

Tenth Board Meeting: 4 January 2007

Sir Roy McNulty (Acting Chairman), Lorraine Baldry, Neale Coleman, Stephen Duckworth, Christopher Garnett, Sir Peter Mason, Baroness Sally Morgan, Sir Nicholas Serota, David Taylor

APOLOGIES

Apologies were received from Tony Ball, Sir Howard Bernstein, Barry Camfield, and Kumar Muthalgappan who were unable to attend the meeting.

DECLARATIONS OF INTEREST

As an employee of the GLA, of which the LDA is a separate functional body, Neale Coleman declared an interest in relation to the Chief Executive's report and the Cash flow item in particular

MINUTES OF PREVIOUS MEETING & ACTIONS ARISING

The Board agreed the Minutes.

They reviewed the various actions arising and noted that Barry Camfield, Christopher Garnett, and Sally Morgan had attended useful briefing session on the Equality and Diversity Strategy.

CHAIRMAN'S REPORT

The Chairman reported that there had been discussions before Christmas with West Ham football club about their possible Legacy use of the Stadium. The club was looking at the cost of converting the Stadium for Premiership football use after the Games but it was not yet clear whether they would wish to pursue the option. However, it was agreed that there could be no delay to the Stadium project. The legacy plan for a 25,000-seater stadium would need to be agreed during 2007 and ODA's initial study of the costs of conversion for combined use by athletics, rugby and non-Premiership football should be completed by the end of February when the Olympic Board would consider both options in outline.

Discussions were also in progress with government about the budget including the contingency. The Delivery Partner was reviewing the total costs and the Board would need to consider the full lifetime budget.

The Board's comments on the procedure for recruitment of a new Chairman had been discussed with DCMS. The process was likely to be completed by about the end of April 2007.

Following his discussions with all Board Members individually the Chairman outlined his proposals for how the Board should work in future. It was agreed that the Board as a whole should be more active in developing and implementing the ODA's strategy in accordance with the requirements of the Management Statement. Members should focus on those issues where they could add value whilst recognising that Members had different areas of expertise and interest. Papers brought to the Board should identify clearly the key issues where a decision is needed and the Chairman suggested that a small Strategy Unit headed by someone with a commercial or business development background should be created. Board

Members also needed to be well briefed and there should be a session before each Board Meeting to include briefings on communications, stakeholders, and employment relations.

The Chairman would also be recommending the creation of 4 Committees reinforced by outside experts as appropriate: Programme and Risk, Finance and Audit, Regeneration and Legacy, and Remuneration and was giving further consideration to the idea of creating an Employment Relations Committee.

The relationship between the Board and the Executive would be critical. The Board Awayday in March would provide the opportunity to discuss how the Board and Executive could best work together and also to define the distinction between strategic planning and the management role, which was delegated to the Chief Executive.

A system for annual review of the performance of individual Board Members would be put in place by May, together with consideration of training needs

The Board were particularly concerned to increase Members' contact with LOCOG and other stakeholders and to hear their views, and wanted to emphasise the ODA's UK-wide commitment. They agreed the proposals in principle.

CHIEF EXECUTIVE'S REPORT

Sally Morgan joined the meeting during this item

The Chief Executive drew attention to a number of points:

The Powerlines project was progressing well but the safety record still needed to be improved.

Site works had commenced on the early Enabling Works.

Expenditure had been behind profile and expected expenditure for the final quarter of the financial year was being reviewed so as to maximise resources where work could be progressed.

The proposals for impoundment of the river were continuing satisfactorily

The option for a temporary handball facility during the Games with a permanent facility created afterwards was under discussion.

The Board would be updated on the proposals for Broxbourne Whitewater Centre and the development at Weymouth which was a private sector development with South West Regional Development Agency involvement.

The Board were updated about progress on the Stratford City negotiations with the various partners involved. Timing of the Olympic Village was the only aspect of the development that was vital to ODA. Good progress was being made and a report to the Board was expected by the end of February. The Board noted that ODA should retain influence over the development, particularly to ensure that the quality of design was not compromised. A Design Review Panel had been established to look at reserved matters under the original planning permission.

In view of the complexity of the proposals it was agreed that Sir Roy McNulty, Christopher Garnett, and Sir Peter Mason would be fully briefed so that they could give assurance to the Board in due course. Members agreed that the status of Lend Lease as Preferred Developer for the Olympic Village element of Stratford City development could be announced once the Heads of Terms had been formally agreed. This would not constitute Board approval for an appointment.

AUDIT COMMITTEE

The Board were updated about the December meeting at which the accounting policies and an Audit review of banking, receipt and payment processes had been discussed.

The Audit Committee had also discussed the NAO value for money report. The Chief Executive clarified that he could not sign-off the report until he was satisfied that the tables included were clear.

The Board welcomed the appointment of a Head of Finance.

RISK COMMITTEE

DCMS had agreed that outside expert members could be appointed quickly.

COMMUNICATIONS COMMITTEE

The ODA Communications Strategy would be presented to the Board at the February meeting. Members were keen that ODA should work with LOCOG on developing a joined-up strategy and should also contribute to a joint Communications Strategy to be developed with DCMS/GOE and LOCOG. Members asked to be briefed about the relaunch of the London 2012 website which was expected later in the Spring.

PLANNING COMMITTEE

Planning Committee Chairman, Lorraine Baldry, reported that a decision on the enclosure of the Woolwich Line had been deferred because there were concerns about the connection between Stratford International and Stratford Regional Stations. Alternatives to the travelator, which had previously been required, were being investigated.

EMPLOYMENT AND SKILLS DEVELOPMENT

There were concerns that the construction workforce did not reflect the structure of the local population in the five Olympic Boroughs, which had a high percentage of Black, Asian and Minority Ethnic population. ODA must lead by example because the majority of contracts would be let through the supply chain. A plan of action was being developed with local boroughs and others to ensure that minority groups were fully aware of the job opportunities. The existing principal contractors were already advertising on the London 2012 website.

The ODA also aimed to help make the links between work and training more effective for the many jobs that would be created in the industry from later in 2007. They were working with the Boroughs and Further Education institutions as well as the Learning and Skills Centre and Job Centre Plus.

The Board noted that the ODA strategy was not limited to the London Olympic boroughs. ODA would work across the country in partnership with regional bodies and with the major contractors spreading opportunities for employment, which would include factory work for prefabricated components.

The Board welcomed the intention to adopt the broader ODA values relating to equality and diversity and sustainability across the field of procurement. This was an important issue which they expected to discuss further at future meetings.

CLM were also looking at the transport arrangements for workers within London and were considering solutions such as park and ride arrangements.

PROCUREMENT POLICY

The Secretary of State and the Mayor would be making an announcement about procurement and the Business Network on 15 January and holding a procurement conference in April 2007.

A presentation was made about the Olympic Business Network, which would support the electronic procurement process. Each major contract would have a separate section of the website, but different categories of work could be monitored across all contracts to help smaller businesses bid. Outside London, the Regional Development Agencies would operate a comparable system.

There was also a presentation about the Procurement Policy, which had been amended following consultation, to produce a carefully balanced policy consistent with the public sector procurement regulations, but going beyond the legal requirements. A Balanced Scorecard approach had been adopted and the policy was now linked to the Equality and Diversity Strategy. Contractors would not be asked to break their existing supply chain but would be expected to use the electronic system for additional opportunities 'where reasonably practical'. Monitoring the policies and their impact was a novelty which would itself help stimulate a new approach.

The Board welcomed the approach in principle but were concerned that ODA's commitments should not be over-stated and must be consistent across the Procurement Policy and the Sustainable Development and Equality and Diversity Strategies. Consideration was deferred so that a small group of Board Members could attend a workshop with staff during January to discuss the policy and the implications.

ODA CORPORATE PLAN AND BUSINESS PLAN UPDATE

This was a preliminary opportunity for the Board to comment on development of the draft Corporate Plan themes and objectives. They approved the approach to submit the Corporate Plan with the 2007/8 Business Plan, and also approved the ODA's updated cross-cutting themes in advance of publication in the Procurement Policy and Corporate Plan. The brief for the Key Strategic Issues work being undertaken to complement the Corporate Plan was noted.

The Delivery Partner was doing work which would contribute to the 2007-08 Business Plan. The Board noted the importance of obtaining funding approval from DCMS by the end of February.

SUSTAINABLE DEVELOPMENT STRATEGY

The Board approved the additional performance measures, which had not previously been discussed, for inclusion in the sustainable development strategy. The document would evolve and be republished approximately every 2 years.

The document needed to be cross-referenced against the Procurement and Equality and Diversity strategies and Members agreed to send written comments to meet the launch date which was fixed for 22 January 2007. The Board delegated approval of the final version to the Chief Executive.

DRAFT EQUALITY AND DIVERSITY STRATEGY

The draft Equality and Diversity strategy had benefited from consultation with a number of key stakeholders, and from discussion at the workshop with several Board Members in December. The consensus had been that the strategy should focus on a few priority areas where significant impact could be achieved, such as reducing economic and racial inequalities locally. The novelty of using the procurement system to monitor diversity in relation to employment opportunities should provide an impetus to change in the industry.

ODA had a series of duties under legislation to promote equality, including for disabled people, and the Foreword should refer to an aspiration to make the Games fully accessible or to training to help disabled people find employment. Further consideration was also needed about how to address gender issues.

Members agreed to send written comments before the draft was published for public consultation in mid-January. The strategy would be used to guide the ODA's actions on equality and diversity, pending the outcome of that consultation.

STRATEGIC OUTLINE BUSINESS CASE FOR LONDON AQUATIC CENTRE PROJECT

The Board noted that discussions about legacy use of the Aquatic Centre were continuing and that the legacy strategy for the Aquatics Centre would need to take account of a number of complicating factors: it would be built on LDA land, with lottery funding, and would impose obligations on the eventual client. However, the client for the legacy use could not yet be determined.

Members noted that an industry day would be held shortly which would give some indication of the likely market reaction. They also recognised that the timetable required approval of the outline proposals by the Olympic Board later in January. There were a number of important outstanding issues to be resolved and Members requested that a further report be brought back to the Board when these could be addressed. They approved the Strategic Outline Business Case for consideration by the Olympic Board.

FULL BUSINESS CASE FOR ENABLING WORKS PROJECT

The Board noted that it was proposed to complete the novation of the contracts by 15 January 2007, at the same time as OPRG approval was expected. Funding would then be available from LDA.

Access to the site was constrained until planning consent was granted but a programme of planning applications was planned to match the programme for taking vacant possession of each area. Full approval was sought by Summer 2007..

Half of the site investigation work had been completed and the degree of contamination found had so far matched expectations discussed in September.

The Board approved the Business Case subject to the document being amended to make clear that Option 3 was high risk and not in accordance with GLA and ODA policy.

Stephen Duckworth left the meeting

STRATFORD STATION UPGRADE PROGRAMME WORKS

The works proposed in the paper for the upgrade of Stratford Station were part of overall development to support passenger growth in the area and were critical for the success of the Games. It was important that contracts should be let in early 2007 to utilise the August Bank Holiday track possessions which had been booked. It was therefore proposed that ODA should accept management responsibility as sole funder although discussions were continuing to address the funding gap. Approval would be sought from OPRG and reported to the Olympic Board in February 2007.

The Board approved funding for the Stratford Station Upgrade Programme Works.

ANY OTHER BUSINESS

There was no other business.