

15th Board Meeting: 24 May 2007

Sir Roy McNulty (Acting Chairman), Lorraine Baldry, Tony Ball, Barry Camfield, Stephen Duckworth, Christopher Garnett, Baroness Sally Morgan (by telephone), Kumar Muthalgappan, Sir Nicholas Serota, David Taylor

Apologies

Apologies were received from Sir Howard Bernstein, Neale Coleman and Sir Peter Mason.

Declarations of Interest

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 14th Board Meeting held on 26 April 2007 and reviewed the recorded Actions Arising brought forward since January 2007.

Chairman's Report

The Chairman reported formally that John Armit had been appointed as Chairman of the ODA with effect from 1 September 2007. The Board thanked Sir Roy for his leadership as Acting Chairman through difficult circumstances.

Sir Roy reported that he would arrange annual performance appraisals of Board Members.

Sir Roy was considering several topics for discussion at the Awayday and asked Members to send him any suggestions they might have.

Chief Executive's Report

The Chief Executive drew attention to the following points in particular:

Stratford Regional Station. Agreement to proceed with the upgrade works would be announced in the coming week. The contract was within budget.

Powerlines. Tunnel boring was nearly completed though there had been further problems with one of the machines. Proposals for recovering programme time by adapting another machine were being considered and tunnels were being fitted out as they were completed.

The Board noted that the Broxbourne site had been purchased by the Lee Valley Regional Park Authority. ODA had found that the groundwater was contaminated and any works must be designed so as not to exacerbate the situation. LOCOG were investigating an alternative site in case the venue had to be relocated. In that event ODA would not be liable for any additional cost. Fortunately construction was not due to start for some years.

A detailed plan had been prepared for ODA to take vacant possession of the vast majority of the Olympic Park site over the first two weeks of July 2007. However, the allotment holders would be allowed to remain until August by when it was hoped that planning permission would have been granted for an alternative site. Some others would also remain on the site for several weeks, including Kingsway International Christian Centre, the Travellers, and bus depots.

A revised Design and Construction Health, Safety and Environment Standard and policies and procedures relating to employment matters had been approved.

Olympic Stadium Integrated Design and Construct Team Contract – Contractual and Commercial Negotiations

A draft Memorandum of Understanding had been drafted. It would not be legally binding but would set parameters within which the contract would be negotiated. The Board noted that SRM had a well-established supply chain and subcontractors would employ most of the workforce. ODA would require transparency in sub-contracting and apply its normal standards.

Design work could continue in parallel with the negotiations. There had been considerable progress since the last Board meeting. The revised design for a more compact stadium still seated the full 80,000 required by LOCOG and sightlines were to the same standard as Wembley.

There had also been discussions with government about educational uses on site after the Games. The Board welcomed the progress and hoped that legacy uses could be finalised in time for any announcement. They referred detailed consideration of the MOU to the Risk Committee.

Sally Morgan joined the meeting by telephone during the following item

Finance Report

Expenditure in April had been lower than expected. A review of the costs and cash expenditure profile for 8 major items would be reported to the Board in June

The Finance Committee had agreed the proposals in principle for the Delivery Partner Major Task Order. Two outstanding items had to be satisfactorily resolved before it could be signed off.

The Ministerial Funders Committee would control allocation of the whole contingency held by the government and ODA would have to apply for release of any use of the contingency. ODA had prepared a Programme Baseline report which set out the programme scope and project budgets as a baseline for the Committee's first meeting, though it was not possible to provide detailed scope and costs for all projects at this time. Since Transport costs were largely capped no contingency could arise on these costs.

ODA would apply to the June Funders Committee for the release of contingency against a number of projects, most of which had already been approved by OPRG. Approval was needed to avoid delays.

The Board noted that the first NAO value for money report had drawn attention to the importance of speedy decision-making and had also referred to the release of £500m from the contingency. ODA needed assurance that day by day management decisions would not be impeded and that where the need for contingency had been identified the costs would be covered.

Audit Committee

The Board noted the Discussion on Audit Matters held in April 2007.

Finance Committee

The Board noted that members of the Panel appointed to provide financial services had to have access to a broad range of expertise but that smaller companies would be able to tender for individual smaller pieces of work.

The Board noted the Minutes of the Finance Committee meetings held in April and early May 2007.

Risk Committee

The Board noted the Minutes of the 1st Risk Committee meeting held in April 2007. Revised Standing Orders and Terms of Reference for the Risk Committee, including a direct reference to health and safety, would be reported to the June Board meeting

Remuneration Committee

Following the last meeting of the Remuneration Committee the Chairman had written to all Board Members about end of year staff bonuses. The Committee would meet again in June.

Communications Committee

Communications were preparing for July when ODA would take vacant possession of the site. A Construction Hotline had been set up and a new Community Relations Team had been appointed. The new London 2012 brand, which would be launched on 4 June, would be used on the hoardings around the site.

The Board also noted that the IOC would be visiting London in June and would visit the site. Also in June, DCMS would produce a publication about Legacy and the Wednesday night Lottery television broadcast would focus on the Olympics for 8 weeks.

Draft Annual Report

The Annual Report was in two halves: the front half was an important communication tool. Members commented that it must set a business-like tone whilst not underestimating the difficulties of delivering the programme to time and budget. The opportunity should also be taken to explain the role of the Delivery Partner.

The Audit Committee would review the final accounts at its next meeting in June and the Board would then see the full report designed in the style of the new branding. The Annual Report would be formally laid before Parliament on 18 July 2007. No press conference was planned.

ODA Corporate Plan

The Corporate Plan had been redrafted reflecting the Board's comments about style. The draft was about to be sent to the major stakeholders for comment (eg DCMS, GLA). The Board would see the final text in June before the plan was sent to the Olympic Board. The plan would then form the basis for a full funding application to the Olympic Lottery Board. A separate Executive Summary was not considered necessary.

Key Strategic Issues

A draft Key Strategic Issues document had been circulated to all Board Members for comment. It was intended to complete the work in July.

Olympic Village Update

The Board saw a presentation illustrating how the Masterplan for the Olympic Village had evolved since November 2006. The layout of the Village had been improved and

the accommodation would be better suited to the athletes' needs as articulated by BOA and LOCOG. The design had been favourably reviewed by CABE. A series of applications would be submitted to ODA as variations to the planning permission and to satisfy reserved matters.

Members noted that, as a party to the development, ODA could influence and control the development, which would provide good quality affordable housing to Housing Corporation standards. The shell of the school would be needed during the Games as a dining space for the athletes. Lend Lease, who were fully engaged with all aspects of the development, would be announcing a competition to appoint a panel of architects to develop individual residential blocks and ensure diversity of design.

Work on the design was proceeding whilst the commercial negotiations were completed. These might be affected by the need to comply with the newly published Code for Sustainable Buildings and the aspiration to make the housing carbon neutral.

Structures, Bridges and Highways Business Case

The paper set out the basis on which the primary infrastructure for the Olympic Park, comprising retaining walls, bridges, and the Loop Road, would be procured. The overriding design principle was that structures should blend in with the landscape of the Park. For example, wherever possible retaining walls would be designed as planted soil structures, which was also the most economic solution.

Bridges too had been designed to complement the landscape. Their design had not yet been finalised. Crowd modelling had been undertaken and some concerns about emergency egress were being addressed. LOCOG also required extra width to allow for crowd management. Assumptions had had to be made about Legacy use but the capacity needed would certainly be less than in Games mode. Balustrades and handrails would be carefully detailed and where the underside of temporary bridge structures was visible it would be dressed up during the Games. Good graphics could illustrate how the bridges would form part of the landscape.

The Board noted that Foreign Office Architects had resigned from the Park Masterplan Consortium and that the CABE Design Review Panel were expected to comment critically on the proposals.

The Board noted that this project, together with other infrastructure, constituted a major proportion of the Programme cost. Two bridges were not part of the Olympic programme and should be separately funded: Angel Lane bridge, which needed widening, was outside the site and the widening of bridge LO4 was required for the building of Crossrail. The first 4 packages would go to tender in July and the proposals would be brought within budget without breaching the contingency.

The Board approved the proposals on this basis and also the Project Approval Strategy for ensuring approval by all key internal and external stakeholders and for submission to the Olympic Board.

Sally Morgan left the meeting

Relocation of Thornton's Field Carriage Sidings

Thornton's Field, which was used to store empty trains during the day, would have to be vacated by mid 2008 to allow for development of the Olympic Park infrastructure. It was now proposed to relocate the sidings to Orient Way, next to Temple Mills

Eurostar Depot. This site made best use of both sites and existing facilities: Orient Way for railway sidings, and Lea Interchange as the relocation site for 1 bus depot.

There was an unlikely but possible need to relocate the depot after 15 years, giving rise to a 25% likelihood of a potential contingent liability of £6m. One third of the residual cost would fall to the successor in title to ODA.

The Board noted the contents of the Business Case and approved the proposals.

Logistics Strategic Outline Case

There had been a full presentation at the morning briefing session. The Board noted the Strategic Outline Case and the approvals programme for the Logistics Project and agreed to consider the business case and evaluation of the options for each of the 5 elements of the Project individually,

Aquatics Centre

The Aquatics Centre project did not include the cost of providing Leisure Water after the Games. It was clear that adding Leisure Water as part of the Legacy facility would be a qualitative improvement and was expected to attract 100,000 additional visits pa. The income earned would, however, have to be set aside to pay for renewing the equipment every 5-7 years. Newham and Tower Hamlets Borough Councils were both strongly committed to the proposal and discussions were underway about contributions towards the extra cost of construction.

The Board approved the principle of the inclusion of Leisure Water, subject to confirmation of funding being available. They delegated authority to the Chief Executive to sign a Memorandum of Understanding with the Boroughs subject to the agreement of the Chairman and, if necessary, approval from government for the extra cost.

Christopher Garnett left the meeting during the following item

Design Strategy

The Board welcomed the Design Strategy which would be a public document aimed primarily at the professions. It would demonstrate that ODA was committed to high quality design and they endorsed the principles on which Good Design will be procured, measured and promoted.

The first section of the Strategy set out ODA's definition of good design adapted from CABE's value matrix. The ODA specific version was supported by CABE. Part 2 set out some of the forthcoming opportunities such as the establishment of an architects panel to design the smaller park buildings. The third part was about delivery and included the management process and reference to the design guides which were being produced.

The Strategy had been discussed with the Secretary of State as the Government Design Champion and it was expected that she would launch the consultation draft in June. A separate strategy would be produced on arts and culture.

The Board welcomed the appointment of Ricky Burdett as Principal Design Adviser to ODA and the recruitment of other designers to work with project teams. They noted that the Head of Health and Safety was involved as necessary and asked that health and safety issues be highlighted in the strategy. They also noted that the unifying look of the Olympic Park during the Games would be partly the result of LOCOG's temporary overlay.

Any Other Business

In response to a brief discussion about Legacy the Chairman reminded Board Members that it was proposed to set up a Legacy and Regeneration Committee which would help to clarify ODA's role. DCMS would publish a document on the wider Legacy in June