

Minutes of 28th Board Meeting: 24 July 2008

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

Apologies

Apologies were received from Kumar Muthalagappan who was not able to attend the meeting.

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. Lorraine Baldry asked the Board to note that as a Member of the Planning Committee she would not participate in discussion of the Approval of Landscape and Public Realm Business Case.

Minutes of Previous Meeting & Actions Arising

The Board agreed the Minutes of the 27th Board meeting held on 26 June 2008 and reviewed the recorded Actions Arising brought forward noting in particular that: signs warning of hazards had been erected on site, particularly at the entrance plazas; and a summary of the ODA Plan had been published on the website. Members welcomed the signing of agreements with Westfield and LCR which were critical to the programme.

The Board agreed the following Committee appointments replacing Sir Howard Bernstein: Barry Camfield as a member of the Audit Committee and Finance Committee; and Tony Ball as a member of the Communications Committee. They also noted that the Minister had agreed to the reappointment of the external Planning Committee Members.

Neale Coleman joined the meeting during the following item

Chairman's Report

The Chairman reported that a new Board Member to replace Sir Howard Bernstein was to be appointed.

Members noted that agreement had been reached with the Trade Unions and confirmed by the Trade Union General Council.

David Taylor joined the meeting during the following item

Chief Executive's Report

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

Progress on the Programme meant that scope was now largely fixed, though pressure for some changes continued, and the emphasis should move to efficient delivery: between now and December 2009 CLM should have been responsible for expenditure of some £2bn. The future risks of which ODA needed to be principally aware would concern mistakes and accidents on site, disputes, and the potential bankruptcy of contractors and suppliers.

Discussions were continuing about the IBC/MPC. The developer was seeking to maximise the permanent accommodation in the development so that it could be

carried over for potential use by media interests in Legacy. This proposal had attracted considerable support locally, but there were concerns about the likely use and end value in current market conditions. Members noted that the broadcast centre for previous Games had usually been housed in a simple warehouse-type structure, often temporary. The proposals were being reviewed but construction was due to start on the office building and multi-storey car park in Spring 2009.

Members noted that options for some of the temporary venues were also subject to review. An independent study of Basketball would be commissioned from KPMG for consideration by the Funders Group.

It had been agreed to add c800 temporary seats in the Handball venue to bring it close to the figure of 7000 requested by LOCOG. It would also be necessary to provide acoustic insulation.

Members asked that the employment statistics shown in the CEO's report should if possible be quoted separately for the workforce on site. In relation to health and safety Members noted that there had been a serious accident on the site and requested that any such incidents should be explicitly mentioned in future. They also noted that a specialist contractor was monitoring the site for asbestos and work had restarted quickly after the recent incident when piling had brought up asbestos from below the level which had been treated.

Following the Beijing Games lessons learned would be fed in from the individual sport federations and incorporated into LOCOG's formal Venues Operations Plans by mid 2009. ODA would keep in touch informally with any proposed changes which would be controlled through the formal change control mechanisms.

The power outages had commenced and would be complete by September 2008 after which the pylons could be dismantled.

Olympic Village Update

The Chief Executive updated the Board and circulated a plan of the proposed Village accommodation and a letter from the Stratford City Design Review Panel supporting the design. The Planning Committee had approved the first application for approval of one block as reserved matters under the planning permission.

The Funders Group had agreed in principle to the proposed preferred deal structure. Discussions were continuing with Lend Lease and the banks. As discussed previously, the percentage of investment from RSLs would be increased and it was hoped to reach agreement by the end of July on a model for funding. As a last resort ODA would have step-in rights as developer but would have last call against title. A final decision about funding a contribution would not be taken by the Funders before October 2008.

LOCOG were aware of the changes proposed and ODA would have observers at the Beijing Games looking at the amount of accommodation needed. IOC regulations only required accommodation in the Village for those participants whose events were within a set distance and some athletes would depart immediately after their events. Members recognised the importance of achieving a mixed development with a consortium of RSLs who would cooperate on sales policy and they welcomed the approach adopted.

Members had concerns about some elements of the fee deal but noted that it was important to ensure that construction continued. A more detailed paper would be circulated in the following week.

Quarterly Report to GOE and Funders as at 30 June 2008

The quarterly report would be used as the basis for reporting publicly. (At present government had agreed to publish a six monthly report about progress on the Olympic programme, but a quarterly report was being considered.) A revised version of the paper would be circulated to Members before it was sent to the Funders.

It was important to ensure GOE and Funders were aware of emerging cost pressures and opportunities, and pressures which could lead to a draw on the Funders contingency should be flagged up in the report. In particular it needed to be updated to make clear the £250m required for the Village and to bring out the challenge of getting private funding for IBC/MPC in current circumstances and that ODA might have to provide the facilities required in Games-time. Members agreed that the Anticipated Final Cost was £7,095bn and that most of the cost pressures could be absorbed.

Update on the agreement of the Delivery Partner Master Task Order 2

Members discussed the proposed structure of the Task Order and noted that a revised paper would be circulated to the Board by 1 August 2008. They approved the agreement between ODA and CLM extending the duration of the Task Order 1 by 2 months in accordance with the approval given by OPRG.

Security: Command, Control, Communications and Integration (C3i) Business Case Decision / Investment Decision

The business case had been developed with stakeholders as a model against which tenders would be assessed. It was expected that LOCOG would use the same system and not require significant overlay. The contract for CCTV had been included with the wider package to achieve best value for money. Members noted that the contract would be procured through ODA's e-procurement system which allowed for clarification meetings.

The Board approved the Business Case and endorsed its submission to OPRG for investment decision.

Security: Hostile Vehicle Mitigation (HVM) & Asset Tracking

The Board noted the proposals for Security: Hostile Vehicle Mitigation & Asset Tracking and delegated to the Chairman authority to approve the business case for OPRG approval in September 2008.

Approval of Landscape & Public Realm Business Case

Members noted that the proposals for the Park presented to the Board at the June meeting would generally be followed. These had been developed in response to concern over the extent of post-Games transformation and would deliver a Park that met Green Flag status almost immediately after the Games within the Legacy Transformation budget. They noted that extensive consultation was taking place with all the stakeholders and they endorsed the business case.

The LDA had been involved in and endorsed the development of the design proposals and the two authorities would work together to maximise value for money for Legacy investment.

The Board endorsed the project's approach of proceeding with the Greenway according to the revised scheme as reviewed by the task force, which had amalgamated The Greenway with the Landscape and Public Realm project.

Members were concerned that a legacy authority should be appointed as a matter of some urgency so that clear proposals could be developed. They noted that the Mayor of London was considering establishing a special purpose vehicle and was in discussion with English Partnerships and the host Boroughs: DCLG would also be involved. In the meantime ODA was encouraging LDA to employ Hargreaves, and they hoped that imaginative interim proposals could be brought forward for the development plots on the edges of the Park which might not be developed for some time after the Games.

Communications Committee

New aerial photos would be published to mark the point 4 years before the start of the London Games and LOCOG would be announcing the creation of 30 large screen sites around the UK on which the Handover ceremony could be viewed.

The Board adopted the revised Standing Orders and Terms of Reference of the Communications Committee.

Finance Committee

The Board noted the draft Minutes of the 13th Finance Committee Meeting held on 20 June 2008; and adopted the revised Standing Orders and Terms of Reference of the Finance Committee as agreed by the Committee on 18 July 2008.

Audit Committee

The Board noted the Minutes of the Audit discussion held on 20 June 2008.

Planning Committee

The Board noted the Minutes of the 26th Planning Committee Meeting held on 10 June 2008; and noted the Minutes of the 27th Planning Committee Meeting held on 24 June 2008.

Remuneration Committee

The Board noted the Minutes of the 7th Remuneration Committee held on 21 May 2008.

Any Other Business

As agreed previously, Board Members had discussed the Board Effectiveness review and had agreed that the Board should in future: focus on delivery and risks and in particular give consideration to the concerns of stakeholders; ensure that stakeholders understand ODA's role in relation to Legacy including aims and achievements in relation to ODA's cross-cutting objectives; seek to influence the establishment of new governance for phase 2 of Legacy; consider key issues and risks at an early stage before agreement was reached with GOE officials; receive shorter, more focused Board papers.