

Meeting of the Board of the London Legacy Development Corporation

Meeting Date: Tuesday 26 November 2013

Time: 1.45 pm

Venue: Committee Room 4, City Hall, The Queen's Walk, London, SE1 2AA

Members of the Board of the London Legacy Development Corporation are hereby notified and requested to attend the meeting of the Board at 1.45 pm on Tuesday 26 November 2013 to transact the business set out below.

Board Members:

Boris Johnson (Chairman)
Neale Coleman CBE (Deputy Chairman)
Sonita Alleyne OBE
Nicholas Bitel
Nicky Dunn
Keith Edelman
David Edmonds CBE
David Gregson
Baroness Grey-Thompson DBE
Philip G Lewis
Lord Mawson OBE
Jayne McGivern
Mayor Jules Pipe CBE
Mayor Lutfur Rahman
Councillor Chris Robbins
David Ross
Mayor Sir Robin Wales

1 Apologies for absence

2 Declarations of interest

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

3 Minutes of previous meeting on 29 October 2013 (Pages 1 - 8)

The Board is asked to agree the minutes of the meeting held on 29 October 2013.

4 Matters arising and action list (Pages 9 - 10)

The Board is asked to note the actions arising from the previous meeting.

5 Chief Executive's Report (Pages 11 - 14)

The Board is asked to note the Chief Executive's report, which provides an update on major projects and activities since the last meeting.

6 Report of the meeting of the Planning Decisions Committee held 22 October 2013 (Pages 15 - 16)

The Board is asked to note the report.

7 Report of the meetings of the Investment Committee held on 22 October 2013 and 19 November 2013 (Pages 17 - 18)

The Board is asked to note the report and the verbal update on the meeting held on 19 November 2013.

8 Three year budget and business plan (Pages 19 - 60)

The Board is asked to agree the draft three year business plan and budget as part of the Legacy Corporation's budget submission to the GLA.

9 Three Mills power of attorney (Pages 61 - 66)

The Board is asked to approve LLDC's entry into Power of Attorney with Deloitte LLP relating to Three Mills.

10 Transformation quarterly report (Pages 67 - 72)

The Board is asked to note the report.

11 Stadium Tier 1 contract (to follow)

The Board is asked to agree the recommendations set out in the report on the procurement of a Tier 1 contractor for the stadium transformation works.

12 Date of next meeting

The next meeting of the Board of the London Legacy Development Corporation is scheduled to be held on Thursday 30 January at 1.30pm at City Hall.

13 Any other business the Chairman considers urgent

The Chair will state the reason for urgency of any item taken.

14 Exclusion of the press and public

Members are recommended to agree to exclude the public and press from the meeting, in accordance with Part 1, paragraph 3 Schedule 12A of the Local Government Act 1972 (as amended), in order to consider the following items of business.

15 Minutes of previous meeting on 29 October 2013 containing exempt information (Pages 73 - 76)

The Board is asked to agree the minutes of the meeting held on 29 October 2013 that contain exempt information.

16 Exempt information relating to Item 5: Appendix 1 - Transformation Monthly Programme dashboards (Pages 77 - 82)

The Board is asked to note the Transformation Monthly Programme dashboards.

17 Exempt information relating to Item 5: Appendix 2 - Commercial update (Pages 83 - 86)

The Board is asked to note the appendix.

18 Exempt information relating to Item 8: Appendix 1 - Three year budget (Pages 87 - 92)

The Board is asked to note the draft three year detailed budget breakdowns.

19 Exempt information relating to Item 10: Transformation quarterly report (Pages 93 - 100)

The Board is asked to note the report.

20 Exempt information relating to Item 11: Stadium Tier 1 contract (to follow)

The Board is asked to agree the recommendations set out in the report.

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MINUTES

Minutes of the Meeting of the Board of the London Legacy Development Corporation

Meeting date: 29 October 2013

Time: 2:10pm

Venue: LLDC meeting rooms 1 and 2, Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ

PRESENT: Boris Johnson, Chairman
Neale Coleman CBE (Deputy Chairman)
Sonita Alleyne (from 2.35pm)
Nick Bitel
Keith Edelman
David Edmonds
David Gregson
Baroness Tanni Grey-Thompson
Phillip Lewis
Lord Mawson
Jayne McGivern
Mayor Lutfur Rahman
David Ross
Sir Robin Wales

APOLOGIES: Nicky Dunn
Mayor Jules Pipe
Councillor Chris Robbins

IN ATTENDANCE: Councillor Clare Coghill (for Councillor Chris Robbins)
Sir Edward Lister Mayor's Observer to the Board (from 2.30pm)
Michelle Reeves, Mayor's Observer
Dennis Hone, Chief Executive
Jonathan Dutton, Executive Director of Finance and Corporate Services
Jan Boud, General Counsel
Viv Ramsey, Executive Director of Planning Policy and Decisions
Paul Brickell, Executive Director of Regeneration and Community Partnerships
Colin Naish, Executive Director of Infrastructure
Victoria O'Byrne, Director of Communications and Public Affairs
Rachel Massey, Board Secretary
Jamie Izzard, Secretariat, GLA

1. Apologies for absence (Item 1)

- 1.1 Apologies for absence were received from Councillor Chris Robbins, Mayor Jules Pipe and Nicky Dunn. The Mayor welcomed Councillor Clare Coghill who was attending on behalf of Chris Robbins.

2. Declarations of interest (Item 2)

- 2.1 The Chairman noted that Members had declared registrable interests in line with the relevant Standing Orders and asked Board Members to confirm if they had any interests or additional interests to be declared related to matters listed on the agenda other than those already made and included in the register.
- 2.2 There were no additional declarations of interest.

3. Minutes of previous meeting on 17 September 2013 (Item 3)

- 3.1 **It was agreed that the minutes of the meeting of the Board held on 17 September 2013 be signed by the Chairman as a correct record.**

4. Matters arising and action list (Item 4)

- 4.1 **The Board noted the Actions List.**

5. Chief Executive's Report including Quarterly Report (Item 5)

- 5.1 The Chief Executive introduced the report, providing a progress update on the activities of the Legacy Corporation since the last meeting. During discussion, the following points were raised:
- a) Hackney Wick: Officers confirmed that the proposed £8.5m loan from the London Enterprise Panel for improvement works at Hackney Wick station would be repaid using receipts generated by the uplift in land values created by the proposed works. It was subsequently agreed that details of LLDC's current land ownership in Hackney Wick would be circulated to Members.
- A discussion took place regarding graffiti within the Hackney Wick area and officers agreed to look into how this could be prevented in the Park.
- b) Sport Relief: The Board welcomed the news that the first ever Sainsbury's Sport Relief Games, as part of Sport Relief 2014, would be taking place in the Queen Elizabeth Olympic Park in March 2014;

- c) Young Poet Laureate: Members noted that the first ever Young Poet Laureate, a post which was created by the Legacy Corporation, had been named as Warsan Shire.
- d) Health and safety: Members were advised that the Legacy Corporation had reached the milestone of two million man-hours without a reportable health and safety incident. It was however noted that one incident was now being investigated which may be reportable to the Health & Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

5.2 The Board noted the report and Quarterly Report for July-September 2013.

6. Report of the meeting of the Planning Decisions Committee held on 24 September 2013 and 22 October 2013 (Item 6)

6.1 The Chair of the Planning Decisions Committee introduced the report, which provided an update on the meetings held on 24 September 2013 and 22 October 2013. It was noted that the Local Plan Consultation Document was due to be discussed under a separate item on the agenda.

6.2 The Board noted the report and verbal update.

7. Report of the meeting of the Park Opening and Operations Committee held on 16 October 2013 (Item 7)

7.1 Nick Bitel, Member of the Park Opening & Operations Committee, introduced the report, which provided an update on the meeting held on 16 October 2013, which included details of the Park membership scheme proposals. It was noted that the scheme would be open to all to join but would be primarily aimed at Park residents, Park employees and those living in the neighbouring boroughs, to help drive repeat visitation to the Park.

7.2 The Board was also advised that the Committee had received an update on the development of an events booking process for how event companies, charities, community groups and members of the public could apply to the Corporation if they wished to hold a small, medium or large event within the Queen Elizabeth Olympic Park.

7.2 The Board noted the report.

8. Report of the meeting of the Investment Committee held on 22 October 2013 (Item 8)

8.1 The Chair of the Investment Committee introduced the report which provided details of the agenda items presented to the meeting held on 22 October 2013. As the meeting took place after the statutory deadline for

issuing board papers, a verbal update was provided on the discussions at the meeting of the Committee, which had focused on the Estate Strategy and included discussions on how to learn from good estates management models in a way that maintained quality whilst providing revenue for the Legacy Corporation. The Committee also considered a report on matters being considered by the E20 Stadium Limited Liability Partnership (“the LLP”) including an update on the Stadium operator strategy and naming rights, the status of the transformation works, and the E20 LLP governance arrangements.

8.2 The Board noted the report.

9. Local Plan Consultation Document (Item 9)

- 9.1 Sir Edward Lister, the Mayor of London’s Observer, joined the meeting at the start of this item and declared an interest in his role as Deputy Mayor for Policy and Planning and did not take part in the discussion. Sonita Alleyne joined the meeting during the discussion.
- 9.2 The Executive Director of Planning Policy and Decisions presented the report, which provided a draft of the Legacy Corporation’s Local Plan Document. Following a period of non-statutory consultation on the document, officers planned to issue a publication Local Plan for statutory consultation in early summer 2014.
- 9.3 The Board was advised that the Planning Decisions Committee had reviewed the document at its meeting on 22 October 2013 and had provided significant feedback on the style, level of detail and content of the document. This feedback was being considered for incorporation into the non-statutory consultation document and the subsequent plan as appropriate.
- 9.4 The Mayor of the London Borough of Newham expressed his concern that further discussions with Newham were required prior to the non-statutory consultation. In particular, he requested that the document make explicit reference to the Board’s emerging ‘E2020 Vision’. He also requested that further discussion took place with LB Newham regarding implications for the Carpenters Estate and Stratford Town Centre and the draft policy on houses in multiple occupation.
- 9.5 Officers stated that boroughs would be key consultees as part of the non-statutory consultation. Additionally, officers from LB Newham had been and would continue to be involved in the drafting of the Plan through regular meetings with officers from the Corporation’s Planning Team. It was, however, acknowledged that a short delay of no more than two weeks could be included in the timeline in order for further discussion with the LB Newham to take place.
- 9.6 The Chairman advised the Board that this would be the last meeting attended by the Executive Director of Planning Policy and Decisions ahead

of her retirement in two days' time. The Chairman thanked her for her hard work and commitment at the Legacy Corporation and during her 34 years involved in London planning and this was endorsed by all those present.

9.7 The Board:

- a) Agreed the Local Plan Consultation Document for the purpose of public consultation subject to further discussions with the London Borough of Newham within a two week period; and**
- b) Agreed that sign-off of any subsequent revisions to the Local Plan Consultation Document be delegated to the Executive Director of Planning Policy and Decisions and her successor, in consultation with the Deputy Chairman and the Chief Executive.**

10. London Living Wage (Item 10)

10.1 The Board received a report on the Legacy Corporation's implementation of the London Living Wage (LLW) on Queen Elizabeth Olympic Park (QEOP) following a request made at the 17 September 2013 Board meeting.

10.2 Members welcomed the steps being taken by the Legacy Corporation to ensure that direct employees, 'tier 1' contractors and 'tier 1 end-use contractors' were paid the London Living Wage. Members also agreed with the current approach to 'tier 2 and beyond' contractors, in that they be encouraged to pay the London Living Wage. It was acknowledged that this approach was exemplary in its balance and could be used a model for other public sector organisations within London.

10.3 The Board:

- a) Noted the approach taken by the Legacy Corporation with respect to the implementation of the LLW for Tier 1 construction and end-use contractors, including audit and assurance processes; and**
- b) Noted the current approach taken by the Legacy Corporation to its Tier 2 construction and end-use subcontractors and beyond with respect to the implementation of LLW.**

11. Any other business the Chairman considers urgent (Item 11)

11.1 There was no urgent business.

12. Date of next meeting (Item 12)

12.1 The next Board meeting was due to be held on 26 November 2013 at 1:45pm at City Hall.

13. Exclusion of the press and public (Item 13)

13.1 It was agreed that the public and press be excluded from the meeting, in accordance with Part 1, paragraph 2 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider items 14 to 20 on the agenda. Each of these papers contained information relating to the financial or business affairs of a person or authority.

14. Minutes of previous meeting on 17 September 2013 containing exempt information (Item 14)

14.1 The minutes of the meeting held on 17 September 2013 had been circulated with the papers.

14.2 It was agreed that the minutes of the meeting of the Board held on 17 September 2013 containing exempt information be signed by the Chairman as a correct record subject to an amendment to include Lord Mawson within the list of Members present at the meeting.

15. Exempt information relating to Item 5 - Appendix 2 - Transformation Monthly Programme dashboards (Item 15)

15.1 The Executive Director of Infrastructure presented the exempt information relating to the Transformation programme and the stadium transformation programme.

15.2 A discussion took place regarding the appointment of an operator for the stadium and it was agreed that this procurement process should be shortened if possible.

15.3 The Board noted the report.

16. Exempt information relating to item 5 - Appendix 3 - Commercial update (Item 16)

16.1 The Chief Executive presented the exempt appendix to the report. Members discussed activity flowing from the Board's emerging E2020 Vision which included ongoing discussions with cultural institutions, visitor attractions and higher education providers

16.2 A query was raised regarding continued engagement with Board Members outside of the meeting cycle on the development of the Legacy Corporation's ten year plan and it was suggested that individual or group meetings with Board Members could be useful.

16.3 The Board noted the report.

17 Close of Meeting

17.1 The meeting closed at 3.35pm

Chairman

Date

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Board Actions List (reported to the meeting on 26 November 2013)

Outstanding Actions from the Last Meeting

| Minute No. | Item/Description | Action By | Target Date | Status/note |
|------------|--|-----------------------|------------------|-------------------------------|
| 5.1.a | CEO's report Circulate a copy of LLDC's current land ownership in Hackney Wick to Members | Rosanna Lawes | 26 November 2013 | In progress |
| 9.7b | Local Plan Consultation Document Undertake further discussions with the London Borough of Newham on the Local Plan Consultation Document for the purpose of public consultation within a two week period. <u>Update:</u> Meeting between LBN and PPDT held on 7th November. PPDT has made amendments to the local plan consultation document sections on the vision and the sub area text relating to Carpenter's estate. Joint actions agreed in relation to the draft HMO policy and Stratford town centre. | Anthony Hollingsworth | 12 November 2013 | Complete. See update |
| 15.2 | Transformation dashboard Investigate whether the procurement process for the appointment of an operator for the stadium can be shortened. | Jan Boud | 26 November 2013 | Update provided at next board |

Outstanding Actions from the previous meetings

| Minute No. | Item/Description | Action By | Target Date | Status/note |
|----------------------|--|-----------|-----------------|--------------------------------------|
| 17/09/13 Item 5.4 | Chief Executive's report Consider the relocation of the 9/11 sculpture to the Park at a future meeting | Board | 2014 date (TBC) | Update provided October CEO's report |

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Subject: Chief Executive's report to the London Legacy Corporation Board
Meeting date: 26 November 2013
Report to: Board
Report of: Dennis Hone, Chief Executive

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1 This report provides progress updates on the activities of the London Legacy Development Corporation (LLDC) for the November 2013 Board meeting since its last meeting. A further commercial update is provided at appendix 2 (exempt information).
- 1.2 This report also presents the Health and Safety update which is provided to every Board meeting.

2. RECOMMENDATIONS

- 2.1 The Board is invited to note this report.

3. TRANSFORMATION AND PARK OPENING

- 3.1 LLDC's Transformation works to commence, to Clear, Connect and Complete the Park have continued and this is on track for Park opening in Spring 2014. Work was completed on a new footbridge from Hackney Wick into the Park, connecting Wallis Road to Waterden Road. The bridge will become fully accessible from December when a lift will be installed. See appendix 1 for additional information about the transformation programme and the stadium transformation programme (exempt information).
- 3.2 As the North Park marked being open for 100 days, the Agitos symbol of the Paralympic Games was installed in near the main bridge in the north of the park. The Agitos, which symbolises the Paralympic motto 'Spirit in Motion', was displayed in the Park during the Paralympic Games. It will be joined in the Park by the Olympic Rings at the end of this year.

4 JOBS AND APPRENTICESHIPS

- 4.1 LLDC's Job and Apprenticeship brokerage project for Transformation continues to meet or exceed most of its targets. As of 30 September 2013 there were 52 apprentices working on the Park which is 4% of the workforce, exceeding LLDC's target of 3%. Fourteen have completed their initial placements and have been found following placements, many of these being other opportunities on the Park, seven have since found permanent employment. 59% of employees are from BAME groups, exceeding the target of 25%; 7% are women against the target of 5%; 16% were previously unemployed exceeding the target of 10%; 36% are from the host boroughs against the target of 25%; and 3% are disabled, meeting the target.

5 LONDON LIVING WAGE

- 5.1 Further to the update to the Board at the last meeting, LLDC has become an accredited London Living Wage employer, committing that all its direct employees, including interns and contractors, are paid the London Living Wage.

6 PLANNING UPDATE: CHOBHAM MANOR AND CANAL PARK

- 6.1 The Zonal Masterplan (ZMP) for the Chobham Manor, LLDC's first housing development was approved by the planning authority in October 2013. Approval allows the developers Taylor Wimpey and L&Q to submit a detailed planning application for the first phase of homes at Chobham Manor. This will be submitted in November 2013.
- 6.2 At the same meeting the planning authority received submission of the planning application and reserved matters for LLDC's Canal Park scheme. Determination of these submissions is due to be made by December 2013.

7 HEALTH AND SAFETY

- 7.1 Work is now being undertaken to develop a 3 year plan for health and safety for LLDC. This will need to address each area of activity, from operating the Park through Community work through to office and staff management. The aspiration is to encompass occupational health for all Park workers, construction and operations, as well as address safety issues in a way that integrates across suppliers such as Balfour Beatty Workplace and discharges the responsibility for LLDC to demonstrate governance, leadership and ownership. It is anticipated that 2014/15 will be a transitional year towards establishing this longer-term set of arrangements.
- 7.2 On the Park there has been a further, more minor, accident involving two cyclists at a Heras fenced boundary to a transition work-site. This has

emphasised the importance of construction works that interface with public areas of the Park being highlighted to BBW so that the risk assessments, and precautions such as signage may be reviewed to ensure that they are suitable. This has recently been reinforced at a site leadership meeting of all transition contractors, also now attended by Taylor Wimpey (Chobham Manor) representatives. Other incidents on the Park have highlighted the need for maintenance and other work teams to carefully manage their tools, including secure storage when unattended even briefly for a meal break.

- 7.3 Transformation works continue to progress with a very good safety performance. The health programme medical centre has relocated to the stadium, and work is underway to raise awareness of the services available to individual works and to teams working across the Park including BBW. Work continues to strengthen the safety, health and environment programmes including the use of theatre and briefings to induct the new workforce at Stadium, reward and recognition using badges, and the appointment through SHELTON of safety champions on each project, a commitment by management of the Tier 1s for improved and communicated project planning and cross-site safety tours. The communication strategy is supported and led by LLDC Communications staff, and procurement is underway for a new induction video aimed at all Park construction workers.
- 7.4 Work is underway to create a formal, documented but non-bureaucratic H&S management system for LLDC based on the international standard OHSAS 18001. The strategy requires each team to develop its own proportionate, systematic arrangements for H&S, and this now includes a formal HS&E Standard for all LCS works for incoming Development Partners to sign up to.
- 7.5 Dennis Hone leads on H&S for LLDC, reviewing performance and forward plans on a regular basis. BBW provides a weekly digest of Park incidents as noted and logged at the Control Centre. These monitoring and governance arrangements will become more formalised and include a quarterly H&S Group chaired by the CEO reviewing performance and overseeing future plans informed by a quarterly report available to the Executive and Board commencing next year.

8 APPENDICES

- Appendix 1 – Transformation Monthly programme dashboard and stadium transformation programme dashboard (exempt information)
Appendix 2 – Commercial update (exempt information)

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| List of Background Papers |
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| <ul style="list-style-type: none">• None |
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Subject: Report of the meeting of the Planning Decisions Committee held on 22 October 2013
Meeting date: 26 November 2013
Report to: Board
Report of/by: Philip Lewis, Chair of Planning Decisions Committee

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Planning Decisions Committee held on 22nd October 2013. As this meeting took place after the statutory deadline for the dispatch of papers for the October Board meeting, a verbal update was given and this is the formal report to the Board of the committee meeting.

2. RECOMMENDATIONS

- 2.1 The Board is invited to note this report.

3. ISSUES DISCUSSED

- 3.1. The Committee members considered a report concerning the draft Local Plan Consultation document. Significant feedback was given by members on the style, layout and content of the document across a number of the policy areas. This helpful feedback would be considered by PPDT for incorporation into statutory Publication draft of the Local Plan.

The members resolved that the LLDC Board be informed at its meeting on 29th October of the comments of the Planning Decisions Committee and the appropriateness for the purpose of the proposed consultation.

Note: At the LLDC Board meeting of 29th October, the Board received a report from the Executive Director of PPDT on the Local Plan consultation document and agreed the document for public consultation subject to further discussions with the LB Newham within a two week period; and delegated authority to the Executive Director of PPDT to make any subsequent revisions to the consultation document in

consultation with the Board Deputy Chair and the Chief Executive.

- 3.2. The Committee members considered a report which included two areas for amendments to the 2009 Stratford city Site Wide Housing Strategy.

The amendments proposed were: (i) application 13/00402/AOD from the need to consider the distribution of units within the additional residential floorspace arising from the fourth outline planning permission, as it related to Zones 3-6; and (ii) from application 13/00422/AOD from considerations of viability and deliverability of affordable housing in the detailed design of the Zone 2 residential proposals.

PPDT Officers had concluded that in both cases the revised distribution of residential units would result in a reasonable mix of units by size and tenure across the whole of the Stratford City site, in conjunction with the provisions of the latest and proposed S106 Agreements.

The members resolved that in respect of application 13/00402/AOD the proposed 2013 Site-wide Housing Strategy be agreed and approval be given in writing as requested.; and

That in respect of application 13/00442/AOD, subject to completion of the Deed of Modification to the Zones 2-7 section 106 agreement dated 30 March 2012 and made between: (1) The Olympic Delivery Authority; (2) The Mayor and Burgesses of the London Borough of Newham; (3) The Secretary of State for Transport; (4) London & Continental Railways Limited; (5) Transport for London; (6) HS1 Limited; and (7) Stratford City Business District Limited, the changes to the 2013 Site Wide Housing Strategy should be agreed and approval in writing be given as requested.

- 3.3. The Committee noted a report which listed all the applications which had been decided by officers under delegated authority from 1st September 2013 to 30th September 2013.

4. LEGAL IMPLICATIONS

- 4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. APPENDICES

- 5.1. None

List of Background Papers

- Papers for the meetings of the Planning Decisions Committee on 22 October 2013.

Report originator:

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Director of Planning Policy & Decisions
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Subject: Report of the meeting of the Investment Committee held on 22 October 2013 and 19 November 2013
Meeting date: 29 October 2013
Report to: Board
Report of/by: David Edmonds, Chair of the Investment Committee

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1. This paper is the formal report to the Board on the meeting of the Investment Committee on 22 October 2013. A verbal update on the meeting was provided to the October Board meeting.
- 1.2. This paper also provides an update on the items being considered at the Investment Committee meeting on 19 November 2013. As this meeting is due to take place after the in the statutory deadline for the dispatch of papers for the Board meeting, a verbal update will be given at the meeting and a formal report of the meeting will be issued to the next Board meeting.

2. RECOMMENDATIONS

- 2.1 The Board is invited to note this report and the verbal update.

3. ISSUES DISCUSSED AT 22 OCTOBER MEETING

Estate strategy for the Queen Elizabeth Olympic Park

- 3.1. The LLDC is responsible for the long term management and stewardship of the Queen Elizabeth Olympic Park estate. The Committee considered a report which provided an overview of the estate strategy for the Queen Elizabeth Olympic Park which aims to learn from the models of the landed estates of London to ensure that LLDC manages its land assets to create an income stream that contributes to the management of the estate in the long term. The Committee also considered some of the possible models for ensuring the long term stewardship of the park and venues.

- 3.2. Following a positive resolution to exclude members of the press and public, in accordance with Part 1, paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) the Committee also considered a report on the estate strategy that contains exempt supplemental information.

E20 Stadium Limited Liability Partnership update

- 3.3. The Committee considered a report that provides an update on matters being considered by the E20 Stadium Limited Liability Partnership (LLP) including an update on the Stadium operator strategy and naming rights, the status of the transformation works, and the E20 LLP governance arrangements.
- 3.4. Following a positive resolution to exclude members of the press and public, in accordance with Part 1, paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) the Committee also considered a report that contains exempt supplemental information.

4. ISSUES TO BE DISCUSSED AT THE 19 NOVEMBER MEETING

- 4.1. The Committee will consider the following items at their meeting on 19 November 2013:
- a) An update report on matters to be considered by the E20 LLP board including an update on the Stadium operator strategy and naming rights, the status of the transformation works.
 - b) A report on the governance arrangements for E20 Stadium LLP.
 - c) A report that provides an update on the procurement of a Tier 1 contractor for the stadium transformation works and an update on the transformation programme. This is covered under a separate item on the agenda for this board meeting.

5. LEGAL IMPLICATIONS

- 5.1. Legal and procurement advice has been obtained in relation to these matters.

6. LIST OF APPENDICES TO THIS REPORT

- 6.1. None

List of Background Papers

- Papers for the meeting of the Investment Committee on 22 October 2013
- Papers for the meeting of the Investment Committee on 19 November 2013

Report originator:
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Subject: Three-year budget and business plan
Meeting date: 26 November 2013
Report to: Board
Report of: Jonathan Dutton – Executive Director of Finance and Corporate Services

FOR APPROVAL

This report will be considered in public

1. SUMMARY

- 1.1. This report seeks Board approval for the Legacy Corporation's 'submission draft' of its three-year business plan for the period 2014/15-2016/17. This draft will support the Legacy Corporation's budget submission to the Greater London Authority (GLA), and will be updated and adopted formally in March 2014, once the Mayor of London's consolidated budget and capital spending plan has been approved.

2. RECOMMENDATIONS

The Board is invited to

- 2.1 Approve the three-year business plan at Appendix 1 as the basis of the Legacy Corporation's budget submission to GLA, subject to any comments; and
- 2.2 Note the background information attached at Appendix 2 comprising exempt information.

3. BACKGROUND

- 3.1. London Legacy Development Corporation is a statutory body set up under the powers of the Localism Act 2011, and is responsible for promoting and delivering physical, social, economic and environmental regeneration in Queen Elizabeth Olympic Park and the surrounding area. As well as ownership of land and venues within the Park, the Legacy Corporation has planning powers and regeneration responsibility within its boundaries.
- 3.2. As the Legacy Corporation is a functional body of the GLA, its budgets are subject to the GLA's budgeting process. The GLA requires the

submission of the Legacy Corporation's 2014/15 budget and draft three year business plan by 29 November. Our budget for 2014/15 will then form part of the GLA's consultation budget in December, will be considered by the London Assembly in January 2014, then agreed in February 2014.

- 3.3. When the three year business plan is presented to the Board in March 2014, it will be presented alongside a draft Ten Year Plan, which will be prepared in the light of further modelling work on emerging strategic proposals,, and the one year budget for 2014/15.
- 3.4. The next three year period will see the completion of transformation works, the re-opening and operational mobilisation of the South park and remaining venues (including the Stadium and Press and Broadcast Centre), the Rugby World Cup other major events, and delivery underway on the first two phases of housing. Successful re-opening of the Park as a high quality destination will be essential to establishing and maintaining reputation and values, and to creating the quality of destination that will attract investment into the area, and enable local communities to reap the benefits of the Olympic Park legacy.
- 3.5. The Business Plan seeks to ensure the most effective use of public money, to ensure a successful re-opening for the Park, and to lay the foundations for long-term regeneration and growth. The budgets in the plan will be reviewed on a regular basis as part of LLDC's Change Control process, and the document updated to reflect any approved changes in line with the agreed scheme of delegations.
- 3.6. Legacy Corporation officials have been working with GLA officials to agree a budget position for the period after the end of the current Comprehensive Spending Review period (2015/16 and 2016/17), when the Legacy Corporation's agreed external revenue funding would fall from £38 million to £10 million per annum. Following discussions across the organisation, the GLA have accepted a provisional additional revenue contribution of £8m in 2015/16, and £4.3m in 2016/17.
- 3.7. In terms of capital, we expect to be able to fund our capital requirements over the next three years by use of existing grants, re-investment of our share of capital receipts, and draw down of capital reserves, though will need cashflow assistance to meet our commitments in 2015/16, in advance of receipts scheduled for 2016/17.
- 3.8. Over the next three years, external funding for the Legacy Corporation's activities will come from the following sources:

Capital

| £'000s | 2014/15 | 2015/16 | 2016/17 | Total |
|--------------------------|---------------|---------------|---------------|----------------|
| GLA grants | 56,245 | 18,700 | 0 | 74,945 |
| Other grants and funding | 17,625 | 26,531 | 22,470 | 66,626 |
| Total | 73,870 | 45,231 | 22,470 | 141,571 |

Revenue

| £'000s | 2014/15 | 2015/16 | 2016/17 | Total |
|--------------------------|---------------|---------------|---------------|---------------|
| GLA grants | 38,150 | 18,000 | 14,300 | 70,450 |
| Other grants and funding | 176 | 165 | 0 | 341 |
| Total | 38,326 | 18,165 | 14,300 | 70,791 |

- 3.9. Departments have been asked for their budget and milestone proposals for the three years under consideration, and their proposals have been collated. Budget, milestones and outputs are grouped into four work areas: Park Opening and Operations; Real Estate and Regeneration; Planning Policy and Decisions; and Finance and Corporate.

4. CAPITAL POSITION

- 4.1. The Corporation's projected capital costs and receipts are set out in the table below:

| (£000s) | 2014/15 | 2015/16 | 2016/17 | Total |
|-----------------------------------|-----------------|----------------|----------------|-----------------|
| Expenditure | | | | |
| Park Opening and Operations | -100,750 | -52,170 | -12,789 | -165,709 |
| Real Estate and Regeneration | -18,960 | -24,128 | -12,836 | -55,923 |
| Planning Policy and Decisions | | | | |
| Finance and Corporate | -1,977 | -1,226 | -475 | -3,677 |
| Irrecoverable VAT and contingency | -15,367 | -2,700 | -1,600 | -19,667 |
| Total | -137,054 | -80,223 | -27,699 | -244,976 |
| Receipts | | | | |
| Park Opening and Operations | | | | |
| Real Estate and Regeneration | 3,000 | 1,290 | 29,678 | 33,968 |
| Planning Policy and Decisions | | | | |
| Finance and Corporate | | | | |
| Total | 3,000 | 1,290 | 29,678 | 33,968 |
| Funding | | | | |
| GLA grants | 56,245 | 18,700 | | 74,945 |
| Other grants and funding | 17,625 | 26,531 | 22,470 | 66,626 |
| Total | 73,870 | 45,231 | 22,470 | 141,571 |
| Subtotal | -60,184 | -33,703 | 24,449 | -69,438 |
| Capital receipts to GLA | -2,142 | 124 | -9,791 | -11,809 |
| Movement (to)/from reserves | 62,326 | 24,374 | -14,658 | 72,042 |
| Net total | 0 | -9,205 | 0 | -9,205 |

- 4.2. Capital costs include the final stages of transformation (including Stadium works), and the first phases of planning obligations.

- 4.3. An allowance for irrecoverable value added tax (VAT) is included for 2014/15 only; discussions are continuing on a tax efficient approach to VAT for future years.
- 4.4. Receipts payable to the GLA are identified on the basis of the GLA's agreement of March 2012 with the Department for Culture Media and Sport, net of costs of disposal, an allowance for Corporation Tax and, in the case of Chobham Manor, retention of 50 per cent by the Legacy Corporation.
- 4.5. A capital shortfall is currently forecast to arise in 2015/16, though this is primarily a cashflow challenge. Further capital receipts will be generated the following year, as Chobham Manor receipts begin to be generated in earnest. Cashflow support will be sought from GLA for these purposes.

5. REVENUE POSITION

- 5.1. The Corporation's projected net revenue funding requirements are set out below:

| (£000s) | 2014/15 | 2015/16 | 2016/17 | Total |
|-----------------------------------|----------------|----------------|----------------|----------------|
| Expenditure | | | | |
| Park Opening and Operations | -15,621 | -13,121 | -11,409 | -40,151 |
| Real Estate and Regeneration | -3,385 | -2,984 | -2,330 | -8,700 |
| Planning Policy and Decisions | -837 | -653 | -597 | -2,087 |
| Finance and Corporate | -14,536 | -12,973 | -12,389 | -39,898 |
| Irrecoverable VAT and contingency | -5,053 | -1,316 | -900 | -7,268 |
| Total | -39,432 | -31,047 | -27,625 | -98,105 |
| Income | | | | |
| Park Opening and Operations | 5,108 | 6,860 | 7,280 | 19,248 |
| Real Estate and Regeneration | 147 | 755 | 2,096 | 2,998 |
| Planning Policy and Decisions | 400 | 448 | 420 | 1,268 |
| Finance and Corporate | 25 | 35 | 40 | 100 |
| Total | 5,680 | 8,097 | 9,836 | 23,614 |
| Funding | | | | |
| GLA grants | 38,150 | 18,000 | 14,300 | 70,450 |
| Other grants and funding | 176 | 165 | | 341 |
| Total | 38,326 | 18,165 | 14,300 | 70,791 |
| Subtotal | 4,574 | -4,786 | -3,489 | -3,701 |
| Movement (to)/from reserves | -4,574 | 4,786 | 3,489 | 3,701 |
| Net total | 0 | 0 | 0 | 0 |

- 5.2. Operating revenues rise from £5.6 million to £9.8 million over the three year period, and costs fall from £39.4 million to £27.6 million. Reserves have been built up during the current period, and are deployed in the latter two years of the three year period, together with additional funding from GLA, to ensure a balanced position is achieved in all three years.

5.3. An allowance for irrecoverable value added tax (VAT) is included for 2014/15 only; discussions are continuing on a tax efficient approach to VAT for future years.

5.4. The level of funding for future years will be kept under review, as further opportunities for savings are sought, and GLA funding availability is confirmed.

6. NEXT STEPS

6.1. The business plan will be submitted to GLA with the Legacy Corporation's budget submission, and made publicly available by them as part of their consultation process, and will be revised following agreement on the budget in February 2014.

7. FINANCIAL IMPLICATIONS

7.1. These budget proposals inevitably include a series of estimates which by their nature this year include a higher degree of judgement than will be the case in the future, as the Legacy Corporation has yet to re-open the Park fully, and to have day-to-day experience of operating it. That said, the Corporation has invested in procuring operators for the Park and venues, and in developing business plans that are based, where appropriate, on professional advice to support the best available projections at that time.

7.2. There remain risks especially on the major projects which, were they to materialise, could have a significant effect on the financial performance of the Legacy Corporation. To mitigate against these risks, the Corporation has set aside capital and revenue reserves, along with risk-based project and programme contingencies.

7.3. Over the three-year period of the business plan, the Legacy Corporation anticipates drawing down a total of £3.7 million (net) in revenue reserves and £72m (net) in capital reserves, to meet funding shortfalls resulting from the costs of re-opening the Park, the relatively small but growing revenue streams and capital receipts available in this period, and carry forward of project scope from 2013/14 (particularly in relation to Stadium works).

8. CONSULTATION

8.1. The GLA has been consulted on the draft plan, and their comments have been incorporated.

9. LEGAL IMPLICATIONS

9.1. The Mayor is required, under section 122 of the Greater London Authority (GLA) Act 1999, to prepare, for each financial year, a capital spending plan and consolidated budget for the component bodies of the GLA Group:

the Mayor's Office for Policing and Crime, the London Fire and Emergency Planning Authority, Transport for London and the London Legacy Development Corporation.

- 9.2. The Greater London Authority Act 1999 sets out the arrangements for the Greater London Authority consolidated budget process: following public consultation, the Mayor of London presents his budget proposals for the Greater London Authority and functional bodies to the London Assembly for approval. The Localism Act 2011 defines Mayoral development corporations as functional bodies.
- 9.3. The Governance Direction issued by the Mayor of London to the Legacy Corporation in July 2013 requires the Legacy Corporation to seek consent from the GLA prior to the agreement of its final draft three year business plan before the end of the financial year. This will be sought in March 2014
- 9.4. The Legacy Corporation's Financial Regulations (as amended and adopted by the Board in April 2012, and amended in March 2013) set out the Corporation's duty under section 127 of the Greater London Authority Act 1999 for the proper administration of the Corporation's financial resources.

10. PRIORITY THEMES

- 10.1. The budget includes proposals for promoting convergence and community participation, championing equalities and inclusion, ensuring high quality design and ensuring environmental sustainability. The final business plan will be subject to a full Equalities Impact Assessment.

11 APPENDICES

- Appendix 1 – Three-year business plan
- Appendix 2 – Detailed budget breakdowns (exempt information)

| |
|-----------------------------------|
| List of Background Papers: |
|-----------------------------------|

| |
|---|
| LLDC Financial Regulations London Legacy Development Corporation Governance Direction Mayor's Budget Guidance for 2014/15 |
|---|

| | |
|----------------------------|---|
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Three Year Business Plan 2014/15-2016/17

**BUDGET SUBMISSION DRAFT FOR GLA BUDGET
PROCESS
November 2013**

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1. INTRODUCTION

London Legacy Development Corporation (the Legacy Corporation) has prepared this draft business plan to cover the three years from April 2014 to March 2017. It has been drafted in November 2013 to accompany the Legacy Corporation's budget submission to the Greater London Authority, which covers the first two years of this period. The plan will be revised and updated once the GLA budget process has concluded, in February 2014.

In the period between April and October 2013, the Legacy Corporation made major strides in delivering its objectives:

- Works have started on the Stadium, following the award of the lead concession to West ham United Football Club;
- The Press and Broadcast Centre lease has been granted to iCITY, and BT Sport have started broadcasting from the Broadcast centre as the first tenant;
- An events programme including the Anniversary Games, concerts, community events, and National Paralympic Day brought 700,000 people to the Park over the summer;
- The North Park, Copper Box Arena, Timber Lodge and Tumbling Bay Playground opened to the public, as did a new bridge linking the Park to Hackney Wick;
- The zonal masterplan for 850 homes at Chobham Manor has been approved, and enabling works underway;
- An accelerated second phase of housing has been launched, with development partners sought for 1,500 homes at East Wick and Sweetwater;
- High percentages of local employment (37 per cent at the end of August 2013, against a target of 25 per cent) and 58 apprentices working on the Park.

2014/15 will see the completion of Park opening, with the remodelled South Park Plaza, and South Park Hub, open to the public alongside the Aquatics Centre and ArcelorMittal Orbit. Work will continue to the Stadium, in preparation for its 2016 re-opening, but also its temporary use for the 2015 Rugby World Cup. The first homes in Chobham Manor will be completed and a development partner will be appointed for East Wick and Sweetwater, to achieve an accelerated programme for building 1,500 homes these sites.

The Mayor of London has also asked the Legacy Corporation to review its plans to ensure that they do all they can to promote job creation and economic growth. Discussions are well advanced on a revised vision and plan for the core southern area of the Park, to incorporate new visitor attractions, educational and cultural uses, and more detail is expected to be released on these in coming months.

2. VISION AND STRATEGY

2.1 Vision and objectives

The London 2012 Olympic and Paralympic Games showed the world astonishing sporting performances, but also a new centre of activity in a global city. The eastwards growth of central London, which began some 30 years ago with the first steps of development in Docklands, now encompasses Stratford, placing Queen Elizabeth Olympic Park at the heart of East London. Many event organisers, business leaders and investors saw Stratford as a credible place to do business. Londoners, meanwhile, saw a new place to live, work and enjoy their lives.

The Mayor of London, who set up the London Legacy Development Corporation in April 2012, defined its aims as follows¹:

To promote and deliver physical, social, economic and environmental regeneration in the Olympic Park and surrounding area, in particular by maximising the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence.

The Legacy Corporation plans to use the opportunity presented by the London 2012 Games to deliver regeneration in and around Queen Elizabeth Olympic Park, creating a dynamic new capital for East London, transformed life opportunities for local people, and an engine of growth for London and the UK.

The Legacy Corporation's vision encompasses Park, Place and People:

- **PARK:** a successful and accessible Park and world-class sporting venues offering leisure space for local people, arenas for thrilling sport, enticing visitor entertainment, and a busy programme of sporting, cultural and community events;
- **PLACE:** a new capital for East London, securing investment from across London and beyond, attracting and nurturing talent to create, design and make world-beating 21st Century goods and services, and becoming a place where local residents and new arrivals choose to live, work and enjoy themselves, and businesses choose to locate and invest; and
- **PEOPLE:** opportunities and transformational change for local people, opening up access to education and jobs, connecting communities and promoting convergence.

PARK: A successful and accessible Park and world-class sporting venues

Following the London 2012 Olympic and Paralympic Games, the Legacy Corporation took over the Olympic Park, the Aquatics Centre, the Stadium, the Copper Box Arena, the press and broadcast centres and the ArcelorMittal Orbit. Together with the Velopark and Eton Manor (which will be owned and operated by Lee Valley Regional Park Authority), these form Queen Elizabeth Olympic Park, offering an unrivalled destination for sport and leisure, with everything from cycle paths to competition grade swimming pools.

The Park and venues are being opened in phases, as the Legacy Corporation clears Games-time infrastructure, completes legacy conversion, and re-connects the Park to

¹ Mayor of London's proposals for a Mayoral Development Corporation, February 2011

surrounding neighbourhoods. The Copper Box Arena and North Park, including the Timber Lodge café and community centre and the Tumbling Bay Playground, were opened in July 2013. The Velopark, Aquatics Centre, extensively remodelled South Park Plaza and ArcelorMittal Orbit will open in spring 2014, and the Stadium will re-open in summer 2016 (with temporary opening for major events like Rugby World Cup 2015 matches before then).

As Park and venues re-open, the Legacy Corporation will develop Queen Elizabeth Olympic Park's world class cultural and sporting offer, as a centre for major sporting and cultural events, like the Anniversary Games and concerts that saw 700,000 visitors return to Stratford in summer 2013, and the Rugby World Cup and IAAF and IPC world championships in coming years. These events will bring the world back to Stratford and in particular to the venues and public spaces of the South Park Plaza.

Alongside these major events, the Park will continue to act as an oasis for local people, particularly in the more undulating landscape of the North Park river valleys. These will be places for local leisure - for playing sport (with venue prices pegged to those charged by local sports centres), for enjoying picnics, for walking or for watching the changing seasons in tranquillity. Smaller scale events will create a focus for activity throughout the year, and short-term leases for sites that will be developed in future – from community enterprises to more commercial offerings – will ensure that there is activity across the Park, and that visitors always have a reason to return.

PLACE: a new capital for East London

East London's young and diverse population had already made it a trailblazer in design and creativity – from fashion, to music, to architecture, to artisanal food – with Hackney Wick and Fish Island forming an epicentre of creativity on the western edge of the Park, balanced by the dynamism of Stratford Town Centre and Westfield Stratford City on the east side. The 2012 Games showcased this success to a wider audience, and embedded it in public consciousness. The popularity of East Village (the Games-time athletes' village) and interest from numerous international investors testify to this fundamental image shift.

The Legacy Corporation aims to capitalise on this opportunity, and to raise its ambition for new development around Queen Elizabeth Olympic Park. Building on existing strengths in design and creativity, and inspired by the vision for the legacy of the 1851 Great Exhibition that created Exhibition Road, the Legacy Corporation will create a new centre to attract and nurture talent to create, design and make 21st Century goods and services that will compete with the best in the world.

In addition to these jobs, around 10,000 homes will be built in and around Queen Elizabeth Olympic Park, including East Village. These new neighbourhoods will form strong links with adjoining districts like Hackney Wick, Bromley by Bow, Leyton and Stratford, and will share use of new community facilities, including three new schools, new nurseries, community and health centres. The new neighbourhoods will offer a mix of affordable and market housing for sale and rent, with a particular focus on the family homes that the area needs.

The Local Plan for the Legacy Corporation area will draw these strands of placemaking together in an integrated framework for how East London's new capital will develop, preserving its unique character, and ensuring that new development is of a type and quality to help realise this vision.

PEOPLE: Opportunities and transformational change for local people

London's Olympic Bid in 2004 promised "the regeneration of an entire community for the direct benefit of everyone who lives there", and the potential to create transformational change lay behind the selection of Stratford as the focus for London's bid. The Legacy Corporation's vision will only be realised if local people and communities benefit from the investment, new jobs, sports facilities and homes that are attracted into the area.

East London's communities are some of the most dynamic but also most deprived in the UK, confronting low employment rates, poor health outcomes, high crime rates and poor quality housing. The area is rich in success stories, but many of those who are successful tend to move on. The goal of convergence describes the objective – shared by national, regional and local government – to bridge the gap between this area and the rest of the capital, and ensure that the rebirth of the area around Queen Elizabeth Olympic Park makes a lasting change for local people.

Promoting convergence is a long-term project, and one which the Legacy Corporation shares with the East London growth boroughs (Barking and Dagenham, Hackney, Greenwich, Newham, Tower Hamlets and Waltham Forest), working particularly closely with the four adjoining the Park, whose leaders and mayors are members of the Legacy Corporation Board.

The Legacy Corporation's vision is that the new neighbourhoods in the Park will be seamlessly integrated with those in the surrounding area, including through sharing excellent schools (including the Chobham Academy at East Village), nurseries, and community and health centres. Local people will be active users of its sporting and cultural facilities; local children will have access to exceptional quality education at schools, colleges and universities; employers moving on to the Park will set and meet testing targets for employing local people; local jobseekers will be able to find fulfilling and rewarding jobs in the local area or further afield; and local businesses will benefit from the spending power an increasing flow of visitors to the Park, venues and cultural facilities.

The Legacy Corporation also has a wider responsibility to taxpayers, to minimise its call on public funds through ensuring best value in everything it does, acting commercially where this can support its role as a regeneration agency, and – over the long term - enabling return of capital receipts from new development to the Mayor of London and National Lottery.

Priority themes

This vision is supported by priority themes that run through all of the Legacy Corporation's programmes:

- Promoting convergence, employment and community participation
- Championing equalities and inclusion
- Ensuring high quality design
- Ensuring environmental sustainability

2.2 Three year objectives and measures

PARK: a successful and accessible Park and world-class sporting venues offering leisure space for local people, arenas for thrilling sport, enticing visitor entertainment, and a busy programme of sporting, cultural and community events.

- This will require successful operation of the Park and its venues, and an exciting events programme including events at all scales and for all audiences.
- Milestones will include re-opening the Park and venues in early 2014 (and completing works to the Stadium in 2016), and hosting major events such as the 2015 Rugby World Cup, and the 2017 IAAF and IPC World Championships.
- Measures will include visit numbers, event numbers, achievement of maintenance standards, events held, and financial outcomes.

PLACE: a new capital for East London, securing investment from across London and beyond, attracting and nurturing talent to create, design and make world-beating 21st Century goods and services, and becoming a place where local residents and new arrivals choose to live, work and enjoy themselves, and businesses choose to locate and invest.

- This will require delivery of new residential neighbourhoods, new cultural and educational facilities, and the adoption of a local plan as a framework for development.
- Milestones will include the completion of the first 100 homes at Chobham Manor, procurement and commencement of works for a second phase at East Wick and Sweetwater, the conversion and occupation of the Press and Broadcast Centres, consultation and adoption of a Local Plan, the construction of new schools, and finalising plans for new cultural and educational institutions.
- Measures will include number of homes delivered, split by tenure, delivery of school places, and jobs and apprenticeships linked to development projects.

PEOPLE: opportunities and transformational change for local people, opening up access to education and jobs, connecting communities and promoting convergence.

- This will require the establishment of training and other programmes to help local people access jobs and apprenticeships on the Park, the delivery of new projects to reconnect communities, as well as programmes to engage local people in the Park's development, to promote sport and healthy living, and to improve the quality of life for people across the Legacy Corporation's area.
- Milestones will include the establishment of training and job brokerage programmes, the delivery of major connecting infrastructure projects like Hackney Wick Station improvements, the delivery of community events, and the development of programmes that can help local people feel a sense of ownership for the Park.
- Measures will include local people accessing jobs and apprenticeships, local participation in sporting and other activities on the Park, as well as wider indicators of local social and economic conditions.

More detailed information on milestones and measures is set out in the Milestones and Measures Annex.

2.3 Financial and commercial strategy

Over the next ten years, the Legacy Corporation aims to create the platform for financial stability and viability, the return of capital receipts to the Mayor of London and National Lottery, sustainable success in the operation of Park and venues, the creation of a new urban district, and the delivery of opportunity and transformational change for local people.

It will seek to do this by:

- **Partnership with developers:** by entering into joint ventures, particularly in early phases, the Legacy Corporation will reduce the up-front costs of investment in the Park and enable a wider range of developers to take part, while maintaining quality of design and management and sharing in value uplifts to optimise receipts in the long term.
- **Optimising income streams** from rents, estate charges, sponsorship, events and other sources, without jeopardising the quality of the Park and venues or their accessibility to local people.
- Maintaining standards of **design and estate management:** through design quality review and active estate management, the Legacy Corporation will make sure that the development of the Park and surrounding neighbourhoods exhibits a high quality of design as well as maintaining sustainability and accessibility standards, in order to become a place of choice.
- Investing in **marketing and events** in the early years: up-front investment will help establish Queen Elizabeth Olympic Park as a visitor destination and boost commercial revenues (and therefore long-term financial sustainability).
- **Cross-subsidising within the Park:** sports venues and parkland are likely to require funding support in the long-term to enable high quality maintenance and ensure community access; revenues from estate charges and surpluses from more commercial facilities and attractions will be optimised in order to cross-subsidise and minimise the need for public subsidy.
- Finding **new sources of funding and investment:** the Legacy Corporation's resources are limited, and it will work with neighbouring authorities, the GLA and Government to secure additional funding for vital infrastructure projects, as well as working with partners to secure investment and financing from institutional investors.
- **Working smarter,** by partnering with developers and operators, seeking efficiencies across our businesses, and minimising central spending on staff and consultants, including through sharing services.

Over the next three years, external funding for the Legacy Corporation’s activities will come from the following sources:

Capital

| £'000s | 2014/15 | 2015/16 | 2016/17 |
|--------------------------|---------------|---------------|---------------|
| GLA grants | 56,245 | 18,700 | 0 |
| Other grants and funding | 17,625 | 26,531 | 22,470 |
| Total | 73,870 | 45,231 | 22,470 |

Revenue

| £'000s | 2014/15 | 2015/16 | 2016/17 |
|--------------------------|---------------|---------------|---------------|
| GLA grants | 38,150 | 18,000 | 14,300 |
| Other grants and funding | 176 | 165 | 0 |
| Total | 38,326 | 18,165 | 14,300 |

2.4 Partners and stakeholders

The Legacy Corporation depends on a wide variety of partners and stakeholders to achieve its aims. These include:

- The Mayor of London, the Greater London Authority and Transport for London;
- The six east London growth boroughs, of which four are immediately adjacent to the Park;
- Local communities – the people who live and work in the diverse neighbourhoods around the Park;
- Statutory agencies such as Lee Valley Regional Park Authority, the Canal and River Trust, and Network Rail;
- Delivery partners such as West Ham United Football Club, Taylor Wimpey, iCITY, Greenwich Leisure Limited and the Camden Society;
- Local developers, investors and landowners, such as London and Continental Railways (LCR), Qatari Diar Delancey, Lendlease, Westfield, and Interikea;
- Stakeholder organisations, which range from elected bodies with a formal scrutiny role (eg, Parliament and the London Assembly), to organisations representing communities of interest or identity (from business associations, to local community organisations, to environmental pressure groups); and
- Sporting bodies such as Sport England, the British Olympic and Paralympic associations, and the national governing bodies for individual sports.

3. PERFORMANCE IN 2013/14

3.1 Summary of milestones for 2013/14

To follow at year end

3.2 Progress against performance measures

To follow at year end

3.3 Financial performance

To be updated at year end

4. PARK OPENING AND OPERATIONS

Park Opening and Operations is comprised of two directorates within the Legacy Corporation: Park Operations and Venues, and Infrastructure. Their primary function is to contribute to the Park objective of delivering a successful and accessible Park and world-class sporting venues offering leisure space for local people, arenas for thrilling sport, enticing visitor entertainment, and a busy programme of sporting, cultural and community events to attract visitors.

4.1 Principal areas of work

Queen Elizabeth Olympic Park welcomed 700,000 visitors back in summer 2013, and will continue its phased re-opening in spring 2014, when the Aquatics Centre and ArcelorMittal Orbit re-open along with the South Park, which has been extensively remodelled by world-renowned landscape architects. The Stadium will re-open permanently in summer 2016. The Park will host millions of visits each year, with people enjoying the parklands, playing sport inside and outside the venues, and visiting a changing array of attractions as well as casual park use. Key venues and facilities comprise:

- The Aquatics Centre has two 50m pools and a separate diving pool for high performance and community use, flexible space for a commercial or community facility, a crèche and café.
- The Copper Box Arena has flexible seating capacity and facilities for a wide range of indoor sports training and competitions as well as cultural and business events, a health and fitness gym (80-100 stations) and studios, and a café.
- The ArcelorMittal Orbit is the UK's tallest sculpture at 114m. The venue has two observation floors and will operate as a visitor attraction with pricing in line with similar London attractions.
- Timber Lodge in the North Park provides a cafe, toilets, and a flexible space for community events, local/cultural programming, recreational and healthy living programmes and private hire.
- The South Park hub building will provide a café, gift shop, toilets and information point, to enhance the offer of the Park to visitors.

Making the Park a 'must see, must return' destination will be crucial to its long term success. During this Business Plan period Park Opening and Operations will:

- Complete works to Lee Valley Regional Park Authority venues, and hand over;
- Re-open the southern areas of Queen Elizabeth Olympic Park, and the South Park hub;
- Re-open the Aquatics Centre and ArcelorMittal Orbit;
- Complete Stadium works to re-open for the 2016/17 football season;
- Mobilise estates and facility management and security services, including:
 - Design, installation and commissioning of a CCTV system to provide a safe and secure environment and to provide crowd management during events
 - Management and maintenance of the Park and venues including cleaning, building and grounds maintenance, repairs and security

- Estate management for the Park and its assets (including fringe properties)
- Acquiring legal and property rights
- Utilities advice and provision
- Managing 3 Mills studios
- Appoint an operator for the South Park and Stadium;
- Manage (through Camden Society) the Timber Lodge, a hub building and café in the North Park, and its external play area;
- Open additional permanent catering outlets within the Park including South Park kiosks;
- Deliver an extensive events programme, including major sporting events (these include events at Lee Valley Regional Park Authority venues)
 - European Badminton Grand Prix (Annual),
 - Revolution Track Cycling (March 14-15 2014),
 - FINA Diving Championships (April-May 2014),
 - Tour de France stage (summer 2014),
 - ITF NEC Wheelchair Tennis Masters Singles (2014-16),
 - European Hockey Championships (August 2015),
 - Rugby World Cup (September-October 2015),
 - European Swimming Championships (Spring 2016),
 - World Track Cycling Championships (2016),
 - IPC World Championships (July 2017),
 - IAAF World Championships (August 2017);
- Generate trading income to support the activities of the Legacy Corporation;
- Seek Green Flag accreditation;
- Deliver a 'safe place' in line with the Mayor of London's 'Safer Parks' initiative;
- Promote the Park as a world class visitor destination; and
- Secure venue naming rights sponsors and other commercial partnerships to maximise value for money.

4.2 Budgets

The table below shows the breakdown of projected capital and revenue expenditure and income for Park Opening and Operations for the three years of the business plan period.

| £'000 | 2014/15 | 2015/16 | 2016/17 | Total |
|---------------------|----------|---------|---------|----------|
| Capital expenditure | -100,750 | -52,170 | -13,065 | -165,985 |
| Revenue expenditure | -16,473 | -13,341 | -11,409 | -41,224 |
| Revenue income | 5,408 | 7,010 | 7,280 | 19,698 |

The majority of capital expenditure over the three-year period relates to transformation works to the Stadium, as well as works to other elements of Park, venues and infrastructure.

Revenue expenditure mainly relates to Park operations and estates and facilities management, security and marketing the Park to encourage visitors, as well as holding and management costs for the Stadium during the transformation period. There is also revenue investment in activities where income will start to be generated in this period including from venues such as ArcelorMittal Orbit, programming and events, attractions, food and beverage and commercial sponsorship.

In the next three years, revenue income will begin to be generated by a range of activities including venue operations, attractions, commercial sponsorship, events, and food and beverage. Most trading income streams will reach steady state levels in 2015/16 and the following year.

5. REAL ESTATE AND REGENERATION

This programme comprises two directorates: Real Estate, and Regeneration and Community Partnerships. The programme contributes to the Place and People objectives – creating a new capital for East London, securing investment from across London and beyond, attracting and nurturing talent to create, design and make world-beating 21st Century goods and services, and becoming a place where local residents and new arrivals choose to live, work and enjoy themselves, and businesses choose to locate and invest. The programme also seeks to deliver opportunities and transformational change for local people, opening up access to education and jobs, connecting communities and promoting convergence.

5.1 Principal areas of work

Real Estate projects include the delivery of new homes and community infrastructure, including at Chobham Manor (850 houses, 28% of which will be affordable and 90% of which will be built to lifetime homes standards), and in the accelerated second phase of 1,500 homes at East Wick and Sweetwater;

The Legacy Corporation will continue works to the Press and Broadcast Centres to create a world-leading technology cluster creating more than 4,000 jobs. The Legacy Corporation has signed an agreement for lease with iCITY to take on the Press and Broadcast Centre buildings, and the first tenant, BT Sport, has occupied their section of the Broadcast Centre.

Other projects include:

- developing plans for new cultural education and research facilities to boost economic impact and job numbers,
- developing a future strategy for off-Park developments including Hackney Wick, 3 Mills and Bromley by Bow;
- working with local education providers, delivery partners and stakeholders to deliver East Wick primary school, Stadium Island primary school and Sweetwater secondary school;
- Maintaining the waterways in the Park as a visitor attraction, supported by Canal and River Trust;
- Establishing an estates management body to manage the Park estate in the long term ;
- Designing and building an underpass to connect the north and south of the Park around Carpenters Road; and
- Making payments to local authorities for the adoption of Carpenters and Waterden Road.

These projects will lay the foundations for long-term financial returns (capital receipts, rental income and estate charges), and contribute to economic growth, job creation and regeneration. They comprise commercial negotiations, planning and drafting development briefs, the preparation of sites and infrastructure, and the delivery of disposal and development strategies for individual sites.

The Regeneration and Community Partnerships directorate seeks to ensure that regeneration and convergence objectives are embedded in programmes across the organisation, and are furthered through specific initiatives. The team includes:

- Arts and culture - attracting local and international audiences to the Park to see and take part in spectacular and accessible projects across all art forms, to connect and work with local communities, to support local employment opportunities, and to inspire the next generation of creative talent by developing creative skills in young people
- Community and business engagement – projects to encourage local people to use the Park and its facilities and help animate the Park, in part, through locally driven programming and delivery.
- Sport and healthy living – projects to increase participation in sport and physical activity in and around Queen Elizabeth Olympic Park
- Socio-economic and employment - working with contractors to support and monitor contractual employment targets, and by delivering training, employment and apprenticeship schemes that enable target groups to access opportunities on the Park
- Equalities and inclusion – projects to deliver a lasting legacy from the Paralympics, create opportunities for diverse communities and foster cohesion between communities, and create an accessible new place which leads the market in inclusive design
- Design – ensure that excellent architectural, urban and landscape design quality is exhibited in all Legacy Corporation projects;
- Physical regeneration – support the delivery and facilitation of physical projects that will underpin the establishment of successful urban neighbourhoods. The team initiates projects, acts as lead client or provides design input to others' projects (including Leaway, a continuous walking and cycling route from the QEOP to the Thames in partnership with LB Newham and LB Tower Hamlets)

In this business plan period, major deliverables and milestones will include:

- First 100 homes on Chobham Manor occupied;
- Development underway in East Wick and Sweetwater for accelerated delivery of Phase 2 development
- Press and Broadcast Centres occupied and operational, including BT Sport, Loughborough University in London, and Infinity;
- Completion of strategy, and delivery underway for new educational, research and cultural attractions;
- Job brokerage, training, community and business engagement, and arts and culture programmes continuing;
- Delivery of Hackney Wick Station improvements
- Annual National Paralympic Day;
- Estate management underway including waterways maintenance and animation;
- Delivery of infrastructure projects to support developments: including a new bridge and underpasses, Canal Park, and transport improvements;
- Delivering next phases of Leaway project.

5.2 Budgets

The table below shows the breakdown of projected capital and revenue expenditure and income, for Real Estate, and Regeneration and Community Partnerships for the three years of the business plan period.

| £'000s | 2014/15 | 2015/16 | 2016/17 | Total |
|---------------------|---------|---------|---------|---------|
| Capital expenditure | -19,004 | -24,493 | -13,802 | -57,299 |
| Capital receipts | 3,000 | 540 | 29,545 | 33,085 |
| Revenue expenditure | -3,385 | -2,984 | -2,330 | -8,700 |
| Revenue income | 147 | 755 | 1,800 | 2,702 |

The majority of capital expenditure over the three-year period will be directed towards meeting infrastructure costs for the first phases of development, and completing additional works such as Hackney Wick Station improvements and other regeneration projects in surrounding areas. Revenue expenditure includes agreed payments for waterways management, and funding for community, cultural and socio-economic programmes. Financing for the Hackney Wick Station works has been secured in 2014/15 and 2015/16.

Capital receipts will be generated in phases by mixed-use development at Chobham Manor, with receipts currently forecast from 2015/16. Receipts and other revenues from the second phase of housing (and disposals/development deals on off-Park sites) will be generated from 2016/17.

In addition to receipts, these new developments and the Press and Broadcast Centres will generate estate charge. Rental income will be generated from the Press and Broadcast Centre, and – towards the end of the period and subject to procurement – from the accelerated second phase of housing.

6. PLANNING POLICY AND DECISIONS

London Legacy Development Corporation is the statutory planning authority for the Legacy Corporation area. A planning committee comprising board members, borough members and independent members, takes decisions, advised by the Planning Policy and Decisions Team (PPDT), and delegating routine decisions to them. The team's main function is to contribute to the Place objective: creating a new capital for East London, securing investment from across London and beyond, attracting and nurturing talent to create, design and make world-beating 21st Century goods and services, and becoming a place where local residents and new arrivals choose to live, work and enjoy themselves, and businesses choose to locate and invest.

6.1 Principal areas of work

PPDT is responsible for the formal development control and planning policy development functions that have been transferred to the Legacy Corporation.

Planning policy includes the development of a single Local Plan that will cover the entire Legacy Corporation area and the development of LLDC's Community Infrastructure Levy (CIL). This is a 'per square metre' levy on development that can be charged by a local planning authority once they have prepared and adopted a CIL Charging Schedule. This is supported through the development of an Infrastructure Delivery Plan which will identify key infrastructure projects subject to the CIL.

Planning decisions support provides a development management service to process planning applications and related consents

6.2 Budgets

The table below shows the breakdown of projected revenue expenditure and income, for the three years of the business plan period.

| £'000s | 2014/15 | 2015/16 | 2016/17 | Total |
|---------------------|---------|---------|---------|--------|
| Revenue expenditure | -837 | -653 | -597 | -2,087 |
| Revenue income | 400 | 448 | 420 | 1,268 |

Major items of expenditure relate to supporting planning decisions and enforcement and policy support for the development of the Local Plan and CIL; income arises from the payment of planning fees.

The Legacy Corporation also separately holds ring-fenced or pooled section 106 funds for sites that were granted planning permission by London Thames Gateway Development Corporation (LTGDC), and for the Olympic Park and Stratford City. These include the Olympic Park Transport & Environmental Management Scheme (OPTEMS), and Stratford Transport Implementation Group (STIG). As local planning authority, the Legacy Corporation is responsible for monitoring and distributing these funds in accordance with the terms of the agreements.

The current funds held are set out below:

| <i>Fund £000s</i> | <i>Committed at Oct 2013</i> | <i>Uncommitted at Oct 2013</i> |
|------------------------------------|------------------------------|--------------------------------|
| Pooled and ring-fenced LTGDC funds | 1 | 1.5 |
| OPTEMS | 501 | 38 |
| STIG | 273 | 7 |

Uncommitted funds are allocated in line with the infrastructure and regeneration priorities identified by a cross-directorate group led by the Planning Policy and Decisions Team; other funds (eg, OPTEMS and STIG) have their own governance structure established under the terms of the original planning agreement. A similar structure will be set up to agree allocation of Community Infrastructure Levy funds in line with the Infrastructure Plan when agreed.

7. FINANCE AND CORPORATE

This area includes Finance and Corporate Services, Legal and Procurement, and Executive Office (including Human Resources, Programme Assurance, Health and Safety, and Communications and Public Affairs). As corporate directorates, these teams contribute to all the Legacy Corporation's objectives, by providing support services to senior management and the organisation as a whole.

7.1 Principal areas of work

The Finance and Corporate Services and Legal and Procurement directorates provide support across the Legacy Corporation including finance, IT and information management, audit, governance, strategy and corporate planning, programme management, procurement and legal services. Delivery of the Park IT Infrastructure includes: networks, cabling and security; systems to support the running of the Park such as ticketing and data collection; and smart technologies such as smart phone apps.

The Executive Office comprises the Chief Executive's and Deputy Chairman's direct support, and Human Resources, Programme Assurance, Health and Safety, and Communications and Public Affairs teams. The Human Resources team support the Chief Executive in organisational and management development, through an ongoing process of structural review and through ensuring that the organisation's staff are effectively managed and motivated. The Programme Assurance team provides the chief executive with an overview of programme performance across the organisation, and supports periodic reviews to ensure delivery stays on track.

The Communications and Public Affairs Team supports and delivers effective communications, including strategic support on media relations, political and stakeholder relations, managing communications through publications, websites and on-site communications, and hosting and developing digital platforms to support openness and transparency.

7.2 Budgets

The table below shows the breakdown of projected capital and revenue expenditure and income, for Finance and Corporate functions for the three years of the business plan period.

| £'000s | 2014/15 | 2015/16 | 2016/17 | Total |
|---------------------|---------|---------|---------|---------|
| Capital expenditure | -1,977 | -1,226 | -475 | -3,677 |
| Revenue expenditure | -14,039 | -13,024 | -12,439 | -39,502 |
| Revenue income | 25 | 35 | 40 | 100 |

The main areas of expenditure during the plan period are: staffing and other operational costs including accommodation, IT and Board costs; insurance; Park IT implementation; and media support. The capital budget also includes the costs of insuring the Stadium during transformation.

Revenues arise from savings on accommodation budgets (sharing office space with partners). The Legacy Corporation will gradually reduce its costs year-on-year as the Park begins to re-open and efficiency savings are realised.

8. FINANCIAL SUMMARY

The table overleaf sets out the consolidated funding position over the next three years. During this period, the Legacy Corporation will use its capital and revenue grants to complete the transformation programme and ensure a timely re-opening of Queen Elizabeth Olympic Park and venues. The period will also see a number of assets beginning to create a financial return, partially offsetting the overall cost of operating the Park and venues, real estate and regeneration programmes.

Notes on the budget:

- The budget seeks to ensure the most effective use of public money, and a successful re-opening for the Park. Profiling of funding to achieve this will be discussed with the GLA as part of the regular budget negotiations.
- The budget also seeks to profile revenue expenditure effectively in order to maintain and build reserves in 2014/15 to help manage the impact of loss of funding over the period.
- Operating revenues rise from £6.0 million to £9.5 million over the three year period, and costs fall from £39.8 million to £27.7 million.
- Of the £33m in gross capital receipts projected for the three-year period, £11.8m are subject to the agreement between the GLA and DCMS on handling receipts from disposal of Olympic Park land, and this plan is based on the expectation that these will be returned to the GLA.
- Capital costs for the period will be met through re-investing capital receipts that are not returned to the GLA, through external funding for projects such as the Stadium and through draw down of funding from capital reserves. A capital shortfall is currently forecast to arise in 2015/16, though this is primarily a cashflow challenge. Further capital receipts will be generated the following year, as Chobham Manor receipts begin to be generated in earnest. Cashflow support will be sought from GLA for these purposes.
- Nonetheless, the end of the 2010 Comprehensive Spending Review (CSR) settlement entails a significant loss of external funding, so additional funding support is being sought from the GLA to mitigate the impact of this reduction during this three year period.
- An allowance for irrecoverable value added tax (VAT) is included for 2014/15 only; discussions are continuing on a tax efficient approach to VAT for future years.
- Contingencies have been calculated and allocated on the basis of an assessment of likely risks and their financial impact.

Consolidated expenditure and funding 2014/15-2016/17

| | 2014/15 | | 2015/16 | | 2016/17 | | Total | |
|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|-----------------|----------------|
| ('000s) | Capital | Revenue | Capital | Revenue | Capital | Revenue | Capital | Revenue |
| Expenditure | | | | | | | | |
| Park opening and operations | -100,750 | -16,473 | -52,170 | -13,341 | -13,065 | -11,409 | -165,985 | -41,224 |
| Real estate and regeneration | -19,004 | -3,385 | -24,493 | -2,984 | -13,802 | -2,330 | -57,299 | -8,700 |
| Planning policy and decisions | 0 | -837 | 0 | -653 | 0 | -597 | 0 | -2,087 |
| Finance and corporate | -1,977 | -14,039 | -1,226 | -13,024 | -475 | -12,439 | -3,677 | -39,502 |
| Irrecoverable VAT and contingency | -15,367 | -5,053 | -2,700 | -1,316 | -1,600 | -900 | -19,667 | -7,268 |
| Total expenditure | -137,098 | -39,788 | -80,588 | -31,318 | -28,942 | -27,675 | -246,629 | -98,781 |
| Income | | | | | | | | |
| Park opening and operations | 0 | 5,408 | 0 | 7,010 | 0 | 7,280 | 0 | 19,698 |
| Real estate and regeneration | 3,000 | 147 | 540 | 755 | 29,545 | 1,800 | 33,085 | 2,702 |
| Planning policy and decisions | 0 | 400 | 0 | 448 | 0 | 420 | 0 | 1,268 |
| Finance and corporate | 0 | 25 | 0 | 35 | 0 | 40 | 0 | 100 |
| Total income | 3,000 | 5,980 | 540 | 8,247 | 29,545 | 9,540 | 33,085 | 23,768 |
| GLA grants | 56,245 | 38,150 | 18,700 | 18,000 | 0 | 14,300 | 74,945 | 70,450 |
| Other grants and funding | 17,625 | 176 | 26,531 | 165 | 22,470 | 0 | 66,626 | 341 |
| Total funding | 73,870 | 38,326 | 45,231 | 18,165 | 22,470 | 14,300 | 141,571 | 70,791 |
| Net position | -60,229 | 4,518 | -34,818 | -4,906 | 23,074 | -3,835 | -71,973 | -4,223 |
| Capital receipts to GLA | -2,142 | | 124 | | -9,791 | | -11,809 | 0 |
| Movement (to)/from reserves | 62,371 | -4,518 | 24,929 | 4,906 | -13,283 | 3,835 | 74,017 | 4,223 |
| Net | 0 | 0 | -9,764 | 0 | 0 | 0 | -9,764 | 0 |

9. CORPORATE RISKS

The Legacy Corporation regularly reviews risks at a project, directorate and corporate level. The table below shows 14 corporate risks identified as at November 2013, their potential impact, and what mitigating action is being taken.

| Summary | Impact | Mitigation |
|---|--|--|
| Risk that the Park opens later than has been announced in spring 2014. | Significant reputational, operational and financial impacts. | Defined and established work programmes and milestone achievement regularly reviewed at Executive and Board levels. Park Opening Programme monitoring progress of key projects. |
| Risk that the Park re-opens in spring 2014 without the facilities to deliver a high quality visitor experience due to (for example) access issues, quality of Parklands, ongoing construction works and insufficient resources. | Significant reputational impacts. | Establish areas for re-opening and deliver a clear communication plan, resolve access issues. |
| Risk that the Park opens without the facilities (including events, attractions and venues) to encourage people to visit the Park in large numbers. | Significant reputational and financial impacts | Delivery of the events programme and interim uses strategy for visitor attractions including large scale concerts and events held in summer 2013. Mobilisation of operators for venues and attractions on the Park. Communications around expected visitor numbers. Park Opening Programme monitoring progress of key projects. |
| Risk that Stadium budget will not be sufficient to carry out construction work required and that a judicial review on process to select concessionaires is successful. | Stadium opening will be delayed leading to financial and reputational impacts for the Corporation. | Budgets secured for the construction work, procurement programme underway, monitor budget and construction works - LLDC has run robust processes for the selection of Stadium concessionaires (Leyton Orient FC had their bid to win a judicial review into the Stadium decision denied but have the option to appeal against this ruling) |
| Risk that there will be serious health and safety issues during construction. | The possibility of serious injuries or fatalities, the consequences of which may include significant delays to programme and financial impact. | A comprehensive health and safety programme is in place, designed to identify and manage the construction risks and actively led by LLDC and its Project Management Partner. |
| Risk that there will be issues relating to anti-social behaviour on the Park including criminal activity. | Undermining the reputation of the Park as safe and secure, and deterring potential or repeat visitors. | Security programme including railings, CCTV, hostile vehicle mitigation, signage and wayfinding, security staff and police presence being delivered. |

| Summary | Impact | Mitigation |
|--|---|---|
| Risks that LLDC will not be able to complete granting of the lease for the Press Centre and Broadcast Centres to iCITY. | Negative impacts on jobs created, reduced financial returns and damage to LLDC's reputation. | Close working with iCITY, technical support, discussions around planning issues. |
| Risk that related development projects undertaken by other organisations are not successful. | Negative knock-on effect on the success of the Park. | Close work with partners to influence developments and monitor progress. |
| Risk that there will be inadequate site management and communications between Games-time and Park opening. | Negative impacts on the Corporation's reputation with local residents (including new residents in the East Village from 2013) and prospective visitors. | Develop interim uses, implemented park tours and held events. Implemented considerate construction programme and good communications with residents and prospective visitors, use of hotline. |
| Risk of failure to deliver regeneration and convergence impacts of the Park for local communities. | A reduction of the regenerative and convergence impact of the Olympic Park for local communities. | Implement socio-economic policy; agree strong targets in contracts (EFM, Transformation and venue operator contract targets already agreed, close working relationship with partners). |
| Risk that there are delays to the programmes to develop the Local Plan and the Community Infrastructure Levy (CIL). | Negative financial and reputational impacts for the Corporation. | A programme of activities including evidence gathering, consultation and independent examination has been adopted for both the Local Plan and the CIL programme, to be monitored regularly by the LLDC Board. |
| Risk that the Corporation does not have the capacity to deliver on areas of activity, particularly after the current comprehensive spending review period. | Impacts on the legacy programme, damage to the Corporation's reputation and increasing costs. | Negotiations with GLA in the three year budget and business planning round. Work to ensure efficient use of available resources, complete and implement a review of organisational design. |
| Risk that there will be assets transferred to LLDC without warranties. | A reduction in the value of assets and LLDC's ability to dispose of them. | Determine scope of the possible exposure through negotiations with suppliers of key assets. |
| Risk that there will be uncertainty relating to organisational change. | A significant reduction in staff morale leading to reduced productivity and reputational risks. | Ensuring good internal communications to keep staff updated. |

10. CORPORATE INFORMATION

The London Legacy Development Corporation is a Mayoral development corporation, established under the provisions of the Localism Act 2011. The Legacy Corporation is a functional body of the Greater London Authority, which operates within the overall legislative framework provided by the GLA Act 1999 and 2007; the Mayor of London appoints members to its Board and allocates its budgets.

The Mayor is also able to direct the Legacy Corporation in the exercise of its functions, and to delegate functions to it. In November 2012, the Mayor delegated to the Legacy Corporation powers to promote economic development and wealth creation, social development and the improvement of the environment, to enable the Corporation to operate for the benefit of communities living outside its boundary. In July 2013, the Mayor issued a direction specifying matters on which the Mayor's approval must be sought, and other governance stipulations.

The Legacy Corporation was established on 1 April 2012, and became planning authority within its Mayoral development area on 1 October 2012.

The Mayor has appointed the following to the Board of the Legacy Corporation:

- Boris Johnson (Chair)
 - Neale Coleman (Deputy Chair)
 - Sonita Alleyne
 - Nick Bitel
 - Nicky Dunn
 - Keith Edelman
 - David Edmonds
 - David Gregson
 - Baroness Grey-Thompson
 - Philip Lewis
 - Lord Mawson
 - Jayne McGivern
 - Jules Pipe
 - Lutfur Rahman
 - Chris Robbins
 - David Ross
 - Sir Robin Wales
-
- Mayor of London's observer: Sir Edward Lister

The Legacy Corporation has established the following committees:

- Audit Committee
- Chairman's Committee
- Investment Committee
- Planning Decisions Committee
- Regeneration and Communities Committee

- Park Opening and Operations Committee

Membership of committees is shown on the Legacy Corporation's website, as are the delegations under which Board, committees and officers of the Legacy Corporation take decisions.

Board and committee meetings are open to the public, except where confidential or exempt information is to be discussed, under the same legal framework as local council meetings. Details of meetings are displayed at the Legacy Corporation's offices, and on its website.

The Legacy Corporation's management team is led by Dennis Hone, its chief executive, and the senior management structure is set out below.

| | |
|--------------------------------|--|
| Dennis Hone Chief Executive | Jan Boud Executive Director of Legal and Procurement, and General Counsel |
| | Paul Brickell Executive Director of Regeneration and Community Partnerships |
| | Mark Camley Executive Director of Park Operations and Venues |
| | Jonathan Dutton Executive Director of Finance and Corporate Services |
| | Anthony Hollingsworth Director of Planning Policy and Decisions |
| | Sally Hopper Head of Human Resources |
| | Rosanna Lawes Director of Real Estate |
| | Colin Naish Executive Director of Infrastructure |
| | Victoria O'Byrne Director of Communications and Public Affairs |

ANNEXE: MILESTONES AND MEASURES

Key projects, milestones and measures are set out in the tables below. Milestones are listed by quarter within calendar years (ie, Q1 2015 refers to January-March 2015). The draft milestones and measures set out below will be further refined and tested before being formally adopted in March 2014.

Park Opening and Operations

| Project | Milestones | Measures |
|---|---|---|
| Park Opening, including Parklands, Aquatics Centre and ArcelorMittal Orbit (but not Stadium) | <ul style="list-style-type: none"> South Park opening Q2 2014 | 3.5 million visits to the Park and venues in 2014/15 |
| Aquatics Centre and Copper Box Arena operations | | 700k visits per annum for the Aquatics Centre 400k visits pa for the Copper Box Arena. Contract workforce targets: see socio economic section. |
| ArcelorMittal Orbit and South Park hub operations | | 800,000 anticipated visits per year to the AMO. |
| Transformation (including Stadium works and additional transformation projects (eg, Canal Park) | Stadium Construction: <ul style="list-style-type: none"> New roof complete Q2 2015 New pitch laid for Rugby World Cup Q3 2015 Retractable seating installed, Stadium construction complete Q3 2016 Canal park construction complete Q4 2014 | Health and safety: LLDC targets are to complete transformation without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked. |
| Stadium operations | <ul style="list-style-type: none"> Complete procurement of 'Stadium Plus' operator Q3 2014 Rugby World Cup matches held in the Stadium Q3 2015 Stadium open with its long term tenants Q3 2016 | |
| Programming and events | <ul style="list-style-type: none"> Park soft opening event Q2 2014 | |

| Project | Milestones | Measures |
|---|--|---|
| | <ul style="list-style-type: none"> • Games Anniversary event and full Park opening celebration; National Lottery Run and Ride London events in the Park Q3 2014 • Appointment of 'Stadium Plus' operator Q3 2014 • Delivery of annual events programme in 2015/16 and 2016/17 | |
| Security, and estate and facilities management | <ul style="list-style-type: none"> • Complete installation of CCTV cameras 2016/17 • Appointment of estate management agent for assets Q2 2014 | <p>Monitoring of performance of the EFM contract: 37 KPIs reported monthly,</p> <p>Monitoring of security incidents by class e.g. serious crime reported through Park Control room or Park police team</p> <p>EFM contract workforce targets: see socio economic section.</p> |
| Park Marketing and Commercial sponsorship | <ul style="list-style-type: none"> • Park opening campaign and website phase 3, Drive footfall Q2 2014 • Promote events, develop brand profile, Q3 2014 • Bringing a naming rights partner on board for the Stadium Q1 2015 • Continue to market the Park in 2015/16 and 2016/17 through digital, media, visitor destination, brand development, and customer service. | |
| Food and Beverage (including Timber Lodge operations) | 4 South Park kiosks to open in 14/15 | |

Real Estate and Regeneration

| Project | Milestones | Measures |
|-----------------------------------|--|--|
| Chobham Manor development | <ul style="list-style-type: none"> • First residential block complete Q1 2016 • First units occupied Q1 2016 • Over 100 Units occupied Q1 2017 | Long term outputs include 800 houses, 28% of which will be affordable and 90% of which will be built to lifetime homes standards |
| Legacy Communities Scheme Phase 2 | <ul style="list-style-type: none"> • Appoint developer partner/contractor for East Wick and Sweetwater Q4 2014 • Start on site 2015/16 • First residents move in 2016/17 | 1,500 homes to be delivered |
| Schools delivery | <ul style="list-style-type: none"> • Sweetwater and Stadium schools: Sign design and build contracts Q3 2014 • East Wick School: sign design and build contracts Q4 2014 • Part opening of East Wick School and part opening of Sweetwater School 2015/16 • Full opening of East Wick, Stadium Island and Sweetwater schools 2016/17 | |
| Press and Broadcast Centres | <ul style="list-style-type: none"> • Grant lease to iCITY, hand over buildings to iCITY for construction. Q2 2014 • Press Centre occupancy commences Q1 2015 • Broadcast Centre ready for phased tenant fit out Q3 2015 • Loughborough University In London operational Q3 2016 | The project will create 91,000 sqm of floor space to allow up to 4,000 jobs in the Press and Broadcast Centre buildings. |
| Bridges, roads and waterways | <ul style="list-style-type: none"> • Access improvements to Waterways complete Q4 2014 • Trade moorings on Stratford Waterfront let Q2 2014. • Carpenters Road Lock and Tidal Gates | |

| Project | Milestones | Measures |
|---|--|--------------------------------|
| | <ul style="list-style-type: none"> refurbishment works complete Q3 2015 • Construction complete on underpass Q4 2014 • Carpenters Road and Waterden Road adopted by Local Authority Q4 2014 | |
| Hackney Wick (including station improvements) | <ul style="list-style-type: none"> • Approval for Hackney Wick Station Development and Delivery strategy Q2 2014 • Hackney Wick Station planning approval and commencement of construction Q2 2014 • Hackney Wick Station construction commences Q1 2015 • Complete phase 1 of Hackney Wick Station works Q3 2015 • Complete potential sale/development of Hackney Wick plots Q1 2017 | |
| 3 Mills Studios, Bromley by Bow and Pudding Mill Lane | <ul style="list-style-type: none"> • Commence marketing for potential disposal of 3 Mills Studios Q2 2014 • Complete potential disposal of 3 Mills Studios • Delivery strategies for Bromley by Bow agreed Q2 2014 • Masterplanning complete and preferred option for Pudding Mill Lane agreed Q2 2014 • Complete potential disposal / development of Bromley by Bow site Q1 2017 | |
| Sustainability | <ul style="list-style-type: none"> • The Chobham Manor allowable solution will ensure | Targets include ² : |

² A full list of sustainability targets can be found in the Sustainability Guide at http://www.londonlegacy.co.uk/media/LLDC_Your_sustainability_guide_to_the_Queen_Elizabeth_Olympic_Park2030.pdf

| Project | Milestones | Measures |
|-----------------------------------|---|---|
| | zero carbon emissions for the development. Delivery of Stadium non-potable network Q1 2015 | <ul style="list-style-type: none"> • 25% reduction in operational emissions intensity over five years in venues and parklands • Maintaining and improving the current 40% reduction in potable water use in the venues. • Recycling or composting 70% of commercial waste by 2015 • 100% provision of recycling facilities in public areas |
| Arts and culture | | To the end of 2015/16: <ul style="list-style-type: none"> • engaging directly with over 160,000 people around the Park through outreach and participatory activities with artists; • engaging directly with 2,000 young people through mentorship and training schemes; • creating 60 jobs in the arts; • commissioning 20 new artworks on the Park; • delivering 12 events in venues and the Park. |
| Community and business engagement | | To the end of 2015/16 : <ul style="list-style-type: none"> • Engaging directly with over 150,000 people surrounding the Park through communications, outreach and participatory projects; • engaging directly with 100,000 school children (from across 100 schools) through outdoor classroom learning, in-school projects and engagement, and the E20 network; • engage with a further 500 young people directly through targeted youth mentorship and training schemes like Voice of East London (120,000 youth listeners) and Youth Panel; • supporting 20 new projects in and around the |

| Project | Milestones | Measures |
|--------------------------|---|--|
| | | Park; delivering 12 events in venues and the Park. |
| Sport and Healthy Living | | Sport and Healthy Living: total throughput and unique participant numbers; KPI % of inactive participants; KPIs against specific target groups |
| Socio-economic projects | <ul style="list-style-type: none"> Grant agreements signed with 4 LCS Boroughs for Job and Apprenticeship provision in 14/15 Q3 2014 Complete Phase 2 delivery of LCS Legacy Careers Programme for 2014/15 with Host Boroughs Q1 2015 | <p>Transformation workforce: 25% of the workforce have permanent residency in Host Boroughs; 10% of the workforce were previously unemployed; 25% of the workforce are from BAME groups; 5% of the workforce are women; 3% of the workforce are disabled, 3% of the workforce are apprentices.</p> <p>EFM contract workforce targets: 85% permanent residency in Host Boroughs; 50% from BAME groups; 50% are women; 10% disabled; 50 apprentices.</p> <p>Aquatics Centre and Copper Box Arena workforce targets: 70% permanent residency in Host Boroughs; 55% from BAME groups; 50% are women; 3-5% disabled; 36 apprentices per year.</p> <p>Business support targets (working with Newham College): support 30 SMEs, and facilitate £1.5m new business won by local businesses by March 2015; create 9 FTE jobs; safeguard 33 jobs; facilitate £1.5m new business won by local businesses.</p> |
| Equalities and inclusion | <ul style="list-style-type: none"> Deliver annual National Paralympic Day summer festival – Q3 | 26,000 opportunities to participate in inclusive sports and physical activity delivered by 2015/16 as part of |

| Project | Milestones | Measures |
|-----------------------|--|--|
| | | <p>'Together East' in partnership with Sport England.</p> <p>Recruitment of 60 Paralympic Legacy Ambassadors reaching 600 people over the three years.</p> |
| Design | <ul style="list-style-type: none"> Grassroots interim uses open to the public Q3 2014 | Deliver 12 Quality Review Panel meetings per year, with additional reviews arranged as required; |
| Physical Regeneration | <ul style="list-style-type: none"> Delivery of approved high quality schemes for key physical connections within LLDC area including over A12 at Bromley by Bow, over Hertford Union Canal in Hackney Wick and linking Hackney Wick to QEOP and Roman Road. Delivery strategy and funding identified for all. <p>Leaway:</p> <ul style="list-style-type: none"> A13 underpass construction commences Twelvetrees construction commences, A13 underpass complete Q4 2014 Twelvetrees and A13 ramp construction complete 2015/16 Poplar Reach Park construction commences 2015/16 | |

Planning policy and decisions

| Project | Milestones | Milestones and measures |
|------------------------|--|--|
| Policy support | <p>Local Plan milestones:</p> <ul style="list-style-type: none"> • Consultations on Local Plan commences Q3 2014 • Consultation complete, plan submitted for independent examination Q3 2014 • Independent examination complete Q4 2014 • Local Plan adoption Q2 2015 <p>CIL milestones:</p> <ul style="list-style-type: none"> • Independent examination complete Q2 2014 • CIL adopted, collection commences Q2 2014 | |
| Planning determination | | <p>Income: To generate income from planning fees of at least £100,000 per quarter</p> <p>Performance: 70% of all planning applications determined within the statutory time period or other period as agreed with the applicant</p> <p>Planning enforcement: Manage all enforcement complaints in accordance with PPDT's Enforcement Plan, reducing the number of 'live' enforcement cases currently on hand on a quarterly basis.</p> |

Finance and corporate

| Project | Milestones | Measures |
|-----------------------------------|---|---|
| Operational costs | | Measures include staff satisfaction and retention, health and safety, programme management, transparency and response to Freedom of Information (FOI) enquiries. |
| Budget and business planning | <ul style="list-style-type: none"> • 2015/16 budget submission Q4 2014 • 2015/16 budget produced and approved Q1 2015 | |
| Park IT | <ul style="list-style-type: none"> • Park infrastructure and systems (including implement network and telecommunication changes) in place for South Park opening Q2 2014 | |
| Communications and public affairs | <ul style="list-style-type: none"> • Park opening media event and stakeholder events Q2 2014 | <ul style="list-style-type: none"> • Ongoing Press conferences, photo opportunities, media monitoring • Ongoing scrutiny committee appearances and stakeholder events |
| Procurement and legal | | <ul style="list-style-type: none"> • Ensuring all procurement exercises are complete to allow the Park and the Corporation's venues and assets to operate. |

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Subject: Three Mills Power of attorney
Meeting date: 26 November 2013
Report to: Board
Report of: Jan-Willem Jonker, Principal Commercial Lawyer

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1. The purpose of this report is to seek the Board's approval for the London Legacy Development Corporation (LLDC) to enter into a Power of Attorney in favour of Deloitte LLP, regarding LLDC's property at Three Mills.

2. RECOMMENDATIONS

- 2.1. The Board members are invited to approve LLDC's entry into Power of Attorney with Deloitte LLP as at Appendix 1.

3. BACKGROUND

- 3.1. LLDC is proposing to grant a Power of Attorney in favour of Deloitte LLP, to consider, settle approve, sign, execute, deliver and issue studio use agreements relating to the property at Three Mills and associated documents, which have both a value of £10,000 or less (excluding VAT) and a term of three months or less.
- 3.2. Delegating authority to execute these documents would reduce the administrative burden of LLDC officers to deal with these routine agreements of up to 30 contracts per month for hire of the studios and rehearsal rooms, each requiring contract approval by four LLDC officers in practice under LLDC's administrative arrangements.
- 3.3. Agreements and associated documents with a value of more than £10,000 and/or a term of more than 3 months will require more scrutiny from LLDC's officers and accordingly, it is proposed that these will still be executed by LLDC officers under the usual arrangements set out in LLDC's Scheme of Delegations.

- 3.4. Deloitte will be required to send LLDC scanned copies of all agreements it enters into pursuant to this Power of Attorney so these can be kept with LLDC's records and the use of the Power of Attorney can be scrutinised from time to time.
- 3.5. The Power of Attorney is not limited in time. However, it can be revoked unilaterally by LLDC at any time.

4. LEGAL

- 4.1. Section 206 of the Localism Act 2011 confers upon LLDC the power to manage land; furthermore, the Act allows the Board to delegate powers. Entry into this Power of Attorney, which delegates authority to execute documents in relation to studio use agreements, constitutes a delegation of LLDC's powers of land management. Therefore, LLDC is empowered under the Localism Act 2011 to enter into this agreement.
- 4.2. LLDC's Scheme of Delegations does not allow officers to sub-delegate the right to execute documents; therefore, the Board is requested to approve LLDC entering into this Power of Attorney.

5. APPENDICES

- **Appendix 1 – Power of Attorney between LLDC and Deloitte LLP**

| |
|-----------------------------------|
| List of Background Papers: |
|-----------------------------------|

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|---|
| LLDC Standing Orders and Scheme of Delegation |
|---|

Report originator:
Telephone:
Email:

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Power of Attorney Between LLDC and Deloitte LLP

THIS DEED is dated **2013**

PARTIES

- (1) **LONDON LEGACY DEVELOPMENT CORPORATION**, (the **Principal**) of Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ.
- (2) **DELOITTE LLP** (a limited liability partnership registered in England and Wales with registration number OC303675) whose registered office is at 2 New Street Square, London, EC4A 3BZ (the "**Attorney**".)

1. **APPOINTMENT AND POWERS**

The Principal appoints the Attorney as its attorney and in the Principal's name or otherwise and on its behalf:

- a) to consider, settle approve, sign, execute, deliver and/or issue any agreements of the kind set out in Schedule 1 (the **Documents**) relating to the property at 3 Mills Studios, Three Mill Lane, London, E3 3DU (the **Property**), and all agreements, documents, certificates and instruments (all whether as a deed or not) which the Attorney in its absolute discretion considers necessary in connection with any such Documents for that Property; and
- b) to take any steps or do anything which the Attorney in its absolute discretion considers necessary in connection with the implementation and/or execution of the Documents for the Property.

2. **DELEGATION BY CORPORATE ATTORNEY**

Any Attorney which is a corporation aggregate may delegate one or more of the powers conferred on the Attorney by this power of attorney to an officer or officers appointed for that purpose by the board of directors of the relevant Attorney by resolution or otherwise.

3. **RATIFICATION**

The Principal undertakes to ratify and confirm whatever the Attorney does or purports to do in good faith in the exercise of any power conferred by this power of attorney.

4. **VALIDITY**

The Principal declares that a person who deals with the Attorney in good faith may accept a written statement signed by that Attorney to the effect that this power of attorney has not been revoked and covers the document to be signed by the Attorney as conclusive evidence of that fact.

5. **GOVERNING LAW AND JURISDICTION**

This power of attorney and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this power of attorney, its subject matter or its formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. The parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this power of attorney or its subject matter or formation (including non-contractual disputes or claims)

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

SCHEDULE 1

Authorised Contracts

Studio Hire Agreements which have both a value of £10,000 or less (excluding VAT) and a term of three months or less.

Executed as a deed by affixing the Common Seal of London Legacy Development Corporation in the presence of:

.....

Authorised Signatory

Date:

Executed as a deed by Deloitte LLP

.....

Member

Date:

in the presence of:

Name

Witness:

Address:

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Subject: Transformation Quarterly Report: to 30 September 2013
Meeting date: 26 November 2013
Report to: Board
Report of: Colin Naish, Executive Director of Infrastructure

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1 This paper is the third Transformation Quarterly Report, drafted to provide the Board with internal assurance on the delivery of the Transformation programme of works.
- 1.2 It sets out the position of the Transformation programme of works to end of September 2013 on safety, governance, change control, programme, risk and priority themes of the Transformation programme.
- 1.3 A report is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATIONS

The Board is invited to:

- 2.1 Note that good progress continues to be made with all required works on track for completion of the Aquatics Centre, South Park Hub and Landscape for the planned South Park opening in Spring 2014. Handover of the Velopark to LVRPA will be at the end of January 2014; and
- 2.2 Note the good Health and Safety performance to date.

3. TIMING

- 3.1. There are no pressing timing issues related to this paper.

4. BACKGROUND

- 4.1. This is the third Transformation Quarterly Report on progress to end of September 2013.

5. SAFETY

- 5.1. The workforce on site has reduced to 1,165 over the period and 3.7m man-hours had been worked as at the end of September 2013. There is a strong health and safety culture on site, supported by an executive leadership team comprising senior representatives from LLDC, Mace and all Tier 1 contractors, project leadership teams, safety briefings, daily activity briefings, stand-downs for safety etc. Particular safety assurance is carried out on all lifting operations and electrical isolations, as these activities were assessed as being high risk in the context of the transformation works scope. Health is addressed through ill-health prevention and wellbeing programmes and a series of monthly awareness campaigns.
- 5.2. The programme Accident Frequency Rate (accidents reportable under the RIDDOR Regulations divided by number of hours worked x 100,000) has fallen over the period from 0.11 to 0.08 which is now below our target of 0.1 or one Reportable accident for every million hours worked. The All Accident Frequency Rate (all accidents resulting in injury however minor divided by number of hours worked x 100,000) has fallen slightly from 1.53 to 1.50. This was 2.02 for ODA pre-games.

6. GOVERNANCE

- 6.1. Transformation continues to operate under a strong governance regime. A Transformation Baseline Report sets out the scope and budget for the Transformation works. A Transformation Execution Plan sets out the programme level governance and assurance process. Programme and project level processes and procedures are fully documented and execution plans exist for each project in the Transformation programme.
- 6.2. A monthly review and reporting regime is adhered to. This includes Tier 1 contractor monthly progress review meetings, Trend and Risk Reviews, Implementation Reviews, periodic Project 'Deep Dive' Reviews and a monthly Transformation Board that monitors progress. Monthly Dashboard reports are produced at Project and Programme level. A Quantified Risk Assessment is run on a monthly basis to inform residual contingency requirements.

7. CONTROL OF CHANGE

- 7.1. LLDC Corporate Change Board controls change and is chaired by the Executive Director of Finance and Corporate Services. Its role is to review, interrogate and approve or reject proposed changes to scope, schedule and budget and ratify the exercise of delegated authority changes.

8. MANAGEMENT AND VALUATION OF CHANGE

- 8.1. The management and valuation of change is being implemented in accordance with the process embedded in the NEC form of contract being used for all Tier 1 appointments.
- 8.2. Discovery of a difference between contract drawings, subsequently received ODA as-built drawings and / or as-built conditions on site results in the contractor raising a Notice of Compensation Event to the Project Manager.
- 8.3. Instruction of LLDC Client driven change, once approved by Change Board, is implemented through the Project Manager raising a Project Manager's Instruction to the Tier 1 Contractor.
- 8.4. The next step is for the Project Manager and Tier 1 Contractor to seek to agree the Compensation Event time and cost implications. If consensus cannot be reached, the Project Manager is entitled under the contract to make his assessment of the time and cost implications.
- 8.5. The agreed (or assessed) time and cost implications are then incorporated into the next submission of the Contractor's Programme for Acceptance and adjustment made to the Contract Value (in the case of fixed price contracts such as South Park Hub and Landscape) or the Target Cost (in the case of the BAM All Park and Aquatics) as appropriate.

9. PROGRESS

- 9.1. Twelve months through an 18 month programme of works, progress to the end of September 2013 was largely in accordance with the baseline programme, albeit with some delay in non-critical areas. All required works were completed to facilitate the programme of Summer 2013 events and the opening of the North Park. Handover of the Velopark to LVRPA will be deferred until the end of January 2014 as a result of changes required to the Veloplaza. Construction of the Velo car park, deferred to facilitate the summer events, will be complete by end of February 2014. Work remains on programme to deliver the Aquatics Centre, South Park Hub and Landscape for the planned South Park opening in Spring 2014.

10. RISK

- 10.1. A monthly routine of Risk Reviews form the basis of the identification and assessment of each project and programme risk, largely relying on the expert knowledge and expertise of the programme team. These assessments form the basis upon which the cost and time risk exposure to each individual project and the programme is derived.
- 10.2. A Quantified Risk Analysis (QRA) of risks to the individual projects and the overall transformation programme is undertaken on a monthly basis to determine the forecast level of contingency required to deliver the residual LLDC Transformation Works.

11. LEGAL IMPLICATIONS

- 11.1. None.

12. PRIORITY THEMES

- 12.1. The Transformation programme anticipates meeting all Priority Theme targets, except for disabled workers as part of the workforce. Apprentices continue to be prevalent with 53 apprentices employed on site (as of 31st August 2013). However, as some Transformation work programmes move towards completion, the LLDC is working with contractors to find new placements so that Legacy apprentices are able to complete their apprenticeships.
- 12.2. Three apprentices have gained direct employment on the back of their legacy placement, and a number have been supported into follow-on placements with on-site contractors or large construction developments in east London, such as Crossrail, thereby demonstrating the value of the LLDC implementing an Apprenticeship Training Agency model on site during Transformation. This work is ongoing and LLDC is working closely with partners and stadium contractors to secure follow-on placements for the current cohort of apprentices.
- 12.3. Employment for disabled people continues to be slightly under target, mainly due to suspected non-declarations at the point of induction, but there has been consistent improvement over the project's lifetime following targeted work by BAM, Reds10, the Legacy Corporation and partners. This good practice is being extended to stadium contractors.
- 12.4. The apprentices represent 4% of the current workforce of 1165 exceeding the Legacy's Corporation's minimum 3% apprentice target. Almost all (97%) of the apprentices are from the local area and 25% are women – both groups are a key focus for the Legacy Corporation to help break down employment barriers and ensure that local communities are benefitting.
- 12.5. Performance in terms of local employment continues to significantly exceed expectation with 37% of the workforce being local residents.

13. APPENDICES

13.1. None

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|-----------------------------------|
| List of Background Papers: |
|-----------------------------------|

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| None |
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