

London Assembly (Plenary) Meeting – 2 March 2016**Transcript of Agenda Item 4:
Question and Answer Session – London Legacy Development Corporation**

Jennette Arnold OBE AM (Chair): Thank you. Now we come to the meat of our meeting at Item 4, which is a question-and-answer session of the London Legacy Development Corporation (LLDC). We are here to put questions to the Chairman of what I will refer to as the LLDC and to the Chief Executive of the LLDC. Let us welcome David Edmonds CBE in his role as Chairman of the LLDC and back with us is the Chief Executive of the LLDC, David Goldstone CBE. The questions will be on the policy and work of the LLDC. Welcome, both, to the meeting.

Before we move to the questions on the agenda, can I invite our guests to make a short opening statement?

David Edmonds CBE (Chairman, LLDC): Of course. Thank you very much.

As I said at my confirmation hearing¹ when I was talking about doing this job, I really looked forward to the opportunity of becoming Chair of this organisation. All I would like to say in introduction is we have an organisation that is now moving very quickly into the next stage of its development process. Particularly, my interest – as, again, those of you who heard me before know – is focused on housing. For some years I was Chief Executive of the Housing Corporation and for some years I worked in government on inner-city policy. Bringing those interests together, together with a partial career in the development sector, at this stage in the life of the Corporation [the LLDC] is incredibly exciting.

One change I have made since becoming Chair is to ask the team to do a fuller analysis of the potential we have for more housing development to bring forward housing on a faster basis than we had originally planned. If you look at what we are doing overall, it is like building a new town. It is like building a new city. I go back to my very early days when the new towns programme was at its height. What we are actually doing in and around the Olympic Park [Queen Elizabeth Olympic Park] is the equivalent of building a new town for London. It is an incredibly exciting time.

That is why I am very happy to come with David this morning to answer, Chair, your and your colleagues' questions and that is all I wanted to say at the start.

Jennette Arnold OBE AM (Chair): Thank you.

David Goldstone CBE (Chief Executive, LLDC): Chair, can I add just a quick personal comment from me as well, if I can? For me now, I have been in this role for 18 months, having – as I think many of you know – worked for many years on the preparation for the 2012 Games [London 2012 Olympic Games]. The reason I came back into this was because I really believe we are delivering what was promised in the original bid for the Games in terms of regenerating that part of the city that was so badly in need of investment. I really felt I wanted to see that through and see that commitment delivered. As many of you know, when the work for the preparation for the Games was going on, there was that dual focus on both trying to deliver the best possible

¹ <https://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=135&MId=5921&Ver=4>

Games but also on trying to deliver what was always the aspiration: to do the best legacy that any host city has ever delivered.

It is increasingly clear now that that is being achieved and that is being delivered and, as David said, a new town equivalent. It is a new heart of London that is coming into being with over 24,000 new homes and over 40,000 new jobs. The Park and venues have already attracted over 8 million visitors in less than two years since they reopened and that is an amazing fact as we develop a new centre of the town.

As we develop more over the coming years with more homes and jobs, we expect those numbers to grow, but what the Mayor has dubbed 'Olympicopolis' is the big further transformational change we are introducing. We are bringing world-class institutions such as the Victoria & Albert (V&A) Museum, Sadler's Wells, the London College of Fashion and University College London (UCL) into the heart of the East End. It creates additional economic value of over £3 billion, new jobs and new visitor attractions. Overall, we are genuinely successfully delivering now on those promises. We are creating a new heart of London and in an area, I think, that was desperately in need of investment. This story is very positive. There is a long-term programme here and we do believe we are successfully delivering it. Thank you.

Jennette Arnold OBE AM (Chair): Thank you for those opening statements. We now move to questions on the agenda. There are four questions on the agenda and Assembly Members may ask supplementary questions after each question has been answered. I will take any questions on the opening statement that have not been addressed during the meeting at the end, time permitting.

2016/0678 - LLDC Value for Money

[Stephen Knight AM](#)

How can the public be assured that the LLDC has achieved value for money given the level of public investment in its operations and investments to date?

David Goldstone CBE (Chief Executive, LLDC): The visibility for the public of the value for money that is being delivered is visible to the many members of the public who are now coming to the Park [Queen Elizabeth Olympic Park]. As I say, we have had over 8 million years in less than two years and the transformation is now becoming genuinely deliverable. That is, as I say, why I wanted to make that personal statement to delivering this.

The combination of having the Park and the venues bringing those many millions of visitors, bringing tens of thousands of new homes and jobs, creating a new town, new communities, new neighbourhoods and a thriving new heart of the city that has all the component parts of successful regeneration and successful communities for the future is a very big part of the value for money we are delivering.

In terms of the money, there has been very significant investment. That is well known and recognised. The important point we are planning for and planning to achieve is that within about 15 years we will have repaid the investment that the Greater London Authority (GLA) has made in the area and will then move into a significant surplus. The regeneration is being delivered and it is being done in such a way that there is a surplus back over time into the GLA group and the investment that has been made repaid. I feel very confident that we are delivering great value for money and great change for that part of London in a way that is financially sustainable.

Stephen Knight AM: Thank you very much for that. As I understand it, your current Board risk register has two of your biggest projects, the Olympicopolis and the stadium, both at 'red' for risk. Now, 'red' on a

red/amber/green (RAG) risk register usually means that you expect the project either to be over-budget or be behind schedule. Could you explain in the case of both these projects what the factor is that leads them to be at 'red'?

David Goldstone CBE (Chief Executive, LLDC): Of course. It does not mean that we expect them to be. It means that there are risks that are challenging and that we are working to manage.

If I take the two separately, in relation to Olympicopolis, as I say, it is the transformational addition to what had been previously planned as the legacy investment for the area. It does bring enormous benefits. Bringing those institutions I mentioned does create - and this is an economic analysis that has been done - over £3 billion in additional value, but it is a very challenging project to deliver. We will be working on two constraint sites bringing six different partners, in effect, into play and that has its own inherent complexities from a project management and project delivery point of view. The sites themselves are challenging and, of course, there are complicated costs management and funding challenges associated with them. The total spend - not all public money by any means - on delivering the whole scheme will be around £1.3 billion and so it is a very large, complex project that involves --

Stephen Knight AM: Sorry. Who takes the costs risk if that £1.3 billion runs over? Is it the GLA or is it ...

David Goldstone CBE (Chief Executive, LLDC): We are managing those risks, but we are a functional body of the GLA and so it is clear that we are not an organisation that has other capacity beyond our budget. The important point is that long term it develops and delivers the value that makes the investment really good value for the GLA and for London and we manage those risks in a way that --

Stephen Knight AM: Where does that risk currently sit? Does it sit with the taxpayer or does it sit with V&A or does it sit with the University? Where does that costs risk sit?

David Goldstone CBE (Chief Executive, LLDC): It is fair to say there are different risks in the project. LLDC is responsible. We are the organisation responsible for delivering the project. In terms of the vast majority of the delivery, it sits with us. That is what we are managing and that is what we are set up to deliver and I think we have successfully shown we can deliver large complex projects.

There are some parts, such as the residential, where we will bring in external partners who will deliver and some parts of the works that the individual institutions will deliver. That is the sort of jigsaw that we are putting together but with the experience of delivering large, complex projects in other environments.

That is why it is a 'red' risk. I should say that we have made really great progress on it. It is just over a year since the project was announced and so it is not red because of a problem in terms of delivery. We have made really good progress in just over a year in having master plans now in place for both the Stratford Waterfront site, where we will be housing the arts and cultural institutions and the London College of Fashion, and the UCL site, where --

Stephen Knight AM: Thank you. David, sorry to move you on but I am running very short of time. Could you comment now on the stadium issue, the second item?

David Goldstone CBE (Chief Executive, LLDC): Yes. We are working towards having the stadium ready, as is well known, for West Ham's first season, using it as their home ground from next season. We have concerts, as were mentioned, and the athletics again this summer and so there is work to do.

The stadium has been a very complex engineering and project management challenge and that is visible from the scale of work that transformed what was a largely temporary venue in the Games into what is going to be a world-class multi-use venue. That is a complex engineering challenge. The cost position is well known and has been discussed here before, but it is not an easy project to deliver and it is been a challenge. We will keep it as 'red', to be honest, until we get past the new opening later this year. Again, it is not denoting a specific problem today. It is a complex, high-risk project that we are managing through to success this summer.

Stephen Knight AM: When I asked about this at the January Budget Committee [Budget and Performance Committee, 7 January 2016], I was told - and I think I have this right - that there was an expectation that there would be some costs overruns beyond the £272 million but they were unquantifiable at that point. Have you gone any further in terms of quantifying how big that cost overrun might end up being?

David Goldstone CBE (Chief Executive, LLDC): To clarify, what we announced last year about the £272 million was that that was the value of the contracts that were in place for delivery of the stadium, but we were clear at that time that there was a lot of work still to do and that we held some contingency against the costs risks that remained in relation to that work. In effect, that is still the position because that work is now going on. We have got back into the construction after the Race of Champions at the end of November 2015 and that runs through until this summer's events. Rather than give a running commentary on a moving target, that is the position. We have always said that we will announce a final position and give absolute clarity on the outturn once the work is complete later this year and so that will be this autumn. At that point, we will be able to give you a final figure. To be honest, I would not say more than was already said on that.

Stephen Knight AM: Thank you for that. One of the aspects, of course, of public confidence around value-for-money is transparency and of course there has been a lot of concern about the lack of transparency around the West Ham deal element and your decision as a Board to challenge the Information Commissioner's [Information Commissioner's Office] decision that the deal should be published and, indeed, to commit public money up to £17,000 to the legal battle to try to keep that information from the public.

When we asked in January 2016, there was a consideration not only that you wanted to carry on challenging the Information Commission's decision but that if you were to lose that legal case you would even consider an appeal at an additional cost to the public purse. Is that still the Board's position?

David Edmonds CBE (Chairman, LLDC): Can I start with that? The answer I gave you then remains that it is still the position that, were we to lose the appeal, we would consider as a Board. No decision has been taken as to whether or not that is the action we should take. The answer I then gave, which was based on the fact that we believe there is a real risk to larger sums on the public purse were this particular set of data to be given at a particular time, remains the same answer.

Stephen Knight AM: Thank you. I think one of the concerns the public have is that from what information do have about that West Ham deal, it looks like it is contributing something like £15 million towards the conversion cost - which is a very small sum when you are looking at a £272 million conversion - and that it is going to be a paying a yearly rent of between £2 million and £2.5 million. That is a lot less than most other Premiership clubs are paying for their grounds. In addition, the club is not going to be paying, as I understand it, facilities and service charges for things like goalposts, flag-posts and so on; no doubt mowing the grass. These are all normally things that Premiership clubs would pay for themselves. One expert has said that they would normally pay between £1.5 million and £2.5 million a year just on these service and facilities charges. In effect, one could argue that they are getting the ground, really, at a public subsidiary.

Is that fair? It is very difficult to know whether that is fair without knowing the full detail of the deal. That is part of the problem, is it not? Are the public right to be concerned that West Ham is in effect being publicly subsidised for this ground?

David Goldstone CBE (Chief Executive, LLDC): The comparison with other clubs is one that is difficult because this deal is unusual and not something, typically, other clubs do. Because this is not West Ham's stadium, the stadium has remained in public ownership. We own it through a joint venture with the London Borough of Newham and West Ham gets to use the club on a set number of days each year. The rest of the time it can be used for other activities such as concerts, athletics and other events that we will be putting on in the stadium. All the revenues from those activities, as is clear from the agreement that we have released, come through to us and our operator under the arrangements that we have but are not to the benefit of West Ham. Other Premier League clubs are not in that sort of situation and so that comparison does not really follow.

The important point is that we got a deal that makes the stadium sustainable long-term in its own right without requiring ongoing public subsidy long term. We got a deal that enables the stadium then to be a really big part of this regeneration of the whole area.

On the transparency point, from my point of view, I have had 20-something-plus years over the last 20 years of my career in major government and public sector capital programmes and I absolutely get the commitment to transparency. It is something I feel very strongly about. The financial reporting around the Olympics, for example, was the most transparent of any major capital programme like that or any major government initiative like that. I was responsible for that and led the public reporting and the political briefings that were provided for politicians of all persuasions. I do feel strongly about that and I take those responsibilities seriously.

However, they always have to be balanced with not giving away a commercial position that would cost the taxpayer value long term through the people we are going to negotiate deals with in the future knowing what our position is and knowing what other deals we have done. That is the balance we have to strike.

The Information Commissioner process is still in train. Since January 2016, they had a hearing but it did not conclude and it will resume in a couple of weeks. That process is still in train. If we are not successful, we will see what the grounds are and, as David said, the Board will decide whether it wants to appeal or not.

David Goldstone CBE (Chief Executive, LLDC): That will partly depend or largely depend on what the grounds are, but we do feel we have to balance the obligation to be transparent, which we take very seriously and the Board genuinely recognises and I personally recognise, with the need to protect what could be tens or - potentially, long term, over the life of a 99-year concession agreement - hundreds of millions of value if all our commercial positions are known.

Stephen Knight AM: Watch this space.

Andrew Dismore AM: I would like to ask you some questions about the Orbit [Arcelor Mittal Orbit] and perhaps I could start by just establishing what I think are the agreed facts.

You originally expected the Orbit to have 350,000 visitors a year. In 2014/15 there were only 124,000, a third of those forecast. In 2015/16 the target is 163,000 but by September 2015, halfway through the year, only 68,000 people had come and of course that was over the summer. That is 42%. You are losing about £10,000 a week. The 2016/17 visitor target is 239,000, rising to 261,000 in 2020/21 - and that is after the slide - which is not going to be enough to pay off the debts. The original cost of the Orbit was £19.1 million funded by a £10 million cash donation, a £6 million loan from Arcelor-Mittal Orbit Europe - which got its name put on

the tower - and £3.1 million from the London Development Agency (LDA). The slide is going to cost an extra £3.5 million. The intention was to pay back the loans when the Orbit made a profit. Your accounts for 2014/15 show you have a much higher loan of £10.6 million repayable to Arcelor-Mittal Orbit Ltd from future profits from the operation of the Orbit as and when they are generated.

The first question following on from those facts, which are well documented, is why and how a £6 million loan has now grown to £10.6 million.

David Goldstone CBE (Chief Executive, LLDC): The answer to that is that the loan was increased before the construction of the Arcelor-Mittal Orbit took place. It was actually agreed in 2010 and so that is not a recent change that you need to equate with the other facts that you articulated. The loan has been in place at that level since 2010 and was related to arrangements that were entered into at that time.

The important point looking forward, without unravelling all of the facts that you have said, which I am not going to dispute --

Andrew Dismore AM: Can you tell me if we charged interest on the loan?

David Goldstone CBE (Chief Executive, LLDC): There is some interest that accumulates. The £10.6 million you referred to is the value of the loan. The important point is that we do not have any repayment obligation, basically, until the facility is generating a surplus, which we will do when we get the slide installed.

Andrew Dismore AM: Yes, I know. We have talked about that. It is a simple question. Are we charged interest on the loan?

David Goldstone CBE (Chief Executive, LLDC): Yes, I believe there is some interest accumulating.

Andrew Dismore AM: All right. The next question: how much interest has accrued on the loan since it was taken up?

David Goldstone CBE (Chief Executive, LLDC): I would need to come back to you with the precise amount. I do not have that to hand.

Andrew Dismore AM: You have £1.4 million of unpaid interest in the accounts. Is that the lot?

David Goldstone CBE (Chief Executive, LLDC): Obviously, those are audited accounts and I would not disagree with the figure.

Andrew Dismore AM: Has the original £6 million loan increased because of interest or because of other reasons?

David Goldstone CBE (Chief Executive, LLDC): No. The loan was increased to the £10 million figure you referred to in 2010 and then there is the interest you referred to and so that will take it to the figure of around £11 million and something. I could come back and confirm that to you, but I believe the total position is the £10.6 million that was agreed in 2010 - that is not a recent increase - plus the interest figure you referred to, as we have shown in our accounts.

Andrew Dismore AM: We are now up to over £11 million?

David Goldstone CBE (Chief Executive, LLDC): Yes.

Andrew Dismore AM: All right. What is the interest rate?

David Goldstone CBE (Chief Executive, LLDC): I do not have that to hand.

Andrew Dismore AM: The figures seem to imply around 15%. Would that be right?

David Edmonds CBE (Chairman, LLDC): No.

David Goldstone CBE (Chief Executive, LLDC): That would not apply, 15%, because that is if we are talking about over five years on a £10 million loan, but I can confirm to you exactly. If you want to get into the details of the loan, I would need to write back to you separately. What we are doing is installing the slide so that the venue will become something that will be a very popular visitor attraction that will pay for itself in five years.

Andrew Dismore AM: How much a year is the loan growing?

David Goldstone CBE (Chief Executive, LLDC): I am sorry to say that I will have to refer you to the same answer that I do not have. The loan is not growing other than the interest and you have established that is £1.6 million over the five years since the loan was taken out, but there is no obligation to repay the loan until we start making a surplus on the venue.

Andrew Dismore AM: I know. We will come back to that in a minute. Is the loan subject to compound interest charges?

David Goldstone CBE (Chief Executive, LLDC): I am going to feel like I am repeating myself because you are asking me questions and I have said I do not have all the details of the interest paid.

Andrew Dismore AM: I would think you would know whether the interest is compound or not. That is a relatively straightforward question.

David Goldstone CBE (Chief Executive, LLDC): I cannot say. It seems that I do not have that information to hand and so I cannot answer that question without writing back to you separately.

Andrew Dismore AM: All right. Let us go in to the repayment. Your 23 February 2016 letter to the Regeneration Committee states that the loan will not be repaid during the current ten-year period.

David Goldstone CBE (Chief Executive, LLDC): The loan? Correct.

Andrew Dismore AM: Correct. By the end of the current ten-year plan in 2022, how much do you expect to have racked up in interest on the loan?

David Goldstone CBE (Chief Executive, LLDC): We expect, by having installed the slide in the coming year, to start generating the surpluses that we showed you in the letter that came back. We would have generated around £5 million of surplus in the first five years of the slide operating on those projections, which are dependent on the actual performance of the venue. This turns the Orbit from a venue that has been a financial challenge in the way you described into something that will generate a surplus of around £1 million a

year each year for the next five years and so about £5 million of surplus. The agreement is that when it is generating a surplus, we will use that to --

Andrew Dismore AM: We can argue about whether that is optimistic or not. I want to come on to the slide in a minute --

David Goldstone CBE (Chief Executive, LLDC): -- repay the capital costs first and then there is a sharing of the surplus.

Andrew Dismore AM: Yes. When the loan was originally taken out and when you signed the original deal, did you know it was the case that the loan would not be paid back for over a decade?

David Goldstone CBE (Chief Executive, LLDC): Obviously, as we said, the loan was taken out in 2010 under a different regime and so I cannot answer what my expectation was at the time. At the time, there were the projections of usage that you referred to. However, because the loan was structured so that there is no repayment until the surplus is generated, then there is less of a burden created than would be the case otherwise.

Andrew Dismore AM: When the donation of £10 million from Arcelor-Mittal was made, was it contingent on taking out the loan as well?

David Goldstone CBE (Chief Executive, LLDC): Yes, it was part of the agreement. As you have described, part of it was funded by a donation and part was funded by a loan.

Andrew Dismore AM: In other words, would you have received the donation only if you accepted the loan?

David Goldstone CBE (Chief Executive, LLDC): It was part of an agreement that financed, as you said, £20 million-odd of the £23 million total cost through a mixture of loan and donation.

Andrew Dismore AM: It sounds a bit 'loan sharky' to me. Can you confirm when --

David Goldstone CBE (Chief Executive, LLDC): A loan shark probably would not give almost half of the cost in donations. That would be unlikely.

Andrew Dismore AM: If you tie it all together and if you are getting interest, although we do not know what the rate is, and it is potentially compound but we do not know for sure and we are going to be paying it off for years, it does sound a bit 'loan sharky' to me.

Can you confirm when you expect the Orbit to have generated sufficient profits to pay off all the loans entirely?

David Goldstone CBE (Chief Executive, LLDC): You have seen from the projections that we sent you that it runs at a surplus slightly over £1 million pounds per year from the coming financial year, 2016/17, when we have the slide installed. On that basis, once the capital cost of installing the slide is incurred at £3.5 million, as we discussed, we are then sharing the surplus 50:50. There will be about £500,000 on those projections of repayment a year.

Andrew Dismore AM: A simple question: when do you think you are going to pay the whole lot off?

David Goldstone CBE (Chief Executive, LLDC): On that basis, it would be about 15 years from now, approximately --

Andrew Dismore AM: OK, but of course that is predicated on the slide being a success. Does the £3.5 million cost of installing the slide fall exclusively to the LLDC?

David Goldstone CBE (Chief Executive, LLDC): The cost of installation we are incurring, yes. The surplus, as we have said, equates back to us and it pays for itself in up to five years on the base case assumptions that we have.

Andrew Dismore AM: You expect to complete in spring 2016, ie this year. Is it on target? When is it going to open?

David Goldstone CBE (Chief Executive, LLDC): It is going to open this spring and, yes, it is on target. Work is going on at the moment and we are looking forward to installing an attraction for visitors that will bring, we believe, around 250,000 people a year. It will create an attraction that gives great views, like venues like the Shard and the London Eye, with the attraction of being able to slide down from the top.

Andrew Dismore AM: Hang on. It is not exactly the Shard, is it? How many Orbits could you get in the height of the Shard? Come on.

David Goldstone CBE (Chief Executive, LLDC): I did not say it is like the Shard. I said --

Andrew Dismore AM: Yes, you did.

David Goldstone CBE (Chief Executive, LLDC): I said that it offers views from height of London like the Shard, which it does, with respect, but it also offers the opportunity to slide down from the top.

Andrew Dismore AM: Hardly. Anyway, if I was paying £17 to go up the Orbit compared to how much it costs to go up the Shard, I would get better value in money in terms of height from the Shard.

David Goldstone CBE (Chief Executive, LLDC): You may be interested to know that the cost to go up the Shard is almost double.

Andrew Dismore AM: At £17 a person, do you really think it is going to prove a competitive family attraction to Londoners? Obviously, you are going to have family discounts and so forth, but of course if you have discounts it reduces the income from the number of visitors, does it not?

David Goldstone CBE (Chief Executive, LLDC): Yes. That was taken into account in the projections we have talked about. It is an interesting comparison because, as you say, for an adult walking up, the cost will be £12 admission and £5 for a slide ride, which is £17. To do the same thing at the Shard is £31 or to do the same thing at the London Eye is £23 and of course you do not get the experience of whizzing down something the height of Big Ben as well; you just get the view.

Andrew Dismore AM: That is a dubious claim.

David Goldstone CBE (Chief Executive, LLDC): To answer your question, the walk-up price including a family of four who would use the slide would be about £52, although if they are from the local borough it would be less. The Shard and the London Eye are both around £80.

Andrew Dismore AM: That is £52 to go up, but how much to come down again?

David Goldstone CBE (Chief Executive, LLDC): That is including the slide down, which the other comparisons you are making do not include.

Andrew Dismore AM: It sounds an awful lot of money for a family day out to me with everything else that can go with it, the ice creams and everything else --

David Goldstone CBE (Chief Executive, LLDC): I am just saying that it is a lot cheaper than other attractions.

Andrew Dismore AM: At the Resources [Regeneration Committee, 2 February 2016] Committee I asked how much it would cost to knock it down - which you could not answer and I do not suppose you can now - because clearly it has become a white elephant, as it always was, and is something you cannot get rid of due to the debts, is it not?

David Goldstone CBE (Chief Executive, LLDC): When we have a business plan that says that an investment will pay for itself in less than five years, it would be irresponsible of me to look at knocking it down. We have a project that --

Andrew Dismore AM: Fifteen years from now plus the four years you have had already is the best part of 20 years, even on your projections, which are somewhat optimistic.

David Goldstone CBE (Chief Executive, LLDC): The business plan in relation to the slide, which I thought we were talking about, pays for itself in less than five years. The venue then makes a year-on-year surplus of around £1 million, which enables us to repay the loan over the period you referred to. That is a good investment. It is a good proposition. It will make a good attraction that will add to the Park as a visitor destination where people can come. In less than two years, 1.7 million people have already swum in the Aquatic Centre --

Andrew Dismore AM: Time will tell and my time is up. Will you write to us with those details about the interest?

David Goldstone CBE (Chief Executive, LLDC): Sure. We will write you with details about the loan and the interest repayments and whether it is compound.

Len Duvall AM: Can we go back to the issues of transparency? You rightly cited the Olympics. It was probably was the best and most transparent Olympics around some of these issue. However, you do seem to have gone back and you have made this problem for yourself around the issue of the freedom of information (FOI) request from Sir Richard Hunt, who is a member of the Charlton Athletics Supporters Trust, by the way that you have dodged and swerved and not answered the issues in terms of getting to grips with the actual issues that people are asking you for. Do you know what I mean?

Can you update us where we are on your appeal issue? There was a tribunal in January 2016. When are you expecting a result?

David Goldstone CBE (Chief Executive, LLDC): Sure. There was a tribunal hearing in January 2016. Before that we had released the whole agreement other than three specific clauses. We are doing this on the basis of very strong, unambiguous legal advice that it is the right thing to do on the grounds that in

negotiating with future users of the stadium and future partners we would be putting ourselves at significant commercial disadvantage to the disadvantage of taxpayers whose money we are managing. We had absolutely unequivocal legal advice that the appeal was warranted and that we had very strong grounds for that appeal and that if we do not do so I will be being irresponsible and the Board will be being irresponsible in terms of the tens or, as I say, over a 99-year agreement potentially hundreds of millions of pounds that we could be putting at risk. That is why we appealed.

The appeal did start in January 2016, as you say. It did not conclude on the day that had been set aside and it is reconvened in about two weeks. The tribunal that conducts that process is reconvening on that day. When that decision comes out is a matter for the tribunal. I cannot say and it is not in my hands when it will make that decision.

However, our view is that it is the right thing to appeal on a very small number of specific, commercial issues, basically three commercial points where we have redacted the agreement now. All of the rest of it is in the public domain. Our view is that to release those would create significant commercial risks and significant loss to the taxpayer because we would be negotiating all our future arrangements, when we bring in other users for the stadium and when we bring in other partners, with the people negotiating with knowing the terms of the deals we have already done. It would not just necessarily be the West Ham deal because, with the precedent, we would be in a position of other deals --

Len Duvall AM: Some of these deals are individual deals anyway. They are not based on precedent. They are about negotiations and all the rest of it. Why would that be commercially confidential, then, in terms of that? You have a bottom line, clearly, on the AC/DC concert that you had negotiations on about that. Look, most of the people in that market will understand what venues are. There are negotiations but they are very individual and they will vary from event to event, but why would not there be? Is the nature of West Ham, "Because I buy more, I might have a cheaper option. Because I am buying more, I am committing more"? Is that not one of those issues tell me about it?

David Goldstone CBE (Chief Executive, LLDC): There are two examples there. The concert market in London is incredibly competitive between different venues. Wembley is a venue for concerts. Twickenham is a venue for concerts. The promoters can - and do - look at the terms and those are negotiated, as you quite rightly say, deal by deal. If we are in the position where all of our deals were in the public domain with other privately owned venues not being, we are at a dramatic commercial disadvantage (a) in relation to our competitor venues and then (b) in negotiating deals with those promoters. It would just put us in a much disadvantaged position in --

Len Duvall AM: I respect some of the issues around commercial confidentiality but the Commissioner [Information Commissioner's Office] was very clear in saying that both you and West Ham have failed to make the case for the redactions. Why was it that you failed to make that case, then? Maybe that is the question we should ask. If you were not on top of the job then in terms of making the case, why can you do it in an appeal? You seem fairly confident that you can. I say this because I listened very carefully to how you answered Stephen Knight's questions. Is the balance of interest that actually you are more frightened of West Ham and you are looking out for the balance of interest for protecting them rather than the wider issues of the taxpayer who needs to understand and should understand the nature of these negotiations?

David Goldstone CBE (Chief Executive, LLDC): Absolutely not --

David Edmonds CBE (Chairman, LLDC): If I may, I do not actually think that is right, no. The whole thrust of the Board has been looking at the longer-term interest to the taxpayer in terms of the negotiations that we

will be having in the future with other users and negotiations we have having on potential naming rights and partners. We are not actually looking at protecting West Ham; quite the opposite. What we are looking at, as David said, is that over the 99-year period of their lease, there will be a whole series of negotiations and we believe and the legal advice we have and the economic and financial advice we have is that it is in the best interest of the taxpayers at this stage for us to be able to negotiate on this basis that we are now negotiating on. I assure you that we are not frightened of West Ham and we are doing nothing in this to protect their interests as against the interests of the taxpayers; quite the opposite.

Andrew Boff AM: Could you tell me how many contracts you currently have that contain commercially confidential information?

David Goldstone CBE (Chief Executive, LLDC): How many contain any commercial confidential information?

Andrew Boff AM: How many contracts are out there that you are protecting or concealing the information from?

David Goldstone CBE (Chief Executive, LLDC): Most contracts at the point they are signed contain some confidential information. That would not be an unusual thing to say. They also contain much that is not. With pricing and commercial arrangements with partners, it does depend on the nature of the contract. I could not give you a precise number of how many. We have hundreds of contracts. We have a contract every time any event is held on the Park. We have contracts for managing all of the venues. We have hundreds of contracts and many of them will contain commercially confident aspects either about income we are bringing into the Park and our venues or costs we are incurring as part of the investment. I anticipate that we then have to resolve as contracts get completed.

Andrew Boff AM: You cannot tell me how many at the moment but a large number, presumably?

David Goldstone CBE (Chief Executive, LLDC): I cannot tell you a number offhand how many contracts we have that have commercial provisions, no. I think we could find that out but it would be quite a task for us and I do not know how long it would take.

Andrew Boff AM: I am trying to understand whether or not instinctively the LLDC only gets into contracts that are commercially confidential. Is confidentiality the default position for the way in which you trade?

David Goldstone CBE (Chief Executive, LLDC): Absolutely not. I do want to go back to a point that I made a bit earlier, which is that I have spent 20-plus years in an environment of large public-sector commercial transactions and contracts and one thing you learn in that is that there are commercial terms that are important and that for the taxpayer's interests those sometimes need to be protected for a period, not necessarily indefinitely because contracts reach a point where it is less confidential, but there is an absolute obligation on us to be transparent. We have talked about the transparency that there was with the Olympics and Paralympic Games and I spent every quarter through those number of years up to the Games briefing broadly across the political spectrum and briefing the media and taking questions and making sure that was very transparent. That was something I was very proud of and it reflected a personal commitment and a commitment from what was the very important all-party support that the Games should be delivered in that way.

I do not have an instinctive feel to keep information confidential any more than is absolutely necessary to protect the taxpayer's interests and to protect public funds, but we are an organisation that has been set up as

a development corporation, which means that we do enter commercial transactions. I do not think we are any more retentive of information than any other body in such a position, but we do a lot of commercial transactions. That does mean – to answer your question – that a lot of our agreements will have commercial elements to them, but that is in the purpose. We are totally here as a public body and as a mayoral body serving the public interest. Anything we are keeping back is only because we think it is in the interests of the taxpayer and that is the rationale.

We are transparent. We have changed, for example, recently the way we report through our Board in public forum in terms of our performance and our financial information. We have a much more accessible and transparent quarterly report that goes to our Board each meeting. That is something I initiated and wanted to see in place. We are showing we are not instinctively keeping information confidential, as you are concerned. We are instinctively wanting to be transparent but in a way that balances that obligation to protect the public purse.

Andrew Boff AM: Thank you. You have said that you do not enter into non-transparent negotiations, ie you hide parts of the contracts, any more than is absolutely necessary but you cannot quote how many times that ‘absolutely necessary’ has happened in your contracts. ‘Absolutely necessary’ sounds to me like it is an exception and you are --

David Goldstone CBE (Chief Executive, LLDC): I also said at the beginning of the answer that most contracts have some elements that at the time are confidential around, for example, a contractor’s pricing or where there is sharing, which we do commonly. We share income or we incentivise partners or we are generating income from Park events. I said and would I repeat that a lot of contracts – I would hazard to say most contracts – at the time they are entered into and for the duration they are live have elements that are commercially confidential. I do not think that that is unusual to say.

Andrew Boff AM: When will taxpayers be able to see those commercially confidential parts of the contract?

David Goldstone CBE (Chief Executive, LLDC): The agreement with West Ham is a 99-year agreement and there are elements of what we have redacted that potentially are going to have commercial sensitivity as long as we are in that position when we are bringing in multiple users to make the stadium something that is an attractive venue for all sorts of sport and concerts and other events. We are always going to be entering those sorts of deals. I am not going to sit here today and say that if we are successful in the appeal, we would then reach a point quickly where we could release the whole agreement because the arguments I have articulated about why we think it is important to protect the public purse will continue for a period yet. There are some of the protections where it may fall away with time but I could not tell you today that we are going to release the whole agreement because the logic of the reasons we have retained some of it will prevail.

Andrew Boff AM: Compared to the 100 years of taxpayers’ responsibility that Mr Edmonds [David Edmonds CBE, Chairman, London Legacy Development Corporation] referred to, we have one year’s grace. Within 100 years, we will find out what the details are of the West Ham deal. Is that correct? One year shy of 100: is that right? We will be able to find out or does it go beyond 100 years with the confidentiality? I am just trying to find out when the taxpayers are able to find out how you have spent their money.

David Goldstone CBE (Chief Executive, LLDC): This starts with the decision that the stadium would make the greatest contribution to the regeneration that we are delivering in East London and the transformation that the Park is delivering in its wider area if it was a successful multi-use venue that brings in many thousands and will bring in many millions of people over time. We had 500,000 people through the stadium last summer alone in a pause in the works to watch a combination of different sports and events with the Rugby World Cup,

the rugby league, the athletics and the motor sport. Very few venues can do that, but that means we are going to be to be transacting with commercial partners all the time through a commercial operator and we have a complex arrangement where we are sharing revenues and costs and trying to incentivise the right behaviour that will make that a really successful long-term venue. That is what we are trying to achieve.

Andrew Boff AM: This is interesting, Mr Goldstone, but the Freedom of Information Act says that the information related to commercial confidentiality should not extend beyond 30 years. You are unilaterally saying that it is 99 years. Can we expect another challenge to the Information Commissioner in 30 years' time?

David Goldstone CBE (Chief Executive, LLDC): I am not unilaterally saying that. I am saying that we had very strong legal advice that says the position we are adopting is correct in the circumstances of the agreement that we have. I am saying that I think it would be irresponsible of me and of the Board to just go against that legal advice and to release an agreement when we have had very strong legal advice that we have strong grounds for --

Andrew Boff AM: We can at least know your intentions with regard to publishing this information. You are saying 99 years when the law is saying 30 years. Is that correct?

David Goldstone CBE (Chief Executive, LLDC): I was saying that the agreement will last for 99 years. I specifically did not put a timeframe on when it would be released. You have to bear in mind that we would still be entering into arrangements under this agreement throughout the 99-year period and so how that 30-year principle applies will need to be considered and I cannot answer that. I am not a lawyer or a specialist in the field.

Andrew Boff AM: I do not know how long you are going to be in the job, Mr Goldstone, but you can expect 99 years of questions.

David Goldstone CBE (Chief Executive, LLDC): Yes. That is understood.

David Edmonds CBE (Chairman, LLDC): As you know and as the Assembly knows, we wanted at the heart of the Olympic Park a thriving, successful stadium. To get that, we went into a competitive situation. West Ham won the competition. As part of that --

Andrew Boff AM: It was no competition, Mr Edmonds. It was no competition.

David Edmonds CBE (Chairman, LLDC): With great respect, there was. There was. We believe at the heart of the Park we are going to have a thriving football club, we hope, that remains in the Premier League, playing 25 or 30 matches a year and providing a real heart for the Olympic Park.

The negotiations that led to that had these confidential components. Honestly, it is not our default position. We are where we are in terms of having done a negotiation, having done a deal and having made some contracts. At the moment we believe that that is the right position to be in. There are some downsides, but I profoundly believe and my Board profoundly believes that the upsides of having got the deal and having got the stadium operating in the way it is going to in a multi-use way but with Premier League at the start is an enormously important part of the Park's development going forward.

Andrew Boff AM: Thank you.

Murad Qureshi AM: Whilst we are on confidentiality, can I ask why questions still exist around the power to veto the ground-share of the Olympic Stadium? Why do there seem to be questions remaining about who can veto the ground-share remaining on the stadium?

David Edmonds CBE (Chairman, LLDC): We are quite clear that there is no veto right but, on the other hand, Premier League rules suggest that both sides would have to agree were there to be a ground-sharing arrangement. Therefore, if there were to be a proposal that was taken forward in terms of ground-share, it is not a question of a straightforward veto but it is a question that would have to be resolved by both the principal tenant, West Ham, agreeing with a potential ground-share.

Murad Qureshi AM: You mentioned the Premiership having an involvement and I have been to matches in the Stadio Olimpico in Italy where Roma and Lazio share the stadium. They are bitter rivals. If they can manage to share a stadium, I cannot see why it cannot happen here.

What I would like to ask, though, is whether it is helpful that Karren Brady [Baroness Brady CBE], the Vice-Chair of West Ham, has said, "No one has asked us for our permission [to ground-share] and if they did we would probably say no". She is suggesting that it is West Ham's call, not the LLDC's or the Premiership's, which you have just mentioned.

David Goldstone CBE (Chief Executive, LLDC): As David said, what it requires is the agreement of West Ham as the concession holder, of an incoming club who would ground-share in the situation you are describing, and of us as the landlord for the stadium. As David was saying, what the Premier League rules require - and this is what may be in mind for Karren Brady CBE in saying that - is that West Ham would therefore have to be part of the agreement.

There is no explicit veto - to go back to your question - in our agreement with West Ham, but there is recognition of those Premier League rules. I know that that is a slightly complex answer, but it is quite straightforward in the sense that there is no veto in our concession agreement but there is recognition of the Premier League rules that require a ground-sharing to take place. That does not mean it cannot take place. It means it requires agreement between the two clubs involved to ensure that the Premier League would then be happy and we as the landlord. If we all agree, it can happen and we have not said it could not.

Murad Qureshi AM: You have to convince Karren Brady CBE, clearly, on this one. Also, I am very surprised that the lawyers who put this deal together did not foresee this possibility of a veto.

There are two football teams that are going to be looking for temporary accommodation because of the stadium renewals and having a new stadium built. That is Tottenham Hotspur and also Chelsea FC. Can you tell us whether E20 Stadium or the stadium operators have received any approaches from Premier League clubs like them in regards to ground-sharing in the present context on a temporary basis?

David Goldstone CBE (Chief Executive, LLDC): As you say, we have appointed an operator to be responsible for, as well as managing the stadium, bringing in other users and other activity. It is fair to say that the clubs that may be looking for temporary venues and the temporary stadia are aware of the stadium's availability, but those conversations would happen between our operator and those clubs. We have put the operator in place to do that and those conversations would happen at that level.

Murad Qureshi AM: You have not quite answered my question. Has E20 Stadium or the operators been approached given Tottenham Hotspur had permission last week for the stadium --

David Goldstone CBE (Chief Executive, LLDC): What I am saying is that the clubs are aware of the availability of the stadium and so those conversations can happen.

Murad Qureshi AM: It is important if we want to get value for taxpayers that ground-share arrangements like this are put together, given what Tottenham wants to do for regeneration in Tottenham and given what Londoners have put into the Olympics. There are parts of London that may have not got much out of the Olympics at all like Tottenham and like Chelsea. It should be foremost in your mind that this assistance be offered.

David Goldstone CBE (Chief Executive, LLDC): I do not disagree at all that there may be considerable benefits from that. It does rather reinforce the point that there are commercial negotiations in relation to the usage of the stadium that will continue in future years because this sort of situation is exactly the one where we may well get into a negotiation with another club. If our terms within the West Ham agreement were in the public domain, it would make that more challenging for us, but you are right that there are potential benefits.

It is also important to say that ground-sharing is complex. It happens, as you say, in Rome, Milan and other places. They have their national league rules and we have ours. However, there are a lot of operational consequences that we would need to take into account as well. It is not necessarily a slam-dunk of just thinking that it is extra income, but there are extra costs around maintaining and sustaining a pitch that can have that workload and operational requirements throughout the stadium that would be taken into account in reaching a commercial position in competition with other potential hosts for those clubs. I would only say that it is absolutely something that is clearly not ruled out, it is something that would require agreement, as we have both said, and it is something that we can see benefits of but would also have challenges to actually deliver. We are not ruling it out.

Murad Qureshi AM: Thanks.

2016/0679 - Outstanding and future challenges

[Navin Shah AM](#)

As the Mayor departs City Hall, what challenges remain for the LLDC and is the organisation fit for purpose in the short, medium, and long term?

David Edmonds CBE (Chairman, LLDC): The big future challenge is as an organisation to maintain the pace and scale of what we are doing. We have at the moment on the Park several thousand houses being built by two developers working with housing associations. We have the whole Olympicopolis set of buildings to design and to execute. We have the major subject of jobs coming into the Park and we hope that in Here East 5,000 jobs will be created.

For the Board – and it is actually going back to one of the earlier questions about risks – it is to make sure that all of those risks are properly understood and are tied together and that we have an effective plan for delivery. Our major challenge is that everything goes on at the pace that it is. It is a very big pace. As I said in my introductory remarks, it is a major challenge for us, hopefully, to bring forward more housing on the faster scale. It is to look at issues of affordability. Above all, it is to ensure that the momentum that we have put into this Park and the surrounding areas over the last few years is maintained.

Clearly, the issue of continuing to work closely with the Mayor, with the Assembly and with local boroughs to ensure that we have that strong relationship going forward is another challenge for us and is something that

we also have as a high priority. Those are the outstanding and future challenges that very briefly I would respond to.

Navin Shah AM: Yes, David, thanks for that. Surely there is a whole range of risks as well as challenges facing the LLDC. In the short term, of course, as we have already demonstrated, there is an issue about the income from venues and attractions, which is a big short-term challenge. In the medium term, you have the rundown of institutional reserves and the LLDC is already entirely reliant on GLA resources. The main issue is that the Park is meant to be - or that is the vision - self-sustaining financially and that is entirely through the revenues generated from the Park's facilities and the whole complex.

I accept some of these issues you outline which are being tackled and you said that you have an effective plan for delivery, but let me ask you. Do you believe that you will have to cut costs if these issues do not work related to the Park's maintenance and operations to help make it self-financing?

David Edmonds CBE (Chairman, LLDC): I think costs are under control at the moment. We are an effective cost manager across the range of venues that are currently operating. The balance between pricing and cost is always going to be difficult. We have some expensive venues to maintain and run forward. On the other hand, we have some of the best venues that exist in the country and, I suspect, in the world. We have a world-class pool. We have a world-class sports hall. We have a world-class stadium. There is a balance between the cost, of course, and the income.

Navin Shah AM: The worry is that if the balance is not achieved, you will have to consider implementing cuts. Where will those cuts fall?

David Goldstone CBE (Chief Executive, LLDC): The way we view this is - and you referred to this in your question - about trying to reach the position where, long term, the Park as a whole is sustainable. The venues are an important part of that not just in terms of their own costs and revenues but because they enable us, for example, to bring in charges on the developers that come in, the housing developers, the bringers of new employment into the area, that help subsidise the operating of the Park without that being a draw on GLA resources. They pay charges for being part of the Park. That reflects the fact that what we are trying to do is to make this whole area one that is transformed, one that is an area with new housing and with jobs, a new heart of the city, but is also financially sustainable. It is a long-term aspiration.

We have to remember that the Aquatic Centre was opened two years ago yesterday. It has already had 1.7 million visitors through it. It neighbours what will become a major centre of employment activity in the new headquarters offices that is under construction at the moment. It may be where the Olympicopolis assets will be. Long term, the usage of that and the financial position of that will be transformed as the Park develops. We are only just at two years since the Park reopened and this is a long-term programme where the venues are at the heart of the attraction for new employers, for new housing and for new communities to live on the Park and are part of the attraction. There is a financial contribution that comes from those uses beyond what is the income and expenditure of the individual venue.

Navin Shah AM: I would simply like to say that whilst I applaud your enthusiasm, which is very clear now and it was at the Regeneration Committee meeting, the problem is that if your implementation does not quite materialise, it is going to impact on the regeneration of the whole of the Park and will therefore affect the whole range of aspirations and the vision that we have founded for the Park.

David Goldstone CBE (Chief Executive, LLDC): I can only say that, first of all, the enthusiasm is absolutely genuine because I really believe we are delivering what we say. I believe we are doing so successfully with a

long-term horizon. Those risks are genuine risks and I am not saying there is no possibility of that, but 8 million visitors in less than two years of the Park being opened is an astonishing statistic. There were 1.7 million users through the Aquatic Centre and its neighbouring sites will get developed but are not yet. That shows the enormous popularity of the venues and enormous success for the Park in its first period. We are pricing – as David referred to and it is an important point – to make this accessible to the local community to be in the bounds of what other local host borough facilities charge so that we are not charging at a level that says, “This is a world-class aquatic centre”. We are charging comparative to local venues and yet we are on the road to it becoming a financially sustainable area.

Navin Shah AM: Thank you very much, David.

Richard Tracey AM: Gentlemen, can you enlighten me? Is there some overlap between you and the Lee Valley Authority?

David Goldstone CBE (Chief Executive, LLDC): We are next-door neighbours, in effect, and so there is a part of the area that I suppose from a public perception point of view you might think of as the Queen Elizabeth Olympic Park that is in the Lee Valley Regional Park boundary. The VeloPark and the tennis and hockey facilities at the north of the Park sit within Lee Valley’s boundary. They are our next-door neighbour and we work very closely with them.

I take some pleasure in the question because if you come to the Park the boundaries feel seamless and that is a good thing. We promote things and work closely together. We do not have an overlapping boundary; we have a neighbouring boundary.

Richard Tracey AM: Those particular parts of the Olympic legacy are actually in Lee Valley, yes?

David Goldstone CBE (Chief Executive, LLDC): They are and those venues are operated by the Lee Valley Regional Park Authority.

Richard Tracey AM: They are operated and how profitable are they?

David Goldstone CBE (Chief Executive, LLDC): I would have to say, to be honest, you will have to ask them that. I do not know. I know they have been very successfully used. The velodrome passed 750,000 users since it reopened recently. If you want to go there, you would have a considerable wait before you could get on the cycle track. On profitability, I have to say I could not answer now. The Lee Valley Regional Park Authority is, again, a public body with its own obligations, but I do not have its financial information to hand.

Richard Tracey AM: Yes, but it is fair to assume. You have been telling us how successful your own facilities are and you do know in principle without knowing all the facts that their facilities are also likely to be pretty profitable.

David Goldstone CBE (Chief Executive, LLDC): I have carefully not commented on the financial position. I genuinely do not know. I am not --

Jennette Arnold OBE AM (Chair): Assembly Member Tracey, can we have questions to the guests about their area of competence? They are not here to answer for the Lee Valley Authority. No, it is not on. It is not on.

Richard Tracey AM: I will explain, Madam Chair, because I wanted to know about any overlap, as you heard me ask. Of course, the point I am making is that the Lee Valley Authority charges a considerable precept to all 32 London boroughs and that a large number of the 32 London boroughs hardly know where Lee Valley is. You are giving me some very useful information because, in the campaign by a large number of boroughs in London, we would really rather that Lee Valley maintained its own facilities rather than charging the rest of us. Thank you very much for your information.

Jennette Arnold OBE AM (Chair): You do not have to comment on that. This is an ongoing wish of the Member. Can I call on Assembly Member Twycross?

Fiona Twycross AM: Thank you. I wanted to ask a bit more about the LLDC's financial resilience and the risks. You have alluded to risks and they have been raised by others. What risks do you believe a global economic downturn would pose to the LLDC and its priorities for delivery?

David Edmonds CBE (Chairman, LLDC): It is a fundamentally interesting question. The future resource we are looking to realise to continue the development is dependent on land prices continuing to be buoyant. It is dependent on house prices continuing to be buoyant. All of the assumptions we have done in our business planning - both for the funding of the Olympicopolis, which to some extent is helped by house price sales, and in terms of the land receipts that we get going forward, which in due course will enable us to pay back GLA - are all based on a degree of robustness in the world economy or in the British economy. The risk is the risk that everybody else faces. It is no different. I do not think any of the assumptions we have made are unrealistic, but they do not factor in a shock of 2008/09 proportions and I suspect no public body does do that.

Fiona Twycross AM: You have repayment terms for some areas that rely on 10 or 15 years but you have not expected at any point in that time for there to be any kind of global economic downturn, despite that being something that is widely --

David Goldstone CBE (Chief Executive, LLDC): Can I just add one point. It is very difficult to know how a global economic shock will pan out and, as many of us will know and have experienced, they pan out in different ways at different times. One thing that quite often happens is that the very high construction inflation we have at the moment might be considerably lower and that would have offsetting impacts on any loss of revenue potential. It is quite possible and happened in the run-up to the Olympic Games [London 2012 Olympic Games]. Because of the 2008 shock, two things happened: land values came down and also construction inflation fell dramatically and actually provided some assistance to our financial management of that programme whilst we were also dealing with the loss of residential income that would have arisen. It does depend very much on how it pans out and that is one of the reasons why it is very difficult to model how construction inflation is hit and how revenues can be can be different and can largely offset, but that is not necessarily the case. It is just very uncertain how such a scenario would pan out.

Fiona Twycross AM: What work has the LLDC done to identify risks to your business model and how are these managed? Stephen [Stephen Knight AM] alluded to the fact that there are some areas that are 'red' on a RAG rating. How have you managed your risk register?

David Goldstone CBE (Chief Executive, LLDC): When I was answering that, I was talking about some of the funding challenges that there are in Olympicopolis where we have a large, complex scheme. It does assume some future residential income. It assumes some philanthropic fundraising. We believe we are well placed in all of those.

However, the reason we are very transparent about the fact – to go back to that theme – in terms of our risk reporting is that we do see that as a project with risk and the global economic factors you are mentioning are part of the reason it is identified as a ‘red’ risk in our risk register. That is not to say that we have not made really good progress developing the scheme, working with the partners, developing the masterplans and securing all of the funding, but it is challenging and the risk you are referring to is one of the reasons it is ‘red’ on our risk register.

Fiona Twycross AM: Do you have sufficient financial flexibility to respond to any challenges?

David Goldstone CBE (Chief Executive, LLDC): We have shown a lot of fleetness of foot in responding to all sorts of challenges. It is, again, difficult to know if we have sufficient for a shock, but we have adapted our plans. The East Wick and Sweetwater housing developments have been delivered six years earlier to respond effectively to the pressure that we all know and recognise to increase the supply of housing as a real priority. We have accelerated that development. We have introduced Olympicopolis as a new programme that was not previously planned with consequences for our wider legacy community planning scheme. We have shown that sort of responsiveness to changing circumstances and changing priorities, which is very important in the context of what has been a long-term strategic plan and a strategic vision over the last 15 years or so. We have been able to respond to changes. If there was a shock, sometimes some things need to get accelerated and some things need to get slowed down and we would be responsive in those environments, but we are trying to make sure that we show the fleetness of foot and the adaptability to respond to change in the way we have done so far.

Fiona Twycross AM: One of the ways that institutions normally mitigate against potential future financial insecurities would be to have institutional reserves. As Navin Shah [AM] indicated in his remarks, you are now reliant on the GLA’s reserves. Should the Assembly be concerned that you are entering increasingly uncertain financial times and have spent your institutional reserves?

David Goldstone CBE (Chief Executive, LLDC): I do not think so, no, and what that reflects is partly a change in the status of the organisation from before it was a development corporation in the current environment and the inherited financial position from the Olympic Park Legacy Company (OPLC), and the fact that we are now, I suppose, very close to the GLA. We are very transparent in our financial information and the upsides and downsides do flow. We are a totally consolidated part of the GLA’s financial management. We could hold a reserve and the GLA could put us in funds for a reserve, but that would tie up funds that the GLA could use elsewhere if that was done.

We think that the important thing is that we share all of our financial projections and we discuss risks very openly. They attend our investment committee and our Board both in public and in private where some of the commercial aspects are discussed. It is that complete transparency that gives the GLA the confidence to know that they know what is going on, they understand the risks we are managing and how we are managing them, most importantly, and that they can go forward with the budgeting arrangements we now have in place without us holding a separate reserve that will tie up GLA funds – as you say, understandably – as a contingency against unforeseen future events. Effectively, those contingencies are held at the GLA level.

Fiona Twycross AM: Thank you. I want to touch briefly on visitor numbers and the visitor number forecast, which has come up in the context of the Orbit and is quite an important aspect of future forecasting. I just wondered whether you could explain a bit about how you calculate your annual throughput targets for each venue.

David Goldstone CBE (Chief Executive, LLDC): If I may be, I suppose, slightly pedantic, we have tried to move away from a specific throughput target for each venue or for the Park. We forecast for the Orbit, clearly, because we needed to do for the business case for the slide, but for the Park as a whole and talking about venues more broadly, we work with the operators of the venues. We have a concession operator that runs both the Copper Box and the London Aquatic Centre, which projects and manages throughput numbers. We look at what is happening in the Park. Next year the stadium will be operating for a full football season. The new housing will start to come on-stream and the new jobs will come in, for example, in Here East, where there are major employers moving in. We can look at our forecast of visitor numbers on a bottom-up accumulation basis. It is about the actual activity that is going to drive those numbers rather than setting an arbitrary target, but we are very positive about the growth. We, as I say, achieved over 8 million visitors in the first two years and the numbers per annum will grow year-on-year over the coming years as more and more activity comes into the Park.

Fiona Twycross AM: I am surprised that you view visitor projections as 'arbitrary' given that they were quite a big part of the forward planning. Are you concerned that while the Park is successfully attracting visitors it appears that venues are not to the same extent? Will this be a problem that you will be able to solve as you go forward or are you just doing away with visitor targets.

David Goldstone CBE (Chief Executive, LLDC): No, that is not correct to say. The Aquatic Centre had been open two years yesterday and has had 1.7 million visitors in its first two years. That is, on any measure, a great sign of success. We have somewhere around 3,000 children a week having swimming lessons in the Aquatic Centre. It is a community facility that is being used very extensively, as well indeed as being an elite training venue and meeting those objectives around being both elite and community and particularly focused for children and young people. The venues are increasingly popular.

It is misleading to say that we are not focusing on the numbers through the venues. I said that we were not setting targets other than, bottom-up, looking at what the projections were. We are at 1.7 million for the Aquatic Centre, well over 750,000 for the Copper Box Arena and similar numbers through the velodrome - managed by Lee Valley - and we have talked about the Orbit and the projections for how the introduction of the slide will increase those numbers. We are very positive about the visitor numbers.

It is on a long-term trajectory, as I said earlier, about making the whole place sustainable and there will be more and more usage and more and more visitors as we have more homes, more jobs and more development on the Park, which we are only two years into since the Park reopened with a number of years to go as we bring in the Olympicopolis partners, the further employers and the further homes.

Fiona Twycross AM: Thank you. Would you consider publishing visitor numbers and full income and expenditure accounts by venue as part of the transparency.

David Goldstone CBE (Chief Executive, LLDC): We are publishing the income and expenditure by venue. There was a lot of that information, for which I apologised in the Regeneration Committee and if I did not I will repeat the fact now. When we introduced what we were intending to be a more transparent and more accessible public report for the Board, we aggregated some venues that had previously been shown separately and we have reintroduced showing them separately and so that will absolutely be there. That will be transparent and available.

Fiona Twycross AM: Thank you.

Tom Copley: If I could turn to housing, to what extent could global financial uncertainty affect the affordable housing totals for the remaining neighbourhoods on the Olympic Park?

David Edmonds CBE (Chairman, LLDC): I do not think they should affect the targets.

Tom Copley: Not the targets, but the totals.

David Edmonds CBE (Chairman, LLDC): At the moment, as you know, we have two major developments on two of the major sites going forward. There are times for the release of those over the next two to three years. All of those developments have between 30% and 35% affordable units within them. One very much hopes that that will stick. We think that they will stick. Looking forward, our targets are there. We do need to work with the private sector. You cannot make the private sector develop housing schemes if it does not think it is going to make a profit from them. It is like the rest of the housing market.

David Goldstone CBE (Chief Executive, LLDC): We have a Park-wide target of 35% or our area-wide target of 35% is something that we have committed to in our local plan and so that is not something that --

Tom Copley: Was that not reduced to 31% when the --

David Goldstone CBE (Chief Executive, LLDC): The 31% is for our own sites including the Park and our own development areas. That was reduced from 35% as a result of the acceleration by six years of bringing forward the East Wick and Sweetwater developments - and that was taken through the formal approvals about two years ago - to recognise that we were going to deliver much more housing earlier but that there was a trade-off then in the deliverability of that that meant there was a reduction in the percentage of affordable housing.

Tom Copley: Are you anticipating a lower level? You must look at various scenarios. Are you anticipating a lower level because of global financial uncertainty on the future developments?

David Goldstone CBE (Chief Executive, LLDC): No, we are not.

Tom Copley: You are not. OK. I will turn to - I hate this word - Olympicopolis - I cannot even say it; it is one of those 'Borisisms' - and the switch to cultural uses in the south of the Park. Can you confirm it will have no effect on the split with affordable and market housing?

David Goldstone CBE (Chief Executive, LLDC): The change of the planned use for the sites where the arts, cultural and educational institutions - to avoid using the word - will be based is something that we have had very broad support for from central Government, from the Mayor and from all of the Leaders and Mayors of the boroughs around the Park because it brings such great benefits in terms of the economic impact --

Tom Copley: Sure, but will it affect the split?

David Goldstone CBE (Chief Executive, LLDC): I am going to answer, yes. It has consequences because both of those sites were previously designated as housing. We are working it through. There will be some housing still on there but on those sites almost certainly less, and that has been made clear before. What we are doing is looking at our whole legacy plan housing provision, which is the references you are making come from, to see whether we can compensate for that on other sites and that is work that is still going on. We will be submitting a new planning application towards the end of this calendar year for the UCL site and for the

site with the other arts, cultural and educational institutions and that will reflect the impact on housing provision across the whole area that we are responsible for.

Tom Copley: When will that be published?

David Goldstone CBE (Chief Executive, LLDC): By the end of this calendar year. We are aiming for December this year. That is the target

Tom Copley: By the end of this calendar year, but at the moment you do not know whether it will reduce the level of affordable housing?

David Goldstone CBE (Chief Executive, LLDC): At the moment it is work in progress to establish what housing we can provide on that site and what it will mean in terms of looking at all of our other sites and asking how we can increase provision elsewhere to compensate for what is some loss on that site. That is important because we are bringing these benefits and we are trying to, as far as we can, protect the housing provision.

Tom Copley: At this stage you cannot tell me what the total number of affordable housing units will be on the Park in light of the Olympicopolis development?

David Goldstone CBE (Chief Executive, LLDC): I am telling you that at the end of this calendar year when we plan to submit the applications for planning permission for the Olympicopolis developments, we will have that information available.

Tom Copley: Can you tell me what progress has been made in procuring a housebuilding partner for the south of the Park?

David Goldstone CBE (Chief Executive, LLDC): It depends which --

David Edmonds (Chairman, London Legacy Development Corporation): Which do you mean?

David Goldstone CBE (Chief Executive, LLDC): We have a housebuilding partner on East Wick and Sweetwater. Some of it is south and some of it is north. They are in place. That is a joint venture between Places for People and Balfour Beatty. We signed contracts for that approximately this time last year, at the beginning of March last year. They have zonal masterplan approval and they are starting onsite later this year.

Tom Copley: Thank you very much.

Andrew Dismore AM: In answer to Fiona [Fiona Twycross AM] and others, you again went back to the issue of transparency and I would like to come back to the West Ham deal. I have here a copy of the West Ham concession agreement, which I assume you have read.

David Goldstone CBE (Chief Executive, LLDC): Yes.

Andrew Dismore AM: This is the redacted copy. I do not understand, for example, why in section 28 your arrangements for the police are redacted. Presumably, that is something that we can get from the police anyway. If you look at this document, page after page after page is entirely blanked out. The only thing we seem to know is that the witness to the signatures was a trainee solicitor. Frankly, do you really think that that is acceptable?

David Goldstone CBE (Chief Executive, LLDC): I am not sure if you are looking at the redacted version or the version we released with far fewer redactions. There are some sections, but you may have just chosen two or three pages --

Andrew Dismore AM: This is an example calculation. The stadium naming rights: page after page after page is redacted.

David Goldstone CBE (Chief Executive, LLDC): Yes. I mentioned --

Andrew Dismore AM: Why is the police bit redacted?

David Goldstone CBE (Chief Executive, LLDC): What you are getting into is exactly the matter that the Information Commissioner tribunal hearing is addressing and I suppose I am feeling cautious about getting into something that is in a judicial process that is partway through. However, I would say that that is one of the costs that a potential other user of the stadium would use and therefore can be part of the negotiation of other uses, but that is exactly the matter the Information Commissioner is hearing --

Andrew Dismore AM: The police charges are pretty well standard, are they not?

David Goldstone CBE (Chief Executive, LLDC): No --

Andrew Dismore AM: Let us talk about the Information Commissioner, then. Your original submission to the Information Commissioner in September 2015 stated that disclosure would reveal elements of a business strategy which could be exploited by West Ham's competitors. In other words, you are doing West Ham a favour by objecting to this. Then in October last year, the Mayor when I was asking about this said, "I am perfectly happy to publish the details of this arrangement. We understand the club concerned is not so keen because they think it will give other clubs an insight into their finances"; yet in the same month West Ham issued a statement that said:

"The club would like to point out, so that everyone is 100% clear, that it is not party to the Freedom of Information Act, and that the Information Commissioner's ruling is not against West Ham United; it is against the LLDC."

David Goldstone CBE (Chief Executive, LLDC): Correct.

Andrew Dismore AM: Then you shift the group again to say, "OK, we are back to the original proposals, while we are objecting, which is our commercial confidentiality". It does not really show much consistency and it is not really going to generate much trust and confidence in the LLDC, is it?

David Goldstone CBE (Chief Executive, LLDC): The grounds for the appeal are very clear. We have very strong legal advice that the commercial confidentiality in relation to three specific provisions of the agreement, which undoubtedly have a lot of words, as you are referring to, requiring to be redacted, but it is only three provisions. That is the legal advice --

Andrew Dismore AM: It is rather more than three. I have flagged --

David Goldstone CBE (Chief Executive, LLDC): The legal advice we have had has been very clear that we are on strong grounds to appeal that release and that is the matter that the Information Commissioner tribunal will adjudicate on.

Andrew Dismore AM: I have flagged at least seven sections of this deal that are very heavily redacted, including the police and the naming rights and quite a few other things as well.

One of the concerns we have to have is about anticompetitiveness, which is why you have the challenge from the 14 football clubs and the FOI request. If we look at what has happened elsewhere, Manchester City openly took over the stadium from the Commonwealth Games there. It pays £4 million a year to the Council for that. Tottenham was going to use Wembley and that would have been clear. In Europe, AJAX pays €9 million to Amsterdam. We know that the European Union has now started state aid investigations into seven Spanish and five Dutch football clubs because of deals, potentially, like this. You are going to be next, are you not?

David Goldstone CBE (Chief Executive, LLDC): It is interesting, though, that the European Commission specifically said last year having looked at the terms of our agreement that it did not require any further investigation and it did not see a basis to investigate the matter further. It has looked at this agreement and the implication must be that it recognises that it is a different sort of agreement to the ones you are referring to.

The difference with this stadium is that this stadium has stayed in public ownership. We own it in a joint venture with the London Borough of Newham and West Ham has a right to use it on a certain number of days. That arrangement means that we are going to be entering into other arrangements with other partners and other users as well.

The European Commission did look at it. It had the terms of the agreement and said that there was no basis to investigate the matter further. That is pretty clear. Those are their words, not mine. We are confident that there is no state aid in this arrangement.

Andrew Dismore AM: Are you inner or outer?

David Edmonds (Chairman, London Legacy Development Corporation): We will not answer that question.

Andrew Dismore AM: No, I am afraid not --

Jennette Arnold OBE AM (Chair): Have you finished now, Mr Dismore?

Andrew Dismore AM: I am just going to put to Mr Goldstone that this whole sorry saga has done quite a lot of reputational damage to the LLDC, has it not?

David Goldstone CBE (Chief Executive, LLDC): The reputational damage if we released our agreements and were then unable to make the stadium viable long term and lots tens of millions of pounds would be considerable. We are acting in a way that we believe is right on very strong legal advice that we should be protecting our ability to negotiate future deals and our operators' ability to negotiate future deals on the best commercial terms.

What lessons can the Old Oak Development Corporation learn from the LLDC?

David Goldstone CBE (Chief Executive, LLDC): We feel that we are on a road to a very successful delivery of the regeneration objectives that were set with the bid for the 2012 Games and we have inherited to deliver. There are three or four lessons that I would draw out for Old Oak and Park Royal Development Corporation (OPDC). One of the strengths we have had has been the long-term strategy and the long-term consistent vision that has been followed and that has enabled a consistency of approach on what is a long-term journey and we are only partway through it, as I have said earlier. For example, the ability to sustain cross-party support over 15 years with changes in central Government and Mayor and maintaining support of all the local boroughs and leaders has been something that has been a great strength and that we have worked very hard to achieve. We worked very hard to maintain really good relationships with a wide range of partners that are necessary to achieve this sort of transformation. Those are both public bodies and a range of private sector investors and partners. The consistency of strategy and vision that has enabled the long-term investment to be made that generates the long-term return and puts us in a position where we can repay that investment and generate a surplus for the GLA over time.

Having said all of that, we have had to be very nimble and respond to changes when those have arisen and be fleet-of-foot about when policy changes or priorities change. The changes we were just talking about a few minutes ago around changing the housing plans to accommodate Olympicopolis and accelerating housing development to bring 1,500 new homes earlier on East Wick and Sweetwater are examples of that fleetness of foot. We have to be responsive in that way. We will be interested to see what the policies of the new Mayor when that is in place are and to be ready to respond to those in the same way.

I suppose the other thing I want to say is that it is very important at a practical point. These projects are complex. They are challenging. They get delivered through successful teams and successful organisations and successful boards. Having that strength of team, organisation and governance has been important as well. That is something that cannot ever be ignored.

Gareth Bacon AM: If you could go back to April 2012 when the LLDC was founded, knowing what you know now and having experienced what you have in the last few years, is there anything that you would do differently?

David Goldstone CBE (Chief Executive, LLDC): The fundamentals have been very well set up. I came into this role 18 months ago in the autumn of 2014 and I am not sure I would have put myself in the position of choosing to take the role if I was not very happy with how the fundamentals had been established and that the project, the whole programme of activity and the regeneration initiative was not set up to succeed. I did feel that. I do feel it has followed a consistency of vision that I was part of in my role in the lead-up to the Olympic and Paralympic Games and was involved in the planning for and I really wanted to see it through. It is set up in a way that is set up to deliver success, recognising that it is a long-term ambition. I do not think there is anything major that I would change.

David Edmonds (Chairman, London Legacy Development Corporation): No. If I may, I do not think I would, either. I was an original Board member of the OPLC and the work that we did to develop the original masterplan was profoundly important because we left enough flexibility within the plan to respond to changes. The whole Olympicopolis development was not in the original masterplan but we had the ability quickly to respond to opportunities. Our ability to bring forward housing at a different pace and rate is important as well.

I guess the real lesson is to have a plan from the start that has sufficient flexibility within it but which is also sufficiently directive to give the private sector, with which you have to build partnerships, a clear view that you can deliver what you say you will deliver. There is nothing that weakens the credibility of a public sector organisation more than saying, "We can do this, we can do that", and then not actually doing it. Everything we have committed to doing with our private sector partners we have done.

The other thing I would say is about pace and on occasion I have been frustrated by the delay that bringing together the various organisations has necessarily led to.

Apart from that, I would give us a good beta-plus in terms of the original plan and our implementation of the plan and on occasion I would give us an alpha-minus.

David Goldstone CBE (Chief Executive, LLDC): Could I add just in relation to OPDC specifically, which was your question? We are working closely with them and we have very close contact. I deal with Victoria [Victoria Hills, Chief Executive Officer, Old Oak & Park Royal Development Corporation] and our teams. Specifically on the master-planning point and the area-wide planning, we have seconded some of our resource into their team to help exactly address that need and that should reassure the Assembly that we are working closely together. To the extent that there are lessons to learn from what we have done, they are able to benefit from that.

Gareth Bacon AM: It strikes me that the LLDC, because it is so closely associated, inevitably, with the Olympic Park, was a titanic project not just for London but for the country and I completely agree with your assertion that it was set up to succeed. It could not really be set up to fail because it would be a gross embarrassment to the country. That symbolism is not necessarily attached to Old Oak and would not necessarily be attached to future mayoral development corporations (MDCs) in the future. Do you think that it might in some way prejudice either Old Oak or any future MDC with the fact that it is not associated with something as titanic as the Olympics?

David Edmonds (Chairman, London Legacy Development Corporation): In some ways, it could be easier if there is a blank canvas rather than the rather complex canvas that we had to deal with. For example, we have touched on today the conversion of the stadium into what it has become. I am not sure. Had we had a straightforward development corporation enabled to develop the land that we are now developing, we could probably have got on with it quicker had we not also at the same time had to deal with the business of the stadium and the pool. Here East is going to be a fantastically successful project, but it took an awful lot of resource and effort to get the plans in place that are now being implemented, again, with a private-sector partner. What was absolutely essentially during that process was that we retained the commitment and investment from two different private-sector partners.

Gareth Bacon AM: You mentioned earlier in your answer, David, the need to satisfy private-sector investors that you can do what you say you are going to do. The reason for that is obvious: they are putting in a lot of cash and they need to be confident that it is not going to be wasted. You do also need to balance that with maintaining relationships with public sector organisations, not least various different boroughs because it is a cross-border thing, which Old Oak will also need to deal with.

How have you gone about doing that? Again, because of the unique status of the LLDC being the Olympic Park, do you think it has been easier for you to do that than it would be for Old Oak?

David Edmonds (Chairman, London Legacy Development Corporation): In a way it has been easier because we have had three Mayors and the Leader of the local authority sitting on the Board and so they have been integrated into all of the political - with a small 'P' - process of the LLDC. Every development has had

their thumbmarks saying, “Yes, let us go forward with it”. Some plans have been significantly amended because of the wishes of the local political leadership. Here East is a very good example. We are working very closely with Hackney and we have produced the result that the Mayor wanted. With the stadium, we worked very closely with the Leader and with the elected Mayor of Newham. Having those members on the Board has been a huge help.

Secondly, I in particular – I cannot speak for my predecessor – have developed personal relationships and working relationships with each of the local political leaders and of course we have a political relationship into City Hall. Having a Chairman and Board that is very conscious of the need to respond to the local political will is a key part of the success of what we have so far secured. We have to go on working very closely with whichever political leader appears here after May 2016, as well as with the local political leaders.

David Goldstone CBE (Chief Executive, LLDC): I would just say from the organisation’s point of view that I do not think it is something that has been particularly made easier by the fact that we had the Games aspect. It is – and David used the phrase – personal relationships. There is a clear strategy. There has been a clear vision that our local borough partners, the Leaders and Mayors, and our private-sector investors have understood and we have been consistent about that. We operate with them and are, subject to some of this discussion, trying to be transparent as far as we can, consistent and commercially straight in doing good commercial deals that are in the interests of the regeneration and are deliverable for private partners. We have very major private investment and an enormous amount of the investment that has gone into the area is totally private money and that has been a very big part of what is now delivered there. However, the public investment was known to be going in and was a very important part of it as well.

The challenge is to maintain good relationships with both and I spend a lot of time dealing with the chief execs of the boroughs and dealing with also the heads of the big private-sector investors. That ‘stakeholder management’, to use that phrase, is a very big part of what we as an organisation have to do. It will be for Old Oak as well.

Gareth Bacon AM: Thank you very much.

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[Jenny Jones AM](#)

Are you satisfied that you are seizing this once-in-a-lifetime opportunity to provide community-led housing and cycling infrastructure on the Olympic Park?

David Goldstone CBE (Chief Executive, LLDC): There are two parts to the question, if I am right, the cycling side and the community-led housing. I have read them the opposite way around to how they appear.

Jenny Jones AM: It does not matter.

David Goldstone CBE (Chief Executive, LLDC): In relation to cycling, there are two or three things that we are doing to make sure we are, as you say, seizing the once-in-a-lifetime opportunity. We have a Park with 560-odd acres of what is now public open space with pathways, cycle ways and accessible cycle-friendly roadways that is being is very heavily used by cycle users.

There are two specific things we are now doing really to try to maximise that benefit. We have been working with the Mayor’s Cycling Commissioner [Mayor’s Cycling Commissioner] to introduce a Quietway. There is a new east/west route across the Park allowing cyclists to access the Park more easily. There was a lift and a

chute, but it will enable cyclists to come into the Park without having to dismount from the Hackney side and, importantly, avoiding the Bow Roundabout and the Stratford gyratory on their way towards London, depending on which way they are going. That is an important scheme that we are progressing later this year.

We have introduced, as I am sure many of you will be aware, the Santander bike scheme. That has now come to the Park and we have been installing docking stations since the beginning of the calendar year. We have eight docking stations in place and we have 300 docking points, making that cycling infrastructure much more available.

The other thing to bear in mind of course beyond all of that stuff is the fact that we have a VeloPark, which we talked about earlier, to the north of the Park, which is an absolute centre of different strands of cycling activity. There is the velodrome, a cycle track, road cycling, the BMX track and mountain bike trails. We have a real focus of cycling activity in the north of the Park but we are trying to make the rest of the Park as welcoming and accessible for cycling as possible.

Jenny Jones AM: You talked about that and we were promised a 'paradise for cycling', but you are apparently going to open up all the Park routes to motorised traffic. That does not fit with a 'paradise for cycling'. When is that going to happen?

David Goldstone CBE (Chief Executive, LLDC): We are not opening up all of the footways and the discrete cycle routes. There are roads and not all of the roads yet have been opened up and so there are roads that will be opened up to motorised traffic as well, but they have cycle paths as well and it is not necessary to get up or down or across the Park to use them.

Jenny Jones AM: The cycle paths on these roads with motorised traffic are going to be of high quality, are they? They are not going to be a metre squashed against the kerb? They are going to be decent --

David Goldstone CBE (Chief Executive, LLDC): I think there are high-quality cycle path routes there now.

Jenny Jones AM: I am talking about the specific thing you have talked of opening up to motorised traffic because, if you want a 'paradise for cycling', clearly, you are not going to open it up to motorised traffic, which opens it up to all sorts of potential for conflict.

David Goldstone CBE (Chief Executive, LLDC): There are roads that go across the Park that already have motorised traffic. We have bus routes that run across the Park, which are important in terms of, for example, people accessing the jobs that are available and will be important for the new communities moving into housing. I am not going to say that we are going to close the roads that are operating. There are one or two that have not been adopted yet but, broadly, there is a network of cycle paths and cycle routes that is very well established and heavily used.

Jenny Jones AM: When are you going to open up the rest of the roads that you are planning to open up to motorised traffic? When is that going to happen?

David Goldstone CBE (Chief Executive, LLDC): There are discussions with the boroughs in relation to road adoption and so I do not have a specific date at the moment. I could maybe come back to you in relation to individual roads that --

Jenny Jones AM: Are we talking this year?

David Goldstone CBE (Chief Executive, LLDC): Can I come back to you with that? I do not have a specific date.

Jenny Jones AM: OK, fine.

David Goldstone CBE (Chief Executive, LLDC): To reassure you, the main road routes are already open and they are being used by buses and cars, but we have cycle routes that crisscross the Park and so --

Jenny Jones AM: I understand that.

David Goldstone CBE (Chief Executive, LLDC): -- whether it is a paradise or not, it is very accessible and welcoming for cycling.

Jenny Jones AM: I am curious about a feasibility study of improvements for cycling provision in the Olympic Park that was commissioned by the Newham local authority. It was done by John Dales of Urban Movement consultancy and was due to report in 2015 but nobody has seen sight of that report.

David Goldstone CBE (Chief Executive, LLDC): If you are saying that nobody has, I would have to say I have not, either. If that is a report by Newham, then it does not sound like it is a report by us. Again, I would be happy to follow up if I can get the details of it.

Jenny Jones AM: That would be great because I thought that you were involved in that.

David Goldstone CBE (Chief Executive, LLDC): Our team works, as we said earlier, very closely with the boroughs but, as you have described it, it sounds like it is Newham's report rather than our own.

Jenny Jones AM: All right. Thank you. I want to move on to the community-led housing. I am concerned that this is going to be a long and complex process when it does not need to be because we already do have the East London Community Land Trust and it is quite happy to incorporate other people and that sort of thing instead of setting up a rather long and unwieldy open-tendering process.

David Goldstone CBE (Chief Executive, LLDC): We are not anticipating anything long or unwieldy in the tendering. We included the requirement for a community land trust in the arrangements we put in place for the developers for East Wick and Sweetwater as part of the brief and part of the procurement to appoint the developers that we did eventually appoint. We have been working with those partners to take forward a community land trust and we are going to take that forward very soon. The intention is to have an appointment made in this calendar year and so we are not talking about something that is going to take years and years. We have transparency and value-for-money obligations that where we are procuring we do have to use public procurement, but in this situation we are able to use the arrangements that the developer will put in place to bring in a partner that will do it very quickly and efficiently.

Jenny Jones AM: You are sure that it is going to be a community-led organisation and not some sort of façade set up by a developer that looks as if it is?

David Goldstone CBE (Chief Executive, LLDC): The commitment was to a community land trust that will meet that definition and so, yes, totally.

David Edmonds CBE (Chairman, LLDC): Totally sure, yes.

Jenny Jones AM: All right. The Mayor in 2012 promised that there would be at least 100 homes in this community trust but you are promising only 20. Why is that? Why are you not fulfilling the Mayor's promise?

David Goldstone CBE (Chief Executive, LLDC): At the time the promise was made, we were looking to deliver some of the homes through the Chobham Manor development that was already contracted. What we are trying to do is to honour the Mayor's commitment that there would be a community land trust on the Park and that is what we are delivering through the East Wick and Sweetwater development. It will have a minimum of 20 units but whether in time we can go further will be something that we will look at.

Jenny Jones AM: I am sorry; I do not know which one of you said it earlier, but you said that you want to "make the whole place more sustainable". The beauty of community-led development is that these houses will be affordable in perpetuity. They are not affordable housing that is only affordable once, when they are bought, but they actually continue because the houses are sold back to the community land trust and are then sold at an affordable rate again. Can you see that maximising that potential could be more sustainable than any of the other options that you are looking at?

David Goldstone CBE (Chief Executive, LLDC): We can definitely see that there are benefits and that is why we are wanting to include them in part of this development, but we have a mixture of tenure and a mixture of types of housing - rented, owned, affordable rented - that we are trying to introduce. We are trying to make sure that this is a part of the offer. To the extent it shows those benefits, we would be happy to extend it as we develop further housing in future years.

Jenny Jones AM: You do not feel, then, that you can promise me today here that you will honour the Mayor's promise? What is the point of a Mayor making a promise if your company is then going to disregard it?

David Goldstone CBE (Chief Executive, LLDC): The Mayor made a promise to deliver a community land trust on the Park, which we are going to honour. What we are not able to do at the moment is to reach the number of units that was anticipated --

Jenny Jones AM: Why not? I do not understand why not.

David Goldstone CBE (Chief Executive, LLDC): It is because delivering a community land trust in terms of the impact on the viability of the schemes that we are delivering --

Jenny Jones AM: Do you mean that this comes down to money? It is not about sustainability. It is not about improving things for London. It is all down to money.

David Goldstone CBE (Chief Executive, LLDC): No, it is about all of those things and hitting the right balance. If we do not have schemes that can be delivered sustainably, we would not get the housing we want and we would not get a community land trust out of it. We are trying to hit the right balance that enables sustainable schemes that housing developers can deliver and that provides sustainable solutions that provide the housing London needs as best we can within the current policy framework that we all operate within and the --

Jenny Jones AM: I might be leaving here but I am going to keep an eye on this. I am going to make your life a misery.

David Goldstone CBE (Chief Executive, LLDC): I am happy to come back to you.

Jennette Arnold OBE AM (Chair): You have been warned by the lady.

Len Duvall AM: Chair, can we move to some of the issues around skills? You have a reasonable record on this. Can you tell us what lessons over the last four years you have had that you have learnt about delivery in the skills area?

David Goldstone CBE (Chief Executive, LLDC): This is something we are very pleased about in terms of the outcomes that have been achieved in really making sure that the benefit in terms of local employment opportunities and upskilling is felt by the local workforce and the local community who were promised those benefits.

I suppose my main point in looking at what has been done over the last few years is that it does not happen by accident. It requires some very concentrated and focused activity. We have been quite innovative in how this has been achieved. It is not an accident, for example, that of the employed workforce now as the Copper Box and the Aquatic Centre are operational in the long-term mode, over 80% of the jobs there are going to local people and over 60% of the jobs in managing the Park and on the operational side of the facilities management of the Park. That has happened because we work very closely with the incoming employers. We work with job brokerages in the local boroughs. We identify the skills that are going to be needed and what we can do over time, looking over a number of years, to help place the local potential workforce in the best position to be able to win those jobs genuinely in competition and to have the skills to do so.

What is very important in that is that we put contractual obligations on our incoming partners and this is something that probably is an innovation that started with the ODA and is being delivered successfully and we have taken it forward and extended it beyond construction into the operational contracts. We will, as part of the objectives behind the Olympicopolis programme, reflect those sorts of objectives and benefits for the local workforce. We will have in our agreements commitments about aiming to achieve targets on a whole range of employment measures.

It does not happen by accident. It is very targeted action. It is closely working with employers and closely working with the boroughs and the job brokerage schemes. That is achieving the outcomes we have seen and this is one of the areas where we are very pleased with the success that has been achieved. Right at the start of this discussion, David was asked about the challenges and maintaining that throughput and that benefit to local employment is something we are very committed to sustaining.

David Edmonds CBE (Chairman, LLDC): If I may just add, all that David has said is absolutely correct and we have done very well with 150 apprenticeships and a whole range of activity.

What is even more exciting in the skills world is the advent of Here East with the universities coming in: Loughborough, University of the Arts London, UCL and the London Fashion School. What they are going to be doing, if you talk to the people there, is focusing very heavily on local skills and developing local skills. Within the Fashion School, they are looking at developing workshops with small advanced teams of people bringing back skills perhaps that were prevalent across east London. Go into Here East and talk to them about the way they are going to provide training and information technology for young people, bringing them into the complex. The skills shift in the whole population area over the next five, seven or eight years is going to be infinitely greater than the building and construction apprenticeship skills that have been developed already. It is a good story but, looking back five, six, seven or eight years' time, it will be transformational in terms of the local economy.

Len Duvall AM: I am grateful for the way that you have answered the questions. In terms of the end users of the Park, there were some difficulties around the contractual approach that you were taking or did you overcome those?

David Goldstone CBE (Chief Executive, LLDC): End users of the Park?

Len Duvall AM: Yes. I have some information here that says that, yes, you do try to do the contractual apprenticeship targets for most of your activities, but in the end users of the Park that was not quite possible or is it difficult to --

David Goldstone CBE (Chief Executive, LLDC): What you might have in mind is that, as many of you will know, apprenticeships take a number of years and one of the challenges we had was, I suppose, sustaining long-term opportunities with employers that would enable apprentices to see through an apprenticeship with one employer. What we have been putting in place is arrangements for - I cannot remember the exact name - 'umbrella frameworks' to support apprenticeships that can work through multiple employers over time so that we can sustain that commitment to apprenticeships through the partners and we can, as I said, contract them for it with a framework that will deliver that. Again, that is something that was a challenge and an obstacle, but that has been overcome and, again, we are continuing to deliver those apprenticeship numbers.

Len Duvall AM: Thank you.

Andrew Boff AM: Could you tell me to what extent you have made opportunities for smaller developers to build something on the Olympic site?

David Goldstone CBE (Chief Executive, LLDC): Your question maybe fairly reflects that we are delivering many thousands of homes and so the focus has been on some very large developments, but we have many thousands of homes to deliver over the coming years and so I would not by any means think we are at the end of that journey. As David said earlier, there are two major developers on the Park at the moment, but the long-term ambition is to deliver 24,000 new homes. There will be multiple opportunities as we come forward over time to deliver the best solution to that requirement as suitable on different sites and there are many different locations. Some of them have masterplans and some have outline planning but, for many of them, there is much more detail to work through. You do not need to feel that that ship has sailed because we have our first two major developments very well progressed with many more to come over future years.

Andrew Boff AM: That was the response I had four years ago when I raised it with your predecessor organisations and I was moved to publish a report called *Radically Normal* back in 2012. I will send you a copy.

David Goldstone CBE (Chief Executive, LLDC): Thank you.

Andrew Boff AM: That document recommended that you should immediately start to try to encourage smaller developers to provide the kind of high-quality housing that Londoners require. You do not seem to be very specific on how you are going to encourage these smaller developers, though.

David Edmonds CBE (Chairman, LLDC): If I may say so, it is a fair question and a fair point. I did not see your report in 2012. What I do now commit to is looking at it in the context of the work we are now doing to look at future housing provision in and around the Park.

Andrew Boff AM: Thank you very much. Funnily enough, I have just published a report this week on pop-up housing. One of the concerns I have about the pace of development that there currently is that, for example,

Chobham Manor. I love Chobham Manor and it is a great development and I am a great fan of that kind and style of housing that you are providing there. However, it is going to take seven years to fully develop. The report that I published this week called *Pop-up Housing* suggests that you can shrink that time period by providing high-quality modular housing. Is that something that you will entertain?

David Goldstone CBE (Chief Executive, LLDC): In terms of 'entertain', there is no reason we would rule that out. As you referred with Chobham Manor, we are focused on trying to deliver really good quality housing and a mix of housing types. We are not just developing blocks of flats. As you will know, Chobham Manor and indeed East Wick and Sweetwater have a number of three- and four-bedroom homes, two-bedroom homes, all sorts of different units and different tenures. If we can meet those aspirations that we are trying to deliver homes for the communities that will want to live in them in future years, we are not prescriptive at all about the form of construction or indeed delivery. We would absolutely support something that could deliver more quickly if that is possible to meet those quality standards.

Andrew Boff AM: In informing your decision about the kind of housing that you are providing, I hope that you take into account a report that again I published on behalf of the London Assembly called *Crowded Houses* about the overcrowding situation in London, especially in the east of London, and that the kind of housing we need is the kind that is being built on Chobham Manor: the larger family homes. I hope that informs your decisions in the future. Can you undertake that you will take that into account?

David Goldstone CBE (Chief Executive, LLDC): You can see by the fact that we are doing exactly that at Chobham Manor that we do recognise that. We absolutely recognise that we need that mix of different homes to meet the needs of future years. Our plans on East Wick and Sweetwater, again, include a range of family homes as well as some smaller units and we are trying to make sure that we are hitting that mix, exactly as you say, yes.

Andrew Boff AM: Thank you very much.

Jennette Arnold OBE AM (Chair): May I thank the Chairman and the Chief Executive of the LLDC for their attendance and for their detailed answers to us here today? Thank you very much.

David Goldstone CBE (Chief Executive, LLDC): Thank you.

David Edmonds CBE (Chairman, LLDC): Thank you.