

London Legacy Development Legacy Corporation Corporate Performance: April to June 2014



NOT PROTECTIVELY MARKED

Purpose of the document

This is a quarterly report that provides an update on progress in the work areas and against the milestones in the London Legacy Development Corporation's (LLDC, the Legacy Corporation) 10 Year Plan and sets out information about the Legacy Corporation's financial performance. The 10 Year Plan can be found on the LLDC's website:

<http://queenelizabetholympicpark.co.uk/~media/lldc/committee%20minutes/committees/board/april%202014/20140430lldcboardpublicwithout%20item%2014%20appendices.pdf>

The first section provides information about **financial performance**. Subsequent sections are grouped by theme: **Park Operations and Stadium; Real Estate and Regeneration; Planning Policy and Decisions; and Corporate**. Each section includes progress against milestones, commentary on major projects and key risks. Where relevant the sections also include monitoring information about the Legacy Corporation's performance against targets; the measurement of targets commences as projects start to be delivered. Note that milestones are listed by quarter within calendar years (i.e. Q1 2015 refers to January - March 2015).

Summary of progress in the quarter April to June 2014

LLDC's major achievements during this period are set out below. Further details can be found in the body of the report:

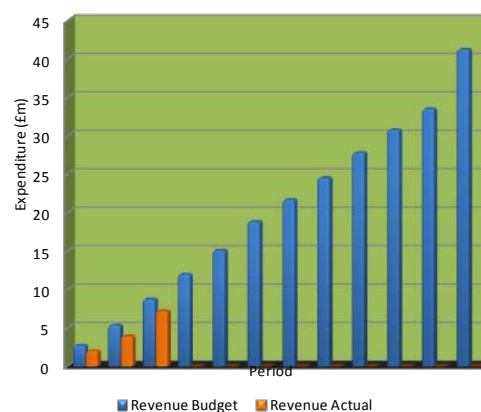
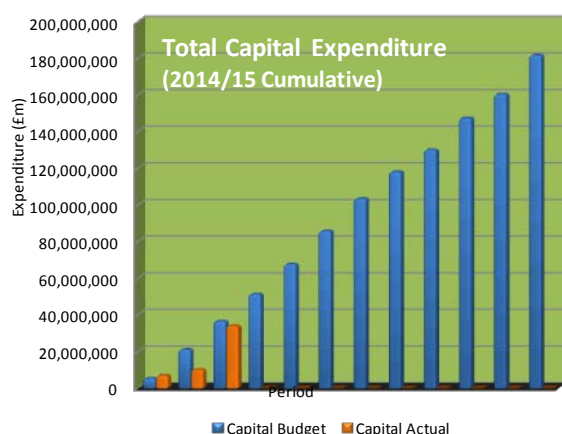
- Successful full opening of the Park including the ArcelorMittal Orbit, the Podium and kiosks. Excellent press coverage and visitor numbers.
- Lee Valley Regional Park Authority opened the Lee Valley Hockey and Tennis Centre at Eton Manor.
- Held a series of events to animate the Park including the Queen's Baton Relay and FINA/NVC Diving World Series.
- Funding for National Paralympic Day approved. Targets for Motivate East inclusive sport project exceeded.
- Funding approved for 3 years for Active People, Active Park programme.
- Signed the Grant of Lease for the Press and Broadcast Centres (Here East) and handed over the buildings.
- Commenced marketing for Chobham Manor with very good initial sales.
- Shortlisted bidders for East Wick and Sweetwater development, Planning Decisions Committee resolved to approve the revised LCS application for the development.
- Undertook public consultation on Community Infrastructure Levy charging schedule.
- Board and GLA approval for the 2014/15 budget and 10 Year Plan.
- Appointed the new Chief Executive, David Goldstone.

Some of the key goals for LLDC for the period from July to September 2014 are to:

- Continue progress in development of the cultural and higher education quarter, including submission of Outline Business Plan.
- Continue programme of events including Tour de France, Great British Carnival, National Paralympic Day, Prudential RideLondon, National Lottery Newham Anniversary run.
- Commence Chobham Manor construction and continue sale of housing units.
- Submit planning for Hackney Wick Station and approaches.
- Submit Planning Application for East Wick School.
- Resolve Aquatics Centre defects.
- Completion of Artwork on Chobham Manor Hoardings.
- Publication of Local Plan for formal consultation.
- Mayoral approval for the 2014/15 budget and the 10 Year Plan.

1. Financial summary and comment

	For the 3 months ended 30 June 2014			Full Year to Mar 2015	
£'000s	Actual	Revised Budget	Variance	Revised Budget	Original Budget
Total Capital Expenditure	33,996	36,525	2,529	181,665	181,394
Revenue - Income	(591)	(625)	(34)	(2,674)	(2,674)
Revenue - Expenditure	7,906	9,356	1,450	44,598	44,598
Net Revenue	7,315	8,731	1,416	41,924	41,924
Trading net result	(139)	15	(153)	(700)	(700)



Capital: The capital expenditure underspend for the 3 months to the end of June primarily sits within Infrastructure: The programme for the construction of the Stadium roof has slipped causing a £9m underspend for the year to-date and hence lower levels of capital injection have been required from LLDC.

The underspend is partially offset by overspends across the 'All Park', 'Other Projects' and 'Parkwide' workstreams, where expenditure of £8m has been incurred in closing out the various transformation contracts for work that was completed at the end of the 2013/14 financial year. This expenditure will be funded from reserves generated from underspends in previous years.

The transformation works on the Stadium are being managed by E20 Stadium LLP, a joint venture established by the LLDC and London Borough of Newham. E20 Stadium LLP is a separate legal entity and produces its own management accounts. The expenditure that appears in the LLDC management accounts represents the capital injection of funds to the LLP by LLDC.

Revenue: Revenue expenditure to date is £7.3m against a budget of £8.7m. Expenditure across the directorates is largely as anticipated with the exception of Park Operations and Venues who expect expenditure to accelerate later in the year. Other contributions to the underspend include the Planning Policy and Decisions team where planning receipts have been over-achieved to date.

Trading: 3 Mills has a positive variance of £0.5m to date, having over performed against the profiled income budget. As at the end of June, 3 Mills has contracted income of £1.8m, which represents 75% of budgeted annual income for the year.

The AMO trading account is showing an adverse variance of £0.3m to date due to receiving fewer visitors than anticipated.

A more detailed breakdown is presented below.

£'000s	For the 3 months ended 30 June 2014			Full Year to Mar 2015	
	Actual	Revised Budget	Variance	Revised Budget	Original Budget
Capital Expenditure					
Infrastructure - Stadium	19,154	28,326	9,172	120,135	118,188
Infrastructure - Other	7,278	(216)	(7,494)	2,199	1,996
Park Operations and Venues	168	424	256	5,457	5,457
Real Estate	4,939	5,391	452	35,885	35,841
Regeneration	1,031	1,077	46	7,293	7,493
Corporate	1,426	1,523	97	10,696	12,419
	33,996	36,525	2,529	181,665	181,394
Revenue - Income					
Park Operations and Venues	(336)	(525)	(189)	(2,102)	(2,102)
Real Estate	-	-	-	(172)	(172)
Planning Policy and Decisions	(255)	(100)	155	(400)	(400)
	(591)	(625)	(34)	(2,674)	(2,674)
Revenue - Expenditure					
Park Operations and Venues	2,875	3,647	772	17,399	17,419
Real Estate	46	362	316	1,162	1,162
Stadium	344	285	(59)	705	705
Regeneration	219	409	190	3,073	2,873
Planning Policy and Decisions	141	128	(13)	837	837
Corporate	4,281	4,525	244	21,422	21,602
	7,906	9,356	1,450	44,598	44,598
Revenue - Net Result	7,315	8,731	1,416	41,924	41,924
	Actual	Revised Budget	Variance	Revised Budget	Variance
Trading net (surplus) / deficit					
3 Mills Studios	(178)	290	(467)	400	400
AMO trading	25	(275)	300	(1,100)	(1,100)
Copperbox	(6)	-	(6)	-	-
London Aquatics Centre	41	-	41	-	-
Timberlodge	(21)	-	(21)	-	-
Total Net (surplus) / deficit	(139)	15	(153)	(700)	(700)

Capital

Infrastructure

Stadium expenditure is behind the anticipated budget as the programme for the roof expenditure has slipped reducing the need for capital injections from LLDC to date.

Other areas of capital expenditure in Infrastructure are higher than anticipated as work to close out contracts and agree settlements with contractors is ongoing. The phasing of the budgets assumed the majority of contracts would have been agreed and payments made in 2013/14 and budget was therefore not profiled in the 2014/15 year.

As the payments were not incurred in 2013/14, this generated an underspend in these areas that will be used to fund the expenditure as it is incurred in 2014/15.

There has also been an ongoing requirement for some of the consultants' services relating to transformation works to continue into this financial year. Again these costs were not

reflected in the phasing of the budget meaning the 2014/15 budget will be overspent but can be funded by 2013/14 underspend.

Park Operations and Venues

There is an under spend variance in capital expenditure to date. Park Operations and Venues have not spent this budget as responsibility for tarmac at the Stratford Waterfront moved to Real Estate. The budget is to be transferred and spend incurred in Real Estate later in the year. Smaller slippages also exist following that are expected to be caught up in the coming months.

Real Estate

An underspend of £0.5m exists across the Real Estate directorate to date; commencement of F03 bridge work has been delayed due to the winning tender bid being above budget and a value engineering exercise is taking place to bring costs within budget. Expenditure on the cultural and higher educational quarter project is expected to accelerate later in the year. These underspends are offset by smaller overspends in refurbishing Hackney Wick station and Canal Park expenditure being ahead of profile.

Regeneration

Expenditure within the Regeneration directorate is in line with the revised budget. Some minor works have been delayed until later in the year.

Corporate

Expenditure is broadly in line with budget, with Park IT expenditure expected to increase through the rest of the year.

Revenue

Park Operations and Venues

Income is slightly below the year to date budget. However the team have a number of forward bookings and remain hopeful the year end target will be made.

Expenditure is behind budget as a review of Facilities Management costs across the park has led to a dispute of some invoices and reduced costs. There have also been delays in marketing expenditure as visitor surveys are now planned to be conducted in conjunction with Westfield and are expected to take place later in the year.

Regeneration

The underspend primarily relates to a grant for £116k which has been included within expenditure, suppressing spend. The remaining underspend mostly relates to £40k of slippage due to the Urban Bioscience Park work starting later than anticipated.

Real Estate

The primary reason for that costs in relation to the handover of the Press and Broadcast Centre will no longer be incurred.

Planning Policy and Decisions

The net under spend continues to be driven by planning application fees received that are much higher than anticipated due to the receipt of applications for some large-scale.

Corporate

In Corporate variances include an underspend of £0.2m in Park IT due to work not yet having started on fibre management.

2. Park Operations and Stadium

The work in this area in 2014/15 is focussed on ensuring that following the opening of Queen Elizabeth Olympic Park (the Park) and its venues in April 2015 that the Park and venues are carefully managed and maintained, to ensure a reputation for quality and safety, and to maximise visitor numbers and spending for local businesses. This is underpinned by major sporting and cultural events preserving and enhancing the spirit of 2012, and a wider programme of events at all scales ensuring repeat visits from local people and the wider audience.

This area also includes work to convert the Stadium into a multi-use venue which will re-open temporarily for major events such as the Rugby World Cup matches in 2015, then permanently prior to the start of the football season in summer 2016 for its concessionaires, West Ham United Football Club and UK Athletics.

Progress against major milestones and targets

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Complete transformation, reopen Park & venues	Complete: The Park and major venues re-opened on schedule as planned. This does not include the Stadium which has separate milestones.
Defects resolved for Aquatics Centre and Copper Box Arena	Ongoing work to rectify defects in the two venues. Major defects in the Aquatics Centre to be resolved in Q3 2014.
Hold FINA diving championships	Tournament successfully held with 8,592 people attending.
Hold Revolution track cycling	Scheduled to take place in the Lea Valley VeloPark in October 2014, with another event in February 2015.
Tour de France stage through the Park	Complete: The Tour de France completed a circuit of the Park in July 2014.
Hold European Badminton Grand Prix	This event is not taking place.
Complete installation of signage and wayfinding	Temporary wayfinding and signage installed for Park opening. Permanent solution to be complete by Q4 2014.
Stadium: naming rights partner announced	Discussions are ongoing with possible naming rights partners for Stadium; a decision is due to be made in Q1 2015.
Appoint Park & Stadium events operator	Dialogue progressing to schedule with Stadium+ operator bidders. Operator to be appointed in Q4 2014.
Achieve and maintain Green flag status for the Park (15/16)	Green flag status has been achieved, 1 year ahead of schedule.
Stadium complete for Rugby World Cup (15/16)	Stadium conversion is on track for re-opening for the Rugby World Cup in summer 2015, Section 1 of the Stadium completed on schedule in this period.

Targets and performance for 2014/15	Performance and Commentary
<p>Health and safety: Targets are to complete transformation without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked</p>	<p>No fatal injuries on site to date. There have been no life-changing injuries sustained in accidents, and no reportable work-related ill health. The Transformation programme completed with a very good safety performance. The accident rate ended at the historically low 0.05 (equivalent to a reportable accident for every 2,000,000 hours worked) for the final 12 months and an average over the whole programme of works of 0.13 (lower than for the ODA pre-Games works of 0.15).</p>
<p>Visitors: Annual target of 3.5m visitor to the Park</p> <p>Copper Box throughput</p> <p>Aquatics Centre throughput</p>	<p>Estimated 870k visitors to the Park between April and June 2014.</p> <p>50,597 people have visited the Copper Box Arena in 2014/15.</p> <p>191,158 people have visited the Aquatics centre in 2014/15.</p>

Commentary on key projects

The **south of the Park** opened to the public on Saturday 5 April 2014 for the first time since the London 2012 Olympic and Paralympic Games. In 18 months, the Legacy Corporation has led the transformation of the former Olympic Park into London's newest Park with beautiful parklands and waterways, world-class sporting venues, arts and events.

The Park opening weekend attracted over 50,000 visitors and generated positive media and social media coverage. Highlights of the opening weekend included: a parade of 250 local children; choirs, bands, dancers, poets, circus performers and story tellers throughout the south of the Park; a spectacular aerial performance by acrobats from Aircraft Circus at the ArcelorMittal Orbit; try out sessions for a range of sports and fitness activities; and visits from the East London Mobile workshop arts and crafts bus and the Bikeworks team.

Since that time visitor numbers to the Park have been very high and media coverage about the Park has been positive. The Park has been animated by a number of events, summarised in the section below.

The **ArcelorMittal Orbit** visitor attraction also opened on the same day. Visitors to the ArcelorMittal Orbit are able to experience a new perspective of London and unrivalled views of the Park. With two spacious viewing platforms at 76 and 80 metres high, visitors can see over 20 miles across London and newly installed interactive technology enables guests to get close up to the breathtaking views.

At the base of the ArcelorMittal Orbit is **The Podium** which has a versatile events space, EastTwenty Bar & Kitchen and roof top terrace with views of the iconic venues.

Aquatics Centre: The Aquatics Centre opened on 1 March 2014. The 50 metre competition pool is available for lane and fitness swimming. The 50 metre training pool is used for family sessions; fun sessions with inflatables and swimming lessons. There is also a 25 metre diving pool with boards and platforms up to 10 metres, a dry diving zone, a state-

of-the-art 50 station gym and café. In April the Aquatics Centre hosted the 2014 FINA/NVC Diving World Series and in 2016 will host the European Swimming Championships.

North Park and Hub: The first phase of the North Park opened on schedule in late July 2013, including the Unity Kitchen Café, the Tumbling Bay playground and the Timber Lodge community centre. The café is run by The Camden Society and was the first of four permanent cafés and four permanent kiosks across the site.

The **Copper Box Arena** opened on 27 July 2013. During this period it hosted a number of events including National Handball finals and London Lions basketball matches. The Arena is also open for use by the community including a sports hall for activities such as badminton, an 80 station gym and 2 studios.

Events: The Park has been animated through a number of high profile events including the **Queen's Baton Relay** for the Commonwealth Games passing through the Park, marking the midpoint of the English leg of the Relay, as it nears the end of its international journey. As part of the celebrations the Park held a Festival of Sport, a free event which was the biggest mass participation sports event on the Park, bringing people of all ages and backgrounds together to try new sports. This included a range of inclusive sports such as wheelchair basketball, and activities for all ages and abilities and launched Active People Active Park, LLDC's initiative with Sport England to provide sports activation across the Park.

The **FINA/NVC Diving World Series**, the first international event to be hosted at the London Aquatics Centre since the London 2012 Olympics and Paralympic Games, concluded to sell out crowds. British Swimming, UK Sport, London Legacy Development Corporation, London and Partners, Mayor of London and Greater London Authority and GLL brought the event to the capital and saw over 9,000 spectators watching world class diving.

The **Lee Valley Hockey and Tennis Centre**, owned by the Lee Valley Regional Park Authority, was officially opened by members of the England Hockey Women's and Men's teams and British Wheelchair Tennis Paralympic medalists Jordanne Whiley and Lucy Shuker. Members of the public had their first chance to take part in both sports at Lee Valley Hockey and Tennis Centre on Saturday 21 June when the venue hosted a free Family Fun Day.

Future events: events on the Park scheduled to take place in the next period (July – September 2014) include:

-Hosting part of the **Tour de France** 7 July 2014.

-The **National Lottery Newham London Anniversary Run:** a five mile run including venues on the Park on 20 July 2014.

-The **Great British Carnival at the Park.** A free event marking the midway point between the London and Rio Olympics on 27 July.

-The **Prudential RideLondon** on 10 August 2014 starts in the Park with an estimated 24,000 cyclists and 150 of world's top professional male.

- **National Paralympic Day:** 30 August 2014. Featuring family activities, the chance to try inclusive and disability sports, watch elite Paralympic sports and featuring the Mayor's Liberty Festival featuring attractions from deaf and disabled artists.

- **Invictus Games:** more than 300 wounded, injured and sick Servicemen and women, serving and veteran, competing in events on the Park on 10 - 14 September 2014.

Park Operations: The first phase of opening was supported through the Legacy Corporation's Park Operations team whose work included the mobilisation of venue operators and the delivery of the estates and facility management contact. The preparatory work ensured that full Park opening was smooth and the Park has been operating well since this time.

Stadium: LLDC, on behalf of E20 Stadium LLP, is working to transform the Stadium in the Park into a year round multi-use venue to deliver a permanent sporting, cultural and community legacy in east London. Last summer Balfour Beatty was awarded the contract to convert the Stadium roof and is leading the remainder of the transformation works of the Stadium including constructing the warm-up track, spectator and hospitality facilities, and the external landscaping.

Carey's PLC has continued work as contractors to remove 25,000 seats and the grass field of play. Work continued in this period to remove all 14 of the floodlight paddles on the Stadium so a new roof – twice the size of the original at around 45,000sq metres – can be built. At 84 metres at its deepest point it will be the longest cantilevered roof in the world and will cover every seat in the Stadium and improve the acoustics and spectator experience for football matches, other sporting events and concerts. The pitch will then be laid for the five Rugby World Cup matches held in the Stadium in September and October 2015. After this, final work will be carried out, including construction of retractable seating, to prepare the Stadium for its long term tenants West Ham United FC and UK Athletics to open the Stadium from summer 2016.

Procurement has commenced for the operation and event management of the Stadium and south of the Park, an operator is scheduled to be appointed in Q4 2014.

For information about LLDC's **Sport and Healthy Living** projects see the Community Engagement text in the Regeneration section of the report.

Key Park Opening and Operations and Stadium risks:

Summary	Impact	Mitigation
Red risk that the construction programme for the Stadium will slip and/or budgets will overrun	Significant financial, reputational and operational impacts.	Budgets secured for the construction work and contracts let. Monitor budgets closely.
Amber risk relating to Park visitor numbers and experience	Significant reputational impacts.	Marketing plan, good customer services, animation of the Park through events. Positive initial figures for visitors to the Park.
Amber risk relating to Stadium+ Operator procurement	Significant financial impacts.	Procurement exercise is on track.
Amber risk relating to impact of remedial works for Copper Box Arena and Aquatics Centre on	Significant financial and reputational impacts.	Ensure management of remedial works is monitored closely and issues identified

operations		and dealt with promptly.
Amber risk about the impacts of serious accidents or episodes of significant ill health on site	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive health and safety programme is in place, designed to identify and manage the construction risks and led actively by LLDC and its Project Management Partner.

3. Real Estate and Regeneration

Real Estate

The work in this area in 2014/15 includes working towards the delivery of vibrant new places: new homes, workplaces and community facilities will be built and managed in partnership with developers and investors, with the mix of uses and tenures, high quality design and excellent environmental standards that will create places that work. This includes commencement of construction of housing at the Corporation's first housing development at Chobham Manor and sales of properties in this development. It also includes preparing for the next phases of housing on the Park at East Wick and Sweetwater and working with Partners to deliver two schools on the Park.

The Real Estate directorate is delivering construction project across the park including connectivity project and the development of a Canal Park. It is also working closely with partners to improve neighbourhoods outside the Park, in particular in Hackney Wick and Bromley by Bow.

The Legacy Corporation is also working with central Government, the Mayor of London and potential partners with the aim to emulate the legacy left in South Kensington by the Great Exhibition, by promoting the Mayor's vision for a Cultural and Higher Education quarter in the Park, comprising cultural facilities, education and research institutions and workspaces, to stimulate job creation and economic growth across east London.

Progress against milestones

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Chobham Manor developer on site	Enabling works have been taking place and the developer is due to start construction on site in Q3 2014.
East Wick & Sweetwater developer procurement complete	Three bidders have been shortlisted and the developer is due to be appointed in Q3 2014.
Olympicopolis development agreements complete	Final agreement to be signed Q4 2014.
Here East start on site to fit out Press & Broadcast Centres	Following the granting of the lease to Here East Construction will commence in Q4 2014.
Bromley by Bow - Delivery strategy for BbB preferred option agreed	Preferred option to be agreed in Q4 2014.
East Wick School - submit planning application	On scheduled to submit Planning Application in Q3 2014.
East Wick School construction commences	There is a tight programme of planning, design and letting contracts but on track for commencement in Q1 2015.
Legatum all through school: planning application submitted	Two planning submissions to be submitted, one for the Primary School the other for the Secondary school. Both on schedule for submission in Q4 2014.

Delivery strategies for Bromley by Bow agreed	Contractors appointed to prepare a viability assessment of the design options and to produce a delivery strategy by Q4 2014.
Olympicopolis outline business case approval	Outline Business Case in draft and due to be submitted to Government in Q3 2014 for approval in Q4 2014.
Hackney Wick Station construction commences (15/16)	Construction on track to commence Q1 2015.
U13/14 construction complete	Project has slipped to an estimated completion date of Q2 2015 due to delays in flood modelling.
Set up of Estates Management body	LLDC Investment Committee to be updated on options to create an Estates Management body.
Legatum all through school construction commences (15/16)	On schedule to commence construction of the Primary school in Q1 2015 and the Secondary school in Q2 2015.
Hackney Wick Station construction commences (15/16)	Planning application due to be submitted in Q3 2015.
Hackney Wick Neighbourhood Centre submission of Outline Planning Application (15/16)	On track for submission in Q2 2015, supported by approval for Business Case, landowner meetings and planning discussions in this period.
Olympicopolis full business case approval (15/16)	Approval for Outline Business Case due in Q3 2015, further work with Partners to complete the Full Business case.
Canal Park Opens (15/16)	On track to complete construction works and open to the public in Q4 2015.

Commentary on key projects

Cultural and Higher education district: This is a new project which aims to create a major new higher education and cultural district on Queen Elizabeth Olympic Park. The Mayor of London, the Chancellor and LLDC have agreed to work together on this ambitious plan that would potentially see two world class institutions – University College London (UCL) and Victoria and Albert Museum (V&A) – on the Park and potentially other higher education and cultural institutions on the Park.

The Legacy Corporation has been working closely with the V&A and UCL and other partners to develop a business case for the creation of a major new higher education and cultural district for submission to Government. The Legacy Corporation has been engaged in negotiations with UCL to discuss the delivery arrangements for a new university campus on PDZ 1.2, (south of Aquatics) and PDZ 2 (south of the ArcelorMittal Orbit).

Chobham Manor development: in November 2012 LLDC entered into the development agreement with Chobham Manor LLP (a joint venture between Taylor Wimpey and London & Quadrant) to build LLDC's first neighbourhood on the Park, Chobham Manor, on the site of the former temporary Basketball Arena. The development will contain 75% family housing (defined as 3 beds or more) as this is a planning requirement and will be supported by a new health centre, nursery and community spaces.

Chobham Manor LLP launched the first phase of homes for private sale at Chobham Manor, in May 2014. Over the first weekend, 48 open market homes were reserved by purchasers who were keen to set up home on the Park in Stratford, East London, which hosted the London 2012 Olympic and Paralympic Games. Construction of the first phase of housing will commence in Q3 2014.

Press Centre and Broadcast Centre (Here East):

The long-term use for the Broadcast Centre and Press Centre has been secured. Here East (formerly iCITY) and the Legacy Corporation signed the lease for the buildings in May 2014. Here East will be a world-leading creative and digital cluster at the heart of Queen Elizabeth Olympic Park with 1.2 million square feet of space. Here East has appointed Lang O'Rourke as preferred contractor for their fit out works which will commence in Summer 2014.

Legacy Communities Scheme: The Legacy Communities Scheme planning application to deliver comprehensive mixed use development on the Queen Elizabeth Olympic Park was granted outline planning permission in September 2012. Work is ongoing to ensure that LLDC monitors and discharges its planning obligations relating to the LCS. LLDC has completed the majority of submissions of pre-commencement discharge of S106 and conditions to the planning authority, the majority of approvals are expected to be complete in Q3 2014.

LCS Phase 2 – East Wick and Sweetwater: The Legacy Corporation has continued procurement to identify a development partner to take forward the next phase of new neighbourhoods on the Park at East Wick and Sweetwater to create up to 1,5000 homes. Six firms submitted outline proposals earlier this year and the Legacy Corporation has announced three candidates to submit full proposals in September 2014: Grainger; Mace, Argent and Peabody; and Places for People and Balfour Beatty. The three final bidders will now enter into a period of detailed competitive dialogue meetings to formalise their proposals, which are expected to be submitted in Q3 2014. The Legacy Corporation will then select a preferred bidder later in the autumn. Because of conflict of interest relating to his new role, Dennis Hone has not been involved in the decision to agree this shortlist and will not be involved in future stages of procurement. The Planning Application to revise elements of the Legacy Communities Scheme (LCS) relating to this development was submitted to PPDT on 3 February 2014 and at the Planning Committee on 22 April, the Committee resolved to grant permission.

The Legacy Corporation is also working with Partners towards the early delivery of two **Legacy Community Scheme schools:** a three-form entry primary school at East Wick, due to open in 2015/16, and an all-through free school called Legatum at Sweetwater and Stadium Island, provisionally scheduled to open in September 2016. The Legacy Corporation is working with relevant partners for both schools to ensure that contractual arrangements, planning and design issues are all resolved to allow construction to commence in 2015 to meet the deadlines to open the schools.

Improvements to **Hackney Wick Station** have been identified as a key factor in helping to unlock the full economic potential of Hackney Wick. In this period LLDC secured a loan of £8.5m from the London Enterprise Panel (LEP) for improvements to **the Station**. The improvements include new routes to reduce journey-times between the station and iCITY and the Queen Elizabeth Olympic Park, a new and enlarged station concourse, the installation of lifts to the platforms, and the creation of a new north-south pedestrian route for both passengers and other pedestrians under the railway embankment. Work is ongoing with partners on the station design, submission of a planning application due in the next period and procurement. Discussions are also progressing well with LB Hackney and other landowners relating to development of the **neighbourhood centre** in Hackney Wick: the Business Case was approved in this period, landowner meetings and planning discussions were also held.

Construction projects: The **U13/14 underpass** will link the north and south of the Park: construction is now scheduled to commence in Q2 2014, this has been delayed because of

the need to complete level surveys to allow the designs to be finalised and planning approval to be sought. The construction is now scheduled to be complete in Q2 2015. **F03 bridge** construction works: the contractor has been appointed and construction is on track to commence in Q3 2014 for completion in Q3 2015. The **Canal Park** project to create a linear park on the western side of the Queen Elizabeth Olympic Park along the Lea Navigation Canal is on track to complete construction works and open to the public in Q4 2015.

Key Real Estate risks:

Summary	Impact	Mitigation
Red risk relating to the remaining major construction work inside and outside the Park in particular where dependent on external partners and funding	Significant financial and reputational risks.	Working closely with delivery partners and funders.
Amber risks on design, programme and budget relating to the delivery of the All Through (Legatum) School	Reduced design quality of the school, missed deadlines and financial impacts.	Close working with partners, budget and programme monitoring.
Amber risk relating to the funding and programme of East Wick School	Significant financial and reputational impacts.	Close working with LB Hackney. Ensure contractors are brought in early and all surveys are undertaken early.
Amber risks relating to construction of Olympicopolis to programme.	Significant financial and reputational impacts.	Effective design and early market testing.
Amber risks relating to ensuring that there is funding in place to deliver Olympicopolis.	Significant financial and reputational impacts.	Early insight to funding requirements.
Green risk that related development projects undertaken by other organisations are not successful.	Negative knock on effect on the success of the Park.	Close work with partners to influence developments and monitor progress.
Amber risk that there are challenges to the ability of LLDC to return expected capital receipts.	Significant financial and reputational impacts.	Close working with GLA. Consider alternative deal structures to support increased receipts.

Regeneration and Community Partnerships

The work in this area in 2013/14 includes developing a range of projects to help deliver regeneration and convergence in the Park and its surrounding area. These include socio economic projects around jobs, skills and business engagement; projects to promote equalities and inclusive design, engagement with the local community; projects promoting arts and culture; and projects relating to design and public realm improvements inside and outside the Park.

Progress against major milestones

Milestones for completion in 14/15 and early 2015/16	Estimated date and comment
Business Case approval to Hackney Wick Development and Delivery Strategy	Business case approved in this period
ELMO: Artist residency with public programming and mentorship scheme complete	Excellent participation in this period, on schedule to complete by September 2014.
Rothbury Road Hub 67 build complete	Procurement for contractor commenced, construction due to complete in Q4 2014.
Legacy Careers -complete Phase 2 Legacy Careers programme in 15 secondary schools	Commenced delivery of second phase of legacy careers in schools, programme due to complete in Q1 2015
NPD - NPD 2014 successfully held	A positive Lottery funding decision was given in this period, which secures the delivery of NPD for this year and next. Planning for the event which will take place on the Park on 30 August 2014.
Ensure future phases of LCS contribute to the LCS offset mechanism	All bidders have committed to using the offset mechanism for PDZs 4 and 5 This will be kept under review throughout the drafting of the development agreement.
Pudding Mill Lane: Masterplan complete and preferred option for Pudding Mill Lane agreed	The Masterplan is complete and preferred option on course to be agreed in Q4 2014.
Leaway: complete phase 1 (15/16)	Due for completion in Q3 2015

Targets	Performance and commentary
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<p>Transformation Construction workforce targets:</p> <ul style="list-style-type: none"> - 25% of the workforce have permanent residency in Host Boroughs - 10% of the workforce were previously unemployed - 25% of the workforce are from BAME groups - 5% of the workforce are women - 3% of the workforce are disabled - 3% of the workforce are apprentices 	<p>As of the end of June 2014 the majority of workforce targets have been met or exceeded:</p> <ul style="list-style-type: none"> - 24% of Transformation employees working on the Park are Host Borough residents - 5% were previously unemployed - 50% of the workforce are from BAME groups - 7% are women. - 5% are disabled - 7% are apprentices
<p>Copper Box Arena and Aquatics Centre workforce targets:</p> <ul style="list-style-type: none"> - 70% of the workforce have permanent residency in the Host Boroughs - 55% are from BAME groups - 50% are women - 3-5% are disabled 	<p>As of the end of April 2014 the workforce performance is shown below:</p> <ul style="list-style-type: none"> - 71% workforce Host Borough residents - 54% workforce are BAME - 35% workforce are women - 5% workforce are disabled
<p>Estates and Facilities workforce targets:</p> <ul style="list-style-type: none"> - 85% of the workforce have permanent residency in the Host Boroughs - 35% are from BAME groups - 42% are women - 10% are disabled 	<ul style="list-style-type: none"> - 70% workforce Host Borough residents - 55% workforce are BAME - 45% workforce are women - 3% workforce are disabled
<p>The Chobham Manor allowable solution programme will ensure zero carbon emissions for the development.</p> <p>A full list of sustainability targets can be found in the Sustainability Guide at http://www.londonlegacy.co.uk/media/LLDC_Your_sustainability_guide_to_the_Queen_Elizabeth_Olympic_Park2030.pdf</p>	<p>The Chobham Manor allowable solution programme to be agreed in 2014/15.</p> <p>Performance against other sustainability targets to be measured and reported in the annual sustainability report.</p>
<p>Community Engagement: My March 2016: 195 people supported to achieve training or qualification certificates through community projects</p> <p>Number of Echo members paying subscription fees from 2015 (at least 1000)</p>	<p>20 people awarded the voice of east London silver arts award.</p> <p>Will be measured from 2015 onwards.</p>

<p>Sport and Healthy living and Paralympic Legacy: 26,000 opportunities to participate in inclusive sports and physical activity delivered by 2015/16 as part of 'Motivate East' in partnership with Sport England.</p> <p>Recruitment of 60 Paralympic Legacy Ambassadors (now called Para-legacy agents) reaching 600 people over the three years.</p> <p>To March 2017: Engage 100,000 people in community sports project including Paralympic sports</p>	<p>Motivate East has reached 8,097 disabled people who have participated in the programme, exceeding the target for the first year of the project of 2874 participants</p> <p>The Bromley By Bow Centre has been appointed to recruit Para-legacy agents. 480 have been appointed to date.</p> <p>Paralympic Legacy figures are above; Active Park Active People sessions are being delivered and are on track to meet annual targets.</p>
<p>Arts and Culture: Engaging directly with over 70,000 people (from 2013/14 to 2015/16) through activities with artists, cultural festivals, mentorship scheme, outdoor performances, creative workspaces, and Art in the Park</p> <p>Supporting 30 jobs in the arts by March 2016</p> <p>Delivering 20 events in the Park by March 2016</p> <p>Commissioning 15 new artworks on the Park by March 2016</p>	<p>The latest figures show direct engagement with 43,324 people. This figure does not include engagement through LLDC arts and culture projects at the Summer Events series, notably at National Paralympic Day and Open East.</p> <p>45 by June 2014 (quantified as either direct or indirect employment)</p> <p>34 by June 2014 (an 'event' classed as an organised event of more than 50 people attending)</p> <p>51 by June 2014</p>

Commentary on key projects

Inclusion and Paralympic Legacy: LLDC's has continued to deliver its Paralympic legacy programme. As a part of that programme inclusive sport project Motivate East (which is funded by LLDC and with match from Sport England and other partners including the Host Boroughs, Lee Valley Regional Park Authority, Greenwich Leisure Limited, the University of East London, ProActive East London and Wheelpower) is exceeding targets relating to throughput, supported by the appointment of Para-legacy agents to promote the programme.

The date for National Paralympic Day 2014 has been agreed (to be held on 30 August in the South Park) and funding for this year and next year has been approved. The event will feature inclusion and disability sports, the Mayor of London's Liberty Festival as well as elite sport in 2 venues on the Park.

Procurement has continued for a design team to re-imagine **Mandeville Place**, the central public open space between Carpenters Lock and the Belvedere, as an area of Paralympic recognition, meeting our commitments to the International Paralympic Committee. This interpretation will include a tactile map and will be retrofitted after Park opening. Planning permission is due to be submitted in the next period.

Socio Economic projects:

The Legacy Corporation has continued its programme to help provide opportunities on the Park to encourage jobs, skills and apprenticeships. Progress against individual targets can be found above. In this period good progress has been made in recruiting apprentices to work on the Canal Park, Chobham Manor and in particular the Stadium (over 20 apprentices recruited).

Delivery has commenced on Legacy Careers which will raise awareness of employment opportunities coming forward from the Park and help secondary school students to better understand their future career options, broaden horizons and equip them with the information, confidence and motivation they need to plan and manage their own careers. This will be delivered to 15 schools in the Host Boroughs and run until Q1 2015.

Education and schools: The Legacy Corporation has progressed its work to deliver the Legacy Communities Scheme schools and to facilitate additional capacity in the Legacy Corporation's area.

Community Engagement:

The Legacy Corporation has been running a number of high profile community engagement projects with local residents including delivery of workshops community roadshow in the 4 boroughs, work around maps and routes and working with community clubs.

The aspiration for the Park to be known as London's largest outdoor classroom is progressing well through the Learning Trails project. 400 lesson plans have been developed as free downloadable resources, and teachers and students are able to use these lesson plans on the Park.

The Legacy Corporation is working with the V&A on a Mayor's Challenge schools project. This is due to commence in September 2014 and aims to engage effectively with the local east London communities to increase the V&A's audience base and enhance its presence in East London prior to its proposed location on the Park. This fits in with the Legacy Corporation's ambition to create and foster innovation and new industry and technology at the heart of east London.

An application process to appoint members of the Legacy Youth Board has completed and the first meeting held. The Legacy Youth Panel will also continue to operate, delivery partner for 2014/15 has been appointed and the Youth Panel's film was shown at the Stratford Picture House.

The Legacy Corporation has been awarded £500,000 from Sport England's Community Sport Activation Fund to get people in and around the Park more active, more often. Following on from a successful pilot project, which attracted over 3,000 people, the Active People, Active Park programme is expected to reach more than 90,000 people over the next three years. The project will bring people of all ages and backgrounds together to try new sports, encouraging increased levels of physical activity.

Arts and Culture:

Good progress has been made on the **SPOKE** project, a poetry and spoken word programme offering people in East London an opportunity to watch, perform and develop careers in spoken word and performance poetry in and around the Park. A New Direction, Apples and Snakes and Spread the Word continued work to deliver a poetry and spoken word project in and around the Park. The schools programme concludes in the next period with a final poetry slam event at Stratford Circus showcasing poems from students in 10 local schools.

The **East London Makers Outside** (ELMO) project has continued. The spring season saw very high participation numbers of 4,695 across all events. These include 75 stools being made on the Park, a ceramic tile mural made in Beckton Community centre with a core group of disabled participants and an illustration workshop with Hackney Housing Association with an elders group. Summer programme is now finalised with activities at larger scale events until September 2014.

The Arts & Culture programme has completed two further major **artworks on hoardings**: one at Chobham Manor by artist David Shillinglaw who has worked with local communities in Leyton and Newham to tell their stories across 385 metres. The artwork was unveiled by Taylor Wimpey on 2nd July; the second artwork by famous artist Ben Eine stretches across 400 metres on Carpenters Road and features huge lettering which spells out words inspired by the forthcoming cultural quarter.

Nathan Eastwood from Newham was awarded the inaugural East London Painting Prize. Selected from over 300 submissions by artists from across East London, Nathan receives a life changing £10,000 prize and a prominent solo show at East London's Nunnery Gallery later this year. The East London Painting Prize has been created by The Legacy List, the charity of Queen Elizabeth Olympic Park with the Goldhill Family Zabłudowicz Collection, and in association with Bow Arts.

Interim Uses: in parallel with plans to appoint a Park-wide operator LLDC is developing smaller scale interim uses on the Park. This project aims to animate the routes to the Park, enhance the visitor experience and increase visitor numbers and begin to establish a mix of retail and commercial elements for the new neighbourhoods on the Park when these are built. The business case for this has been approved and the opportunities are being scoped.

The Lea River Park - Leaway: LLDC design team is leading the process of working in partnership with Newham, Tower Hamlets and other stakeholders to re-scope the Leaway project (formerly known as Fatwalk) and develop a delivery strategy for a series of projects which will connect the Park to the cable car, Royal Docks and River Thames with continuous landscaped walking and cycling routes along the River Lea.

Key regeneration risks:

Summary	Impact	Mitigation
Green risk relating to construction communications	Impacts on the reputation of the corporation	Deliver a clear communication plan which manages expectations and explains the reasons for the construction work
Amber risk relating to meeting priority theme targets and wider regeneration aspirations	Significant reputation impacts	A strong set of targets agreed through procurement and contracts. Close working with Partners

Planning Policy and Decisions

Progress against major milestones

Milestones for completion in 14/15	Estimated date and comment
Local Plan: Complete viability testing of Local Plan	BNP Paribas completed viability test in this period
Planning Committee Report finalised - Publication Local Plan	Local Plan finalised for publication in this period
Proof of consultation documents received and approved for printing	Proof of consultation documents received and approved in this period
Draft CIL Charging Schedule	Draft of Charging Schedule to be completed in Q3 2014
Local Plan: Submission of Local Plan	Publication of the Local Plan for consultation due in Q3 2014

Targets

Targets	Performance and commentary
At least 70% of Applications determined in time	Targets met in each month in this period (April 92%; May 83%; June 95%)
Number of enforcement cases closed per month	6 cases closed in this period, 27 open to the end of June

Commentary on key projects

The Planning Policy and Decisions Team (PPDT) have continued its work to develop the Local Plan and Community Infrastructure Levy. **The Local Plan** has been progressed to a final draft of the Publication version and has been amended in light of stakeholder and Planning Decisions Committee review during June. The Local Plan will now be reported to Board at its July meeting prior to formal public consultation during August and September. The Local Plan is on track for adoption in late spring 2015 in accordance with the project programme.

On the 30 April 2014 the Legacy Corporation Board agreed that the **Community Infrastructure Levy** Draft Charging Schedule and associated documents and evidence be published for consultation. Community Infrastructure Levies are new levies on development which local planning authorities may introduce in their areas to help fund the social, environmental and physical infrastructure that a new development will need.

The Legacy Corporation ran a consultation exercise in this period seeking comments from any interested individuals or organisations through the Legacy Corporation's website.

Development Management, Performance against all development management targets is being met, with particularly good performance in planning applications determined within time in June (95% against a target of 70%).

PPDT has consulted from mid December on proposals to extend the boundary of the Hackney Wick and Fish Island Conservation Areas. A further period of consultation on the proposed conservation area extension character appraisals was undertaken during late January and February and a report was considered by the Planning Decisions Committee in

March. Following PPDT's detailed review of the consultation and further consideration by the Planning Decisions Committee, the Board approved recommendations designating the conservation area extensions in an amended form.

Key Planning Policy and Decisions Team risks:

Summary	Impact	Mitigation
There is a risk that there are delays to the programmes to develop the Local Plan and the Community Infrastructure Levy (CIL).	Negative financial and reputational impacts for the Legacy Corporation.	A programme of activities including evidence gathering, consultation and independent examination has been adopted for both the Local Plan and the CIL programme, to be monitored regularly by the LLDC Board.

4 Corporate

Work in this area includes functions to support the delivery of the Legacy Corporation's objectives through services including finance, human resources, IT and Information management, programme management, legal, procurement and communications.

This includes work to develop the Smart London Plan, which aims for the Park to become one of the world's leading digital environments, providing a unique opportunity to showcase how digital technology enhances urban living. The aim is to use the Park as a testing ground for the use of new digital technology in transport systems and energy services.

Corporate

Progress against milestones

Milestones for completion in 14/15	Estimated date and comment
Unqualified Audit Opinion	The External Audit of 2013/14 accounts is due to be undertaken in Q3 2014 with results reported to the Audit Committee in September 2014.

Commentary on key projects

The 10 year plan and budget was approved by the Legacy Corporation's Board at its 30 April 2014 meeting and was approved by GLA's Investment Programme Board on 20 May 2014. This replaced the format of the Three Year Plan which had been approved in previous years. The 10 year plan and budget was awaiting Mayoral approval at the end of June 2014 (this was granted in July 2014).

Work has continued to implement the **Park Wide IT** strategy which sets out a plan to address requirements for information and technology on the Park link in with corporate IT requirements. ICT requirements for Park Opening (e.g. visitor centre & kiosks) progressed well in this period (and were ready for opening on 5 April 2014).

The Legacy Corporation has been considering a range of shared services with the GLA Group. At its meeting on 27 February 2014 the Chairman's Committee agreed the proposal to transfer LLDC's in house legal function to TfL, subject to appropriate consultation, from 1 May 2014. This transfer took place successfully in this period.

Following Dennis Hone's resignation in May 2014, to take up a new role within Mace as Finance Director, a recruitment campaign was launched and attracted an excellent response. The recruitment and selection process took place in June and David Goldstone has been appointed as the successor to Dennis Hone and will join in the Autumn. David joins the Legacy Corporation from Transport for London where he is currently Chief Finance Officer. Prior to that he played a major role in delivering London 2012 as the Government's finance director on the project between 2007 and 2012, helping ensure that the Games were delivered within the £9.3 billion budget. In that capacity he worked closely with the Olympic Delivery Authority on the design and delivery of the Olympic Park and on the planning for the future of the Park including the regeneration of east London now being delivered by LLDC. Before his role on the Games, David spent 12 years involved in the delivery of major investment programmes for Government. A trained accountant, he spent the early part of his career at Price Waterhouse and before that was an economics and politics teacher. A risk assessment has been undertaken in relation to managing the actual and perceived conflicts of interest relating to Dennis Hone's new role and protocols have been put into place to mitigate this risk.

Key corporate support risks:

Summary	Impact	Mitigation
Amber risk relating to organisational change, particularly relating to the resignation of the Chief Executive.	Risk to stability of the organisation	Ensure good internal communications to keep staff updated on changes and future plans
Red risk of changed VAT recovery rate for the Legacy Corporation	Significant financial implications	Continue discussions with HMRC