

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2655

Title: Wembley National Stadium Limited – Quintain Approvals

Executive summary:

The GLA is one of three “public-sector funders” – along with Sport England and the Department for Culture, Media and Sport – that provided grant funding to Wembley National Stadium Limited (WNSL) in respect of the construction of Wembley Stadium. The GLA assumed the role of provider of the GLA grant under a funding agreement originally entered into between the London Development Agency and WNSL.

WNSL is the freeholder of Wembley Stadium. It is a condition of the intercreditor and security trust deed between WNSL, the public-sector funders and others that any changes to agreements relating to the property require approval from the GLA, and from the other public-sector funders, before they can be made. Quintain Group, owner of the land surrounding Wembley Stadium, has significantly redeveloped the area in recent years. It is now seeking to vary agreements in relation to the car-parking lease with WNSL. As such, GLA consent is required for these plans.

Decision:

That the Assistant Director for Strategic Projects and Property approves the GLA entering into a consent-letter agreement from Wembley National Stadium Limited (WNSL) to the GLA, the other public-sector funders and the security trustee. This agreement relates to the provision of consent to WNSL entering into various new agreements, to the extent that they vary existing agreement(s) in respect of the Wembley Stadium car-parking lease; and consent for any other agreements or documentation, as may be required, to be entered by the GLA in relation to the same.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

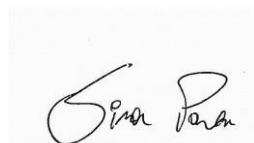
I have reviewed the request and am satisfied it is correct and consistent with the Mayor’s plans and priorities.

It has my approval.

Name: Simon Powell

Position: Assistant Director, Strategy Projects & Property

Signature:



Date:

27 July 2023

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. To assist with the construction of the English National Stadium project at Wembley, the London Development Agency (LDA) provided grant funding of £21m in September 2002 to the Football Association's (FA's) special purpose subsidiary, Wembley National Stadium Limited (WNSL) under a funding agreement with WNSL (funding agreement). It was one of three "public-sector funders" providing grants – the other two being Sport England, which provided £120m, and the Department for Culture, Media and Sport, which provided £20m. The GLA assumed the role of provider of the LDA grant under the funding agreement – the grant having been paid to WNSL, in full, prior to the completion of construction of Wembley Stadium (the Stadium). Pursuant to an intercreditor and security trust deed (ISTD) between WNSL, the public-sector funders (including the GLA) and other commercial lenders, WNSL has various obligations – including seeking consent, from the public-sector funders, to variations to agreements relating to land in and around the Stadium.
- 1.2. Quintain Group, the owners of the land surrounding the Stadium, is regenerating the area around the Stadium. Approval was given in 2020, under MD2675, for the GLA to consent to amendments to certain agreements, in order to implement various regeneration works around the Stadium. Now additional consent is required, under the ISTD, from the public-sector funders – specifically in relation to further proposed changes relating to an existing car-parking lease between WNSL, Wembley Park Limited (WPL) and the relevant group companies of Quintain Limited.
- 1.3. The car-parking lease, completed in 1999, sets out the terms on which the FA has the right to use parking spaces, in certain car parks, on Quintain land on event days (2,900 spaces) and non-event days (500 spaces). It also provides for the FA's right to use certain access roads, footpaths and emergency routes, including Olympic Way; a pedestrian bridge link; the Pink Car Park broadcasting deck (where outside-broadcast vehicles may be stationed for Stadium events); the public address system; and event-day signage on Quintain land.
- 1.4. The current plans mean that several documents relating to the Stadium, and to which WNSL is a party, will require updating. This includes varying the deed of transfer of the Stadium, and the car-parking lease, to bring them up to date and align them with the regeneration and the estate management agreement (EMA). This is a commercial contract between WNSL and WPL that governs the relationship between the Stadium and WPL in connection with operations and events planning; car-parking provision; and allocation and arrangements relating to advertising, ambush marketing, screen management, catering, markets and rights protection, services and service charges, and other matters. WPL is the Quintain-owned estate management company for Wembley Park.
- 1.5. Changes to these agreements mean that some of WNSL's property rights are being varied. Because WNSL has given certain property undertakings in the ISTD with the public-sector funders, the GLA and the other public-sector funders are required to provide their consent to these variations, to the extent that such variations relate to the car-parking lease. This will be the seventh deed of variation of the deed of transfer of the Stadium; and the third deed of variation of the car-parking lease.

2. Objectives and expected outcomes

Third car-parking lease variation

- 2.1. The car-parking lease sets out the terms on which WNSL has the right to use parking spaces, in certain car parks on Wembley Park, on event days and non-event days. It also provides for WNSL's right to use the access roads, footpaths and emergency routes, including the use of Olympic Way; the bridge link; the Pink Car Park broadcasting deck; the public address system; and event-day signage on Wembley Park.

2.2. The parties to the car-parking lease have agreed to vary it by entering into the third car-parking lease variation. These changes are relevant to the requirement for public-sector funder consent, as they are variations of rights or obligations under the car-parking lease.

2.3. Certain terms in the car-parking lease will be deleted, as they have been superseded or are now dealt with in the EMA. The details of this are set out below:

- The car-parking lease previously contained provisions relating to the construction of a bridge link between the Blue Car Park and the Stadium concourse. This is a pedestrian bridge built by Quintain in 2021 to enable access from the Blue Car Park (where spaces for FA staff and wheelchair-users are based) to the external concourse of the Stadium. The construction of the bridge link has been completed; these provisions are therefore longer relevant, and will be deleted. Quintain's ongoing obligations to maintain the bridge link will be retained.
- The car-parking lease previously included a right for WNSL to use the Yellow Car Park on Wembley Park, until the date on which the Blue Car Park and the Green Coach Park became operational. These car parks are all part of the parking provision owned by Quintain which, under the car-parking lease, can be used to fulfil Quintain's obligations to WNSL to provide at least 2,900 car spaces on event days. There are controls under the car-parking lease as to what areas can be used by Quintain to meet this obligation. Now that the Blue Car Park and the Green Coach Park are in use, and the Yellow Car Park is no longer available for use by WNSL (as the land is being redeveloped by Quintain), the references to the Yellow Car Park will be deleted.
- WNSL previously had a right to use the "old" Red Car Park, which was located to the west of the current Red Car Park. Under the car-parking lease, the old Red Car Park moved to its new location when the Blue Car Park and the Green Coach Park became operational. Now that the old Red Car Park is no longer available for use by WNSL, all references to its location will be deleted. For the purposes of the car-parking lease, references to the Red Car Park now pertain to its updated location.
- The car-parking lease previously included a right for WNSL to enter onto Wembley Park to install temporary data cables between the Pink Car Park and the Stadium; and anticipated that a permanent cable would be installed in due course. These cables facilitate the use of modern outside-broadcast vehicles stationed in the Pink Car Park for Stadium events. Since then, a permanent cable has been laid; and WNSL and the relevant Quintain landowners have entered into a cable route deed of easement, which gives WNSL rights to lay and use the cables between the Stadium and the Pink Car Park. As a result, the stop-gap provisions in the car-parking lease are no longer required and will be deleted.

2.4. In addition, certain new provisions will be included in the car-parking lease:

- Schedule 16 of the EMA contains comprehensive obligations on WPL to provide event-day and non-event-day services to WNSL across the car parks and the wider Wembley Park estate. The EMA will be further varied to give WNSL a direct right of recourse against the relevant Wembley Park landowners where WPL fails to carry out the services (referred to as Schedule 16A of the EMA). The car-parking lease will be varied for consistency with EMA schedules 16 and 16A (services and service charge provisions); and will provide that the landlord, under the car-parking lease, will agree to procure the carrying-out of those services by WPL.
- The car-parking lease expert-determination provisions will be varied to provide that the parties to the car-parking lease will agree to adopt and be bound by the expert-determination procedure in the EMA. This provides a single forum for disputes, instead of separate dispute-resolution procedures in the car-parking lease and the EMA.
- The car-parking lease anticipates the carrying-out of short-term or long-term works, by the landowners on Wembley Park, that could take facilities out of use and, therefore, involve the provision, by the landowner, of alternative replacement parking spaces, alternative access routes

and (in relation to the Pink Car Park broadcasting deck) alternative storage space. In such circumstances, the landowner is required to obtain the consent of WNSL to the alternative facilities. The car-parking lease contained deemed-consent provisions where WNSL had not responded to a request for consent within 20 working days. The deemed-consent provisions will be deleted from the car-parking lease; instead the landlord must demonstrate to WNSL's reasonable satisfaction that alternative facilities cannot reasonably be provided.

The EMA variation

- 2.5. The EMA is relevant to the car-parking lease, in that the process for allocation of the demised parking spaces across the car parks in Wembley Park is set out in the EMA – as are the detailed provisions relating to the provision of services in the car parks. The EMA variation provides for amendments to the EMA.
- 2.6. The EMA variation will be made between WNSL and WPL (previously known as Wembley Stadium Limited). The EMA variation is relevant to the rights and obligations under the car-parking lease, in that the EMA variation provides that:
 - WNSL is entitled, subject to conditions, to enforce the EMA against WPL and other Wembley Park landowners
 - in turn, WPL and other Wembley Park landowners are entitled, subject to conditions, to enforce the EMA against WNSL and other Stadium landowners
 - WNSL will have considerably greater rights of recourse against Wembley Park landowners
 - where WPL becomes insolvent or fails to comply with the requirement to provide services in relation to the car parks, WNSL will have the right to require Wembley Park landowners to provide services in place of WPL.

Seventh transfer variation

- 2.7. The deed of transfer of the Stadium sets out the terms on which WNSL acquired the Stadium from WPL in 1999. It provides rights for WNSL to use access roads, footpaths and emergency routes, and utility services in Wembley Park. Among other matters, it requires WNSL and certain owners of Wembley Park to give covenants on use; and covenants in connection with the carrying-out of development works to the Stadium, and to part of Wembley Park.
- 2.8. The parties to the deed of transfer of the Stadium have agreed to vary it by entering into the seventh transfer variation. However, these variations are not relevant to the rights and obligations in the car-parking lease, and accordingly are not detailed in this decision.

3. Equality comments

- 3.1. There are no direct equalities implications to the GLA arising from this decision. However, as per the Equality Act 2010, the GLA has a responsibility to give due regard to promoting equality in all its activities, including financial administration and decision-making.
- 3.2. The GLA has reviewed this duty in providing its consents under the consent letter in relation to the regeneration works surrounding the Stadium. It considers that the current proposals are not likely to have any particular difference in impact (compared to the variations agreed in 2020) on any persons with a protected characteristic. The proposed amendments to the lease do not fundamentally change the car-parking lease, with the overall number of car parking spaces remaining the same.

4. Other considerations

- 4.1. As the GLA is one of the three public-sector funders of the construction of the Stadium, the FA has been in direct contact with senior GLA officers and its legal team to discuss the regeneration works to be undertaken by Quintain, and the implications arising from variations required to the documents noted above. This includes the formal sign-off required by each public-sector funder. Discussions have taken place in the form of a formal virtual meeting and presentation, outlining details and consequences of the proposal.

Key risks and issues

- 4.2. No key risks or issues have been identified as part of this proposal.

Links to Mayoral strategies and priorities

- 4.3. The regeneration works around Wembley will help the Stadium secure major global events as it becomes more attractive as a host venue. Any additional income secured helps contribute towards the FA's commitment and investment into grassroots facilities that promote healthy lifestyles and wellbeing nationally. While this is a national aim for the FA, it is also in line with the Mayor's strategy for sport and physical activity in London – whereby the Mayor has outlined his plans to get every Londoner involved in sport and physical activity, and to unite people from different backgrounds and ages through sport.
- 4.4. Officers are not aware of any conflict of interests for the GLA relating to these proposals.

5. Financial comments

- 5.1. Approval is being sought for the GLA to enter into a consent-letter agreement from WNSL to the GLA, the other public-sector funders and the security trustee. This agreement relates to the provision of consent to WNSL entering into various new agreements, to the extent that they vary existing agreement(s) in respect of the Stadium car-parking lease; and any other agreements or documentation, as may be required, to be entered by the GLA in relation to the same.
- 5.2. There are no direct financial implications to the GLA arising from this report.
- 5.3. The FA is still required to continue to comply with the information and reporting obligations as part of the project, and under the terms of the funding agreement. The GLA's contingent claim against the original grant funding being repaid, should an event of default occur, remains in place.
- 5.4. The funding agreement between the GLA and WNSL continues to provide for certain clawbacks of funds, should there be any disposal of the Stadium. Under the terms of the funding agreement, WNSL would have to notify the GLA whenever any clawback on disposals occurs, and will liaise with GLA officers as required.

6. Legal comments

- 6.1. WNSL has given certain undertakings in Schedule 6 (property undertakings) of the ISTD for the benefit of the public-sector funders, including the GLA. Under paragraph 5(b) of Schedule 6 (property undertakings) of the ISTD, WNSL covenants – in relation to any lease under which it derives its estate or interest in the Stadium real property – not to waive, release or vary any right or obligations under, or the terms of, any such lease without the prior written consent of the security trustee (acting on the instructions of the public-sector funders).
- 6.2. In accordance with those provisions, WNSL has provided the GLA with the details of the changes being made; these are set out at section 2 of this decision. These changes have been reviewed and are not considered to be material to, or have any material adverse effect on, the land ownership of WNSL.

- 6.3. Under the funding agreement, WNSL also has certain obligations in relation to not effecting a disposal of the Stadium site, by way of any freehold transfer or grant, or transfer of a leasehold interest, without GLA consent. WNSL has confirmed that the current plans and related variation agreements do not effect such a disposal, and so no consent is required under the funding agreement itself in relation to the current proposals.
- 6.4. Section 30 of the Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything that he considers will further one or more of the principal purposes of the GLA as set out in section 30(2):
- promoting economic development and wealth creation in Greater London
 - promoting social development in Greater London
 - promoting the improvement of the environment in Greater London.
- 6.5. In formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will: promote the improvement of health of persons in Greater London; promote the reduction of health inequalities between persons living in Greater London; contribute towards the achievement of sustainable development in the United Kingdom; and contribute towards the mitigation of or adaptation to climate change in the United Kingdom
 - consult with appropriate bodies.
- 6.6. In exercising the power contained in section 30(1) of the GLA Act, the GLA must have regard to the matters set out in sections 30(3-5) and 33 of the GLA Act; and the Public Sector Equality Duty in section 149 of the Equality Act as set out in section 3, above.
- 6.7. Sections 1-3 of this report indicate that the decision requested of the Assistant Director is within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
Engagement with and approval from public-sector funders	May to June 2023
Review and approval of consent letters	July 2023

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Matthew Moore has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 24 July 2023.

ASSISTANT DIRECTOR, FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Anna Lustolt

Date:

27 July 2023