

Mr Gareth Bacon AM
Chairman of the Budget Monitoring Sub-Committee
City Hall
The Queen's Walk
London SE1 2AA

Thursday, 25 January 2018

Dear Gareth

Budget Monitoring Sub Committee – 13 December 2017

Thank you for your letter regarding last month's committee meeting. Please find below the answers to the additional questions you requested.

1. Clarification on the configuration works required for enabling cricket events to take place at the London Stadium

E20 and LS185 have been working closely with the ICC on the potential to stage matches in the 20:20 Cricket World Cup at the London Stadium in 2019 although no contract has yet been agreed.

There are two key areas of work to enable the venue to stage such an event following the end of the football season. First, a limited number of seats will need to be moved. The front seven rows of seating from all four stands will be removed and the West Stand will be pushed back. This work will be undertaken at E20's cost.

Once the seats are in place, a cricket pitch will be installed at the cost of the International Cricket Council. First, protection would be laid over the football pitch and a new cricket outfield created on top and seeded. An internationally compliant wicket, created off-site, would then be dropped in to the ground to complete the playing area.

This is a challenging task but technically feasible and would create the largest cricket ground in the country, more than doubling the 28,000 capacity at Lord's.

2. Further information on the feasibility assessment and planning being undertaken with regards to seating infrastructure once it has been concluded, and the proposed next steps arising as a result of this work

Significant work has been undertaken over the last 12 months to identify alternative solutions that will both reduce costs and speed up transition times for the relocatable seating in the London Stadium.

Work on concept designs is now nearing conclusion and E20 will consider this work and whether to commission detailed design work in early spring.

Should further work be commissioned it will take approximately six months allowing plans for a fully costed solution to be developed by the end of 2018. This work will run in tandem with the development of the Stadium's commercial strategy which will dictate the future ambition and usage of the venue.

Key stakeholders will be involved in the development of both the commercial strategy and the proposed seating solution.

3. The initial cost to the LLDC of introducing an additional 3,000 seats on West Ham United match days

The additional stewarding costs of increasing capacity from 53,500 set in the Concession Agreement to 57,000 are in the region of £7,000 - £10,000 per match. In addition, there will be an increase in maintenance and lifecycle costs in the Stadium with higher capacity usage.

West Ham United sell most of the 57,000 tickets even though average attendance this season has been c45,000. E20 is still obliged to steward for the number of tickets sold regardless of the numbers who actually attend the match.

4. Further information on the agency appointed to assist LLDC with naming rights negotiations and specifically whether they have any experience of securing similar large naming-rights contracts

Two world-class agencies, IMG in 2013 and more recently ESP, have been engaged to find a suitable naming rights sponsor for the London Stadium to date.

IMG is a global leader in sports, events, media and fashion, operating in more than 30 countries. The company represents and manages some of the world's greatest sports figures and fashion icons and is one of the largest independent producers and distributors of sports media.

ESP Properties is a division of WPP, the world's largest advertising and marketing group, specialising in maximising value from audience and brand partnerships. ESP came with a strong recommendation from the West Ham United Vice-Chairman, Karren Brady.

As was stated at the committee, the naming rights market is at its early stages of development in the UK with very few deals of significant value having been secured. In spite of this the London Stadium has come close to securing two multi-million pound deals with Vodafone and Tech Mahindra. The global exposure of the venue through events like the World Athletics Championships and Premier League matches and the resultant interest from major brands shows that there is significant interest though these deals take time and patience to complete.

E20 will re-enter the market formally at the appropriate time to ensure that approaches to prospects fit with the emerging commercial strategy.

5. Further details on Nicky Dunn's, chair of E20, experience in managing stadia

Nicky Dunn OBE is a member of both the Boards of LLDC and E20 Stadium LLP and has been chair of E20 since 2017. She has 30 years' experience in venue management, 16 of which were working for SMG, the world's largest venue operator with 500 venues worldwide including stadia, arenas, and convention centres. She has detailed experience of business planning, strategy and operations across all venue types, predominantly stadia and major arenas and most importantly mixed-use venues including those with sports team tenants. Accordingly, she has a comprehensive understanding of the challenges of operating mixed-use venues and has led the negotiation of a wide variety of related contracts, including sports team tenant concession agreements, operator agreements, contracts with music and sports promoters and the acquisition and extension of naming and other rights agreements. As well as having oversight of operational venues, as a senior employee of SMG she carried out feasibility studies and business plans for proposed arena and stadia and was involved in business recovery work for venues that had been acquired by SMG or met operational challenges.

Further evidence of her unrivalled experience comes from her role at SMG during the period that they were managing the main stadium for Manchester City Council during the Commonwealth games, one of the few major events with comparable complexity to an Olympics.

She was CEO of the Odyssey (now SSE) Arena in Belfast where she oversaw the operational design, planning, opening and management of the venue, taking it from opening to one of the world's top 10 multi-use sporting and entertainment venues.

Nicky now runs IMD Group a company she founded in 2011 to provide strategic and operational advice to the leisure and entertainment industries. Projects have included due diligence on new stadia business plans for governments and partnering with Price Waterhouse in Ireland to oversee an operator procurement process

Nicky is the Chair of Jockey Club Live, a joint venture between live music firm Music+Sport and UK racecourse group Jockey Club Racecourses, the Netball World Cup 2019 and is a trustee of the Young Vic Theatre in London. In Belfast, she chairs the board of The Titanic Foundation, which wholly owns the Titanic visitor attraction which is internationally renowned as a symbol of progress in Northern Ireland and has attracted over 4 million visitors. For this work, Nicky was awarded an OBE in the Queen's 2016 Birthday Honours.

- 6. A commitment to ensure E20 agendas and minutes are published as soon as possible with any private papers to be made publicly available once there are no longer any sensitive issues preventing their publication.**

E20 is committed to being as transparent as it can be given the constraints of its significant commercial operations. From 2018 agendas and minutes of the Board meetings and items discussed will be published as soon as possible after the meeting. These arrangements will be reviewed in the new financial year. The E20 Board is also committed to release all private papers as soon as any commercial sensitivities have passed.

The Board's agendas and minutes can be found here:

<http://www.queenelizabetholympicpark.co.uk/the-park/venues/the-stadium/stadium-transparency>

I hope this answers the questions you raised but please let me know if you need any further information.

Yours sincerely



Gerry Murphy
Acting Chief Executive