



# Brexit

EMT Meeting

Monday, 27 June 2016

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# Purpose

- To review activity across LLDC's business and consider potential impact of Brexit
- Assess if there is anything we should
  - Stop
  - Start
  - Delay
  - Accelerate

# LLDC'S business

- Invest in developing the Park's potential for regeneration through:
  - GLA existing and future borrowings
  - Private inward investment to develop the Park and repay GLA borrowings
  - Philanthropy
  - Attracting further investment through seed funding for regeneration programmes and schools/community infrastructure
- Construction programme – CED, Hackney Wick Station, s106 infrastructure
- Ensure arrangements in place for managing the park/venues financially sustainable Park in the long term

# Potential Brexit impact

- Prolonged market uncertainty
- Exchange rate volatility
- Recession in UK and wider EU
- Asset price deflation (particularly London high end residential and commercial/office)
- Reduced market liquidity
- Increase in UK's and GLA's cost of money
- Impact on University funding
  - CED partners

## How long : 2 to 5 years

- New Prime Minister – Autumn 2016
- Autumn Statement – Oct/Nov 2016
- Article 50 – January 2017
- Negotiation – up to 2 years

# Potential Impacts

Development Receipts	CED	Park	10 Year Plan
<ul style="list-style-type: none"> <li>Continued uncertainty likely to exacerbate [REDACTED] concerns about profitability and delay investment</li> <li>As will lack of liquidity / higher financing costs</li> <li>Supplier impact – share price / debt covenants/financing</li> <li>Reduced risk appetite in property sector</li> </ul>	<ul style="list-style-type: none"> <li>Reduced TPI offset by skilled supply shortages and higher cost of materials</li> <li>Impact potential philanthropic funding</li> <li>Need to understand impact on partners [REDACTED]</li> <li>Potential delay / reduced receipts for residential</li> </ul>	<ul style="list-style-type: none"> <li>Impact of recession on visitor numbers – local , national ↓</li> <li>Weak fx rate helps international visitors ↑</li> <li>Supplier impact               <ul style="list-style-type: none"> <li>○ [REDACTED]</li> <li>○ [REDACTED]                   <ul style="list-style-type: none"> <li>➤ EFM</li> <li>➤ Orbit</li> <li>➤ Energy concession</li> </ul> </li> </ul> </li> <li>Grants / other funding</li> </ul>	<ul style="list-style-type: none"> <li>[REDACTED]</li> </ul>

# Opportunities

- LLDC vehicle for direct investment / self build on development land
- Potential for increased national infrastructure funding into CED

- [REDACTED]

# Actions

- Seek to understand GLA position on cost of money and debt profile