

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3324

Title: Change of ownership of E20 Stadium LLP and related matters

Executive Summary:

The London Stadium, originally constructed for the 2012 Olympic and Paralympic Games, is now a successful multi-use venue which contributes to the London economy but operates at an annual loss. As part of the planned evolution of the London Legacy Development Corporation (LLDC) as it prepares to deliver the next phase of legacy, it is proposed that LLDC and its leadership will no longer have the strategic responsibility for the London Stadium through its subsidiary E20 Stadium Limited Liability Partnership (E20 LLP). This Mayoral Decision seeks approval for a change in ownership of the E20 LLP from the LLDC to GLA Holdings Ltd (GLAH) and the authority to finalise the arrangements and related matters. The proposal is to rationalise the London Stadium operation, and transfer responsibility for funding and oversight of the London Stadium to the GLA, specifically to GLAH, a subsidiary of the GLA. This change recognises that the GLA has ultimate funding responsibility for the London Stadium.

Decision:

That the Mayor approves:

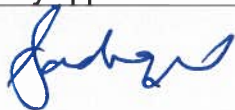
1. The change in ownership of E20 LLP arising from the London Legacy Development Corporation (LLDC) retiring from the limited liability partnership and GLA Holdings Ltd (GLAH) becoming a member and that the LLDC and GLAH enter into agreements to this effect.
2. The acquisition of Stratford East London Holdings Limited (SELH) (a LLDC subsidiary and member of E20 LLP) from the LLDC by GLAH by way of a share purchase agreement for the nominal sum of £1.
3. That E20 LLP, SELH and London Stadium 185 ((LS185), a wholly owned subsidiary of E20 LLP) will each be considered an "Arm's Length Company" on change of ownership and be subject to the proposed Reserved Matters at Appendix 1.
4. A delegation to the Chief Finance Officer to finalise any necessary arrangements for the change of ownership on behalf of GLA, including making any amendments to: the E20 LLP members' agreement; the SELH share purchase agreement; the SELH and LS185 articles of association; and any financial transactions between the GLA and LLDC associated with the change of ownership, whilst ensuring prudence in the use of the GLA's financial resources.
5. A delegation to the Chief Finance Officer to exercise any function of the GLA for the purposes of approving, in connection with the activities of E20 LLP¹, SELH and LS185, any of the matters identified in Appendix 1 as Type 2 matters reserved for GLA approval.
6. The appointment of the persons listed in Appendix 2 as E20 LLP Board members and the appointment of a sole SELH Director also referred to in Appendix 2.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

14/1/25

¹References in this Mayoral Decision to "E20 LLP" should be read as references to "London Stadium LLP" if or when the name of E20 LLP has been changed to London Stadium LLP (see 1.14 - 1.18 below) and it is appropriate to read the reference accordingly.

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

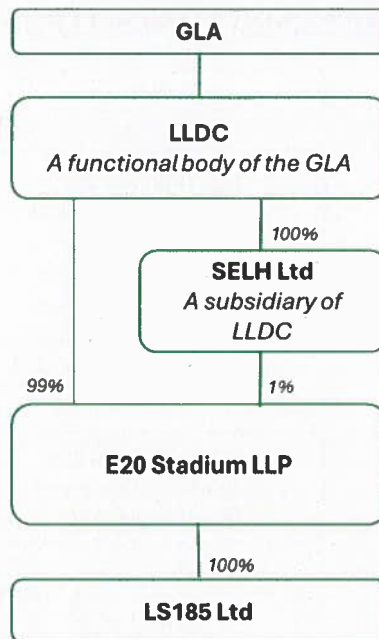
1. Introduction and background

- 1.1. In July 2012, the then Mayor consented (through MD971) under section 212(2) of the Localism Act 2011, for LLDC to form an interest in a limited liability partnership, E20 Stadium LLP (E20 LLP), with Newham Legacy Investments Limited (NLI), a wholly owned subsidiary company of the London Borough of Newham. E20 LLP was established to deliver the post-Olympic Games transformation and operation of the London Stadium.
- 1.2. In March 2013, West Ham United Football Club was confirmed as the Stadium's long-term concessionaire with a 99-year concession commencing in 2016. The parties to the agreement are E20 LLP, WH Holding Limited (as the concessionaire) and West Ham United Football Club Limited. In July 2013, E20 LLP agreed a 50-year concession with UK Athletics with the Stadium becoming the new national competition centre for athletics.
- 1.3. In January 2014, consent was received (via DD1136) for LLDC to grant a lease for the Olympic Stadium site to E20 Stadium LLP; and, in November 2014, consent was received (via ADD 243) for LLDC as a member of E20 LLP to enter into the all-through school stadium island lease.
- 1.4. In February 2015, E20 LLP appointed London Stadium 185 (LS185), a then subsidiary of VINCI Stadium, to operate the venue on a day-to-day basis.
- 1.5. In Summer 2016, the Stadium was permanently opened as a multi-use stadium, following the completion of the transformation and other capital works.
- 1.6. In July 2017 (MD2149), the Mayor gave consent for LLDC to provide additional 2017-18 expenditure for E20 Stadium LLP and consent for a loan. In March 2018 (MD2271) and March 2019 (MD2459), the Mayor gave consent to LLDC providing continued loan funding support to E20 Stadium LLP.
- 1.7. In November 2017, the Mayor consented (through MD2200) to a change in ownership of E20 LLP including LLDC entering into agreements relating to NLI's retirement from the partnership, the formation of a subsidiary company (Stratford East London Holdings Ltd) for the purpose of holding separate membership in E20 LLP, the GLA guaranteeing the obligations of LLDC and E20 LLP under the Community Benefits Agreement to London Borough of Newham, and for LLDC expenditure to fund the stadium business.
- 1.8. In January 2019 (MD2402), the Mayor gave consent to E20 Stadium LLP to acquire London Stadium 185 Limited (LS185), the operator of the London Stadium, in full from Vinci Stadium, and bring it in house. LS185 continues to be responsible for all aspects of running and managing the Stadium as well as bringing in new events and activity.
- 1.9. Events staged in London Stadium to date include the London 2017 World Athletics and Para Athletics Championships, Premier League football, Rugby Union Premiership, concerts by some of the world's leading bands, Major League Baseball in 2019, 2023 and 2024 and a range of other major events.

Structure of current E20 Group

- 1.10. The current E20 Group structure is set out below. LS185 is a wholly owned subsidiary of E20 Stadium LLP which is itself a subsidiary of LLDC. E20 Stadium LLP's members are LLDC and Stratford East London Holdings (SELH) Ltd, itself a subsidiary of LLDC with a 1 per cent share.

Current E20 Stadium LLP structure



Rationale for change of ownership

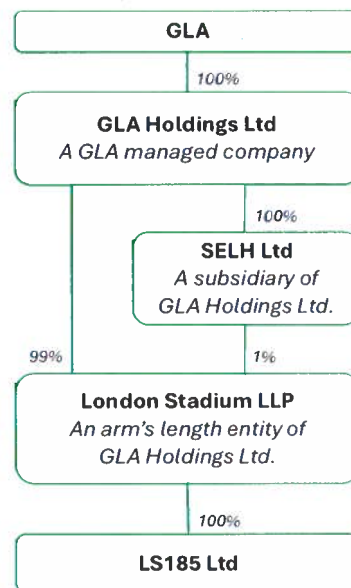
- 1.11. The London Stadium is a successful multi-use Stadium, with a diversity of summer events and a growing winter event schedule; it contributes to the London economy, but its long-term contracts with West Ham United (WHU) and UK Athletics (UKA) are deemed onerous in accordance with applicable accounting standards.
- 1.12. The proposal is to consolidate the leadership of the London Stadium, and transfer responsibility for funding and oversight of the London Stadium to the GLA, specifically to GLA Holdings Limited (GLAH), a subsidiary company of the GLA. The GLA currently funds London Stadium losses of approximately £17 million per annum on average through the LLDC. The expected outcomes of the transfer of ownership are detailed further in section 2 below.
- 1.13. The transfer of the strategic responsibilities of the London Stadium to the GLA would also support the LLDC to simplify its executive structure and reduce its headcount from April 2025, as part of its evolution into the next phase of legacy delivery when it will be focused on managing the Queen Elizabeth Olympic Park (Park), delivering the remaining development projects, encouraging inward investment and leveraging the inclusive economy benefits from partners, thereby reducing its expenditure, and consequently the grant funding the GLA provides to LLDC for its core activities. Post Transition, the GLA's core grant to the LLDC (excluding the London Stadium) is currently budgeted to reduce from £19.1m in 2024-25 to £11.3m in 2025-26.

Proposed new structure – arm's length body owned by GLAH

- 1.14. Under the proposed transaction, the E20 LLP vehicle would be retained. LLDC would retire from the partnership, and GLAH would take up a 99 per cent membership share. The LLP members agreement would be revised to reflect the new ownership and the partnership vehicle's name would change to become London Stadium LLP.
- 1.15. GLAH would also acquire SELH Limited through a share purchase agreement between the GLAH as purchaser and LLDC as seller for a nominal sum of £1.
- 1.16. Other options were considered such as consolidation of the E20 Group companies into a single entity; however these were discounted and the preferred option minimises the potential for operational impact and counterparty risk.

1.17. The proposed new governance of London Stadium LLP is therefore as set out below.

Proposed London Stadium LLP structure



1.18. In November 2024, LLDC's Board approved the transfer of the strategic responsibilities for the London Stadium to GLAH, subject to this decision requested of the Mayor. The Board also approved, again subject to this decision requested of the Mayor, the retirement of LLDC from E20 LLP, the disposal of SELH to GLAH and the removal of the London Stadium costs and funding from LLDC's budget.

London Stadium's governance relationship with the GLA

1.19. The GLA currently operates two classes of GLA subsidiary company: (i) GLA-Managed Companies (e.g. GLA Holdings Limited and GLA Land and Property Limited (GLAP)); and (ii) GLA Arm's Length Companies (e.g. London Treasury Limited). The 'Mayoral Decision Making in the GLA' document defines these classes as follows:

- 'GLA-Managed Companies' are those whose decision making is fully integrated with that of the GLA and which exist to implement day to day GLA decisions, via GLA Decision forms, save in respect of certain decisions for company law purposes. Such companies have no staff of their own as the GLA's staff undertake the various actions required. Their Directors are solely GLA employees.
- GLA 'Arm's-Length Companies' are those for which the interaction with GLA decision making is restricted to specific areas, as set out in the company's Articles of Association. The company's business does not for the most part require use of GLA Decision Forms. They operate within the terms of their own incorporation document and under the supervision of a board and internal decision-making structure.

1.20. London Stadium LLP requires significant autonomy to enable it to undertake its day-to-day operations of operating the London Stadium, which is not a core function of the GLA. Therefore, London Stadium LLP will not fall within the GLA classification of a GLA Managed Company but would operate as an Arm's Length Company (adapting the requirements of Mayoral Decision Making in the GLA to the limited liability partnership structure as needed), through GLAH's membership. The controls to be operated by the GLA over London Stadium LLP are set out in Reserved Matters (detailed further below), which will require separate approvals by either the Mayor (Type 1) or an appropriately authorised GLA officer (Type 2). These controls are set out in Appendix 1 and will be incorporated in the revised members' agreement. The GLA's Chief Finance Officer is delegated authority to exercise the GLA's functions to approve any of the matters identified in Appendix 1 as Type 2 matters reserved for GLA approval.

- 1.21. SELH and LS185 will also fall into the category of an Arm's Length Company and will have require approval for the same Reserved Matters as E20 LLP at Appendix 1. These controls will be incorporated in their respective articles of association.

GLA control through the E20 LLP members' agreement

- 1.22. The GLA, through its subsidiary GLAH, would control 100 per cent of London Stadium LLP. GLAH would take up a 99 per cent membership interest in E20 LLP and will also control the remaining 1 per cent interest through its acquisition of SELH.

GLA control through approval of Board members and approval of SELH's sole director

- 1.23. From April 2025, the London Stadium LLP Board would comprise: an independent chair, the Executive Director of Corporate Resources and Business Improvement, the Mayor's Chief of Staff, the Mayoral Director of Government, Political and Strategic Engagement and three non-executive directors. These are Mayoral appointments and the Mayor has announced his intention to appoint Lyn Garner, the previous Chief Executive of LLDC, as Chair from April 2025. The proposed members of the London Stadium LLP Board are set out in Appendix 2.
- 1.24. Observers to the London Stadium LLP Board will be: a representative from GLA Finance, a representative from LLDC's Estates and Neighbourhoods directorate, the LS185 Chief Executive and the London Stadium Head of Legal.
- 1.25. The sole director of SELH is set out at Appendix 2.

GLA control through Reserved Matters in the London Stadium LLP members' agreement

- 1.26. As discussed above, the existing E20 members' agreement would be amended to include the Reserved Matters so that any decisions to be taken by London Stadium LLP that might pose risk to, or have significant financial implications for, the GLA are first approved by the GLA before implementation. Outside of those matters requiring Mayoral or GLA consent, London Stadium LLP would have the autonomy to operate and pursue its stated objects.
- 1.27. Should this Mayoral Decision be approved, it is proposed that there would be a review of the Reserved Matters at Appendix 1 no later than 12 months from the transfer of ownership of E20 LLP to GLAH coming into effect, and at such other intervals as the GLA may require from time to time to ensure: they are working as planned, any risks to the GLA are being minimised and the London Stadium operates effectively on a day-to-day basis. Changes to the Reserved Matters will require Mayoral approval.

GLA control through matters reserved in the SELH and LS185 articles of association

- 1.28. As discussed above, the SELH and LS185 articles of association will be amended to include the same Reserved Matters as London Stadium LLP. Any amendments to the Reserved Matters arising from a review under paragraph 1.27 would also be incorporated into the SELH and LS185 articles of association.

Ancillary arrangements

- 1.29. In addition to the transfer of ownership of E20 LLP to GLAH, it is proposed that certain additional contracts relating to E20 LLP to which LLDC is party are also transferred to GLAH if appropriate. Significantly, this includes a Direct Undertaking in place between LLDC and WH Holding Limited, which provides that LLDC performs E20 LLP's obligations under the Concession Agreement and WHU Agreements for Lease of their exclusive use of areas of the London Stadium, as if it were a party to the Concession Agreement and Agreements for Lease under certain circumstances. These additional arrangements, including the Direct Undertaking, are currently being reviewed and the approach to their transfer will be considered by the GLA-LLDC Stadium Steering Group at a later date. At the relevant time, legal advice should be sought as to whom will need to approve any such transfers.

Conflicts of interest

- 1.30. The London Stadium LLP members agreement and SELH articles of association will include provisions to ensure that any conflicts of interest are declared and managed appropriately. In the case of GLA staff, these will also be declared in accordance with the guidance on Registering, Declaring and Handling Interests.

Self-sufficiency and staffing matters

- 1.31. LLDC currently provides a range of services to London Stadium LLP and LS185 including finance and Human Resources, legal and governance, communications and marketing as part of the Park, sustainability as part of the Park, and insurance. LS185 are recruiting additional resources to deliver these services in house. Some service provision related to communications, marketing and sustainability as part of the Park will continue to be provided by LLDC.
- 1.32. In accordance with the TUPE Regulations, one staff member from LLDC may transfer to the GLA.

2. Objectives and expected outcomes

- 2.1. Following the return of its planning powers to the four 'Growth Boroughs' on 1 December 2024, and as part of the planned evolution to deliver the next phase of legacy, LLDC will focus on managing the Park, delivering the development projects, encouraging inward investment and leveraging the inclusive economy benefits from partners. As a result, LLDC will reduce its overall staffing headcount, releasing revenue savings, with a corresponding and immediate reduction in the GLA's funding requirements. The GLA's core grant to LLDC reduces from £19.1m in 2024-25 to £11.3m in 2025-26. However, the reduction in headcount also means that LLDC will no longer be able to continue to provide support to and oversight of the London Stadium group.
- 2.2. This Mayoral Decision is intended to rationalise the London Stadium operation (by transferring services currently provided by LLDC to E20/LS185), consolidate the leadership of the London Stadium and transfer responsibility for funding and oversight of the London Stadium to the GLA, specifically to GLAH Ltd, a subsidiary of GLA. The GLA has the ultimate funding responsibility for London Stadium through the LLDC and this would put the GLA in more direct control of the London Stadium and allow the Stadium leadership to focus entirely on the London Stadium.
- 2.3. This Mayoral Decision will also establish a London Stadium Board which can focus on commercial arrangements for the Stadium.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010 (the Equality Act), as public authorities, LLDC and the GLA are subject to the public sector equality duty which means that, when carrying out their functions, they must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not. Protected characteristics under the Equality Act include age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status.
- 3.2. LLDC since its inception has worked closely with the Growth Boroughs and with local communities to ensure that the Park is a place which is accessible and welcoming to all, regardless of disability, gender, race, ethnicity, or sexual orientation, and that a diverse range of views are factored into ongoing development and management of the Park.

- 3.3. The transfer of strategic responsibilities for the London Stadium from LLDC to GLAH is not expected to have any impact on the London Stadium's operations and therefore no negative impact on persons with protected characteristics who use the London Stadium. London Stadium will continue to work closely with LLDC, the local boroughs, and with local communities to ensure that it remains a place which is accessible and welcoming to all, regardless of disability, gender, race, ethnicity, religion, or sexual orientation. The Mayor is invited to take into account the findings set out in the Equalities Impact Assessment at Appendix 3 when making this decision.

4. Other considerations

a) key risks and issues

- 4.1. The key risks related to the change of ownership and how these will be mitigated are set out below:

Risk	Mitigation	Rating
Risk the transaction will not be completed by 31 March 2025. This is considered to be a low risk.	This is being mitigated through a detailed work plan which is monitored at regular London Stadium working group meetings.	
Risk that Stadium operations may be affected by uncertainty created by the change in ownership. This is considered to be low risk.	This is mitigated through involvement of LS185 colleagues in the planning and delivery of key workstreams related to the transaction and the continuity of the senior leadership at CEO and Chair level.	
Risk that operational interfaces on event days are sub-optimal. This is considered to be low risk.	<p>The LLDC Park Operations team already works very closely with the London Stadium on a number of operational strands, including security, events and facilities management so that there are clear responsibilities and a designated hand of control at all times. There is a documented handover and hand back process that has operated for almost 10 years to ensure there is transparent responsibility on event days. This is being updated to ensure that it remains fit for purpose post the separation.</p> <p>There will be continuing oversight by the Stadium Safety Advisory Group, and the Licensing, Operations, Planning and Safety Group, both chaired by the London Borough of Newham.</p>	

b) links to Mayoral strategies and priorities

- 4.2. The increased focus on commerciality and financial resilience for the London Stadium will support London's ability to attract major sporting events and thereby support the delivery of Mayoral policies and strategies and including the Mayor's Good Growth priorities and the Economic Development Strategy for London.

c) consultations and impact assessments

- 4.3. LLDC and GLA have been working closely on the transfer of strategic responsibilities for the London Stadium to plan and prepare for the transfer. The work is overseen by a GLA-LLDC Stadium Steering Group of GLA and LLDC senior officers chaired by Lyn Garner which meets every six weeks (September, October, December, with two further meetings in the New Year) and a working group of

LLDC, GLA and LS185 officers that has been meeting monthly since September 2024 to progress various workstreams.

- 4.4. Consultations will take place with any relevant staff who might transfer in accordance with the TUPE Regulations 2006.
- 4.5. There are no conflicts of interest to declare from any of the officers involved in the drafting or clearance of this decision.

5. Financial comments

- 5.1. These are set out in part 2 of this decision form.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general power under section 30 of the Greater London Authority Act 1999 (the GLA Act) (which are, exercisable on behalf of the GLA by the Mayor), to do anything which the Mayor considers will further the promotion of economic development and wealth creation in Greater London and/or will further the promotion of social development in Greater London. Section 34 of the GLA Act provides the Mayor, acting on behalf of the Authority, may do anything (including the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the exercise of the power in section 30.
- 6.2. As set out above, in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties including to ensure that:
 - 6.2.1. appropriate arrangements are made with a view to securing that in the exercise of the section 30 power by the Mayor there is due regard to the principle that there should be equality of opportunity for all people
 - 6.2.2. the Mayor exercises the section 30 power in a way which is best calculated to promote improvements in the health of persons in Greater London, promote the reduction in health inequalities between persons living in Greater London, and to contribute towards the achievement of sustainable development in the United Kingdom
 - 6.2.3. there is consultation with bodies or persons who may be considered appropriate in this case.
- 6.3. The GLA has the power to become a member of an LLP or acquire shares in a company if the purpose of the entity/its activities are such that it is within the GLA's powers to participate in. Paragraph 1.1 above sets out the role of E20 LLP and paragraph 1.7 above confirms that the purpose of SELH is to hold membership in E20 LLP. The Mayor therefore has the statutory power to decide that GLAH should become a member of E20 and for GLAH to acquire shares in SELH.
- 6.4. Section 31 of the GLA Act provides that in determining whether to exercise the power conferred by section 30 of that Act, the GLA must seek to secure that it does not incur expenditure in anything which is being done by a Mayoral Development Corporation. This decision contemplates the transfer of ownership of E20 LLP and an associated reduction in staffing and budgetary provision within LLDC, indicating that LLDC will not continue the same activities post-transfer of ownership to GLAH.
- 6.5. To the extent that the transfer of ownership of E20 LLP might imply that the GLA is undertaking the management and exploitation of land on a commercial basis with a view to the realisation of a profit in connection with the GLA's housing, regeneration and economic development functions under section 34A of the GLA Act and the Greater London Authority (Specified Activities) Order 2013, the GLA may

only carry on the specified activities through a subsidiary company of the GLA. The decisions being proposed request that the GLA participates in the activities through its subsidiary, GLAH.

- 6.6. In taking the decisions requested, the Mayor must comply with the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.7. Pursuant to section 38 of the GLA Act, any function exercisable by the Mayor on behalf of the GLA may also be exercised by any member of staff of the GLA, including the Chief Finance Officer, subject to any conditions which the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Chief Finance Officer.
- 6.8. The GLA cannot delegate its statutory powers to a subsidiary. The controls outlined in section 1 above are intended to strike an appropriate balance and provide the GLA with the necessary degree of oversight but allow E20 LLP sufficient autonomy to operate efficiently on a day-to-day basis.

7. Planned delivery approach and next steps

Activity	Timeline
Mayoral Decision received	January 2025
Revisions to Members' Agreement and related documents	January - March 2025
TUPE transfer of staff (if applicable)	February - March 2025
London Stadium Board recruitment complete	February 2025
Stadium transfer complete	31 March 2025
GLA to review recharge arrangements – E20 Group/LLDC and GLA	By December 2025

Appendices and supporting papers:

- Appendix 1: Reserved matters – see separate document
- Appendix 2: Board and SELH appointments
- Appendix 3 – EQIA

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 either be published 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 FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Neil Wilcox has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Fay Hammond has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 6 January 2025.

✓

CHIEF FINANCE OFFICER

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

Signature:

Fay Hammond

Date:

09/01/2024

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature:

D. Bellamy

Date:

08/01/2024