

12 December 2018

Gareth Bacon  
Chair of Budget and Performance Committee  
GLA, City Hall  
The Queen's Walk  
London SE1 2AA

Dear Chair

As the committee is aware on the 19th November 2018 West Ham United and E20 were able to reach an amicable settlement which resolved the litigation regarding the football capacity at London Stadium. An essential feature of the settlement was a joint statement as follows:

*"West Ham United and its landlord E20 have today agreed a plan which allows the Club to sell additional seats for their matches thereby ending the litigation surrounding the capacity at the London Stadium.*

*Both parties are delighted to have taken the first step towards the Stadium reaching its potential of up to 66,000 capacity, to their mutual benefit, and would see it become the largest in London and the second largest in the Premier League. The increase in capacity will also make the London Stadium a more attractive proposition for a potential naming rights partner.*

*The arrangement means that subject to regulatory permissions, the Club will be able to sell up to 60,000 tickets for their games as soon as possible and leaves scope to expand up to 66,000 seats for future matches.*

*The agreement brings with it more funding for E20 and significant additional revenue for West Ham United on matchdays - a deal that works for everyone.*

*West Ham is proud that it already has the highest number of season ticket holders in London and this agreement gives the Club the chance to reward thousands of fans who have waited patiently on its waiting list.*

*Lyn Garner, CEO of E20 and Karren Brady, Vice Chairman of West Ham United, said: "West Ham United and E20 will now work together to maximise this magnificent Stadium for the benefit of fans, our community and the public purse. Both parties are fully committed to making the London Stadium the jewel in London's crown that we all know it can be."*

Both parties acknowledge that the agreement is the first step in rebuilding the partnership and that the relationship will benefit if a collaborative approach is taken in respect our communication around this thereby enabling the parties to foster better relations.

This will enable West Ham United and E20 to work constructively together to maximise this magnificent Stadium for the benefit of West Ham supporters, our community and the public purse.

West Ham United and E20 are aware of the interest in this agreement both from your Committee and the wider public, and therefore wanted to make you aware of the facts. These are:

- The agreement concludes that West Ham does not pay an additional rent for the current 57,000 capacity but does provide detail of the additional amount of Usage Fee (rent) that WHU will pay for capacity over the current 57,000 seats.
- West Ham United can confirm that at its request, London Stadium operators LS185 have submitted the application for the safety certificate that will enable the matchday spectator capacity to be 60,000
- Both West Ham United and E20 are delighted to have taken the first step towards the Stadium reaching its potential to house 66,000 supporters at future WHU matches and would see the Stadium become the largest in London and the second largest in Premier League
- By June 1<sup>st</sup> each year the Club will elect what seating capacity it requires above 57,000 and inform E20 thereby giving it full control over what the football capacity of the London Stadium will be at the start of each season.
- If WHU elects for 60,000 capacity in any given season, an additional £250,000 rent will be paid, this equates to £10,000 rent per match to cover E20's operational costs;
- In terms of any additional costs associated with increasing the capacity between 57,000 and 60,000, the Club and E20 have agreed to split the costs 50/50 but these are expected to be minimal;
- If WHU elects to apply for a license in excess of 60,000 capacity WHU will fund the full additional costs, for example covering licensing, planning and physical improvements;
- Between 60,000 and 62,500 capacity (the point at which no major infrastructure improvements are expected to be required) West Ham United will pay to E20 an additional usage fee of £83,000 pa;
- The same pro-rated formula applied above applies for every additional seat thereafter;
- This deal ensures there will be no more debate regarding additional seating capacity and demonstrates West Ham's long-term financial commitment to the stadium;
- The increase in capacity will also make the London Stadium a more attractive proposition for a potential naming rights partner and will generate additional footfall and spend to the QEOP and additional match day revenue generated by items such as catering.

Both West Ham United and E20 are bound by the terms of the Court Order and no further details or narrative will be disclosed in line with the agreement.

A handwritten signature in black ink, appearing to read "Lyn Garner".

Lyn Garner, CEO LLDC

A handwritten signature in black ink, appearing to read "Baroness Brady".

Baroness Brady of Knightsbridge CBE