

## **11<sup>th</sup> ODA Board Meeting: 25 January 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**

Apologies were received from Baroness Sally Morgan and Sir Nicholas Serota who would arrive later.

### **Declarations of interest**

As an employee of the GLA, of which the LDA and TfL are separate functional bodies, Neale Coleman declared an interest in relation to the Transport for London Funding Agreement in particular, and said that he would leave the room for discussion of that item.

Sir Peter Mason declared an interest in respect of the Utilities sub-programme as Chairman of Thames Water, a company which might in future bid for a contract under the Utilities Sub-Programme.

### **Minutes of Previous Meeting & Actions Arising**

The Board agreed the Minutes.

### **Chairman's Report**

The Board noted that DCMS were about to recruit two new senior staff to the Government Olympic Executive.

The Chairman introduced a programme of regular Board briefings and made recommendations about 4 new Committees to support the work of the Board: Remuneration Committee, Risk Committee, Finance Committee, and Legacy & Regeneration Committee.

The Board approved the establishment of a Remuneration Committee and Draft Standing Orders and Terms of Reference. Membership would be: Roy McNulty (Chairman), Tony Ball, Howard Bernstein, Christopher Garnett, and Kumar Muthalgappan.

Terms of Reference for the Risk Committee had been approved in October. The Board now approved the same terms with the additional remit to consider the monthly review of progress against programme, including monitoring the risks related to the role of the Delivery Partner. Membership would be: Peter Mason (Chairman), Roy McNulty and Christopher Garnett, and up to 3 co-opted external experts. The quorum would initially be 2 members, increasing to 3 members as soon as 2 outsiders joined the Committee. The Committee was also authorised to obtain outside independent advice as considered necessary.

The Board approved in principle the establishment of a Finance Committee with the general remit to review the ODA's budgets, monthly financial reports and projections, and reports on programme and project costs (actual and projected), and to report to the Board on matters relating to ODA budgets, financial reports, projections, and the ODA's adherence to approved budgets (annual and lifetime) and conformance to funding availability. The Board agreed that Membership should comprise the Members of the Audit Committee and up to 3 co-opted external experts. The quorum would

initially be 2 members, increasing to 3 members as soon as 2 outsiders joined the Committee.

It was agreed to consider establishing a Legacy and Regeneration Committee to ensure that the ODA had a clear overall strategic direction and received the necessary feedback on progress. A small group of Board Members led by Neale Coleman, together with the Executives most closely concerned, should report back to the Board at the Awayday in March 2007.

The Board noted that the roles of the Communications Committee and Planning Committee would continue as existing.

*Sir Nicholas Serota joined the meeting during this item*

### **Chief Executive's Report**

In relation to the key risks the Chief Executive drew attention to the following points:

The Delivery Partner had confirmed that their review of the programme showed that the timescale was achievable but work was needed to introduce float into the critical path.

Enabling works: with 70% of the surveys completed, predictions about the risks involved had been confirmed though some of the higher risk areas had not yet been surveyed.

Powerlines project was now on track for switchover by Summer 2008.

Any requests for judicial review of the CPO decision would have to be submitted by 2 February 2007 and would take up to 3 months to determine. Submission of the Olympics planning application would be slightly delayed until 5 February. Other planning applications were largely on track and the road closures had been agreed by Newham Borough Council. However, the Borough had delayed consideration of the application for relocation of the travellers' site until March.

Legal agreement between LDA and the Department for Transport for vacant possession of Thornton's Fields was being finalised and discussions about the transfer of the land at Temple Mills were proceeding.

The Delivery Partner were due to complete the mobilisation task order and their estimates were being independently validated. Further task orders might be deferred for a few weeks whilst this task was completed.

The Director of Construction was reviewing the contractor's record on health and safety. The Board agreed that it would be useful for Board Members not familiar with construction to receive some instruction on health and safety on site.

The Board noted that the NAO report on value for money of the overall Olympics programme was due to be published on 2 February 2007.

*Neale Coleman left the room*

The Director of Transport introduced the proposed Funding Agreement with Transport for London (TfL). The Board noted that this would permit payment for various schemes affecting the Olympics. Each project would be evaluated and TfL would bear the risks and only seek further funding in exceptional circumstances. The most vital works would be the Jubilee line upgrade, due for completion in 2009. Other works due for

later completion were highly desirable but not critical to the project. Works to the North London line were outside this funding agreement.

The Board agreed to the Funding Agreement and delegated to the Chief Executive, or in his absence the Director of Finance, authority to finalise its terms and to sign it, subject to the consent of the Secretary of State and the GLA having been obtained.

*Neale Coleman returned to the room*

The Executive wanted to facilitate payments as the volume of expenditure increased, by increasing the internal delegation limits in Standing Order 2. The Board asked the Audit Committee to review the level of limits which the Chief Executive could delegate.

The Board noted that design and enabling works were underway for the infrastructure sub-programme and approved the Strategic Outline Business Case which would be reported to the Olympic Board Steering Group in February.

### **Finance Report**

Unless ODA spent faster in the final quarter a cash underspend was forecast at the end of the financial year. Expenditure so far in January confirmed that the profile for January would be met, but expenditure would remain volatile during the design phase. The expenditure position was much better on an accruals basis.

The Chairman would take account of financial information when reviewing the flow of information which would be most useful to the Board.

### **Audit Committee**

The Board approved the Minutes

### **Planning Committee**

The Planning Committee had recommended a revised Scheme of Delegation requiring more applications to be referred by the Head of Development Control to the Committee. The Board approved this and noted that the revised Scheme would be published and placed on the Planning website.

### **Draft ODA Corporate Plan and Business Plan**

The draft Corporate Plan had been circulated but a revised plan would be resubmitted to the Board for finalisation by the end of March 2007, after the final figures were agreed with the Delivery Partner. The plan would be revised again in 2008 to take account of lessons learned from the Beijing Olympics.

The draft Business Plan included the draft budget for the financial year 2007-08. The figures were still subject to alignment with the Delivery Partner's figures and the final budget would be brought to the February Board for approval before the Olympic Board considered the Business Plan in early March. Consultation with stakeholders would begin in early February.

Discussions had been held with the GLA and the Olympic Lottery Distributor (OLD) about their contributions to 'Olympic expenditure'. The majority of estimated expenditure for 2007-08 constituted essential expenditure on the critical path for the overall Programme. The funding position for 'Regeneration expenditure' needed to be resolved with DCMS before the beginning of the next financial year.

The Board commented that the draft documents needed to set out more clearly the key challenges faced by ODA. The Corporate Plan should also include more about the planning function and the work of the Planning Committee and should make clearer ODA's ambitions for design quality: and the number of milestones measuring performance should be reduced. Members would send further comments on the Corporate Plan and the Business Plan before the end of the month.

### **ODA Corporate Planning – Key Strategic Issues**

*Baroness Sally Morgan joined the meeting during this item*

The Board heard a presentation reviewing the key strategic issues which would be discussed at the Awayday in March. It highlighted the importance of communications and the Board's role with stakeholders; the importance of motivating and developing staff in an organisation subject to intense pressures for delivery; and the need to take account of the commercial context as ODA moved into the delivery phase. A clearer understanding of legacy uses was needed to allow ODA to respond to the emphasis on legacy.

Whilst recognising that they would be judged on factors beyond their immediate control, the Board wanted to set simple, coherent objectives to define ODA's role. Identifying the key strategic issues would help Members to give strategic leadership and support the Executive, and clarify their added value.

### **Communications Committee**

The Committee had discussed the issue of identifying and developing the skills needed. Although a number of issues had to be resolved by others, ODA could help to promote them and should produce a skills audit for the Olympics Programme to facilitate the process.

The Board heard a presentation by LOCOG about the London 2012 branding which would be launched in late Spring.

### **Insurance Business Case**

The consultant's recommendation was to take out owner-controlled insurance which would provide advantages of scale and would cover all suppliers and stakeholders through to the end of the legacy period. It would include cover to ensure that work could continue where insurable events would otherwise lead to delay. Members commented that top-up insurance of last resort to cover failure of a small contractor might be a cheap option which would help to avoid delays.

It was unusual for NDPBs to take out insurance and Government approval would be needed. The Board approved the Business Case in principle for submission to OPRG and agreed to preparatory steps for procuring insurance.

*Neale Coleman left the meeting*

### **Olympic Stadium Update**

The Board discussed different legacy options for the Stadium. A clear steer was sought so that the design team could concentrate on fixing the brief and meet the timetable. A feasibility study had been commissioned for a multi-use stadium reduced from 80,000 to 25,000 seats, as approved by the Board. They noted that a use such as Premiership football, might limit the Stadium's use for athletics, which was a commitment to the IOC and LOCOG. The best solution would be for athletics, non-Premiership football, and rugby to share the Stadium. Potential uses for the Stadium

building itself had also been considered including sport and health related uses, and education and community uses, taking account of its context in the post-Olympic park.

The Board confirmed the decision they had made at the Board meeting in June 2006, in favour of the conversion of the Stadium after the Games as an athletics and multi-use facility serving the wider neighbourhood. However, further work was needed to try to identify commercial uses and a legacy operator to support the costs of public use. They asked for a further update and briefing in February.

*Sir Howard Bernstein left the meeting*

#### **Utilities Sub-Programme – Strategic Outline Case**

The Board noted that the Utilities project was out to tender and attracting interest. They had previously considered proposals for the sub-programme in October 2006. The revised capital cost indicated a small funding gap due to adding in the costs of renewable energy generation and project management costs and a reduction in the assumed contribution from the private sector. There would be a call on the general contingency. The Games would also create additional electrical demand: this would have to be discussed with LOCOG.

The Board noted that, although OFWAT could license operators other than Thames Water to operate the water and sewerage network very few such licences had been granted.

The Board approved the Strategic Outline Case and authorised its presentation to the Olympic Board Steering Group on 26 January 2007.

*Stephen Duckworth and Sir Nicholas Serota left the meeting*

#### **Freedom of Information Act – Publication Scheme**

As a statutory body ODA had to publish a publication scheme after submission to the Information Commissioner. The Board approved the Draft Publication Scheme and noted that it would be published on the London 2012 website. They also approved the ODA FOI Compliance manual.

#### **Any Other Business**

There was no other business.