

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2402

**Title: E20 Stadium LLP to acquire LS185**

### Executive Summary:

E20 Stadium LLP (E20 LLP), the wholly owned subsidiary of the London Legacy Development Corporation (LLDC) has been working on initiatives to restructure its business. As a result of this work, E20 LLP has proposed to acquire London Stadium 185 Limited (LS185) from Vinci Stadium SAS (Vinci).

The proposal for E20 LLP to acquire LS185 requires Mayoral consent under the terms of the LLDC Governance Direction 2013 ("Governance Direction"), which is sought by this form.

### Decision:

That the Mayor:

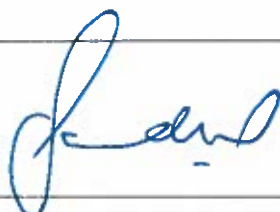
Consents under the terms of the Governance Direction to E20 LLP acquiring LS185.

### 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:**

16/1/19

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. E20 LLP, a wholly owned subsidiary of the London Legacy Development Corporation (LLDC), has been working on initiatives to restructure its business. As a result of this work, E20 LLP has negotiated with Vinci to acquire LS185.
- 1.2. Under the Governance Direction, the LLDC is required to obtain Mayoral consent to the actions of its subsidiary in the same circumstances where LLDC must do so. Under s 212(2) of the Localism Act 2011 (“2011 Act”) the Mayor’s consent is required to the acquisition by a MDC of any body corporate and so, as a result, the Mayor’s consent is required for E20 LLP’s acquisition (in its entirety) of LS185.
- 1.3. In July 2012 under MD971, the Mayor consented under section 212(2) of the 2011 Act, for LLDC to form an interest in a limited liability partnership – E20 LLP– with Newham Legacy Investments Limited (a wholly owned subsidiary company of the London Borough of Newham (“NLI”). In November 2017 under MD2201, the Mayor consented to a change in ownership of E20 LLP, including consent to LLDC entering into any necessary agreements relating to NLI’s retirement from E20 LLP and consented, under section 212(2) of the Localism Act 2011, to the LLDC establishing a wholly owned subsidiary company, Stratford East London Holdings Ltd, which became a member of E20 LLP following NLI’s retirement from the partnership. As a result, E20 LLP is a wholly owned subsidiary of the LLDC.
- 1.4. E20 LLP has a twenty-five-year contract with LS185 for the operation and exploitation of the Stadium. Approval is sought for E20 LLP to acquire LS185, to take ownership and control of the company (albeit remaining as a stand-alone entity). This will allow E20 LLP to have full oversight and control of the costs of running the Stadium; allow E20 LLP to restructure the contract for management and exploitation of the Stadium through LS185, and seek efficiencies in operational and overhead costs, as well as maximising opportunities to grow income. As a result of this transaction, LS185 will become a wholly owned subsidiary of E20 LLP. LLDC will be the ultimate parent of both E20 LLP and LS185.

#### **2. Objectives and expected outcomes**

- 2.1. Taking on the operation of the Stadium is a key part of the restructuring plan for of E20 LLP to support moving the London Stadium to a financially sustainable position.
- 2.2. This change will enable the continued delivery of the Stadium legacy and the wider regeneration of Queen Elizabeth Olympic Park and surrounding areas for the benefit of the diverse local communities around the Park, Londoners from all parts of the city, elite sportspeople and visitors.

#### **3. Equality comments**

- 3.1. LLDC has invested in delivering a multi-use Stadium at the heart of Queen Elizabeth Olympic Park (QEOP) that supports the LLDC’s priority themes:
  - Transforming the lives of East Londoners;
  - Developing a dynamic new heart for East London, creating opportunities for local people; and
  - Driving innovation and growth across the city and the UK.
- 3.2. The GLA must have due regard to the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not under section 149 of the Equality Act

2010. This may involve, removing or minimising any disadvantage suffered by those who share a relevant protected characteristic, taking steps to meet the needs of such people; and encouraging them to participate in public life, or in any other activity where their participation is disproportionately low, including tackling prejudice and promoting understanding. The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status. Compliance with the Act may involve treating people with a protected characteristic more favourably than those without the characteristic.

- 3.3 No adverse impacts on equalities issues or any protected characteristic groups are anticipated as a result of the proposals set out in this form.

#### **4. Other considerations**

##### *a) Links to Mayoral strategies and priorities*

- 4.1 This proposal will support the Mayor's commitments to build on the success of the 2012 Olympic and Paralympic Games to:

- Attract more global events to the city, securing social and economic benefits for London and Londoners; and
- Promote and support sport for more people of all ages.

##### *b) Impact assessment and consultations*

- 4.2 LLDC has also consulted the GLA on the matter. It is not considered that the Mayor need undertake any additional impact assessment or consultation in respect of this decision.

#### **5. Financial comments**

- 5.1 Comments in relation to the costs associated with the acquisition of LS185 are included in Part 2 of this decision.

#### **6. Legal comments**

- 6.1 The relevant requirements of the Governance Direction and 2011 Act are set out above.
- 6.2 E20 LLP is being advised by TfL Legal and external legal advisers on this matter.

#### **7. Planned delivery approach and next steps**

Activity	Timeline
Execution of agreements relating to acquisition of LS185	17 January 2019

#### **Appendices and supporting papers:**

None.

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

Deferred until the agreements have been executed by all parties.

Until what date: 31 January 2019

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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:**

Michelle Reeves has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

Martin Clarke 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.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 7 January 2019

**EXECUTIVE DIRECTOR, RESOURCES:**

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

Signature

Date

Tom Middleton on behalf of Martin Clarke 07.01.19

**CHIEF OF STAFF:**

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

Signature

Date

D. Bellamy

7 / 1 / 2019.