

14th Board Meeting: 26 April 2007

Sir Roy McNulty (Acting Chairman), Lorraine Baldry, Tony Ball, Sir Howard Bernstein, Barry Camfield, Neale Coleman, Stephen Duckworth, Christopher Garnett, Sir Peter Mason, Baroness Sally Morgan, Kumar Muthalgappan, Sir Nicholas Serota, David Taylor

APOLOGIES

None.

DECLARATIONS OF INTEREST

Neale Coleman declared an interest as an employee of the GLA, of which TfL and the LDA are separate functional bodies.

Sir Peter Mason declared an interest as Chairman of Thames Water.

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 and reviewed the recorded Actions Arising.

CHAIRMAN'S REPORT

The Chairman reported that a paper following up the discussion at the Awayday about Key Strategic Issues would be brought to the Board in May or June.

The Chairman and the Chief Executive had appeared before the London Assembly on the previous day and had been asked about budgets for the individual venues. These would be the subject of competitive tenders and the information was commercially confidential until the contract had been let so this would be made available on a confidential basis.

Interviews had been held for the post of Chairman of ODA and a recommendation would be made to the Secretary of State. An appointment would be made probably in early May after consultation with the Mayor of London.

OUTTURN REPORT 2006/7

The year end expenditure met the revised forecast.

CHIEF EXECUTIVE'S REPORT

The Chief Executive drew attention to the following points:

Enabling Works Good progress was being made and there had been media coverage of the archaeological work and nature conservation. The earthworks to create the platform for the Aquatics Centre had started.

Powerlines The EDF tunnel to Hackney had been lifted to avoid high water pressure seeping into the tunnel and the programme had been adjusted. The project should still be completed within budget and meet the critical date in summer 2008.

Olympic Park Negotiations were continuing on the planning applications. The Boroughs had welcomed the extent to which they were being involved.

The Board had had a useful presentation at the morning briefing session and Members were keen that the benefits of the revised planning application should be summarised and communicated to the public. They noted that there would be a site open day for the public in mid July before the site was closed off.

IBC/MPC The tenders included 8 developer-contractors and 3 possible end-users meaning a design and build contract should not be necessary.

Aquatics Centre 4 bidders had been identified after enlarging the scope of the tender to include the bridge. ODA had originally been advised to exclude this in order to attract specialist contractors.

Velodrome 8 architectural practices had been shortlisted.

Stadium (see item below)

CPO Access to the last 25% of the site would only be achieved in July when the CPO came into effect.

Village Work was continuing on the redesign. Some issues involving LCR remained to be resolved and the Chief Executive would be seeing the Department for Transport in mid May.

Broxbourne An investigation had shown that the water table below the land purchased by the Lee Valley Regional Park Authority (LRVPA) was contaminated. LVRPA would have to raise the structure to avoid further contamination and redesign the scheme to reduce the cost or possibly relocate.

Health & Safety There would be quarterly reports to the Board.

Transport Since O'Rourke's were involved in tenders for various railway contracts, CLM would not be responsible for managing any part of the Transport Programme, which would now be managed entirely in-house. A team had been hired to handle the Temple Mills relocation, though most work would be dealt with directly by Network Rail.

Conflict of interest To avoid a conflict of interest arising for Board Members without their knowledge, they would be sent competition shortlists of architectural practices as soon as they were identified.

COMMUNICATIONS STRATEGY

A presentation was made at the morning briefing session. A time would be arranged for a discussion of the item at the May Board.

Members recognised that it was difficult for the ODA strategy to include the regional dimension on which LOCOG were in the lead. ODA's principal involvement would be through procurement: the online system matching suppliers and buyers would be launched later in 2007.

DCMS was undertaking a review of the Nations and Regions work and would ensure that ODA views were taken into account. Members asked that their concerns should also be passed to LOCOG.

STADIUM

Discussions with Sir Robert McAlpine (SRM) about time and cost were continuing in parallel with discussions about the design.

The aim was to sign Heads of Terms with SRM in May and to sign the contract later in the year. Enabling works would begin in the Summer and a planning application be submitted at the end of 2007.

Savings could be made by reducing the scope by reducing capacity or through a more cost-efficient design. The Board expressed concern about reducing the capacity of the Stadium, including the possible reopening of the issue of legacy use. The situation would be discussed with SRM.

A presentation was made to update the Board on the concept design for the Stadium project. SRM and HOK/ Buro Happold were due to present their design concept with cost and programme time the next week.

Emphasis would be on the appearance of the Stadium after the Games: a 25,000 seat Stadium lasting 50 years.

Board Members would have a further update in May and the Director of Design and Regeneration would brief a small group of interested Members before the May Board meeting.

VELOPARK – STRATEGIC OUTLINE CASE

Three principal issues had been the subject of the study by Pan-Leisure: the need for a permanent facility, the seating capacity of the Velodrome in legacy, and the extent of multi-sport activity that might be accommodated.

There would be a further report to the Board following further discussions with the Sports bodies and other interested parties about the multi-sports use and capacity of the Velodrome in Legacy..

CLM TASK ORDER

A presentation was made updating the Board on progress of the negotiations between ODA and CLM. The initial Task Order had been extended in February by a Memorandum of Understanding which would expire the next day, Friday 27 April. The intention was to agree an entirely new approach with a single Master Task Order running to 2013.

It was hoped to complete the detailed negotiations in the next two weeks and written government approval would also be needed before the Task Order could be agreed. The Board's endorsement was sought for the approach which had been described. However, the Board required a written paper setting out the new proposals for the CLM Task Order and how CLM would be incentivised to manage the programme and projects to time and budget and more time to consider fully the implications of the proposal.

The Chairman would determine the means by which these proposals would be reviewed, with the aim of achieving clearance by the Board by Friday 4 May 2007.

AUDIT COMMITTEE

The Board noted the Note of Discussion on Audit Matters held on 16 March 2007.

FINANCE COMMITTEE

The Board noted the Minutes. Discussions were continuing about how the government-retained contingency would be released when necessary. Sir Roy McNulty was emphasising the need for flexibility and the minimum supervision of individual decisions.

RISK COMMITTEE

The Committee's role had been discussed at its first meeting: it would be responsible for giving assurance to the Board about the identification and management of risk rather than itself identifying risks. The Terms of Reference were being revised and would be circulated to Board Members for agreement in advance of the next Board Meeting.

The Committee would review projects worth more than £20m at the stage of the SOC approval, Business Case approval, and throughout the project construction. They would also review the top 10-20 risks using a traffic light system.

The Committee aimed to meet in May, June, and July and would look at projects such as the Olympic Village. The appointment of external Members had been discussed in principle with the Secretary of State and appointments would be made in due course.

REMUNERATION COMMITTEE

The Board noted the Minutes of the 1st Remuneration Committee meeting held on 22 February 2007. A second Remuneration Committee meeting had been held and the Committee Chairman would write separately to Board Members about end of year bonuses for staff.

COMMUNICATIONS COMMITTEE

There were no comments.

PLANNING COMMITTEE

The Committee Chairman reported that the Planning Committee was likely to meet on 14 August 2007 to determine the Olympic planning applications. A briefing session for Board Members had been held that morning which had been welcomed by all those present.

DRAFT ODA CORPORATE PLAN

The Board noted the progress on the ODA's Corporate Plan and would send written comments on the form and content of the draft Plan by Friday 4 May 2007. A revised draft would be reviewed at the May Board Meeting.

CLM DELEGATIONS

It was proposed to give CLM limited delegations where a cost variation would adjust the value of a contract without impacting scope or time and would not affect the lifetime

project cost (including allocated project contingency). Above a threshold of £250k a formal change control process would apply, but CLM would be authorised to approve variations below that figure. The Project Steering Group would review all delegations at their monthly meeting and could withdraw authority if necessary.

The Board noted the status of CLM delegations, and particularly that CLM would certify payments under the NEC 3 contract arrangements.

CLM would be able to instruct contract variations up to £250,000 per event, subject to this not impacting the project lifetime budget.

PHYSICAL LEGACY AND REGENERATION

A discussion of the issues at the Olympic Board had clarified the roles and responsibilities of ODA and LDA and LDA would act as client for the development of briefs for legacy uses. Annexe C of the paper set out the arrangement for oversight of this part of the programme. These proposals had been welcomed by the boroughs who would be able to participate formally in the preparations for legacy. Terms of Reference were now being discussed and a strategy and timetable should be in place by July 2007.

The Chief Executive explained that ODA would work through the Secretary of State for this purpose, in the same way as in relation to the Olympic Board. The enlarged LDA team would be co-located with ODA at Churchill Place to ensure that the two teams could work closely together.

The Board noted that a governance review of the Lee Valley Regional Park Authority was being undertaken as described in Annexe D to the paper.

The Board noted the report which had been considered by the Olympic Board on 18 April 2007.

GENDER EQUALITY SCHEME

ODA had a statutory duty to develop and publish a Gender Equality Scheme in order to eliminate any discrimination. CLM had helped develop the Scheme and would be covered by the objectives. The aim would be to help reduce occupational segregation in construction and ensure that construction sites were welcoming to women. The results of monitoring would be a key programme indicator and would be reported to the Board.

LDA was working to help find work experience for women trained in construction skills.

The Board noted that Trade Unions were covered by objective 2.7 as 'bodies working to increase women's representation in construction'.

The Board approved the Gender Equality Scheme for 2007 – 2010 for publication.

ANY OTHER BUSINESS

There was no other business.