AGENDA

Meeting of the Board of the London Legacy Development Corporation

Meeting Date:	Monday 23 November 2020
Time:	2.00 pm
Venue:	Microsoft Teams

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 Monday 23 November 2020 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

In accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, London Legacy Development Corporation Board and Committee meetings will be held by remote access (video conference). Details of how to follow the proceedings will be available on the website here: https://www.london.gov.uk/moderngovlldc/ieListDocuments.aspx?CId=272&MId=6220&Ver=4

Board Members

Sir Peter Hendy CBE (Chair)
Simon Blanchflower CBE (Deputy Chair)
Pam Alexander OBE
Sonita Alleyne OBE
Shanika Amarasekara MBE
Cllr Rachel Blake
Cllr Clare Coghill
Nicky Dunn OBE
Keith Edelman
Mayor Rokhsana Fiaz OBE
Mayor Philip Glanville
Baroness Grey-Thompson DBE
Sukhvinder Kaur-Stubbs
Jules Pipe CBE
Geoff Thompson MBE

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 20 October 2020**
(Pages 1 - 10)

The Board is asked to agree the minutes of the meeting held on 20 October 2020.

4 **Matters Arising and Action List**
(Pages 11 - 12)

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

5 **Chief Executive's Report**
(Pages 13 - 18)

The Board is asked to note the Chief Executive's report.

6 **Report of the meeting of the Regeneration and Communities Committee held on 22 October 2020**
(Pages 19 - 20)

The Board is asked to note the report of the meeting held on 22 October 2020.

7 **Report of the meeting of the Planning Decisions Committee held on 27 October 2020**
(Pages 21 - 22)

The Board is asked to note the report of the meeting held on 27 October 2020.

8 **Report of the meeting of the Investment Committee held on 17 November 2020**
(Pages 23 - 24)

The Board is asked to note the report of the meeting held on 17 November 2020.

9 **Report of the meeting of the Chair's Committee held on 17 November 2020**
(Pages 25 - 26)

The Board is asked to note the report of the meeting held on 17 November 2020.

10 **Report of the meeting of the Audit Committee held on 19 November 2020**
(Pages 27 - 28)

The Board is asked to note the report of the meeting held on 19 November 2020.

11 **Inclusion and Diversity Strategy**
(Pages 29 - 38)

The Board is asked to note the update on Inclusion and Diversity.

12 **2021/22 Budget Submission**
(Pages 39 - 40)

The Board is asked to approve the 2021/22 budget submission.

13 **Annual Risk Review**
(Pages 41 - 44)

The Board is asked to note the annual risk review.

14 **Infrastructure Funding Statement 2019/20**
(Pages 45 - 66)

The Board is asked to note the Infrastructure Funding Statement and agree its publication in accordance with statutory requirements.

15 **LS185 Board Membership Update**
(Pages 67 - 68)

The Board is asked to approve the appointment of LS185 Board members.

16 **2019/20 LLDC Annual Report and Accounts**
(Pages 69 - 278)

The Board is asked to approve the audited London Legacy Development Corporation 2019/20 Statement of Accounts, subject to satisfactory conclusion of the outstanding matters.

17 **Member suggestions for future agenda discussions**

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

18 **Any Other Business the Chair Considers Urgent**

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

19 Date of Next Meeting

The next meeting is on 19 January 2021 at 2pm.

20 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 1, 3 and 5 of Schedule 12A of the Local Government Act 1972 (as amended), in order to consider the following items of business.

21 Minutes of the Previous Meeting held on 20 October 2020 that Contain Exempt Information
(Pages 279 - 282)

The Board is asked to agree the minutes of the meeting held on 20 October 2020 that contain exempt information.

22 Matters Arising and Action List that Contains Exempt Information
(Pages 283 - 284)

The Board is asked to note the actions arising from previous meetings that contain exempt information.

23 Chief Executive's Report - Exempt information relating to item on Part 1 - Appendix 1 and 2 - Commercial Update and Corporate Dashboard
(Pages 285 - 298)

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

24 Inclusion and Diversity Strategy - Exempt information relating to item on Part 1
(Pages 299 - 304)

The Board is asked to note the appendix containing exempt information.

25 2021/22 Budget Submission - Exempt information relating to item on Part 1
(Pages 305 - 364)

The Board is asked to approve the 2021/22 budget submission containing exempt information

26 Annual Risk Review - Exempt information relating to item on Part 1
(Pages 365 - 378)

The Board is asked to note the annual risk review containing exempt information.

27 Any Other Business the Chair Considers Urgent Containing Exempt Information

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

28 Close of meeting

DRAFT MINUTES OF THE PUBLIC SESSION

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

Date:	Tuesday 20 October 2020
Time:	2.00 pm
Venue:	Microsoft Teams

Present:

Sir Peter Hendy CBE (Chair)
Pam Alexander OBE
Shanika Amarasekara
Cllr. Rachel Blake
Simon Blanchflower CBE
Cllr. Clare Coghill
Nicky Dunn OBE
Keith Edelman
Mayor Rokhsana Fiaz OBE
Mayor Philip Glanville
Baroness Tanni Grey-Thompson DBE
Sukhvinder Kaur-Stubbs
Jules Pipe CBE
Geoff Thompson MBE

In Attendance:

Lyn Garner, Chief Executive
Gerry Murphy, Deputy Chief Executive
Colin Naish, Exec Director of Construction
Rosanna Lawes, Exec Director of Development
Anthony Hollingsworth, Exec Director of Planning Policy and Decisions
Ed Stearns, Director of Communications, Marketing and Strategy
Mark Camley, Exec Director of Park Operations & Venues
Paul Brickell, Exec Director of Regeneration and Community Partnerships
Sarah Perry, HR Director
Nathan Homer, Chief Commercial Officer
Claire Hebbes, Director of Development North
Tony Westbrook, Head of Development
Peter Maxwell, Director of Design
Ruth Holmes, Design Principal, Landscape and Public Realm
Andrew Tesseyman, Head of Planning
Ben Coulter, Head of Sustainability

Richard Irish, Finance Director
Charles Ritchie, TfL Legal
Rachel Massey, LLDC Secretariat
Leanne Crabb, GLA Secretariat
Baroness Lola Young, FFL Co-Chair
Sir David Bell, FFL Co-Chair
Kaitlene Koranteng, Legacy Youth Board Chair
Joshua Dickinson, Legacy Youth Board Deputy Chair
Sejal Patel, TfL, Our Time participant
Amy Pidwill, TfL, Our Time participant
Helena Stolle, TFL Our Time participant
Joanne Fricker, TfL Our Time participant
Wendy Ransome, TfL Our Time participant
Charlotte Gohill, LS185, Our Time participant

1 Apologies for absence

1.1 Apologies for absence were received on behalf and Sonita Alleyne, OBE. Apologies for lateness were received from Sukhvinder Kaur Stubbs, Nicky Dunn and David Bell, Co-Chair of Foundation FutureLondon.

1.2 The Chair offered congratulations to Shanika Amarasekara for receiving an MBE for services to business and the economy.

1.3 The meeting was being held via remote access in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

2 Declarations of interest

2.1 The 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.

2.2 Lola Young, David Bell, Paul Brickell and Gerry Murphy declared an interest in as Co-Chairs or Board Members of Foundation for FutureLondon.

2.3 Geoff Thompson declared a new interest as the Youth Charter has recently been allocated hot desk provision in the Education Centre at the Olympic Stadium.

2.4 Pam Alexander declared a new interest as a paid advisor to OnePlanet.com and an interest in item 11 as a non-executive director of Connected Places Catapult.

2.5 Phillip Glanville declared an interest as Chair of the Transport Environment Committee at London Councils.

3 Minutes of the previous meeting

3.1 It was agreed that the minutes of the meeting of the London Legacy Corporation Board held on 21 July 2020 be signed by the Chair as a correct record, subject to noting that Geoff Thompson left the meeting during the discussion on Inclusion and Diversity and re-joined in the Part 2 of the meeting.

[Mayor Rokhsana Fiaz joined the meeting]

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 LLDC since the last Board meeting.

5.2 Key highlights included: the impact COVID-19 had on key work areas, and supporting and monitoring of employee welfare. The Chief Executive noted a number of recent health and safety issues with a contractor on Stratford Waterfront site and the prompt action to close their part of the site.

5.3 The Board additionally noted that the Chair of the LLDC Health, Safety and Security Committee would be writing to construction sites in the LLDC area reminding them of their health and safety requirements.

5.4 The Chief Executive noted that following on from the inclusion and diversity discussion at the July Board, a significant amount of work was underway on inclusion and diversity. This included the recent decision to extend the membership of the Executive Management Team to include more diverse voices and under-represented groups by including the Chairs of four senior strategic groups who will be appointed from the workforce. Geoff Taylor thanked Board members who had contacted him following the last Board and noted Simon Blanchflower's engagement with him in particular. Board members welcomed the work on inclusion and diversity and suggested the executive consider additional areas including reverse mentoring and addressing micro-aggressions. An inclusion budget had been set aside to put money into a number of development programmes to support people facing barriers in the organisations. More details on the inclusion and diversity action plan progress would be brought to the Board at the November meeting.

[Action: Chief Executive]

5.5 The Borough Board members noted the opportunity for collaboration with the Boroughs on inclusion and diversity and to link into Borough initiatives. The HR Director agreed to follow up with the Boroughs on this.

[Action: HR Director]

5.6 LLDC had plans to celebrate Black History Month and would be sending a list to Board Members of all the different events taking place in October. The Chair welcomed ideas from the Board on how to note Black History Month going forward. The Legacy Youth Board advised they were putting together a paper regarding inclusion.

[Action: Chief Executive]

[Sukhvinder Kaur-Stubbs joined the meeting]

5.7 In response to a query from Cllr Rachel Blake regarding pace of the development of East Wick and a concern for the rise in demand for school places in the area, and a development issue at Neptune Wharf with an old permission for a school, the Chief Executive advised that would be followed up.

5.7 The Board noted the report and its appendices, together with the actions recorded above.

6 Report of the meeting of the Audit Committee held on 13 July 2020

6.1 The Chair of the Audit Committee introduced the report.

6.2 The Board noted the report.

7 Report of the meeting of the Chair's Committee held on 21 July 2020

7.1 The Board received the report of the meeting of the Chair's Committee held on 21 July 2020.

7.2 The Board noted the report.

8 Report of the meetings of the Planning Decisions Committee held on 28 July and 22 September 2020

8.1 The Chair of the Planning Decisions Committee (PDC) introduced the report.

8.2 The PDC Members had unanimously agreed to support the officers' recommendation to refuse the application at 55-69 Rothbury Road, Hackney Wick on the grounds that the schemes would fail to maximise the provision of affordable housing. Proposals for a revised zonal masterplan and East Wick and Sweetwater and a redevelopment of the Stratford Bus Layover site had also been approved at the July meeting.

8.3 The decision on the 115-117 Wallis Road Site at the September meeting, had been deferred as additional information on affordable housing; local income levels; day/sunlight to the affordable homes; and the impact of the building on adjoining non designated heritage asset had been requested.

8.4 The Planning for the Future White Paper had been discussed and the PDC agreed there were some admirable proposals but also concerns about the growing centralisation of the planning process.

8.5 In response to a query from the Borough members about transition and planning, the Chief Executive noted that LLDC had started conversations with the Boroughs on how to respond to the planning reforms in relation to the development of Local Plans.

8.6 Board Members asked if there was capacity for the PDC to undertake site visits in Hackney Wick and Fish Island to reflect on previous decisions. The PDC Chair advised that once COVID-19 restrictions allowed, site visits would be reinstated by the PDC.

8.7 The Board noted that the PDC had been receiving useful information in the reports they had recently received, including income levels in the local areas, which helped when making decisions with respect to the balance between affordable rent and intermediate tenures of affordable homes and the affordability of the latter to local people.

8.8 The Board noted the report.

[Kaitlene Koranteng and Shanika Amarasekara left the meeting]

9 Report of the meeting of the Investment Committee held on 22 September 2020

9.1 The Chair, in his capacity as Chair of the Investment Committee, introduced the report.

9.2 The Board noted the report.

10 Report of the meeting of the Health, Safety and Security Committee held on 22 September 2020

10.1 The Chair of the Health, Safety and Security Committee, introduced the report.

10.2 The Chair of the Health, Safety and Security Committee, confirmed that his letter to construction sites in the LLDC area reminding them of their health and safety requirements had been sent.

10.3 The Board noted the report.

11 Sustainable Transport Update

11.1 The Executive Director of Park Operations & Venues introduced the report and the Landscape and Public Realm Design Principal, Head of Planning and Head of Sustainability gave the presentation which was included as an appendix to the report.

[Joshua Dickinson joined the meeting]

11.2 The Board asked if the innovations mentioned in the report would be accessible to wheelchair users. Officers advised the Capri pods would have space for a wheelchair and a working group was looking at the overall accessibility and broader inclusion of the scheme.

[Nicky Dunn joined the meeting]

11.3 The Board commented that the Stratford Station development would be significant and was of strategic importance. Officers advised there was a senior stakeholder meeting on 6 November with the new commissioner for TfL to discuss Stratford Station.

11.4 The Board commented that some connectivity projects were not moving forward and asked there could be consideration for some developments between 11 and 20 on the priority list to be passed to local boroughs to speed up the process. Officers advised this would be considered and the priority list would be circulated.

[Action: Executive Director of Park Operations and Venues]

11.5 Mayor Fiaz highlighted some issues of speeding and traffic displacement around the Park and requested further information on this.

[Action: Executive Director of Park Operations and Venues]

11.6 The Board noted the update.

12 Changes to the Scheme of Delegations in relation to East Wick and Sweetwater and Chobham Manor

12.1 The Chair introduced the report which sought amendments to the scheme of delegation in relation to East Wick and Sweetwater and Chobham Manor.

12.2 The Board approved amendments to the Scheme of Delegations in relation to:

12.2.1 Authentication the use of the seal for freehold and leasehold disposals at East Wick and Sweetwater of values up to £1.5m within the approved budget to specified LLDC staff members as set out at Appendix 1, and consequential amendments to the Financial Regulations and Standing Orders.

12.2.2 Delegating authority to either of the Executive Director of Development or either of the two Directors of Development to authorise the payment of the Developer's Fee which is contractually linked to the sale of properties at East Wick and Sweetwater as set out in Appendix 1, and consequential amendments to the Financial Regulations and Standing Orders.

12.2.3 Increasing the existing delegation relating to disposals at Chobham Manor agreed in 2016 from £1m to £1.5m and as set out in Appendix 1, and consequential amendments to the Financial Regulations and Standing Orders.

13 East Wick and Sweetwater Update

13.1 The Executive Director of Development introduced the report which updated the Board on the latest position on the East Wick and Sweetwater project.

13.2 The Board noted the report.

14 Stratford Waterfront and Bridgewater Triangle Residential Developments

14.1 The Finance Director introduced the report.

14.2 The Board noted the report.

15 East Bank - Stratford Waterfront Update

15.1 The Deputy Chief Executive introduced the report which provided an update on the Stratford Waterfront.

15.2 The Board noted the report.

16 Member suggestions for future agenda discussions

16.1 There were no future agenda discussions suggested by Members.

17 Any other business the Chair considers urgent

17.1 There was no urgent business.

18 Date of next meeting

18.1 The Board noted that the next meeting was due to be held on 23 November 2020 at 2.00pm.

19 Exclusion of the press and public

19.1 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. Each of these papers contained information relating to the financial or business affairs of a person or authority.

[David Bell and Shanika Amarasekara joined the meeting]

20 Minutes of the previous meeting that contain exempt information

20.1 It was agreed that the minutes of the meeting of the London Legacy Corporation Board held on 21 July 2020 be signed by the Chair as a correct record, subject to the minutes reflecting that Rachel Blake was not present at the closed session.

21 Matters Arising and Actions List containing exempt information

21.1 The Director of Governance, Assurance and Programme Management introduced the item.

21.2 The Board noted the action list containing exempt information.

22 Chief Executive's Report - Exempt information relating to item on Part 1 - Appendix 2 and 3 - Commercial Update, Corporate Dashboard

22.1 The Chief Executive Officer introduced the Commercial Update and Corporate Dashboard.

22.2 **The Board noted the report.**

23 East Wick and Sweetwater Update - Exempt information relating to item on Part 1

23.1 The Executive Director of Development introduced the report which updated the Board on the latest position on the East Wick and Sweetwater project.

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

24 Stratford Waterfront and Bridgewater Triangle Residential Developments - Exempt information relating to item on Part 1

24.1 The Finance Director introduced the report which sought approval of the Board to incorporate the LLDC SPV and to enter into the loan funding agreement with the GLA on the terms set out in the report.

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

25 East Bank - Stratford Waterfront Update - Exempt information relating to item on Part 1

25.1 The Deputy Chief Executive introduced the report.

25.2 The Board noted the report.

26 Any other business containing exempt information

27 Close of meeting

27.1 The meeting closed at 4.39pm.

Chair

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

Board Actions List (reported to the Board on 23 November 2020)

Actions from last meeting (20 October 2020)

Minute	Item/Description	Action By	Target Date	Status/note
5.4	**Chief Executive's Report** Bring an update report on the inclusion and diversity action plan progress including details of the development programmes Board to the November meeting.	Lyn Garner	23 November 2020	Complete. On agenda for 23 November Board
5.5	**Chief Executive's Report** Follow up with Mayor Fiaz and Mayor Glanville about collaboration with the Boroughs on inclusion and diversity and to link into Borough initiatives.	Sarah Perry	November 2020	In progress
5.6	**Chief Executive's Report** Circulate information about the events taking place to celebrate Black History Month to Board Members.	Lyn Garner	20 October 2020	Complete.
11.4	**Sustainable Transport update** Circulate a copy of the prioritised list of connectivity projects to Board members and consider if some could be passed to local boroughs to speed up delivery.	Mark Camley	23 November 2020	Complete.
11.5	**Sustainable Transport update** Provide further information to Mayor Fiaz on speeding and traffic displacement around the Park.	Mark Camley	6 November 2020	Complete.

Outstanding Actions from previous meetings

Minute	Item/Description	Action By	Target Date	Status/note
6.11 (21 July 2020)	**Inclusion and Diversity update** Submit an update report on Inclusion and Diversity to a future meeting of the Board which takes into account comments made at the 21 July Board Advisory Panel meeting and links into the Boroughs' action plans.	Lyn Garner	23 November 2020	Complete. On agenda for 23 November Board.
5.6 (17 March 2020)	**Chief Executive's Report** Send a London Borough of Newham representative to the next meeting of the LLDC Regeneration and Communities Committee where there will be an update on the programme of work being carried out by LLDC with local Boroughs around employment initiatives, and its benefits to the local community	Rokhsana Fiaz, Paul Brickell	July 2020	Closed. Regeneration and Communities Committee met on 22 October.
6.7 (23 July 2019)	**Chief Executive's report** Update the Board on further developments in relation to the Bow East site.	Lyn Garner / Anthony Hollingsworth	December 2020	Ongoing. A further update will be provided following submission of the planning application for Bow East (due before the end 2020).
10.1 (28 February 2017)	**New local development scheme and statement of community involvement** Update the Board on a review of conservation areas and heritage assets. *Update*: Further work has been identified as necessary for the Three Mills Conservation Area Appraisal and Management Guidelines and this is currently being undertaken. A report to Board will include the updated draft Three Mills CA management Guidelines. Work delayed as a result of Covid19 prioritisation of activity. Following delays related to the lockdown, consultants are now expected to deliver a draft report by early November that can then be considered by the Board prior to formal public consultation in 2021.	Anthony Hollingsworth	Early 2021	Ongoing – see update in left hand column. This report has now moved to a future meeting.
13.1 (22 November 2016) 18.3 (10 March 2016)	**Board effectiveness review** Discuss with the GLA about undertaking an external review of Board effectiveness in future and implement any remaining short and long term recommendations from the review that were set out in Appendices 1 and 2 to the report.	Peter Hendy Rachel Massey	Date TBC in 2020	Discussions with GLA in progress.

Subject: **Chief Executive's Report**
Date: 23 November 2020
Report to: Board
Report of: Lyn Garner, Chief Executive

1. SUMMARY

1.1. This report provides progress updates on the activities of the London Legacy Development Corporation, including the response to COVID-19 and its impacts on key work areas. It also provides an update on Health and Safety.

1.2. The quarterly corporate performance report for quarter 2 of 2020/21 will be available from 18 November on the LLDC website: https://www.queenelizabetholympicpark.co.uk/our-story/who-we-are/business-plan

1.3. A further commercial update on projects and the corporate dashboard is provided at appendices 1 and 2 (exempt information).

2. RECOMMENDATION

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

3. BACKGROUND

3.1. The COVID-19 crisis has had a significant impact on LLDC's activities. This paper sets out the impact this has had on key work areas. The highest priority for the Corporation is to ensure the safety of our employees, users of the Park and its venues, those working on the Park and on our other activities and projects. Decisions are made in consultation with the Mayor of London's office and in the light of Government policy and guidance.

4. CHIEF EXECUTIVE'S OVERVIEW

4.1. Since the last Board meeting key highlights of activity include:

(a) The Queen Elizabeth Olympic Park was achieved Green Flag status for the seventh consecutive year.

(b) Launch of the procurement to select a Joint Venture partner to deliver Stratford Waterfront and Bridgewater developments.

(c) Fish Island won the 'best large development' in the Evening Standard New Homes Award.

5. CRISIS MANAGEMENT

5.1. Following the increased in COVID 19 cases in August and September, we took the decision to move back to Crisis Management mode, with the Silver Response Group and the Crisis Management Group reconvening to monitor the local and national situation and the impact on LLDC employees and activities.

5.2. Following the announcement of further national restrictions by the Government on 31 October LLDC's crisis management team met on 2 November to discuss the Corporation's reaction to the changes, see updates below.

6. EMPLOYEE WELFARE

6.1. As reported to previous Board meetings, the majority of LLDC employees commenced working from home on 19 March 2020. A small number of authorised security/operational employees have been working from our 1 Stratford Place office on a rota system since lockdown. Following changes to Government guidelines on 22 September we took the decision to revert back to remote working. We have kept the provision that if the office environment presents a significantly better option than home working then that can be accommodated and we are also able to accommodate people where there are elements of their job which cannot be done remotely, for example essential and important site visits or to allow access to technology.

6.2. As reported at the last Board Meeting, the Recovery Group is continuing to look at the opportunities that the recovery might bring such as new ways of working that might emerge.

7. INCLUSION AND DIVERSITY

7.1. An update on Inclusion and Diversity is provided as a separate item on the Board agenda.

8. BOARD AWAY DAY

8.1. The Board Away Day is scheduled for 10 November 2020. The agenda includes items relating to Transition, our Corporate Strategy and the Good Growth Hub. A verbal report from the Away Day will be given to the meeting. A further update may also be provided in part 2 of the agenda (contains exempt information).

9. PARK AND VENUES

9.1. In this period, we maintained safe and high quality Parklands during lockdown and recovery with visitor numbers increasing as lockdown measures eased, supported by on Park, web and social media communications. Park usage reduced to roughly a third of usual numbers following lockdown due to the closure of venues, schools and construction sites. Since that initial fall, numbers of visitors have grew week on week. In the last period, London greater restrictions were put in place in London, which moved into Tier 2: this and the colder weather have led to a small reduction in visitor numbers. Total visitor numbers from April to October are 2020 are over 1.4m. The changes in restrictions announced on 31 October have led to outdoor gyms closing but playgrounds remain open.

9.2. For the seventh year in a row the Park has been awarded the prestigious 2020 Green Flag Award. This international award honours the best quality parks and green spaces, and is a sign to everyone that the space boasts the highest possible environmental standards, is beautifully maintained and has excellent visitor facilities. Retaining the award for the seventh consecutive year is a real achievement, and is a testament to the hard working employees and volunteers who have kept the Park open during the crisis.

9.3. The London Aquatics Centre, Copper Box Arena and ArcelorMittal Orbit have remained open in this period, however following the announcement of further restriction on 31 October the decision was taken to close these venues ahead of the restrictions coming into force on 5 November. Elite sports may continue at the Copper Box Arena which held a London Lions basketball match behind closed doors on 1 November. The Last Drop remains open for takeaways,

9.4. The Park hosted a 5km and 10km run in this period, with all required safety measures in place. Filming on the Park also continued.

9.5. For half term, a light touch campaign highlighted activities for young people to enjoy and extended hours at the ArcelorMittal Orbit. Lee Valley regional Park Authority hosted mini tennis sessions at the Tennis and Hockey Centre and BMX and Track experiences for young people at the Velopark.

9.6. Premier League football behind closed doors continued at the London Stadium.

10. DEVELOPMENT

10.1. Taylor Wimpey's construction at Chobham Manor, remobilised at the start of June 2020, with a series of social distancing measures. The crisis has caused an approximate 3-month delay, varying slightly from block to block depending on their construction. The developers are committed to reducing this delay as works continue. Construction has continued following the announcement of further restrictions on 31 October and the first block is close to completion.

10.2. Construction continues at East Wick and Sweetwater (Balfour Beatty) phase 1. The first PRS block has completed and people have begun to move into their homes. The full N/S Highway is due to open in November 2020 following the completion of tie in works with Waterden Road. Construction has continued following the announcement of further restrictions on 31 October.

10.3. As Phase 1 of East Wick is moving towards completion and occupation, preparations are being made for Balfour Beatty to take over an area of the north Park to begin work on Phases 2 and 3. To accommodate this, the temporary landscape, which was created on the site of the Games-time hockey stadium, will be hoarded to facilitate the construction of the new homes. In order to ensure that this work gets underway without delay we will be removing a number of the trees in the area early next year. Where possible we will be transplanting them within the Park . However, due to their size, health or lack of a suitable space, a number of trees will need to be felled. Each of these will be replaced with a new tree as part of the development, which will include new permanent landscapes. This approach is being reviewed in line with the LCS planning application of 2011, the park management plan and the bio-diversity action plan.

10.4. Procurement has continued to select a developer for the Hackney Wick Central development. Three bidders are have submitted tenders which are being evaluated with appointment due by the end of the year.

10.5. The procurement exercise to select a joint venture partner to deliver 1,200 homes on the Park, across our Stratford Waterfront and Bridgewater sites, launched on 14 October. The Stratford Waterfront development will be on the same site as 4 of the East Bank institutions which are currently under construction: the BBC, London College of Fashion, the V&A and Sadler's Wells. We already have outline planning consent for this development which will comprise up to 600 homes, including private amenity spaces and ancillary uses and retail and food and drink use.

10.6. Bridgewater is one of the two adjacent sites – along with Pudding Mill Lane - which we know collectively as Pudding Mill. Masterplanning work for the two Pudding Mill sites is underway to achieve Outline Planning submission by December 2021. The vision for Bridgewater is to create a family-oriented environment within a river setting: it's situated close to Pudding Mill DLR station and is bounded by the Waterworks River to the east and the Greenway to the west. It has a focus on new urban housing, including larger homes with the or more bedrooms. These will be linked with generous streets, courtyards and green space. We have seen that these features are increasingly sought-after following lockdown.

10.7. East Bank: at Stratford Waterfront, construction work recommenced on 1 June and has continued following the announcement of further restrictions on 31 October. Sites have social distancing measures such as one-way systems, changes to welfare facilities and new contactless access control measures. Productivity has increased since work re-commenced. The programme of procurement of contractors has continued.

10.8. Work at the East Bank UCL East's Pool Street site (Vinci) and Marshgate site (Mace) are progressing. Pool Street site works continued through the lockdown period with full social distancing measures in place. The Mayor of London spoke about what an important project East Bank is at the London Assembly's Budget and Performance Committee in October 2020.

10.9. Gus Casely-Hayford, the V&A East Director, wrote to Justine Simons the Deputy Mayor for Culture and the Creative Industries, setting out the exciting work that they are undertaking and planning in East London. This is through rooted and meaningful engagement activities, training programmes and ongoing consultation, and we've already seen that the V&A have made great contributions to LLDC programmes such as East Summer School and STEP. Gus spoke about tackling racism and prejudice and ensuring inclusive representation within their programmes and gallery spaces.

11. PLANNING UPDATE

11.1. The Development Management and Planning Policy functions have both maintained business as usual during this period, including exceeding targets for applications determined in time.

11.2. On MSG Sphere London, a third round of public consultation began in October on the latest additional information submitted by MSG at the request of PPDT. The consultation period closes on 13 November. Following a review of the latest consultation responses and consideration of the application details it is currently programmed to report the application to Planning Decisions Committee in the early new year.

11.3. On Construction Issues in Hackney Wick and Fish Island, the construction management group has continued to meet virtually to continue discussions and monitor highway and pedestrian/cycle safety. A Road Safety Audit produced on behalf of the Corporation has recently been shared with Borough colleagues and an initial discussion held to discuss priorities for funding. Further discussion will take place over this period about the funding and delivery of the additional safety measures identified

11.4. Work has continued with landowners at Bow East relating to the concrete batching plant. A Planning Application has been delayed until later in 2020 and PPDT will undertake public consultations once the application is received.

11.5. The third Neighbourhood Priorities Fund bidding round opened in June with support to those interested in submitting bids. The bidding round completed in September 2020 and bids are being evaluated. Decisions on the bids will be made in mid-November following consultation with Park Panel and as with previous rounds, a summary of the successful bids will be circulated to Board for information.

11.6. Fish Island Village (the Peabody/Hill development adjoin the Hertford Union canal in Fish Island) has won the 'best large development' in the Evening Standard

New Homes Award. It was also named as the overall Grand Prix Winner – link here. The citation mentioned the “awesome” regeneration and the “ambitious” masterplan. This demonstrates the excellent work our planning team and others have done with partners to build a neighbourhood, seen by these awards as the best in London.

12. SOCIO ECONOMIC UPDATE

12.1. An update on LLDC’s socio economic programme is provided through a separate item on the agenda: the report back from the Regeneration and Communities Committee.

13. HEALTH, SAFETY AND SECURITY

13.1. LLDC’s health, safety and security is overseen by its Health, Safety and Security Committee. The Board receives a report back from each Health, Safety and Security Committee meeting which meets at least three times a year, the last meeting was on 22 September 2020.

13.2. This standing item in the Chief Executive’s Report to Board focusses on a summary of accidents and any major incidents, with more detailed information provided through the Committee as appropriate.

13.3. In the period in October 2020 accidents remained low proportionate to the visitor numbers and the restrictions in place.

(a) Social distancing control has been a challenge during this period for the estate;

(b) A major focus on the period has been to ensure that the venues on the Park which have re-opened have done so in a safe and secure manner, implementing COVID related measures. This has been successful, with no major issues to report to date. The Park Information Point and mobility service, staffed by volunteers, has also been able to reopen with social distancing measures in place.

(c) 3 Mills Studios has continued to operate with a clear set of operating procedures in place. All productions are required to follow British Film Commission Covid-19 guidelines and most productions have COVID managers in place. There were cases of COVID-19 symptoms from 3 Mills in this period, all self-isolated.

13.4. There were three cases of COVID-19 symptoms from the London Stadium, all self-isolating. There has been one case from an LLDC employee who is also self isolating.

13.5. Due to recent behavioural safety concerns at the East Bank Stratford Waterfront site the decision was taken to pause the works of Expanded on the UAL building, until some corrective actions were agreed and implemented.

13.6. Mace have liaised directly with Expanded Senior Executives & Project Leadership and agreed various actions to ensure improved behaviours and safe working. Various actions were agreed and include:

(a) Increased daily and weekly inspections by senior leaders

(b) Increased Expanded site management resource

(c) Additional physical protection measures at interface elevations (V&A, BBC)

13.7. It has been concluded that the incident reported in the October 2020 paper of an accident at the Stratford Waterfront site where a Mace manager had fallen and sustained injuries was not ‘work-related’ as defined in HSE guidance notes and therefore not RIDDOR reportable. Investigations on this incident are nearing conclusion.

13.8. There was one positive case of COVID-19 from an East Bank contractor who was self isolating. The last report referred to a Mace employee working on East Bank who had tested positive for COVI-19 has recovered and returned to work.

13.9. There are no safeguarding issues to report to the Board.

14. APPENDICES

14.1. Appendix 1: Commercial update (exempt information)

14.2. Appendix 2: Corporate dashboard (exempt information)

List of Background Papers
Ten Year Plan (approved March 2016)

Report originators: Oliver Shepherd, Lyn Garner
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Subject:	**Report of the meeting of the Regeneration and Communities Committee held on 22 October 2020**
Meeting date:	23 November 2020
Report to:	Board
Report of:	Sukhvinder Kaur-Stubbs, Chair of the Regeneration and Communities Committee

This report will be considered in public

1. SUMMARY

1.1. This paper provides the formal report of the Regeneration and Communities Committee held on 22 October 2020.

2. RECOMMENDATION

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

3. ISSUES DISCUSSED AT THE 22 OCTOBER 2020 MEETING

3.1. The Committee received a report from the Executive Director of Regeneration and Community Partnerships. The following was highlighted:

(a) An update on progress in development of the Good Growth Hub, with a detailed overview to be given to the next Committee meeting.

(b) An update on the Creative Enterprise Zone, with a presentation to be given to a future Committee meeting.

(c) An update on the work of the Legacy Youth Board, including reflection on the impact of the crisis on young people, a survey of young people which was underway and plans for an online youth conference. The Committee was pleased to be joined at this meeting by two member of the Legacy Youth Board, including the Chair Kaitlene Koranteng and Nayim Ahmed who made great contributions to the meeting. The Committee looks forward to Legacy Youth Board members attending future Committee meetings.

(d) The success of the online East Summer School in July and August, attended by over 250 local young people, with a written report being produced and to be circulated to Committee Members when ready.

(e) The latest Park survey for 2019/20: the Committee found it encouraging that the survey showed increased ethnic diversity of Park visitors and an increase in visitors from the 4 neighbouring Boroughs. The Committee noted that the impression was that these positive trends had continued during lockdown.

(f) The publication of the bio-diversity action plan.

3.2. The Director of Innovation, Sustainability and Community presented a progress update and gave a presentation on Inclusive Innovation Districts. This included an overview of the strategy and vision, progress to date including partnership building, research and progress on the role that the Park is playing as a real-world urban testbed. Next steps were set out including embedding in the corporate strategy, developing governance models in relation to transition, East Bank and the Boroughs and developing the test bed.

3.3. The Committee noted the contribution the LLDC team had made in ensuring the resilience of the programme during lockdown and welcomed the work of the Communications and Marketing team in promoting the activities of the programme.

3.4. The Committee also notes the huge contribution made by small local community organisations and businesses – the 'little ships' – in adapting their activities and making positive contributions to the community during lockdown. For example, Badu Sports who providing a helpline, a foodbank and deliveries to vulnerable members of the local community in Hackney and have a programme to support the development of young black leaders, which is a model which can learn from.

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 Regeneration and Communities Committee on 22 October 2020

Report originator(s): Oliver Shepherd
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LONDON LEGACY DEVELOPMENT CORPORATION

Subject: **Report of the meeting of the Planning Decisions Committee on 27 October 2020**
Meeting date: 23 November 2020
Report to: Board
Report of: Pam Alexander, Chair of the Planning Decisions Committee

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This report will be considered in public

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1. SUMMARY

1.1. This paper provides an update to the Board on the meeting of the Planning Decisions Committee on 27 October 2020.

2. RECOMMENDATION

2.1. The Board is asked to note the report.

3. ITEMS CONSIDERED

3.1. **11-5-117 Wallis Road, Hackney Wick:** Application for the redevelopment of the site for 49 homes (12% affordable) in a part 4, part 5 storey building with ground and lower ground floor employment space. This item had been deferred from the September PDC meeting for further information on a number of planning matters, which had now been provided. Following extensive consideration in particular on the viability of the proposal and the limited provision for affordable housing, the Committee resolved to agree the recommendation to approve the proposal, delegating authority to the Director of Planning Policy and Decisions to finalise the s.106 agreement and planning conditions, and issue the planning permission.

3.2. **International Quarter London, Westfield Avenue, Stratford:** Three linked submissions comprising an amended Zonal Masterplan, a non-material amendment application and an outline planning application relating to Plot S10 for a predominantly office uses (some 40,000 sq.m). Both the reconfiguration of the masterplan and the new proposal for office accommodation were considered to bring a number of planning benefits and following consideration, the Committee resolved to approve all of the applications with authority delegated to the Director of PPDT to finalise the s.106 agreement to secure financial contributions towards jobs and skills and local infrastructure (Westfield Avenue reconfiguration, Carpenters bridge and Stratford Station improvements) and related planning conditions, and to issue the permissions.

3.3. **Delegated Decisions:** The Committee considered a report of the Director of Planning Policy and Decisions which set out the list of all decisions made under delegated powers in September 2020.

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 meetings of the Planning Decisions Committee on 27 October 2020.

Report originator(s):	Anthony Hollingsworth, Director of Planning Policy & Decisions
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Subject: **Report of the meeting of the Investment Committee held on 17 November 2020**
Meeting date: 23 November 2020
Report to: Board
Report of: Peter Hendy, Chair of the Investment Committee

This report will be considered in public

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1. SUMMARY

1.1. This paper provides an update on the Investment Committee meeting on 17 November 2020. As this meeting took place after the statutory deadline for the dispatch of papers for the November Board, a verbal update will be given at the meeting.

2. RECOMMENDATION

2.1 The Board is asked to note this report.

3. ISSUES TO BE DISCUSSED AT THE 17 NOVEMBER MEETING

3.1. The Committee is meeting on 17 November to discuss:

3.1.1. The Corporation's Management Accounts for September 2020.

3.1.2. The Key Projects Commercial report.

3.1.3. An update on the Parklands landscaping benchmarking.

3.1.4. An update on the Stratford Waterfront design services contract.

3.1.5. An update on Stratford Waterfront.

3.1.6. An update on the 3 Mills river wall works contract.

3.1.7. An update on the developer partner procurement for the Hackney Wick Neighbourhood Centre development.

3.1.8. An update on E20 legal matters.

3.1.9. An update on the 2021/22 Budget. There is a separate item on the agenda for this meeting.

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 November 2020 (contains exempt information)

Report originator(s): Rachel Massey
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Subject: **Report of the meeting of the Chair's Committee held on 17 November 2020**
Meeting date: 23 November 2020
Report to: Board
Report of: Peter Hendy, Chair

This report will be considered in public

1. SUMMARY

1.1. This paper provides an update on the Chair's Committee meeting on 17 November 2020. As this meeting took place after the statutory deadline for the dispatch of papers for the November Board, a verbal update will be given at the meeting.

2. RECOMMENDATION

2.1 The Board is asked to note this report.

3. ISSUES TO BE DISCUSSED AT THE 17 NOVEMBER MEETING

3.1 The Committee is meeting on 17 November 2020 to discuss:

3.1.1 An update on the People Strategy including an update on the Covid-19 response and recovery, the review of the People Strategy and an update on employee engagement surveys.

3.1.2 An update on Inclusion and Diversity. There is a separate item on the agenda on this matter.

3.1.3 An regular update on consultants, interims and temporary workers.

3.1.4 An update on the Chief Executive's Q2 performance against her overarching 2020/21 objectives.

4. LIST OF APPENDICES TO THIS REPORT

4.1 None

List of Background Papers
Papers for the meeting of the Chair's Committee on 17 November 2020

Report originator(s): Rachel Massey
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LONDON LEGACY DEVELOPMENT CORPORATION

Subject: **Report of the Audit Committee on 19 November 2020**
Meeting date: 23 November 2020
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 on the meeting of the Audit Committee on 19 November 2020. As this meeting takes place after the statutory deadline for the dispatch of papers for the November Board, a verbal update will be given at the meeting.

2. RECOMMENDATION

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

3. ISSUES TO BE DISCUSSED AT THE 19 NOVEMBER MEETING

3.1. The Committee will discuss:

3.1.1. The LLDC 2019/20 Annual Report and Accounts. There is a separate item on the agenda for this meeting.

3.1.2. The Deputy Chief Executive's update including updates on finance, commercial and procurement, information governance, transparency, IT and information management, an update on Modern Slavery and appendices containing exempt information including on tax, aged debt analysis, procurement, insurance, investigations and LS185 internal controls.

3.1.3. An update on internal audit and assurance including an update of the 2020/21 internal audit plan and internal audit reviews.

3.1.4. An update on risk management and internal controls.

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 Audit Committee 19 November 2020

Report originator(s):	Rachel Massey
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Subject: **Inclusion and Diversity Strategy**
Meeting date: 23 November 2020
Report to: Board
Report of: Sarah Perry, Director of HR

This report will be considered in public

1. SUMMARY

1.1. This report provides an update on the Inclusion and Diversity Strategy.

1.2. An appendix is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of paragraphs 1 and 3 of Schedule 12A in that it contains information relating to an individual and or the financial or business affairs of the London Legacy Development Corporation (LLDC).

2. RECOMMENDATION

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

3. BACKGROUND

3.1. This report provides an update on the Inclusion and Diversity Strategy. A paper with similar content was presented to the Chair's Committee on 17 November 2020, a verbal update highlighting any major points raised will be given to the Board meeting.

3.2. LLDC's Inclusion and Diversity Strategy was approved by the Chair's Committee in November 2019. In July 2020, the Chair's Committee Advisory Panel and Board Advisory Panel noted updates on the Strategy, including impacts of COVID 19 and the response to the Black Lives Matter movement, and an Action Plan to deliver the Strategy.

3.3. The Inclusion and Diversity Strategy has five strategic themes (set out below). Of these, four strategic themes are covered by in the Action Plan. Each of the four strategic themes are led by EMT members who set up working groups to develop theme action plans to deliver on each theme. The working groups are well resourced from across the directorates including representatives from the BAME Lean In Group. This paper gives an update on delivery against the agreed action plan and the proposed next steps. EMT leads for each theme, set out below, will be asked to summarise to progress and priorities in their areas:

3.3.1. Inclusive Culture: Gerry Murphy and Anthony Hollingsworth

3.3.2. Leadership: Paul Brickell and Ed Stearns

3.3.3. Recruitment: Mark Camley

3.3.4. Supporting Talent from Within: Colin Naish

3.4. The fifth strategic theme is more externally focused through our work in the local community and is led by the Regeneration and Communities Partnerships directorate and overseen by the Regeneration and Communities Committee, with Rosanna Lawes acting as a critical friend.

Inclusion and Diversity Strategy

Statement: Our commitment

LLDC prioritises advancing an inclusive culture and establishing a diverse workforce, better reflecting the communities we serve. This strengthens our business, supports our values and enables us to attract the best talent and provide opportunity to all.

Strategic Themes:

Our commitment to Inclusion and Diversity is delivered through five Strategic Themes, each led by individual Executive Directors.

Inclusive culture
Difference is valued at LLDC - we have an inclusive culture that allows everyone to be themselves and get the best work / life balance

Recruitment
Our recruitment processes and approach ensure that the profile of our workforce is diverse and balanced

Supporting talent from within
A broad range of progression and development opportunities are available. Opportunities are well known by all employees and are inclusive by design

Leadership
LLDC leaders actively champion diversity and inclusion. In LLDC there is a culture of trust, focusing on outputs, where all employees feel there are a range of opportunities open to them

A place full of opportunity
Diverse businesses want to call the Park home. Local people are connected to a range of opportunities in education, employment and skills (external theme, overseen by the Regeneration and Communities Committee)

4. PROGRESS TO DATE

4.1 Appendix 1 sets out the progress made and priorities for the next period across the Strategic Themes. Further details on highlights are provided below.

4.2 The flagship **Inclusion Campaign** was launched in this period through a special webcast focusing on ‘what inclusion means to me’ and was linked to National Inclusion Week activities. This included on screen contributions from a diverse range of LLDC employees and Board Members, generating a very rich discussion with contributions from across the Corporation through the chat function, and was very well received.

4.3 This campaign will continue throughout the next 12 months, focussing on six different themes, with activities and communications aligned to each theme to continue to engage everybody across the organisation.

4.4 Plans to address the issue of **diversity at senior levels** in LLDC and increase diversity of thought in decision making are underway, and these are outlined below:

4.4.1 We have taken the decision that the Chairs of four senior strategic meetings - Management Forum, Employee Forum, Strategic Executive Management Team and Change Board - will be appointed so they better reflect under-represented groups. The Chairs will become part of our Executive Management Team (EMT), joining the main twice a month decision making EMT Management Meeting. Two Directors with the relevant experience have been appointed as Chairs of Change Board and Strategic EMT, and an application process is underway to identify colleagues of Band 6 and above to chair the Management Forum and Employee Forum. The applicants have been asked to demonstrate how they will be able to bring diversity to the decision making of LLDC, with a particular focus on lived experience. As well as making us a better decision-making business it also provides more opportunities for development for our colleagues.

4.4.2 The **Management Forum** will now receive our Inclusion and Diversity statistics on a regular basis. The Forum received this report for the first time in September which prompted a very engaged and thoughtful conversation about how LLDC can improve its performance in this area, and these discussions have informed thinking on developing and delivering our strategy. We have also extended the membership of Management Forum from comprising only employees of salary Band 7 and above to also now include all employees who have line management responsibilities. This has increased the representation of Black, Asian and Minority Ethnic employees on the Forum from 5% to 15%.

4.5 **Development Programmes** that focus on Bands 1 to 3 and 4 to 6 have been agreed for launch shortly.

4.5.1 The Development programme for Bands 1-3 was developed following the feedback from the Employee Engagement survey, which showed that employees at these bands, and in particular those from ethnic minorities, scored less favourably on questions regarding Learning and Development. We have a high proportion of our Black, Asian and Minority Ethnic employees at these bands. The programme was further developed through focus groups with the relevant employees. Whilst this programme is not solely open to Black, Asian and Minority Ethnic employees, it is the intention that a high proportion of participants are from minority groups

4.5.2 Our I&D data show that Black, Asian and Minority Ethnic employees are under-represented at senior levels. This is prevalent at Band 7 and above, where there are only 2 Black, Asian and Minority Ethnic employees, representing only 5% of our total Black, Asian and Minority Ethnic population and only 1% of our overall employee population. With this in mind, and in order to address requests from middle bands of LLDC around Leadership Development, a programme for Bands 4-6 was also created. After substantial consultation with the BAME Lean In Group, it was agreed that this programme would be open to all employees, with a large proportion of the places ringfenced for Black, Asian and Minority Ethnic employees. There will be additional modules for our Black, Asian and Minority Ethnic participants in the form of coaching to understand any systemic barriers to progression within the organisation, with the aim of tackling them at the corporate level.

4.5.3 The Development Programmes will take a best practice approach that encourages people with a diverse range of identities and backgrounds to feel able to perform at their best and achieve their potential. The programmes will also focus on developing our people for their future careers and on creating clear leadership and career pipelines for these under-represented groups. The programmes will include elements of mentorship, sponsorship and coaching. The pilot programmes will run for 12 months initially and both programmes will feature four 'pillars' - three of which remain static across all levels – 'Networking and Influencing', 'Strategic Influence' and 'Career Architect'. At Bands 1-3, the remaining pillar will focus on 'Finding your Public Voice' and at Bands 4-6, this will be adapted to 'Finding your Leadership Skills'. To ensure programme success, we have dedicated a significant proportion of our Learning & Development budget to the delivery and ongoing operation of these programmes.

4.6 Our learning and development offer has been enhanced with the launch of our **Learning Hub**, online resource linking employees directly to thousands of online training opportunities, ensuring that each employee is able to access self-directed learning opportunities

4.7 The priority of Inclusive Culture has been established as a key message in **internal engagement**, including through the weekly employee webcast topics and guests, with many Board members having been involved in this. We have also covered health and wellbeing, managing workload, flexible working, and reward and recognition through our internal communications. We also had a special webcast dedicated to **social mobility,** including personal experiences of the Chief Executive and an interview with Paul Cleal, an advisor who was awarded an OBE in the 2020 New Year's Honours list for his work in promoting diversity and inclusion. We are also committed to transparency through our internal engagement, for example explaining why diverse candidates were not appointed to senior positions: the Chief Executive addressed this in a webcast in relation to the appointment of the Chief Commercial Officer.

4.8 Our **BAME Lean In group** continues to go from strength to strength and helps to inform our approach and our corporate discussion. Recently they held a very powerful panel discussion on Black Lives Matter, which was well attended by many of our colleagues and received excellent feedback. The BAME Lean In group have increased engagement further across the organisation through a thought provoking newsletter. For the first time at LLDC, **Black History Month** has also been marked by a series of events including an online DJ set and a keynote speech on black history with the award winning novelist Catherine Johnson

4.9 In addition, we're really pleased to have established an **LGBTQ+ drop-in group** for LGBTQ+ colleagues and allies.

4.10 We have commenced reporting on our agreed **I&D KPIS** and milestones through the Corporate Dashboard which goes to each Board meeting.

4.11 Our work is informed by external challenge and best practice, including through the Mayor's Diversity Standard, work with Inclusive Employers and external networks.

4.12 Many of these initiatives can be progressed internally without the need for additional funding. We are continuing to prioritise Inclusion and Diversity and have directed a substantial proportion of other budgets (Learning and Development in particular) to ensure we are able to commit to progressing the agenda over a number of years.

5. I&D PULSE SURVEY OVERVIEW

5.1. We have measured the impact of our work in around I&D by undertaking a pulse survey of our employees. A short survey of 11 statements was undertaken in September and October 2020 and we have included a high level summary of results below. Further detail can be found in Appendix 2 (contains exempt information).

5.2. Six of the statements were previously asked in the 2019 employee survey, so comparisons can be made. Some of the other statements are adapted from the employee survey used in the Social Mobility Employer Index 2019.

5.3. Our response rate to the survey was 80%, and the breakdown of responses reflects the demographic profile of LLDC employees (e.g. gender, length of service, banding group, Black Asian Minority Ethnic etc.). Scores are very similar when reviewing the results broken down by contract type, flexible hours, band grouping or employment duration, which indicates that there are very few barriers or obstacles to I&D in this regard across the organisation.

5.4. Overall, the results are positive. Across the organisation, there has been a very positive response and engagement to our I&D initiatives. Taking the Corporation as a whole, all the positive statements received scores above 70 (where, for context, a score above 60 is considered good) which indicates that we are making good progress in making our workplace culture more inclusive as communicated in the I&D strategy and across our various action plans.

5.5. The lowest scoring questions indicate that we still need to place focus on the availability of opportunities for all and ensure that we are removing unconscious / conscious bias. The two lowest scoring statements were '*People get ahead at my workplace because of who they know*' and '*I believe everyone at LLDC has access to equal employment opportunities*'. The latter statement is the only comparable score that has fallen since 2019. This is largely driven by a significant increase in *Somewhat Disagree* responses from white participants.

5.6. Comparable scores on the statements detailed below have either stayed the same or increased since 2019, indicating that our focus on I&D initiatives, campaigns and our work on embedding I&D into our culture are having a positive effect. There have also been substantial increases in positive responses from our Black, Asian and Minority Ethnic employees to these statements.

5.6.1. *I think LLDC respects individual differences;*

5.6.2. *LLDC places a high priority on fairness and integrity;*

5.6.3. *I believe LLDC, as an organisation, treats all its staff with equal fairness and respect;*

5.6.4. *I am treated with fairness and respect by my line manager(s); and*

5.6.5. *I believe that LLDC actively supports and promotes diversity and inclusion.*

5.7. One positive indicator for our progress in I&D and related initiatives is that Black, Asian and Minority Ethnic employee scores across all comparable questions in 2019 have increased. That said, there are still noticeable negative differences in the scoring of statements between Black, Asian and Minority Ethnic and White employees and clearly still work to do in this regard. Nonetheless, only two statements had significant differences in responses between these demographics – these are:

5.7.1. *LLDC places a high priority on fairness and integrity (difference of 16.9 points); and*

5.7.2. *I believe LLDC, as an organisation, treats all its staff with equal fairness and respect (difference of 14.6 points).*

5.7.3. *Split by gender, most statements are within +/- 2 points, indicating that both male and female employees share similar levels of engagement. The two statements which stand out as significantly different are:*

5.7.4. *I believe that LLDC actively supports and promotes diversity and inclusion (more women neither agree nor disagree - 'sit on the fence'); and*

5.7.5. *I feel out of place at work as I'm different to the majority of employees*

5.8. In the case of the latter statement, three times as many women (21%) as men feel they are different to the majority of employees. This may be circumstantial but we do need to more carefully consider the drivers of this and adapt our action plans accordingly.

5.9. The detailed results will be considered through EMT, the Management Forum and individual teams, informing the I&D Strategy and Action Plan. This will include a refresh of our equal opportunities monitoring data to assist us in informing our action plans. A more granular review at Directorate level and via our internal for a will also help to inform our approach to address any concerns highlighted by the survey results.

6. PRIORITIES FOR THE NEXT PERIOD

6.1. Priorities for the next period include appointing new Chairs of strategic groups who will join EMT and ensuring that the successful applicants have the support required to take up their new roles successfully. EMT will also begin to consider I&D data at the directorate level to and will embed responsibility for Inclusion at every level of the organisation.

6.2. The Development Programmes set out in section 4 will be launched.

6.3. Our mentorship programmes will be refreshed, including guidelines for mentor programmes between senior employees and more junior colleagues from under-represented groups.

6.4. The Inclusion Campaign will continue, with its second theme – individuality and being yourself at work – launched in November with a webcast featuring Board member Geoff Thompson MBE and Foundation for Future London's co-chair Lola Young.

6.5. A focus on inclusive language, considering anti-racism and including looking at micro and macro aggressions, in consultation with the BAME Lean In Group.

6.6. Focusing on improving our recruitment processes, including: inclusion in secondment opportunities; career development and training; improved inductions; and scoping out the possibility of extending guaranteed interviews to candidates who meet the minimum criteria to other under-represented groups (this currently applies to disabled candidates).

6.7. Reviewing the effectiveness of delivering the action plan through working groups, where responsibility for actions can be concentrated in specific teams, principally HR and Communications, Marketing and Strategy. Consideration of individual objectives around I&D for all employees through the performance appraisal process. We are also looking at ways to ensure interview panels and review why diverse candidates have not progressed through recruitment processes.

6.8. Look at undertaking equal opportunities monitoring including questions related to socio- economic demographics to understand how the Corporation might begin to take actions to improve social mobility.

6.9. Continuing the Black Lives Matter work, including exploring the partnership suggested by the Mayor of Hackney to connect to and amplify the good commitment in Hackney to the movement which has extended into the police, NHS and voluntary sector.

6.10. Further information on aims for the next period can be found in Appendix 1.

7. KEY PERFORMANCE INDICATORS AND MILESTONES

6.1 The Chair's Committee agreed how the Committee and Board would receive regular updates on progress on I&D through regular reports and updates on the Corporate Dashboard which goes to each Board (see item in part 2 of the meeting, contains exempt information). The status of the agreed KPIS and milestones is set out below.

Milestone	Progress
Commencement of inclusive culture engagement campaign - Q2 2020/21 Completion of inclusive culture engagement campaign – Q2 2021/22	Engagement campaign commenced in September 2020, see above.
Commencement of Development programme – Q3 2020/21	Development programmes on track to commence in the next period.
LLDC reaches exemplary against the Mayor's D&I Standard	Exemplary reached in two of the five themes. Working towards moving from accomplished to exemplary at the next assessment in May 2021, and achieving exemplary across the standard by May 2022, through the I&D action plan and collaboration with the GLA Group across the other three themes: Inclusive Culture, Recruitment and Workforce Representation.

Key Performance Indicators	Status
Maintaining broadly equal distribution of male and female colleagues across all bands	Broadly equal: 58% of the workforce are women.
Increased representation of Black, Asian and Minority Ethnic colleagues at senior bands	Representation has not increased year on year. The Development Programmes and the plans to address the issue of diversity at senior levels, set out in section 4, are measures we are taking to improve performance in this area.
Year-on-year improvements on the gender and ethnicity pay gaps	Gender pay gap has improved year on year (18% median; 13% mean) Ethnicity pay gap is stable (31% median; 35% mean). The Recruitment and Supporting Talent from Within action plans are in place to improve performance in this area, including the Development Programmes set out in section 4 and the activities highlighted in appendix 1.

8. FINANCIAL CONSIDERATIONS

8.1. There are no financial implications arising from this report.

9. LEGAL IMPLICATIONS

9.1. There are no legal implications arising from this report.

10. EQUALITIES IMPACT ASSESSMENT

10.1. Any actions and changes brought about as a result of this assessment will be monitored for equalities impact.

11. APPENDICES

11.1. Appendix 1: Summary of progress and next steps by strategic theme

11.2. Appendix 2: Inclusion and diversity pulse survey (exempt information)

List of Background Papers Inclusion and Diversity Strategy

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Appendix 1: LLDC Inclusion and Diversity Action Plan summary

	Progress in last period (up to September 2020)	Aims for next period (October to December 2020)
Inclusive Culture (GM/AH)	- Programme agreed for 12 month Inclusive Culture campaign and details worked up - Launch of Inclusive Culture campaign through special webcast which looks at what inclusion means to me and introduced the programme. - Linked to this, activities around National Inclusion Week - Inclusive culture a key message in internal engagement including through webcast topic and guests - Corporate discussion on Black Lives Matter through BAME Lean In Group and their panel discussion, internal comms, webcast as guests. - LGBT drop in group established - Meeting etiquette addressed in webcast scripts and internal emails. - Reward and recognition a regular theme in webcasts and internal comms - Adjustments to make the office more accessible	- Improve accessibility of the office and toilets - Launch meeting etiquette guide - Coffee mornings with senior team - Review HR policies and guidelines around bullying and harassment - Focus on inclusive language through comms
Leadership (PB/ES)	- Ensured that I&D is built into recovery plans: safety top priority; inclusive culture a key principle for new ways of working; support networks mobilised; care given to groups disproportionately hit by COVID-19; commitment to corporate and individual communication that takes in to account difference - Management Forum extended to include all managers - EMT agreed plans for increasing diversity of Chairs of LLDC groups and at fortnightly Management EMT group, communicated through webcast - Guidance provided to managers relating to managing workload and supporting employees. Regular EMT and Management Forum discussions informed by Pulse Surveys, Employee Forum and Mental Health First Aiders - I&D baseline data to Management Forum for information and discussion - Reporting to LLDC Boards and Committees in I&D agreed - Volunteering promoted through webcast and Making It Happen - MF discussion held about industry initiatives where they can make a positive difference	- Implement changes to Chairs of LLDC groups and membership of fortnightly Management EMT meetings, including selection of Chairs for two of the groups. - Leadership group to support mentoring aspects of Development Programmes - Engage with the Board on I&D plan, incl monitoring and aligned with Development Programmes - Directorate level I&D data to EMT to hold directorates to account/share good practice - EMT members to be held to count through appraisals - Update corporate dashboard to include I&D measures and milestones

Supporting Talent From Within (CN)	- Launched Learning Hub - Worked up Development Programme for bands 1-3 - Worked up Development Programme for bands 4-6 - Showcase of supporting talent from within through newsletters and webcast - Webcast asked people to speak up when they 'see something in you that you do not see'	- Launch development Programme for bands 1-3 - Worked up Development Programme for bands 4-6 agreed and launched.
Recruitment (MC)	- Sub groups established to take forward agreed priorities: **Inclusion in secondment opportunities**: including improving diversity of opportunities; understanding what works well and could be improved in secondments; striving for a GLA group approach; and support to LLDC secondees **Career development and training:** improve recruitment process and webpage; Helping managers to understand their existing team and to help them recruit/build a more diverse team; mandatory and refresher training for interviewers and CV/interview training for internal applicants **Improved recruitment processes for induction:** improved and enhanced induction process with mentor/shadow; welcome page for directorates; understanding LLDC and GLA inductions.	- Take forward prioritised actions

Subject: **2021/22 Budget Submission**
Meeting date: 23 November 2020
Report to: Board
Report of: Richard Irish, Finance Director

This report will be considered in public

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1. SUMMARY

1.1. This report asks the Board to approve the London Legacy Development Corporation (LLDC) 2021/22 capital and revenue budget submission to the Mayor of London. The budget submission covers the financial years 2021/22 to 2022/23 and is prepared in accordance with the Mayor's Budget Guidance 2021/22 (issued in June 2020).

1.2. A report is included in Part 2 of the Agenda, which contains exempt supplemental information. The information is exempt by virtue of part 1 paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of LLDC.

2. RECOMMENDATION

2.1 The Board is asked to approve the capital and revenue budgets due to be submitted to the Greater London Authority (GLA) on 30 November 2020, including the supporting documents as set out in the report and appendices included in Part 2 of the agenda.

3. BACKGROUND

3.1. LLDC was set up to deliver on the regenerative promise of the London 2012 Games. Its responsibilities include Queen Elizabeth Olympic Park and adjacent communities in the London boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest.

3.2. The mission of LLDC is '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'.

3.3. LLDC will deliver the strategic outcomes through five key business objectives: Live, Work, Visit, Inspire and Deliver.

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

(b) **Work –** Retain, attract and grow a diverse range of high quality businesses and employers, and maximise employment opportunities for local people and underrepresented groups

(c) **Visit –** Create a diverse, unique, successful and financially sustainable visitor destination

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

(e) **Deliver –** Deliver excellent value for money and champion new models and standards which advance the wider cause of regeneration, in line with LLDC's core values: Ambition, Responsibility, Collaboration, Excellence, Accessibility and Sustainability

3.4. The budget submission is based on LLDC's long term financial model. LLDC's long term financial model supports its 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 repay its borrowings to the GLA. It also provides the necessary corporate support to realise LLDC's objectives and deliver against the Mayor's priorities.

4. GLA BUDGET PROCESS

4.1. All functional bodies of the GLA are required to submit annual budget proposals which form part of the Mayor's Consolidated Budget, which goes out for public consultation at the end of December.

4.2. The London Assembly must approve the Mayor's Consolidated Budget by February 2021, after which the Mayor and LLDC's Board will be asked to approve the final 2021/22 budget.

4.3. The deadline for submitting final budget proposals to the GLA is 30 November 2020 and is required to look ahead two years only due to the uncertainty created by the COVID-19 pandemic:

(a) 2020/21 forecast outturn (as at 30 September 2020);

(b) 2021/22 proposed budget; and

(c) 2022/23 indicative budget.

4.4. Similar to all other local authorities, LLDC is also required to prepare a Capital Strategy.

5. APPENDICES

5.1. None

List of Background Papers:
None

Report originator(s): Richard Irish
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Subject: **Annual Risk Review**
Meeting date: 23 November 2020
Report to: Board
Report of: Gerry Murphy, Deputy Chief Executive

This report will be considered in public

1. SUMMARY

1.1. This report provides an update on LLDC's corporate risk and issues as part of the Board's annual risk review. The risks will be published as part of the Corporation's Annual Report and Accounts.

1.2. A report is included on Part 2 of the agenda, which contains exempt supplemental information. The information is exempt by virtue of part 1, paragraph 3 of Schedule 12A in that it contains information relating to the business affairs of the London Legacy Development Corporation.

2. RECOMMENDATION

2.1. **The Board is asked to note the risks and issues update.**

3. LLDC CORPORATE RISK AND ISSUES MANAGEMENT PROCESS

3.1. Corporate level risks and issues are identified by the executive management team and reviewed quarterly though risk workshops. Updates on corporate risks and issues, including new risks and issues raised, are reported to and discussed at each Audit Committee meeting; reported to the LLDC Board through the quarterly corporate report and reviewed by the Board annually. The last Board review took place in May 2019.

3.2. Summaries of current corporate risks and issues are shown in section 4 of this report.

3.3. Risk ratings are based on analysing the likelihood of a risk occurring and the consequence of that risk if it occurred. Red risks are rated as having a high likelihood and/or a significant consequence; amber risks are lower than red and typically those that have a medium likelihood and medium consequence; green risks are those where neither the likelihood nor the impact are more than medium. Mitigation plans are in place to manage the likelihood of risks occurring and/or their impact should they occur. The RAG rating of risk is assessed on the pre mitigated risk.

4. LLDC CORPORATE RISKS AND ISSUES

4.1. The impacts of the COVID-19 crisis and lockdown were set out in the July 2020 Audit Committee meeting.

4.2. LLDC Corporate issues include:

	Summary	Action Plan
1	Red Issue relating to East Bank funding	Close working with Foundation for Future London. Engagement with project funders. Ensure best outcome from residential development.
2	Red issue relating to revenue budget	Programme of savings and efficiencies, commercial strategy, close work with GLA
3	Red issue relating to East Bank budget and programme	Opportunities plan, close liaison with funders.
4	Red issue relating to COVID19 Crisis	Crisis management plans in place, recovery plans being formulated
5	Red issue relating to 3 Mills river wall construction costs	Close monitoring of contractor.
6	Green issue relating to London Stadium crowd control	Working closely with partners including West Ham United
7	Red Issue relating to East Bank funding	Close working with Foundation for Future London. Engagement with project funders. Ensure best outcome from residential development.

4.3. LLDC Corporate risks:

Ref	Summary	Impact	Mitigation	Current RAG
1	Risk relating to meeting Long Term Model requirements through the Housing Delivery Plan	Financial and/ or delivery impacts. Reputational impacts.	Housing strategy, tight monitoring and financial control, savings and efficiencies, commercial opportunities, close working with GLA	R
2	Risk that the Stadium restructuring will not sufficiently improve the financial position of the Stadium.	Financial and reputational impacts.	E20 Stadium LLP Board and funders considering commercial options. Stadium operations brought in house.	
3	Risk that HMRC rules against LLDC's Corporation Tax application.	Financial impact.	Tax and legal advice, engagement with HMRC, submit application in Q4 2019/20.	R
4	Risk relating to delivery of Housing Delivery Plan ahead of Transition	Financial and reputational impacts.	Close working with GLA, resolving issues relating to individual development, ensure attractive propositions to market.	R
5	Risk relating to security on the Park and the threat level.	Reputational, operational and financial implications.	Monitoring threat levels across the Park ensuring appropriate security resource and implementation of new initiatives.	R
6	Local transport infrastructure insufficient for growing demand.	Strategic and operational impacts. Potential limiter on economic development in Stratford area.	Work with partners to determine and deliver transport projects to improve infrastructure.	R

7	Risk about the impacts of Health and Safety failures, including East Bank.	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive Health and Safety programme is in place, designed to identify and manage the construction risks and led actively by LLDC and its project management partner. Oversite through Health, Safety and Security Committee.	**R**
8	Risk relating to the potential impact of Government/Mayoral policy change on the Corporation, including leaving the EU.	Programme delays, budget impacts.	Continue political engagement work and briefings. Work through implications of withdrawal from the EU.	**R**
9	Risk relating to trading activities including venues (CBA, LAC, AMO), events and car park.	Financial impacts, reduced income or increased costs.	Manage and monitoring financial targets and contracts. Spend to save initiatives. Implement commercial strategy.	**R**
10	Risk relating to carbon savings from the District Heating Network	Reputational and financial impacts.	Liaison with GLA and with Engie.	**R**
11	Risk that Town Planning submission deadlines for LLDC's housing developments will be missed	Delivery, financial and reputational impacts	Close working with development partners, other land owners and the Mayor of London's office.	**A**
12	Risk of unauthorised climbers at ArcelorMittal Orbit.	Financial and reputational impacts.	Close working with operator, review of security measures.	**A**
13	Future transition of LLDC activities.	Negative impacts on regeneration of the area; potential impact on staff retention	Transition strategy being developed, updates presented to Board. Close working with key stakeholders.	**A**
14	Electrical capacity of Park requires reinforcement.	Financial impacts.	Energy strategy commissioned. Review and implement findings.	**A**
15	Risk about successful implementation of the Local Plan including sufficiency of community infrastructure.	Reputational impacts.	Progress reporting including annual monitoring report, review of local plan including population forecasts	**A**
16	Risk relating to failure to embed fraud and assurance processes, including group subsidiaries (E20/LS185).	Financial and reputational impacts.	New finance system implemented; anti-fraud policy updated; financial and procurement controls; assurance from internal and external audit; ongoing fraud awareness briefings. Mandatory fraud workshop held for finance practitioners.	**A**

17	Risk relating to the success of off-Park developments.	Financial and reputational impacts.	Local Plan approved and being implemented. Work ongoing on development opportunities including Hackney Wick, Pudding Mill Lane, Rick Roberts Way and Bromley by Bow.	**A**
18	Employee resourcing, recruitment and retention.	Financial, operational and reputational impacts.	High quality recruitment and communications, particularly around Transition. Remuneration package including benefits. Staff development.	**A**
19	Risk relating to impact of construction on residents and visitors.	Reputational and financial impacts.	Deliver a clear communication plan which manages expectations and explains the reasons for the construction work and communicates future developments.	**A**
20	Risk relating to meeting priority theme targets and wider regeneration aspirations.	Reputational impacts.	A strong set of targets agreed through procurement and contracts; close working with partners.	**A**
21	Risk relating to information security non-compliance, including GDPR. Risk also relates to group subsidiaries (E20/LS185).	Potential loss, theft or corruption of data with reputational and financial impacts.	Information security gap analysis complete, action plan being implemented. Ongoing information security briefings.	**A**

5. LEGAL IMPLICATIONS

5.1. Legal and procurement team have been advising on the key legal and procurement implications and mitigation in relation to the risks identified within LLDC.

6. APPENDICES

6.1. None

List of Background Papers
Papers for the 19 November 2020 Audit Committee meeting

Report originator(s): Oliver Shepherd
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Subject: **Infrastructure Funding Statement 2019/20**
Meeting date: 23 November 2020
Report to: Board
Report of: Executive Director of Planning Policy and Decisions

This report will be considered in public

1. SUMMARY

1.1. The Legacy Corporation, in its role as Local Planning Authority, regularly reports on its collection and spending of CIL monies and those related to S106 Planning Obligations, including in its Annual Planning Authority Monitoring Reports. A recent change to the Community Infrastructure Regulations 2010 (as amended) has introduced a new reporting requirement and requires all authorities to publish an 'Infrastructure Funding Statement annually at the end of each calendar year setting out the CIL and S106 receipts and expenditure for the previous financial year. The first of these statutory reports is included at Appendix 1 and is required to be published by 31st December 2020.

2. RECOMMENDATIONS

2.1. **The Board is asked to note the content of the Infrastructure Funding Statement and agree its publication in accordance with statutory requirements.**

3. BACKGROUND

3.1. The Legacy Corporation, in its role as Local Planning Authority, operates a local Community Infrastructure Levy with responsibility for collecting the required CIL charges and ensuring that this money is spent in support of the provision of infrastructure to support development and growth in its area. It also, in determining planning applications for development, in some cases, enters into planning agreements under section 106 of the Town and Country Planning Act 1990 (S106 Agreements) with developers that can include financial payments towards specific infrastructure related to that development, for example towards provision of social infrastructure such as schools or provision of new playspace or equipment or affordable housing. Board members may recall that the revised LLDC CIL Charging Schedule was approved at the May 2020 Board meeting. This came into effect on 1st July 2020 and applies to all new relevant development receiving planning permission from that date onward.

Infrastructure Funding Statement Requirements

3.2. These reporting responsibilities are governed by the requirements set out in the Community Infrastructure Levy Regulations 2010 (as amended) and include a requirement to publicly report on the monies that have been collected and spent in relation to CIL and S106 planning obligations. These regulations have recently been amended to change the way in which this information is reported. This now requires that an 'Infrastructure Funding Statement' is published by local planning authorities at the end of each calendar year. This Infrastructure Funding Statement has been prepared in accordance with the new requirements and is attached at Appendix 1 for Board members to note and consider the recommendation to agree its publication. It provides information for the year 2019/20. It should be noted that much of the information that is required to be provided in the Infrastructure Funding Statement has already been published in the LLDC's Planning Authority Monitoring Report that was considered and agreed by the Board at its July 2020 meeting.

3.3. National Planning Practice Guidance summarises the requirement as follows:

(a) a report relating to the previous financial year on the Community Infrastructure Levy;

(b) a report relating to the previous financial year on Section 106 planning obligations; and

(c) a report on the infrastructure projects or types of infrastructure that the authority intends to fund wholly or partly by the levy (excluding the neighbourhood portion).

3.4. It goes on to identify the areas of infrastructure and their provision that should be included in the report, including monetary contributions and direct provision, as:

(a) Affordable housing
(b) Education
  i Primary
  ii Secondary
  iii Post-16
  iv Other
(c) Health
(d) Highways
(e) Transport and travel
(f) Open space and leisure
(g) Community facilities
(h) Digital infrastructure
(i) Green infrastructure
(j) Flood and water management
(k) Economic development
(l) Land
(m) Section 106 monitoring fees
(n) Bonds (held or repaid to developers)
(o) Other
  i Neighbourhood CIL
  ii Mayoral CIL
  iii Community Infrastructure Levy administration costs

3.5. The Infrastructure Funding Statement at Appendix 1 sets out the CIL and S106 contributions and spending for the financial year 2019/20 in detail. In total £14,253,288.94 of LLDC CIL monies were collected. In total the LLDC has allocated or spent £7,782,821.21 of LLDC CIL since the first LLDC CIL charging schedule was implemented. The total value of S106 financial contributions collected was £20,013,092, while £22,949,775.43 was spent.

Infrastructure Delivery Plan – Infrastructure List

3.6. Projects that would be eligible for funding from CIL are included within the Infrastructure List, which is regularly reviewed in consultation with the relevant infrastructure providers and subsequently reported to and agreed by the Board separately. The list has been developed through the Infrastructure Delivery Plan process associated with the LLDC Local Plan and so sets out the infrastructure that is considered as required to support development and growth within the LLDC area. Therefore, not all of the infrastructure will be funded through CIL or secured through S106, some of this may be funded in full or in part from other sources.

3.7. In order to bring the current Infrastructure List up to date, the Planning Policy and Decisions Team will be initiating consultation with infrastructure providers, including the four boroughs, and will bring a revised list to the Board for its approval early in 2021.

Mechanisms for spending of monies collected

3.8. At its meeting of 25th June 2013, the Board agreed to the spending mechanisms for monies collected from CIL charging. This required that CIL monies are only spent on projects identified in the long Infrastructure List as agreed by the Board. It also set up a delegation of the specific decision making for bids from those projects to the Project Proposals Group (PPG). The group consists of Executive Directors from the functional areas of the LLDC or their delegates and normally meets on a quarterly basis to consider any applications for funding that have been received. Once monies have been allocated to a project from the list following a bid, a formal Grant Funding Agreement is prepared and agreed between the LLDC and the infrastructure provider undertaking the project before any money is drawn down and spent by them. These agreements include requirements for monitoring and reporting on the project and any other relevant conditions associated with the use of that money.

3.9. The spending of monies received in connection with any S106 Agreement will be governed by the terms of that legal agreement and may not be associated with projects on the Infrastructure List. However, in order to ensure that the spending of S106 monies remains clear and accountable, decisions on requests for spending this money are considered in the same way by the PPG meetings and the same grant funding agreement process is used.

4. FINANCIAL IMPLICATIONS

4.1. The Infrastructure Funding Statement included at Appendix 1 sets out the detail of monies received and spent from S106 Planning Obligations and CIL. These monies are managed through the LLDC's established financial mechanisms and monies are held separately to LLDC's core budgets and other planning authority related funds. The costs of administering the related mechanisms are met from the Planning Policy and Decisions Team budget.

5. LEGAL IMPLICATIONS

5.1. The requirement to prepare and publish an Infrastructure Funding Statement is set out in Regulation 121A of the Community Infrastructure Levy Regulations 2020 (as amended). The Infrastructure Funding Statement is included at Appendix 1 to this report.

6. APPENDICES

6.1. Appendix 1: Infrastructure Funding Statement 2019/20

List of Background Papers:
Report to the Board, Allocation of CIL and S106 Funds, 25th June 2013
Planning Authority Annual Monitoring Report 2019/20, Board Report of 21 July 2020

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LONDON LEGACY DEVELOPMENT CORPORATION

INFRASTRUCTURE FUNDING STATEMENT FOR 2019/20

(PUBLISHED DECEMBER 2020)

CONTENTS

Information about Community Infrastructure Levy and Section 106 Agreements can be found on the LLDC website Local Planning Authority webpages xxxxx. ENquiries about the matters set out in this document can be made in the following ways:

In writing to:

Planning Policy and Decisions,
London Legacy Development Corporation,
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E20 1EJ

Email: cilands106@londonlegacy.co.uk

Telephone: 020 3288 1800

1. INTRODUCTION

1.1 This is the Legacy Corporation's first Infrastructure Funding Statement (IFS) and replaces the Regulation 62 report that the Legacy Corporation has previously published annually to report on developer contributions. The Legacy Corporation is now required to produce an IFS on an annual basis in line with changes to legislation that came into force on 1st September 2019. This report covers the financial year 2019/20, information covering previous years can be found in both the Legacy Corporation's Regulation 62 annual reports and the Authority Monitoring Reports on the Legacy Corporation website.

The IFS sets out the income and expenditure relating to the Community Infrastructure Levy (CIL) and Section 106 (S106) agreements. CIL and S106 (collectively known as 'planning obligations' or 'developer contributions') income is used to help fund the provision of supporting infrastructure in association with development and maximise the benefits and opportunities from growth in an area. In previous financial years, for example, CIL monies have been spent on the new station at Hackney Wick.

2. COMMUNITY INFRASTUCTURE LEVY (CIL)

2.1 The Legacy Corporation as charging authority collects two different types of CIL; Legacy Corporation CIL which is used to fund infrastructure in the Legacy Corporation area to support growth, and Mayoral CIL which the Legacy Corporation transfers to Transport for London (TfL) on behalf of the Mayor of London and which goes towards supporting the development of the Elizabeth Line.
The Legacy Corporation put in place its first charging schedule on 1st April 2015 (LCIL1). In 2018 the Legacy Corporation began the process of reviewing its charging schedule and the Legacy Corporation's second charging schedule was adopted on 1st July 2020 (LCIL2). LCIL1 applies to all development which gained permission between 1st April 2015 and 1st July 2020, LCIL2 applies to all development from 1st July 2020 onwards. London's Mayoral CIL first came into effect in 2012 (MCIL1), this has since been reviewed with a new charging schedule having been implemented on 1st April 2019 (MCIL2). MCIL1 applies to all development given permission between 2012 and 1st April 2019, MCIL2 applies to development that has been granted permission since 1st April 2019.
In line with regulations, CIL charging authorities are eligible to retain up to 5% of CIL income in order to administer the CIL regime in their area, therefore the Legacy Corporation retains 5% of CIL in come from LCIL1 and LCIL2 in order to manage CIL and its collection. In addition the Legacy Corporation retains 4% of CIL income from MCIL1 and MCIL2 in order to support the administration of the Mayoral CIL regime.

2.2 In addition to the administrative portion of CIL, regulations set out that the Legacy Corporation is required to spend 15% of Legacy Corporation CIL in consultation with the local community in the Legacy Corporation's planning area. The Legacy Corporation has therefore set up the Neighbourhood Priorities Fund to manage spending this income in collaboration with the community in the area it covers as Local Planning Authority, more information can be found about the Neighbourhood Priorities Fund in Section 5.

2.3 Table 2.1 below sets out the Legacy Corporation CIL income since the Legacy Corporation put in place its first charging schedule in 2015. During the 2019/20 financial year the Legacy Corporation collected a total of £14,253,288.94 of Legacy Corporation CIL. The Legacy Corporation retained

£712,664.44 in administration costs, and transferred £2,1137,993.34 to the Neighbourhood Priorities Fund to be spent in consultation with the local community. The total CIL collected in 2019/20 that is available to be spent on infrastructure is therefore £11,402,631.16.

TABLE 2.1: Legacy Corporation CIL Quarterly Income		
Year	**Quarter**	**CIL collected**
2015/16	Q4	£0
2016/17	Q1	£687,886.00
	Q2	£378,450.12
	Q3	£753,970.99
	Q4	£1,462,915.54
2017/18	Q1	£251,178.41
	Q2	£906,563.72
	Q3	£1,059,244.10
	Q4	£588,220.39
2018/19	Q1	£259,600.38
	Q2	£0
	Q3	£0
	Q4	£538,785.89
2019/20	Q1	£1,296,919.88
	Q2	£5,790,021.33
	Q3	£1,296,919.88
	Q4	£5,790,021.33
TOTAL		**£21,140,104**

2.4 In total, the Legacy Corporation has collected £21,140,104 since 2015 when LCIL1 was put in place, if the administration and Neighbourhood Priorities Fund portions are taken into account, £16,912,083.62 of monies collected would be eligible to be spent on infrastructure within the Legacy Corporation area. In 2017/18 £4million from these funds was put towards the development of the new station at Hackney Wick which opened in 2018. A further £3,782,821.21 has been allocated to projects including an additional entrance at Stratford Station, further detail about allocations can be found in Section 4. Therefore, at the end of 2019/20 there was £9,129,262.51 of Legacy Corporation CIL left to be allocated to projects and spent.

2.5 In 2019/20 the Legacy Corporation collected £8,910,802.06 of Mayoral CIL on behalf of the Mayor of London, after retention of the 4% administrative portion the Legacy Corporation transferred £8,554,369.98 to Transport for London in Mayoral CIL.

TABLE 2.2: Mayoral CIL Quarterly Income 2019/20		
Year	**Quarter**	**CIl collected**
2019/20	Q1	£1,578,221.51
	Q2	£2,275,765.56
	Q3	£1,864,677.24
	Q4	£3,192,137.75
Total		**£8,910,802.06**

3. SECTION 106 AGREEMENTS

3.1 Section 106 (S106) agreements are put in place to ensure that development taking place in an area supports the growth that it is enabling. The Legacy Corporation has a number of large schemes throughout its area which contribute to the area in a variety of different ways, from providing training opportunities to infrastructure improvements in order to help mitigate the impact of the growth that development creates. This can be done in a number of ways, from physically building or providing services to paying financial contributions to the Local Planning Authority, in this case the Legacy Corporation. Each S106 agreement relates to the conditions on that specific site and puts in place specific measures following the policies in the Legacy Corporation's Local Plan. Further detail around implementation of the approach set out in the Local Plan is set out in the Legacy Corporation's Planning Obligations Supplementary Planning Document (SPD). This document sets out more detail around the range and nature of planning obligations that may be sought in relation to development. In 2020 the Legacy Corporation plans to start the process of reviewing the Planning Obligations SPD following the adoption of a reviewed Local Plan in 2020 and the expected adoption of a new London Plan.

3.2 During 2019/20 eight S106 agreements were signed relating to large developments given permission within the Legacy Corporation area, these agreements are set out in Table 3.1 below.

TABLE 3.1: Developments with Section 106 Agreements Signed 2019/20				
Planning App. Number	**Location**	**Full description**	**Application type**	**S106 date**
18/00095/FUL	Iceland Wharf, Iceland Road, London, E3 2JP	Application for full planning permission for demolition of the existing buildings, with the exception of the former Ammonia Works Warehouse, and the erection of seven new buildings ranging from 1 to 8 storeys in height to provide 3,820sqm of commercial floorspace (Use Class B1 and B2) and 120 residential units (Use Class C3), together with the provision of landscaped public open space, refuse stores, secure cycle stores and disabled car parking.	Application for full planning permission	04/07/2019
16/00166/OUT	Site known as 'Hackney Wick Central'	Outline planning application (with all matters reserved except access) as set out in the Development Specification for the demolition of 28,281sqm GIA of existing buildings on site and development of a phased comprehensive mixed use development (Phases 1, 2 and 3) of up to 119,242sqm GIA floorspace to be compliant with Design Code. Residential (Use Class C3) of up to 78,931sqm to deliver approx. 874 units; Employment (Use Classes B1a and B1c) of a minimum of 29,908sqm; Retail (Use Classes A1-A4) of up to 4,493sqm; and Community Facilities (Use Class D1/D2) for a minimum of 381sqm and up to 2,318sqm; with up to 3,593sqm of on plot undercroft or basement car parking, together with a minimum of 23,359sqm public realm, playspace,	Outline planning application (with all matters reserved except access)	04/07/2019

TABLE 3.1 continued (Developments with Section 106 Agreements Signed 2019/20)

Planning App. Number	Location	Full description	Application type	S106 date
16/00704/ FUL	57 Berkshire Road, Hackney Wick, London, E9 5NB	Full planning application for the demolition of the existing building and the erection of a mixed-use, five (5) storey block with some set-back elements and single storey pavilions to provide 5,683sqm of floorspace (GIA), comprising: 2,021sqm of commercial floorspace (Use Class B1), including a minimum of 1,072 light industrial floorspace (Use Class B1c) and 39 residential dwellings (Use Class C3), with associated open space and amenity areas, accessible car parking, cycle parking and refuse/recycling stores.	Full planning application	21/11/2019
16/00451/ OUT	Mcgrath Works Depot Waste Recycling Station, 3-13 Hepscott Road, London, E9 5HB	'Hybrid' planning application for mixed-use redevelopment of 2.88ha site comprising: • 5 retained/part-retained/refurbished buildings, demolition of all remaining operational buildings, structures and plant, including sections of perimeter wall/steel fence. • new open space, canal-side urban park integrated into towpath and internal pedestrian and vehicular access routes • up to 39 new/refurbished buildings/blocks to provide for a mix of land uses comprising: Residential (475 units) (up to 51,758sqm GIA) (Use Class C3); Commercial and Community Uses (up to 10,849 11,018sqm GIA) (Class A, B, and D1/2) • Parking for private car/motorcycle, plus resident and visitor cycle parking.	Full planning application	21/01/2020
19/00004/ FUL	34-38 Wallis Road, London, E9 5LH	Demolition of the existing boundary wall and redevelopment of the site for a mixed use development comprising a 240-bedroom hotel (Class C1), light industrial workspace (Class B1c), co working space (Class B1a), restaurant (Class A3) and flexible space for retail, food and drink uses (Class A1/A3/A4) including landscaping, plant and associated works.	Full planning application	09/09/2019

TABLE 3.1 continued (Developments with Section 106 Agreements Signed 2019/20)				
Planning App. Number	**Location**	**Full description**	**Application type**	**S106 date**
17/00222/ FUL	Land bounded by Hepscott Road and Rothbury Road, TSVC Building, London, E9 5HH	Demolition of existing structures and the erection of four blocks of six-storeys in height comprising 145 residential units (2 x studio units; 45 x one-bedroom units; 88 x two-bedroom units and 10 x three-bedroom units) and 2,213 sqm of commercial floorspace, together with associated parking, access and landscape arrangements.	Full planning application	25/10/2019
18/00470/ OUT	Stratford Waterfront	Hybrid planning permission is sought for a comprehensive, phased, mixed use development at Stratford Waterfront within Queen Elizabeth Olympic Park for the following: (a) with all matters reserved for future determination, for up to 65,000sqm of development, comprising: up to 62,800sqm of residential development (Class C3) including private amenity spaces and ancillary uses; up to 2,200sqm of retail/food & drink (Classes A1-A5) uses; means of access; areas to provide circulation, servicing, car parking and cycle parking; landscaping including laying out of open space with provision for natural habitats and play space; and other supporting infrastructure works and facilities. (b) for 72,899sqm of development comprising: 41,965sqm of educational development (Class D1) including ancillary uses; 8,144sqm of cultural development (Class D1) including ancillary uses; 20,770sqm of performance venue (sui generis) including ancillary uses; 1,934sqm of retail/food & drink development (Classes A1-A5); 86sqm of office space (Class B1); as well as additional areas to provide associated plant, storage, servicing, circulation, car parking, cycle parking and associated public realm comprising hard and soft landscaping, lighting, street furniture, steps, graded routes and mechanical lifts and a pedestrian/cycle bridge across Carpenters Road/Network Rail and DLR.	Hybrid planning permission	25/07/2019

TABLE 3.1 continued (Developments with Section 106 Agreements Signed 2019/20)				
Planning App. Number	**Location**	**Full description**	**Application type**	**S106 date**
17/00602/ FUL	Crate, Unit 7 Queens Yard, White Post Lane, London, E9 5EN	Change of use of part of the ground and first floors from artists' studio space (Class B1c) to create 307sqm of additional floor space for the existing bar and restaurant operation (Class A4 with ancillary Class A3). Construction of a new mezzanine floor to provide 107sqm of Class B1c floorspace and the insertion of two doors and a window to the eastern elevation and a flue to the western elevation.	Full planning application	04/11/2019

3.4 In 2019/20 the Legacy Corporation collected £20,013,092 of S106 planning obligations from developments within the Legacy Corporation area. As they have been secured through a S106 agreement these moneys have conditions on how and what they are spent on and therefore these monies are treated differently from Legacy Corporation CIL.

3.4 During 2019/20 £22,949,775.43 of S106 monies was drawn down against allocations in line with S106 agreements. The majority of this, £22,237,500, was drawn down from an allocated to affordable housing at the Chobham Manor development, increasing the level of affordable housing at the development to 35%. Other funds were drawn down to fund works at Bromley-by-Bow Station, in order to mitigate solar glare at the International Quarter and to improve hoardings relating to developments within the Queen Elizabeth Olympic Park.

3.5 In 2019/20 the Legacy Corporation's Project Proposals Group allocated £44,052,751 received and anticipated S106 monies, secured through signed agreements. These funds were allocated to a range of projects including affordable housing and transport improvements.

4. PROJECT PROPOSALS GROUP

4.1 The Legacy Corporation's Project Proposals Group (PPG) is made up of heads of the different directorates of the Legacy Corporation with legal oversite from Transport for London Legal and has delegated authority from the Legacy Corporation's Board to allocate CIL and S106 monies. The PPG meet quarterly, with an additional meeting to approve Neighbourhood Priorities Fund bids annually outside of this cycle. Where needed extraordinary meetings take place to make decisions around funding for projects which are time sensitive, in 2019/20 two extraordinary meetings took place (29th August 2019 and 21st January 2020).

4.2 Details of decisions made in 2019/20 by the PPG can be found in Table 4.1 below, in 2019/20 the Legacy Corporation's PPG allocated £47,835,573 in S106 and CIL monies. In total, since the Legacy Corporation has had planning powers £62,683,808.36 of S106 obligations and Legacy Corporation CIL have been allocated to projects.

TABLE 4.1: Project Proposals Group Funding Allocations 2019/20

PPG Meeting	**Project**	**£50,000 LLDC CIL**
17th June 2019	Monier Road Street Widening	£50,000 LLDC CIL
17th June 2019	Bartrip Street Gypsy and Traveller Site	£2,000,000 allocated from Cherry Park (15/00358/OUT) Off-Site Affordable Housing S106 Obligation
29th August 2019	Increased affordable housing at the Chobham Manor development	£23,340,000 allocated from Cherry Park (15/00358/OUT) Off-Site Affordable Housing S106 Obligation
9th September 2019	Sidings Street Intersection Link	£207,900 LLDC CIL
2nd December 2019/21st January 2020	Pool Street Carriageway Improvement and Public Realm Creation	£1,008,996.71 LLDC CIL £1,991,003.29 allocated from UCL East (17/00235/OUT) Connectivity S106 Obligation
21st January 2020	Affordable Housing at the Imperial development at Bromley-by-Bow	£8,810,000 allocated from Cherry Park (15/00358/OUT) Off-Site Affordable Housing S106 Obligation

TABLE 4.1 continued (Project Proposals Group Funding Allocations 2019/20)		
PPG Meeting	**Project**	**£50,000 LLDC CIL**
9th March 2020	Bromley-by-Bow Junction	£2,176,887 allocated from the Bow River Village (PA/11/02423/LBTH) standard charge £36,460.03 allocated from the Bow River Village (PA/11/02423/LBTH) Sub Way Works S106 Obligation £261,839 allocated from Bromley-by-Bow Junction S106 obligations received from the Imperial I and II developments (17/00344/FUL and 17/00364/FUL) and £4,750,000 (indexed) anticipated monies from these obligations and any related indexation
9th March 2020	Stratford Station Carpenters Entrance	£20,913.70 allocated from 1-4 Park Lane (LTGDC-09-100-FUL) Public Transport Improvements S106 obligation £50,280.01 allocated from 223-231 Stratford High Street (06/00634/LTGDC) Transport S106 obligation £12,395.11 allocated from 1a Lett Road Infrastructure S106 Obligation £322,255.39 allocated from the Moxy Hotel (14/00310/FUL) Stratford Station S106 obligation £280,717.49 allocated from the Legacy Communities Scheme Stratford Regional Station Contribution £1,515,925 LLDC CIL
9th March 2020	The Yard Theatre Redevelopment	£1,000,000 LLDC CIL

5. NEIGHBOURHOOD PRIORITIES FUND

5.1 As set out in the Community Infrastructure Levy Regulations 2010 (as amended), 15% of CIL revenues should be spent in consultation with the local community. Following the adoption of the Legacy Corporation's CIL in 2015, the Legacy Corporation's Board set up the Neighbourhood Priorities Fund in order to administer these monies. The Project Proposals Group were given delegated powers to allocate these monies, and a consultation was undertaken in 2016 with the local community in order to establish infrastructure priorities for this funding. The report produced following this consultation can be found on the CIL page of the Legacy Corporation's website.

5.2 The Legacy Corporation has held two bidding rounds for the local community to come forward with projects that they have identified help to mitigate the impact of development people in the area, the first of these was held in 2018 and the second in 2019. These bidding rounds are open over the summer months with the announcement of successful bids in the autumn of each respective year.

5.3 As part of the bidding round process the Legacy Corporation's Park Panel, made up of representatives of local community groups, provide feedback as to which projects would have the most benefit for the area. So far, for the 2018 and 2019 bidding rounds, the Project Proposals Group have allocated funding for 23 projects within the Legacy Corporation's planning area with an overall value of £1,360,298.70. A bidding round will be run every year where CIL funds have been collected and are available to be allocated, the 2020 bidding round was open for bids from 1st July closing on 14th September, with announcements around successful bids expected in November. All projects that have been awarded funds to date can be found in Table 3.1 below.

Table 5.1 List of Successful Neighbourhood Priorities Fund Projects

Project Name	Brief description	Bidding round year	Funding Amount
Ambition, Aspire, Achieve	Ambition, Aspire, Achieve (AAA) is a children and young people's specific charity focused on intervening early to support disadvantaged, disabled, vulnerable and at risk children and young people to overcome their problems and difficulties and to move forward positively. This project was to create an accessible garden to support AAA's activities	2018	£38,000
Bike it	Bike it is a partnership between the Bobby Moor Academy, Poplar HARCA and Sustrans to embed a cycling culture at the Academy, working with the entire school community to deliver a behaviour change project called Bike It.	2018	£29,934
Inner World Arts	This project would provide free bouldering sessions at Hackney Wick Boulder Project for those suffering from mental health issues.	2018	£8,075
St Mary of Eaton and Wickers	This is a partnership between The Wickers and St Mary of Eton, who are committed to offering young people (6-18) in Hackney Wick a space; activities and role models to enable them to find and develop their gifts.	2018	£20,000

Table 5.1 continued (List of Successful Neighbourhood Priorities Fund Projects)			
Project Name	**Brief description**	**Bidding round year**	**Funding Amount**
The Queen Elizabeth Olympic Park Society	THE OLYMPIC PARK SOCIETY (OPS) is an innovative new project to ignite an explosion in locally-led sustainable community participatory activity in and around the Olympic Park.	2018	£176,500
Trowbridge Garden	Trowbridge Gardens is a group of individuals from Hackney Wick whose aim is to create a sustainable community garden in the area.	2018	£29,923.75
View Tube Community Outreach	The proposal enhances existing routes to QEOP and builds on the Viewtube informal/ community character to trial new activities to attract old and new communities and mix them, and deliver celebration, arts or wellbeing activities.	2018	£24,090
XLP	The XLP Olympic Park Project has been piloted since May 2018, and its success to date has led the charity to seek funding to appoint a full-time youth worker to oversee its continuation and further development.	2018	£116,521
Studio Wayne McGregor	This project builds on existing partnerships and previous pilot projects with the Garden School for young people with autism, Ickburgh Special School and Headway East. The aim is to develop a range of dance projects for the local community.	2018	£29,600
Ambition, Aspire, Achieve	The project seeks to extend the Abbey children's and young people's hub - offering year-round fully inclusive opportunities, activities and services for children, young people and families living in the Three Mills Estate.	2019	£129,000
Ride Side by Side	The project aims to enable residents within the area to make short trips on a Side-By-Side cycle. The project targets people over 60, people with an issue of mobility and visually impaired people.	2019	£30,000
The Palace Club	Chats Palace's equality-driven programme to identify and address issues of public concern.	2019	£9,500
Core Arts Eastway Community Hub	Core Arts Eastway Community Hub will be a productive shared space with green credentials: Our vision is to transform the depot from a place of 'storage' into a thriving hub of social enterprise enabling local community and voluntary organisations to work collaboratively to deliver a rich package of services that reduce poverty, raise aspirations and community wellbeing.	2019	£166,073
Creative Wick CIG	The bid is for the redevelopment and expansion of the HW& FI Cultural Interest Group (CIG) to support the new CEZ by developing a programme of community infrastructure initiatives that support small local businesses.	2019	£23,280

Table 5.1 continued (List of Successful Neighbourhood Priorities Fund Projects)			
Project Name	**Brief description**	**Bidding round year**	**Funding Amount**
E20 FF 2020 Football Unites Project	The Football Unites project will be run on a first come first serve basis with the expectation that the 4-week summer project unites those from inside and outside the local E20 Community.	2019	£19,230
E20 FF Football Academy	The E20 Football Foundation project is a program offering residents of all ages and background free football development sessions, tournaments and leagues. The program offers the opportunity to enjoy and participate in training mentored by qualified and experienced coaches	2019	£102,550
Gainsborough Primary School	Providing funds to further enhance the outdoor space and enable the space to be used out of hours for the local community.	2019	£143,000
Hackney Council Old Baths	Project will transform the Old Baths building into affordable work and community space, which will provide low cost workspace, new sports opportunities, culture and training opportunities for local people.	2019	£115,772
HWFI Community Development Trust	HWFI CDT was formed in 2017 by four founding non-profit organisations working in HWFI - Stour Space, Grow, Creative Wick and The Yard Theatre, to secure and protect affordable creative workspace, supporting the local creative economy and the businesses and individuals working within it.	2019	£56,020
Inner World Arts Youth Hub	Hackney Wick Youth Hub is an innovative new wellbeing project aimed at 16-25-year olds providing skills based activities to 120 young people over a year	2019	£29,362
ProBike Sustainable Cycles	'Sustainable Cycles' is a Work Based Learning programme delivered on the QEOP for KS3 and KS4 students.	2019	£36,025
Stratford Original Workshops	This project aims to engage the local community in Stratford in an art project exploring the identity of the area.	2019	£7,000
The Line Art Project	The Line is London's first dedicated art walk and funding was awarded for the installation of a new sculpture.	2019	£23,280

6. FUTURE INFRASTRUCTURE SPENDING

6.1 The Legacy Corporation, as with all Local Authorities, has many demands on funding for infrastructure projects within its planning area. The Legacy Corporation undertook a review of the evidence for its Local Plan as part of its review of the Local Plan, the updated Local Plan was adopted in July 2020, and as part of this a reviewed Infrastructure Delivery Plan was produced. The Infrastructure Delivery Plan assesses infrastructure need within the Legacy Corporation area, and includes a long list of projects which are required and identifies where these have funding and what funding might be needed. This long list of projects attached to the Infrastructure Delivery Plan highlights infrastructure needs that should be considered in relation to Section 106 agreements and mitigating the impact of development on an area, it also provides a focused list of projects to which CIL funding can be applied.

6.2 The Legacy Corporation will only use CIL funding to support projects on this list, and reviews this long list of projects regularly in order to ensure that it reflects the current context. As part of reviewing the list project information is updates, where projects have been completed they are remove and extensive consultation is undertaken with local stakeholders, such as the four boroughs, in order to ensure that the list includes all identified infrastructure need within the Legacy Corporation area. The Infrastructure Delivery Plan, including the long list of infrastructure projects are included as Appendix 1 to this Infrastructure Funding Statement. The Legacy Corporation is in the early stages of reviewing the associated long list of projects, and will publish an updated list in 2021.

6.3 The long list of projects associated with the Infrastructure Delivery Plan sets out detail around projects that have been identified in order to support growth in the Legacy Corporation area. Where projects have funding and permission in place, these are progressed accordingly and this is set out in the information included in the list, alongside delivery timetables. In addition there are strategic and local transport projects that the Legacy Corporation have highlighted as corporate priorities. The key strategic project being improvements to access at Stratford Station, and the list includes a number of projects relating to this, with the Carpenter's Entrance project now on site. Local connectivity is a key priority, and the Legacy Corporation have been working extensively to improve links throughout the Legacy Corporation area, this can be seen to be reflected in the number of 'Local Transport Schemes' included on the list, and the delivery of these taking place throughout the area.

APPENDIX 1: INFRASTRUCTURE LIST

Subject: **LS185 Board membership update**
Meeting date: 23 November 2020
Report to: Board
Report of: Lyn Garner, Chief Executive

This report will be considered in public

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1. SUMMARY

1.1. This report provides an update on LS185 governance.

2. RECOMMENDATIONS

2.1 The Board is asked to:

2.1.1 appoint Nathan Homer and Darren Raczkowski to the Board of LS185; and

2.1.2 note the update of the terms of reference to include the LS185 Director of Operations in the Board membership.

3. BACKGROUND

3.1. LS185 is wholly owned subsidiary of E20 Stadium LLP which is itself a subsidiary of LLDC.

3.2. The Board last received an update on Stadium governance at its meeting in May 2020 and approved the terms of reference for the E20 Board, LS185 Board, the executive level LS185 Stadium Management Group and the scheme of delegations.

4. PROPOSAL

4.1. The membership of the LS185 Board as set out in the terms of reference approved in May 2020 consists of:

(a) Chief Executive of the London Legacy Development Corporation ("LLDC");

(b) Chief Executive of LS185;

(c) Chief Commercial Officer of E20 Stadium LLP ("E20");

(d) LS185 Director of Health, Safety and Compliance;

(e) Executive Director of Finance, Commercial and Corporate Services of LLDC; and

(f) Executive Director of Park Operations and Venues of LLDC.

4.2. Following the appointment of Nathan Homer as the Chief Commercial Officer, it is proposed to appoint him to the LS185 Board.

4.3. In addition, it is proposed to appoint Darren Raczkowski, the LS185 Director of Operations, to the LS185 Board and update the terms of reference to include the LS185 Director of Operations on the LS185 Board membership.

5. FINANCIAL AND LEGAL IMPLICATIONS

5.1. These are no financial or legal implications from this report.

6. APPENDICES

6.1. None.

List of Background Papers: Papers for the meeting of the Board Advisory Panel 19 May 2020 (exempt information).

Report originator(s): Rachel Massey
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Subject: **2019/20 LLDC Annual Report and Accounts**
Meeting date: 23 November 2020
Report to: Board
Report of: Richard Irish, Finance Director

This report will be considered in public

1. SUMMARY

1.1. This report presents the Corporation's Statement of Accounts for the financial year ended 31 March 2020.

2. RECOMMENDATION

2.1. **The Board is asked to approve the audited London Legacy Development Corporation 2019/20 Statement of Accounts, subject to satisfactory conclusion of the outstanding matters.**

3. REGULATORY CONTEXT

3.1. London Legacy Development Corporation (LLDC) was established as a Mayoral Development Corporation on 1 April 2012 under the provisions of the Localism Act 2011. This made the Legacy Corporation a functional body of the Greater London Authority (GLA), and, as such, it is required to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the CIPFA Code).

3.2. Public Sector Audit Appointments Ltd[1] (PSAA) awarded a five-year contract to Ernst & Young (EY) to provide external audit services to the Legacy Corporation from 2018/19 to 2022/23; this follows on their previous five-year appointment by the Audit Commission, which ended after the 2017/18 accounts audit.

3.3. The Chief Finance Officer of LLDC (designated in accordance with Section 127 of the Greater London Authority Act 1999) is the Deputy Chief Executive.

4. BACKGROUND

4.1. LLDC's Statement of Accounts are prepared in accordance with the statutory framework established for England by the Accounts and Audit (England) Regulations 2015. These regulations would usually mandate that LLDC publishes draft unaudited accounts by 31 May and signed, audited accounts by 31 July.

4.2. However, due to the impact of the COVID-19 pandemic, on 22 April 2020 the Ministry of Housing, Communities and Local Government wrote to Local Authority Chief Executives, including LLDC, to extend the 2019/20 accounts and audit deadlines.

[1] an independent, not-for-profit company limited by guarantee and established by the Local Government Association, following the closure of the Audit Commission

4.3. The revised deadlines for 2019/20 are:

(a) publish (which must include publication on LLDC's website) the draft Statement of Accounts by 31 August (this was achieved by 19 June); and

(b) approve (by way of a committee or Board meeting), sign and publish the audited Statement of Accounts by 30 November.

4.4. The original intention was to observe the previous year's timetable as far as possible. As such, EY commenced their audit on 1 June, as planned. However, a decision was subsequently made to push back the planned audit sign-off date (of 30 July) to provide some contingency in the audit timetable. A further delay to the audit was then incurred due to the investment property matter set out in Section 5.

4.5. The audit of the Legacy Corporation's Statement of Accounts is now substantially complete – at the time of writing the key remaining items of work for EY are:

(a) final work to conclude on the going concern assumption adopted by LLDC; and

(b) final audit closing and review procedures, including checking the final version of the accounts.

4.6. The Audit Committee are reviewing the accounts at their meeting on 19 November; a verbal update from the Committee Chair will be provided to the Board at the meeting.

4.7. This audit covered the LLDC single entity and Group accounts only. The audits of the 2019/20 accounts for E20 Stadium LLP and London Stadium 185 Limited are currently being concluded, ahead of filing with Companies House by 31 December 2020.

5. INVESTMENT PROPERTY VALUATION

5.1. LLDC's investment property portfolio was revalued at 31 March 2020 by independent valuers, GL Hearn Limited. The assets are being held for their income-generating potential and/or capital appreciation and are therefore classified as investment properties. A number of valuation methodologies have been applied but the investment method, where rental income is capitalised at appropriate yields, and the profits method, where earnings are multiplied by an appropriate factor, predominate.

5.2. The investment property portfolio includes LLDC's development platforms, the venues on the Park and the Stadium freehold. As with previous years, GL Hearn have undertaken the valuation for the investment property portfolio as at 31 March.

5.3. Due to the global economic climate, GL Hearn have reported the property valuations on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global.

5.4. Following some final queries from EY's Real Estate team, it was identified that an element of the GL Hearn valuation in relation to the Stratford Waterfront residential site was double-counted, resulting in an overstated draft valuation as at 31 March 2020; the error also affected the prior year's valuation.

5.5. The consequence of this is that the draft valuation for 2019/20 was overstated by c.£50m and the final 2018/19 valuation was overstated by c.£100m. As such the 2018/19 investment property balance requires restatement in the 2018/19 accounts - from £185.9m to £82.2m. The 2019/20 balance has also changed from £107.3m in the draft accounts to £58.0m. It should be noted that this adjustment does not affect the Corporation's development appraisal outturns in the Long Term Plan, which are calculated independently and are projected values (rather than at the accounting date).

5.6. This change in the fair value of investment properties is recognised within the Comprehensive Income and Expenditure Statement but reversed from the General Fund into the Capital Adjustment Account (via the Movement in Reserves Statement).

5.7. The change in valuation also has the effect of reducing LLDC's Deferred Tax liability in both years as well as impacting EY's audit materiality threshold. This resulted in significant further audit testing across the Group, for which additional audit fees will be charged by EY.

6. EAST BANK

6.1. When the draft accounts were prepared in June, LLDC's understanding was that the Stratford Waterfront Agreements for Lease (AFLs) with the four partners (University of the Arts London (UAL), V&A, BBC and Sadler's Wells) had not gone unconditional.

6.2. However, based on an assessment of the conditionality in the AFLs, it was subsequently confirmed by LLDC's legal advisors that all the AFLs had gone unconditional prior to 31 March 2020. The draft accounts were therefore updated to reflect this, the main impact being the recognition of contributions from UAL towards the cost of their building.

6.3. On 8 June 2020, the UAL lease was executed and the lease premium was paid to the Legacy Corporation. As the lease premium is linked to the execution of the lease and not the conditionality of the AFL, the premium income will be recognised in LLDC's accounts at the point of execution – i.e. in 2020/21; it is noted in the 2019/20 accounts as a non-adjusting event after the balance sheet date.

6.4. The BBC lease is due to be executed later in 2020 and the V&A and Sadler's Wells leases are due to be executed upon practical completion of their buildings, so are not recognised in the 2019/20 accounts.

7. PENSIONS

7.1. EY is required to gain assurance over LLDC's pension fund liabilities, which are primarily held with London Pension Funds Authority (LPFA). These liabilities currently stand at £14.2m, net of any pension assets. To do this, EY relies on the work of the auditor of the LPFA, Grant Thornton, as well performing their own procedures on the pension balance.

7.2. Per the Audit Results Report, EY have also considered the recently issued consultations for different pension schemes on the restitution for the judgements arising from the McCloud and Goodwin cases. They have concluded the impact of both in the LLDC's pension liability are not material and therefore as the consultations were both post year-end, they are content that no further disclosure as a post balance sheet event is required.

7.3. EY have considered the outcome of the assurances received from the LPFA auditor, who reported a material uncertainty as at 31 March 2020 on Infrastructure and Real Estate fund assets; these have been referred to as an 'Emphasis of Matter' (EoM) in their audit opinion. Having reviewed these EoMs, EY have concluded that the impact is not fundamental to LLDC and therefore no additional disclosures are required in LLDC's accounts.

8. GOING CONCERN

8.1. EY have reviewed LLDC's adoption of the going concern basis of accounting. Consistent with all audit opinions issued by EY this year, they have needed to perform additional work because of the COVID-19 pandemic. At the time of writing, EY are awaiting required assurances from the GLA EY audit team and the provision of cash flow forecasts the LLDC Group, which cover the going concern period (at least 12 months from the date of approval of the financial statements). An update will be provided to the Board at the meeting.

9. AMENDMENTS TO DRAFT STATEMENT OF ACCOUNTS

9.1. The key changes to the draft Statement of Accounts submitted for audit are:

(a) The revision of the investment property valuation, resulting in:

i a reduction in the investment property balance in 2018/19 of £103.7m; and

ii a reduction in the investment property balance in 2019/20 of £49.3m.

(b) These changes also have a corresponding effect on the 'Change in fair value of investment properties' expense, which is recognised through LLDC's Comprehensive Income and Expenditure Statement but then adjusted to the Capital Adjustment Account via the Movement in Reserves Statement.

(c) Because of the revised valuation, the deferred tax liabilities have also decreased:

i the 2018/19 deferred tax liability reduced by £17.6m; and

ii the 2019/20 deferred tax liability reduced by £22.2m.

(d) Following the East Bank Agreements for Lease becoming unconditional in March 2020, £13.8m is recognised as capital income within the Comprehensive Income and Expenditure Statement to reflect UAL contributions to the cost of their building in 2019/20. As capital income, this is reversed to the Capital Adjustment Account via the Movement in Reserves Statement.

9.2. The External Auditor's Audit Results Report (attached at Appendix 2) provides further details on the Statement of Accounts presented for audit and subsequent amendments.

10. ASSURANCE

10.1. Each year the external auditors ask the Deputy Chief Executive for their opinion on LLDC's management processes, arrangements and risks of fraud. The response has been provided by the Deputy Chief Executive.

10.2. In summary, no significant concerns were highlighted by the Deputy Chief Executive on the LLDC's management processes, arrangements and risks of fraud.

11. AUDIT RESULTS REPORT

11.1. The external auditor's Audit Results Report, including their proposed opinion on the Statutory Accounts and the Corporation's arrangements for securing economy, efficiency and effectiveness in the use of resources is attached at Appendix 2.

11.2. Draft Statement of Accounts were submitted to the GLA to contribute to the Whole of Government Accounts audit. The final version will be submitted to the GLA following approval by the Board.

11.3. EY have proposed an increased base audit fee of £85,000 for the LLDC Group in 2019/20. This is to recognise up-front (rather than retrospectively following the end of the audit) the change in LLDC's structure and risk profile since scale fees were originally set in 2018/19 and changes in the audit regulatory environment (last year's final audit fee was £34,621). In addition to the increase to the base fee, a further £7k of fees are sought following the additional testing required from the revised investment property valuation.

12. LIST OF APPENDICES TO THIS REPORT

12.1. Appendix 1: Audited Statement of Accounts 2019/20

12.2. Appendix 2: EY Audit Results Report for LLDC Group

12.3. Appendix 3: Draft Management Letter of Representation

List of Background Papers
None

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LONDON LEGACY DEVELOPMENT CORPORATION

ANNUAL REPORT AND ACCOUNTS

2019/2020

STATEMENT OF AUDITED ACCOUNTS

Table of contents

Chair's foreword

I write this as the Covid-19 lockdown continues to disrupt our daily life and work. It feels strange and out of place to look backwards to what we have achieved, when it seems all our efforts should be focused on the future to ensure that we can weather the greatest social and economic storm since the Second World War.

But reflecting on the last year provides the reminder, if any were needed, that we have created so much good out of adversity before.

Queen Elizabeth Olympic Park has risen from the ashes of industrial and economic decline to deliver homes, jobs and opportunities set among world-class venues and wonderful parkland.

The Park's venues have enjoyed an amazing year of sport. London Stadium welcomed the first Major League Baseball matches in Europe with the New York Yankees taking on the Boston Red Sox in front of sell-out crowds. Muse played the London-leg of their world tour in front of 74,000 people and the venue continued to be used week-in and week-out as home to Premier League football and international athletics. And every other sporting venue on the Park was full of swimmers, cyclists or teams playing basketball, netball or hockey – people of all abilities and all ages.

Our housing developments at Chobham Manor, which is nearing completion, and East Wick, which has just begun, are delivering the homes that were promised 15 years ago when London won the bid to host the Olympic and Paralympic Games.

East Bank is becoming a reality. After the Mayor of London broke ground last summer with the Mayors of Hackney and Newham and local schoolchildren, new buildings for the V&A, Sadler's Wells, the BBC, UAL's London College of Fashion and UCL are now emerging from the ground. The delivery of East Bank strategic objectives around economic growth and opportunity for local people, which all the partners are committed to, is fundamental to the success of the programme, and good progress on early delivery in advance of the building programme has been made in the year.

Our business districts at Here East, with its eclectic and inspirational mix of entrepreneurs and universities, and IQL, which boasts some of the best office accommodation in the capital, are further testament to the success of one of the biggest regeneration projects in the UK and one that has inspired cities around the world.

We, like the rest of the country, face huge challenges in the years ahead – some known and some, as yet, unclear. But I am confident that under the experienced stewardship of our Board and the leadership of our Chief Executive Lyn Garner and her team, we have the resources, determination and ability to finish what we have begun and deliver for the people of east London.

Sir Peter Hendy CBE
Chair

Chief Executive's statement

This has been a year of solid progress across many different projects on and around Queen Elizabeth Olympic Park. Of course, the coronavirus emergency will now pose new tests and challenges for us but I know that we are a robust and flexible organisation that has the capability to drive our programmes forward and deliver tangible results on our plans and promises.

The year has seen some significant progress at London Stadium with the impact of a simplified ownership and management structure beginning to deliver results. London Stadium has had its busiest event year to date. We are moving in the right direction and have robust plans in place to drive costs down. For example, we have commissioned a new seating system for the north and south stands which will improve the event day experience for fans and reduce the cost of seat moves between events and we concluded the deal with UK Athletics to provide greater flexibility in scheduling their events.

These improvements were delivered during one of the most intense periods of activity the venue has seen since re-opening with Premier League football, Major League Baseball (MLB), a concert by Muse, international athletics, a pre-season friendly and the first Barclays Football Association Women's Super League football match played between West Ham and Tottenham.

All these events have an impact, not just on the prospects of the London Stadium but on the wider London and national economies. The MLB's study into the economic benefits of the clash between the Boston Red Sox and the New York Yankees found that the matches generated £37m for London's economy and an additional £10m for the national economy. MLB Commissioner Rob Manfred stated after the matches that he wants to see more MLB matches hosted in Europe. But the fringe benefits are not just economic. MLB's community programme included free sports coaching in schools around London benefiting more than 2,000 children, encouraging them to get outside and get active.

Elsewhere on the Park our venues and open spaces act as a magnet for more than 6 million visitors a year to enjoy elite sports at one of our five world-class venues. The London Aquatics Centre continues to attract more than 1,000 local schoolchildren each week who use the venue's two 50-metre pools for their swimming lessons. It also stood in at short notice to host the World Para Swimming Championships as well as FINA World Diving Championships.

The Copper Box Arena, home to London Pulse netball team and the London Lions basketball team, is also a base for local residents who use the arena as their local sports centre and gym. It is the centre of a wide range of community-based activities encouraging local people onto the Park and to get active.

The ArcelorMittal Orbit attracted 131,000 people during the year either to take in the remarkable views of the Park and London or to try the world's tallest and longest enclosed tunnel slide before it closed on 20 March 2020 due to the threat of Covid-19. Our Park-wide programming is actively aimed at local communities to encourage their involvement in and use of the Park and its facilities. The annual Great Get Together event welcomed a record crowd of 13,000 people in the summer. Our Active East programme also enjoyed record numbers of participants with more than 7,000 people involved in 100 free sports events.

New attractions are also being developed. Planning permission was granted for East Bank's Stratford Waterfront and UCL East sites and the Mayor of London, Sadiq Khan, marked the start of construction for the new culture and education district, when he broke ground on the

UCL East site with local schoolchildren. This £1.1 billion scheme will see new university campuses for UCL and UAL's London College of Fashion along with new buildings for the V&A, Sadler's Wells and the BBC.

These world-renowned institutions have already begun to form the connections with the existing arts, culture and education networks that exist in east London, forging links with the community long before their doors open. Last summer each of the partners contributed to the programming for the EAST Summer School, a two-week long series of workshops for more than 260 local youngsters who learned filmmaking, dance, fashion, computer game design, engineering and architecture. The summer school ran alongside our East Education programme which delivered 51 separate projects with 79 schools across east London.

This spring saw the London College of Fashion's initiative to launch a new Fashion District in London bear fruit with the opening of Poplar Works, a joint project with housing association Poplar HARCA. More than 40 low-cost studios and workshops have been created aimed at early-stage fashion businesses in east London. The businesses gain affordable workspace as well as support for training opportunities, business support programmes and paid internships.

Following a successful community-backed application, Hackney Wick and Fish Island Creative Enterprise Zone (CEZ), one of six in London, has been created. This canal-side community has a major concentration of artists, studio space, fashion, design, tech and digital companies. The CEZ designation by the Mayor of London will support the development of a community-led consortium involving local business, local charitable organisations, four universities, two local boroughs and the Legacy Corporation to expand and strengthen this thriving creative community.

The Legacy Corporation's support to jobs and skills continues elsewhere with internship and work experience programmes like Flipside and STEP (Shared Training and Employment Programme), which enable under-represented groups to gain experience in and break into the creative and arts sectors. Within the Legacy Corporation, our Inclusivity and Diversity commitment is key and a new Inclusivity and Diversity strategy was approved by the Board in November 2019, with senior leadership engaged in delivering key strategic themes.

Housing remains a major focus of work and our commitment to enable 33,000 new homes in the wider area through our Local Plan and planning development work has progressed well. On the Park itself, two new neighbourhoods are under construction. Chobham Manor will see more than 850 homes built and, with a new grant funding agreement between the Legacy Corporation and affordable housing provider L&Q (London and Quadrant), we have increased the level of affordable homes to be built on site from 28% to 35%. This will mean an increase of 15 affordable homes as part of Phase Two and 47 in Phase Three, bringing the total additional units to 62, made up of 25 London Living Rent and 37 London Affordable Rent. 57 of the new homes will be family homes of 3-bedrooms. Phase Two of the scheme has already been built so these homes are available immediately and the homes as part of Phase Three should be completed in autumn 2021.

Work is underway on the first phase of the East Wick development which will see the first of 302 homes, 43% of them affordable, built by on the western edge of the Park by April 2021.

None of us can accurately predict how great the impact of the coronavirus pandemic will be. It will obviously affect the economy in the short to medium term which will in turn impact our projects and stretch our ability to meet deadlines. But planning is already underway to anticipate and mitigate these impacts so that we can make the most of the incredible assets and communities that form Queen Elizabeth Olympic Park.

Lyn Garner
Chief Executive

Members of the London Legacy Development Corporation

The Members of the London Legacy Development Corporation during the year ending 31 March 2020 were:

Sir Peter Hendy CBE (Chair)

Sir Peter Hendy CBE took up his role in July 2017. He is also Chair of Network Rail, and a Trustee of the Science Museum group and of the London Transport Museum. He was Commissioner of Transport for London (TfL) from 2006 to 2015, having served as TfL's Managing Director of Surface Transport since 2001. He led, and played a key role in preparing for, the successful operation of London's transport for the 2012 Olympic and Paralympic Games. He was formerly Deputy Director UK Bus for FirstGroup and previously Managing Director of CentreWest London Buses.

He started his career in 1975 as a London Transport graduate trainee. Sir Peter was President of the International Public Transport Association (UITP) from 2013 to 2015, and in 2019 International President of the Chartered Institute of Logistics and Transport; he is also a Fellow of the Chartered Institute of Highways and Transportation and of the Institute of Civil Engineers. He was knighted in the 2013 New Year's Honours List, having been made CBE in 2006.

Sonita Alleyne OBE

Sonita Alleyne OBE is founder of the Yes Programme and recently elected as the Master of Jesus College, University of Cambridge. She is on the board of the Cultural Capital Fund; a board member of the Museum of London; and most recently appointed to the Mayor’s Skill for Londoners Business Partnership Members Group.

Previous roles include the BBC Trust; Chair of the Radio Sector Skills Council; non-executive director of the Department for Culture, Media and Sport; and a Governor at the University of the Arts London. Sonita won the Carlton Multicultural Achievement Award for TV and Radio. She is a Fellow of The Royal Society of the Arts and the Radio Academy.

Sonita is the chair of the Regeneration and Communities Committee.

Cllr Clare Coghill

Clare Coghill was elected to the London Borough of Waltham Forest in May 2010 to represent the High Street ward in Walthamstow. She has held a number of Cabinet roles, including for Children and Young People, and Economic Growth and High Streets.

Clare was elected Leader of the Council in May 2017 and was re-elected Leader of the Council for a 4-year term in May 2018. During her time as Leader, Waltham Forest was announced as the Mayor of London’s first ever London Borough of Culture. In June 2019, Waltham Forest Council was named ‘Local Authority of the Year’ at the prestigious Municipal Journal Awards.

Clare was born and raised in the West Midlands, and went on to study English Literature at the University of York, followed by a Master’s degree in English Literature and Translation at the University of Montpellier, in the south of France.

Nicky Dunn OBE

Nicky Dunn OBE has extensive experience in the leisure industry. Her company IMD Group provides strategic advice and operational guidance to venues, events and the arts. Previously she held a number of positions within the industry, planning, designing, overseeing construction of and operating large venues. Her experience includes theatres, arenas, stadia and conference and exhibition venues. Nicky Chairs Jockey Club Live, she is Non-Executive Director of Ports of Jersey and a Trustee of the Young Vic Theatre.

Previous roles include Chair of Titanic Foundation, which owns the award-winning Titanic Belfast visitor attraction, Chair of Netball World Cup 2019 and board member of the Princes Trust (NI). As an Executive she held senior positions for SMG the world’s largest venue operator.

Keith Edelman

Keith Edelman was formerly the Managing Director of Arsenal Holdings Plc and was instrumental in the development of the Emirates Stadium and the attendant regeneration of the surrounding area including the development of Highbury Square. He is currently Chairman of Revolution Bars Group Plc, Chairman of Bullion by Post Limited, Chairman of Pennpetro Plc, Chairman of Altitude Group Plc and Senior Independent Director of Headlam Group Plc. Prior to Arsenal, he was CEO of Storehouse plc and Managing Director of Carlton Communications Plc. Keith is the chair of the LLDC Audit Committee.

Mayor Philip Glanville

Philip Glanville was elected Mayor of Hackney in September 2016, becoming the borough's second directly elected Mayor. He was re-elected in May 2018, giving Hackney Labour their best result since 1986. Previously a councillor in Hoxton West for ten years, Philip spent three years as Cabinet Member for Housing before becoming Deputy Mayor in 2016. As Cabinet Member for Housing, Philip oversaw the delivery of genuinely affordable homes, which he is continuing as Mayor, committing the Council to tripling the number of council homes built since 2010, including 800 for social rent. Employment, skills and education are also a key priority for the Mayor; supporting schools, ensuring that we actively help young people into careers and that all residents, whatever their age, have the skills and support they need to get into employment, return to work or start a business — all contributing towards his agenda to bridge the gap between Hackney’s residents and their growing local economy. Critical to this agenda has been the Council’s award winning in-house apprenticeship programme. Philip is committed to being a campaigning Mayor, standing up for Hackney’s most vulnerable residents and for local government’s important role in fighting austerity. He writes extensively on these subjects, and more recently has been part of the growing ‘new municipalism’ movement in local government. He has served on the Legacy Corporation’s Board since 2016, and is currently the Chair of London Councils’ Grants Committee, Co-Chair of Thrive London and London Councils' Digital Champion.

Baroness Tanni Grey-Thompson

Baroness Tanni Grey-Thompson of Eaglescliffe has competed in five Paralympic Games, winning 11 gold, four silver and one bronze medal. She has held thirty world records. She is Chair of ukactive. In December 2012, she became a Member of the London Legacy Development Corporation. She has been a member of the National Disability Council and Senior Deputy Chair of the UK Lottery Award Panel. She was made a Dame of the British Empire in 2005 and was appointed to the House of Lords as a crossbench peer in March 2010. Baroness Grey-Thompson was recently appointed as a member of the Board for the BBC. She has recently ended her term on the Board of the London Marathon and Transport for London.

Philip Lewis (Deputy Chair)

Philip Lewis is a chartered surveyor and heads the property division of the Kirsh Group, the international trading business founded by Natie Kirsh. In March 2019, he was appointed as Non-Executive Chairman of Smeg UK Ltd. Previously he was Chief Executive of Lambert Smith Hampton and Milner Estates Plc and Executive Chairman of Safestore Plc and Hines UK. He was Chairman of Sport England, London, past President of the British Council of Shopping Centres and a member of the London Land Commission. He has held non-executive roles with a number of companies and is involved in various charitable organisations. Philip served as the chair of the Planning Decisions Committee until January 2020 and stood down as a Board member and as Deputy Chair on 31 March 2020.

Jules Pipe CBE

Jules Pipe is working on key priorities for the Mayor, including: revision of the London Plan, major regeneration projects across the capital, ensuring London’s infrastructure needs are delivered to benefit all Londoners, and building a skills system that properly addresses the needs of young people and the economy. Jules has unrivalled knowledge of London government, becoming the first directly elected mayor of Hackney in 2002 and serving as Chair of London Councils from 2010 until he joined the Mayor’s team in 2016.

Pam Alexander OBE

Pam Alexander OBE Hon FRIBA is a chartered geographer passionate about housing and regeneration and chairs LLDC’s Planning Decisions Committee. Chair of Commonplace Digital Ltd, extending community engagement, she is a non-executive Director of the Connected Places Catapult and an Ambassador on the London Mayor's Cultural Leadership Board. She has advised Grimshaw LLP on gender diversity, is a founder member of the Equilibrium Network and mentors women on leadership courses. Pam has chaired the LLDC Planning Decisions Committee since February 2020.

Shanika Amarasekara

Shanika Amarasekara is General Counsel to the British Business Bank which is the UK Government Development Bank to facilitate access to finance for small and medium sized businesses. She joined as a founder member of the Senior Management Team which set up and launched the bank in 2014. Prior to this she worked as General Counsel at an institution established by a number of central banks to promote financial stability and economic development. Shanika previously held senior positions at RBS and Allen & Overy.

Simon Blanchflower CBE

For over 20 years Simon Blanchflower CBE has been involved in leading the development and delivery of major infrastructure projects. Following the successful conclusion of his role as the Major Programme Director on the Thameslink Programme, which included the re-building of London Bridge station, he was appointed as the Chief Executive of East West Rail Co Ltd. He has experience of chairing the Boards of charitable companies and for the last 30 years has invested into his local community in North Kensington with particular interests in education and housing. He is a Fellow of the Institution of Civil Engineers and on the Management Board of the Infrastructure Client Group. Simon is the chair of the LLDC Health, Safety and Security Committee and was appointed as LLDC Deputy Chair from 1 April 2020.

Mayor Rokhsana Fiaz OBE

Rokhsana Fiaz OBE was elected as the Mayor of Newham in May 2018. Prior to this, she was a councillor for Custom House Ward from 2014, and the Chief Executive Officer of an international UNESCO (United Nations Educational, Scientific and Cultural Organisation) supported charity promoting interfaith and global citizenship across the world. She has large-scale projects for local authorities, the European Commission and the Council of Europe, and in 2009 was honoured with the OBE for services to Black and Minority Communities in the United Kingdom.

Sukhvinder Kaur-Stubbs

Sukhvinder Kaur-Stubbs has spent over 30 years placemaking through her community development work for English Partnerships, infrastructure with the Black Country Development Corporation, regeneration with the Regional Development Agency (West Midlands) and then overseeing joint ventures as a member of the Home Group and Chair of Swan New Housing. She is an accomplished Chief Executive Officer having led two high profile organisations (Barrow Cadbury and Runnymede Trust), through major change programmes and onto success in influencing government policies on inclusion, diversity and community cohesion. Currently, she is Managing Director of Engage-Building networks of Trust and, active at community level in the London Borough of Lewisham building a voluntary-community infrastructure to support those at greatest risk of vulnerability.

Sukhvinder has served across the public, private and voluntary sectors including the boards of Severn Trent Water, Government's watchdog Consumer Futures, the Cabinet Office Better Regulation Executive and Chair of the Taylor Bennett Foundation. Currently, she is Vice-Chair at Lewisham and Greenwich NHS Trust where she also leads Workforce and Education for the 7,000 staff. Additionally, she is board member of the Tower Hamlets General Practitioner Care Group, Governor at the Leathersellers Federation and proud to be a Champion for the Mayors Our Time Programme

Geoff Thompson

Geoff Thompson MBE FRSA DL was the World United Karate Organisation world heavyweight champion and world team karate champion between 1982 and 1986 and won more than 50 national and international titles during a distinguished sporting career.

Following his retirement from competitive sport, he established himself as an influential sports politician and administrator, taking on numerous public and private sector appointments with the aim of promoting equality, diversity and inclusion at all levels of society. Having experienced material deprivation and social and cultural exclusion while growing up in Hackney, Geoff is a lifelong advocate for the role that education, sport and culture can play in improving the lives of disadvantaged young people through the bidding, hosting and legacy of major games.

He is the Founder and Executive Chair of the Youth Charter, a UK-based international charity and United Nations Non-Governmental Organisation that uses the ethics of sport and artistic excellence to tackle the problems of educational non-attainment, health inequality, anti-social behaviour and crime in some of Britain's most troubled communities.

Geoff is also an Advisory Board Member of the Muhammad Ali Centre, Louisville, Kentucky. His public and private sector appointments have included chairing Sport England's Advisory Group on Racial Equality in Sport and serving as a member of its grant assessment panel, Director of the Sports Council Trust Company, board member of the New Opportunities fund, an honorary fellow of the former Institute of Leisure, Amenities and Management, fellow of the Royal Society of Arts and Independent Assessor for the Office of the Commissioner for Public Appointments. He was the Chair of the Board of Governors of the University of East London between 2017 and 2019.

In 1995, Geoff was appointed an MBE for his services to sport and in 2016, 2017 and 2018 he was included in the Top 100 BAME (Black and Minority Ethnic) Leaders in Business List, in association with the Sunday Times and was also named in the Evening Standard's top 1000 influencers in London. He is also a Deputy Lieutenant for Greater Manchester and was this year awarded an honorary professorship of the International Business School at Xi'an Jiaotong-Liverpool University, Suzhou, China.

Cllr Rachel Blake

Rachel Blake is the Deputy Mayor for Planning, Tackling Poverty and Air Quality at the London Borough of Tower Hamlets. She was elected to represent the Labour Party for Bow East Ward in May 2014 and appointed to Cabinet in July 2015. In Cabinet, she has worked on the production of a new Local Plan, a new Housing Strategy, a programme of 2000 new affordable homes and a Tackling Poverty programme. Prior to this position, she held a range of roles in Local, Regional and National Government working on Housing, Regeneration and Planning Policy. She is also a member of the Local Government Association Policy Board for Environment, Economy, Housing and Transport.

Attendance at the Legacy Corporation Board and Committee meetings during 2019/20

	Meetings of the Board attended	Meetings of the Audit Committee attended	Meetings of the Investment Committee attended	Meetings of the Regeneration and Communities Committee attended	Meetings of the Chair's Committee attended	Meetings of the Planning Decisions Committee attended	Meetings of the Health, Safety and Security Committee attended	Notes
Total number in the period	7	3	7	3	3	8	3	
Peter Hendy	7/7	-	6/7	-	3/3	-	-	
Pam Alexander	6/7	-	-	-	1/1	8/8	-	See note 1, 2
Sonita Alleyne	5/7	-	6/7	2/3	2/3	-	-	
Shanika Amarasekara	6/7	3/3	5/7	-	-	-	-	
Cllr Rachel Blake	6/7	-	-	-	-	-	-	See note 3
Simon Blanchflower	7/7	-	7/7	-	3/3	-	3/3	
Cllr Clare Coghill	1/7	-	-	-	-	-	-	See note 1
Nicky Dunn	5/7	-	6/7	-	3/3	-	3/3	
Keith Edelman	3/7	3/3	6/7	-	2/3	-	3/3	See note 1
Rokhsana Fiaz	6/7	-	-	-	-	-	-	See note 3
Philip Glanville	7/7	-	-	-	-	-	-	
Tanni Grey-Thompson	4/7	2/3	-	2/3	-	-	-	
Sukhvinder Kaur-Stubbs	6/7	-	-	3/3	-	8/8	-	See note 1
Philip Lewis	6/7	-	-	-	1/2	6/7	-	See note 2
Jules Pipe	6/7	-	-	-	-	-	-	
Geoff Thompson	6/7	2/3	-	2/3	-	1/1	-	See note 1, 2
Piers Gough	-	-	-	-	-	7/8	-	
Louise Wyman	-	-	-	-	-	1/3	-	
Emma Davies	-	-	-	-	-	5/8	-	
James Fennell	-	-	-	-	-	4/8	-	
Viktoria Oakley						2/3		See note 2
Cllr Nick Sharman (LBH)	-	-	-	-	-	8/8	-	
Cllr James Beckles (LBN)	-	-	-	-	-	8/8	-	
Cllr Daniel Blaney (LBN)	-	-	-	-	-	7/8		See note 4
Cllr Dan Tomlinson (LBTH)	-	-	-	-	-	3/8	-	
Cllr Rachel Tripp (LBTH)	-	-	-	-	-	1/1	-	See note 4
Cllr Marie Pye (LBWF)	-	-	-	-	-	6/8	-	See note 4
Cllr Terry Wheeler (LBWF)	-	-	-	-	-	1/1	-	See note 4

Notes:
A dash (-) indicates that an individual is not a Member of a Board or Committee

1. Unable to attend a Board meeting called at short notice.
2. Joined or left a Committee during the course of the financial year (Pam Alexander joined the Chair's Committee in February 2020 when she became Chair of the Planning Decisions Committee; Philip Lewis left the Planning Decisions Committee at the end of January 2020 and also left the Chair's Committee when he stood down as Chair of the Planning Decisions Committee; Geoff Thompson joined the Planning Decisions Committee on 4 February 2020; Louise Wyman stood down from the Planning Decisions Committee in August 2019; Viktoria Oakley joined the Planning Decisions Committee on 31 October 2019).
3. Substitute on the Planning Decisions Committee (Cllr Rachel Blake is a substitute for Cllr Dan Tomlinson; Mayor Fiaz is a substitute for Cllr James Beckles).
4. Attended a Planning Decisions Committee as a substitute (Cllr Terry Wheeler attended the May 2019 meeting for Cllr Marie Pye; Cllr Rachel Tripp attended the March 2020 meeting for Cllr James Beckles).

Narrative Report

The Legacy Corporation

London Legacy Development Corporation (Legacy Corporation) is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011, with the vision of creating a dynamic new metropolitan centre for London. Its mission is:

> "*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 to live, work and visit*."

The Mayor of London appoints the Members to the Legacy Corporation's Board and allocates its budget. In addition, the Legacy Corporation is required to prepare its Statement of Accounts in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

The Legacy Corporation seeks to deliver this mission through pursuing the following objectives:

1. **LIVE**

   Establish successful and integrated neighbourhoods, where people want to live, work and play

2. **WORK**

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

3. **VISIT**

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

4. **INSPIRE**

   Establish a 21st century district promoting cross-sector innovation, education, culture, sport, aspiration and participation in east London

5. **DELIVER**

   Deliver excellent value for money, and champion new models and standards which advance the wider cause of regeneration, in line with the Legacy Corporation's core values: Ambition, Responsibility, Collaboration and Excellence.

The Local Government Act 2003 section 21 empowers the Secretary of State to make provision about the accounting practices to be followed by a local authority and likewise issue guidance. Section 23 defines 'local authority' to include functional bodies of the GLA and therefore the Legacy Corporation comes within the definition.

Regulation 31 of the Local Authorities (Capital Finance and Accounts (England)) Regulations 2000 directs that the appropriate accounting practices for local authorities are those in the Code. These Accounts have been produced in accordance with this guidance and regulation. The Legacy Corporation replaced the Olympic Park Legacy Company, a company limited by guarantee, established in 2009 to create a lasting legacy from the London 2012 Games. As part of the statutory instrument creating the Legacy Corporation, it took over the property, rights and liabilities of the Olympic Park Legacy Company.

Financial review

Overview

Substantial progress has been made against the Legacy Corporation's priorities in the year, particulary on the flagship arts, cultural and education initiative at East Bank, but also on key development programmes at Pudding Mill Lane, Rick Roberts Way and Hackney Wick.

Following the GLA granting planning permission on 12 June 2019, the Mayor of London broke ground in July 2019 to mark the start of construction on East Bank, the Legacy Corporation's flagship project to deliver a world-class cultural and education district on the Park. This project is bringing together the Victoria and Albert Museum (V&A), Sadler's Wells Theatre and the BBC alongside the UAL's London College of Fashion (UAL) in the heart of the Park at Stratford Waterfront, with University College London (UCL) creating a new campus, UCL East, comprising academic facilities and student residential accommodation, in the south of the Park at Marshgate and Pool Street. The V&A Collection and Research Centre will be located at Here East. Together, these institutions will form a new cultural and educational hub for east London, cementing the regeneration of the area, being a catalyst for job creation and economic growth, and strongly complementing the world-leading creative and technology sectors of east London.

The project is funded through a mixture of partner and private sector funding, philanthropic funding and public sector funding from the Mayor of London and Government. In total, this investment is anticipated to generate 2,500 new jobs, over £1.5 billion of economic benefit at net present values and deliver 100,000m^2 of cultural and education space.

Construction work continued at pace through the year including the installation on Christmas Day 2019 of the Carpenters Land Bridge, a brand-new pedestrian and cycle bridge that will connect East Bank to International Quarter London. The bridge, which is 66 metres-long and 7.2 metres-wide, is a key part of the infrastructure for East Bank and an important milestone in the early stages of the construction programme. Construction was halted in the site on 18 March due to Coronavirus and resumed again on 1 June. Procurement, design and off site manufacturing continued during this period.

In 2020/21, the project will procure the remaining works packages whilst managing on-site construction activity under social distancing measures in line with Government guidance. This will inevitably result in delay and increased costs.

The Legacy Corporation's socio-economic programme, East Works, has continued to support local people to access training, apprenticeship and employment opportunities at QEOP, particularly in construction and the built environment and in new growth sectors of the economy arriving through Here East and East Bank. Similarly the EAST Education programme has continued to develop new ways for QEOP businesses and institutions to enhance learning in local schools. A rich programme of community events, community sports and community engagement has continued to prosper with one highlight of the latter being the establishment of the Legacy Youth Board to intensify the ability of local young people to shape QEOP's future. Alongside this we have begun to work with QEOP partners to understand how best to support the development of QEOP as an inclusive innovation district, in which the growing cluster of businesses, universities and cultural institutions work collaboratively with each other and with local communities to add economic value locally and across London and the UK. The development of QEOP as an urban testbed for smart mobility, micro-mobility, environmental sustainability and biodiversity monitoring is one aspect of this work.

The London Stadium had its busiest event year since it opened, hosting four different sports and music events in just three months during the summer of 2019, further confirming its reputation as a world-class, multi-use stadium. This required a challenging series of transitions, which began immediately after the final Premier League match of the 2018/19 season where the Stadium was transitioned into concert mode to welcome 73,000 fans who had purchased tickets to see Muse. In just 23 days, the venue was then transformed into a ballpark to host the Boston Red Sox and New York Yankees for the first ever Major League Baseball games to be played in Europe. Following the baseball, the Muller Anniversary Games was held in the Stadium on 20 and 21 July 2019, with 40,000 spectators attending over the two days. The Stadium was then successfully moved back to football mode for West Ham United's 2019/20 pre-season friendly with Athletic Bilboa in early August 2019, ahead of the full Premier League season starting later that month. Amongst all this, an agreement was reached with UK Athletics in July 2019, which will help secure reductions in Stadium operating costs for the future and see more community activity in the Stadium. During the year E20 Stadium LLP and West Ham United jointly submitted a joint planning application to the London Borough of Newham to increase the stadium match-day capacity to 62,500, which is currently being considered.

From January 2019, the stadium operator, London Stadium 185 Limited, became a wholly-owned subsidiary of the Legacy Corporation and, accordingly, its financial records are fully consolidated into the Legacy Corporation's Group accounts. The financial performance of the Stadium in 2019/20 is comparable with the previous year, whilst spend-to-save initiatives have been taken forward and improved financial perfomance is expected once these efficiencies have been realised. As set out in the Corporation's budget submission to the Mayor this year, funding towards the Stadium's working capital (i.e. operational) requirements are now included in the Legacy Corporation's revenue budget following discussions with the GLA. This is funded by additional GLA revenue grant and has reduced the grant required to maintain the Legacy Corporation's borrowing within its maximum borrowing limits. This change will provide greater transparency in the reporting of the Stadium deficit.

The financial results of London Stadium 185 Limited are consolidated into the Legacy Corporation's Group Accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

Of the two new neighbourhoods under construction on the Park, Chobham Manor is well advanced with phases one and two complete and sold; construction is advanced on phase three which is due to complete in autumn 2021. Construction commenced on the final phase, but was suspended at the year-end due to COVID-19. Chobham Manor receipts in the year amounted to £29.6m.

Work is underway on the first phase of the East Wick development, which will see 302 homes, 43% of them affordable, built by on the western edge of the Park by April 2021. Infrastructure works, funded by the Legacy Corporation, are due to complete in 2021.

Funding for the Legacy Corporation's capital programme for the development of the Park is provided through loan financing from the GLA, to be repaid from capital receipts generated from the exploitation of the Legacy Corporation's ownership of development platforms on and around the Park and future contributions from East Bank partners to development costs. As detailed in the Legacy Corporation's Treasury Management Strategy Statement 2020/21 (approved by the Legacy Corporation Board on 17 March 2020), the Legacy's Corporation current borrowing limit is £520m; the GLA directly grant fund part of the East Bank project, invest directly to develop LLDC's remaining development sites and, where extra funding is required, provide grant funding to LLDC directly so that its borrowing limit is not breached.

In 2019/20, the Legacy Corporation drew £35.3m in loan funding from the GLA. The total outstanding loan balance due to the GLA as at 31 March 2020 is therefore £354.9m (from £319.6m as at 31 March 2019). Additional funding for the Legacy Corporation's capital programme came from £29.6m of capital receipts and £17.6m of capital grants from the GLA.

Overall, as reported in the Legacy Corporation's Quarter 4 2019/20 Budget Monitoring Report, the net capital funding requirement for the year from the GLA was £62.7m (on an accruals basis), which was less than budgeted (£79.7m). The Legacy Corporation's capital expenditure for the year was £112.7m against a budget of £168.9m reflecting mainly timing differences on capital projects, most particularly East Bank and Legacy Community Scheme infrastructure works. Capital income was £41.9m lower than planned due to the East Bank Agreement for Lease with UAL now expected to be executed in 2020/21 at which point the Legacy Corporation will receive a lease premium and contributions towards the cost of their building from UAL.

The Legacy Corporation's investment property portfolio has been revalued at 31 March 2020 in line with accounting policies. The assets are being developed or held by the Legacy Corporation for their income potential or capital appreciation and are therefore classified as investment property. A number of valuation methodologies have been applied but the investment method, where rental income is capitalised at appropriate yields, and the profits method, where earnings are multiplied by an appropriate factor, predominate. The Legacy Corporation's investment property portfolio is now valued at £58.0m, a net decrease in fair value of £24.2m from the restated prior year value. Further disposals in relation to properties on the Chobham Manor residential development were completed in the year (£29.6m in total) and increased costs on the East Bank project reflecting tender return pricing have contributed to a significant decrease in the value of investment property. The movements in investment properties are detailed more fully in Note 13 to the accounts.

A deferred tax liability of £0.5m is recognised within the Legacy Corporation's accounts (2018/19 restated: £1.0m). The liability will crystallise as and when the Legacy Corporation disposes of its property portfolio and the historic increase in the value of its portfolio is realised. An amendment to the Local Authorities Capital Finance and Accounting Regulations permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and, accordingly, the deferred tax charge is recognised in the Legacy Corporation's Capital Adjustment Account in the financial statements.

The Legacy Corporation provided funding to E20 Stadium LLP for its operational and capital requirements in the year by way of a loan and equity investment, amounting to £20.2m excluding interest. In light of the partnership's current long-term financial forecasts, the Legacy Corporation currently holds its interest in the partnership at nil value. As a result, both the Legacy Corporation's investment and the loan are impaired within the 2019/20 accounts. Note 14, Investments in subsidiaries summarises the financial information of E20 Stadium LLP and its subsidiary London Stadium 185 as included in its own financial statements. Differences between these results and the funding provided above relate to interest and cash flow timing.

E20 Stadium LLP's forecasts also impact upon the London Stadium's valuation as at 31 March 2020 in E20 Stadium LLP's accounts. The fair value of the Stadium is assessed on an annual basis by independent valuers and based largely upon E20 Stadium LLP's long-term forecasts. It is therefore subject to fluctuation each year, particularly as the commercial plans for the Stadium develop. As at 31 March 2020, the Stadium's fair value is assessed to be nil due to the level of costs included in E20 Stadium LLP's long-term forecasts. In 2016/17, E20 Stadium LLP recognised a long-term provision for future losses arising from two onerous contracts; this provision remains as at 31 March 2020 and is consolidated in full within the Legacy Corporation's Group Accounts.

The Legacy Corporation was set up as a time-limited organisation that would in due course complete its development programme; return its planning powers to the Boroughs; and establish long-term arrangements for the management of Queen Elizabeth Olympic Park and surrounding neighbourhoods and for the continued realisation of the ambition "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".

The Mayor has stated publicly that he would like the transition of Legacy Corporation functions to begin in 2024/25 and so we have begun to work with the Mayor, the Boroughs and our stakeholders to develop a strategy for Transition. The Legacy Corporation Board set a clear direction of travel at its meeting in November 2018 and approved a high-level Transition Strategy in February 2020 after consultation with the Mayor.

The Legacy Corporation has a Head of Transition Programme and an internal Transition Programme Board comprising staff from across the organisation. Staff are fully involved in development of the strategy. There are no financial implications in the 2019/20 financial year.

Land ownership

The majority of Queen Elizabeth Olympic Park land is owned by the Legacy Corporation with further land leased from third parties, predominately the Lee Valley Regional Park Authority.

London Aquatics Centre and Copper Box Arena

The London Aquatics Centre contains a 50m competition pool, 25m competition diving pool and a 50m warm-up pool — as well as a 50-station gym, dry diving facilities, a café, crèche, and meeting rooms. It reopened at the start of March 2014 as a venue accessible to the public and capable of hosting elite sports. With 2,500 permanent spectator seats, the venue has hosted a range of local, national and international competitions. The venue has had more than 5.8 million visitors pass through its doors since it opened in 2014, with (as of February 2020) 900 school children attending weekly lessons and 4,000 people signed up to the Better Swim School programme (including children) and 661 to the Tom Daley's learn to dive programme.

The Copper Box Arena hosted handball, fencing and goalball during the London 2012 Olympic and Paralympic Games, and reopened as a multi-use arena in July 2013. With a seating capacity for up to 7,500 spectators, the Arena hosts sport including basketball, netball, handball, badminton, fencing and boxing and is increasingly used for a wide range of events including e-sport tournaments and product launches. The venue also contains an 80-station gym.

The Legacy Corporation retains the freehold of the London Aquatics Centre and the Copper Box Arena and engages Greenwich Leisure Limited (GLL) as the operator of both venues. Under the 10-year arrangement, which expires in March 2024, GLL meet the majority of operating costs and receive the incomes whilst paying a fee to the Legacy Corporation. Surpluses and deficits are shared between the Legacy Corporation and GLL and the Legacy Corporation is responsible for the maintenance of these venues. Both venues went into lockdown as a result of COVID-19 on 20 March 2020.

Stadium

The Stadium is surrounded by water on three sides and the 'island' site, excluding bridges, is leased by the Legacy Corporation to E20 Stadium LLP until 2115. The venue was transformed from its Olympic use into a multi-use world class stadium. Since reopening in 2016, the Stadium played host to Premier League football as the home to West Ham United, as well as the Athletics World Cup, Muller Anniversary Games and Gallagher Premiership rugby, and staged a major concert series featuring Rolling Stones, Foo Fighters, Jay-Z and Beyoncé. In 2019/20 the London Stadium hosted Major League Baseball for the first time anywhere in Europe. E20 Stadium LLP entered into a 25-year service concession arrangement with London Stadium 185 Limited on 30 January 2015 which granted the operator sole and exclusive rights to promote, sell and manage events in the Stadium and South Park. In January 2019, E20 Stadium LLP acquired all the share capital of the operator from Vinci Stadium, bringing control of the Stadium operation under LLDC. Stadium Island also houses the Bobby Moore Academy Secondary School and the London Marathon Community Track, a sporting facility that features a 400m track which is available for public use and community groups. The Stadium went into lockdown on 17 March 2020 because of COVID-19 and one Premier League match due to be played before 31 March was postponed as a result.

Here East

The buildings are leased to Innovation City (London) Limited (iCITY), trading as Here East for a period of 200 years to May 2214 with the Legacy Corporation receiving a proportion of net rents. iCITY's vision to provide an innovative new commercial space focused around established and start up technology companies. During 2018/19 an option agreement was agreed and put in place between the Legacy Corporation and iCITY, which allows iCITY to call for the grant of a new 999-year lease and disposal of the Legacy Corporation's interest for a capital receipt, conditional upon iCITY meeting certain conditions.

Here East consists of 1.2 million square feet of space, and features three main buildings — a 300,000 square feet innovation centre, a 1,045-seat auditorium and an 850,000 square feet building housing educational space, broadcast studios and office space. Here East tenants include British Telecommunications (broadcasting BT Sport), Studio Wayne McGregor, Loughborough University in London, Plexal, Scope, MatchesFashion.com and University College London Bartlett School of Architecture.

ArcelorMittal Orbit

The ArcelorMittal Orbit has been open to the public since 5 April 2014. At 114.5m high the ArcelorMittal Orbit is the UK's tallest sculpture incorporating two observation platforms at 76m and 80m which provide stunning views across London and Queen Elizabeth Olympic Park. Since its opening there have been 783,000 visits to the ArcelorMittal Orbit.

In June 2016, the Legacy Corporation launched the world's longest and tallest tunnel slide adjoined to the tower. Over 310k people have bought tickets for the Slide since it opened. Abseiling remains popular and UpSlide Down, a new stair climb option, was launched in 2017.

The Legacy Corporation retains the freehold of the ArcelorMittal Orbit and Engie manage the venue on behalf of the Legacy Corporation as part of their wider contract for delivering estates and facilities management services on the Park and receive a management fee. The Legacy Corporation meets all cost associated with the facility and receives all income.

The Podium building adjacent to the ArcelorMittal Orbit contains The Last Drop café and hospitality suite. Engie pay the Legacy Corporation a rent and service charges for the premises, with a potential turnover share. The contract with Engie runs to 2024. The attraction went into lockdown due to COVID-19 on 20 March 2020.

Timber Lodge

The Timber Lodge is in the northern part of Queen Elizabeth Olympic Park. It is a single storey timber framed building providing a café and canteen, toilet facilities and two function rooms, which are available for hire. The land is leased by the Legacy Corporation from Lee Valley Regional Park Authority, which expires in July 2053 and the building is sublet to the Company of Cooks who took on operation of the Timber Lodge in 2018/19 for a term of five years to January 2024. The Timber Lodge went into lockdown on 20 March 2020 due to COVID-19.

Off Park properties

Several off-Park properties were transferred to the Legacy Development from the former London Development Agency and former London Thames Gateway Development Corporation and located in the areas neighbouring the Park. The majority are in Hackney Wick and to the south of Stratford High Street in Bromley-by-Bow. The portfolio is managed by Knight Frank LLP on behalf of the Legacy Corporation and is occupied on a variety of short-term leases.

3 Mills Studios

3 Mills Studios is a large film and TV studio offering production offices, construction and prop stores, make up, costume and green rooms and a mix of production related tenants such as camera hire and casting. The site is on land owned by the Lee Valley Regional Park Authority with a long lease to the Legacy Corporation until August 2103.

The Clock Mill forms part of this site and is let to East London Science School Trust until August 2021.

Knight Frank LLP has managed 3 Mills Studios for the Legacy Corporation since 2013. The contract now extends to March 2023, with the option to extend for up to 2 years.

Development platforms

The Legacy Corporation owns several development platforms, listed as follows:

Chobham Manor

The Legacy Corporation has a development agreement in place with Chobham Manor LLP, which is a joint venture between L&Q (London and Quadrant) and Taylor Wimpey. The agreement is to deliver a new residential neighbourhood at Chobham Manor, just south of Lee Valley VeloPark. The development now comprises 880 new homes of which 75 per cent will be family homes with three or more bedrooms and 35 per cent are affordable (up from 28 per cent, following some changes made in the last year). The affordable element comprises affordable rent, social rent and intermediate housing.

Phases One and Two have completed and all units have been sold. 25 of the 67 units in Phase Three have already been sold. The construction of Phases Three and Four is underway and was on programme when lockdown occurred in March 2020 and construction ceased.

East Wick and Sweetwater

The Legacy Corporation entered into an agreement with a joint venture between Places for People Homes and Balfour Beatty Investments in February 2015 for the development of approximately 1,500 new homes, including private rented and affordable homes, at East Wick and Sweetwater. The homes will be accompanied by a mix of social infrastructure including nurseries, primary schools and a library. The zonal master plan for East Wick has been approved, as has the Reserved Matters consent for Phase One. The Reserved Matters Application for remaining phases will be submitted in autumn 2020 following completion of design work. Construction works on the development and related infrastructure works is underway with first handovers of homes in Phase One due in 2020.

Stratford Waterfront

Located opposite the London Aquatics Centre in the south of the Park, this development platform forms part of the East Bank project and will be home to UAL's London College of Fashion, Sadler's Wells, Victoria and Albert Museum, and the BBC as well as residential, retail and public realm space. All partner institutions have signed binding Agreements for Lease with the Legacy Corporation, with the lease durations ranging from 199 to 399 years. Construction commenced on the partner buildings following approval of the planning application in June 2019. It is anticipated that a procurement exercise will be launched for a joint venture partner to develop the Stratford Waterfront residential land alongside the Bridgewater development site at Pudding Mill in the autumn of 2020.

UCL East

Also, part of the East Bank project, this development platform will, in its first phase, comprise approximately 50,000m^2 of new university campus, with academic and student residential accommodation. UCL's Reserved Matters Application was approved by the Planning Decisions Committee in March 2019, subject to conditions. UCL has appointed its contractors for their main academic buildings at Marshgate (MG) and their mixed-use Pool Street West (PSW) building. Construction on both sites is underway and due to be completed in 2022/23. UCL has a 299-year lease for the PSW site and a 15-year lease for the rest of the site that will become a long lease (299 years) following practical completion of the MG academic facility shell and core works. The first tranche payment of the Grant Funding Agreement between the GLA and the UCL was released in December 2019.

Pudding Mill

Pudding Mill is the neighbourhood comprised of Pudding Mill Lane and Bridgewater developments. The Legacy Corporation has agreed with the GLA to apply a portfolio approach to deliver affordable housing on this site linked to the delivery of affordable homes at Stratford Waterfront and Rick Roberts Way. The Legacy Corporation is currently developing new outline planning applications for the Bridgewater and

Pudding Mill sites for submission in early 2021. These will replace the existing outline planning consent under the Legacy Communities Scheme. The schemes will deliver c1500 homes, employment space and a new local centre close to the Docklands Light Railway station. Delivery of the Bridgewater scheme is being procured alongside Stratford Waterfront and a procurement strategy for Pudding Mill will be developed during 2020.

Rick Roberts Way

Rick Roberts Way is jointly owned by the Legacy Corporation and the London Borough (LB) of Newham. It forms part of the Legacy Corporation’s portfolio of sites (including Stratford Waterfront, Pudding Mill Lane and Bridgewater) which are to deliver 50% affordable housing across the portfolio. Rick Roberts Way is expected to provide approximately 400 homes and a secondary school. The Legacy Corporation is working with LB Newham to agree a masterplan for the site and submit an outline planning application by December 2021.

Comprehensive Income and Expenditure Statement

The following table reports the same underlying information as the Comprehensive Income and Expenditure Statement, but in the form of the Legacy Corporation's management accounts.

£'000	2019/20	2019/20	2019/20
	Actual	**Budget**	**Variance**
Total net revenue expenditure	17,145	20,562	(3,417)
Trading net (surplus)/deficit	206	1,451	(1,245)
Total	**17,351**	**22,013**	**(4,662)**

The Legacy Corporation recorded net expenditure of £17.4m for the year, which was £4.7m lower than budget. This is mainly due to:

- higher than anticipated income from its 3 Mills Studios operations;
- savings on estates and facilities management and Park utilities costs; and
- Regeneration and Community Partnerships spend on their Socio-Economic programme being reprofiled into 2020/21.

The Legacy Corporation continually seeks to manage its cost base down and has been efficient and effective in the use of its revenue resources.

The Expenditure and Funding Analysis (Note 3) provides a reconciliation between the figures reported within the Legacy Corporation's management accounts (above) and its Net Cost of Services, as reported in the Comprehensive Income and Expenditure Statement.

Balance Sheet

The Balance Sheet as at 31 March 2020 is summarised in the following table.

	31 March 2020 £'000	31 March 2019 Restated £'000
Long term assets	177,601	140,788
Cash and cash equivalents	59,119	58,894
Net current assets/(liabilities)	(16,420)	(39,496)
Net pension liabilities	(14,222)	(17,157)
Other long term liabilities	(392,812)	(337,700)
Net assets	**(186,734)**	**(194,671)**
Represented by		
Usable reserves	10,075	8,716
Unusable reserves	176,660	185,955
Total reserves	**186,735**	**194,671**
Usable reserves are made up of:		
General funds	10,372	4,115
Deferred tax reserve	(297)	(12,831)
Total usable reserves	**10,075**	**8,715**

Long term assets

The Legacy Corporation's long terms assets relate primarily to investment properties. Overall, the value of the Legacy Corporation's investment property assets has decreased from £82.2m at the end of last year (restated) to £58.0m as at 31 March 2020, driving an overall net decrease in long term assets. Further disposals in relation to Chobham Manor residential properties were completed in the year and increased costs on the East Bank project reflecting tender return pricing have contributed to a significant decrease in the value of investment property. The Legacy Corporation's portfolio was valued as at 31 March 2020 by GL Hearn Limited – external, independent property valuers, who have appropriate recognised professional qualifications. The assets are being held by the Legacy Corporation for their income generating potential or for capital appreciation and have therefore been classified as investment property in accordance with IAS 40.

Also included within long term assets are assets under construction (within Property, Plant and Equipment), which relate to expenditure incurred on the East Bank project and accounts for the significant increase in the year (see Note 12).

Cash and cash equivalents

The Legacy Corporation's short-term cash balances, which relate to balances held to meet liabilities on the Legacy Corporation's balance sheet in respect of its obligation under the Olympic Park Transport Environment Management Strategy (OPTEMS) and Section 106 schemes, are invested through the GLA Group Investment Syndicate (GIS). The GIS is an operation jointly controlled by the participants for the investment of pooled monies belonging to those participants and operated by the GLA as Investment Manager under the supervision of the Syndics (the participants' respective Chief Financial Officers or their representatives). The other current participants include the GLA, London Fire and Emergency Planning Authority, the London Pensions Fund Authority and The Mayor's Office for Policing and Crime.

Pooling resources allows the GLA's Group Treasury team to make larger individual transactions and exploit the greater stability of pooled cash flows to obtain better returns. A risk sharing agreement ensures risk and reward relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment.

As at 31 March 2020 the value of the Legacy Corporation's cash and cash equivalents was £59.1m (31 March 2019: £58.9m) The balance held with the GIS at 31 March 2020 is £45.4m (31 March 2019: £42.0m), with the balance of £13.7m (31 March 2019: £16.9m) being held within the Legacy Corporation's bank accounts (see Note 16). As at 31 March, £36.0m of cash and cash equivalent balances related to Section 106 liabilities, £0.4m to the OPTEMS fund and £18.9m to CIL liabilities.

The Legacy Corporation does not hold significant cash balances for its operational need. Working capital is requested from the GLA on a weekly basis based on forecast requirements. Cash inflows are generated from other sources including trading operations, planning fees and events held on the Park. Consequently, the Legacy Corporation usually has relatively low sensitivity to variations in cash flow during the year. In 2019/20, the Legacy Corporation also received £29.6m in capital receipts from its investment properties, which are forecast to grow further in the future, for example as disposals of residential properties increase. Future plans may be affected by a number of factors, including inflationary increases that affect the Legacy Corporation's capital and revenue costs, housing market movements, planning assumptions and the level of affordable housing that are material to receipts from the disposal of development land, and potential changes to the Legacy Corporation's strategy, such as accelerating planned housing developments. The Legacy Corporation continues to follow closely the impact of the withdrawal of the United Kingdom from the European Union on the property and construction sector in particular and will assess and where possible, mitigate the impact of the COVID-19 pandemic accordingly.

Pension Scheme

The Legacy Corporation is a member of the Local Government Pension Scheme, administered by the London Pensions Fund Authority. The net liability (the amount by which pension liabilities exceed assets) affects the Legacy Corporation's net worth as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the Legacy Corporation's financial position in relation to its pension obligations remains healthy. The net pension liability has decreased from £17.2m (as at 31 March 2019) to £13.4m as at 31 March 2020 due to a change in the demographic assumptions (such as life expectancy) and financial assumptions (such as salary and pension increases) used by the actuary. A total of £1.4m (net) has been credited to the Comprehensive Income and Expenditure Statement of which £5.6m is related to the re-measurement of the net defined benefit liability, which is offset by service costs (£3.1m), net interest charged on the deferred liability and administration expenses (£0.5m) and the movement on the deferred tax pension asset (£0.6m). The deficit on the Pension Scheme will be made good by increased contributions by the Legacy Corporation over the employees' remaining working life, as assessed by the Scheme actuary.

Other assets and liabilities

The Legacy Corporation has a rolling loan facility with the GLA to finance the Legacy Corporation's capital expenditure. As at 31 March 2020, the Legacy Corporation had drawn down loan funding to the value of £354.9m. This loan will be repaid from capital receipts generated from the exploitation of the Legacy Corporation's ownership of development platforms on and around the Park. Interest payable on the loan is based on a 50-year Public Works Loan Board rate and is funded by GLA grant.

£55.2m of liabilities on the Legacy Corporation's balance sheet relate to its obligations under the OPTEMS, Section 106 schemes and Community Infrastructure Levy. As noted previously, the Legacy Corporation has ring-fenced the funds required to meet its obligations.

Provisions and contingent liabilities

The Legacy Corporation continues to recognise a contingent liability in relation to a loan of £13.4m (principal £9.2m plus unpaid interest), which was used to part fund the construction of the ArcelorMittal Orbit and is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit as and when they are generated (in the first instance against interest on the loan until wholly repaid then 50% against the principal thereafter). A discounted projected cash flow is used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the surplus reported in prior years.

As at 31 March 2020 a provision of £0.1m has been recognised in the Legacy Corporation's single entity accounts. This is in respect of residual costs relating to the Park Transformation.

Reserves

The Legacy Corporation's net revenue expenditure is fully funded by the GLA via a revenue grant. This grant is agreed annually on a four-year rolling basis via the GLA's statutory budgeting process and is drawn by the Legacy Corporation throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and the Legacy Corporation's net cash requirement. It also means that the Legacy Corporation's ability to generate surpluses within its General Fund is restricted.

Changes to the Legacy Corporation's reserves mirrors the movement of its net assets. Accordingly, at the end of the financial year, the Legacy Corporation had negative usable reserves of £10.1m in the General Fund (2018/19: £8.7m). However, considering the Legacy Corporation's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for the Legacy Corporation to meet its current and future financial challenges.

Forecast net cash position

In line with the Legacy Corporation's approved long-term financial model, as updated for the 2019/20 outturn, the net cash position of the Legacy Corporation's activities in the coming three years is expected to be as follows:

Capital

	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Capital expenditure	**235.8**	**206.1**	**78.5**	**520.4**
Funded by:				
Capital receipts	(135.0)	(84.1)	(54.8)	(273.9)
Other grants/funding	(75.8)	(90.3)	(11.3)	(177.4)
Borrowing from GLA drawdown	(25.0)	(31.7)	(12.4)	(69.1)
Total funding	**(235.8)**	**(206.1)**	**(78.5)**	**(520.4)**

Revenue

	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m
Income	(15.2)	(16.3)	(18.2)	(49.7)
Revenue expenditure	54.5	46.7	47.1	148.3
Financing costs	13.0	15.1	15.6	43.7
Net expenditure	**52.3**	**45.5**	**44.5**	**142.3**
Funded by:				
GLA funding for core activities	(32.6)	(27.3)	(27.1)	(87.0)
GLA funding for financing	(13.0)	(15.1)	(15.6)	(43.7)
Reserves	(6.6)	(2.8)	-	(9.4)
Net revenue position	**(0.0)**	**0.3**	**1.8**	**2.2**

Cost reduction and commercial income opportunities such as advertising and sponsorship are being explored in detail during 2020/21 to assist in bridging the forecast revenue deficit in 2021/22.

Changes to accounting policies

The Legacy Corporation has not adopted any new accounting policies in 2019/20.

Commentary on key live projects

East Bank

Significant progress was made on the East Bank project in the year.

The Planning Decisions Committee resolved to grant planning consent for the Stratford Waterfront planning application on 30 April 2019. The GLA subsequently gave approval on 12 June 2019 and the Section 106 agreement was signed on 22 July 2019.

RIBA (Royal Institute of British Architects) stage 4 design for Stratford Waterfront is complete and procurement for the construction packages is advanced: as at the end of March, 13 of the 35 packages have been awarded, and in total, £282m committed on the project.

On-site work commenced in 2019/20 and were suspended in March 2020 due to COVID-19 restrictions. Preparations to restart construction works under social distancing measures are currently in progress, with the site expected to re-open on 1 June in line with government guidelines. Adherence with the government's response to COVID-19 will mean social distancing on site for a period, which will prolong the programme and have a consequential financial impact.

Following the Legacy Corporation Investment Committee's approval for the revised delivery approach and procurement plan, procurement of a developer for the residential development is expected to commence in 2020/21.

Work on UCL East has continued where UCL is delivering its development; UCL has appointed its contractors for its main academic buildings at Marshgate and for their mixed-use Pool Street West building. On-site work commenced in 2019/20 and works were on programme when lockdown occurred. Construction work on the Marshgate site paused following the COVID-19 lockdown; however, construction work continued at UCL's Pool Street West site.

The East Bank costs will be met through a mixture of partner and private sector funding, philanthropic funding and public-sector funding from the Mayor of London and Government, following the approval of the Full Business Case. In total, this investment is anticipated to generate 2,500 new jobs, economic benefits of over £1.5 billion at net present values and deliver 100,000m^2 of cultural and educational space. The provision of additional funding towards the East Bank project was agreed by the GLA in the 2020/21 budget submission (approved by the Mayor in February 2020). This largely reflected additional costs for construction reflecting tender returns from the market, which were significantly more than the budget provision. This was funded by additional GLA capital grant and estimated partner contributions to the overspend.

The Legacy Corporation continues to work with partners to develop collaborative projects and proposals to help deliver the programme's strategic objectives. The Benefits Delivery Plan, which sets out how the overall regeneration objectives of the project, is in place and updated annually. This year saw a major revision of the previous year's Plan based on intensive work by the partners to put in place a robust new framework for delivery of the Strategic Objectives. During the year, the Legacy Corporation and its East Bank partners continued to deliver and expand the size and scope of its work with local communities in the areas of employment and skills, education, arts and cultural activity and innovation. Highlights included STEP (the Shared Training and Employment Programme), STEP into the Smithsonian (a pilot project providing an immersive three-week development experience for four local young people in Smithsonian's Washington D.C.-based museums) and the EAST Summer School. Partners also worked together on delivery of the Great Get Together community event on the Park.

Chobham Manor development

In November 2012, the Legacy Corporation entered into a development agreement with Chobham Manor LLP (a joint venture between Taylor Wimpey and London & Quadrant). The development of 880 homes of which 35 per cent is now affordable (up from 28 per cent), will contain 75 per cent family housing (defined as three bedrooms or more) in line with planning requirements and will be supported by facilities including a nursery and community spaces.

566 homes have now been completed. Phase One, consisting of 259 units and Phase Two, consisting of 207 units are now fully complete and all homes have been sold. Construction is underway for the final two phases which are due to be completed in 2022/23; 25 of the 67 homes in Phase Three have already been sold

In 2019/20 the Legacy Corporation recognised £29.6m of capital receipts arising from its share of proceeds from sales of homes on the Chobham Manor site.

This development zone is held as an investment property (as part of 'Queen Elizabeth Olympic Park' asset) in the Legacy Corporation's accounts, further detail of which is given in Note 13.

East Wick and Sweetwater

East Wick and Sweetwater Projects Ltd (a joint venture between Places for People and Balfour Beatty PLC) was appointed by the Legacy Corporation in February 2015 to create new neighbourhoods in East Wick and Sweetwater. The plans include building up to 1,500 new homes with up to 30 per cent affordable and 500 homes to rent. East Wick and Sweetwater will create a vibrant new community on the west of the Park, linking to existing communities in Hackney Wick and Fish Island. Construction works on the development and related infrastructure works is underway with Phase One (which received planning permission in 2016/17) due to be completed in 2021/22 (construction works on this site continued after lockdown). The Reserved Matters Application for future phases are due to be submitted by September 2020 following completion of design work. The whole development is scheduled for 2030/31 completion. The Legacy Corporation is in discussions with the Developer about the start date of construction of Phase two.

The Legacy Corporation funded infrastructure works to support the development were granted planning permission in 2016/17. Construction work on Stour Road (H16) Bridge completed in May 2019 and the north/south road build and Monier Road (H14) Bridge are due to complete in January 2021.

It is anticipated that the Legacy Corporation will begin to receive capital receipts from this development in 2021/22. This development zone is held as an investment property (as part of 'Queen Elizabeth Olympic Park' asset) in the Legacy Corporation's accounts, further detail of which is given in Note 13.

Hackney Wick Neighbourhood Centre

Outline planning permission for the regeneration of the central area around Hackney Wick station was issued in March 2018 following GLA Stage 2 sign-off. The application was submitted jointly with LB Hackney and prioritised no net loss of employment space and was approved in 2019/20. Work is ongoing to procure a developer for the Legacy Corporation's land in this area in 2020/21. Procurement to select a developer commenced 2019/20 and selection of the developer is due to be made by the end of 2020 and is being undertaken through the GLA's London Development Panel 2 (LDP2).

3 Mills Studio River Wall Works

The River Wall and Flood Defence works contract at 3 Mills Studios commenced in November 2018 and were due to be completed in December 2019. However, due to complications with the pilling activities on land and in the river, the works have been delayed. There were three months left on the programme when the site was closed down due the Covid-19 outbreak. Works are due to re- commence on 1 June 2020 and complete at the end of August 2020.

The masonry repairs to the River Wall have been descoped from the main works and as at year end were being retendered. Subject to the completion of the tender process in June 2020 and the appointment of the successful contractor, all River Wall Works are planned to be complete by the end of 2020.

Prospects and outlook

Looking forward the Legacy Corporation has a number of key milestones to achieve in 2020/21, subject to the impact of the COVID-19 crisis.

The Legacy Corporation's significant residential projects, Chobham Manor and East Wick and Sweetwater, will provide new homes for people who want to live in the area. These projects will also generate significant capital receipts for the Legacy Corporation, supporting repayment of borrowings to the GLA, but are being delivered at a time when the UK housing market is softening; this could impact upon the level of receipts realised by the Legacy Corporation.

Construction on Chobham Manor Phases three and four are underway, with Phase three to continue for completion in 2021/22. East Wick and Sweetwater Phase one works will continue for completion in 2021/22 with construction complete in 2020/21 for supporting infrastructure works, the H14 bridge and the North South Highway.

Following granting of outline planning for the Legacy Corporation’s residential development at Stratford Waterfront procurement to select a developer will commence and a developer will be selected for Hackney Wick Neighbourhood Centre. Development strategies will also be progressed on the Legacy Corporation’s future housing developments: with the aim to submit a planning application for Pudding Mill Lane and Bridgewater sites in 2020/21 and to agree a delivery strategy with LB Newham for Rick Roberts Way.

New facilities created as part of the East Bank project will not only strengthen the Park's offer for local, national and international visitors, but also create a home for skilled artists, designers, academics, engineers, scientists, architects and craftspeople – and the global companies that need this talent. In 2020/21 construction work and the procurement programme will continue.

Major events had been scheduled in the London Stadium for summer 2020 but due to the COVID-19 crisis the Major League Baseball series has been cancelled and the Hella Mega concert (Green Day, Fall Out Boy and Weezer) has been postponed. It has subsequently been announced that the 2019/20 Premier League season will conclude behind closed doors, and it is possible that the 2020/21 season will commence behind closed doors.

The Legacy Corporation has access to sufficient funding through the GLA to complete the development programme set out in its 2020/21 budget submission and capital strategy and begin to repay the investment made by the Greater London Authority in the Olympic legacy. The Corporation’s 2020/21 budget was approved by the Legacy Corporation Board and the Mayor in March 2020, and will be revisited annually as part of the statutory budget process of the GLA.

The Legacy Corporation continually seeks to maximise the value for money of the investment in its activities and ensure that the organisation is as lean and effective as possible, while still resourced to deliver a challenging programme.

Performance Measures

The following performance indicators demonstrate how the Legacy Corporation has used its resources to deliver against its five strategic objectives during the year.

Measure	Progress to 31 March 2020
Chobham Manor phase two construction complete and Phase three continues on schedule.	Phase Two has completed, and all units have been sold. 25 of the 67 units in Phase Three have already been sold. Phases Three and Four construction underway and were on programme when lockdown occurred. Construction work not being undertaken following lockdown.
East Wick and Sweetwater construction continues on schedule, including commencement of phase two.	Construction of Phase One and site-wide infrastructure works for East Wick and Sweetwater development continued in this period and have continued following lockdown. In discussion with the developer about the start date of construction of Phase two, which is currently in delay
Progress master planning for Pudding Mill Lane.	Design teams have produced initial designs on both sites. Following completion of public consultation pre-planning application discussions have been held and the scheme has gone to the Quality Review Panel.
Agree delivery approach for Rick Roberts Way with London Borough of Newham and GLA.	A new approach has been agreed for London Borough of Newham and the Legacy Corporation is to lead on the joint masterplanning for the site.
Commence Stratford Waterfront Residential Developer Procurement.	The Stratford Waterfront site's hybrid planning application was approved by the Planning Decisions Committee in April 2019, with the GLA confirming approval for Stage 2 in June. A revised delivery structure was approved by the Legacy Corporation's Investment Committee and the Mayor in early 2020, meaning the developer procurement can begin later in 2020/21.
Hackney Wick Neighbourhood Centre development partner procurement complete.	Procurement to select a developer commenced in this period and the sifting brief has elicited five responses. Selection of the developer is due to be made by the end of 2020 (though may be delayed due to lockdown) and is being undertaken through the GLA's London Development Panel 2 (LDP2).
3 Mills river walls repair work completed.	Construction progressed well on the river wall repair works prior to lockdown.
Continuing the development of the QEOP Training Association, delivering the centrally commissioned construction training programme.	Designs have been finalised for the training centre which is being delivered as an interim use on-site to be operated by The Skills Centre. Planning Permission was secured in 2019/20.
Delivering the Hobs Studios training academy at Here East.	Ravensbourne University London has been appointed as training provider and has commenced recruitment. The Academy was launched with prospective employers at an event at Hobs Academy in October 2019. Course

	content has been developed and initial phase of testing with employers and recruitment of learners launched: 30 learners have been recruited to date.
Deliver an effective and responsive planning service. At least 70% of applications determined in time.	This target has been exceeded each month in 2019/20, with actual performance ranging from 87% at its lowest to 100% at its highest. (Figures to February 2020).
Construction workforce targets (current rather than lifetime figures): • 25% of the workforce have permanent residency in Host Boroughs • 25% of the workforce are from BAME groups • 5% of the workforce are women • 3% of the workforce are disabled • 3% of the workforce are apprentices	The most recent construction figures available are to end of February 2020: • 31% of construction employees working on the Park are Host Borough residents • 73% of the workforce are from BAME groups • 6% of the workforce are women • 3% of the workforce are disabled people • 5% of the workforce are apprentices
Copper Box Arena and London Aquatics Centre workforce targets (current rather than lifetime figures): • 70% of the workforce have permanent residency in the Host Boroughs • 55% are from BAME groups • 50% are women • 3 – 5% are disabled	The most recent figures available are as of April 2019 (these figures are reported annually): • 67% workforce Host Borough residents • 47% are from BAME groups • 55% workforce are women • 4% workforce are disabled
Estates and Facilities workforce targets (current rather than lifetime figures): • 70% of the workforce have permanent residency in the Host Boroughs • 25% are from BAME groups • 30% are women • 5% are disabled	As of September 2019, the workforce performance is shown below: • 60% workforce Host Borough residents • 60% workforce are from BAME groups • 33% workforce are women • 8% workforce are disabled
Maintain Green Flag status for the Park	For the sixth year in a row, the Park was awarded the Green Flag Award Scheme as one of the best parks in the world.
Meet estimate of 6 million visitors to the Park in 2019/20.	Visitor numbers to the Park for April 2019 to March 2020 are estimated at just under 6.1 million. The Park stayed open after lockdown to allow people to take their daily exercise but venues, attractions and playgrounds have closed. Park usage reduced to roughly a third of usual numbers following lockdown.
London Aquatics Centre throughput of 1m.	Visitor numbers for the London Aquatics Centre April 2019 to February 2020 were over 984,000. The venue closed on March 20, 2020 due to COVID-19.
Copper Box Arena throughput of 445,000.	Visitor numbers for the Copper Box Arena for April 2019 to February 2020 were just over 377,000. Whilst attendance was lower than forecast, the strong event schedule means the venue was ahead of its income

	target. The venue closed on March 20, 2020 due to COVID-19.
ArcelorMittal Orbit throughput of 180,000.	Visitor numbers for the ArcelorMittal Orbit for April 2019 to February 2020 were just under 124,000 visitors. The venue was unable to open during the storms in the winter. The attraction closed on 20 March 2020 due to the COVID-19.
Stratford Waterfront town planning approved.	The Stratford Waterfront site's hybrid planning application was approved by the Planning Decisions Committee in April 2019, with the GLA confirming approval for Stage 2 in June.
Stratford Waterfront: start on site construction of cultural and educational buildings.	On site work commenced in 2019/20 and works were on programme when lockdown due to COVID-19 occurred.
UCL start on site constructing their new university campus, UCL East (undertaken by UCL).	On site work commenced in 2019/20 and works were on programme when lockdown occurred. Construction work on the Marshgate site paused following lockdown due to COVID-19. Construction work continued throughout at UCL's Pool St West site.
Continue to work with East Bank partners to ensure delivery of the East Bank strategic objectives and to maximise the value of the cluster.	The East Bank Benefits Delivery Plan was approved by all partners in 2019/20 and all partners are working together to deliver this.
Progress EAST Education, an education engagement programme with East Bank partners.	EAST Education programme being implemented, monthly working group ongoing. Highlights in 2019/20 include delivery of the EAST Summer School with all East Bank and other partners.
Health and safety: Construction undertaken without a fatal accident on site; to prevent any life-changing injury or occupational ill-health for any individual; and to minimise reportable accidents to a rate below 0.17 per 100,000 hours worked.	Over the past year there have been three RIDDOR reportable incidents at LLDC's sites (two at East Wick and Sweetwater, one at Stratford Waterfront) and over 2 million construction hours worked, so the rate is below 0.17 reportable accidents per 100,000 hours worked.
Unqualified annual accounts for the Legacy Corporation, E20 Stadium LLP and London Stadium 185 Limited for 2018/19.	Unqualified 2018/19 annual accounts have been published for the Legacy Corporation, E20 Stadium LLP and London Stadium 185 Limited for 2018/19.
Annual Environmental Sustainability Report published.	The 2018/19 Annual Environment Sustainability Report was published in 2019/20
Develop and agree high-level the Legacy Corporation Transition strategy.	The high-level Transition Strategy was approved by Board in February 2020.

Corporate risks

The Legacy Corporation regularly reviews risks at a project, directorate and corporate level. The table below shows the current top corporate risks identified their potential impact, and what mitigating action is being taken. “A corporate issue has been raised relating to the COVID-19 crisis and the corporate risks are being reviewed in early 2020/21 to reflect the changes arising from the COVID-19 crisis. The updated risk profile will be considered by the Audit Committee at its July 2020 meeting.

Summary	Impact	Mitigation	Current RAG
Risk that the East Bank will be delayed, or costs will be more than anticipated. Potential causes include procurement risks and construction interface risk.	Financial implications and programme delays.	Effective design management and coordination. Rigorous cost and change control. Close work with partners, GLA and Government. Coordination with Planning. Three lines of defence assurance approach. Planning permissions in place.	R
Risk to East Bank funding.	Financial Implications and programme delays.	Close working with Foundation for Future London and the GLA. Full Business Case for the project approved. Ensure best outcome from residential development.	R
Risk that Town Planning submission deadlines for the Legacy Corporation’s housing developments will be missed	Delivery, financial and reputational impacts	Close working with development partners, other landowners and the Mayor of London’s office.	R
Revenue budget risk: generating income and making savings	Financial and/ or delivery impacts. Reputational impacts.	Tight monitoring of budgets and committed spend, savings and efficiency reviews, commercial opportunities, close working with the GLA.	R
Capital budget risk: generating income and managing cost pressures.	Financial and/ or delivery impacts. Reputational impacts.	Housing strategy, monitoring of budgets and committed spend, savings and efficiency reviews, commercial opportunities, Stadium Business Plan, close working with the GLA.	R
Risk that the Stadium restructuring will not sufficiently improve the financial position of the Stadium.	Financial and reputational impacts.	E20 Stadium LLP Board and funders considering commercial options. Stadium operator acquired by the Legacy Corporation in 2019.	R
Risk of adverse outcome to Corporation Tax non-statutory clearance application.	Financial impact.	Tax and legal advice, engagement with HMRC, application submitted in March 2020.	R
Risk relating to current housing development delivery.	Financial and reputational impacts.	Close work with development partners and GLA, close economic and financial monitoring.	R
Risk relating to future housing development delivery.	Financial and reputational impacts.	Close working with GLA, in particular, on affordable housing, agreeing housing strategy, ensuring attractive propositions to market.	R

Risk relating to security on the Park and the threat level.	Reputational, operational and financial implications.	Monitoring threat levels across the Park ensuring appropriate security resource and implementation of new initiatives.	R
Local transport infrastructure insufficient for growing demand.	Strategic and operational impacts. Potential limiter on economic development in Stratford area.	Work with partners to determine and deliver transport projects to improve infrastructure.	R
Risk about the impacts of Health and Safety failures, including East Bank.	The possibility of serious injuries or fatalities, the consequences of which may include significant delays and reputational damage.	A comprehensive Health and Safety programme is in place, designed to identify and manage the construction risks and led actively by the Legacy Corporation and its project management partner. Oversite through Health, Safety and Security Committee.	R
Risk relating to the potential impact of policy change on the Corporation, including leaving the European Union (EU).	Programme delays, budget impacts.	Continue political engagement work and briefings. Work through implications of withdrawal from the EU.	R
Risk of unauthorised climbers at ArcelorMittal Orbit.	Financial and reputational impacts.	Close working with operator, review of security measures.	A
Future transition of the Legacy Corporation's activities.	Negative impacts on regeneration of the area; potential impact on staff retention	Transition strategy being developed, updates presented to Board. Close working with key stakeholders.	A
Electrical capacity of Park requires reinforcement.	Financial impacts.	Energy strategy commissioned. Review and implement findings.	A
Risk relating to trading activities including venues (CBA, LAC, AMO), events and car park.	Financial impacts, reduced income or increased costs.	Manage and monitoring financial targets and contracts. Spend to save initiatives. Implement commercial strategy.	A
Risk about successful implementation of the Local Plan including sufficiency of community infrastructure.	Reputational impacts.	Progress reporting including annual monitoring report, review of local plan including population forecasts	A
Risk relating to failure to embed fraud and assurance processes, including group subsidiaries (E20/LS185).	Financial and reputational impacts.	New finance system implemented; anti-fraud policy updated; financial and procurement controls; assurance from internal and external audit; ongoing fraud awareness briefings. Mandatory fraud workshop held for finance practitioners.	A

Risk relating to the success of off-Park developments.	Financial and reputational impacts.	Local Plan approved and being implemented. Work ongoing on development opportunities including Hackney Wick, Pudding Mill Lane, Rick Roberts Way and Bromley by Bow.	A
Staff resourcing, recruitment and retention.	Financial, operational and reputational impacts.	High quality recruitment and communications, particularly around Transition. Remuneration package including benefits. Staff development.	A
Risk relating to impact of construction on residents and visitors.	Reputational and financial impacts.	Deliver a clear communication plan which manages expectations and explains the reasons for the construction work and communicates future developments.	A
Risk relating to carbon savings from the District Heating Network	Reputational and financial impacts.	Liaison with the GLA and with Engie.	A
Risk relating to meeting priority theme targets and wider regeneration aspirations.	Reputational impacts.	A strong set of targets agreed through procurement and contracts; close working with partners.	G
Risk relating to information security non-compliance, including General Data Protection Regulation (GDPR). Risk also relates to group subsidiaries (E20/LS185).	Potential loss, theft or corruption of data with reputational and financial impacts.	Information security gap analysis complete, action plan being implemented. Ongoing information security briefings.	G

Purposes of major schedules within the financial statements

The nature and purpose of the primary schedules included within the financial statements are set out below:

Comprehensive Income and Expenditure Statement

This statement shows both the revenue received and the costs incurred in the year of providing services, in accordance with International Financial Reporting Standards (IFRS).

Balance Sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Legacy Corporation. The net assets of the Legacy Corporation (assets less liabilities) are matched by the reserves held by the Legacy Corporation. Reserves are reported in two categories. The first category of reserves is usable reserves, being those reserves that the Legacy Corporation may use to provide services. The Legacy Corporation is funded by the GLA; therefore, its level of usable reserves in the statutory accounts does not fully determine its ability to meet current and future financial challenges. The second category of reserves is those that the Legacy Corporation is not able to use to provide services (Unusable Reserves). This category of reserves is brought about by accounting entries and includes reserves that are impacted by timing differences shown in the movement in reserves statement line 'Adjustments between accounting basis and funding basis under regulations'. They are not cash-backed reserves or an additional source of funding for the Legacy Corporation.

Cash Flow Statement

The cash flow statement shows the movements in cash and cash equivalents of the Legacy Corporation during the financial year. The statement shows how the Legacy Corporation generates and uses cash and cash equivalents by classifying cash flows as derived from operating, investing and financing activities.

Movement in Reserves Statement

This statement shows the movements in the year on the different reserves held by the Legacy Corporation analysed between usable reserves and unusable reserves, Gains and losses recognised on an accounting basis and the statutory adjustments required to control the amounts being recognised within the Legacy Corporation's General Fund are reflected in the usable reserves. In Local Authorities, the General Fund governs the amounts chargeable to council tax for the year, however this is not relevant in the context of the Legacy Corporation. The unusable reserves include the pensions reserve, accumulated absences reserve and the capital adjustment account, which absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions.

Statement of Responsibility for the Accounts

The Legacy Corporation's responsibilities

The Legacy Corporation is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In the Legacy Corporation that officer is the Deputy Chief Executive;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

The Deputy Chief Executive's responsibilities

The Deputy Chief Executive is responsible for the preparation of the Statement of Accounts for the Legacy Corporation in accordance with proper practices as set out in the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Deputy Chief Executive has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the Code
- kept proper accounting records which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities

Certificate of the Deputy Chief Executive

I certify that the Statement of Accounts gives a true and fair view of the financial position of the Legacy Corporation at the accounting date and of the income and expenditure for the year ended 31 March 2020.

Gerry Murphy
Deputy Chief Executive
xx November 2020

Independent Auditor’s Report to the Members of the London Legacy Development Corporation

Auditor’s Certificate to be inserted.

Comprehensive Income and Expenditure Statement

For the year ended 31 March 2020

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(31)	1,627	1,596
Development	2/4	(10)	1,547	1,537
Executive Office	2/4	(93)	2,425	2,332
Finance, Commercial and Corporate Services	2/4	(1,560)	9,817	8,257
Park Operations and Venues	2/4	(536)	1,885	1,349
Planning Policy & Decisions	2/4	(2,268)	3,418	1,150
Regeneration and Community Partnerships	2/4	(139)	2,248	2,109
Stadium	2/4	(791)	26,445	25,654
GLA Grant	2/4	(47,224)		(47,224)
Corporate Items	2/4	-	-	-
Net cost of services		**(52,652)**	**49,412**	**(3,240)**
Financing and investment income	7	(18,230)	-	(18,230)
Change in fair value of investment properties	13	-	15,414	15,414
Impairment of investment in joint venture	14	-	3,288	3,288
Financing and investment expenditure	8	-	27,302	27,302
Capital grants and contributions	9	(31,943)	-	(31,943)
(Surplus) or deficit on provision of services before tax		**(102,825)**	**95,416**	**(7,409)**
Corporation tax	10	-	5,329	5,329
Deferred tax	10	(475)	-	(475)
(Surplus) or deficit on the provision of services after tax		**(103,300)**	**100,745**	**(2,555)**
Deferred tax asset on the net defined benefit liabil	10	(605)	-	(605)
Remeasurement of the net defined benefit liability	18	(4,775)	-	(4,775)
Total comprehensive income and expenditure		**(108,680)**	**100,745**	**(7,935)**

For the year ended 31 March 2019 (Restated)

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	2/4	(60)	1,718	1,658
Development	2/4	(85)	8,181	8,096
Executive Office	2/4	(31)	2,166	2,135
Finance, Commercial and Corporate Services	2/4	(709)	8,436	7,727
Park Operations and Venues	2/4	(1,768)	1,919	151
Planning Policy & Decisions	2/4	(1,957)	2,737	780
Regeneration and Community Partnerships	2/4	(20)	2,456	2,436
Stadium	2/4	(2,862)	30,466	27,604
GLA Grant	2/4	(51,625)		(51,625)
Corporate Items	2/4	-	380	380
Net cost of services		**(59,117)**	**58,459**	**(658)**
Financing and investment income	7	(13,649)	-	(13,649)
Change in fair value of investment properties	13	-	107,061	107,061
Impairment of investment in joint venture	14	-	-	-
Financing and investment expenditure	8	-	27,935	27,935
Capital grants and contributions	9	(4,755)	-	(4,755)
(Surplus) or deficit on provision of services before tax		**(77,521)**	**193,455**	**115,934**
Corporation tax	10	-	6,581	6,581
Deferred tax	10	(30,080)		(30,072)
(Surplus) or deficit on the provision of services after tax		**(107,601)**	**200,036**	**92,443**
Deferred tax asset on the net defined benefit liabil	10		(390)	(390)
Remeasurement of the net defined benefit liability	18	-	(555)	(555)
Total comprehensive income and expenditure		**(107,601)**	**199,091**	**91,498**

Balance Sheet

As at 31 March 2020

	Notes	31 March 2020 £'000	Restated 31 March 2019 £'000
Long term assets			
Intangible assets	11	139	184
Property, plant and equipment	12	118,447	57,411
Investment property	13	58,015	82,232
Investment in subsidiary	14	0	-
Long term debtors	15	1,000	961
		177,601	**140,788**
Current assets			
Short term debtors	15	47,147	23,375
Cash and cash equivalents	16	59,119	58,894
		106,266	**82,269**
Total assets		**283,867**	**223,057**
Current liabilities			
Short term creditors	17	(63,567)	(62,871)
		(63,567)	**(62,871)**
Long term liabilities			
Long term borrowing	17	(356,386)	(321,566)
Long term creditors	17	(35,897)	(15,130)
Deferred tax liability	10	(529)	(1,004)
Retirement benefit obligation	18	(14,222)	(17,157)
		(407,034)	**(354,857)**
Total liabilities		**(470,601)**	**(417,728)**
Net assets		**(186,736)**	**(194,671)**
Reserves			
Usable reserves	20	10,075	8,716
Unusable reserves	20	176,660	185,955
Total reserves		**186,735**	**194,671**

Movement in Reserves Statement

As at 31 March 2020

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	£'000	£'000	£'000	£'000
Restated At 1 April 2019		8,716	8,716	185,954	185,954	194,671
Movement in reserves during 2019/20						
Deficit on the provision of services	From CIES	(2,555)	(2,555)	-	-	(2,555)
Other comprehensive income and expenditure	From CIES	178	178	(5,558)	(5,558)	(5,380)
Total comprehensive income and expenditure		**(2,377)**	**(2,377)**	**(5,558)**	**(5,558)**	**(7,935)**
Adjustments between accounting and funding basis under regulations	21	3,736	3,736	(3,736)	(3,736)	-
Transfer to reserve		-	-		-	-
Decrease/(Increase) in 2019/20		**1,359**	**1,359**	**(9,294)**	**(9,294)**	**(7,935)**
Balance at 31 March 2020		**10,075**	**10,075**	**176,659**	**176,659**	**186,734**

As at 31 March 2019 Restated

	Notes	General Fund	Total usable reserve	Unusable reserves	Total unusable and other reserves	Total reserves
		£'000	£'000	£'000	£'000	£'000
At 1 April 2018		2,676	2,676	100,496	100,496	103,172
Movement in reserves during 2018/19						
Deficit on the provision of services	From CIES	92,443	92,443	-	-	92,443
Other comprehensive income and expenditure	From CIES	(390)	(390)	(555)	(555)	(945)
Total comprehensive income and expenditure		**92,053**	**92,053**	**(555)**	**(555)**	**91,498**
Adjustments between accounting and funding basis under regulations	21	69	69	(69)	(69)	-
Transfer to reserve		(86,082)	(86,082)	86,082	86,082	-
Decrease/(Increase) in 2018/19		**6,040**	**6,040**	**85,458**	**85,458**	**91,498**
Restated Balance at 31 March 2019		**8,716**	**8,716**	**185,954**	**185,954**	**194,670**

Statement of Cash Flows

For the year ended 31 March 2020

	Notes	31 March 2020 £'000	Restated 31 March £'000
Surplus/(Deficit) on the provision of services		2,555	(92,443)
Adjustments to net (deficit) for non-cash movements	19	28,629	175,114
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	19	(31,943)	(4,755)
Net cash flows from operating activities		**(759)**	**77,916**
Investing activities	19	(53,857)	(37,605)
Financing activities	19	54,842	(2,969)
Net increase/(decrease) in cash and cash equivalents		**226**	**37,342**
Cash and cash equivalents at the start of the year		58,894	21,550
Cash and cash equivalents at the end of the year		**59,119**	**58,894**

Accounting policies

a) General Principles

The Legacy Corporation is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (the 2015 Regulations). These regulations require the financial statements to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2019/20* (the Code), and the *Service Reporting Code of Practice*, supported by International Financial Reporting Standards adopted by the European Union (Adopted IFRS) and statutory guidance issued under section 12 of the Local Government Act 2003.

The Statement of Accounts summarises the Legacy Corporation's and the Legacy Corporation Group's ("the Group") transactions for the 2019/20 financial year and its position at 31 March 2020. The Group financial statements have been prepared in accordance with the Code.

b) Basis of accounting

The Accounts are made up to 31 March 2020.

The accounting policies set out below have been applied consistently in the period presented in these financial statements.

The Accounts have been prepared under the accruals concept and in accordance with the historical cost accounting convention, modified by the revaluation of certain categories of non-current assets and financial instruments.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the Legacy Corporation's performance.

c) Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made; and
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that may not be collected.

d) Going concern

The financial statements have been prepared on a going concern basis as it is considered that the Legacy Corporation has in place appropriate funding from the Greater London Authority, and other sources.

The outbreak of COVID-19 at the end of the 2019/20 year presents a unique and significant challenge to the Legacy Corporation. The Legacy Corporation has carried out a detailed assessment of the likely impact of COVID-19 on its financial position and performance during 2019/20, 2020/21 and beyond. Evidently, COVID-19 poses a significant financial challenge for the Legacy Corporation, as it will for many organisations.

However, despite these challenges, the Legacy Corporation still considers there to be appropriate funding in place and will therefore continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment. For these reasons, the Legacy Corporation does not consider that there is material uncertainty in respect of its ability to continue as a going concern for the foreseeable future.

e) Accounting Standards issued but not yet effective

The Code requires the Legacy Corporation to identify any accounting standards that have been issued but have yet to be adopted and could have a material impact on the Statement of Accounts.

At the date of authorisation of the financial statements, the following amendments to the Code, standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses.

- amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

- IFRS 16 Leases – The Legacy Corporation has deferred implementation of the new standard following the 2018/19 agreement from the CIPFA/LASAAC local authority accounting Code Board to defer implementation in local authority financial statements to 2020/21. The new standard introduces a single lessee model which will require the Legacy Corporation to disclose assets leased under Operating leases on its Balance Sheet. The impact of this will be assessed through the year, as the public sector application is being determined. Following the outbreak of COVID-19, this has now been deferred to 2021/22.

The Legacy Corporation does not consider the above-mentioned amendments to the Code and standards, amendments or interpretations issued by the IASB to be applicable or have a material impact in 2019/20.

f) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Legacy Corporation’s cash management.

g) Critical judgements on applying accounting policies

In applying the accounting policies, the Legacy Corporation has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

Funding

The Legacy Corporation’s funding is agreed annually for a four-year rolling budget via the GLA’s statutory budgeting process. The Legacy Corporation maintains a long-term financial plan, which is shared with the GLA and is heavily dependent on future receipts from the sale of development properties and support from the GLA.

This provides the Legacy Corporation with a level of certainty about future levels of funding, however is subject to constant review. The Legacy Corporation has determined that this uncertainty is not yet sufficient to provide an indication that its long-term objectives will not be achieved.

Investment properties

The Legacy Corporation owns several commercial properties where all or part of the property is leased to third parties. Judgement needs to be exercised in determining whether these properties should be classified as investment properties in accordance with IAS 40. As investment properties are valued at fair value with movements in the fair value being recorded in the Comprehensive Income and Expenditure Statement this could have a significant effect on the reported financial performance of the Legacy Corporation.

Impact of COVID-19 on valuations – Investment Property

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on 11 March 2020, has impacted global financial markets and is on-going at the time of preparing these financial statements. At present, the majority of the United Kingdom's population is in lockdown and the level of uncertainty in the economy is currently at an all-time high with the trajectory of the recovery difficult to forecast.

Market activity is being impacted in many sectors and the resultant uncertainty has had an impact on the valuation of property held at fair value.

With regards to the property valuations reported in these financial statements as at 31 March 2020, GL Hearn have reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. This applies to the property values reported in note 13 Investment Properties. Due to the unknowns around the COVID-19 pandemic and the inability at present to demonstrate movement in the property market in either direction, the valuations do not reflect any COVID-19 impacts. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, the Group entities will keep the valuations under review and will update the financial statements, if quantifiable, for any significant movements prior to the audited accounts being signed.

Joint Ventures and Subsidiaries

The Legacy Corporation is a member of E20 Stadium LLP, which is classified as a subsidiary of the Legacy Corporation and consolidated into the Legacy Corporation's Group Accounts in line with international accounting standards. Stratford East London Holdings Limited (a wholly owned subsidiary of the Legacy Corporation) is the second member of the partnership.

The Code requires local authorities with material interests in subsidiaries to prepare Group financial statements. Subsidiaries are those entities over whose activities the Group has control by itself. The Group's financial statements incorporate, as appropriate, the financial statements of the Legacy Corporation and the E20 Stadium LLP Group (which on 21 January 2019, acquired London Stadium 185 Limited) as at the year end.

Subsidiaries are consolidated into the Group accounts (from the date of acquisition) by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The Legacy Corporation assumed full control of E20 Stadium LLP on 30 November 2017, following Newham Legacy Investment Limited's retirement from the partnership. On this date, the Legacy Corporation increased its share of the partnership to 99% with the other 1% (non-controlling) share held by Stratford East London Holding Limited, a wholly owned subsidiary of the Legacy Corporation.

h) Assumptions made about the future and major sources of estimation uncertainty

The preparation of financial statements in conformity with the Code requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Legacy Corporation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in the following table:

Item	Uncertainties	Effect if actual results differ from assumptions
Investment properties	Investment property valuations have been based on the potential income to be generated by the various assets. Should evidence emerge that causes the Legacy Corporation to amend these estimates, the estimated fair value of its investment properties could change. This includes changes to the affordable housing assumptions on the Corporation's remaining development sites on the Park, which are likely increase in future years in line with the Mayor's affordable housing strategy. Uncertainty around the withdrawal of the United Kingdom from the European Union and latterly the COVID-19 crisis, and the impact on the property and construction sector in particular, could have an adverse effect on property values and, therefore, the Legacy Corporation's investment property portfolio.	A reduction in the estimated valuations would result in a loss being recorded in the Comprehensive Income and Expenditure Statement (CIES). For example, a 10 per cent reduction in the value of the investment properties would result in a £10.7m charge to the CIES.
Property, plant and equipment	Assets are depreciated over useful lives that are dependent on assumptions about the levels of repairs and maintenance that will be incurred in relation to individual assets. Assets under Construction are measured at historical cost where those costs are considered to meet the recognition criteria in IAS 16 (Property, plant and equipment).	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. The carrying amount of Assets under Construction could reduce if there are changes to the capital projects to which the costs relate (e.g. abortive costs).
Pensions liability	The estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rates to be used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.	The assumptions interact in complex ways. The actuaries review the assumptions triennially and changes are adjusted for in the Accounts. Details on sensitivity analysis can be found in Note 18.

Fair value measurements	When the fair values of financial assets and financial liabilities cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques (e.g. quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Legacy Corporation's assets and liabilities. Where Level 1 inputs are not available, the Legacy Corporation employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties, external valuers GL Hearn). Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 13 and 26.	The authority uses the discounted cash flow (DCF) model to measure the fair value of some of its investment properties and financial assets. The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets.
Group Accounts (share of losses in joint venture/subsidiary)	The Legacy Corporation's Group Accounts include its share of losses in E20 Stadium LLP, which in 2019/20 include a number of estimations relation to the London Stadium's fair value and a provision for onerous contracts (see Narrative Report, page 16).	The Stadium's valuation and the provision for onerous contracts are based largely upon the E20 Stadium Group's long-term forecasts. If actual results were to differ from the underlying assumptions then this could have a material impact upon the Legacy Corporation's share of losses reported in its Group Accounts.

i) Events after the Reporting Period

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

Adjusting events

Those events that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.

Non-adjusting events

Those events that are indicative of conditions that arose after the reporting period - the Statement of Accounts is not adjusted to reflect such items, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

j) Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and it can be reliably measured.

Revenue generated from planning fees is recorded on completion of the service provided.

Revenue generated from rental of commercial properties is recorded in line with the accounting policy described in paragraph ‘x) Leases’ depending on whether the commercial properties are leased out under a finance or an operating lease.

Revenue generated from the organisation of event is recorded as deferred revenue until the event occurs.

Revenue is measured after the deduction of Value Added Tax (where applicable).

The Legacy Corporation recognises revenue from a contract only when the authority has satisfied the identified performance obligations of the contract in line with IFRS 15 – *Revenue from Contract with Customers.*

k) Segmental reporting

The Comprehensive Income and Expenditure Statement and the Expenditure and Funding Analysis both include a segmental analysis, which requires local authorities to report performance based on how their organisations are structured and how they operate and monitor and manage financial performance.

In accordance with the Code, the Legacy Corporation's operating segments have been determined by identifying the segments whose operating results are reviewed by the Board, when making decisions regarding the allocation of resources and for the assessment of performance.

The operating segments of the Legacy Corporation and their principal activities are as follows:

Communications, Marketing and Strategy

The Communications, Marketing and Strategy directorate supports and delivers effective communications between the Legacy Corporation and its stakeholders, and manages online information to ensure it is accurate and up to date. It is responsible for preparing the Legacy Corporation’s strategy concerning the organisation and its role.

Development

The Development directorate leads on the design and development of Queen Elizabeth Olympic Park. They are responsible for delivering new residential neighbourhoods as well as commercial, educational, recreational and other developments across the Park. They are also tasked with delivering the Legacy Corporation's East Bank project (though this is reported as if it were a separate 'directorate' in the Legacy Corporation's management reporting and is also the responsibility of the Executive Director of Construction). In addition, the Development directorate is responsible for Housing Strategy and overseeing developments that are under contract.

Executive Office

The Executive Office includes the Legacy Corporation's Chair and Chief Executive who, together with the Executive Management Team, lead the work that the Legacy Corporation does as an organisation.

Staff in the Executive Office support the Legacy Corporation's senior leadership, as well as providing the important functions of Human Resources and Health and Safety to the Legacy Corporation.

Finance, Commercial and Corporate Services

The Finance, Commercial and Corporate Services directorate provides support across the Legacy Corporation for finance, IT and information management, governance, programme management and assurance, commercial and procurement. As part of the Mayor's shared service agenda, legal services are provided by Transport for London, internal audit by MOPAC, the Mayor's Office of Policing and Crime, (both functional bodies within the Greater London Authority Group), and treasury management and secretariat services are provided by the Greater London Authority. The Legacy Corporation provides insurance shared services within the GLA Group. In addition, the Legacy Corporation is part of the Greater London Authority Group Collaboration Board initiative, which seeks to promote collaboration across the GLA Group in areas of common interest and in line with Mayoral priorities.

Park Operations and Venues

Park Operations and Venues has the objective of operating a successful and accessible Park and world-class sporting venues, offering facilities for high-performance and community participation, enticing visitor attractions, ensuring the successful financial legacy of the Park and securing a busy programme of sporting, cultural and community events that will create a sense of excitement and continue to draw visitors to Stratford and the surrounding area. The Executive Director of Park Operations and Venues is the Legacy Corporation's lead on health and safety and security.

Planning Policy and Decisions

The Planning Policy and Decisions Team fulfils a statutory function and contributes to the Legacy Corporation's Place objective: creating London's most dynamic urban district, becoming a location of choice for current residents and new arrivals, and linking the Olympic Park estate with surrounding neighbourhoods.

Regeneration and Community Partnerships

The Regeneration and Community Partnerships directorate has a wide range of responsibilities which tie directly to the Legacy Corporation's priority themes around regeneration, community engagement and equality and inclusion.

The directorate runs community and business engagement, outreach programmes, schools programmes and a number of other socio-economic projects to further these goals.

Stadium

The Stadium directorate holds the cost of the Legacy Corporation's investment in, and funding of, E20 Stadium LLP, including capital investment and ongoing working capital requirements.

l) Government grants and contributions

Whether paid on account, by instalments or in arrears, government grants are recognised as due to the Legacy Corporation when there is reasonable assurance that:

- the Legacy Corporation will comply with the conditions attached to the payments; and
- the grants will be received.

Amounts recognised as due to the Legacy Corporation are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grants have been satisfied. Conditions are stipulations that specify how the grant should be used by the Legacy Corporation and which if not met require the grant to be returned to the transferor.

Monies advanced as grants for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant is credited to the relevant service line or non-ring-fenced revenue grants and all capital grants credited to the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to expenditure.

Community Infrastructure Levy

The Legacy Corporation has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments) with appropriate planning consent. The Legacy Corporation charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund infrastructure projects to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

m) Financing and investment income and expenditure

Financing and investment income comprises interest income on funds invested, changes in the fair values of investment properties and the expected return on pension assets. Interest income is recognised in the Comprehensive Income and Expenditure Statement as it accrues using the effective interest rate method.

Financing and investment costs comprise interest expense on borrowings and finance lease liabilities and the expected cost of pension scheme defined benefit obligations.

n) Corporation and chargeable gains taxation

The Legacy Corporation is subject to both corporation and chargeable gains taxation and complies with the Income and Corporation Taxes Act 1988 and Taxation of Chargeable Gains Act 1992.

Deferred tax is provided in full using the balance sheet liability method for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is measured using currently enacted or substantially enacted tax rates.

Deferred tax assets are recognised to the extent that the temporary difference will reverse in the foreseeable future and that it is probable that future taxable profit will be available against which the asset can be utilised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

o) Value Added Taxation (VAT)

VAT payable is included as an expense only to the extent it is not recoverable from HMRC. VAT receivable is payable to HMRC and is excluded from income.

p) Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure in the Comprehensive Income and Expenditure Statement in the year. Where the Legacy Corporation has determined to meet the cost of this expenditure from existing capital resources, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged.

q) Intangible assets

Other intangible assets

Software costs are measured at cost less accumulated depreciation and accumulated impairment losses.

Amortisation is charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite. The estimated useful lives are three to five years.

r) Property, plant and equipment

Recognition

Expenditure, of £10,000 and above, on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Legacy Corporation and the cost of the item can be reliably measured. Expenditure that maintains but does not add to an asset’s potential to deliver future economic benefits or service potential (repairs and maintenance) is charged as an expense when it is incurred. Expenditure below £10,000 may be grouped and capitalised where practicable to do so.

Measurement

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use. Where there is a legal obligation to remove the asset and/or restore the site on which it is located at the end of its useful economic life, the costs of dismantling and removing the items and restoring the site on which they are located are also included in the cost of the asset.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Assets under construction – depreciated historical cost

- Non-property assets – depreciated historical cost basis as a proxy for current value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current period are as follows:

Buildings	50 years
Furniture fixtures and fittings	5 to 10 years
Plant and equipment	3 to 40 years
Computer equipment	3 years
Motor vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, the effect of such adjustment being prospectively recognised as a change of estimate.

Disposals

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item, and are recognised net within other gains and losses in the Comprehensive Income and Expenditure Statement.

The following policy is applied to the de-recognition of fully depreciated assets:

- asset life of five years – write off after eight years if existing use cannot be determined (or sooner if confirmed no longer in use), and

- asset life of three years – write off after five years if existing use cannot be determined (or sooner if confirmed no longer in use).

s) Interests in companies and other entities

The Legacy Corporation has material interests in companies and other entities that have the nature of subsidiaries and require it to prepare group accounts. In the Legacy Corporation's own single-entity accounts, the interest is recorded as financial assets at cost, less any provision for losses incurred by the entity extent they are likely to be borne by the Legacy Corporation

t) Investment property

Investment property is property held solely either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

u) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognised on the Balance Sheet when a present legal or constructive obligation exists for a future liability in respect of a past event and where the amount of the obligation can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Contingent liabilities

A contingent liability arises where an event has taken place that gives rise to a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Legacy Corporation. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent assets

A contingent asset arises where an event has taken place that gives rise to a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Legacy Corporation.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

v) Foreign currencies

Transactions in currencies other than sterling are recognised at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the Comprehensive Income and Expenditure Statement in the period in which they arise.

w) Leases (the Legacy Corporation as lessee)

Leased assets

Leases under which the Legacy Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. After initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Leases where the Legacy Corporation does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised in the Legacy Corporation's Balance Sheet.

Lease payments

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated across each period for the lease term to produce a constant rate of interest on the remaining balance of the liability.

Payments made under operating leases are recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Determining whether an arrangement contains a lease.

At inception of an arrangement, the Legacy Corporation determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Legacy Corporation the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Legacy Corporation separates payments and other consideration required by any such arrangement into those for the lease and those for other elements (such as services) based on their relative fair values. If the Legacy Corporation determines for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Legacy Corporation's incremental borrowing rate.

x) Leases (the Legacy Corporation as lessor)

Leased assets

Leases under which the Legacy Corporation transfers substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is derecognised from the Legacy Corporation Balance Sheet and a finance lease receivable for an amount equal to the lower of its fair value and the present value of the minimum lease payments. The difference between the carrying amount of the lease asset derecognised and the finance lease receivable is recognised in the Comprehensive Income and Expenditure Statement.

Leases where the Legacy Corporation does not assume the risks and rewards of ownership are classified as operating leases and the leased assets are retained in the Legacy Corporation's Balance Sheet.

Lease payments

Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Legacy Corporation's net investment outstanding in respect of the leases.

Rental income from operating leases and initial direct costs are recognised on a straight-line basis over the term of the relevant lease.

y) Impairment of non-financial assets

At each balance sheet date, the Legacy Corporation reviews the carrying amount of those assets that are subject to amortisation to determine whether there is an indication that any of those assets has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss.

Impairment occurs when an asset's carrying value is above its recoverable amount. An asset's recoverable amount is the higher of its value in use and its fair value less costs to sell.

In accordance with the Code, when an asset is not held primarily for generating cash flows but for service provision, value in use is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

An impairment review is completed for all assets on an annual basis and additionally when there is an indication that an asset may be impaired.

z) Employee benefits

Defined benefit plans

Most the Legacy Corporation's employees are members of one of two defined benefit plans, which provide benefits based on final pensionable pay. The assets of the schemes are held separately from those of the Legacy Corporation.

On retirement, members of the schemes are paid their pensions from a fund which is independent of the Legacy Corporation. The Legacy Corporation makes cash contributions to the funds in advance of members' retirement.

Pension scheme assets are measured using current market bid values. Pension scheme defined benefit obligations are measured using a projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the defined benefit obligation.

The difference between the value of pension scheme assets and pension scheme defined benefit obligations is a surplus or a deficit. A pension scheme surplus is recognised to the extent that it is recoverable and a pension scheme deficit is recognised in full. The movement in the schemes' surplus/deficit is split between operating charges, finance items and, in the Comprehensive Income and Expenditure Statement, actuarial gains and losses. Generally, amounts are charged to operating expenditure based on the current service cost of the present employees that are members of the schemes.

The change in the net pension liability is analysed into the following components:

Current service cost: the increase in liabilities due to years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Past service cost: the increase in liabilities due to a scheme amendment or curtailment whose effect relates to years of service earned in earlier years which is debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement.

Net interest on the net defined benefit liability (asset): the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

The return on plan assets: excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

Contributions paid to the Local Government Pension Scheme: cash paid as employer's contributions to the pension fund in settlement of liabilities. This is not recognised in the Comprehensive Income and Expenditure Statement.

In relation to retirement benefits, statutory provisions require the General Fund to be charged with the amount payable by the Legacy Corporation to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners, and any such amounts payable, but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Defined benefit plans - multi-employer exemption

For the Homes and Communities Agency Pension Scheme, the Legacy Corporation is unable to identify its share of the underlying assets and defined benefit obligations of the Scheme on a consistent and reasonable basis. As permitted by the multi-employer exemption in the Code, the Scheme is accounted for as a defined contribution scheme. The Legacy Corporation's contributions are charged to the Comprehensive Income and Expenditure Statement as incurred.

Other employee benefits

Other short and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

aa) Reserves

Reserves consist of two elements, usable and unusable.

Usable reserves are those that can be applied to fund expenditure. They are made up of the general fund, earmarked reserves, and the capital grants unapplied account.

Unusable reserves cannot be applied to fund expenditure as they are not cash backed. They include the capital adjustment account, pension reserve, and the accumulated absences reserve.

ab) Financial instruments

The Legacy Corporation recognises financial instruments in line with IFRS 9 Financial Instruments.

Financial assets within the scope of IFRS 9 Financial Instruments: Recognition and Measurement are classified as:

- financial assets at fair value through other comprehensive income if the financial asset is held within the Legacy Corporation’s business model where its objective is achieved by collecting contractual cash flows and selling financial assets;
- financial assets at amortised cost where the financial asset is held within the Legacy Corporation’s business model to collect contractual cash flows;
- financial assets at fair value through profit or loss where designated by the Legacy Corporation

Financial liabilities within the scope of IFRS 9 are classified as either financial liabilities at fair value through the Comprehensive Income and Expenditure Statement or financial liabilities measured at amortised cost.

The Legacy Corporation determines the classification of its financial instruments at initial recognition and re-evaluates this designation at each financial year end.

When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus any directly attributable transactional costs. The exception to this is for assets and liabilities measured at fair value, where transaction costs are immediately expensed.

The subsequent measurement of financial instruments depends on their classification as follows:

ac) Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market, do not qualify as trading assets and have not been designated as either ‘fair value through the Comprehensive Income and Expenditure Statement' or 'available for sale'. Such assets are carried at amortised cost using the effective interest rate method if the time value of money is significant. Gains and losses are recognised in the Comprehensive Income and Expenditure Statement when the financial assets at amortised cost are derecognised or impaired, as well as through the amortisation process.

The fair value of loans advanced to third parties at nil interest rate or below the prevailing market rate of interest (soft loans) is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

All loans and borrowings are classified as financial liabilities measured at amortised cost.

ad) Trade and other receivables

Trade and other receivables are classified as 'financial assets at amortised cost' and are recognised initially at fair value and subsequently at amortised cost. For trade receivables, this is after an allowance for estimated impairment. The allowance is based on objective evidence that the Legacy Corporation will not be able to recover all amounts due, through a review of all accounts and prior experience of collecting outstanding balances. Changes in the carrying amount of the allowance for impairment are recognised in the Comprehensive Income and Expenditure Statement.

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

ae) Trade and other creditors

Trade and other creditors are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

af) Impairment of financial assets

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence that they are impaired. Individually significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the Comprehensive Income and Expenditure Statement.

ag) Embedded derivatives

Derivatives that are embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not carried at fair value.

Embedded derivatives are carried on the Balance Sheet at fair value from inception of the host contract. Unrealised changes in fair value are recognised as gains/losses within the Comprehensive Income and Expenditure Statement during the period in which they arise.

ah) Prior period adjustments, changes in accounting policies and errors and estimates

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Legacy Corporation's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

ai) Fair Value Measurement

The Legacy Corporation measures some of its non-financial assets such as investment properties and some of its financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

a) in the principal market for the asset or liability, or
b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Legacy Corporation measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Legacy Corporation takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Legacy Corporation uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date

- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

- Level 3 – unobservable inputs for the asset or liability.

Notes to the Statement of Accounts

1. Correction of prior period accounting errors

A prior period restatement has been recognised relating to the Legacy Corporation's investment property valuation which is revalued annually by accredited valuers. During the course of the 2019/20 exercise, an error was discovered whereby an element of a development platform was duplicated in the draft valuation. It was subsequently discovered that the same error had been present in the valuation for 2018/19 resulting in a material misstatement.

The error has been corrected within the restated values for 2018/19. This was an isolated occurrence and a consequence of human error from the valuers.

2. Gross income

Gross income recognised in the Comprehensive Income and Expenditure Statement is analysed as follows:

	31 March 2020	31 March 2019
	£'000	**£'000**
Grants received	(47,236)	(51,629)
Planning fees	(821)	(1,039)
Recharges	(2,919)	(4,622)
Events income	(356)	(184)
Other	(1,321)	(1,642)
	(52,653)	**(59,116)**

The grants received are those from the Greater London Authority (including £10.3m for interest on the Legacy Corporation's borrowings from the GLA) and the recharges are mainly related to construction and other services provided by the Legacy Corporation to E20 Stadium LLP.

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3. Expenditure and Funding Analysis

The information presented in this note represents accurate information of the segments used by management to drive the business (see Segmental Reporting accounting policy).

2019/20	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services (Note 1)	Other differences (Note 2)	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**	**£'000**	**£'000**	**£'000**
Communication, Marketing and Strategy	1,595	-	-	1,595
East Bank (previously Cultural and Educational District)	-	(25)	-	(25)
Development	1,537	(734)	(886)	(83)
Executive Office	2,332	(142)	63	2,254
Finance, Commercial and Corporate Services	8,257	(2,846)	(41)	5,371
Park Operations and Venues	1,349	3,672	-	5,021
Planning Policy & Decisions	1,150	-	2	1,152
Regeneration and Community Partnerships	2,109	7	1	2,117
Stadium	25,654	-	(25,654)	0
Management Reporting Total	**43,984**	**(67)**	**(26,515)**	**17,402**
GLA Grant	(47,224)			
Corporate Items	-			
Net Cost of Services	**(3,240)**			
Other income and expenditure (GF Only)	4,599			
Other income and expenditure (non-GF)	(3,914)			
Surplus or deficit	**(2,555)**			
Other income and expenditure (non-GF)	3,914			
Movement on General Fund balance	**1,360**			
Opening General Fund Balance at 31 March 2019	**8,715**			
Closing General Fund at 31 March 2020	**10,075**			

Notes

1. Income and expenditure that is reclassified as Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement (CIES) in

2. Adjustments that mainly relate to the recognition of revenue items that are permitted to be funded by capital resources under the Local Authorities Capital Finance and Accounting Regulations - these items are reported to management as capital expenditure for budgetary reasons.

2018/19 Restated	Net Expenditure in the Comprehensive Income and Expenditure Statement	Adjustments for revenue items reported below Net Cost of Services (Note 1)	Other differences (Note 2)	Net Expenditure Chargeable to the General Fund Balances (Management Reporting)
Subjective analysis	**£'000**	**£'000**	**£'000**	**£'000**
Communication, Marketing and Strategy	1,658	-	-	1,658
East Bank (previously Cultural and Educational District)	-	-	-	-
Development	8,096	(306)	(7,876)	(86)
Executive Office	2,135	-	-	2,135
Finance, Commercial and Corporate Services	7,726	(110)	(2,306)	5,311
Park Operations and Venues	151	5,175	(265)	5,062
Planning Policy & Decisions	780	-	47	827
Regeneration and Community Partnerships	2,436	2	(32)	2,406
Stadium	27,603	(5)	(27,549)	49
Management Reporting Total	**50,585**	**4,756**	**(37,981)**	**17,362**
GLA Grant	(51,623)			
Corporate Items	380			
Net Cost of Services	**(658)**			
Other income and expenditure (GF Only)	6,696			
Other income and expenditure (non-GF)	86,405			
Surplus or deficit	**92,443**			
Other income and expenditure (non-GF)	(86,405)			
Movement on General Fund balance	**6,040**			
Opening General Fund Balance at 31 March 2019	**2,676**			
Closing General Fund at 31 March 2020	**8,716**			

Notes

1. Income and expenditure that is reclassified as Finance and Investment Income and Expenditure in the Comprehensive Income and Expenditure Statement (CIES) in

2. Adjustments that mainly relate to the recognition of revenue items that are permitted to be funded by capital resources under the Local Authorities Capital Finance and Accounting Regulations - these items are reported to management as capital expenditure for budgetary reasons.

4. Gross expenditure

Gross expenditure recognised in the Comprehensive Income and Expenditure Statement comprises:

	31 March 2020	31 March 2019
	£'000	**£'000**
Staff costs:		
Wages and salaries	6,939	6,878
Social security costs	825	797
Pension costs	2,769	3,163
Other staff costs	308	243
Grants and contributions	235	358
Consultancy and Strategy Development costs	3,249	2,452
Accommodation costs	1,355	1,291
Legal fees	1,149	3,791
Communications, events and marketing	729	867
Agency and seconded staff costs	876	523
REFCUS	1,162	3,830
REFCUS - Recharges	30	519
Insurance	1,705	590
IT and Stationery	1,074	1,052
Security	12	3
Travel	11	34
Amortisation	215	49
Depreciation	540	328
Increase/decrease in provision for doubtful debts	98	0
Impairment of financial assets	25,674	26,898
Other	457	4,792
Total	**49,413**	**58,458**

Revenue Expenditure Funded from Capital under Statute (REFCUS) mainly relates to expenditure on the Hackney Wick Station project, which completed during 2019/20. Impairment of financial assets relates to the loan funding provided to E20 Stadium LLP.

5. External audit fees

External audit fees are made up as follows:

	31 March 2020	31 March 2019
	£'000	**£'000**
Auditors' remuneration		
for statutory audit services	85	23
for non-statutory audit services	-	-
for non- audit services	-	-
Total	**85**	**23**

6. Remuneration

The Code requires disclosure of remuneration for the Legacy Corporation's employees whose total remuneration in the year was £50,000 or more, grouped in rising bands of £5,000. Senior employees are included in the following table; in line with the Code entries are banded according to actual payments in the year, rather than annual equivalent salaries. The table below is on a cash basis.

Employees' remuneration

	31 March 2020	31 March 2019
£	**Number**	**Number**
50,000- 54,999	6	7
55,000- 59,999	7	14
60,000- 64,999	15	7
65,000- 69,999	7	6
70,000- 74,999	8	10
75,000- 79,999	2	1
80,000- 84,999	2	3
85,000- 89,999	1	2
90,000- 94,999	3	3
95,000- 99,999	-	3
100,000- 104,999	2	3
105,000- 109,999	1	1
110,000- 114,999	1	2
115,000- 119,999	1	0
120,000- 124,999	4	2
125,000- 129,999	-	1
130,000- 134,999	3	0
135,000- 139,999	-	-
140,000 - 144,999	-	-
145,000 - 149,999	-	-
150,000- 154,999	-	0
155,000- 159,999	2	2
160,000- 164,999	-	-
165,000- 169,999	-	1
170,000- 174,999	1	-
175,000-179,999	1	1
180,000- 184,999	1	1
185,000- 189,999	-	-
190,000- 194,999	-	-
195,000- 199,999	-	1
200,000- 204,999	-	-
205,000- 209,999	-	-
210,000- 214,999	-	-
215,000- 219,999	-	-
220,000- 224,999	-	-
225,000- 229,999	-	-
230,000- 234,999	-	-
235,000- 239,999	-	-
240,000 - 245,000 [1]	1	-

1 This band includes the Chief Executive's 2018-19 accrued bonus which was paid in 2019-20

Senior employees' remuneration

Members of the Legacy Corporation's Executive Management Team

Year to 31 March 2020

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Lyn Garner	Chief Executive Officer	202	40	-	-	2	244
Colin Naish	Executive Director of Construction	184	-	-	-	22	206
Gerry Murphy	Deputy Chief Executive Officer	180	-	1	-	22	202
Paul Brickell	Executive Director of Regeneration and Community Partnerships	160	-	-	-	19	179
Mark Camley	Executive Director of Park Operations and Venues	160	-	-	-	19	179
Rosanna Lawes	Executive Director of Development	172	-	1	-	21	194
Anthony Hollingsworth	Director of Planning Policy and Decisions Team	133	-	-	-	16	149
Ed Stearns	Director of Communication, Marketing and Strategy	120	-	-	-	14	134
Sarah Perry (1)	Director of Human Resources	37	-	-	-	4	41

1 Sarah Perry w as appointed Director of Human Resources in October 2019. Annual equivalent (basic) salary is £109,114

Senior employees' remuneration (continued)

Members of the Legacy Corporation's Executive Management Team

Year to 31 March 2019

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	£'000	£'000	£'000	£'000	£'000
Lyn Garner	Chief Executive Officer	198	40	0	-	0	238
Colin Naish	Executive Director of Construction	181	-	0	-	22	203
Gerry Murphy	Deputy Chief Executive Officer	176	-	1	-	21	198
Paul Brickell	Executive Director of Regeneration and Community Partnerships	157	-	0	-	19	176
Mark Camley	Executive Director of Park Operations and Venues	157	-	-	-	19	175
Rosanna Lawes	Executive Director of Development	169	-	1	-	20	190
Anthony Hollingsworth	Director of Planning Policy and Decisions Team	129	-	-	-	15	144
Ed Stearns (1)	Director of Communication, Marketing and Strategy	95	-	0	-	11	106
Andrea Gordon	Head of Human Resources	104	-	0	-	13	117

1 Ed Stearns w as appointed Director of Communication, Marketing and Strategy in June 2019. Annual equivalent (basic) salary is £114,691

Board Members' remuneration

Year to 31 March 2020

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	£'000	£'000	£'000	£'000	£'000
Sir Peter Hendy	Chairman	36		-	-	-	36
Keith Edelman	Chair of the Audit Committee	35	-	-	-	-	35
Nicky Dunn	Chair of E20 Stadium LLP	28	-	-	-	-	28
Philip Lewis	Chair of the Planning and Decisions Committee & Deputy Chairman	28	-	-	-	-	28
Geoff Thompson MBE	Member	14					14
Pam Alexander	Member	14	-				14
Sonita Alleyne	Chair of the Regeneration and Communities Committee	28	-	-	-	-	28
Sukhvinder Kaur-Stubbs	Member	14		-	-		14
Baroness Grey-Thompson	Member	14	-	-	-	-	14
Shanika Amarasekara	Member	21		-	-	-	21
Simon Blanchflower	Chair of the Health and Safety Committee	29	-	-	-	-	29
Rachel Blake	Member	-	-	-	-	-	-
Jules Pipe	Mayor's Representative	-		-	-	-	-
Clare Coghill	Member	-	-	-	-	-	-
Rokhsana Fiaz OBE	Member	-	-	-	-	-	-
Philip Glanville	Member	-	- -	- -	-	-	-

Board Members' remuneration (continued)

Year to 31 March 2019

Name	Title	Salary (incl fees and allowances)	Bonuses	Expenses	Compensation for loss of office	Pension contribution	Total remuneration including pension contributions
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Sir Peter Hendy	Chairman	36		**-**	-	-	36
Keith Edelman	Chair of the Audit Committee	35	-	**0**	-	-	35
Nicky Dunn	Chair of E20 Stadium LLP	28	-	**-**	-	-	28
Philip Lewis	Chair of the Planning and Decisions Committee & Deputy Chairman	28	-	-	-	-	28
Geoff Thompson MBE	Member	14					14
Pam Alexander	Member	14	-				14
Sonita Alleyne	Chair of the Regeneration and Communities Committee	28	-	-	-	-	28
Sukhvinder Kaur-Stubbs	Member	14		-	-		14
Baroness Grey-Thompson	Member	14	-	**-**	-	-	14
Shanika Amarasekara	Member	17		**-**	-	-	17
Simon Blanchflower	Chair of the Health and Safety Committee	15	-	-	-	-	15
Rachel Blake	Member	-	-	**-**	-	-	-
Jules Pipe	Mayor's Representative	-		**-**	-	-	-
Clare Coghill	Member	-	-	**-**	-	-	-
Rokhsana Fiaz OBE	Member	-	-	**-**	-	-	-
Philip Glanville	Member	-	- -	- -	-	-	-

Termination payments

The Code requires the separate disclosure of the number and cost of compulsory and voluntary severance termination packages agreed during the year. No staff left under compulsory severance terms during the year. Those who left the Legacy Corporation did so under the Legacy Corporation's voluntary severance terms, by choosing to accept the voluntary severance terms which were set out in a settlement agreement signed by the employee on termination of their appointment. These employees are classified as leaving due to voluntary severance.

Non – compulsory exit packages	Number of staff		Total cost £000	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
£0 – £20,000	5	1	29	10
£20,001 -£40,000	-	1	-	32
£40,001- £60,000	-	-	-	-
£60,001 - £80,000	-	1	-	63
£80,001 - £100,000	-	-	-	-
£100,001 - £150,000	-	-	-	-
£150,001 - £200,000	-	-	-	-
£200,001 - £250,000	-	-	-	-
£250,001 - £300,000	-	-	-	-

7. Financing and investment income

	31 March 2020	31 March 2019
	£'000	**£'000**
Interest income on deposits	(1,915)	(2,282)
Income in relation to investment property	(16,315)	(11,367)
Financing and investment income	**(18,230)**	**(13,649)**

Income in relation to investment property includes income generated by the Legacy Corporation's venues, such as the ArcelorMittal Orbit and 3 Mills Studios. Within the net gain on disposal of investment property is £29.6m in capital receipts from the sale of properties on the Chobham Manor development platform in line with the Housing Strategy (note this is offset by the corresponding reduction in asset value, resulting in a net gain of nil).

8. Financing and investment expenditure

	31 March 2020	31 March 2019
	£'000	**£'000**
Net interest on the net defined benefit liability (as	492	464
Expenditure in relation to investment property	16,511	16,572
Interest costs on borrowing	10,299	10,899
Financing and investment expenditure	**27,302**	**27,935**

Interest costs of £10.3m were incurred in 2019/20 relating to the GLA loan facility used to fund the Legacy Corporation's capital programmes (note these costs are fully-funded by the GLA, see Note 2).

9. Taxation and non-specific grant income

	31 March 2020	31 March 2019
	£'000	£'000
Other capital grants and contributions	(31,943)	(4,755)
Taxation and non specific grant income	**(31,943)**	**(4,755)**

Other capital grants and contributions in 2019/20 include funding received by the Legacy Corporation from the GLA towards the East Bank capital project (£17.6m), contributions made by University College London (£0.1m) to the East Bank capital costs and recharged services provided by the Legacy Corporation to E20 Stadium LLP (£0.3m).

10. Corporation tax

a) Corporation tax

	31 March 2020	31 March 2019
	£'000	£'000
Net surplus on provision of services before tax	(7,409)	12,221
Remeasurement of the net defined benefit liability/asset	(4,775)	(945)
Non-taxable income/non-deductible expenditure	(45,137)	(83,289)
Profits chargeable to corporation tax (pre-losses)	**(57,321)**	**(72,013)**
Loss brought forward	29,272	37,376
Corporation tax	**5,329**	**6,581**
Corporation tax rebate (prior years)	-	-
Corporation tax	**5,329**	**6,581**

b) Movement in recognised deferred tax assets and liabilities during the year

	Balance at 31 March 2019	Movement in period	Balance at 31 March 2020
	£'000	£'000	£'000
Deferred tax assets			
Investment property	1,664	(1,069)	595
Capital losses carried forward	1,700	200	1,900
Total	**3,364**	**(869)**	**2,495**
Deferred tax liabilities			
Investment property	(4,023)	1,528	(2,495)
Property, plant and equipment	(345)	(184)	(529)
Intangible assets	0	-	-
Total	**(4,368)**	**1,344**	**(3,024)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(1,004)**	**475**	**(529)**
Deferred tax assets			
Pension	3,514	(178)	3,336
Net deferred tax asset recognised in other comprehensive income and expenditure	**3,514**	**(178)**	**3,336**

A deferred tax liability of £0.5m is recognised within the Legacy Corporation's accounts (2019/20: £1.0m restated). The liability will crystallise as and when the Legacy Corporation disposes of its property portfolio and the historic increase in the value of its portfolio is realised. An amendment to the Local Authorities Capital Finance and Accounting Regulations permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and, accordingly, the deferred tax charge is recognised in the Legacy Corporation's Capital Adjustment Account in the financial statements.

Per Note 1, a prior period restatement has been recognised relating to the Legacy Corporation's investment property valuation which is revalued annually by accredited valuers. During the course of the 2019/20 exercise, an error was discovered whereby an element of the development platform was duplicated in the draft valuation. It was subsequently discovered that the same error had been present in the valuation for 2018/19 resulting in a material misstatement. This change impacts the deferred tax liability, which is based on values of investment property and other fixed assets.

A revised deferred tax calculation has been performed for 2018/19 based on the revised investment property valuation. The updated deferred tax position is shown within the restated values for 2018/19.

The deferred tax rate used (19%) is deemed appropriate on the basis that it is the rate currently enacted by the Finance Act 2016, applying to financial years beginning 1 April 2020 (the temporary differences are not expected to be realised before that time).

The Legacy Corporation also has deferred tax assets (relating to its investment properties) of £15.3m that are not being recognised as there is currently no expectation that the gains will be realised through the sale of the associated assets. It also has an unrecognised deferred tax asset of £15.6m relating to its share of losses in the E20 Stadium LLP partnership.

Prior year comparators are shown below.

	Balance at 31 March 2018	Movement in period	Balance at 31 March 2019 (Restated)
	£'000	**£'000**	**£'000**
Deferred tax assets			
Investment property	1,537	127	1,664
Capital losses carried forward	1,700	-	1,700
Total	**3,237**	**127**	**3,364**
Deferred tax liabilities			
Investment property	(31,176)	27,153	(4,023)
Property, plant and equipment	(3,137)	2,792	(345)
Intangible assets	0	-	-
Total	**(34,313)**	**29,945**	**(4,368)**
Net deferred tax liability recognised in the surplus on the provision of services after tax	**(31,076)**	**30,072**	**(1,004)**
Deferred tax assets			
Pension	3,124	390	3,514
Net deferred tax asset recognised in other comprehensive income and expenditure	**3,124**	**390**	**3,514**

11. Intangible assets

	Computer Software	Licences	Total
	£'000	£'000	£'000
Cost			
At 1 April 2018	355	353	708
Additions	32	186	218
At 31 March 2019	387	538	926
At 1 April 2019	387	538	925
Additions	39	130	169
Disposals	(336)	(57)	(393)
At 31 March 2020	**89**	**611**	**701**
Amortisation			
At 1 April 2018	346	345	691
Charged during the period	9	40	50
At 31 March 2019	355	385	741
At 1 April 2019	355	385	740
Charged during the period	26	189	215
Disposals	(336)	(57)	(393)
At 31 March 2020	**44**	**517**	**562**
Net book value at 31 March 2019	**33**	**153**	**185**
Net book value at 31 March 2020	**45**	**94**	**139**

12. Property, plant and equipment

	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Motor Vehicles	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2018	2,610	910	4	30,716	34,240
Additions	70	464	0	29,440	29,974
Assets written out	-	0	-	(4,369)	(4,369)
At 31 March 2019	**2,680**	**1,374**	**4**	**55,786**	**59,844**
At 1 April 2019	2,680	1,374	4	55,786	59,844
Additions	8	223	-	61,345	61,576
Disposals	-	(790)	-	-	(790)
At 31 March 2020	**2,688**	**807**	**4**	**117,131**	**120,629**
Depreciation					
At 1 April 2018	1,231	869	4	-	2,105
Charged during the period	272	56	-	-	328
At 31 March 2019	**1,503**	**925**	**4**	**-**	**2,433**
At 1 April 2019	1,503	925	4	-	2,433
Charged during the period	313	226	-	-	540
Disposals	-	(790)	-	-	(790)
At 31 March 2020	**1,817**	**361**	**4**	**-**	**2,182**
Net book value at 31 March 2019	**1,177**	**449**	**-**	**55,786**	**57,411**
Net book value at 31 March 2020	**871**	**446**	**-**	**117,131**	**118,447**

Assets under Construction relates to expenditure incurred in relation to the East Bank project.

13. Investment property

	31 March 2020	Restated '31 March 2019
Valuation	**£'000**	**£'000**
Opening balance at 1 April	82,233	246,656
Additions:		
Subsequent expenditure	20,767	16,537
Disposals	(29,570)	(73,899)
Changes in fair value	(15,414)	(107,061)
Total Investment property	**58,016**	**82,233**

The Legacy Corporation's portfolio was valued as at 31 March 2020 by GL Hearn Limited. The assets are being developed by the Legacy Corporation for their income-generating potential or for capital appreciation and have therefore been classified as Investment Property in accordance with IAS 40.

In line with the Mayor's commitment to affordable housing, a portfolio approach has been adopted whereby 50% of the homes delivered across the sites at Pudding Mill, Rick Roberts Way and the residential element of Stratford Waterfront. This has been factored into the valuation for these development sites.

Per Note 1, a prior period restatement has been recognised relating to the Legacy Corporation's investment property valuation which is revalued annually by accredited valuers. During the course of the 2019/20 exercise, an error was discovered whereby an element of the development platform was duplicated in the draft valuation. It was subsequently discovered that the same error had been present in the valuation for 2018/19 resulting in a material misstatement.

The error has been corrected within the restated values for 2018/19.

The Legacy Corporation’s investment property is analysed as follows:

Asset	31 March 2020	Restated 31 March 2019	Change	Basis
	£’000	£’000	£’000	
London Aquatics Centre and Copper Box Arena	15,450	14,545	905	Greenwich Leisure Limited was appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10 year arrangement. These venues have been valued at £15.5m on the basis of the estimated future income the venues will produce, taking account of the £2.3m contribution to fit-out costs that the operator has made.
Here East (former Press and Broadcast Centre)	13,430	13,430	-	The valuation of the former Press and Broadcast Centre (known as Here East) is based on the potential net income that the Legacy Corporation will receive over the 200 years of the lease with iCITY (London) Limited.
Multi Storey Car park	4,400	4,400	-	The valuation of the Multi Storey Car Park is based on the potential net income that the Legacy Corporation will receive over the 200 years licence with iCITY (London) Limited.
Stadium	1,500	1,500	-	The Stadium is subject to a lease to let the Stadium to E20 Stadium LLP until 2115. The Legacy Corporation reversionary interest discounted back to the present day is valued at £1.5m.
ArcelorMittal Orbit	3,240	4,820	(1,580)	The ArcelorMittal Orbit has been valued at £3.2m on the basis of the earnings that could be generated from operating the attraction.
Queen Elizabeth Olympic Park	670	33,568	(32,898)	The valuation of the Queen Elizabeth Olympic Park is based on residual appraisal. The net decrease this year is a combination of further disposal of Chobham Manor properties during the year and and increased costs on the East Bank project reflecting tender return pricing.
3 Mills Studios	5,700	1,750	3,950	The 3 Mills Studio site is held on a lease with 83 years outstanding. It has been valued on the investment method, assuming the buildings are let as offices and warehouses, and have adopted a market rent. The value of the property has increased mainly as a result of the mostly completed repairs to the River Wall Defence and increased net revenues
LTGDC transferred assets	13,070	12,395	675	These sites have been valued as industrial land, which has increased in value, using comparable evidence to establish market value, for all bar one property, where an estimated rental value was used.
Other assets	555	(4,175)	4,730	Other sites including Timberlodge and Kiosks, have been valued using a expected rental values applying an appropriate yield and comparable market value information from similar sites. The net increase in market value is mainly due to increased rental income.
Total	**58,016**	**82,233**	**(24,218)**	

Fair Value Hierarchy

Details of the Legacy Corporation's investment properties and information about the fair value hierarchy as at 31 March 2020 are as follows:

Asset	Fair Value as at 31 March 2020	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	£'000	£'000	£'000	£'000
London Aquatics Centre and Copper Box Arena	15,450	-	15,450	-
Here East (former Press and Broadcast Centre)	13,430	-	13,430	-
Multi Storey Car park	4,400	-	4,400	-
Stadium	1,500	-	-	1,500
ArcelorMittal Orbit	3,240	-	-	3,240
Queen Elizabeth Olympic Park	670	670	-	-
3 Mills Studios	5,700	5,700	-	-
LTGDC transferred assets	13,070	13,070	-	-
Other assets	555	555		
Total	**58,015**	**19,995**	**33,280**	**4,740**

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between Levels 1 and 2 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Significant Unobservable Inputs – Level 3

The office and commercial units located in the local authority area are measured using the income approach, by means of the discounted cash flow method, where the expected cash flows from the properties are discounted (using a market-derived discount rate) to establish the present value of the net income stream. The approach has been developed using the authority's own data requiring it to factor in assumptions such as the duration and timing of cash inflows and outflows, rent growth, occupancy levels, bad debt levels, maintenance costs, etc.

The authority's office and commercial units are therefore categorised as Level 3 in the fair value hierarchy as the measurement technique uses significant unobservable inputs to determine the fair value measurements (and there is no reasonably available information that indicates that market participants would use different assumptions).

Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for investment properties.

Valuation Process for Investment Properties

The fair value of the Legacy Corporation's investment property is measured annually at each reporting date. All valuations are carried out externally, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuation experts (GL Hearn Limited) work closely with Legacy Corporation officers on a regular basis regarding all valuation matters.

Impact of COVID-19 on valuations – Investment Property

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on 11 March 2020, has impacted global financial markets and is on-going at the time of preparing these financial statements. At present, the majority of the United Kingdom's population is in lockdown and the level of uncertainty in the economy is currently at an all-time high with the trajectory of the recovery difficult to forecast.

Market activity is being impacted in many sectors and the resultant uncertainty has had an impact on the valuation of property and financial instruments held at fair value.

With regards to the property valuations reported in these financial statements as at 31 March 2020, GL Hearn have reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. This applies to the property values reported in this note. Due to the unknowns around the COVID-19 pandemic and the inability at present to demonstrate movement in the property market in either direction, the valuations do not reflect any COVID-19 impacts. Consequently, less certainty – and a higher degree of caution – should be attached to the valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, the Group entities will keep the valuations under review and will update the financial statements, if quantifiable, for any significant movements prior to the audited accounts being signed.

14. Investments in subsidiaries

E20 Stadium LLP

The Legacy Corporation is a member of E20 Stadium LLP, a former joint venture with Newham Legacy Investments Limited. The E20 Stadium partnership is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the transformation works and ongoing operations of the London Stadium, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics.

On 30 November 2017, the Legacy Corporation took full control of E20 Stadium LLP; accordingly, from 1 December 2017, E20 Stadium LLP became classified as a subsidiary of the Legacy Corporation.

E20 Stadium LLP is therefore consolidated into the Group accounts by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

In January 2019, the Legacy Corporation took the significant step of acquiring the Stadium operator, London Stadium 185 Limited, via its controlled partnership, E20 Stadium LLP. Accordingly, the full financial results of London Stadium 185 Limited for 2019/20 are consolidated into the Legacy Corporation's Group Accounts (via the E20 Stadium LLP accounts) in line with International Accounting Standards.

The following table summarises the financial information of E20 Stadium LLP and its subsidiary London Stadium 185 Limited as included in its own financial statements:

	E20 Stadium LLP	London Stadium 185 Ltd	E20 Stadium LLP Group*
	£'000	**£'000**	**£'000**
Revenue	(4,958)	(23,916)	(12,336)
Cost of sales	17,844	12,773	16,395
Other operating expenses	4,312	8,823	13,409
Operating (Profit)/Loss	**17,198**	**(2,319)**	**17,468**
Financing costs	5,484	-	5,484
Exceptional costs	492	-	492
Depreciation and impairment	4,576	1,114	3,101
Purchases recharged within the Group	-	2,589	2,589
Total Loss for the year	**27,749**	**1,384**	**29,133**

* Note this excludes intra-group transactions, so is not a sum of the two entities' respective figures

Within Exceptional costs above are items such as one-off settlements relating to contract variations, restructuring advice and non-business as usual legal costs.

Forecasts of E20 Stadium LLP's financial outlook, particularly in relation to the cost of hosting West Ham United matches and the cost of moving the relocatable seats between football and athletics modes, required an assessment in 2016/17 of whether any of its contracts were deemed to be onerous (loss-making) in line with accounting standards. This assessment concluded that two of its contracts were deemed to be onerous: the Concession Agreement with West Ham United and the Access Agreement with UK Athletics. Consequently, E20 Stadium LLP established a provision for these losses.

Whilst progress was made during 2019/20 to improve the Stadium's future financial position, management has concluded that there should be no change to the onerous contracts conclusion as at 31 March 2020. Accordingly, the provision remains within E20 Stadium LLP's accounts (and consolidated into the Legacy Corporation's Group Accounts at 31 March 2020).

E20 Stadium LLP's forecasts also impact upon the Stadium's valuation as at 31 March 2020. The fair value of the Stadium is assessed on an annual basis by independent valuers and based largely upon E20 Stadium LLP's long-term forecasts. It is therefore subject to fluctuation each year, particularly in the early stages of the partnership's operations. As at 31 March 2020 the Stadium's fair value is assessed to be £nil (31 March 2019 £nil) accordingly the value of the capital works on the Stadium are fully impaired in the partnership's draft accounts.

Given this, the Legacy Corporation currently holds its interest in the partnership at nil value (31 March 2019: £nil). Furthermore, the funding provided to E20 Stadium LLP during the year by way of a loan (£25.7m) has been impaired as at 31 March 2020 based on E20 Stadium LLP's current financial forecasts.

The Legacy Corporation's also has another subsidiary, Stratford East London Holdings Limited, which was established on 1 December 2017 and from that date became the second member of the E20 Stadium partnership. Stratford East London Holdings Limited has a 1 percent non-controlling share in E20 Stadium LLP and has undertaken no financial transactions during the reporting period. Therefore, the Legacy Corporation has not consolidated any financial information in relation to Stratford East London Holdings Limited.

As 31 March 2020, the E20 Stadium LLP group has capital commitments of £16.1m (2018/19: £0.7m). The Legacy Corporation is committed to finance the full amount of £16.1m (2018/19: £0.7m).

E20 Stadium LLP is currently dependent for its working capital on funds provided by the Legacy Corporation.

15. Short and long-term debtors

	31 March 2020	31 March 2019
	£'000	**£'000**
Short term		
Central Government bodies	11,141	7,691
Other Local Authorities	290	561
Other entities and individuals	35,716	15,123
Total short term debtors	**47,147**	**23,375**
Long term		
Other entities and individuals	1,000	961
Total long term debtors	**1,000**	**961**

The non-current debtor at 31 March 2020 (£1.0m) relates to a repayable loan issued to the Foundation for Future London (FFL) charity in 2015/16.

16. Cash and cash equivalents

	31 March 2020	31 March 2019
	£'000	**£'000**
Cash in hand and at bank	13,680	16,877
Investments	45,439	42,017
Total cash and cash equivalents	**59,119**	**58,894**

17. Current and non-current liabilities

	31 March 2020	31 March 2019
	£'000	**£'000**
Current		
Central government bodies	(12,862)	(8,819)
Other local authorities	(10,766)	(12,106)
Other entities and individuals	(39,939)	(41,946)
Total current liabilities	**(63,567)**	**(62,871)**
Non-current		
Long-term borrowing	(356,386)	(321,566)
Section 106 contributions	(35,429)	(14,656)
Stadium rent premium	(469)	(474)
Long term creditors	**(35,898)**	**(15,130)**
Deferred tax liability	(529)	(1,004)
Retirement benefit obligation (pension liabil	(14,222)	(17,157)
Total non-current liabilities	**(407,035)**	**(354,857)**

The Legacy Corporation has a rolling loan facility with the Greater London Authority to finance the Legacy Corporation's capital expenditure serving interest at the Public Works Loan Board 50-year rate, which is funded by GLA grant. As at 31 March 2020, the Legacy Corporation had drawn down funding to the value of £354.9m. Interest payable in the year to 31 March 2020 is £10.3m (which is fully-funded by the GLA through revenue grant – see Note 2). Also included within long-term borrowing is a London Enterprise Partnership loan for the Hackney Wick Station project, which is due to be repaid by 31 March 2023.

18. Pensions

The Legacy Corporation offers retirement benefits as part of the terms and conditions of employment to its employees. Employees of the Legacy Corporation are members of the Local Government Pension Scheme (LGPS) and the Homes and Communities Agency Pension Scheme.

Local Government Pension Scheme

The Legacy Corporation provided the opportunity for its employees to participate in the Local Government Pension Scheme (LGPS). The LGPS is administered by the London Pension Fund Authority and is a defined benefit statutory scheme where the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The LGPS is triennially valued in accordance with the provisions of the Local Government Pension Scheme Regulations (2013). The fund's actuaries, Barnett Waddingham, carried out a full triennial valuation as at 31 March 2016, and the value of the liabilities as at this date has been rolled forward. Employers' and employees' contributions to the Scheme were determined by the actuary following this valuation. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund. The employers' contribution rate for 2019/20 was 12% (2018/19: 12%). Members pay contributions at rates correlating to pensionable salary bands. A surplus or deficit on the account would lead to an adjustment to the contribution rates, which are reviewed every three years. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

Employer contributions of £1.2m were paid in 2019/20 (2018/19: £1.1m). The number of participating employees was 133 active members as at 31 March 2020 (119 active members as at 31 March 2019). There were 140 deferred pensioners and 12 actual pensioners at 31 March 2020.

Principal assumptions used by the actuary

Expected return on assets	31 March 2020 %	31 March 2019 %
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.4	21.5
Women	24.5	23.8
Longevity at 65 for future pensioners:		
Men	23.8	23.2
Women	25.9	25.7
Rate of inflation	2.3%	2.3%
Rate of increase in salaries	2.8%	3.9%
Rate of increase in pensions	1.8%	2.4%
Rate for discounting scheme liabilities	2.4%	2.5%

The term of the employer's liabilities is estimated at 30 years.

Amounts charged to the Comprehensive Income and Expenditure Statement

	31 March 2020	31 March 2019
	£'000	£'000
Service cost	3,075	3,466
Total included in net cost of services	**3,075**	**3,466**
Net interest on the defined liability	492	464
Administration expenses	29	25
Total included in deficit on provision of services before tax	**521**	**489**
Remeasurement of the net defined benefit liability/asset	(5,558)	(555)
Deferred tax asset on the net defined benefit liability	178	(390)
Total	**(1,784)**	**3,010**

Reconciliation of present value of the defined benefit obligation

	31 March 2020	31 March 2019
	£'000	£'000
Opening balance	**43,306**	**37,862**
Current service cost	3,075	3,466
Contributions by scheme participants	721	700
Change in financial assumptions	(7,224)	3,000
Change in demographic assumptions	(75)	(2,438)
Experience loss/(gain) on defined benefit obligations	853	-
Estimated benefits paid net of transfers in	(47)	(274)
Interest cost	1,069	990
Closing defined benefit obligation	**41,678**	**43,306**

The service cost for 2018/19 includes the estimated impact (£572k) on the Corporation's pension liabilities for the McCloud judgement, which related to age discrimination within the New Judicial Pension Scheme.

Reconciliation of fair value of scheme assets

	31 March 2020	31 March 2019
	£'000	£'000
Opening balance	**22,635**	**19,488**
Interests on assets	577	526
Return on assets less interest	(838)	1,117
Other actuarial gains/(losses)	(50)	-
Administration expenses	(29)	(25)
Contributions by scheme participants	721	700
Contributions by the Legacy Corporation including unfunded benefits	1,151	1,103
Estimated benefit paid (net of transfers in and including unfunded)	(47)	(274)
Fair value of scheme assets as at 31 March	**24,120**	**22,635**

The amount included in the Balance Sheet arising from the Legacy Corporation's obligation in respect of its defined benefit plans is as follows:

	31 March 2020	31 March 2019
	£'000	**£'000**
Present value of the defined benefit obligation	(41,678)	(43,306)
Fair value of plan assets	24,120	22,635
Deferred tax asset on the defined benefit obligation	3,336	3,514
Net liability arising from defined benefit obligation	**(14,222)**	**(17,157)**

Local Government Pension Scheme assets comprised:

	31 March 2020		31 March 2019	
	£'000	**%**	**£'000**	**%**
Employer asset share - Bid value				
Equities	13,019	54%	12,315	54%
Target Return Portofolio	6,214	26%	6,036	27%
Infrastructure	1,757	7%	1,364	6%
Property	2,394	10%	2,128	9%
Cash	736	3%	792	4%
Total	**24,120**	**100%**	**22,635**	**100%**

Sensitivity analysis

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- year age rating adjustment to the mortality assumption.

Sensitivity analysis	£'000	£'000	£'000
Adjustment to discount rates	+0.1%	0.0%	-0.1%
Present value of total obligation	40,485	41,678	42,908
Projected service cost	2,383	2,459	2,537
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	41,788	41,678	41,569
Projected service cost	2,460	2,459	2,458
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	42,804	41,678	40,585
Projected service cost	2,536	2,459	2,384
Adjustment to mortality age rating assumption	+1 Year	None	-1 Year
Present value of total obligation	43,077	41,678	40,325
Projected service cost	2,542	2,459	2,379

Impact on the Legacy Corporation's cash flows

The total contributions expected to be made to the Local Government Pension Scheme by the Legacy Corporation in the year to 31 March 2020 is £1.2m.

Homes and Communities Agency Pension Scheme

The Homes and Communities Agency Pension Scheme is a defined benefits scheme but has been accounted for as if it were a defined contribution plan. The Homes and Communities Agency Pension Scheme is exempt from defined benefit accounting as the pension scheme exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the pension scheme.

As at 31 March 2020, the overall deficit of the pension scheme was £194.9m, of which the Legacy Corporation’s share represents 0.193% (£0.376m). Contributions on behalf of the one employee who is a member of the above scheme are accounted for in operating costs and amount to £33,123 in the year to 31 March 2020 (2019: £24,173).

19. Cash flow notes

a) *Adjustments to net deficit for non-cash movements*

	31 March 2020	Restated 31 March 2019
	£'000	**£'000**
Depreciation of property plant and equipment	540	328
Amortisation of intangibles	215	50
Reversal of defined benefit pensions services costs	3,596	3,955
Reversal of impairment on investment in joint venture	3,288	-
Cash payments for employer's contributions to pension fund	(1,151)	(1,103)
(Increase) in trade and other debtors	(23,878)	(1,778)
Increase/(decrease) in trade and other creditors	1,448	22,803
Increase/(decrease) in deferred tax liability	(475)	(30,072)
Increase/(decrease) in bad debt provision	67	(24)
Net book value of non-current assets disposal	29,570	73,899
Changes in Fair Value of Investment Property	15,414	107,061
Stadium Lease Premium	(5)	(5)
Adjustment to net deficit for non-cash movements	**28,629**	**175,114**

Adjust for items included in the net deficit on the provisions		
of services that are investing or financing activities		
Capital grants and contributions credited to the deficit on the	31,943	4,755

b) *Investing activities*

	31 March 2020	31 March 2019
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(82,512)	(46,729)
Property, plant and equipment assets written out	0	4,369
Investment in joint venture	(3,288)	0
Capital grant received and other capital receipts	31,943	4,755
Net cash outflow from investing activities	**(53,857)**	**(37,605)**

c) Financing activities

	31 March 2020	31 March 2019
	£'000	**£'000**
Movement on Borrowings	34,820	(6,946)
Movement on OPTEMS fund	(751)	(491)
Movement on S106 fund	20,773	4,468
Net cash flow from financing activities	**54,842**	**(2,969)**

20. Reserves

Usable reserves

The Legacy Corporation's net revenue expenditure is fully funded by the GLA via a revenue grant. This grant is agreed annually on a four-year rolling basis via the GLA's statutory budgeting process and is drawn by the Legacy Corporation throughout the year on a cash-basis. This arrangement gives rise to timing differences between net expenditure calculated on an accruals-basis and the Legacy Corporation's net cash requirement. It also means that the Legacy Corporation's ability to generate surpluses within its General Fund is restricted.

Accordingly, at the end of the financial year, the Legacy Corporation had negative usable reserves of £12.6m in the General Fund. However, considering the Legacy Corporation's funding arrangements with the GLA, the level of usable reserves reported in the statutory accounts is considered adequate for the Legacy Corporation to meet its current and future financial challenges.

A deferred tax liability of £0.5m is recognised within the Legacy Corporation's accounts in relation to its investment properties (2018/19: £1.0m restated). The liability will crystallise as and when the Legacy Corporation disposes of its property portfolio and the historic increase in the value of its portfolio is realised. An amendment to the Local Authorities Capital Finance and Accounting Regulations in 2016/17 permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and reflects the reality that the majority of the Legacy Corporation's future Corporation Tax liabilities will be generated by capital receipts. It also means that the deferred tax charge can be recognised in the Legacy Corporation's Capital Adjustment Account, rather than the General Fund (as previously required).

General Fund

	31 March 2020	31 March 2019
	£'000	**£'000**
General funds	10,372	21,546
Deferred tax reserve	(297)	(12,831)
Balance usable reserves at 31 March	**10,075**	**8,715**

Unusable reserves

	31 March 2020	Restated 31 March 2020
	£'000	**£'000**
Capital Adjustment Account	158,910	165,171
Pensions Reserve	17,558	20,671
Accumulated Absences Account	193	112
Balance unusable reserves at 31 March	**176,660**	**185,955**

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancement elements of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Legacy Corporation for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on Investment Properties and gains recognised on donated or transferred assets that have yet to be consumed by the Legacy Corporation.

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Legacy Corporation accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However statutory arrangements require benefits earned to be financed as the Legacy Corporation makes employee contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources that the Legacy Corporation has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

Further breakdown within unusable reserves is shown in the following sub-sections.

Capital Adjustment Account

	31 March 2020	Restated 31 March 2020
	£'000	**£'000**
Balance as at 1 April	165,171	82,019
Charges for depreciation and amortisation	755	378
Capital grants and contributions applied	(31,943)	(4,755)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	29,570	73,899
Capital receipts received during the year	(29,570)	(73,899)
Revenue expenditure funded from capital under statute	1,193	4,349
(Revaluation)/Impairment charged to the Comprehensive Income and Expenditure Statement	18,702	107,061
Deferred tax liability on revaluation charged to the Comprehensive Income and Expenditure Statement	(298)	(30,462)
Corporation Tax liability for the year	5,329	6,581
Balance at 31 March	**158,910**	**165,171**

Pensions Reserve

	31 March 2020	31 March 2019
	£'000	£'000
Balance as at 1 April	20,671	18,374
Remeasurements of the net defined benefit liability/(asset)	(5,558)	(555)
Reversal of charges relating to retirement benefits	3,596	3,955
Employer's pension contribution and direct payments to pensioners payable in the year	(1,151)	(1,103)
Balance at 31 March	**17,558**	**20,671**

Accumulated Absences Reserve

	31 March 2020	31 March 2019
	£'000	£'000
Balance as at 1 April	112	104
Settlement or cancellation of accrual made at the end of the preceding year	(112)	(104)
Amounts accrued at the end of the current year	193	112
Balance at 31 March	**193**	**112**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from	(81)	(8)

21. Adjustments between accounting basis and funding under regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Legacy Corporation in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Legacy Corporation to meet capital and revenue expenditure.

For the year ended 31 March 2020

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(755)	-	-	(755)	755
Movements in the market value of investment property	(15,414)	-	-	(15,414)	15,414
Disposals of investment property	(29,570)	-	-	(29,570)	29,570
Current and Deferred tax liability movements	(5,031)	-	-	(5,031)	5,031
Impairment of joint venture investment	(3,288)	-	-	(3,288)	3,288
Capital grants and contributions applied	31,943		-	31,943	(31,943)
Revenue expenditure funded from capital under statute	(1,193)	-	-	(1,193)	1,193
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	29,570	(29,570)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		29,570		29,570	(29,570)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,596)	-	-	(3,596)	3,596
Employer's pensions contributions and direct payments to pensioners payable in year	1,151	-	-	1,151	(1,151)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(81)	-	-	(81)	81
Total adjustments	**3,736**	**0**	**0**	**3,736**	

For the year ended 31 March 2019

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(378)	-	-	(378)	378
Movements in the market value of investment property	(3,348)	-	-	(3,348)	3,348
Disposals of investment property	(73,899)	-	-	(73,899)	73,899
Current and Deferred tax liability movements	6,250	-	-	6,250	(6,250)
Impairment of joint venture investment	-	-	-	-	-
Capital grants and contributions applied	4,755		-	4,755	(4,755)
Revenue expenditure funded from capital under statute	(4,349)	-	-	(4,349)	4,349
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	73,899	(73,899)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		73,899		73,899	(73,899)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,955)	-	-	(3,955)	3,955
Employer's pensions contributions and direct payments to pensioners payable in year	1,103	-	-	1,103	(1,103)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(8)	-	-	(8)	8
Total adjustments	**69**	**0**	**0**	**69**	**(69)**

22. Trading operations

The Legacy Corporation reflects seven trading operations in its management accounts:

3 Mills Studios: The Legacy Corporation holds a 99-year lease over 3 Mills Studios from Lee Valley Regional Park Authority, of which the unexpired term is 83 years. The Studios are managed by Knight Frank LLP on behalf of the Legacy Corporation.

ArcelorMittal Orbit: The ArcelorMittal Orbit is managed by Engie on behalf of the Legacy Corporation. The revenues from the ArcelorMittal Orbit mainly comprise ticketing sales, catering sales and fees, charges relating to private functions and special events. Engie are paid a management fee.

The Podium: The Podium adjacent to the ArcelorMittal Orbit contains The Last Drop cafe and hospitality suite. Engie pay the Legacy Corporation a rent and service charges for the premises, with a potential turnover share.

London Aquatics Centre and Copper Box Arena: The Copper Box Arena, a multi-use arena, and the London Aquatics Centre, a world-class swimming facility, are both operated by Greenwich Leisure Limited. The Copper Box Arena hosts a combination of community sport facilities and major sporting and non-sporting events.

Timber Lodge: The Legacy Corporation has a head lease from Lee Valley Regional Park Authority for the Timber Lodge, which is now operated by Company of Cooks. The venue provides space to be rented out to community groups and local businesses and, along with The Podium in the South Park, provides public conveniences. The Legacy Corporation became responsible for the four kiosks in the south park during the year; these are operated by Company of Cooks.

Off-park properties: Off-park properties were transferred over from the former London Development Agency and former London Thames Gateway Development Corporation and are predominantly located in the areas neighbouring the Park. The majority are in Hackney Wick and to the south of Stratford High Street in Bromley-by-Bow and are currently managed by Knight Frank. The Legacy Corporation receives rental and service charge income from these properties.

On-park properties: On-park properties are predominantly located on Pudding Mill Lane and Rick Roberts Way. The Legacy Corporation receives rental income from these properties.

Other Trading: Other Trading includes attractions on the Park (such as the forthcoming High Ropes attraction) as well as telecoms/Wi-Fi is income received for masts located on LLDC property, including the Park.

Operation		31 March 2020		31 March 2019	
		£'000	£'000	£'000	£'000
3 Mills	Turnover	(5,426)		(4,690)	
	Expenditure	3,919		3,619	
	EFM	-		-	
	Deficit/(Surplus)		(1,507)		(1,071)
ArcelorMittal Orbit	Turnover	(1,502)		(1,798)	
	Expenditure	1,511		1,678	
	EFM	181		178	
	Deficit/(Surplus)		190		58
The Podium	Turnover	(418)		(421)	
	Expenditure	182		19	
	EFM	20		173	
	Deficit/(Surplus)		(215)		(229)
London Aquatics Centre	Turnover	(556)		(482)	
	Expenditure	429		440	
	EFM	1,508		1,414	
	Deficit/(Surplus)		1,381		1,373
Copper Box Arena	Turnover	(188)		(123)	
	Expenditure	(23)		(35)	
	EFM	920		880	
	Deficit/(Surplus)		709		722
Timber Lodge	Turnover	(136)		(132)	
	Expenditure	31		11	
	EFM	100		91	
	Deficit/(Surplus)		(6)		(30)
Off-Park Assets	Turnover	(69)		(628)	
	Expenditure	290		490	
	EFM	-		-	
	Deficit/(Surplus)		221		(137)
Kiosks	Turnover	(42)			
	Expenditure	-			
	EFM	-			
	Deficit/(Surplus)		(42)		
On Park Properties	Turnover	(550)			
	Expenditure	74			
	EFM	-			
	Deficit/(Surplus)		(475)		
Other Trading	Turnover	(54)			
	Expenditure	5			
	EFM	-			
	Deficit/(Surplus)		(49)		
Net (surplus) or deficit on trading operations			**206**		**686**

Trading operations are incorporated into the Comprehensive Income and Expenditure Statement and include a recharge of Estates and Facilities Management costs. As all the venues used for trading are classified as investment properties all income and expenditure is recognised as income and expenditure in relation to investment property (see Note 13).

Estates and facilities management (EFM) costs are apportioned to each venue according to key drivers to better present their full cost. The above table distinguishes these from other costs to enable a year-on-year comparison of performance to be made.

Summary	31 March 2020	31 March 2019
	£'000	**£'000**
Income in relation to investment property	(8,940)	(8,274)
Expenditure in relation to investment property	9,147	8,960
Net deficit on trading operations charged to financing and investment	206	686

23. Related party transactions

The Legacy Corporation is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Legacy Corporation or to be controlled or influenced by the Legacy Corporation. Disclosure of these transactions allows readers to assess the extent to which the Legacy Corporation might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Legacy Corporation.

The related parties to the Legacy Corporation are central government, other public bodies (including the Greater London Authority), entities controlled or significantly influenced by the Legacy Corporation, and its Members and Executive Management Team. This note has been prepared on a payments and receipts basis.

Central government and other public bodies - Income and Expenditure

All relationships were as delivery partners to the Legacy Corporation and significant transactions for the years ended 31 March 2019 and 2020 were as follows:

	31 March 2020	31 March 2019
	£'000	£'000
Income		
Greater London Authority[1]	(28,031)	(48,591)
E20 Stadium LLP[2]	(2,960)	(3,950)
Transport for London	(38)	(315)
London Borough of Newham	-	(78)
London Borough of Hackney[3]	-	(258)
Foundation for Future London (FFL)[5]	(1)	(1)
Network Rail[7]	(85)	-
London Stadium 185[8]	(90)	(116)
British Broadcasting Corporation[9]	(101)	(10)

	31 March 2020	31 March 2019
	£'000	£'000
Expenditure		
Greater London Authority[1]	11,651	11,048
E20 Stadium LLP[2]	23,480	32
Transport for London	467	964
London Borough of Newham	-	641
Lee Valley Regional Park Authority	-	154
London Borough of Hackney[3]	754	121
London Borough of Waltham Forest[4]	-	100
London Borough of Tower Hamlets[6]	82	-
Network Rail[7]	414	2,637
London Stadium 185[8]	5	(18)

1 Jules Pipe is the Mayor of London's Deputy Mayor for Planning, Regeneration and Skills. LLDC Deputy Chief Executive Gerry Murphy is a Member of the Greater London Authority Land Fund Investment Committee.

2. LLDC Deputy Chief Executive Officer Gerry Murphy is the representative of Stratford East London Holdings Ltd on the Board of E20. LLDC Board Members Keith Edelman and Shanika Amarasekara are current E20 Stadium LLP Board Members. LLDC Board Member Nicky Dunn is the Chair of the E20 Stadium LLP Board.

3 LLDC Board member Philip Glanville is the Mayor of Hackney. LLDC Board member Jules Pipe was the Mayor of Hackney until July 2016.

4 LLDC Board Member Clare Coghill is the Leader of the Waltham Forest Council.

5 The Foundation for Future London (FFL) is an independent charity. Deputy Chief Executive Gerry Murphy is the LLDC Nominee for FFL.

6. LLDC Board Member Rachel Blake is a Councillor in the London Borough of Tower Hamlets.

7 LLDC Board Member Simon Blanchflower was an employee of Network Rail. LLDC Chair Sir Peter Hendy is Chair of Network Rail

8 LLDC Deputy Chief Executive Gerry Murphy, LLDC Chief Executive Officer Lyn Garner and LLDC Executive Director of Park Operations and Venues are all Directors of London Stadium 185 Ltd.

9 LLDC Board member Baroness Grey-Thompson is a Board Member of the British Broadcasting Corporation.

Members and Executive Management Team - Income and Expenditure

Members of the Legacy Corporation have direct control over the Legacy Corporation's financial and operating policies. The total of Members' allowances paid in 2019/20 is shown in Note 6.

Members and the Executive Management Team were required to complete a declaration regarding any related party transactions with the Legacy Corporation, which are subject to external audit.

Other related parties' transactions for Members are disclosed as follows:

Organisation	Income 31 March 2020	Income 31 March 2019	Expenditure March 2020	Expenditure March 2019	Nature of Relationship
	£,000	£,000	£,000	£,000	
Deloitte	-	-	217	177	Executive Director of Development Rosanna Lawes' partner is a Director of Deloitte
Future of London	-		5	6	LLDC Chief Executive Officer Lyn Garner is the Chair of Future of London
MACE	(1)		6,007	4,753	LLDC Chair Sir Peter Hendy's son is an employee of Mace.
Commonplace Digital Ltd	-		34	28	Board Member Pam Alexander is a Chair of Commonplace Digital Ltd.
London Youth Rowing	-		-	4	E20 Director Alan Skewis is a Trustee and Board Member of London Youth Rowing
Price Waterhouse Coopers	(1)		-		Executive Director of Construction Colin Naish's partner is an employee of Price Waterhouse Coopers
Bromley by Bow Centre			0		Executive Director of Regeneration, Community & Partnerships Paul Brickell is a trustee of Bromley by Bow Centre

Related parties – Outstanding balances

Outstanding balances with related parties as at 31 March 2019 and 2020 are as follows:

Organisation	Income 31 March 2020	Income 31 March 2019	Expenditure 31 March 2020	Expenditure 31 March 2019
	£,000	**£,000**	**£,000**	**£,000**
E20 Stadium LLP	(558)	-	-	-
Transport for London	(25)	-	-	253
London Borough of Newham	-	(55)	-	-
London Borough of Hackney	-	(258)	-	-
Network Rail	(85)	-	-	-
British Broadcasting Corporation	(1)	-	-	-
MACE	-	-	(2)	-

24. Operating leases

a) Leases as lessee

At 31 March, the future minimum lease payments under non-cancellable leases are:

	31 March 2020	31 March 2019
	£'000	**£'000**
Within one year	1,701	1,630
Between 1-5 years	2,874	3,445
Over 5 years	33,891	35,497
	38,466	**40,572**

On 31 March 2015, the Legacy Corporation signed the Olympic Waterways Legacy (OWL) Agreement with the Canal River Trust. The rent payable for the Waterways lease with the Canal River Trust is contingent and therefore has not been included in the future minimum lease payments. It shall be revised on 1 January 2022 and annually thereafter for the remainder of the lease period. The amount due will be based on the number of existing outfalls, taking into account the number of new, abandoned or surrendered outfalls in the year.

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2020	31 March 2019
	£'000	**£'000**
Rent payable in year	1,794	1,649
	1,794	**1,649**

b) Leases as lessor

Details of properties leased include:

- London Aquatics Centre and Copper Box Arena: Greenwich Leisure Limited has been appointed as the operator of the London Aquatics Centre and Copper Box Arena under a 10-year arrangement.
- Stadium Island: leased to E20 Stadium LLP under a 102-year lease arrangement.
- Here East: leased to iCITY (London) Limited over a 200-year lease.
- Multi Storey Car Park: proportion of spaces leased to iCITY (London) Limited.
- On and Off Park rentals: currently leased by a mixture of industrial, commercial and residential tenants.
- Queen Elizabeth Olympic Park: various café and kiosks leased across the Park, including the Podium and Timber Lodge.
- Chobham Manor: leased to Chobham Manor LLP for residential and business development over a 250-year lease.

At 31 March, the future minimum lease (at nominal value) receivables under non-cancellable leases are:

	31 March 2020	31 March 2019
	£'000	**£'000**
Within one year	3,332	2,586
Between 1-5 years	10,312	9,923
Over 5 years	431,079	432,604
	444,723	**445,113**

Amounts recognised in the Comprehensive Income and Expenditure Statement:

	31 March 2020	31 March 2019
	£'000	**£'000**
Rent receivable in year	3,597	3,344
	3,597	**3,344**

25. Capital expenditure and capital financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

Financial assets	31 March 2020	31 March 2019
	£'000	**£'000**
Opening capital financing requirement	**321,880**	**349,456**
Capital Investment		
Property plant and equipment	61,576	29,974
Investment property	20,767	16,537
Investment in joint venture	-	-
Intangible assets	169	218
Revenue expenditure funded from capital under statute	1,193	4,349
Loans to third parties	0	0
Sources of finance		
Government grants and other contributions	(61,513)	(78,654)
Closing capital financing requirement	**344,071**	**321,880**

Explanation of movement in year

Sources of finance	**31 March 2020**	**31 March 2019**
	£'000	**£'000**
Opening capital financing requirement	321,880	349,456
Increase/(decrease) in underlying need to borrow	22,191	(27,576)
Closing capital financing requirement	**344,071**	**321,880**

The Capital Financing Requirement represents the underlying need for the Legacy Corporation to borrow for capital purposes. It increases when capital expenditure in any year is not financed immediately by use of capital receipts, application of capital grants, third party loans or a direct charge to revenue.

26. Financial instruments

Categories of financial instruments

The following categories of financial instruments are carried in the Balance Sheet:

	31 March 2020	31 March 2019 Restated
	£'000	£'000
Financial assets		
Current		
Financial assets at amortised costs	14,115	8,903
Net cash and cash equivalents	59,119	58,894
Non-current		
Financial assets at amortised costs	1,000	961
Total financial assets	**74,234**	**68,758**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(22,304)	(30,018)
Non-current		
Financial liabilities at amortised costs	(391,815)	(336,222)
Total financial liabilities	**(414,119)**	**(366,240)**

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in advance and statutory debts.

Income, expense, gains and losses

	2019/20 Financial liabilities measured at amortised costs	2019/20 Financial assets at amortised costs	2018/19 Financial liabilities measured at amortised costs	2018/19 Financial assets at amortised costs
	£'000	£'000	£'000	£'000
Interest expense	10,299	-	10,899	-
Interest income	-	(1,915)	-	(2,282)
Net fair value adjustment on initial recognition		(39)		(38)
Total in Surplus or Deficit in Provision of Services	**10,299**	**(1,955)**	**10,899**	**(2,320)**

Fair values of assets and liabilities

Financial liabilities and financial assets represented by financial assets at amortised cost and long-term creditors are carried in the Balance Sheet at amortised cost. Under the Code, the Legacy Corporation is required to disclose information comparing the fair values and carrying values for those financial instruments whose carrying value is not a reasonable approximation for fair value. The following table gives this information:

	2019/20 Carrying amount	2019/20 Fair value	2018/19 Carrying amount	2018/19 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	15,115	15,115	9,864	9,864
Cash and cash equivalents	59,119	59,119	58,894	58,894
Total financial assets	**74,234**	**74,234**	**68,758**	**68,758**
Financial liabilities at amortised costs				
Borrowings	(354,886)	(439,243)	(321,566)	(321,593)
Short-term creditors	(22,304)	(22,304)	(25,869)	(25,869)
Long-term creditors	(36,929)	(36,929)	(15,129)	(15,129)
Total financial liabilities	**(414,119)**	**(498,476)**	**(362,564)**	**(362,591)**

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value. Hence, short term debtors and creditors are carried at cost as this is a fair approximation of their value (Fair Value Level 2).

Borrowings consist entirely of capital loan funding from the Greater London Authority. The fair value of the loan has been valued by Link Asset Services using Level 2 inputs.

The long-term creditors consisted mostly of Section 106 obligations and Community Infrastructure Levy collected on behalf of the Mayor of London – these are measured using Level 2 inputs.

The Legacy Corporation has reviewed its Financial Instruments for impairment in line with IFRS 9 and as a result of Covid-19. The Legacy Corporation has deemed the level of impairment as at 31 March 2020 as immaterial.

Material Soft Loans Made by the Legacy Corporation

Loan to Foundation for Future London

The loan to Foundation for Future London (FFL) is deemed to be a material soft loan - the loan is an interest-free loan of £1.0m to FFL as at 31 March 2020 originally payable by 31 March 2020, has been extended to 31 August 2020 and was repaid in full at that date.

	31 March 2020	31 March 2019
	£000	£000
Opening balance at the start of the year	**961**	**923**
Nominal value of new loans granted in the year	-	-
Fair value adjustment on initial recognition	-	-
Increase in the discounted amount	39	38
Closing balance at the end of the year	**1,000**	**961**
Nominal value at 31 March	**1,000**	**1,000**

The interest rate at which the fair value of this soft loan has been made is arrived at by taking the Legacy Corporation's prevailing cost of borrowing (3.41% average) and adding an allowance for risk that the loan might not be repaid by FFL (20% based on its time in existence).

Nature and extent of risks arising from financial instruments

The Legacy Corporation's activities expose it to a variety of financial risks, primarily:

- Treasury management risk – the risk of cash deposits not actually being secure or earning appropriate interest.
- Credit risk – the possibility other parties might fail to pay amounts due to the Legacy Corporation.
- Liquidity risk – the possibility that the Legacy Corporation may not have the funds available to meet its commitments to make payments as they arise.
- Market risk – the possibility that financial loss might arise as a result of changes in interest rates.

Treasury management risk

Maintaining affordability of borrowings, preserving invested principal and maintaining prudent levels of liquidity are the key treasury management objectives of the Legacy Corporation. The execution and operational aspects of investment and borrowing, together with the management of external advisors, are delegated to the Greater London Authority (GLA) under a shared service agreement managed by the Deputy Chief Executive. The nature of the Legacy Corporation's current funding model means treasury operations are focussed on the management of short term cash balances. The objectives are security of capital, meeting the organisation's operational cash flow requirements and obtaining the best available yield from balances available for investment. The priorities are ranked in that order, security, liquidity then yield. A risk sharing agreement ensures risk and return relating to each instrument within the jointly controlled portfolio are shared in direct proportion to each participant's investment. The Legacy Corporation has currently invested £45.4m in the GLA Group Investment Syndicate (GIS) and does not expect any losses in relation to the investments placed.

Credit risk

Credit risk is the possibility that other parties may not pay amounts due to the Legacy Corporation. The Legacy Corporation carries out certain functions for which charges are levied and for which invoices have to be raised. Prior to most contracts being agreed, creditworthiness checks on potential suppliers or business partners are performed.

The table below shows the gross amounts due to the Legacy Corporation from its financial assets, and the amounts which have been impaired due to likely uncollectability. The net carrying value which is shown on the balance sheet represents the maximum credit risk to which the Legacy Corporation is exposed.

	As at 31 March 2020		
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	57,204		57,204
Accrued interest on deposits	1,915		1,915
Debtors with subsidiary	-		-
Trade debtors	14,250	(135)	14,115
Loans to third parties	1,000	-	1,000
Total exposure	**74,370**	**(135)**	**74,234**

Liquidity risk

Liquidity risk is the risk that the Legacy Corporation will not be able to meet its financial obligations as they fall due. The Legacy Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash flow forecasts are prepared and given to the GLA to inform cash drawdown and an agreement is in place for emergency cash drawdown available within 24 hours should the need arise. The Legacy Corporation also maintains a prudent balance of cash with its bankers to ensure that its liquidity objective is met. Borrowing within the prescribed limits is permissible where so doing represents prudent management of the Legacy Corporation's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. The Legacy Corporation may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long term borrowing of the Legacy Corporation by date of maturity.

	2019/20	2018/19
	£'000	**£'000**
Maturing in 1 - 2 years	(26,679)	(1,787)
Maturing in 2 - 5 years	(8,382)	(45,896)
Maturing in 5 - 10 years	(165,144)	(191,710)
Maturing in more than 10 years	(192,079)	(96,118)
Long term financial liabilities with more than one year to mature	**(392,283)**	**(335,510)**
Long term financial liabilities maturing within one year	**-**	**-**
Total financial liabilities	**(392,283)**	**(335,510)**

27. Contingent liabilities and assets

The Legacy Corporation recognises the following contingent liabilities and asset:

ArcelorMittal Orbit Loan

A loan of £13.4m (principal £9.2m plus unpaid interest), to part fund the construction of the ArcelorMittal Orbit is repayable to ArcelorMittal Orbit Limited from future profits from the operation of the ArcelorMittal Orbit as and when they are generated (in the first instance against interest on the loan until wholly repaid then 50% against the principal thereafter). A discounted projected cash flow was used for calculation of the carrying amount. The projected cash flows result in the carrying value of the loan being set at nil. This position remains despite the surplus reported in prior years. The Legacy Corporation accordingly recognises a contingent liability in respect of the loan.

28. Events after the Reporting Period

The draft Statement of Accounts was authorised for issue by the Deputy Chief Executive on 19 June 2020. In preparing the accounts the Legacy Corporation has considered events between the 31 March 2019 and 19 June 2020.

The Legacy Corporation's agreement for lease with the V&A for the Stratford Waterfront site went unconditional in May 2020. The Stratford Waterfront agreements for lease with the BBC, Sadler's Wells and University of the Arts London (UAL) had not been executed as at the balance sheet date. These are expected to be executed in the 2020/21 financial year.

The COVID-19 pandemic heavily impacted the UK from late-March 2020. Owing to the timing of the outbreak, the immediate financial impact of this on the Legacy Corporation is expected to be in 2020/21 and the Legacy Corporation has undertaken work to assess this. Establishing the financial impact on the Legacy Corporation beyond 2020/21 is more difficult due to the evolving nature of the pandemic, government guidance and the wider macro-economic impact.

Group accounts

Introduction

The Legacy Corporation is a member of E20 Stadium LLP, a former joint venture with Newham Legacy Investments Limited. The E20 Stadium partnership is the legal entity that holds a 102-year leasehold interest in the Stadium Island site and is responsible for the transformation works and ongoing operations of the London Stadium, which is the permanent home of West Ham United Football Club and the national competition centre for UK Athletics.

On 30 November 2017, the Legacy Corporation took full control of E20 Stadium LLP; accordingly, from 1 December 2017, E20 Stadium LLP became classified as a subsidiary of the Legacy Corporation.

The Legacy Corporation has another subsidiary, Stratford East London Holdings Limited, which was established on 1 December 2017, from which date it became the second member of E20 Stadium LLP. Stratford East London Holdings Limited has a 1 percent non-controlling share in E20 Stadium LLP and has undertaken no financial transactions during the reporting period. Therefore, the Legacy Corporation has not consolidated any financial information in relation to Stratford East London Holdings Limited.

On 21 January 2019, the Legacy Corporation acquired the Stadium operator, London Stadium 185 Limited, via its subsidiary E20 Stadium LLP. This gives the Legacy Corporation full control of the London Stadium operations, enabling it to better maximise the commercial opportunities at the Stadium and further reduce its operating costs. Accordingly, the financial results of London Stadium 185 Limited as at 31 March 2020 are consolidated into the Legacy Corporation's Group Accounts (via the E20 Stadium LLP accounts) in line with international accounting standards.

The aim of the Group Accounts is to give an overall picture of the activities of the Legacy Corporation and the resources used to carry out those activities.

Basis of Preparation of Group Accounts

The Code requires local authorities with material interests in joint ventures or subsidiaries to prepare Group financial statements. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venture's unanimous consent for strategic financial and operating decisions. In contrast, subsidiaries are those entities over whose activities the Group has control by itself. The Group's financial statements incorporate the financial statements of the Legacy Corporation and the E20 Stadium LLP (as appropriate) as at the year end.

Subsidiaries are consolidated into the Group accounts (from the date of acquisition) by adding like items of assets, liabilities, reserves, income and expenses together line by line to those of other group members in the financial statements. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The figures included in these accounts for E20 Stadium LLP are draft figures subject to audit. There are no material differences between the accounting policies adopted by E20 Stadium LLP and those of the Legacy Corporation.

Group Comprehensive Income and Expenditure Statement

All note numbers below refer to notes from the entity accounts, except the notes number starting with G, which are specific to the Group accounts and can be found in the notes to the Group Financial Statements section.

For the year ended 31 March 2020

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(31)	1,627	1,596
Development	G1/G2	(10)	1,547	1,537
Executive Office	G1/G2	(61)	2,425	2,364
Finance, Commercial and Corporate Services	G1/G2	(964)	9,817	8,853
Park Operations and Venues	G1/G2	119	1,885	2,004
Planning Policy & Decisions	G1/G2	(2,268)	3,418	1,150
Regeneration and Community Partnerships	G1/G2	(67)	2,248	2,181
Stadium	14/G1/G2	(12,686)	20,665	7,979
GLA Grant	G1/G2	(47,224)		(47,224)
Corporate Items	G1/G2	-	-	-
Net cost of services		**(63,192)**	**43,632**	**(19,560)**
Financing and investment income	G3	(12,740)	-	(12,740)
Change in fair value of investment properties	13	-	16,653	16,653
Financing and investment expenditure	G4	-	39,935	39,935
Capital grants and contributions	G5	(31,617)		(31,617)
(Surplus) or deficit on provision of services before tax		**(107,549)**	**100,220**	**(7,330)**
Corporation tax	10	-	5,329	5,329
Deferred tax	10	(475)	-	(475)
(Surplus) or deficit on the provision of services after tax		**(108,024)**	**105,549**	**(2,476)**
Deferred tax asset on the net defined benefit liability	10		-	(605)
Remeasurement of the net defined benefit liability/asset	18	(4,775)	-	(4,775)
Total comprehensive income and expenditure		**(112,799)**	**105,549**	**(7,856)**

For the year ended 31 March 2019 (Restated)

	Notes	Gross Income £'000	Gross Expenditure £'000	Net Expenditure £'000
Communication, Marketing and Strategy	G1/G2	(20)	1,686	1,666
Development	G1/G2	(85)	8,181	8,096
Executive Office	G1/G2	(2)	2,166	2,164
Finance, Commercial and Corporate Services	G1/G2	(340)	8,438	8,098
Park Operations and Venues	G1/G2	(1,315)	1,919	604
Planning Policy & Decisions	G1/G2	(1,957)	2,737	780
Regeneration and Community Partnerships	G1/G2	(20)	2,456	2,436
Stadium	14/G1/G2	(7,181)	17,526	10,345
GLA Grant	G1/G2	(51,625)	-	(51,625)
Corporate Items	G1/G2	-	380	380
Net cost of services		**(62,545)**	**45,489**	**(17,056)**
Financing and investment income	G3	(8,726)	-	(8,726)
Change in fair value of investment properties	13	-	109,138	109,138
Financing and investment expenditure	G4	-	38,348	38,348
Capital grants and contributions	G5	(5,315)	-	(5,315)
(Surplus) or deficit on provision of services before tax		**(76,586)**	**192,975**	**116,389**
Loss on acquisition of subsidiary		-	1,435	1,435
Corporation tax	10	-	6,581	6,581
Deferred tax	10	(30,072)	-	(30,072)
(Surplus) or deficit on the provision of services after tax		**(106,658)**	**200,991**	**94,333**
Deferred tax asset on the net defined benefit liability	10	(390)	-	(390)
Remeasurement of the net defined benefit liability/asset	18	(555)	-	(555)
Total comprehensive income and expenditure		**(107,213)**	**200,991**	**93,388**

[1]Includes consolidated transactions of LS185 Ltd from 21st January 2019

Group Balance Sheet

As at 31 March 2020

	Notes	31 March 2020 £'000	Restated 31 March 2019 £'000
Long term assets			
Intangible assets	G9	139	184
Property, plant and equipment	G10	122,627	61,072
Investment property	G11	57,876	82,093
Long term debtors	G6	1,000	961
		181,642	**144,310**
Current assets			
Short term debtors	G6	47,564	24,732
Cash and cash equivalents	G7	63,989	62,833
		111,553	**87,565**
Total assets		**293,195**	**231,875**
Current liabilities			
Short term creditors	G8	(122,174)	(111,506)
		(122,174)	**(111,506)**
Long term liabilities			
Long term borrowing	G8	(356,386)	(321,566)
Long term creditors	G8	(204,257)	(192,972)
Deferred tax liability	10	(529)	(1,004)
Retirement benefit obligation	18	(14,222)	(17,157)
		(575,394)	**(532,699)**
Total liabilities		**(697,568)**	**(644,205)**
Net assets		**(404,373)**	**(412,330)**
Reserves			
Usable reserves	G12	(5,238)	(7,186)
Unusable reserves	G12	409,612	419,516
Total reserves		**404,373**	**412,330**

Group Movement in Reserves Statement

As at 31 March 2020

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£’000	**£’000**	**£’000**	**£’000**	**£’000**
Restated At 1 April 2019		**(7,186)**	**(7,186)**	**419,517**	**419,517**	**412,331**
Movement in reserves during 2019/20						
Deficit on the provision of services	From GCIES	(2,476)	(2,476)	-	-	(2,476)
Authority's share of the reserves of subsidiaries associated and joint ventures	From GCIES	-	-	-	-	-
Other comprehensive income and expenditure	From GCIES	178	178	(5,558)	(5,558)	(5,380)
Total comprehensive income and expenditure		**(2,298)**	**(2,298)**	**(5,558)**	**(5,558)**	**(7,856)**
Adjustments between accounting and funding basis under regulations	G13	4,346	4,346	(4,346)	(4,346)	-
Transfer to reserve		(100)	(100)		-	(100)
Decrease/(Increase) in 2019/20		**1,948**	**1,948**	**(9,904)**	**(9,904)**	**(7,956)**
Balance at 31 March 2020		**(5,238)**	**(5,238)**	**409,613**	**409,613**	**404,375**

As at 31 March 2019 Restated

	Notes	General Fund	Total usable reserves	Unusable reserves	Total unusable and other reserves	Total reserves
		£’000	**£’000**	**£’000**	**£’000**	**£’000**
At 1 April 2018		**(11,603)**	**(11,603)**	**330,547**	**330,547**	**318,944**
Movement in reserves during 2018/19						
Deficit on the provision of services	From CIES	92,897	92,897	-	-	92,897
reserves of subsidiaries associated and joint ventures	From CIES	1,435	1,435		-	1,435
Other comprehensive income and expenditure	From CIES	(390)	(390)	(555)	(555)	(945)
Total comprehensive income and expenditure		**93,942**	**93,942**	**(555)**	**(555)**	**93,387**
Adjustments between accounting and funding basis under regulations	G9	(3,442)	(3,442)	3,442	3,442	-
Transfer to reserve		(86,083)	(86,083)	86,083	86,083	-
Decrease/(Increase) in 2018/19		**4,417**	**4,417**	**88,970**	**88,970**	**93,387**
Restated Balance at 31 March 2019		**(7,186)**	**(7,186)**	**419,517**	**419,517**	**412,331**

Group Statement of Cash Flows

For the year ended 31 March 2020

	Notes	31 March 2020 £'000	31 March 2019 £'000
Surplus/(Deficit) on the provision of services		2,476	(94,332)
Adjustments to net (deficit) for non-cash movements	G14	21,117	190,539
Adjustments for items included in the net (deficit) on the provision of services that are investing and financing activities	G14	(31,617)	(5,315)
Interest Receivable		(39)	(38)
Net cash flows from operating activities		**(8,063)**	**90,854**
Investing activities	G14	(53,767)	(42,641)
Financing activities	G14	62,987	(8,948)
Net increase/(decrease) in cash and cash equivalents		**1,157**	**39,265**
Cash and cash equivalents at the start of the year		62,833	23,567
Cash and cash equivalents at the end of the year		**63,989**	**62,833**

Notes to the Group Financial Statements

The notes below give information on the areas that have materially changed on consolidation of the group entities into the Legacy Corporation's individual accounts.

G1. Group Gross Income

	31 March 2020	31 March 2019
	£'000	**£'000**
Grants received	(47,236)	(51,629)
Planning fees	(821)	(1,039)
Recharges	(8,720)	(1,189)
Events income	(350)	(2,369)
Interest income on deposits	0	408
Other	(6,065)	(6,725)
	(63,192)	**(62,544)**

G2. Group Gross Expenditure

	31 March 2020	31 March 2019
	£'000	**£'000**
Staff costs:		
Wages and salaries	8,776	7,246
Social security costs	1,036	837
Pension costs	2,946	3,173
Other staff costs	310	244
Grants and contributions	235	358
Consultancy and Strategy Development costs	3,057	3,878
Accommodation costs	3,779	3,198
Legal fees	1,058	3,936
Communications, events and marketing	753	854
Agency and seconded staff costs	876	531
REFCUS	1,162	3,830
REFCUS - Recharges	30	519
Insurance	2,141	1,277
IT and Stationery	1,074	1,052
Security	12	3
Travel	11	34
Amortisation	215	49
Depreciation	1,654	328
Increase/decrease in provision for doubtful debts	98	0
Impairment of financial assets	25	9
Other	14,384	14,128
Total	**43,632**	**45,488**

G3. Group financing and investment income

	31 March 2020	31 March 2019
	£'000	£'000
Interest income on deposits	(1,915)	(27)
Income in relation to investment property	(10,824)	(8,700)
Financing and investment income	**(12,740)**	**(8,726)**

G4. Group financing and investment expenditure

	31 March 2020	31 March 2019
	£'000	£'000
Net interest on the net defined benefit liability (asset)	492	464
Expenditure in relation to investment property	29,144	27,391
Interest costs on borrowing	10,299	10,492
Financing and investment expenditure	**39,935**	**38,346**

G5. Group taxation and non-specific grant income

	31 March 2020	31 March 2019
	£'000	£'000
Other capital grants and contributions	(31,617)	(5,314)
Taxation and non specific grant income	**(31,617)**	**(5,314)**

G6. Group short term and long-term debtors

	31 March 2020	31 March 2019
	£'000	£'000
Short term		
Central Government bodies	12,086	9,121
Other Local Authorities	290	561
Other entities and individuals	35,188	15,050
Total short term debtors	**47,564**	**24,732**
Long term		
Other entities and individuals	1,000	961
Total long term debtors	**1,000**	**961**

G7. Group Cash and Cash Equivalents

	31 March 2020	31 March 2019
	£'000	**£'000**
Cash in hand and at bank	18,549	20,816
Investments	45,439	42,017
Total cash and cash equivalents	**63,989**	**62,833**

G8. Group current and non-current liabilities

	31 March 2020	31 March 2019
	£'000	**£'000**
Current		
Central government bodies	(13,025)	(8,819)
Other local authorities	(10,766)	(12,194)
Other entities and individuals	(98,383)	(90,493)
Total current liabilities	**(122,174)**	**(111,506)**
Non-current		
Long-term borrowing	(356,386)	(321,566)
Section 106 contributions	(35,429)	(17,984)
Stadium rent premium	5	-
Long Term Provisions	(168,835)	(174,988)
Long term creditors	**(204,259)**	**(192,972)**
Deferred tax liability	(529)	(1,004)
Retirement benefit obligation (pension liability)	(14,222)	(17,157)
Investment in joint venture	-	-
Total non-current liabilities	**(575,396)**	**(532,699)**

G9. Group Intangible Assets

	Computer Software	Licences	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 April 2018	355	71	426
Additions	32	186	217
At 31 March 2019	**387**	**256**	**644**
At 1 April 2019	387	256	644
Additions	39	130	169
Disposals	(336)	(57)	(393)
At 31 March 2020	**90**	**329**	**420**
Amortisation			
At 1 April 2018	346	63	409
Charged during the period	9	41	50
At 31 March 2019	**355**	**104**	**459**
At 1 April 2019	355	104	458
Charged during the period	26	189	215
Disposals	(336)	(57)	(393)
At 31 March 2020	**44**	**235**	**280**
Net book value at 31 March 2019	**33**	**153**	**184**
Net book value at 31 March 2020	**45**	**94**	**140**

G10. Group Property, Plant and Equipment

	Furniture, fixtures and fittings	Computer hardware, infrastructure and telecoms/ office equipment	Motor Vehicles	Assets under Construction	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Cost					
At 1 April 2018	2,611	910	4	30,716	34,240
Additions	3,731	464	-	29,440	33,635
Project costs expensed	-	0	-	-	0
Assets written out	-	-	-	(4,369)	(4,369)
At 31 March 2019	**6,341**	**1,374**	**4**	**55,786**	**63,505**
At 1 April 2019	6,341	1,374	4	55,786	63,505
Additions	1,645	223	-	61,340	63,208
Project costs expensed	-	-	-	0	0
Disposals	-	(790)	-	0	(790)
At 31 March 2020	**7,987**	**808**	**4**	**117,126**	**125,924**
Depreciation					
At 1 April 2018	1,232	869	4	-	2,105
Charged during the period	272	56	-	-	328
Reclassification	-	-	-	-	-
At 31 March 2019	**1,504**	**926**	**4**	**-**	**2,433**
At 1 April 2019	1,504	926	4	-	2,433
Charged during the period	1,428	226	0	-	1,654
Disposals	-	(790)	-	-	(790)
At 31 March 2020	**2,932**	**362**	**4**	**-**	**3,297**
Net book value at 31 March 2019	**4,838**	**449**	**(0)**	**55,786**	**61,073**
Net book value at 31 March 2020	**5,055**	**446**	**(0)**	**117,126**	**122,626**

G11. Group Investment Property

	31 March 2020	Restated 31 March 2019
Valuation	**£'000**	**£'000**
Opening balance at 1 April	82,094	246,656
Additions:		
- Subsequent expenditure	22,006	18,474
Disposals	(29,570)	(73,899)
Reclassification	-	-
Changes in fair value	(16,652)	(109,137)
Total Investment property	**57,877**	**82,094**

G12. Reserves

Usable reserves

At the end of the financial year, the Legacy Corporation's Group had usable reserves of £5.6m in the General Fund.

A deferred tax liability of £0.5m is recognised within the Legacy Corporation's accounts in relation to its investment properties (2018/19 restated: £1.0m). The liability will crystallise as and when the Legacy Corporation disposes of its property portfolio and the historic increase in the value of its portfolio is realised. An amendment to the Local Authorities Capital Finance and Accounting Regulations in 2016/17 permits Mayoral Development Corporations to use capital receipts to fund their Corporation Tax liabilities and reflects the reality that the majority of the Legacy Corporation's future Corporation Tax liabilities will be generated by capital receipts. It also means that the deferred tax charge can be recognised in the Legacy Corporation's Capital Adjustment Account, rather than the General Fund (as previously required).

	31 March 2020	31 March 2019
	£'000	£'000
General funds	(4,941)	5,645
Deferred tax reserve	(297)	(12,831)
Balance usable reserves at 31 March	**(5,238)**	**(7,186)**

The Legacy Corporation's Group General Fund balance differs from that in its single entity accounts due to the elimination of intra-Group transactions (between the Legacy Corporation and E20 Stadium LLP) within the Group Accounts.

Unusable reserves

	31 March 2020	31 March 2019
	£'000	£'000
Capital Adjustment Account	391,861	398,724
Pensions Reserve	17,558	20,671
Accumulated Absences Account	193	112
Balance unusable reserves at 31 March	**409,612**	**419,507**

	31 March 2020	31 March 2019
	£'000	£'000
Balance as at 1 April	398,724	312,069
Charges for depreciation and amortisation	1,869	378
Capital grants and contributions applied	(31,617)	(4,755)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	29,570	73,899
Capital receipts received during the year	(29,570)	(73,899)
Revenue expenditure funded from capital under statute	1,193	4,349
Revaluation/(Impairment) charged to the CIES	16,651	110,572
Deferred tax liability on revaluation charged to the CIES	(289)	(30,470)
Corporation Tax liability for the year	5,329	6,581
Balance at 31 March	**391,861**	**398,724**

Pensions Reserve

	31 March 2020	31 March 2019
	£'000	£'000
Balance as at 1 April	20,671	18,374
Remeasurements of the net defined benefit liability/(asset)	(5,558)	(555)
Reversal of charges relating to retirement benefits	3,596	3,955
Employer's pension contribution and direct payments to pens	(1,151)	(1,103)
Balance at 31 March	**17,558**	**20,671**

Accumulated Absences Reserve

	31 March 2020	31 March 2019
	£'000	£'000
Balance as at 1 April	112	104
Settlement or cancellation of accrual made at the end of the pı	(112)	(104)
Amounts accrued at the end of the current year	193	112
Balance at 31 March	**193**	**112**
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on a accrual basis is different from remuneration chargeable in the year in accordance with the statutory requirements	(81)	(8)

G13. Adjustments between accounting basis and funding under regulations

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(1,869)	-	-	(1,869)	1,869
Movements in the market value of investment property	(16,652)	-	-	(16,652)	16,652
Disposals of investment property	(29,570)	-	-	(29,570)	29,570
Current and Deferred tax liability movements	(5,031)	-	-	(5,031)	5,031
Movements in the market value of subsidiary	-	-	-	-	-
Capital grants and contributions applied	31,616	-	-	31,616	(31,616)
				-	-
Revenue expenditure funded from capital under statute	(1,193)	-	-	(1,193)	1,193
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	29,570	(29,570)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		29,570		29,570	(29,570)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,596)	-	-	(3,596)	3,596
Employer's pensions contributions and direct payments to pensioners payable in year	1,151	-	-	1,151	(1,151)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(81)			(81)	81
Total adjustments	**4,346**	**-**	**-**	**4,346**	**(4,346)**

For the year ended 31 March 2019

	General Fund	Capital Receipts Reserves	Capital Grants Unapplied	Total Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation amortisation and impairment of non-current assets	(378)	-	-	(378)	378
Movements in the market value of investment property	(5,425)	-	-	(5,425)	5,425
Disposals of investment property	(73,899)	-	-	(73,899)	73,899
Current and Deferred tax liability movements	6,250	-	-	6,250	(6,250)
Movements in the market value of subsidiary	(1,435)	-	-	(1,435)	1,435
Capital grants and contributions applied	4,755	-	-	4,755	(4,755)
				-	-
Revenue expenditure funded from capital under statute	(4,349)	-	-	(4,349)	4,349
Adjustments involving the Capital Receipts Reserve					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	73,899	(73,899)	-	-	-
Use of the Capital Receipts Reserve to finance new capital expenditure		73,899		73,899	(73,899)
Adjustments involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(3,955)	-	-	(3,955)	3,955
Employer's pensions contributions and direct payments to pensioners payable in year	1,103	-	-	1,103	(1,103)
Adjustments primarily involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(8)			(8)	8
Total adjustments	**(3,442)**	**-**	**-**	**(3,442)**	**3,442**

G14. Cash Flow Notes

a) *Adjustments to net deficit for non-cash movement*

	31 March 2020	Restated 31 March 2019
	£'000	**£'000**
Depreciation of property plant and equipment	1,654	328
Amortisation of intangibles	215	49
Reversal of defined benefit pensions services costs	3,596	3,955
Cash payments for employer's contributions to pension funds	(1,151)	(1,103)
(Increase) in trade and other debtors	(22,766)	(3,651)
Increase/(decrease) in trade and other creditors	5,902	38,021
Increase/(decrease) in bad debt provision	(67)	(25)
Increase/(decrease) in deferred tax liability	(18,106)	(30,072)
Net book value of non-current assets disposal	29,570	73,899
Changes in Fair Value of Investment Property	16,652	109,137
Other non-cash movements	100	
Movement on provisions	5,518	
Adjustment		
Adjustment to net deficit for non cash movements	**21,117**	**190,539**
Adjust for items included in the net deficit on the provisions of services that are investing or financing activities		
Capital grants and contributions credited to the deficit on the provision	31,617	5,315
Interest Receivable	(39)	(38)

b) *Investing activities*

	31 March 2020	31 March 2019
	£'000	**£'000**
Purchase of property, plant and equipment, investment property and intangible assets	(85,384)	(52,326)
Property, plant and equipment assets written out	0	4,369
Capital grant received and other capital receipts	31,617	5,315
Net cash outflow from investing activities	**(53,767)**	**(42,641)**

c) *Financing activities*

	31 March 2020	31 March 2019
	£'000	**£'000**
Movement on Borrowings	46,293	(12,926)
Movement on OPTEMS fund	(751)	(491)
Movement on S106 fund	17,445	4,468
Net cash flow from financing activities	**62,987**	**(8,949)**

G15. Financial Instruments

Categories of financial instruments

The following categories of financial instruments are carried in the Balance Sheet:

	31 March 2020	31 March 2019 Restated
	£'000	**£'000**
Financial assets		
Current		
Financial assets at amortised costs	13,575	9,483
Net cash and cash equivalents	59,119	58,894
Non-current		
Financial assets at amortised costs	1,000	961
Total financial assets	**73,694**	**69,338**
Financial liabilities		
Current		
Financial liabilities at amortised costs	(26,903)	(33,715)
Non-current		
Financial liabilities at amortised costs	(391,815)	(339,550)
Total financial liabilities	**(418,718)**	**(541,854)**

Financial instruments are defined as contracts that give rise to a financial asset of one entity and a financial liability or equity of another. The figures included in the Balance Sheet are adjusted to exclude items that are deemed exempt. This includes but is not limited to accruals, prepayments, receipts in advance and statutory debts.

Income, expense, gains and losses

	2019/20 Financial liabilities measured at amortised costs	2019/20 Financial assets at amortised costs	2018/19 Financial liabilities measured at amortised costs	2018/19 Financial assets at amortised costs
	£'000	**£'000**	**£'000**	**£'000**
Interest expense	10,299	-	10,492	-
Interest income	-	(1,915)	-	(2,282)
Net fair value adjustment on initial recognition		(39)		(38)
Total in Surplus or Deficit in Provision of Services	**10,299**	**(1,955)**	**10,492**	**(2,319)**

Fair values of assets and liabilities

Financial liabilities and financial assets represented by financial assets at amortised costs and long-term creditors are carried in the Balance Sheet at amortised cost. Under the Code, the Legacy Corporation is required to disclose information comparing the fair values and carrying values for those financial instruments whose carrying value is not a reasonable approximation for fair value. The following table gives this information:

	2019/20 Carrying amount	2019/20 Fair value	2018/19 Carrying amount	2018/19 Fair value
	£'000	**£'000**	**£'000**	**£'000**
Financial assets				
Financial assets at amortised cost	14,575	14,575	10,444	10,444
Cash and cash equivalents	59,119	59,119	58,894	58,894
Total financial assets	**73,694**	**73,694**	**69,338**	**69,338**
Financial liabilities at amortised costs				
Borrowings	(356,386)	(439,243)	(321,566)	(321,593)
Short-term creditors	(26,903)	(26,903)	(27,316)	(27,316)
Long-term creditors	(35,429)	(35,429)	(192,972)	(192,972)
Total financial liabilities	**(418,718)**	**(501,575)**	**(541,854)**	**(541,881)**

Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to fair value. Hence, short term debtors and creditors are carried at cost as this is a fair approximation of their value (Fair Value Level 2).

Borrowings consist entirely of capital loan funding from the Greater London Authority. The fair value of the loan has been valued by Link Asset Services using Level 2 inputs.

The long-term creditors consisted mostly of Section 106 obligations and Community Infrastructure Levy collected on behalf of the Mayor of London – these are measured using Level 2 inputs.

Material Soft Loans Made by the Legacy Corporation

Loan to Foundation for Future London

The loan to Foundation for Future London (FFL) is deemed to be a material soft loan - the loan is interest free loan of £1.0m to FFL as at 31 March 2020 originally payable by 31 March 2020, has been extended to 31 August 2020 and was repaid in full at that date.

	31 March 2020	31 March 2019
	£000	**£000**
Opening balance at the start of the year	**961**	**923**
Nominal value of new loans granted in the year	-	-
Fair value adjustment on initial recognition	-	-
Increase in the discounted amount	39	38
Closing balance at the end of the year	**1,000**	**961**
Nominal value at 31 March	**1,000**	**1,000**

Credit Risk

Credit risk is the possibility that other parties may not pay amounts due to the Legacy Corporation. The Legacy Corporation carries out certain functions for which charges are levied and for which invoices have to be raised. Prior to most contracts being agreed, creditworthiness checks on potential suppliers or business partners are performed.

The table below shows the gross amounts due to the Legacy Corporation from its financial assets, and the amounts which have been impaired due to likely uncollectability. The net carrying value which is shown on the balance sheet represents the maximum credit risk to which the Legacy Corporation is exposed.

	As at 31 March 2020		
£'000	**Gross value**	**Impairment value**	**Net Value**
Deposits with financial institutions	57,204		57,204
Accrued interest on deposits	1,915		1,915
Debtors with joint-venture group	-		-
Trade debtors	13,710	(135)	13,575
Loans to third parties	1,000	-	1,000
Total exposure	**73,829**	**(135)**	**73,694**

Liquidity Risk

Liquidity risk is the risk that the Legacy Corporation will not be able to meet its financial obligations as they fall due. The Legacy Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Cash flow forecasts are prepared and given to the GLA to inform cash drawdown and an agreement is in place for emergency cash drawdown available within 24 hours should the need arise. The Legacy Corporation also maintains a prudent balance of cash with its bankers to ensure that its liquidity objective is met. Borrowing within the prescribed limits is permissible where so doing represents prudent management of the Legacy Corporation's affairs although direct borrowing for capital expenditure from third parties is not currently authorised. The Legacy Corporation may also lend to its subsidiaries with permission from the Mayor of London.

The table below shows the long term borrowing of the Legacy Corporation by date of maturity.

	2019/20	2018/19
	£'000	**£'000**
Maturing in 1 - 2 years	(26,675)	(1,782)
Maturing in 2 - 5 years	(8,367)	(45,882)
Maturing in 5 - 10 years	(165,119)	(191,685)
Maturing in more than 10 years	(191,649)	(95,688)
Long term financial liabilities with more than one year to mature	**(391,810)**	**(335,037)**
Long term financial liabilities maturing within one year	**-**	**-**
Total financial liabilities	**(391,810)**	**(335,037)**

G16. Provisions

During the year, the following movements occurred on the Legacy Corporation's group long term and short-term provisions:

Total Provisions	E20 LLP Onerous Countract	Other Provisions	Total
Balance at 1 April 2019	**(201,086)**	**(22)**	**(201,108)**
Additional provisions made	(5,517)	(21)	(5,538)
Amounts used	6,153	40	6,193
Unused amounts reversed	-	-	-
Reclassifications	-	-	-
Balance at 31 March 2020	**(200,450)**	**(3)**	**(200,453)**
Provisions- Long Term	**E20 LLP Onerous Countract**	**Other Provisions**	**Total**
Balance at 1 April 2019	**(174,988)**	**-**	**(174,988)**
Additional provisions made in year	-	-	-
Amounts used in year	6,153	-	6,153
Unused amounts reversed in year		-	-
Reclassifications		-	-
Balance at 31 March 2020	**(168,835)**	**-**	**(168,835)**
Provisons - Short Term	**E20 LLP Onerous Countract**	**Other Provisions**	**Total**
Balance at 1 April 2019	**(26,098)**	**(22)**	**(26,120)**
Additional provisions made in year	(5,517)	(21)	(5,538)
Amounts used in year		40	40
Unused amounts reversed in year		-	-
Reclassifications		-	-
Balance at 31 March 2020	**(31,615)**	**(3)**	**(31,618)**

E20 Onerous Contract

Forecasts of E20 Stadium LLP's financial outlook, particularly in relation to the cost of hosting West Ham United matches and the cost of moving the relocatable seats between football and athletics modes, required an assessment in 2016/17 of whether any of its contracts were deemed to be onerous (loss-making) in line with accounting standards. This assessment concluded that two of its contracts were deemed to be onerous: the Concession Agreement with West Ham United and the Access Agreement with UK Athletics. Consequently, E20 Stadium LLP established a provision for these losses.

Whilst progress was made during 2019/20 to improve the Stadium's future financial position, management has concluded that there should be no change to the onerous contracts conclusion as at 31 March 2020. Accordingly, the provision remains within E20 Stadium LLP's accounts (and consolidated into the Legacy Corporation's Group Accounts at 31 March 2020) at £200.0m.

Other Provisions

As at 31 March 2020 a provision of £0.1m has been recognised in the Legacy Corporation's single entity accounts. This is in respect of residual costs relating to the Park Transformation.

Annual governance statement

Scope of responsibility

The Legacy Corporation is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011 with aims defined by the Mayor of London as:

> "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."

The Legacy Corporation became a planning authority within its Mayoral development area on 1 October 2012.

The Legacy Corporation is a functional body of the GLA, which operates within the overall legislative and governance framework provided by the GLA Act 1999 and 2007. The Mayor of London appoints members to its Board and allocates its budgets.

The Mayor is also able to direct the Legacy Corporation in the exercise of its functions, and to delegate functions to it. The Mayor has given the following significant delegations and directions:

- In July 2019, the GLA updated the London Legacy Development Corporation Governance Direction 2013 (approved by MD1227) to reflect a change in GLA oversight responsibilities for the MDCs, Mayoral Decision-Making in the GLA and GLA Financial Regulations (as amended), and new data protection legislation. The London Legacy Development Corporation Governance Direction sets out arrangements for the Mayor to be consulted on, or approve certain decisions, activities and larger projects of the Legacy Corporation and its subsidiaries, over and above the limited circumstances where Mayoral consent is required under the Localism Act. It covers Mayoral approval for such matters as the budgets and business plans of the Legacy Corporation; approving major decisions to spend, borrow, give grants (see below), create subsidiaries and dispose of land interests.
- In April 2016, the Mayor delegated to the Legacy Corporation powers to maintain and upkeep the Queen Elizabeth Olympic Park, to collect a Fixed Estate Charge to fund this obligation and directed the Legacy Corporation to use these delegated powers. Whilst the Legacy Corporation already maintains and upkeeps QEOP and levies and collects a Fixed Estate Charge, the direction and delegation will have the effect of putting it beyond doubt that the Legacy Corporation is acting as a public authority in terms of its obligations to maintain and upkeep the QEOP. This direction and delegation complement and supplements the general powers delegated in 2012 (see below).
- In July 2014, the Mayor approved a general consent for the Legacy Corporation to give financial assistance by way of a grant with a total lifetime cost up to £150,000 in line with Section 213 and 221 of the Localism Act 2011 and gave automatic consent to grants funded under section 106 agreements, or grants paid from the Community Infrastructure Levy collected by the Legacy Corporation for projects or types of infrastructure contained in the regulation 123 list published by the Legacy Corporation. This replaced an earlier consent given in 2012.
- In November 2012, the Mayor delegated to the Legacy Corporation powers to promote economic development and wealth creation, social development and the improvement of the environment. In April 2016, the Mayor delegated to the Legacy Corporation powers to maintain and upkeep the Queen Elizabeth Olympic Park (QEOP) and to collect a Fixed Estate Charge to fund this obligation, and directed the Legacy Corporation to use these delegated powers. This complemented and supplemented the general powers delegated in 2012.

No new delegations or directions were given during 2019/20.

The Legacy Corporation is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Legacy Corporation is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The purpose of the governance framework

The governance framework describes the systems and processes by which the Legacy Corporation is directed and controlled, how it is accountable to its stakeholders and communities, and how it monitors the achievement of its strategic objectives and value for money.

The system of internal control is a significant part of this framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on a continuous process designed to identify and prioritise risks, to evaluate the likelihood and potential impact of those risks being realised, and to mitigate and manage them efficiently, effectively and economically.

The governance framework has been in place at the Legacy Corporation for the year ended 31 March 2020 and up to the date of approval of the Statement of Accounts.

The governance framework

Board and committees

The Legacy Corporation's Board and committees operate within the governance and openness framework prescribed by the Local Government Act 1972. New arrangements for the proceedings of the Legacy Corporation Board and Committees have been put in place during the Coronavirus (COVID-19) pandemic to enable remote decision-making (see section on significant governance changes since the reporting date).

During the year ended 31 March 2020 the Legacy Corporation's committee structure was as follows:

- **Audit Committee**
  To ensure the efficient and effective discharge of the functions of London Legacy Development Corporation, and entities and subsidiaries within its group, through the proper financial administration of the Corporation's financial affairs including but not limited to proper arrangements in place for securing value for money, the maintenance, preparation and audit of accounts, internal controls, risk management, and oversight of internal and external audits.

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

- **Investment Committee**
  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 in a manner that achieves value for money.[1]

[1] Defined by the National Audit Office as 'the optimal use of resources to achieve the intended outcomes – economy, efficiency and effectiveness' –

- **Planning Decisions Committee**
  To enable transparent, efficient and effective discharge of the Legacy Corporation's functions to determine planning applications and to respond to consultation on applications on which the Legacy Corporation is a consultee.

- **Regeneration and Communities Committee**
  To ensure the efficient and effective discharge of the Legacy Corporation's functions, through the advocacy and delivery of regeneration, community engagement, environmental sustainability, education and learning programmes.

- **Health, Safety and Security Committee**
  To ensure the efficient and effective discharge of the London Legacy Development Corporation's functions, through the safe and secure provision of services and access including to the Park, Venues, Development and Construction sites.

Following a recommendation in the May 2016 internal audit report 'Governance Review - Board Information', the Legacy Corporation undertakes an annual review of Committee terms of reference. The last annual review was reported to the Board in July 2019 (excluding the Planning Decisions Committee). The Board asked the Audit Committee to ensure their Terms of Reference sufficiently consider whether the Corporations has put in place proper arrangements to secure value for money in its use of resources. This is reflected above.

Committee members must be members of the Legacy Corporation's Board, except where the Mayor of London has approved the appointment of additional members. He has done so in relation to the Planning Decisions Committee, which comprises three Board members, five members nominated by the neighbouring boroughs, and four independent members appointed following advertisement.

London Stadium Governance

E20 Stadium LLP is a limited liability partnership between the Legacy Corporation and Stratford East London Holdings Ltd (SELH), a wholly owned subsidiary of the Legacy Corporation. The E20 Board comprises three the Legacy Corporation Board members (Nicky Dunn, Keith Edelman and Shanika Amarasekara) and one member nominated by SELH (Gerry Murphy, the Legacy Corporation's Deputy Chief Executive). The E20 Board is the formal Board of E20 Stadium LLP and also acts as an advisory Board to the Legacy Corporation Chief Executive on matters pertaining to the London Stadium. Decision making in relation to the Legacy Corporation's expenditure on and income from the London Stadium follows the Legacy Corporation's Scheme of Delegations.

London Stadium 185 Ltd (LS185) is a wholly owned subsidiary of E20 Stadium LLP. Its Board consists of: Chair - Lyn Garner (the Legacy Corporation Chief Executive), Gerry Murphy (the Legacy Corporation Deputy Chief Executive), Mark Camley (the Legacy Corporation Executive Director of Park Operations and Venues), Graham Gilmore (LS185 Chief Executive), Darren Raczkowski (LS185, Operations Director and Peter Swordy (LS185 Director of Health, Safety and Compliance).

A new scheme of delegation and terms of reference for the boards of E20 Stadium LLP and LS185 were discussed by the E20 Board in February 2020 and is being considered for approval by the Legacy Corporation Board in May 2020.

East Bank Governance

The **Investment Committee** is the lead governance body for the Corporation with oversight of the delivery of East Bank. It makes decisions on land transactions and major procurements over £10m and recommendations to the Board on such transactions over £20m. In addition, the Regeneration and

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https://www.nao.org.uk/successfulcommissioning/general-principles/value-for-money/assessing-value-for-money/

Communities Committee oversees the measures to deliver the East Bank strategic objectives, the Audit Committee receives updates on East Bank assurance and the new Health, Safety and Security Committee oversees health, safety and well-being matters on the Stratford Waterfront construction site.

A governance structure for East Bank is in place including the **East Bank Board** which provides Board level leadership, collaboration, strategic direction and oversight for the overall programme with senior representation from the Legacy Corporation, the East Bank partners and the GLA, and an **East Bank Programme Board**, which provides oversight and direction for the overall programme, resolving any escalated issues from the project boards and working groups. As a multi-party project, the programme governance refers decisions back to partners' corporate governance structures as required and each partner will also have their own internal project or programme governance arrangements. The East Bank Strategic Objectives Board oversees the Strategic Objectives delivery programme and reports to the Programme Board.

The structure was revised in late 2017 to put benefits at the heart of the governance arrangements. The drivers for change came out of two assurance reviews of the project. The revised governance structure has also been revised to reflect UCL taking on the delivery of the UCL East project.

A **Risk and Assurance Board** (RAB) provides support to the East Bank Programme Board in executing their duties in relation to the oversight of an integrated assurance programme with an independent Chair and representatives from the Legacy Corporation, East Bank partners, the GLA and Government (represented by the Infrastructure and Projects Authority). In late 2018, the role and focus of the RAB was reviewed by the Legacy Corporation and the independent Chair to reflect the start of the construction activity on the project. It focuses on construction delivery with an annual review of strategic objectives and risks to delivering the full business case with a view to informing the annual reporting to Government on East Bank progress. The independent Chair also attends Investment Committee meetings.

The East Bank RAB is supported by an independent third line assurance provided by RSM Consulting (UK) LLP who undertake a programme of reviews on key areas of activity, reporting to the Risk and Assurance Board.

Vision and performance

In 2015/16 the Legacy Corporation adopted a Five-Year Strategy for the Queen Elizabeth Olympic Park and surrounding areas covering the years 2015 to 2020. This was refreshed in October 2016 to reflect the priorities of the new Mayor of London as well as progress made on delivery since it was published in 2015. The revised strategy was approved by the Board in November 2016. The Legacy Corporation's vision, purpose and strategic objectives are set out in its Ten-Year Plan. Cost movements and changes in assumptions and policy from the approved Plan have been reflected in an updated long-term financial model that has been considered by the Legacy Corporation Board and the GLA at regular intervals. An updated Strategy is being drafted for approval during 2020/21 in line with the Vision for the Park to 2030 which was approved by the Board in 2019/20.

Performance against measures and milestones included in the Annual Budget, Ten Year Plan and the Strategy is reported through quarterly reports to the Board and quarterly reports to the GLA on financial and service performance. The quarterly reports are published on the QEOP website, and considered by the GLA-LLDC Finance and Policy Liaison meetings. Financial performance is also reported through monthly management accounts which are considered by the Executive Management Team monthly and by the Investment Committee.

Standing orders, delegations and codes of conduct

Key governance documents for the Legacy Corporation comprise:

- Standing Orders, which set out arrangements for the conduct of meetings, recording of decisions and managing conflicts of interest, and also include the Members' Code of Conduct and Gifts and Hospitality Code.

- Scheme of Delegations, which sets out arrangements for delegation of decisions to committees and officers.
- Scheme of Planning Delegations, which sets out how the Legacy Corporation will discharge some of its town and country planning functions and responsibilities through delegation to the Planning Decisions Committee and planning officers.
- Planning Code of Conduct, which sets out the approach of planning officers and the Planning Decisions Committee Members to planning decision-making.
- Financial Regulations, which set out the framework for managing the Legacy Corporation's financial affairs.
- Procurement Code, which sets out policies in relation to the proper procurement of goods, services, supplies and works.

These documents have all been in place throughout 2019/20.

The scheme of delegation was amended in April 2020 to enable new arrangements for the proceedings of the Legacy Corporation Board and Committees to be put in place during the Coronavirus (COVID-19) pandemic to enable remote decision-making (see significant governance changes since the reporting date).

All the above documents are available on the Legacy Corporation's website.

A staff code of conduct and other people management policies are published on the Legacy Corporation's intranet site and issued to staff as part of their induction process.

The governance arrangements will continue to be reviewed and updated to ensure that the organisation's structures and decision-making processes remain appropriate to the Legacy Corporation's changing role.

Risk management, fraud and corruption

The Legacy Corporation's risk management processes are based on embedding risk management in all aspects of its work programme and ensuring that programme-wide and project risks are identified, quantified, mitigated and monitored effectively. The primary objective is to have effective strategies in place to control risks through reducing the likelihood of a risk arising, mitigating the likely impact of a risk should it arise, or – where possible – eliminating the risk.

Risks and issues are managed at various levels across the organisation: risks and issues within a project are managed by project managers; risks and issues within a directorate are managed by the relevant executive director or director; and corporate risks are owned by the Executive Management Team. Risks are managed through the Legacy Corporation's programme and project management reporting system, Execview.

Corporate-level risks and issues are identified through analysing the risk register and considering any other risks and issues impacting on the Legacy Corporation. These are updated, reviewed and agreed by the Executive Management Team. Updates on corporate risks and issues are reported to every Audit Committee meeting and to the Board through the corporate dashboard and discussed in an annual risk review.

The Legacy Corporation has an Anti-Fraud, Bribery and Corruption Policy and a Whistle Blowing Policy, these are presented to the Audit Committee on a cyclical basis. The Anti-Fraud, Bribery and Corruption Policy was last reviewed by the Committee in November 2019. The Whistle Blowing Policy was last reviewed by the Committee in November 2019. Measures include processes to prevent and detect fraud. Preventative controls include the Legacy Corporation's policies and procedures, including senior management authorisation of new suppliers, separation of functions for raising and authorising purchase orders and making payments, and other procurement and accounting processes. Key detective processes and controls are the systems for authorisation of accounts payable and receivable, general ledger journals and payroll allied to senior management scrutiny of the monthly management accounts. the Legacy Corporation's Anti-Fraud, Bribery and Corruption Policy and its Whistleblowing Policy are the Legacy Corporation's policies relating to fraud and the process to allow staff to report concerns.

In 2019/20 no members of the Legacy Corporation staff raised any issues under these policies. There has been one suspected instance of procurement fraud. This was identified within the procurement department in late March 2020. The matter was reported to the appropriate authorities for investigation, and LLDC's internal auditors, MOPAC, who undertook a subsequent investigation. The results of this investigation will be reported to the Audit Committee in July 2020.

The Legacy Corporation undertakes quantified risk assessments on its corporate level risks and on major project risks (including the East Bank project) to inform contingency management. In 2015/16 the Board approved the Legacy Corporation’s risk appetite statement] which sets out the level of risk that the Legacy Corporation is prepared to accept, tolerate, or be exposed to across different the activities it undertakes. The risk appetite statement was reviewed in 2018/19 by the Board and Audit Committee.

People Strategy

LLDC’s People Strategy is in its 4th year of implementation, and to ensure we are still meeting the emerging needs of the business, a review of the progress against the key deliverables has been carried out to make sure we are on track. The People Strategy continues to focus on People Development, Working Smarter, Performance Management, Health and Wellbeing and Reward and Recognition. LLDC continues to progress its work ensuring a flexible and agile workforce with over 40% of employees operating on a formal flexible pattern.

In addition to achieving Excellence level for the Mayor’s Healthy Workplace Charter for its outstanding offering, in October 2019 LLDC has achieved Excellence level for the Mayor’s Good Work Standard, which is a benchmark for the highest employment standards and fair and inclusive employers.

Inclusion and Diversity

Work was undertaken in 2019/20 to review the Inclusion and Diversity (I&D) Strategy to ensure that it helps to address issues relating to the Corporation’s gender and ethnicity pay gaps and the importance of a more inclusive culture. This was informed by a set of principles presented at the Board Away Day in May 2019; discussions with the internal Diversity and Inclusion Group; outputs from the employee survey; a session with our Management Forum on the strategic statement and themes; Executive Management Team buy-in including the agreement of EMT leads for strategic themes; focus group sessions facilitated by Inclusive Employers; and discussions with the Board Champion, Sukhvinder Kaur-Stubbs.

The Chair’s Committee approved the I&D strategy in November 2019. This included a new statement of the Legacy Corporation’s Commitment and five strategic themes, see below. EMT members are leading strategic themes with measures for success set out and a detailed action plan is being developed, alongside delivery of five ‘quick wins’ identified in the Strategy. The Strategy also includes a framework of responsibilities and behaviours for all of the Legacy Corporation’s managers around: providing leadership, creating opportunities; acting with fairness, recruiting and inducting and sharing good practice.

Extract from I&D Strategy

Statement: Our commitment

LLDC prioritises advancing an inclusive culture and establishing a diverse workforce, better reflecting the communities we serve. This strengthens our business, supports our values and enables us to attract the best talent and provide opportunity to all.

Strategic Themes:

Our commitment to Inclusion and Diversity is delivered through five Strategic Themes, each led by individual Executive Directors.

Inclusive culture
Difference is valued at LLDC - we have an inclusive culture that allows everyone to be themselves and get the best work / life balance

Recruitment
Our recruitment processes and approach ensure that the profile of our workforce is diverse and balanced

Supporting talent from within
A broad range of progression and development opportunities are available. Opportunities are well known by all employees and are inclusive by design

Leadership
LLDC leaders actively champion diversity and inclusion. In LLDC there is a culture of trust, focusing on outputs, where all employees feel there are a range of opportunities open to them

A place full of opportunity
Diverse businesses want to call the Park home. Local people are connected to a range of opportunities in education, employment and skills (external theme, overseen by the Regeneration and Communities Committee)

Modern Slavery Statement

The Legacy Corporation's Modern Slavery Statement for 2019/20 was approved by the Board in November 2019 and is set out below.

London Legacy Development Corporation Modern Slavery and Human Trafficking Statement 2019/20

This Statement sets out the steps that the London Legacy Development Corporation (the Legacy Corporation, the Corporation) has taken to address the risks of slavery and human trafficking in our supply chains pursuant to section 54 of the Modern Slavery Act 2015. Our aim is to inform our partners, suppliers, staff and the public about the Legacy Corporation's policy with respect to modern slavery, human trafficking, forced and bonded labour and labour rights violations in our supply chains and the steps taken to identify, prevent and mitigate the risks. It outlines the policies and processes we have in place, the areas we have identified as high risk and the actions we have taken to mitigate such risks and the plans we have in place to strengthen our commitment to the Act.

While the Legacy Corporation is not a "commercial organisation" as defined by the Act, so has no requirement to publish a statement, the Legacy Corporation recognises that it is good practice to ensure that the Corporation is compliant with the Act. The Statement also applies to E20 Stadium LLP, a limited liability partnership which the Legacy Corporation controls. the Legacy Corporation is working with LS185, the operator for the London Stadium, to produce their own Modern Slavery and Human Trafficking Statement.

The Legacy Corporation's structure, business and supply chains:

London Legacy Development Corporation is a Mayoral Development Corporation, established on 1 April 2012, under the provisions of the Localism Act 2011, with the vision of creating a dynamic new metropolitan centre for London. the Legacy Corporation is owned by the Mayor of London and is part of the Greater London Authority (GLA) group.

In 2018/19, we spent over £70m on goods and services with over 400 suppliers. Our supply chains are generally simple and involve predominantly UK companies. Nevertheless, we do source goods and services from further afield from time to time. We recognise the importance of taking appropriate steps to reduce the risk of modern slavery within our supply chains. the Legacy Corporation's policies in relation to slavery and human trafficking

The GLA has a Responsible Procurement Policy which covers the Legacy Corporation reflects best practice to ensure that procurement activities meet all relevant legislative requirements including the Modern Slavery Act. The policy states that "businesses should consider human rights, labour standards, the environment and anti-corruption when making business decisions. We therefore always consider the measures that we can put in place to ensure that our services will be delivered in a manner that reflects these values. In this way, the GLA remains committed to extending its heritage of ethical sourcing and employment to its activities abroad."

The Legacy Corporation's Procurement and Regeneration teams have worked together to develop a Responsible Procurement Implementation Plan to ensure that we are meeting the requirements of this policy.

The Mayor's Chief of Staff leads the Collaborative Procurement Board for the GLA Group, in which the Legacy Corporation actively participates.

As part of the Legacy Corporation's standard Selection Questionnaire for OJEU procurements, prospective suppliers who are relevant commercial organisations as defined in the Act are asked to demonstrate compliance with the Act to the Legacy Corporation.

The Legacy Corporation has updated its Whistle Blowing Policy to include modern slavery and people trafficking as a matter regarded as malpractice.

Risk analysis on where there is a risk of slavery and human trafficking taking place

The principal categories that the Legacy Corporation deems as carrying material risks of human rights abuses are construction, catering and facilities management services such as cleaning and stewarding and security services. Further risk and opportunity assessments to identify other contracts and areas of spend, where there may be a high risk, will be undertaken in the coming year.

The Legacy Corporation's due diligence processes in relation to slavery and human trafficking in its business and supply chains

The Legacy Corporation is examining options for embedding supply chain due diligence into its processes to address the risk of modern slavery, human trafficking, forced and bonded labour and other human rights risks in the supply chain. Progress has been made with our major construction contracts on East Bank and as a priority in the coming year, attention will be paid to modern slavery risks in catering and facilities management services, wherever lower pay is prevalent and where demand for unskilled labour in the supply chain may be met by third party agencies. Contractors will be encouraged to recruit directly wherever possible and to undertake regular audits of third-party agencies to check for the signs of human rights abuse.

The Legacy Corporation's standard contracts include clauses that oblige contractors to comply with the Modern Slavery Act. This text is from the Legacy Corporation's standard low value goods and services contract: "The Supplier shall in the performance of the Contract (at no additional cost to the Legacy Corporation) comply, and ensure that any sub-contractors comply, in all respects with relevant and binding UK and European Community laws or any other regulation or by-law (including, without limitation, with the Modern Slavery Act 2015 and the Anti-Slavery Policy) from time to time in force which is or may become applicable during the period the Contract is in force.

The Legacy Corporation has implemented changes to strengthen the Legacy Corporation's NEC3 contracts, including on East Bank, in relation to compliance by the contractor and their sub-contractors with the Modern Slavery Act and ensure that contractors meet the requirements of a Certified Ethical Labour Scheme. The relevant clauses have been inserted into new contracts and bidders' Modern Slavery Statements are assessed as part of East Bank procurements. the Legacy Corporation's Project Management Partner is responsible for ensuring that contractors are monitored in implementing these requirements.

Effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate

The annual exercise we undertake with employers on the Park in relation to payment of the London Living Wage and the non-exploitative use of Zero Hours contracts will be extended to include questions about the businesses compliance with the Modern Slavery Act and their related due diligence work with supply chains from June 2018. The responses will be analysed and further information or monitoring visits will be requested by the Legacy Corporation where required.

Training

Key staff in the Programme Management Office and Procurement team have received guidance from the GLA group's Responsible Procurement team who have expertise in this field. Key staff have also joined webinars on the subject. Training on Modern Slavery for relevant staff members was undertaken in 2018/19 and a Modern Slavery update was given to an all staff briefing.

Our key goals

The Legacy Corporation reconfirms its commitment to better understanding its supply chains and working towards greater transparency and responsibility towards people working in them.

We will continue to work with our partners and suppliers to undertake supply chain due diligence and mitigate the risks to human rights in our supply chains. We will also ensure that these issues are considered as part of transition plans setting out how the Legacy Corporation's functions will be undertaken when the Corporation comes to the end of its operations. As the Legacy Corporation acquires knowledge and develops capability across all higher-risk spend categories, the intention is to codify and communicate for wider use in the GLA group those due diligence processes that are found to be the most successful.

In the coming year the Legacy Corporation will pursue seven key goals:

- Continue to deliver the Mayor's Responsible Procurement Policy
- Ensure compliance with contractual requirements relating to Modern Slavery for our major construction contracts
- Complete a further risk and opportunity assessment to identify other contracts and areas of spend, where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime.
- Complete an annual audit to ensure that key employers on the Park comply with the Modern Slavery Act
- Active membership of a group sharing industry best practice.
- Further raise internal awareness of Modern Slavery through ongoing training and communication.
- Supporting LS185 to ensure compliance with the Modern Slavery Act and development of a Modern Slavery and Human Trafficking Statement for the company.

Progress against these actions will be reported to the Audit Committee at least twice a year.

This Statement was approved by the Legacy Corporations Board on 19 November 2019.

The Legacy Corporation has made progress in 2019/20 to deliver on our modern slavery action plan though it's Modern Slavery Group which includes officers from the Legacy Corporation's finance, regeneration, procurement and PMO teams and support from TfL's responsible procurement lead.

The Legacy Corporation has implemented changes to strengthen the Legacy Corporation's NEC3 contracts (including East Bank) in relation to compliance by the contractor and their sub-contractors with the Modern Slavery Act and ensure that contractors meet the requirements of a Certified Ethical Labour Scheme. The relevant clauses have been inserted into new contracts and bidders' Modern Slavery Statements are assessed as part of East Bank procurements. the Legacy Corporation's Project Management Partner, Mace, continue to monitor compliance of all East Bank construction contractor's requirements in relation to Modern Slavery. Their approach includes ensuring that contactors sign up to a certified ethical labour scheme (for example, Clearview, Hope for Justice) and join SEDEX who specialise in managing data in labour rights. Training and surgeries are provided on site, both for contractors and Mace staff. Posters with support information have been placed in prominent areas on the site. TfL's Responsible Procurement Team have identified the work that the Legacy Corporation procurement, contracting and monitoring of the East Bank supply chain as an example of good practice and the Legacy Corporation presented its approach on Modern Slavery to the GLA's Responsible Procurement Forum in January 2020.

The Legacy Corporation uses the Labour Agency Vendor Accord for supply of construction workers to sites, to ensure compliance with London Living Wage and Modern Slavery. This is in place for Stratford Waterfront (through MACE) at East Wick and Sweetwater and Chobham Manor. the Legacy Corporation also undertook its annual; audit in 2019/20 to ensure that key employers on the Park comply with the Modern Slavery Act, with the result that all respondents were compliant. the Legacy Corporation has signed up to the Gangmasters and Labour Abuse Authority's (GLAA) Construction Protocol. The GLAA is an arm's length body of the Home Office who are authorised to investigate and prosecute offences of labour market exploitation. Joining the protocol is free and gives the Legacy Corporation access to a network, best practice and expert knowledge.

The Legacy Corporation have supported LS185 to produce a Modern Slavery Statement which has been approved by E20 and LS185 Boards. Following this, the Legacy Corporation presented an overview of Modern Slavery to an LS185 all staff meeting. E20 Stadium LLP's Board will monitor progress against the action plan within LS185's Modern Slavery Statement.

Staff training has been undertaken, including a briefing at an all staff meeting in 2018/19, training for relevant staff on responsible procurement delivered by TfL's Responsible Procurement team throughout the year and a Management Forum briefing in July 2019.

Financial and legal controls compliance

The Legacy Corporation's financial management arrangements conform with the governance requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer in Local Government:

- The Chief Finance Officer of the Legacy Corporation (designated in accordance with Section 127 of the Greater London Authority Act 1999) is Gerry Murphy, the Deputy Chief Executive and Executive Director of Finance, Commercial and Corporate Services and a member of the Institute of Chartered Accountants in England and Wales.

- The Chief Finance Officer sits on the Executive Management Team, and is able to attend all Board and committee meetings. She prepares the budget and corporate plan, including leading internal review processes, and is party to all material business decisions. Financial advice is included on all Board papers and sign-off is required above the thresholds specified in the Scheme of Delegations. The execution of contracts and grant agreements is reserved to the Chief Executive, Chief Finance Officer and any Board member, apart from:

    - specified 3 Mills Studio Agreements which have been delegated to senior members of the Park Operations and Venues team or to the 3 Mills Studio operator under a power of attorney; specified standard form event hire agreements which have been delegated to senior members of the Park Operations and Venues team;

    - contracts procured through the GLA Group Collaborative Procurement Board which have been delegated to TfL;

    - where the authentication of the use of the seal for freehold and leasehold disposals at Chobham Manor of values up to £1m within approved budget has been delegated to specified senior officers in the Development directorate;

    - standard event hire agreements with a value of £15,000 or less require which have been delegated to senior members of the Park Operations and Venues team;

- standard form employment contracts which have been delegated to any one of the Chief Executive, the Deputy Chief Executive or the HR Director;

- Here East consents and specified documents, leases and licences which have been delegated to any one of the Chief Executive, Deputy Chief Executive or Executive Director of Park Operations and Venues;

- contracts valued up to £1m which have been delegated to any two members of the Executive Management Team (EMT), one must be the budget holder (up to their delegated authority limits and within approved budget); and

- non-disclosure agreements which can be signed can be signed by any two members of EMT.

- The Chief Finance Officer is also responsible for financial controls, for corporate programme management, for performance measurement and for supporting the Audit Committee's work (including internal audit).

- The Chief Finance Officer is supported by a suitably qualified team which provides support on budget monitoring, financial and taxation management, and which includes a CIPFA-qualified Director of Finance with significant public sector experience.

The Legacy Corporation ensures compliance with relevant laws and regulations through the activities of an in-house commercial procurement team and a shared services arrangement with Transport for London's (TfL) legal team. This shared services arrangement came into effect on 1 May 2014. Legal advice is required for all significant decisions, whether taken by the Board or under delegated authority, and is recorded in Board papers. All contracts entered into by the Legacy Corporation must also be approved by the TfL legal team for signing (unless the agreement is an un-amended the Legacy Corporation standard contract or have been prepared by external legal advisers) through approval of the Contact Authorisation Form. Legal advice is also sought on some Project Initiation Documents (PIDs) and Business Cases (if the project is novel, contentious or repercussive); or not contained within the current approved budgets (i.e. a new project) regarding how the project approach complies with relevant legislation, how it is covered in the Legacy Corporation's powers, any other legal implications and any legal instruments to be entered into as a result of this project.

Compliance with other legalisation (e.g. employment or procurement) is ensured by the working policies, procedures and practice of the relevant the Legacy Corporation team. Policies are approved by the Executive Management Team following consultation with the Employee Forum and Management Forum and available for staff on the Legacy Corporation's intranet

Audit Committee and internal audit

The Audit Committee helps to raise the profile of internal control and risk management within the Legacy Corporation through considering a standing item on internal control and risk management at each meeting and reporting back to the Legacy Corporation's Board. It raises the profile of financial reporting issues within the organisation through a report at every meeting from the Deputy Chief Executive, which reports on key activities including those relating finance and governance, and reporting back to the Legacy Corporation's Board. The Audit Committee also helps to raise the profile of internal control, risk management and financial reporting by requesting information on individual areas of concern and asking the internal auditors to review particular areas of risk. Audit Committee meetings are held in public and the papers are made available on the Legacy Corporation's website which helps to enhance public trust in the Legacy Corporation's financial governance.

The Audit Committee is made up of members of the Legacy Corporation's Board. It includes members with both public and private sector experience with expertise in areas including finance, audit, law and governance.

In April 2015, the Mayor's Office of Policing and Crime (MOPAC) commenced work as the Legacy Corporations Internal Auditors as part of the Mayor of London's shared services agenda. The internal auditors work is reported to, and monitored and reviewed by, the Audit Committee. MOPAC assist in the promotion of good governance through implementation of the Internal Audit Plan, as approved by the Audit Committee.

The Internal Audit Plan includes individual audits on activities identified as areas of risk. When complete the reviews are reported to the relevant executive and the Audit Committee. The Legacy Corporation's progress against agreed internal audit recommendations are monitored regularly and reported to the Audit Committee; MOPAC also perform follow up reports on previously completed audits and report these to the Audit Committee.

The Internal Auditors provide an annual report summarising their findings for the year, the 2019/20 annual report is on the agenda for the first Audit Committee meeting in 2020/21:

The Head of Internal Audit's overall opinion for 2019/20 is that the Legacy Corporation has an adequate internal control environment and controls to mitigate risks are generally operating effectively.

The full audits carried out as part of the 2019/20 Internal Audit plan are listed below with assurance ratings[2]:

- 2018/19 Housing Delivery Programme – Adequate assurance
- Construction Management - limited assurance
- Procure to Pay – review ongoing (delayed by COVID-19)
- Contract Management – review ongoing (delayed by COVID-19)
- Health and Safety– review ongoing (delayed by COVID-19)

Completed follow up reports are set out below:

- Full follow up of AMO – Adequate assurance
- Park Security Operations – Adequate assurance
- Venues – Adequate assurance
- Recruitment, Retention and Performance – Substantial assurance
- Regeneration – Substantial assurance
- Material Systems – Substantial assurance

[2] Green – substantial: there is a sound framework of control operating effectively to mitigate key risks, which is contributing to the achievement of business objectives. Yellow – adequate: the control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met. Amber – limited: the control framework is not operating effectively to mitigate key risks. A number of key controls are absent or are not being applied to meet business objectives. Red – no assurance: a control framework is not in place to mitigate key risks. The business area is open to abuse, significant error or loss and/or misappropriation.

Other reports:

- LS185 – London Stadium Investigation Report (assurance rating not applicable)

Code of Corporate Governance

The Legacy Corporation's code of corporate governance sets out the Legacy Corporation's approach to openness, accountability and effective governance. During 2017, the code was revised to reflect the seven principles set out in "Delivering Good Governance in Local Government: Framework" issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Council Chief Executives and Senior Managers (SOLACE) in 2016. This guidance replaced the previous guidance upon which the Legacy Corporation's former code was based. The revised code was presented to the Audit Committee in July 2017.

Performance against the code is evaluated on an annual basis and included in the Annual Governance Statement and any areas for improvement identified. Overall, the Legacy Corporation performs well against the code: it is committed to the seven principles and has a framework of policies and procedures, behaviours and values in place which support good governance.

Work undertaken during 2019/20 includes:

- further enhancements to the transparency pages on the Legacy Corporation's website

- a review of the Whistleblowing and the Anti-Fraud and Bribery policies and by the Audit Committee

The areas for further work identified for the next financial year include:

- reviewing the corporate policies referenced in the code

- refreshing the transparency pages

Greater London Authority (GLA) Corporate Governance

The Legacy Corporation is a functional body of the GLA and complies with its annual budgeting process, engages with the London Assembly and its committees as required and also fulfils the requirements of any Mayoral directions given. There is also an on-going dialogue with the Mayor's office to ensure that the activities of the Legacy Corporation are aligned with the Mayor's general policy framework. The Legacy Corporation became a signatory to the GLA Group Framework Agreement in September 2016 and has incorporated its requirements of the Agreement into its operational and governance arrangements.

Whistleblowing and complaints

The Legacy Corporation's Whistleblowing Policy is on its intranet, available for all staff setting out how employees can report concerns. The Policy includes provision for staff members to report concerns directly to the Chair of the Audit Committee if necessary. The Audit Committee last reviewed the policy in November 2019.

The Legacy Corporation's Complaints Policy was formally adopted and added to the website in May 2013 and was last reviewed in February 2018. It sets out how the Legacy Corporation handles complaints, the different stages of the procedure, and how complaints can be made to the Local Government Ombudsman if the complainant is not satisfied with Legacy Corporation's response. This includes a dedicated email address to receive complaints.

Meeting development needs of members and senior staff

LLDC's aim is to support staff to enhance their skills and knowledge whilst creating a learning culture that encourages personal responsibility for development. We have done this through delivery of a comprehensive learning programme for all staff, which has provided inclusive leadership and management, diversity and inclusion, governance and business and health and wellbeing training including mental health line manager training and 15 mental health first aiders. In addition, we have participated in a Women's Leadership Development programme, 'Our Time' for the second year which has enabled 4 women to learn, develop and network through routes that may not have previously been accessible to them.

Community and Business Team

Creating successful new places is about much more than building houses, roads and schools. Its people that bring a place to life and give it identity and potential. This is what the Communities and Business programme – "Living Places" is all about. The Legacy Corporation's Community and Business Team manages a programme of active engagement with local people and organisations through the delivery of; community projects and interim uses, community sports programme, consultation on development proposals and through participation in relevant local community forums and hosting its own local representative groups including Park Panel, Youth Board and Legacy Youth Voice. These groups provide important ongoing opportunities for the two-way flow of information, issues and ideas between the diverse local communities around the Park and the Legacy Corporation. In the last 5 months, the Communities and Business team has merged with the Sustainability team and expanded the remit of the overall programme to include an increased focus on Innovation activity (digital infrastructure, data management, accelerator programmes, network management, shared resources, co-ordinated research and funding bids etc) alongside the existing priorities sited above.

During the financial year, the Legacy Corporation has progressed pre-application consultation on Pudding Mill masterplan development and reserve matter applications for East Wick and Sweetwater. The Corporation has strengthened its online consultation tools through working in partnership with Common Place and Vu City to test and deliver new methods of engagement to help maximise inclusivity and reach. Alongside the Code of Consultation. LLDC also upholds a Code of Construction and this year has continued to support a number of developer partners to maintain consistently high consultation and construction site relations standards (mitigating the impact of activities such as lorry movements, dust, noise, temporary road closures etc). In fact, Stratford Waterfront was this year awarded an "Outstanding" Considerate Construction Score in light of the practices we have in place.

The Great Get Together event in June 2019 welcomed over 13,000 people taking part in this community celebration at Queen Elizabeth Olympic Park. This was in addition to the two half term family fun days which saw over 900 local people take part. The Park hosted its second Summer School which brought together East Bank and other local partners to create a unique and inspiring 2 week programme of free learning courses for young people aged 13 – 16 years old.

Summer 2019 saw the first Queen Elizabeth Olympic Park Summer Festival of Sport, named Active East. Active East was prefaced by a programme of school and community events associated with the Major League Baseball games held in the London Stadium at the end of June. This was followed by an eleven-day programme beginning with *UKA's Summer Festival of Athletics* in the days around the Muller Anniversary Games and ending with the *Waterways Festival* to celebrate the launch of QEOP's new South Park Pontoon. The aim of this years' Festival was to enable local people from schools and communities in the four Boroughs around the Park to participate in a broad range of free sporting activities on the Park. In total, we hosted 116 events and reached over 7000 people.

Hub 67 (a temporary community centre in Hackney Wick designed and built by The Corporation in direct collaboration with local residents) is now in its 5th year of operation and continues to welcome thousands of visitors each year. The Corporation also supports East Village Trust in the delivery and management of the East Village community space called “The Hall” as well as developing detailed plans for the community space that is currently under construction in Chobham Manor.

Clearly over the last quarter of 18/19 the impact of the CV-19 global pandemic has altered the course of delivery methods and activity considerably. Huge sways of the Community and Business programmes have had to adapt rapidly to changing circumstances. Some events and projects have been paused or cancelled but a massive amount of work has been directed towards assisting the immediate community and business support response and this will continue over the next financial year with a focus on medium to long term recovery and building local socioeconomic resilience.

Board effectiveness review update

The Chair will consider the scope, format and timing of an external Board effectiveness review during 2020/21.

Significant changes in the Board

Philip Lewis stood down from the Board and as Deputy Chair at the end of 31 March 2020. The Chair appointed Simon Blanchflower as Deputy Chair from 1 April 2020. Philip Lewis had also served as Chair of the Planning Decisions Committee and stood down from that role after the January 2020 meeting. The Board appointed Pam Alexander as Chair of the Planning Decisions Committee in December 2019.

Following the postponement of the Mayoral election due to Covid-19, the planned recruitment of new Board members to replace Philip Lewis and the four Board members whose terms were due to end in September 2020 was delayed. The appointment terms of those four Board members was extended to September 2021 and a staggered recruitment is planned over the course of 2020/21 to them.

Significant governance developments since the reporting date

New arrangements for the proceedings of the Legacy Corporation Board and Committees have been put in place during the Coronavirus (COVID-19) pandemic to enable remote decision-making (see section on standing orders, delegations and code of conduct).

The arrangements are set out in the Legacy Corporation Scheme for Remote Decision-Making3. They have been put in place as the Legacy Corporation does not benefit from the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, which enable specified organisations to hold meetings remotely. the Legacy Corporation is subject to the provisions of Part 5A of the Local Government Act 1972 which imposes a requirement for public meetings and rights of attendance by the press and public.

Matters will be considered Advisory Panels made up of the Legacy Corporation Board or Committee members and decisions will be taken by the relevant Chair4 under a delegation following consultation with the relevant Advisory Panel in line with the provisions set out in the Scheme.

Advisory Panel proceedings will mirror the way in which physical meetings take place so that they can be open and transparent to the public and enable Board or Committee members to participate in discussion and deliberations, albeit with the decision being taken by the relevant Chair, following consultation in line with the provisions set out in the Scheme. This will involve agendas being published in advance (5 working days), with details of how the public can follow the remote meeting of the relevant Advisory Panel and, in the case of the Planning Committee, be able to make representations, as well as a record of the

[3] Available at: https://www.queenelizabetholympicpark.co.uk/our-story/the-legacy-corporation/our-committees

[4] Under the LLDC’s arrangements the delegation for the planning matters is to (a) the Chair of the Planning Decisions Committee or (b) the Executive Director of Planning Policy and Decisions (as between them they decide) following consultation with the Planning Decisions Committee’s Advisory Panel

proceedings containing a statement of to the Chair's decisions on each of the items of business on the Advisory Panel Agenda being published on the website as soon as is practicable.

The Legacy Corporation Remote Decision-Making Scheme was put in place using the urgent action provision in the scheme of delegations. Amendments to the scheme of delegations are reserved to the Board. However, as the Board could not meet physically the urgent action was used to approve the adoption of the Legacy Corporation Remote Decision-Making Scheme (and its associated amendments to the Scheme of Delegations and Scheme of Planning Delegations) so that this could be in place in time for the April Planning Decisions Committee. Amendments to the scheme of delegations are also subject to consultation with the Mayor, which was received on 27 April 2020.

The arrangements will be kept under review and shall be in place for as long as required while it is not possible to hold a physical meeting.

Significant governance issues

Significant governance challenges for the Legacy Corporation in the year ahead are set out below together with the proposed management response:

Issue	**Proposed response**
Enabling an effective and high performing Board.	Annual meetings by the Chair with Board members. Regular Board away days to enable strategic input. Continued succession planning which takes account of term lengths of Board members. Staggered recruitment of new Board members during 2020/21 to replace key skill requirements. Continuous improvement of quality of Board and Committee papers.
Achieving more with less financially and ensuring a firm financial footing for future years.	Long term financial plan is refined through discussion with the Board and Mayor of London, this also sets out the medium-term funding challenges and support the Corporation's budget submission to the GLA. Impact of Covid-19 to be considered in next budget setting round.
Managing the risks to the successful delivery of the East Bank and ensuring that there is effective stakeholder engagement at all levels.	Integrated assurance framework in place which follows recognised best practice of the three lines of defence model to provide assurance to funders, partners and the Legacy Corporation Board that the risks to the programme are being successfully managed. East Bank Risk and Assurance Board, with an independent Chair reviews construction delivery of East Bank. Independent Chair also attends Investment Committee. Governance structures in place include partners and funders.

	Regular review of governance structures.
Developing staff and corporate culture to respond to a changing role.	Delivery of the Inclusion and Diversity strategy and action plan. Regular staff surveys. Communication and staff engagement, especially in relation to transition.
Continuing to develop effective joint working with other parts of the GLA Group, including through shared services.	Effective shared service arrangements in place for legal, treasury management, secretariat services, internal audit provision, insurance services and sharing some elements of procurement with the GLA. Ongoing preparation for transition to an IT shared service with the GLA.
Continuing enhancing the internal control environment.	Continuous review and enhancement of budgeting and business planning process. Regular audits of finance systems (recent Material systems audit follow up received a substantial assurance rating.)
Ensuring the Legacy Corporation has the right skills to deliver its objectives as its purpose evolves.	Continued workforce planning and reviews of staff and resourcing. Developing talent from within is a key strand of Inclusion and Diversity action plan.
Resolving issues relating to delivery of E20 Stadium Business Plan.	E20 Stadium LLP Board members and funders considering commercial/restructuring options.
Ensuring effective operations at London Stadium following the LS185 acquisition and delivering progress in getting the London Stadium on a firm financial footing	Senior Management Group of LS185, E20 Stadium LLP, and the Legacy Corporation executive provide oversight and monitor development of a commercial strategy for the Stadium. Development of a commercial strategy for the Stadium.
Ensuring a comprehensive Transition Strategy is developed and laying the foundations for effective implementation	Regular engagement with the Board, GLA and local Boroughs and staff. Board approved high level transition strategy in February 2020. Effective transition governance structure in place

The Legacy Corporation will address these and other issues that arise, in order to enhance its governance arrangements, and will keep these under review to ensure fitness for function.

Lyn Garner

Chief Executive

XX November 2020

Peter Hendy

Chair

XX November 2020

Glossary of terms

Accruals basis

The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial gains and losses

Actuaries assess financial and non-financial information provided by the Legacy Corporation to project levels of future pension fund requirements. Changes in actuarial deficits or surpluses can arise leading to a loss or gain because

- events have not coincided with the actuarial assumptions made for the last valuation; and/or
- the actuarial assumptions have changed.

Balances

The balances of the Legacy Corporation represent the accumulated surplus of income over expenditure on any of the funds.

Capital Adjustment Account

The account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (deferred charges). The balance on the account thus represents timing differences between the amount of the historical cost of fixed assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital expenditure

This is expenditure on the acquisition of a fixed asset, or expenditure, which adds to, and not merely maintains, the value of an existing fixed asset.

Capital financing charges

This is the annual charge to the revenue account in respect of interest and principal repayments and payments of borrowed money, together with leasing rentals.

Capital receipts

Income received from the sale of land or other capital assets, a proportion of which may be used to finance new capital expenditure, subject to the provisions contained within the Local Government Act 2003.

Carrying amount

The balance sheet value recorded of either an asset or a liability.

CBE, MBE and OBE

CBE refers to the Commander of the Order of the British Empire award; MBE refers to the Member of the Order of the British Empire award and OBE to the Officer of the Order of the British Empire award.

Chartered Institute of Public Finance and Accountancy (CIPFA)

CIPFA is the leading professional accountancy body for public services.

Contingent liabilities or assets

These are amounts potentially due to or from individuals or organisations which may arise in the future but which at this time cannot be determined accurately, and for which provision has not been made in the Legacy Corporation's accounts.

Creditors

Amounts owed by the Legacy Corporation for work done, goods received or services rendered, for which payment has not been made at the date of the balance sheet.

Current service cost

Current service cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits 'earned' by employees in the current year's employment.

Curtailment

Curtailments will show the cost of the early payment of pension benefits if any employee has been made redundant in the previous financial year.

Debtors

These are sums of money due to the Legacy Corporation that have not been received at the date of the Balance Sheet.

Defined benefit scheme

This is a pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined contribution scheme

A defined contribution scheme is a pension or other retirement benefit scheme into which an employer pays regular contributions as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Ministry of Housing, Communities and Local Government (MHCLG)

A department of central government with an overriding responsibility for determining the allocation of general resources to local authorities.

Depreciation

This is the measure of the wearing out, consumption, or other reduction in the useful economic life of a fixed asset.

Exceptional items

Material items deriving from events or transactions that fall within the ordinary activities of the Legacy Corporation, but which need to be separately disclosed by virtue of their size and/ or incidence to give a fair presentation of the accounts.

External audit

The independent examination of the activities and accounts of local authorities to ensure the accounts have been prepared in accordance with legislative requirements and proper practices and to ensure the Legacy Corporation has made proper arrangements to secure value for money in its use of resources.

Expenditure

This is amounts paid by the Legacy Corporation for goods received or services rendered of either a capital or revenue nature. This does not necessarily involve a cash payment since expenditure is deemed to have been incurred once the goods or services have been received even if they have not been paid for.

Fair value

Fair value is the price at which an asset could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.

Finance lease

A finance lease is a lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets and financial liabilities and includes both the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Financial regulations

These are the written code of procedures approved by the Legacy Corporation, intended to provide a framework for proper financial management. Financial regulations usually set out rules on accounting, audit, administrative and budgeting procedures.

Fixed assets

Assets that yield benefits to the Legacy Corporation and the services it provides for a period of more than one year. Examples include land, buildings and vehicles.

General fund

This is the main revenue fund of the Legacy Corporation and includes the net cost of all services financed by Government and other trading income.

Impairment

A reduction in the value of a fixed asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in a fixed asset's market value and evidence of obsolescence or physical damage to the asset.

Income

These are amounts due to the Legacy Corporation for goods supplied or services rendered of either a capital or a revenue nature. This does not necessarily involve a cash payment. Income is deemed to have been earned once the goods or services have been supplied even if the payment has not been received (in which case the recipient is a debtor to the Legacy Corporation).

Intangible fixed assets

These are fixed assets that do not have physical substance but are identifiable and controlled by the Legacy Corporation. Examples include software, licenses and patents.

International Financial Reporting Standard (IFRS)

Defined Accounting Standards that must be applied by all reporting entities to all financial statements in order to provide a true and fair view of the entity's financial position, and a standardised method of comparison with financial statements of the other entities.

Leasing costs

This is where a rental is paid for the use of an asset for a specified period of time. Two forms of lease exist: finance leases and operating leases.

Liabilities

These are amounts due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are usually payable within one year of the Balance Sheet date.

Net Realisable Value (NRV)

NRV is the open market value of the asset in its existing use (or open market value in the case of non operational assets) less the expenses to be incurred in realising the asset.

Operating lease

This is a type of lease, usually of computer equipment, office equipment, furniture, etc. where the balance of risks and rewards of holding the asset remains with the lessor. The asset remains the property of the lessor and the lease costs are revenue expenditure to the Legacy Corporation.

Prior period adjustments

These are material adjustments which are applicable to an earlier period arising from changes in accounting policies or for the correction of fundamental errors.

Provisions

Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount and/or the timing of such costs is uncertain.

Public Works Loan Board (PWLB)

An arm of central government which is the major provider of loans to finance long term funding requirements for local authorities.

Related parties

Related parties are central government, other Local Authorities, subsidiary and associated companies, Members and all Executive Management Team members. For individuals identified as related parties, the following are also presumed to be related parties:

- members of the close family, or the same household, and
- partnerships, companies, trusts or other entities in which the individual, or member of their close family or the same household, has a controlling interest.

Reporting standards

The Code of Practice prescribes the accounting treatment and disclosures for all normal transactions of a Local Authority. It is based on International Financial Reporting Standards (IFRS), International Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) plus UK Generally Accepted Accounting Practice (UK GAAP) and Financial Reporting Standards (FRS).

Reserves

Amounts set aside for general contingencies, to provide working balances or earmarked to specific future expenditure.

Revaluation reserve

The reserve records the accumulated gains on the fixed assets held by the Legacy Corporation arising from increases in value as a result of inflation or other factors (to the extent that these gains have not been consumed by subsequent downward movements in value).

Revenue expenditure

Expenditure incurred on the day-to-day running of the Legacy Corporation. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded From Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provision but that does not result in the creation of a non-current asset that has been charged as expenditure to the Comprehensive Income and Expenditure Statement.

Service Reporting Code of Practice (SeRCOP)

Prepared and published by CIPFA, the Service Reporting Code of Practice (SeRCOP) replaced the previous Best Value Accounting Code of Practice (BVACOP). It is reviewed annually to ensure that it develops in line with the needs of modern local government, transparency, best value and public services reform. SeRCOP establishes proper practices with regard to consistent financial reporting for services and in England and Wales, it is given legislative backing by regulations which identify the accounting practices it propounds as proper practices under the Local Government Act 2003.

Treasury management

This is the process by which the Legacy Corporation controls its cash flow and its borrowing and lending activities.

Treasury Management Strategy (TMS)

A strategy prepared with regard to legislative and CIPFA requirements setting out the framework for treasury management activity for the Legacy Corporation.

London Legacy Development Corporation Group

Audit results report

Year ended 31 March 2020

19 November 2020

Building a better working world

Private and Confidential

19 November 2020

Dear Audit Committee Members

We are pleased to attach our audit results report for the forthcoming meeting of the Audit Committee. This report summarises our preliminary audit conclusion in relation to the audit of London Legacy Development Corporation Group for 2019/20.

As set out on pages 5 and 6, a number of issues have arisen as a result of COVID-19 which impacted on our audit. Subject to concluding the outstanding matters listed in our report, we confirm that we expect to issue an unqualified audit opinion on the financial statements in the form at Section 3, before the accounts publication date of 30 November 2020. We also have no matters to report on your arrangements to secure economy, efficiency and effectiveness in your use of resources. Although we are proposing no qualifications or modifications to our audit report, we do anticipate including in our audit report an emphasis of matter which draws attention to the disclosures included in the Corporation's financial statements in response to Covid-19. This include assertions on material uncertainty expressed by the Corporation's professional valuer on the valuation of the Corporation's Investment Property in response to the uncertain market conditions as at the balance sheet date.

This report is intended solely for the use of the Audit Committee, Corporation Board members, E20 Stadium LLP and London Stadium 185 Board members, and senior management. It should not be used for any other purpose or given to any other party without obtaining our written consent.

We would like to thank your staff for their help during the engagement. This has been a particularly challenging period for the Corporation in responding to Covid-19, securing essential public services and business continuity, which has also introduced remote ways of working and placed additional strain on maintaining robust systems of financial control and financial reporting.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 08 October 2020.

Yours faithfully

Andrew Brittain

Associate Partner, For and on behalf of Ernst & Young LLP, Encl

Contents

Public Sector Audit Appointments Ltd (PSAA) have issued a 'Statement of responsibilities of auditors and audited bodies'. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk).

This Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment (updated April 2018)' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities / Terms and Conditions of Engagement. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

01 Executive Summary

Executive Summary

Scope update

In our audit planning report tabled at the 05 March 2020 Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan, with no exceptions noted.

Changes to reporting timescales

As a result of COVID-19, new regulations, the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 No. 404, have been published and came into force on 30 April 2020. This announced a change to publication date for final, audited accounts from 31 July to 30 November 2020 for all relevant authorities.

Changes to our risk assessment as a result of Covid-19

- Valuation of Property Plant and Equipment/ Investment Property - The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty. Caveats around this material uncertainty have been included in the year-end valuation reports produced by the Corporation's external valuer. We consider that the material uncertainties disclosed by the valuer gave rise to an additional risk relating to disclosures on the valuation of property, plant and equipment. We commented on this additional risk to the July Audit Committee.
- Disclosures on Going Concern – Financial plans for 2020/21 and medium term financial plans required revision for Covid-19. We considered the unpredictability of the current environment gave rise to a risk that the Corporation would not appropriately disclose the key factors relating to going concern, underpinned by managements assessment with particular reference to Covid-19 and the Corporation's actual year end financial position and performance.
- Adoption of IFRS16 – The adoption of IFRS 16 by CIPFA/LASAAC as the basis for preparation of Corporation Financial Statements has been deferred until 1 April 2021. The Corporation will therefore no longer be required to undertake an impact assessment, and disclosure of the impact of the standard in the financial statements does not now need to be financially quantified in 2019/20. We therefore no longer consider this to be an area of audit focus for 2019/20.

Changes to the scope of our audit as a result of Covid-19

- We have performed additional work in identifying the business and financial reporting risks the Corporation are facing as a result of current economic conditions related to the Covid-19 outbreak in connection with our audits of the Corporation and Group's financial statements including documenting changes to internal controls
- Consistent with all audit opinions issued by EY during the pandemic we conducted additional review and consultation processes associated with disclosures on any material uncertainties disclosed with valuations, documented basis for going concern and events after the reporting period, to ensure the robustness and consistency of auditor reporting.

Executive Summary

Scope update

Changes in materiality

In our Audit Committee Planning Report, we communicated that our audit procedures would be performed using a materiality of £4.87m, with performance materiality, at 75% of overall materiality, of £3.65m, and a threshold for reporting misstatements of £243k. We have considered whether any change to our materiality is required in light of Covid-19. Following this consideration we remain satisfied that the basis for planning materiality, performance materiality and our audit threshold for reporting differences reported to you in our Audit Planning Report remain appropriate. We updated our planning materiality assessment using the draft financial statements and have also reconsidered our risk assessment. Based on our materiality measure of non-current assets (PPE and Investment Property) at the beginning of we updated our overall materiality assessment to £4.51m. This results in updated performance materiality, at 75% of overall materiality, of £3.38m, and an updated threshold for reporting misstatements of £225k.

However during the course of the audit it was identified that there was an error on the valuation of Investment Property (see Section 4 of this report for more details) which resulted in a reduction of its value. As this directly impacted the basis on which our materiality was calculated (non-current assets), we revisited the calculation and concluded it significantly changed planning materiality levels and thus our thresholds and samples for testing and therefore our scope of work. As a result of this, we have further updated our materiality assessment to £3.53m, performance materiality to £2.64m and threshold for reporting misstatements to £176k. We have set out the impact on our audit fee on page 41.

In addition to completing an audit of London Legacy Development Corporation Group, we also undertake statutory audits of E20 Stadium LLP and London Stadium 185. E20 Stadium and LS 185 single entity materiality are unaffected by the above error in valuation since they are based on different materiality measure however the assigned group materiality and threshold for LS 185 to group report has also changed.

Their updated statutory materiality is shown below:

Entity	Materiality Basis	Updated Materiality
E20 Stadium LLP	Gross Expenditure	£0.65m
London Stadium 185	Revenue	£0.48m

Information Produced by the Entity (IPE): We identified an increased risk around the completeness, accuracy, and appropriateness of information produced by the entity due to the inability of the audit team to verify original documents or re-run reports on-site from the Corporation's systems. We undertook the following to address this risk:

- Used the screen sharing function of Microsoft Teams to evidence re-running of reports used to generate the IPE we audited; and
- Agree IPE to scanned documents or other system screenshots.

Additional EY consultation requirements concerning the impact on auditor reports because of Covid-19. The changes to audit risks, audit approach and auditor reporting requirements changed the level of work we needed to perform.

Executive Summary

Status of the audit

We have substantially completed our audit of London Legacy Development Corporation's financial statements for the year ended 31 March 2020 and have performed the procedures outlined in our Audit planning report. Subject to satisfactory completion of the outstanding matters set out in appendix B we expect to issue an unqualified opinion on the Corporation's financial statements in the form which appears at Section 3. However until work is complete, further amendments may arise.

Our audit report may include an Emphasis of Matter on the property valuation disclosure notes due to material uncertainty expressed by the Corporation's valuer in response to Covid-19. An emphasis of matter is not a qualification or modification to our audit report.

Audit differences

To date, differences have been identified with an aggregated impact of reducing the Investment Property valuation by £50m which management have agreed to adjust. There was also a prior year adjustment (PYA) with an aggregated impact of -£100m in relation to the same account which management also agreed to adjust. These calculation errors were as a result of human error on the part of the Corporation's valuer. Details can be found in Section 4.

To date, we have not identified any further amendments that are sufficiently significant to bring to the attention of management.

Areas of audit focus

Our Audit Planning Report identified key areas of focus for our audit of London Legacy Development Corporation's financial statements This report sets out our observations and conclusions. We summarise our consideration of these matters, and any others identified, in the "Key Audit Issues" section of this report.

We ask you to review these and any other matters in this report to ensure:

- There are no other considerations or matters that could have an impact on these issues
- You agree with the resolution of the issue
- There are no other significant issues to be considered.

At this stage, there are no matters, apart from those reported by management or disclosed in this report, which we believe should be brought to the attention of the Audit Committee.

Control observations

During the audit, and to date, we have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements and which is unknown to you.

Executive Summary

Value for money

We have considered your arrangements to take informed decisions; deploy resources in a sustainable manner; and work with partners and other third parties. In our Audit Planning Report we identified the following significant risks:

1) The Corporation's governance of E20 Stadium LLP Group
2) Long-term financial modelling
3) The Corporation's governance of significant building projects

We have no matters to report about your arrangements to secure economy efficiency and effectiveness in your use of resources.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Corporation. We have no matters to report as a result of this work.

We will perform the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission.

We have no other matters to report.

Independence

Please refer to Section 9 for our update on Independence.

02 Areas of Audit Focus

Significant risk

LLDC Group and E20 Stadium LLP Group (including London Stadium 185 Ltd):

Risk of fraud in revenue and expenditure recognition

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Corporation, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have considered this presumed risk in relation to those significant income streams and areas of expenditure which could be subject to manipulation, and identified the following areas of risk:

- London Legacy Development Corporation (LLDC): income in relation to investment properties an area of risk.
- E20 Stadium LLP (E20): All revenue
- London Stadium 185 (LS 185): All revenue

What judgements are we focused on?

As set out in the plan, London Legacy Development Corporation recognises rental income as well as income from the disposal of investment property, the valuation of which could be manipulated. We have therefore identified income in relation to investment properties an area of risk.

The same risk applies to E20 Stadium LLP and LS 185 income which is consolidated and significant to the London Legacy Development Corporation Group accounts.

What did we do?

Our approach focused on the following areas in relation to income related to investment properties and E20 Stadium LLP Group income:

- Reviewed and tested revenue recognition policies
- Reviewed and discussed with management any accounting estimates on revenue recognition for evidence of bias
- Understood variances in revenue recognised against forecasts.
- Obtained evidence from the service organisations that support the collection and recording of revenue.

What are our conclusions?

We have identified no issues in income in relation to investment properties of LLDC. There were also no issues identified in income relating to E20 Stadium LLP and LS 185.

Significant Risk

Significant risk

LLDC Group and E20 Stadium LLP Group (including London Stadium 185):

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

What judgements are we focused on?

We focused our testing on accounting estimates which include pension liability, property valuation, deferred tax and onerous contract provision. Also performing mandatory procedures including testing of journal entries.

What did we do?

This is a risk that we recognise on all engagements. Our overall response to this for LLDC Group was:

- Inquiry of management about risks of fraud and the controls put in place to address those risks.
- Understanding the oversight given by those charged with governance of management's processes for safeguarding against fraud.
- Consideration of the effectiveness of management's controls designed to address the risk of fraud.

Performing mandatory procedures regardless of specifically identified fraud risks, including:

- Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- Assessing accounting estimates for evidence of management bias, and
- Evaluating the business rationale for significant unusual transactions.

What are our conclusions?

We have not identified any material weaknesses in controls or evidence of material management override.

We have not identified any instances of inappropriate judgements being applied. Please also see following pages for our conclusion on property valuation, pension liability and onerous contract provision.

We did not identify any other transactions during our audit which appeared unusual or outside the Corporation's normal course of business.

Significant Risk

Significant risk

LLDC Group:

Incorrect classification of capital spend

What is the risk?

Practice note 10 issued by the Financial Reporting Corporation, states that auditors should consider the risk that material misstatements may occur by the manipulation of expenditure recognition. The potential for the incorrect classification of capital spend as revenue is a particular area where there is a risk of management override at LLDC due to the nature of GLA funding arrangements which requires LLDC to repay capital loans.

What judgements are we focused on?

We focused on aspects of the financial statements where management could inappropriately classify expenditure as revenue where it should be capital in order to maximise grant funding, primarily:

- Accruals near year end;
- Journal entries intended to re-classify expenditure from revenue to capital;
- The routine classification of expenditure posted during the year as revenue.

What did we do?

- For significant additions, we examined invoices, capital expenditure authorisations, leases and other data that support the additions. We reviewed the sample selected against the definition of capital expenditure in IAS 16.
- We extended our testing of items capitalised in the year by lowering our testing threshold. We also reviewed a larger random sample of capital additions below our testing threshold.
- We used our testing of journals to identify high risk transactions, such as items originally recorded as revenue expenditure and subsequently capitalised.

What are our conclusions?

We did not identify misclassified capital expenditure.

Significant Risk

Significant risk

LLDC Group

Risk of error in the valuation of property, including investment properties

What is the risk?

The unique and material nature of the Corporation's non-current assets and the basis on which they are valued, means that small changes in assumptions when valuing these assets can have a material impact on the financial statements.

What judgements are we focused on?

Since the material element of property plant and equipment is carried at cost rather than valuation, we have focused our work on the investment property balance. We focused on the assumptions that could have the biggest impact on the property valuations such as:

- High value assets carried at fair value particularly the Queen Elizabeth Olympic Park
- the assumptions and estimates used to calculate the valuation; and
- changes to the basis for valuing the assets.

What did we do?

- Assessed the classification of these property assets, the valuation basis that is assigned as a result and any material increases or impairments that arise during 2019/20;
- Assessed the work of the property valuers in respect of the Corporation's property portfolio;
- Consulted with the EY Estates team on significant assets, including the Queen Elizabeth Olympic Park value;
- Identified any changes on key assumptions or the valuation methodology of other assets and understood the rationale; involved EY Estates as necessary;
- Identified whether key assumptions are consistent with the long term model and capital plan; and
- Reviewed and tested the accounting entries and disclosures made within the Corporation's financial statements, especially given the Corporation's valuer had attached a "material uncertainty" clause to their valuation report as a result of Covid-19.

What are our conclusions?

The Royal Institute of Chartered Surveyors (RICS), the body setting the standards for property valuations, has issued guidance to valuers highlighting that the uncertain impact of Covid-19 on markets might cause a valuer to conclude that there is a material uncertainty.

The Corporation's external valuer, GL Hearn have reported on the basis of 'material valuation uncertainty' as per VPS 3 and VGPA 10 of the RICS Red book Global. Consequently, less certainty- and a higher degree of caution attached on their review and valuation than would normally be the case. Given the unknown future impact that Covid-19 might have on the real estate market, GL Hearn recommended to keep the portfolio's valuation under frequent review.

We have identified, verified and tested the significant assumptions used by the Corporation's valuer with the assistance of our specialist, EY Estates. Errors were identified which resulted to £50m reduction on Investment Property on current year and £100m reduction in the prior year which needed restating. Management have adjusted for these.

Due to material uncertainty clause mentioned above, we are undergoing an internal consultation to ascertain the impact of this on our report. Our audit report will potentially include an emphasis of matter that draws attention to the Corporation's disclosure notes on valuation uncertainty. For clarity, this is not a modification or qualification to our audit opinion.

We have reviewed the disclosures in relation to property valuation in the revised financial statements and it explicitly stated the material valuation uncertainty which is consistent with the external valuer's report.

Significant Risk

Other Areas of Audit Focus

LLDC Group:
Pension liability valuation

What is the risk?

The Code of Practice on Local Corporation Accounting in the United Kingdom and IAS19 require the Corporation to make extensive disclosures within its financial statements regarding the Local Government Pension Scheme (LGPS) in which it is an admitted body.

The Corporation's current pension fund deficit is a material and sensitive item and the Code requires that this liability be disclosed on the Corporation's balance sheet.

The information disclosed is based on the IAS 19 report issued to the Corporation by the actuary. Accounting for this scheme involves significant estimation and judgement and due to the nature, volume and size of the transactions we consider this to be a significant risk.

What judgements are we focused on?

We focused on aspects of the pension liability which could have a material impact on the financial statements, primarily:

- significant changes in assumptions made by the actuary;
- the assessments of the actuary undertaken by PWC, as consulting actuary commissioned by the National Audit Office, and the EY actuarial team; and
- Impact on the Corporation's pension valuation of Covid-19 reported by the LPFA auditor based on the pension fund assurance response.

What did we do?

- Liaised with the auditors of London Pensions Fund Corporation, to obtain assurances over the information supplied to the actuary in relation to the Corporation;
- Assessed the work of the Pension Fund actuary (Barnet Waddingham) including the assumptions they have used by relying on the work of PWC - Consulting Actuaries commissioned by the National Audit Office for all Local Government sector auditors, and considering any relevant reviews by the EY actuarial team; and
- Reviewed and tested the accounting entries and disclosures made within the Corporation's financial statements in relation to IAS19.

What are our conclusions?

An additional consideration in 2019/20 will be the impact of Covid-19 on the valuation of complex (Level 3) investments held by London Pension Fund Corporation (for example real estate and infrastructure investments) where valuations as at 31 March 2020 will have to be estimated. This impacts on the IAS19 reports provided by the actuary and the assurances over asset values that are provided by the pension fund auditor, and consequently the assurance we are able to obtain over the net pension liability in the Corporation's accounts. The share of the difference in valuation of equity fund assets identified by the Pension Fund auditor is considered not material to the Corporation.

We have considered the outcome of the assurances received from the Pension Fund auditor in relation to other areas. The Pension Fund auditor also reported a material uncertainty as at 31 March 2020 on Infrastructure and Real Estate fund assets which have been referred to as an Emphasis of Matter (EoM) in their audit opinion. Having reviewed these EoMs we have concluded that the impact is not fundamental to the Corporation and therefore we would not expect any additional disclosure in the accounts of LLDC.

In addition, we also considered the recently issued consultations for different pension schemes on the restitution for the judgements arising from the McCloud and Goodwin case. We have concluded the impact of both in the Corporation's pension liability are not material and therefore as the consultations were both post year end, we are content that no further disclosure as a post balance sheet event is required.

Significant Risk

Significant risk

LLDC Group and E20 Stadium LLP:

E20 onerous contract provision

What is the risk?

When the stadium commenced operations it became clear that for two of its three key contracts, the expenditure associated is likely to exceed the income received, rendering them onerous under IAS 37.
A material provision has therefore been recognised. This provision is updated annually based on judgements made by management in the E20 five year business plan (extrapolated to ten years). In 2019/20, this will necessarily reflect progress made against the LLP's restructuring plans and any future plans.

As a material, judgemental balance, the provision is susceptible to misstatement.

What judgements are we focused on?

- A 5-year business plan was produced which was extrapolated over 10 years (discounted into perpetuity) and then used to support the valuation of the provision. The 5-year business plan contains judgements over anticipated expenditure, performance of the Stadium operator, and income streams. E20 management has recognised the Stadium at a nil carrying value and used the valuation of the Stadium as a proxy for the onerous contract provision.
- Management's judgement is that the valuation of the Stadium asset, which is based on the business plan is an appropriate proxy for the impact of the onerous contracts and therefore for the onerous contract provision.
- Any discount rates applied to the level of net expenditure forecast in the business plan, and the period over which cash flows are assumed to continue at this level are judgements made by the valuer and accepted by management.
- The valuation and provision assume that E20 is a going concern, and that it will continue to receive funding from its parent, LLDC.

What did we do?

- We assessed the competence of the management's expert;
- We reviewed the inputs into the provision calculation, most notably, the E20 5-year business plan (extrapolated to 10 years) - testing key elements back to source documentation and identifying and challenging key judgements;
- Assessed the upsides and downsides in this forecast, as well as the known changes that have occurred since the forecast was produced;
- Reviewed key contracts and their reflection in the business plan and provision calculation.

What are our conclusions?

- We have challenged the business plan by engaging EY Technical Specialist to review of the updated business plan and the assumptions underpinning for our audit assurance.
- We have seek and corroborated explanations from Management as a result of the business plan challenged.
- We assessed the completeness of costs captured and identified no material omissions.
- We obtained inputs, such as contracts, supporting the value of the income streams recognised in the plan and identified no material issues with the valuation. Each income stream had a basis with varying levels of judgement applied.
- We additionally performed shadow calculations which varied both the timespan and the discount rate adopted. This indicated a possible range of £191m - £204m. We note that the provision recognised of £200.1m falls within this range.
- We note that the provision is an estimate and is highly dependent on future actions and business plans. We also note that future actions could improve the financial outlook, which would result in a reduction to the level of provision required in future accounting periods.
- We therefore conclude that the onerous contract provision is a reasonable estimate of future losses without substantial changes to the business plan and contractual matrix at this point in time.

Significant Risk

Significant risk

E20 Stadium and London Stadium 185: Going concern

What is the risk?

The E20 Stadium LLP five year business plan (extrapolated to ten years) produced in May 2018 demonstrated that the business could not be self-sustaining and profit-making without significant restructuring. Until this restructure is complete, it is dependent on member funding to remain solvent. The Members from 1st December 2017 are London Legacy Development Corporation (99%) and Stratford East London Holdings Limited (1%).

Following the acquisition of LS185, this funding requirement will be greater due to the ongoing costs associated with providing finance in 2019/20.

Funding is provided by LLDC, which is funded by its ultimate parent, the Greater London Corporation.

Without a funding commitment, there continues to be a material uncertainty over E20's ability to continue to operate as a going concern.

What judgements are we focused on?

The E20 Board have made an assessment that despite an adverse financial outlook, it is appropriate to prepare the financial statements on a going concern basis.

The London Stadium 185 Board have also concluded that a going concern basis is appropriate.

What did we do?

- Critically reviewed the Board's assessment of its ability to continue as a going concern;
- Ensured disclosures within the financial statements are supported by appropriate support;
- Made direct enquiries of the Greater London Corporation and the GLA audit team;
- Performed subsequent event procedures up to the date of approval of the financial statements; and
- Assessed the impact of this work on the form of our audit opinion.

What are our conclusions?

We have reviewed and audited the consolidated 5-year plan and despite progress in E20's restructuring plan, E20's continued operations are reliant on ongoing financing by the GLA.

We have also made inquiries of the Greater London Corporation regarding their commitment to fund E20 Stadium and the period of this commitment, and we have now received the letter of support from GLA. We also have sought assurance from the GLA audit team that as a result of their going concern work, GLA are in a position to issue such a letter. We are awaiting this at the time of writing.

London Stadium 185's funding requirement is included in E20's consolidated funding requirement. If E20's funding is committed for a period of 12 months beyond the signing of the financial statement, we will be able to conclude that adoption of the going concern assumption for both E20 and London Stadium 185 is appropriate, and that no material uncertainty exists. See additional information on the following page.

We will provide a verbal update during the Audit Committee concerning this matter.

Significant Risk

Areas of Audit Focus

Other matters

Going Concern

Covid-19 has created a number of financial pressures throughout public sector bodies. It is creating financial stress through a combination of increasing service demand leading to increased expenditure in specific services, and reductions in income sources. There is currently not a clear statement of financial support from MHCLG that covers all financial consequences of Covid-19. This results in significant judgement to conclude whether events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Corporation's ability to continue as a going concern. This judgement will determine the appropriate disclosures to be made in the financial statements, which will be reflected in the audit report.

In light of the unprecedented nature of Covid-19, its impact on the funding of public sector entities and uncertainty over the form and extent of future government support, we have received a documented and detailed consideration to support management's assertion regarding the going concern basis and particularly with a view whether there are any material uncertainties for disclosure. We will review your going concern disclosures within the financial statements under IAS1, and associated financial viability disclosures within the Narrative Statement. We will consider whether you have included necessary disclosures regarding any material uncertainties that do exist.

We will consider whether these disclosures also include details of the process that has been undertaken for revising financial plans and cashflow, liquidity forecasts, known outcomes, sensitivities, mitigating actions including but not restricted to the use of reserves, and key assumptions (e.g. assumed duration of Covid-19). Our audit procedures to review these will include consideration of:

- Current and developing environment;
- Liquidity (operational and funding);
- Mitigating factors;
- Management information and forecasting;
- Sensitivities and stress testing; and
- Challenge of management's assessment, by thorough testing of the supporting evidence and consideration of the risk of management bias

Due to the range and complexity of work required to obtain our audit assurance, which this year has been exacerbated by the potential impact of Covid-19, we anticipate this work will be ongoing at the date of the Audit Committee. In addition, the consideration of going concern is 12 months from the date of authorisation of the accounts and therefore will need to be considered up to the point of sign off.

Update for LLDC Group:

In addition to the procedures mentioned on the previous page, we have also reviewed the finance team's documented assessment of going concern. We have also requested cash flow forecast from the management which covers the going concern period (at least 12 months from the date of approval of the financial statements) of which we are awaiting for at the time of writing. We will review, and complete our internal consultation, on the proposed disclosure in relation to going concern. This is dependent on the completion of the GLA Group going concern work. These disclosures will need to be revisited at the point the financial statements are authorised for issue to ensure that these remain appropriate to the Corporation's circumstances for the foreseeable future (i.e. the next twelve months).

03 Audit Report

Draft audit report

Note this is an illustrative draft of the audit report – the final version is subject to our consultation process

Our opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON LEGACY DEVELOPMENT CORPORATION

Opinion

We have audited the financial statements of London Legacy Development Corporation for the year ended 31 March 2020 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Corporation and Group Movement in Reserves Statement,
- Corporation and Group Comprehensive Income and Expenditure Statement,
- Corporation and Group Balance Sheet,
- Corporation and Group Cash Flow Statement, and
- The related notes 1 to 28 to the Corporation Accounts, and G1 to G16 to the Group Accounts.
-

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Corporation Accounting in the United Kingdom 2019/20.

In our opinion the financial statements:

- give a true and fair view of the financial position of London Legacy Development Corporation and Group as at 31 March 20120 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Corporation Accounting in the United Kingdom 2019/20

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of London Legacy Development Corporation and group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter: Valuation of Investment Properties

We draw attention to Note 13 to the financial statements which describes the consequences London Legacy Development Corporation is facing as a result of COVID-19 impacting disclosures of an uncertainty in the valuation basis for Investment Properties. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Deputy Chief Executive's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Deputy Chief Executive has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Corporation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Audit Report

Our opinion on the financial statements

Other information

The other information comprises the information included in the Annual Report and Accounts 2019/20, other than the financial statements and our auditor's report thereon. The Deputy Chief Executive is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Local Audit and Accountability Act 2014

Arrangements to secure economy, efficiency and effectiveness in the use of resources

In our opinion, based on the work undertaken in the course of the audit, having regard to the guidance issued by the Comptroller and Auditor General (C&AG) in November 2017, we are satisfied that, in all significant respects, London Legacy Development Corporation put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Matters on which we report by exception

We report to you if:

- in our opinion the Annual Governance Statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Corporation;
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Our opinion on the financial statements

Responsibility of the Deputy Chief Executive

As explained more fully in the Statement of the Deputy Chief Executive's Responsibilities set out on page 34, the Deputy Chief Executive is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Corporation Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view.

In preparing the financial statements, the Deputy Chief Executive is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Corporation either intends to cease operations, or have no realistic alternative but to do so.

The Corporation is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Corporation's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the London Legacy Development Corporation had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the London Legacy Development Corporation put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the London Legacy Development Corporation had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Audit Report

Our opinion on the financial statements

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Corporation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our conclusion relating to proper arrangements.

We report if significant matters have come to our attention which prevent us from concluding that the Corporation has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Corporation's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of London Legacy Development Corporation in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.

Use of our report

This report is made solely to the members of London Legacy Development Corporation as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than London Legacy Development Corporation and Corporation's members as a body, for our audit work, for this report, or for the opinions we have formed.

04 Audit Differences

Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as "known" or "judgemental". Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight the following misstatements greater than £2.65m that were identified during the course of our audit and corrected by management relating to the Investment Property valuation particularly PDZ1 & 2 of Queen Elizabeth Olympic Park:

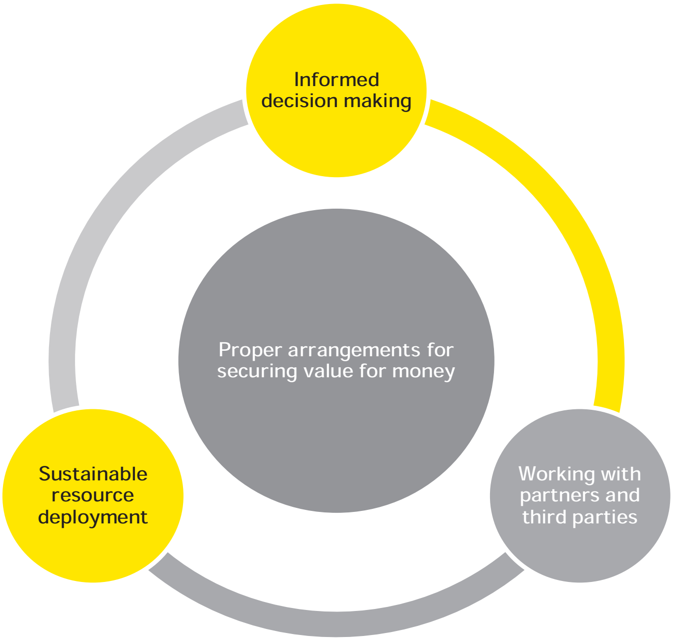
- £50m reduction in the balance of Investment Property for the current year due to developer profit rates not applied and incorrect private residential element double counted in prior year valuation calculation;
- £100m prior year adjustment which reduces the balance of Investment Property due to double counting of the private residential element in the valuation calculation

Subject to the Audit Committee's decision on the governance process for considering the resolution of outstanding matters on the external audit, prior to authorising the financial statements for issue, we would be content in reporting any non-material adjustment or unadjusted differences to the Deputy Chief Executive and Chair of Audit Committee in the first instance.

There are currently no further amendments that are sufficiently significant to warrant being brought to the attention of the committee.

05 Value for Money

Value for Money



Background

We are required to consider whether the Corporation has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

For 2019/20 this is based on the overall evaluation criterion:

"In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

Impact of covid-19 on our Value for Money assessment

On 16 April 2020 the National Audit Office published an update to auditor guidance in relation to the 2019/20 Value for Money assessment in the light of covid-19.

This clarified that in undertaking the 2019/20 Value for Money assessment auditors should consider Local Authorities' response to Covid-19 only as far as it relates to the 2019-20 financial year; only where clear evidence comes to the auditor's attention of a significant failure in arrangements as a result of Covid-19 during the financial year, would it be appropriate to recognise a significant risk in relation to the 2019-20 VFM arrangements conclusion.

Overall conclusion

We identified three significant risk around these arrangements. The table below present our findings in response to the risk in our Audit Planning Report.

We anticipate having no matters to report about your arrangements to secure economy, efficiency and effectiveness in your use of resources, however, we keep this assessment ongoing up to the point of concluding the audit.

Value for Money Risks

We are only required to determine whether there are any risks that we consider significant within the Code of Audit Practice, where risk is defined as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of enough work to deliver a safe conclusion on your arrangements to secure value for money, and enables us to determine the nature and extent of any further work needed. If we do not identify a significant risk we do not need to carry out further work.

The table below presents the findings of our work in response to the risks areas in our Audit Planning Report.

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
The Corporation's governance of E20 Stadium LLP Group The Corporation is exposed to both financial and reputation risk from the operation of E20 Stadium LLP Group. Since July 2017, the Corporation has provided financial support either through loan funding or equity to the LLP to enable it to continue operations. As part of the E20 Stadium LLP restructuring plan, E20 acquired London Stadium 185 Ltd (LS 185) in January 2019, which is forecast to make loss in 2019/20.	Take informed decisions Deploy resources in a sustainable manner	Following the acquisition of London Stadium 185 Limited (LS 185) in January 2019, members of the LLDC Finance Team worked alongside the LS185 Chief Financial Officer and LS185 Finance Team to understand and assess the LS185 key financial processes and controls. To support LS185 in achieving the required improvements, LLDC has recruited an interim resource ('Financial Controls Project Lead'). This resource formally reports to the LLDC Finance Director but works on a day-to-day basis at the London Stadium to the LS185 Chief Financial Officer. The reporting to the Board in relation to the risks associated with the LS 185 financial processes and controls were transparent. During the year, there was also a change in structure to have LLDC Investment Committee have greater visibility of E20 group finances given the E20 Board is an Advisory Board. In February 2020, the E20 Board considered terms of reference for the E20 Board, LS 185 Board and Stadium Management Group, the executive level management group. The E20 and LLDC Board provides the main oversight of the operations of LS 185 and E20, including health and safety at the London Stadium. The E20 Board receives quarterly finance updates on the E20 Group. The LS 185 statutory accounts are approved by the LS 185 Board. . Oversight of LS 185 business is through the LLDC Chief Executive or E20 Board. Progress has also been made on agreeing changes to the UK Athletics contract (i.e. fewer seat moves), and this process continues beyond 2019/20. The financial and reputation risk that the Corporation is exposed to in relation to the Stadium remains; although they have made progress in managing and responding to this risk. The Corporation will need to ensure its governance oversight of the E20 group and its processes for managing risk and monitoring delivery against restructuring plans are robust. We have therefore no matters to report.

Value for Money Risks

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
<u>Long-term financial modelling</u> The Corporation's financial obligations, including in relation to the Stadium, the impact of the East Bank project and the Corporation's requirement to contribute to the Mayor's affordable housing priorities are reflected within its long-term financial model which is updated annually. This year it will need to be consistent with the Corporation’s Capital Strategy. A large proportion of the Corporation’s funding from the Greater London Corporation is repayable. Updates to assumptions regarding future costs and receipts may impact on the Corporation’s ability to repay this borrowing. Under the Prudential Code for Local Authorities, the Corporation is required to borrow only to the extent that it can repay. Failure to fully understand and reflect changes in underlying assumptions within the model therefore poses a financial and reputation risk to the Corporation.	Take informed decisions Working with partners and other third parties	We have reviewed the Corporation’s current Long-term model. We note that the Corporation continue to refine the model to take account of known changes in different development platforms. We have tested movements between the current and prior year model and found no issues. The model has been updated and used to inform the Corporation’s Board and the Greater London Corporation to support its long-term financial planning We therefore have no matters to report.

Value for Money Risks

What is the significant value for money risk?	What arrangements did the risk affect?	What are our findings?
The Corporation's governance of significant building projects In terms of scale, East Bank is the most significant project which the Corporation has undertaken to date. Its main objective is the continued development of the Queen Elizabeth Olympic Park and the securing of the Olympic legacy. The project requires significant financial commitments from various organisations including LLDC, the GLA and partners, with whom LLDC has complex agreements for leases in place. The involvement of multiple partners and scale of the project expose the Corporation to reputational and financial risk. In 2019/20, the project has progressed significantly. However, there have been challenges in relation to the tender returns from the market on packages, which are greater than budget. In 2019/20 the development at East Wick and Sweetwater has also progressed well into phase one. However the changes in market conditions has presented significant challenges to the viability of these large-scale residential developments and has caused the Corporation to look again at future phases. The Corporation needs to ensure that its processes for managing risk and monitoring delivery across its projects are robust.	Take informed decisions Working with partners and other third parties	In previous year, we noted key milestones met included BBC agreement for lease being signed with associated additional financing appropriately reflected in the Long term model. We also noted that the land disposal to UCL has taken place and that contracts continue to be let. We have reviewed the Assurance report on the performance of the East Bank Programme which includes both Stratford Waterfront projects and UCL East projects. We are satisfied that the risk relating to East Bank is appropriately articulated in the Corporation's risk registers. The Corporation continues to update its assessment of risk in relation to the East Bank project on an ongoing basis. Also, the timing and nature of these updates and the Corporation's approach to ensuring that it limits its specific project exposure mean that appropriate arrangements are in place to manage the reputational and financial risk associated with East Bank. We therefore have no matters to report with respect to the year to 31 March 2020. Due to Covid-19 and lockdown, it has exacerbated many of Corporations' risks including East Bank. Looking ahead to 20/21 the Covid-19 crisis, including the temporary cessation of construction at Stratford Waterfront has put significant pressure on the East Bank budget and programme, which were already under pressure due to tender returns for some procurements being significantly over budget. We noted several proposals on how the Corporation plan to resolve this i.e. close liaison on budget implications and robust risk management process with regular reporting to the GLA, working closely with partners, continue to review and refine procurement strategy. Therefore this significant risk will remain a focus for our VfM conclusion work in 20/21.

06 Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement
We must give an opinion on the consistency of the financial and non-financial information in the Annual Report and Accounts for the year ended 2019/20 with the audited financial statements. We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance. Financial information in the Annual Report and Accounts for the year ended 2019/20 and published with the financial statements was consistent with the audited financial statements. We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts
Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office. We will start our work in this area once the accounts have been finalised.

Other reporting issues

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Corporation to consider it or to bring it to the attention of the public (i.e. "a report in the public interest"). We did not identify any issues which required us to issue a report in the public interest.

We also have a duty to make written recommendations to the Corporation, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues.

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Corporation's financial reporting process. They include the following:

- Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- Any significant difficulties encountered during the audit;
- Any significant matters arising from the audit that were discussed with management;
- Written representations we have requested;
- Expected modifications to the audit report;
- Any other matters significant to overseeing the financial reporting process;
- Findings and issues around the opening balance on initial audits (if applicable);
- Related parties;
- External confirmations;
- Going concern;
- Consideration of laws and regulations; and
- Group audits

We have no additional matters to report on these areas which are not already covered elsewhere in this report

07 Assessment of Control Environment

Assessment of Control Environment

Financial controls

It is the responsibility of the Group to develop and implement systems of internal financial control and to put in place proper arrangements to monitor their adequacy and effectiveness in practice. Our responsibility as your auditor is to consider whether the Group has put adequate arrangements in place to satisfy itself that the systems of internal financial control are both adequate and effective in practice.

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. As we have adopted a fully substantive approach, we have therefore not tested the operation of controls.

Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

We have not identified any significant deficiencies in the design or operation of an internal control that might result in a material misstatement in your financial statements of which you are not aware.

We considered whether circumstances arising from COVID-19 resulted in a change to the overall control environment of effectiveness of internal controls, for example due to significant staff absence or limitations as a result of working remotely. We identified no issues which we wish to bring to your attention/details of issues noted.

08 Data Analytics

Data analytics

Analytics Driven Audit

Data analytics

We used our data analysers to enable us to capture entire populations of your financial data. These analysers:

- Help identify specific exceptions and anomalies which can then be the focus of our substantive audit tests; and
- Give greater likelihood of identifying errors than traditional, random sampling techniques.

In 2019/20, our use of these analysers in the Group's audit included testing journal entries and employee expenses, to identify and focus our testing on those entries we deem to have the highest inherent risk to the audit.

We capture the data through our formal data requests and the data transfer takes place on a secured EY website. These are in line with our EY data protection policies which are designed to protect the confidentiality, integrity and availability of business and personal information.

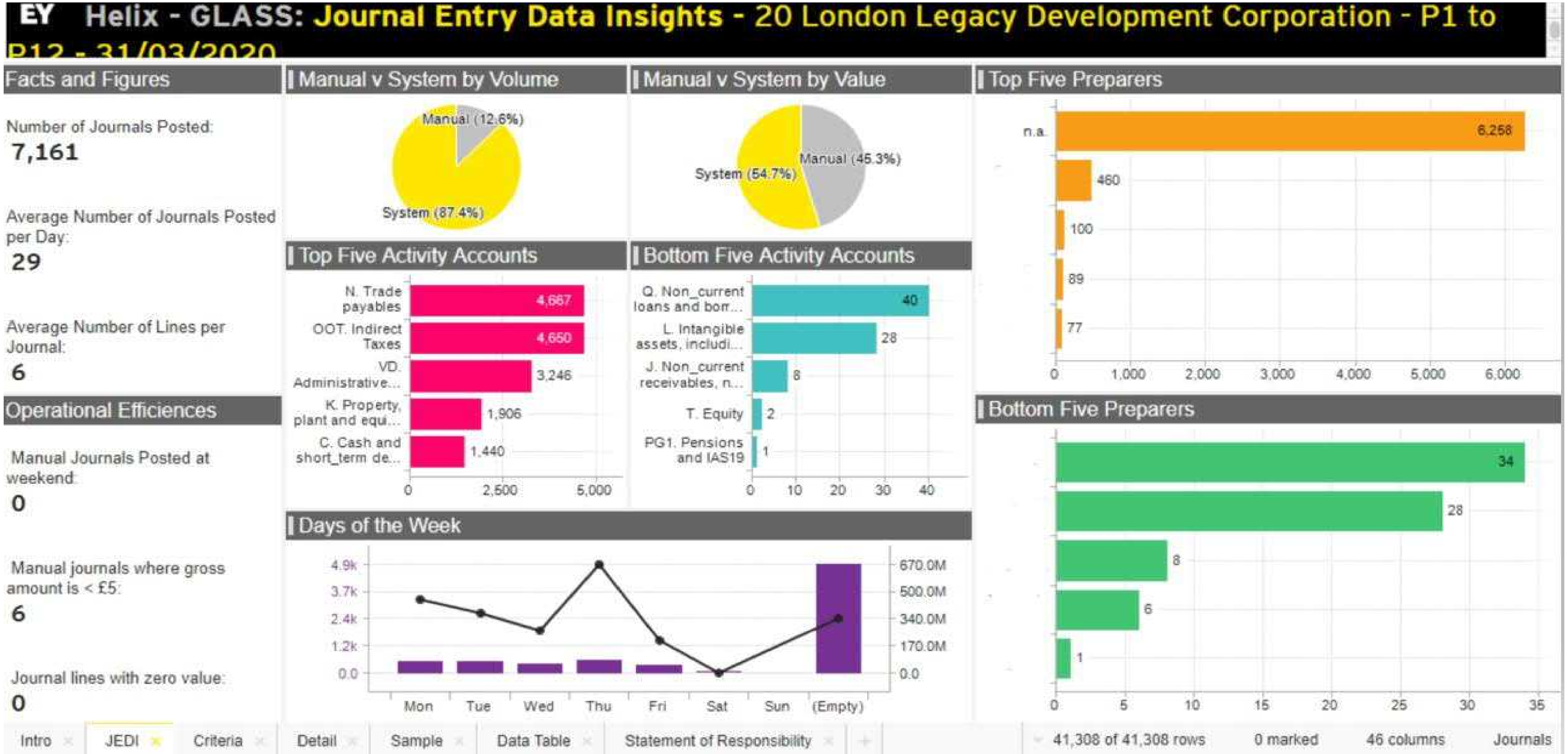
Journal Entry Analysis
We obtain downloads of all financial ledger transactions posted in the year. We perform completeness analysis over the data, reconciling the sum of transactions to the movement in the trial balances and financial statements to ensure we have captured all data. Our analysers then review and sort transactions, allowing us to more effectively identify and test journals that we consider to be higher risk, as identified in our audit planning report.

Payroll Analysis
We also use our analysers in our payroll testing. We obtain all payroll transactions posted in the year from the general ledger. We then analyse the data against a number of specifically designed procedures. These include analysis of payroll costs by month to identify any variances from established expectations, as well as more detailed transactional interrogation.

Journal Entry Data Insights

The graphic outlined below summarises the journal population for 2019/20. We review journals by certain risk based criteria to focus on higher risk transactions, such as journals posted manually by management, those posted around the year-end, those with unusual debit and credit relationships, and those posted by individuals we would not expect to be entering transactions.

The purpose of this approach is to provide a more effective, risk focused approach to auditing journal entries, minimising the burden of compliance on management by minimising randomly selected samples.



Journal Entry Testing

What is the risk?

In line with ISA 240 we are required to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

What judgements are we focused on?

Using our analysers we are able to take a risk based approach to identify journals with a higher risk of management override, as outlined in our audit planning report.

Journal entry data criteria – 31 March 2020

What did we do?

We obtained general ledger journal data for the period and have used our analysers to identify characteristics typically associated with inappropriate journal entries or adjustments, and journals entries that are subject to a higher risk of management override.

We then performed tests on the journals identified to determine if they were appropriate and reasonable.

What are our conclusions?

We isolated a sub set of journals for further investigation and obtained supporting evidence to verify the posting of these transactions and concluded that they were appropriately stated.

09 Independence

Independence

Confirmation

We confirm there are no changes in our assessment of independence since our confirmation in our audit planning report dated March 2020.
We complied with the APB Ethical Standards. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning of regulatory and professional requirements.

We consider that our independence in this context is a matter which you should review, as well as us. It is important that you and your Audit Committee consider the facts known to you and come to a view. If you would like to discuss any matters concerning our independence, we will be pleased to do this at the meeting of the Audit Committee on 8 October 2020.

We confirm we have not undertaken any non-audit work outside the NAO Code requirements in relation to our work.

Relationships, services and related threats and safeguards

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and your Corporation, senior management and its affiliates, including all services provided by us and our network to your Corporation, senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.
There are no relationships from 1 April 2019 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The table overleaf includes a summary of the fees for the year ended 31 March 2020 in line with the disclosures set out in FRC Ethical Standard and in statute.

Independence

Fee analysis

As part of our reporting on our independence, we set out below a summary of the fees proposed for the year ended 31 March 2020.

In our Audit Plan we outlined the basis on which the scale fees are set by PSAA and in there and in subsequent reporting to the Audit Committee, we have outlined a combination of factors which mean that we do not believe the existing scale fees provide a clear link with both a public sector organisation's risk and complexity and therefore it endangers the sustainability of Local Audit in the future. Based on these factors, and in light of requests from PSAA to provide further detailed analysis we have estimated the impact on the Corporation as shown below. This proposal is currently being considered by PSAA as part of their national consideration of EY's fee proposals.

All fees exclude VAT	Estimated fee 2019/20	Scale fee 2019/20	Final Fee 2018/19
	£	£	£
LLDC Group Code work fee (Note 1)	85,100	23,100	34,621
E20 Stadium LLP Group (Note 2)	34,000	N/A	36,000
London Stadium 185	30,000	N/A	34,000
Additional work resulting from change in materiality levels (Note 3)	6,962	N/A	N/A
Additional fee to address Covid-19 related risks (Note 4)	TBC	N/A	N/A

Note 1: We presented summary of fee impact as part of audit progress update in June 2020. These amounts are subject to the approval of PSAA.
Note 2: The E20 fee includes a £8,000 fee variation which relates to work performed outside the scope envisaged by the fee included in the original 2014 engagement letter in relation to the onerous contract provision and material uncertainty in relation to going concern.
Note 3: We have performed additional testing for every account impacted in response to the error identified in relation to the Investment Property valuation which is the basis of our materiality (also includes additional testing performed on LS 185 for purposes of Group reporting).
Note 4: We have performed additional work in identifying and assessing the business and financial reporting risks the Corporation are facing as a result of current economic conditions related to the Covid-19 outbreak, including changes to internal controls, enhanced consideration of the Corporation's going concern assessment and disclosure within the financial statements and consultation requirements on the impact on our Auditor's report from the land and building valuations material uncertainty clause. These are specific to the 19/20 audit year and once quantified we will discuss with management and (to the extent they relate to LLDC) seek approval from the PSAA.

Fees

Summary of impact

We outlined in our audit plan the basis on which the scale fees are set by PSAA. We also outlined a combination of factors which mean that we do not believe the existing scale fees provide a clear link with both a public sector organisation's risk and complexity. Based on these factors, and in light of requests from PSAA to provide further detailed analysis we have estimated the impact on the Corporation as shown below. Note that given the timing of this exercise it does not include the impact of any specific requirements in relation to additional work in response to COVID-19. We have shared the analysis below with officers, but as noted below these amounts are subject to the approval of PSAA.

	Rationale for fee variation	Impact on LLDC
Scale fee		£23,100
Resetting	The current scale fee positions LLDC as a small organisation in relation to other types of organisation within the local government sector, which comparatively it isn't. This adjustment is to reset to a more relevant comparator.	£19,500
Changes in risk profile	As a result of macro changes in the sector and the impact on the cooperation in terms of the risks being faced, the decisions being made and the financial reporting of those, this in turn increases audit risk, as outlined in our audit plans, and we need to extend our procedures to address these.	£26,500
Changes in regulatory environment	There has been a significant increase in the focus on areas of the financial statements especially where judgemental estimates are made. This is to address regulatory expectations from FRC reviews on the extent of audit procedures performed in areas such as the valuation of land and buildings and pension assets and liabilities. Our required procedures now entail higher samples sizes, increased requirements for corroborative evidence to support the assumptions and the increased use of specialists. We have also seen wider changes in the regulatory environment which all firms have needed to respond to. These include the various reviews, completed or ongoing, which all have a focus on audit quality and what is expected of external auditors. This has increased compliance and quality assurance costs which are now required for us to continue to provide services to the sector.	£16,000
Revised scale fee (to be approved by PSAA)		£85,100

Independence

New UK Independence Standards

The Financial Reporting Corporation (FRC) published the Revised Ethical Standard 2019 in December and it will apply to accounting periods starting on or after 15 March 2020. A key change in the new Ethical Standard will be a general prohibition on the provision of non-audit services by the auditor (and its network) which will apply to UK Public Interest Entities (PIEs). A narrow list of permitted services will continue to be allowed.

Summary of key changes

- Extraterritorial application of the FRC Ethical Standard to UK PIE and its worldwide affiliates
- A general prohibition on the provision of non-audit services by the auditor (or its network) to a UK PIE, its UK parent and worldwide subsidiaries
- A narrow list of permitted services where closely related to the audit and/or required by law or regulation
- Absolute prohibition on the following relationships applicable to UK PIE and its affiliates including material significant investees/investors:
    - Tax advocacy services - Remuneration advisory services - Internal audit services - Secondment/loan staff arrangements
- An absolute prohibition on contingent fees.
- Requirement to meet the higher standard for business relationships i.e. business relationships between the audit firm and the audit client will only be permitted if it is inconsequential.
- Permitted services required by law or regulation will not be subject to the 70% fee cap.
- Grandfathering will apply for otherwise prohibited non-audit services that are open at 15 March 2020 such that the engagement may continue until completed in accordance with the original engagement terms.
- A requirement for the auditor to notify the Audit Committee where the audit fee might compromise perceived independence and the appropriate safeguards.
- A requirement to report to the audit committee details of any breaches of the Ethical Standard and any actions taken by the firm to address any threats to independence. A requirement for non-network component firm whose work is used in the group audit engagement to comply with the same independence standard as the group auditor. Our current understanding is that the requirement to follow UK independence rules is limited to the component firm issuing the audit report and not to its network. This is subject to clarification with the FRC.

Next Steps

We do not provide any non-audit services which would be prohibited under the new standard.

Other communications

EY Transparency Report 2020

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report (November 2020) can be found here: https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/about-us/transparency-report-2020/ey-uk-2020-transparency-report.pdf

10 Appendices

Appendix A

Required communications with the Audit Committee

There are certain communications that we must provide to the Audit Committees of UK clients. We have detailed these here together with a reference of when and where they were covered:

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Audit planning report – March 2020
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified.	Audit planning report – March 2020
Significant findings from the audit	• Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures • Significant difficulties, if any, encountered during the audit • Significant matters, if any, arising from the audit that were discussed with management • Written representations that we are seeking • Expected modifications to the audit report • Other matters if any, significant to the oversight of the financial reporting process	Audit results report –November 2020

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements • The adequacy of related disclosures in the financial statements	Audit results report – November 2020
Misstatements	• Uncorrected misstatements and their effect on our audit opinion • The effect of uncorrected misstatements related to prior periods • A request that any uncorrected misstatement be corrected • Material misstatements corrected by management	Audit results report – November 2020
Subsequent events	• Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements.	Audit results report – November 2020
Fraud	• Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the Corporation • Any fraud that we have identified or information we have obtained that indicates that a fraud may exist • Unless all of those charged with governance are involved in managing the Corporation, any identified or suspected fraud involving: a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. • The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected • Any other matters related to fraud, relevant to Audit Committee responsibility.	Audit results report – November 2020

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the Corporation's related parties including, when applicable: • Non-disclosure by management • Inappropriate authorisation and approval of transactions • Disagreement over disclosures • Non-compliance with laws and regulations • Difficulty in identifying the party that ultimately controls the Corporation	Audit results report – November 2020
Independence	Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence. Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: • The principal threats • Safeguards adopted and their effectiveness • An overall assessment of threats and safeguards • Information about the general policies and process within the firm to maintain objectivity and independence Communications whenever significant judgments are made about threats to objectivity and independence and the appropriateness of safeguards put in place.	Audit planning report – March 2020 and Audit results report – November 2020
External confirmations	• Management's refusal for us to request confirmations • Inability to obtain relevant and reliable audit evidence from other procedures.	We have received all requested confirmations.

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Consideration of laws and regulations	• Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur • Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	We have asked management and those charged with governance. We have not identified any material instances or non-compliance with laws and regulations.
Significant deficiencies in internal controls identified during the audit	• Significant deficiencies in internal controls identified during the audit.	Audit results report – November 2020
Group Audits	• An overview of the type of work to be performed on the financial information of the components • An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components • Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work • Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted • Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements.	Audit planning report – March 2020 and Audit results report – November 2020

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Written representations we are requesting from management and/or those charged with governance	• Written representations we are requesting from management and/or those charged with governance	Audit results report – November 2020
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	• Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report – November 2020
Auditors report	• Any circumstances identified that affect the form and content of our auditor’s report	Audit results report – November 2020
Fee Reporting	• Breakdown of fee information when the audit planning report is agreed • Breakdown of fee information at the completion of the audit • Any non-audit work	Audit planning report – March 2020 and Audit results report – November 2020

Appendix B

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Going concern	Awaiting conclusion from the GLA team on the GLA Group going concern assessment and from management on cash flow forecast covering 12 months from the approval of the financial statements subject to internal consultation	EY and Management
Investment Property	Internal consultation relating to property valuation on-going	EY
Clearance of queries arising from review by Associate Partner and Manager	Ongoing review process	EY
Final version of financial statements	Review of the final version of the financial statements	EY and Management
Completion of subsequent events review	Procedures performed up to the date of signing	EY and Management
Completion of procedures required for whole of government accounts	Work to be performed once the financial statements is finalised and submission of assurance statement to be undertaken	EY and Management
Management representation letter	To be sent by EY and signed by Management	EY and Management

EY | Assurance | Tax | Transactions | Advisory

[To be prepared on the entity's letterhead]

[Date]

Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

This letter of representations is provided in connection with your audit of the financial statements of the Group (London Legacy Development Corporation, E20 Stadium LLP and London Stadium 185 Limited) and London Legacy Development Corporation ("the Corporation") for the year ended 31 March 2020. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of the financial position of the Group and Corporation as of 31 March 2020 and of its financial performance and its cash flows for the year then ended in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland) which involves an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, and is not designed to identify – nor necessarily be expected to disclose – all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities, for the preparation of the financial statements in accordance with the Accounts and Audit Regulations 2015 and the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 for the Group and Corporation.

2. We acknowledge, as members of management of the Group and Corporation, our responsibility for the fair presentation of the financial statements. We believe the consolidated and council financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Group and Corporation in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the Group and Corporation financial statements are appropriately described in the Group and Corporation financial statements.

4. As members of management of the Group and Corporation, we believe that the Group and Corporation has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 that are free from material misstatement, whether due to fraud or error. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we have made to address the effects of the COVID-19 pandemic on our system of internal controls.

5. There are no unadjusted audit differences identified during the current audit and pertaining to the latest period presented.

B. Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the Group and Corporation's activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws or regulations, including fraud.

2. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

3. We have disclosed to you the results of our assessment of the risk that the Group and Corporation financial statements may be materially misstated as a result of fraud.

4. We have no knowledge of any identified or suspected non-compliance with laws or regulations, including fraud, that may have affected the Group or Corporation (regardless of the source or form and including without limitation, any allegations by "whistleblowers"), including non-compliance matters:

   - Involving financial improprieties

   - Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Group or Corporation's financial statements

   - Related to laws or regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Group or Corporation's activities, its ability to continue to operate, or to avoid material penalties

   - Involving management, or employees who have significant roles in internal control, or others

   - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- Additional information that you have requested from us for the purpose of the audit; and

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements, including those related to the COVID-19 pandemic.

3. We have made available to you all minutes of the meetings of the Group and Corporation, and committees held through the year to the most recent meeting on the following date 21 July.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Group and Corporation's related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We have disclosed to you, and the Group and Corporation has complied with, all aspects of contractual agreements that could have a material effect on the consolidated and parent company financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

6. We have disclosed to you any cybersecurity breach that either occurred or that third parties (including regulatory agencies, law enforcement agencies and security consultants) had brought to our attention during the period under audit that could potentially be material to the financial statements.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.

E. Subsequent Events

1. Other than as described in Note 28 to financial statements, there have been no events, including events related to the COVID-19 pandemic, subsequent to

period end which require adjustment of or disclosure in the financial statements or notes thereto.

F. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises information included in the Statement of Accounts 2019/20, other than the financial statements and your auditor's report thereon.

2. We confirm that the content contained within the other information is consistent with the financial statements.

G. Group accounts

1. Necessary adjustments have been made to eliminate all material intra-group unrealised profits on transactions amongst the Corporation and subsidiary undertakings.

H. Estimates

1. We believe that the measurement processes, including related assumptions and models, used to determine the accounting estimates, including asset valuations, have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

2. We confirm that the disclosures made in the financial statements with respect to the accounting estimates are complete, including the effects of the COVID-19 pandemic on property valuation and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

3. We confirm that the significant assumptions used in making any accounting estimates appropriately reflect our intent and ability to carry out the specific courses of action on behalf of the Group or Corporation, including to develop and generate revenue from our assets, where relevant to the accounting estimates and disclosures.

4. We confirm that no adjustments are required to the accounting estimates and disclosures in the financial statements due to subsequent events, including due to the COVID-19 pandemic.

I. Retirement Benefits

1. On the basis of the process established by us and having made appropriate enquiries, we are satisfied that the actuarial assumptions underlying the scheme liabilities are consistent with our knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for

J. Ownership of assets

1. Except for assets capitalised under finance leases, the Group and Corporation has satisfactory title to all assets appearing in the balance sheet, and there are

no liens or encumbrances on these assets, nor has any asset been pledged as collateral. All assets to which the Group and Corporation has satisfactory title appear in the balance sheet.

2. The Group and Corporation has included within it accounts all relevant long term assets within the categories of property, plant and equipment and investment property in line with IAS 16 and IAS 40.

K. Income and Indirect taxes

1. We acknowledge our responsibility for the tax accounting methods adopted by the Group and Corporation, which have been consistently applied in the current period, and for the current year income tax provision calculation.

L. Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the valuation of the Investment Property and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

M. Comparative information – corresponding financial information

1. In calculating the Investment property valuation for Stratford Waterfront (Planning Delivery Zones 1 and 2), the total private residential element (input) was duplicated across two phases by the Corporation's external valuer, GL Hearn. Correction of the comparative information from 2018/19 resulted in the decrease of the value of the investment property of £103.7m and a decrease in the deferred tax liability of £17.6m. The comparative amounts have been correctly restated to reflect this matter and appropriate note disclosure of this restatement has also been included in the current year's Group and Corporation's financial statements.

N. Going Concern

1. Accounting Policies (d) to the financial statements discloses all the matters of which we are aware that are relevant to the Group and Corporation's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans. We consider that the Group and Corporation will continue in operational existence for the foreseeable future and meet its liabilities as they fall due for payment on the basis that it has in place appropriate funding from the Greater London Authority and other sources. The financial statements have therefore been prepared on a going concern basis.

O. Reserves

1. We have properly recorded or disclosed in the financial statements the useable and unusable reserves.

P. Stratford East London Holdings Limited

1. We confirm that Stratford East London Holdings Limited has remained dormant throughout the period 1 April 2019 to 31 March 2020.

Yours faithfully,

Gerry Murphy

Deputy Chief Executive

Keith Edelman

Chair of Audit Committee

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item 21

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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of the Local Government Act 1972.

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
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