

Minutes of 26th Board Meeting: 22 May 2008

John Armit (Chairman), Lorraine Baldry, Tony Ball, Barry Camfield, Neale Coleman, Stephen Duckworth, Christopher Garnett, Sir Roy McNulty, Sir Peter Mason, Baroness Sally Morgan, Kumar Muthalagappan, Sir Nicholas Serota (part), David Taylor

Apologies

Apologies were received from Sir Howard Bernstein who was not able to attend the meeting and from Sir Nicholas Serota who had to leave early.

Declarations of Interest

Neale Coleman declared an interest as an employee of the GLA, of which TfL and the LDA were separate functional bodies. Christopher Garnett declared an interest as a Member of the Board of Transport for London.

Minutes of Previous Meeting & Actions Arising

The Board agreed the Minutes of the 25th Board meeting held on 24 April 2008 and reviewed the Actions Arising brought forward since September 2007. They noted in particular that a Head of Fraud Prevention had been appointed. The police secondment to Procurement was continuing and close working relations with the Metropolitan Police were being maintained.

Chairman's Report

The Chairman reported that he had had a meeting to brief the Chancellor who had also visited the site the previous week.

The IOC visit had been very successful. As Members had heard at the Stadium event that morning, Denis Oswald, the Coordination Commission Chairman, had been greatly impressed by the progress made. The Chairman congratulated The Chief Executive and the staff on their achievement. He also thanked Board Members for their attendance at the Stadium event and complimented the Director of Communications and his team on the organisation of the Stadium event at which the Prime Minister and the new Mayor of London had also spoken.

Chief Executive's Report

The Chief Executive introduced his report and drew attention to the following points in particular:

The contract for the IBC/MPC was due to be signed by the end of the month.

The presentation on landscaping and public realm had been deferred to June when the Board would hear about both ODA's own proposals and the proposals for Legacy. LDA had appointed KCap who were now working closely with Hargreaves Associates, ODA's consultants. Hargreaves had interesting proposals which, if proven practicable, would increase the area of soft landscaping and access to the river, making the Park more attractive during the Games and reducing the amount of transformation needed for the final Legacy Park.

The first draft of the next NAO Value for Money report was being revised to correct factual inaccuracies before it could be signed off by the Accounting Officers. It was due to be discussed at a PAC hearing on 30 June 2008.

The Westfield main Board had given approval in principle for the investment in Stratford City. The agreements were due to be signed by 6 June and Westfield were arranging a ceremony on the site to announce 1000 days to the opening of the shopping centre in 2011. The

Board noted that the agreement being negotiated might give rise to a contingent liability in 2013 in respect of the non-retail land held by Westfield.

Sir Nicholas Serota left the meeting during the following item

Olympic Village Update

The Chief Executive updated the Board about negotiations with Lend Lease for the development of the Olympic Village. The proposal was for an agreement which would preserve a step-in right for ODA. ODA had had discussions on this basis with various potential funders. The commercial assessment of the deal had been reviewed and ways in which construction costs might be reduced were being considered. He hoped to agree the key elements with Lend Lease at the end of May and (subject to Banking finance) to be in a position to make an announcement in early August. To ensure that the Village would go ahead a long-term fee deal would be agreed with Lend Lease at the same time, to take effect if no other agreement could be reached.

Members discussed the proposals, noting the difficulties in financing such a large-scale development in the present circumstances: in particular there were issues about cash-flow and the risk of cost overruns. The residential accommodation would be completed in 2011 but only available for occupation in 2013. They discussed alternative approaches. They also noted a study showing that there was a continuing demand for housing in London which exceeded current supply and that values might be favourably affected by a shortage of units being built over the next few years. Meanwhile Lend Lease were making good progress on site and their costs were being monitored.

Corporate Manslaughter Briefing

The Head of Health & Safety and the Head of Legal gave a presentation to the Board about liability for corporate manslaughter under the Corporate Manslaughter and Corporate Homicide Act 2007. It established a new offence if the way in which any of an organisation's activities were managed or organised caused a person's death and amounted to a gross breach of a relevant duty of care. Failings by senior management would be a substantial element: they must have strong active leadership, effective "downward" communications, and must integrate good health and safety management with business decisions.

ODA's responsibilities varied from an arm's length relationship to direct contractual responsibility and would apply differentially. The role of the Board as non-executive directors was to act as scrutineers of management. They had ensured active management of Health and Safety by establishing the Safety Health and Environment Committee, receiving regular reports from site, reviewing Health and Safety policies regularly, and promoting Health and Safety issues.

The Head of Health & Safety reported on the occupational health programme established by ODA. A quarterly health and safety forum of representatives from across the industry was a source of ideas and provided benchmarking for ODA's practices. A recent test of emergency procedures on site had been successful with an external ambulance given swift entry and led to the scene, where the on-site emergency team would have preceded them. Members commented that space for a helicopter ambulance landing pad should be introduced rapidly.

Members noted that health and safety had received a 4 star audit review and were satisfied that the effectiveness of this operational area had been demonstrated.

Annual Report

The Director of Communications introduced the draft annual report which would be amended to include comments from Members. The final version would be brought to the June Board Meeting for approval.

Members noted that the NAO Value for Money report and the GOE's half yearly report to Parliament would also include figures from the accounts. Officers should liaise with the Mayor's office about the likely publication of his review of costs. They agreed that the text should be more informal and should make clear that, in the light of likely cost pressures and the possible use of contingency, ODA was bearing down on costs.

Communications Committee

The Director of Communications reported that the IOC's press release referring to 'truly outstanding' progress had just been issued. Their report would be referred to in the Annual Report. The IOC had also agreed that Fencing should be moved off the Olympic Park and the other associated venue changes.

Forthcoming events included the Accessible Transport event and the Hoardings Event, to which Board Members had been invited, and the publication of handover plans. The Government aimed to publish the Legacy Action Plan during June.

Following the PAC hearing on 30 June the ODA would appear at the first post-election hearing of the GLA Assembly. It was proposed to publish ODA's milestones for the next period at the same time.

Members noted the increasing numbers of workers on the site and recognised that traffic movements would be a particularly high risk. Hazards should be marked by prominent signage, which would need to change regularly. A site-wide communication strategy was being developed and would be introduced to cover these points during June.

Finance Committee

Members noted that the new style of finance report appeared to show a deficit. This was due to the rules of government accounting which required government grant in aid to be taken to the reserves. The rebaselining of project budgets also complicated the monitoring of expenditure against the agreed lifetime budget. These issues would be addressed at the next Finance Committee meeting.

Audit Committee

The Committee Chairman reported that NAO had commissioned a review of ODA's procurement by KPMG which showed that ODA procurement rated well against comparable systems and that contract management and risk management were in process of being fully developed.

Planning Committee

The lack of information to the Planning Committee, as recorded at the previous meeting, was being addressed. The Board noted the Minutes of the 22nd Planning Committee meeting held on 8 April and the draft Minutes of the 23rd Planning Committee meeting held on 22 April 2008.

Remuneration Committee

The Board noted the Minutes of the 6th Remuneration Committee meeting held on 27 March 2008.

Safety Health and Environment Committee

The Committee Chairman noted that the recent accident meant that a 6-month accident-free period had just been missed.

An external Member of the SHE Committee had been selected following advertisement and interview and the Board agreed that the Chairman should seek the Minister's formal approval to the appointment.

ODA's Health and Safety standard had been reviewed and amended to include environmental management issues. It was a detailed aspirational document bringing together best practice and including instructions to contractors. It was summarised in the Works Instructions which were attached to all contracts including those with sub-contractors. Members noted that the standard should be reviewed annually and delegated this to the SHE Committee.