

# Purpose of Session

- Current Position:
  - Update since May Board
  - Do we want to continue with LS185
  - Renegotiation of LS185 Contract
  - Termination of LS185 Contract
- Review of Contingency Plans:
  - Essential functions needed
  - Interim options for stadium management
- Key Questions and Next Steps
- Set of Slides and 3 accompanying documents provided

# Update Since Board

# Update since May Board

- LS185 continue to operate stadium
- More E20 changes instructed - Change to 2018 seating capacity, London 2017 hire, Shell
- LS185 team too small, with key skills missing
- s.43 [REDACTED]
- Disputes not resolved
- LS185 refusal to agree change requests being agreed (e.g. NTH)
- LS185 Board on 11 July considering their position
- s.43 [REDACTED]
- Contingency planning progressed
- s.43 [REDACTED]

# May Board **s.43**

- **s.43**

**s.43**



Do we want to continue with LS185?

# LS185 Score Card

	E20 Oct 2016	E20 June 2017	Comment
Financial Performance	s.43	s.43	
Commercial Delivery			
Financial Resilience			
Technical Delivery			
Safety / Operational Confidence			
Relationship Management			
Community and Employment Benefits			
Accountability and Taking on Responsibility			
Dedication and Commitment			

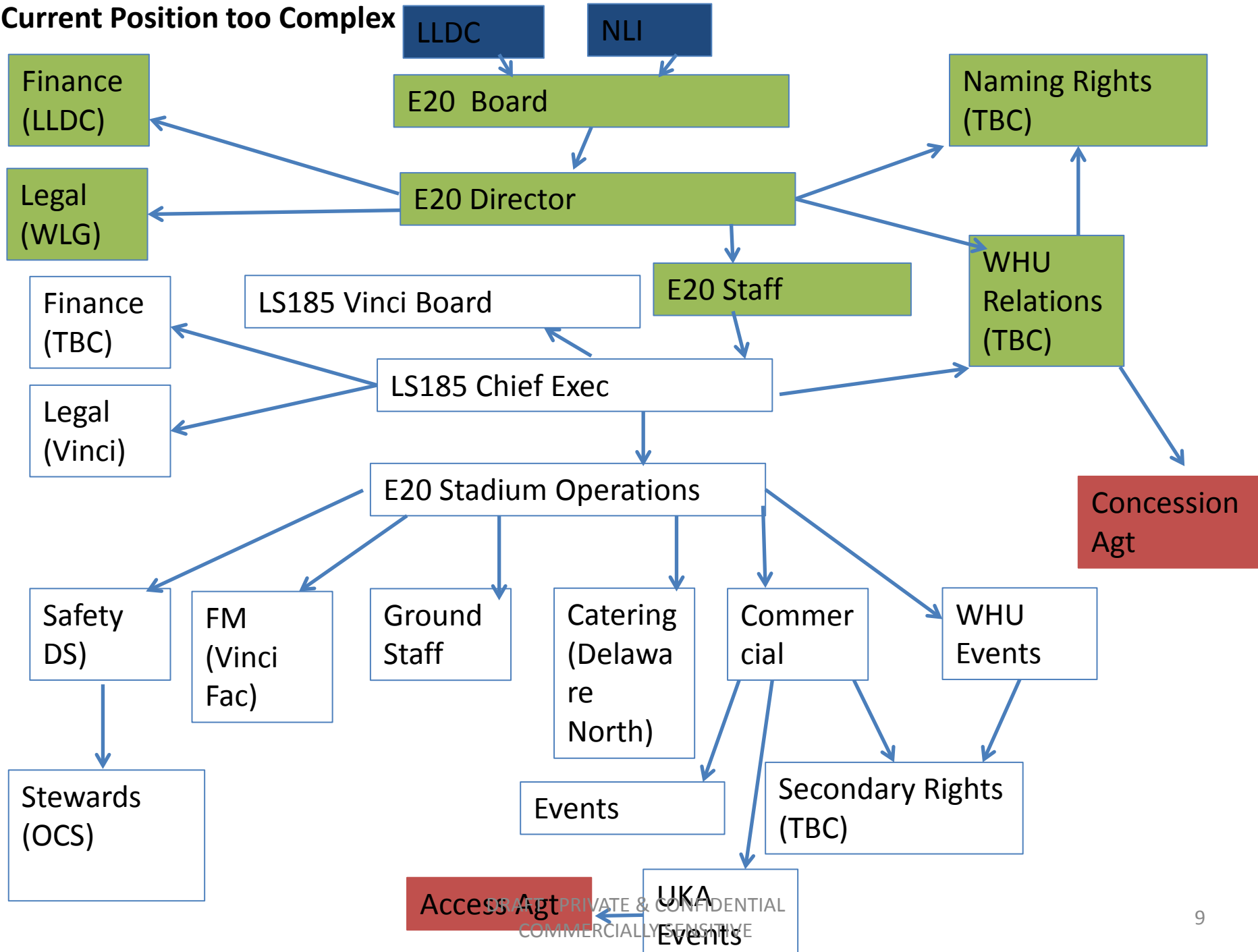
# Continuing with LS185

- LS185 not delivering to contract (see list of issues – Document 1)
- Financial risk and control still not aligned

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



**Current Position too Complex**



STAFF PRIVATE & CONFIDENTIAL  
COMMERCIAL SENSITIVE

# Renegotiation of LS185 Contract

# Renegotiate LS185 Contract

- LS185 considering position at their July 2017 Board
- Options:
  - Continue as now <sup>s.43</sup> [REDACTED]
  - Renegotiate <sup>s.43</sup> [REDACTED]
  - Terminate <sup>s.43</sup> [REDACTED]
- Renegotiation could just be settling all the excusing events and disputes
- LS185 may put more on the table – Fixed costs, resources, % profit, seating management
- **Are we confident enough in LS185 opportunity to transfer more responsibility to them?**

# Current Responsibilities

	LS185	E20	Comments
Safety Certificate	Y	N	
Fixed Costs and Facility Mgt	Y	N	
Catering	Y	N	Through DN sub contract
Stewarding	Y	N	Through DN sub contract
Concert Promoters	Y	N	E20 involved due to seats
Commercial Revenues	P	P	Should be LS185
WHU and UKA Relations	P	P	Should be LS185
MLB	P	P	GLA want to host
QEOP on Event Days	P	P	LS185 seeking to pass to LLDC
SPL and Waterfront	P	P	Moving to LLDC from 9/17
Community Events	N	Y	LLDC doing. Should be LS185
Northern Ticket Hall	N	N	Needs to be LS185, or LLDC
Seat Moves	N	Y	Should be LS185
Naming Rights	N	Y	Should be LS185

# Termination of LS185 Contract

# E20 Hand may be Forced by Vinci

- s.43 [Redacted]
- s.43 [Redacted]
  1. s.43 [Redacted]
  2. s.43 [Redacted]
  3. s.43 [Redacted]

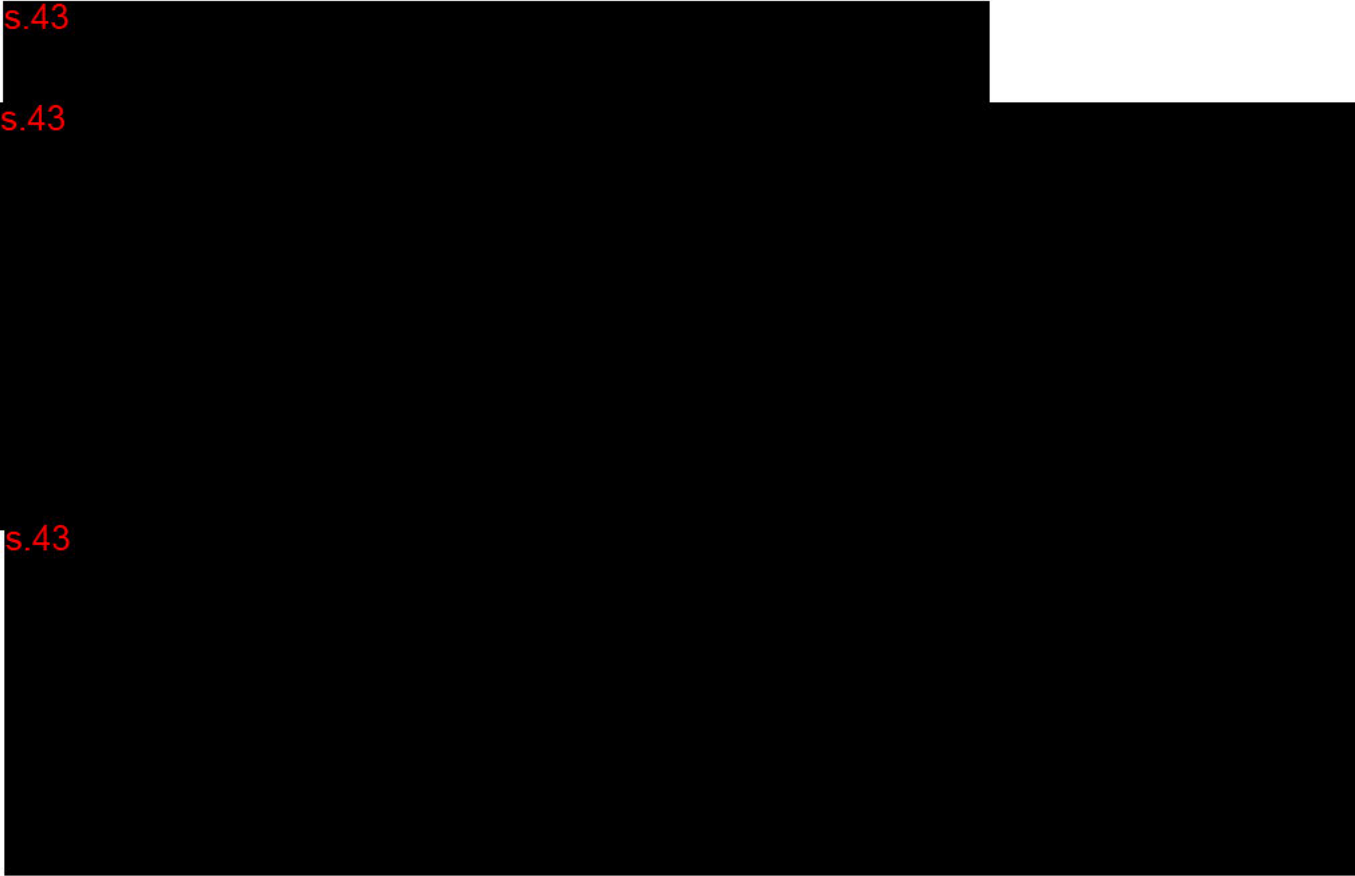
# Likely Grounds for LS185 Claim for Terminating

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

OR

- s.43 [Redacted]

# Options if LS185 Terminate on 1 August 2017

- s.43
  - s.43
  - s.43
- 



# Key Questions on LS185

s.43



s.43



# Contingency Plans if Terminate

# Timeline if Terminate

- LS185 makes 'renegotiate or terminate' statement (e.g. August 1)

s.43



# Critical Functions to Run Stadium

- Essential:

1. Retain Safety Certificate:

- s.43
- s.43
- s.43

2. Keep “on the ground” Operations Team

3. Facilities Management (inherit Vinci FM?)

4. Catering (Inherit DN)

5. Communications Plan

6. Documentation

# Critical Functions to Run Stadium

Key requirement	Current responsibility	Potential approach if required	Next steps / further info required
Stadium Operations (break down further into key areas)	s.40 and team	S.43	
Facilities Management (break down further into key areas)	VINCI Facilities		
Stewarding	OCS and other subcontractors to LS185		
Event day catering	Delaware North - subcontractor to LS185		
Ground staff	LS185 ground staff		
LS185 Finance and other critical corporate services	LS185 staff with support from VINCI parent (and VINCI platforms)		
Stadium safety, notably retaining safety certificate	s.40 (LS185)		
Managing and delivering event contract requirements	All above		

# (1) Retain Safety Certificate

- Licencing could shut stadium or reduce capacity
- General Safety Certificate is in LS185 name (as a company, not an individual)
- Special Safety Certificate in name of s.40 on behalf of LS185, with s.40 and s.40 as key individuals (needs to be transferred to DS regardless)
- Possible to move certificate to E20 or interim company
- Need to demonstrate to LBN Licencing (and SGSA) that able to operate
- Critical to secure safety certificate:
  1. Adopt current procedures (i.e. deliver LS185 event management plan, safety plan)
  2. Confirmation and confidence in structure (i.e. who is making decisions)
  3. Confirm outstanding issues not yet resolved will be (e.g. colour of gates)
  4. s.43
- Key functions / people that should be retained to maintain safety certificate- s.43

s.43

**Essential, to secure Continuity of Staff and Plans**

## (2) On the Ground Operations

- E20 issues are not with “on the ground” LS185 Operations Team performance

- **S.43**

- **S.43**

**Essential, and strong cause for  
Continuity of Ops Staff and Plans**

# (3) Facilities Management

s.43



s.43



# (4) Catering

s.43

**Keep Delaware North, with strong  
contract management**

# (5) Communication Plan

- Termination could be seen as another failure at stadium
- However, public don't know / care who runs stadium
- s.43 [REDACTED] concerned about reputation:
  - Not E20s concern
  - Could agree mutual messaging if E20 wanted to
  - s.43 [REDACTED] may remain involved, so from public point of view no change

**Essential we have a communications plan in place, including staff, sub contractors, tenants and public**

# (6) E20 has Important Documents

- Contingency Plan folder set up
- Populated with:
  - Contracts
  - Agreements
  - Safety / Licence etc. Documents
  - Event Management Plans
  - Gaps identified and being filled
  - Rate Cards

**Essential we have as many LS185 documents and contracts as possible stored and ready to use**

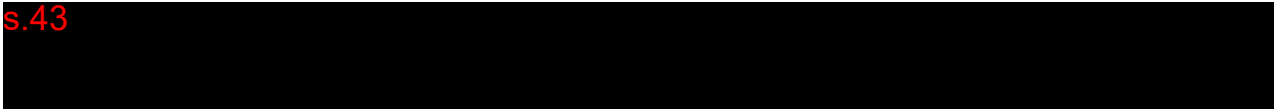
# Non Essential Functions

- s.40 [Redacted]
- s.43 [Redacted]
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- s.43 [Redacted]
- s.43 [Redacted]

# Non LS185 Functions

- E20 and LLDC continue, with greater clarity:
  - Contract Holders (WHU / UKA / Westfield)
  - QEOP returns to LLDC (including stewarding?)
  - School build
  - Naming rights

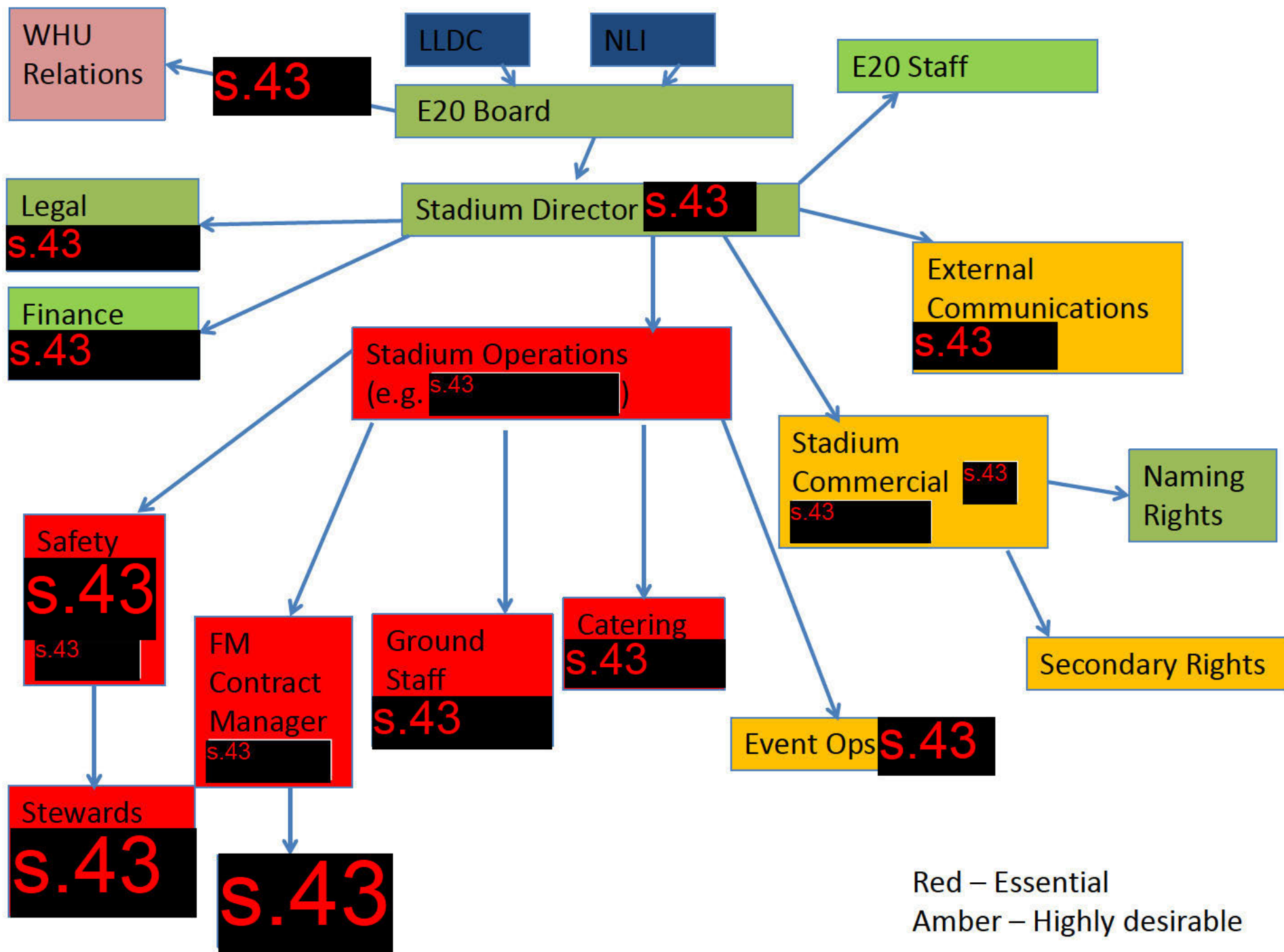
# Stadium Management Options

- Need an entity to run the stadium
- Options:
  - A. Third party Interim Company
  - B. E20 take over / “buy” LS185
  - C. 

s.43

# (A) Interim Company

- Terminate LS185 contract
- Employ company <sup>s.43</sup> [REDACTED] to manage the stadium on an interim contract
- **s.43** [REDACTED]
- Risk still lies with E20, but more control of decision making
- **s.43** [REDACTED]
- Keeps operations arms length



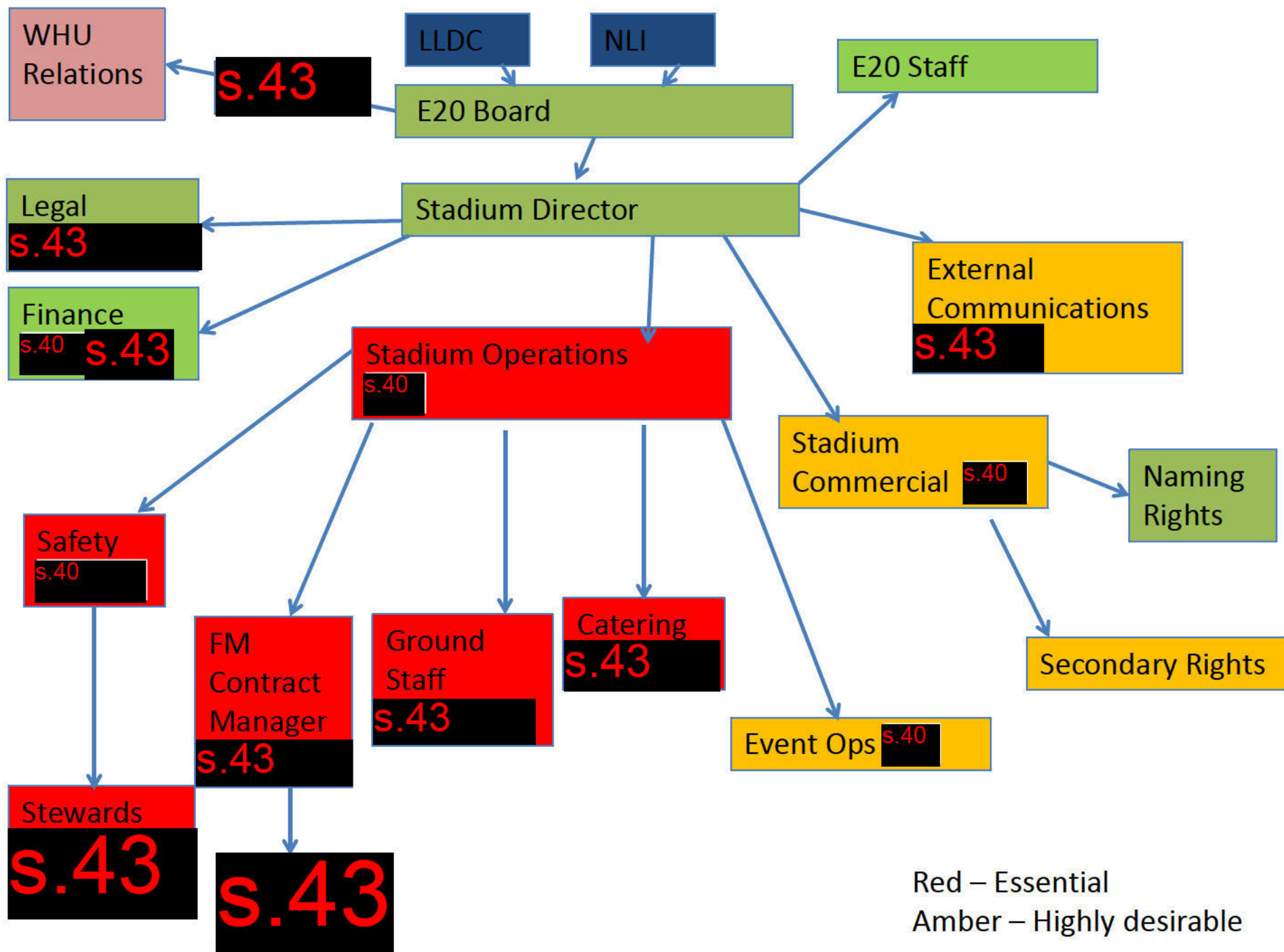


## (2) E20 Take Over / 'buy' LS185

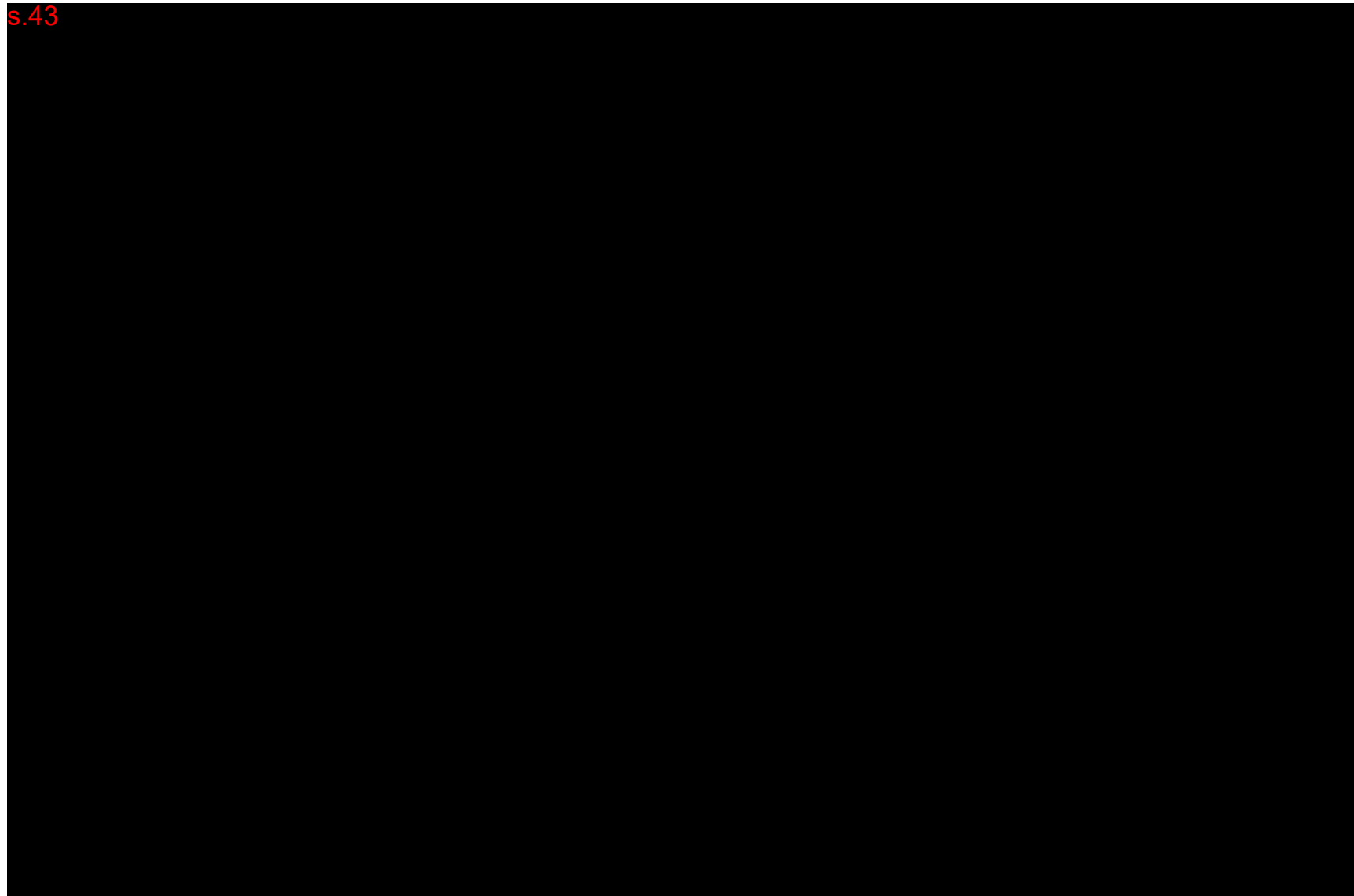
- Automatically retains LS185 staff (gives certainty, but have full team)
- Retain sub contractors without renegotiation or loss of continuity
- Achieves better alignment of risk and control
- Similar exit payment to LS185 for termination

s.43

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Red – Essential  
 Amber – Highly desirable



# Conclusions and Next Steps

# Key Questions

- Are we confident enough to renegotiate and put 'all our eggs' in the LS185 basket? **NO**
- Would we accept an LS185 termination? **YES, and implement contingency plan**
- Can we deliver the Contingency Plan? **YES**
- What entity do we want to manage the Stadium during contingency period? **Interim Entity, with core LS185 and sub contractors staff transferred**

# Actions

- Decide on Key Questions
- Decision by Board 25 July 2017
- Brief and integrate CRO
- Finalise contingency plan ahead of 1 August 2017:
  - Robust with LS185
  - Legal termination documents ready

s.40