

## Budget and Performance Committee – 11 September 2014

### Transcript of Item 7 – London Legacy Development Corporation

**John Biggs AM (Chairman):** Item 7, the London Legacy Development Corporation (LLDC). We welcome our guests: Neale Coleman, Deputy Chairman; Dennis Hone, Chief Executive, for the time being; and Jonathan Dutton, Director of Finance and Corporate Services. You are there for the duration?

**Jonathan Dutton (Director of Finance and Corporate Services, LLDC):** No.

**John Biggs AM (Chairman):** I thought you were going, yes.

**Jonathan Dutton (Director of Finance and Corporate Services, LLDC):** Yes, end of October.

**John Biggs AM (Chairman):** I did not want to announce your departure and get it wrong. We have some questions about your future funding requirements and one or two other issues like your ten-year plan.

If I could start the ball rolling, I am aware, Dennis, that this is your final appearance before the Assembly before you disappear to lower things, the corporate world, the private sector. Dodgy stuff. Good stuff. Excellent. Thank you very much for all your work so far.

**Dennis Hone (Chief Executive, LLDC):** Thank you.

**John Biggs AM (Chairman):** That is the nice stuff dealt with. If we talk about your running costs, then, the Greater London Authority (GLA) is proposing to fund you to the tune of £18 million next year. There is a core irreducible sum of £10 million, which the current Mayor has inherited from his predecessor. How will you be affected if that is reduced in 2015/16?

**Jonathan Dutton (Director of Finance and Corporate Services, LLDC):** In that event, we will inevitably have to re-evaluate our budgets and look closely at our income projections and our expenditure plans. We are acutely aware of the need to ensure that all of our spend is spent efficiently and that we continue to do as much as we possibly can with the funding we have available.

I would also add that the ten-year plan that the LLDC has at the moment was approved back in April. We opened the [Queen Elizabeth] Olympic Park (the Park) on 5 April this year and since then have gained considerable experience of what it is to run the Park both from the income point of view and indeed from the expenditure point of view. We will, in the ordinary course of events, update the GLA in terms of the budget planning process for November and we will take into account our experience of what life has actually been like over the last five months or so in putting those proposals together. Our experience is important.

However, were there to be any reduction in the proposed funding from the GLA, we would have to cut our cloth accordingly.

**John Biggs AM (Chairman):** For the record, you have clarified before that the underspend previously was to help your cash flows given the reducing incomes in future years.

**Jonathan Dutton (Director of Finance and Corporate Services, LLDC):** Indeed.

**John Biggs AM (Chairman):** I am sure the Mayor is well aware that this should not be seen as a windfall that will achieve savings for him. What is the risk of there being a cut in your spending and in your grant from the GLA next year?

**Dennis Hone (Chief Executive, LLDC):** Just to answer that, obviously we are planning on the figures that were agreed in the budget for 2015/16 and the £18 million of overall funding. We are not anticipating that that will be cut. If it is, then, as Jonathan said, we would have to look at a number of our expenditures going out. Some of them are obviously committed but there are other things around events and other things and we would have to look at whether we could still support all of the events that we do on the Park and some of our other activities.

**John Biggs AM (Chairman):** Does this mean that, as with the parent company guarantee given last year, the LLDC is less of a separate corporation and more of an operating arm than we would have previously intended?

**Dennis Hone (Chief Executive, LLDC):** I have always thought of the LLDC as almost a wholly-owned subsidiary of the GLA. For all intents and purposes, the GLA is not only our master in terms of that relationship but also our banker. As you know, the arrangement under the account is: are we a going concern? We are a going concern as long as the GLA provides the funding that has been agreed under the various years of the ten-year plan.

**John Biggs AM (Chairman):** Equally, if there was a budget failure, the GLA would be expected to rescue that?

**Dennis Hone (Chief Executive, LLDC):** There are choices, as you say, depending on the scale and nature of any budget issues. The GLA either can work with us - as they do and we have a very constructive working relationship - about what activities we would pare back or change or can put in some money to cure any deficit that arose.

**John Biggs AM (Chairman):** I think we are all aware that uncertainty is a pretty pernicious thing in any organisation and the last thing I wanted to do in asking this question was to pray to uncertainty, although perhaps in the answers we could flesh out something which helps us to give greater certainty into the future. As a Committee, I am sure we have confidence in your business plan. I cannot think of any reason why we do not and we have the Chair of the Regeneration Committee here as well. We would want to emphasise that certainty about your future funding is quite important, without taking our feet off your windpipe of course in terms of getting value for money.

**Dennis Hone (Chief Executive, LLDC):** That is a very fair point. The very reason we have done a ten-year plan is so that you can look across pretty much the length of life of the organisation and lay out what you think is going to happen over time. Clearly, we have more certainty about what is going to happen next year than what is going to happen in ten years' time in that plan, but it is something that we can refresh through the budget process every year and therefore there should be no surprises for the GLA as part of that process. The more certainty we have over funding, the more we can plan effectively around our activities.

**John Biggs AM (Chairman):** Can you highlight, Jonathan, areas where you could achieve revenue savings?

**Jonathan Dutton (Director of Finance and Corporate Services, LLDC):** We want to maintain the quality of the Park and ensure that everything that we do on the Park meets the standards and the objectives we have set ourselves. There is not an easy answer to that question that I could identify today. As I say, we would look across the breadth of our spend and ensure that every item was being spent to best effect and we would not forget the income side of things and make sure we are driving all of our commercial activities as hard as we possibly could to ensure the best return.

**Dennis Hone (Chief Executive, LLDC):** In putting forward our budget submission, we have obviously put forward what we think is required to manage the Park and our activities effectively. We have gone through a challenge process with the GLA and we came out with a base budget for 2015/16 that requires a level of funding of £18 million from the GLA. It is difficult to speculate if they came back and said, "We are not going to give you £18 million. We are going to give you £16 million", where you would cut that £2 million. There are a number of areas of choice, but all of them are going to be fairly unpalatable.

**John Biggs AM (Chairman):** Perhaps we should not dwell on this, but clearly you did make the point explicitly in your reply that there are revenue opportunities as well. We can perhaps come back to that. Shall we move on swiftly, unless anyone has supplementaries on this, to the question of infrastructure costs? There is still a pretty hefty gap in your infrastructure development plan. Can you tell us about your thinking on how you are going to meet that?

**Dennis Hone (Chief Executive, LLDC):** The first thing to do is to try to put this in context. We are in the process of bringing forward a local plan that has been going through the consultation phase and we are making great progress on that and are working with the host boroughs. As part of that, as any other local authority or planning authority would do up and down the country, we have to do an infrastructure development plan. That looks at the infrastructure required to support the local plan and shows a gap between what is required against what is already committed and come forward. That is not an unusual situation, however, and it is not all in the LLDC's remit or dealing with LLDC land. That is just to put it in context. Having a deficit or a gap on that is not an unusual occurrence.

That gap will be closed by things like section 106. It will be closed by some of the activities of the host boroughs themselves in providing infrastructure. There is a whole range of ways those gaps can be applied. The other thing is that some of the developments of the local plan will be conditional upon infrastructure happening; otherwise, they will not go forward. Therefore, even the private sector will fill some of that gap in some of the developments coming forward.

All I am saying to you today is that it is not unusual to have that level of infrastructure gap. It will not all be filled by the public sector. It will not all be filled by the LLDC. It will be filled by section 106 contributions and the activities of the private sector as well.

**John Biggs AM (Chairman):** Predominantly by those sources?

**Dennis Hone (Chief Executive, LLDC):** Yes.

**John Biggs AM (Chairman):** It emphasises the point that the urban development corporation (UDC) or mayoral development corporation (MDC) is the quasi-commercial body and has to live by working with the market and opportunities.

**Dennis Hone (Chief Executive, LLDC):** Absolutely.

**John Biggs AM (Chairman):** Where are you with the community infrastructure levy (CIL)?

**Dennis Hone (Chief Executive, LLDC):** We are in a good position. We are already collecting CIL in terms of the Mayor's CIL for Crossrail. We have been collecting that already. We are going to go live from April 2015. We are on track to start collecting CIL monies from April 2015, so we are not behind. I know that some authorities and others are having some issues with getting ready for that, but we are completely on track for that.

**John Biggs AM (Chairman):** Do you accept that the infrastructure funding gap - I think we shared this with you or it comes out of your report - is roughly £64 million on funding?

**Dennis Hone (Chief Executive, LLDC):** Yes, that is the gap, but, as I say, that is a whole smorgasbord of schemes across the area. It is not just related solely to the Park because our area goes beyond the Park. CIL cannot close the gap. I should add that point. You have to set CIL at a level that --

**John Biggs AM (Chairman):** CIL comes to slightly over 10% of that, on your projections.

**Dennis Hone (Chief Executive, LLDC):** Yes, that is right and you cannot expect CIL to close that gap because you have to set CIL at a level where it is not going to affect the viability of schemes and actually itself become a block to development. You have to set it at a reasonable level. We spent a lot of time looking at what is happening in the neighbouring boroughs and the levels we have set it at. For instance, because we are trying to create jobs in the East End of London, we are charging zero on employment space in terms of CIL, but we are proposing to charge £60 per square metre for residential and £100 per square metre for retail. There are a number of different levels and they are compatible with what is happening in Tower Hamlets, Hackney and Newham and they are not out of the line with the levels that are being charged there.

**John Biggs AM (Chairman):** To what extent is your infrastructure development plan a must-do and to what extent is it a wish-list?

**Dennis Hone (Chief Executive, LLDC):** It is a bit of both, if I am honest. Clearly, there is a defined process that we can go forward with this. Certain things are absolutely essential to promote development and others are there to enhance the developments and the opportunities there. It goes through a defined process of looking at all of the schemes. At the end of the day, as I say, we have a number of those schemes already within our budget and others will come forward either by the host boroughs themselves or by the private sector.

**John Biggs AM (Chairman):** You are being uncharacteristically quiet, Mr Coleman.

**Neale Coleman (Deputy Chairman, LLDC):** It is worth saying that if you look at just the LLDC situation and the Park and the development that we are doing, we are making very big investments in infrastructure. Certainly for the housing scheme, which you may want to ask about later, the East Wick/Sweetwater scheme, there is a big infrastructure bill associated with that which is highway-related and Park-related. Also, we have plans in hand now for the construction of two major new schools in the Park, one in partnership with Hackney and the other in partnership with a free school provider in Newham. In terms of the infrastructure obligations that are directly on us that were imposed via the planning consent that we received, we are actually significantly ahead of where we thought we would be in terms of delivering on that.

Dennis [Hone] is right. The infrastructure development plan is something that everyone needs to go through as part of the CIL charging process and setting the schedule and whatever. It is very broad-ranging. It covers a very wide range of infrastructure, utilities and the like. A lot of this is not directly associated with schemes that are coming forward now. I think we are doing a pretty good job dealing with the requirements that are imposed on us at the moment.

**John Biggs AM (Chairman):** I hope you will be signalling the importance of at least evaluating the opportunity of Crossrail 2 as part of your infrastructure.

**Neale Coleman (Deputy Chairman, LLDC):** I know you raised this with me the other day and certainly we will be doing that. We have a meeting coming up in the next fortnight with TfL, including with Peter Hendy [Commissioner, TfL] and it is one of the things we will talk about there.

**John Biggs AM (Chairman):** OK. That was me being inappropriately opportunistic as the Chair.

**Stephen Knight AM (Deputy Chair):** It was really about closing the infrastructure funding gap through section 106, for instance. In my experience, there is no such thing as a free lunch, particularly when you are dealing with private developers. If you ask for more for infrastructure through section 106, presumably there is going to be a knock-on effect on what they can deliver, let us say, in terms of affordable housing in schemes.

**Dennis Hone (Chief Executive, LLDC):** Yes.

**Stephen Knight AM (Deputy Chair):** What do you think the impact is going to be through asking for this kind of level of extra funding through section 106 for infrastructure on the proportion of affordable housing that is going to be delivered within the Park?

**Dennis Hone (Chief Executive, LLDC):** That is a very difficult question to answer but --

**Stephen Knight AM (Deputy Chair):** It must be right, must it not? There must be a trade-off.

**Neale Coleman (Deputy Chairman, LLDC):** Sorry. When you say "within the Park", that is a different question because I think you are talking about within the area as well.

**Stephen Knight AM (Deputy Chair):** Yes, perhaps within the area, OK.

**Dennis Hone (Chief Executive, LLDC):** What I was going to say is that your premise is right that the private sector will bring forward schemes where they are financially viable and in their interests to do so. If you load it with CIL and section 106, it will get to a point where the scheme will not go forward or you have to make trade-offs. You are absolutely right. If they are going to do more infrastructure, then they will seek to reduce their costs in other areas and one of those areas could be affordable housing. Your premise must be right on that.

However, I cannot say what the trade-offs would be. We would have to look at each scheme on a case-by-case basis as it goes through the planning. We would have to look at what infrastructure is required to support that scheme. There are a number of different variables in there. I wish I could just look into a crystal ball and say, "That is going to be the impact", but I cannot do it.

**Stephen Knight AM (Deputy Chair):** My fear is that section 106 is always seen as a free lunch --

**Dennis Hone (Chief Executive, LLDC):** It is not free.

**Stephen Knight AM (Deputy Chair):** -- for developers and affordable housing always ends up being the thing which usually falls off the bottom --

**Dennis Hone (Chief Executive, LLDC):** I have to say, in terms of the Park, we are very clear on the level of affordable housing that we are bringing forward. We are very clear as a public body on what we are going to deliver in terms of that. The schemes that are going through the system at the moment still have over 30% affordable housing within them. We are still maintaining our objectives in terms of it, but of course --

**Stephen Knight AM (Deputy Chair):** The trade-offs are likely to be in the wider area around the Park?

**Dennis Hone (Chief Executive, LLDC):** It is more likely to be in those areas.

**Neale Coleman (Deputy Chairman, LLDC):** It is also worth saying that there are other objectives which we need to put in the mix as well. They are not easy decisions because they are, as you rightly say, about trade-offs. For example, we are doing a lot of work with Hackney in the Hackney Wick area. One of the things the borough is very concerned with is trying to ensure that the affordable workspace offer in that area, which is very important for the vibrancy of that area and also for local employment, is maintained in a situation where values are going up and there is pressure for more residential development.

Inevitably, there will to an extent be a trade-off between policies that are designed to produce more affordable workspace and other infrastructure demands and the level of affordable housing. We just have to work through these things application by application.

**Dennis Hone (Chief Executive, LLDC):** Indeed.

**Neale Coleman (Deputy Chairman, LLDC):** We are trying to be quite proactive in places like Hackney Wick ourselves by coming forward with a planning application to support the master plan there.

**Dennis Hone (Chief Executive, LLDC):** In that situation, we have been working with the London Borough of Hackney on the viability and what that means in terms of, as you said, keeping workspace affordable. There we have talked about a ratchet. As we go through planning and we go out and get a developer and it comes in, if the viability improves, more money will go into affordable housing because the scheme can support it. We look at all of those things as we move forward.

**Gareth Bacon AM:** I would like to talk to you about the Olympic Stadium, particularly a couple of developments in the media in recent days, which I am sure you are all very familiar with.

The first one is the question of the roof and the projected extra costs of around about £15 million that have been quoted in the media for the roof rebuilding. Is that a figure that you recognise and, if so, who is likely to foot the bill for it?

**Dennis Hone (Chief Executive, LLDC):** First of all, I do not recognise the figure. I do not know where the £15 million number has come from. I recognise it inasmuch as the question has been put to me by the media as well and I know that journalists were ringing around a number of the stakeholders involved in this for

quotes. I had to go on Sky Sports News and talk about this with Paul Kelso [Sports Correspondent, Sky News]. I do not recognise --

**Gareth Bacon AM:** I missed that. What did you say to him?

**Dennis Hone (Chief Executive, LLDC):** I said - and I will say it to you - that it is a very complex and challenging project, I have to say, and it is also about the sequence of works, but where we are at the moment, the compression truss, the white ring that goes around the outside, all of the strengthening works to enable the new roof to go on have been completed. They have all been completed. We finally finished that this week. All of this strengthening on what is called the V columns, where we have actually replaced them all the way round - but you probably would not have noticed because we do it one at a time - and put on stronger columns, that has all been completed as well, and the cables, because you do a stretched cable over the top that is the first part of the structure of the roof, that is going to be hoisted in the next couple of weeks, so we are really pleased with the progress of work.

What we are doing at the moment now is working with Balfour Beatty, our contractor, to look at the sequencing of other works and there are about three or four major areas of work. First, there is all of the steelwork that then has to go on the cables, that is a huge piece of work, and we are starting to run into the winter months when that will be going forward, which produces an uncertainty as to what the weather will do. Secondly, we have to sequence that work with the field of play. We have to get the cranes out of the way, so we have to complete the fabrication and hoist up the materials for the roof. The roof is in two sections, the back section of the oval is a sort of conventional roof structure where it is opaque or whatever, but the front is a polycarbonate that lets light through so that the grass will grow and things like that. It is in two sections; they have to be hoisted up. Then at the same time we are doing work on the hospitality areas and the stands and we have to get our seating contractor in to do the retractable seats.

What we are doing now with Balfour Beatty is going through an intense period of looking at how we sequence those works, what works can be accomplished with certainty before our summer events next year, the Diamond League Athletics and the Rugby World Cup, and then what will be undertaken afterwards. We know we have plenty of time to get the stadium ready for West Ham coming in in 2016, that is not an issue, but it is how we integrate and sequence those works both prior to the summer events and thereafter. Through that process, it is quite possible that challenges - either financial or operational or logistics - will come out that we will have to grapple with, but at this point in time, sitting here, I am not in a position where we think that there is huge additional cost at this point in time. We are just working through that process.

**John Biggs AM (Chairman):** What about less than huge?

**Neale Coleman (Deputy Chairman, LLDC):** It would be wrong to say that there could not be some cost consequences from trying to make sure that we can run these events, and that is what probably lies behind some of the media reporting, but we do not recognise that £15 million figure and we do not know what it will be because the discussions are very much still ongoing.

**Dennis Hone (Chief Executive, LLDC):** Yes. In fact, we have not finalised exactly that sequence of work. Therefore, to say it is going to cost an extra £5 million, £10 million or £15 million is just pure speculation at this point.

**Gareth Bacon AM:** It is, but that is partly why we are asking you the question. The sequencing and the logistics around it is all fine and understood. My understanding is that Balfour Beatty quoted a fixed price for replacing the roof. Is that correct?

**Dennis Hone (Chief Executive, LLDC):** There is a fixed-price contract. Not to get technical about it, but we have contracted under a new engineering contract (NEC) option A contract, which is a fixed-price contract, but of course they do get relief. As you are probably aware, there is no such thing as a fixed price and there are two elements that I bring to your attention. One is they do get relief if there is adverse weather or there are issues outside their control and things like that, and the second thing is that there was a provisional element regarding the truss strengthening - the work they have just finished - because at the time of entering into the contract, the actual loadings for the roof had not been fully determined. In other words, the final bits of design on the roof as a result of loadings had not been determined. They have completed all those works. Their actual costs incurred and everything should soon be to hand and we will be able to assess, as part of that, what the implications are for the overall contract.

**Gareth Bacon AM:** Are you expecting there to be additional costs?

**Dennis Hone (Chief Executive, LLDC):** Am I expecting it? We are under discussion with Balfour Beatty at the moment. There have been some issues in terms of the works. They will no doubt put forward what they think is their entitlement under the contract and we will have to consider it in the light of that. I suppose all I am saying is they are a private sector contractor and no doubt they will come back to us with what they see as any additional monies they are due under the contract.

**Gareth Bacon AM:** That is understood. The problem though for certainly some of my colleagues is that this going to be to a large degree a privately-occupied stadium, I presume, the organisation around it, but it is being substantially funded by the taxpayer. If there is an additional cost, colleagues are going to be very interested to know who will be footing the bill for any additional cost. Can you comment on that?

**Neale Coleman (Deputy Chairman, LLDC):** Shall I do that because it is fairly clear? If there is additional cost here as a result of discussions, it will inevitably fall on LLDC. We will not be able to look to potential occupiers because we have reached agreements and signed agreements with them which do not provide for them to take the risk of cost overruns on the construction. There is no getting away from that.

**Gareth Bacon AM:** Yes, OK. That is maybe an issue that is going run somewhat in the media.

**John Biggs AM (Chairman):** I was just wondering if you could clarify one thing on the Balfour Beatty thing. You said there could be two circumstances; one was adverse weather or --

**Dennis Hone (Chief Executive, LLDC):** Then the other one is on the cost of the compression truss strengthening, which is the work they have just concluded.

**John Biggs AM (Chairman):** The third one which often happens in public contracts is where the client changes their mind at some stage on their specifications. That is not happening?

**Dennis Hone (Chief Executive, LLDC):** We are not changing our mind about any fundamental issue on there, but what you have to understand is in any job such as this there will be project manager instructions and things that come in the design. For instance, I can tell you that there have been 55 project management instructions on this job to date. That is not changing your mind; that is just as the contractor goes along issues



arise and we have to give an instruction as to how we want those things resolved. To put that in context, we had thousands and thousands of such instructions when we were building the Park for the Olympic Games and things like that. For a job of this complexity, there has actually been a very small number. But I am acutely aware that if we change our mind or we alter any of the specifications, we will pay for that, and the contractor, if they are being fair and generous, will price it fairly and generously, but otherwise they can take that opportunity to maybe leverage their position and it is in our interest not to make changes.

**John Biggs AM (Chairman):** The fact that it has appeared in the media tells me that someone in your team somewhere - probably not yourselves, probably in Balfour Beatty - has spoken to someone in the media in order to help the negotiations.

**Dennis Hone (Chief Executive, LLDC):** We speculated on that and we looked at it, but given Balfour Beatty have appeared in the press quite regularly recently, we could not think that it was necessarily in their interests to talk to them. Certainly when we have talked to them face-to-face they claim - and I have no reason to doubt this - that they have had no discussions with the media around this, given the position and the takeover.

**Neale Coleman (Deputy Chairman, LLDC):** To be honest, some of the things which were contained in some of the suggestions that the journalists made originally were just wildly false and inaccurate and were not reflected in the story that he ran because they were just nonsense, so --

**Dennis Hone (Chief Executive, LLDC):** The first time we talked to Paul Kelso [Sports Correspondent, Sky News], he said that he had heard that the cost of this had doubled and it was a £100 million problem. This suddenly then went down to £15 million and, as I say, the most tricky bit having been finished, we are at a loss to know where these stories come from or in whose interest it would be to leak these stories.

**Gareth Bacon AM:** Would it be fair to say, then, or a fair assessment of what you have just said, that there may be additional costs but there is no value attached to them right now?

**Dennis Hone (Chief Executive, LLDC):** That is correct.

**Gareth Bacon AM:** To take you back to one of the two conditions you said might cause additional cost, you talked about the compression work being done around the top of the roof. Was that work not done or the estimate not based on what they thought that would cost when they came in with their fixed price?

**Dennis Hone (Chief Executive, LLDC):** No, it was the one element within the fixed price, if you like - and I am just doing this simply - that was variable. It was the one element that was variable and that was because the work that that BuroHappold were doing on the actual loadings and therefore how much strengthening you would need were not certain at the point in time the contract was arranged.

**Gareth Bacon AM:** The contract that they signed is going to cost £41 million, subject to there being no significant variation on this work?

**Dennis Hone (Chief Executive, LLDC):** Yes, and in layman's terms there was a provisional sum in there for this and then there will be actual cost attached to that.

**Gareth Bacon AM:** I am tempted to ask you by how much it would be acceptable for that to deviate from what they have bid on, but it is a rather speculative question, I appreciate, so I will not ask you that question.

The second thing is something that came out in the news yesterday which I only found out about this morning, but colleagues were apparently aware of, which is the speculation in the press that Tottenham may seek to use the Olympic Stadium in some kind of ground-share arrangement with West Ham. The media have linked that to the potential judicial review around one small part of their regeneration site behind White Hart Lane. Personally, I do not think they are linked because there was always going to be a delay. Spurs were always going to have to play somewhere else for a year while they rebuilt White Hart Lane anyway, so if that is linked to a judicial review or not, who knows. They were always going to look for somewhere else to play. However, if Spurs were to approach the LLDC, bearing in mind the conversation we have had earlier about lack of funding, etc, would that be something that LLDC would welcome, leaving aside whether West Ham would welcome them?

**Dennis Hone (Chief Executive, LLDC):** OK, I firstly declare my interest; I am a season ticketholder at Spurs.

**Neale Coleman (Deputy Chairman, LLDC):** I am a season ticketholder at Arsenal.

**John Biggs AM (Chairman):** That is very impressive.

**Dennis Hone (Chief Executive, LLDC):** I am sure that Neale will do the Spurs a good deal. Anyway, what was I going to say? You are right, first of all, about this year away or whatever. Tottenham were always going to be at least a year away from White Hart Lane, but it will be interesting to see that scheme mature. Clearly we have a concession agreement with West Ham. Under that concession agreement, their fixtures have priority. As you know, fixtures get moved around for television and other things and sometimes that is fairly late in the day when cup ties come up and things like that. Their fixtures would always have priority, whatever happens in terms of other uses of the stadium.

We are getting into a position now, where we are going to appoint an operator who would manage all of the activities in the stadium, and in some respects we are going to try to incentivise the operator to fill the dark days, in other words, around our obligations to UK Athletics and to West Ham, which are signed agreements, if they can bring in concerts or other activities. Clearly, if Spurs were to approach us about this, then we could talk with the operator and we could progress those discussions. We do not have a clue what sort of arrangements Spurs want, whether it be one season or whether it would be commercially viable or whatever, so, again, I could not speculate as to whether it would be something that we would ultimately do or not. However, the one thing I would say is we would not be running any sort of form of competition or concession agreement or whatever. This would be out with the sort of competitions that we have run before. I suppose, in a nutshell, until we hear a proposal from Tottenham, we have nothing to consider.

**Gareth Bacon AM:** That is fair enough. If Tottenham were to approach the LLDC seeking the possibility of doing this, is there capacity in the stadium to do it? The reason I ask the question is that one of the other grounds that has been mooted as a potential home for Spurs for a year is Wembley Stadium and that apparently has been ruled out because Brent Council have various playing restrictions in place over the amount of times the stadium can be used so that it does not disadvantage local residents. Are there any kinds of conditions attached to the Olympic Stadium?

**Dennis Hone (Chief Executive, LLDC):** In the planning there is, but they are very broad, so in theory it is possible, but the point I suppose I am trying to stress is those are the sorts of considerations we would have to take into account. We do not have a planning restriction that would prevent us having it, but we would have to look at the impact on surrounding areas, we have to look at the impact on the pitch, the wear and tear and things like that. We would also have to look at the commercial offer, if they were to make one, and whether

that is viable. As you would expect, there would be additional costs of running the stadium and there would be additional costs in terms of wear and tear on the pitch and all of the things that go with it. Until something comes forward that we can actually look at, I cannot say whether it would be attractive or unwelcome.

**Gareth Bacon AM:** Have West Ham spoken to you about the media speculation around Tottenham?

**Dennis Hone (Chief Executive, LLDC):** We talked to West Ham obviously about the media speculation and things like that because it is just that and we do not want to, I suppose, build up any false impressions in the media or wild goose stories and give them any credence. We have a good working relationship with West Ham and, yes, we discuss all sorts of stories that run, whether it is £15 million extra on the construction of the stadium or whether it is the --

**Gareth Bacon AM:** But this particular story I understand broke yesterday, so have you spoken to West Ham in the last 24 hours?

**Dennis Hone (Chief Executive, LLDC):** Yes.

**Gareth Bacon AM:** You have? About the speculation about Tottenham?

**Dennis Hone (Chief Executive, LLDC):** Yes.

**Gareth Bacon AM:** What was West Ham's view on it?

**Neale Coleman (Deputy Chairman, LLDC):** It is not the first time we have had to raise it with West Ham.

**Dennis Hone (Chief Executive, LLDC):** It is not the first time that speculation has broken. The initial things are whether there is any new news in this, how it would play with their supporters and what the facts are behind it. As I said to you, if we get an approach from Tottenham, we would consider it, and our press release or our statement we made to the press yesterday was along those lines.

**Gareth Bacon AM:** A fair assessment of your position then is that you would be open-minded to an approach, but there would be all sorts of things that would need to be discussed that could rule it in or out?

**Dennis Hone (Chief Executive, LLDC):** Yes, absolutely. Yes, for the reasons that you highlighted about literally having a football match every weekend at the Olympic Stadium.

**Gareth Bacon AM:** Possibly more than that, of course, because there will be European matches, club matches and maybe midweek live matches, so the pitch will take a terrible battering for the length of time with two full clubs.

**Dennis Hone (Chief Executive, LLDC):** Exactly.

**Neale Coleman (Deputy Chairman, LLDC):** There has been all sorts of coverage. Some of the other coverage has suggested that they might seek to play most of their matches somewhere else - I think Milton Keynes has been quoted pretty often - but they might take half a dozen, the Manchester United, Arsenal and Chelsea sorts of games and want to play them at Wembley or at the Olympic Stadium. Who knows? We have not had any approach yet.

**Dennis Hone (Chief Executive, LLDC):** There is an issue about whether even that is permissible under Premier League rules, so again --

**Gareth Bacon AM:** Apparently under Premier League rules, it would not be. They would have to play 19 at Wembley.

**Darren Johnson AM:** This is getting too much into the football rather than budgeting.

**Gareth Bacon AM:** Personally I think they are all connected.

**Darren Johnson AM:** You are interested in football though, Gareth.

**Neale Coleman (Deputy Chairman, LLDC):** Put it this way. If there was a good, solid commercial deal to be done and we could solve these problems, we are absolutely open to a discussion, I emphasise that. We are not saying we would not be interested, but we just have not had anything.

**Gareth Bacon AM:** I hear Arsenal could do with some extra cash.

**Dennis Hone (Chief Executive, LLDC):** I think the issue would be the damage that might happen at the Emirates.

**John Biggs AM (Chairman):** But it is interesting, though. It would make sense because Spurs and Arsenal never play at home on the same occasion, I think because essentially they are the same team, actually.

**Richard Tracey AM:** Chairman, could I just intervene on one thing? Speaking up for another sport, is the roof going to be ready for the Rugby World Cup in 2015?

**Dennis Hone (Chief Executive, LLDC):** That is our intention. Our intention is the roof will be ready for it, but as I say, we are doing work just to make sure that all of the sequencing is done appropriately. The most important thing for the Rugby World Cup is the pitch, obviously, and to get the pitch in its full glory we have to get the cranes off the playing surface. My hesitation to that question is only purely about the fact that if we had a very adverse winter, if it snowed a lot and that prevented working at height and things like that, then we might have to maybe only complete part of the roof and then concentrate on the seating and the --

**Gareth Bacon AM:** That is a good point though, is it not, because the Premier League has very precise regulations around how much of the seating the roof needs to cover?

**Dennis Hone (Chief Executive, LLDC):** They do.

**Neale Coleman (Deputy Chairman, LLDC):** It would not work for Premier League. It is absolutely a contingency; it is not what we are planning.

**Dennis Hone (Chief Executive, LLDC):** No, we are planning to deliver the roof.

**Neale Coleman (Deputy Chairman, LLDC):** Yes, before the Rugby World Cup games. Given that it is a temporary thing and a one-off, it would be possible to consider contingencies like that, that you could not do if it was for a Premier League football season.

**Gareth Bacon AM:** Have you had conversations with the Rugby World Cup organisers about that? Do they accept that?

**Dennis Hone (Chief Executive, LLDC):** The only thing I would say about the conversation with the Rugby World Cup organisers, we have agreed all of the specifications for what is going to be delivered for the games, which includes the roof, and we meet with them regularly so that they can satisfy themselves that we are making progress to deliver, which we are obliged to do.

**Neale Coleman (Deputy Chairman, LLDC):** We do intend to deliver the roof.

**Dennis Hone (Chief Executive, LLDC):** Yes. I do not want to say that, but I just did not want to give a cast iron, "Yes, the roof will be there" and then --

**John Biggs AM (Chairman):** Is there a risk to the Rugby World Cup if the roof is not there?

**Dennis Hone (Chief Executive, LLDC):** No.

**John Biggs AM (Chairman):** Or putting it another way - I was going to be flippant here - I think rugby supporters are used to getting wet at matches aren't they?

**Richard Tracey AM:** It is going to be played in so many other places anyway, is it not, the Rugby World Cup? It would be a shame if part of it does not happen.

**John Biggs AM (Chairman):** I think that what we have here is that every question is genuine and legitimate, but it does belie an unhealthy interest in football and rugby. We need to focus on the LLDC. By birth I am a Tottenham supporter.

**Gareth Bacon AM:** I know that.

**John Biggs AM (Chairman):** That is why I am interested.

**Gareth Bacon AM:** That must be why you are so disappointed all the time.

**John Biggs AM (Chairman):** Then I look at you and I think, "Well, life could be worse". But going back to the business opportunity from Tottenham Hotspur, you are saying you would not rule it out, but is there not an argument for you being fairly proactive, because going back to our opening question and the gaps in your funding --

**Neale Coleman (Deputy Chairman, LLDC):** No. Let us be clear, Tottenham know perfectly well that if they have got a clear plan and they know exactly when they are moving and they have got a committed plan for their new stadium that they can come and talk to us about this possibility. I talk to colleagues at the club and they know perfectly well that we are open to that discussion. There remains uncertainty about precisely when the Tottenham scheme will start. Obviously there is extra uncertainty now following the judicial review. I agree with what Gareth Bacon said about that though, in terms of the issue about I do not think that raised the issue of the need for the move. It is always there, we are very open to this discussion, but it would not be sensible, frankly, for them to have the discussion until they are absolutely clear about the timing, funding and the precise detail of their scheme. I do not think they are at that stage yet.

**Dennis Hone (Chief Executive, LLDC):** No, you are absolutely right, it is premature. Tottenham do not have planning permission for the current design, they have the compulsory purchase order (CPO) issues and what would they be talking to us about?

**John Biggs AM (Chairman):** We have established that this could happen, that you are receptive to it --

**Dennis Hone (Chief Executive, LLDC):** Yes, we are open-minded.

**John Biggs AM (Chairman):** -- it is not a showstopper in terms of West Ham having any lock-out agreements or anything.

**Neale Coleman (Deputy Chairman, LLDC):** No.

**John Biggs AM (Chairman):** It could, I think, raise a considerable seven-figure sum if it did happen.

**Dennis Hone (Chief Executive, LLDC):** You obviously know something we do not.

**John Biggs AM (Chairman):** My job is to flush out what you don't even know yet.

**Dennis Hone (Chief Executive, LLDC):** Daniel Levy [Chairman, Tottenham Hotspur] is known for his playing.

**John Biggs AM (Chairman):** Yes, for finding the right players.

**Gareth Bacon AM:** That is encouraging.

**John Biggs AM (Chairman):** Shall we move on to Joanne's question?

**Joanne McCartney AM:** Yes, I am going to ask about vision for the area around the Olympic Park to become an Olympicopolis. I hope I pronounced that again but it looks like quite an exciting venture. You have already organisations such as the Victoria and Albert Museum (V&A), University College London (UCL) and Sadler's Wells are on board and there is some international interest as well. I looked at the plan, but there is nothing really in about how you are envisaging funding this in the future and what share, if any, the LLDC would pay in that funding.

**Dennis Hone (Chief Executive, LLDC):** That is true and, just to go through it, you are right. We are in the early stages of trying to bring together, I suppose, what is quite a complicated project around Olympicopolis to create an educational and cultural quarter that would rival, say, the South Bank, but in Stratford. It has two defined elements to it. It has the land south of the Orbit, where the Invictus Games opening ceremony was last night, and that is where we would have a new campus with UCL. UCL is looking at a development over time of something like 1.25 million square feet of new academic space. In terms of that element of the scheme, we have agreed heads of terms now with UCL and so that is progressing very well.

The second element is what we sort of nicknamed the 'culture machine' but that is where we would have a number of institutions cohabiting within quite a large structure and that would include the new Sadler's Wells facility, where they are looking for a 600-seat theatre with a hip-hop academy and other items going forward, and the V&A taking over 20,000 square metres of space for a V&A East. As you rightly say, we have been talking to other institutions. That is slightly less advanced because we are going through the process of talking

to them around heads of terms, some of these institutions, and some of them, in terms of the institutions that we are talking to, are further advanced in their thinking. Sadler's Wells are probably at the forefront, they know exactly what they want; V&A are slightly just behind, but then some of the other discussions we have been having with the University of Arts London and some overseas institutions are slightly less advanced. The issue is they all have to come together, because they are not going to be separate buildings on the site. They all have to come together, so there is a challenge for us in that.

**Joanne McCartney AM:** That is going to be like a master plan framework, is that right?

**Dennis Hone (Chief Executive, LLDC):** Yes, and we announced back in July that we were having an international design competition for that, and we have over 700 expressions of interest from architectural practices within the UK, but also around the globe, and the formal papers for that are going out in the next days to those institutions. We hope that we will be shortlisting a number of them by or before the end of this calendar year. I do not want to speculate how many it is, but if it is five, six or seven practices, they will go forward and we will then come up with a concept design for it by March of next year. Then we will have more certainty and fixity about how it is going to come together.

In parallel with that, we have been in discussions with Government about the level of Government funding that could be brought into the scheme and we are hoping that those discussions will start to come to fruition in this autumn. We are also working hand in glove with the GLA about the consequences on this in terms of any contribution that would be required from LLDC, but from the GLA, looking at the receipts that could be generated from residential components of the scheme, looking at what we could do on philanthropic fund-raising and looking at what the cash flow implications are. Some of the construction will precede some of the contributions that can come into the scheme. We are looking at all of those things and they are relatively fluid at this point in time, but we are hoping that around the turn of the year and through the budget process, we will be bringing forward what the implications are estimated to be.

**Joanne McCartney AM:** That will be interesting. In the plans you say that by 2030, you envisage that this might actually create 20,000 extra jobs in the area. What are you doing to make sure that you are maximising job creation, both during the construction, but also in the long term, and like the Olympics, are you going to be setting workforce targets?

**Dennis Hone (Chief Executive, LLDC):** Yes. The short answer is what happened during the Olympics and what has actually happened in legacy through the construction there, working with the contractors and now in our operators, Greenwich Leisure Ltd (GLL) operating the Aquatic Centre, we do have workforce targets with them to get people into work and we would maintain that all through the construction process. As you know, we work with Job Brokerage and we have worked with all of the host boroughs on how we can get people into work. We helped people even down to the level of helping them write applications. We went through all of that. We also had agreements where local people would get the first opportunity to get into jobs as they came forward.

It has been very successful, as you know, in terms of Westfield, 10,000 jobs, and the vast majority of them went to local people. At the moment, I can tell you that 70% of the people who work in the Copper Box Arena and on the Aquatic Centre are all local people, so we are going to maintain and keep going with the practices that we have put in place right through this and contractualise as many of those with either the contractors or the operators as they come forward. Just to give you some examples, we have already got V&A now working with local schools in anticipation and we have UCL doing research programmes in the health centre up in the

athletes' village. Both of our founding partners for our Olympicopolis scheme are already taking seriously their obligations to work with local community groups and bring the benefits to local people.

**Joanne McCartney AM:** I suppose, if you have people building on a site you own, it is a lot easier to be able to impose targets. If this is to regenerate the entire area, just one for Neale, the Mayor's Office, what influence does it have on other business providers who will be going to benefit from this to do that target-setting or encouraging local workforce renewal?

**Neale Coleman (Deputy Chairman, LLDC):** Yes. We will want to do that and we will want to encourage people to adopt the same practices that we have. I think if you look at the house-builders, we worked with Taylor Wimpey, who we had working on the site at Chobham Manor. They have been very good in actually taking on board the same models that we developed in our construction work there. There are a number of other very big construction schemes that may come forward in the area where we probably need further work with the key landowners and sponsors of those schemes to make sure that they do the same.

I pick out obviously the work that the London and Continental Railways partnership are going to be doing on the international quarter, where they will be in the next two, two and a half years, constructing two very large office buildings, a hotel and a big residential scheme. Certainly we are going to be looking to try and encourage them to take similar approaches there, and probably the other big scheme, which is obviously --

**John Biggs AM (Chairman):** Do you mean you have no control over those sites though?

**Neale Coleman (Deputy Chairman, LLDC):** We have no control over the sites, but obviously there is a public sector partner in the international quarter, London and Continental Railways, and we would expect them to respond positively to us doing that. Similarly, we will --

**John Biggs AM (Chairman):** But they are under no obligation to do so?

**Neale Coleman (Deputy Chairman, LLDC):** They are under no obligation to do so, but I think, as I say, given that there is a public sector partner in there that we will get a good response from them and all the indications in discussion are that they understand that.

**Dennis Hone (Chief Executive, LLDC):** I have to say that when we have discussions with contractors and things, they are very responsive now to this area, whether it is corporate social responsibility, but they actually recognise the good news story about getting local people into those jobs. Maybe times were different in the past, but absolutely now we seem to be pushing at an open door with contractors.

**Neale Coleman (Deputy Chairman, LLDC):** We do have the benefit of the experience with Westfield, who frankly is one of the hardest-nosed outfits you can deal with, but actually went out of its way to put its own investment and money into the job brokerage and training schemes, both for itself but also for its big partners. You look at what employers like Marks & Spencer and John Lewis have done. They have done phenomenal work in recruiting locally, and frankly, their percentage of local employees in their business, their large business in the shopping mall there, are as good as what we, to some extent, boast about with our venue operations.

**Joanne McCartney AM:** Just one final question. The plan also states that the new development has to be seamlessly integrated with the surrounding area so that local people feel it is part of their daily lives as well. How are you going to do that?



**Dennis Hone (Chief Executive, LLDC):** There are two points I would make: we are working very hard at the park itself; the fences are down, it is a borderless park. If you so wish, you can go there at 2.00am or whatever. You know we have had 3 million visitors since the Games now in terms of the Park and the projections this year, just for the calendar year, is that we will get around 3 million just this year as well, so people are using it. They do feel it is their local park. We were over there at dusk, I think, on Monday, I was over the Park and we were showing around some Americans and they said it is phenomenal how many people are out at 7.30pm on a Monday evening.

The point I would say is that the Park, in terms of the programme of the Park, the community activities we have had there and the events we are having there, we have set off on the right foot. The V&A and UCL are also acutely aware that if those developments come forward, they do not want to be seen as spaceships that land in the area and have no interaction with people, and that is why we are working with UCL partners and we are working with V&A. In Sadler's Wells, for instance, they are talking to the London dance groups. They are talking absolutely now to local organisations that they can partner with and they want to have an offer that is attractive to the people who live in the vicinity of the Park. We are acting almost like a marriage broker at the moment. We have a list of organisations. We still keep up our community activities and engagements and we are introducing UCL and V&A now to those local groups, so we want to make sure this absolutely is integrating with the local community.

**John Biggs AM (Chairman):** Two little tidying-up questions on this. One is about skills and employment more generally. You said a lot about the Olympicopolis and other developments, but I was a bit worried about some of the words you used, Dennis. You said it was about encouraging partners to adopt standards similar to the ones you would have within the Park yourselves and everyone has an idea of what an urban development corporation should be or a Mayoral development corporation should be. My idea, and it is concordant with the vision for the Olympic legacy, was that it would be more proactive than simply encouraging. It would be expecting partners to be actively moving as far as they could to ensure local people benefited and skills were raised in the area to benefit from that, so I was a bit worried about your language there.

**Dennis Hone (Chief Executive, LLDC):** Where we can, where we are the direct contracting authority, we will contractualise that, and I said earlier, where we are one removed, say the international quarter and all that, we will work with and put pressure on - if that is a better way of putting it - on those partners. I also believe there is a recognition, as I said earlier, I do believe we are pushing at sort of an open door now on this, because I think there has been a sort of sea change in attitudes. Major large companies - whether it is Marks & Spencer or whether it is Balfour Beatty or whatever - understand the benefit to their organisation as well as to Stratford and that wider area of having local people employed. If another better way of putting it is that we will put pressure on those organisations, then that is what we are doing.

**John Biggs AM (Chairman):** if you are disposing of a site to V&A, for example, I just want to go a stage further than that and actually have them as part of the agreement to have local people in both training and outreach.

**Dennis Hone (Chief Executive, LLDC):** Absolutely, absolutely. We will contractualise.

**Neale Coleman (Deputy Chairman, LLDC):** We do not have a problem with that.

**John Biggs AM (Chairman):** You are saying yes, but nodding no.

**Neale Coleman (Deputy Chairman, LLDC):** No, I am saying yes. I mean, yes, absolutely, but certainly talking about whether it is the V&A or UCL or Sadler's Wells or any of the occupiers we are talking with, I think they will not need too much pressure. They will come forward themselves. If you look at the people who are running Here East, they are incredibly proactive in doing this. They are really breaking new ground in the way they are getting local people in to run the retail opportunities there and so on. Again, basically, Delancey are a pretty hard-nosed commercial outfit, but they are doing a terrific job.

**John Biggs AM (Chairman):** My other tidying-up question was about the memorandum on capital receipts. It was reported at your Board meeting in May, that you were in discussions with the Department for Culture, Media & Sport (DCMS) about whether they might be able to retain a higher proportion of receipts than in the memorandum. Have you got anywhere with that?

**Dennis Hone (Chief Executive, LLDC):** No. The market has moved substantially in the Stratford area and we are looking at the level of receipts that can be generated. One of the discussion points we are having with Government around Olympicopolis, because that is a change in use from residential to cultural and education quarter, is what impact that will have on overall receipts, because then there is the issue about whether that will impact on the returns to the Lottery and to the GLA. We are sharing our projections on receipts going forward with both Government and the GLA and it is part of the business planning that we are doing for the Olympicopolis scheme. That is a precursor to the budget submission to the GLA later this year.

**Neale Coleman (Deputy Chairman, LLDC):** But we do not envisage any - or we currently do not - changes to the agreements we have.

**Dennis Hone (Chief Executive, LLDC):** No, that is true. We are not seeking to renegotiate or change any part of those agreements.

**John Biggs AM (Chairman):** But you might get a change in the way you can use the cash from the receipt on the Olympicopolis site.

**Dennis Hone (Chief Executive, LLDC):** I think the way I look at this is, under the agreement, cash raised from disposals gets split to the GLA and then once it gets to a threshold of £223 million, then it is split between the Lottery and the GLA. What the GLA does with its share of receipts is a matter for the GLA to determine, so they could invest in things that happen on the Park, and you know we have infrastructure requirements and others, but that is a matter for the GLA to determine, but we are not seeking to renegotiate or change the agreement between DCMS and the GLA.

**Stephen Knight AM (Deputy Chair):** This is about the East Wick and Sweetwater development and your decision to bring forward those developments by six years. I wonder if you could start by telling us why you took the decision to bring forward these schemes.

**Dennis Hone (Chief Executive, LLDC):** Can I just first, before we answer the question, declare an interest in this? As you know, I am going off to be Group Finance Director for Mace, one of the three shortlisted bidders for the scheme. In terms of our working relationships in the office, I am completely excluded from all items to do with East Wick and Sweetwater to the extent that the team that are actually dealing with this are now stationed with our solicitors and they are not present in the office, and I have said it myself --

**John Biggs AM (Chairman):** Do you have to leave the room at this point?

**Dennis Hone (Chief Executive, LLDC):** It depends where this goes, but Neale is going to obviously take the questions on it because of my conflict of interest.

**Neale Coleman (Deputy Chairman, LLDC):** I suspect we probably will not get into commercial areas, where Dennis should definitely leave if we do. I am sure he would judge that. Essentially the decision to bring it forward was really I think a simple one. Simply looked at, we wanted to respond the overall agenda that there is about meeting the huge demand for new housing. It seemed to me, certainly when I got more closely involved following the Games, that there was a real opportunity to do the housing development on the Park more quickly. If one looked for more of the market housing to be private rented, some of the constraints which sometimes slow up schemes as people are trying to maintain values or deliver rather more slowly could be overcome.

We have a terrific example, I think, in the Olympic Village now of a very successful market private rented product, which is going very, very well there and I think there will be significant demand, and I think that has been reflected really in the quality of bids that we have. We are down to three now, but we had a number of other very strong submissions. I just think it makes a huge amount of sense for us from the point of animating the Park and place-making and so on to try to do these early developments as quickly as we can. If you look at our first scheme, the Chobham Manor scheme that we brought forward with Taylor Wimpey there and with L&Q, I think we are, quite rightly, extremely pleased with the quality of design that we have achieved there through a lot of hard work. I think it is going to be a really high-quality scheme. That is a scheme that is primarily a mix of affordable and housing for sale, but I am sure that we will be able, with the quality of people we have on the shortlist for these projects, to get very high-quality development here as well.

**Stephen Knight AM (Deputy Chair):** Have you identified any risks associated with bringing the schemes forward?

**Neale Coleman (Deputy Chair, LLDC):** Obviously, as I say, we would not want to be in a position where we compromised on quality and we need to be careful about that.

**Dennis Hone (Chief Executive, LLDC):** The only real risk which I will put up and knock down is the issue whether you have too much residential for sale in the area and somehow that has an impact between them. But you have demand and you have different forms of housing in terms of the affordable housing, private rented sector and for sale housing, you have got Chobham Manor, which is largely for families, with a predominance of three and four-bedroom properties, and we think this gives a different and complementary offer in the market going forward. There is always a market risk when you are bringing forward large numbers of houses to market.

**Stephen Knight AM (Deputy Chair):** Can I follow up by asking whether there are any other schemes that you are considering bringing forward?

**Neale Coleman (Deputy Chairman, LLDC):** Obviously the Olympicopolis scheme itself is in a sense a fast-tracking of the development plans we had for those sites. Under the original plans we had, which were for exclusively residential development on those sites, a lot of those would not have happened on that track until well into the 2020s. Assuming that we are successful with the Olympicopolis, both the culture and higher education elements, but also the residential elements that there will be, will come forward more quickly.

Just taking it a bit more broadly, we are very keen and we do see it as a fundamental part of our job also to try to bring forward and accelerate good-quality development both for residential and for housing on land that we

do not own. We have been very active, in particular trying to encourage the development of the international quarter, which we think is fundamental to achieving the real regeneration ambitions in Stratford. We have now got 4 million square feet of commercial workspace, 5,000 new jobs due to be delivered by 2017 and the Financial Conduct Authority and TfL taking major new buildings there. Frankly, that is almost the best news that we have had, in many ways, because it offers the prospect of that whole development I think being completed in relatively short time and perhaps as many as 30,000 new jobs in that part of town.

We are also working very closely with LandProp, who are an IKEA subsidiary, about trying to get their pretty exciting scheme at Sugar House Lane underway. They are on site now with demolition. We have a good section 106 package there. It is a very exciting scheme and we will press them on that as well.

**Stephen Knight AM (Deputy Chair):** How about Marshgate Wharf and Pudding Mill Lane?

**Neale Coleman (Deputy Chairman, LLDC):** That is our land down there.

**Stephen Knight AM (Deputy Chair):** Are you going to bring them forward?

**Neale Coleman (Deputy Chairman, LLDC):** We have to be a bit careful about this. There is a point which Dennis has already made about competing product and the need to make sure that --

**Stephen Knight AM (Deputy Chair):** You are not flooding the market.

**Neale Coleman (Deputy Chairman, LLDC):** -- you do not flood the market. I also think that we need to think a bit carefully about or be open-minded about the nature of development on those sites there to the south of the Park. We have got residential consents there. There are some arguments that in some ways they are not as good; they are perfectly good residential sites, they are not quite as good as some of the ones that we have in the Park, because, for example, in one of them there is a great big electricity substation in the middle of it, which would be a challenge from a design point of view. It could be done and we have got a consent that recognises that. One of the things we will want to think carefully about is if we are successful with Olympicopolis proposals, and particularly this relates to the UCL element in it, there may well be some further exciting opportunities for us to look at other employment-related uses there.

For example, we have done some preliminary work and had some discussions about science park-type, innovation-type developments that could take place on the sites there. It is likely that one of the UCL components will be biomed, biotech research space. Obviously we have the links in this area both to the plans that Queen Mary have at Whitechapel but also to the Crick [Francis Crick Institute] and I would certainly want to really hold on and be able perhaps to keep this in reserve a bit.

**Dennis Hone (Chief Executive, LLDC):** I think that is absolutely right. I have to say that my recommendation - I know I am departing - would be to hold those sites, not in a speculative way to try to make more money, but just simply that if we do bring off an Olympicopolis, including UCL and V&A, we need to see what benefits will spin off from that. If we give all the land away, we will not have the opportunity to capitalise on that.

**Stephen Knight AM (Deputy Chair):** Thank you for that answer. The final thing I really wanted to follow up on is the issue of community land trusts (CLTs). There has been a lot of talk about whether or not CLTs will be part of the East Wick and Sweetwater developments and the Mayor has talked about there being pilots there to see whether they could be successful elsewhere. How likely is it that there will be a CLT?

**Neale Coleman (Deputy Chairman, LLDC):** The Mayor has made a pretty clear commitment to it, so the position is that all the bidders who we still have in the frame here are obliged by the terms of our procurement to come and discuss with us how a CLT will be delivered, and when we have appointed a final preferred bidder, which I think we would hope to do November, early December, we will work with whoever is appointed to procure a CLT delivery partner. I think that will probably be the right way to do it. I do not think we would look at the partner themselves, I think we would want to work with a delivery partner, and there are a number of potential possibilities, people who I am sure would be interested in that, and we will work to integrate it into the scheme and deliver it from the outset.

Frankly, we switched, after a number of discussions with particularly people who have campaigned for CLTs, from trying to do this on our Chobham Manor scheme, where, because we were already in contract there and there were commercial and other limitations on us about how we could actually deliver a CLT within that scheme. Now I think what we are trying to do here is actually we have been right up front with the bidders, we want this built in from the start, we want there to be no misunderstanding. It is there, it needs to be delivered and that is what we will be aiming to do.

**John Biggs AM (Chairman):** Thank you very much.

**Darren Johnson AM:** It is at this point we have to thank you, Dennis, for everything that you have done and wish you well for the future. During your time at the LLDC, what would you say you are most proud of and what has been your biggest frustration?

**Dennis Hone (Chief Executive, LLDC):** That is a difficult question. I have been working on the Olympic project I suppose for eight years now and I have thoroughly enjoyed my time, even my appearances before the Assembly. I have to say, I am not sure what I am most proud of. I think it is the impact that all the development and investment in Stratford and the Olympic Park is having on the surrounding communities. I have worked in urban regeneration for 25 years and it is one of the best examples of urban regeneration I think you would find anywhere probably in the world. I suppose I am very proud to have played a small part in that and worked with some fantastic people, all with a single focus to make it a success, so that is good.

Frustrations: there are always frustrations, whether it is frustrations with contractors or frustrations with officials or whatever, there are always those things, but one of the things I think is excellent in the UK is our government systems. I know that might sound peculiar because you are dealing with civil servants - I am trying to get money out of them for this - but we actually do governance in this country probably better than anywhere else in the world. My frustrations are with the system, but only inasmuch as we are trying to achieve things and we would like to go faster.

**Darren Johnson AM:** There was nothing particularly unique about the frustrations you faced here compared to other regeneration projects?

**Dennis Hone (Chief Executive, LLDC):** Not at all. In fact, I would say that in terms of certainly the last eight years and including the two years at LLDC, everybody from sort of master, servant have all been pulling in the same direction, so less frustrations or fewer frustrations in the eight years than probably previously.

**Darren Johnson AM:** Looking ahead in ten years' time, say, what will the LLDC look like, do you think, and what will be the biggest challenge along the way?

**Dennis Hone (Chief Executive, LLDC):** I suppose the biggest challenge at the moment is that there is a danger that, whether be in central government or in local government, somehow they will think that the East End of London has already had its fair share of investment and that the job is done. If you think about it two years post-Games, it might seem a long period of time, but actually we are in early stages of some of our activities. We have a ten-year plan at the LLDC. It has exciting schemes like Olympicopolis and things and that really still needs commitment and the resources to bring those to fruition, so my plea to everybody in this is do not turn off now, capitalise on the investment that has been made, continue to make the investment, because I think the prize in terms of convergence of the East End of London with others and creating almost a sort of capital city down there or a heart for the East End of London is a huge prize if we can get that right.

**Darren Johnson AM:** So your argument is it would be a false economy to begin scaling back on that now, given the money that has already gone into it?

**Dennis Hone (Chief Executive, LLDC):** I think so. You could snatch defeat from the jaws of victory. I am acutely aware there are huge pressures and every public authority has to cut their cloth accordingly, so I am not asking for wanton millions or something to be invested now. I am just saying keep the pressure on, keep the investment there, sensible reasonable investment, but keep it going at this stage.

**Darren Johnson AM:** I will sure we will come back to those thoughts in future meetings, so thank you very much, Dennis.

**Dennis Hone (Chief Executive, LLDC):** Thank you very much.