the process could conceivably be along the following lines (cost recovery model):
 - 5.2.1. E20 Board accepts LS185's impact assessment and instructs a contract change to require payment of LLW to all stadium staff.
 - 5.2.2. E20 agrees the principles of LLW with LS185, including who bears the cost, how they bear that cost, and when they bear that cost. E20 and LS185 will also need to agree the baseline (i.e. pre-LLW) staffing numbers and pay rates.
 - 5.2.3. LS185 renegotiate contracts with suppliers, to require payment of LLW.⁵ This is not straightforward, as the supplier profit margin in the new circumstances will be arguable (E20 would not want the % margin to remain constant, as this would mean the suppliers would benefit as much as the staff themselves). The extent to which E20 bears the cost of uplifting staff already paid above LLW, to retain the integrity of payscales, would also be a key consideration. E20 would need to consider how to incentivise/require LS185 to negotiate a strong outcome, given LS185 would have very limited skin in the game. The renegotiation with Delaware North would be complex, as it would require the % revenue shares (and minimum guarantees) paid to LS185 for different events/activities to be reduced by an appropriate amount.
 - 5.2.4. E20 would need to consider and agree the terms LS185 has negotiated with suppliers.
 - 5.2.5. LS185 would likely require an upfront payment or commitment from E20, that being the estimated additional cost of implementing LLW for the year ahead.
 - 5.2.6. At the end of the year, a cost reconciliation exercise between E20 and LS185 would be necessary, to attempt to pinpoint the actual uplift cost of LLW. That would be challenging, as it would be difficult to isolate the impact of paying LLW from other impacts/changes. It would be increasingly difficult over time, as the baseline (pre-LLW) costs become more distant. This has the potential to cause ongoing dispute with LS185.
- 5.3. Alternatively, E20 could negotiate and agree a fixed additional annual payment to LS185 that then requires LS185 to pay LLW in all cases. LS185 would bear the risk/reward against the fixed amount. A variant on this could see a fixed payment to LS185 on a "per event" basis. However, this type of approach could create some

⁵ The existing contract with the main stewarding supplier – OCS – expires in January 2018, and therefore provides an opportunity to introduce LLW – even if only an option to be exercised later.

Private and Confidential – Legally Privileged

perverse incentives. LS185 are also likely to resist this approach as they are typically very risk averse. If E20 did want to fix its liability, it is likely that it would need to pay a very significant risk premium for this luxury.

- 5.4. Assuming E20 followed the cost recovery model detailed in para 5.2, this would be very challenging to successfully and cost-effectively implement at the present time. E20 has major reservations with the performance of the operator, and is considering alternative operating arrangements. E20 remains in dispute with LS185 on a number of matters. The operating costs of LS185 are not adequately reported, nor are those costs stable or reliable. LS185 is under-resourced and has inadequate expertise, particularly in its finance function. E20 is taking robust steps to address these issues, but it is taking time to resolve.
- 5.5. E20 considers that the present is the worst possible time to fully introduce LLW. It could have been a strict requirement in the Operator procurement through 2014, but it was not. Instead, the Mayoral policy on LLW (both then and still the case now) was enshrined in the Operator Agreement. E20 could soon find itself terminating the existing Operator Agreement, and moving to new operating arrangements. That would present an ideal opportunity to introduce LLW at the same time.
- 5.6. To introduce LLW now – *after* the Operator procurement, but *before* operating arrangements have stabilised – would be very challenging. The immediate introduction of LLW would layer further complexity and potential for dispute on an already challenged situation. This would slow progress on all fronts, and potentially damage E20's long-term ambition to pay LLW.
- 5.7. E20 instead advocates the following staged approach:
 - 5.7.1. Pay LLW to all permanent stadium staff now.
 - 5.7.2. E20 believes LS185 should have already done more, and be doing more, to fulfil their existing contractual obligations to pay LLW "where possible" to temporary staff. E20 should take robust action, supported by legal advice, to enforce its rights under this clause.
 - 5.7.3. E20 should focus on getting the operating arrangements of the stadium onto a more stable footing, whether that be changing the operator, or addressing deficiencies in LS185.
 - 5.7.4. E20 and LS185 should commence preliminary discussions with the Living Wage Foundation, in order to establish a potential implementation plan and timetable.
 - 5.7.5. New supplier contracts (e.g. the stewarding supplier contract, which is up for renewal in January 2018) should future-proof the ability to subsequently pay LLW.
 - 5.7.6. At the end of the football season (May 2018), E20 should again review the potential for fully implementing LLW. Subject to an E20 Board decision at that time, and the outcomes of the preliminary work alongside the Living Wage Foundation, LLW could conceivably be fully implemented for the start of the 2018-19 football season.

6. COMMUNICATIONS

- 6.1. E20 recognises that a decision to delay the full introduction of LLW at the stadium will be challenging.

Private and Confidential – Legally Privileged

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

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

- 6.3. E20 has also issued public statements in summer 2017 saying that:

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

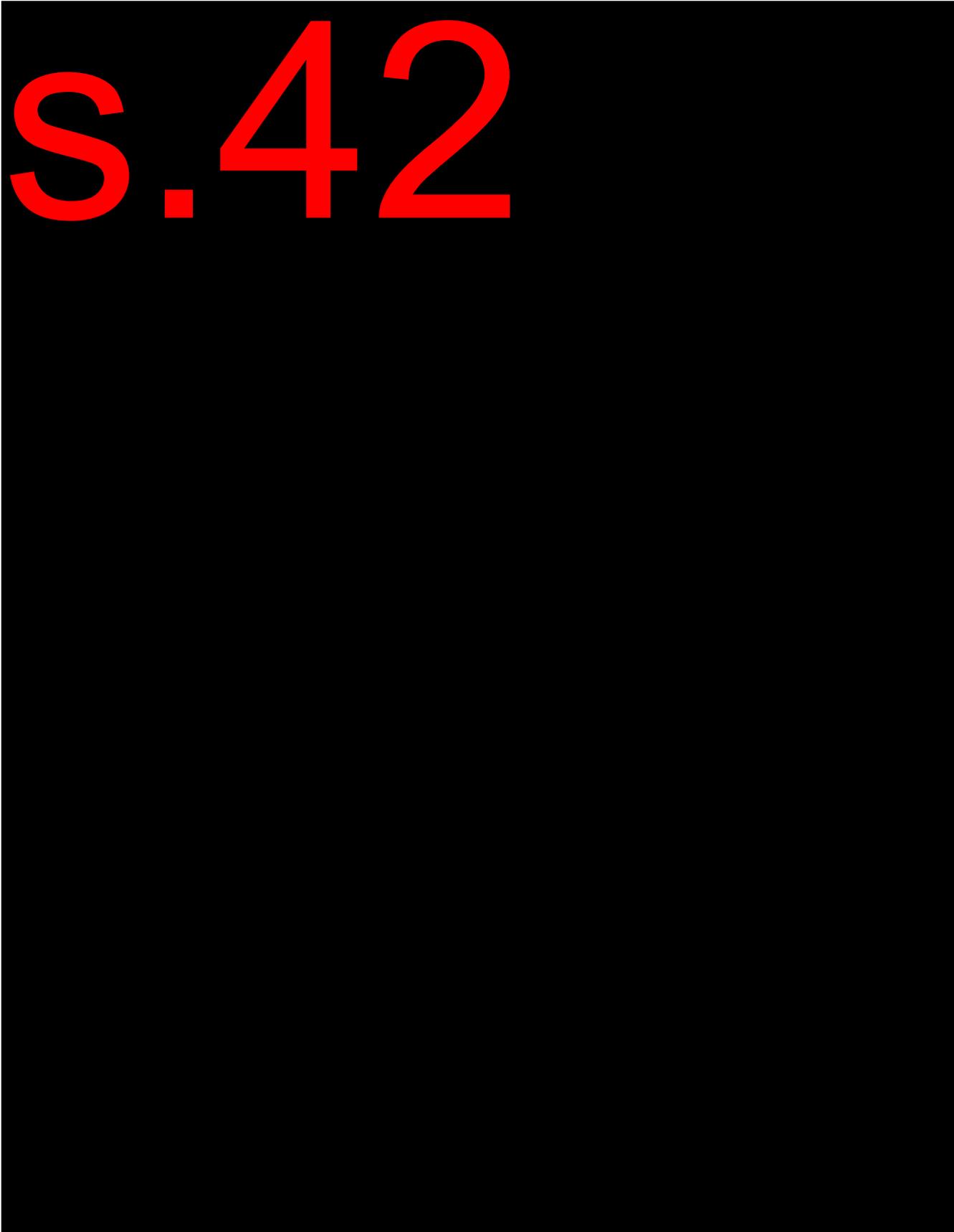
- 6.4. E20 will work very closely with LLDC, LBN and GLA to agree lines of communication on the decision.

7. ANNEXES

1. Legal advice from Gowlings to E20 on LLW, 5 July 2017
2. LS185 LLW Impact Assessment

ANNEX 1 – LEGAL ADVICE FROM GOWLINGS TO E20 ON LLW, 5 JULY 2017

S.42



S.42

s.42

CONFIDENTIAL

Annex 2 – LS185 London Living Wage Impact Assessment, 19 September 2017

Date of meeting: For the E20 Board meeting on 26 September 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, to ensure they are all paid a London Living Wage (LLW) is currently estimated to be £1,137,259 per year. This is currently based on our estimated number of event days and non-event days and does not include potential future opportunities to mitigate costs. Such mitigations could include reduced levels of staffing at some events; costs passed on to Event Organisers and revised Contracts. If the proposal to support the implementation of LLW is approved the next steps will include negotiations with all sub-contractors leading to the required contract changes.

BACKGROUND

As part of the Operator Agreement (Schedule Four), payment of the London Living Wage is a Mayoral priority and E20 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 are working for all or most of their time in London, by payment of the London Living Wage. E20 has asked LS185 to provide an assessment of the feasibility and impact of paying London Living Wage to **all** staff at the Stadium – including LS185 and all its subcontractors throughout the supply chain. This includes permanent, temporary and potentially apprentice staff. Currently all permanent members of LS185 staff are paid the LLW, save for the apprentice whose salary has been benchmarked against comparable roles. Positive steps have already been taken with Sub Contractors to increase their pay rates and this was evidenced during the events held in Summer 2017. However, all sub contractors have confirmed that given their accepted tenders and business cases they could not currently afford the uplift required to pay LLW for all their staff. In many cases this payment would mean higher rates of pay for staff working in the London Stadium than at most other London stadiums causing disparity of pay.

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 £10.93, as per guidance from the Living Wage Foundation (<https://www.livingwage.org.uk/>).

This paper and supporting spreadsheet shows the results from a full and more detailed impact assessment of this potential requirement and includes the information requested by E20 in the change request issued on 30th June 2017. It also takes into account various comments and clarifications received on the first draft analysis from Martin Gaunt of E20.

This Change Request required LS185 to provide the following information, namely:

- The forecast annual cost of fully implementing LLW (all staff, permanent or temporary, LS185 or sub-contractor), with breakdown by company and sub-contractor both cost and headcount, and delineating between permanent and temporary staff. LS185 should also breakdown by event and role, stating its assumptions, that is, number and scale of events. It should draw any necessary distinction between the impact on either net commercial revenues or fixed costs. It should also include the complete cost of implementation, including any cost of altering contracts. The main finding of the impact assessment should therefore be the forecast financial impact for E20 of enacting this change to both the fixed cost and net commercial revenues and;
- The impact assessment should take account of any ways to mitigate the increases; for example, reductions in staff numbers that can be achieved by paying higher wages to more qualified staff enabling reduction in overall headcount. It should also set out the proposed process and timeline for fully implementing LLW, including a clear description of the practical and contractual steps that need to be taken. LS185 should also set out the measures it has already taken to fulfil its existing commitments around London Living Wage, as per clause 1.9, Schedule Four, of the Operator Agreement.

BENEFITS

We believe that paying LLW would be beneficial in helping us improve the retention of staff. We also anticipate it will enable us to see a greater consistency of high calibre staff working at The London Stadium particularly when there are clashes of events at other London venues. In the majority of cases we anticipate by paying the existing staff more money this 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 what we understand to be the one other London based Premier League club, ie: Chelsea Football Club) and increased staff morale. We, and our sub-contractors, are not aware of any other major London venues paying LLW to all staff. Of course, there may be venues that we are not aware of, but we have looked at this on a comparable basis at other London football clubs and venues including Wembley, Twickenham, the O2 and London open spaces (e.g. Hyde Park).

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 bids submitted would be impacted by implementation of any increase to pay. In particular, Delaware North, our Catering Partner, need to have parity across their catering estate which covers other London based venues including Wembley and Arsenal.

Competition between stadiums and venues across the London market is fierce and we anticipate that the decision to pay LLW at London Stadium will potentially affect our strategy to reduce the operating costs for events. If these increased cost were to be passed on to event Promoters the consequence of this could potentially damage our positioning in the market place, specifically we may become less attractive as a venue to host events.

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 and, in particular, whether a Contract Change to implement LLW will be effected

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 at Annex A. This includes data from all sub-contractors and their sub-contractors, and has been broken down per event. 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 £978,356 before any mitigations come into effect.

Over time, this figure could, with maximum mitigations, reduce to £400,209 based on the current LLW. However, our current estimate with expected mitigations would reduce the figure to £871,179.

	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
Comparison of TOTAL IMPACT to E20 estimates					
Permanent(annual cost)					
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 mitigationMi					
Net cost with maximum mitigation	559,111	800,798	400,209	712,176	
Best estimate of LLW effects net of mitigation	1,030,081	800,798	871,179	712,176	

S.43

Current numbers of staff for football/rugby:

Service	Current number of staff	Proposed number of staff (expected mitigation)	Proposed number of staff (maximum mitigation)
Catering	819	No change	No change
Cleaning	134	No change	No change
Stewarding	1069	905	857

This does not differentiate between those on rates below LLW with those who above as this information has not been provided.

However, we have calculated that of the £1,127k gross cost increase, about £940k related to staff on below LLW (approx. 83%). Further analysis as to what proportion is going to suppliers has not been provided by each supplier.

As a reminder, in addition to the base £9.75 hourly rate there is 12.07% holiday pay, employers national insurance, employer pensions, training levy etc. Looking at OCS as an example, of the £1.50 increase in hourly rate just 12p is additional overhead and profit – as is still subject to negotiation.

ASSUMPTIONS:

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

1. A base number of 22 competitive home matches per year. This includes 19 premier league 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 23 home matches plus any cup or playoff games.
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 based on current assumptions
8. Three Premier League 2 matches as per the Operator agreement have not been included.

INFORMATION TO SUPPORT THE ASSUMPTIONS

EVENTS

We have begun by looking at each category of event recognising that staffing levels and deployment will vary dependent on type, size and timings of the event.

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.

The impact of LLW for Athletics would be passed through to UKA as pure cost recovery as per the contract.

Concerts

S.43

Rugby

In the event of a lower capacity game reduced staff deployment may apply, 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 to a CAT A Football match would apply.

If the impact on LLW for Rugby is passed through to E20 as 100% of cost as a loss to the net commercial revenues this would retain our market positioning and would be our clear preference.

Community Event

We have assumed that the impact of LLW on Community Events as cost recovery. We have worked very closely to reduce operational costs and anticipate some Community Event organisers will balk at the additional charges.

STAFFING

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 Groundsman Team structure to account for this, as shown in the table below. This has been proposed by our Head Groundsman in conjunction with best practice from the Institute of Groundsmanship and our Senior Management Team who have an overview on business decisions.

Position	Current	Proposed	Difference
Apprentice	£7.50 p/h = £15,600	£9.75 p/h = £20,280	£4,680
Groundsman	£22,000	£25,000	£3,000

Skilled Groundsman	£26,000	£28,500	£2,500
Deputy Head Groundsman	£36,000	No change	N/A
Head Groundsman	£45,000	No change	N/A
			TOTAL £10,180

We have recently recruited for a Groundsman and Skilled Groundsman on the current rates and increasing the pay 10-12% so soon could have got us different quality candidates. 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 National Minimum Wage.

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 other regular subcontractors in our analysis. The contract with OCS expires on 30th January 2018 and will be re-tendered so rates may change beyond those assumed. Please note that the current charge rates include holiday pay and have been submitted by each sub-contractor directly with the exception of one supplier who will submit the details for the 17 staff they provide. We recommend that a more detailed discussion is held with our core suppliers to revise their charge rates if a final decision is reached as whilst the majority will only increase the lower three positions we need to better understand reasoning to ensure E20 are not paying for providers increased profits.

We have currently made the following assumptions for each event type.

Football Stewarding

The current pay rate for a steward is £8.70 plus holiday pay (totalling £9.75), so an increase is needed to make this compliant with LLW (£9.75 + holiday pay, totalling £10.93). 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, from 1069 to 905 then 857, safely and securely. We have shown this reduction of 212 staff 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 received 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 Stewarding

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

Rugby Stewarding

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 Stewarding

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

S.43

s.43

Cleaning

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

LS185 would need to follow through the contractual changes with the legal team as well as using staff time to project manage and audit the process, so a £10,000 amount has been proposed to cover this work.

OTHER INFORMATION

It would be useful if other comparable venues can be encouraged to pay all staff LLW too using the Mayor of London's influence. E20 could assist by putting pressure on other clients and local Boroughs and to raise publicity through connections to show this in a positive light.

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 40p-50p per hour. Allowing for employer on costs (NIC, holiday pay, etc) the additional cost could easily be in a range of £200,000- £250,000. 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. We envisage this will be via a reconciliation process agreed with E20.

• **s.43**

- **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. In order to remain competitive we would expect these costs to be passed on to E20.

Subject to the final decision of the E20 Board, a Change Authorisation Note will then be issued, enacting the change.

LS185 legal teams will need to change clause 1.9 of Schedule Four of the Operator Agreement to remove the “where possible” phrase, and this will need to be reflected in the contracts of our sub-contractors who have back to back contracts.

Further discussions need to take place with each sub-contractor once approval is made to ensure practical steps can be made. Whilst the actual payment of the staff is relatively straightforward through programming payroll platforms, there will need to be a bedding in period whilst the change is made.

A contract change is needed to implement LLW which all sub-contractors believe with goodwill is achievable.

TIMELINE

It is evident that engagement with the Living Wage Foundation is essential to progress this matter further.

We have been advised that a phased approach of implementation can be agreed with the Living Wage Foundation with a commitment to be fully compliant by an agreed date. This timeline takes into account discussions with Chelsea FC who, working with the Living Wage Foundation, had a three year plan to fully implement LLW.

LS185 would suggest that a meeting is arranged with the Living Wage Foundation to use their expert advice to guide us through the process if approval is forthcoming.

ANNEX A

Summary:

TOTAL IMPACT	LS185	VF	DN	OCS	Expedient	Daily event cost	no of event days	Annual cost	Impact to Fixed cost	Impact to Net Commercial Revenues	Impact E20 est	Impact customers	Impact LS185 est	Assumptions
Permanent(annual cost)														
Event day costs per day														
Football - A														
C & B (annual est)														
Concerts														
Athletics														
Rugby														
GNLR-Community event														
Cost of implementation														
Gross costs premitigation														
Projected Mitigations														
Projected costs Total														
Gross costs as above														
Max Potential Mitigations(inc r														
Total with max mitigation														
Effect on commercial revenue s														
Comparison of TOTAL IMPACT to E20 estimates														
Permanent(annual cost)														
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 mitigationMitiga														
Net cost with maximum mitigation	559,111	800,798	400,209	712,176										
Best estimate of LLW effects net of mitigation	1,030,081	800,798	871,179	712,176										

S.43

Summary of impact to permanent staff

Company	Position	Number of positions	Current rate	Proposed rate	Current (pay) rate	Proposed (pay) rate	Number of hours	Current Total	Proposed Total	Difference	Information
LS185	Apprentice Groundsman										
LS185	Groundsman										
LS185	Skilled Groundsman										
LS185	Deputy Head Groundsman										
LS185	Head Groundsman										
LS185	overheads estimate(NI, pensions, etc)										
VF	Cleaner(part time)										
VF	Cleaner(full time)										
VF	Supervisor										
VF	Overheads										
DN											
OCS	Security Guard										
Expedient											
	Total										
Summary											
LS185										£0.00	
VF										£16,317.27	
DN										£0.00	
OCS										£0.00	
Expedient										£0.00	
										£16,317.27	



9.68

Impact of LLW on football events:

Category	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Current (levy) rate	Proposed (levy) rate	Number of hours	Current Total	Proposed Total	Difference	Information
<h1>S.43</h1>											

<h1>S.43</h1>											
---------------	--	--	--	--	--	--	--	--	--	--	--

Impact of LLW on C&B

Company	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Current (pay) rate	Proposed (pay) rate	Number of hours	Current Total	Proposed Total	Difference	Information
S.43											

Impact of LLW on concerts

Company	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Current (pay) rate	Proposed (pay) rate	Number of hours	Current Total	Proposed Total	Difference	Information
S.43											

S.43

Impact of LLW on athletics

Company	Position	Number of positions	Current (share) rate	Proposed (share) rate	Current (share) rate	Proposed (share) rate	Number of hours	Current Total	Proposed Total	Difference	Information
---------	----------	---------------------	----------------------	-----------------------	----------------------	-----------------------	-----------------	---------------	----------------	------------	-------------

S.43

S.43

Impact of LLW on Rugby events

Current (charact.)	Proposed (charact.)	Current (load)	Proposed (load)	Number of	Current Total	Proposed Total	Difference	Information
S.43								

S.43

Impact of LLW on community events

Company	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Current (pay) rate	Proposed (pay) rate	Number of hours	Current Total	Proposed Total	Difference	Information
---------	----------	---------------------	-----------------------	------------------------	--------------------	---------------------	-----------------	---------------	----------------	------------	-------------



Expected mitigations

Company	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Number of hours	Current (pay) rate	Proposed (pay) rate	Current Total	Proposed Total	Difference	Information
S.43											

S.43

S.43

Optimum mitigations

Company	Position	Number of positions	Current (charge) rate	Proposed (charge) rate	Current (nav) rate	Proposed (pay) rate	Number of hours	Current Total	Proposed Total	Difference	Information
<h1>S.43</h1>											

S.40

S.40

Item: 8
Subject: Event Bookings
Meeting date: 26 September 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 minimum 65,000 concert capacity and athletics venue in 2018.
- 1.2. Key points are:
 - 1.2.1. LS185 have progressed negotiations with concert promoters. Based on current information it is reasonable to assume 7 concerts will be staged at the stadium next year. LS185 are close to signing at least one major act for 2 nights, and further 3 artists for a minimum of 5 concerts.
 - 1.2.2. UKA are actively seeking to move the date of the Diamond League away from the 28/29 July 2018.

2. RECOMMENDATION

- 2.1. **NOTE** the update.

3. CONCERTS

- 3.1. LS185 have reported that they are about to contract with one major artist for 2 nights in June 2018 at a capacity of close to 75,000 each night. They also have very advanced interest on 5 other concert nights over 3 weekends.
- 3.2. No concert booking is secured until the booking and contract signed, so the worst case scenario remains that LS185 have yet to secure an event. However, the most likely outcome is 7 concerts next year, with the possibility of securing 10 nights still live.

s.43

- 3.3. LS185 are not progressing concert bookings have been taken for 2019, as their commercial preference is that the stadium will host the ICC Cricket World Cup and baseball. If these events fall away the venue will host concerts and athletics.

4. ATHLETICS SEATING CAPACITY AND EVENT DATES

- 4.1. We have had three meetings, at Chair / CEO level, at which the following points have been made clear:
 - 4.1.1. The challenging economics of the stadium, as reflected in the announcement of the Mayor's review. They have been introduced to Alan Fort and his role in restructuring the business, and all that that implies, is clear;
 - 4.1.2. That hosting athletics is uneconomic due to the cost of seat moves, and the fact that the stadium receives almost no income at all, as the income accrues to UKA;

4.1.3. That, in the light of the stadium review, there is uncertainty about the future of athletics in the stadium. All contracts are being looked **s.43**

If athletics does have a future in the stadium, it will need to be on different contractual and economic terms to the current arrangement.

4.2. UKA have accepted a revised seating configuration for 2018 that minimises the seats that substantially reduces the volume of seating blocks that need to be moved.

4.3. The time required to move the seats to comply with WHU commitments mean that the stadium cannot agree the proposed Diamond League athletics events date of the on the 28/29 July 2018. UKA are seeking to move the date to the 20/21 July 2018 or earlier. Whether the date can be moved will be resolved this month.

4.4. **s.43**

4.5. UKA have stressed the crucial importance of hosting athletics in the London Stadium to the future of the sport in this country; they don't see any other venue as offering the benefits the stadium provides.

4.6. We have discussed the challenges around the 2018 and 2019 events specifically, as set out below

4.7. UKA have been promoting proposals to bid to host:

4.7.1. The 2019 IPC Championships

4.7.2. The 2022 Commonwealth Games

4.7.3. The 2022 European Championships

4.8. The GLA have not been supportive of underwriting any of these events, and a meeting is taking place with UKA and related parties on the 21st September to set this out.

4.9. LS185 are placing WHU on notice of these events. This is a precautionary measure to minimise the opportunity for WHU to challenge the process. LS185 are also placing WHU on notice of plans to be a 2021 Rugby League World Cup venue.

5. 2019 ICC CRICKET WORLD CUP

5.1. The ICC Cricket World Cup is in advanced commercial negotiations for 3 games in June 2019 at the stadium.

5.2. This is a designated major sporting event in the UKA and West Ham agreements. Both have been notified of the major event. There is not direct impact on WHU as the events are outside the football season and the pitch would be returned to football by the 1 August 2019. While not completely rules out, hosting athletics and the ICC Cricket World Cup would be unlikely to offer financially attractive solution for the stadium. Nor would it be logistically possible.

6. MAJOR LEAGUE BASEBALL in 2019

7. The pitch and seating configuration for Major League Baseball is similar to that required for cricket, making it logistically possible to host both in 2019.

8. MLB have confirmed that it is technically possible to hold baseball in the venue. Commercial negotiations are ongoing. E20 have been clear that the event must be commercially attractive if it is to be agreed.

9. No commitment to MLB past 2019 can be made until the stadium long term future is determined.

10. SEAT MOVE COSTS

10.1. The 2018 seat move cost of £3.9m estimate remains the current forecast. Following completion of the 2017 seat move a full review of the forecast 2018 costs is underway to scrutinise and reduced the sum.

11. FINANCIAL POSITION

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

2018

	At time of Board Decision (June 2017)	Current Contracted	Expected
Concerts	s.43		
Athletics			
Seat Moves (North, South and part of west, 7 rows on East)	(£3.9m)	(£3.9m)	(£3.9m)
Net Income	s.43		

2019

	Reported at time of Board Decision (June 2017)	Current Contracted	Current Expected
Cricket	s.43		
Baseball			
Concerts			
Athletics			
Seat Moves (West Stand and front 7 rows on others)	(£3m)	(£3m)	(£2.5m)
LS185 Compensation	(£0.3m)	(£0)	(£0)
Net Income	(£1.6m)	(£4.4m)	£0.1m-£1.5m

Item: 9
Date: 26 September 2017
Subject: Seating Update
Report to: E20 Board
Report of: Alan Skewis, s.40, s.40

1. SUMMARY

- 1.1. This report briefs on the 2017 seat moves and the next stages of the seating review.
- 1.2. At the time of issuing this report, the final reconciliation of the 2017 seat move costs is not finalised. Therefore, this paper is not the full report the Board requested on the 2017 seat moves and a fuller report will be issued for the October 2017 board, including final figures (+/-5%).
- 1.3. The report also proposes that the radical seating review is taken forward by commissioning a concept design for the North Stand or an element of it.

2. RECOMMENDATIONS

- 2.1. The Board is asked to:
 - 2.1.1. **NOTE** that T3 was completed one day earlier than programmed on the 6th September 2017.
 - 2.1.2. **NOTE** continued work to improve the efficiency of the current seating system.
 - 2.1.3. **APPROVE** work on a concept design study into steel frame and demountable seating solutions for the North Stand. Final approval to be delegated to the appropriate E20 Member Directors, once detailed costs are known, up to a maximum limit of £200,000. If funds remain available they could be drawn from the 2017 seating budget

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 September 2017. It is expected that the total out turn figure will be just below £11.8m.
- 3.3. The majority of risks have now been eradicated. One of the four remaining major risks reported to the Board last month remains - WHU seeking damages for the non-delivery of the seats by the date of 25 August that is included in the Concession Agreement. To date, no legal action has been taken by WHU.
- 3.4. The cost saving opportunity of not working over the 3 weekend / Bank Holiday days, was realised without any programme slippage.
- 3.5. £828k of the £1m contingency has been allocated, as set out in Appendix 2. There may be further calls on these funds (e.g. increased compound costs from January to March 2018). If available, the Board may be minded to use the balance to part fund the concept design detailed at 2.1.3.

4. TRANSITION 3 (Athletics to Pitch)

- 4.1. Transition 3 went well, with:
 - 4.1.1. No Health & Safety issues reported;
 - 4.1.2. The movement of the East Stand not encountering the significant problems it has in the past. It remains an expensive and time consuming stand to move however;
 - 4.1.3. Minor delays experienced in the 'soft start' period of the programme as a result of London 2017 not bumping out to the agreed programme; and
- 4.2. All spare seating components, have now been relocated into Compound 'A' (Pudding Mill Lane) thereby facilitating the handback of Compound 'C' to LLDC on Fri 15th September 2017.

5. LEARNING FROM 2017 SEAT MOVES

- 5.1. Lessons learnt sessions have been undertaken following each Transition to capture improvements. Following T3 and the project as a whole, the main learnings can be summarised as follows:
 - 5.1.1. Although E20 have acted as Client to date, there are clear benefits in LS185 undertaking this role going forward. As stadium operators, they manage the day to day operation of the site and the plethora of non-seat related stadium activities that are performed in parallel with the seat moves eg. track and pitch works. Given that the seats have yet to move within 7 days, as required by the Operator Agreement, for 2018 it is proposed that E20 seek to secure agreement for LS185 and Mace to jointly manage the project with delegated financial authority up to a certain threshold. Regular, probably fortnightly, financial reports would need to be issued to E20, who retain the right to 'step in' if appropriate.
 - 5.1.2. There is greater clarity if PHD manages all seat maintenance within the stadium bowl instead of just the Lower Tier. This would facilitate more accurate stock control of spares.
 - 5.1.3. PHD should lay and remove the track and pitch protection. This year a separate contractor undertook this which led to delayed handovers and complication of responsibility.
 - 5.1.4. Various logistical improvements (e.g. changes to reduce number of bolts, more critical spares on site)

6. CAPITAL IMPROVEMENTS

- 6.1. Work continues on the capital improvements agreed by Board in June 2016. One improvement, the Layher super gangways, was installed for 2016 events at a cost of £271k. This was drawn from the contingency fund.
- 6.2. Our seating contractor, PHD, continue to design the capital improvements and define the benefits each improvement will deliver. The results of this study will be reported back to Board in October 2017.

7. STADIUM SPACE REVIEW

- 7.1. The storage of seats this summer required an area of over 18,000 sqm and cost E20 £216k to December 2017. This is a payment to LLDC for the storage compound at Pudding Mill Lane.
- 7.2. This is not sustainable as:

- 7.2.1. Space of that scale in the QEOP will not be available from the end of 2018. LLDC will be developing the space in line with the QEOP masterplan and the E20 Board must assume that no LLDC development land parcels will be available post 2018.
- 7.2.2. Costs in excess of £200,000 are not affordable
- 7.3. To address this:
 - 7.3.1. Far fewer seats are being moved in future years. The 2018 seat moves requires c.9,500 sqm of storage space.
 - 7.3.2. A space study is being undertaken on the stadium island to identify locations where seating components could be stored. Some significant opportunities have been identified, including the potential to store seats and bridges underneath the East Stand when it is in its forward location. There is c.715sqm of space in this area that could, for example, hold close to 50% of the front 7 rows.
 - 7.3.3. An important criterion in all review work is the ability to make components more easily storable or transportable. For example:
 - 7.3.3.a. The front 7 rows require 1,600 sqm of storage space in their current format. A demountable 7 row solution would require less than 400 sqm.
 - 7.3.3.b. Systems that allow the bridges and walkways to be stored in situ rather than off site are being given a high weighting in all reviews.

8. NEXT STEPS ON SEATING REVIEW

- 8.1. Having completed the 2017 seat transitions and the Pell Frischmann / Core Five feasibility review, E20 needs to take forward the conclusions to the next stage.
- 8.2. This section proposes developing a concept design in the next 4 months, and then implementing a revised system for the North Stand in 2018. This would act as a prototype for the other stands, and could be rolled out to other stands if successful and business cases were able to be made.

Current System

- 8.3. PHD continues to improve the existing seating system. For an out-and-back transition it is expected that incremental and small capital improvements would secure:
 - 8.3.1. Transition Time: 7 working days per move (2 stands) – 18 working days per move (4 stands)
 - 8.3.2. Annual Transition cost per stand:
 - £1m North and South
 - £2.5m West
 - £4m+ East Stand
 - Up to £1m for front 7 rows removal and reinstall. The emergence of the importance of ability to move the front 7 rows has been a key strategic learning in the last 12 months. Moving 7 rows is vital to all stadium configurations, but the current system is costly to move and space hungry to store. Securing a solution to this is of utmost importance.
- 8.4. This is clearly not in line with current contracts and costs which E20 can sustain. Relying on moving stands using the current system is not a viable option in the long term.

Options Emerging from Pell Frischmann Work

8.5. The seating review work points to pursuing 3 options.

Option One: Combination of Steel Frames with Demountable Sections

8.6. This option is a toolkit of structural steel frames combined with an off-the-shelf demountable system. This toolkit could be applied to achieve all the stand configurations E20 could reasonably require. It would incorporate 'lifting points' within the stands to allow them to be moved using wheels on rails, smart wheels, air skates, or by crane. This makes the solution more robust when lifting and cheaper to operate.

8.7. For an out-and-back transition (subject to detailed design):

8.7.1. Potential transition time: 3+ days per stand, not materially increasing if moving 2,3 or 4 stands

8.7.2. Potential transition cost: £100k-£200k per stand

8.7.3. Potential Cap Ex: £15m (North or South) to £25m (East) per stand

8.8. Anticipated benefits include:

8.8.1. Delivers a transition time in line with current E20 contracts

8.8.2. Delivers an annual costs of under £1m to move all 4 stands (assuming capital cost is written off)

8.8.3. More robust structure - longer life span that assists a positive return on capital

8.8.4. If storage space is constrained, the components can be broken down and transported in and out of the stadium by road, and therefore stored further from site

8.8.5. Creates space that could be used for storage within the stadium.

Option Two: Rectangular Steel Framed Stands in the Lower Tier

8.9. The report concludes that we can fit four rectangular steel framed stands in front of the existing permanent seating.

8.10. This would radically change the approach. Rather than move seats forward and back, a full temporary stand would be lifted in front of the permanent concrete seating. This stand would then be removed at the end of May each year, and then reinstalled at the end of July.

8.11. An initial review indicates this could deliver:

8.11.1. Higher seating capacity

8.11.2. Seats closer to the pitch without impacting sightlines

8.11.3. For an out-and-back transition a potential transition time of 3+ days.

8.11.4. Potential transition cost: £100k-£200k per stand

8.11.5. Potential CapEx: £15m (North or South) to £25m (East) per stand

8.12. The anticipated benefits from Option One all apply to Option Two, plus:

8.12.1. Requires only two months of storage per year, and could potentially be used during the summer to generate hiring revenue for temporary venues e.g. Hyde Park music festivals.

- 8.12.2. Improves WHUFC seating capacity, creating an opportunity to leverage a new rental deal with seating closer to the pitch than currently experienced.
- 8.12.3. Gives an improved concert seating configuration which meets our obligations to UKA, albeit in a different configuration to that detailed in the UKA Access Agreement.

Option Three: Fully Demountable Stand

- 8.13. This option is similar to Option 2 except that instead of steel frames, the stands are constructed using a scaffolding system e.g. Layher. This has a lower initial capital cost (c.£1.5m), although once lifecycle costs are taken into account the whole life costs could be broadly comparable to the steel frames. The next stage of work will test this comparison.
- 8.14. Annual transition cost and transition times are comparable to the Options 1 and 2.
- 8.15. The main difference is that despite the seating being less robust, the stand is completely deconstructed so no lifting is required.
- 8.16. The anticipated benefits are virtually identical to Option 2, with the main differences being:
 - 8.16.1. a scaffold system can be easily 'flat packed'. This opens up the possibility of on site storage and eliminating almost all transport costs.
 - 8.16.2. football stand components can become concert overlay e.g. super gangways. In addition, the potential to hire surplus components to other venues during the concert and athletics window still exists.
- 8.17. Conversely, scaffolding looks and feels more temporary, so this option would require more concealment.

Conclusions from Work to Date

- 8.18. The positive news is:
 - 8.18.1. Gains have been made on the efficiency of the current system
 - 8.18.2. Solutions have been found to limit seats moves in the coming 2 years while we address the problem of seat moves and costs
 - 8.18.3. There are solutions to the prohibitive cost and transition time associated with the current seating system
 - 8.18.4. All solutions involve significant capital expenditure, albeit that they do have a realistic prospect of generating a positive return on capital
- 8.19. The challenges are:
 - 8.19.1. Improvements to the current system will never make a positive business case to stage events. The most efficient option is to minimise seat moves.
 - 8.19.2. Further work is needed to secure confidence that the Options will work, particularly in terms of accessibility.

Proposed Way Forward

- 8.20. The report supports taking the three options into concept design stage.

Breadth of Concept Design Work

- 8.21. A concept design could be developed for all 4 stands. However, this incurs significant costs and is, at this stage, unnecessary. The solution (and therefore the concept design solution) will be similar for all 4 stands, and is near identical for the south stand.

- 8.22. However, the priorities for implementing solutions do vary by stand. The highest priority is replacing the North Stand, moving it closer to the pitch and increase home team spectator capacity in football mode.
- 8.23. To minimise cost, but progress the work, it is recommended that only a North Stand concept design is developed. It will be used to compare the merits of Options 1-3 as well the current system.

Team

8.24. The Concept Design Team would comprise:

- 8.24.1. Pell Frischmann (Structural Engineers)
- 8.24.2. Core Five (Cost Consultants)
- 8.24.3. KSS (Seating Consultants)
- 8.24.4. Populous / HOK (Stadium Architects - call-off advice only)
- 8.24.5. PHD / ESG (Event Contractor - call-off advice only)
- 8.24.6. Mace (advise on implementation)

Timeline

8.25. The Concept Design would be complete by January 2018. This would:

- 8.25.1. Provide sufficient information to make a decision on whether to use frames or a demountable system to either replace, or to sit in front of, the existing North stand.
- 8.25.2. Resolve the bridges and walkways challenge
- 8.25.3. Provide capital cost; transition times and annual costs; technical feasibility; seating capacity improvements and related logistical matters.

8.26. Information to be put to the Board in January 2018, with a business case identifying whether to proceed to the 'Full Design and Implementation' phase for the North Stand.

8.27. If the business case justified progressing, a detailed design would take place from January 2018 with a view to achieving installation in 2018.

8.28. Installation of a new North Stand in July 2018 would allow a real life testing of the system. This would inform whether it delivers the targeted improvements, and if the system should be considered for other stands.

Concept Design Costs

8.29. The costs to deliver the concept design are still being finalised. If E20 Members are content to proceed, the funding could (as suggested at para 3.5) be drawn from the remaining £200,000 in the 2017 seating contingency funding.

8.30. Members would be given the opportunity to review progress each month at Board, with an ability to cease work if they were not satisfied with progress. A headline programme is set out below.

E20 Board Date	Milestone Reached	Maximum Cumulative Expenditure
October 24 th 2017	<ul style="list-style-type: none"> • Fees and scope agreed • Initial workshops held 	£50,000

November 28 th 2017	<ul style="list-style-type: none"> Draft findings on concept design, seating capacity opportunities, balance of steel frame and demountable systems. 	£100,000
December 2017 (No Board Date set)	<ul style="list-style-type: none"> Draft report 	£150,000
Week 22 nd January 2018	<ul style="list-style-type: none"> Decision on whether to proceed with Concept Design into detailed design and Production 	£200,000

Links to Other Seating Improvement Work

8.31. The concept design work will be the focus for the working the coming 3-4 months. In parallel work will continue on:

8.31.1. A solution for the front 7 rows. Proposals for a trial of a cheaper, more flexible and less space hungry solution could be made in January 2018

8.31.2. Capital improvements agreed by Board in June 2017 to support the 2018 seating configuration

8.31.3. Incremental improvements to the current system, as they will be implemented on at least the West and south stands in 2018.

8.32. In all cases a business case will have to be made for the improvements proposed. Attention will be given to whether the implementation of these improvements would be as valuable if the concept design is applied.

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	Sept 26 Board before Opportunities	Best Case Outcome if Achieve Opportunities and No Risks Arise	Update
Contractor Payment									
Contractor Bonuses									
Project Management									
Compound, Maintenance of Airskate System									
s.43									
Purchase of Layher System for N&S Stands									
Airskates incremental improvement									
Air Cushion Spares									
Planned Maintenance over 12 months									
Contractor Overspend Allowance									
Contingency Used									
Contingency Unallocated									
TOTAL COST									
GLA Contribution									
TOTAL E20 Budget									
Additional Risks:									
s.43									
Rest of QRA									
TOTAL(exc. GLA Contribution)									

S.43

APPENDIX 2: 2017 SEATING BUDGET - CONTINGENCY SPEND

Description	Value
Temporary Office Accomodation	18,355.00
Project Office Fit-Out	16,645.10
Transition Period Welfare	34,639.75
Vinyl Procurement	17,250.00
Armour Deck Procurement	113,947.00
CSM Live Procurement	21,157.70
Marquee Sign Storage	529.00
Upper Tier Lateral Barriers	33,458.00
Installation of hoarding in South Plaza	2,488.24
Seat Refurbishment and Rail and Stanchion Procurement	34,148.71
Super Gangways & Staircases Materials Purchase	275,953.29
Sliding Back Plates	21,952.70
Jacks	35,560.30
Row 25 Missing Decks & Saddles	2,263.20
GRP Covers for Broadcast Trench	3,468.23
Dismantling of the North & South Stand Sapa Bridges	25,840.04
Project Office Hire Extension	5,000.00
Feasibility Study	35,000.00
Atkins Inspections	18,215.00
Sapa components	13,251.48
Momentum	6,441.66
Mace Task order Extension	63,884.00
Hinges Replacement (LLDC Contribution)	- 5,949.40
Atkins/OPS Scaffold Survey	3,427.25
Aerofilm attendance on T1	31,525.00
	828,451.25



Subject: E20 Director Update
Date: 26 September 2017
Report of: Alan Skewis, Director of E20 Stadium LLP
Item: 10

1. PURPOSE OF REPORT

- 1.1. This report provides an update on a number of points not covered elsewhere on the agenda. Key points are:
- 1.1.1. The first WHU games have been staged in football mode.
 - 1.1.2. LS185 and Westfield have failed to agree an event management plan to allow the Northern Ticket Hall scheme to operate for the 1st game of the season on the 11th September.

2. RECOMMENDATIONS

- 2.1. **NOTE** the report

3. FOOTBALL MATCHES

- 3.1. At the time of sending this report 2 of 4 games in September 2017 have been staged:

			Police Category	Attendance	Points
Huddersfield	Monday 11th September 8pm	A	46,234	<ul style="list-style-type: none">• Bridge security operation a success	
Bolton	Tuesday 19th September 7.45pm	A	30,000	<ul style="list-style-type: none">• Cup game• Over 5,000 community tickets for Newham residents	
Spurs	Saturday 23rd September 3pm	C		<ul style="list-style-type: none">• Expected to be Highest category game of Premier League season	
Swansea	Saturday 30 th September 3pm	A		<ul style="list-style-type: none">• Final trial game for bridge security before decision if permanent	

- 3.2. The PAVA system issues experienced through the London 2017 events have been addressed, with the systems working effectively during the first 2 games.
- 3.3. E20 have agreed a licence for revised arrangements for the Northern Ticket Hall that simplify arrangements and reduce cost for E20, LS185 and Westfield. LS185 and Westfield have yet to agree the event management plan, which means the revised arrangements are not in place for the game on the games in to date.
- 3.4. A revised searching regime on the stadium bridges has been successful. This is primarily an anti-terrorism measure, but is expected to result in cost savings on event

Private and Confidential – Legally Privileged

days. A spend to save request may come forward for bridge security points if the initial 4 game trial proves successful.

4. COMMUNITY TRACK

- 4.1. The Community track opens on the 23rd September.
- 4.2. A formal launch of the facility is planned for mid-October, involving the London Marathon Trust who funded that majority of the facility capital build.
- 4.3. The Newham and Essex Beagles are due to move in, alongside a number of confirmed football bookings. These include the WHU Female senior team and female Academy use.

5. NAMING RIGHTS

- 5.1. Naming rights are not being proactively sold at present. s.43

- 5.2. s.43

6. USE OF EXECUTIVE BOX

- 6.1. Allocation of the Executive Box has been agreed by LLDC and LBN for games up to Christmas 2017. LBN used the Box for the Huddersfield game, with carers and young residents experiencing a “once in a lifetime” opportunity.
- 6.2. The box is being used by Westfield for the Chelsea match.

7. PLANNING CONDITIONS

- 7.1. E20 has submitted its initial monitoring report regarding the travel and event management plans for the first five months of the Stadium’s full opening. As previously reported the Stadium has not been able to meet its mode share target of limiting car use.
- 7.2. For the events monitored the mode share should have been no more than 6.5%, whereas current levels exceed 10%. However, the planning authorities have accepted the initial monitoring report and will review future monitoring data before any additional mitigation will be requested

8. FORMULA 1 GRAND PRIX

- 8.1. A promoter has been seeking to develop the concept of a London Grand Prix in the QEOP and Stadium. The promoter has previously been advised by the GLA and LBN that the concept is not one that they wish to pursue. E20 have communicated a consistent message to the promoter.

9. WEST HAM FANSTALLATION AND HONOURS

- 9.1. The Fanstallation (fan engraved paving stones) lease has been agreed with West Ham and signed by all parties (West Ham, LLDC and NLI). It has been secured on the terms that E20 previously advised the Board that it was targeting, namely:

Private and Confidential – Legally Privileged

- 9.1.1. West Ham must pay E20 a one off £10/stone (indexed) for each stone sold beyond the initial 13,745 currently in the ground. This includes an initial £16,360 payable now, for stones already sold but not yet installed. Subsequent payments quarterly.
 - 9.1.2. Term expires 14 years 6 months from present day.
 - 9.1.3. At end of the term, West Ham must remove stones and reinstate the site (unless E20 chooses to extend lease / reaches new agreement).
 - 9.1.4. West Ham must maintain the stones and pay any/all fees relating to them.
- 9.2. E20 has also secured a signed agreement with West Ham that requires West Ham to pay £2000 per season for the right to display club honours on the West Stand mid-tier. This has been paid, and the honours are up.

10. MANAGEMENT REPORTS

Staff

- 10.1. s.40, E20s Assistant Business Manager left the E20 team in September 2017 to take up a role in LLDC. A transition period has been agreed to ensure to minimise impact. s.40 will remain involved in a number of stadium commercial matters in his new role. s.40 led the successful 2017 seat moves for E20, and has been a valued asset to the team in the past 18 months.

Risks

- 10.2. The risk register has been updated and attached as Appendix 1.
- 10.3. The vulnerability of the PA system has been moved from Red to Amber to reflect greater stability in the system and the resilience fire alarm.

Health & Safety

- 10.4. The latest LS185 Health and Safety report is attached in Appendix 2. The report includes no significant health and safety matters. A query has been raised on the low level of reported incidents reported. An operation of the stadium's scale would expect there to be some minor incidents reported.

11. PROGRESS ON 6 KEY THEMES in E20 BUSINESS PLAN

- 11.1. A review of the 6 key themes identified in the draft 2017/18 E20 business plan is underway, taking account of the changes in the business. An updated set of themes will be reported in October 2017

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

S.43

Health and Safety Report

Month: August (from 14th) 2017

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

Prepared by: Graham Harris, Deputy Safety Officer

Presented by: Linda Lennon at KPI Meeting, 13th September 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 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	No events held in reporting period
Medical incidents	0
Of which are minor accidents	0
Of which are more serious medical incidents	0
Of which public/staff	0
Of which are RIDDOR	0
Of which were sent to hospital	0
Any additional details	N/A

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/EXP WISE/SES	Other (Project 7 & WHUFC)	Total
Medical incidents	0	1	0	0	4	5
Of which are minor accidents	0	1	0	0	4	5
Of which public/staff	0	1	0	0	2/2	5
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						

West Ham United have reported two finger traps of small children trapping a finger in the lift door – lift located within the west ham shop – LS185 are waiting for a written report back from Brian Cotgrave (West Ham United Health and Safety advisor) and actions will then follow.

Project 7 (the Seating Contractor) have reported two minor injuries which were treated on site and both members of staff returned to work

The Vinci Facilities incident relates to a minor trip and again the member of staff returned to work.

Near Misses:

None reported but LS185 are in the middle of improving the reporting system for near miss reporting that should make reporting near misses easier for partners working at London stadium. This was also raised at the recent Health and Safety Council Meeting.

Table 3. Crime and Disorder Figures for month:

Classification	August 2017	Cumulative total for season
Stadium Bans	None	0 football season starts Sept 11 th
Stadium Arrests	None	
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: 26 September 2017
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP
Item: 11

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 a loan from LLDC)

- 2.2.1. Payments to PHD totalling £4.298m+VAT.
- 2.2.2. Payment to Momentum (£3k+VAT).
- 2.2.3. Payment to Aerofilm (£1200).
- 2.2.4. Payment to LS185 for temporary wifi (£170k+VAT).
- 2.2.5. Payment to LS185 for the purchase of athletics equipment required for the Community Track (£57k+VAT).
- 2.2.6. Payment to HMRC for PAYE and NIC (£9k), and September staff payroll (£12k).
- 2.2.7. Payment to Callfort Ltd (£35k+VAT).
- 2.2.8. Payment to Total Gas & Power (£147k+VAT).
- 2.2.9. Payment to Corona (£46+VAT).
- 2.2.10. Payment to Castle Water (£8k+VAT).
- 2.2.11. Payments to JLT for insurance **S.43**+VAT) and broker fees **S.43**+VAT).
- 2.2.12. Payment to KPMG (£5k+VAT).

Private and Confidential – Legally Privileged

- 2.2.13. Payment to Osborne Clarke (£851+VAT).
- 2.2.14. Payment for BT Conferencing (£68+VAT).
- 2.2.15. Payments to Cintra for payroll administration (totalling £198+VAT).

Transformation (funded by LLDC)

- 2.2.16. Payment to PHD for seating follow on works (£97k+VAT).
- 2.2.17. Payment to LS185 for CCTV upgrade (£16k+VAT).
Payment to LS185 for the Airwaves police and security information system (£410k+VAT).

Discretionary fund (funded 65% by LLDC, 35% by NLI)

- 2.2.18. Several payments to LS185 totalling £289k+VAT under authorised contract changes (typically “spend to save” measures or minor scope gaps).
- 2.3. The Board is invited to **APPROVE** the following financial commitments:
- 2.3.1. £78k to purchase a Wireless Fire Alarm System. Note that the Board has already approved “necessary investment” to resolve the serious PAVA / fire systems issues at the stadium.
 - 2.3.2. Up to £15k to install further RADAR keys in the stadium.

3. MEMBERS STATEMENT

- 3.1. LLDC and NLI issued a Members Statement on 8 September 2017 as follows (as previously circulated):

“At the end of June, the LLDC agreed to fund 100% of E20’s working capital requirement for the second quarter of 2017/18, by way of a loan. LLDC and NLI agreed to resolve the approach to funding for the rest of the financial year over the course of the second quarter and to inform the Board of the agreed arrangement by 8 September, in advance of the end of quarter two.

The Mayor of London and the Mayor of Newham have subsequently met to discuss the way forward and options for the stadium partnership. A huge amount of work has been done by both members to support these discussions which have accordingly been very productive and both members are confident that we will reach a positive conclusion very soon.

The GLA has confirmed it will make funding available to the partnership through LLDC for 100% of E20s working capital requirement for the third quarter of the year with a view to resolving the long term funding of the partnership in advance of quarter four.”

- 3.2. LLDC are preparing further advice for the Board in relation to the treatment of its funding of E20 in Q3.

4. CASHFLOW

- 4.1. The latest E20 cashflow forecast is set out in annexes B and C, with a summary topsheet at annex A.
- 4.2. 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).
- 4.3. As previously, it is recommended that the Board focuses on Annexes A and B (and the advice that follows refers to only that).
- 4.4. E20 has a current cash balance at the time of writing (w/c 18 September) of £5.012m. However, with a number of significant payments imminent (subject to Board approval as below), E20's cash balance could drop to negative £1.589m by the end of w/c 25 September, without further drawdown of the LLDC loan. As such, E20 is writing to LLDC to request drawdown of a further £1.589m – this being the necessary remaining working capital required by E20 for Q2 only (to 30 September 2017).
- 4.5. E20 has previously drawn down £4.694m loan funding in Q2. Together with the £1.589m now being requested, this means that E20 will have drawn down a total of £6.283m from the original LLDC £10.863m Q2 loan. The Members Statement is clear that LLDC will provide the necessary working capital for E20 in Q3 (1 October to 31 December 2017). LLDC are preparing further advice for the Board in relation to the treatment of its funding of E20 in Q3. E20 is liaising with LLDC to drawdown the additional working capital that will be necessary from w/c 2 October onwards.
- 4.6. E20's funding beyond Q3 remains unclear. Members have committed to resolving the long term funding of the Partnership by 31 December. In order to present a complete picture for the year, the cashflow schedules assume that from Q4 (1 January 2018) 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.
- 4.7. The total net cash outflow across the whole year (2017-18), before working capital contributions, has changed adversely, from £26.636m to £27.310m. The changes are explained below:

Summary of movements on total 17-18 cash position	(£000s)	Explanation
Version in 22 August Board paper (£000s)	(26,636)	Previous E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18
Utilities costs	380	E20 is handing over responsibility for paying utilities bills to LS185 from 1 October 2017. E20 will begin paying LS185 its fixed costs in full (including the utilities element) from this date, and LS185 will need to top this up in order to settle supplier bills (which are running higher than the Operator Agreement provision). This will ultimately be recovered from E20 in a cost reconciliation, but this is not anticipated to happen before the end of 2017-18 – hence the favourable short-term impact on E20's 2017-18 cashflow.
Legal costs	(1006)	Increase in legal fees to reflect cashflow impact of latest forecast of legal costs (see annex to agenda item 4).
Seating	0	Overall cashflow forecast remains at £11.801m. However, this no longer assumes a £600k contribution from the GLA. Equivalent savings of £600k have now been secured.
VAT adjustments	(58)	Adjustments that flow from the other movements detailed above.
Other minor adjustments	10	Various other minor movements.
Version in 26 September Board paper (£000s)	(27,310)	Latest E20 net cash inflow/(outflow) forecast, before working capital contributions, in 2017-18

5. CREDITORS AND DEBTORS

- 5.1. An analysis of E20's current creditors and debtors is set out in annexes D-F, including an aged creditor schedule at annex E. There are working capital invoices that have been held without payment by E20 for in excess of 30 days. However, these invoices are either recommended for approval in this paper, disputed, or unable to be paid until a contract is in place or further information supplied. Most significantly, E20 has not paid LS185 its fixed costs for the April-June 2017 and the July-September 2017 quarters (indeed the latter has yet to even be invoiced by LS185). E20 has withheld payment on the basis that LS185 has yet to provide

signed, audited accounts for their 2016 financial year, as they are required to do. This issue is considered in more depth in the LS185 agenda item.

- 5.2. With regards to Transformation, E20 and LLDC continue to maintain the policy of not paying the outstanding Balfour Beatty invoices. LLDC (Colin Naish) have again fully considered this matter, and advise that the position is unchanged since the previous Board meeting. The rationale for not paying the Balfour Beatty invoices was set out in the 22 August Board paper. The LS185 invoices listed are recommended for approval in this paper.

6. PAYMENTS FOR APPROVAL

- 6.1. At the July 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: £79,500+VAT to West Ham for E20's 30 hospitality season tickets for the 16-17 season. Of that, £55,400 is an E20 cost, and £24,100 has been recharged to LBN.

- 6.2. The Board is asked to approve all payments listed below.

Working capital (currently funded from a loan from LLDC)

- 6.2.1. Payments to PHD totalling £4.298m+VAT. Of this, **s.43** relates to Transition 2, and **s.43** relates to Transition 3. All costs have been verified and are as per contracted rates. It is anticipated that all outstanding transition costs will be verified during October and that the final payment approval for the 2017 transitions will be sought at the October E20 Board.
- 6.2.2. Payment to Momentum under the seating project for advice in relation to concert configurations (£3k+VAT).
- 6.2.3. Payment to Aerofilm under the seating project for engineered drawings (£1200).
- 6.2.4. Payment to LS185 for temporary wifi for the period from August 2016 to June 2017 (£170k+VAT). E20 has previously committed to meeting this cost through to October 2017, as it is a result of E20 delaying the Connected Stadium procurement until Naming Rights discussions had concluded. This issue is discussed in more depth in the LS185 agenda item.
- 6.2.5. Payment to LS185 for the purchase of athletics equipment required for the Community Track (£57k+VAT). E20 is satisfied that it has an obligation to provide this equipment under the terms of the Operator Agreement. The Board agreed to this commitment, then estimated at £50k, at its 22 August meeting. To minimise the cost, E20 required LS185 to obtain quotes from three companies (£57k being the cheapest). E20 has also secured some equipment (e.g. the hammer cage) from London 2017 free of charge.
- 6.2.6. Payment to HMRC for PAYE and NIC (£9k), and September staff payroll (£12k).
- 6.2.7. Payment to Callfort Ltd for the E20 restructuring consultant costs for the period 14 August – 3 September (£35k+VAT). This payment, and the previous payment approved by the Board, is subject to final contract agreement.

Private and Confidential – Legally Privileged

- 6.2.8. Payment to Total Gas & Power for the electricity bill for August (£147k+VAT). s.43 [REDACTED]
- 6.2.9. Payment to Corona for the stadium gas bill (£46+VAT).
- 6.2.10. Payment to Castle Water for the stadium water bill (£8k+VAT).
- 6.2.11. Payments to JLT for the Property Insurance premium s.43+VAT) and broker fees s.43+VAT).
- 6.2.12. Payment to KPMG for VAT and CIS returns, and tax advice (£5k+VAT).
- 6.2.13. Payment to Osborne Clarke for legal advice (£851+VAT).
- 6.2.14. Payment for BT Conferencing (£68+VAT).
- 6.2.15. Payments to Cintra for payroll administration (totalling £198+VAT).

Transformation (funded by LLDC)

- 6.2.16. Payment to PHD for seating follow on works (£97k+VAT).
- 6.2.17. Payment to LS185 for CCTV upgrade agreed in E20-LS185 contract change (£16k+VAT).
- 6.2.18. Payment to LS185 for the Airwaves police and security information system (£410k+VAT). LS185 has procured this system from the Met Police. This was previously accepted as an E20 cost and has been agreed in an E20-LS185 contract change. E20 has previously agreed that this should be funded £360k from Transformation, and £50k from the discretionary fund.

Discretionary fund (funded 65% by LLDC, 35% by NLI)

- 6.2.19. Several payments to LS185 totalling £289k under authorised contract changes (typically “spend to save” measures or minor scope gaps):

Private and Confidential – Legally Privileged

Change Request No	Description	Amount £	Comment
5	Additional electrical works in connection with installation of Pitch side LEDs	1,727.50	Commitment approved under Director delegation
9 Rev	Electrical supply to Upper Tier LED to the NE and SE corners	84,440.47	Commitment previously approved by Board. <i>Payment subject to signed change request</i>
13	Additional electrical and mechanical work to Flash Interview Rooms (EPL Requirement)	8,466.66	Commitment approved under Director delegation
28	Pre-concert works, provision of carpet and barriers	2,835.00	Commitment approved under Director delegation
31	Power supplies for FoP Grow lights	59,590.05	Commitment approved under Director delegation
35	TVs to radio commentary tribunes (EPL Requirement)	11,756.25	To be agreed whether this is funded from discretionary fund or Transformation. <i>Payment subject to signed change request.</i>
36	Improvements to away team dressing room	6,400.00	Commitment approved under Director delegation. <i>Payment subject to signed change request.</i>
38	Security Review/ Report of London Stadium carried out by Toro Risk Solutions	15,806.71	Commitment approved under Director delegation. <i>Payment subject to signed change request.</i>
41.1	Additional security during construction works post BB Handover (wrap, WHU Branding, Voids)	65,165.76	Commitment previously approved by Board. <i>Payment subject to signed change request.</i>
41.2	Additional workforce during construction works post BB handover. Removing, replacing construction hoardings pre/post events.	32,976.71	Commitment previously approved by Board. <i>Payment subject to signed change request.</i>
	TOTAL	£289,165.11	

7. FINANCIAL COMMITMENTS

- 7.1. **PAVA / fire systems:** On 22 August the Board approved necessary investment to resolve the serious PAVA / fire systems issues at the Stadium. The first element of this investment has been to provide resilience to the PAVA fire alarm system. The Operator has installed a Wireless Fire Alarm System in the Stadium. The cost of this outright purchase is £78k. This offers a better value solution than a hire agreement.
- 7.2. **RADAR keys:** The Board is asked to approve a commitment of up to £15k to install further RADAR keys in the stadium.

Private and Confidential – Legally Privileged

- 7.3. In 2016 E20 installed RADAR keys in c.20 locations around the stadium bowl. These ensure disabled toilets and parent change facilities are only used by appropriate spectators. The balance of c.20 areas did not have RADAR keys installed on the basis of cost, and that disability supporters groups accepted some could be left without RADAR keys.
- 7.4. Since installation, concerts and athletics events have been staged without any significant issue. Customers have respected the facilities provided.
- 7.5. However, at football games supporters have not respected the remaining non RADAR key toilets. They have been used frequently by supporters, and have been using them and leaving them in an unacceptably poor state. This has led to a number of disability supporters groups raising the need for:
 - Stewards to man the toilets without RADAR keys, to avoid mis-use. LS185 are deploying 15 stewards per game to this duty, at a cost of c.£1,000 per game.
 - Further RADAR keys on the remaining toilets.
- 7.6. The position at comparable clubs has been investigated. The Operations Director at Arsenal has reported that they have installed RADAR keys in all of their toilets including baby change rooms, following similar issues of mis-use by football supporters.
- 7.7. The costs of installing the remaining RADAR keys is expected at worst to be £15,000, with an expectation of being within £10,000. The subsequent reduction in stewards would save up to £1,000 per game, so pay back after 10-15 games. Poor publicity would also be avoided.
- 7.8. The Board are asked to approve the commitment to addressing the issues of RADAR keys on toilets, and delegate to E20 staff to limit the cost; finalise a business case that shows a return within 20 games and seek funds from WHU for at least part of the expenditure. Funding would be drawn from the E20 discretionary fund.

S.43

S.43

S.43

E20 CREDITORS AS AT 18 SEPTEMBER 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 September	30/09/2017	19/10/2017	9,000.00	0 00	9,000 00	
		September Payroll		30/09/2017	12,000.00	0 00	12,000 00	
Osborne Clarke LLP	502028	Provision of Legal Services	29/08/2017	29/08/2017	851.00	170 20	1,021 20	
Momentum Transport Consultancy	INV-987	Concert Mode Assessment June 2017	30/06/2017	14/07/2017	1,300.00	260 00	1,560 00	Queries on invoice now resolved
Momentum Transport Consultancy	INV-1004	Concert Mode Manifest Co-ordination with KSS	31/07/2017	14/08/2017	1,766.66	353 33	2,119 99	Queries on invoice now resolved
JLT Speciality Ltd	BB044582	Additional Premium for 2016/17 Property Insurance	22/02/2017	22/02/2017	£.43	0 00	£.43	Queries on invoice now resolved
JLT Speciality Ltd	LB188486	Broker Fees (Instalment 2)	03/08/2017	01/09/2017	£.43	0 00	£.43	Queries on invoice now resolved
BT Conferencing	BT012115003	01-Aug-2017 to 31-Aug-2017	31/08/2017	31/08/2017	67.81	13 56	81 37	
Castle Water	584783	Supply for period 03/08/2017 - 06/09/2017	07/09/2017	21/09/2017	7,932.50	813 60	8,746.10	
Corona Energy	12357512	August 2017	08/09/2017	29/09/2017	45.66	2 28	47 94	
Total Gas & Power	155471959/17	Electricity for August 2017	06/09/2017	20/09/2017	4,106.00	821 21	4,927 21	
Total Gas & Power	155471960/17	Electricity for August 2017	06/09/2017	20/09/2017	9,533.93	1,906.79	11,440.72	
Total Gas & Power	155471981/17	Electricity for August 2017	06/09/2017	20/09/2017	4,365.65	873.13	5,238.78	
Total Gas & Power	155471926/17	Electricity for August 2017	06/09/2017	20/09/2017	62.52	3.12	65 64	
Total Gas & Power	155471948/17	Electricity for August 2017	06/09/2017	20/09/2017	112,644.11	22,528 86	135,172 97	
Total Gas & Power	155471970/17	Electricity for August 2017	06/09/2017	20/09/2017	2,853.35	570 67	3,424 02	
Total Gas & Power	155471992/17	Electricity for August 2017	06/09/2017	20/09/2017	7,962.10	1,592.43	9,554 53	
Total Gas & Power	155471937/17	Electricity for August 2017	06/09/2017	20/09/2017	5,273.16	1,054 64	6,327 80	
Cintra HR & Payroll Services Ltd	S N050877	Payroll Administration for June & July 2017	31/07/2017	29/08/2017	131.60	26 32	157 92	Invoice received 25 August 2017
Cintra HR & Payroll Services Ltd	S N050986	Payroll Administration for August 2017	31/08/2017	29/09/2017	65.80	13.16	78 96	
London Stadium 185 Ltd	V150240	Temporary Wifi Solution August 2016 to June 2017	28/07/2017	28/07/2017	169,952.50	33,990 50	203,943 00	Queries on invoice now resolved
London Stadium 185 Ltd	V150267	Community Track Athletics Equipment Purchase	19/09/2017	19/09/2017	56,568.20	11,313 64	67,881 84	
KPMG LLP	5501496310	Fee for tax compliance services from 10 June to 9 August 2017	30/08/2017	30/08/2017	5,250.00	1,050 00	6,300 00	
Callfort Ltd	2017-05	Services to E20 for week ending 20th August 2017	20/08/2017	27/08/2017	12,500.00	2,500 00	15,000 00	Awaiting agreement of contract
Callfort Ltd	2017-06	Services to E20 for week ending 27th August 2017	27/08/2017	03/09/2017	12,500.00	2,500 00	15,000 00	Awaiting agreement of contract
Callfort Ltd	2017-07	Services to E20 for week ending 3rd September 2017	03/09/2017	10/09/2017	10,000.00	2,000 00	12,000 00	Awaiting agreement of contract
PHD Modular Services Ltd		Seating Transition Works Summer 2017			4,298,000.00	859,600 00	5,157,600 00	
Aerofilim Systems BV	17390326	Delivery of Engineered Drawings for Towing Bars	08/09/2017	26/09/2017	1,200.00	0 00	1,200 00	
					4 756 710.41	943 957.44	5 699 467 85	

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
Stratford City Shopping Centre (No 1) GP	RI - 1931	Robbie Williams - 23/06/17	28/07/2017	28/07/2017	15,000.00	3,000 00	18,000 00	In dispute E20 not accepting liability
Stratford City Shopping Centre (No 1) GP	RI - 1932	Depeche Mode - 03/06/17	28/07/2017	28/07/2017	15,000.00	3,000 00	18,000 00	In dispute E20 not accepting liability
Stratford City Shopping Centre (No 1) GP	RI - 1933	Guns n Roses 17-18/07/17	28/07/2017	28/07/2017	30,000.00	6,000 00	36,000 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
					232 478.32	46 495 66	278 973 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	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 Legacy Development Corporation	18027	Recharge of HR & FM Costs August 2017	12/09/2017	12/10/2017	2,434.00	486.80	2,920.80	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	18029	Recharge of Finance & IT Costs August 2017	12/09/2017	12/10/2017	9,066.00	1,813.20	10,879.20	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	18030	Mace Costs and ETR Costs in respect of 2017 Seating Transition	12/09/2017	12/10/2017	134,783.29	26,956.66	161,739.95	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	18031	Recharge of Utility Costs for June & July 2017	12/09/2017	12/10/2017	40,741.23	8,148.25	48,889.48	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	18033	Recharge of TfL Legal Costs for April to June 2017	13/09/2017	13/10/2017	36,400.00	7,280.00	43,680.00	Board agreed to defer (payment shown in October 2017)
London Legacy Development Corporation	18034	Recharge of Consultant Legal Costs for July & August 2017	13/09/2017	13/10/2017	142,835.51	28,567.10	171,402.61	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
					1,510,866.90	228,307.15	1,739,174.05	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
London Stadium 185 Ltd	V150216A	Pitch Side LEDs	28/06/2017	28/06/2017	1,727.50	345.50	2,073.00	Chargeable to Discretionary Fund
London Stadium 185 Ltd	V150216B	CCTV Upgrade	28/06/2017	28/06/2017	16,403.73	3,280.75	19,684.48	Chargeable to Transformation Project
London Stadium 185 Ltd	V150216C	Control Room & Airwaves	28/06/2017	28/06/2017	410,156.00	82,031.20	492,187.20	£360,000 chargeable to Transformation, £50,156 to the discretionary fund
London Stadium 185 Ltd	V150216D	Flash Interview Rooms & EMR	28/06/2017	28/06/2017	8,466.66	1,693.33	10,159.99	Chargeable to Discretionary Fund
London Stadium 185 Ltd	V150216E	Pre ACDC Works	28/06/2017	28/06/2017	2,835.00	567.00	3,402.00	Chargeable to Discretionary Fund
London Stadium 185 Ltd	V150216F	Power Supply for Grow Lights	28/06/2017	28/06/2017	59,590.05	11,918.01	71,508.06	Chargeable to Discretionary Fund
London Stadium 185 Ltd	V150216G	Procurement, Installation, Operation & Maintenance of Scoreboard Ears & LEDs	28/06/2017	28/06/2017	84,440.47	16,888.09	101,328.56	Chargeable to Discretionary Fund
PHD Modular Services Ltd		Seating Transition Follow On Works			97,415.00	19,483.00	116,898.00	Chargeable to Transformation Project
					681,034.41	136,206.88	817,241.29	

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	

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)
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	18028	Recharge of 2017/18 Transformation Costs for July & August 2017	12/09/2017	12/10/2017	51,077.24	10,215.45	61,292.69	Board agreed to defer (payment shown in October 2017)
					776,270.51	145,038.65	870,231.92	

ANNEX E

AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 18 SEPTEMBER 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	CNV150196	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	502028	Provision of Legal Services	29/08/2017	851.00	170.20	1,021.20	1,021.20					
Momentum Transport Consu tancy	INV-987	Concert Mode Assessment June 2017	30/06/2017	1,300.00	260.00	1,560.00				1,560.00		Queries on invoice now resolved
Momentum Transport Consu tancy	INV-1004	Concert Mode Manifest Co-ordination with KSS	31/07/2017	1,766.66	353.33	2,119.99			2,119.99			Queries on invoice now resolved
JLT Specia lty Ltd	BB044582	Add tional Premium for 2016/17 Property Insurance	22/02/2017	£.43	£.43	£.43					£.43	Queries on invoice now resolved
JLT Specia lty Ltd	LB188486	Broker Fees (Instalment 2)	03/08/2017	£.43	£.43	£.43			£.43			Queries on invoice now resolved
BT Conferencing	BT012115003	01-Aug-2017 to 31-Aug-2017	31/08/2017	67.81	13.56	81.37	81.37					
Castle Water	584783	Supply for period 03/08/2017 - 06/09/2017	07/09/2017	7,932.50	1,586.50	9,519.00	9,519.00					
Corona Energy	12357512	August 2017	08/09/2017	45.66	9.13	54.79	54.79					
Total Gas & Power	155471959/17	Electricity for August 2017	06/09/2017	4,106.00	821.20	4,927.20	4,927.20					
Total Gas & Power	155471960/17	Electricity for August 2017	06/09/2017	9,533.93	1,906.79	11,440.72	11,440.72					
Total Gas & Power	155471981/17	Electricity for August 2017	06/09/2017	4,365.65	2,700.00	7,065.65	7,065.65					
Total Gas & Power	155471926/17	Electricity for August 2017	06/09/2017	62.52	12.50	75.02	75.02					
Total Gas & Power	155471948/17	Electricity for August 2017	06/09/2017	112,644.11	22,528.82	135,172.93	135,172.93					
Total Gas & Power	155471970/17	Electricity for August 2017	06/09/2017	2,853.35	570.67	3,424.02	3,424.02					
Total Gas & Power	155471992/17	Electricity for August 2017	06/09/2017	7,962.10	1,592.42	9,554.52	9,554.52					
Total Gas & Power	155471937/17	Electricity for August 2017	06/09/2017	5,273.16	1,054.63	6,327.79	6,327.79					
Contra HR & Payroll Services Ltd	SIN050877	Payroll Administration for June & July 2017	31/07/2017	131.60	26.32	157.92			157.92			Invoice received 25 August 2017
Contra HR & Payroll Services Ltd	SIN050886	Payroll Administration for August 2017	31/08/2017	65.80	13.16	78.96	78.96					
London Stadium 185 Ltd	V150240	Temporary Wifi Solution August 2016 to June 2017	28/07/2017	169,952.50	33,990.50	203,943.00			203,943.00			Invoice held pending verification of costs with operator
London Stadium 185 Ltd	V150267	Commun ty Track Athletics Equipment Purchase	19/09/2017	56,568.20	11,313.64	67,881.84						
KPMG LLP	5501496310	Fee for tax compliance services from 10 June to 9 Augu	30/08/2017	5,250.00	1,050.00	6,300.00	6,300.00					
Calfort Ltd	2017-01	Services to E20 for week ending 23rd July 2017	23/07/2017	11,250.00	2,250.00	13,500.00				13,500.00		Awaiting agreement of contract
Calfort Ltd	2017-02	Services to E20 for week ending 30th July 2017	30/07/2017	10,000.00	2,000.00	12,000.00				13,500.00		Awaiting agreement of contract
Calfort Ltd	2017-03	Services to E20 for week ending 6th August 2017	06/08/2017	7,500.00	1,500.00	9,000.00				9,000.00		Awaiting agreement of contract
Calfort Ltd	2017-04	Services to E20 for week ending 13th August 2017	13/08/2017	12,500.00	2,500.00	15,000.00				15,000.00		Awaiting agreement of contract
Calfort Ltd	2017-05	Services to E20 for week ending 20th August 2017	20/08/2017	12,500.00	2,500.00	15,000.00	15,000.00					Awaiting agreement of contract
Calfort Ltd	2017-06	Services to E20 for week ending 27th August 2017	27/08/2017	12,500.00	2,500.00	15,000.00	15,000.00					Awaiting agreement of contract
Calfort Ltd	2017-07	Services to E20 for week ending 3rd September 2017	03/09/2017	10,000.00	2,000.00	12,000.00	12,000.00					Awaiting agreement of contract
Aerofilm Systems BV	17390326	De very of Engineered Drawings for Towing Bars	08/09/2017	1,200.00	240.00	1,440.00	1,440.00					
Stratford City Shopping Centre (No 1) GP	RI - 1931	Robbie Williams - 23/06/17	28/07/2017	15,000.00	3,000.00	18,000.00			18,000.00			In dispu te E20 not accepting liab lity
Stratford City Shopping Centre (No 1) GP	RI - 1932	Depeche Mode - 03/06/17	28/07/2017	15,000.00	3,000.00	18,000.00			18,000.00			In dispu te E20 not accepting liab lity
Stratford City Shopping Centre (No 1) GP	RI - 1933	Guns n Roses 17-18/07/17	28/07/2017	30,000.00	6,000.00	36,000.00			36,000.00			In dispu te E20 not accepting liab lity
East London Rugby Club	16/027	3 places at 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
				1,780,917.78	357,971.43	2,138,889.21	238,483.18	24,000.00	310,470.91	1,491,674.84		7,878.43
		Aged Cred tor Totals for week commencing 15 August 2017		1,627,016.68	326,436.40	1,953,453.08	463,143.24	1,490,114.84	0.00	0.00		195.00
		Change from Previous Week		153,901.10	31,535.03	185,436.13	(224,660.06)	(1,466,114.84)	310,470.91	1,491,674.84		7,683.43
		Aged Cred tor 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
		Aged Cred tor 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 Cred tor 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 Cred tor 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 Cred tor 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
London Stadium 185 Ltd	V150216A	Pitch Side LEDs	28/06/2017	1,727.50	345.50	2,073.00				2,073.00		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216B	CCTV Upgrade	28/06/2017	16,403.73	3,280.75	19,684.48				19,684.48		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216C	Control Room & Airwaves	28/06/2017	410,156.00	82,031.20	492,187.20				492,187.20		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216D	Flash Interview Rooms & EMR	28/06/2017	8,466.66	1,693.33	10,159.99				10,159.99		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216E	The ADCS Works	28/06/2017	2,835.00	567.00	3,402.00				3,402.00		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216F	Power Supply for Grow Lights	28/06/2017	59,590.05	11,918.01	71,508.06				71,508.06		Invoices held pending verification of costs with operator
London Stadium 185 Ltd	V150216G	Procurement, Installation, Operation & Maintenance of Scoreboard Ears & LEDs	28/06/2017	84,440.47	16,888.09	101,328.56				101,328.56		Invoices held pending verification of costs with operator
				1,130,512.12	226,102.42	1,356,614.54	0.00	0.00	0.00	700,343.29		656,271.25
		Aged Cred tor Totals for week commencing 15 August 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		583,619.41	116,723.88	700,343.29	0.00	0.00	0.00	700,343.29		0.00
		Aged Cred tor Totals for week commencing 24 July 2017		560,752.71	109,378.54	670,131.25	13860	0	0	0		656271.252
		Aged Cred tor Totals for week commencing 26 June 2017		546,892.71	109,378.54	656,271.25	0	0	0	0		656,271.25
		Aged Cred tor 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 Cred tor 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 Cred tor 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

238,483.18 24,000.00 310,470.91 2,192,018.14 664,149.68

ANNEX F

E20 AGED DEBTORS REPORT AS AT 18 SEPTEMBER 2017

WORKING CAPITAL

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
YOUR TRIBUTE LTD	45231	16/09/2017	544	Not yet paid
KO PRODUCTIONS	45223	19/08/2017	780	Not yet paid
LONDON STADIUM 185 LIMITED	45225	27/08/2017	1,171,560	Not yet paid
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		2,342,704	
	Less provision for doubtful debts		- 2,220	0.1%
	Adjusted balance		2,340,484	

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	

Meeting: E20 Stadium LLP Board
Date: 24.10.17
Time: 09:00 – 11:00
Meeting Venue: LLDC

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

Ex-Officio Members: David Goldstone (LLDC)

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

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

1. Minutes of meeting held on 22 August 2017
2. Actions arising from previous meetings
3. Update Plan / Contingency Plan
4. E20-LS185 Commercial Update
5. Relocatable Seats
 - a. 2017 Seating Transition
 - b. Seating Compound
6. Community Plan and Community Track
7. Director Update
8. Finance Update
9. 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 24 October)

Actions from last meeting (26 September)

Actions			
1.1	Gerry Murphy to review delegations of the Board	GM/MG	Existing delegations being reviewed and to return to Board at future meeting
1.2	Alan Fort to produce a list of all rights in the Stadium which are either managed by E20 or LS185 along with their potential value which would be circulated to board members. All sales of rights would be approved by E20 Board unless otherwise decided.	AF	On agenda for October Board meeting
1.3	s.40 to recirculate minutes with amends made	s.40	Complete
3.1	Alan Skewis to write to Niels de Vos confirming this was the date agreed at the events calendar meeting (Diamond League)	AS	Complete
3.2	Alan Fort to scope out the cost and specification for the Vision	AF	Complete

Actions			
5.1	s.40 to provide details of how long the branding would last in the Stadium and what the return would be.	s.40	Information yet to be received from ICON. Information to follow once received.
6.1	E20 to write to LS185 to make an offer on disputed costs.	IB	Completed. Sent 28 th September 2017
6.2	s.40 to write to confirm mediation with LS185 should stop	s.40	Completed. Note to mediator sent 27 th September
7.1	Alan Skewis to come back to Board with implications of implementing London Living Wage	AS/MG	MG reporting on October agenda
3.1 / 8.1	Alan Skewis to write to UKA to confirm date Diamond League date change.	AS	Completed. Letter sent 2 nd October 2017. 21/22 July Diamond League date also changed on IAAF website USA vs GB event date of 14 July 2017 proposed by UKA
9.1	Alan Skewis, s.40 to provide a full report of transition 3 of the seat moves at October Board.	AS, s.40	On October agenda

Actions			
9.2	Alan Skewis to produce monthly reports which are presented to Board on concept design work	AS	On October agenda
9.3	Kim Bromley-Derry to revisit the contamination report which shows the risk on Stadium Island	AS	Report being assessed as part of concept design work
10.1	Alan Skewis to follow up with LS185 on the event management plan for the Northern Ticket Hall	AS	In progress. LS185 to implement for next game on 20 October game
10.2	Alan Fort to get a more detailed health and safety report from LS185 and present at the next Board meeting	AF	In progress
11.1	David Goldstone to speak to Colin Naish about what transformation costs are outstanding.	DG	Report to October Board
11.2	Gerry Murphy to follow up with Martin Gaunt about producing a balance sheet for Board	GM	Complete
11.3	Alan Skewis to identify what utilities payment had been recovered from London 2017 by LS185 and paid to E20	AS	s.43 [REDACTED]

Actions			
12.1	Nicky Dunn to write to the Mayor of London requesting to see the Moore Stephens report before it is released into the public domain	AS	ND letter sent to Martin Clarke (GLA) on 2 nd October 2017

CONFIDENTIAL

Item: 3
Subject: Update Plan
Meeting date: 24 October 2017
Report to: E20 Stadium LLP Board
Report of: Alan Fort, Consultant

1. SUMMARY

1.1. This report provides an update on restructuring work.

2. RECOMMENDATIONS

1.2. **NOTE** the report

1.3. **CONFIRM** that while ingress / egress matters including bridge security and new arrangements at the Northern Ticket Hall, remain unresolved, remains outstanding, it is not appropriate for E20 to review whether it is content that egress would support an increase in capacity to 60,000.

3. STADIUM VISION

1.4. Discussions still ongoing re scope and fee.

4. CONTROL

Weekly Information on Stadium Income and Expenditure

1.5. Slow progress has been made with LS185 on the supply of quality weekly information. However, there is a better understanding on costs and opportunities.

1.6. There is a periodic flow of information on the cost per game. This is assisting analysis of how LS185 can be more efficient. Current WHU event days cost are just under £200k:

- Stewarding
- Barriers and Traffic Management
- Facilities and Cleaning Costs
- Medical Match Day Costs
- Other

s.43

1.7. This totals £197k. While this compares favourably to an average of c.£220k last Season, the target agreed by Board is to reduce this to £170k. Achieving this will require pressure on LS185, as well as stakeholders in the QEOP and Westfield.

1.8. The changes to egress at the Northern Ticket Hall are still not implemented. A trial of the new system is taking place from the 4 November game, covering 3-6 games. The bridge security trial was an overall success, but there are a number of detailed issues to be addressed for future games. A more permanent bridge security marquee / barriers will also be required.

1.9. The responsibility for implementation lies with LS185.

1.10. While this remains outstanding, it is not appropriate for E20 to return to the issue of whether it is content that egress would support an increase in capacity to 60,000. It is important that this is recorded, as it is a factor in the additional capacity dispute with WHU.

Food and Beverage

1.11. Creating more focus on Food and Beverage as current contracts provide limited upside. There are opportunities firstly in service improvement in Bowl as shown in Table 1 below:

Table 1: Service Levels at Stadia in London

S.43

1.12. The original London Stadium Food and Beverage outlets were designed for Athletics (all day grazing), rather than 15 minute half time rush. Delaware North are being encouraged to put more permanent outlets into stadium to improve service.

1.13. Hospitality Spaces are lightly used outside match days so have significant opportunity to improve performance (see table below):

Hospitality Space	% of days Used 2017
The Great Briton	6%
The Forge	7%
The Arnold Hills	9%
The Boleyn	4%
The BM6	9%
The Royal East	1%
Londoner Claret	5%
Londoner Blue	1%
Boxes (16)	2%

1.14. On basis of current performance it would be difficult justifying any investment on spend to save initiatives. We need to determine whether this is a location issue (limited parking with walk to public transport at night a challenge) a demand issue for area or poor marketing.

1.15. A further opportunity for saving is electricity costs, which currently stand at £1.5m per annum. Infrastructure improvements can support improved efficiency, as can better management by LS185.

5. LS185 CONTRACT

5.1. The most significant change in the last 4 weeks has been Linda Lennon leaving her post as LS185 Chief Executive. LL leaves her post on Friday 20th October. Graham Gilmore, COO of LS185, has been offered the post but has yet to agree terms.

5.2. The increased interaction with LS185 team confirms and reinforces the following:

5.2.1. No consistent operating processes and procedures – follow up is poor

5.2.2. Focus is on delivering events

5.2.3. Commercial delivery is poor – questioning capability of Commercial Head

5.2.4. s.43

5.2.5. Limited cost focus – contract doesn't drive performance

5.3. Our operating approach is to provide challenge on a limited number of areas recognising the limitations of the stadium team whilst assessing their true capability. Given the limitations of the team and limited support that Vinci provide we need to assess our options with the likely outcome a need for a different operator with more commercial capability. Moving to a new Operator is not without its challenges. A comparison of the options of short term insourcing whilst running a procurement process with remaining with Vinci is shown below:

Option 1: Terminate Contract with Vinci and In Source team, with some staff moving over from LS185

<u>Positives:</u>	<u>Negatives:</u>
<ul style="list-style-type: none"> • Greater control and understanding of outsource requirements when go to market again • Opportunity to talk to partners about developing Stadium/Commercial Operations – cost control • Opportunity to improve relationships – reduces contract focus 	<ul style="list-style-type: none"> • Recruiting new Stadium staff challenging in situation – press/uncertainty on future • Greater stress on LLDC/E20 resources during and after exit

Option 2: Remain with Vinci

<u>Positives:</u>	<u>Negatives:</u>
<ul style="list-style-type: none"> • Stadium continues to deliver events • Known solution so risks unlikely to change 	<ul style="list-style-type: none"> • Commercial weakness remains an issue so continue to underperform • Slow progress on cost control • Difficult to present positive story about change

Neither is an attractive option however our operating methodology of focussing on a small number of key activities should enable us to manage either scenario and improve performance. The change in leadership at LS185 will defer operating improvements for a month.

5.4. Prior to drawing conclusions on the merit of these options, Alan Fort is meeting the Chair of LS185 for a discussion in Paris on the 25th October. The meeting will also allow discussion relating to the changes resulting from the change of LS185 Chief Executive.

5.5. The areas to be covered include:

- 5.5.1. Understand what Vinci think the problems are, and what they propose to do at stadium
- 5.5.2. Explain Alan Fort's perception of requirements/issues
- 5.5.3. LS185 Imbalance between operational v commercial
- 5.5.4. Limited understanding of costs and cost control
- 5.5.5. Limited understanding of Food and Beverage
- 5.5.6. No plan to develop the stadium both physically and marketing
- 5.5.7. Test whether they have capability to do it
- 5.5.8. Test whether they have desire to do it
- 5.5.9. Express view that it doesn't appear to be the perfect marriage
- 5.5.10. Agree to meet one month later in November 2017

6. RIGHTS

6.1.



S.43

6.2.

7. SINGLE DECISION MAKER/OWNERSHIP

7.1. Discussions continue to progress between Members. Until these are concluded E20 is continuing to work to the current E20 members agreement and financial / community obligations.

8. SUSTAINABILITY OF TENANT CONTRACTS

WHU

8.1. The last four weeks have been relatively quiet (one letter to the Mayor London and one claiming that the notice for Cricket World Cup and Rugby League World Cup is not in line with one Major Sporting Event every 4 years). This is unlikely this will last long.

8.2. Karren Brady has asked to meet the E20 Board regularly, including in October.

8.3. s.43



s.43

- 8.4. The Pitch Surround has now been included in the matters for Expert Determination which include Hostesses, IPTV and Draught Beer.
- 8.5. WHU have verbally confirmed that although they do not believe that the 2 year notice period required for a major event was adhered to they will have no objection if it does not impact their enjoyment of the Stadium.

UKA

- 8.6. UKA have accepted the revised dates in 2018 but are trying to assert their rights under their contract. They are also questioning whether E20 have given them 2 years notice for ICC World Cup, and see this as a way of ensuring they get access in 2019.
- 8.7. E20 tactics are to complete all negotiations for 2018 with minimal conflict whilst improving our economic terms.
- 8.8. Assuming cricket progresses, E20 will need to be clear with UKA with regard to the 2019 before that years' Event Calendar is announced. This will minimise unnecessary embarrassment for all parties.

9. CONTINGENCY PLANNING s.43

9.1. s.43

A draft report is due early November, and the Board may wish to schedule an additional teleconference to consider. The scope of the work is set out in the appendix 1 enclosed.

E20
STADIUM LLP

S.43

S.43

s.40

For E20 Stadium LLP (signed)

MARTIN GAUNT
(print name)

s.40

For the Supplier (signed)

s.43



Subject: E20-LS185 Commercial matters
Meeting date: 24 October 2017
Agenda Item: 4
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. This paper provides a summary update on commercial matters outstanding with LS185. There has been reasonably good progress in a number of areas in the past month.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** this update.
- 2.2. The Board is invited to **APPROVE:**
 - 2.2.1. Settlement of the delay/disruption claim with LS185 at up to £362k.
 - 2.2.2. Settlement of the fixed price increase, as a result of the asset survey, at up to £100k in 2016-17, and £355k per annum thereafter. Note that there are some exclusions to this; the settlement does not cover all stadium assets.

3. HISTORIC DISPUTED COSTS

- 3.1. E20 has written to LS185 proposing to settle at the terms approved by the Board at its 26 September meeting. LS185 has yet to respond, and have been asking for more time to consider. E20 has been pressing for an answer. A verbal update will be provided at the Board.
- 3.2. As a reminder, the settlement terms proposed by E20 are as follows:
 - 3.2.1. Electricity upgrade (£1.8m) to be funded £1.3m E20 (Transformation), £0.5m LS185. LS185 need to pay E20 the £0.5m.
 - 3.2.2. **s.43**
[REDACTED] No further agreement/transaction necessary.
 - 3.2.3. Growlights and grounds maintenance equipment (c£1m) to be funded by LS185 from E20's capital contribution. Already paid by LS185 (without prejudice), so no transaction necessary.
 - 3.2.4. Banquette seating and waiter stations (£0.8m) to be funded by LS185 from E20's capital contribution. LS185 need to pay E20

Private and Confidential – Legally Privileged

(Transformation) the £0.8m E20 has incurred procuring these items on LS185's behalf.

- 3.2.5. IT fit-out costs (£0.2m) to be funded by E20 (tbc whether Transformation or working capital). E20 need to pay LS185 the £0.2m.

4. CONTRACT CHANGES

- 4.1. Following approval at last month's Board, E20 has made payment to LS185 for a number of "spend to save" type investments documented under contract changes. A handful of further items are still being worked through, of which c.£100k are disputed.

5. HANDOVER/DEFECTS EXCUSING EVENT

- 5.1. Disputed Handover – Last football season LS185 maintained that the stadium had not been formally completed or handed over and also would not be by the long stop date in the Contract so they would be entitled to terminate in August 2017. E20 had been advised legally that the LS185 grounds for termination were weak but to further mitigate this risk LLDC resource was deployed to support E20 to resolve the issues that were the root cause of the assertions from LS185. To update, LS185 has pulled back from asserting the stadium is not complete (for the time being) as Defect rectification is ongoing in accordance with the Contractual procedures as set out in the Transformation Works Contract.
- 5.2. Defects - Where Defects have remained outstanding for some time now and go beyond the rectification period in the Transformation Works Contract, LS185 has been asked to price for undertaking these rectification works with a view to contra charging Balfour Beatty. Where Defects are disputed by Balfour Beatty, the NEC Supervisor has been asked to adjudicate. If a Defect is deemed to be Balfour Beatty's responsibility then they will be instructed to rectify it (or LS185 as a contra charge); if the NEC Supervisor deems that under the Transformation Works it is not a Defect i.e. out of Balfour Beatty's scope, then it will need to be treated as works required under the first year lifecycle or deferred as a business decision.
- 5.3. An update on the financial implications of this work is included in section 6.

6. FACILITY MANAGEMENT

DELAY/DISRUPTION CLAIM ASSESSEMENT

- 6.1. Further details on the background assessment process and the proposed interim figure in this section are included in appendix A.
- 6.2. The delay disruption claim has been assessed in detail by E20/LLDC with the Board requested to approve a proposed interim settlement figure of £256k from a total claim received of £928k, along with a mandate to negotiate this as necessary to no more than £362K.
- 6.3. The £256k is made up of £75k that falls to E20 and £181k that has been assessed as contra charges to Balfour Beatty ('BB').
- 6.4. The Board are requested to authorise payment of the £75k now and decide whether payment of the balance should be made either conditional on BB's agreement to contra charges, or paid now to LS185, with recovery at E20's risk.

Private and Confidential – Legally Privileged

- 6.5. To date, E20 has budgeted on the basis that the delay/disruption claim will be funded from the £14.286m discretionary fund, where a £540k provision has previously been made. It is E20's working assumption to fund the settlement from this source, subject to member views around the status of this fund.

Continuing Defect Rectification Process

- 6.6. The Board are also asked to note that the current estimated total BB liability is £925k, covering (all potential) contra charges from VFM, defects carried out to date by VFM with BB agreement, the 20 (of the remaining 73) defects that BB have agreed VFM should price and defects still being investigated by the Supervisor. This is broken down as follows:

	HEADING	TOTALS
1	All potential cc's	291930
2	Defects:	
2a	<i>By VFM with BB agreement</i>	128122
2b	<i>Being priced (estimate)</i>	100000
2c	<i>Being investigated (estimate)</i>	405500
		£925,552

- 6.7. Against this £925k, E20 currently hold £547k net from BB, giving a potential Transformation contingent liability currently of c£380k.
- 6.8. These figures currently exclude the remaining 53 defects and the ongoing work covering fire doors, fire stopping and fire dampers, all of which BB are currently progressing.

FIXED PRICE INCREASE/ASSET SURVEY CLAIM

- 6.9. Further details on the background, assessment process and proposed settlement figure in this section are included in appendix B.
- 6.10. E20/LLDC, with assistance from Bernard Williams Associates (BWA), have assessed the asset survey count claim of £3.5m pa versus the current contact price of £1.9m pa, a claimed difference of £1.6m pa, or 75% increase.
- 6.11. The Board are requested to approve that E20 formally write to LS185 with a proposed settlement increase of £137k pa to give £2.06m pa payable from the 1st April 2017, or 7%, along with a mandate to negotiate this as necessary to no more than £2.25m pa, ie a maximum increase of £355k pa, or 19%.
- 6.12. The Board are in addition requested to approve an associated backdated one off sum of up to £100k from covering December 2016 to 1st April 2017, to be negotiated.
- 6.13. The Board should note that LS185's asset survey claim, and this proposed settlement, does not cover all stadium assets. In settling this claim the agreed price increase will exclude, for instance:
- *agreed scope variations to date (eg the wrap)*
 - *any ongoing enhanced legionella/water sampling costs (estimated at c£1k per month);*
 - *the recently received £303k pa cleaning and waste specification claim (to be assessed);*
 - *Hawkeye goalline technology operation and maintenance costs (£78k/annum);*
 - *non VFM assets (LS185 have completed an asset register but not submitted a claim);*

Private and Confidential – Legally Privileged

- *any relief granted from the £10k comprehensive limit for assets deemed end of life.*

6.14. E20's intention is to seek to settle the existing asset survey claim now, but in recognition that it does not cover the full picture. E20 is awaiting information from LS185 to enable the outstanding items to be considered.

6.15. E20 made provision in its draft business plan (March 2017) for £250k for the period 1 January – 31 March 2017, and for £1m per annum thereafter. Even given the current exclusions, provided E20 can settle the existing claim within the ranges proposed, it will be on track to secure significant savings against these provisions.

7. OTHER EXCUSING EVENTS

7.1. This is unchanged from last month. LS185 have raised excusing events with E20, with varying degrees of formality. This includes the impact of the seating system issues on LS185 revenues. However, in no cases (other than in their delay/disruption claim below) have they yet been able to demonstrate financial loss (and therefore make a viable compensation claim). Until they do so, there is no compensation claim for E20 to consider.

8. LIFECYCLE

8.1. The Board is asked to note that the extended process for the clearing of defects has highlighted a number of items which will likely be incorporated into the early year life cycle plan as capital improvements.

8.2. These include:

- *BMS system upgrade for energy efficiency improvements*
- *Bulk re-lamping for energy efficiency improvements*
- *Replacement anti legionella water dosing system to prevent long term corrosion.*
- *Air con for PAVA/Field of Play lighting equipment to prevent premature failure.*

8.3. Some of these may be part funded by BB as they also have outstanding defects in parallel on these systems, although as noted there is likely an overall shortfall in what is recoverable from BB.

8.4. The overall life cycle plan and business case approval process will be reported to November's board.

9. CONTRACTUAL PAYMENTS

9.1. This matter is now resolved. LS185 has now provided signed, audited accounts for their 2016 financial year. This has enabled E20 to pay LS185 its fixed costs, and LS185 to pay E20 the 2017 interim net commercial revenues.

10. CONNECTED STADIUM

10.1. LS185 have agreed to fund the cost of temporary wifi from 1 November onwards, whilst they develop the business case for the permanent Connected Stadium investment (as requested by E20). This is an excellent outcome for E20: we retain wifi indefinitely in the priority West Stand areas at no cost to us, and we keep our

Private and Confidential – Legally Privileged

options open regarding the long-term investment. This is helpful given uncertainty around future stadium operating arrangements; it would be simpler and less costly to effect the termination of the Operator Agreement if the Connected Stadium investment has not been made.

11. LS185 NON-COMPLIANCE

11.1. E20 has been dissatisfied with LS185's performance in a number of areas. These include: reporting, resourcing, business planning, fulfilment of priority themes (such as local employment and community engagement), management of event calendar, and a failure to open South Park kiosks as required. E20 has been formally pursuing these matters in ongoing correspondence with LS185 on areas of non-compliance. This is beginning to deliver results:

- 11.1.1. LS185 have committed to provide outstanding reports by 31 October;
- 11.1.2. The new LS185 CFO takes up his post in early November. E20 is in separate correspondence with the LS185 Chair regarding the CEO role;
- 11.1.3. A new LS185 budget (essentially a short-term business plan) will be provided to E20 by 2 November;
- 11.1.4. There remains plenty of room for improvement on local employment and community engagement. A series of operational level meetings are in place on both to drive progress;
- 11.1.5. LS185 have the event calendar under much stronger control;
- 11.1.6. The South Park Kiosks are being opened as per the contract, and compensation offered to E20 for when this hasn't previously been the case.

12. LONDON LIVING WAGE

12.1. E20 has communicated the Board's decision on London Living Wage to LS185, and established a joint steering group to establish and then execute an implementation plan. E20 has written to LS185 to make the legal argument as to why the permanent VINCI Facilities cleaners not currently being paid LLW should be, and at VF's cost. E20 has also requested that these staff are uplifted to LLW immediately, even if without prejudice to the ultimate responsibility for funding the cost differential.

13. UTILITIES

13.1. E20 has successfully handed over responsibility for utilities (including paying bills) to LS185 on 1 October. Further steps are still necessary to get utilities into a good place. See updated process plan at Appendix C.

Private and Confidential – Legally Privileged

APPENDIX A

Delay/disruption claim.

Background

Vinci Facilities Management ('VFM') submitted in January 2017 a claim for £541,763 covering delay and disruption over the period July 2016 to December 2017. The main heads being additional management costs, the costs of third party mechanical and electrical equipment condition surveys and the continued removal of the £10k comprehensive maintenance limit, citing that this aspect of the contract should be considered at large.

VFM then submitted further costs of £386,708, making the total claim £928,472. The basis for this was other maintenance costs they had uncovered and incurred in 2016, additional management costs and the removal of the £10k comprehensive limit, both to July 2017, the end of the Balfour Beatty defects liability period.

Assessment process

Dialogue and work to assess the claim has addressed the following:

- Agreeing a 12.5% mark up for site prelims and overhead as opposed to 15% claimed.
- Excluding profit which comes via LS185's incentive agreement in the main contract.
- Eliminating any internal LS185 operating costs claimed ie water risk assessments.
- Maintaining the £10k comprehensive limit.
- Eliminating consumables which form part of the contract.
- Assessing all 78 EWN/CEN notices from VFM to LS185 with an agreed cost or at no cost.
- Provision of back up invoices for subcontractor costs claimed.
- Obtaining credit for management costs not expended.

In broad terms costs that have been accepted are those that are:

- Associated with urgent Health and Safety requirements.
- Management disruption covering the extended 2016 hand over.
- Management disruption, (in part) for 2017, as defects were worked through in more detail with the NEC Supervisor.
- Certain 3rd party survey costs that have uncovered and highlighted these defects.

Survey work by VFM staff to capture the condition, type and quantity of assets as required by the contract, external 3rd survey party costs that have highlighted non Transformation end of life requirements and commercial management costs to prepare the claim were rejected and withdrawn.

A small amount of management cost has been recognised for extended cleaning management effort during 2016 for the prolonged completion of the Transformation works.

On the three outstanding items unresolved:

Private and Confidential – Legally Privileged

Lifts/escalators: £60k has been claimed for survey work and maintenance call out's. LS185 have been asked to demonstrate that either the level of call outs post the Transformation works was high and has settled down, or that the current ongoing levels are higher than would be normally expect for lifts/escalators of this age. If the former we will pursue BB, if the latter we will consider early life cycle replacement and the granting of relief under the £10k comprehensive limit which will result in liability to E20. This dialogue is ongoing.

H&S reactive works: £15k is currently still being discussed. Part of this is for costs associated with non-health and safety works which were not brought forward and are considered duplication claims in the first year of operation (ie gutter clearing), whilst part cover works that are likely valid, but have missing invoices.

2017 management costs re defect management: some £31k is currently being discussed covering additional engineering management support up to July 2017 to clear down defects with the Supervisor.

On the disputed item:

Grounds: costs (£20k) claimed for soft landscaping maintenance works carried out in 2016 have been rejected following a review of the contract specification with TFL's legal team. VFM separately have prepared a claim for £75kpa going forward as part of their fixed price increase which has also been rejected.

Proposed Interim settlement

The split of the £256k to £362k range is as follows:

	HEADING	CLAIMED	PROPOSED	LIABILITY
1	H&S	288437	103253	BB
2	3rd party surveys	181672	50528	BB/Supervisor
3	2016 Manag'	299472	75344	E20
4	2017 Manag'	158893	26809	BB
		£928,473	£255,933	

<i>Lifts</i>	60000	BB or E20
<i>H&S</i>	15000	BB
<i>2017 Manag'</i>	31000	BB
<i>Maximum</i>	£361,933	

The 2016 Management costs cover the extended Transformation completion date up to December 2016 and fall to E20 as a cost.

The management costs for 2017 and the costs VFM incurred for 3rd parties surveys which uncovered significant defects (ie fire doors, fire stopping) are arguably claimable from Balfour Beatty and/or the NEC supervisor. No decision to pursue the latter has been made at this stage.

Costs outside of this settlement include:

- LS185 workaround disruption costs ie fire marshals. (awaiting excusing event).

Private and Confidential – Legally Privileged

- Any defect works that Balfour Beatty have historically agreed that LS185 can carry out. (contra charge to BB).
- Outstanding defects that LS185 may complete by agreement in the future. (contra charge to BB).

CONFIDENTIAL

Private and Confidential – Legally Privileged

APPENDIX B

Fixed price increase/asset survey claim

Background

VFM submitted in March 2017 an Asset Verification Report, based on their obligation in the Operators agreement to produce within 3 months of the Stadium Opening Date a report detailing the type, condition and quantity of assets.

In this report they highlighted an asset gap of 24771 assets by comparing the 11243 that they stated they identified at tender stage, with those that they had captured from as built drawings and surveying the completed stadium, totalling 36014. A main tenant of their claim was that no original asset register was include in the bid documentation, although a full suite of drawings and specification were.

Using the contract provision of being entitled to reimbursement of the additional costs reasonably and properly incurred as result this difference VFM presented a revised price of £3,073,865 pa.

This was subsequently updated in June 2016 to £3,470,433 pa to account for their view on the change to the £10k maintenance liability impact.

Assessment process

Dialogue and work to assess the claim has addressed the following:

- Inviting VFM to provide details of their stated 11k bid asset take off.
- A take-off of both the bid information and the current as built drawings by BWA
- A labour loading exercise of the difference between BWA's two take offs
- A review of the original tender submission by VFM
- A benchmarking exercise looking at Hard FM costs for peer group stadia

VFM have not provided a full build up to the 11k despite indicating stating on numerous occasions they would. They provided in their claim a partial breakdown totalling 6.7k.

BWA's take off of the information provided at bid stage indicated that 29k assets should have been identifiable. Their take off of the as built drawings indicates 34.5k, a difference of 5.5k or 19%. This compares to VFM claim of 11k versus 36k, a 220% increase.

BWA have also carried out a labour loading exercise for their calculated difference using SFG20 (an M&E trade body published productivity rates) and calculated the need for one extra FTE multi-skilled engineer.

Proposed settlement

The breakdown of the proposed £1.99m to £2.25m settlement range is as follows:

Private and Confidential – Legally Privileged

Heading	Bid	Claimed	Settlement range			Note
			Low	Mid	High	
Management	493428	693448	549678	568429	568429	75%/100% (of 19% increase)
Prelims	106787	181936	110438	121789	125226	@6 25%
Hard services						
<i>£10k risk</i>	114134	374530	135819	135819	135819	BWA 19% asset qty increase
<i>Subcontractors</i>	465667	604004	441141	604004	604004	Delta=low level halo roof (£97k) & grounds (£66k)
<i>Labour</i>	242139	886143	297139	297139	352139	1- 2 extra FTE's from SFG20 labour load
<i>Materials</i>	106850	136767	127152	127152	127152	BWA 19% asset qty increase
Soft services	216077	216077	216077	216077	216077	No change
Overhead	106029	181936	110438	121789	125226	@6 25%
Unexplained	47889	47889		47889	47889	
Totals	1899000	3322729	1987882	2192197	2254072	
	<i>e/o</i>	1423729	88882	293197	355072	
		75%	5%	15%	19%	

The mid settlement of an additional £290k pa/15% increase compares to:

1. BWA's benchmarking exercise where the highest stadium cost per sqm in the sample peer group is 15% above VFM's price;
2. A bid qualification by VFM which indicated a budget price of £245k pa (for 20% of the assets citing a lack of details), being 13% of the base price;
3. A simple 19% pro-rata of the all hard FM costs in VM's costs which would (coincidentally) also add £290k pa including an allowance for management.

The main difference in the settlement range and which need further dialogue with VFM is principally made up of:

Grounds: as the costs claimed under disruption, ongoing soft landscaping maintenance has been rejected following a review of the contract specification with TFL's legal team. No work is currently being done on site.

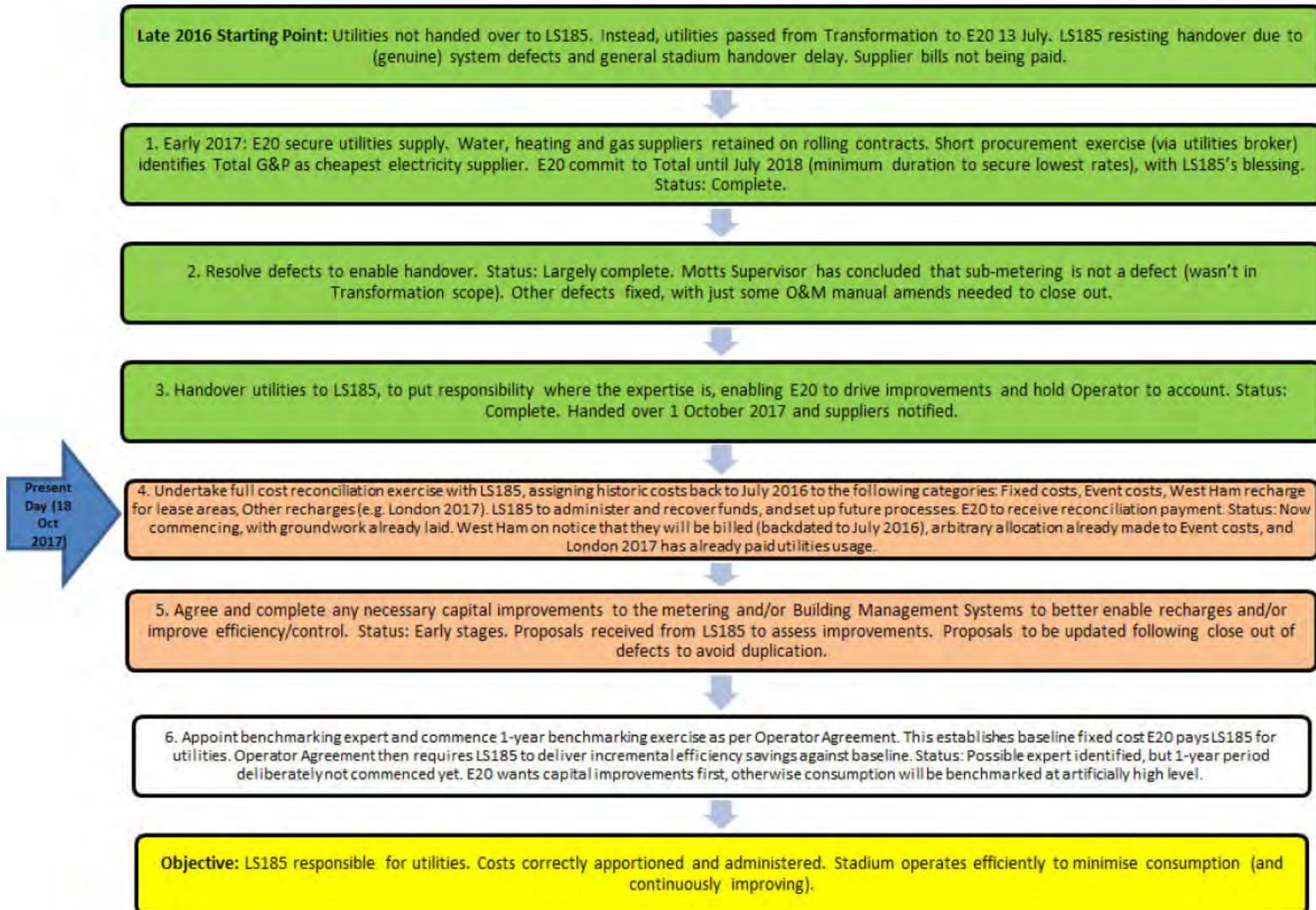
Halo roof: maintenance of the main roof was specifically excluded from the contract as Vinci indicated this was too high a risk. VFM view is that this extends to the lower perimeter inflatable roof. A further detailed examination and review by E20 of the information available on bid drawings for this specific item and any implied specification is needed to settle this. It's not clear at this stage whether VFM are cleaning/maintaining this roof or not.

The settlement range excludes:

1. Cleaning and waste specification – the additional £303k pa claimed by LS185 going forward will be evaluated separately. We understand no costs have been incurred to date save the small amount of management cost recognised in the disruption claim.
2. Agreed scope variations to date with LS185.
3. Any ongoing enhanced legionella/water sampling costs where the overall risk is deemed high from a combination of Transformation defects and LS185 duty holder actions and which can't be readily disaggregated. These are estimated at c£1k per month.

Appendix C

Stadium Utilities: Process Plan



Item: 5a
Date: 24 October 2017
Subject: 2017 Seating Update
Report to: E20 Board
Report of: s.40

1. SUMMARY

- 1.1. This report reviews the 2017 seat moves and position against budget.
- 1.2. Key points are:
 - 1.2.1. The 2017 seat moves are completed, and are forecast to deliver just within £11.8m budget.
 - 1.2.2. This includes £607k of contingency spend that is not 2017 specific and has financial benefit beyond this year;
 - 1.2.3. The £200k required for the Concept Design work agreed at September's Board cannot be absorbed in the 2017 budget. Staff will seek to incorporate the £200k will be within the 2018 budget of £3.9m;
 - 1.2.4. Work will start in February 2018 to prepare for the 2018 seat moves. There is limited activity on the seats between November 2017 and March 2018, with the focus being safety check and Concept Design work.
 - 1.2.5. Following a review of the PHD performance, it has been concluded that they have performed well operationally, but poorly in terms of Commercial Management.
 - 1.2.6. The Concept Design work has informally commenced, with the Pell Frischmann, KSS and Core 5 proceeding at their risk.

2. RECOMMENDATIONS

- 2.1. The Board is asked to:
 - 2.1.1. **NOTE** the Budget and Risk positions.
 - 2.1.2. **NOTE** that the Contractor (PHD) is to be retained for 2018.

3. 2017 SEAT MOVES BUDGET

- 3.1. At the time of issuing this report, the forecast 2017 seating spend is expected to be just within £11.8m, at £11.76m.
- 3.2. The final reconciliation of the 2017 seat transition costs is still not fully finalised. This reflects the poor commercial management from PHD, whose focus throughout has been cash flow, not cost control.
- 3.3. The £11.76m includes a PHD claim submitted for Transition 3, some £240k over the estimated T3 amount. This is currently being challenged.

- 3.4. However, the total budget could rise to £12.2m if all risks detailed in appendix 2, are realised:
- 3.4.1. Appendix 1 details the 2017 contingency spend. Assuming low risk cost recovery items (for voids and recovery from LLDC's transformation budget) totalling of £129k, there is £74k remaining in the contingency fund.
- 3.4.2. Appendix 2 highlights the remaining project risks for 2017. As expected at this stage in the project, the likelihood of these risks materialising is now low (WHU damages for late delivery of seats after 25 August, PHD claim for seat maintenance and losing the insurance adjudication with PHD).
- 3.5. Appendix 3 shows the current budget allocation, tracked from January 2017 to date.
- 3.6. The latest figures will be presented at the Board meeting.

Future Budget

- 3.7. The position going forward is set out in the table below. The budget agreed by the Board over the 2 year period from April 2017-March 2019 years is £15.7m.
- 3.8. The challenge for E20 staff is to absorb the concept design work currently being undertaken into the remaining 2 year budget. Work to reduce the 2018 seat moves is required to achieve this.

Period	Target Spend	Budget Agreed by Board	Commentary
April-October 2017	£11.76m	£11.8m	
November 2017– March 2018	£0.2m	£0m	£0.2m concept design Safety inspection in Apr-Oct budget, and no compound costs
April-August 2018	£3.54m	£3.9m	Primary Seat Moves period. Cost savings being sought to fund Concept Design study
September 2018- March 2019	£0.2m	£0m	Storage, seat safety checks
TOTAL	£15.7m	£15.7m	

- 3.9. Members should note that the budget does not include the allocated £750k capital improvements agreed in June 2017. These will be reviewed in February 2018, along with the output from the Concept Design work

4. LEARNING FROM 2017 SEAT MOVES

- 4.1. Lessons learnt sessions have been undertaken following each Transition to capture improvements. Following Transition 3, the main learnings can be summarised as follows, all of which should save time and money:
- 4.1.1. Positioning of stands using guidance rails or locator cones;
- 4.1.2. Improvements to the air skate surface, ideally a permanent surface that negates the need to jack up the seating cassette;
- 4.1.3. Adopting a water ballast system to increase the speed of ballast deployment;

- 4.1.4. Two level storage system to reduce storage footprint during concert and athletics season;
 - 4.1.5. Subject to commercial terms, getting PHD, as opposed to LS185's sub-contractor, to lay and remove the track and pitch protection. This year, with a separate contractor, there were delayed handovers and complications of responsibility which could be avoided.
 - 4.1.6. Various logistical improvements (e.g. changes to reduce number of bolts, more critical spares on site).
 - 4.1.7. Replace 'loose tube' scaffolding support in East Stand to facilitate a less onerous structural inspection regime;
- 4.2. Of the above improvements, 4.1.1 to 4.1.3 relate to airskating and since it is not envisaged to undertake any skating during the 2018 transitions, no capital is required from this year's budget to deliver these.
- 4.3. Improvement 4.1.4, 4.1.5 & 4.1.6 require further investigation, which will be undertaken by Mace as part of their Task Order extension.
- 4.4. Improvement 4.1.7 is being investigated by Atkins to assess the scale of replacement and the benefits that would be derived. The cost of this scaffolding survey is £3k and is detailed within the Contingency spend at Appendix 1.
- 4.5. A separate report sets out rationalisation of the seat compound space requirements. These should also help secure reduced future costs.

5. PHD CONTRACT

- 5.1. s.43 [Redacted]
- 5.2. s.43 [Redacted]
- 5.3. s.43 [Redacted]
- 5.4. s.43 [Redacted]
- 5.5. s.43 [Redacted]

S.43

6. CONCEPT DESIGN WORK

- 6.1. The September 2017 Board decision to proceed with concept design for the north stand, included an October Board milestone that the team would be assembled and is started work. This milestone has been achieved, albeit on an informal basis whilst Procurement compliance is established.
- 6.2. There are no significant outcomes to date, with a fuller report to be given to the November 2017 board.

Appendices:

Appendix 1 – 2017 Contingency Spend Breakdown

Appendix 2 – 2017 Remaining Risks

Appendix 3 – 2017 Seating Budget Summary

Report originator(s): s.40

Email: s.40@e20stadium.com

CONFIDENTIAL

APPENDIX 1: 2017 CONTINGENCY SPEND BREAKDOWN

The following spend, incurred this year, is not 2017 specific. All of this spend has been/is being funded using the £1m approved 2017 Contingency. None of this expenditure was anticipated back in April 2017:

2017 Contingency Spend (NOT 2017 specific)			
ITEM	Value in Board Paper	ACTUAL VALUE	Variance
Additional Armourdeck	113,947	113,947	0
Lateral barrier	33,458	33,458	0
Purchase of Layher components for Concert Mode	275,953	275,953	0
Slide back plates	21,953	21,952	1
Deck 25 missing Parts	4,000	2,263	1,737
Dismantle redundant Sapa components for use in T3 and future	25,840	25,840	0
Seat refurbishment and rails	34,149	34,148	1
Concert Seating Study	3,680	3,680	0
Spare deck painting (LLDC funded)	50,836	50,836	0
Momentum	6,442	6,442	0
GRP Covers for Broadcast Trench	3,468	3,468	0
Expedition Feasibility Study	35,000	35,000*	0
SUB TOTAL (£)	608,726	606,987	1,739
Less			
Spare deck painting (LLDC funded)	50,836	50,836	0
TOTAL (£)	557,890	556,151	1,739

Values in italics and marked by asterisk are yet to be fully reconciled and are therefore estimated.

To obtain the complete breakdown of 2017 Contingency spend, the following table needs to be added to the values above. This represents Contingency spend incurred during 2017, which has no life beyond this year i.e. 2017 specific studies and one off expenditure. Again, none of this was budgeted back in April 2017:

2017 Contingency Spend (2017 specific)		
ITEM	Value in Board Paper	ACTUAL VALUE
Temporary accommodation on compound	18,355	18,355
Project Office Fit Out	16,645	16,645
Set up of welfare facilities at Stadium compound	34,640	34,639
Purchase vinyl for entire stadium bowl	17,250	17,250
Removal of seating related S.43	21,158	21,157
Storage of WH Marquee Sign	529	529
Disposal of South Plaza materials	3128	3,128
Compound Hoarding	2,488	2,488
Jacks	35,560	35,560
Project Office Hire Extension	4,140	4,140
Mace Task Order Extension (Oct – Mar 2018)	61,010	61,010
Atkins Scaffold Survey	3,427	3,427
Attendance by Aerofilm during T1	31,525	31,525
Atkins Inspections	18,215	18,215
West Ham Void Treatment Recovery	90,850	90,850
Compound Charges (Oct)	22,000	22,000
Security of Compound (Oct)	30,000	30,000*
Compound Clearance	50,000	50,000*
SUB TOTAL (£)	460,920	460,918
Less		
West Ham Void Treatment Recovery	90,850	90,850
TOTAL (£)	370,070	370,068

Values in italics and marked by asterisk are yet to be fully reconciled and are therefore estimated

Combining both tables provides a complete summary of Contingency spend from the 2017 seating budget:

CONTINGENCY CATEGORY	VALUE (£)
2017 spend	370,068
2017 and beyond spend	556,151
TOTAL (inc. cost recovery elements)	926,219
Contingency Remaining	73,781 (Rounded 74,000)

APPENDIX 2: 2017 REMAINING RISKS

Risk	Likelihood	Impact	Value at Risk	Commentary
s.43				
PHD claim for first 6 months of seat maintenance	Low - Moderate	Moderate	s.43	Although entitled to under the contract terms, PHD is yet to claim any costs for maintaining the seats throughout the Transition season (Apr-Sept). The value, all of which has been budgeted, is s.43. Mace's advice is that it is unlikely that PHD will ever claim these monies, so it is recommended that E20 reallocate these funds to the Contingency line.
Insurance dispute	Low - Moderate	Low	s.43	PHD claim that Insurance costs were tendered as part of their Target Cost and that they are therefore an Allowable Cost. E20 refute this and TfL Legal advice is that we have a robust case in arguing that Insurance forms part of the Contract Fee. The insurance value applied for by PHD totals £86k for this year's transitions, but of greater importance is establishing the principle of Insurance cost recovery over the 5 year Contract Term. The project team continue with efforts to close out this risk with no financial outlay, but Adjudication costs will be incurred should PHD pursue. Should this be the case and PHD loses, E20 would be able to reclaim costs. E20 has, therefore, allocated to no funds against this risk.

APPENDIX 3: 2017 SEATING BUDGET SUMMARY

(£'000s)	Approved by Board January 2017	February 28 Board 2017	Approved by April 2017 Board	June 27 Board before Opportunities	July 25 Board before Opportunities	August 22 Board before Opportunities	September 26 Board before Opportunities	October 24 Board before Opportunities	Update	Best Case Outcome if Achieve Opportunities
Contractor Payment	S.43									
Contractor Bonuses										
Project Management										
Compound, Maintenance of Airskate System										
Purchase of Layher System for N&S Stands										
Airskates incremental improvement										
Air Cushion Spares										
Planned Maintenance over 12 months										
Contractor Overspend Allowance										
Contingency Used										
Contingency Under Spend										
SUB TOTAL COST										
GLA Contribution										
Less Contribution from LLDC - Deck Painting										
Less Void treatment recovery										
TOTAL COST										
TOTAL E20 Budget										
VARIANCE										

E20

STADIUM LLP

Item: 5b
Date: 24 October 2017
Subject: Seating Compound
Report to: E20 Board
Report of: s.40

1. SUMMARY

- 1.1. This report reviews the 2018 seat move plans, and storage requirements. Key points are:
- 1.2. E20 are on track to clear the Pudding Mill Lane (PML) compound by the end of October 2017. From that date, E20 will not secure or rent storage space from LLDC until May 2018. LLDC can therefore sell the space to another party.
- 1.3. Materials are either:
 - 1.3.1. being relocated to the stadium (c.50% of current compound materials that will be reused in 2018);
 - 1.3.2. redundant, and therefore will be Recycled / sold / disposed of (c.30%). This could generate up to £15,000 income for E20; and
 - 1.3.3. subject to the Board agreeing the recommendation, a further 20% (c.500 sqm) of East Stand materials will be disposed of.
- 1.4. E20 will need storage between May and August 2018, when some Lower Tier seats are removed and the Stadium is in concert / athletics mode. This storage requirement will be reduced by the actions above, and need a smaller compound to be rented from LLDC when compared to this year.
- 1.5. The financial saving from selling materials, reducing security and reduced rent to LLDC is expected to total over £250,000.

2. RECOMMENDATIONS

- 2.1. The Board is asked to:
 - 2.1.1. **NOTE** the arrangements for reduction in compound space;
 - 2.1.2. **AGREE** to dispose of the East Stand materials in the compound rather than store them;
 - 2.1.3. **NOTE** the more efficient use of stadium space.

3. SEATING SPACE REQUIREMENTS

- 3.1. As reported last month, the storage of seats this summer required an area of over 18,000 sqm and cost E20 £216k. This is a payment to LLDC for the storage compound at Pudding Mill Lane and associated security/insurance costs.
- 3.2. As a result of the stadium space review (detailed at para. 4) set out in later in this report, c.50% of materials will be moved into the stadium. Another 30% will be sold or recycled as they have no useful retention value for seat moves. The option for LBN, LLDC or LS185 to take these materials has been offered. In the latter's case, any

transfer must deliver cost savings to E20. Examples include 1,000 traffic cones and wooden pallets.

- 3.3. Significant space (600 sqm) is taken up with East Stand materials, particularly the Disabled Access Platforms (DAPs). If the East Stand were to be moved regularly it would be worth retaining these components, but since this is not the plan, retaining these materials in a space constrained environment does not make economic sense.
- 3.4. For the following reasons, it is recommended to scrap these components:
 - 3.4.1. the inability to store these components within the stadium;
 - 3.4.2. cost of storing at another location;
 - 3.4.3. degradation while storing for c.10 years; and
 - 3.4.4. unlikely to reuse if a radical solution is implemented.
- 3.5. Between 14 May and the 2nd August 2018, E20 will require storage space outside the stadium island site. E20 proposes that at the end of February 2018, it identifies to LLDC exactly what space it requires and agrees to rent it for the May to August period. LLDC and E20 will continue monitor rental / development of space in the meantime, to ensure cost effective options are available.
- 3.6. This need will be reduced to c.6,000 sqm, as a result of:
 - 3.6.1. The clear out of compound materials noted above;
 - 3.6.2. Less stands are being moved in 2018 and future years;
 - 3.6.3. The feasibility of placing the majority of front 7 row cassettes under the East and West stands. NB: It may be wise to test this by moving a seven row cassette during the football season. The costs of undertaking such a test are c.£50k. A decision on this will be made once the 2018 Seating budget is better defined.
- 3.7. The items to be stored off site will include:
 - 3.7.1. 168x North and South Stand Decks and Frames in 16-20 sqm units (3,000 sqm)
 - 3.7.2. 18x Central Decks and 4x Central Frames (500 sqm)
 - 3.7.3. West Stand Bridges (250 sqm)
 - 3.7.4. West Stand Modules and Bridges (1,300 sqm)
 - 3.7.5. Other materials and access routes up to 1,000 sqm)
- 3.8. A side benefit of moving materials into the stadium is that there are some materials and equipment that LS185 at be able to share (e.g. cherry picker, scaffold pipes). This should reduce the stadium's overall Operating Costs.

4. STADIUM SPACE REVIEW

- 4.1. A stadium space review has identified a number of areas which are underutilised or available. Most significantly:
 - 4.1.1. Leaving the East Stand "forward" creates a space of c.1,000 sqm underneath the stand to store non fire rated materials. C.50% of the front 7 row cassettes would fit into this area, as well as super gangway materials
 - 4.1.2. Leaving the West Stand "forward" creates another space of up to 1,000 sqm under the stand to store similar materials
- 4.2. The release of the PML compound to LLDC means that LS185 will not be able to use the space on match days for away supporter coaches. This is not ideal for LS185,

but they failed to use it on the 30th September when it was available, and it is not a long term option in any case. They still have the option to rent space from LLDC.

5. FINANCIAL IMPACT

- 5.1. The E20 financial saving from October 2017 to May 2018 is in excess of £250,000:
 - 5.1.1. £130k rent to LLDC for November to April
 - 5.1.2. £130k security charges for compound from November to April
 - 5.1.3. Reduced compound rent and security cost between May –August 2018. 6,000 sqm would cost c.£60k, rather than c.£110k for the previous assessed needs of 11,000 sqm
 - 5.1.4. Marginal (c.£10k) income from scrappage or resale of reuse
 - 5.1.5. Reduced 2018 seat move cost, as a result of having more materials and seating cassettes in the stadium rather than transporting them from Pudding Mill Lane. This has not been accurately assessed, but should be a six figure sum.

Appendices: None

Report originator(s): s.40

Email: s.40 @e20stadium.com

CONFIDENTIAL



Subject: Community Plans and Community Track
Date: 24 October 2017
Report of: Martin Gaunt, Alan Skewis
Item: 6

1. PURPOSE OF REPORT

1.1. This report provides an update on the community plans and community track.

2. RECOMMENDATIONS

2.1. **NOTE** the report

3. COMMUNITY PLANS

3.1. Community Plans have been received from LS185 and West Ham United, and are included in appendices 1 and 2. The LS185 plan is brief, and despite requests still does not contain a clear programme of future community events and deliverables.

3.2. E20 has asked LS185 to convene a community steering group, with E20, LLDC, LBN, West Ham and UKA all as members. The intention is for this group to coordinate and collaborate on community activity, and for LS185 to own an overarching stadium community calendar. The first meeting was held on 13 October and was positive in sentiment. However, it remains to be seen whether LS185 has the leadership and desire to deliver this request, as it goes beyond their strict contractual commitment. E20 stands ready to require this, or step-in to lead the delivery itself.

3.3. E20 has fed back to West Ham that their plan, whilst positive in places (notably the level of investment in community activity), does not adequately address the requirements detailed in the Concession Agreement. A revised version is under development.

4. COMMUNITY TRACK

4.1. The Community Track officially opened on the 19th October.

4.2. LS185 have employed a lead to take responsibility for generating income and securing the contractual obligations LS185 are required to deliver.

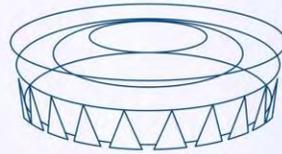
4.3. The local club, England Athletics, Bobby Moore Academy, London Borough of Newham, LLDC and LS185 are making progress in developing the sports programme.

Private and Confidential – Legally Privileged

- 4.4. LS185 are negotiating with WHU on the potential for their Ladies teams and programmes to be based at the facility. A six figure sum has been requested from WHU for this use.
- 4.5. LS185 and LBN have also agreed to move the location of the proposed “Learning Zone” to the community track area. This involves some re-organisation of space use and fit out. In particular a gym space will be used by the Learning Zone, with “loading bay 4” designated for an improved gym facility.
- 4.6. E20 are supportive of these changes, which will augment the community activity in this area of the stadium, as well as release space in the original Learning Zone location adjacent to the indoor warm up track.

CONFIDENTIAL

LONDON
STADIUM



THE WORLD'S STAGE

COMMUNITY PLAN

**Enthusiating interest and participation, particularly amongst Newham residents
Maximising affordable community access to our facilities and events**



Our Community Commitment

London Stadium remain committed to delivering impactful community schemes in line with the commitments detailed in our Operator Agreement. The pillars of our community strategy are:

- Enthusing interest and participation in London Marathon Community Track activities, particularly amongst Newham residents
- Maximising affordable community access to our facilities and events
- Promoting our event delivery workforce vacancies to Newham residents

What have we done?

Charity Collections

We manage a matchday bucket collection rota for charities connected to the events that we stage. Donations from the 2016-17 football season and London 2017 athletics events exceeded £35,000.

Resident Engagement

We are the only Queen Elizabeth Olympic Park venue to attend Police Ward Panel meetings and continue to allocate complimentary tickets for music events to the Newham residential ballot. Local residents attended Guns N' Roses, Depeche Mode and Robbie Williams concerts and our England versus Australia Rugby League International through the scheme. We have also secured a complimentary allocation for the Aviva Premier Rugby fixture between Saracens and Harlequins

Stakeholder Engagement

We continue to attend West Ham Supporters Advisory Board and Disabled Supporter Group meetings. Our official magazine is distributed to selected subscribers and our nearest residents.

University of East London Internship

We recruited a UEL student to serve as a marketing intern for three months from April 2017. The London Living Wage post was fully funded by a successful grant application.

Test Events

We have operated charitable events on the London Marathon Community Track before the official opening. Most notably, we hosted The Duke & Duchess of Cambridge and Prince Harry at the launch of their Heads Together warm-up session. We also welcomed the BAPS Hindu Centre for their charity 5k race, the West Ham Family Day, Love Football, the Rugby League Junior Tag Festival, Accuvue filming with Katarina Johnson-Thompson and provided a storage compound for Project 7, E20's seating transition.

Community Track Users

We continue to host familiarisation sessions with user groups considering permanent moves to the London Marathon Community Track in support of Newham's aim to relocate groups currently using Newham Leisure Centre.

Charitable Customers

We have secured a football usage agreement with Altis FC, a socially conscious amateur football team who will play 12-15 home games per season on the London Marathon Community Track with a usage fee of £400/match. Squad members recently completed a 60-mile cycle tour of ten professional football

grounds across London, concluding at London Stadium, raising £2070 for football beyond borders, a registered charity that uses football as an educational tool for young people.

Jobs For Local People

We continue to recruit Newham residents to roles within our catering and security operations while all full-time roles are advertised through Newham Workplace.

Digital Art Space

We launched a digital wrap community photography project in which airtime is reserved for local amateur and professional images for credited display. The 'EastSide' project continues to attract regular submissions and has proved successful.



Clockwise from top:

The Duke and Duchess of Cambridge launch Heads Together, Tony Cottee addresses Wheathampstead under 12s, West Ham United host their family day and Altis FC raise funds for Football Beyond Borders



The London Marathon Community Track

The opening of the London Marathon Charitable Trust Community Track will enable us to deliver impactful community schemes for the benefit of visitors to Queen Elizabeth Olympic Park, priority user groups and Newham Residents. Newham and Essex Beagles have confirmed their intention to relocate to the London Marathon Community Track which is particularly pleasing given their heritage and record of success in driving participation and excellence in athletics.

Indicative Weekday Timetable

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Public gym	7am-6pm	7am-7pm	7am-6pm	7am-7pm	7am-7pm	9am-5pm	1pm-4pm
Public track	7am-6pm	7am-7pm	7am-6pm	7am-7pm	7am-7pm	9am-5pm	10am-4pm
Corporate hire	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm
Commercial filming	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm	7am-7pm
School sport days (30 x 4-hours)	10am-2pm	10am-2pm	10am-2pm	10am-2pm	10am-2pm		
Newham & Essex Beagle	6pm-9pm		6pm-9pm				10am-1pm
East End Road Runners		7-8.15pm					
KIS Tri Club			6pm-7pm				
Altis FC						2pm-4pm	
West Ham Ladies							2pm-4pm
Newham Athletics Network							
Legatum Academy (from Sept 2018)	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm	9am-4pm
APAP Schools Athletics	4pm-5.30pm			7pm-8.30pm			

London Marathon Community Track

- We will finalise the recruitment of a Community Track Manager (*September 2017*)
- We will establish a process for community track and field bookings for community and one-off use (*September 2017*)

- We will target high-profile community events to further enhance our corporate social responsibility credentials and seek to partner with established, credible community schemes, particularly those operated by national governing bodies (*January 2018*)
- 'One Hundred Heroes' – We will approach high-profile stadium alumni, and local coaching talent, to host community taster sessions, master-classes, and coach the coaches sessions, and seek commercial partners to align with the scheme. (*Ongoing*)



London Stadium hosted the BT Sport disability programme launch event to showcase accessible football formats for disability groups



What are we planning to do?

Our community commitment is reflected in our efforts to date and will become a horizontal pillar of our organisational strategy. We continue to support our partners and event owners in their own community efforts and will lead on creating a co-ordinated approach to maximise our collective output.

Strategy

- We will hold regular scheduled meetings with key stakeholders and internal updates provided to the LS185 senior team (quarterly from December 2017)
- We will develop our understanding of the the social challenges as prioritised by London Borough of Newham and E20 and support their priorities. (Ongoing)
- We will secure ticket inventory from event owners for the benefit of Newham residents. (Ongoing)
- We will build a value chain to provide tangible benefit for local residents to opt-in to our direct communications (Ongoing)
- We will explore inventory exchange with QEOP venues and partners (November 2017)
- We will maintain a presence on the QEOP comms calls, park meetings and key resident bodies (Ongoing)
- We will support and promote the on-site learning centre (Awaiting move-in schedule from LBN)
- We will support the marketing of stadium tours to schools and community groups (Ongoing)

Charity Policy

- Establish the preferred charities of key stakeholders (December 2017)
- Formalise the manner in which we select and support charitable beneficiaries on major event days through a written charity policy (December 2017)

Communications

- Communicate success to key stakeholders through owned channels (Ongoing)
- Devise a community content plan that prioritises effective coverage of the schemes taken forward (Ongoing)
- Contribution to partner communication channels and submit articles to QEOP magazine and Newham Council channels (Ongoing)
- Identify key local, national and specialist media and maintain accurate contact and media distribution lists (Ongoing)
- Create a schedule of media call opportunities at community events (December 2017)





COMMUNITY PLAN

From the very moment we were awarded the Stadium, West Ham United has been immensely proud and privileged to be playing an integral part in delivering a strong Olympic legacy.

We have had an incredibly exciting first year as anchor concessionaire partner at the new London Stadium and as a key partner across the QEOP. We have focused much of our outreach work on forging positive relationships with other stakeholders and Park partners, ensuring we become an integral element of our new community.

We have continued to work tirelessly on the development of ground-breaking new partnerships; relationships and needs led programmes across Newham, and more specifically in and around the Park, as the QEOP continues to take shape.

We have met with all key concessionaire partners and are in agreement as to the operational status of the Community Plan. A steering group set up in September 2017 now monitors, tracks and analyses the core components of the Community Plan, reporting back to the Grantor.

We made significant progress last year in several key areas. Our partnership with the Creative Wick Film School in Hackney Wick gave 15 local young people a unique and life-changing opportunity to produce powerful short films and documentaries alongside BT Creative, Openvizor and Alias Hire. The Loughborough London Collaboration Project provides a fantastic opportunity for the West Ham United Foundation to work collaboratively alongside a world renowned university, playing a key part in a research project that will help to develop and promote our work both locally and overseas. The LLDC APAP partnership is one that has been incredibly exciting over the past few years. We are currently part of a wider LLDC strategic group that is in the process of assessing what a future sports participation model could look like, continuing the Olympic Legacy. Our current work on activation at the QEOP has allowed us to provide athletics to over 2000 people, with 11 different sporting sessions being delivered and creating unique opportunities for participants.

Over the coming season and in-line with our steering group, these collaborations will create further opportunities for us to build on our early successes. Other partners will begin to feature more across the QEOP and we are delighted to engage and support this very organic development, including:

- Bobby Moore Academy
- Westfield
- CCG via the Ludwig Health Centre

This continued development will benefit the community and enable a much more inclusive approach, providing a cohesive momentum to support the local need. This multi-organisational approach, bringing together such a unique set of specialist institutions, will create a powerful legacy framework.

West Ham United

COMMUNITY PLAN



"West Ham United will be among our close neighbours once we open Sadler's Wells' new mid-scale theatre in Queen Elizabeth Olympic Park in 2021, and I hope this will be the first in a series of exciting collaborations between us."

Alistair Spalding CBE
Sadler's Wells Chief Executive



West Ham United

COMMUNITY PLAN



Overview

Having now been at the London Stadium for a full season, working hard off the pitch within our new local community, we have spent the summer analysing our approach and setting a new partnership model for the next two years.

We are now working with more partners and key stakeholders; focusing, listening and responding to where the need for our service is. This vital work contributes towards our long term goal to develop a unique partnership blueprint. By using the last few years as a catalyst to include more stakeholders and communities, we can continue to make a significant and positive impact on people, families and the wider community.

Last season, we invested over £1.4m into Newham over 13,000 Newham residents, delivering a social return of £6.56 for every £1 invested. As a result of this initial evaluation, we are now working closely with Loughborough London University to understand in much more detail the social impact of our programmes.

Overview of WHU Community Plan (Schedule 4, Section 2)

2.1 Community Plan to be approved by the Grantor

This Community Plan is now being monitored via a stakeholder steering group, administered by Joe Lyons and submitted for review each quarter. Below sets out a much wider approach to the requested Community Plan.

2.2 a Regeneration

- i) Concessionaires will be required to address local employment targeting and adopt appropriate local employment targets in their Concession Agreements..
- ii) There will be a target of 75% of employees being sourced from within the London Borough of Newham.

Current Status

For the 2016/17 season, 35% of match day staff were from Newham. So far this season, we have 37%. Overall, 76% lived in the borough of Newham or the 6 surrounding boroughs, and for this season so far it stands at 60% - with further recruitment still to be completed.

In relation to core staff for the 2016/17 season, 10% lived in Newham. This has not changed, but the number of staff this season residing in Newham or the neighbouring boroughs has increased from 49% to 58%, in part due to our fantastic Leadership Through Sport and Business scheme..

2017/18 Commitment

Following conversations with the WHU Head of Human Resources and the regeneration leads for both the LLDC and Newham Workplace, all future recruitment will continue to be processed via the agreed method with all parties. Furthermore, on a bi-yearly period we will produce a staffing report outlining key statistics for Newham residents. We will also work towards supporting Newham residents by upskilling them, enabling them to be job ready to work at the Club – through short courses and seminars from WHU staff.

We continue to send all our vacancies to Newham Workplace, giving local residents the opportunity to apply for all of our available roles.

We are also looking at other areas including pay and hours for match-day staff, given the significant level of competition from Westfield and other regeneration in the surrounding areas.

We will continue to work with local universities such as Loughborough and UEL to engage effectively with their students.

This season we plan to work further with local community groups to recruit from the local area, and as part of our Equality Plan, match the staffing demographic more closely to the local community.



"[the Foundation are] leading the way among the 161 clubs... I don't think there's any single club I could name that does it to the depth and to the breadth and with the real commitment that West Ham do it."

Richard Scudamore
Premier League Executive Chairman

2.2 b Community

i) Stadium Community Days: The Grantor will provide a minimum of 10 community event days per annum to the Stadium for distribution to residents of the London Borough of Newham. The 10 community days will have equal status to all but the Event Days.

Current Status

Community days (as per the Concession Agreement) are not the responsibility of West Ham United. The CA clearly states that E20 is responsible for community days. (The Grantor will provide a minimum of 10 community event days per annum to the Stadium for distribution to residents of the London Borough of Newham. The 10 community days will have equal status to all but the Event Days.)

Without taking on responsibility for community days, in the true spirit of our partnership it is our continued intention to lend our full support to the community days programme delivered by the London Borough of Newham. As this programme has not been finalised, we cannot commit to any specific action at this stage, but we continue to be aligned to the concept and will offer appropriate support to the extent that we are requested to do so and it is feasible for us to lend assistance.

We have met with key representatives from LBN and E20 and are currently in discussions about how we can support the implementation of more community days. This could occur in the form of a wider charitable event that consists of Newham and West Ham United stakeholders - though this is still subject to further exploration. We do need to stress that whilst we are fully willing to support all Community events delivered by LBN at the Stadium both in terms of activation, promotion and as required, these events are distinct from events put on by West Ham United that involve our key assets i.e. our professional players be that First Team or Academy.

2017/18 Commitment

We now have an initial outline of how a weekly community calendar may look, incorporating Newham and Essex Beagles, Newham Athletics Network and EA/WHUF sessions along with multiple mass participation events throughout the year. To reiterate, we intend to lend our full support to the community days programme delivered by the London Borough of Newham.

West Ham United **COMMUNITY PLAN**



“West Ham is a community-based club and with the move to the Olympic Stadium, it will still be a community-based club. Because the club represents and covers the community, and obviously it’s important that we get that message out to all the different groups in the area around the ground and wider, because the fan base is so big now.”

Mike Gapes
Ilford South MP

ii) Community Athletics Track: The Grantor will provide an operation that accommodates athletics available for residents of the London Borough of Newham, including access to the community track for a minimum of 250 days per annum and access to the Stadium for 10 days per annum.

Current Status

The programme and partnership has gone from strength to strength, and has now expanded into other boroughs to offer more opportunities for communities surrounding the QEOP. Key partnerships have been forged with the Great Run Company, Special Olympics GB and London 2017 to maximise effect and engagement following the hugely successful London 2017 World Para and IAAF World Championships.

Newham and Essex Beagles and the East End Road Runners have also become close partners over the last 12 months, with many developments taking place between running groups, athletics sessions and activation of the community athletics track. EA/WHUF are well placed within LS185/LLDC and Newham Council, being viewed as one of the major strategic links/partners in activities taking place at the community track going forward - having delivered the only community event the track has hosted so far before opening. A monthly meeting is in place with all partners and regular communication takes place regarding further developments.

Currently, EA/WHUF are linked with the majority of strategic partners that LS185 are liaising with, offering a joined-up approach between all partners to offer and deliver the most effective and efficient programme for athletics, other sports and community track activation.

2017/18 Commitment

Through 2017/18, EA/WHUF have plans to introduce a number of sessions at the community athletics track to assist with activation. Various discussions have taken place with LS185, Newham Council and LLDC to address the timetable slots and infrastructure associated with the community track and indoor facilities.

EA/WHUF have 2 current athletics bookings. Wednesday 20th September 2017 will see a London 2017 Inspiration event for approx. 200 school participants, and a slot every Wednesday from 5pm-6pm will host 12 weeks of community athletics as part of GLA funding.

Discussions with Newham and Essex Beagles have also taken place with a view to delivering a joint effort towards community athletics at QEOP. Both projects will support each other in community athletics delivery, offering a clear participant pathway from first engagement and beginners up to club and competition level.

West Ham United **COMMUNITY PLAN**



“West Ham has long been a very powerful presence at the heart of our community. Right in the centre of the Borough of Newham. The Foundation plays a very full role in partnership with lots of other local organisations in the interests of the local community.”

“It is a very wide-ranging programme that the Foundation has at West Ham, it’s an ambitious programme and one which does a lot of very valuable work in our local area.”

Stephen Timms
MP for East Ham

East End Road Runners have had a club vote and will not be taking up their slot at the community track on Tuesdays 7pm. EA/WHUF have discussed with the chairman of EERR, and in principle EERR will propose to LS185 that EA/WHUF occupy this slot for community running, athletics and other sports going forward. Our Community Track Manager is currently being recruited, and will manage bookings and logistics going forward as part of LS185.

A number of enquiries have been received regarding use of the community track for athletics and other sports which will be passed onto LS185 or incorporated into EA/WHUF sessions.

Approximately £4000 of Track and Field athletics equipment has been purchased to help support the APAP project, and also to be utilised at sessions during the activation of the community track - including racing wheelchairs for disabled participants.

Furthermore, equipment purchase discussions have taken place with British Athletics/Parallel Success/Motivate East to introduce a wheelchair racing club at the community track. This is in the early stages, with the view of the club being the main hub and training facility for wheelchair racing in London.

There have also been informal discussions with Newham Council on potential outdoor buildings and infrastructure surrounding WHUFC Ladies Team and fixtures which will be taking place later this year.

A number of educational institutions, including Loughborough and UEL, have enquired about sending large numbers of students to take part in athletics sessions that at the track. EA/WHUF are currently considering these proposals.

There is potential to move some of the WHUF walking football sessions to the community track and use this facility as a base for the WHUF walking football team.

An exciting proposal is also currently being considered to create an affiliated running club for the park, "QEOP Runners", where individuals could represent the club in competition and events throughout the year. The plan involves basing the club at the community track, having multiple partners associated to the group.

West Ham United

COMMUNITY PLAN

iii) Local Community Funding: The Grantor will ensure that Concessionaires and long term users of the Stadium allocate an appropriate proportion of their community funding to sport, cultural, entertainment or educational programmes taking place within the London Borough of Newham, or targeted at residents of the London Borough of Newham. The aggregate value of the support given by the Grantor will be not less than £250,000 indexed per annum.

Current Status

During the 2016/17 season, WHU invested over £1.4m across and for the benefit of Newham residents. As the Club's outreach arm, the Foundation focuses on three main areas of work: Community, Learning and Football Development. This investment across the London Borough of Newham has directly supported over 13,000 residents. During last season, we also established key strategic relationships with the Senior Directors team in LBN, and were commissioned to deliver a jointly funded Newham CCG and LBN Community Prescription programme, which has been named the 150Club. This programme is just one of many examples of how we are constantly developing our programmes, partnerships and more importantly outcomes – all of which provide considerable unique and life-changing benefits to the wellbeing of Newham communities.

2017/18 Commitment

The West Ham United Foundation is committed to continuing its strong strategic relationship within Newham. This year, and as an example of further great partnership work, the Foundation will continue to support the set up and design of the new Voluntary sector partnership called 'One Newham'. This consortia will provide a huge boost to the local community, and will support the third sector in establishing a first class reputation that will match the amazing work already being carried out all year round across Newham. Although this amount of investment is considerably more than required as part of the Grantors responsibility, we will continue to work tirelessly to generate and draw down further much needed funds, working in partnership on the strategic direction and ultimately benefiting Newham residents.

iv) Community Tickets: Access to events for residents of the London Borough of Newham, both as spectators and attendees, including the provision to NLI for distribution to Newham residents of up to 100,000 event tickets to be provided by Stadium users. Such tickets must be for professional sport or music events taking place at the Stadium.

Current Status: We remain committed to playing our part in helping to deliver this aspect of the Stadium legacy, and are continuing to work towards securing an agreement that provides a robust mechanism for distribution.

2.2 c) Education:

The LLP will deliver day-to-day educational use provided by a higher education organisation, schools programmes and the retention of a "Learning Zone" in the facility. The Members hereby agree to use reasonable endeavours to secure a higher education Concessionaire. There must be sufficient space for a suitable higher education presence in the Stadium after the needs of Concessionaire has been met.

Current Status

The Foundation is currently in communication with E20 and the LBN Education team, and are awaiting confirmation on the current status of the construction of the "Learning Zone".

We have continued to communicate with the new Principal of the Bobby Moore Academy, and will be meeting the senior leadership team this term to confirm our support for the Academy.

2017/18 Commitment

We are still committed to supporting the build and launch phase of the Learning Zone and as agreed with the local authority education team, the Foundation will deliver all expectations required within the SLA.



West Ham United

COMMUNITY PLAN



The Community Plan continues to be an integral framework and reference-point for our strategic development across the QEOP. We are incredibly excited, not only for the start of our Premier League campaign at the London Stadium this season, but also for the continued development of our Community Plan steering group.

In summary, I hope you will agree in all areas West Ham is willing to go far above and beyond our contractual obligations in the delivery of our Community Plan - such is our commitment to playing our part in delivering a strong Olympic legacy both for East London and the UK.





LONDON STADIUM
QUEEN ELIZABETH OLYMPIC PARK
E20 2ST



Subject: E20 Director Update
Date: 24 October 2017
Report of: Alan Skewis, Director of E20 Stadium LLP
Item: 7

1. PURPOSE OF REPORT

- 1.1. This report provides an update on a number of points not covered elsewhere on the agenda.
- 1.2. Key points are:
 - 1.2.1. Foo Fighter concerts have been announced on the 22nd and 23rd June 2018;
 - 1.2.2. The 2017-18 event calendar has been largely finalised;
 - 1.2.3. Linda Lennon, LS185's Chief Executive, has left. Vinci have replaced Linda with the current Chief Operating Officer, Graham Gilmore.
 - 1.2.4. A number of disputes with WHU remain.

2. RECOMMENDATIONS

- 2.1. **NOTE** the report
- 2.2. **CONFIRM** that the costs associated with pursuing the additional capacity case are accepted as a necessary cost to defend the E20 position
- 2.3. **AGREE** that E20 staff should agree the request for Bondholders, as set out in paragraph 5.4

3. CONCERTS

- 3.1. The Foo Fighters have announced 2 nights of concerts at the London Stadium Friday 22 and Saturday 23 June 2018. Tickets go on general sale from London-Stadium.com at 9am on Friday 20 October. Comparison to last year's concerts net commercial revenue suggests this could generate over **s.43** commercial revenue.
- 3.2. LS185 are still reporting that they will secure 7 or more concerts in total for 2018. E20 are pressing LS185 to finalise further concerts.

4. EVENT CALENDAR

- 4.1. LS185 have confirmed the event calendar has been agreed for 2017 and 2018. A copy is attached for reference in Appendix 1.
- 4.2. The issues that have been overcome are:
 - 4.2.1. Confirmation of the 21/22 July Diamond League date
 - 4.2.2. Confirmation that seats will be able to over in the period between events without impact on the WHU, LS185 or UKA contracts
- 4.3. Subject to UKA formally writing to LS185, the following date will also be set:
 - 4.3.1. 14th July for the proposed UKA "Meet" (US v GB) event
 - 4.3.2. Great Newham London Run on the 15th July

Private and Confidential – Legally Privileged

4.4. The first seat move will be between the 14th May and 21st May 2018. This will only change if LS185 do not secure a concert on the weekend of the 26th May. In those circumstances the seat move may be delayed a few days to allow corporate football matches in the stadium. These hires can generate s.43.

5. WEST HAM UNITED

5.1. Additional Capacity Dispute: A trial date of 19 November 2018 has been confirmed by the courts. The legal process continues, with the scope of disclosure of material being agreed. This includes staff and some Board members from LLDC and E20. A weekly meeting is being held with the legal team to ensure all matters are progressed to time. Appendix 2 for a supporting paper requesting approval to commit to significant legal costs on these proceedings.

5.2. Expert Determination: WHU have not provided the necessary details to bring expert determination to the expert to opine. In the meantime WHU continue to pay for hosts/ hostess and for IPTV. Draught beer has been provided by Heineken in the Boleyn Bar.

5.3. Pitch Surround: WHU have verbally informed E20 that they did not want to proceed with a blue pitch cover. They have indicated they want the matter to be included in expert determination, and are expected to seek a claret pitch cover.

5.4. s.43

5.5. 2018 Seat Moves and 2019 events: WHU have been briefed on the 2018 seat moves, with assurances given on the return of the stadium to football mode by the 1 August. WHU have also been briefed on the time and logistics required for cricket to be accommodated at the stadium. As this only moves the West Stand they are comfortable on the seat moves being deliverable by the 1st August. They are more concerned about the pitch being returned to a surface appropriate for football.

6. NAMING RIGHTS

6.1. Naming rights are not being proactively sold at present.

6.2. s.43

6.3. s.43

6.4. s.43

7. E20 OFFICE / USE OF EXECUTIVE BOX

7.1. Allocation of the Executive Box has been agreed by LLDC and LBN for games up to Christmas 2017.

Private and Confidential – Legally Privileged

7.2. E20 are using the Executive Box as a hot desk space in the stadium while a Stadium permanent office is being agreed.

8. MANAGEMENT REPORTS

Risks

8.1. The risk register has been updated and attached as Appendix 3.

Health & Safety

8.2. The latest LS185 Health and Safety report is attached in Appendix 4. The report includes no significant health and safety matters. A query has been raised on the low level of reported incidents reported. An operation of the stadium's scale would expect there to be some minor incidents reported. E20 and LS185 are collectively reviewing the stadium health and safety objectives, and LS185's reporting against them.

CONFIDENTIAL



Agreed Event Calendar 2017/18

Aug-2017		Sep-2017		Oct-2017		Nov-2017		Dec-2017		Jan-2018		Feb-2018		Mar-2018		Apr-2018		May-2018		Jun-2018		Jul-2018			
1	Tu			Fr		1	Su			1	Fr			Mo	WH - PL 22	1	Th			Th			1	Su	UKA tbc
2	We			Sa		2	Mo			2	Sa			Tu		2	Fr			Fr			2	Sa	Concert
3	Th			Su		3	Tu			3	Su			We		3	Sa			Sa			3	Su	
4	Fr			Mo		4	We			4	Mo			Th		4	Su			Su			4	Mo	
5	Sa			Tu		5	Th			5	Tu			Fr		5	Mo			Mo			5	Tu	
6	Su			We		6	Fr			6	We			Sa	FA Cup 3	6	Tu	FA Cup 4		Tu			6	We	
7	Mo	IAAF World Athletic Championships 2017		Th		7	Sa			7	Th			Su		7	We	FA Cup 4 Replay		We			7	Th	UKA tbc
8	Tu			Fr		8	Su			8	Fr			Mo		8	Th			Th			8	Fr	
9	We			Sa		9	Mo			9	Sa	WH - PL 16		Tu	EFL Cup SF	9	Fr			Fr			9	Sa	Concert
10	Th			Su		10	Tu			10	Su			We		10	Sa	WH - PL 27		Sa	WH - PL 30		10	Tu	
11	Fr			Mo	WHU - PL 4	11	We			11	Mo			Th		11	Su			Su			11	We	
12	Sa			Tu		12	Th			12	Tu			Fr		12	Mo			Mo			12	Th	
13	Su			We		13	Fr			13	We	WH - PL 17		Sa		13	Tu			Tu			13	Fr	
14	Mo			Th		14	Sa			14	Th			Su		14	We			We			14	Sa	UKA tbc
15	Tu			Fr		15	Su	WHU - U23		15	Fr			Mo		15	Th			Th			15	Fr	
16	We			Sa		16	Mo			16	Sa			Tu	FA Cup 3 Replay	16	Fr			Fr			16	Sa	Concert
17	Th			Su		17	Tu			17	Su			We		17	Sa	FA Cup 5		Sa	WH - PL 31		17	Tu	
18	Fr			Mo		18	We			18	Mo			Th		18	Su			Su			18	We	
19	Sa			Tu	EFL Cup R3	19	Th			19	Tu	EFL Cup R5		Fr		19	Mo			Mo			19	Th	
20	Su			We		20	Fr	WH - PL 9		20	We			Sa	WH - PL 24	20	Tu			Tu			20	Fr	WHU - U23
21	Mo			Th		21	Sa			21	Th			Su		21	We			We			21	Th	
22	Tu			Fr		22	Su			22	Fr			Mo		22	Th			Th			22	Fr	UKA - DL
23	We			Sa	WH - PL 6	23	Mo			23	Sa	WH - PL 19		Tu	EFL Cup SF	23	Fr			Fr			23	Sa	Concert
24	Th			Su		24	Tu			24	Su			We		24	Sa			Sa	Pr. Rugby		24	Tu	WH - UCL
25	Fr			Mo		25	We			25	Mo			Th		25	Su			Su			25	Mo	WH - UCL
26	Sa			Tu		26	Th			26	Tu			Fr		26	Mo			Mo			26	Tu	WH - UEL
27	Su			We		27	Fr			27	We			Sa	FA Cup 4	27	Tu	FA Cup 5		Tu			27	We	
28	Mo			Th		28	Sa			28	Th			Su		28	We	FA Cup 5 Replay		We			28	Sa	
29	Tu			Fr		29	Su			29	Fr			Mo		29	Th			Th			29	Fr	
30	We			Sa	WH - PL 7	30	Mo			30	Sa			Tu	WH - PL 25	30	Mo			Mo			30	Sa	
31	Th			Su		31	Tu			31	Su			We		31	Sa	WH - PL 32		Sa			31	Th	WH-UCL

- WH West Ham United FC
- PL Premier League
- UEL UEFA Europa League
- UCL UEFA Champions League
- EFL English Football League (Carabao Cup)
- FA English Football Association
- UKA UK Athletics
- DL Diamond League
- WAC World Athletics Championships
- IAAF International Association of Athletics Federations
- IPC International Paralympic Committee

- Football Season
- Athletics Window
- FIFA International windows
- Confirmed Event
- Provisional Event Date, subject to change
- Build - De-rig
- Lower seating transition period

WH potential date for FA Cup Round 6 (Quarter Final)

WH potential dates for European competitions



Subject: Legal spend on additional capacity litigation with West Ham

Meeting Date: 24 October 2017

Agenda Item: Item 7, Appendix 2

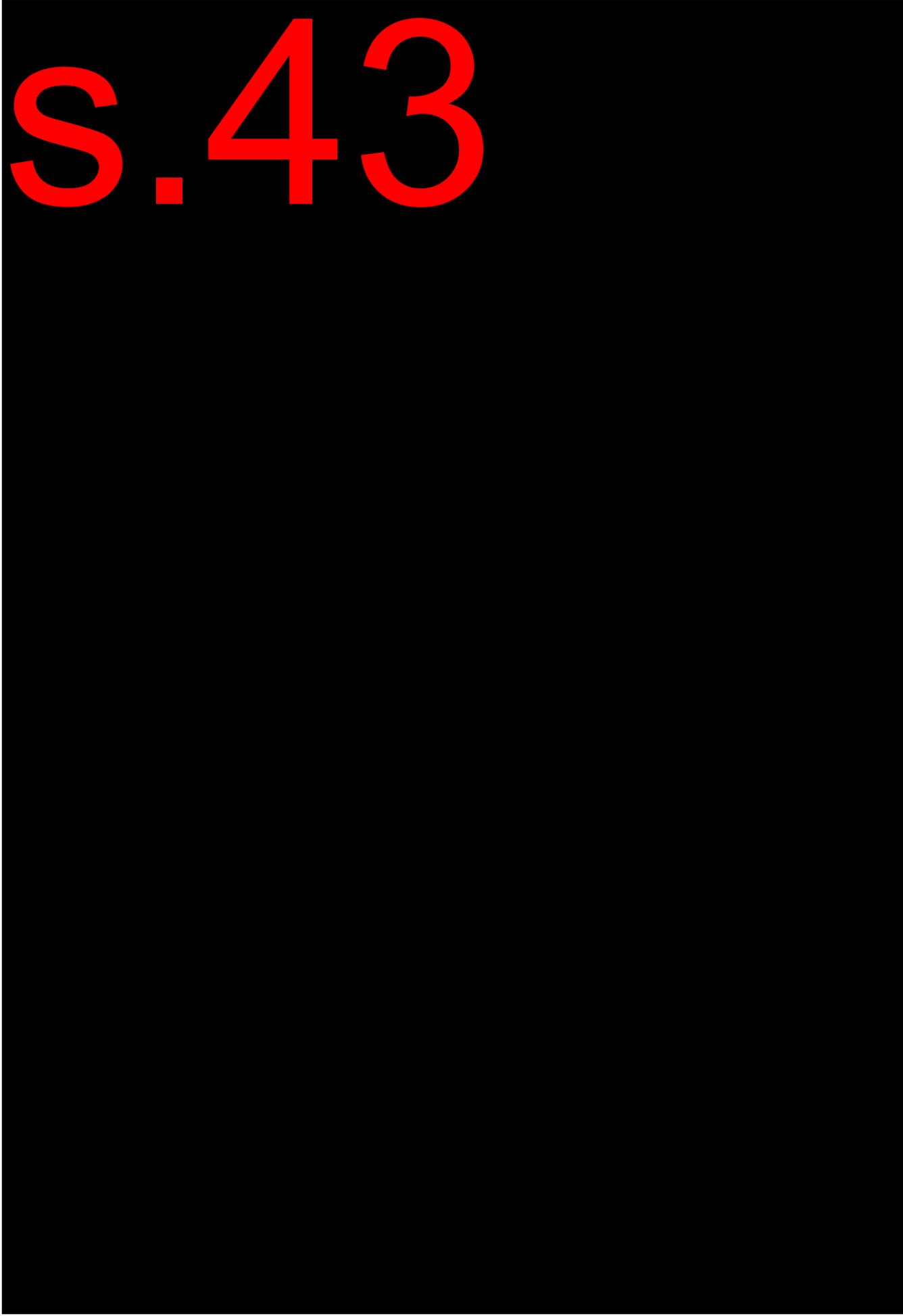
Report to: E20 Stadium LLP Board

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

S.43

S.43

S.43



S.43

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

S.43

Health and Safety Report

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

Prepared by: Graham Harris, Deputy Safety Officer

Presented by: Linda Lennon at KPI Meeting, 11th October 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 September 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:

Near misses and sub-contractor reporting is being raised with respective H&S leads, but we can confirm there has been nothing of significant incident to report throughout September.

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

Classification	WHU v Huddersfield (11/09/2017)	WHU v Bolton (19/09/2017)	WHU v Spurs (23/09/2017)	WHU v Swansea (30/09/2017)	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/EXP WISE/SES	Other (Project 7 & WHUFC)	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 but LS185 are in the middle of improving the reporting system for near miss reporting that should make reporting near misses easier for partners working at London stadium. This was also raised at the recent Health and Safety Council Meeting.

Table 3. Crime and Disorder Figures for month:

Classification	September 2017	Cumulative total for season
Stadium Bans	None	None at present but some are in the process
Stadium Arrests	Swansea – • One arrest under Football Offences Act – Unauthorised Access to Field of Play Tottenham – • Two arrests for Ticket Touting and Racial Aggravated public Order (Nazi Salute)	Three
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.

Meeting: E20 Stadium LLP Board
Date: 28.11.17
Time: 10:00 – 11.00
Meeting Venue: LLDC – Marketing Suite

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

Ex-Officio Members: David Goldstone (LLDC)

Also Expected: Gerry Murphy (LLDC); s.40 (Osborne Clark), Alan Fort (E20); Alan Skewis (E20); Martin Gaunt (E20); s.40 (LBN); Richard Irish (Item 3 and 4)

On Standby: Ian Bright (LLDC), s.40 (LLDC); s.40 (E20)

Apologies: Kim Bromley-Derry (LBN)

1. Minutes of meeting held on 24 October 2017
2. Actions arising from previous meetings
3. E20 Accounts
4. Payments and Commitments
5. Future E20 Ownership
6. Director Update
7. AOB

Dial-in numbers

United Kingdom Freefone: s.31

United Kingdom Primary: s.31

Chairperson passcode: s.31 then #

Participant passcode: s.31 then #

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

Board Actions List (reported to the meeting on 28 November)

Actions from last meeting (24 October)

Actions			
1.1	s.40 [REDACTED] to attach the draft advice note on contingency planning from s.40 [REDACTED] to the final minutes	DT	Complete
3.1	Alan Fort to circulate rights summary (length of deals, end point)	AF	Still awaiting legal comment prior to circulation
3.2	Alan Fort to set out how pouring rights work with WHU	AF	Still awaiting legal comment prior to circulation
3.3	Alan Fort to come back with LS185 and WHU strategies	AF	
3.4	s.40 [REDACTED] to put time in the diary to go through the s.43 [REDACTED] Report	s.40 [REDACTED]	Complete
4.1	s.40 [REDACTED] to produce a full report of lifecycle which is to be presented at 28 November Board	s.40 [REDACTED]	Report prepared with financial commitment in line with budget plan. Not included on 28 November agenda given focus of meeting on

Actions			
			governance and financial matters
5.1	Gerry Murphy to look into Atkins warranty	GM	
7.1	Alan Fort to look into the possibility of using the executive box for commercial opportunities.	AF	Still under review. Use for Stadium promoters and partners for Chelsea games
7.2	Gerry Murphy to report to Board the status of Allen and Overy	GM	
8.1	Martin Gaunt to add this aged creditor analysis to future iterations	GM	Complete

Item: 3
Subject: 2016/17 financial statements
Meeting date: 28 November 2017
Report to: E20 Stadium LLP Board
Report of: Gerry Murphy, Deputy Chief Executive, London Legacy Development Corporation
For recommendation to the Board

1. SUMMARY

1.1. This report presents the financial statements for the financial year ended 31 March 2017.

2. RECOMMENDATIONS

2.1. The Board is asked to **ADOPT** the 2016/17 financial statements.

3. REGULATORY CONTEXT

3.1. The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires members to prepare financial statements for each financial year. Members have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

3.2. In line with the Regulation, the Partnership must:

3.2.1. Have its annual accounts certified by an external auditors;

3.2.2. File its audited annual accounts no later than nine months after the end of the reporting period at Companies House (31 December 2017 for 2016/17 accounts).

3.3. E20 Stadium LLP commenced trading in 2013, and awarded the contract to provide External Audit services to Ernst & Young (EY) – 2016/17 is the fourth year of that appointment.

4. BACKGROUND

4.1. Under the Services Agreement, London Legacy Development Corporation (LLDC) is responsible for preparing the E20 Stadium LLP (E20) annual report and accounts, in conjunction with E20 management.

4.2. The draft 2016/17 financial statements and supporting working papers were submitted to EY on 2 June, enabling them to begin their audit as planned.

4.3. In the past, draft accounts were prepared and audited by July/August so as to be consolidated into the accounts of Members in line with their respective timetables. However, in May 2017, the E20 Board agreed to defer the consideration of the accounts for approval until after the summer. Members had to take a view, therefore, on what values they consolidated from the E20 draft accounts into their own.

4.4. EY substantially completed their audit in July but revisited in November to enable closure of the accounts.

4.5. The statutory reporting deadline for filing E20 accounts with Companies House is 31 December 2017.

5. KEY AREAS OF JUDGMENT

5.1. The E20 financial statements include various judgements, estimates and disclosures. The key areas to bring to the Board's attention are:

Onerous contracts provision

- 5.1.1. Financial forecasts contained within E20's unapproved 2016/17 business plan, particularly in relation to seat move cost assumptions, required an assessment of whether any of its contracts are deemed to be onerous (loss-making). An assessment of its main contracts in line with International Accounting Standard (IAS) 37 concluded that two of these are deemed to be onerous – West Ham United Concession Agreement and UK Athletics Access Agreement.
- 5.1.2. Where a contract is assessed as onerous, IAS 37 requires a provision to be established based on the estimated cost of delivering the contract. In this instance, given the length of the respective contracts and the variability of income and expenditure, that estimate would be highly subjective and complex.
- 5.1.3. As discussed and agreed with EY, the provision is therefore informed by the independent valuation undertaken by GL Hearn (see below), which is based upon the E20 business plan (extrapolated for a steady-state deficit from year 10 onwards). Inherent in the business plan forecasts are the costs of delivering the West Ham and UK Athletics contracts.
- 5.1.4. No assumptions are included regarding future actions to address the partnership's financial/operational challenges on the basis that such decisions have not yet been made. The provision therefore assumes the 'status-quo'.
- 5.1.5. Consequently, within the 2016/17 accounts, E20 has recognised a provision of £200m for these losses, adversely impacting its reported position for the year (E20 is reporting an overall loss of £268m).

Stadium valuation

- 5.1.6. E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2017. The fair value of the Stadium is assessed on an annual basis by independent valuers and based largely upon E20 Stadium LLP's long-term forecasts. It is therefore subject to fluctuation each year, particularly in the early stages of the partnership's operations. As at 31 March 2016 the Stadium's fair value was assessed to be £22.5m; however due to the inclusion of increased costs in E20 Stadium LLP's latest forecasts, the fair value of the Stadium is assessed by the independent valuers to be nil as at 31 March 2017.
- 5.1.7. As above, no assumptions are included regarding future actions to address the financial/operational challenges on the basis that such decisions have not yet been made. Accordingly, the value of the capital works on the Stadium is impaired in the partnership's accounts.

Going concern

- 5.1.8. In light of E20's current circumstances, specific disclosures are required concerning the adoption of the Going Concern assumption in preparing the accounts. These disclosures are intended to be clear to the reader of the accounts and are necessary to enable EY to conclude their audit opinion.

Going concern

- 5.1.9. The expected retirement of Newham Legacy Investments (NLI) Limited from the E20 partnership is considered a significant 'post-balance sheet event' that requires disclosure in the accounts.

6. AMENDMENTS TO DRAFT STATEMENT OF ACCOUNTS

- 6.1. A number of numerical and disclosure changes were identified during the course of the audit. The key changes to the draft financial statements submitted for audit are:
- Reclassification of a creditor balance to debtors to offset a debtor balance relating to Member contributions for the next financial year (£2.5m).
 - Reclassification of impairment charges within the Income Statement between 'cost of sales' (where some impairment charges are correctly shown) and 'depreciation and impairment' (£1.4m).
 - The inclusion of additional disclosures concerning adoption of the going concern assumption and a 'post-balance sheet event' note on the expected retirement of NLI from the partnership.
- 6.2. EY's Audit Results Report (Appendix 3 attached) provides further details on the financial statements presented for audit and subsequent amendments.
- 6.3. Note that the financial statements attached at Appendix 2 are consistent with the version circulated to the Board via email on 21 November 2017.

7. LIST OF ANNEXES TO THIS REPORT

- Appendix 1 – Letter of representation
- Appendix 2 – Audited financial statements 2016/17
- Appendix 3 – EY Audit Results Report

8. AUDIT RESULT

- 8.1. The External Auditors' Audit Results Report returned an unqualified opinion on the financial statements but with an emphasis of matter paragraph in relation to the going concern assumption (see page 4 of the accounts).

Report originator(s): Richard Irish

Telephone: 020 3288 **s.40**

Email: richardirish@londonlegacy.co.uk

Karl Havers
Ernst & Young LLP
One More London Place
London
SE1 2AF

[X] November 2017

Dear Karl,

This representation letter is provided in connection with your audit of the financial statements of E20 Stadium Company LLP (“the Company”) for the year ended 31 March 2017. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of E20 Stadium Company LLP as of 31 March 2017 and of its financial performance (or operations) and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 24 July 2014, for the preparation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.
2. We acknowledge, as members of management of the LLP, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of (or ‘present fairly, in all material respects’) the financial position, financial performance (or results of operations) and cash flows of the LLP in accordance with International Financial Reporting Standards as adopted by the European Union and are free of material misstatements, including omissions. We have approved the financial statements.
3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.
4. As members of management of the LLP, we believe that the LLP has a system of internal controls adequate to enable the preparation of accurate financial

statements in accordance with International Financial Reporting Standards as adopted by the European Union, that are free from material misstatement, whether due to fraud or error.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud
2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the LLP's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the LLP.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
 - Additional information that you have requested from us for the purpose of the audit and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have made available to you all minutes of the meetings of members, directors and committees of directors (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the period.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the LLP's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the period end. These transactions have been appropriately accounted for and disclosed in the financial statements.
5. We have disclosed to you, and the LLP has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 11 to the financial statements all guarantees and/or commitments that we have given to third parties.

F. Subsequent Events

1. Other than the expected retirement of Newham Legacy Investments Limited from the partnership shortly after the date the financial statements are authorised for issue (see Note 17), there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G. Accounting Estimates

1. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
2. Accounting estimates recognised or disclosed in the financial statements:
 - We believe the measurement processes, including related assumptions and models, we used in determining accounting estimates is appropriate and the application of these processes is consistent.
 - The disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework(s).

- The assumptions we used in making accounting estimates appropriately reflects our intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
- No subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Going Concern

1. The Greater London Authority (GLA), through LLDC, is currently supporting E20 Stadium LLP, and has made no decision not to continue to do so. However, in the absence of agreement by other parties to significant changes to current contractual arrangements it is not prepared currently to undertake to support the partnership for the minimum period of 12 months from the date these financial statements are authorised for issue. The directors expect that it will be possible to either agree the appropriate cashflow funding or secure such contractual changes and that on this basis further support will be provided by the GLA to allow the LLP to continue to operate as a going concern. For these reasons the directors have concluded that it is appropriate to prepare the accounts on a going concern basis. However, we recognise that the need to obtain further support from the GLA constitutes a material uncertainty, which casts doubt on the partnership's ability to continue as a going concern.

I. Specific representations

Classification of Property

2. We confirm that the classification of property assets as property, plant & equipment is based on the best information we hold at this point in time.

Environmental Liabilities

1. We have disclosed to you all liabilities or contingencies arising from environmental matters. These liabilities or contingencies have been recognised, measured and disclosed, as appropriate, in the financial statements. Any environmental liability included in the balance sheet represents our best estimate of the potential losses using assumptions that we believe represent the expected outcomes of the uncertainties. With respect to the valuation of related assets, we have considered the effect of environmental matters, and the carrying value of the relevant assets is recognised, measured and disclosed, as appropriate, in the financial statements. Any commitments related to environmental matters have been measured and disclosed, as appropriate, in the financial statements.

Income and Indirect Taxes

1. We acknowledge our responsibility for the tax accounting methods, including VAT, adopted by the LLP which have been consistently applied in the current period.

Use of the Work of an Expert

1. We agree with the findings of the experts engaged to evaluate the valuation of property, plant and equipment and have adequately considered the qualifications of the experts in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

Onerous contracts provision

1. As described in Note 15, an assessment of E20 Stadium LLP's main contracts (in line with IAS 37) has concluded that two of these are deemed to be onerous – the West Ham concession agreement and UK Athletics access agreement. Consequently, E20 Stadium LLP is recognising a provision for these losses, adversely impacting its reported position for the year. The provision is calculated based upon E20 Stadium's unapproved 2016/17 business plan and therefore contains a number of assumptions and estimates that are subject to change. This is considered the best estimate of future losses resulting from the current contracted terms and their consequential impact as reflected by the unapproved business plan. No subsequent events require an adjustment to the provision and disclosures included in the financial statements.

Yours Faithfully,

Alan Skewis
Director

Nicky Dunn
Chairman

E20 Stadium LLP

Audit results report for the year ended 31 March 2017

20th November 2017

Ernst & Young LLP

CONFIDENTIAL

The EY logo consists of the letters 'EY' in a bold, sans-serif font. The 'E' and 'Y' are connected at the top.

Building a better
working world

[Deliberately Left Blank for Printing Purposes]

CONFIDENTIAL

Private and confidential

Board of Directors
E20 Stadium LLP
Level 10
1 Stratford Place
Montfichet Road
London
E20 1EJ

20 November 2017

Dear Sirs

Audit results board report

We are pleased to attach our audit results board report for the forthcoming meeting of the Board. This report summarises our preliminary audit conclusion in relation to E20 Stadium LLP (E20)'s financial position and results of operations for 2016/17. We will issue our final conclusion at the Board meeting scheduled for 28 November 2017.

The audit is designed to express an opinion on the 2016/17 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on E20's accounting policies and judgments and material internal control findings.

This report is intended solely for the information and use of the Board of Directors and management. It is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Board meeting on 28 November 2017.

Yours faithfully

Karl Havers
For and on behalf of Ernst & Young LLP
United Kingdom
Enc.

[Deliberately Left Blank for Printing Purposes]

CONFIDENTIAL

Contents

1. Significant findings from the audit.....	1
2. Control themes and observations	4
3. Status of the audit	5
4. Summary of audit differences	6
5. Independence confirmation: update.....	7
Appendix A Required communications with the Audit Committee	8

The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 24/07/2014.

This report is made solely to the Board of Directors and management of E20 Stadium LLP (E20) in accordance with our engagement letter. Our work has been undertaken so that we might state to the Board of Directors and management of E20 those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Board of Directors and management of E20 for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

1. Significant findings from the audit

We identified the following risks during our planning stage of the audit. Here we set out our findings in relation to these risks:

Areas of audit emphasis highlighted in our Audit Planning Report,	Assurance gained and issues
<p>Fraud and Management Override Risk</p> <p>Management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has put in place a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.</p> <p>Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.</p>	<p>We have addressed this risk through testing journals, and areas of the accounts which are most susceptible to manipulation – significant estimates and year-end accruals.</p> <p>Our testing of journal entries has not identified adjustments which were outside of the normal course of business. All journals tested have an appropriate business rationale.</p> <p>No issues have been identified in our work on year-end accruals.</p> <p>The most significant estimate is the onerous contract provision – see below for our findings in this area.</p>
<p>Risk of fraud in revenue recognition</p> <p>Under ISA240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue.</p>	<p>E20's significant income included contributions towards the cost of capital works, the usage fee from West Ham for their use of the Stadium and E20's share of net commercial revenues from the operation of the Stadium.</p> <p>One audit adjustment (£700k) was noted in our testing of the Other grant income. E20 installed and paid for capital works that were contractually required to be performed by LS185 (E20 made capital contributions to LS185 for the works) and then LS185 reimbursed these costs. E20 management had incorrectly recognized these reimbursements as revenue and double counted the capital works, resulting in overstatement of the capital additions and revenue balances. This has been adjusted by management.</p> <p>No other issues were noted.</p>
<p>Stadium Valuation</p> <p>The stadium transformation works were completed during 2016/17. This year, the stadium will be revalued on completion. The basis of this valuation is highly judgemental and, as in previous years, will be reflected as an impairment in the Partnership's accounts</p>	<p>The Stadium is valued based on an expectation of future earnings, determined using the 10 year forecast produced by management.</p> <p>In March 2017, management produced a draft business plan, which showed that E20 was expected to be loss-making for the entire period.</p> <p>The Stadium is therefore recognised at a nil carrying value, and all transformation spend incurred in year has been impaired.</p>
<p>Onerous Contract Provision</p> <p>Each year, the LLP revisits its 10 year business plan. This year the LLP will need to consider the profitability of its</p>	<p>E20 Stadium LLP management has recognised the Stadium at a nil carrying</p>

ongoing contracts and whether or not a provision is required in relation to these under IAS 37.

value and used the valuation of the Stadium to determine the value of the onerous contract provision. The valuation is undertaken by independent valuers, based on a 10 year forecast, extrapolated, which has been produced by E20 Stadium LLP management. This has resulted in a provision of £200 million, based on an NPV calculation of the current Business Plan 10 year cash flow, with a reversion to a steady state annual deficit of approximately £14 million. The discount rate used is 3.5%.

The valuation and provision assume that E20 is a going concern, and that it will continue to receive funding.

We have undertaken the following procedures:

- Assessing the decision to use the valuation of the stadium as a proxy for the value of the onerous contract provision.
- Assessing the possible upsides and downsides in this forecast, as well as the known changes that have occurred since the forecast was produced.
- Auditing the sensitivity analysis performed by E20 Stadium LLP management on the valuation.

We note that the provision is highly dependent on future actions and business plans. It could therefore vary significantly from the amounts currently used. However we believe the onerous contract provision is a reasonable estimate of future losses without substantial changes to the business plan at this point in time. Any substantial changes to the plan would require contractual renegotiation. Our assessment has assumed no substantial changes to the plan.

We have used updated assumptions supported by a business review commissioned by the LLP to assess the level of estimation uncertainty in the context of our materiality level and the context of the estimate itself. The range identified is £166 million to £228 million. We have concluded that the estimate is reasonable, as the extremes of those assumptions are less likely to occur.

Accounting and audit matters have come to our attention during the year-end audit,

Going concern

Linked to the onerous contract provision is the issue of going concern.

The draft 10 year business plan produced in March 2017 demonstrated that the business could not be self-sustaining and profit-making without significant restructuring and renegotiating of significant contracts.

E20 is reliant on member funding in order to remain solvent, however, the Members have not made a commitment to provide the required continued funding.

These circumstances represent a material uncertainty concerning going concern, since should Members withdraw funding, E20 would be insolvent.

This material uncertainty has been reflected in the financial statements, and we modified our opinion to draw attention to this in our audit report.

The Board have concluded that a going concern basis remains appropriate.

LLDC has (with funding obtained from the GLA) provided loan-funding to E20 in quarters 2 and 3 (i.e. up to 31 December 2017). No further funding has been committed beyond this point.

Accounting standards require financial statements to be prepared on a going concern basis unless there is certainty that the entity is not a going concern.

Restructuring of the Partnership is currently in progress, and negotiations to enable financial restructuring will follow. It is therefore by no means certain that E20 will not be a going concern within 12 months of the opinion date, and our judgement is therefore that a going concern basis is appropriate.

CONFIDENTIAL

2. Control themes and observations

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal of internal control, we are required to communicate to you significant deficiencies in internal control.

We have no matters to report.

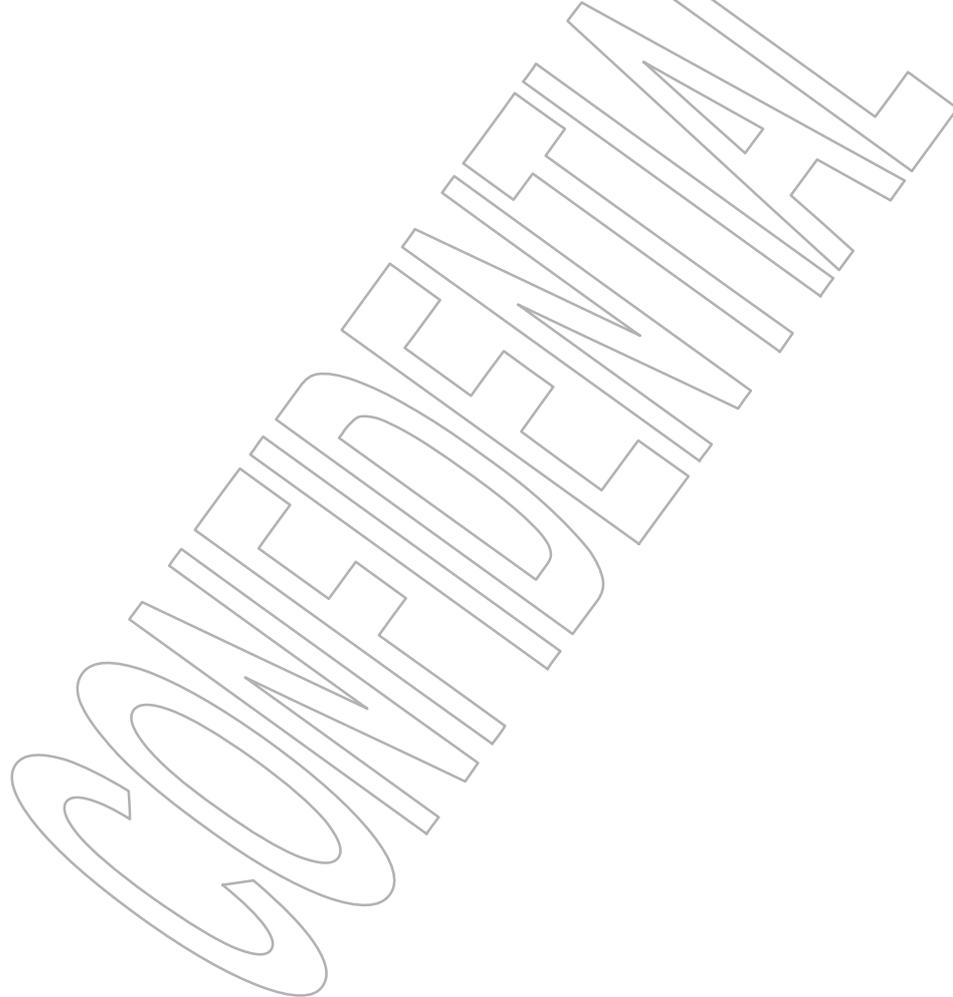
CONFIDENTIAL

3. Status of the audit

Our audit work in respect of the opinion is substantially complete. The following items relating to the completion of our audit procedures were outstanding at the date of this report.

Item	Actions to resolve	Responsibility
Letter of representation	To be tabled at Board Meeting on 28 November 2017.	Management and Board
Annual report and accounts	<ul style="list-style-type: none"> ▶ Incorporation of EY review comments on disclosure notes ▶ Finalisation by management of disclosures related to going concern and post balance sheet events 	Management and EY

On the basis of our work performed to date, we anticipate issuing a qualified auditor's report, due to the material uncertainty relating to going concern. However, until we have completed our outstanding procedures, it is possible that further matters requiring amendment may arise.



4. Summary of audit differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as 'known' or 'judgemental'. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

We have included all known amounts greater than £371,000 relating to E20 Stadium LLP in our summary of misstatements below.

We highlight the following misstatements in relation to the financial statements and the disclosures that were identified during the course of our audit. These have been corrected by management:

- ▶ £2.5m overstatement of debtors and creditors – A debtor balance relating to Member contributions for 17/18 was incorrectly offset by a corrective entry in creditors rather than debtors.
- ▶ £700k overstatement of capital additions and revenue where a reimbursement for capital works was incorrectly recognised as revenue. This also resulted in an overstatement of impaired expenditure, and therefore there was no overall impact on the loss recognised for the year.
- ▶ £1.4m reclassification between 'cost of sales' (where some impairment charges are correctly shown) and 'depreciation and impairment' within the Income Statement.

None of these errors had an impact on the total loss reported for the year.

There were no uncorrected misstatements.

5. Independence confirmation: update

We confirm there are no changes in our assessment of independence since our confirmation in our audit planning board report dated 7 March 2017. We complied with the APB Ethical Standards and in our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. If you wish to discuss any matters concerning our independence, we will be pleased to do so at the forthcoming meeting of the Board on 28 November 2017.

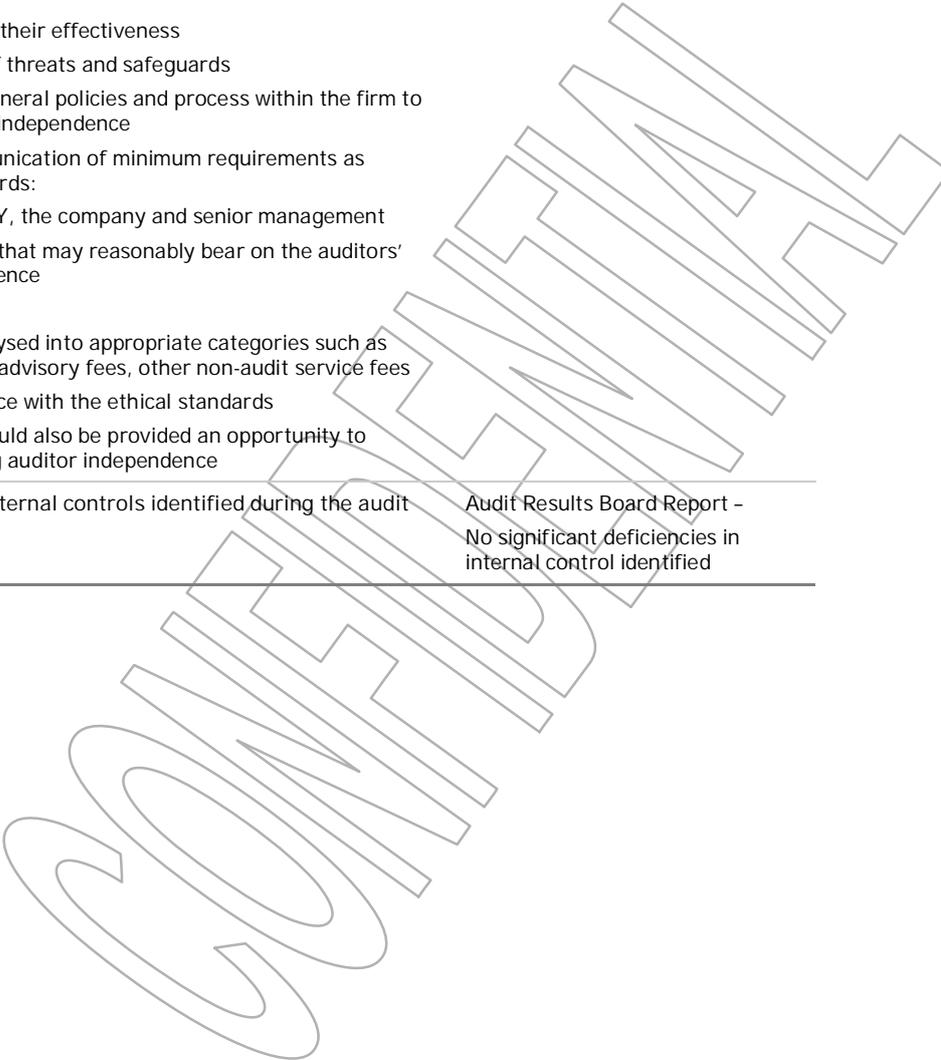
CONFIDENTIAL

Appendix A Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committee of UK clients. These are detailed here:

Required communication	Reference
<p>Terms of engagement</p> <p>Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.</p>	Engagement letter
<p>Planning and audit approach</p> <p>Communication of the planned scope and timing of the audit, including any limitations.</p>	Audit planning board report
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Audit results board report
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	Audit results board report
<p>Misstatements</p> <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant 	Audit results board report
<p>Fraud</p> <ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	Board Meeting - 28 th November 2017
<p>Related parties</p> <p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	No significant matters have arisen during the course of the audit.

Required communication	Reference
<p>External confirmations</p> <ul style="list-style-type: none"> ▶ Management’s refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	N/A
<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	<p>No issues of non-compliance have been identified. The Board has had regard to legislation including the Insolvency Act 2014, and have obtained legal advice to support its compliance.</p>
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY’s objectivity and independence</p> <p>Communication of key elements of the audit engagement partner’s consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence <p>For listed companies, communication of minimum requirements as detailed in the ethical standards:</p> <ul style="list-style-type: none"> ▶ Relationships between EY, the company and senior management ▶ Services provided by EY that may reasonably bear on the auditors’ objectivity and independence ▶ Related safeguards ▶ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees ▶ A statement of compliance with the ethical standards ▶ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	<p>Audit Planning Board Report and Audit Results Board Report</p>
<p>Significant deficiencies in internal controls identified during the audit</p>	<p>Audit Results Board Report – No significant deficiencies in internal control identified</p>



Ernst & Young LLP

© Ernst & Young LLP. Published in the UK.
All Rights Reserved.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

ey.com

CONFIDENTIAL



Subject: Finance Update
Date: 28 November 2017
Report to: E20 Stadium LLP Board
Report of: Martin Gaunt, Business Manager, E20 Stadium LLP

1. SUMMARY

- 1.1. This paper provides a short financial update to the Board. The annexes (cashflow, creditors, debtors) have been updated and are in the familiar format. This cover paper seeks to draw out only the main headlines and primarily deals only with E20's "working capital" position – although payment approvals also include transformation and the discretionary fund. The paper seeks approval for all payments anticipated in the period through to 19 December (the next scheduled Board call/correspondence). E20 no longer expects to need to make a further loan drawdown in Q3. The forecast Q4 funding requirement is £4.418m.

2. RECOMMENDATIONS

- 2.1. The Board is invited to **NOTE** the report.
- 2.2. The Board is invited to **APPROVE** the payments detailed in section 4.

3. HEADLINES (CASHFLOW, LOAN FUNDING, CREDITORS)

- 3.1. E20's current cash balance, as at 24 November, is £1.303m (working capital only). There have been few cash transactions since the last Board update on 17 November, although there are a number of payments forecast in w/c 27 November (subject to Board approval as requested below). However, these are generally for relatively small amounts, and as such E20 will retain a positive cash balance without further loan drawdown at this stage. Indeed, a number of forecast payments are now not expected until the new year, such as the additional Facilities Management payment to LS185. As a result, and in a development from last week's report, E20 now expects that its next loan drawdown will not be until early January.
- 3.2. Therefore, it is likely that E20's Q3 loan drawdown will remain at the current figure of £6.336m (well within the £7.840m provided for by the Loan Agreement). In the event that E20's cashflow forecast for Q3 alters adversely, and E20 does in fact need to make a further drawdown in December, this request will be made to LLDC, and the E20 Board will be notified.
- 3.3. E20 has significant payments due in early January, notably the next quarterly fixed costs payment to LS185. E20 understands that LLDC are making arrangements for Q4 funding. The forecast Q4 funding requirement is £4.418m.
- 3.4. The total net cash outflow across the whole year (2017-18), before member funding, has improved slightly to £26.916m (from £27.007m previously). This is almost entirely due to a reduction in the forecast seating transition costs.

Private and Confidential – Legally Privileged

3.5. The key elements of E20's balance sheet, as at 24 November, are as follows:

Cash	£1.303m
Debtors	£0.301m
Creditors	£1.236m
Loan drawn down	£12.619m

Please note that the creditor balance excludes £271k of invoices in dispute. Also not included above is accrued expenditure, which is calculated on a monthly basis.

3.6. The most significant unpaid creditor remains Balfour Beatty. LLDC (Colin Naish) has again fully considered this matter, and advise that the position is unchanged since the previous Board meeting. The rationale for not paying the Balfour Beatty invoices was set out in the 22 August Finance Board paper and the 24 October E20-LS185 Commercial Update Board paper (where it was apparent that the contra charges to Balfour Beatty potentially exceed the value of the unpaid invoices). There also remain two unpaid Westfield ("Stratford City Shopping Centre") invoices – these are disputed as E20 has previously informed Westfield that it will no longer fund contributions to crowd management beyond £7k per event day. Other creditors prominent on the aged creditor schedule, including LS185 and M&H Civils Ltd, are proposed for payment in this paper.

4. PAYMENTS FOR APPROVAL

4.1. The Board is asked to approve all payments listed below. These cover all expected payments through to the next Board call/correspondence on 19 December.

Working capital

4.1.1. Payment to PHD for certified works totalling £198k+VAT. The bulk of this (172k) is for residual Transition 3 costs plus a reducing amount of PHD management time throughout October. The remaining £26k is for seating maintenance in October. The payment is contractually due and within budget.

4.1.2. Payment to HMRC for PAYE and NIC (£8k), and November staff payroll (£12k)

4.1.3. Payment Westfield for £7k/event day contribution to crowd management (£98k+VAT). This covers 14 event days in summer 2017 (10 World Athletics days, 4 concerts). The full £98k is to be recovered from LS185 (invoice issued). **s.43**

[REDACTED] remains liable for £7k per event day until the new crowd management arrangements ("Northern Ticket Hall") come to fruition, all to be recovered in full from LS185. E20 continues to reject Westfield claims for greater E20 contributions.

4.1.4. Payment to Osborne Clarke for legal advice in relation to **s.43** **[REDACTED]** retirement matters, and Director duties in the past month (£44k+VAT).

Private and Confidential – Legally Privileged

- 4.1.5. Payment to Callfort for restructuring consultant costs in the past month (£55k+VAT).
- 4.1.6. Payment to LBN for the next business rates instalment due in December (£230k).
- 4.1.7. Payment to LLDC for recharge of Gowlings legal costs for October, including Counsel fees in relating to the additional capacity proceedings (£247k+VAT).
- 4.1.8. Payment to LLDC for recharge of other items:
 - 4.1.8.a. LLDC Member services (£11k+VAT);
 - 4.1.8.b. The past quarter's TfL Legal costs (£29k+VAT);
 - 4.1.8.c. Engie heating bill (£30k+VAT);
 - 4.1.8.d. Mace seating project management (£31k+VAT);
 - 4.1.8.e. Rental of Pudding Mill Lane compound for seating (£34k+VAT);
 - 4.1.8.f. Atkins External Technical Review of PHD's seating transition methodology and temporary works, plus scaffolding survey (£26k+VAT). This is all contained in the seating budget.
- 4.1.9. Payment to LBN for recharge of 50% of Trowers legal costs relating to the West Ham community tickets dispute, as per the funding split previously agreed between E20 and LBN (£11k+VAT).
- 4.1.10. Payment to BWA for technical advice relating to lifecycle and Facilities Management (£8k+VAT).
- 4.1.11. Payment to KPMG for accounting advice and VAT/CIS returns (£4k+VAT)
- 4.1.12. Payment to West Ham for hospitality catering, fully recharged to Members (£922+VAT).
- 4.1.13. Payment for BT Conferencing (£208+VAT).
- 4.1.14. Payment to Cintra for payroll administration (£62+VAT).

Transformation

- 4.1.15. Payment to M&H Civils for seating follow on works (£11k+VAT) This is for works carried out as part of the transformation seating follow-on works, clearing out the South Plaza seating compound prior to handback to LLDC Park Operations and Venues. It is 100% funded by LLDC Transformation.
- 4.1.16. Payment to LLDC for Transformation recharges, including staff costs, Mace fees, and other services contracted via LLDC (£22k+VAT).

Discretionary Fund

- 4.1.17. Payment to LS185 for two previously agreed draws on the discretionary fund: wireless fire alarm system (£78k+VAT), and retrofitting radar key locks to accessible toilet doors (£15k+VAT). E20 understands that the discretionary fund remains a viable funding source, despite adjustments to the size of the fund as a result of NLI's retirement.

S.43

S.43

S.43

E20 CREDITORS AS AT 24 NOVEMBER 2017

WORKING CAPITAL

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
		Payroll for November		30/11/2017	12,000.00	0 00	12,000 00	
		PAYE & NIC payover		19/12/2017	8,000.00	0 00	8,000 00	
Stratford City Shopping Centre (No 1) GP	RI - 2009	World Athletics Championships 2017	24/10/2017	24/10/2017	70,000.00	14,000 00	84,000 00	Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2010	Depeche Mode Concert 30/06/17	24/10/2017	24/10/2017	7,000.00	1,400 00	8,400 00	Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2011	Guns n Roses Concerts 17 & 18/06/17	24/10/2017	24/10/2017	14,000.00	2,800 00	16,800 00	Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2012	Robbie Williams Concert 23/06/17	24/10/2017	24/10/2017	7,000.00	1,400 00	8,400 00	Cost fully rechargeable to LS185
Callfort Ltd	2017-14	Services to E20 for week ending 22nd October 2017	22/10/2017	29/10/2017	10,000.00	2,000 00	12,000 00	
Callfort Ltd	2017-15	Services to E20 for week ending 29th October 2017	29/10/2017	05/11/2017	10,137.00	2,000 00	12,137 00	
Callfort Ltd	2017-16	Services to E20 for week ending 5th November 2017	05/11/2017	12/11/2017	11,250.00	2,250 00	13,500 00	
Callfort Ltd	2017-17	Services to E20 for week ending 12th November 2017	12/11/2017	19/11/2017	11,875.00	2,375 00	14,250 00	
Callfort Ltd	2017-18	Services to E20 for week ending 19th November 2017	19/11/2017	26/11/2017	11,875.00	2,375 00	14,250 00	
Osborne Clarke LLP	508404	Advice on members/directors duties - general advice	01/11/2017	01/11/2017	1,295.00	259 00	1,554 00	
Osborne Clarke LLP	509109	Advice on members/directors duties - retirement issues	17/11/2017	17/11/2017	11,656.00	2,331 20	13,987 20	
Osborne Clarke LLP	509110	Advice on members/directors duties - contingency planning	17/11/2017	17/11/2017	30,633.37	6,121 27	36,754 64	
London Borough of Newham	610000046309	50% of costs incurred by Trowers in respect of West Ham tickets dispute	14/11/2017	14/11/2017	10,951.50	2,190 30	13,141 80	
London Borough of Newham		Stadium Business Rates - December 2017 Installment		19/11/2017	229,540.00	0 00	229,540 00	
KPMG LLP	5501535699	Fee for tax compliance services for period 10 August to 9 October 2017	11/10/2017	11/10/2017	4,000.00	800 00	4,800 00	
BWA (Europe) Ltd	446	Consultancy work relating to Vinci FM contract	13/11/2017	13/12/2017	7,883.00	1,576 60	9,459 60	
West Ham United Football Club Ltd	016371	Club London Dining/Drinks West Ham v Huddersfield Town 11/09/17	26/09/2017	26/10/2017	99.05	19 81	118 86	Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016375	Club London Dining/Drinks West Ham v Bolton Wanderers 19/09/17	27/09/2017	27/10/2017	27.60	5 52	33.12	Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016384	Club London Dining/Drinks West Ham v Tottenham Hotspur 23/09/17	02/10/2017	02/11/2017	190.89	38.18	229 07	Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016410	Club London Dining/Drinks West Ham v Swansea City 30/09/17	12/10/2017	12/11/2017	157.27	31.45	188.72	Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016459	Club London Dining/Drinks West Ham v Brighton & Hove Albion 20/10/17	20/10/2017	21/11/2017	134.37	26 87	161 24	Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016481	Club London Dining/Drinks West Ham v Liverpool 04/11/17	15/11/2017	15/12/2017	312.85	62 57	375.42	Cost fully rechargeable to LLDC
BT Conferencing	BT012129883	Calls and Charges for Period 01-Oct-2017 to 31-Oct-2017	31/10/2017	31/10/2017	208.67	41.73	250.40	
Cintra HR & Payroll Services Ltd	S N051989	Payroll Admin October 2017	31/10/2017	30/11/2017	61.85	12 37	74 22	
London Legacy Development Corporation	18112	Recharge of HR & FM Costs for October 2017	09/11/2017	09/12/2017	2,433.00	486 60	2,919 60	
London Legacy Development Corporation	18113	Recharge of TrL Legal Costs for period July to September 2017	09/11/2017	09/12/2017	29,200.00	5,840 00	35,040 00	
London Legacy Development Corporation	18114	Recharge of Legal Costs for October 2017	09/11/2017	09/12/2017	246,894.18	49,378 84	296,273 02	
London Legacy Development Corporation	18115	Recharge of Engie Utility Costs for September 2017	13/11/2017	13/12/2017	30,197.38	6,039.48	36,236 86	
London Legacy Development Corporation	18116	Stadium Seating Operation & Monitoring PMP Charge October 2017	13/11/2017	13/12/2017	31,369.60	6,273 92	37,643 52	
London Legacy Development Corporation		Recharge of Finance & IT Costs for October 2017			9,067.00	1,813.40	10,880.40	
PHD Modular Access Services Ltd		2017 Seating Transition - Transition 3			172,320.40	34,464 08	206,784 48	
PHD Modular Access Services Ltd		Seating Maintenance October 2017			25,707.11	5,141.42	30,848 53	
London Legacy Development Corporation		Rental of Pudding Mill Lane Compound for October 2017			33,546.34	0 00	33,546 34	
London Legacy Development Corporation		Recharge of Atkins Technical Review & Scaffolding Survey costs			25,705.01	5,141 00	30,846 01	
					1,076,728.44	158,695 62	1,235,424 06	

INVOICES NOT YET PROPOSED FOR PAYMENT

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
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
					195.00	0 00	195 00	

INVOICES PREVIOUSLY APPROVED BY E20 BOARD NOT YET PAID

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	

TOTAL

1,076,923.44 158,695.62 1,235,619.06

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
Stratford City Shopping Centre (No 1) GP	RI - 1952	WHU vs Huddersfield	25/09/2017	25/09/2017	15,000.00	3,000 00	18,000 00	In dispute E20 not accepting liability
Stratford City Shopping Centre (No 1) GP	RI - 1953	WHU vs Bolton W 19/09/17	25/09/2017	25/09/2017	15,000.00	3,000 00	18,000 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
London Legacy Development Corporation	17917	Temporary HVM Control Measures for Football Matches	28/06/2017	28/07/2017	11,770.58	2,354.12	14,124.70	E20 assessing responsibility for payment
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	E20 assessing responsibility for payment

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	E20 assessing responsibility for payment
London Legacy Development Corporation	17970	Installation of Canoe Boom	04/08/2017	03/09/2017	1,793.00	358.60	2,151.60	E20 assessing responsibility for payment
					226,159.51	45,231.90	271,391.41	

TRANSFORMATION/DISCRETIONARY FUND

PAYMENT PROPOSAL

Supplier Name	Invoice No.	Description	Invoice Date	Due Date	Net Amount	VAT	Gross Amount	Comments
M&H Civils Ltd	MHC/LLP/031 A	Final Invoice for Seating Follow On Works	26/10/2017	26/11/2017	11,185.56	2,237.11	13,422.67	Chargeable to Transformation
London Stadium 185 Ltd	V150285	Wireless Fire Alarm System	17/10/2017	30/11/2017	78,147.09	15,629.42	93,776.51	Chargeable to Discretionary Fund
London Stadium 185 Ltd	V150286	Retrofitting of Radar Keys Locks to Accessible Toilet Doors	17/10/2017	30/11/2017	14,933.90	2,986.78	17,920.68	Chargeable to Discretionary Fund
London Legacy Development Corporation	18117	Stadium Transformation Costs for October 2017	13/11/2017	13/12/2017	22,485.16	4,497.03	26,982.19	Chargeable to Transformation
					126,751.71	25,350.34	152,102.05	

INVOICES PREVIOUSLY APPROVED BY E20 BOARD NOT YET PAID

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

INVOICES NOT YET PROPOSED FOR PAYMENT 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	

AGED CREDITORS (EXCL. E20 MEMBERS & PRIMARY TENANTS) AS AT 24 NOVEMBER 2017

WORKING CAPITAL

Supplier Name	Invoice No.	Description	Invoice Date	Net Amount	VAT	Gross Amount	0-30 Days [£]	30-45 Days [£]	45-60 Days [£]	60-90 Days [£]	Over 90 Days [£]	Comments
Stratford City Shopping Centre (No 1) GP	RI - 2009	World Athletics Championships 2017	24/10/2017	70,000.00	14,000.00	84,000.00						Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2010	Depeche Mode Concert 30/06/17	24/10/2017	7,000.00	1,400.00	8,400.00			8,400.00			Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2011	Guns n Roses Concerts 17 & 18/06/17	24/10/2017	14,000.00	2,800.00	16,800.00			16,800.00			Cost fully rechargeable to LS185
Stratford City Shopping Centre (No 1) GP	RI - 2012	Robbie Williams Concert 23/06/17	24/10/2017	7,000.00	1,400.00	8,400.00			8,400.00			Cost fully rechargeable to LS185
Calfort Ltd	2017-14	Services to E20 for week ending 22nd October 2017	22/10/2017	10,000.00	500.00	10,500.00			10 500.00			
Calfort Ltd	2017-15	Services to E20 for week ending 29th October 2017	29/10/2017	10,137.00	2,027.40	12,164.40	12,164.40					
Calfort Ltd	2017-16	Services to E20 for week ending 5th November 2017	05/11/2017	11,250.00	2,250.00	13,500.00	13,500.00					
Calfort Ltd	2017-17	Services to E20 for week ending 12th November 2017	12/11/2017	11,875.00	2,375.00	14,250.00	14,250.00					
Calfort Ltd	2017-18	Services to E20 for week ending 19th November 2017	19/11/2017	11,875.00	2,375.00	14,250.00	14,250.00					
Osborne Clarke LLP	508404	Advice on members/directors duties - general advice	01/11/2017	1,295.00	259.00	1,554.00			1,554.00			
Osborne Clarke LLP	509109	Advice on members/directors duties 07/11/17 to 14/11/17	17/11/2017	11,656.00	2,331.20	13,987.20	13,987.20					
Osborne Clarke LLP	509110	Advice on members/directors duties 02/10/17 to 03/11/17	17/11/2017	30,633.37	6,121.27	36,754.64	36,754.64					
London Borough of Newham	610000046309	50% of costs incurred by Throwers in respect of West Ham tickets disput	14/11/2017	10,951.50	2,190.30	13,141.80	13,141.80					
KPMG LLP	5501535699	Fee for tax compliance services for period 10 August to 9 October 2017	11/10/2017	4,000.00	800.00	4,800.00			4,800.00			
BWA (Europe) Ltd	446	Consultancy work relating to Vinci FM contract	13/11/2017	7,883.00	1,576.60	9,459.60	9,459.60					
West Ham United Football Club Ltd	016371	Club London Dining/Drinks West Ham v Huddersfield Town 11/09/17	26/09/2017	99.05	19.81	118.86			118.86			Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016375	Club London Dining/Drinks West Ham v Bolton Wanderers 19/09/17	27/09/2017	27.60	5.52	33.12			33.12			Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016384	Club London Dining/Drinks West Ham v Tottenham Hotspur 23/09/17	02/10/2017	190.89	38.18	229.07			229.07			Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016410	Club London Dining/Drinks West Ham v Swansea City 30/09/17	12/10/2017	157.27	31.45	188.72			188.72			Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016459	Club London Dining/Drinks West Ham v Brighton & Hove Albion 20/10/17	20/10/2017	134.37	26.87	161.24			161.24			Cost fully rechargeable to LB Newham
West Ham United Football Club Ltd	016481	Club London Dining/Drinks West Ham v Liverpool 04/11/17	15/11/2017	312.85	62.57	375.42	375.42					Cost fully rechargeable to LLDC
BT Conferencing	BT012129883	Ca Is and Charges for Period 01-Oct-2017 to 31-Oct-2017	31/10/2017	208.67	41.73	250.40	250.40					
Cintra HR & Payroll Services Ltd	SIN051989	Payroll Admin October 2017	31/10/2017	61.85	12.37	74.22	74.22					
Stratford City Shopping Centre (No 1) GP	RI - 1952	WHU vs Huddersfield	25/09/2017	15,000.00	3,000.00	18,000.00				18,000.00		In dispute E20 not accepting liability
Stratford City Shopping Centre (No 1) GP	RI - 1953	WHU vs Bolton W 19/09/17	25/09/2017	15,000.00	3,000.00	18,000.00				18,000.00		In dispute E20 not accepting liability
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	Awa ting confirmation of bank details from supplier
				250 943.42	48 644.28	299 587.70	129 761.69	128 449.97	5 181.05	36 000.00	195.00	
Aged Cred tor Totals for week ending 17 November 2017				184,532.55	35,367.51	219,900.06	178,335.29	5,217.79	36,151.98	0.00	195.00	
Change from Previous Week				66,410.87	13,276.77	79,687.64	(48,573.60)	123,232.18	(30,970.93)	36,000.00	0.00	
Aged Cred tor Totals for week ending 3 November 2017				152,806.81	29,022.36	181,829.17	181,634.17	0.00	0.00	0.00	195.00	
Aged Cred tor Totals for week ending 20 October 2017				2,520,247.50	504,003.55	3,024,251.05	2,830,556.05	30,000.00	42,000.00	121,500.00	195.00	
Aged Cred tor Totals for week ending 13 October 2017				2,300,021.06	459,965.21	2,759,986.27	2,392,111.39	12,078.96	30,000.00	325,600.92	195.00	
Aged Cred tor Totals for week commencing 2 October 2017				1,426,306.02	285,222.20	1,711,528.22	1,547,833.22	27,000.00	39,000.00	97,500.00	195.00	
Aged Cred tor Totals for week commencing 18 September 2017				1,780,917.79	357,971.43	2,138,889.22	238,483.18	24,000.00	310,470.91	1,491,674.86	7,878.43	
Aged Cred tor Totals for week commencing 15 August 2017				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 Cred tor 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	
Aged Cred tor 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 Cred tor 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 Cred tor 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 Cred tor 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 Awa ting 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 Awa ting agreement on contract completion and defect rectification
London Stadium 185 Ltd	V150285	Wireless Fire Alarm System	17/10/2017	78,147.09	15,629.42	93,776.51			93,776.51			
London Stadium 185 Ltd	V150286	Retrofitting of Radar Keys Locks to Accessible Toilet Doors	17/10/2017	14,933.90	2,986.78	17,920.68			17,920.68			
M&H Civils Ltd	MHC/LLP/031 A	Final Invoice for Seating Fo low On Works	26/10/2017	11 185.56	2 237.11	13 422.67	13 422.67					
				651 159.26	130 231.85	781 391.11	13 422.67	111 697.19	0.00	0.00	656 271.25	
Aged Cred tor Totals for week ending 17 November 2017				651,159.26	130,231.85	781,391.11	125,119.86	0.00	0.00	0.00	656,271.25	
Change from Previous Week				0.00	0.00	0.00	(111 697.19)	111 697.19	0.00	0.00	0.00	
Aged Cred tor Totals for week ending 3 November 2017				651,159.26	130,231.85	781,391.11	125,119.86	0.00	0.00	0.00	656,271.25	
Aged Cred tor Totals for week ending 20 October 2017				655,034.93	131,006.99	786,041.92	129,770.66	0.00	0.00	0.00	656,271.25	
Aged Cred tor Totals for week ending 13 October 2017				852,470.54	170,494.11	1,022,964.65	0.00	0.00	0.00	33,086.35	989,878.30	
Aged Cred tor Totals for week commencing 2 October 2017				546,892.71	109,378.54	656,271.25	0.00	0.00	0.00	0.00	656,271.25	
Aged Cred tor Totals for week commencing 18 September 2017				1,130,512.12	226,102.42	1,356,614.54	0.00	0.00	0.00	700,343.29	656,271.25	
Aged Cred tor Totals for week commencing 15 August 2017				546,892.71	109,378.54	656,271.25	0.00	0.00	0.00	0.00	656,271.25	
Aged Cred tor 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	
Aged Cred tor 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	
Aged Cred tor 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 Cred tor 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 Cred tor 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	
							143,184.36	240,147.16	5,181.05	36,000.00	656,466.25	

ANNEX F

E20 AGED DEBTORS REPORT AS AT 24 NOVEMBER 2017

WORKING CAPITAL

Customer Name	Transaction No	Due Date [DD/MM/YYYY]	Amount Due [£]	Comment
YOUR TRIBUTE LTD	45258	15/12/2017	885	Not yet due
London Legacy Development Corporation	45250	27/10/2017	38,236	Not yet paid
London Legacy Development Corporation	45259	17/12/2017	375	Not yet due
London Borough of Newham	45248	20/10/2017	50,568	Not yet paid
London Borough of Newham	45253	30/10/2017	381	Not yet paid
London Borough of Newham	45254	31/10/2017	189	Not yet paid
London Borough of Newham	45257	15/12/2017	161	Not yet due
WEST HAM UNITED FOOTBALL CLUB LIMITED	45252	27/10/2017	38,236	Not yet paid
LONDON STADIUM 185 LIMITED	45255	31/10/2017	117,600	Not yet paid
LONDON STADIUM 185 LIMITED	45256	06/12/2017	54,600	Not yet due
CONNECTED PICTURES LTD	45055	31/03/2016	720	No payment expected based on efforts to date, provided for
PULSE FILM	45054	31/03/2016	1,500	No payment expected based on efforts to date, provided for
		Balance	303,452	
		Less provision for doubtful debts	-	2,220 0.7%
		Adjusted balance	301,232	

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
LONDON STADIUM 185 LIMITED	45243	02/10/2017	78,000	Not yet paid
		Balance	916,727	



Private & Legally Privileged – note for the board members of E20 Stadium LLP ("E20")

s.42

S.42

S.42

S.42

S.42

S.42

S.42

S.42

S.42

S.42

S.42

S.42



Subject: E20 Director Update
Date: 28 November 2017
Report of: Alan Skewis, Director of E20 Stadium LLP
Item: 6

1. PURPOSE OF REPORT

1.1. This report provides an update on a number of points for information. The report is intentionally short given the focus on the agenda on governance matters. If Members wish to receive more detailed briefings on the issues the Director is happy to provide further information.

2. RECOMMENDATIONS

2.1. **NOTE** the report

2.2. UPDATE

2.3. A number of changes have been made in the LS185 Senior team. This offers an opportunity to improve performance, which remains a matter of concern on many non-operational matters.

2.4. E20 are seeking to transfer responsibility for all activities to LS185. This includes the seating management.

2.5. Changes to operation at the Northern Ticket Hall have stalled again. The situation has been complicated by Westfield evacuation procedures being revised following a Shopping centre evacuation incident in mid-November. This has impacted LS185's appetite for taking control of the plaza outside the northern ticket hall. The process has also demonstrated some stakeholder management issues. Consideration is being given to alternative ways of delivering the changes that do not rely on LS185 leading the work.

2.6. There is a focus on stadium utility usage in the stadium, which could save over £500,000 per annum. These will required a combination of rectification of transformation works, capital upgrades, improvements to the stadium building control software and improved operational performance.

2.7. The 2018 lifecycle investment plan is close to being finalised, and will be presented in due course. The figures are in line with the financial papers to Board.

2.8. LS185 have reported 6 concerts in their budget plan. Two are booked and sold out (Foo Fighters) and 2 should be contracted before the end of November. A further 3 concerts by an artist are in discussion for the 22nd-29th May 2018. These would place pressure on the initial seat transition in May 2018.

2.9. Negotiations with cricket are progressing to plan, and are likely to secure c.£2m net commercial revenues. Baseball negotiations are moving more slowly, and there is a low probability of the event taking place in 2019. The baseball solution is dependent on being able to deliver a suitable playing surface for WHU by 1 August 2019.

2.10. The seating concept design work is progressing to the agreed timeline. A number of options are being developed in line with September Board approval

2.11. A number of disputes with WHU remain. s.43

The expert determination process continues, with an outcome in spring 2018. E20 remains confident of winning the items referred to the expert.

2.12. The latest LS185 Health and Safety report is attached in Appendix 2. The report includes no significant health and safety matters. At E20s instigation, a review of reporting of H&S issues has concluded that LS185 have good recording processes, but should improve reporting to E20. More in depth reporting process is being put in place to reflect the need to more comprehensively inform E20 of H&S matters.

2.13. The updated risk register is appended at Appendix 1.

CONFIDENTIAL

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

S.43

Health and Safety Report

Month: October 2017

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

Prepared by: Graham Harris, Deputy Safety Officer

Presented by: Graham Gilmore at KPI Meeting on 15th November 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 October has been completed and provided below.

Recommendation:

E20 is invited to:

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

Background:

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

Financial implications:

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

Staff implications:

None.

Claims:

There are no identified claims this month.

Actions:

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

Classification	Manchester Utd PL2 (15/10/17)	Brighton (20/10/17)
Medical incidents	S.40	
Of which are minor accidents		
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/EXP WISE/SES	Other (Project 7 & WHUFC)	Total
Medical incidents	0	0	0	0	0	0
Minor accidents	0	0	0	0	0	0
Serious accidents and incidents	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
Near misses	2	4	3	0	0	9
Any additional details	See below	See below	See below			

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.

Details of near misses:

On Saturday 28th October members of the Stadium grounds team set the Stadium Grow Lights to operate overnight on the pitch. On the morning of Monday 30th October, the team found significant wiring damage and burning to one of the pitch side cable boxes where the power lines are connected, with live cables exposed. The unit was made safe. This is a critical safety concern to the London Stadium safety team as the current solution to provide power to the grow lights is not fit for purpose – this is the third time the power distribution box has failed and the safety team feel that it's only a matter of time before a serious injury is caused.

The London Stadium safety team have noticed a number of fire extinguishers have been going missing from around the lower service road – this seems to be a growing trend. In October 2017 London Stadium replaced four fire extinguishers – three CO2 and one Water – and an alarm solution is being looked into and costed for review.

VINCI Facilities have reported four near misses (also called close call and positive intervention) as follows:

Incident Date Time	Full Details
19/10/2017	CC: Lamps left in riser on the first floor next to lifts 6&7PI: Bagged up spent lamps and put them in the coffin in the workshop
19/10/2017	CC: Found paint and varnish stripper on work benchPI: Put it back in the COSHH cabinet
23/10/2017	CC: Used paper to secure paper towel dispenser. The cover could have hurt someonePI: Whoever secured the cover should have reported it to helpdesk. Secured cover with self taping screw
20/10/2017	CC: Floor duct by workforce entrance was left open with only one cover in place. Insufficient barriers around open duct. Fall Hazard especially in dark hours.PI: Altered barriers to make safe. Education needed for people who remove duct covers

Delaware North have reported three near misses in October which are being investigated by the Health and Safety Manager:

Date of incident	Time of incident	Area of incident	Description of incident
11/09/2017			
17/06/2017			

S.40

09/01/2017

S.40

These items and the education actions will be discussed at the next Quarterly Health and Safety Committee. All other sub-contractor reports have been reviewed for trends and serious incidents. An agenda item at the next Quarterly Health and Safety Committee will focus on the reporting of near misses and other identified actions.

Table 3. Crime and Disorder Figures for month:

Classification	October 2017	Cumulative total for season
Stadium Bans	None	8
Stadium Arrests	None	3
Ejections	None	Tbc

LS185 has been working with West Ham United to identify adult fans abusing the child concession ticket deal as this has highlighted a growing trend of concessionary abuse. Fans have not been upgrading tickets and abuse of this system started to slow down. London Stadium have only been allowed to do this since the searching has moved to the bridges freeing up space at the turnstiles.