

Subject: Stadium SPV board membership
Agenda item: Public item 10
Report No: 7
Meeting date: 27/09/2012
Report to: LLDC Board
Report of: Duncan Innes, Executive Director of Real Estate

FOR INFORMATION

This report will be considered in public

1. SUMMARY

- 1.1. This paper requests approval of the three LLDC Board Members who will represent the Corporation on the Board of E20 Stadium LLP (“the LLP”), the body established by LLDC and the London Borough of Newham (LBN) to deliver the post-Games legacy use of the Olympic Stadium.
- 1.2. The rationale behind the public sector retaining control of the Stadium is to fulfil a number of commitments, chief among them to ensure that the IAAF World Athletics Championships can be hosted at the Stadium in 2017. By retaining public ownership of the Stadium, it can be better integrated into the wider Park and the long-term and sustainable legacy can be better delivered.
- 1.3. LLDC as majority shareholder in the LLP has three board member positions; LBN has two, and the LLP will have an independent Chairperson.

2. RECOMMENDATIONS

- 2.1 The Board members are invited to **APPROVE** the following members of the LLDC Board to be nominated to the Board of E20 Stadium LLP:
 - David Edmonds
 - David Gregson
 - Nicky Dunn

3. TIMING

- 3.1. This matter is **URGENT** as it is envisaged that the Board of the LLP will hold its first meeting by the end of September ahead of formally entering into the Concession Agreement(s) with Concessionaires appointed through the Stadium Competition.

4. BACKGROUND

Key points:

- 4.1. Members will be aware that bids seeking a Concession Agreement were received by LLDC on 12 July 2012; four bids were pre-qualified and the Stadium Team and its advisors are now at an advanced stage in the process of evaluating and negotiating the terms of those submissions.
- 4.2. E20 Stadium LLP has been formally established as the vehicle to deliver the post-Games Stadium; it will also help ensure the Stadium is integrated with the surrounding communities, can create strong linkages with local sport clubs educational bodies and contributes to local regeneration and social improvement aims.
- 4.3. The LLP will act as the 'Grantor' in relation to the Concession Agreement(s), i.e. Concessionaires will sign their agreements with the SPV, and the SPV will therefore be the body responsible for the management of those contracts.
- 4.4. The LLP is the vehicle through which LBN will invest its proposed £40 million contribution to the cost of transforming the Stadium after the Games. In return it has taken a proportionate "stake" in the LLP through which it will secure the community and regeneration benefits it has identified as well as receiving the appropriate share of financial return both from operational surpluses and proceeds of any future development of the Stadium Island site.
- 4.5. The Olympic Park Legacy Company Board, the predecessor of the LLDC approved the overarching structure and governance terms of the LLP, the financial arrangements with LBN and establishment at its meeting of 20 March 2012.
- 4.6. The LLP will have a board numbering 5 Members – three nominated by LLDC, two by LBN – and the Members may appoint an independent Chairperson. In addition, there will be two Ex Officio Board Members. The Members nominated by LLDC have experience across a number of areas including multi-use sport and entertainment arenas, corporate finance, charitable work and regeneration. The Ex Officio Board Members shall be the Chief Executive of LLDC and the Chief Executive of the LBN. The Ex Officio Board Members shall have no voting rights in relation to any decisions of the Board at any time, unless they are appointed as Board Members in their own right.

5. LEGAL IMPLICATIONS

- 5.1. Separate guidance will be provided to the LLDC Board members nominated to the Board of E20.

6. Appendices

- 6.1. There are no appendices to this paper.

List of Background Papers (these are not being circulated with this report and are exempt from publication):

OPLC Board Paper 8 - SPV between OPLC – London Borough of Newham for the operation of the post-Games Olympic Stadium (20 March 2012)

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