

Minutes of 18th Board Meeting: 27 September 2007

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

Apologies

Apologies were received from Kumar Muthalagappan, and from Sally Morgan who would be arriving late.

Declarations of Interest

Neale Coleman declared an interest as an employee of the GLA, of which the LDA is a separate functional body. Christopher Garnett declared an interest as a Member of the Board of Transport for London. Sir Peter Mason declared an interest as Chairman of Thames Water.

Minutes of Previous Meeting & Actions Arising

The Board agreed the Minutes and reviewed the various recorded Actions Arising since February 2007 and in particular noted that:

Figures distinguishing directly employed and self-employed workers would be reported from October 2007. Members noted that, although self-employed workers were generally less likely to report accidents, these should be picked up within the ODA framework for reporting.

Agreement had been reached with the Trade Unions.

Chairman's Report

The Chairman reported that he would not attend all meetings of Committees other than those which he was personally chairing (eg Finance)

Members agreed in principle to establish a small Committee to give assurance to the Board on health and safety and perhaps to include environmental issues (Safety Health and Environment Committee). Barry Camfield and Stephen Duckworth both asked to be included as Members. It was also agreed that the appointment of an external Expert Member should be considered, subject to the approval of the Minister for the Olympics.

The Chairman had discussed the Terms of Reference for the Risk Committee with Sir Peter Mason, its Chairman. He wanted the Risk Committee to provide assurance that ODA had robust risk management processes covering not just the construction risks, but also the wider programme risks including Legacy and stakeholder relations. The existing Terms of Reference included commercial issues and there was a view that these were the more significant since the contracting arrangements were now largely determined and risk management was still at an early stage. It was agreed in principle that the Committee should provide assurance to the Board about risk and commercial management.

At its initial meetings the Risk Committee had satisfied itself that a sound structure had been created for risk management. The Executive Management Board (EMB) regularly reviewed risk management and the risk register, on which both ODA and CLM risks were now identified. However, it was agreed that Members needed a fuller understanding and time for discussion of the systems and top 10 risks as identified by EMB. A briefing session should be arranged.

The Chairman reminded Members that they had been appointed initially for 2 years and asked them to say if they did not wish their appointment to be renewed after 31 March 2008 and to let him have any comments on the functioning or composition of the Board.

Chairman's Action

The Board noted that, in the absence of a Board Meeting during August, Sir Roy McNulty had been asked to take action under his delegated power as Acting Chairman to progress the Energy Centre and Community Energy Network. He had circulated a paper seeking approval for the investment to all Board Members, and had taken into account the comments he had received. After receiving assurances on a number of detailed points he had approved the project.

Chief Executive's Report

The Chief Executive drew attention to a number of points including the following:

Vacant possession of the site. KICC had now vacated the site but Forman and son, which was situated on the Stadium site, would have to be evicted in mid October. The relocation of the Clays Lane Travellers had been delayed because the new site was not ready: this was affecting the enabling works on the Village site.

The design of the **Olympic Village** had progressed over the last year and the overlay proposals had been agreed with LOCOG and BOA. The proposals were currently the subject of a public consultation exercise as part of the planning process.

Enabling Works. Some low-level radioactive waste just found at Eton Manor was being investigated.

IBC/MPC There were 3 strong bidders and offers were due shortly.

Roads and Bridges Value engineering work was continuing. Temporary pontoons would be used to provide the southern access to the Games from West Ham, instead of the permanent bridge included in the planning permission.

The location of a number of **venues** was being reviewed. This could lead to significant savings and reduce the risk. LOCOG supported the proposals but they would have to be agreed with the IOC.

Aquatics Centre The location of the Leisure Water on the North side of the bridge had now been agreed by all parties.

Thornton Fields The legal agreements were not yet finalised but work had started on the interchange under licence.

A Bespoke **BREEAM** Excellent standard was being commissioned for Olympic Venues. Housing would be built to the new Code 4 standard.

Members noted that the Chairman and Chief Executive would be appearing before the **London Assembly** on 10 October and would give them the budget figure for projects where the Investment Case had been approved.

Members noted the proposals for a Corporate Social Responsibility Forum and that ODA was developing an Employment and Training Board including **Trade Union partners**.

Members approved the Strategic Outline Case for the **Olympic Park Construction Site Security**. It had been accepted that the measures to screen access for construction workers must be practical. Members noted that the hoarding needed to secure the site would be replaced with the permanent fence, probably in 2009.

Sally Morgan joined the meeting

Finance Report - August

The Board noted the Finance Report for August. Although expenditure for July and August had been close to the revised forecast, there would be an underspend for the year to end March 2008. All project forecasts were therefore being reviewed taking into account both slippage on expenditure on venues and the upfront payments which might become due under the S106 Agreement. Powerlines Undergrounding (PLUG) and Enabling Works projects were both on programme. The critical path had not been affected by delays, though tunnelling delays in PLUG and consequent accelerated works would lead to an additional cost. Members recognised that at this early stage it was more difficult to forecast expenditure than in the later construction stage, and that the gap between accruals and cash was not unusual at this stage.

Audit Committee

The September Audit Committee had considered reports on the verification of payments and design and emphasised that procedures must be fully embedded by Spring 2008 when large-scale construction expenditure would start.

Members noted the reference to the likelihood of construction fraud: with this in mind two policemen were being seconded to Procurement and Risk and Audit to look at procedures and the possible use of specialist analytical software. Members asked to be updated in due course.

Finance Committee

The September Finance Committee had considered the extensive work in progress to review the lifetime budget and the approach to the Funders Committee.

Remuneration Committee

The Committee had considered further the Chief Executive's bonus arrangements and had heard a presentation about the ODA staff pension scheme. It would be important to assist staff to understand their pension options.

Communications Update

- The Open House event had been very successful.
- Some 400 schools had already registered for the 'Velodream' schools competition.
- Demolition of the University of East London tower blocks would begin the next week.
- The Transport Plan would be launched on 23 October.
- There had been fringe events at the Party conferences (a third would be held in Blackpool).

Planning Committee

Members of the public had been able to comment on the proposals at the Planning Committee meeting on 14 August. Members expressed their gratitude for the hard work of both the Chairman and other members of the Planning Committee and also the Planning Decisions Team in reaching the decisions.

The Board also approved Minutes of the various Committees.

Health and Safety

There had been a reportable accident caused by an attack on a security guard. This had pushed up the recorded accident rate, which was otherwise within the ODA's target of less than one accident in a million hours.

ODA was seeking to encourage public use of the Greenway where there had been a shooting incident.

Landscape and Public Realm (Strategic Outline Case)

The Board heard a presentation about the approach to landscaping and the principle of one-time investment to avoid waste. The Parkland could be divided into 3 categories: the retained venues and core park; the development platforms; and the flat plateaux lining the river valley rim which lay between the two. The venues and core park would be handed over in their final form after the transition period. However, since the uses of the Legacy Park were not yet known, ODA would concentrate investment in landscaping in the core park along the river valleys and the rim: the area which would be unaltered in legacy and therefore represented the opportunity for the highest quality design commensurate with best value for money. The development platforms would have to be fenced off until development was able to proceed because the soil would not be remediated to the standard necessary to allow public access. The intervening flat areas would be grassed and planted with a few trees. The landscape created would be to a good, plain standard, meeting the national Green Flag standard for parks, and similar to the open landscape in Victoria Park, Hackney. This would allow for the later transformation to whatever use was decided with minimum waste (eg to playing fields if so required). Members noted that the recent CABI design review had gone well and the formal response was awaited.

The ODA project, which was within the agreed lifetime budget, covered the cost of landscaping the Park for the Games and transition, and also the cost of the core Park for Legacy use, but not the infrastructure costs associated with the river. The extent of LOCOG's obligations for overlay (eg lighting, fencing, Park buildings) were being discussed. Facilities for the Legacy park would be available in the retained venues.

Members recognised that work on the Legacy Masterplan Framework was not timetabled for completion until 2009. They welcomed the presentation and the illustrations demonstrating the high quality landscaping proposed for the river valley and the rim forming the core park. They recognised that, beyond this, Legacy was to be the responsibility of the final Legacy client, who had not yet been identified, and agreed the proposed strategy.

Olympic Stadium

The Board heard a series of presentations by the preferred bidder and associated architects. There had been good progress on the design. A planning submission would be made in November and work would start on site in Spring 2008.

During the Games the Stadium would be widely visible across London, especially when lit up at night. The slope of the land was being used to push the permanent

bowl of 25,000 seats into the ground and close to the athletes, whilst preserving level access to the field of play from the South side. The island site allowed the use of turnstiles on the bridges and the services would be located outside the Stadium around the edge of the island creating a secure 'festival space' which the public could enjoy. Members noted that the Games facilities would form part of the LOCOG overlay.

The lightweight structure would be clad with a permeable 'wrap', allowing ventilation, and printed with appropriate images which should also be relevant to the Paralympics. There might be an opportunity to engage artists in its design. The roof would be a free-standing light-weight tension structure covering approximately two-thirds of the seats, similar to Sydney. This would reduce the risk of wind impact invalidating athletic records.

Members noted that discussions on the 3 sporting uses (athletics, soccer, and rugby) were going well and that alternative sites for a Legacy warm-up track were being investigated. A number of educational uses were also being investigated including negotiations about proposals for a sporting Academy. LDA were involved in the discussions about Legacy and would be taking responsibility for developing the business case from early January 2008.

There would be a statutory consultation period before the planning application was submitted in November. The application would cover the transitional post-Games work and the draft outline included reference to Legacy uses.

Members welcomed the proposals for the Stadium design which would set an example as a demountable structure and serve as an icon for the Games. They hoped that the planned legacy uses including the sporting Academy could be announced.

Eton Manor Legacy - Update

There was a Bid commitment to provide a permanent Hockey Centre to competition standard as part of the Legacy. The facilities at Eton Manor would be converted for this purpose with the support of England Hockey, the national governing body.

A tennis centre was not a Bid commitment and although the Lawn Tennis Association would welcome the provision of a facility at Eton Manor, they would continue to support the existing regional tennis centre at Redbridge and would not contribute to running costs for Eton Manor.

The Board approved the option substituting commercial 5-a-side football for a tennis centre and authorised the finalising of the Strategic Outline Case (SOC) for Eton Manor Legacy for submission to the Olympic Board.

Stephen Duckworth left the meeting during the following item

Logistics Project Business Cases

Members had been briefed in May about the scale and complexities of the ODA construction projects and the need for an integrated Logistics programme to coordinate them and to link to the adjacent Village and Westfield development sites. The overall Logistics project was designed to give ODA control over the risks associated with the potential conflicts. There were 19 separate business cases and each project would be treated as a free-standing event. The programme would have to remain flexible to allow adjustments between projects as necessary.

Members discussed how far it might be appropriate to centralise services to attract workers. There would be a single provider for occupational health and induction training, but Members noted that the local Boroughs were opposed to the creation of workers' accommodation in caravan parks and that the emphasis would be on encouraging contractors to meet high standards as employers.

The Board approved 16 of the Logistics business cases noting that work planning for acquisition of the land needed was underway whilst the remaining business cases were developed.

Transport: 2012 – a Games for the Nation

The Board welcomed the paper on the proposals for transport noting that there would be the potential for fare deals from within the UK to be sold with tickets.

David Taylor and Tony Ball left the meeting

Any Other Business

The Chairman reminded Members that the LDA was hosting a dinner for Board Members on Monday 10 December.