

CALL-OFF CONTRACT

Framework Number: TfL 90440

Call-Off Contract Number: GLA 80724 (CPT) Tottenham Hotspur Stadium Scheme

THIS CALL-OFF CONTRACT is made the 2nd day of September 2015

BETWEEN:

- (1) Greater London Authority ("the Authority"); and
- (2) KPMG LLP, a company registered in England and Wales (Company Registration Number OC301540) whose registered office is at 8 Salisbury Square, London, ("the Service Provider").

RECITALS:

- A. The Contracting Authority and the Service Provider have entered into an agreement dated 20/11/2012 which sets out the framework for the Service Provider to provide certain Services to the Contracting Authority or the Authority ("the Agreement").
- B. The Authority wishes the Service Provider to provide the specific Services described in this Call-Off Contract pursuant to the terms of the Agreement and this Call-Off Contract and the Service Provider has agreed to provide such Services on those terms and conditions set out in the Call-Off Contract.

THE PARTIES AGREE THAT:

1. CALL-OFF CONTRACT

- 1.1 The terms and conditions of the Agreement shall be incorporated into this Call-Off Contract.
- 1.2 In this Call-Off Contract the words and expressions defined in the Agreement shall, except where the context requires otherwise, have the meanings given in the Agreement. In this Call-Off Contract references to Attachments are, unless otherwise provided, references to attachments to this Call-Off Contract.

2. SERVICES

- 2.1 The Services to be performed by the Service Provider pursuant to this Call-Off Contract are set out in Attachment 1.

2.2 The Service Provider acknowledges that it has been supplied with sufficient information about this Call-Off Contract and the Services to be provided and that it has made all appropriate and necessary enquiries to enable it to perform the Services under this Call-Off Contract. The Service Provider shall neither be entitled to any additional payment nor excused from any obligation or liability under this Call-Off Contract or the Agreement due to any misinterpretation or misunderstanding by the Service Provider of any fact relating to the Services to be provided. The Service Provider shall promptly bring to the attention of the Call-Off Co-ordinator any matter that is not adequately specified or defined in the Call-Off Contract or any other relevant document.

2.3 The Service Provider acknowledges and agrees that as at the commencement date of this Call-Off Contract it does not have an interest in any matter where there is or is reasonably likely to be a conflict of interest with the Services provided to the Authority under this Call-Off Contract.

3. CALL-OFF TERM

This Call-Off Contract commences on the date of this Call-Off Contract or such other date as may be specified in Attachment 1 and subject to Clause 4.2 of the Agreement, shall continue in force for the Call-Off Term stated in Attachment 1 unless terminated earlier in whole or in part in accordance with this Agreement.

4. CHARGES

Attachment 2 specifies the Charges payable in respect of the Services provided under this Call-Off Contract. The Charges shall not increase during the duration of this Call-Off Contract unless varied in accordance with the Agreement. The Service Provider shall submit invoices in accordance with the Agreement and the Charges shall be paid in accordance with the Agreement.

5. CALL-OFF CO-ORDINATOR AND KEY PERSONNEL

The Authority's Call-Off Co-ordinator in respect of this Call-Off Contract is named in Attachment 1 and the Service Provider's Key Personnel in respect of this Call-Off Contract are named in Attachment 2.

6. INSURANCES

In accordance with the provisions of Clause 21 of the Agreement, the Service Provider shall maintain the Insurances and the levels of insurance cover specified in Attachment 1.

7. LIABILITY

For this Call-off Contract, the Service Provider's liability shall be limited to £1m. This limit does not exclude or limit the Service Providers liability for:

- a) Death or personal injury;
- b) Fraud or fraudulent misrepresentation; or
- c) any other liability which, by law, it cannot exclude or limit.

This Call-Off Contract has been signed by duly authorised representatives of each of the Parties.

SIGNED

For and on behalf of the **Greater London Authority**

Signature: 

Name: Debbie Jackson

Title: AD Regeneration

Date: 02/09/15

SIGNED

For and on behalf of **KPMG LLP**

Signature: 

Name: John Moth

Title: Director

Date: 11 August 2015

Attachment 1

Proposal

Services to be provided

INTRODUCTION

Background

The GLA and London Borough of Haringey (LBH) are seeking to promote plans for major regeneration and estate renewal projects in North Tottenham. These would constitute a second phase of the Mayor's Tottenham housing zone with a 15 year programme to build 5,500 new homes. The two main focuses would be the High Road West area where LBH has agreed a master-plan for development and Northumberland Park where master-planning and consultation with residents is currently underway.

Two important supporting elements in the regeneration plans are further transport improvements and the proposal for a new 62,000 seat stadium to be built by Tottenham Hotspur FC (THFC) suitable both for Premier League football and NFL matches.

On transport TfL is taking over responsibility and ownership for the services on the Enfield Town line which serves White Hart Lane station and will be making substantial improvements to stations and services to Liverpool Street. Funding is in place for a third track on the West Anglia line between Stratford and Angel Road which will deliver a four trains an hour service from Northumberland Park station from 2018. The government and Mayor have also announced the establishment of a West Anglia Task Force to drive forward plans for a fourth track on the line as a precursor to the CrossRail2 scheme which would transform accessibility by providing 16 trains an hour into central London.

On the stadium THFC are currently negotiating a deal with the NFL to host two American Football games from the 2018/19 season with the prospect of significantly more in the event that plans for a London NFL franchise are successful. THFC propose to submit a new planning application for their redesigned 62,000 seat stadium in September 2015 with a view to letting a main construction contract for the stadium estimated to cost in excess of £500 million in early 2016.

The new stadium is a key element in the overall spatial plans for the area and its construction will include significant public realm elements as well as a major residential development, commercial and community uses. Delivery of the stadium would also play a significant role in increasing land values across the area to support investment and regeneration. Accordingly to plan effectively across the whole area and inform development of the housing zone proposals the GLA needs adequate

understanding of the financial robustness of THFC's stadium plans to provide assurance about the prospects for the public investments planned and to guide decisions about master-planning and development options.

SCOPE

Specification - Analysis and appraisal of THFC's stadium development financing proposals.

THFC are advised on the financing of their new stadium by Rothschilds. The GLA requires the Service Provider to assist in ensuring it has the advice and information it needs about THFC's stadium plans. Initially the GLA wishes to commission a report analysing and appraising THFC's proposals for financing the stadium development and whether they provide a sound and robust plan which will enable THFC to proceed with the development. Depending on the outcome of this analysis further phases of work may then be agreed.

Recognising that this work will require access to sensitive commercial information that THFC would not normally make available to any third parties the GLA proposes appropriate non-disclosure agreements should be put in place so that particularly sensitive detailed documentation would only be disclosed to its advisers on a confidential basis and not shown directly to the GLA.

It is expected that this initial stage of work would require an inception meeting with the GLA and LB Haringey followed by a meeting with them and THFC to discuss and agree the approach to commercial information and disclosure. Once this was settled and non-disclosure agreements in place it is expected there would be up to three meetings with THFC and their advisers prior to the successful tenderer producing a report for the GLA.

PROPOSED SOLUTION

Key issues and scope of work

What is the status of the development cost assumptions and are these robust? Issues to be addressed

- 1) How advanced are the designs on which the capital costs have been estimated? What is THFC's view as to how much these could change as the scheme develops?
- 2) What level of review has been performed by quantity surveyors on the cost position?
- 3) What assumptions have been made in respect of inflation, abnormal costs, enabling development profit, S106 payments and the overall level of contingency? How reasonable are these key assumptions?

- 4) Who owns the land on which the stadium is to be developed and what is the planning status? How much could these impact the estimated cost position?

Scope of work

- 1) Summarise the cost estimates prepared by THFC, commenting on the level of supporting evidence / information in relation to the current status of the project.
- 2) Comment on key exclusions and sensitivities to the cost estimates.

Are the incremental income streams from the new stadium credible and well supported?

Issues to be addressed

- 1) What is the baseline financial performance and position of THFC?
- 2) How credible are the incremental income streams assumed from the move to the new stadium? Specifically what has been assumed with respect to season and matchday ticket sales, catering and corporate income and NFL matches?
- 3) What assumptions have been made with respect to naming rights and what level of income has been assumed?
- 4) What has been assumed in respect of income from new broadcast deals and player cost increases?
- 5) What are the incremental operating costs of the new stadium and how do these impact net incremental profitability?
- 6) How reasonable is the sensitivity analysis performed by THFC and what additional sensitivities require assessment?

Scope of work

- 1) Summarise and comment on the historical track record of THFC (for the last two completed financial periods), specifically the level of underlying operating cash generated and the net debt position at the latest available balance sheet date.
- 2) Summarise and comment on the level of supporting evidence for incremental income streams. Specifically:
 - the support for increases in season and matchday ticket sales, with reference to historical attendance levels against current capacity and season ticket wait lists.
 - assumptions in respect of increases in corporate hospitality revenues, with reference to existing facilities and demand levels.
 - the level of discussion supporting any upfront receipts from deals with catering operators and the support behind uplifts in net catering income.
 - assumptions in respect of net income from the two NFL matches and assumptions in respect of the grant of an NFL franchise.
- 3) Summarise and comment on assumptions in respect of naming rights income and the level of supporting evidence available.

- 4) Summarise and comment on assumptions in respect of broadcast monies, player wage costs and net transfer spend.
- 5) Summarise and comment on the basis of preparation of operating cost assumptions and the related supporting evidence.
- 6) Summarise and comment on the sensitivity analysis performed by THFC together with additional potential areas of sensitivity.

How do the proposed financing structuring and related cash flow assumptions align with the capital costs and incremental income streams?

Issues to be addressed

- 1) What is the proposed combination of funding sources envisaged to fund the new stadium?
- 2) What level of certainty is attached to the different funding sources? What level of discussion has taken place with funding providers and what are the key dependencies?
- 3) Does the funding package have sufficient credibility to let the construction contract in September 2015?
- 4) How does this align with the cash flows over the development period?
- 5) Does THFC have sufficient net cash flow to service and repay the debt under the proposed facilities?
- 6) What level of cash headroom remains under the base and sensitised cases?

Scope of work

- 1) Summarise and comment on the funding structure proposed by THFC and the level of related supporting evidence.
- 2) Present the forecast cash flow profile and comment on whether the cash flow profile of the proposed facilities is sufficient to fund construction over the development period.
- 3) Summarise and comment on the level of cash headroom under the base and sensitised cases.

The indicative programme for provisions of these deliverables is as follows:

Delivery of reports	31 October 2015
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Call-Off Term: up to 31st October 2015 (3 months)

Expenses

Expenses (if any) that the Service Provider may claim: None

Authority Account Details

Relevant account code and cost centre: To be advised

Authority Call-Off Co-ordinator

Name: Jamie Dean

Address: 3rd Floor, pp21a Health & Communities / Diversity & Social Policy, City Hall, The Queen's Walk, London SE1 2AA



Availability of Key Personnel

The Service Provider's Key Personnel shall be available at the following period of notice: as reasonably agreed with the Authority

Insurances

Employer's liability insurance in the sum of not less than £5 million per incident or as required by Law.

A minimum level of Professional indemnity insurance in the sum of £1 million the aggregate per annum. This cover should be maintained for 6 years from the expiry of the contract.

Liability

For this Call-off Contract, the Service Provider's total liability for all claims connected with the Services or this Call-off Contract (including but not limited to negligence or any indemnity claims or any warranty claims) shall be limited to £1m or the total Charges, whichever is greater.

The Service Provider will not be liable for: i) loss or corruption of data from the Authority's systems; ii) loss of profit, goodwill, business opportunity, anticipated savings or benefits, or iii) indirect or consequential loss.

Nothing in this Call-off Contract excludes or limits the Service Providers liability for:

- a) Death or personal injury;

- b) Fraud or fraudulent misrepresentation; or
- c) any other liability which, by law, it cannot exclude or limit.

Attachment 2

1. Charges

Service Provider's charges, the basis of which will be specified by GLA and agreed at time of contract call-off.

Team member	Hourly rate (£)	No. of days	Total cost (£)
John Moth			
Bill Enevoldson			
Umar Aziz			
Jonathan Turton			
Outlays (fixed)			
Total			47,620

2. Key Personnel

The Service Provider's Key Personnel (include grades and areas of responsibility):

John Moth	Director KPMG LLP
Bill Enevoldson	Independent Consultant
Umar Aziz	Associate Director KPMG LLP
Jonathan Turton	Director KPMG LLP