

Agreement between the Secretary of State for Culture, the Olympics, Media and Sport and the Greater London Authority regarding the repayment of monies to the National Lottery Distributors and the Treasury in accordance with the terms of the Settlement Letter from Sir Bob Kerslake of the Department for Communities and Local Government to Jeff Jacobs of the Greater London Authority dated 6 February 2012

Dated 29th March 2012.

BETWEEN

- (1) The Secretary of State for Culture, the Olympics, Media and Sport ("the SoS"); and
 - (2) The Greater London Authority ("GLA")
- (together the "Parties")

1. Recitals

- (1) The London Olympic Games and Paralympic Games to be held in 2012 ("the Games") is in part funded by monies from the National Lottery distributors' balances in the National Lottery Distribution Fund ("the NLDF").
- (2) Following a review in 2007 of the Public Sector Funding Package financing the Games drawn up in 2003 in support of London's Bid for the Games an additional sum of £675 million was provided from the NLDF to meet the costs of delivering the Games.
- (3) A commitment was made in 2007 by the Government and endorsed by the Mayor of London ("the Mayor") that the sum of £675 million would be returned to the National Lottery Distributors from the receipts of land sales effected by the London Development Agency ("LDA") at the Olympic Park and a Memorandum of Understanding ("the 2007 MOU") was entered into by the Government and the Mayor which set out the basis upon which the return of monies to the National Lottery distributors is to be effected.
- (4) The Olympic Park Legacy Company was established in May 2009 to deliver the Olympic legacy at the Olympic Park and on 30th September 2010 land owned by the LDA at the Olympic Park and at Three Mills was transferred to it pursuant to an agreement between the Government and the Mayor which also provided for the return of monies to the National Lottery distributors in accordance with the terms of the 2007 MOU.
- (5) The land referred to in recital 4) is to be transferred to the London Legacy Development Corporation ("LLDC") from the Olympic Park Legacy Company on 1st April 2012 pursuant to the Olympic Park Legacy Company Transfer Scheme.
- (6) The LLDC is a functional body of the GLA as provided in section 424(1) of the Greater London Authority Act 1999 and established pursuant to an order made under section 198 of the Localism Act 2011.

- (7) The GLA enters into this Agreement in the exercise of its powers under section 34(1) of the London Olympic Games and Paralympic Games Act 2006 to do anything for the purpose of complying with an obligation of the Mayor under the Host City Agreement with the International Olympic Committee in relation to the commitments given regarding the post-Games use and long-term legacy use of the Olympic Park and its facilities; and section 30 of the Greater London Authority Act 1999 to do anything considered to further the promotion of economic development and wealth creation, social development or the improvement of the environment in Greater London.
- (8) In so far as the fulfilment of the GLA's obligations under this Agreement rely upon the actions of the LLDC the Mayor may secure their occurrence by giving statutory directions to the LLDC under section 220 of the Localism Act 2011 and may also require the LLDC to furnish the Mayor with information under sections 110 and 395 of the Greater London Authority Act 1999.
- (9) The Parties have agreed to enter into this Agreement in order to give effect to paragraphs 5, 28 and 29 of the Settlement Letter from Sir Bob Kerslake of the Department for Communities and Local Government to Jeff Jacobs of the GLA dated 6 February 2012 as a consequence of which the Secretary of State for Communities and Local Government will make the Transfer referred to in recital 5) above.

2. Interpretation

For the purposes of this Agreement the words and phrases contained in it shall have the following meaning:-

Apportionment Basis means the basis upon which the Net Proceeds are distributed between the SoS, the Treasury and the GLA in respect of Land Transactions at the Olympic Park as provided in clause 4.

Development Costs means infrastructure costs incurred by OPLC and any developer in respect of Land at the Olympic Park including (without limitation): site wide preparation works, transport infrastructure, public realm, utilities, education and social infrastructure together with statutory fees and finance charges incurred in relation to the same.

Disposal Costs means all costs reasonably and properly incurred by OPLC in connection with Land Transactions including (without limitation): fees, sums in respect of disbursements made or commissions paid for the services of any surveyor, valuer, auctioneer, accountant or other financial adviser, estate agent, legal adviser; and the costs of advertising Land Transactions to find purchasers or developers.

Land at the Olympic Park means the property and land registered at HM Land Registry under the title numbers set out at Schedule 1 and comprising land at the Olympic Park and Three Mills.

Land Transaction means the disposal by OPLC of any part of the Land at the Olympic Park or the disposal by OPLC of any interest in any part of the Land at the Olympic Park but does not include the disposal of an interest for a maximum term of 7 years where the purpose is to temporarily use dormant development sites to generate revenue pending their sale or disposal, or where the purpose is to temporarily use non-development land.

“LLDC” means the London Legacy Development Corporation as established by the London Legacy Development Corporation (Establishment) Order 2012 (SI 2012/310) made by the Secretary of State for Communities and Local Government under section 198 of the Localism Act 2011.

Net Proceeds means the Proceeds of Land Transactions after the deduction of Disposal Costs and the estimated maximum tax payable (including Corporation Tax on chargeable gains or any other successor tax or other Corporation Tax) in relation to the Proceeds of Land Transactions (to be reported to SoS and/or the Treasury (as applicable) in accordance with clause 3(1)(i)(d)) but excluding Development Costs.

OPLC means the Olympic Park Legacy Company, and as from 1 April 2012 the LLDC or any successor body to which the Olympic Park Legacy Company’s interest in Land at the Olympic Park is transferred.

Proceeds of Land Transactions means the total capital receipts whether received at the time of the Land Transaction or by way of overage payments or other deferred payment due to the OPLC under any agreement.

Transfer means the transfer of Land at the Olympic Park from the OPLC to the LLDC pursuant to the London Legacy Development Corporation and Olympic Park Legacy Company Transfer Scheme 2012.

3. Land Transactions conducted by OPLC

- (1) In consideration for the Transfer the GLA agrees:
 - (i) to notify SoS or such other person as he may request and the Treasury in writing forthwith upon exchange of contracts in respect of Land Transactions of the: (a) land and property to which the Land Transaction relates; (b) completion date; (c) sale price and/or overage payments or other deferred payments set out in such contracts; (d) the estimated maximum tax liability arising from such Land Transaction and basis for its calculation; and (e) Disposal Costs;
 - (ii) within thirty days of the receipt of Proceeds of Land Transactions to pay or secure the payment by the OPLC to the SoS (or such other person or body as the SoS may direct) and/or the Treasury by Chaps payment or telegraphic transfer that part of the Net Proceeds due to him following the application of the Apportionment Basis; and
 - (iii) to notify the SoS and the Treasury of the final total amount of tax due arising from such Land Transactions as confirmed by HMRC providing a copy of any such confirmation received.
- (2) In the event that the amount of tax set out in the confirmation to be provided pursuant to clause 3(1)(iii):
 - (i) is lower than the estimate provided pursuant to clause 3(1)(i)(d) the GLA shall within 30 days of the date of the OPLC’s receipt of the confirmation secure payment (by Chaps payment or telegraphic transfer) to the SoS and/or the Treasury (as applicable) the sum due as a consequence of the difference between the estimated amount and amount

confirmed by HMRC or its successor body calculated by reference to the Apportionment Basis; and

- (ii) is higher than the estimate provided pursuant to clause 3(1)(i)(d) the SoS and/or the Treasury (as applicable) shall within 30 days of a request for the same pay (by Chaps payment or telegraphic transfer) to the GLA (or such other party as it may nominate) the sum due as a consequence of the difference between the estimated amount and amount confirmed by HMRC or its successor body calculated by reference to the Apportionment Basis.
- (3) For the avoidance of doubt the obligation on the GLA to notify that the SoS and the Treasury as provided in clause 3(1)(i) and (iii) applies only in circumstances in which they are entitled to receive monies following the application of the Apportionment Basis to the Net Proceeds.

4. Apportionment Basis

(1) Tranche 1

A sum of £223M of the Net Proceeds to the GLA or (at the discretion of the GLA) to be retained by OPLC.

(2) Tranche 2

A further sum which equals £900M of the Net Proceeds:

- (i) 75% of the Net Proceeds to the SoS (or to such other person or body as the SoS may direct) to be held pending its repayment to the National Lottery Distributors of £675M comprised in the NLDF; and
- (ii) 25% of the Net Proceeds to the GLA or (at the discretion of the GLA) OPLC.

(3) Tranche 3 (Net Proceeds above £1123M)

The Net Proceeds which exceed the total amount of Tranche 1 and 2:

- (i) 50% to the GLA or (at the discretion of the GLA) OPLC; and
- (ii) 50 % to the Treasury.

The Net Proceeds to be apportioned under this clause are to be apportioned by reference to each interest in or parcel of land disposed of so that the Parties to this agreement and the Treasury receive the proportions due to them following completion of each Land Transaction.

5. Issue of Receipts

- (1) Within 10 days of receipt of monies in accordance with clause 4 above the SoS or the Treasury shall provide the GLA or OPLC (following a written request by the GLA) with written confirmation of receipt of those monies in such form as the GLA shall specify in writing from time to time.

6. Commencement and Discharge of the GLA's liability

- (1) The obligations of the Parties under this Agreement shall commence upon 1 April 2012.
- (2) The GLA's liability under this Agreement shall be discharged:
 - (i) in relation to Tranche 2 (as set out at clause 4(2)) upon the sum of £675 million in aggregate having been remitted in accordance with the terms of this Agreement to the SoS or such other person or body as the SoS may have directed; and
 - (ii) in relation to Tranche 3 (as set out at clause 4(3)) upon the completion of all Land Transactions and disbursement of the total aggregated Net Proceeds on the Apportionment Basis.

7. Breach

In the event that either party (for the purposes of this clause being the SoS, the GLA and the Treasury) fails to pay any monies as provided in clause 3 then interest shall be payable to the party to whom such monies are due at the rate of 2 % over the base rate of the Bank of England from time to time on the basis of actual days elapsed from the due date for payment until payment in full (after as well as before judgment).

8. Dispute Resolution

- (1) In the event that a dispute arises out of or in connection with this agreement within 14 days of one Party or the Treasury notifying the other in writing of the matter in dispute the finance directors of each Party and/or the Treasury shall attempt in good faith to settle the dispute. Failing resolution the dispute will then be referred forthwith in writing by the Parties' or the Treasury's respective finance directors to the SoS or the Chancellor of the Exchequer and the Mayor for final resolution.

9. Variation

- (1) Either Party may request amendment to the provisions of this Agreement at any time.
- (2) No variation of the terms of this agreement shall be effective unless in writing and signed by or on behalf of both Parties.

10. Severability

- (1) If any provision in this Agreement is held to be illegal, invalid or unenforceable in whole or in part the remainder of this Agreement shall continue to be valid and enforceable.

11. Assignment and Novation

- (1) The GLA shall not purport to assign, novate or transfer or deal with any of its rights or obligations under this Agreement without the prior approval of the SoS, or in the event of the GLA's liability to the SoS being discharged as provided in Clause 6(2)(i) the prior approval of the Treasury (such approval not to be unreasonably withheld or delayed).

12. No Waiver

- (1) No failure or delay in exercising rights under this Agreement shall operate as a waiver of such rights.

13. Entire Agreement

- (1) This Agreement sets out the entire agreement between the Parties. It replaces all previous negotiations, agreements, understandings and representations between the Parties, whether oral or in writing, on the subject matter of this Agreement.

14. Freedom of Information

- (1) Both Parties are subject to the Freedom Of Information Act 2000 (the "FOI Act"), the Environmental Information Regulations 2004 (the "EIRs"), subordinate legislation and any guidance and codes of practice issued by the Information Commissioner and relevant Government Departments.
- (2) The Parties agree to provide each other with prompt assistance and support in relation to any freedom of information requests that they receive in connection with this Agreement.

15. Notices

- (1) All notices and other communications relating to this Agreement shall be in writing and in English and shall be served by a Party on the other Party or the Treasury as appropriate at its address shown below:

Secretary of State for Culture, Olympics, Media and Sport

The Department for Culture, Media and Sport,
2-4 Cockspur Street
London
SW1Y 5DH

Mayor of London

Greater London Authority
City Hall
Queen's Walk
London
SE1 2AA

Treasury

Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London

SW1A 2HQ

provided always that the Parties may each designate a nominee for the receipt of such notices and notify the other of the same in which case notices must be served upon such nominee.

(2)) Notices shall be deemed to be delivered:

(a) if delivered by hand, upon receipt;

(b) if sent by pre-paid registered first class post (providing it is not returned as undelivered to the sender), two working days after posting;

(c) if sent by electronic mail, on the date of delivery subject to the following conditions:

(i) when an electronic mail is sent on a day which is not a working day or after 3:00pm on a working day, the electronic mail is deemed to have been received on the next working day, and

(ii) each electronic mail containing a formal notice under this Agreement shall be sent with a delivery receipt requested and shall not be deemed to have been received until the sender receives a confirmatory delivery receipt.

16. Contract (Rights of Third Parties) Act 1999

(1) In addition to the parties to this Agreement, the Treasury shall have the right to enforce any of its terms in so far as they affect the interests of the Treasury under this Agreement provided always that the GLA shall have the right to enforce any of its terms against the Treasury in so far as they relate to the obligations of the Treasury.

17. Governing Law

(1) This Agreement shall be subject to and construed in accordance with English Law and subject to the exclusive jurisdiction of the courts of England and Wales.

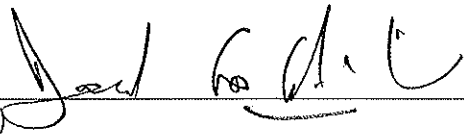
(1) **18. Execution** This Agreement may be executed in any number of counterparts and each counterpart will when executed be an original of this Agreement and all counterparts together will constitute one instrument

IN WITNESS WHEREOF this document has been executed the day and year first above written:

Signed for and on behalf of **THE**
SECRETARY OF STATE FOR
CULTURE, OLYMPICS, MEDIA AND
SPORT:

)

)



(Signature)

DAVID GOLDSTONE, FINANCE DIRECTOR
(name and position)

Signed for and on behalf of)

THE GREATER LONDON AUTHORITY by)

Signature

M. J. Blake
.....

Print name and position

MARTIN CLARKS
.....
EXECUTIVE DIRECTOR

Counterpart

EGL487368	Land at Three Mill Lane, London
EGL59355*	Lease hold interest in Sugar House Yard, 20 Sugar House Lane, London E15 2QS
EGL88656*	Lease hold interest in LAND LYING TO THE WEST OF Sugar House Lane, Stratford, London
EGL98143	Part of the foreshore and bed of the Three Mills Wall River, Stratford
EX30363	Land and buildings on the east side of the River Lea and lying to the north east of Three Mill Lane

** Sugar House Lane assets sold to Landprop and leased back to OPLC*

EGL573100	Land at Temple Mills Lane, London
EGL573475	Land at Temple Mills Road and Eastway, London
EGL573430	Land at Pudding Mill Lane, London
EGL573078	Land at Eastway, London
EGL575824	Land at Old Ford Water Pumping Station, Hackney Wick, London
AGL221592	90 Wallis Road, London
EGL574494	Land on the East Side of Waterden Road, London
EGL212175*	107 High Street, Stratford, London E15 2QQ
EGL331159*	Lease hold interest in Land and buildings on the south and east sides of Sugar House lane, Stratford, London
EGL331162*	Lease hold interest in Land and buildings on the south side of Sugar House lane, Stratford, London
EGL381366*	24 Sugar House Lane, Stratford, London E15 2QS
EGL484281	Three Mills Distillery, Three Mill Lane, Bromley by Bow, London

EGL554302	Land on the south west side of Rick Roberts Way, London
EGL527339	Land on the north east side of Roach Road, London
EGL544215	Land lying to the south east of Eastway, London
63721	Land on the north side of Carpenter's Road, London
EGL571880	Land on the north west side of Rick Roberts Way, London
EGL571796	Land lying to the north west of Carpenter's Road, London
EGL571797	Land lying to the south west of Warton Road, London
EGL572274	Land at Wallis Road, London
EGL572930	Land on the East Side of Stour Road, London
EGL572932	Land to the east side of Wallis Road, London
EGL572037	Land at and lying on the north east side of Roach Road, London
NGL80118	79 Stanley Road, London
EGL571226	Land at Rick Roberts Way and High Street, London
EGL10453	55 - 75 (odd numbers) Stanley Road, London
EGL526862	55 - 75 Stanley Road, London
EGL573440	Land at Eastway, London

NGL402655	Ornamental Garden on the west side of Waterden Road, London
EGL157814	Livingstone Works, Livingstone Road, Stratford, London
EGL151055	Star House, Livingstone Road
EGL428163	Land at Warton Road, London
EGL534233	Land lying to the west of Waterden Road, London
EGL561666	Land at and on the east side of Waterden Road, London
EGL562116	Land lying to the north east and south east of Berkshire Road, London
EGL562391	Land lying to the west of Cooks Road, London
EGL562488	Land at Marshgate Lane, London
EGL561244	Land lying to the north west of High Street, London
EGL562684	Land at Waterden Road and land lying to the east of Waterden Road, London
EGL562634	Land lying to the east of Waterden Road, London
EGL548491	Land at Stanley Road, London
LN155361	Land on the North side of Carpenters Road
EGL548490	Land at Stanley Road, London

EGL533914	Land lying to the north west of High Street, London
EGL533915	Land lying to the north west of High Street, London
EGL533916	Land lying to the south east of High Street, London
EGL517830	White Hart Recreation Fields, Eastway, London
EGL558925	Land lying to the south east of Carpenters Road, London
EGL556410	Land at Waterden Road, London
EGL356763	Land at Thorntons Field, Stratford, London
EGL266376	111 Carpenters Road, Stratford, E15 2DU
EGL557358	Land to the north of Carpenters Road, London
EGL560344	Land at Warton Road, London
EGL221056	Land and buildings at Stanley Road, London
NGL357211	Land on the south side of Carpenter's Road, Poplar, London
EGL562370	Land lying to the north east of Wick Lane, London
EGL560513	Land at Marshgate Lane and Pudding Mill Lane, London
EGL560405	Land lying to the north east and south east of Carpenters Road, London
EGL561805	Land at White Post Lane, London

Schedule 1

Land at the Olympic Park Title Number	Description
EGL533901	Land on the south eastern side of Eastway, London
EGL533902	Land on the south eastern side of Eastway, London
EGL533903	Land lying to the south east of Eastway, London
EGL533904	Land lying to the south east of Eastway, London
EGL533905	Land lying to the north of East Cross Route, London
AGL221079	Land lying to the south east of East Cross Route, London
EGL533907	Land on the north east and south west sides of Leyton Road, London
EGL533909	Land lying to the east of East Cross Route, London
EGL533910	Land lying to the north west of High Street, London
EGL533911	Land lying to the north west of High Street, London
EGL533912	Land lying to the east of East Cross Route, London
EGL533913	Land lying to the north west of High Street, London