

Meeting of the Board of the London Legacy Development Corporation

Meeting Date: Tuesday 28 March 2017

Time: 2.00 pm

Venue: Rooms 1-3, London Legacy Development Corporation, Level 10, 1
Stratford Place, London E20 1EJ

Members of the Board of the London Legacy Development Corporation are hereby notified and requested to attend the meeting of the Board at 2.00 pm on Tuesday 28 March 2017 to transact the business set out below.

This meeting will be open to the public, except for where exempt information is being discussed as noted on the agenda. A guide for the press and public on attending and reporting meetings of local government bodies, including the use of film, photography, social media and other means is available at

www.london.gov.uk/sites/default/files/openness-in-meetings.pdf

Board Members:

Philip Lewis (Deputy Chairman)
Sonita Alleyne OBE
Mayor John Biggs
Nicholas Bitel
Nicky Dunn OBE
Keith Edelman
Mayor Philip Glanville
David Gregson
Baroness Tanni Grey-Thompson DBE
Lord Andrew Mawson OBE
Jules Pipe CBE
Councillor Chris Robbins
Mayor Sir Robin Wales

1 Apologies for absence

2 Declarations of interest

Members are reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.

3 Minutes of previous meeting held on 28 February 2017 (Pages 1 - 6)

The Board is asked to agree the minutes of the meeting held on 28 February 2017.

4 Matters arising and action list (Pages 7 - 8)

The Board is asked to note the actions arising from previous meetings.

5 Chief Executive's Report (Pages 9 - 22)

The Board is asked to note the Chief Executive's report, which provides an update on major projects and activities since the last meeting.

6 Report of the meeting of the Planning Decisions Committee held on 28 February 2017 (Pages 23 - 24)

The Board is asked to note the report of the meeting held on 28 February 2017.

7 Report of the meeting of the Audit Committee held on 13 March 2017 (Pages 25 - 28)

The Board is asked to note the report of the meeting held on 13 March 2017.

8 Report of the meeting of the Investment Committee held on 14 March 2017 (Pages 29 - 30)

The Board is asked to note the report of the meeting held on 14 March 2017.

9 Report of the meeting of the Regeneration and Communities Committee held on 15 March 2017 (Pages 31 - 32)

The Board is asked to note the report of the meeting held on 15 March 2017.

10 Report of the meeting of the Chairman's Committee held on 28 March 2017
(Pages 33 - 34)

The Board is asked to note the verbal update of the meeting held on 28 March 2017.

11 2017/18 Budget (Pages 35 - 44)

The Board is asked to note the report relating to the 2017/18 budget.

12 Treasury Management Strategy (Pages 45 - 102)

The Board is asked to approve the LLDC Treasury Management Strategy Statement for 2017-18 and associated appendices 1-5 and approve the delegation to the Deputy Chief Executive, the power to enter into arrangements for the set-up of a 'GIS2' for long term investments under the Group Investment Syndicate and to agree the investments of Corporation cash balances into this 'GIS2' on the understanding that the Deputy Chief Executive reports back to the Board as part of the agreed reporting cycle.

13 Governance update (Pages 103 - 150)

The Board is asked to note the update on the annual review of committee terms of reference and agree the changes to the standing orders.

14 Date of next meeting

25 April 2017 at 2pm at LLDC offices.

15 Member suggestions for future agenda discussions

The Board is asked to raise any suggestions for future agenda items.

16 Any other business the Chairman considers urgent

The Chairman will state the reason for urgency of any item taken.

17 Exclusion of the press and public

The Board is recommended to agree to exclude the public and press from the meeting, in accordance with Part 1, paragraphs 3 and 5 Schedule 12A of the Local Government Act 1972 (as amended), in order to consider the following items of business.

18 Minutes of the previous meeting held on 28 February 2017 that contain exempt information (Pages 151 - 154)

The Board is asked to agree the minutes of the meeting held on 28 February 2017 that contain exempt information.

19 Chief Executive's Report - Exempt information relating to item on Part 1- Appendix 3 and 4 - Commercial update, corporate dashboard (Pages 155 - 182)

The Board is asked to note the commercial update and the corporate dashboard that contain exempt information.

20 2017/18 Budget - Exempt information relating to item on Part 1 (Pages 183 - 194)

The Board is asked to approve the 2017/18 budget and note the changes from the approved budget submission and the risks associated to the budget in the report containing exempt information.

21 Close of meeting

DRAFT MINUTES



DRAFT Minutes of the Meeting of the Board of the London Legacy Development Corporation

Date: Tuesday 28 February 2017
Time: 2.00pm
Venue: LLDC meeting rooms 1 and 2, Level 10, 1 Stratford Place, Montfichet Road, London, E20 1EJ

Present: Philip Lewis (Deputy Chairman, in the chair)
Mayor John Biggs AM
Nick Bitel
Nicky Dunn OBE
Keith Edelman
Mayor Philip Glanville
David Gregson
Lord Mawson OBE
Jules Pipe CBE
Baroness Tanni Grey-Thompson DBE

In Attendance: David Goldstone CBE, Chief Executive
Gerry Murphy, Deputy Chief Executive
Mark Camley, Executive Director of Park Operations and Venues
Anthony Hollingsworth, Director of Planning Policy and Decisions
Ben Fletcher, Director of Communications, Marketing and Strategy
Janet Townsend, Director of Development
Charles Ritchie, Legal
Rachel Massey, LLDC Secretariat
Ed Williams, GLA Secretariat

1 Chairman's Announcements and Apologies for Absence

1.1 Apologies for absence were received on behalf of Sonita Alleyne, David Gregson, Sir Robin Wales and Councillor Chris Robbins.

2 Declarations of Interest

2.1 The Deputy Chairman noted that Members had declared registrable interests in line with the relevant Standing Orders and asked Members to confirm if they had any interests or additional interests to be declared related to matters listed on the agenda other than those already made and included in the register. The Deputy Chairman noted that Sir Robin Wales would have declared an interest in relation to

item 21 and had not been sent the papers for that item.

- 2.2 Nick Bitel declared a non-pecuniary interest in relation to his role with Sport England which was referred to in one of the reports. David Goldstone also noted an interest in relation to his role with Sport England.

3 Minutes of Previous Meeting held on 24 January 2017

- 3.1 **It was agreed that, subject to minor amendments having been made, the minutes of the meeting of the London Legacy Development Corporation Board held on 24 January 2017 be signed by the Deputy Chairman, as Chair for the meeting, as a correct record.**

4 Matters Arising and Action List

- 4.1 **The Board noted the Actions List.**

5 Chief Executive's Report

- 5.1 The Chief Executive introduced the report which provided an update on activities of the Legacy Corporation since the last Board Meeting, that included noting: the appointment of a contractor for the long-term seating arrangements in the Stadium; progress on the Chobham Manor housing development and the steps being taken to ensure there were no significant delays in stage 2 of the project; the positive financial performance of the slide on the ArcelorMittal Orbit in the Park; and the latest health and safety performance information.

- 5.2 Following discussion, it was agreed that further communications measures would be undertaken to communicate the level of participation by people with disabilities in the 'Active People, Active Community' sports programme.

[Action: Director of Marketing, Communications and Strategy]

- 5.3 **The Board noted the report.**

6 Report of the Planning Decisions Committee on 24 January 2017

- 6.1 **The Board noted the report.**

7 Report of the Meeting of the Investment Committee held on held on 17 January 2017

- 7.1 David Goldstone introduced the report which provided an update on the meeting of the Committee held on 17 January.

7.2 The Board noted the report.

8 Planning Decisions Committee Membership

8.1 David Goldstone introduced the report.

8.2 The Board approved the appointment of the new substitute member for the London Borough of Waltham Forest, Cllr Jenny Gray, to the Planning Decisions Committee (PDC), subject to the agreement to the re-appointment by the Mayor of London under the Localism Act 2011; authorised the Chief Executive to issue an appointment letter to Cllr Gray; and noted the new PDC membership including the new independent members.

9 Authority Monitoring Report 2016 and updated Infrastructure Delivery Plan Projects List

9.1 Anthony Hollingsworth, Director of Planning Policy and Decisions, presented the report. He confirmed that the IDP projects list should also include the connectivity projects for Montfitchet Road and Westfield Avenue not currently included. During the discussion, the Director agreed to provide further information on the type and level of usage of the electric vehicle charging points and to make clear that the potential to maximise affordable housing on some development sites in Hackney Wick and Fish Island was affected by the objective to secure affordable workspace in these schemes..

[Action: Director of Planning Policy and Decisions]

9.2 John Biggs stated that LB Tower Hamlets had made representations separately on some aspects of the Plan, and that it was not convinced that the proposed footbridge on the Hertford Canal was necessary.

9.3 The Board agreed the publication of the Authority Monitoring Report for the period 1 January to 31 December 2016; and agreed the updated Infrastructure Delivery Plan Projects List.

10 New local development scheme and statement of community involvement

10.1 Anthony Hollingsworth, Director of Planning Policy and Decisions, presented the report. During discussion, the Director confirmed that as part of the Local Plan review, a review of conservation areas and heritage assets would be undertaken. The Board would receive papers which would recommend where changes to the Plan are proposed.

[Action: Director of Planning Policy and Decisions]

10.2 The Board agreed the new Local Development Scheme and the Local Plan review programme that it contains; agreed the revised Statement of Community Involvement; and delegated the approval of any minor

amendments to the new Local Development Scheme and the revised Statement of Community Involvement to the Director of Planning Policy and Decisions prior to their formal publication.

11 Hackney Wick station improvement project update

11.1 The Board noted the report.

12 E20 Stadium LLP Update

12.1 The Board noted the report.

13 Date of next meeting

13.1 The Board noted that the next meeting of the Board was scheduled to be held on 28 March 2017 at 2pm at the LLDC offices.

14 Member suggestions for future agenda discussions

14.1 None received.

15 Any urgent business

15.1 There was no urgent business.

16 Exclusion of the press and public

16.1 It was agreed that the public and press be excluded from the meeting, in accordance with Part 1, paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended), in order to consider the exempt papers.

17 Minutes of the Previous Meeting of the Board held on 24 January 2017 that Contain Exempt Information

17.1 Subject to an amendment discussed in the Part 2 of the meeting being formally recorded, the private minutes of the meeting of the Board held on 24 January 2017 containing exempt information be signed by the Chairman as a correct record.

18 Matters arising

18.1 The Board noted the report.

19 Chief Executive's Report - Exempt information relating to item on Part 1- Appendices 3 and 4 - Commercial update, corporate dashboard

19.1 David Goldstone gave a presentation on the latest options regarding Stratford Waterfront as part of the Cultural and Education District project. It was noted that further meetings with the GLA and partner organisations were due to take place in the following days.

19.2 The Board noted the additional information provided in the report and the verbal update from the Chief Executive, along with the commercial update information and the corporate dashboard.

20 Hackney Wick station improvement project update - Exempt information relating to item one Part 1

20.1 Janet Townsend, Director of Development, and Paul Woolford, Interim Client Representative for Hackney Wick Station introduced the report and gave a presentation that provided further information in relation to the weather related risks relating to the Easter 2017 rail possession at Hackney Wick station.

20.2 The Board agreed the recommendations set out in the report.

21 E20 Stadium LLP update – Exempt information relating to item on Part 1

21.1 Gerry Murphy introduced the report. An additional addendum was tabled at the meeting, containing additional financial information.

21.2 The Board agreed the recommendations set out in the report.

22 Close of Meeting

22.1 The meeting closed at 4.07pm.

Chairman

Date

Contact Officer: Rachel Massey, LLDC, Level 10, 1 Stratford Place, Montfichet Road, London E20 1EJ, Tel: 020 3288 1829, Email: rachelmassey@londonlegacy.co.uk

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Board Actions List (reported to the meeting on 28 March 2017)

Actions from last meeting

Minute No.	Item/Description	Action By	Target Date	Status/note
5.2	Chief Executive's Report Undertake further communications about the level of participation by people with disabilities in the 'Active People, Active Community' sports programme.	Ben Fletcher	June 2017	In progress
9.1	Authority Monitoring Report 2016 and updated Infrastructure Delivery Plan Projects List Provide further information to Board members on the type and level of usage of the electric vehicle charging points.	Anthony Hollingsworth	April 2017	In progress, information to be provided for the April meeting.
10.1	New local development scheme and statement of community involvement Update the Board on the outcome of the Local Plan review, including a review of conservation areas and heritage assets, and recommend where changes to the Plan are proposed.	Anthony Hollingsworth	December 2017	Update report to be provided to the Board.

Outstanding Actions from previous meetings

Minute No.	Item/Description	Action By	Target Date	Status/note
13.1 (22 November 2016)	Board effectiveness review Discuss with the GLA about undertaking an external review of Board effectiveness in future.	David Goldstone	June 2017	To be discussed with the GLA in late 2017.

5.4 (29 Sept 2016)	CEO's report Provide an update paper on the Global Disability Innovation Hub and its success measures.	Vicki Austin	September 2017	To be scheduled in September 2017
10.4 (26 July 2016)	2015/16 Statement of accounts Include additional information on the valuation of the Stadium in the Chairman's Statement of the 2016/17 accounts and send valuation information to the Board in advance of the statutory accounts to enable discussion and assessment of the figure.	Gerry Murphy	23 May 2017	To be discussed at a Board meeting preceding the meeting where the 2016/17 accounts are presented at Board.
18.3 (10 March 2016)	Board effectiveness review Implement short and long term recommendations from the review set out in Appendices 1 and 2 to the report.	Rachel Massey	27 June 2017	Update was provided at November Board. Further update to be provided in June 2017



Subject: Chief Executive's report to the LLDC Board
Date: 28 March 2017
Report to: Board
Report of: David Goldstone CBE, Chief Executive

1. SUMMARY

- 1.1. This report provides progress updates on the activities of the London Legacy Development Corporation since the last Board meeting. The one page summary of the Corporation's strategy is attached at appendix 1 and maps from the strategy document showing LLDC's tiers of influence as a landowner, planning authority and regeneration agency are also included at appendix 2. A further commercial update on projects and the corporate dashboard is provided at appendices 3 and 4 (exempt information).

2. RECOMMENDATION

- 2.1 The Board is asked to note this report and the appendices.**

3. CHIEF EXECUTIVE'S OVERVIEW

- 3.1. Since the last update, key highlights of activity include:
- 3.1.1. The establishment of the Last Mile Strategic Group with LB Newham, LS185, Westfield and TfL. This is a strategic group at a senior level looking at crowd movements on the Park and between the Stadium and the stations.
 - 3.1.2. East London Waterways Festival to be held on the Park in August 2017 announced.
 - 3.1.3. Good progress has been made on the improvement works to Hackney Wick station, ahead of the possession planned for Easter 2017.

4. STADIUM

- 4.1. The Legacy Corporation, on behalf of E20 Stadium LLP (a joint venture between the London Legacy Development Corporation and Newham Council) has completed its work 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.
- 4.2. When the initial Premier League matches were held in the London Stadium at the start of the 2016/17 football season, the behaviour of some fans both in the ground and in the surrounding Park led to serious disorder and reputational issues. Chris Allison, a crowd safety and security expert, was engaged by E20 Stadium LLP to review plans and procedures and he continues to support improving the working arrangements across all of the parties involved. Although three arrests were made at the Premier League match between West Ham United FC and Chelsea FC on 6 March 2017, there was no repeat of the disorder prevalent at the West Ham vs Chelsea fixture held at the Stadium in

October 2016 and up to and including that match there have now been 10 consecutive fixtures with no significant incidents. Current initiatives that we are supporting, with Chris Allison's input, include:

- progressing arrangements between LS185 and Westfield about using the Northern Ticket Hall only for football spectators egress, which would reduce complexity and risk;
- a table-top exercise to review and rehearse the impact of the new egress plan, and contingency plans; and
- the establishment of the Last Mile Strategic Group with LB Newham, LS185, Westfield and TfL. This is a strategic group at a senior level looking at crowd movements on the Park and between the Stadium and the stations, and at long term improvements to arrangements. It is proposed that this forum will also provide oversight to the plans for improvements to Stratford Station which LLDC is working with TfL to progress.

- 4.3. The Mayor of London has established an investigation into the Stadium and related issues. The review is being led by City Hall, with LLDC involvement, and Moore Stephens have been appointed to advise on the investigation.
- 4.4. The London Stadium was voted the StadiumDB.com Jury Award Winner for Stadium of the year 2016, coming top amongst a shortlist of 10 international finalists.
- 4.5. There are further updates in appendix 3 (contains exempt information).

5. CULTURE AND EDUCATION DISTRICT

- 5.1. LLDC has continued to work with partners on the delivery of a world-class Culture and Education District (CED) on the Park.
- 5.2. The masterplan for the UCL East site has been fixed and UCL have appointed Stanton Williams as detailed designer for the Marshgate site and Lifschutz Davidson Sandilands on the Pool Street facilities. The mid-stage RIBA stage 2 design for UCL was issued in September 2016. RIBA stage 3 has commenced for Pool St and will commence for Marshgate following approval of RIBA stage 2.
- 5.3. The end of RIBA stage 3 for Stratford Waterfront (SWF) design has concluded.
- 5.4. There are further updates in appendix 3 (contains exempt information).

6. NEW NEIGHBOURHOODS AND DEVELOPMENTS

- 6.1. Work has continued on construction of the Legacy Corporation's first housing development at **Chobham Manor**. All the units on Phase 1 have been pre-sold and whilst there have been some construction related difficulties that have delayed progress, construction work is now proceeding well: Block 1D is now complete with all 56 homes fully occupied, block 1C, with 109 homes, is due to complete by May 2017. We have been working with the development partners, Taylor Wimpey and L&Q, to ensure that the problems that have arisen on Phase 1 have been fully identified and addressed, and will not recur on future phases. The piling works for Phase 2 (207 homes) have continued on schedule and has completed for the first block (2a) where construction of the substructure has commenced. A further Reserved Matters Application (RMA) for phase 3 (253 homes) and phase 4 (140 homes) was submitted in September for determination by Planning Decisions Committee (PDC) in March 2017.
- 6.2. **East Wick and Sweetwater:** work has continued to create new neighbourhoods, including up to 1,500 new homes in East Wick and Sweetwater. The RMA for Phase 1 was granted planning permission in January 2017 and the start on site date is planned for late summer 2017.

- 6.3. Construction work on the LLDC funded infrastructure works, including new roads and **Fish Island bridges**, is due to start on site in June 2017, subject to planning; an RMA and a non-material amendment for the Fish Island bridges (Monier Road and Stour Road) have been submitted. The deadline for initial public consultation expired in early December 2016, with substantial objections (330+ in number) to the bridges being received from local residents and interested parties. A re-consultation took place in early January 2017 and a further circa 800 objections were received. The Planning Policy and Decisions Team (PPDT) is reviewing the comments received and the details of the bridge designs. The applications are currently scheduled to be reported to PDC in March 2017.
- 6.4. **Hackney Wick Central:** the outline planning application for the regeneration of the central area around the station, submitted jointly with LB Hackney and prioritising retaining and re-providing employment space, was submitted for planning approval in April 2016. Following a briefing to the PDC in October 2016, Committee members visited the site. The issues raised by PDC, particularly on the height of some of the buildings proposed are being discussed in light of a wider review of planning issues, including the development viability and the maximum level of affordable housing the scheme can support. PDC received a further briefing in January 2017. An additional amount of affordable housing within the scheme and amendments to reduce some of the taller buildings proposed has now been confirmed to PPDT and the application is scheduled to be determined at PDC in April 2017.
- 6.5. Construction work on **Hackney Wick Station improvements** commenced in August 2016. Piling has now completed to the embankment retaining structures, and piling for the new ticket hall is now underway. The subway box structure is now complete and awaiting waterproofing. The temporary ticket office has been completed and is in use. Possessions are taking place at weekends to undertake the works necessary to facilitate the Easter blockade. Planning for the blockade itself is well advanced including a full-day workshop on 15 March to walk through the construction activities in detail hour-by-hour. The project remains on schedule to complete by February 2018.
- 6.6. A **Fixed Estate Charge** to support the maintenance of the Park, Venues and Estate is in place. Following requests from residents at Chobham Manor, a note setting out the fixed estate charge and where it applies was put on the website. The note reflects a Mayoral Direction.
<http://www.queenelizabetholympicpark.co.uk/the-park/homes-and-living/fixed-estate-charge>

7. PLANNING UPDATE

- 7.1. In addition to the LLDC related applications set out above in relation to Chobham Manor , East Wick and Sweetwater and Hackney Wick central PPDT is working on other applications, including the application for an asphalt production plant at Bow East:
- 7.2. In January 2017 PPDT wrote to all of the then applicants at Bow East and DB Cargo as leaseholder of the site to confirm that none of the applications could be recommended for approval and recommending that the applications be withdrawn (an application for an asphalt production plant at the site has subsequently been received but the use was included in the cumulative assessments on which PPDT based its comments to DB Cargo and the other developers). PDC was briefed on the applications in February 2017 and as a result, PPDT will contact the applicants again and look to secure a withdrawal of the current applications and enter into dialogue about activity at the site. If an appeal is received PPDT will report the schemes to PDC in order to confirm its position on the applications.

8. SCHOOLS UPDATE

- 8.1. The **Bobby Moore Academy**, a split-site all-through school consisting of a two form entry primary school at Sweetwater and a six form entry secondary school at Stadium Island, will be operated by the David Ross Education Trust. Construction on the primary school commenced in August 2016, and is on schedule ahead of its opening date of September 2017: milestones in February 2017 included completion on the installation of pre-cast planks, structural toppings and fire protection to the steel frame. The construction phase on the secondary school commenced in November 2016 and is on schedule to meet its opening date of September 2018: in February 2017 erection of the tower crane completed and gas venting and hydrocarbon gas membranes were installed to the ground floor.
- 8.2. **Mossbourne Riverside Academy** opened in its permanent location in September 2016. The Regeneration Committee held their meeting on 15 March at the new school premises.

9. PARK OPERATING, VENUES AND EVENTS

- 9.1. The **2016/17 events** programme included high profile activity both within the venues and externally on the Park. Events held on the Park since the last report included:
- Surrey Storm netball, London Lions basketball and West Ham United football matches
 - The Motivate East February half term programme reached over 60 people—activities included Boccia and sitting volleyball
 - A new LLDC Sport and Health programme called Little Legacy Cheerleaders at February was run at half term, which taught attendees cheerleading and dance routines
 - A celebration of International Women’s Day took place at Lee Valley Hockey and Tennis Centre on the 8 March – it was attended by over 600 young women and girls from 21 local primary and secondary schools who participated in 19 different activities ranging from hula hooping to wheelchair basketball
 - Run the Solar System 10km run and space-themed activities on 11 March 2017
 - The British Heart Foundation Queen Elizabeth Olympic Park run on 26 March 2017
- 9.2. Events scheduled in the coming months include:
- The Supernova 5km London night time run on 1 April 2017
 - Easter funfair on the Park 1-17 April 2017
 - Easter at the Park cheerleading at the Timer Lodge Café
 - The Vitality Run Hackney Half Marathon 30 April 2017
 - Moore Family fun run 1 May 2017
 - Queen Elizabeth Olympic Park 10km series
 - Balance Festival Urban Tri triathlon 13 May 2017
 - Shell Make The Future Live 25-28 May 2017
 - Depeche Mode concert at the London Stadium 3 June 2017
 - Women’s Hockey: England vs Netherlands at the Lee Valley Hockey and Tennis Centre 11 June 2017
 - Guns N’ Roses concerts at the London Stadium 16 & 17 June 2017

- The London March for Men 17 June 2017
- Robbie Williams concert at the London Stadium 23 June 2017
- Hockey World League semi-finals at the Lee Valley Hockey and Tennis Centre 15 to 25 June 2017
- Muller Anniversary Games 9 July 2017
- IAAF World Para athletics Championships 14-23 July 2017
- IAAF World Athletics Championships 4-13 August 2017

9.3. **Car Park Charges:** a new pricing structure for car parks on the Park (Multi-Storey Car Park and London Aquatics Centre) was introduced on 4 March in accordance with LLDC's fees and charges policy. This increases the prices above the previous structure and introduces a discount for GLL members. While there were a number of concerns raised in the lead up, there have been very few complaints since the change was introduced. We will monitor the impact and report on this at a future meeting.

10. WATERWAYS

- 10.1. It was announced in this period that the Park would host the **East London Waterways Festival** in August 2017 to celebrate everything the local rivers and canals offer to people in the area. It will be run with Canal & River Trust (CRT), the charity that cares for the waterways within the Park, alongside LLDC, St Pancras Cruising Club and the Inland Waterways Association. The festival will have a particular focus on the restoration of Carpenters Road Lock, a £1.8 million project in the heart of the Park which is one of the final pieces of a ten-year programme to regenerate the Bow Back Rivers and preserve an important part of London's industrial heritage. The completed lock site will form the centrepiece of the festival, which will include a boat flotilla, dragon boat racing, canoeing taster sessions, free boat trips and pedalos. There will also be live music and dance performances, activities for children and food stalls.
- 10.2. CRT have also launched a call for floating businesses to moor up in Hackney Wick alongside the Park, as part of the aim to create new opportunities for boaters and businesses that will make the waterway even more appealing. The two moorings are on the eastern side of the Park on the Lee Navigation opposite the entrance of the Hertford Union Canal and are being offered to boat-based business interested in occupying either one or both of the moorings.

11. AUTONOMOUS MOBILITY

- 11.1. 2017 marks a busy year of LLDC aiming to progress the 'smart mobility' agenda. Proposed activities focus on driverless, low emissions vehicles, using QEOP's physical assets and strategic partnerships to foster the development of these technologies. Specific planned work streams include the trial of a driverless bus (Summer 2017), a collaborative bid for longer term investment in driverless 'pods' on the park, and early discussions with an automotive manufacturer about partnering in the development of their emerging driverless technologies. The chief aim of these activities is to position QEOP as a central point for the UK smart mobility sector, and to ensure the work streams align with mayoral objectives, specifically relating to improving London's air quality. LLDC's role in these partnerships is to enable partners to deliver their own infrastructure and solutions within the MDC area in a coordinated fashion. There are further updates in appendix 3 (contains exempt information).

12. 2017/18 BUDGET

- 12.1. An initial 2017/18 budget submission was made to the GLA in October 2016, followed by the challenge process from the GLA before a final submission was submitted in November 2016. Subsequent changes to the budget have been agreed with the GLA and this was incorporate into the Mayor's Final Draft Consolidated Budget for 2017/18, which was considered by the London Assembly on 20 February 2017 and was deemed to have been approved. The 2017/18 budget is on the agenda for Board approval at this meeting.

13. ARCELORMITTAL ORBIT

- 13.1. During February the ArcelorMittal Orbit had 13,519 visitors, of whom 9,309 took the Slide. From April 2016 to February 2017, 180,713 people visited, with 97,081 buying tickets for the Slide, which only opened in June 2016. During this period the Slide was cleaned externally and 75,000 tickets were released for sale up to 31 October 2017; one day's trading was lost due to high winds.

14. 3 MILLS STUDIOS OPERATIONS

- 14.1. 3 Mills Studios continues to operate successfully, and has enjoyed occupancy at 90% of capacity this year. LLDC's Executive approved a rate card increase of 2.4% on average for the Studios, with the individual increases varying according to the quality and popularity of the studio facility. The Studios are forecast to return a surplus of at least £600k in 2016/17. This is being reported to Board In line with LLDC's fees and charges policy.

15. HEALTH AND SAFETY

- 15.1. This update covers the period of February 2017:
- 15.2. **Park operations:** Medical incidents have remained at minimal levels with seven occurring across the month on park and public realm and one instance of an ambulance being called to venues. Spectator safety remains a key focal point for park operations management; this is in relation to stadium football matches and the ingress/egress route security, safety and spectator flows.
- 15.3. Incidents in the month included a diesel pump fire on a primary school construction site (no injuries, LFB attended), the effect of Storm Doris on wooden hoarding (blown over, all evaluated for signs of rot/wear and tear and replaced as necessary – this is a continual inspection/maintenance programme) – and a near miss as a tower light collapsed in the high winds after being left in the extended position, also causing a fuel spill.
- 15.4. In separate incidents, an “urban explorer” climbed to the top of the ArcelorMittal Orbit, a parking enforcement officer was assaulted, a stabbing occurred in the wetlands area and a large knife was observed when persons were leaving the funfair. Police and security staff are targeting speeding lorries travelling to the east London soil hubs, and Park Operations is contacting the relevant hauliers. The volume of crimes in December 2016 has not returned, however reassurance patrols and partnership working with police continue.
- 15.5. **Construction:** The development contractors are maintaining good standards generally, no issues in the month. There has been little Park-wide LLDC construction activity across the Park beyond planning works. On the Stadium, Mace was appointed as Principal Contractor to oversee removal and installation of the Air Skate cushions to the seating system. This is a short duration activity and Mace have a Construction Manager and Project manager full time on the project. The application of CDM 2015 to small activities, appointments of Principal Contractor and Principal Designer, is to be reviewed.

- 15.6. Following commencement of construction the Hackney Wick Station improvement works have been regularly inspected with no further significant issues noted and the contractor is providing weekly inspection reports. In general, construction works have been managed without impact on public safety.
- 15.7. **Staff health, safety and well-being:** There was a planned Fire Drill and Evacuation at the main offices, which proceeded much more smoothly than the unplanned one in December 2016. All LLDC staff were off the floor within 2 minutes of the alarm sounding (i.e. within the fire protection zone of the exit stairwells), and out of the building 9 minutes later. There were some lessons to absorb, encouraging staff to leave immediately and then use the whole width of the stairs to move most rapidly and guiding all staff to the correct muster points outside the building.
- 15.8. There have been recurrent problems with the office lifts, breaking down and trapping staff/visitors with lengthy release wait times, and periodic severe congestion at ground level when one or more lifts are out of action during busy access/egress periods. A formal letter has been written to the Landlord and Building Manager outlining the seriousness of these issues

16. APPENDICES

Appendix 1 – One page summary of the Legacy Corporation's five year strategy

Appendix 2 – Tiers of influence maps from the five year strategy

Appendix 3 – Commercial update (exempt information)

Appendix 4 – Corporate dashboard (exempt information)

List of Background Papers

- Ten Year Plan (approved March 2016)

Report originators:

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VALUES

Collaboration

Ambition

Responsibility

Excellence

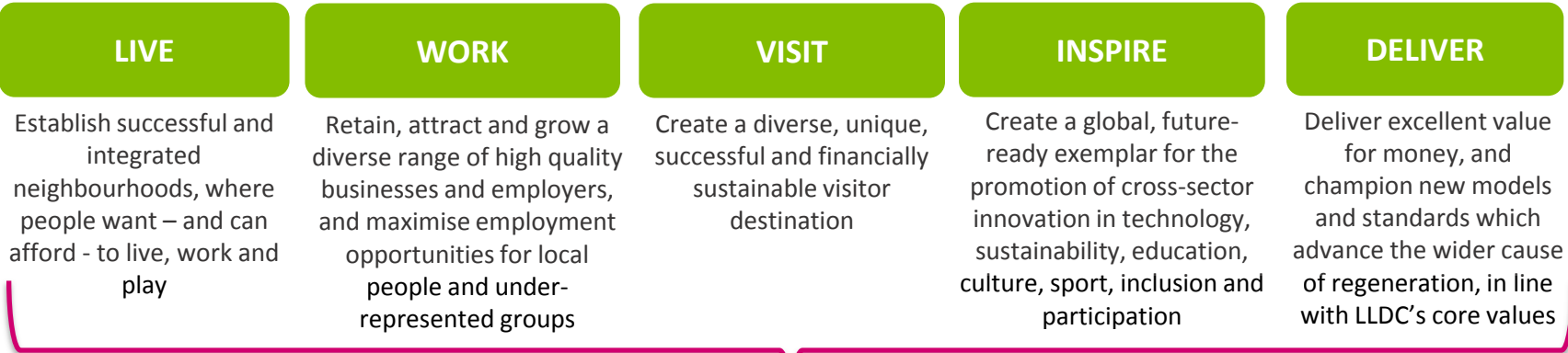
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VISION

Creating a dynamic new metropolitan centre for London

MISSION

To use the opportunity of the London 2012 Games and the creation of Queen Elizabeth Olympic Park to change the lives of people in east London and drive growth and investment in London and the UK, by developing an inspiring and innovative place where people want – and can afford – to live, work and visit.

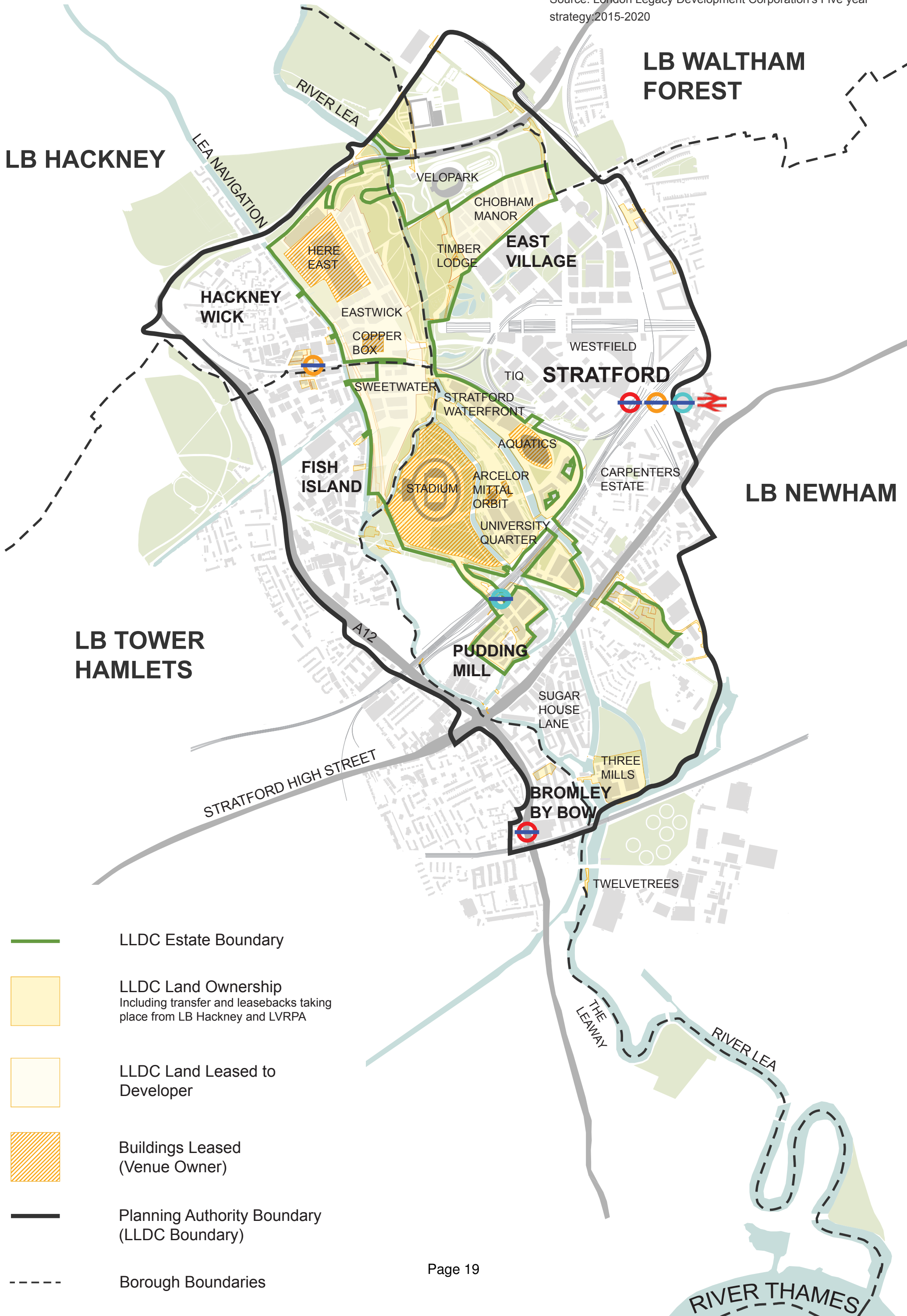


OPPORTUNITY
Economic growth stimulated and life chances improved for people in and around the Park

By 2020
COMMUNITY
A cluster of places on and around the Park designed with people at the heart, in a way that is seen as exceptional

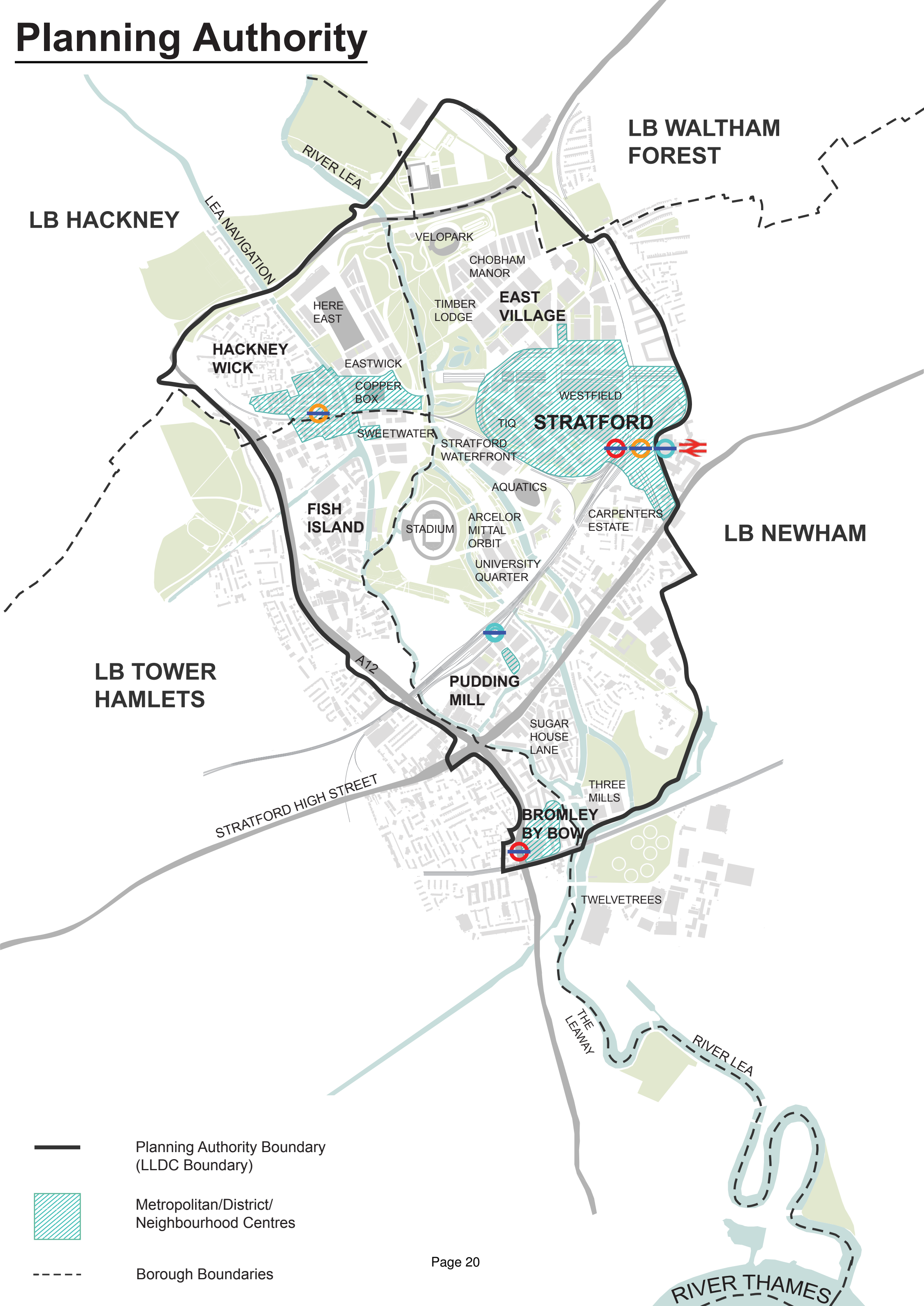
DESTINATION
The basis of a new metropolitan heart created in east London that attracts people from across London, the UK and beyond

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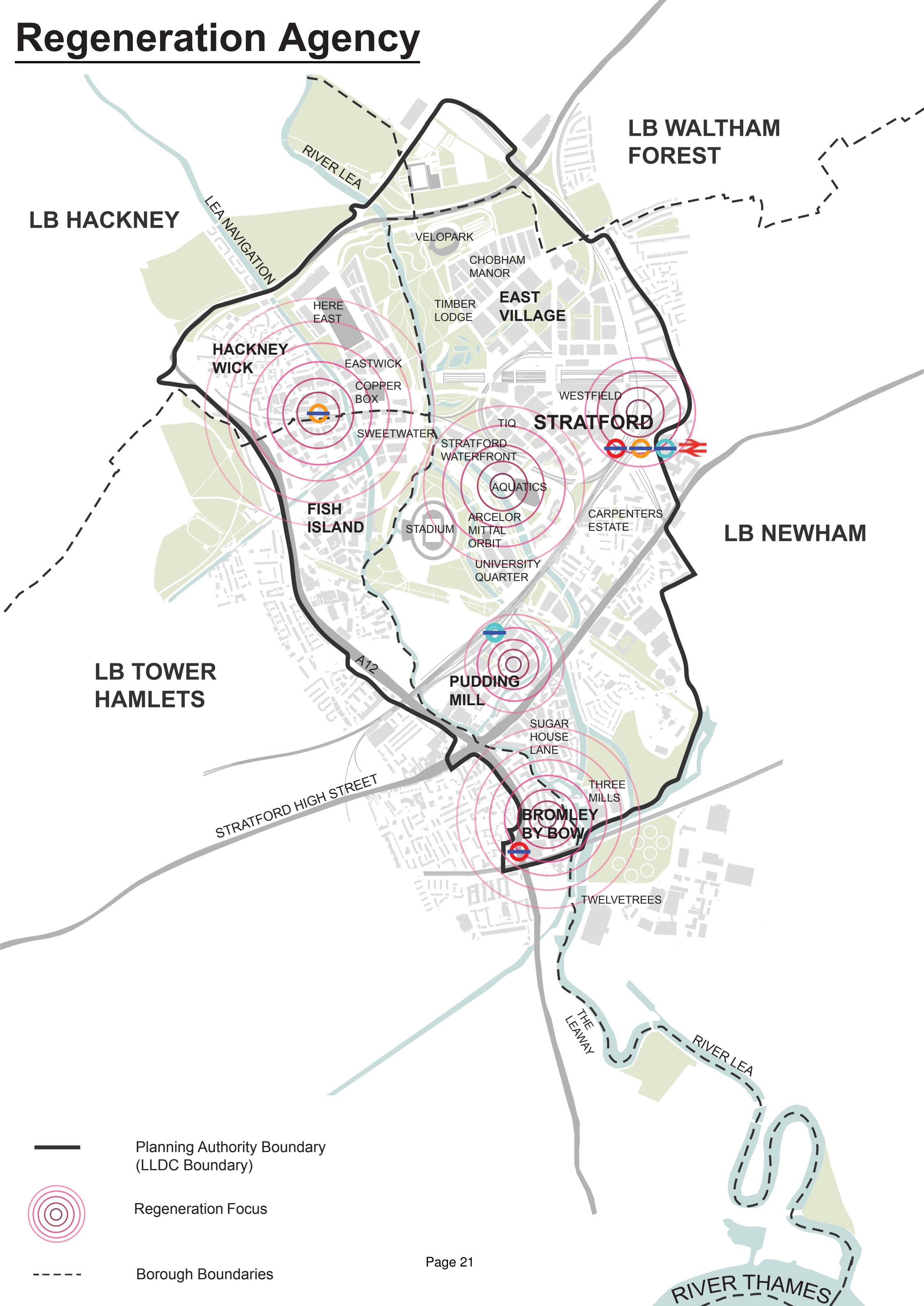
- LLDC Estate Boundary
- LLDC Land Ownership
Including transfer and leasebacks taking place from LB Hackney and LVRPA
- LLDC Land Leased to Developer
- Buildings Leased (Venue Owner)
- Planning Authority Boundary (LLDC Boundary)
- Borough Boundaries

Planning Authority



- Planning Authority Boundary (LLDC Boundary)
- ▨ Metropolitan/District/Neighbourhood Centres
- - - Borough Boundaries

Regeneration Agency



— Planning Authority Boundary (LLDC Boundary)

⊙ Regeneration Focus

- - - Borough Boundaries

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Subject: Report of the meeting of the Planning Decisions Committee held on 28 February 2017
Meeting date: 28 March 2017
Report to: Board
Report of: Philip Lewis, Chair of the Planning Decisions Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Planning Decisions Committee held on 28 February 2017.

2. RECOMMENDATIONS

- 2.1 **The Board is asked to note this report.**

3. ISSUES CONSIDERED

- 3.1. **25-37 Rothbury Road, Hackney Wick:** planning application for a mixed use development comprising 23 flats (23% affordable) and 645 sq.m of B1 floorspace in a 6 storey building. The development is the final piece of three plots in a single block owned and to be developed by the Aitch group. The inclusion of this final part of the site enables comprehensive development and the consolidation and early delivery of the affordable housing. The Committee resolved to approve the application subject to a s.106 legal agreement to secure the affordable housing as well as employment, sustainability and design quality obligations, with authority delegated to the Director of PPDT to finalise the agreement and issue the permission.
- 3.2. **1-7 Dace Road, Fish Island:** planning application for 110 dwellings (30% affordable) and 6,308 sq.m of B1, B2 and B8 employment space within four buildings of 5 and 6 storeys, together with a new central, publicly accessible landscaped space. The Committee commended the quality of the scheme and the amount of employment floorspace, including provision for 750 sq.m of affordable workspace and resolved to approve the application, subject to a s.106 agreement to secure the affordable housing, workspace and other obligations with power delegated to the Director of PPDT to finalise the agreement and issue the permission.
- 3.3. **The Collective, 304-312 Stratford High Street:** planning application for the demolition of the existing buildings at the site and development of a building up to 19 storeys in height to accommodate 222 'shared living' units, 704 sq.m of B1 workspace and 250 sq.m of communal kitchens and co-living ancillary space. Following an extensive discussion of the merits of the scheme, the Committee

resolved to defer consideration of the application in order to visit another Collective 'shared living' development to better appreciate the operation and quality of the accommodation and for further discussion between PPDT and the applicant on issues including affordable housing off site contribution, the detailed design, massing and relationship of the building to its context, and blue badge parking provision.

- 3.4. **Plot M7, Westfield Stratford City:** applications for non-material amendments to the outline approved parameter plans and for reserved matters approval for the detailed design of two office buildings comprising 76,600 sq.m of floorspace and 706 sq.m of retail. The buildings would be situated above existing retail buildings on between Westfield Avenue and the Street at Westfield Stratford City. Committee resolved to approve the applications subject to a s.106 agreement to primarily secure a financial contribution towards improvements works to Westfield Avenue, or other connectivity improvements to Stratford station, with power delegated to the Director of PPDT to finalise the agreement and issue the permission.
- 3.5. The Committee noted a report of the Director of Planning Policy and Decisions which set out the list of all decisions made under delegated powers in January 2017.

4. LEGAL IMPLICATIONS

- 4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. LIST OF APPENDICES TO THIS REPORT

- 5.1. None

List of Background Papers

Papers for the meeting of the Planning Decisions Committee on 28 February 2017
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Report originator(s): Anthony Hollingsworth
Director of Planning Policy & Decisions
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Subject: Report of the meeting of the Audit Committee held on 13 March 2017
Meeting date: 28 March 2017
Report to: Board
Report of: Keith Edelman, Chair of the Audit Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Audit Committee held on 13 March 2017.

2. RECOMMENDATIONS

- 2.1 **The Board is asked to note this report.**

3. ISSUES DISCUSSED ON 13 March 2017

- 3.1. The Committee considered the Executive Director of Finance and Corporate Services' report which provided an update on activities related to the remit of the committee including an update on tax, accounting, finance, commercial and procurement, IT and information management, freedom of information and write off of bad debts.
- 3.2. The Committee noted its Terms of Reference.
- 3.3. The Committee noted the external audit plan for 2016/17.
- 3.4. The Committee noted the external auditors' annual audit letter for 2015/16.
- 3.5. The Committee noted the internal audit update. This included three completed internal audits relating to: material systems (substantial assurance); business continuity (adequate assurance); and budgetary controls (adequate assurance). It also noted a follow up to the internal audit on IT and photographic asset security. The Committee also noted progress against previous internal audit recommendations and updates on the Culture and Education District (CED) third line assurance.
- 3.6. The Committee reviewed the 2016/17 internal audit plan and approved this subject to amendments. The updated internal audit plan is available as appendix 1 to this paper.
- 3.7. The Committee reviewed the Treasury Management Strategy and recommended it to the Board for approval.

3.8. The Committee reviewed and commented on the Corporation's risk register.

4. LEGAL IMPLICATIONS

4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. APPENDICES

Appendix 1 – Indicative Internal Audit Plan 2017/18.

List of Background Papers

Papers for the meeting of the Audit Committee on 13 March 2017
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Report originator(s): Oliver Shepherd
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Appendix 1

Indicative Internal Audit Plan 2017/18

Internal Audit provision from MOPAC to LLDC is for up of £40,000

Audit Area	Corporate risks and issues	Broad Scope	Indicative Timing	No. of Days
Follow Ups		To assess progress made by management in the implementation of previous internal audit recommendations raised as part of the 2015/16 audit programme.	June 2017 – December 2017	10
Estates and Facilities Management	16, 23	A review of the estate and facilities management of on the Park properties held by LLDC (including AMO, Copper Box, Aquatics Centre and Stadium)	May 2017	16
Planning	17	To provide assurance on LLDC's planning function including the implementation of the Local Plan, the process for planning applications and the application of S106 and CIL monies.	July 2017	10
Venues	13, 23	To provide assurance on the operations and commercial performance of the Copper Box Arena and London Aquatics Centre	September 2017	12
Stadium Operations	Issues	To provide assurance the stadium is operating as intended, including athletics stadium transitions, operations, generating income and ensuring local people receive benefits from the Stadium, and to ensure that the receipt of payments to E20 Stadium LLP are as expected	October 2017	12
Park Security Operations	8	To review the effectiveness of Park security operations in relation to security and threat levels and the safety of visitors . To provide assurance on the arrangements in place to cover threats which could result in reputational damage, financial loss and/ or public/ staff health and safety issues.	November 2017	16
Material Systems	20	To provide assurance key financial controls are adequate, operating effectively and fit for purpose. This will include a follow up of outstanding recommendations from 2016/17.	December 2017	12
Regeneration	25	A review focussing on key areas of LLDC regeneration; assessing progress made and management of risks and a review of the effectiveness of governance and reporting.	January 2018	10

Audit Area	Corporate risks and issues	Broad Scope	Indicative Timing	No. of Days
ICT Reviews	26	To provide assurance on LLDC's ICT processes and frameworks. The individual area reviews will be discussed with key contacts at the time of scoping. Timing of this audit to be confirmed during 2017/18, it may be of more value once the new IT service provider is in place,.	February 2018 – March 2018 (TBC)	10
Audit Committee/ Contract management		<ul style="list-style-type: none"> • Preparation for and attendance at Audit Committee meetings • Contract management • Contingency for ad hoc work 	Ongoing	12
Total Days				120

- **The estimates of time include fieldwork and the necessary time for management and supervision in planning, liaising and closing the audits.**



Subject: Report of the meeting of the Investment Committee held on 14 March 2017
Meeting date: 28 March 2017
Report to: Board
Report of: David Gregson, Chair of the Investment Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides the report of the Investment Committee meeting on 14 March 2017.

2. RECOMMENDATIONS

- 2.1 The Board is asked to note this report.

3. ISSUES DISCUSSED AT THE 14 MARCH 2017 MEETING

Annual review of Committee terms of reference

- 3.1. The Committee considered the proposed amendments to the Committee's terms of reference and suggested some further amendments be made and recommended these to the Board for approval.

2017/18 Budget

- 3.2. The Committee considered a report on the 2017/18 budget. Following a positive resolution to exclude members of the press and public, the Committee recommended the budget to the Board for approval.

Culture and Education District Update

- 3.3. The Committee received an update relating to the Cultural and Education District project, detailing progress with Stratford Waterfront and UCL East projects. Following a positive resolution to exclude members of the press and public, the Committee discussed a further report containing exempt information related to the project and agreed the recommendations in the report.

East Wick and Sweetwater update

- 3.4. The Committee received a report on recent progress with the LLDC's second neighbourhood development on the Park at East Wick and Sweetwater. Following a positive resolution to exclude members of the press and public, the Committee noted a further report containing exempt information.

Management accounts

- 3.5. The Committee noted the management accounts for the period to the end of January 2017 and asked that future reports include a commentary on changes in the forecast since the previous month.

4. LEGAL IMPLICATIONS

- 4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. LIST OF APPENDICES TO THIS REPORT

- None

List of Background Papers

- Papers for the meeting of the Investment Committee on 14 March 2017 (contains exempt information)

Report originator(s): Rachel Massey
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Subject: Report of the meeting of the Regeneration and Communities Committee held on 15 March 2016
Meeting date: 28 March 2017
Report to: Board
Report of/by: Andrew Mawson, Chair of the Regeneration and Communities Committee

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update to the Board on the meeting of the Regeneration and Communities Committee held on 15 March 2017.

2. RECOMMENDATIONS

- 2.1 **The Board is asked to note this report.**

3. ISSUES DISCUSSED AT THE 15 MARCH 2017 MEETING

Executive Director's report

- 3.1 The Committee received an update on the Legacy Corporation's activities related to jobs, growth, community, place making and connectivity. This meeting was held at Mossbourne Riverside Academy and included a discussion about the school and its plans and a wider discussion about the use of schools as community assets. The Committee was also updated on the work in employment and skills including the proposed Group Training Association and an update on progress in the development of the Global Disability Innovation Hub.
- 3.2 The committee received an update from the Director of Communications, Marketing
Smart Sustainable Districts
- 3.3 The Committee received an update on the key outputs of the Smart Sustainable Districts workstream in 2016, noting the savings on carbon emissions and the work undertaken to promote the initiative.
Sport and Physical Activity
- 3.4 The Committee received an update on LLDC's activities relating to Sport and Physical activity, noting the successes of current programmes and plans for the future.

4. LEGAL IMPLICATIONS

- 4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. LIST OF APPENDICES TO THIS REPORT

None

List of Background Papers

Papers for the meeting of the Regeneration and Communities Committee on 15 March 2017

Report originator(s): Oliver Shepherd
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Subject: Report of the meeting of the Chairman's Committee held on 28 March 2017
Meeting date: 28 March 2017
Report to: Board
Report of: Philip Lewis, Deputy Chair

This report will be considered in public

1. SUMMARY

- 1.1. This paper provides an update on the items being discussed at the Chairman's Committee meeting on 28 March 2017. As this committee meeting takes place after the statutory deadline for the dispatch of papers for this Board meeting, a verbal update will be given.

2. RECOMMENDATIONS

- 2.1 The Board is asked to note this report.

3. ISSUES TO BE DISCUSSED AT THE 28 MARCH 2017 MEETING

- 3.1. The Committee is meeting on 28 March 2017 to consider the following items.
- a) Committee forward agenda and annual review of terms of reference
 - b) Chief Executive's objectives outturn 2016/17
 - c) Chief Executive's objectives 2017/18
 - d) Executive Management Team update
 - e) Recognition awards scheme
 - f) Gender pay action plan update

4. LEGAL IMPLICATIONS

- 4.1. Legal advice for matters considered by the Committee is addressed in the individual committee reports.

5. LIST OF APPENDICES TO THIS REPORT

- 5.1. None

List of Background Papers

Papers for the meeting of the Investment Committee on 17 January 2017 (contains exempt information)

Report originator(s):

Rachel Massey

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Subject: 2017/18 Budget
Meeting date: 28 March 2017
Report to: Board
Report of: Gerry Murphy – Deputy Chief Executive

This report will be considered in public

1. SUMMARY

- 1.1. The LLDC 2017/18 draft budget submission covering the four years from 2017/18 to 2020/21 was made in November 2016 to the GLA, prepared in accordance with the Mayor's guidance. The submission has been subject to challenge and review. There have been variations to the submitted budget and this paper sets out the final budget.
- 1.2. A report is included in Part 2 of the Agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATIONS

- 2.1 **The Board is asked to note the report.**

3. BACKGROUND

- 3.1. The budget submission is drawn from the LLDC's long term financial model. LLDC's long term financial model supports our business objectives, including by investing in developments that will create and maintain a popular visitor attraction, generate capital receipts, provide housing, employment and other necessary infrastructure for the local area and re-pay borrowings. It also provides the necessary corporate support to realise our objectives.
- 3.2. The LLDC budget forms part of the GLA budget. The GLA statutory budget process ensures there are sound financial plans to support Mayoral objectives and priorities within available resources.
- 3.3. A submission to the GLA was made in November which was approved by the Board. This submission has been through a review process by the GLA.
- 3.4. This year, the budget process involved:
 - assessment of LLDC's strategy against the Mayor's priorities
 - review of key assumptions which underpin budget projections
 - updating the long term financial model for changes identified since the previous year

- challenging cost and income proposals with responsible Executive Directors to identify savings and efficiencies
 - scrutiny by the Executive Management Team (EMT) and the Corporation's Investment Committee
 - scrutiny by GLA officials and the Mayor's team of the financial projections prior to the submission of an initial draft budget in October.
- 3.5. The Investment Committee considered the draft budget submission at a meeting on 11 October 2016. Details of the draft budget submission approved by the Board on 22 November 2016 can be found on the LLDC website through the following link. <http://www.queenelizabetholympicpark.co.uk/-/media/lldc-draft-budget-submission-201718.ashx?la=en>
- 3.6. The Investment Committee considered this final budget at its meeting on 14 March 2017 and recommended it to Board for approval.
- 3.7. The report in Part 2 of the agenda sets out operational and commercial matters, changes from the approved budget submission (November) and the risks associated to the budget to enable a discussion to approve a final budget by the Board. The website will be updated when the final budget has been approved.

4. DELIVERABLES

- 4.1. During 2017/18, the Legacy Corporation's revenue and capital budgets will be deployed to deliver the following strategic objectives:
- further completions of residential units at Chobham Manor, and progress on site at East Wick and Sweetwater
 - prepare development strategies for Pudding Mill Lane and Rick Roberts Way sites to deliver the Mayor's housing strategy, such that following the accelerated housing strategy, construction can start on site as soon as possible from 2020
 - secure planning and final business case approval and complete procurement for the construction of the Stratford Waterfront CED development
 - appoint a developer for the residential towers on Stratford Waterfront
 - complete the Hackney Wick station improvement works
 - host the 2017 World Athletic Championships and World Para Athletics Championships
 - meet the estimate of 5.6 million visitors to the Park in 2017-18
 - manage and maintain the quality of core Parklands and venues during development, including retaining Green Flag status
 - ensure that effective community development plans are in place and being delivered for the new residential neighbourhoods being developed, to ensure they are socially integrated with existing adjacent neighbourhoods
 - continue to work with CED partners and Foundation for Future London (FFL) to facilitate the development of the partnership so as to ensure delivery of the CED strategic objectives and to maximise the value of the cluster
 - develop the Global Disability Innovation Hub by delivering the programme and handing over leadership to University College London (UCL) by no later than March 2018.

4.2. LLDC's longer term deliverables will deliver the strategic outcomes through four key business objectives: Live, Work, Visit and Inspire. The deliverables of each objective for the next five years are set out below.

Live - Establish successful and integrated neighbourhoods, where people want – and can afford - to live, work and play

- Planning for around 8,000 homes across the LLDC area, including affordable homes in line with the Mayor's ambitions and housing mix to meet local need (as per the Local Plan)
- Building approximately 2,350 homes on LLDC land
- Mossbourne Riverside Academy school and Bobby Moore Academy open, and 1,200 places delivered
- Plans and designs in place for total Legacy Community Scheme commitment of 1,052sqm social infrastructure
- Off-Park physical regeneration programme complete (station improvements, Leaway, A12 crossings)
- Development of local neighbourhood centres at Hackney Wick, Bromley-by-Bow and Pudding Mill proceeding in line with plans
- Smart, Sustainable District plan finalised and embedded with partners and operators

Work - Retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and underrepresented groups

- Approximately 8,000 jobs through developments on Queen Elizabeth Olympic Park
- Stimulation of business growth in the LLDC area: measured through net gain in employment floorspace
- Minimum percentage of workforce jobs secured by growth borough residents (30% construction; 25%-85% end use depending on sector)
- Minimum percentage of workforce from priority groups (targets defined by sector and development)
- 5% apprentices in the workforce (construction, EFM, end use)
- Hackney Wick Neighbourhood Centre first phase on-site
- Here East fully occupied with planned profile of tenants

Visit - Create a diverse, unique, successful and financially sustainable visitor destination

- Varied annual events programme delivered for a range of audiences in collaboration with partners and operators
- Brand strategy for Queen Elizabeth Olympic Park embedded with all partners, operators and developers
- Access to waterways opened up via Canal Park and the Leaway
- Queen Elizabeth Olympic Park protected as one of the largest metropolitan parks in east London
- Aspiration for Queen Elizabeth Olympic Park to be an exemplar of accessibility, sustainability, and community benefit fully embedded in visions/missions/long-term plans of developers, operators and partner institutions

Inspire - Create a global, future-ready exemplar for the promotion of cross-sector innovation in technology, sustainability, education, culture, sport, inclusion and participation

- Stratford Waterfront and UCL East design and build nearing completion
- Plans for robust visitor offer developed for the Culture and Education District, including ambitious and appropriate content and visitor services, and integration with the wider Queen Elizabeth Olympic Park offer and brand
- Co-ordinated marketing, programming and audience development plans developed with Stratford Waterfront institutions and local partners, and integrated into the wider Queen Elizabeth Olympic Park offer
- Collaborative and innovative programme developed for disability sport, art, theatre, urban design and transport through the Global Disability Innovation Hub
- Mechanisms for engaging local communities established and embedded with all partner institutions
- Long term solution for sports delivery on the Park identified and implemented

5. CAPITAL BUDGET

- 5.1. The capital budget for the next four years is set out in the table below, showing the profile of both capital income and expenditure. Net capital expenditure, after capital receipts and other income, is funded through loan finance from the GLA which will be repaid from net receipts from the various development zones on and around QEOP.

	2016/17 (Forecast) £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Capital Income					
Development	19.1	44.1	69.3	36.4	108.2
Cultural and Education District	2.0	13.2	150.0	74.8	11.5
Total Capital Income	21.1	57.3	219.3	111.2	119.7
Capital Expenditure					
Development	(27.7)	(77.5)	(12.7)	(31.4)	(5.4)
Finance and Corporate Services	(2.1)	(2.0)	(1.6)	(0.9)	(0.8)
Cultural and Education District	(26.2)	(11.1)	(111.5)	(236.9)	(193.5)
Park Operations and Venues - excl Trading	(9.1)	(2.1)	(2.8)	(1.7)	(2.0)
Regeneration and Community Partnerships	(1.7)	(0.6)	(0.2)	(0.2)	(0.2)
Stadium	(35.9)	(12.8)	(5.4)	(5.0)	(4.8)
Contingency	(6.3)	(2.3)	(0.3)	(0.4)	(0.6)
Total Capital Expenditure	(109.1)	(108.5)	(134.6)	(276.4)	(207.4)
Net Capital Expenditure	(88.0)	(51.2)	84.6	(165.3)	(87.6)

5.2. Capital Income

5.2.1. Development

Development income largely reflects anticipated receipts from the developments as they come to market:

- 2017/18 final Chobham Manor phase 1 receipts and funding for Hackney Wick station improvements
- 2018/19 Chobham Manor phase 2 receipts

- 2019/20 East Wick and Sweetwater receipts together with the planned disposal of 3 Mills studios
- 2020/21 Chobham Manor later phases and further receipts from East Wick and Sweetwater.

5.2.2. Cultural and Education District

Income from the Cultural and Education District is largely land receipts and contributions from the universities towards the costs of constructing their buildings, particularly in 2018/19 and 2019/20, together with anticipated philanthropic grant income to the project.

5.3. Capital Expenditure

5.3.1. Development

Development costs in 2017/18 relate to section 106 works on the East Wick and Sweetwater development site, together with accelerated infrastructure costs for Pudding Mill Lane in anticipation of implementing the housing strategy. There are also costs for the Hackney Wick station improvement works and works at 3 Mills studios. Expenditure in the latter years is largely infrastructure spend on the Pudding Mill Lane and Rick Roberts Way sites.

5.3.2. Finance and Corporate Service

Expenditure covers the costs of ongoing development of Park IT and staff working on capital projects.

5.3.3. Cultural and Education District

Costs for the Cultural and Education District show the profile of expenditure as construction gets underway on site in 2018/19 on the university buildings initially, followed by the cultural buildings and investment in the residential joint venture.

5.3.4. Park Operations and Venues

Costs relate to lifecycle works on the Park.

5.3.5. Regeneration and Community Partnerships

These costs are for the movement of a community centre, the setup of the World Para Athletic championships and work on the Global Disability Innovation hub (an initiative to improve the lives of disabled people).

5.3.6. Stadium

Costs for the stadium relate to LLDCs working capital contributions as a member of the E20 Stadium LLP partnership, based on a range of assumptions on operating costs and revenues, naming rights income and the cost of seat moves.

6. REVENUE BUDGET

- 6.1. The revenue income and expenditure budget (pre-financing) is shown below. The profile broadly shows a growth in income and a contraction in expenses as the business matures. A large part of the revenue expenditure is the relatively fixed costs required to operate the business. The difference between income and expenditure is currently met by a grant from the GLA.

	2016/17 (Forecast) £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Revenue Income					
Development	0.1	0.1	0.2	0.7	1.4
Finance and Corporate Services	0.3	0.1	0.1	0.1	0.1
Park Operations and Venues - excl Trading	2.6	3.0	3.6	3.8	8.0
Planning Policy & Decisions	1.4	1.1	1.0	0.7	0.6
Regeneration and Community Partnerships	0.3	0.2	0.0	0.0	0.0
Total Revenue Income	4.7	4.6	5.0	5.3	10.1
Revenue Expenditure					
Communication, Marketing and Strategy	(2.2)	(2.0)	(2.0)	(1.9)	(1.9)
Development	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Executive Office	(2.3)	(2.1)	(2.4)	(2.5)	(2.5)
Finance and Corporate Services	(6.7)	(6.3)	(6.2)	(5.8)	(5.8)
Park Operations and Venues - excl Trading	(8.2)	(8.0)	(8.1)	(8.1)	(8.2)
Trading Net	(1.5)	(2.3)	(2.6)	(3.0)	(3.1)
Planning Policy & Decisions	(2.7)	(2.3)	(2.2)	(1.9)	(1.9)
Regeneration and Community Partnerships	(3.7)	(4.2)	(2.5)	(2.4)	(2.2)
Contingency	(0.7)	(0.5)	(0.3)	(0.3)	(0.3)
Total Revenue Expenditure	(28.0)	(27.7)	(26.4)	(25.8)	(26.0)
Net Revenue Expenditure	(23.3)	(23.1)	(21.4)	(20.6)	(16.0)
Funded by					
Reserves	6.1	6.3	0.0	0.0	0.0
GLA Grant	17.2	16.8	16.8	16.8	16.8
Unfunded	0.0	0.0	4.6	3.8	(0.8)
Trading Income	6.5	6.5	4.4	2.5	2.5
Trading Expenditure	(8.0)	(8.7)	(7.1)	(5.5)	(5.6)
Trading Net	(1.5)	(2.3)	(2.6)	(3.0)	(3.1)

6.2. Revenue Income

6.2.1. Development

Development income is from private rental sector units in the East Wick and Sweetwater development prior to their eventual disposal. The income grows as more units come on stream.

6.2.2. Park Operations and Venues - excluding trading

Largely income from the fixed estate charge, a charge on all occupiers of the Park to contribute towards its maintenance as a world class park and venues environment. It increases as more occupiers move onto the Park in the later years. Other income comes from short term events and attractions which take place on the Park.

6.2.3. Planning Policy and Decisions

Planning fees and CIL administration income payable to the LLDC's Planning Authority which reduces over time as fewer new developments are brought forward in the area.

6.2.4. Regeneration and Community Partnerships

Grants from sports bodies to fund some of the Regeneration and Community Partnerships' sports programmes.

6.3. Revenue Expenditure

6.3.1. Park Operations and Venues – excluding trading

Day to day operational costs of the Park, the most significant element being the estate facilities management of the Park, which is carried out under a third party contract. In addition, there are other charges such as utilities and rates.

6.3.2. Planning Policies and Decisions

Staff and professional fees to enable the LLDC to carry out its planning function.

6.3.3. Regeneration and Community Partnerships

The community involvement and partnership aspects of the LLDC's legacy are implemented by the Regeneration and Community Partnerships team, which mainly involves promoting jobs and skills for local people. In more detail, the work involves: setting up skilled training programmes for local people; promotion of sports programmes on the Park involving local people; setting up the World Para Athletics Championship which will be held on the Park in 2017/18; promoting the Global Disability Innovation hub (a collaboration between partners who are closely connected to Park and the communities and experts who delivered the London 2012 Paralympic Games).

It is planned that the work carried out by the Regeneration and Community Partnerships team will eventually transfer to local partners and this is reflected in the reduction in spend in later years.

6.3.4. Park Operations and Venues Trading

Trading income is derived from rental and other income from long term venues on the Park (including ArcelorMittal Orbit, the London Aquatics Centre and the Copper Box Arena) and other off park sites held by LLDC, such as 3 Mills studios. Income from the ArcelorMittal Orbit has increased due to the addition of a slide. The reduction in income in 2018/19 is due to the assumed disposal of 3 Mills studios (which forms a large part of the current trading income) and other off site properties

6.3.5. Costs for the operation of the venues on the Park. The reduction in expenditure in later years reflects the assumed disposal of 3 Mills studios. The remainder of the costs are largely for the London Aquatics Centre, the Copper Box Arena and the ArcelorMittal Orbit.

6.3.6. Communications Marketing and Strategy.

Marketing promotions for the Park and attractions on the Park, media monitoring and dealing with media requests, design and implementation of corporate communications (such as the statutory annual report, website), and preparation of branded material for the Park. The costs decrease as the Park becomes more established.

6.3.7. Executive Office

Office accommodation, HR and the costs of the Executive Office and other non-salary staff costs such as training and recruitment.

6.3.8. Finance and Corporate Services

Support costs such as finance, IT, assurance, commercial, procurement, legal and professional fees, insurance and the costs of the LLDC Board.

7. SAVINGS AND EFFICIENCIES

7.1. The anticipated savings and efficiencies incorporated in the budget are shown in the table below.

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Increases in Income				
Regeneration	(0.1)	(0.2)	0.0	0.0
Park Opening and Operations	0.3	0.7	0.4	4.2
Development	(0.0)	0.1	0.5	0.7
Planning Authority	0.0	(0.0)	(0.3)	(0.1)
Corporate, Finance and Contingency	0.1	(0.0)	0.0	0.0
Total Increases in Income	0.3	0.5	0.6	4.8
Savings				
Park Opening and Operations	0.5	0.0	0.0	0.0
Development	0.0	0.0	0.0	0.0
Regeneration	0.4	0.3	0.1	0.0
Planning Authority	0.0	(0.1)	0.2	0.0
Corporate, Finance and Contingency	0.5	0.1	0.5	(0.0)
Staff Salaries	0.3	(0.0)	(0.2)	(0.2)
Total Savings	1.7	0.2	0.6	(0.2)
Efficiencies				
Park Opening and Operations	0.2	(0.0)	(0.1)	(0.1)
Trading (net)	1.0	(0.1)	(0.2)	(0.0)
Development	0.0	(0.0)	(0.0)	(0.0)
Regeneration	0.0	(0.0)	(0.0)	(0.0)
Planning Authority	0.0	0.2	0.1	0.0
Corporate, Finance and Contingency	0.7	0.1	0.1	0.0
Total Efficiencies	1.9	0.2	(0.1)	(0.1)
Net Savings and Efficiencies	3.8	0.9	1.0	4.5

7.2. The savings and efficiencies in last year's budget are shown below.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Total Savings	4.3	2.5	2.3	1.2
Total Efficiencies	4.9	0.4	0.4	0.7
Total Savings and Efficiencies	9.2	2.9	2.7	1.9

7.3. There are a number of areas where additional savings and efficiencies have been identified for the 2017/18 budget.

- reduction in the subsidy required by the London Aquatics Centre, resulting from improved financial performance of the venue and due to the investment in measures to reduce utility costs
- implementation of the commercial strategy, including reviewing a number of contracts to identify more income generating and cost saving initiatives
- review and streamlining of communications expenditure to identify synergies which have led to a reduction in overall costs

7.4. The savings and efficiencies set for 2016/17 in the 2016/17 budget were broadly achieved. Changes in efficiencies in future years since the preparation of the 2016/17 budget mean not all the anticipated new revenues and efficiencies will be delivered. In particular:

- the projected fixed estate charge income has reduced, as a consequence of the change in the developer's forecasts
- rental income from Here East is down, due to the operator granting rent free periods in line with market conditions
- net stadium income has not been realised as costs are higher and income lower than anticipated in the start up phase of the stadium operation

8. LEGAL IMPLICATIONS

- 8.1. Under the terms of the Mayoral London Legacy Development Corporation Governance Direction 2013, LLDC is obliged to:
 - 8.1.1. consult with the Mayor before approving the budget and business plan for the purpose of making a formal submission to the GLA as part of the GLA Group's annual statutory budget approval process.
 - 8.1.2. before the end of each financial year, and in consultation with relevant GLA officers, prepare a detailed core business plan for the following year as part of a 4 -year rolling business planning process, including changes to base-line pay for the year covered by the budget, borrowing limits and prudential indicators for the next four years.
 - 8.1.3. obtain prior consent to the consideration by the board of any draft core business plan for approval.
- 8.2. As stipulated in the Direction, the GLA has been consulted on the budget and has reviewed the financial information underpinning it.

9. PRIORITY THEMES

- 9.1. The LLDC is continuing the priority themes set by its predecessor the Olympic Park Legacy Company. These are: Promoting convergence and community participation; Championing equalities and inclusion; Ensuring high quality design; Ensuring environmental sustainability.
- 9.2. The LLDC's budget, in fulfilling the Mayor's priorities, is in line with the priority themes set.

10. APPENDICES

- 10.1. There are no appendices.

List of Background Papers:

Papers for the meeting of the Investment Committee, 11 October 2016

Papers for the meeting of the Board, 22 November 2016 Board

Papers for the meeting of the Investment Committee, 14 March 2017

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Subject: Treasury Management Strategy 2017-18
Meeting date: 28 March 2017
Report to: Board
Report of: Gerry Murphy, Deputy Chief Executive

This report will be considered in public

1. SUMMARY

1.1 This report constitutes the London Legacy Development Corporation’s (LLDC) Treasury Management Strategy Statement (TMSS) for 2017-18 prepared in accordance with the Treasury Management in the Public Services Code of Practice (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and relevant legislation.

2. RECOMMENDATIONS

2.1 The Board is asked to:

2.1.1 Approve the LLDC TMSS for 2017-18, including the Treasury Management Policy Statement, Minimum Revenue Provision Policy, relevant Prudential Indicators and Treasury Management Limits, Group Investment Syndicate Investment Strategy, GLA Group Responsible Investment Statement, and Treasury Management Practices (TMPs): Main Principles set out in Appendices 1-5.

2.1.2 Approve the delegation to the Deputy Chief Executive, the power to enter into arrangements for the set-up of a ‘GIS2’ for long term investments under the Group Investment Syndicate and to agree the investments of Corporation cash balances into this ‘GIS2’ on the understanding that the Deputy Chief Executive reports back to the Audit Committee as part of the agreed reporting cycle.

3. INTRODUCTION

3.1 The TMSS sets out the Treasury management activities of the Corporation for the year 2017-18. The Audit Committee reviewed the TMSS at its meeting on 13 March 2017 in addition to the 2016-17 Treasury Mid-Year Report (not required to be circulated to the Board).

3.2 This TMSS has been prepared with regard to the following legislation and guidance:

- The Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (The Code) and associated Guidance Notes
- The CIPFA Prudential Code for Capital Finance in Local Authorities and associated Guidance Notes

- The Local Government Act 2003
 - The Department for Communities and Local Government (DCLG) Guidance on Local Government Investments
 - The DCLG Capital Finance Guidance on Minimum Revenue Provision
- 3.3 The Code defines treasury management activities as:
- ‘The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.’*
- 3.4 This TMSS therefore takes into account the impact of the Corporation’s Revenue Budget, Medium Term Capital Programme and the Balance Sheet position and covers the following areas:
- Economic Background
 - Prospects for Interest Rates
 - Forecast Treasury Management Position
 - Borrowing Strategy
 - Policy on Borrowing in Advance of Need
 - Debt Rescheduling
 - Investment Strategy
 - Use of External Service Providers
 - Treasury Training
 - Treasury Management Policy Statement (Appendix 1)
 - Minimum Revenue Provision (MRP) Policy Statement (Appendix 2)
 - Prudential Code Indicators and Treasury Management Limits (Appendix 3)
 - Group Investment Syndicate (GIS) Investment Strategy including GLA Group Responsible Investment Statement (Appendix 4)
 - Treasury Management Practices: Main Principles (Appendix 5)
- 3.5 In covering the above areas, as per its Treasury Management Policy Statement (Appendix 1), the Corporation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Responsibility for risk management and control lies within the Corporation and cannot be delegated to any outside organisation.
- 3.6 The Treasury Management risks the Corporation is exposed to are:
- Credit and counterparty risk (security of investments)
 - Liquidity risk (inadequate cash resources)
 - Interest and market risk (fluctuations in interest rate levels and thereby in the value of investments)
 - Refinancing risks (impact of debt maturing in future years) and
 - Legal and regulatory and fraud risk (non-compliance with statutory and regulatory requirements, risk of fraud)
- These risks are further discussed in Appendix 5 (Treasury Management Practices: Main Principles)
- 3.7 The Corporation formally adopts the Code through the following provisions:
- I. The Corporation will create and maintain as the cornerstones for effective treasury management:
 - a Treasury Management Policy Statement stating the policies, objectives and approach to risk management of its treasury management activities and

- suitable Treasury Management Practices (TMPs), setting out the manner in which the Corporation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the proposed policy statement and TMPs follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Corporation. Such amendments do not result in the Corporation materially deviating from the Code's key principles.

- II. The Corporation will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- III. The Corporation delegates responsibility for oversight of the implementation and regular monitoring of its treasury management policies and practices to the Audit Committee, and for the execution and administration of treasury management decisions to the Deputy Chief Executive, who will act in accordance with the organisation's policy statement and TMPs [and, if this officer is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.]
- IV. The Corporation nominates the Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- V. Should there be a need to revise the Treasury Management Strategy; the Treasury Management Policy Statement; the Minimum Revenue Provision Policy Statement; the Prudential Code Indicators and Treasury Management Limits; the GIS Investment Strategy and the Treasury Management Practices at times other than those stated above, then these updates will be distributed to Audit Committee members for comment and then submitted to the Board for approval.
- VI. Should the Deputy Chief Executive wish to depart in any material respect from the main principles of the Code, the reason should be disclosed, in advance, in a report to the Audit Committee.

3.8 The main changes in the TMSS 2017-18 as compared to the TMSS 2016-17 are:

- Updated Economic Background (Section 4)
- Updated interest rate forecasts (Section 5)
- Revised Prudential Indicators and Treasury Management Limits (Appendix 3)
- Changes to the GIS Investment Strategy (Section 10.7)
- Introduction of a GLA Group Responsible Investment Statement included in the 2017-18 GIS Investment Strategy. (Appendix 4)

4. ECONOMIC BACKGROUND (provided by GLA Treasury Group)

4.1 Economic growth and inflation rate movements and forecast are important factors in the management of treasury risk and the making of treasury borrowing, investment and cash management decisions.

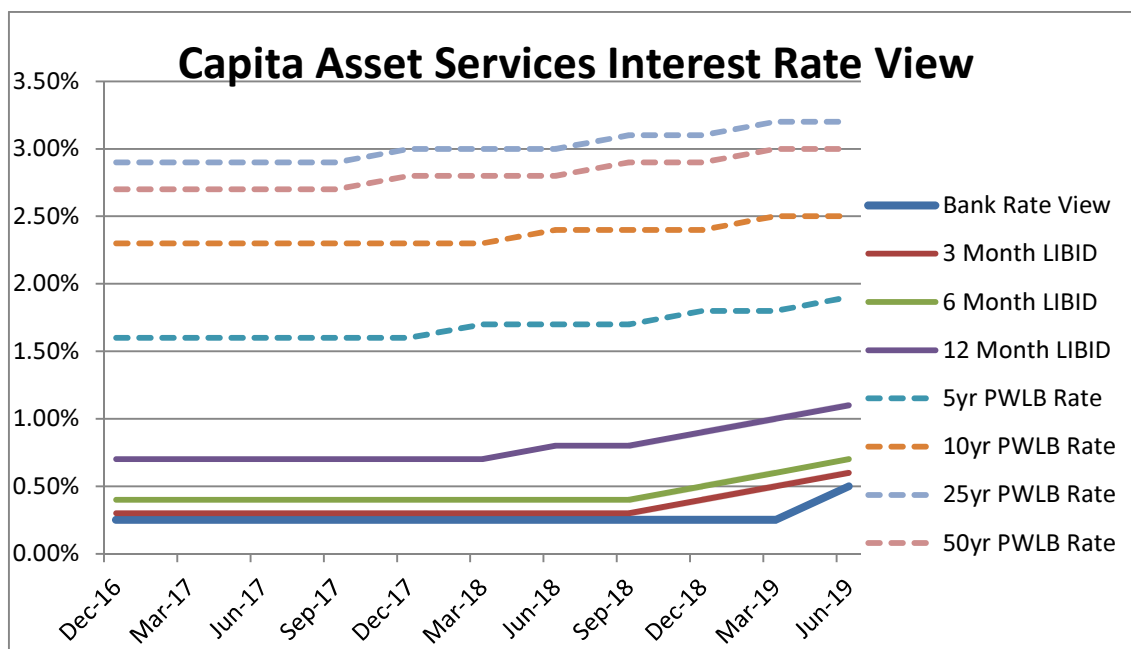
4.2 Economic and political shocks have dominated 2016. Going forwards, further economic and political uncertainty may emerge, as the impact of the Brexit decision and expected changes in American policies unfolds. A further layer of uncertainty will be provided by forthcoming European elections. In the meantime, the UK's

growth projections are higher than those in existence just after the Brexit decision, although sterling's weakness could increase the risk of higher UK inflation.

5. PROSPECTS FOR INTEREST RATES

5.1 The effective management of risk around borrowing and investments and cashflow management decisions also includes understanding interest rate movements.

5.2 Below is a central view for short term interest rates (Bank Rate) and longer term fixed interest rates, as provided by Capita Asset Services, Treasury Solutions, as at 15 November 2016. The Public Works Loans Board (PWLB) rates shown are net of the 0.2% 'certainty rate' discount.



5.3. The above interest rate forecasts are significantly lower than those projected in the 2016-17 TMSS. These lower rates reflect the 4 August 2016 Monetary Policy Committee (MPC) Bank Rate cut from 0.5% to 0.25% on the expectation that the UK economy would need further stimulus, as it weakened, as a result of the uncertainty created by the 23 June 2016 UK decision to leave the European Union. These interest rate forecasts also reflect the 3 November MPC forward guidance that the Bank Rate could go either up or down depending on how economic data evolves in the coming months. Given these developments, Capita's central view is that the Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in June 2019.

5.4. Against such an economic and interest rate background deposit rates can be expected to remain relatively low, making it difficult to achieve good returns. Similarly, borrowing rates are likely to continue to be low, creating opportunities for borrowing at historically low rates.

5.5 However, the difference between borrowing and investment rates is such that there will continue to be a significant revenue cost of carry on any new long-term borrowing, where this borrowing causes a temporary increase in cash balances.

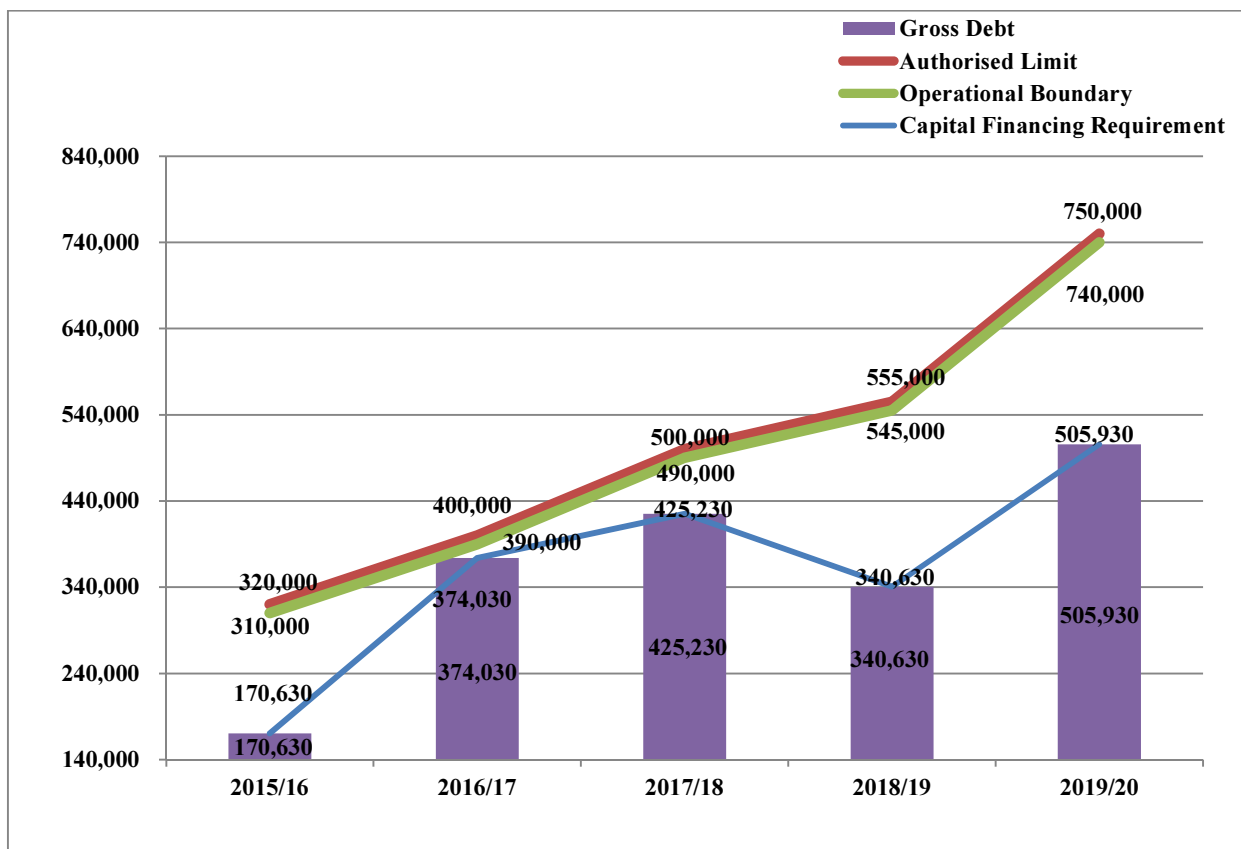
6. FORECAST TREASURY MANAGEMENT POSITION

6.1 The Corporation's forward treasury portfolio position is summarised below. The table shows the actual external borrowing (the treasury management operations)

against the capital borrowing need (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

Forecast Treasury Position	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
External Borrowing			
Long Term Borrowing	425.23	340.63	505.93
Temporary Borrowing	0.00	0.00	0.00
Total External Borrowing at 31 March (A)	425.23	340.63	505.93
Other Long Term Liabilities			
PFI Liability	0.00	0.00	0.00
Finance Lease Liability	0.00	0.00	0.00
Total Other Long Term Liabilities at 31 March (B)	0.00	0.00	0.00
Total Gross Debt (A+B)	425.23	340.63	505.93
Capital Financing Requirement	425.23	340.63	505.93
Less Other Long Term Liabilities at 31 March	0.00	0.00	0.00
Underlying Capital Borrowing Requirement (C)	425.23	340.63	505.93
Under/(Over) Borrowing (C-A)	0.00	0.00	0.00
Investments at 31 March (D)	18.35	18.29	18.24
Net Borrowing (A-D)	406.88	322.34	487.69

- 6.2 Within the set of prudential indicators there are a number of key indicators to ensure that the Corporation operates its activities within well-defined limits. One of these is that the Corporation needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year plus the estimates of any additional CFR for the current year and the next two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes, except to cover short term cash flows. In making this comparison between gross debt and the CFR, CIPFA guidance provides that, if in any of these years, there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with the gross external debt.
- 6.3 The Deputy Chief Executive reports that the Corporation's forecasts for the Gross Debt and Capital Financing Requirement Prudential Indicator are within CIPFA's recommended limits.
- 6.4 The following graph shows projections of the CFR and borrowing, together with Authorised and Operational Boundary Limits.



7. BORROWING STRATEGY

7.1 Delegation/Authorisation

7.1.1 The arrangements for borrowing, including the selection and the type and structure of debt instruments, are delegated to the Deputy Chief Executive, provided no decision contravenes the limits set out in the prevailing TMSS.

7.1.2 On the basis of the above, the Deputy Chief Executive is:

1. authorised to approve borrowing by the Corporation, for the purposes of financing capital expenditure and subject to the necessary statutory provisions, provided that the Authorised Limit, determined by the Mayor for the Corporation, is not exceeded.
2. authorised to make use of cash balances to fund internal borrowing when it is considered advantageous, provided the Authorised Limit, determined by the Mayor for the Corporation, is not exceeded.
3. authorised to borrow temporarily within the Authorised Limit, where this represents prudent management of the Authority's affairs. As an example, where a cash flow requirement is short-lived, the opportunity cost of withdrawing or otherwise liquidating investments may exceed that of temporary borrowing. In such circumstances, borrowing may be the prudent action.
4. authorised to borrow temporarily above the Authorised Limit where, and only where the amount of the increased limit represents the amount of any delayed payment which is due to the Corporation and has not been received on the due date, and such delay has not already been provided for in the Authorised Limit, under the provisions of Section 5 of the Local Government Act 2003.

7.1.3 All borrowing decisions should be reported to the Audit Committee at the first opportunity within the treasury management cycle.

7.2 Internal Borrowing Approach

7.2.1 When using cash balances to fund internal borrowing, the Corporation acknowledges that this may reduce credit risk and short term net financing costs. However, any decision to undertake internal borrowing will be tempered by the following considerations:

1. The Corporation must maintain sufficient liquidity to be certain of meeting existing borrowing and other obligations
2. The measures set out in the investment strategy below substantially control credit risk
3. The materiality of such risks should be considered in the light of the long term financial consequences of sub-optimal borrowing decisions
4. Agreements with central government specifying particular levels of borrowing

7.3 Future of the Public Works Loans Board (PWLB)

7.3.1 Following consultation, the government plans to move forward with its proposal to abolish the PWLB and transfer its powers to the Treasury. The government plans to use its powers in the Public Bodies Act 2011 to lay before Parliament a draft Order to implement these changes. It is not believed these changes will have any tangible impact on the Corporation's ability to borrow in regard to the manner that it currently borrows.

7.3.2 The Corporation does not have any borrowing with the PWLB.

8. POLICY ON BORROWING IN ADVANCE OF NEED

8.1 The Corporation will not borrow more than or in advance of need purely to profit from the investment of the surplus borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money can be demonstrated and that the Corporation can ensure the security of such funds.

8.2 In determining whether borrowing will be undertaken in advance of need the Corporation will:

1. Ensure the on-going revenue liabilities created, and the implications for the future plans and budgets are considered to be affordable and are within the forward approved capital financing requirement estimate
2. Evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
3. Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships and
4. Consider the alternative interest rates bases available, the most appropriate periods to fund and repayment profiles to use.

- 8.3 Over the next 12 months the economic consensus is that investment rates are expected to remain significantly below borrowing rates. However, short-term avoidance of costs by postponing borrowing in 2017-18 will also be weighed against the potential for incurring additional long-term costs by having to enter into new external borrowing in later years, when long-term rates are expected to be higher.

9. DEBT RESCHEDULING/DEBT MANAGEMENT

- 9.1 Given short term borrowing rates are likely to be cheaper than longer term fixed interest rates, decisions may be taken to restructure the debt portfolio, by switching from long term debt to short term debt through the early redemption or replacement of loans, so as to either increase long term affordability or adjust maturity profiles for the purposes of managing liquidity and interest rate risks. Such rescheduling decisions will be reported to the Audit Committee at the first opportunity within the treasury management reporting cycle.
- 9.2 Officers, following an examination of the cash and borrowing balances of the functional bodies within the GLA Family, will consider the use of intergroup transactions, to offer significant savings on borrowing and/or risk management opportunities. Such an examination will be carried out in accordance with liability benchmarking techniques, as recommended by the CIPFA Treasury Risk Management Toolkit for Local Authorities. It should be noted that members of the GLA Family comprise the London Fire and Emergency Planning Authority (LFEPA), the Greater London Authority (GLA), the London Legacy and Development Corporation (LLDC), the London Pension Fund Authority (LPFA), the Mayor's Office for Policing and Crime (MOPAC) and Transport for London (TfL).

10. INVESTMENT STRATEGY

- 10.1 The Corporation maintains a low risk appetite consistent with good stewardship of public funds. At the forefront of its thinking is the principle of Security before Liquidity and Liquidity before Yield. Cash flow forecasts and prevailing market conditions determine the maximum possible prudent maturities for investments and credit considerations are used to select counterparties with whom to transact. Investments are managed in such a way as to make losses at the portfolio level extremely unlikely, while capturing the optimum return within these constraints.
- 10.2 The Corporation will continually develop its investment risk methodologies with regard to advice from external advisors, relevant developments in the market and academia, benchmarking techniques and approaches employed by the Credit Ratings Agencies. These Agencies are currently Fitch, Moodys, and Standard and Poors and their credit ratings will be monitored by the GLA Group Investment Syndicate, through whom the Corporation invests its short term cash balances, on a daily basis, with appropriate action taken when these ratings change.
- 10.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Corporation will not engage in such activity.
- 10.4 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decision to support the revenue budget will have an on-going impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end investment balances.

Core Funds and Expected Investment Balances	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
Fund balances/reserves	0.00	0.00	0.00
Provisions	0.00	0.00	0.00
Other	0.00	0.00	0.00
Total Core Funds	0.00	0.00	0.00
Working Capital Surplus*	18.35	18.29	18.24
Under/(over) borrowing	0.00	0.00	0.00
Expected Investments	18.35	18.29	18.24

*Working capital balances shown are estimated year end and so these balances may be higher mid-year

- 10.5 The Corporation's short-term cash balances are invested through the GLA Group Investment Syndicate (GIS). The Corporation is a participant of the GIS and the nature of the GIS and the GIS Investment Strategy, including creditworthiness policy and permitted instruments, as agreed between the Syndics, (the Deputy Chief Executive is the Syndic for LLDC) is attached at Appendix 4. This Strategy effectively constitutes the Corporation's Annual Investment Strategy, which should be prepared and approved before the start of each financial year, with approval by the Board. This GIS Investment Strategy is currently under review by all the current participants of the GIS and the Board is presented with the latest version.
- 10.6 The changes intended to be incorporated into the GIS Investment Strategy to further strengthen the GIS Investment Strategy's aim of achieving a good return within the constraints of security first and liquidity second are set out in Appendix 4 provided below. Minimisation of risk is further achieved through the maintenance of a list of highly creditworthy and diversified counterparties. These changes will not come into force until all participants have had their 2017-18 TMSS's approved and the Chief Finance Officer of each participant has signed a copy of the 2017-18 GIS Investment Strategy.
- 10.7 GLA Treasury intends to set up a 'GIS2' under which long-term cash balances can be invested through a GLA 'GIS2'. This 'GIS2' for long term investments will run alongside the current 'GIS1' for short term investments. It is intended to offer this 'GIS2' not only to existing members of the GIS, but also councils outside of the current participants. Arrangements for setting up this 'GIS2' are at an early stage, but the Board is asked to delegate to the Deputy Chief Executive the power to negotiate on the Corporation's behalf the arrangements for a 'GIS2' and to agree to any of the Corporation's cash balances being invested in the 'GIS2', on the understanding that the Deputy Chief Executive reports back to the Audit Committee and Board, as part of the agreed reporting cycle.
- 10.8 Where funds are placed in pooled vehicles such as Money Market Funds (MMFs), each MMF is only an approved counterparty while the underlying investments are instruments of the kinds listed in Appendix 4. Variation between a MMF's list of approved counterparties and the approved counterparties of the Corporation is permissible, at the discretion of the Deputy Chief Executive, providing the MMF's own rating meets the criteria of Appendix 4.
- 10.9 Additionally, the Deputy Chief Executive may from time to time instruct the Group Treasury team to invest sums independently of the GIS, for instance, if the Corporation identifies balances which are available for longer term investment, after proper consideration of expected future cashflows, as at the time of investment. It is proposed that the Corporation adopt an identical set of parameters for such

investments as those detailed in Appendix 4, except that there shall be no requirement to maintain a weighted average maturity of no greater than three months. However, regard must always be given to the Treasury Managements Limit 'Limits for Principal Sums Invested for Periods Longer than 364 Days' (Appendix 3 section 6.3).

- 10.10 The current limit for investments for periods >364 days is £10m in order to enable the Corporation to obtain improved risk adjusted returns on Section 106 and other long term balances.
- 10.11 A new mayoral administration was elected in May 2016. One election pledge was that ethical considerations would be included in the making of investments. As a result, a GLA Group Responsible Investment Statement has been drawn up and this is included in the 2017/18 GIS Investment Strategy in Appendix 4.
- 10.12 Whilst the Corporation sets its Annual Investment Strategy at the start of each financial year, this need not be a once-a-year event, and the initial investment strategy may be replaced by a revised Strategy, at any time during the year, on one or more occasions, subject to the approval of the Corporation. All Investment Strategies approved by the Corporation will be made available to the public free of charge, on print or online.

11. TREASURY MANAGEMENT BUDGET

- 11.1 The Table below provides a breakdown of the treasury management budget.

Treasury Management Budget	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
Interest payable	12.20	10.90	14.20
Other*	-12.20	-10.90	-14.20
Interest Receivable	-0.05	-0.05	-0.05
Minimum Revenue Provision	0.00	0.00	0.00
Total	-0.05	-0.05	-0.05
*Interest on borrowings is funded by GLA grant			

- 11.2 Assumptions behind the 201718 Budget are:

- Average rates achievable on investments will be 0.35%.
- New borrowing to fund the capital programme will be financed by long term borrowing at a rate of 1.60% for 5 year PWLB debt; 2.30% for 10 year PWLB debt; 2.90% for 25 year PWLB debt and 2.70% for 50 year PWLB debt.
- Replacement borrowing will be taken out at similar rates to those for new borrowing.
- The MRP charge is in line with the Corporation's MRP Policy

12. USE OF EXTERNAL SERVICE PROVIDERS

- 12.1 The Corporation uses Capita Asset Services, Treasury Solutions as its external treasury management advisor under a joint arrangement with the Greater London Authority. Whilst recognising the specialist skills and resources such advisors can provide, the Corporation recognises that responsibility for treasury management

decisions remains wholly with the organisation and will ensure that undue reliance is not placed upon external service providers. LLDC monitors and maintains the quality of this service by regular review and assessment.

- 12.2 Barclays Plc is LLDC's bankers and continue to provide a competitive service under an annual rolling contract.
- 12.3 LLDC does not currently employ any external fund managers, however in the event of such an appointment, appointees will comply with this and subsequent Treasury Strategies.
- 12.4 The GLA Investment Manager, for GIS investments, does not currently employ any external fund managers, but this is likely to change if a second GIS, to be known as 'GIS2', is set up specifically for long term investments (the current GIS is only for short term investments with a weighted average maturity that does not exceed three months). The GLA Investment Manager already has experience of using external fund managers, as the GLA Investment Manager currently uses two external fund managers, TwentyFour Asset Management and Prytania, for GLA 'own name' long term RMBS investments. Any external fund manager used to support GIS long term investments, such as RMBS, will be properly appointed.
- 12.5 The GLA Investment Manager, under the GIS Investment Strategy, uses King and Shaxson Limited as a custodian of the Corporation's tradeable instruments (such as Treasury Bills) with HSBC as the sub-custodian. The GLA's policy is that any custodian (or, instead, sub-custodian) shall meet the GLA's credit criteria for 12 month investments (prior to CDS or other temporary adjustments).
- 12.6 King and Shaxson Limited is also currently used by the GLA Investment Manager to support GLA 'own name' long term investments, namely RMBS. Any custodian/sub-custodian used to support any GIS long term investments, such as RMBS, will be properly appointed.

13. TREASURY TRAINING

- 13.1 The Code requires that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Those charged with governance are also personally responsible for ensuring they have the necessary skills and training.
- 13.2 A member/senior officer training handout and powerpoint presentation has been developed by GLA Treasury as a 'framework', which can then be tailored to the individual needs of members/senior officers, as required. Using this presentation, training will be arranged as required.
- 13.3 Capita Asset Services, Treasury Solutions, run training events regularly which are attended by Treasury officers. In addition, Treasury officers attend national forums and practitioner user groups.
- 13.4 Notwithstanding the above, the training needs of Treasury officers and committee members are periodically reviewed.

14. FINANCIAL IMPLICATIONS

- 14.1 The principal financial implications are integral to this report.
- 14.2 LLDC will contribute £24,900 in respect of 2017-18 towards the cost of Group Treasury arrangements managed by the GLA, including external advisory services.

15. LEGAL IMPLICATIONS

- 15.1 The TMSS is a requirement of LLDC's reporting procedures and both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for

Capital Finance in Local Authorities. LLDC is required to comply with both Codes through Regulations issued under the Local Government Act 2003. Section 23(1)(d) and (e) of the Local Government Act 2003 provides that the functional bodies of the GLA are local authorities for this purpose.

- 15.2 Section 3(1) of the 2003 Act provides that all local authorities are to determine and keep under review how much money they can borrow. Section 3(2) of the Act is more specific in relation to the Mayor and functional bodies by providing that the determination is to be made by the Mayor following consultation with the Assembly, in the case of the GLA, or the relevant functional body.
- 15.3 Regulations under the 2003 Act state that LLDC has a duty to make an amount of MRP which it considers to be “prudent”. The regulation does not itself define “prudent provision” however; the MRP guidance makes recommendations to authorities on interpretation and determination of MRP provision for the future.
- 15.4 Paragraph 7 of Schedule 21 to the Localism Act 2011 allows the board of LLDC or any committee of the board to delegate any of its functions to staff of LLDC.

16. APPENDICES

Appendix 1 - Treasury Management Policy Statement 2015-16

Appendix 2 – Minimum Revenue Provision Policy Statement

Appendix 3 – CIPFA Prudential Code Indicators and Treasury Management Limits

Appendix 4 – Group Investment Syndicate Investment Strategy including GLA Group Responsible Investment Statement

Appendix 5 – Treasury Management Practices: Main Principles

List of Background Papers

None

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Appendix 1: Treasury Management Policy Statement 2015-16

1. Policy Statement

1.1 This policy statement is in the form recommended by the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes, Section 6.

1. LLDC defines its treasury management activities as:

“The management of the Corporation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

2. LLDC regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the LLDC, and any financial instruments entered into to manage those risks.

3. LLDC acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

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Appendix 2: Minimum Revenue Provision (MRP) Policy Statement

1. Policy Statement

- 1.1 MRP is the amount out of revenues set aside each year as a provision for debt i.e. the provision in respect of capital expenditure financed by borrowing or credit arrangements.
- 1.2 Regulation 28 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) provides that for the financial year 2007-08 and subsequent financial years, the detailed MRP calculation is to be replaced with the requirement that:
- 1.3 A Local Authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent'
- 1.4 The guidance also recommends that the annual MRP Policy is presented to the Corporation for approval before the start of the financial year to which it relates. Any in-year changes must also be submitted to the Corporation for approval.
- 1.5 The recommended statement for LLDC is set out below:
 1. Capital receipts into the LLDC are applied to capital expenditure in the year in the first instance and then fully to repayment of debt.

(Note that revenue support to the Corporation's financing costs is provided by the GLA)

Appendix 3: CIPFA Prudential Code Indicators and Treasury Management Limits

1.0 Background

- 1.1 The Prudential Code has been developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code has a central role in capital finance decisions, including borrowing for capital investment. Its key objectives are to provide a framework for local authority capital finance that will ensure for individual local authorities that capital expenditure plans are affordable; all external borrowing and other long-term liabilities are within prudent and sustainable levels and that treasury management decisions are taken in accordance with good professional practice.
- 1.2 The Prudential Code also has the objective of being consistent with and supporting local strategic planning, local asset management planning and proper option appraisal.
- 1.3 Any such framework for the internal control and self management of capital finance must therefore deal with all three of the following elements:
- Capital expenditure plans
 - External debt
 - Treasury Management
- 1.4 To ensure compliance with the Prudential Code in relation to the above elements, the Corporation is required to set and monitor a number of Prudential Indicators. The setting of these Prudential Indicators is a circular rather than a linear process. For example, the level of external debt will follow on from the Corporation's capital plans, revenue forecasts and treasury management strategy. However, if initial estimates would result in outcomes that would not be affordable or prudent, then plans for capital and/or revenue are reconsidered.
- 1.5 Prudential Indicators and Treasury Management Limits must be approved by the Corporation and any subsequent changes to these Indicators and Limits must also be approved by the Corporation.
- 1.6 These Prudential Indicators are set out below and reviewed for compliance.

2. Capital Expenditure

2.1 Capital Expenditure

- 2.1.1 Capital expenditure results from the approved capital spending plan and proposed borrowing limits. It is the key driver of Treasury Management activity.
- 2.1.2 All capital expenditure is stated, not just that covered by borrowing.

Capital Expenditure	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
Total Capital Expenditure	108.50	134.70	276.50
Financed by:			
Capital receipts	47.40	134.20	110.70
Capital grants	9.90	0.50	0.50
Capital reserves	0.00	0.00	0.00
Revenue	0.00	0.00	0.00
Net financing need for the year	51.20	0.00	165.30

2.2. Capital Financing Requirement (CFR)

2.2.1 The capital financing requirement is an indication of the underlying need to borrow for capital purposes. It is the total historical outstanding capital expenditure which has not yet been paid for from either revenue or capital resource.

2.2.2 Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

2.2.3 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual charge which broadly reduces the borrowing in line with each asset's life. Note that the Corporation's CFR is in line with projections of capital expenditure and receipts in its 10-year plan.

2.2.4 The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Corporation's borrowing requirement, these types of scheme include a borrowing facility and so the Corporation is not required to separately borrow for these schemes.

2.2.5 This borrowing is not associated with particular items or types of capital expenditure.

Capital Financing Requirement (CFR)	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
Total CFR	425.23	340.63	505.93
Movement in CFR	51.20	-84.60	165.30
Movement in CFR represented by			
Net financing need for the year (see Capital Expenditure table)	51.20	0.00	165.30
Less Capital receipts to repay borrowing	0.00	84.60	0.00
Less MRP/VRP* and other financing movements	0.00	0.00	0.00
Movement in CFR	51.20	-84.60	165.30

* The MRP/VRP will include PFI/Finance lease annual principal payments

3. External Debt Prudential Indicators

3.1 Authorised Limit for External Debt

3.1.1 The Authorised Limit is the expected maximum borrowing needed with some headroom for unexpected developments such as unusual cash movements.

3.1.2 For the purposes of the Prudential Code borrowing is distinguished from other long term liabilities.

3.1.3 The Authorised Limit is the statutory limit that is determined, by the Mayor in consultation with the Assembly, under section 3 (1) of the Local Government Act 2003. It is intended to be an absolute ceiling which cannot be exceeded, except as provided under section 5 of the Local Government Act 2003, where payments expected but not yet received can temporarily result in the limit being exceeded, provided the original setting of the limit had not taken into account any delay in receipt of the payment.

Authorised Limit	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
External Borrowing	500.00	555.00	750.00
Other long term liabilities	0.00	0.00	0.00
Total	500.00	555.00	750.00

3.1.4 This limit is consistent with the Corporation's view on current and future affordability, as advised to the Mayor in the course of consultation.

3.2 Operational Boundary for External Debt

3.2.1 The operational boundary is based on the same estimates as the authorised limit. However, it reflects an estimate of the most likely prudent but not worst case scenario. It equates to the maximum level of external debt under the capital spending plans approved by the Mayor and excludes the headroom included within the authorised limit.

3.2.2 The Operational Boundary is set as a warning signal that external debt has reached a level nearing the Authorised Limit and must be monitored carefully. It is probably not significant if the operational boundary is breached temporarily on occasions due to variations in cashflow. However, a sustained or regular trend above the operational boundary would be significant, requiring further investigation and action as appropriate.

Operational Boundary	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
External Borrowing	490.00	545.00	740.00
Other long term liabilities	0.00	0.00	0.00
Total	490.00	545.00	740.00

3.2.3 Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence seeking to identify whether or not the Corporation's financial strategy is prudent and sustainable by measuring the extent to which the Corporation is using borrowing to fund revenue expenditure in the short and medium term. Since financing costs have to be repaid from revenue, borrowing to fund revenue expenditure may be affordable in the short term, but not in the medium term. It therefore follows that in the medium term borrowing should only be funding capital expenditure and this indicator seeks to check that this is so, by identifying that debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. In making this comparison between gross debt and the CFR, CIPFA guidance provides that, if in any of these years, there is a reduction in the CFR, this reduction is ignored in estimating the cumulative increase in the CFR which is used for comparison with the gross external debt.

For the purposes of the Prudential Code, gross debt refers to the sum of borrowing and other long term liabilities.

Gross Debt and the Capital Financing Requirement	2016-17 Projected £m	2017-18 Estimate £m	2018-19 Estimate £m	2019-20 Estimate £m
Gross Debt at 31 March	354.00	425.23	340.63	505.93
Capital Financing Requirement	354.00	425.23	340.63	505.93

4. **Affordability Prudential Indicators**

4.1 Ratio of Financing Costs to Net Revenue Stream

4.1.1 This indicator compares the total principal and net interest payments on external debt to the overall revenue spending of the Corporation, noting that the GLA provides revenue support for the Corporation's financing costs. However, where the calculation requires the use of 'Taxation and non-specific grant income', which for the Corporation consists only of capital income, this metric is not applicable to the Corporation's circumstances.

4.1.2 Therefore, as this indicator is not applicable to the Corporation, no indicator has been set.

4.2 Incremental impact of capital investment decisions on the council tax

4.2.1 This indicator measures the changes in the council tax as a result of incremental changes in capital investment decisions.

Incremental Impact on Council Tax

Incremental Impact on Council Tax	2017-18 Estimate £	2018-19 Estimate £	2019-20 Estimate £
Council Tax Band D	0.00	0.00	0.00

5. Treasury Management Prudential Indicator

5.1 The Treasury Management Prudential Indicator requires the adoption of the latest version of the CIPFA Code of Practice for Treasury Management in the Public Services.

5.2 The Corporation has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

6. Treasury Management Limits on Activity

6.1 Net Borrowing Upper Limits to Fixed and Variable Rate Interest Rates Exposure

6.1.1 The upper limit on interest rate exposure sets an upper limit to exposure to the effects of changes in interest rates. These limits are presented as a percentage of the net principal sum outstanding on the Local Authority's borrowing. The calculation formula is therefore

Fixed rate ratio:

$$\frac{(\text{Fixed rate borrowing* less Fixed rate investments*})}{\text{Total Borrowing less Total Investments}}$$

Variable rate ratio:

$$\frac{(\text{Variable rate borrowing** less Variable rate investments**})}{\text{Total Borrowing less Total Investments}}$$

*Defined as borrowings or investments maturing outside of the reporting period or having the potential for the interest rate to change outside of the reporting period. For this indicator, the reporting period is treated as spanning 12 months with the 12 months commencing at the start of each financial year.

**Defined as borrowings or investments maturing within the reporting period or having the potential for the interest rate to change within the reporting period. For this report, the reporting period is treated as spanning 12 months with the 12 months commencing at the start of each financial year.

In consequence of the formulae above, the sum of the two indicators must be 100%.

Upper limit on interest rate exposure on net debt	2017-18	2018-19	2019-20
	%	%	%
Fixed rate	150.00	150.00	150.00
Variable rate	50.00	50.00	50.00

6.2 Limits for Maturity Structure of Borrowing

6.2.1 The Corporation is exposed to the risk of having to refinance debt at a time in the future when interest rates may be volatile or uncertain. The maturity structure of borrowing indicator is designed to assist the Corporation in avoiding large concentrations of debt that has the same maturity structure and would therefore need to be replaced at the same time. The indicator is calculated as the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing. For each maturity period an upper and lower limit is set.

Limits for Maturity Structure of Borrowing for 2017-18	Upper Limit	Lower Limit
	%	%
Under 12 months	0.00	0.00
12 months and within 24 months	30.00	0.00
24 months and within 5 years	25.00	0.00
5 years and within 10 years	100.00	0.00
10 years and above	50.00	0.00

6.2.2 The maturity of borrowing should be determined by reference to the earliest date on which the lender can require payment. Where the lender has the right to increase the interest rate payable without limit, such as in a Lenders Option, Borrowers Option (LOBO) loan, the maturity date will be deemed to be the next call date.

6.3 Limits for Principal Sums Invested for Periods Longer than 364 Days

6.3.1 This indicator seeks to contain the risk inherent in the maturity structure of a Corporation's investment portfolio, since investing too much for too long could

- adversely impact on the Authorities liquidity and in turn its ability to meet its payment obligations and
- also lead to the loss of some of its principal if it is forced to seek early repayment or redemption of principal sums invested.

6.3.2 Under this indicator the Corporation is therefore required to set an upper limit for each financial year period for the maturing of its long term investments.

	Maximum principal sums invested >364 days		
Limits for Principal Sums Invested for Periods Longer than 364 days	2017-18 £m	2018-19 £m	2019-20 £m
Principal sums invested >364 days	5	5	5

6.3.3 This limit does not apply to externally managed funds or to pooled monies within the Group Investment Syndicate, providing the weighted average maturity of investments does not exceed 3 months.

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Appendix 4: Investment Strategy 2016-17 (incorporating the GIS Investment Strategy 2016-17)

1. Introduction

1.1 The Corporation has a Shared Service Agreement with the GLA, under which the GLA has delegated authority to manage the Corporation's investments.

1.2 A two fold approach applies to the management of the Corporation's investments under this Shared Service Agreement.

1.3 Cash balances can be invested in the Corporation's own name. This normally arises where the Corporation identifies balances which are available for longer term investments

or

Cash balances can be invested through the GLA Group Investment Syndicate (GIS), in which case the investments are jointly controlled assets owned proportionately by each of the participating bodies.

1.4 The investment strategy for the GIS and cash balances invested in the Corporation's own name is identical, except that the requirement to maintain a weighted average maturity (WAM) which does not exceed 3 months applies only to the GIS and the prudential indicator 'Principal Sums Invested for Periods Longer than 364 days' applies only to 'own name' investments.

2.0 2017-18 GIS Investment Strategy Changes.

2.1 The GIS Investment Strategy is considered and agreed by participants. A common approach permits maximum efficiency of the shared group service.

2.3 This shared strategy is subject to on-going development and review.

2.3 For 2017-18 one significant change to the Investment Strategy as compared to the 2016-17 Investment Strategy (as revised September 2016) is that it now applies not only to investments pooled under GIS 1 (short term liquidity) but also GIS 2 (strategic reserves).

2.4 In addition, the Investment Strategy now includes a GLA Group Responsible Investment Statement.

GREATER **LONDON** AUTHORITY

Dated: 1st April 2017

GREATER LONDON AUTHORITY

and

LONDON FIRE AND EMERGENCY PLANNING

AUTHORITY

and

LONDON LEGACY DEVELOPMENT

CORPORATION

and

MAYORS OFFICE FOR POLICING AND CRIME

and

LONDON PENSIONS FUND AUTHORITY

GIS INVESTMENT STRATEGY 2017-18

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GIS Investment Strategy 2017-18

1.1 This investment strategy applies to investments pooled under GIS 1 (short term liquidity) and GIS 2 (strategic reserves)

2 Limits and Compliance

1.0 All limits, unless explicitly stated otherwise, refer to the composition of the daily balance of the GIS; for compliance purposes, all limits will be assessed daily.

2.0 The making of any investment which causes a breach of limits is not permitted and constitutes an active exception.

3.0 Active exceptions of any size will be reported immediately upon identification to the CIO, Syndics and their nominated substitutes. Relevant committees or boards will be notified as specified in each Participant's TMSS.

4.0 Additionally, breaches of daily limits may occur due to changes in the GIS balance or the credit assessment of existing investments, including the credit status of the country of domicile. Such an occurrence constitutes a passive exception. Passive exceptions will be reported immediately to the CIO, the GLA's statutory CFO and his deputy. Subsequent reporting will be threshold based as follows:

Passive Exception Level (lower of)	Temporary: ≤ 3 consecutive days	Persistent: >3 days
<5% or £25m	Logged and reported quarterly to Syndics within 1 month of quarter end	Logged and reported quarterly to Syndics within 1 month of quarter end
5-10% or £50m	Logged and reported quarterly to Syndics within 1 month of quarter end	Reported to Syndics immediately
>10% or £50m	Reported to Syndics immediately	Reported to Syndics immediately

The percentage limits above apply to total daily balance of the GIS or the total number of days in the case of limits expressed as days.

5.0 As an additional, prudent measure, forward looking diversification limits for new, internally-managed investments shall be maintained. These limits apply to the forecast average GIS balance over the life of the investment being considered;

for operational expediency the forecasts shall be produced up to the last day of the following maturity 'buckets' given in days and limits applied accordingly:

O/ N	2	8	31	61	91	12	15	18	21	24	27	30	33	39
	-	-	-	-	-	-	1-	1-	1-	1-	1-	1-	1-	8-
	7	30	60	90	12	15	18	21	24	27	30	33	39	73
					0	0	0	0	0	0	0	0	7	0

- 6.0 If an investment is made in breach of these forward-looking limits, it is an active breach of investment strategy and will be reported per 3.0. Where changes in cash flow forecasts or counterparty and/or instrument status result in forward-looking limits being exceeded by existing investment positions, the CIO will be notified, who may then modify investment tactics to reduce the likelihood of a passive exception as defined in 4.0 occurring. Such an occurrence does not constitute an exception of any kind and need not be reported further.
- 7.0 Mitigating actions for all breaches will in the first instance be taken at the discretion of the CIO (or the GLA's statutory CFO, or his deputy). Such decisions must be supported by an analysis of the costs and benefits of attempting to reduce the overexposure in question versus tolerating it. In all cases a file note of the decision will be retained and circulated to the Syndics. A majority of the Syndics may instruct alternative action.

3 Risk Appetite Statement

- 8.0 Capital preservation is the primary GIS objective at the portfolio level, followed by provision of liquidity to meet Participants' cash flow needs.
- 9.0 In order to deliver best value on public funds, the Participants are prepared to take some investment risk to the extent outlined below, where such risk is rewarded by yields above UK government securities held to maturity.
- 10.0 The risk of loss through default in the entire portfolio (or any subsection delegated to an external manager) should not exceed risk of loss through default equivalent to a 1 year exposure to a typical AA- rated issuer.
- 11.0 No individual instrument/investment should pose a greater risk of loss through default than a 90 day exposure to a typical BBB issuer.
- 12.0 The Participants will tolerate price volatility where there is an expectation of holding an investment to maturity; where the expectation is that sale before maturity is likely or where the investment is in a variable NAV fund, the combined

risk of loss through default and crystallised falls in price should not exceed the risk tolerance specified in 10.0.

13.0 This strategy sets out risk controls and limits that, in the opinion of the Participants, deliver these objectives.

14.0 Alternative controls and limits, save for the overarching requirements of 15.0-17.0 and 21.0, may be used by external managers appointed in accordance with 18.0, if those limits are judged by the Syndics, on the advice of the CIO or other independent professional advice, to be appropriately effective.

4 Permissible Investments

15.0 All investments must be Sterling-denominated financial instruments

16.0 Specified Investments (i.e. 'low risk' instruments as defined by Statutory Guidance) shall constitute at least 50% of the portfolio at any time.

17.0 Approved Specified (S) and non-Specified (NS) Investments:

Investment type	Eligibility criteria	≤ 1 year to maturity at time of investment	> 1 year to maturity at time of investment	Maximum total exposure as a proportion of daily balance
<p>Senior Unsecured Debt</p> <ul style="list-style-type: none"> • UK Gilts and T-Bills • Deposits • Call Accounts • Notice Accounts • Certificates of Deposit • Loans • Commercial Paper • All other senior unsecured bonds 	<p>Issuer (and security where separately rated) Investment Grade (IG) defined per 0</p> <p>OR</p> <p>UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance)</p> <p>OR</p> <p>Issuer not meeting general criteria but instruments explicitly guaranteed by IG entity or sovereign national government meeting acceptable sovereign ratings per 32.0</p>	S	NS	100%
<p>Constant Net Asset Value Money Market Funds</p>	<p>Fitch AAA_{mmf} or above</p> <p>See 0 for equivalents from other agencies.</p> <p>Daily liquidity</p>	S	N/A	<p>100%</p> <p><i>Not more than 20% per fund</i></p>

Investment type	Eligibility criteria	≤ 1 year to maturity at time of investment	> 1 year to maturity at time of investment	Maximum total exposure as a proportion of daily balance
Other Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)	Fitch AAA _f or equivalent from other agencies per 0	NS	<i>Not permitted.</i>	20%
Senior UK Prime or Buy to Let Residential Mortgage Backed Securities (RMBS)	Bond rating Fitch AA ₊ _{sf} or above or equivalent from other agencies per 0	NS	NS	20%
Covered bonds	Bond rating Fitch AA ₊ _{sf} or equivalent from other agencies per 0 AND Issuer rated Fitch A- or above or equivalent from other agencies per 0	NS	NS	20%
Repurchase Agreements (Repo)	Counterparty meets senior unsecured criteria AND proposed collateral (Min 100%) itself meets permitted investment criteria Or Collateralisation is >102% with UK Gilts / T-Bills	S – UK gilts or T-Bills AND Counterparty meets senior unsecured criteria NS – other	<i>Not permitted.</i>	S – 100% NS – 20%, and not more than 10% with counterparties not meeting senior unsecured criteria.

18.0 The Syndics may delegate the management of a portion, not exceeding the forecast minimum GIS balance for the next 12 months, of the GIS to external fund managers if this is deemed prudent.

5 Liquidity and Maturity Limits

19.0 Portfolio Weighted Average Maturity (WAM) \leq 91days (GIS 1) ; \leq 3 years (GIS 2)

[Maturity here refers to the final expected maturity or if relevant the first call option of the instrument; in the case of funds the maturity will be the redemption period; in the case of call or notice accounts, the notice period].

20.0 Sub-portfolio (managed by an external manager) WAM \leq 3years

21.0 Individual maturity limit, internally managed instruments: \leq 2 years

[In the exceptional event of the internal team taking possession of repo collateral, e.g. gilts that exceed this limit, the expectation is that these will be sold at the earliest opportunity, subject to market conditions]

Individual maturity limit, externally managed instruments: \leq 5 years

[Note – in the case of RMBS these limits apply to the date by which all principal is expected to be received, based on analysis of the underlying mortgage pool and indicated call dates – the legal maturity date, based on the longest dated mortgage in the relevant pool, is not limited given the extremely low probability of the bond failing to be repaid by that time;

In the case of covered bonds, these limits apply to the expected maturity date, which may not include the exercise of the extension option]

22.0 Limit for total exposure >12months: \leq 25% of total daily balance.

23.0 Forward Dealing limit: aggregate value of outstanding forward deals \leq 20% of daily balance; forward deals must not be struck with an individual counterparty if the limit forecasts defined in 5.0 indicate this is likely to cause an exception. See also 42.0 for credit risk management of forward deals.

[The GIS defines 'forward' as negotiated more than 4 banking days in advance of delivery. The CIO may make exceptions to this limit where the counterparty is a GIS Participant and the forward period is less than 3 months]

24.0 Internally managed investments should only be made where GIS cash flow forecasts or best estimates suggest the instrument may be held to maturity.

Externally managed investments may be purchased with lower certainty subject to the provisions of 12.0

6 Counterparty Concentration Limits

(Apply individually and cumulatively to groups)

25.0 The total exposure to a group of companies (a parent company and any subsidiaries, i.e. companies of which it owns 20% or more of authorised share capital) shall not exceed the maximum individual exposure limit of the constituents of the group.

26.0 Maximum unsecured exposure to company or group: ≤5% (subject to enhancements below)

27.0 Enhanced limits apply for UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance) and institutions covered by Capita's Colour Banding Methodology:

Cash Exposure Limits – applied to individual counterparties		
Band	Overnight	> 1 day
UK Sovereign	100%	100%
Yellow	50%	25%
Purple	50%	20%
Orange	25%	15%
Red	25%	10%
Green	10%	5%
No Colour	5%	5%

28.0 The Bands above are calculated based on a range of credit ratings data, including published rating Watches and Outlooks. Where the price of 5 year Credit Default Swaps for a given counterparty exceeds barrier levels proposed by Capita with regard to market history, the Band will normally be adjusted downwards. The CIO may postpone such adjustments in consultation with the Syndics, for instance, if it is felt that changes in CDS prices do not reflect an increase in the individual credit risk of a particular counterparty.

29.0 Additionally, an enhanced overnight limit of 100% applies to the GIS banker, RBS.

30.0 If, in the judgement of the Chief Investment Officer, the structure of a bond associated with a local authority is such that the credit risk is not identical to a bilateral loan with that authority, the rating of the bond itself will be used and the 5% limit will apply.

31.0 Maximum aggregate exposure including indirect or collateralised exposures:

Security Type	Cumulative Enhancement
Non-specified Repo	2.5%
Covered Bond	5%
MBS	7.5%
Specified Repo	10%

[These enhancements are cumulative so the maximum possible total enhancement is 10% above the counterparty's senior unsecured limit]

7 Geo-political risk limits [under review]

32.0 Maximum exposures to non-UK institutions apply by country, based on the relevant sovereign ratings outlined in the table below:

Max. Aggregate Exposure (%)	Fitch Sovereign Rating	S&P Sovereign Rating	Moody's Sovereign Rating
25	AAA	AAA	Aaa
15	AA+	AA+	Aa1
5	AA	AA	Aa2

33.0 Where more than one rating is available the lowest common denominator will be used, unless in the opinion of the CIO there is an overriding reason to favour or disregard a particular agency's view. The use of this discretion will be reported immediately to the Syndics.

34.0 If 5y CDS spreads for the relevant country's central government bonds exceed barrier levels from time to time agreed by the Syndics on the advice of Capita or the CIO, the aggregate exposure limit will normally be reduced to that of the lower rating, or in the case of a AA sovereign, further investment will be suspended. The CIO may postpone such adjustments in consultation with the Syndics.

35.0 The Participants recognise that the approach above does not perfectly mitigate geopolitical risks, therefore the CIO is empowered to suspend investment in any particular country should concerns arise. The use of this discretion will be reported immediately to the Syndics.

8.0 Credit Risk Limits

36.0 Permitted issuer credit ratings and equivalence mappings

Senior Unsecured Bond and/or Issuer Ratings					
Long term			Short term		
Fitch	Moody's	S&P	Fitch	Moody's	S&P
AAA	Aaa	AAA			
AA+	Aa1	AA+			
AA	Aa2	AA	F1+	P-1	A-1+
AA-	Aa3	AA-			
A+	A1	A+			
A	A2	A	F1	P-1	A-1
A-	A3	A-			
BBB+	Baa1	BBB+			
BBB	Baa2	BBB	F2	P-2	A-2
Structured Finance Ratings					
Fitch		Moody's	S&P		
AAA _{sf}		Aaa (sf)	AAA (sf)		
AA _{sf}		Aa1(sf)	AA+ (sf)		
Money Market Fund Ratings					
Fitch		Moody's	S&P		
AAA _{mmf}		Aaa-mf	AAAm		
Other Permitted Fund Ratings					
Fitch		Moody's	S&P		
AAA _f		Aaa-bf	AAAf		

37.0 Where more than one rating is available the lowest common denominator will be used, unless in the opinion of the CIO there is an overriding reason to favour or disregard one particular agency's view. The use of this discretion will be reported immediately to the Syndics.

38.0 For internally managed investments Credit Factors will also be calculated individually and Portfolio Credit Factor (PCF) on a book value weighted average basis with reference to the following tables:

Credit Factors based on Issuer Default Rating (Fitch and Fitch Equivalents)									
Use instrument rating or if not rated, rating of Issuer.									
Days	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB
O/N	0.01	0.01	0.01	0.01	0.02	0.03	0.04	0.07	0.10
2-7	0.02	0.04	0.06	0.10	0.15	0.20	0.30	0.50	0.80
8-30	0.10	0.15	0.25	0.40	0.60	0.75	1.30	2.10	3.50
31-60	0.20	0.30	0.50	0.80	1.20	1.50	2.60	4.20	7.00
61-90	0.25	0.50	0.75	1.25	1.50	2.50	5.00	7.50	10.00
91-120	0.35	0.65	1.00	1.50	2.30	3.30	6.60	10.00	13.50
121-150	0.40	0.80	1.25	2.10	2.90	4.20	8.30	12.50	16.50
151-180	0.50	1.00	1.50	2.50	3.50	5.00	10.00	15.00	20.00
181-210	0.60	1.20	1.75	3.00	4.00	5.80	11.70	17.50	23.50
211-240	0.70	1.30	2.00	3.30	4.70	6.60	13.30	20.00	27.00
241-270	0.75	1.50	2.25	3.75	5.25	7.50	15.00	22.50	30.00
271-300	0.80	1.70	2.50	4.20	5.80	8.30	16.70	25.00	33.50
301-330	0.90	1.85	2.75	4.60	6.50	9.20	18.50	27.50	37.00
331-397	1.00	2.00	3.00	5.00	7.00	10.00	20.00	30.00	40.00
398-730	2.70	5.30	8.00	13.00	19.00	27.00	43.00	69.00	106.00

Other treatments	
UK Government (including the Debt Management Account Deposit Facility, Local Authorities and bodies eligible for PWLB finance)	Treat as AAA above Except: If, in the judgement of the Chief Investment Officer, the structure of a bond associated with a local authority is such that the credit risk is not identical to a bilateral loan with that authority, the rating of the bond itself will be used
Instruments explicitly guaranteed by IG entity or sovereign national government meeting acceptable sovereign ratings per 32.0	Use Credit Factors appropriate to guarantor strictly for the period of the guarantee, reverting to rating of issuer thereafter
Repo	Use Credit Factors appropriate to repo counterparty, not collateral; Unrated or sub-BBB counterparty with >102% Gilt/T-bill collateralisation – treat as BBB
Approved fund, e.g. AAA _{mmf}	Use Credit Factor of 1.5
Covered Bonds or RMBS	Use Credit Factor of 5

39.0 Where a counterparty's (or its country of domicile's) 5 year CDS spreads exceed barrier levels from time to time agreed by the Syndics on the advice of Capita or the CIO, the Credit Factor used for the PCF calculation will be from the factor set of one or more notches below the issuer or security rating (e.g. If a AA+ counterparty's CDS spread exceeds the first barrier level, AA factors will be used to the PCF).

40.0 The following limits apply at all times:

- Maximum Credit Factor of any single security: 10.00
- Maximum PCF: 5.00

41.0 The PCF will be calculated and recorded daily.

42.0 The total contractual exposure of any transaction with counterparty, i.e. in the case of a forward deal, the forward period PLUS the eventual length of the deal should be considered at the time of the transaction and compared to table 38.0 – the Credit Factor for the total exposure period at the counterparty's credit rating at the time of the deal must not exceed 10.

9.0 Deposit Facility of Last Resort

43.0 In the circumstance of being unable to place funds with counterparties within approved limits, the Investment Manager will attempt to place the surplus funds with the Debt Management Account Deposit Facility (DMADF). This facility may, of course, also be used in other circumstances if it offers rates above equivalent market levels, though in past experience this is unlikely.

44.0 In the instance of technical failures or unexpected monies being received after the cut-off time for sending payments, the GLA, as the GIS Investment Manager, will have no choice but to leave the funds with the GLA's bankers, RBS. In such circumstances, the funds will be moved to the GLA's call account at RBS.

10.0 Custody Arrangements

45.0 Internally or externally managed securities may be held by a Custodian; in such circumstances:

- a. The Custodian or any Sub-Custodian employed by the Custodian (whichever actually holds the GIS securities) must be Fitch A- rated or equivalent
- b. Any cash held by the Custodian or any Sub-Custodian pending transactions must be properly identified as an unsecured deposit and consolidated into the PCF calculation
- c. The Custodian or any Sub-Custodian shall not be entitled to invest such cash in any money market fund or other product without the permission of the GIS. Any such investment must meet the criteria of 17.0.

46.0 The above applies to any Custodian or Sub Custodian holding collateral on behalf of the GIS in respect of a Repo transaction. Note – 'Held in Custody' Repos where collateral is held at the borrower's custodian in the borrower's title are NOT permitted.

11.0 CIO Discretions

- 47.0 The CIO may restrict the use of any counterparty for any reason related to the management of risk, including reputational risk to any Participant. Such restrictions may be overturned by any majority of Syndics.
- 48.0 When postponing CDS-driven adjustments to exposure limits, the Group Treasury team will notify the Syndics of the CIO's decision immediately. Syndics will have until 12pm to register concerns otherwise the decision will be implemented for that day. Any majority of Syndics may reverse the decision subsequently.
- 49.0 All above mentioned CIO discretions may also be exercised by the GLA's statutory CFO and his deputy.

12.0 Responsible Investment

- 50.0 All investments will comply with the GLA Group Responsible Investment Statement on climate change, as attached.

13.0 Explanatory Notes

Background to the GIS Investment Strategy

- i. The GIS is a vehicle for investing pooled short term cash balances belonging to ‘participants’, currently the Greater London Authority (GLA), the London Fire and Emergency Planning Authority (LFEPA), the London Legacy Development Corporation (LLDC), the London Pensions Fund Authority (LPFA) and the Mayor’s Office for Policing and Crime (GLA). The GLA acts as the Investment Manager under the supervision of the Syndics (the participants’ respective chief financial officers).
- ii. By pooling resources, the participants can achieve economies of scale through larger individual transactions; can exploit the greater stability of pooled cash flows to obtain better returns and can achieve greater levels of diversification.
- iii. A risk sharing agreement ensures risk and reward relating to each investment within the jointly controlled portfolio are shared in direct proportion to each participant’s daily investment.
- iv. The Investment manager (the GLA) operates the GIS cash balances in accordance with the GIS Investment Strategy

4.0

- i. Reporting thresholds are capped at £25m and £50m, these limits are conservative based on the expected scale of the GIS – based on the GIS composition as at 30 June the absolute exposure reporting thresholds for each participant would be:

£m	25	50
GLA	20.4	40.8
LFEPA	0.2	0.5
MOPAC	0.2	0.3
LPFA	2.8	5.7
LLDC	0.2	0.4

17.0

- i. The concept of “Specified” and “Non–Specified” Investments is defined in the DCLG Guidance on Local Government Investments (revised 2010).

Specified Investments

- ii. An investment is a Specified investment if all of the following apply:
- a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;
 - b) The investment is not a long-term investment (i.e. due or required to be repaid within 12 months);
 - c) The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 3146 as amended) (i.e. the investment is not share capital in a body corporate)
 - d) The investment is made with a body or in an investment scheme of high credit quality (defined by the minimum credit ratings outlined in table 17.0) or with one of the following public-sector bodies:
 - The United Kingdom Government
 - A local authority in England or Wales (as defined in section 23 of the 2003 Local Government Act) or a similar body in Scotland or Northern Ireland
 - A parish council or community

Non Specified Investments

- iii. Non-Specified Investments are defined as investments assessed by the GIS Participants to be appropriate and prudent, but not meeting the one or more of the Specified Investments criteria.

New instruments introduced since previous strategy

- iv. Reflecting increased market risk and difficulties in diversifying, this strategy introduces the new and highly secure option of UK Residential Mortgage Backed Securities, which provides a genuine diversification away from institutional credit risk and additional options for secured lending, enabling limits to be increased with existing counterparties in exchange for security of some sort of asset in the event of the borrower becoming insolvent.
- v. RMBS
- Since the approval of the GIS Participants' Treasury Strategies, which all set out the rationale for senior UK Prime and Buy to Let RMBS, the GLA has appointed two managers to manage £100m each of GLA core cash in this asset class.

Almost half of the investments were made prior to the market turbulence following the EU referendum, enabling the GLA to reduce its exposure to banks; additionally, this action has provided an excellent market test of extreme conditions for the asset class. Unlike a number of banks and the UK itself, the ratings of UK RMBS were untouched by the negative market perception of the UK's actions and liquidity in the asset class was no worse than any other within the current investment strategy. Yield remains higher than other available options.

- 15 UK Banks and Building Societies have over £100bn of AAA-rated RMBS outstanding, via bankruptcy-remote issuing companies, which ensures full credit de-linkage
- This report therefore recommends inclusion of UK RMBS in the GIS subject to the limits proposed and the overall GIS WAM limit, in order to reduce risk and improve returns. The 20% limit reflects the fact that the GIS currently has a 91 day WAM limit and most of these instruments will have a WAM > 1 year.
- Only senior RMBS are permitted at this stage, i.e. the GIS has first priority over the cash flows from the underlying pools of thousands of diversified UK residential prime or buy-to-let mortgages. These to date have always been AAA rated at inception with some isolated cases of downgrades to AA+ due to lower ratings of associated counterparties within the RMBS structure such as the bank servicing the mortgages, rather than the underlying mortgages, reflecting the increased risk of possible payment disruption should the servicing bank fail (though no increased risk of non-payment). The strategy does not exclude these downgraded senior notes as the risk of loss is still very low but it should be noted that changes to RMBS structures since 2008 make this circumstance very unlikely in future.
- The cash flows from RMBS are generated by both interest and principal repayments of the mortgages in the relevant pool. In particular, when homeowners refinance (or move house) the pool experiences principal inflows, which are then passed through to the RMBS bondholders (which the most senior tranches, proposed here, receive before all others). Refinancing typically occurs much earlier than the final date of the mortgage, therefore it is not proposed to limit the legal maturity of RMBS, as these are set with reference to the longest dated mortgage in the pool and do not reflect the expected maturity date. In addition, RMBS deals are structured with financial penalties for the issuer beyond the expected maturity date, to ensure that deals mature as expected.

- The strong cash flow characteristics of senior RMBS mean that principal is repaid incrementally, therefore a proposed WAM limit of 3 years per security for the whole RMBS portfolio is proposed alongside a 5 year expected final maturity limit per security.

vi. Covered Bonds

- Covered bonds are also secured on mortgage assets, but do not depend on mortgages for the cash flows. They are more like a normal bond issued by the relevant bank or building society except that should the issuer default, the covered bond holders will have security over the banks' mortgage assets, which could be sold to another bank to meet the obligation.
- Whilst the credit risk is clearly lower than unsecured lending to the issuer, the situation is different to RMBS and when the issuer is downgraded, covered bonds are typically downgraded too. Accordingly, the strategy does not permit the use of covered bonds issued by counterparties who do not themselves meet approved investment criteria.
- Another feature of covered bonds are extension clauses, typically of 2 years. For this reason, the strategy only permits the use of counterparties of A- rating or above to allow for downgrades over the extension period, should it be invoked.
- Because they are lower risk than unsecured lending to a given counterparty, covered bond yields are generally lower. Accordingly, the main circumstance in which they would be used in the current environment is to increase exposure to a strong and well understood counterparty already at its unsecured concentration limit.

vii. Repurchase Agreements "Repos"

- Repos are a form of secured lending whereby rather than lend directly to a counterparty, the GIS would buy from them a security e.g. a bond and agree to sell it back at an agreed (higher) price at a future date. The profit on this transaction replaces interest in a normal lending agreement but there is the additional feature that if the borrower becomes insolvent, the GIS may keep the security, which is referred to as collateral.
- For this reason, only securities that meet GIS criteria may be accepted as collateral, however the duration limits of 21.0 and 20.0 do not apply since the expectation is that the collateral will be disposed of at the first opportunity and over-collateralisation provides mitigation for any price movement.

- Furthermore, if such a default occurred, the GIS may need to sell the collateral for cash flow reasons so there may be some price risk between the default and the sale. Therefore, minimum levels of collateral, expressed as a percentage of the market value of collateral relative to the purchase price, are proposed.
- The strategy permits very limited repo exposure (2.5% and 10% in aggregate) to counterparties not meeting unsecured investment criteria. In this case, minimum collateral is set at 102% (in line with minimum standards for repo use by AAA rated money market funds) and the provision is designed to enable transactions with pension funds engaged in liability hedging activities, to mutual advantage.
- There are a number of ways to implement a repo. This is delegated to officers and their advisors or external managers, however per 46.0, legal title to the collateral must be unequivocally obtained and safe custody arrangements be in place.
- Repos will provide a further tool for balancing GIS risk and return: the risk is very much lower than unsecured lending to banks and others, although not as low as T-bills, however repo returns are slightly higher than T-Bills and there is more flexibility with maturity dates.

20.0

- i. For the purposes of this limit, WAM is the sum of each expected nominal cashflow and its respective expected incidence in days from the calculation date, divided by the total nominal cashflows; the use of expectations rather than contractual maturities reflects the use of instruments like RMBS which are subject to uncertain repayments. The Syndics place reliance on the systems and investment process of appointed managers to monitor and implement this limit.

28.0

- i. Credit Default Swaps (CDS) are effectively insurance contracts against a given counterparty defaulting; their price (typically expressed as an additional interest cost or 'spread' in basis points – i.e. 100ths of one percent). Higher prices may therefore reflect greater market perception of risk, although other supply and demand factors can distort this, including the activity of speculators. For this reason, the CIO has discretion to propose postponements to the impact of CDS data on limits.
- ii. Although the GIS typically participates in short term investments, it refers to 5 year CDS prices as this market has higher volumes of trading and therefore more accurately reflects market sentiment.

- iii. The GIS's advisor and data provider, Capita, proposes barrier levels dependent on market conditions as indicated by one of the main CDS indices, ITRAXX 5 year senior financials.
- iv. When the ITRAXX is below 100 basis points, a counterparty's limit band will be adjusted down one notch if their CDS price is between 100 and 150 or to 'no colour' if above 150
- v. When the ITRAXX is above 100, a counterparty's limit band will be adjusted down one notch if their CDS price between 1 and 50 basis points above the ITRAXX or to 'no colour' if more than 50 basis points above.

38.0

- i. Book value weighted average here means the sum of the products of principal sums invested (plus any capitalised interest, less any impairments or partial repayments but excluding any accrued interest or unrealised gains or losses) and the respective Credit Factors at the date of calculation, divided by the sum of principal sums invested (plus any capitalised interest, less any impairments or partial repayments but excluding any accrued interest or unrealised gains or losses)

49.0

- i. In the absence of the CIO, the senior member of the Group Treasury team present should assume responsibility for reviewing circumstances where discretion might be used, and make appropriate recommendations to the CFO or deputy, who will decide whether to exercise their powers under this strategy.

14.0 Approved by Signatories:

MARTIN CLARKE

Syndic, GLA

Date:

SUE BUDDEN

Syndic, LFEPA

Date:

GERRY MURPHY

Syndic, LLDC

Date:

ALEX ANDERSON

Syndic, MOPAC

Date:

TRICIA CLARK

Syndic, LPFA

Date:

GLA GROUP

1.0 Responsible Investment Statement – CLIMATE CHANGE

The [Greater London Authority] is committed to a number of principles which guide their investment decisions. The [Greater London Authority] will consider non-financial factors when investing, such as alignment of the activities of investment counterparties with Mayoral policy on environmental and social impact, providing no compromise of fiduciary duty arises from such considerations.

Regarding climate change in particular, [the Authority] will not actively invest in companies or projects (“fossil fuel companies” and “fossil fuel projects”) that derive more than 10% of revenues from the extraction of fossil fuels, ignore the impact and risks associated with the use of fossil fuels, and are unable to demonstrate a commitment to achieving environmental benefits, in particular through a plan to limit climate change in line with the Paris Agreement:

http://unfccc.int/paris_agreement/items/9485.php

[The Authority] notes a distinction between Natural Gas, which will continue to play a valuable role out to 2030, both for heating and for electricity generation, and other fossil fuels; nevertheless [the Authority] would expect a demonstrable commitment to achieving environmental benefits from companies involved in gas extraction.

In order to assess the level of commitment to achieving environmental benefits, [the Authority] will make use of the Transition Pathway Initiative, as adopted by a range of leading institutional investors:

<http://www.lse.ac.uk/GranthamInstitute/tpi/about/>

Where such investments are already in place, and opportunities for engagement and reform of the company or project do not exist, the Authority will make all reasonable efforts to divest provided that this will result in no material financial detriment (either through cost or increased investment risk).

The Authority views divestment and avoidance of any long term financial exposure to such companies or projects as entirely consistent with its fiduciary duty to protect and obtain best

value from public funds. This is also consistent with the Mayor of London's climate change goals and commitment to ensuring that optimum low carbon investment decisions are taken, to help to maximise social and economic benefits.

To explain these statements concisely the Authority makes the following definitions, with examples of application:

“invest” – in this context, investment means the acquiring ownership of all or part of a fossil fuel company or otherwise providing financial support to such a company or any project which ignores the environmental impact and risks associated with Fossil Fuels;

“actively” – means making a choice to invest based on a direct assessment of that company or project or to knowingly create a long term economic interest in such companies or projects.

“environmental benefits” – means reducing net carbon emissions over time.

“opportunities for engagement” – means the ability to meaningfully influence the strategy or development of the company or project. This might be through the exercise of voting rights, either individually or alongside like-minded investors or other routes;

“ignoring the impact and risks associated with fossil fuels” – means continuing or developing new business activities contributing to climate change through fossil fuel emissions or environmental damage resulting from relevant fuel extraction without regard to development of new and sustainable alternatives or other transition planning towards a lower environmental impact;

“long term financial exposure” – means exposure for more than 12 months, either through actual investment or commitments to invest (contingent or otherwise) where the length of the commitment plus the expected duration of the investment exceeds this period.

1.1 Examples of Application:

Making a loan to a fossil fuel company in order fund expansion of conventional extraction activities would meet the definition of investment for these purposes; making a loan to a fossil fuel company to develop an alternative technology would not.

Purchasing a fossil fuel company bond, from another bond holder would not meet the definition as it does not lead to ownership or engagement, nor provide new financial assistance to the company. Participating in the purchase of newly issued long term bonds may or may not classify as investment depending on the proposed use of proceeds.

Commercial Paper or other debt instruments with less than a year to maturity would not constitute investment in this context as there is no associated ownership or engagement, nor do the longer term risks associated with exposure to unsustainable industries (which this strategy seeks to mitigate) apply over the life of such instruments.

Directly purchasing equity in a fossil fuel company would constitute an active investment.

Buying units in an exchange-traded tracker fund, where the index is known to contain fossil fuel companies may or may not constitute an active investment. It would be active if the intent was for the allocation to be a permanent part of the investment portfolio *and* the composition of the index was weighted more than 10% towards fossil fuel companies; it would not if the purchase was made to maintain broad market exposure, for instance during a transition between active portfolios. In any circumstance, [the Authority] seeks to influence the composition of the market (reflected in passive investments) through its own active decisions and those of likeminded partners.

Circumstances involving conglomerates with a mixture of subsidiaries, some of which may meet the fossil fuels company definition (whereas others may, for example, be focused on renewable energy), would be considered on a case-by-case basis, with investment being possible if the overall corporate strategy appears to be environmentally sustainable and offset the financial risks this statement seeks to mitigate.

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Appendix 5: Treasury Management Practices: Main Principles

1. INTRODUCTION

- 1.1 The Treasury Management Practices (TMPs): Main Principles below set out the manner in which the Corporation will seek to achieve its Treasury policies and objectives. These TMPs: Main Principles follow the wording recommended by the latest edition of the CIPFA Treasury Management Code.
- 1.2 TMPs: Main Principles are supported by TMPs: Schedules, which provide specific details of the systems and routines employed and the records to be maintained to deliver the TMPs: Main Principles. These Schedules are maintained and updated as necessary, being operational procedures and forming an integral part of the Corporation's treasury management manual.
- 1.3 Approval and monitoring of TMPs is a matter for local decision. As such the TMPs: Principles will be approved by the Corporation and monitored by the Deputy Chief Executive and annually reviewed by the Corporation before the start of the year.
- 1.4 TMPs: Schedules will be approved, monitored and annually reviewed by the Deputy Chief Executive.
- 1.5 Scrutiny of the approval and monitoring of TMPs will be performed by the Audit Committee following recommendations by the Deputy Chief Executive.

2. TMP1 RISK MANAGEMENT

2.1 General statement

- 2.1.1 The Deputy Chief Executive will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the *organisations* objectives in this respect, all in accordance with the procedures set out in TMP6 'Reporting requirements and management information arrangements'.
- 2.1.2 In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the TMPs: Schedules.2

2.2 Credit and counterparty risk management

- 2.2.1 The Deputy Chief Executive regards a key objective of the Corporation's treasury management activities to be the security of the principal sums it invests. Accordingly, he/she will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit investment activities to the instruments, methods and techniques referred to in the TMP4 Approved instruments, methods and techniques and listed in the TMPs: Schedules. The Deputy Chief Executive also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which the Corporation may borrow, or with whom it may enter into other financing arrangements.

2.3 Liquidity risk management

- 2.3.1 The Deputy Chief Executive will ensure the Corporation has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business,/service objectives.
- 2.3.2 The Deputy Chief Executive will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

- 2.4 Interest rate risk management
- 2.4.1 The Deputy Chief Executive will manage Corporation exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 'Reporting requirements and management information arrangements'.
- 2.4.2 Deputy Chief Executive will achieve this by the prudent use of Corporation approved instruments, methods, and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.
- 2.5 Exchange rate risk management
- 2.5.1 Deputy Chief Executive will manage its exposure to fluctuations in exchange rates, so as to minimise any detrimental impact on its budgeted income/expenditure levels.
- 2.6 Refinancing risk management
- 2.6.1 The Deputy Chief Executive will ensure that Corporation borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Corporation as can reasonably be achieved in the light of market conditions prevailing at the time.
- 2.6.2 Deputy Chief Executive will actively manage Corporation relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.
- 2.7 Legal and regulatory risk management
- 2.7.1 The Deputy Chief Executive will ensure that all Corporation treasury management activities comply with statutory powers and regulatory requirements. She will demonstrate such compliance, if required to do so, to all parties with whom the Corporation deals in such activities. In framing its credit and counterparty policy under TMP[1] 'credit and counterparty risk management', she will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Corporation, particularly with regard to duty of care and fees charged.
- 2.7.2 The Deputy Chief Executive recognises that future legislative or regulatory changes may impact on treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Corporation.
- 2.8 Fraud, error and corruption, and contingency management
- 2.8.1 The Deputy Chief Executive will ensure that she has identified the circumstances which may expose the Corporation to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, she will maintain effective contingency management arrangements, to these ends.
- 2.9 Market risk management
- 2.9.1 The Deputy Chief Executive will seek to ensure that the Corporation's stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect the Corporation from the effects of such fluctuations.

3.0 TMP2 PERFORMANCE MEASUREMENT

- 3.1 The Deputy Chief Executive is committed to the pursuit of value for money in the Corporation's treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in the Corporation's treasury management policy statement.
- 3.2 Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the organisation's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the TMPs: Schedules.

4.0 TMP3 DECISION-MAKING AND ANALYSIS

- 4.1 The Deputy Chief Executive will maintain full records of Corporation treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching these decisions are detailed in the TMPs: Schedules.

5.0 TMP4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

- 5.1 The Deputy Chief Executive will undertake Corporation treasury management activities by employing only those instruments, methods and techniques detailed in the schedule to this document, and within the limits and parameters defined in TMP1 'Risk management'.

6.0 TMP5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

- 6.1 The Deputy Chief Executive considers it essential, for the purposes of the effective control and monitoring of the Corporation's treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 6.2 The principal on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.
- 6.3 If and when the Corporation intends, as a result of lack of resources or other circumstances, to depart from these principles, the Deputy Chief Executive will ensure that the reasons are properly reported in accordance with TMP6 'Reporting requirements and management information arrangements', and the implications properly considered and evaluated.
- 6.4 The Deputy Chief Executive will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Deputy Chief Executive will also ensure that at all times those engaged in treasury management will follow the policies and procedures. The present arrangements are detailed in the TMPs: Schedules.
- 6.5 The Deputy Chief Executive will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in the TMPs: Schedules

6.6 The delegations to the Deputy Chief Executive in respect of treasury management are set out in the TMPs: Schedules. The Deputy Chief Executive will fulfil all such responsibilities in accordance with the Corporation's policy statement and TMPs.

7.0 TMP6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS.

7.1 The Deputy Chief Executive will ensure that regular reports are prepared and considered on the implementation of Corporation treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

7.2 As a minimum:

The Corporation will receive

- an annual report on the proposed strategy and plan to be pursued in the coming year
- a mid-year review
- an annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

7.3 The Audit Committee, as the body with responsibility for the scrutiny of treasury management policies and practices, will receive regular monitoring reports on treasury management activities and risks.

7.4 The Audit Committee responsible for scrutiny, such as an audit or scrutiny committee, will have responsibility for the scrutiny of treasury management policies and practices.

7.5 The Corporation should report the treasury management indicators as detailed in CIPFA's sector-specific guidance notes

7.6 The present arrangements and the form of these reports are detailed in the TMPs: Schedules.

8.0 TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

8.1 The Deputy Chief Executive will prepare, and the Corporation will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 'Risk management', TMP2 'Performance measurement', and TMP4 'Approved instruments, methods and techniques'.

8.2 The Deputy Chief Executive will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 'Reporting requirements and management information arrangements'.

8.3 The Deputy Chief Executive will account for the Corporation's treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory requirements in force for the time being.

9.0 TMP8 CASH AND CASH FLOW MANAGEMENT

9.1 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of this Corporation will be under the control of the Executive Director

of Finance and Contractual Services, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Deputy Chief Executive will ensure that these are adequate for the purposes of monitoring compliance with TMP1 (1.3) 'liquidity risk management'. The present arrangements for preparing cash flow projections, and their form are set out in the TMPs: Schedules.

10 TMP9 MONEY LAUNDERING

10.1 The Deputy Chief Executive is alert to the possibility that the Corporation may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, are detailed in the TMPs: Schedules.

11. TMP10 TRAINING AND QUALIFICATIONS

11.1 Deputy Chief Executive recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. She will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Deputy Chief Executive will recommend and implement the necessary arrangements.

11.2 The Deputy Chief Executive will ensure that Corporation members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

11.3 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

11.4 The present arrangements are detailed in the TMPs: Schedules.

12.0 TMP11 USE OF EXTERNAL SERVICE PROVIDERS

12.1 The Corporation recognises that responsibility for the treasury management decisions remains with the Corporation at all times. It recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. And it will ensure, where feasible and necessary, that a spread of service providers is used, to avoid overreliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Deputy Chief Executive, and details of the current arrangements are set out in the TMPs: Schedules.

13.0 TMP12 CORPORATE GOVERNANCE

13.1 The Corporation is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principals and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

13.2 This Corporation has adopted and implemented the key principles of the Code. This, together with the other arrangements detailed in the TMPs; Schedules, are considered vital to the achievement of proper corporate governance in

treasury management, and the Deputy Chief Executive will monitor and, if and when necessary, report upon the effectiveness of these arrangements.



Subject: Governance update - changes to the Standing Orders and annual review of committee terms of reference
Meeting date: 28 March 2017
Report to: Board
Report of: David Goldstone CBE, Chief Executive

This report will be considered in public

1. SUMMARY

- 1.1. The purpose of this report is to seek the Board's approval for amendments to the Standing Orders and also to set out the terms of reference of the London Legacy Development Corporation's (LLDC) Committees for review and approval of proposed changes.

2. RECOMMENDATIONS

2.1 The Board is asked to:

- 2.1.1 **approve the proposed amendments to the Standing Orders as set out at Appendix 1 and 2, subject to consultation with the Mayor; and**
- 2.1.2 **approve the changes to the Investment Committee and the Regeneration and Communities terms of reference at Appendix 3 and 4; and**
- 2.1.3 **note the terms of reference of the other committees at Appendix 5.**

3. BACKGROUND

Changes to the Standing Orders

- 3.1. The Standing Orders set out the arrangements for the conduct of meetings, recording of decisions and managing conflicts of interest, and also include the Members' Code of Conduct. They were initially approved by the Board in April 2012 and have been updated on a regular basis to reflect changes to the governance arrangements. The Board last approved amendments in January 2016.
- 3.2. The May 2016 internal audit report Governance Review - Board Information (reported to the Audit Committee in July 2016) recommended that there was a regular review of the Standing Orders and that a specific terms of reference for the Board be prepared.

Committee terms of reference

- 3.3. In response to a recommendation in the May 2016 internal audit report Governance Review - Board Information (reported to the Audit Committee in July 2016) to regularly review the LLDC's Committees' terms of reference, LLDC has

implemented an annual review of Committee terms of reference. This is the first of these annual reviews.

- 3.4. The Investment Committee, Audit Committee, Regeneration and Communities Committee have reviewed their terms of reference. The Chairman's Committee are due to review their terms of reference at their meeting on 28 March. The Planning Decisions Committee will be reviewing theirs at a forthcoming meeting.
- 3.5. The following comments and suggested amendments were received from the Committees.

Committee	Comments
Investment Committee	Suggested amendment to include consideration of the LLDC's business plan and annual budget prior to Board approval and regular reviews of the LLDC's financial position. This amendment reflects the recent focus of the Committee on the budget setting process and revision of the Ten Year Plan. Other amendments were to refresh the Committee remit to remove historic and include new and future areas of focus.
Audit Committee	No amendments suggested
Regeneration and Communities Committee	Suggested amendment to include oversight of the measures being put in place to achieve the Culture and Education District's strategic objectives.
Chairman's Committee	To be discussed at a meeting on 28 March and noted at Board.
Planning Committee	To be discussed at a forthcoming meeting and noted at Board.

4. PROPOSED CHANGES TO THE STANDING ORDERS

- 4.1. The Standing Orders are being updated to:
 - Include a terms of reference for the Board in line with the recommendation in the May 2016 internal audit report Governance Review - Board Information (reported to the Audit Committee in July 2016).
 - Update the Code of Conduct to reflect the GLA Group Governance Framework's register of interests form and the GLA's gifts and hospitality code (which is reflected in the LLDC's revised gifts and hospitality policy).
- 4.2. The proposed revised Standing Orders are set out in Appendix 1 and the Board Terms of Reference (which will be included in the revised Standing Orders) are at Appendix 2.

5. PROPOSED CHANGES TO COMMITTEE TERMS OF REFERENCE

- 5.1. The proposal is to amend the terms of reference of the Investment Committee to include consideration of the LLDC's Business Plan prior to Board approval, consideration of the annual LLDC Budget prior to Board approval and regular review of the Corporation's financial position. This change reflects the recent focus of the Committee on the LLDC's budget setting process and Ten Year Plan. The role is not currently covered in the terms of reference of the other Committees. The Committee also proposed other amendments to refresh the Committee's remit to remove historic activity and include new and future areas of focus.
- 5.2. The proposal is to amend the terms of reference of the Regeneration and Communities Committee to include oversight of the measures being put in place to achieve the Culture and Education District's strategic objectives.
- 5.3. The proposed revised terms of reference of the Investment Committee and Regeneration and Communities Committee are included at Appendix 3 and 4.

6. LEGAL

- 6.1. Under the July 2013 London Legacy Development Corporation Governance Direction, the Legacy Corporation is required to consult with the GLA on significant changes to the Standing Orders and Scheme of Delegations. The proposed amendments have been discussed with the GLA and the decision to approve the amendments is subject to this consultation.

7. APPENDICES

Appendix 1 – Proposed changes to the Standing Orders

Appendix 2 - Proposed Board Terms of Reference

Appendix 3 – Investment Committee terms of reference

Appendix 4 – Regeneration and Communities Committee terms of reference

Appendix 5 – Committees terms of reference

List of Background Papers:

Papers for the meeting of the LLDC Board 5 December 2012, Governance Review

Papers for the meeting of the LLDC Board 22 July 2014, Governance Review

Papers for the meeting of the LLDC Board 21 July 2015, Governance update

Papers for the meeting of the LLDC Audit Committee 18 July 2016, Internal Audit and Assurance update

LLDC Standing Orders

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Standing Orders

Organisation	London Legacy Development Corporation
Date	September 2016
Purpose of issue	For Information
Title	Standing Orders
Description	Standing Orders adopted by the Corporation to decide its own procedure and the procedure of any committees and sub committees and any of its committees
Author	Finance and Corporate Services
Location	LLDC website
Contributors	-
Distribution	Public
Status	Published
Protective marking	Not Protectively Marked

Version control

v1.0	April 2012	Approved by LLDC Board	Approved
v2.0	June 2012	Amended to enable telephone participation	Approved
V2.6	September 2012	Amended to: <ul style="list-style-type: none"> • Bring members' interests in line with new regulations • Make specific provisions for Planning Decisions Committee • Make provisions for a Deputy Chairman • Clarify provisions relating to observers 	Approved
v.3.0	March 2013	Amended with consequential changes resulting from the revised scheme of delegations	Approved
v.4.0	July 2014	Amended with consequential changes resulting from the revised scheme of delegations	Approved
v.5.0	September 2014	Amended with consequential changes resulting from the revised scheme of delegations	Approved
v.6.0	January 2016	Amended to allow for electronic distribution of papers to meet statutory deadlines, to reflect consequential changes resulting from revisions to the scheme of delegations approved by the Board in November 2015 and January 2016, and to reduce the threshold of gifts or hospitality that require declaration	Approved
v.7.0	September 2016	Amended to make provisions for a Deputy CEO and to reflect consequential changes resulting from revisions to the scheme of delegations related to signing delegations for specified Three Mills Studio Agreements approved by the Board in September 2016	Approved
v.8.0	March 2017	Amended to include a terms of reference for the Board and updated section on interests in line with the GLA Group Framework Agreement	Pending approval

1 Background

- 1.1 These Standing Orders were initially adopted by the Corporation at its meeting on 2 April 2012 and have been subsequently revised from time to time pursuant to the power of the Corporation in schedule 21 of the Localism Act 2011, subject to any directions given by the Mayor, to decide its own procedure and the procedure of any committees and sub committees and any of its committees.
- 1.2 They are subject to the requirements of the general law applicable to the Corporation including the arrangements for admission of the public to meetings and access to documents in Part VA of the Local Government Act 1972. These provisions are not repeated in these Standing Orders but the time periods set out in them follow what is required by the 1972 Act.
- 1.3 The agenda and reports for meetings and minutes of meetings will therefore be open to inspection by the public at the Corporation's principal offices during normal business hours and published on the Corporation's web site except where publication may be properly withheld in accordance with exceptions set out in the 1972 Act.

2 Definitions

- 2.1 In these standing orders the following expressions shall have the meanings assigned to them unless otherwise indicated.

“the Act”	means the Localism Act 2011
“Board”	means the members of the Corporation for the time being
“Chairman”	means the Chairman of the Corporation or in relation to a Committee the Chairman for the time being of the Committee appointed by the Corporation or in relation to a Sub-Committee the Chairman for the time being of the Sub-Committee approved by the Chairman of the Corporation
“Chief Executive”	means the person for the time being appointed as the chief executive of the Corporation
“Committee”	means a committee established by the Corporation under paragraph 6(1) of Schedule 21 of the Act
“Connected Person”	means in relation to a Member a member of his or her family being: (a) the spouse or civil partner of the Member; or (b) a person with whom the Member is living as husband and wife; or (c) a person with whom the Member is living as if they were civil partners
“Corporation”	means the London Legacy Development Corporation

“Deputy Chairman”	means a member of the Corporation appointed in writing by the Chairman of the Corporation to hold the position of Deputy Chairman and to exercise such of the functions of the Chairman of the Corporation under these Standing Orders as s/he may from time to time determine in writing other than presiding at meetings of the Corporation
“Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services”	means the employee of the Corporation with responsibility for the proper administration of its financial affairs
<u>“Electronic means”</u>	<u>in relation to the publication of agendas and reports, means any system where the Members have given consent for the agenda to be transmitted in electronic form to a particular electronic address</u>
“GLA”	means the Greater London Authority
<u>“Growth Boroughs”</u>	<u>means the London Boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest</u>
“Mayor of London”	means the Mayor of London as defined in the Greater London Authority Act 1999
“Member”	means a member of the Corporation’s <u>Board</u> for the time being and in relation to a Committee or Sub Committee includes a member of the Committee or Sub Committee who is not a member of the Corporation
“Members’ Code of Conduct”	Code of means the Code of Conduct attached to these Standing orders at Appendix A
“Planning Decisions Committee”	means a committee of the Corporation established with delegated powers to determine applications for planning permission and other matters
“Registrable Interest”	means an interest of a kind set out in Appendix B
“Sensitive Interest”	means a Registrable Interest whose nature is such that the Member and the Chief Executive consider that disclosure of the interest to the public could lead to the Member or a Connected Person being subject to violence or intimidation.
“SO”	means Standing Order
“Sub Committee”	means a sub committee established by a Committee under paragraph 6(2) of Schedule 21 of the Act.
“Substitute Member”	means a person identified by the Corporation as a substitute member of a Committee or a person identified by a Committee with the approval of the

3 Calling Meetings

- 3.1 A meeting of the Board may be convened by:
- (a) the ~~Board or by the~~ Chairman; or
 - (b) by not less than one third of the Members of the Board by sending to the Chief Executive a requisition stipulating the business to be transacted at the meeting.
- 3.2 The Chief Executive will give to the Members not less than 5 clear days' notice of a meeting of the Board convened under SO 3.1 unless there is urgency. Where a meeting is convened with less than 5 clear days' notice the reasons for urgency shall be stated in the notice.
- 3.3 The notice of meeting will give the date, time and place of each meeting and will set out the business to be transacted. Reports relating to the business to be transacted at the meeting will also be sent to Members with the notice of meeting or as soon as practicable thereafter except where the Chief Executive has notice that a Member has a Registrable Interest in the business to which the report relates.
- 3.4 Members will be sent agendas, reports and other related documents by electronic means unless they request them to be sent in hard copy, in addition to or instead of the electronic copy, or agree with the Chief Executive alternative arrangements for accessing the documentation.
- 3.5 Provided that the agenda and/or papers for a Meeting have been dispatched in accordance with the Standing Orders, or by an alternative method specified by the Chief Executive, their non-receipt by any Member or Observer shall not invalidate the business transacted at that Meeting.
- 3.6 If a report is not available at the time an agenda is published, then a supplementary agenda will be published with the report as soon as possible thereafter (If published on less than 5 clear working days' public notice, the items of business on the supplementary agenda shall be treated as being urgent business).
- 3.7 If withdrawn before the date for despatch of the agenda by its proposer and seconder by notice in writing to the Chief Executive, the notice of motion or notice of amendment is not required to be included on the agenda.
- 3.8 Copies of the agenda and reports shall be open for public inspection by being:
- (1) published on the Authority's website; and
 - (2) available for collection by members of the press and public from the reception of the building at which the meeting is to take place (subject to practical considerations such as the number of copies which can be reasonably produced).
- 3.9 Agendas for meetings (other than a meeting convened under SO 3.1(b)) shall be prepared and issued by the Chief Executive following consultation with the Chairman of the relevant body. Agenda items for meetings convened under SO 3.1(b) shall be limited to the business identified in the requisition for the

meeting.

- 3.10 A meeting of a Committee or Sub Committee may be convened by the Chairman of the relevant Committee or Sub Committee or by the Chief Executive after consultation with the Chairman and the provisions of SOs 4.2 and 4.3 shall apply.

4 Conduct of Meetings

- 4.1 Subject to the provisions of these Standing Orders, the Board, a Committee or Sub Committee may regulate its meetings in such manner as they think fit.

- 4.2 The Planning Decisions Committee shall make and publish arrangements for members of the public or representatives or interested organisations to address the Committee on specific applications.

- 4.3 Questions arising at a meeting shall be decided by a majority of the Members present and voting. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

- 4.4 Any part of a meeting of the Board, a Committee or Sub Committee may consist of a conference call between Members some of whom are in the place at which the meeting was called and some are in different places provided that:

- (a) each Member may participate in the business of the meeting whether directly or by telephone conference or any other communications equipment which enables him or her:
 - (i) to hear each of the other participating Members addressing the meeting; and
 - (ii) if s/he so wishes, to address all of the other participating Members simultaneously
- (b) each participating Member announces to the other participating Members when s/he joins and leaves the meeting
- (c) where the meeting is open to the public members of the public are able to hear and identify participating Members present at another place

and each such participating Member shall be counted in the quorum for the meeting.

- 4.5 The quorum at a meeting of the Board for the transaction of business shall be half of the Members in office rounded down in the event of an odd number. The quorum for a meeting of a Committee or Sub Committee other than the Planning Decisions Committee shall be two Members of the Committee or, if greater, one third of the number of Members of the Committee in office. The quorum for a meeting of the Planning Decisions Committee shall be five Members of the Committee of whom a majority shall be Members of the Board.

- 4.6 The relevant Chairman, shall, if present and willing, preside at all meetings of the Corporation or a Committee or Sub Committee, but if no Chairman has been appointed, or if s/he is not present within fifteen minutes after the time fixed for holding the meeting or is unwilling to act as Chairman of the meeting, in the case of a meeting of:

- (a) the Corporation, the Deputy Chairman shall chair the meeting ;

- (b) a Committee or Sub Committee, the Member of the Committee or Sub Committee approved by the Chairman of the Corporation shall chair the meeting,

or if s/he is not present or is unwilling to chair the meeting, the Members present shall choose one of their number to act as Chairman of the meeting.

- 4.7 If a question arises at a meeting of the Corporation or a Committee or Sub Committee as to the right of a Member to vote, the question shall be referred to the Chairman of the meeting and his ruling in relation to any Member other than himself is final and conclusive. In relation to the Chairman of the meeting, the question shall be decided by resolution of the other Members.

5 Attendance at Meetings by the Mayor's Observer and Officers

- 5.1 The Mayor shall be entitled to appoint an observer from the staff of the GLA to attend meetings of the Board or any Committee or Sub Committee (and different observers for the Board a Committee or Sub Committee) and a substitute from the staff of the GLA in the event that the observer is unavailable to attend a meeting except in the case of the Planning Decisions Committee or any of its Sub Committees. Such an observer and the substitute shall be entitled to receive notice of, and all papers for, and (but only in the case of the substitute if the observer is unavailable) to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. SO 6 and SO 8 shall apply to the observer and the substitute as if s/he were a Member.
- 5.2 The Chief Executive and the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services shall be entitled to attend all meetings of the Board or any Committee or Sub Committee. Subject to the rights of the public to attend meetings attendance of other officers, advisers or other persons shall be at the invitation of the Chairman, and in the case of the Planning Decisions Committee the Director of Planning Policy and Decisions, for all or part of the meeting. The Chairman may authorise the Chief Executive to issue invitations generally or in specific cases.

6 Members' Interests

- 6.1 A Member who has directly or indirectly an interest in a matter which is material and which conflicts or may conflict with the interests of the Corporation and is present at a meeting of the Board or a Committee or Sub Committee at which the matter is under consideration shall:

- (a) at the meeting and as soon as practicable after its commencement disclose the nature and extent of his or her interest giving rise to his or her conflict of interest; and

Save as otherwise provided in SO 6.3 shall not

- (b) participate in the consideration or discussion of the matter and leave the meeting during its consideration; and
- (c) vote on any question with respect to it

- 6.2 A Member shall not be counted in the quorum present at a meeting in relation to

a resolution upon which s/he is not entitled to vote.

- 6.3 A Member who has disclosed the nature and extent of his or her interest or duty giving rise to his or her conflict of interest may, notwithstanding his or her interest, participate in the consideration or discussion and vote on the matter and be included for the purposes of a quorum at any meeting at which the matter is considered provided that:
- (a) the Member or a Connected Person does not have a Registrable Interest in the matter; and
 - (b) his/her interest does not give rise to a real danger of bias or is one which a member of the public aware of all the facts will regard as so significant that it is likely to prejudice the Member's judgement of how to act in the public interest.
- 6.4 For the purposes of this SO 6 a Member has an interest in a matter which is material and which conflicts or may conflict with the interests of the Corporation:
- (a) if it is a Registrable Interest provided that where the Registrable Interest constitutes the holding of office as an elected member of one of the Growth Boroughs who is appointed to sit on the Corporation's Planning Decisions Committee, the holding of that office of itself shall not constitute a matter which is material and which conflicts or may conflict with the interests of the Corporation; or
 - (b) where a decision in relation to that matter might reasonably be regarded as affecting his or her well-being or the well-being of a Connected Person to a greater extent than other council tax payers, ratepayers or inhabitants in the Mayoral Development Area.
- 6.5 A Member who has directly or indirectly an interest in a matter which is material and which conflicts or may conflict with the interests of the Corporation may not exercise any power delegated to him/her in relation to that matter.
- 6.6 A Member only has an interest derived from a Connected Person if s/he is aware of that interest.

7 Minutes and Records of Decisions

- 7.1 Minutes of the proceedings of a meeting of the Board, or of any Committee or Sub Committee shall be kept in such form as the Chief Executive may determine.
- 7.2 Any such minutes shall be signed at the same or next suitable meeting of the Board, Committee or Sub Committee by the Chairman of that meeting.
- 7.3 A Member or an employee of the Corporation acting under delegated powers shall as soon as is reasonably practicable after making a decision deliver a signed copy of that decision to the Chief Executive. The decision must include a record of any conflict of interest declared by a Member who is consulted by the Member or employee in relation to the decision in a manner consistent with the procedures approved from time to time by the Chief Executive.

8 Members' Conduct

- 8.1 The Members' Code of Conduct is adopted and shall have effect.
- 8.2 The Chief Executive must:
- (a) establish and maintain a register of the interests of Members described in Appendix B and notified to him/her by Members in writing;
 - (b) ensure that that a copy of the register (excluding any Sensitive Interests) is available for inspection by the public at the principal offices of the Corporation during the usual hours of opening for business and published on the Corporation's web site; and
 - (c) give effect to any changes to the Registrable Interests of a Member notified to him/her by the Member in writing.
- 8.3 A Member shall notify the Chief Executive in writing of his or her Registrable Interests if any on the later of the adoption of these Standing Orders and his or her accepting his or her appointment as a Member and shall notify the Chief Executive in writing of any changes to his or her Registrable Interests promptly and in any event no later than 28 days after s/he becomes aware of or ought to have become aware of the change.
- 8.4 The Code relating to Gifts and Hospitality set out in Appendix C is adopted and shall have effect.

9 Proper Officer

- 9.1 The Chief Executive shall discharge the duties of the proper officer under Part VA of the Local Government Act 1972 (Access to Meetings and Documents) as applied to the Corporation.

10 The Seal

- 10.1 The Board shall adopt a seal and provide for its safe custody.
- 10.2 The application of the seal is to be authenticated by either the Chairman or any other Member of the Corporation. In addition, each of the Chief Executive or the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services are authorised to authenticate the seal.
- 10.3 The seal shall be used only by the authority of the Board or a Committee or Sub Committee or a Member or employee of the Corporation acting under delegated powers.

11 Signing of Documents

- 11.1 Where any document is necessary to give effect to any decision of the Board, a Committee or Sub Committee it shall be signed by one of the Chief Executive, or the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services or any Board Member and one of those three individuals, or any other member of the Executive Management Team (in Bands

9 and 10) or any other employee of the Corporation appointed as per 11.2 below.

- 11.2 The Chief Executive may appoint in writing such employees of the Corporation as s/he thinks fit either generally or in specific cases to sign documents, notices, letters or other communications required to discharge the business of the Corporation.
- 11.3 Three Mills Studio Agreements in the approved form (as approved by TfL Legal Services from time to time) with a value of between £5,000 - £25,000 and a term of three months or less require one signature only, being that of either the Executive Director of Park Operations and Venues, the Director of Visitor Services or Head of Venues. LLDC has granted a Power of Attorney in favour of Knight Frank LLP, to consider, settle, approve, sign, execute, deliver and issue studio use agreements in the standard LLDC approved form relating to the property at 3 Mills and associated documents, which have both a value of £5,000 or less (excluding VAT), a term of three months or less and which do not constitute renewals of existing occupation.
- 11.4 TfL has been appointed to the Legacy Corporation's agent and authorised signatory to execute any contract procured via the GLA Group Collaborative Procurement Board in accordance with the JAA and WAD as amended from time to time. A nominated member TfL staff can execute these documents by applying their sole signature.
- 11.5 Events hire agreements in the approved form (as approved by TfL Legal Services from time to time) with a value of £15,000 or less require one signature only, being that of either the Executive Director of Park Operations and Venues, the Director of Visitor Services or Head of Events.

12 Service of Documents

- 12.1 Members shall from time to time inform the Chief Executive of their preferred email and postal addresses for receipt of written notice of meetings, agenda papers and other documents.
- 12.2 The failure to send written notice or agenda papers to a Member, or the non-receipt of duly dispatched written notice and agenda papers by a Member, shall not invalidate the proceedings at a meeting.

13 Access to information

- 13.1 The Board will consider items of business and permit the press and public to be present in accordance with the requirements and procedures of Part VA of the Local Government Act 1972 which applies to meetings of the board and its committees, and provides for the publication of their agendas, reports and minutes. (The Chief Executive Officer shall be the proper officer for the Purposes of Part VA of the 1972 Act.)

Appendix A

Members' Code of Conduct

Introduction

1. This Code applies to Members of the Corporation, co-opted Members and observers at meetings of the Corporation its Committees and Sub Committees with the right to speak ("Members"). Members must observe this Code whenever conducting the business of the Corporation.

2. This Code shall not have effect in relation to activities undertaken other than in a capacity described in paragraph 1, unless otherwise expressly indicated.

3. Members must comply with this Code and ensure that they understand their duties, rights and responsibilities, and that they are familiar with the Corporation's statutory framework in the Localism Act 2011 and within the GLA Group as a functional body.

The General Principles of Standards in Public Life

4. ~~As a person covered by this code you must~~ ~~Members must also~~ observe the ~~nine~~ ~~seven~~ ~~General~~ principles of public life ("the Nolan Principles") set out below:

- (a) **Selflessness** - You should act solely in terms of the public interest. You should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- (b) **Integrity** - You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- (c) **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, you should make choices on merit.
- (d) **Accountability** - You are accountable for your decisions and actions to the public and must submit yourself to whatever scrutiny is appropriate to your office.
- (e) **Openness** - You should be as open as possible about all the decisions and actions that you take. You should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- (f) **Honesty** - You have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- (g) **Leadership** - You should promote and support these principles by leadership and example.
- (h) ~~Selflessness - Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.~~

- ~~(i) — Honesty and integrity — Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.~~
- ~~(j) — Objectivity — Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.~~
- ~~(k) — Accountability — Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.~~
- ~~(l) — Openness — Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.~~
- ~~(m) — Personal judgement — Members may take account of the views of others, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.~~
- ~~(n) — Respect for others — Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the Corporation's employees.~~
- ~~(o) — Stewardship — Members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.~~
- ~~(p) — Leadership — Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.~~

Individual Responsibilities

5. All persons covered by this Code are personally responsible for their conduct and must:

- (a) Act in good faith and in the overall interests of the Corporation and in a way that preserves public confidence in the Corporation;
- (b) Not use their position with the Corporation to promote their private interests or to confer on or secure an advantage or disadvantage for persons, firms, businesses or other organisations connected to them;
- (c) Comply with the Corporation Code relating to the receipt of gifts and hospitality;
- (d) Not, without express prior authority of the Corporation or a committee with delegated powers, commit, or purport to commit, the Corporation, its Officers or resources to any future course of action;
- (e) Not to use Corporation resources for a party political purpose and to observe the Corporation's guidance on pre-election political activity;

- (f) Not use information gained in the course of their public service for personal gain or for political purposes;
- (g) Not disclose information received in confidence, without the consent of the person authorised to give it, unless required by law to do so;
- (h) Not prevent another person from gaining access to information to which that person is entitled by law;
- (i) Cooperate with the Chief Executive or his or her nominee in any investigation relating to breach of this Code or any other part of the Corporation's Standing Orders; and
- (j) Promote equality by treating others with respect and not discriminating unlawfully against any person.

Induction, Training & Development

6. Members shall participate in all induction, skills evaluation training and development and other programmes required by the Corporation from time to time.

Appointments to Outside Bodies

7. A Member may be appointed or nominated by the Corporation as a member of another body or organisation. If so, the Member will be bound by the rules of conduct of that organisation and their responsibility for any actions taken as a member of such an organisation will be to the organisation in question. The Member must, however, also continue to observe the rules in this Code in carrying out the duties of that body in so far as they do not conflict with his or her responsibilities to that body its code of conduct or any lawful obligation to which that other body is subject.

Member/Officer Relations

8. Members and Officers of the Corporation shall treat each other with mutual respect. All dealings between such persons must observe reasonable standards of behaviour and courtesy. Neither party should seek to take an unfair advantage of their position or act in a way which compromises their respective roles and responsibilities.

Breach of Code

9. Any complaint of Member misconduct should be addressed to the Chief Executive who will:

- (a) determine whether the complaint appears to identify misconduct and whether the complaint merits investigation;
- (b) in appropriate cases, cause an investigation to be conducted into the complaint; and
- (c) report the outcome of the investigation to the Mayor.

Appendix B

Registrable Interests

Greater London Authority Group Register of Interests Notification of Disclosable Pecuniary Interests

Section A

I, (full name)

--

of: (name of relevant GLA
Group bodies)

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GIVE NOTICE that I have the following Disclosable Pecuniary Interests being of a description specified in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012/1464.

[Note: Please state "None" where appropriate rather than leaving boxes blank.]

Where you consider any of the information requested from you in this form could, if disclosed or published, lead to you or a person connected to you being subject to violence or intimidation, you should not include the information in the form, but should complete the Sensitive Interests section (at the end of the form, below) to seek the Monitoring Officer's agreement that the interest is a sensitive interest, and should not be published.

Section B Employment

1. Details of any employment, office, trade, profession or vocation carried on for profit or gain by me or my partner¹.

[Note: You do not need to include your membership of /employment by the relevant body/bodies specified at section A. This category will include trade union membership. In relation to any other employment, office, trade, profession or vocation carried out by you or your partner, the details should include the nature and title of the role, and name of any organisation for which the role is performed / which pays you or your partner for performing the role. Members who are also London borough councillors or, for example, members of another Functional Body will need to include these details in this section of the form, because these are 'offices' and because some members will receive allowances for performing these roles.]

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Sponsorship (This section on sponsorship is for elected members [of the London Assembly] only)

2. Details of any payment or provision of any other financial benefit (other than from the relevant body/bodies specified at Section A of this form) made or provided within the last 12 months in respect of any expenses incurred by me in carrying out my duties as a member, or towards my election expenses. (This includes any payment or financial benefit from a trade union).

[Note: The following details need to be entered in the form: the amounts of any payments made / the nature of any financial benefit received; the dates on which they were made / provided; and the name of the person or organisation that made the payment / provided the financial benefit. These details only need to be provided in respect of any payment made or financial benefit provided to you as a member, or towards your election expenses. They do not need to be provided in respect of any such payments made, or financial benefits provided, to your partner.]

¹ "Partner" means your spouse, civil partner, a person with whom you live as husband or wife, or a person with whom you live as if you are civil partners

Contracts

3(a). Details of any contract which is made between (i) myself (or my partner) and the relevant body/bodies specified at Section A of this form OR (ii) a member of my close family and the relevant body/bodies specified at Section A of this form under which (a) goods or services are to be provided or works are to be executed and (b) which has not been fully discharged.

3(b). Details of any contract which is made between *(i) a firm in which I am (or my partner is) a partner and the relevant body/bodies at Section A of this form OR (ii) a member of my close family and the relevant body/bodies specified at Section A of this form under which (a) goods or services are to be provided or works are to be executed and (b) which has not been fully discharged.

3(c). Details of any contract which is made between *(i) a body corporate of which I am (or my partner is) a *director*² and the relevant body/bodies specified at Section A of this form OR (ii) a member of my close family and the relevant body/bodies specified at Section A of this form under which (a) goods or services are to be provided or works are to be executed and (b) which has not been fully discharged.

3(d). Details of any contract which is made between *(i) a firm or a body corporate in the *securities*³ of which I have (or my partner has) a beneficial interest and the relevant body/bodies specified at section A of this form OR (ii) a member of my close family and the relevant body/bodies specified at Section A of this form under which (a) goods or services are to be provided or works are to be executed and (b) which has not been fully discharged.

3(e). Details of any contract which is made between (i) a firm in which I am (or my partner is) an employee and the relevant body/bodies at Section A of this form OR (ii) a member of my close family and the relevant body/bodies specified at Section A of this form under which (a) goods or services are to be provided or works are to be executed and (b) which has not been fully discharged.

[Note: In this section, the following details need to be entered for each category:

- the names of the parties to the contracts – so the relevant authority, and either (i) your or your partner’s name, or (ii) the name of the firm or body corporate (of which you or your partner is a director, or in the securities of which you or your partner has a beneficial interest);
- the date on which the contract was entered into, and the duration of the contract;
- a brief description of the contract: the goods or services to be provided, or works to be executed.

In addition for each section – 3(a) to (e) you are asked to include details where it is proposed that that company or body enters into a contract with the relevant authority.

² Director includes a member of the committee of management of an industrial and provident society

³ “Securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

For members of the London Enterprise Panel, the contracting body that this section relates to will be the Greater London Authority.]

Land

4. Details of any beneficial interest that I have or my partner has in land within the geographical boundary of the relevant body/bodies specified at section A that entitles me or my partner to occupy (alone or jointly with another) that land, or to receive income from it.

[Note: In this section, the following details should be entered: what the interest is, whether it is your or your partner's interest, the first part of the postcode of the land and the London borough in which it is situated (as minimum requirements, noting that, unless there is reason not, you may wish to provide the full address here). By way of guidance, where:

- you or your partner own(s), or own(s) a percentage of the freehold or long-term leasehold of a property (whether or not subject to a mortgage),
- you or your partner lease(s) land or property, on shorthold tenancies (for example, an assured shorthold tenancy), or
- land or property is owned by a trust in which you have or your partner has an interest

Licences

5. Details of any licence that entitles me or my partner (alone or jointly with others) to occupy land in the geographical boundary of the relevant body/bodies specified at section A for a month or longer.

[Note: Details of the nature and length of the licence should be entered in this section, along with the postcode of the land, and the London borough in which it is situated.]

Corporate tenancies

6. Details of any tenancy where, to my knowledge, (a) a relevant body specified at Section A of this form is the landlord; and (b) the tenant is (i) a firm in which I am (or my partner is) a partner, (ii) a body corporate of which I am (or my partner is) a director, or (iii) (i) a firm or a body corporate in the securities of which I have (or my partner has) a beneficial interest.

[Note: Details of the nature of and parties to the tenancy should be entered in this section, along with the full address of the property that is subject to the tenancy.]

Securities

7. Details of beneficial interest that I have or my partner has in the securities of a body where (a) that body (to my knowledge) has a place of business or land in the geographical boundary of the relevant body/bodies specified at section A; and (b) either (i) the total nominal value of the securities that I or my partner has exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which I or my partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

[Note: Details of the nature of the interest that you have or your partner has should be entered in this section, along with the name and full address of the body in whose securities that interest is held.]

Other Interests

8. Names and positions in non-profit making organisations with which a relevant body specified at Section A has dealings where I am or my partner is a trustee or participate(s) in management of that body and where not disclosed elsewhere in this form.

9. Any other office or position which I hold (including companies, trade associations and industry forums) and where not already disclosed elsewhere in this form

10. Any other directorships of companies which I hold, whether paid or not, and where not already disclosed elsewhere on this form

11. Any other Interest which I hold which might reasonably be likely to be perceived as affecting my conduct or influencing my actions in relation to my role on the relevant body/bodies specified at Section A of the form.

Declaration

1. I confirm that the information given above is a true and accurate record of my relevant interests, given in good faith and to the best of my knowledge;
2. I recognise that (where applicable) it is a breach of the Localism Act 2011 and a criminal offence to:
 - a) Omit information that ought to be given in this notice;
 - b) Provide information that it materially false or misleading;
 - c) Fail to give further notice to the Monitoring Officer/authorised officer, within 28 days of becoming aware of any change to the interests specified, or of acquiring any new interest, in order to bring up to date the information given in this notice.

Date: _____ Signed: _____

Sensitive Pecuniary Interests

To: Monitoring Officer or relevant appropriate officer
 From: _____ [Name]

I consider that the following Disclosable Pecuniary Interest/s is/are sensitive and should not be published

NOTE - If a sensitive interest is no longer sensitive you must add this information to the published form above within 28 days of becoming aware of this.

<u>Disclosable Pecuniary Interest (specify relevant section of the form)</u>	<u>Details of interest</u>	<u>Reason why the interest is sensitive</u>

Signed:..... Date:

Name:

Authorised Officer Decision

Yes, I agree/ No I disagree [Delete as appropriate] that disclosure of the details of the interest(s) identified in this form above could lead to the Member, or a person connected with the Member, being subjected to violence or intimidation, and that the interest(s) should therefore be treated (as applicable) as “sensitive interests” under section 32 of the Localism Act 2011.

The reason for my decision is

.....

To return a copy to the submitter of the form. If the authorised officer agrees, to be filed on Sensitive Interests file. If the authorised officer does not agree to file in the publicly available register.

[Notes:

Section 29 of the Localism Act 2011 requires the Monitoring Officer of a relevant authority to establish and maintain a register of interests of members and co-opted members of the authority. Under Section 30 of the Act, a member or co-opted member of a relevant authority must, before the end of 28 days beginning with the day on which the person becomes a member or co-opted member of the authority, notify the authority’s Monitoring Officer of any disclosable pecuniary interests which the person has at the time when the notification is given. Within 28 days of becoming aware of any changes to disclosable pecuniary interests, or of acquiring any new disclosable pecuniary interest, members and co-opted members must write to the Monitoring Officer notifying him or her accordingly. Failure to do so, without reasonable excuse, is a criminal offence; as is to knowingly or recklessly provide information about relevant interests that is false or misleading.

The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012/1464 specify what interests constitute disclosable pecuniary interests. These categories of interests are marked with an asterisk in this form. In addition to those categories and in the interests of transparency, members and co-opted members are also recommended to provide the additional information requested on this form.

These provisions of the Act apply to members and co-opted members of the Greater London Authority and the London Fire and Emergency Planning Authority. However, in the interests of consistency, Board and committee members, mayoral appointees and senior staff across the GLA Group are all recommended to use this form.]

~~The following interests of a Member or the members of the family of a Member (“a Relevant Person”) but in the case of the members of the family of a Member only where known to him/her are registrable~~

~~(a) — Any body:~~

~~(i) — to which a Relevant Person is appointed or nominated by the Corporation; or~~

~~(ii) — exercising functions of a public nature other than the Greater London Authority, Transport for London, the Mayor’s Office for Policing and Crime or the London Fire and Emergency Planning Authority; or~~

~~(iii) — directed to charitable purposes; or~~

~~(iv) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)~~

~~of which a Relevant Person is a member or in a position of general control or management.~~

~~(b) Any employment, office, trade, profession or vocation carried on for profit or gain by a Relevant Person.~~

~~(c) Any beneficial interest in land or a place of business in the Mayoral Development Area of:~~

~~(i) a Relevant Person; or~~

~~(ii) a Relevant Person's employer; or~~

~~(iii) any body in which the Relevant Person has a beneficial interest.~~

~~(d) Any grant agreement, contract for goods or services or works which has not been fully discharged made between the Corporation and~~

~~(i) a Relevant Person; or~~

~~(ii) a Relevant Person's employer; or~~

~~(iii) any body in which the Relevant Person has a beneficial interest.~~

~~(e) Any land in the Mayoral Development Area for which~~

~~(i) a Relevant Person; or~~

~~(ii) a Relevant Person's employer; or~~

~~(iii) any body in which the Relevant Person has a beneficial interest~~

~~has a licence (alone or jointly occupying with others) to occupy for a month or longer.~~

~~(f) Any tenancy where to the Member's knowledge the landlord is the Mayoral Development Corporation and the tenant is a body in which the Relevant person has a beneficial interest.~~

~~(g) Any payment or provision of any other financial benefit (other than from the Corporation or a local authority) made or provided within the previous 12 months in respect of any expenses incurred by the Member in carrying out duties as a member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.~~

"family member" means the following:

~~(i) the spouse or civil partner of the Member;~~

~~(ii) a person with whom the Member is living as husband and wife; and~~

~~(iii) a person with whom the Member is living as if they were civil partners;~~

~~“body in which the Relevant Person has a beneficial interest” means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest unless:~~

~~(i) the total nominal value of the securities is not more than £25,000 or one hundredth of the total issued securities of that body; or~~

~~(ii) if the securities of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest is not more than one hundredth of the total issued securities of that class.~~

~~“securities” means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.~~

Appendix C

Gifts and Hospitality Code

1. As a Member of the Board, Committee or Sub-Committee of the Board you are required to register any gifts or hospitality worth £25 or over that you receive in connection with your role on the Board, Committee or Sub-Committee of the Board and its business. However you must at all times be, and be seen to be, fair, impartial and unbiased. As such:
 - Gifts and hospitality should not be, or seen to be, part of usual business; any acceptance should be infrequent.
 - Within 28 days of receiving gift(s) and/or hospitality in connection with your official duties with a value of £25 or more, you must register those items with the Proper Officer including providing details of the source of the gift or hospitality and your reason for accepting it.

Acceptance of gifts and hospitality

2. For the purpose of this Code, gifts are defined as including (but are not limited to):
 - (a) The free gift of any goods or services (including tickets or invitations to events etc)
 - (b) The opportunity to acquire any goods or services at a discount or at terms not available to the general public.
 - (c) The opportunity to obtain goods or services not available to the general public.
3. Hospitality is taken to refer to the offer of food, drink, accommodation or entertainment, (except that which is provided by the Corporation) or the opportunity to attend any cultural, business or sporting event. Common hospitality includes lunches or dinners provided by external bodies or tickets to events.

Other benefits and favours

4. Be cautious when purchasing anything, or when additional services, privileges, discounts or advantages are offered, which might be related to your position at the London Legacy Development Corporation. This might include the opportunity to acquire any goods or services at a discount or at terms not available to the general public. This does not include discounts which may have been negotiated by the Corporation on behalf of all staff, for example discounted membership fees at a fitness centre.

Principles to Apply in Relation to Gifts and Hospitality

5. In deciding whether it is appropriate to accept any gift or hospitality you must apply the following principles:
 - Do not accept a gift or hospitality as an inducement or reward for anything you do at the London Legacy Development Corporation. If you have any suspicion that the motive behind the gift or hospitality is an inducement or reward you must decline it;
 - Do not accept a gift or hospitality of significant value or whose value is excessive in the circumstances; do not accept a gift or hospitality if you believe it will put you under any obligation to the provider as a consequence; do not solicit any gift or hospitality and avoid giving any perception of so doing.
 - You must be clear as to the value of the gift / hospitality at the time that you agree to accept it; where the actual value of a gift or hospitality is not known or is not reasonably obtainable, you must decide how much a person could reasonably be expected to pay for it at a commercial rate;

- You should declare receipt of any gift or hospitality that an ordinary member of the public might reasonably deem to be significant (eg the identity of the provider or the wider context in which the item was provided), regardless of its formal cash value;
- Do not accept a gift or hospitality: from parties involved with the London Legacy Development Corporation in a competitive tendering or other procurement process; from applicants for planning permission and other applications for licences, consents and approvals; from applicants for grants, including voluntary bodies and other organisations applying for public funding; from applicants for benefits, claims and dispensations; or from parties in legal proceedings with the London Legacy Development Corporation.

Items that do not need to be declared

6. As a general rule, you will not need to declare:
 - Gifts and hospitality that is wholly and clearly unrelated to your position at the Corporation;
 - The acceptance of facilities or hospitality provided to you by the Corporation and/or working meals including meals taken in the course of attending (following approval, for members of staff) meetings or conferences or training courses where they are provided to all attendees as part of the event;
 - Attendance at formal functions as a representative of the Corporation and attendance at formal social functions in relation to which invitations have been issued to all members of staff; or
 - Attendance at information gathering or sharing events with public or charitable / think tank bodies, such as meetings with representatives of the London Legacy Development Corporation, local authorities and Government departments / agencies, other public sector organisations.
7. You are not required to declare gifts and/or hospitality that have been offered but declined. However, you should report to the Chief Executive Officer) any offers you have declined that could be perceived as significant or controversial. The key criteria would be whether the offer was novel (ie unusual) and frequency/persistence of the offer. Such offers would not be published on the gifts and hospitality register; reporting of any such offers would, however, allow action to be taken corporately and/or further guidance to be given where necessary.

Making a declaration

8. You must:
 - declare any gift or hospitality of £25 or over that you receive in connection with your official duties with the Corporation, the source of the gift or hospitality, and your reason for accepting it;
 - register the form/declaration with the Chief Executive Officer within 28 days of receiving it; and
 - include within the form/declaration the actual value of the gift or hospitality or its value estimated in accordance with this guidance.

Registration of gifts and hospitality

9. A summary list of all gifts and hospitality declared by Members of the Board, Committee or Sub Committee will be published on the Corporation's website.

Amendment

10. This Code may be amended from time to time.

Scope of the Code

- 1 — In this Code, references to “Gifts and Hospitality” includes goods, services, tickets, awards, food, drink, travel, accommodation, events, special terms, vouchers, favours, honours and any other tangible or intangible benefit.
- 2 — This Code applies to Gifts and Hospitality offered or provided by a person or body other than the Corporation to Members of the Corporation, co-opted Members and observers at meetings of the Corporation, its Committees and Sub-Committees with the right to speak (“Members”) or to any other person at the request of a Member
- 3 — Members must observe this Code whenever conducting the business of the Corporation.

General Approach

4. — The general approach of the Corporation to Gifts and Hospitality offered to a person covered by this Code arising out of or in connection to a Member’s role with the Corporation is that such Gifts and Hospitality should be declined. The acceptance of gifts and hospitality risks being perceived as influencing a Member and may bring their integrity or personal judgement into question. There are however exceptions set out in paragraphs 9-11 below.
5. — Any such offers made and declined should be noted and the General Counsel informed.
6. — Those covered by this Code must not accept any gift with a significant monetary value, nor should they solicit personal gifts under any circumstances. Similarly, offers of lavish hospitality or hospitality which could be interpreted as a means of exerting an improper influence over the way Members carry out their duty should be neither solicited nor accepted. The timing of hospitality in relation to sensitive matters should also be a consideration in accepting or offering any hospitality that falls within the scope.
7. — Equally, any attempt made to induce those covered by this Code by the offering of Gifts and/or Hospitality should be reported to the General Counsel immediately.
8. — All Members must record any Gifts and Hospitality received, unless it is an excepted item, in a register held by the Chief Executive.

Exceptions

- 9 — Provided that a gift is worth less than £25, has negligible resale value or onward giving potential, is not money and has a relevance to work, it may be accepted without being declared.
- 10 — Hospitality offered worth less than £25 and within one of the exceptions listed below, may be accepted without a record being made:
 - (a) Refreshment provided at, or immediately after, a work meeting; or
 - (b) A standard form of transport to or from a work meeting; or
 - (c) A working meal whilst engaged on Corporation business.
- 11 — Repeated gifts or hospitality from the same source within any twelve month period should be aggregated. If the aggregated amount is greater than £25, all items should be declared and recorded, with the exception of refreshment provided at work meetings, provided that in each instance the refreshment is worth less than £25.

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Appendix 2: Terms of reference of the Board

- Status:** Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this Board.
- Membership:** The Board shall be appointed by the Mayor of London and shall comprise not less than 6 members, including at least one elected member of each relevant London council in the Corporation's area, up to such number as the Mayor from time to time decides to appoint.
- Chairman:** The Chairman shall be the Mayor or a person appointed by the Mayor. In the absence of the Chairman at a meeting of the Board, the Deputy Chairman shall act in his place or (if absent) the remaining members shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer, if appointed
Chief Executive
Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services
Legal representative
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Half the members in office rounded down in the event of an odd number.

Frequency of meetings

1. The Board will meet at such frequency as determined by the Chairman. Meetings of the Board shall be convened by the Secretary at the request of the Chairman or by no less than one third of the Members of the Corporation as per SO 3.1(b).

Purpose of the Board

2. To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions. The members of the LLDC Board as a whole are collectively responsible for achieving the purpose of the Legacy Corporation:

"To promote and deliver physical, social, economic and environmental regeneration in the Olympic Park and surrounding area, in particular by maximising the legacy of the Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of convergence."

Terms of Reference and Delegated Authority

3. The Board will take decisions in accordance with the law, its Standing Orders and Scheme of Delegations.
4. In particular, the Board are required to:
 - a. provide entrepreneurial leadership of the Legacy Corporation operating within its overall statutory framework;
 - b. provide prudent and effective controls appropriate to a body responsible for the use of public funds which ensure that high standards of corporate governance and financial management are observed and which enable risk to be assessed and managed;
 - c. ensure that the necessary financial and human resources are in place for the Legacy Corporation to achieve the Objectives;
 - d. set the Legacy Corporation's values and standards and ensure that the Objectives and the Legacy Corporation's obligations to others are understood and met;
 - e. prepare an annual budget and capital spending plan for each financial year for consideration by the Mayor in accordance with the Mayor's annual budget timetable and procedure
 - f. as soon as practicable after the end of each financial year ensure that an annual report is prepared by the Legacy Corporation including the audited accounts for submission to the Mayor and the London Assembly
 - g. ensure that proper regard is had to any guidance given by the Mayor as to the exercise of the Legacy Corporation's functions
 - h. ensure that the Legacy Corporation complies with any directions given by the Mayor as to the exercise of the Corporation's functions

Procedural and reporting arrangements

5. The Mayor shall be entitled to appoint an observer to attend meetings of the Board or of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 shall apply to the observer as if s/he were a Member.
6. The Chief Executive, Deputy Chief Executive (Executive Director of Finance, Commercial and Corporate Services) and a legal representative shall be entitled to attend all meetings of the any Board, Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
7. Unless otherwise agreed, notice to each Board member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Board member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Board members and to other attendees as appropriate at the same time.
8. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Board meetings, including recording the names of those present and in attendance.
9. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Board members.

10. The Board shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Amendments

11. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

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Appendix 3: proposed terms of reference of the Investment Committee (changes to existing terms shown in tracked changes)

Status:	Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this Committee.
Membership:	The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent financial experience relevant to the strategic investment of funds and investment programmes.
Chair:	The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the Member of the Committee approved by the Chairman of the Corporation shall chair the meeting, or the remaining members present shall elect one of themselves to chair the meeting.
In attendance:	GLA observer Chief Executive <u>Deputy Chief Executive and</u> Executive Director of Finance, <u>Commercial</u> and Corporate Services Legal representative Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
Secretary:	To be agreed by the Proper Officer
Quorum:	Two members of the Committee or, if greater, one third of the number of members of the Committee in office

Frequency of meetings

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

Purpose of the Committee

2. To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through investment of public funds and use of assets and resources.

Terms of Reference and Delegated Authority

3. The Committee will take decisions in accordance with the Scheme of Delegations and will advise on the Corporation's investment projects and programmes including, but not be limited to:
 - a. Real Estate acquisition or disposal;
 - b. Required investment in site development;

- c. Infrastructure provision;
 - d. ~~Stadium transformation and~~ Ongoing construction work;
 - e. Disposal of interests in land and venues including grants of leases and entering into development agreements (or equivalents) or joint venture agreements;
 - f. Monitoring the successful delivery of development agreements (or equivalents) or joint venture agreements;
 - g. Estate management;
 - h. Capital fit-out of venues and facilities;
 - i. ~~Remediation and Operations of the parkland venues;~~
 - j. Commercial and operational aspects of the park and venues;
 - k. Development, construction and operations related to the Culture and Education District programme;
 - l. Consideration of the LLDC's Business Plan prior to Board approval;
 - m. Consideration of the annual LLDC Budget prior to Board approval and regular review of the Corporation's financial position; and
 - n. In relation to the stadium ~~to advise the Board on:~~
 - i. ~~The business cases for, and commercial and community merits of, different proposals for legacy use of the Stadium;~~
 - ii. ~~The commercial terms for managing the delivery of the Stadium transformation project;~~
 - iii. To advise the Board on any outstanding issues relating to the Corporation's participation in the Special Purpose Vehicle (SPV) with the London Borough of Newham (E20 Stadium Limited Liability Partnership) and its Business Plan; and
 - iv. ~~The procurement process for the stadium operating contractor (inasmuch as this is not considered by the SPV itself).~~
 - v. To give instructions to the Corporation's Board members who represent the Corporation on the E20 Stadium LLP Board.
4. The Committee will advise on any matter referred to it by the Corporation Chairman or Deputy Chairman or Board.
5. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.

Procedural and reporting arrangements

- 6. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
- 7. The Chief Executive, Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services and a legal representative shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The

Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.

8. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
9. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
10. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
11. The Committee will report any meeting to the Board at the next meeting.
12. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Amendments

13. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

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Appendix 4 - Regeneration and Communities Committee terms of reference

Status:	Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this Committee.
Membership:	The Committee shall be appointed by the Board and shall comprise at least three members, at least one shall have recent and in-depth experience relevant to the strategic engagement of and with local communities.
Chair:	The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the Member of the Committee approved by the Chairman of the Corporation shall chair the meeting, or the remaining members present shall elect one of themselves to chair the meeting.
In attendance:	GLA observer Chief Executive Executive Director of Regeneration and Community Partnerships Legal representative (from shared service provider TfL Legal) Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
Secretary:	To be agreed by the Proper Officer
Quorum:	Two members of the Committee or, if greater, one third of the number of members of the Committee in office

Frequency of meetings

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

Purpose of the Committee

2. To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through the advocacy and delivery of regeneration, community engagement, environmental sustainability, education and learning programmes.

Terms of Reference and Delegated Authority

3. The Committee will take decisions in accordance with the Scheme of Delegations.
4. The Committee will monitor and advocate the delivery of the Corporation's regeneration programme and regeneration objectives including learning and education.

5. The Committee will advise on and oversee the delivery of the Corporation's priority theme projects and programmes including community and business engagement, regeneration and sustainability.
6. The Committee will contribute to the Host Boroughs' convergence agenda.
7. In particular the Committee shall:
 - a. Advise on and review the planning and implementation of the Corporation's community and local stakeholder engagement programme;
 - b. Oversee the Corporation's work in developing opportunities for social enterprise and for engaging with local businesses of a small and medium-size to provide opportunities for growth and inward investment through the Company's work;
 - c. Advise the Board on development of community participation initiatives, in order to promote community engagement across the Corporation's area, including through joint working with boroughs, developers and other partners;
 - d. Advise on improving and maintaining the Corporation's visibility among local communities, focusing in particular on engagement with youth groups;
 - e. Advise on education initiatives, including the provision of schools, further and higher education facilities;
 - f. Advise the Corporation's on community issues and needs in relation to the regeneration or development within the Corporation's boundary; and
 - g. Provide a forum for proposals and debate, and resolution of issues, concerning the Corporation's community projects and evaluate the Corporation's work in this area to ensure it evolves with the needs of the local communities.
 - h. Oversee the measures being put in place to achieve the Culture and Education District's strategic objectives.
8. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.
9. The Committee will advise on any matter referred to it by the Corporation Chairman or Deputy Chairman or Board.

Procedural and reporting arrangements

10. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 8 shall apply to the observer as if s/he were a Member.
11. The Chief Executive and Executive Director of Regeneration and Community Partnerships and the legal representative shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
12. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting.

Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

13. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
14. The Secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
15. The Committee will report any meeting to the Board at the next meeting.
16. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Amendments

17. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed

Version control

v1.0	May 2012	Approved by LLDC Board (as Communities Committee)	Approved
v.2.0	December 2012	Approved by LLDC Board	Approved
v.2.1	May 2014	As above but Legal representative (from shared service provider TfL Legal) in attendance in place of General Counsel	Approved

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Appendix 5: Committee terms of reference

Audit Committee terms of reference

- Status:** Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this Committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent financial experience.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the Member of the Committee approved by the Chairman of the Corporation shall chair the meeting, or the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer
Chief Executive
Legal representative (from shared service provider TfL Legal)
Deputy Chief Executive
Director of Finance
Financial Controller
External auditors shall be invited on a regular basis
Internal auditors, where an internal audit function is being discussed
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

Frequency of meetings

1. The Committee will meet at least three times a year or at such greater frequency as determined by the Committee Chair. Meetings of the Committee shall be convened by the secretary at the request of request of its Chair.

Purpose of the Committee

2. To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through the proper financial administration of the Corporation's financial affairs including but not limited to the maintenance preparation and audit of accounts, internal controls and risk management, internal and external audit.

Terms of Reference and Delegated Authority

3. The Committee will take decisions in accordance with the Scheme of Delegations.
4. In relation to the administration of the Corporation's financial affairs, the Committee shall:
 - a. monitor the integrity of, and assist the Board in ensuring that, the Corporation's published financial statements, accounts and any formal announcement relating to its financial performance, comply with the statutes and accounting standards and shall review any significant financial reporting issues and judgements which they contain;
 - b. review and challenge where necessary:
 - i. the consistency of, and any changes to, accounting policies or practices;
 - ii. the methods use to account for significant or unusual transactions;
 - iii. major judgemental areas, significant adjustments resulting from the audit and the going concern assumptions;
 - iv. the Corporation's compliance with appropriate accounting standards, taking into account the views of the external auditors;
 - v. the clarity of disclosure in the Corporation's financial reports and the context in which statements are made; and
 - vi. all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (so far as it relates to the audit and risk management); and
 - c. discharge the functions of the Corporation under the Accounts and Audit (England) Regulations 2011.
5. In relation to Internal Controls and Risk Management, the Committee shall:
 - a. review the effectiveness of the Corporation's internal financial controls and risk management systems and investigate and advise on these or related matters which are referred to it or that it considers necessary;
 - b. review the Corporation's statement on internal control and risk management systems to be included in the annual accounts prior to endorsement by the Board; and
 - c. review the Corporation's Strategic Risk and Issues.
6. In relation to Internal Audit, the Committee shall:
 - a. monitor and review the internal audit programme, including the appointment of any head of internal audit, ensure co-ordination between the internal and external auditors/co-ordination of more than one audit and ensure that the internal audit function is adequately resourced and has appropriate standing in the Corporation and is free from management or other restrictions;
 - b. review and assess the annual internal audit plan and consider the findings of internal financial/audit investigations; and
 - c. review and monitor the management's responsiveness to the findings and recommendations of the internal audit.
7. In relation to External Audit, the Committee shall:
 - a. oversee the relationship with the external auditors appointed by the Audit Commission or otherwise;
 - b. keep under review the scope and results of the annual audit and its cost effectiveness;
 - c. meet regularly with the external auditors to discuss any problems or reservations arising from the interim and final audits or otherwise and any

matters the external auditors may wish to discuss without executive directors present; and

- d. review the external auditors' management letter and management's response to the external auditors' findings and recommendations.
8. The Committee shall review the Corporation's arrangements for its employees and third parties to raise concerns, in confidence, about possible wrongdoing in financial administration or other matters to the Corporation or to the Committee directly. The Committee shall ensure that those arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.
9. The Committee shall consider any other topic such as matters relating to gifts and hospitality and business continuity as it applies to the Corporation, as determined by the Board.
10. To advise on any matter referred to it by the Corporation Chairman or Deputy Chairman or Board.
11. The Committee may review any activity which falls within these terms of reference and to make whatever recommendations to the Board deemed appropriate in any area within its remit.
12. The Committee is authorised by the Board to obtain, at the Corporation's expense, external legal and other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

Procedural and reporting arrangements

13. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
14. The Chief Executive, the Deputy Chief Executive and General Counsel shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
15. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
16. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
17. The secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
18. The Committee will report any meeting to the Board at the next meeting.
19. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Amendments

20. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

Version control

v1.0	May 2012	Approved by LLDC Board	Approved
v.2.0	December 2012	Approved by LLDC Board	Approved
v.2.1	May 2014	As above but Legal representative (from shared service provider TfL Legal) in attendance in place of General Counsel	Approved
V3	February 2017	Circulated to Audit Committee	

Appendix 5 (continued):

Chairman's Committee terms of reference

Status:	Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this Committee.
Membership:	The Committee shall be appointed by the Board and shall comprise the Chairs of the Committees and up to two co-opted Board members.
Chair:	The Chairman of the Corporation or Deputy Chairman shall chair the meeting. In their absence, the Member of the Committee approved by the Chairman of the Corporation shall chair the meeting, or the remaining members present shall elect one of themselves to chair the meeting.
In attendance:	GLA observer Chief Executive Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
Secretary:	To be agreed by the Proper Officer
Quorum:	Two members of the Committee or, if greater, one third of the number of members of the Committee in office

Frequency of meetings

1. The Committee will meet as determined by the Committee Chair, in light of the need for advice and decisions. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

Purpose of the Committee

2. To ensure effective communication and co-ordination of the Corporation's different committees and to provide advice on specific matters as requested by the Board or Chairman.

Terms of Reference and Delegated Authority

3. The Committee will take decisions in accordance with the Scheme of Delegations.
4. The Committee shall advise the Board on the following matters:
 - a. on organisation development issues; and
 - b. any other matters relating to resources and remuneration as requested by the Board.
5. To discuss and advise on decision taking and governance as required.
6. The Committee will advise on any matter referred to it by the Corporation Chairman or Deputy Chairman or Board.

Procedural and reporting arrangements

7. The Mayor shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer

shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.

8. The Chief Executive shall be entitled to attend all meetings of the any Committee or Sub Committee. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
9. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member, any other person required to attend and all other board members no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
10. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
11. The Secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
12. The Committee will report any meeting to the Board at the next meeting.
13. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

Amendments

14. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

Version control

v1.0	December 2012	Approved by LLDC Board	Approved
v.2.0	July 2014	Revised membership clause approved by LLDC Board	Approved
v.3.0	May 2015	Amended to reflect delegation to the Committee to determine the Chief Executive's annual bonus (see also scheme of delegations)	Approved

Appendix 5 (continued):

Terms of Reference - Planning Decisions Committee terms of reference

- Status:** Taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise three Board members, five members co-opted from the Olympic Park boroughs (two from the London Borough of Newham, and one each from the London boroughs of Hackney, Tower Hamlets and Waltham Forest) on their nomination and four independent members agreed by the Board and approved by the Mayor of London.
- Substitutions will be allowed: each borough will be asked to nominate a named substitute for each of their nominated member/s.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the Member of the Committee approved by the Chairman of the Corporation shall chair the meeting, or the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** Other Board members (with the approval of the chair)
Chief Executive (at his/her discretion)
Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services (at his/her discretion)
Director of Planning Policy and Decisions
- Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Director of Planning Policy and Decisions or the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Five members of the Committee,

Frequency of meetings

2. The Committee will meet as determined by the Committee Chair, in light of the need for advice and decisions. Meetings of the Committee shall be convened by the Chief Executive or the Director of Planning Policy and Decisions at the request of its Chair.

Purpose of the Committee

3. To enable transparent, efficient and effective discharge of the London Legacy Development Corporation's functions to determine planning applications and to respond to consultation on applications on which the Corporation is a consultee, and to advise the Board on planning policy matters

Terms of Reference and Delegated Authority

4. The Planning Decisions Committee will take decisions in accordance with the Planning Scheme of Delegations, which will also set out matters that are delegated to the Director of Planning Decisions and Policy.
5. Advise the Board on planning policy matters.

Procedural and reporting arrangements

6. The Chief Executive, Executive Director of Finance and Corporate Services, and Director of Planning Policy and Decisions shall be entitled to attend all meetings of the Committee, subject to any limitations in the Planning Code of Practice. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
7. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member and any other person required to attend no later than five (5) clear days before the date of the meeting..
8. The Chief Executive will nominate a secretary for the Committee (and in the case of absence a deputy) who shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
9. The Secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members and the minutes shall be approved (or amended as appropriate) at the next Committee meeting.
10. Further procedural provisions are set out in Standing Orders, and will be supplemented by procedural arrangements to be agreed by the Committee from time to time.

Amendments

11. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

Version control

v.1.0	December 2012	Approved by LLDC Board	Approved
v.2	March 2013	Amended to reflect revised membership structure and quorum	Approved

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