



taking shape





Presented to Parliament pursuant to the London Olympic Games and Paralympic Games Act 2006, Schedule 1, paragraphs 24 and 32

Ordered by the House of Commons to be printed 16 July 2009

HC 636

London: The Stationery Office
£19.15

© 2009 Olympic Delivery Authority

The official emblem of the London Organising Committee of the Olympic Games and Paralympic Games is © 2007 The London Organising Committee of the Olympic Games and Paralympic Games Limited (LOCOG). That emblem, the official London 2012 font and related copyright materials are used in this document with LOCOG's permission. If you wish to re-use material owned or controlled by LOCOG, you will need to obtain permission from LOCOG. All rights reserved.

The emblems of the National Lottery, the London Development Agency, the Department for Culture, Media and Sport and the Greater London Authority are reproduced with the permission of the Crown and the other copyright holders respectively. All rights reserved.

ISBN 9780102961263



Contents

Chairman's foreword	4
Chief Executive's report	5
Financial Review	6
ODA Board	13
Who we are and what we do	21
Milestones	22
<hr/>	
Review	
Preparing the site	26
Venue design locked down	27
Building accelerates	28
Connecting communities	30
Building the Park	32
What we are building	36
Priority themes and key areas	44
Business – a boost for the economy	46
Employment and skills – securing futures	48
Community relations – a team effort	50
Planning – for the Games and tomorrow	52
Security – protecting the site, protecting the community	54
Sustainability – more than being 'green'	56
Equality and Inclusion – everyone's Games	58
Legacy – investing in tomorrow	60
People – the team	62
<hr/>	
Accounts	
Accounting Officer's Report	68
Remuneration Report	75
Statement of Accounting Officer's Responsibilities	78
Statement of Internal Control	79
Review of Effectiveness	81
Audit Report and Opinion	82
Accounts	84
Notes to the Accounts	89
Appendix 1	105
Schedule 1	106
<hr/>	



Chairman's foreword



The last year has seen the Olympic Park steadily taking shape against the east London skyline as construction work accelerates.

It has also seen the great success of Team GB and ParalympicsGB in Beijing, which lit up last summer and has given everyone at 2012 such a boost.

The International Olympic Committee, during their visit in April, said that 'seeing the transformation that has taken place in the Lower Lea Valley was nothing short of astounding'. It is good to hear such praise from the IOC, though no one on the project is at all complacent. We still have a huge challenge ahead.

We continue to hit our milestones and we are setting a further 10 public milestones for the next 12 months so people can gauge progress for themselves against clear and transparent targets. They are stretching but it is vital that we maintain the momentum we have achieved to date.

None of our progress over the year would have been possible without the hard work of the team at the ODA, led by David Higgins. I also want to thank all those partners who are helping us to deliver the project – the London Organising Committee of the Olympic and Paralympic Games (LOCOG), CLM our Delivery Partner, contractors, the Greater London Authority, the London Development Agency (LDA), central and local Government and many more organisations. It has been a great example of partnership in action.

The economic environment has been difficult. We have had to use some of the contingency funds to offset the impact of the credit crunch on the two projects where we were seeking to attract private sector investment – the Village and International Broadcast Centre/Main Press Centre. The Government has decided to invest in the Olympic Village, which will be an asset capable of delivering returns to the taxpayer when the apartments are sold after the Games.

Even with these external shocks hitting the project we remain confident that we will deliver within the agreed budget due to efficient delivery and savings made elsewhere, which has kept other use of contingency to a minimum.

It is important to remember that the Games are of course bringing many economic benefits too in terms of jobs and business opportunities. There are now over 4,000 people working on the site, a figure that will double by the end of this year. Many of these people are local and were previously unemployed.

I have spent a lot of the past year travelling around the country and there are many more people in the supply chain who are working on London 2012 projects all around the UK. For example, the Stadium steel is being made in Bolton and the roof steel for the Aquatics Centre in Wales. The success to date is a tribute to the quality of British engineering and construction. It is very encouraging that we have made good progress on site at the same time as achieving a first class health and safety record. We must work hard to maintain it.

There are just three years to go until the Opening Ceremony of the London 2012 Olympic Games on 27 July 2012. We have strong foundations in place for successful delivery. There will be challenges ahead but I am confident we will deliver on time and within budget a stage worthy of the greatest show on earth and a legacy to match.

A handwritten signature in black ink, appearing to read 'John Armit'.

John Armit
ODA Chairman

Chief Executive's report



Over the last year the project has moved from the 'demolish dig design' phase into the 'big build'. The change on site has been dramatic. We have gone from cleaning and clearing the Olympic Park site to building venues that can already be seen for miles around.

We are just past the halfway point between winning the bid and the Opening Ceremony in 2012 and I am pleased to say that we are on track. We are continuing to hit our project milestones and to deliver against a very aggressive timetable.

The first venue was completed in November on time and within budget. Weymouth and Portland National Sailing Academy now has enhanced facilities that will enable our sailors to train years before the Games at the same time as providing quality facilities for the local community to enjoy.

We also completed the project to put the power lines that criss-crossed the Olympic Park underground. This has made a dramatic difference to the landscape as well as opening up areas of the site for construction. The project was delivered on time, within budget and at approximately half the time for a project with similar complexity and challenges.

As the power lines have come down the venues have started to rise up and provide new landmarks for the London skyline. Work on the Olympic Stadium and Aquatics Centre both started early and the 'big 5' projects (Aquatics Centre, International Broadcast Centre/Main Press Centre, Olympic Stadium, Olympic Village and Velodrome) are all underway on schedule.

Infrastructure and transport improvements are also moving ahead apace. Bridges are well under construction and a whole new utilities network is being put in place. Stratford station is being transformed and the rail lines that serve the area upgraded. The focus will inevitably be on the venues but it is this work that forms the spine of the Park and is essential for the long-term legacy vision of the area.

Health and safety must always be our top priority and I am pleased that we can point to a good accident record on the Park. We have just held our first health and safety awards event to mark the efforts on site. We can never be complacent and must always strive to maintain this level,

but it is encouraging to see the strong culture of safety that runs across the Olympic Park.

This is a tough economic environment. Private sector investment backed by bank finance has been difficult to obtain on value for money terms, but we have been able to weather the worst of the credit crunch by the prudent use of contingency. I remain confident that we can continue to bear down on costs and deliver within our budget.

We can only deliver by working together. Success is never owned by any single organisation on this project. At the ODA we are fortunate to have great partners on the project including LOCOG, our Delivery Partner and our ever growing number of contractors through to all levels of local and central government and the main political parties. The ability of everyone to make quick decisions and drive progress has been critical to what has been achieved so far. We are also fortunate to have an exceptional workforce on the Park.

We are also grateful to our funders for their continued support – the National Lottery, the Department for Culture Media and Sport, Department of Transport, the Greater London Authority and the London Development Agency.

The challenge now is to maintain the construction momentum on site as all the main projects ramp up, whilst working with the new legacy company to put in place long term operators for the venues. There will be many challenges ahead, but I am confident that we have the team in place to meet them.

A handwritten signature in black ink, appearing to read 'David Higgins', followed by a horizontal line extending to the right.

David Higgins
ODA Chief Executive

Financial Review 2008–2009

Budget

The budget for the Games, announced in March 2007 by the Minister for the Olympic and Paralympic Games, is £9,325 million. This includes amounts outside the ODA's remit. The maximum funding available to the ODA is £8,099 million, of which £1,972 million is contingency.

Fig. 1 Budgeted public sector funding package

		£m	£m
ODA	ODA base costs including VAT	6,127	
	Programme contingency	968	
	ODA Baseline Budget		7,095
	Funders' contingency		1,004
	Total available to ODA		8,099
Non ODA	Elite and community sports, additional support for Paralympic Games, Look of London	388	
	Security	838	
	Total non-ODA		1,226
	Total public sector funding package		9,325

Sources of funding

Of the £9,325 million funding package, £5,975 million is coming from Central Government, comprising contributions from the Department for Culture, Media and Sport (DCMS), Communities and Local Government (CLG) and the Department for Transport (DfT).

Fig. 2 Sources of funding

	£m
Central Government	5,975
National Lottery	2,175
Greater London Authority	925
London Development Agency	250
Total public sector funding package	9,325



Energy Centre under construction February 2009

The ODA Baseline Budget

The Baseline Budget for the ODA, approved by the Olympic Board¹ and Funders and published in January 2008 is £7,095 million. This budget comprises £6,127 million for the delivery of the individual projects and programmes that make up the ODA programme and £968 million of programme contingency.

The ODA programme comprises over 50 individual projects or programmes. Budgets at a project level have been set based on cost estimates for the delivery of the construction project and include a project contingency for risks that exist as if the projects were independent of the programme, such as design and contracting uncertainties. Business cases for each project must be approved by the Minister for the Olympic and Paralympic Games before costs can be committed and clear financial accountability for the delivery of projects to time and budget is cascaded through the Chief Executive to the executives responsible for individual projects. The use of project contingency is managed via an overall change management process and is subject to the approval of the ODA Director of Finance.

Within the ODA Baseline Budget is a programme contingency of £968 million to cover risks that cannot be managed by individual projects and arise from the management of a complex integrated programme of projects to an immovable deadline. The level of contingency is calculated using a quantified risk model at 80% confidence that the overall programme can be delivered to time and budget. The release of this contingency is subject to approval by the Minister for the Olympic and Paralympic Games.

The approval of the Baseline Budget created a clear position against which the ODA can monitor and control the cost of its programme of delivery of the venues and infrastructure for the Games. The ODA exercises financial control through clear accountability at a project level and the tight control of change and contingency usage.

The table below sets out how the ODA Baseline Budget was built up in March 2007.



Sources of funding

- 64% Central Government
- 23% Lottery
- 10% GLA
- 3% LDA



Total funding available to the ODA

- 76% ODA base budget
- 12% Programme contingency
- 12% Funders' contingency

Fig. 3 Total funding available to the ODA

	Base cost £m	Tax £m	Total £m
Site preparation and infrastructure	1,690	289	1,979
Venues	996	175	1,171
Transport	839	58	897
Other parkwide projects	738	130	868
Media Centre and Olympic Village	491	1	492
Programme delivery	580	67	647
Taxation and interest		73	73
Total project budgets	5,334	793	6,127
Programme contingency			968
ODA Baseline Budget			7,095
Funders' contingency			1,004
Total funding available to ODA			8,099

¹ The Olympic Board is the Board established by the Minister for the Olympic and Paralympic Games to provide oversight, strategic coordination and monitoring of the entire 2012 Games project, and is made up of the Minister for the Olympic and Paralympic Games (Co-Chair), Mayor of London, British Olympic Association Chairman and London 2012 Organising Committee Chair.

Funders' Contingency

The maximum funding available to the ODA is £8,099 million, the balance of £1,004 million over the £7,095 million Baseline Budget is held within Government, under the control of the Ministerial Funders Group², to cover unforeseen risk to the overall delivery of the Games.

Progress to date³

As of the 31 March 2009, the overall ODA programme is 34% complete and is in line with the anticipated schedule. The groundworks on the Olympic Park are approaching completion and both the Olympic Stadium and the Aquatics Centre started ahead of schedule.

To 31 March 2009 £2,119 million (29% of the total lifetime budget for the programme) of work has been expended on preparing the Olympic Park for construction and designing and building venues for the Olympic Park and around the country.

Work done to date is below that anticipated by £346 million reflecting cost savings against the budget to date, unutilised contingency and deferred spend as a result of schedule changes, offset by spend on the Village and the IBC/MPC now financed by the public sector.

Fig. 4 Progress to date against ODA Baseline Budget

	Budget to March 2009 £m	Actual to March 2009 £m
Site preparation and infrastructure	991	767
Venues	321	288
Transport	184	129
Other parkwide projects	392	203
Media Centre and Olympic Village	254	373
Programme delivery, taxation and interest	298	359
Contingency	25	
Total project spend to March 2009	2,465	2,119



Progress to date against ODA Baseline Budget

- 35% Site preparation infrastructure
- 14% Venues
- 6% Transport
- 10% Other parkwide projects
- 18% Media Centre and Olympic Village
- 17% Programme delivery, taxation, interest and contingency

Of the total public sector funding package available to the ODA, £1,845 million of funds have been drawn down to 31 March 2009, of which £1,194 million was drawn down in this financial year. The difference between funds drawn down of £1,845 million and spend to date of £2,119 million is primarily due to accrued costs.

² The Ministerial Funders Group chaired by the Chancellor of the Exchequer, includes the Minister for the Olympic and Paralympic Games, the Secretaries of State for Transport, for Culture, Media and Sport and for Communities and Local Government and the Chief Secretary to the Treasury. The lottery funded element of contingency requires the approval of the Olympic Lottery Distributor Board.

³ Prior to the establishment of the ODA by the 2006 Act, a number of Games and regeneration activities had to be undertaken. These were carried out by a separate division of the London Development Authority known as the Interim Olympic Delivery Authority (iODA). In February 2007, the assets and liabilities of the (iODA) were transferred to the ODA at nil cost and revalued in the ODA's accounts, and contracts being undertaken by the iODA were novated to the ODA. In reporting progress against budget, the activities and costs of the iODA are included in those of the ODA.

During 2008–2009 three major projects completed on time and within budget.

Orient Way railway siding

The ODA completed the construction of new railway sidings at Orient Way in September 2008, at a cost of £22.5 million, on time and below budget, to replace those at Thornton's Field, freeing up that site for the construction of a pedestrian circulation area between the Olympic Stadium and Aquatics Centre. The new sidings at Orient way were handed over for operation to National Express East Anglia.

Weymouth and Portland

Work to enhance the sailing facilities at Weymouth and Portland was completed in November 2008, ahead of schedule and on budget. The facilities will host the sailing competitions for the Games and is the first London 2012 Games venue to be completed. The early completion will provide elite sailors with training facilities and the local community with a leisure amenity for more than three years before the Games as well as providing a legacy post Games.

The assets, which were enhanced at a cost of £8.5 million, belong to the South West England Regional Development Agency and the Crown Estate and were incorporated into a lease to the National Sailing Academy.

Power Lines Underground

The two year project to remove 54 pylons from and around the Olympic Park and build and cable 12 kilometres of underground tunnels to provide power to the Games and legacy development completed in December 2008 at a cost of £288 million. The project, completed to time and on budget, represents a hugely symbolic moment in the transformation of the skyline of east London.

The power lines project was started by the London Development Agency (LDA) in 2005, co-terminus with London's successful bid to host the 2012 Games. It was then novated to the ODA, who worked with the LDA as well as EDF Energy and National Grid, the companies that own and operate the power supply to the Olympic Park. On completion of the project, ownership of the tunnels passed from the LDA to EDF Energy and the National Grid.



Velodrome under construction April 2009

Current economic climate and private investment

An assumption within the March 2007 ODA Baseline Budget was that the development of the International Broadcast Centre/Main Press Centre (IBC/MPC) and the Olympic Village would be funded substantially by private investment. The turbulence in the financial markets, the credit crunch and the downturn in the property market over the last year has meant that this is no longer achievable.

In January 2009, the Ministerial Funders Group decided that the IBC/MPC would be fully funded from within the £9,325 million public sector funding package. The original budget assumed a private sector contribution of £160 million to the overall budget of £380 million. A number of options were explored to ensure the best balance between cost, Games delivery and legacy and through value engineering, the gross cost reduced from £380 million to £355 million. However, market changes meant that a private sector deal could not be concluded due to uncertainties over future use and value and Ministers therefore approved the release of £68 million of Funders Contingency and £67 million from programme contingency to bridge the remaining budget gap and enable construction on site to start in April 2009. The buildings left in legacy will have the flexibility to be adapted to a wide range of uses, to maximise potential employment opportunities post Games.

In May 2009, the Ministerial Funders Group reviewed the proposed private sector debt and equity proposal for the Olympic Village and concluded that it did not constitute value for money for the taxpayer in the long term, and agreed to invest an additional £324 million of public money in the Olympic Village, bringing the total public sector investment in the project to £650 million. This additional investment has been made in the expectation that sales of completed homes will at least repay this amount.

The cost of developing the Olympic Village is £1,095 million. Development work up to the Games will be funded largely by the public sector investment, together with receipts from a pre-sale agreement to Triathlon Homes, a consortium of First Base and Registered Social Landlords, Southern Housing and East Thames, for the affordable housing element of the Olympic Village. Receipts from the sale of private units will meet the balance of the development costs, including post Games conversion of the athletes' flats into homes for sale.



Construction work started on the Olympic Village in June 2008 and is on track with building underway on six out of the eleven residential blocks.

The £9,325 million funding package for the Games remains unchanged.

Corporate structure

During the year the ODA formed a wholly owned subsidiary company (Stratford Village Development (GP) Ltd) to provide a vehicle for the delivery of the Olympic Village and provide flexibility for a private sector investment. The accounts as presented consolidate the active subsidiary. This approach has been retained, as this will facilitate the potential future transfer to a private sector investor if and when it can be demonstrated that this course of action provides value for money for the taxpayer.

Delivery Partner

The ODA's delivery partner, a consortium of CH2M Hill, Laing O'Rourke and Mace (CLM), is managed through call downs (task orders) against a framework contract. During the year, the first major tranche of work delivered by CLM concluded and resources for the second tranche agreed up to December 2009.

CLM are reimbursed for direct costs and only receive performance payments based on the achievement of milestones and cost performance indicators agreed with the ODA. The costs of CLM have been reviewed by Ernst & Young, and benchmarked against that expected on a range of major complex projects, and in summary, are within the market range expected.

Savings

The ODA, working with our delivery partners, CLM, has achieved significant savings of £390 million, all in the last year, against the Baseline Budget. The savings derive primarily from reductions in scope and value engineering changes, procurement savings, inflation and VAT savings, and have been applied to cost pressures as they have arisen. In particular, they have been used to help fund the Olympic Village and ensuring that the programme overall can be delivered within budget.

Contingency

Following the Ministerial Funders Group decision on 12 May 2009 to increase the public sector funding on the Olympic Village, the total anticipated final cost of the ODA programme, after taking anticipated sales receipts on the Olympic Village into account, is £7,234 million at the end of March 2009.

This is within the total funding available to the ODA of £8,099 million, within which there remains £1,288 million of programme and Funders contingency available to the ODA.

Against a quantitative risk assessment at 80 per cent confidence, this contingency is considered sufficient given the remaining risk on the programme.



Amount of ODA budget spent to date

29% Spent
71% Remaining



Amount of total contingency⁴ available to the ODA released to date

35% Released
65% Remaining

⁴ Post the Ministerial Funders Group meeting 12 May 2009



Empire State
Building School, New York



World's largest
and oldest school



With a reputation of
excellence in education
and a long history

World's largest
school



With a reputation of
excellence in education
and a long history





John Armit CBE FREng FICE, 63, was appointed Chairman of the Olympic Delivery Authority on 1 September 2007. John was previously Chief Executive of Network Rail from October 2002 and Chief Executive of Railtrack plc from December 2001. He has extensive experience in the building, civil engineering and industrial construction markets.

From 1986 to 1993 he was Chairman of the Laing International and Civil Engineering Divisions, a company he joined as a graduate in 1966. From 1993 to 1997 he was Chief Executive of Union Railways, the company responsible for development of the high speed Channel Tunnel Rail Link.

In 1997 he was appointed as Chief Executive of Costain, a position he held until 2001.

John is also Chairman of the Engineering and Physical Sciences Research Council, is a Non-Executive Director of the Berkeley Group and an Advisory Board member of PWC. He was awarded the CBE in 1996 for his contribution to the rail industry. He is a Fellow of the Royal Academy of Engineering and the Institution of Civil Engineers.



Sir Roy McNulty CBE has been Chairman of the Civil Aviation Authority since 2001.

He is also currently Chair of Ilex, the urban regeneration company for Derry – Londonderry, and is Chair Designate of Advantage West Midlands.

Previously, he was Chairman of National Air Traffic Services (NATS) from 1999 to 2001 and, prior to that, Chief Executive and Chairman of Shorts Brothers plc, the Belfast-based aerospace company.

Sir Roy has also been President of the Society of British Aerospace Companies (1993–1994) and Chairman of the Department of Trade and Industry Aviation Committee (1995–1998).



Lorraine Baldry is Chairman of Inventa Partners Ltd. and of Tri-Air Developments Ltd. She is also a Governor at The University of the Arts London.

Lorraine was Chairman of the London Thames Gateway Development Corporation and before that Chief Executive of Chesterton International plc. Prior to that she was a Senior Advisor at Morgan Stanley Investment Banking Division.

She has over 30 years' experience in a wide range of industries including Financial Services, IT and Property and has held senior executive positions in some of the UK's leading companies in these sectors.



Tony Ball is Chairman of the Advisory Board of Kabel Deutschland GmbH, Europe's largest cable operator.

He is a director of ONO SA (Spain) and a trustee of the Media Trust.

He was Chief Executive of British Sky Broadcasting (1999–2003) and a former non-executive director of BAA plc, ProSiebenSat.1 and Marks & Spencer plc.

He spent a number of years in the United States as Chief Executive Officer of Fox/Liberty Networks.

He also served as President of Fox Sports International where he oversaw businesses in North America, Latin America, Asia and Australia. He started his career at Thames Television.



Barry Camfield worked for the Transport and General Workers Union (T&G) from 1975 until September 2007. He was T&G Assistant General Secretary from 2000–2007, and was previously T&G Regional Secretary for London, South East England and East Anglia.

He was a member of the TUC General Council and the TUC Executive Committee until 2007. Previously, he was Vice President of SERTUC, the Southern and Eastern Region of the TUC, (including London) and was a member of the SERTUC Executive Committee.

Barry was also a previous member of the South East England Development Agency (SEEDA) where he was heavily engaged in regional social dialogue issues. He also served on the Kent and Medway Local Learning and Skills Council.



Stephen Duckworth is Chief Executive of Disability Matters Ltd. He qualified as a doctor and gained a PhD in disability equality following a rugby accident which has resulted in him using an electric wheelchair.

Stephen is a Non-Executive Director of three small businesses established to improve the life chances of disabled people. He is a member of the Department of Health's National Quality Board and a director of the Employers Forum on Disability. He was previously a member of the Council of the University of Southampton.

He was awarded an OBE in 1994 in recognition of his services to disabled people.



Neale Coleman is an advisor on the London 2012 Games to the Mayor of London, Boris Johnson.

He previously chaired the Olympic Masterplan Reference Group which led the work programme during the bid to deliver the Olympic Masterplan and outline planning consent for the Olympic Park.

Neale has been co-chairing the Olympic Delivery Group, which had responsibility for leading physical preparations for the Games prior to creation of the Authority.



Christopher Garnett is a Director of Anglian Water Services Ltd and Aggregate Industries Ltd.

He was Chairman of GNER from 2004 to 2006, prior to which he was Chief Executive of GNER and Vice President of Sea Containers Limited from 1996 to 2004.

He joined the transport industry in 1986 when he was recruited by Sea Containers to run the Continental European routes of Sealink British ferries, and in 1990 he joined Eurotunnel as Commercial Director for the launch of the Channel Tunnel 'Le Shuttle' freight and car services.

Christopher was Chairman of the Association of Train Operating Companies from December 2001 to August 2003.

He is also a member of the National Railway Museum Advisory Board, and a member of the Transport for London Board.



David Fison has over 35 years experience working in the construction sector. He was Chief Executive Officer of Skanska UK plc, the UK arm of one of the world's leading construction services groups, from 2002 until July 2008.

He spent a total of 10 years at Skanska, managing multi-discipline businesses involving very large construction projects and support service operations. David previously held senior management positions at Skanska and construction firm Balfour Beatty.



Kumar Muthalagappan OBE is Managing Director and founder of the Pearl Hotels and Restaurants Group.

He is a board member of Visit Britain (since 2002) and Chairman of its Audit Committee. He was also on the board of the Heart of England Tourist Board and Belgrade Theatre (2000–2004).

Kumar is a member of the Council of the University of Warwick and Deputy Chairman of the City of Birmingham Symphony Orchestra (the CBSO).

Kumar is a chartered accountant and practised in the areas of audit, tax and corporate finance with KPMG from 1983 to 1996.

He was awarded an OBE in the 2009 New Year's honours list for services to tourism and hospitality.



David Taylor CBE is one of the country's leading exponents of urban regeneration and he has worked extensively in the public, private and voluntary sectors.

He is Chairman and joint founder of Silvertown Quays Limited, a special purpose company established to create a vibrant new heart for the Royal Docks in east London, and is also Non Executive Co-Chairman of the Thames Gateway Forum.

David is former CEO of English Partnerships and personal adviser to John Prescott MP. Prior to that, he had responsibility for Development at AMEC Plc.

David chairs Elevate, the Housing Market Renewal Pathfinder in East Lancashire, and is Deputy Chairman of Preston North End F.C.



Baroness Morgan of Huyton, a former London teacher and councillor, joined the House of Lords in June 2001.

She was Minister of State at the Cabinet Office until November 2001, when she took up the post of Director of Government Relations at 10 Downing Street, which she held until June 2005.

In the Lords, she serves on the European Select Committee on Social and Consumer Affairs.

She is a Non-Executive Director of Carphone Warehouse PLC and of Southern Cross Healthcare PLC. She is Advisor to the Board of the children's charity ARK and a trustee of the Mayor's Fund. She is a member of the Advisory Panel of Lloyds Pharmacy and Humana Europe.



Sir Nicholas Serota has been Director of Tate since 1988. He was previously Director of the Whitechapel Art Gallery (1976–1988) and of the Museum of Modern Art, Oxford (1973–1976).

He has been a member of the Visual Arts Advisory Committee of the British Council (1976–1998, Chairman 1992–1998), a Trustee of the Architecture Foundation (1991–1999) and Commissioner on the Commission for Architecture and the Built Environment (1999–2006).





Olympic Park aerial view April 2009



Who we are and what we do

Use the power of the Games to inspire change.

The Olympic Delivery Authority's (the ODA's) mission is to 'deliver venues, facilities, infrastructure and transport for the London 2012 Olympic and Paralympic Games on time, within budget and to leave a lasting legacy'. Together, the ODA and the London Organising Committee of the Olympic and Paralympic Games (LOCOG) make up 'London 2012'. The London 2012 vision is to use the power of the Games to inspire change. This is the vision that will define the venues that are built, the Games that are staged and the legacy of the Games.

The ODA has responsibility for:

- construction of all the permanent venues and other facilities in the Olympic Park;
- other facilities at Broxbourne (for Canoe/Kayak events), Eton Dorney (Rowing), Woolwich Royal Artillery Barracks (Shooting) and Weymouth and Portland (Sailing); and
- planning and delivery of both transport infrastructure and spectator services to support the Games.

The ODA has outlined the strategic phases to the project:

- Planning and set up – to April 2007
- Demolish, Dig, Design – to August 2008
- Big Build
 - to July 2009 Foundations
 - to July 2010 Structure
 - to July 2011 Fit out
- Test – 2011 to 2012
- Games – Summer 2012
- Transformation and Legacy

The ODA is publishing delivery milestones for each phase. These are underpinned by our priority themes:

- health and safety;
- design and accessibility;
- equality and inclusion;
- sustainability;
- employment and skills; and
- legacy.

Achievement through Health & Safety

The ODA's milestones would not have been achieved if it wasn't for the strong focus on health and safety that has been instilled throughout the organisation and the contractors.

In March 2009, the Olympic Park clocked up a million working hours without a reportable incident for the seventh time.

With over 4,100 people now on site, this represents good progress. But with more than two years of construction still ahead, the ODA and its contractors recognise a relentless focus on health and safety is vital to maintaining this record and achieving the remainder of the milestones that have been set.

Milestones

The Olympic Delivery Authority set out 10 milestones to achieve by the Beijing 2008 Games. These milestones focussed on preparing the site for construction of the main venues and infrastructure for the London 2012 Games, and the legacy beyond 2012. This phase was known as 'Dig, Demolish, Design'.

By 27 July 2008, the ODA had hit these milestones in virtually every regard and, in some cases, exceeded them.

Achieved

Milestone 01

The majority of the Olympic Park was cleared and cleaned.

Milestone 02

With the tunnels and cabling complete, the power for the Olympic Park will be set to switch underground.

Milestone 03

The main temporary roads and bridges were built, giving access to a safe and secure construction site for the 'big build'.

Milestone 04

The installation of new water and energy systems that will serve the Olympic Park during and after the London 2012 Games were started.

Milestone 05

The regeneration of the waterways in the Olympic Park will have started, improving the environment and access for the 'big build'.

Milestone 06

The transport enhancements that will open up east London and support the London 2012 Games have started, with many complete.

Milestone 07

Construction has started on the bridge that will take people over the Aquatics Centre to the Olympic Stadium. Building work on the Stadium began.

Milestone 08

Construction on the Olympic Village has started.

Milestone 09

Contracts were let and designs agreed for the 'big 4' venues – Aquatics Centre, IBC/MPC, Olympic Stadium and Velodrome in the Olympic Park – and at venues outside London work on site has started.

Milestone 10

The development of the Legacy Masterplan Framework for the Olympic Park was well advanced.

achieved

After achieving its first set of milestones, the ODA set out a further 10 challenging milestones to achieve one year later by the end of July 2009. The ODA announced on 3 July that it had completed them.

Milestones to 27 July 2009

Milestone 01

Almost all of the Olympic Park will have been cleared and cleaned. The overhead pylons will have been removed and the erection of the new perimeter security fence will be underway.

Milestone 02

Seven bridges will be structurally complete, 10 further bridges and underpasses will be under construction and the building of the permanent roads will have started. The refurbishment of the waterways in the Olympic Park will be complete.

Milestone 03

The new primary substation at Kings Yard will be substantially complete, with the new equipment also in place to transmit permanent power to the Olympic Park from the wider national network.

Milestone 04

The foundations of the Olympic Stadium will be complete. Work on the upper seating structure and roof will be underway.

Milestone 05

The foundations of the Aquatics Centre will have been completed with work on the building's structure well underway.

Milestone 06

Work will have started on the foundations of the Velodrome and International Broadcast Centre/Main Press Centre.

Milestone 07

Contracts will have been let, designs agreed and work will be about to start on the Handball Arena. The design of the Basketball Arena will have been agreed, and the process of appointing construction contractors will be underway.

Milestone 08

Building work will be underway on the majority of the Olympic Village plots.

Milestone 09

Significant progress will have been made on the transport projects that are increasing capacity to support the Games. Of the 25 underway, 13 will be nearing completion.

Milestone 10

Outside of London the ODA works at Weymouth and Portland will have been completed and ready for use. Construction work will have also started on the Broxbourne White Water Canoe Centre.

on track





John F. Yeoman
Rail Pioneer

59206

Preparing the site

The team has worked hard for months to clear and prepare the site for construction. The bulk of this work – demolition, earthworks and remediation – is now complete, allowing construction to start early on some venues.

The Olympic Park and surrounding area are clear of the 52 pylons that had dominated the skyline. The pylons on the Park were removed in December 2008, and those remaining between Hackney and West Ham were taken down in early 2009. This marked the successful conclusion of the work to move the Park's power underground, delivered on time and within budget.

About 95 per cent of the site has been checked for contamination. Tens of thousands of tonnes of soil have been cleaned of pollutants, such as petrol, oil, tar, arsenic and lead. Soil has been moved around the site to create the base for each venue and the undulating ground levels that will feature throughout the Park. More than 90 per cent of demolition material is currently being reclaimed for reuse and recycling.

1,300

tonnes of steel from the pylons taken down that will be recycled

95%

proportion of the site that has been investigated for contamination

1,000+

number of local people who have taken part in the ODA's archaeology talks and activities

The opportunity to regenerate the Lower Lea Valley is one of the principal reasons why we bid to host the Games in the first place. The project to dismantle and place the power lines underground – on budget and on time – is graphic and tangible evidence of our delivering on that promise.

Tessa Jowell, Minister for the Olympic and Paralympic Games and Co-Chair of the Olympic board

Exploring the layers of the Park

As well as being one of the UK's largest construction projects, work on the Park has led to one of its biggest ever archaeological investigations.

More than 140 trenches have been dug across the Park and the ODA has used the artefacts unearthed to create a link between local people and the past of the area. In March 2009 a flint axe was found. Believed to be more than 4,000 years old, the flint axe is the oldest artefact discovered so far.



Venue design locked down

The ODA sought out the UK's most innovative designers to create the London 2012 venues. World-class venue designs that set a new standard in sustainability and accessibility have now been finalised.

Much work has been done to ensure designs for permanent venues meet Olympic and Paralympic requirements, but can be converted easily to promote use after the Games. There has been an imaginative use of temporary elements in venues, such as the Olympic Stadium and Aquatics Centre.

In line with London 2012's commitment to host an 'inclusive Games', accessibility was incorporated into every stage of the design process. Design teams also worked hard to create venues that appealed to the diverse groups within the local community that will be using them after the Games.

Extensive consultation was carried out on designs for permanent venues, with local people, athletes and the London 2012 design panel from CABI all providing valuable input.

London 2012 is aiming to go further than any previous Host City to ensure that both the Olympic and Paralympic Games are accessible for everyone. After the Games, world-class sporting venues and the largest and most inclusive park in London will be left to help inspire a new generation of Olympic and Paralympic athletes.

Vice Chairman of LOCOG's Sports Advisory Group and one of the UK's leading Paralympic champions, Dame Tanni Grey-Thomson

New spin on Cycling

In September 2008, Sir Chris Hoy unveiled the designs for the new world-class cycling facilities – including the world's fastest velodrome – that will make up the London 2012 VeloPark.

The VeloPark will include a 6,000-seat Velodrome and a 6,000-seat BMX Circuit during the Games. A one-mile road cycle circuit and 6km mountain bike course will be added after the Games to create a cycling hub.

Sir Chris Hoy said: 'Becoming Olympic champion simply wouldn't have been possible without the local cycling facilities I used when I was growing up, so I'm delighted to help launch the designs of the London 2012 VeloPark, which will provide first-class facilities for cyclists of all ages and abilities.'

'I have been hugely impressed with the VeloPark designs, which I'm sure will help deliver some world-class performances from athletes in 2012 and inspire a whole new generation of cycling champions for many years after the Games.'

Sir Chris Hoy, triple Beijing 2008 Cycling gold medallist



Building accelerates

Construction across all parts of the project continues to accelerate. The first venue has been delivered and others are already becoming London landmarks.

The ODA completed enhancements to the Sailing venue at the Weymouth and Portland National Sailing Academy on time and on budget in November 2008.

The completion of the enhancements, which include a new permanent 250m slipway and new lifting and mooring facilities, provided the sailing community with a world-class venue to use nearly three years before the Games.

On the Olympic Park, construction is moving ahead quickly on each of the 'big 5' venues.

The Olympic Stadium can now be seen from miles around, its final size and scale already visible. Six of the 30m-long steel sections of the roof trusses are now in place, taking the Stadium's height to 37m above podium level. The 40m-long supports, called 'rakers', which will hold the 55,000 seats in the upper tiers are nearing completion.

Construction work is now underway on six of the eleven residential blocks within the Olympic Village, with one structure already six storeys high. Work has also started to install new electricity, gas, water, drainage and district heating services between the sites of the new housing blocks.

Construction on the Aquatics Centre started in July 2008, two months ahead of schedule. The 9m-high and 28m-long support for the striking wave-shaped roof is now in place, allowing the roof structure to start to take shape.

Nine hundred piles, driven up to 26m beneath the surface, are creating the foundations of the 6,000-seat Velodrome. Around 48,000 cubic metres of material has been excavated to form the 60m-wide and 100m-long Velodrome 'bowl'.

Construction on the foundations of the International Broadcast Centre/ Main Press Centre started in April 2009, a month earlier than originally planned. Over summer, work will start on building the IBC's steel frame, which will be large enough to fit five jumbo jets.

Meanwhile, planning permission has been granted for the Handball Arena and construction is due to start shortly. Designs for the temporary Basketball Arena have been released and a contractor is due to be appointed during the year.

2,400

concrete poles installed more than 20m deep on the Olympic Village

37m

height of the Olympic Stadium

160m

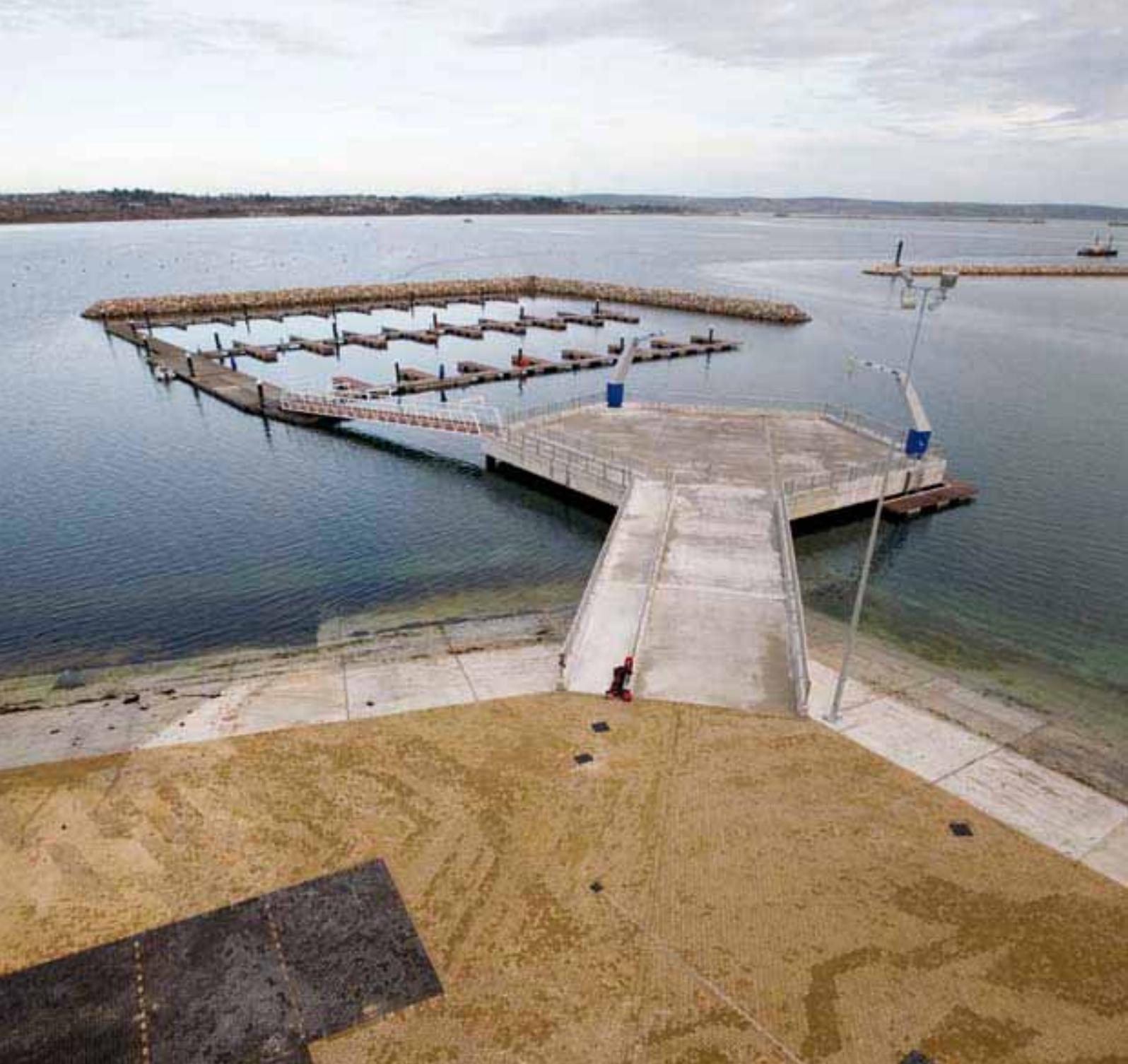
length of wave-like Aquatics Centre roof

5

number of jumbo jets that could fit into the IBC

Seeing the transformation that has taken place in the Lower Lea Valley is nothing short of astounding, and this area will be a great legacy for the people of London and the UK.

International Olympic Committee (IOC) Coordination Commission Chairman Denis Oswald



First ODA venue delivered on time and to budget

The ODA's completion of the enhancements to the Weymouth and Portland National Sailing Academy is giving the UK's sailors a world-class venue to train at for some three years before the Games.

The ODA also received a CEEQUAL Excellent Award (Civil Engineering Environmental Quality Assessment

and Award Scheme) in recognition of the environmental aspects of its enhancement works to the Sailing venue.

Winning gold in Qingdao was an amazing experience – I am now looking forward to 2012, training at the enhanced Weymouth and Portland National Sailing Academy and competing on my home waters.

Paul Goodison, gold medal winner in the Laser class at the Beijing 2008 Games and Weymouth local

Connecting communities

Work to build new and to improve existing transport infrastructure to provide better connections for the Games and long after 2012 is picking up pace.

In November 2008, construction on the new entrance at Stratford Regional Station started after approximately 2,000 tonnes of soil were excavated. Piling and column work for the new entrance at mezzanine level is now complete and the concrete slab to form its base is due to be cast in May.

The first two of nine new lifts that will boost accessibility to the station are now in service with more due to be operational in summer 2009. The eight new staircases that will improve passenger flow and access to and from platforms are taking shape.

At Stratford International Station, the new 36m glass-panelled bridge that will form a new entrance and exit to the station was lifted into place. This will shorten the walking distance to Stratford Regional Station by about 200m, and provide better access to the new Stratford City shopping development.

In March 2009, the ODA published plans to improve walking and cycling networks to Games venues to encourage spectators to use these healthy and sustainable modes of transport. The plans also aim to leave a legacy of more people walking and cycling after the Games.

Projects by transport delivery partners, which the ODA is part funding, are also on track.

More than half of the 55 new rail cars that will help boost capacity by 50 per cent across the Docklands Light Railway (DLR) network have been delivered. The ODA is co-funding 22 of these new cars, which will enable the DLR to run three-car instead of two-car carriages. The ODA also agreed to part-fund the upgrade of the Beckton branch to allow three-car operation in time for the Games.

The DLR's extension under the River Thames to a new station at Woolwich Arsenal opened seven weeks early in January 2009, while its replacement platforms for the London Overground at Stratford Regional Station opened in March 2009. Work is also progressing well on the DLR's extension to Stratford International Station due to open in mid-2010, with platforms and tracks now in place.

Construction work on the North London Line upgrade, to which the ODA is contributing £107m, has started. Key features of the upgrade will see sections of the railway converted to four tracks, and major signalling improvements. Compared to the current service level, this project will double the number of passenger trains (from four to eight per hour) while still catering for freight trains. Due for completion in spring 2011, the work will benefit passengers long before the Games.

2,000

tonnes of earth excavated before construction on a second entrance at Stratford Regional Station

36m

length of bridge that forms a new entrance and exit to Stratford International Station

22

number of new DLR rail cars that the ODA is co-funding to boost capacity across the network

DLR is already ahead of the game in its plans for 2012 thanks to funding and support from the ODA. The extensions and upgrades we will have in place will not only make for a successful Olympic and Paralympic Games, but provide reliable and well-connected public transport for years to come.

Director of DLR Jonathan Fox



Recycling the railway

The Olympic Delivery Authority (ODA) received an 'excellent' CEEQUAL sustainability award for achieving the highest score ever for a rail project. It was given the award for the new railway siding facility, used to 'park' trains outside of peak hours, at Orient Way.

The new Orient Way depot to the north east of the Park replaced a facility that was located at the heart of the Olympic Park, but needed to be dismantled to allow for venue construction.

Orient Way, delivered a month ahead of schedule, was completed using sustainable methods with 99 per cent of the demolition and site clearance waste from the Orient Way project being recycled, including:

- 4,000 tonne of crushed concrete, of which 1,000 tonnes was reused on site and 3,000 tonnes was reused off site;
- 620 tonnes of tarmac;
- 180 tonnes of steel;
- 20,000 tonnes of previous site ballast was screened and reused; and
- all 3,250 yards of track was lifted and reused.

CEEQUAL (Civil Engineering Environmental Quality Assessment and Award Scheme) assesses performance across 12 areas of environmental and social concern where the project achieves distinctive environmental standards.

The project was also recognised for its excellent approach to safety. It achieved a five-star safety rating from the British Safety Council.

Building the Park

Work to put in place the backbone of the Park – the bridges, the roads, the utilities and the new parklands – is now well underway.

Construction work has started on 21 of the more than 30 new bridges that will span the Olympic Park's waterways and roads.

The first permanent new bridge linking the Olympic Stadium 'island' site with the surrounding area has been lifted into place. The footbridge stretches 41m across the River Lea into the western side of the Olympic Stadium site.

A new bridge that will link the Olympic Village to the Stratford City retail development is taking shape. The 18m-high arched bridge spans rail lines within the Park and will form part of the Olympic Park Loop Road in 2012. The huge arch is made up of three sections, which were lifted into place by an 800-tonne crane.

New bridges will carry visitors to the Park over its 8km of waterways. Much of the work to clean these waterways was finished in summer 2008. The waterways are now being dredged, so they can accommodate large barges delivering construction material and help keep construction traffic off the roads.

Following the completion of the project to remove the Park's pylons and move power underground, the utilities programme is now well underway. Tunnelling to create the new 1.8km deep foul sewer network is progressing and construction is well advanced on the Energy Centre and primary substation.

The Energy Centre and primary substation will provide efficient power, heating and cooling for the Park. Construction started on site in summer 2008 and the Energy Centre's frame is nearing completion. More than 500 tonnes of steel will be used to form the structure, which will measure 45m at its highest point.

Plans for the parklands and green spaces that will surround venues and facilities during and after the Games have been approved. More than 100 hectares of open public spaces will feature in the parklands, which will also include a garden at the south entrance to the Park.

30

new bridges to be built across the Olympic Park

500

tonnes of steel used to build the Energy Centre

100

hectares of public open space featured in the Olympic Park 'parklands'

Right: Aquatics Centre roof during construction June 2009







Olympic Park covered in snow February 2009

What we are building

World-class sports venues: Olympic Park

The Olympic Park is going to be one of the biggest new urban park built in Europe for 150 years. The ODA is building seven new world-class venues in the Olympic Park.

After the Games, these venues will be modified so they can be well-used by the local community. Responsibility for the legacy use of the venues rests with the Olympic Park Legacy Company.

Olympic Stadium

Seating: 80,000 (25,000 permanent, 55,000 temporary)

Olympic Games: Opening and Closing Ceremonies, Athletics

Paralympic Games: Opening and Closing Ceremonies, Paralympic Athletics

After the Games: The Olympic Stadium will be transformed into a 25,000-seat Athletics stadium that will also host a variety of sporting, educational, cultural and community events.



Aquatics Centre

Seating: Up to 17,500 during the Games

Olympic Games: Swimming, Diving, Synchronised Swimming, Modern Pentathlon (Swimming), Water Polo

Paralympic Games: Paralympic Swimming

After the Games: London's first 50m-long pools will be open for use by the local community and elite athletes. It will also incorporate a crèche, family friendly changing facilities and café amenities alongside a new public plaza.



VeloPark

Seating: Velodrome (6,000 permanent), BMX Circuit (6,000 temporary)

Olympic Games: Cycling (Track), Cycling (BMX)

Paralympic Games: Paralympic Cycling (Track)

After the Games: A road cycle circuit and mountain bike course will be added to create a cycling hub for cyclists of all levels.



Basketball Arena

Seating: 12,000 during the Games

Olympic Games: Basketball, Modern Pentathlon (Shooting and Fencing), Handball semis and finals

Paralympic Games: Wheelchair Rugby, Wheelchair Basketball

After the Games: Dismantled, with parts reused.



Hockey Centre

This venue is being developed in conjunction with LOCOG.

Seating: a maximum of 20,000 during the Games

Olympic Games: Hockey

Paralympic Games: Paralympic Five-a-side Football, Paralympic Seven-a-side Football.



Handball Arena

Seating: up to 7,000 during the Games

Olympic Games: Handball preliminaries and quarter-finals, Modern Pentathlon disciplines of Fencing and Shooting

Paralympic Games: Goalball

After the Games: Multi-sport arena.



Eton Manor

Seating: 10,500 Wheelchair Tennis and 2,000 for Paralympic Archery during the Games

Olympic Games: Training facility

After the Games: Converted to a Tennis, Football and Hockey facility.



Venues outside London

Weymouth and Portland Sailing

The ODA completed its enhancements to this venue in November 2008, making it the first ODA venue to be delivered. Enhancements included a new permanent 250m slipway, and new lifting and mooring facilities.

Olympic Games: Sailing

Paralympic Games: Paralympic Sailing

After the Games: World-class venue for elite competition and also a facility for all levels and abilities.



Broxbourne White Water Canoe Centre

Seating: 12,000

Olympic Games: Canoe/
Kayak Slalom

After the Games: The 300m competition course and a 100m warm-up course will remain in place, providing an excellent facility for local people.



Eton Dorney

The ODA will enhance the existing Eton College Rowing Centre at Dorney Lake to provide improved facilities for athlete warm up and Flatwater Canoe/Kayak competition during the Games. The ODA's planned enhancements to this existing venue have been approved.

Seating: 20,000

Olympic Games: Rowing, Flatwater
Canoe/Kayak

Paralympic Games: Paralympic
Rowing

After the Games: The ODA's enhancements will continue to benefit those using the venue after the Games.



Royal Artillery Barracks

The ODA is planning enhancements to this existing venue for the Games.

Seating: 7,500 (temporary)

Olympic Games: Shooting

Paralympic Games: Paralympic
Shooting

After the Games: The 10m Shooting range will be taken down and relocated to provide Shooting facilities elsewhere in the UK.



New facilities for local people

In addition to sports facilities, the ODA is building an International Broadcast Centre/Main Press Centre (ICB/MPC), the Olympic Village

and an Energy Centre. Each of these buildings will deliver a unique benefit to the surrounding community after the Games.

International Broadcast Centre/Main Press Centre

During the Games: The ICB/MPC will have capacity to host 20,000 of the world's media during the Olympic and Paralympic Games.

After the Games: It will be converted to office and commercial space, providing much-needed employment space in Hackney. The ICB/MPC has been designed with a mix of permanent and temporary elements so it is as flexible as possible to accommodate a range of legacy tenants and uses. The London Development Agency is leading the legacy planning.

There has been a strong focus on sustainability for the designs for the ICB/MPC. The MPC will meet demanding green standards in legacy through innovations including the use of recycled non-drinking water collected across the Olympic Park and new habitats to attract wildlife including a 'brown roof' and bird boxes.



Olympic Village

During the Games: Thousands of beds for athletes and officials.

After the Games: The Village will become part of the overall Stratford City regeneration scheme, including a new regional shopping centre with additional leisure, office and residential areas.

It will be transformed into 2,818 new homes, with a mix of affordable housing, and accommodation for sale and rent. The communities that develop in the area after the Games will be supported by new parks, open space, community facilities and transport links.



Energy Centre

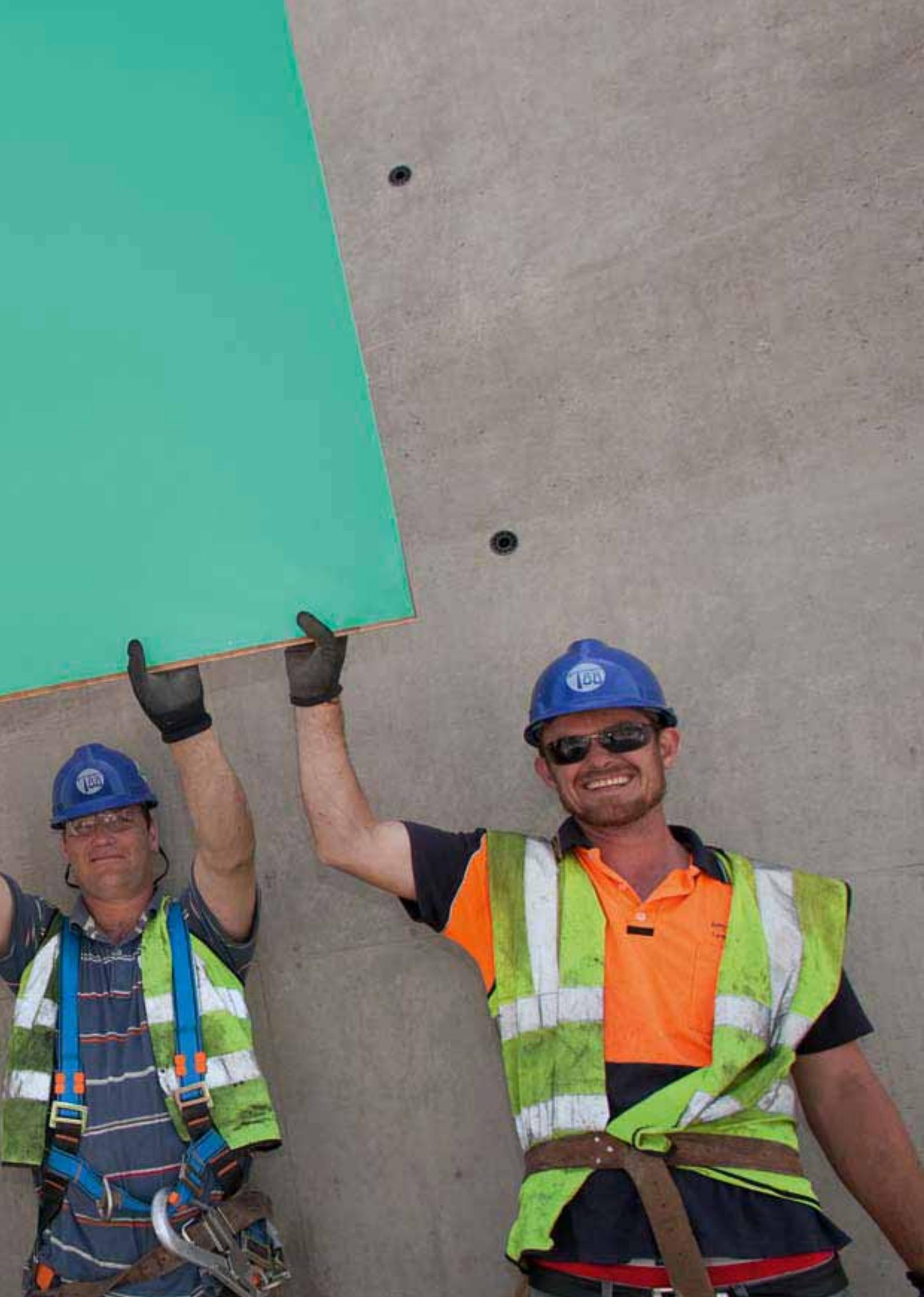
During the Games: Will generate hot water, heating, electricity and in some cases cooling to homes and buildings in the Park.

After the Games: Will continue to provide a new and efficient energy system across the Park and for the local community.



priority themes





Priority themes and key areas

The ODA has made good progress on each of the priority themes and key areas that underpin its work.

Health & Safety – our top priority

From the Olympic Park, to the transport works sites and back to Canary Wharf headquarters – raising health and safety awareness at all levels has resulted in an excellent safety record for the project. There is, however, no room for complacency in this area whatsoever.

In March 2009, the Olympic Park clocked up a million working hours without a reportable incident for the seventh time.

With over 4,100 people now on site, this is an excellent achievement. But with more than two years of construction still ahead, the ODA and its contractors recognise a relentless focus on health and safety is vital to maintaining this record.

Contractors kicked off 2009 with 'Take Time for Safety' briefings across the Park. These briefings included a central message from the ODA, and contractors then discussed health and safety issues particular to their sites with their own teams. A number of Take Time for Safety briefings will be held throughout the year.

The ODA set up a Construction Skills Certificate Scheme (CSCS) test centre on site to help it become the first

construction site in Europe to have 100 per cent of its workforce to have gained their relevant CSCS card qualification. More than 550 workers have already completed their health and safety training and testing at the centre, which opened in late 2008.

Workers are taking advantage of Park Health, the on site medical centre that gives workers free medical services for minor injuries and illness, as well as emergency response to serious injuries or conditions. Since it opened in December 2007, more than 15,500 visits have been made to the Park Health team of doctors, nurses and hygienists, and hundreds of health risk assessments completed.

Over the past year to the end of March 2009, the 598 hours spent by the workforce having treatment in the Park Health Medical Centre has saved an estimated 14,150 working hours – equivalent to 1,769 working days.

Health and safety messaging is central to the ODA's employee communications work around the site – from posters on buses, to giant banners, mugs and stickers.

The bi-monthly 'Park life' newspaper, which is written especially for Park workers, includes safety tips and a regular column from a Park Health nurse on different health matters and campaigns.

I welcome the high priority that the Olympic Delivery Authority continues to place on health and safety. This is reflected in their excellent safety record and standard-setting Occupational Health provision. The ODA has welcomed the focus of the new HSE Strategy with its emphasis on creating a healthier, safer workplace based on sensible risk management, strong leadership, competence and worker involvement. The ODA is well placed to address the challenges of the 'big build' phase of the project which will see increasing numbers of workers on site.

Lord McKenzie, Department for Work and Pensions Minister with responsibility for Health and Safety



Safety – everyone's job

Contractors are equally committed to ensuring excellent health and safety and are setting up their own initiatives to keep their workforce safe.

Adam, 19, is an Apprentice Foreman for Skanska, which is part of the Structures, Bridges and Highways team on the Olympic Park. He has taken part in a Skanska initiative where site operatives volunteer to check the health and safety processes across its sites, including subcontractor sites, each week. They then give health and safety feedback to the site team.

'It's not always easy being a young apprentice and having to tell some of the old boys who have been on site for years that they may not be working safely,' Adam said. 'But at the end of the day it is about keeping them safe at work.'

'I make sure that subcontractors know that the programme isn't about picking holes in anyone's work or naming and blaming – it is about working together to make our sites safe.'

Above: Adam (in yellow) on site with a sub contractor as part of his role as a safety volunteer

Business – a boost for the economy

935

number of companies that had won London 2012 related-work by the first quarter of 2009

69%

proportion of these companies that were small- or medium-sized

75,000

estimated number of future London 2012 opportunities for business

The London 2012 Games are helping to fill up order books for UK businesses of all sizes up and down the country at this difficult time for the economy.

By the time the London 2012 Business Network celebrated its first anniversary in January 2009, 935 companies had won direct contracts with the ODA worth £3.5bn.

Almost all (98%) of these companies are UK-based and just under half are based outside London. More than two-thirds (69%) were small- or medium-sized businesses.

A further 54,000 companies had registered for updates on the 1,700 opportunities advertised on 'CompeteFor', which is the Business Network's online business 'dating agency'. CompeteFor also offers tailored business support to help companies improve their long-term performance.

Opportunities to win work with London 2012 are increasing, as work flows down through the supply chain and LOCOG starts to ramp up to stage the Games.

London 2012 has engaged with around 4,000 companies during visits to every nation and region to help them get involved. Companies and business leaders from across the UK are now visiting the Olympic Park to discuss future opportunities.

The London 2012 Games is already proving a golden opportunity to ensure growth in the UK economy and leave a legacy of fitter British businesses with the expertise of supplying the world's largest sporting event.

LOCOG Chairman Seb Coe

Watson Steel – Bolton

Bolton-based structural steelwork fabrication company Watson Steel has been contracted by the construction consortium to supply steelwork for the seating and roof of the Olympic Stadium. Watson Steel produces approximately 150,000 tonnes of steelwork annually and employs about 230 people – and at least some of those jobs have been safeguarded by the work for the London 2012 Games.

Watson Steel director Peter Miller said: 'The London 2012 project will form the backbone of our workload for most of next year. We would struggle to achieve budgeted turnover without them. We will not be recruiting, but hopefully will retain most of our existing employees.'



Express Reinforcements – Neath, Wales

Established in 1984 and currently employing 220 people, the Neath-based company provides reinforcement solutions, to suit design, buildability and fabrication for construction projects.

Express Reinforcements were subcontracted by one of the tier 2 contractors to provide the system for reinforcing the Olympic Stadium's podium. The challenge was to design and deliver 'off site' pre assembled reinforcement product that would speed up the 'on site' production process and improve the health and safety practices on the site.

The steel system which reinforces the concrete concourse which wraps around the Stadium was prefabricated at the factory in Neath by around 30 workers. Express Reinforcements expects to continue to work on the Stadium for around eight more months but they have also recently won a contract to work on the Velodrome.



Working as part of an integrated team from designers through to steel fixers we have, by utilising our 'Modex' production system, been working on the supply of steel reinforcement solutions for the Olympic Stadium. This contract has helped secure existing jobs and we look forward to competing for further supply opportunities throughout the coming months.

Andy Lodge Managing Director Express Reinforcements

Employment and skills – securing futures

From roofers and plant mechanics, to plumbers and engineers – the London 2012 Games are proving a jobs boost for the UK.

By the end of March 2009, more than 4,100 people were working on the Olympic Park, and a total of 30,000 people are forecast to work on the Park and Olympic Village during the lifetime of the project.

The ODA is working hard to maximise job and training opportunities for those who need it most. Nearly one in ten (9%) of workers on the Olympic Park were previously unemployed, and a further 400 people, many with no previous construction experience or training, have successfully completed courses at 'Digger School', the ODA's Plant Training Centre on the Olympic Park. Over 200 of these trainees have gone on to work on the Park.

In December 2008, the ODA launched its 'Women into Construction' initiative and held construction 'taster' sessions for local women to try out construction. 'Women into Construction' aims to secure work placements for women on the Park. This project has already seen 50 women placed into work on the Park.

Specific opportunities for young people and those new into construction have also been created to help secure futures. The ODA originally set a target of getting 2,000 trainees, apprentices or work placements on the Olympic Park. More than 360 people have already been placed into these positions, and in January 2009 the ODA announced it would create an additional 250 apprenticeships.

30,000

people forecasted to work on the Olympic Park and Olympic Village during the lifetime of the entire project

4,100+

people working on the Olympic Park

400+

graduates from the ODA's Plant Training Centre

20%

approximately one in five people are from the five Host Boroughs

9%

nearly one in ten of the Olympic Park workers was previously unemployed

The 2012 Olympic and Paralympic Games will bring with them much needed employment, providing work for 30,000 people over the next four years, as well as creating lasting regeneration in the East End. The ODA is making terrific progress and our vision of a vibrant district of new communities surrounded by beautiful parklands and reclaimed waterways with outstanding sporting, educational and cultural facilities, is taking shape. The 2012 Games will deliver much more than just six weeks of sport and it is clear from progress to date that the future for this previously deprived area is spectacularly bright.

The Mayor of London, Boris Johnson



Syria from Newham, Olympic Park Traffic Marshal

Syria is the 250th person that the ODA and local job networks have helped to gain employment on the Olympic Park. Syria started on site in November 2008 and is working with the Utilities team on the Olympic Park.

Syria was referred by Workplace, the local jobs brokerage in Newham, after she successfully completed her Traffic Marshal course.

'I did the course in the morning, was offered a job in the afternoon and started the next day. I really like working on the Olympic Park and it's so easy to get to work.'

'I really enjoy this job and I get to meet lots of new people. I wanted to get into construction as I don't really like office work.'

I did the course in the morning, was offered a job in the afternoon and started the next day.

Community relations – a team effort

As construction hits its stride, the ODA has taken further steps to keep in close contact with its neighbours next to the Olympic Park and other venues.

A record number of people from the five Host Boroughs got a first-hand look at the amazing transformation of the Park during the ODA's second Open House event in September 2008. Around 3,000 local people took a bus tour of the Park during the two-day event, 50 per cent more than the previous year.

The ODA runs an extensive visits programme, managing tours of the Park each week for local people, stakeholders, schools and universities, as well as business and industry. The tours give people the opportunity to see progress on site and to understand the scale of the project. In the 12 months to April 2009, more than 15,000 people visited the Olympic Park on tours run by the ODA, bringing the total since the beginning of the visits programme in September 2007 to more than 20,000. The ODA is now working on expanding its visits programme so it can run more tours and get more people involved.

The ODA held its first two Olympic Park Engagement Network (OPEN) meetings in July 2008 and March 2009. It established OPEN to create a regular forum for meeting directly with a range of representatives from different business, housing and community groups. OPEN has

proved an effective way for the ODA to reach a large section of the community by directly talking to its leaders.

Local people continued to learn about the past of their area during the ODA's 'discover' archaeology programme. More than 600 people attended one of the free talks, and a further 450 schoolchildren took part in the archaeology activities the ODA held at Hackney's East Marsh.

Twenty year-six students from eight schools across the Host Boroughs took part in the 'Construction Crew' programme. As part of the programme, aimed at promoting leadership, responsibility and presentation skills, the Construction Crew visited the Olympic Park and reported back to classmates on what they had learned about key areas of the ODA's work.

Tailored newsletters continue to help keep those living close to London 2012 venues, such as the Olympic Park, Broxbourne and Weymouth and Portland, informed about the Games and construction progress.

The ODA recognises that there will be some disruption to local communities as construction work accelerates. It is committed to doing all that it can to minimise these impacts as well as to maximising opportunities to develop the right channels for two-way communication, many of which are already in place.

3,000+

number of local people who the ODA took on a bus tour of the Olympic Park during the Open House weekend

20

number of local schoolchildren who took part in the ODA's 'Construction Crew' programme

1,000+

number of people from the five Host Boroughs who attended the ODA's archaeology talks

20,000+

number of people who have taken a tour of the Olympic Park

There is no doubt that the Olympic Park is a huge construction project, right on our doorstep. But there is also no doubt about the fantastic boost this work will give to our area.

To get the best outcome for everyone, we need to make sure we talk openly and regularly with the people building the Park. Meetings like this will help us to achieve this and make the most out of this unique event.

Reverend Alan Piggott, chair of a Hackney Wick community meeting, which the ODA attended



Children learn how to play it safe

More than 1,500 students from local primary and secondary schools have learned how to stay safe near construction sites at workshops run by the Olympic Delivery Authority (ODA).

The ODA ran the programme with a team from a theatre company. It used drama and role playing to engage with the children to teach them how to be safe when living and playing near a construction site like the Olympic Park.

Above: A primary school in Broxbourne participates in the Health and Safety workshop

Health and Safety will always be our number one priority – not just for the thousands of workers building the new venues and infrastructure but also for our neighbours who live and work around the London 2012 construction sites.

John Armitt, ODA Chairman

Planning – for the Games and tomorrow

The ODA has kept those living closest to venues involved in its planning process every step of the way to ensure it builds a Park and venues that reflect the views of the local community.

Planning permission has now been secured for all but one sporting venue on the Olympic Park. It plans to submit the pre-planning application for this venue, Eton Manor, in summer 2009. It is also preparing to submit the plans for the Royal Artillery Barracks, which will host the Shooting competition.

As well as sports venues, plans for other work on the Park, including the parklands and green spaces, have been secured. Permission to start work on foundations of the International Broadcast Centre/ Main Press Centre, which will house 20,000 members of the media, has also been granted.

As part of the pre-application consultation for the venues and the Olympic Park, the ODA held 76 public meetings. More than 1,500 people attended these meetings, while others gave feedback through targeted newsletters and planning brochures.

The ODA has also consulted directly with some 90 Members of Parliament, and held seven technical fora events, which were attended by more than 450 key stakeholders.

Different faith groups, young people, women, and various sporting groups have been directly consulted by the ODA in an effort to ensure its plans for the Park meet the needs of the diverse community.

76

number of community meetings held

1,500+

number of people attending public consultation meetings



Local artists give life to London 2012 Gardens

Local community groups came up with some creative ways for how the Olympic Park's green spaces could be enhanced at a workshop at the Hackney Wick Community Centre.

About 20 community representatives took part in the interactive workshop where they helped to design elements in the 'London 2012 Gardens'. The gardens will be in the south of the Park and will form an attractive entrance for visitors.

The Olympic Delivery Authority ran the workshop with the Royal College of Arts (RCA) and the University of East London (UEL).

Head of Arts and Culture Strategy Sarah Weir said: 'The workshop was a fantastic opportunity, well in advance of the Olympic and Paralympic Games, to invite people who already live very close to the Olympic Park to be a part of the development of the Park, to share ideas for creative designs of the London 2012 Gardens.'

Above: Members of local art groups create designs for the London 2012 Gardens

It was also a successful collaboration with the RCA and UEL, which led the workshops with local residents from a diverse range of ages, nationalities and artistic abilities.

Security – protecting the site, protecting the community

The ODA has increased security around the Olympic Park to keep its workers, the site and also the local community safe and secure as the project moves into the construction phase.

A more substantial perimeter fence, which is 4.8m high and includes a 1.2m power top, has started to replace the hoardings that were around the Park. This fence is made up of a sturdy mesh material but allows the public to look through it into the site.

The ODA is making preparations to incorporate biometric information into its access procedures to the Park. Along with presenting their site passes, workers will have their hand or eye scanned when entering the Park. The new measures, due to be in place in summer 2009, help the ODA to meet its security obligations and health and safety policies by ensuring that only people who are authorised to be on the Park can get into it.

CCTV cameras are being installed to monitor access points to the site, and also viewing entrances and stairwells in the Pudding Mill Lane office and Site Operations Centre. Cameras will also be put up on the perimeter fence to help ensure the security of the Park.

The ODA continues to work with external agencies to maintain the security of the site and its workforce, including a team from the Metropolitan Police and also the London Fire Brigade.



Safe and secure

A team from the Metropolitan Police is helping to keep the site and the area outside the perimeter fence safe. It regularly patrols the site and has close links with other emergency services. It also supports the on-site Security team and Park Health.

Inspector Vince Brady is part of the team and is working closely with contractors to ensure a safe and secure working environment. 'It's been great to have established a rapport with our partners,' Vince said. 'It's crucial that we preserve and build on this partnership over the coming years.'

Above: John Armitt with members of the Metropolitan Police

With their site knowledge, my team will be a point of advice and problem solving expertise during the Games – a great opportunity to make a real contribution to the safety of the London 2012 Games.

Sustainability – more than being ‘green’

2,000

number of mature and semi-mature trees being used to form the ‘roots’ of the 100 hectare London 2012 Olympic Park

90+

per cent of site demolition material reclaimed for reuse or recycling

4,000

number of newts relocated on the Olympic Park

The ODA’s one-year update to its Sustainability Plan showed it is delivering measurable progress on its five sustainability themes of: climate change; waste; biodiversity; inclusion; and healthy living.

Climate change

Published in December 2008, the update showed how energy- and water-efficient venue designs were reducing the carbon footprint of the project from the start. The new Energy Centre, together with a planned wind turbine at the north of the Park, will supply 17 per cent of the ODA’s 20 per cent target for on-site renewables. The Energy Centre’s combined cooling, heating and power plant will also generate ‘lean and localised’ energy.

Waste

The team is exceeding its targets of reducing, reusing and recycling waste. More than 90 per cent of demolition waste is being reclaimed for reuse or recycling on the Park. Timber has been reused to create wildlife sanctuaries and whole buildings have been relocated off site. The ODA also reused portable offices from the Channel Tunnel Rail Link for its new transport office at Stratford station.

A contractor has also been appointed to establish a centralised waste management and consolidation centre on site. This will mean waste can more easily be reused and recycled on site or taken off-site for re-processing, maximising transport by waterways.

The recycled materials and the way they are brought to site is also a priority. The ODA has already worked with industry to ensure materials such as timber, aggregates and concrete are sustainably sourced. The ODA and LOCOG are now calling on industry to help them find a sustainable solution for the use of materials, needed for temporary buildings and the temporary elements of permanent venues.

In terms of transportation, a supplier has now been appointed to supply aggregate that is made up of at least 25 per cent recycled material and to transport 50 per cent of this material (by weight) by water or rail. The ODA is already achieving 57 per cent of deliveries by rail alone.

Biodiversity

The ODA published a Biodiversity Action Plan in February 2009, which outlined a Park rich in biodiversity for creatures great and small. Plans featured spaces for new habitats through more than 500 bird boxes and 150 bat boxes in bridges and buildings, as well as ponds for frogs and newts. Five hectares of brownfield habitats, including log walls, stone-filled baskets and native tall herbs suitable for lizards, birds, moths and linnets, make up part of the plans.

Inclusion

Work to ensure people from all parts of the community experience the benefits of hosting and building the stage for the London 2012 Games has moved ahead. New training initiatives and schemes with local job networks are giving local people skills and experience that they can draw on for years to come. Designs ensure venues are fully accessible, while work is underway to create more accessible transport links for disabled people.

Healthy living

As the Olympic Park is prepared for the Games, London 2012 is making sure the site is a healthy environment for workers and people living close to it by cleaning it of pollutants and contaminants.

Right: ODA Chairman John Armit (right) visits the nursery where 2,000 semi-mature British trees are being grown for the Olympic Park



Equality and Inclusion – everyone's Games

On the Olympic Park...

270+

number of women workers

28

number of disabled workers

535+

number of workers from Black, Asian or minority ethnic communities

28

number of different nationalities working for just one Olympic Park contractor

In March 2009, the ODA published its Integrated Equality Scheme. The scheme outlined how it would deliver its equality and diversity objectives both in relation to its workforce and also who it will work with to build an inclusive stage for the Games.

The diversity of our workforce is one of our great strengths and the five Host Boroughs contain some of the most vibrant and diverse part of the capital. The ODA is committed to getting as many people from different parts of the community involved across all parts of the project.

It has held 'taster' construction sessions so different groups of the community can learn more about what it is like to work on a site like the Olympic Park. Sessions have been held for disabled people, young people, and also for women, which complements the 'Women into Construction' programme launched in late 2008.

The diverse population within the five Host Boroughs is being reflected in the ODA's job numbers. Some 13 per cent of Olympic Park workers are from the Black, Asian or minority ethnic communities.

During 'Diversity Week' in March 2009, contractors explored their workers' different nationalities by cooking traditional food from their home countries. During the week, contractors also gave workers the chance to experience life from the perspective of a wheelchair user and met with Paralympic athletes, while others listened to the career journey of a female quantity surveyor.



Dining with a difference

The ODA invited Olympic Park contractors to a dinner party where they met with disabled people and listened to some of the barriers they faced when trying to gain employment. Kim Bishop, part of the Strategic HR team from Olympic Park contractor Atkins, attended the evening.

'People round the table were relaxed and talked freely so it became obvious what some of the barriers are to working effectively with disability in organisations.

'There were some good examples of people making false assumptions which we were able to confront together in that forum, but I could see that in other settings they may have been left unchallenged. It was a very effective way of getting some powerful messages across to a small number of people and, by choosing attendees who can then influence widely, it will achieve the maximum impact'.

After attending the evening, some ODA contractors went on to hold their own 'dining with a difference' evenings with their own team and suppliers, sharing the insight they had gained.

Above: Mike Brace, former Chairman of the British Paralympic Association attended the everyone's 2012 event to launch London 2012 diversity week

Legacy – investing in tomorrow

75p

in every £1 the ODA is spending is going on the long-term regeneration of the area

8km

length of waterways throughout the Park, much of which is being revitalised

The promises of long-term benefits made during the bid for the Games are already being realised.

The ODA is making a significant contribution to utilities, bridges and transport infrastructure both for the legacy developments that will follow and for the new Stratford City development to the east of the Olympic Park. The new retail, leisure and office development is a key building block in the long-term regeneration of east London and is surging ahead and will be used by local people well before 2012.

Venues that will serve local communities in the long-term, inspiring more people to become involved in sport and provide a place for elite athletes to train and compete, are coming out of the ground.

The Olympic Village is taking shape. It will leave Stratford with 2,818 high-quality homes, including a mix of affordable housing and housing for sale and rent.

New bridges are going up over the Park to get spectators between venues during the Games, and to create new links between communities after 2012.

Some of the planned enhanced transport links that will benefit the less connected areas of east London are already in place. Much of the Games-related transport work is due to finish in 2010, providing a legacy before the Games have started.

Below the surface, tunnels for the Park's new power and sewer networks have been carved out. Pipes, cables and other infrastructure are being removed, diverted or disconnected, and common 'trenches' for gas, electricity, water and telecommunications are being built.

Together with the new Energy Centre, this infrastructure will serve local communities and new developments in the area for years after the Games.

Waterways are being revitalised to enhance the natural environment and create new green corridors for wildlife. Contaminated soil is being treated to form a healthy base for the acres of new green spaces that will stretch across the Park, transforming it into a popular attraction for local people and those from all over London and the UK.

The ODA continues to work closely with legacy partners who will drive the London 2012 legacy forward. A new 2012 legacy company is being set up to take over from, and build on the work currently being taken forward by, the London Development Agency, which has been developing plans for the post-Games Park since London's successful bid to host the 2012 Games. The Chair and Chief Executive for this company are in place and the company is expected to launch in autumn 2009.



People – the team

On site, the team has grown significantly. There are now more than 4,100 workers based on the Olympic Park and as the ODA moves further into the construction phase this year, this number will grow further still.

The team off site has also expanded as the project intensified. At 31 March 2009, the ODA had more than 250 permanent, fixed term and secondees staff. In addition to this, a team of nearly 130 interims and consultants were working on the project.

London 2012

The ODA and the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) continued to develop their excellent relationship over the past year.

The ODA and LOCOG are co-located at Canary Wharf and continue to work closely across all areas of the project, particularly in regards to preparing the venues for the Games.

Staff from the ODA and its Delivery Partner have seamlessly integrated into one team in the office and on site.

London 2012 vision and values

Vision

To use the power of the Games to inspire change

Values

To achieve our vision we must be inspirational

To do this we must be open and respectful

Only by working as a team

Can we deliver something truly distinctive



Morris from Hackney, Olympic Park truck driver

Morris Deer from Hackney got a job on the Olympic Park after completing two courses at the ODA's Plant Training Centre, also known as 'Digger School'. 'I got top marks in my class,' Morris said. 'The tutor on the course was really good. He explained very technical information in a simple way.'

One of Morris' first jobs on the Park was taking cleaned soil from the Aquatics Centre site to the VeloPark to create the right ground levels for the cycling hub.

I like my job. It is very challenging and every day I learn something new. I think this is a great opportunity to advance my career in construction.

As Delivery Partner, the consortium CLM continues to help the ODA meet its key milestones on time and within budget.

For a project of this size, the partnership between the ODA and CLM is key. As well as using experience from its own staff, the ODA can draw on a larger skill base from the companies that make up CLM.

The CLM consortium comprises CH2M HILL, Laing O'Rourke and Mace, who have worked on previous Olympic and Paralympic Games. It brings to the project a world-class track record across sport, transport, the environment, technology and the public realm, covering programme and project management, construction and regeneration.

The Delivery Partner is responsible for ensuring the land preparation and construction processes run as smoothly as possible, addressing key issues such as managing design, procurement, site logistics and health and safety. Its primary role is to work with the ODA to deliver projects on time and within budget, ensuring the overall programme is delivering value for money. All Delivery Partner's profits are directly linked to meeting agreed performance targets.

Since its appointment in September 2006, CLM has worked hard to help the ODA achieve all of its early milestones and created an excellent platform to help it achieve future milestones.

As well as LOCOG and CLM, the ODA is working with many organisations to deliver a successful Games and legacy. These include:

- the London Development Agency (LDA) and other Regional Development Agencies (RDAs);
- the London Thames Gateway Development Corporation;
- Olympic Lottery Distributor (OLD);
- Transport for London (TfL) and other transport authorities;
- the local authorities in the five Host Boroughs (the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest); and

- many other public agencies, as well as the companies that the ODA will contract to design, build, commission and convert venues and infrastructure.

The Olympic Board has oversight of the entire London 2012 Olympic and Paralympic Games project and is responsible for coordinating the work of LOCOG and the ODA, resolving and determining issues raised by members and ensuring a sustainable legacy following the Games.

The Olympic Board comprises the Minister for the Olympic and Paralympic Games (Co-Chair) representing the Government's interests, the Mayor of London (representing the Greater London Authority (GLA)) and the Chairs of LOCOG and the British Olympic Association (BOA). Its meetings are attended by the Chairman of the ODA.

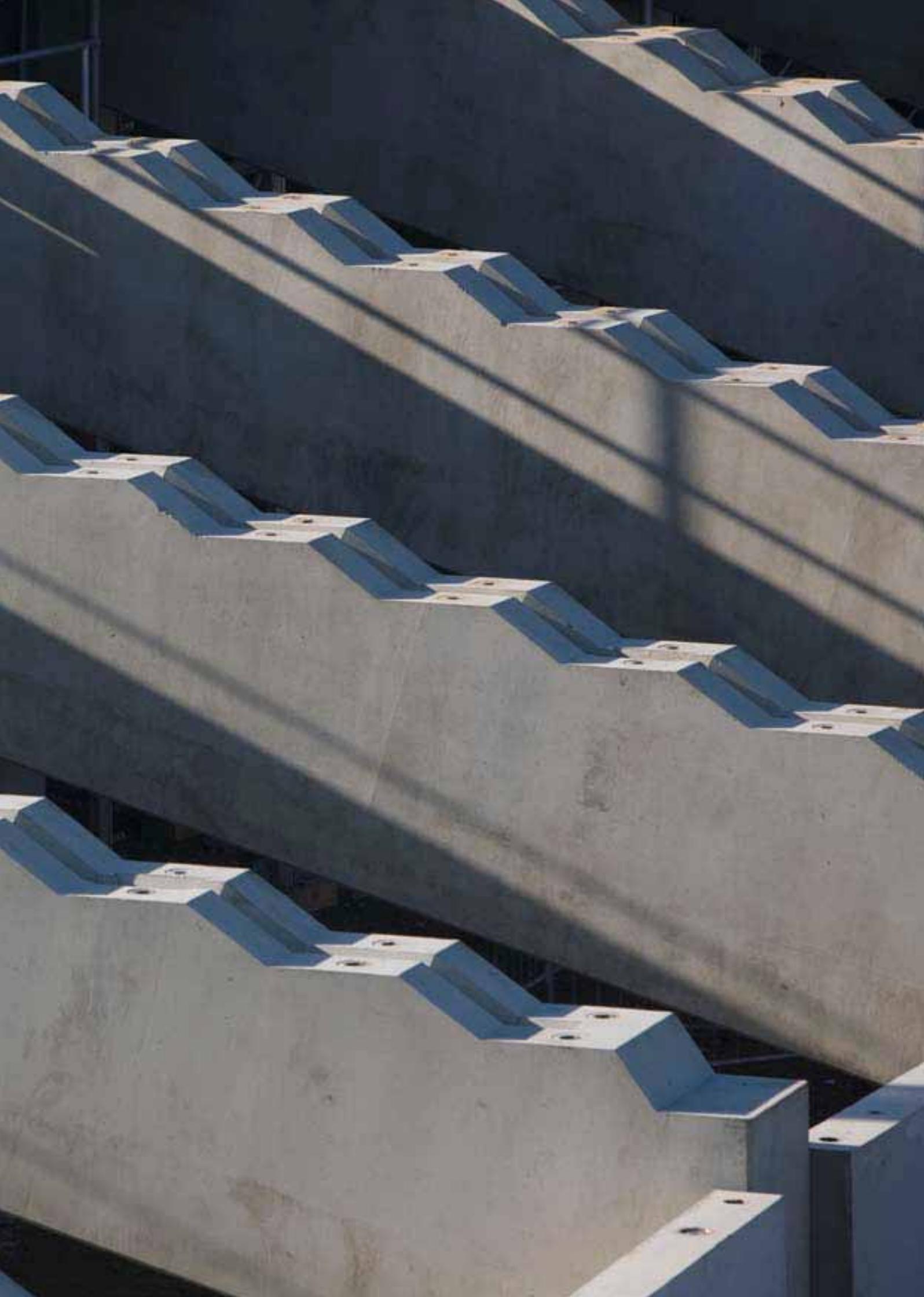
- The Department for Culture, Media and Sport (DCMS) is the lead department on behalf of Government. Within DCMS the Government Olympic Executive (GOE) supports and works to the Minister for the Olympic and Paralympic Games and is responsible for co-ordinating Government support, including the establishment, funding and sponsorship of the ODA.
- The GLA was one of the bid's three central stakeholders and has committed funding to delivering the Games. The Mayor of London, together with LOCOG and the BOA, is jointly responsible for delivering the Games under the terms of the Host City Contract, agreed with the International Olympic Committee (IOC).
- The BOA is the British representative of the Olympic Movement, and is responsible for British participation in Summer and Winter Games, safeguarding Olympic values and ensuring sports elements are protected.
- The British Paralympic Association (BPA) is responsible for selecting, preparing, funding and managing Britain's competitors at the Paralympic Games, and its interests are represented on the Olympic Board by the BOA.

Right: CLM Delivery Partner CEO, Ian Galloway, with members of the ODA Construction Crew





accounts



Accounting Officer's Statements

Accounting Officer's Report

Statutory background

The Olympic Delivery Authority (the ODA) is a corporate body established by Section 3 of the London Olympic Games and Paralympic Games Act 2006 (the Act) on 30 March 2006. The ODA commenced business on 1 April 2006.

The ODA is an executive non-departmental public body, sponsored by the Department for Culture, Media and Sport (DCMS).

Following a transfer of Ministerial responsibilities in June 2007, responsibility for the Olympic and Paralympic Games under the Act was transferred from the Secretary of State for Culture, Media and Sport to the Paymaster General who is also the Minister for the Olympic and Paralympic Games and London.

This change was formalised in:

- The Transfer of Functions (Olympics and Paralympics) Order 2007 (the 2007 Order), which came into force on 22 August 2007 and provided for the functions of the Secretary of State to be exercisable concurrently with the Paymaster General; and
- A protocol, between the Secretary of State and the Minister for the Olympic and Paralympic Games under which it was agreed that it is the Minister who will exercise the functions that have been transferred under the 2007 Order.

Principal activities

Under Section 4(1) of the Act the ODA may take any action that it thinks necessary or expedient for the purpose of:

- Preparing for the London 2012 Olympics
- Making arrangements in preparation for or in connection with the use or management, before during or after the Games, of premises and other facilities acquired, constructed or adapted in preparation for the Games, or
- Ensuring that adequate arrangements are made for the provision, management and control of facilities for transport in connection with the London 2012 Olympics.

In addition the ODA became a local planning authority on 7 September 2006 within the boundary defined in the Planning Functions Order 2006 made under the Local Government Planning and Land Act 1980. The Mayor of London has the power to direct the ODA to refuse an application for planning permission in a specified case.

During the year the ODA formed two limited partnerships and a number of limited companies to facilitate the development of the Olympic Village and the post-Games legacy development. As a result the ODA has prepared consolidated accounts for the year ended 31 March 2009. The accounting policy for consolidation is explained in Note 1. Details of the partnerships and companies are given in Note 22.

Presentation of the Accounts

The Accounts for the year to 31 March 2009 have been prepared in accordance with the Direction on the Annual Accounts issued by the Secretary of State with the consent of HM Treasury in accordance with paragraph 18(2)(e) of Schedule 1 to the Act. Details of the Direction can be found on page 105. The Accounts are prepared in accordance with the Financial Reporting Manual which incorporates UK GAAP. As required by HM Treasury, ODA will move to IFRS in 2009–10.

Details of the principal Accounting Policies are provided in Note 1 to the Accounts.

Land and property ownerships

The Olympic Park at Stratford covers an area of 2.5 square kilometres where the freehold ownership rests with the London Development Agency (LDA). The ODA does not have any land ownership interests on the Olympic Park but has licence arrangements to enter the site to carry out groundworks and other site infrastructure. The ODA has similar arrangements with the Lea Valley Regional Park Authority to enable it to undertake work on the Velodrome and the White Water Canoe Centre.

The ODA previously held the freehold of 55 hectares of land at Stratford City to the east of the Olympic Park. On 16 July 2008 the ODA entered into a series of land transactions that transferred the legal ownership of part of the site to Westfield and the balance to Stratford Village Property Holdings 1 Ltd and Stratford Village Property Holdings 2 Ltd who hold the land on behalf of Stratford Village Development (GP) Ltd. The purpose of these transactions was to allow Westfield to commence work on its shopping centre at Stratford City and Lend Lease to commence work on the Olympic Village. The ODA has no other land ownerships.

The ODA holds an assignment of leasehold premises at 11 Burford Road, Stratford where its planning department is located. The lease runs until September 2014.

During the year the ODA took leases on additional units at 11 Burford Road. The leases run until 31 December 2012.

The ODA holds an assignment of leasehold premises at Omega Works, Roach Road, Bow, for use as a viewing platform. The lease runs until 1 November 2012.

The ODA is a sub tenant of the London Organising Committee for the Olympic Games (LOCOG) in respect of its offices at 1 Churchill Place, Canary Wharf.

Delivery Partner

The ODA appointed CLM Delivery Partner Ltd (CLM) as its Delivery Partner in September 2006 to support the ODA in project managing the delivery programme for the venues and infrastructure for the Games. CLM is a consortium of CH2M Hill, Laing O'Rourke and Mace. CLM provides the ODA with world class project and programme management expertise with experience of previous Olympic and Paralympic Games. The appointment of CLM has enabled the ODA to quickly resource to meet its challenging operational and delivery targets.

Under the terms of the call off service contract between ODA and CLM, Task Orders setting out the scope of and resources required for the work to be executed by CLM are agreed periodically. A mobilisation task order was put in place in September 2006, followed by Master Task Order 1 in February 2007 which was completed on 25 July 2008 with 92% of targets met. Work is currently being performed under Master Task Order 2, and is planned to cover the services of CLM to the ODA throughout the main construction period from Summer 2008 up to the end of the Paralympic games in 2012 and CLM resources have been agreed to 31 December 2009.

The cost of CLM has been subject to review by Ernst & Young who have benchmarked the proposed costs against that expected on a range of major complex projects. In summary, they have concluded that the costs are within the range expected.

In order for the ODA to achieve or better certain financial and time based targets performance payments are only paid to CLM for the achievement of key performance indicators as specified in the agreed task orders. Amounts paid to CLM (invoiced and accrued) are disclosed on Note 19, Related Party Transactions.

Olympic Park Transport and Environmental Management Schemes

In 2007–08, as part of the planning permissions for the Olympic Park, the ODA made a contribution of £20m (under s106 of the Town and Country Planning Act 1990) towards the cost of mitigating the adverse transportation effects within the neighbouring residential and business communities. The unspent part of the contribution is held in a bank account controlled by the ODA but to which it has no access except for the purposes specified in the planning permission. The balance on the account is excluded from the 'Cash in bank and at hand' figure in the ODA's balance sheet. At 31 March 2009 the unspent balance, including accrued interest was £20,809,000 (2007–08: £20,166,000).

Review of activities

A full description of the ODA's activities is given on pages 21.

Board membership

The ODA's Board comprises 13 members, appointed by the Minister for the Olympic and Paralympic Games. The members of the ODA's Board are listed on pages 13 to 17.

Sir Howard Bernstein resigned on 10 July 2008.

Sir Peter Mason's appointment expired on 1 October 2008.

David Fison was appointed to the Board on 1 January 2009.

All other Board members were re-appointed on 20 April 2008 for a period of one year and were subsequently re-appointed until 30 September 2012.

The members of the Board are required to follow the principles established by the Nolan Committee in the conduct of public bodies. The ODA maintains a Register of Interests to identify any potential conflicts of interests that is open to the public. This is available on the ODA website and by application to the Board Secretariat.

Accounting Officer's Statements

Accounting Officer's Report continued

Committees of the Board

Planning Committee

The Planning Committee is a sub-Committee of the Board set up to exercise the ODA's development control and planning authority powers set out in the ODA Planning Functions Order. It meets at least six times a year. The Committee performs an independent role from the functions of the rest of the ODA and is separately advised by the Planning Decisions Team of officers and advisors. The responsibility of the Planning Committee includes determining planning applications within the ODA's planning authority area. The Planning Decisions Team deals, inter alia, with planning enforcement matters and co-ordination with local authorities regarding development control issues in respect of the Olympic and Paralympic Games.

The Planning Committee is appointed by the Board and the appointment of external members is confirmed by the Minister for the Olympic and Paralympic Games. The Committee members are:

Lorraine Baldry	Chair
David Taylor	Deputy Chair
Cllr Rofique Ahmed	LB Tower Hamlets
Cllr Conor McAuley	LB Newham
Cllr Geoff Taylor	LB Hackney
Cllr Terry Wheeler	LB Waltham Forest
Mike Appleton	
Celia Carrington	
William Hodgson	
Janice Morphet	
Dru Vesty	

During the course of the year all Planning Committee members (other than board members) were re-appointed until September 2010.

Audit Committee

The Audit Committee is a sub committee of the Board that meets at least four times a year. The Committee has three prime functions: it oversees the development, implementation and maintenance of the overall risk management framework and its risk strategy and policies to ensure they are in line with corporate governance and reviews the developmental and commercial strategies; it ensures that financial statements comply with statutory and administrative requirements and ensures the ODA meets the highest standards of propriety and accountability for the use of public funds. The Committee members are:

Sir Roy McNulty	Chair
Sir Howard Bernstein	Resigned 10 July 2008
Barry Camfield	Appointed 24 July 2008
Neale Coleman	
David Fison	Appointed 22 January 2009
Christopher Garnett	
Sir Peter Mason	Appointment expired 1 October 2008
Kumar Muthalagappan	

Finance Committee

The Finance Committee is a sub committee of the Board that meets at least four times a year. The Committee has three prime functions: to review and challenge financial plans, review the use of resources (in particular, the ODA's running costs and the utilisation of the Delivery Partner) to ensure that value for money is achieved; and assist the Audit Committee and Board in ensuring that the ODA meets the highest standards of financial management and accountability for the use of public funds. The Committee members are:

John Armitt	Chair
Sir Roy McNulty	
Sir Howard Bernstein	Resigned 10 July 2008
Barry Camfield	Appointed 24 July 2008
Neale Coleman	
David Fison	Appointed 22 January 2009
Christopher Garnett	
Kumar Muthalagappan	

Remuneration Committee

The Remuneration Committee is a sub committee of the Board that meets at least four times a year to review and determine the remuneration arrangements of the ODA staff including pensions and performance related pay. The Committee determines the remuneration of the Chief Executive. The Committee members are:

Sir Roy McNulty	Chair
John Armit	
Tony Ball	
Sir Howard Bernstein	Resigned 10 July 2008
Christopher Garnett	
Kumar Muthalagappan	

Communications Committee

The Communications Committee is a sub committee of the Board that meets at least once a year to provide advice, support and guidance to the Board and Communications Director in relation to the ODA's communications strategy, including media, stakeholder and community relations, marketing, branding and publications. The Committee members are:

Baroness Morgan of Huyton	Chair
Tony Ball	Appointed 24 July 2008
Sir Howard Bernstein	Resigned 10 July 2008
Neale Coleman	

Safety, Health and Environment Committee

The Safety, Health and Environment Committee is a sub committee of the Board that meets at least four times a year. The Committee has two prime functions: to review the ODA Safety, Health and Environment Standards and incorporated policies to ensure that they remain in the forefront of best industry practise; and to review the implementation of those policies to ensure that they are in line with corporate governance and industry best practice, including legal compliance. The Committee members are:

Stephen Duckworth	Chair
Barry Camfield	
David Fison	Appointed 22 January 2009
Sir Peter Mason	Appointment expired 1 October 2008
Frank Musgrave	Co-opted external member, appointed 1 July 2008

Executive Management Board

The Chief Executive, David Higgins, was appointed by the Secretary of State. He has also been designated as Accounting Officer and is responsible to the Board for the general exercise of the Board's functions. The Executive Management Board assists David Higgins in the discharge of his responsibilities.

The members of the Executive Management Board during the year were:

David Higgins	Chief Executive
Dennis Hone	Director of Finance and Corporate Services
Ralph Luck	Director of Property
Alison Nimmo	Director of Design and Regeneration
Howard Shiplee	Director of Construction
Godric Smith	Director of Communications
Hugh Sumner	Director of Transport
Simon Wright	Director of Infrastructure and Utilities

Sustainability

The ODA's approach to sustainability is described on page 56.

Accounting Officer's Statements

Accounting Officer's Report continued

Creditor payment policy and practice

The ODA has signed up to the Better Payment Practice Code, and is committed to adhering to the Late Payment of Commercial Debts (Interest) Act 1998, by paying all invoices not in dispute within agreed contractual terms or within 30 days of the presentation of a valid invoice. Prime contractors employed under NEC3 contracts are paid within 18 days. An analysis of payment performance during the 2008–09 financial year showed that 75 per cent (2007–08: 78 per cent) of undisputed invoices were paid in accordance with the code.

Employment of disabled persons

The ODA gives full and fair consideration to all applications for employment from disabled people, having regard to their aptitudes and abilities, and seeking ways to make reasonable adjustments where appointments of disabled people are made. Should any employee become disabled while working for the ODA, arrangements for retraining and support will be made wherever possible with a view to enabling continued employment.

Health and safety

The ODA has ensured that health and safety continues to be treated as a core issue in the specification, procurement and delivery of design and construction work. There are well-developed processes to achieve healthy and safe designs and the construction work is undertaken in a context carefully planned to enable the supply chain to deliver high performance. The works are closely monitored to confirm compliance with the extensive ODA Safety, Health and Environment Standard, and with the commitment of the supply chain the results to date remain comparable to world-class projects as the accident rate continues to lie well below industry averages. The programme recently marked the seventh period of a million hours worked without a reportable accident. The ODA is also committed to looking after the well-being of its own staff and the construction workforce, through regular monitoring of the working environment, occupational health schemes for staff and on site initiatives such as healthy eating campaigns. The health and safety programme is overseen by the Safety, Health and Environment (SHE) Committee of the ODA Board.

Employee relations

The ODA values diversity and strives to provide equality of opportunity in employment. ODA job vacancies are advertised and all job applicants are given full and fair consideration and are judged on the merit of their skills, experience and qualifications in relation to the specific requirements of posts within the ODA.

Employees of the ODA are provided with opportunities to participate actively in the affairs, policy development and performance of the organisation. Employees are invited to attend regular briefings on the work of the ODA and London 2012 and to contribute to human resources policy development. There is an active Staff Forum which is an elected body set up for information and consultation purposes. Feedback from the staff opinion survey shows very high levels of employee engagement.

Pensions

Employees can elect to join the ODA's group stakeholder pension plan which is described in Note 5 to the Accounts.

Open Government and Freedom of Information

The ODA is committed to fostering a culture of openness, transparency and accountability. It is also committed to comply with its obligations under the Freedom of Information Act.

Losses and special payments

Losses and special payments are shown in Note 20 to the Accounts.

Gifts and hospitality

All the ODA's staff are required to register all gifts and offers of hospitality on a weekly basis, regardless of their size. This information is recorded on the gifts and hospitality register, maintained by the legal department. The register is published quarterly on the ODA's website.

Protected personal data

The ODA has suffered no protected personal data incidents during 2008–09 or prior years and has made no reports to the Information Commissioner's office.

Sickness

The average number of days per employee lost through sickness was 2.7 (2007–08: 2.8).

Financial performance

The Consolidated Income and Expenditure Account shows a deficit for the year of £642,865,000 (2007–08: £269,275,000). The deficit arises due to the accounting treatment of Grant in Aid. Grant in Aid is taken directly to reserves and as a consequence expenditure funded by Grant in Aid is not matched by income in the Income and Expenditure Account and a deficit arises. Also, as Grant in Aid is recognised on a cash basis it does not cover accruals which increase the deficit on the General Reserve.

The ODA has an ongoing financial reliance on the DCMS, the Olympic Lottery Distributor (OLD) and the Greater London Authority (GLA) to fund its operations. DCMS receives some of its funding from the Department for Transport (DfT) and the Department for Communities and Local Government (DCLG). The ODA has made enquiries of DCMS and its other funding bodies and it is confident that resources will be secured to enable the ODA to meet its financial and operational objectives. In addition the overall funding of the work necessary to deliver the venues and infrastructure for the Olympic and Paralympic Games is underwritten by Government as part of the host city contract with the International Olympic Committee. Details of grant income received in the year are given in Note 2.

Expenditure during the year, which is shown in Note 4, relates to the preparation and construction of the Olympic Park and off-park venues. Significant progress has been made on the construction of a number of major venues and on the design and procurement of others.

The combined investment of public money to-date is set out in the table below:

	ODA 2006–08 £'000	ODA 2008–09 £'000	Total £'000
Site preparation and infrastructure	444,338	323,160	767,498
Venues	68,834	218,002	286,836
Transport	47,655	81,670	129,325
Other Parkwide projects	94,348	108,450	202,798
Olympic Village and IBC/MPC	26,687	346,281	372,968
Total programme	681,862	1,077,563	1,759,425
Programme Management	178,143	181,338	359,481
Total	860,005	1,258,901	2,118,906

The ODA expenditure in 2006–08 includes expenditure incurred by the interim Olympic Delivery Authority in the period 6 July 2005 to 31 March 2006. ODA expenditure in 2008–09 excludes depreciation of £4,519,000 (2007–08: £2,636,000), capital charge of £3,464,000 (2007–08: £nil) and transfer of assets of £8,537,000 (2007–08: £nil) and is net of reimbursement of £108,409,000 (2007–08: £81,958,000) from the London Development Agency for remediation and other costs incurred by the ODA on its behalf.

At the year end the Consolidated Balance Sheet shows net assets of £476,559,000 (2007–08: net assets £8,537,000).

Fixed assets

Tangible fixed assets at the year end amounted to £661,137,000 (2007–08: £121,038,000), of which £551,340,000 (2007–08: £105,862,000) were purchased or constructed during the year. Assets in the course of construction amount to £654,287,000 (2007–08: £114,028,000). The remaining £6,850,000 (2007–08: £7,010,000) comprises expenditure on construction site accommodation, office fit-out and computer equipment.

On completion of the works at the National Sailing Academy the legal title transferred to the South West England Regional Development Agency, with DCMS approval, for nil consideration. The cost of the works was £8,537,000.

Cash balances

Cash balances are held on interest earning deposit at the ODA's bankers, Lloyds TSB.

Accounting Officer's Statements

Accounting Officer's Report continued

Financial Instruments

The ODA has implemented FRS 25 Financial Instruments: Presentation, FRS 26 Financial Instruments: Recognition and Measurement and FRS 29 Financial Instruments: Disclosures. Details of the ODA's accounting policy on financial instruments are contained in Note 1 and the value of financial instruments held at the balance sheet date is disclosed in Note 23. The ODA holds primary financial instruments only, such as trade debtors and creditors that are managed in the normal course of business.

Auditors

The Comptroller and Auditor General is the statutory appointed auditor.

So far as the Accounting Officer is aware, there is no relevant audit information of which the ODA's auditors are unaware, and he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the ODA's auditors are aware of that information.

Post balance sheet events

Post balance sheet events are described in Note 21.

Accounting Officer's Statements

Remuneration Report

Constitution of the Remuneration Committee

The constitution of the Remuneration Committee is set out on page 71.

The Committee has four main functions:

- To determine the remuneration of the Chief Executive, including salary and performance related pay;
- To consider recommendations and proposals from the Chief Executive regarding pay, performance related pay and any other matters regarding remuneration for the Directors and direct reports to the Chief Executive;
- To advise the Board and the Chief Executive as requested on general matters regarding remuneration of employees; and
- To consider any matters relating to the ODA's pension arrangements which may require the attention of the Board.

Remuneration Policy

The Remuneration Committee has regard, within the constraints of Public Sector Pay Policy, to the need to recruit high calibre employees to ensure that the Olympic Programme can be delivered on schedule. The levels of remuneration of employees are subject to agreement with DCMS.

The ODA operates a discretionary non-pensionable performance related pay scheme which is designed to incentivise employees and is based on the achievement of the ODA's objectives, as measured through a rigorous performance management framework. The performance management framework assesses performance of individuals during each financial year.

Board members receive an annual fee for serving on the Board. Committee members are paid a daily rate according to the time that they have spent on Committee duties.

Service contracts

The Minister for the Olympic and Paralympic Games appoints Board members and sets the level of their emoluments. Their appointments require three months' notice of termination.

Planning Committee Members are appointed by the ODA with the approval of the Minister for the Olympic and Paralympic Games for periods up to two years. Their appointments require three months notice of termination.

The Chief Executive, Director of Finance and Corporate Services and Director of Transport appointments were subject to the approval of the Secretary of State. The other Executive Management Board members have been appointed by the Board. The terms and conditions of employment of all Executive Management Board members are approved by DCMS.

The Chief Executive is employed on a permanent contract and is required to give 6 months notice of termination of employment whilst the ODA is required to give 12 months notice to the Chief Executive.

Other Executive Management Board members have permanent contracts of employment with notice periods between three and six months.

Accounting Officer's Statements

Remuneration Report continued

Remuneration (audited information)

Board members

		2008–09 £'000	2007–08 £'000
John Armit	Chairman (2007/08 from 01/09/07)	250	144
Sir Roy McNulty	(2007/08 acting Chairman to 31/08/07)	52	160
Lorraine Baldry		17	15
Tony Ball		–	–
Sir Howard Bernstein	To 10 July 2008	2	8
Barry Camfield		13	7
Neale Coleman		9	–
Stephen Duckworth		22	20
David Fison	From 1 January 2009	–	–
Christopher Garnett		15	11
Sir Peter Mason	To 1 October 2008	5	8
Baroness Morgan of Huyton		9	10
Kumar Muthalagappan		13	9
Sir Nicholas Serota		10	14
David Taylor		19	12

Board members receive no benefits in kind or pension entitlements. Board members received reimbursement of travel and subsistence expenses amounting to £30,000 (2007–08: £61,000) in the financial year.

Planning Committee members

The Chair and Deputy Chair of the Planning Committee, Lorraine Baldry and David Taylor respectively, are members of the Board and their remuneration is set out in the preceding table.

The remuneration of the other Planning Committee members is shown below:

		2008–09 £'000	2007–08 £'000
Cllr Rofique Ahmed		11	6
Cllr Conor McAuley		12	8
Cllr Geoff Taylor		11	6
Cllr Terry Wheeler		11	4
Mike Appleton		10	10
Celia Carrington		9	8
William Hodgson		9	6
Janice Morphet		12	6
Dru Vesty		13	6

Planning Committee members receive no benefits in kind or pension entitlements. Planning Committee members received reimbursement of travel and subsistence expenses amounting to £9,000 (2007–08: £3,000) in the financial year.

External committee members

Frank Musgrave received fees of £1,500 and expenses of £1,200 for his work on the Safety, Health and Environment Committee.

Senior management

		Salary £'000	Performance related pay £'000	Taxable benefits £'000	Employer's pension contributions £'000	Total 2008–09 £'000	Total 2007–08 £'000
David Higgins	Chief Executive	384	105*	–	48	537	624
Dennis Hone	Director of Finance and Corporate Services	270	48	–	38	356	358
Ralph Luck	Director of Property	212	38	5	33	288	297
Alison Nimmo	Director of Design and Regeneration	224	38	–	27	289	290
Howard Shiplee	Director of Construction	282	48	–	32	362	357
Godric Smith	Director of Communications	192	33	–	22	247	243
Hugh Sumner	Director of Transport	224	38	–	26	288	285
Simon Wright	Director of Infrastructure and Utilities	224	38	–	26	288	290

*For the financial year 2008–09, the Remuneration Committee determined that a performance related payment of £209,566 was the appropriate amount to recognise the Chief Executive's performance. However the Chief Executive voluntarily deferred half of that amount until no later than December 2012, subject to the satisfactory delivery of the current programme scope within the maximum available budget agreed by the Minister for the Olympic and Paralympic Games.

Payments to third parties

There were no payments to third parties for the services of senior managers.

Pensions

Employees can elect to join the ODA's group stakeholder pension plan which is administered by Fidelity Ltd. Details of the scheme are given in Note 5.3. Except as noted below, all Directors are members of the scheme.

Howard Shiplee has a personal pension to which contributions are made by the ODA on the same basis as other employees.

Dennis Hone and Ralph Luck are members of the HCA Pension Scheme which is a multi-employer defined benefit scheme.

	Real increase in accrued pension £'000	Accrued pension at 31 March 2009 £'000	CETV at 31 March 2008 £'000	CETV at 31 March 2009 £'000	Real increase in CETV £'000
Dennis Hone	3	63	975	1,249	264
Ralph Luck	–	65	1,346	1,519	165

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. It does not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

The Real Increase in the Value of the CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, employee contributions (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Accounting Officer's Statements

Statement of Accounting Officer's Responsibilities

Under Schedule 1 of the London Olympic Games and Paralympic Games Act 2006, the ODA is required to prepare, for each financial year, a statement of accounts in the form and on the basis determined by the Secretary of State, with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the ODA's state of affairs and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer, is required to comply with the requirements of the Government Financial Reporting Manual (the FReM) and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive as Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the ODA's assets, are set out in Accounting Officer's Memorandum issued by HM Treasury and published in Managing Public Money.

Accounting Officer's Statements

Statement of Internal Control

Scope of Responsibility

As Accounting Officer for the Olympic Delivery Authority (the 'ODA'), I have responsibility for maintaining a sound system of internal control that:

- Supports the achievement of the ODA's policies, aims and objectives; whilst
- Safeguards the public funds and ODA assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing Public Money'; and
- Ensures compliance with the 'Management Statement' and the 'Financial Memorandum', including specific accountability arrangements with the Department for Culture, Media and Sport, the Greater London Authority (GLA), the London Development Agency and the Olympic Lottery Distributor.

This Statement is given in respect of the Olympic Delivery Authority and its subsidiaries, which are listed in Note 22 to the accounts. The ODA Main Board and Audit Committee exercise oversight of the actions of these wholly owned subsidiaries.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to absolutely eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of ODA aims, objectives and policies;
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Manage them efficiently, effectively and economically.

The year to 31 March 2009 was the ODA's third year of operation, which saw the conclusion of 'Demolish, Dig, Design' and the commencement of the 'Big Build' construction phase of work, with solid progress on the majority of the major venues within the Olympic Park. As project activity has built up momentum, the system of internal control binds the ongoing management, control and reporting across the programme. As part of a cycle of continuous improvement, the ODA has kept its processes and procedures under regular review during the year, making refinements and enhancements as appropriate.

The system of internal control has been in place in the ODA for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

Capacity to Handle Risk

The ODA has a risk policy that clearly identifies how risk is managed through three lines of defence. The three lines of defence comprise of:

- First Line: line management is responsible for delivery of the ODA's programme objectives and managing the risk arising in its day to day activities in accordance with the processes set out in the ODA's 'Risk Management Framework'.
- Second Line: the Programme Assurance Office (PAO) is responsible for the effective oversight and challenge of risk management, reporting on effectiveness to the Executive Management Board and the ODA Board.
- Third Line: the Risk & Audit Department is responsible for delivering an internal audit work programme to provide assurance to the Audit Committee and executive on the effectiveness of implementation of the system of internal control and risk management framework.

Supporting this, and reflecting the evolving nature of the programme, a number of changes were made to the ODA Governance Framework during the year:

- Executive Level Governance: Three additional boards were created – Sustainability and Employment & Skills Boards (to drive forward these two priority themes), and the LDA/ODA Programme Board (to provide integration of ODA and London Development Agency for legacy issues); and
- Programme/Project Level Governance: a number of boards were created, reconstituted, or replaced during the year following a review of programme governance to reflect programme shift from the design phase into the construction phase.

Accounting Officer's Statements

Statement on Internal Control continued

The Risk and Control Framework

The Risk Policy is owned by the ODA Board, and overseen on a day to day basis by Risk & Audit. It outlines the objectives, governance and high level roles and responsibilities for risk management. Beneath this, the Risk Management Framework sets out the high-level processes and references the detailed procedures followed within the ODA and its delivery partner, and outlines the risk escalation strategy and categorisation, and risk recording and reporting processes.

The ODA's strategy is to marshal its resources such that risk is reduced to a level that is tolerable. All risks are assessed for both the potential impact and probability of occurrence against a set of parameters (cost, time, reputation, sustainability etc). The resulting severity score helps the ODA as a whole, the Executive Management Board, and other senior management understand the quantum of the risk exposure being incurred and directs the actions to be taken.

However, fully mitigating the impact of certain risks may be uneconomical (for example, risks arising from 'acts of God' such as flood risk), therefore line management is responsible for establishing and testing contingency plans for such risks. The 'Business Continuity/Crisis Management Policy & Planning Standards', an overall business continuity strategy, was approved by EMB at its April 2008 meeting, although further work is required to fully implement plans which encompass all projects and aspects of ODA operations.

The ODA risk register is maintained from both a strategic perspective looking down into the business, and from a project/operational level looking upwards. It records the risks the ODA faces, and shows clearly the owner of the risk, the gross value of the risk, the actions being taken to mitigate the risk, and the net risk position. The ODA has identified the following key risk themes as at 31 March 2009:

- The challenge of delivering a major programme to a fixed budget and time deadline;
- Undefined or changing stakeholders requirements;
- Finalisation of the funding arrangements for and delivery of the Olympic Village, although this was partly resolved post year-end;
- Insolvency of Tier 2 or other critical contractors; and
- The delivery of interdependent projects within the overall programme plan.

A key component of the Risk Framework is the Programme Risk Review, which is chaired by the Chief Risk Officer, and had the twin aims of:

- Promoting sound risk management practice across the ODA's operations, as an integral part of strategic and operational decision making, planning and implementation; and
- Reviewing and challenging the effectiveness of the ODA's approach to risk governance, particularly identification, prioritisation and mitigation of strategic and key programme risks, and their upward reporting to executive management and the Government Olympic Executive.

In addition to the Risk Management Framework, the ODA has established an annual internal assurance process that requires directors to report on whether they have complied with the ODA's risk and internal control procedures, and identifies the work undertaken to keep risk and internal control under review, up to date, and appropriate.

The ODA Board regularly reviews the risk register and management's planned mitigation actions. On behalf of the ODA Board, Risk & Audit periodically review the Risk Management Framework to ensure its ongoing appropriateness.

Information Security

My responsibility for the statement of internal control includes the management of risks associated with information security. ODA has maintained information management policies and processes throughout the year, and, in early 2009, formally adopted government standards as outlined by the Cabinet Office's Security Policy Framework. Consequently, systems and processes to support this policy revision were still being implemented at the end of the year, and further work is required to embed them into operations across the organisation and programme. In addition, ODA is working with its delivery partners, key contractors and key government experts to determine how these policies should be cascaded down through the supply chain. I am able to report that no information security incidents have occurred that required reporting to the Information Commissioner during this year.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has additionally been informed by the work of:

- The executive managers within the ODA who have responsibility for the development and maintenance of the internal control framework;
- Risk & Audit;
- Other internal assurance processes, including the work of the Programme Assurance Office;
- Reviews undertaken externally by bodies such as the Office of Government Commerce and the Commission for a Sustainable London; and
- Comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to ensure continuous improvement of the systems is in place.

The Risk & Audit Department provides an independent, objective and systematic evaluation of risk management, control and governance within the ODA. Risk & Audit examines the adequacy, efficiency and effectiveness of systems, people and processes to identify potential risks and areas for improvement. This includes reviewing the effectiveness of the systems of internal control to confirm compliance with the 'Management Statement' and the 'Financial Memorandum'.

Risk & Audit provides findings and recommendations for each audit/review, including benchmarking controls and performance against leading practices, with the aim of improving processes and practices within the ODA. All action items arising from audits/reviews have an agreed management response and implementation date. The implementation is monitored by Risk & Audit, and reported on an exception basis to the Audit Committee. In addition, the Head of Risk & Audit provides me with an annual report on the delivery and outcome from the approved annual work programme for the 2008–09 financial year. The Head of Risk & Audit highlighted the following areas for attention in 2009–10, when the ODA should:

- Further enhance the existing programme, project and contract management processes covering the ODA and its subsidiaries in particular in the areas of interface management, change control and lessons learned;
- Further define and document the recent changes to the risk elements contained within project reporting to ensure consistent application across the programme;
- Refine the performance monitoring regime to ensure that the key performance indicators in place are fully reflective of the progress made and risks faced by the projects;
- Be mindful of the administrative burden arising from the volume of change requests on a number of the projects;
- Work with stakeholders to ensure appropriate alignment in the delivery of key Olympic commitments, while minimising the impact of change on the ODA programme;
- Conclude projects to enhance the business continuity and information security arrangements;
- Remain vigilant to ever-present security and fraud risks; and
- Establish appropriate governance arrangements to ensure the delivery of the Olympic Village project, now that funding arrangements have been finalised.

Overall, the Head of Risk & Audit concluded, 'the system of internal control within the Olympic Delivery Authority is satisfactory and meeting the day to day challenges being faced by the ODA and its construction programme. However, the increasing level of activity over the next 18 months reinforces the need for ongoing diligence and due adherence to the system of internal control. It is therefore key that the system of internal control continues to operate robustly and is kept under review to ensure it remains fit for purpose'.

As result of the above, I am satisfied that an appropriate and sound system of internal control is in place to manage, monitor and report on the ODA programme. As part of an ongoing process of continuous review and development, further refinements and improvements to the system of internal control have been identified that will be put in place during 2009–10.



David Higgins
Chief Executive and Accounting Officer
Olympic Delivery Authority
25 June 2009

Audit Report and Opinion

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of the Olympic Delivery Authority Group for the year ended 31 March 2009 under the London Olympic Games and Paralympic Games Act 2006. These comprise the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet and Authority Balance Sheet, the Consolidated Statement of Recognised Gains and Losses, the Consolidated Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Authority, Chief Executive and auditor

The Authority and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State. I report to you whether, in my opinion, the information, which comprises the Accounting Officer's Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Authority has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Authority's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Authority and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- The financial statements give a true and fair view, in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State, of the state of affairs of the Group and the Authority as at 31 March 2009 and of the Group's deficit, recognised gains and losses and cash flows for the year then ended;
- The financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State; and
- Information, which comprises the Accounting Officer's Report, is consistent with the financial statements.

Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.

Amyas CE Morse

Comptroller and Auditor General

7 July 2009

National Audit Office

151 Buckingham Palace Road

London

SW1W 9SS

Accounts

Consolidated Income and Expenditure Account for the year ended 31 March 2009

	Note	2008-09 £'000	2008-09 £'000	2007-08 £'000
Income				
Grant receivable	2		70,157	183,606
Other grant income	3		1,377	932
Other operating income	3		947	285
			72,481	184,823
Expenditure				
Programme Expenditure	4	539,985		344,034
Programme Management	4	177,195		111,136
Capital Charge	4	3,464		–
			720,644	455,170
Operating deficit			(648,163)	(270,347)
Interest receivable	6		2,893	1,579
Reversal of Capital Charge			3,464	–
Deficit on ordinary activities before taxation			(641,806)	(268,768)
Taxation	7		(1,059)	(507)
Deficit for the year			(642,865)	(269,275)

Grant in Aid received towards programme expenditure and management is not recognised in the Income and Expenditure Account but taken directly to reserves in accordance with requirements specified by HM Treasury and therefore a deficit arises.

The notes on pages 89 to 104 form part of these Accounts.
All amounts relate to continuing activities.

Balance Sheet at 31 March 2009

	Note	Group 2008-09 £'000	2007-08 £'000	Authority 2008-09 £'000	2007-08 £'000
Fixed assets					
Tangible fixed assets	8	661,137	121,038	470,751	121,038
Intangible fixed assets	9	3,874	2,662	3,874	2,662
		665,011	123,700	474,625	123,700
Current assets					
Loan	10	–	4,250	–	4,250
Debtors	11	14,633	11,280	14,633	11,280
Cash at bank and in hand		23,830	18,541	23,830	18,541
		38,463	34,071	38,463	34,071
Creditors: amounts due within one year	12	(214,307)	(149,234)	(214,307)	(149,234)
Net current liabilities		(175,844)	(115,163)	(175,844)	(115,163)
Total assets less current liabilities		489,167	8,537	298,781	8,537
Provisions for liabilities and charges	12	(12,608)	–	(12,608)	–
Net Assets		476,559	8,537	286,173	8,537
Reserves					
General Reserve	13	256,475	(58,560)	66,089	(58,560)
OLD Capital Reserve	14	61,978	20,191	61,978	20,191
GLA Capital Reserve	14	105,606	46,906	105,606	46,906
LDA Capital Reserve	14	50,000	–	50,000	–
TfL Capital Reserve	14	2,500	–	2,500	–
Net Assets		476,559	8,537	286,173	8,537

The notes on pages 89 to 104 form part of these Accounts.
All amounts relate to continuing activities.

Approved by the Board on 25 June 2009



David Higgins
Chief Executive and Accounting Officer



John Armitt
Chairman

Accounts continued

Consolidated Statement of recognised gains and losses for year ended 31 March 2009

	Note	2008–09 £'000	2007–08 £'000
Olympic Lottery Distributor grants taken to reserves	14	54,843	12,243
Greater London Authority grants taken to reserves	14	58,700	40,140
London Development Agency grants taken to reserves	14	50,000	–
Transport for London grants taken to reserves	14	2,500	–
Reserves released in year	14	(13,056)	(2,636)
Recognised gains		152,987	49,747

The notes on pages 89 to 104 form part of these Accounts.
All amounts relate to continuing activities.

Consolidated Cash flow Statement for the year ended 31 March 2009

	2008–09 £'000	2008–09 £'000	2007–08 £'000
Net cash outflow from operating activities (a)		(655,632)	(192,494)
Return on investments and servicing of finance		2,908	1,526
Taxation	(1,059)		(507)
Decrease in taxation creditor	(150)		262
Tax paid		(1,209)	
Capital expenditure (b)		(464,721)	(80,728)
Financing (c)		1,123,943	288,286
Increase in Cash		5,289	16,345

The notes on pages 89 to 104 form part of these Accounts.
All amounts relate to continuing activities.

Notes to the Consolidated Cash Flow Statement

a) Reconciliation of operating deficit to net cash outflow from operating activities

	2008–09 £'000	2007–08 £'000
Operating deficit before interest and taxation	(648,163)	(270,347)
Depreciation	4,519	2,636
Asset transfer	8,537	–
Grant released	(13,056)	(2,636)
Decrease/(Increase) in debtors	(3,368)	15,367
Decrease in operating creditors	(7,525)	62,872
Profit on disposal of fixed assets	(40)	(386)
Capital Charge	3,464	–
Net cash outflow from operating activities	(655,632)	(192,494)

b) Capital expenditure and financial investments

	2008–09 £'000	2007–08 £'000
Capital expenditure	(554,387)	(108,573)
Proceeds of disposal of fixed assets	60	2,328
Loans to other bodies	4,250	(4,250)
Increase in capital creditors	85,356	29,767
Net cash outflow from capital activities	(464,721)	(80,728)

Accounts continued

Notes to the Consolidated Cash Flow Statement

c) Financing

	2008–09 £'000	2007–08 £'000
Grant in Aid receivable	957,900	235,903
GLA capital grant	58,700	40,140
OLD capital grant	54,843	12,243
LDA capital grant	50,000	–
TfL capital grant	2,500	–
Total financing	1,123,943	288,286

Notes to the Accounts

1 Accounting Policies

Statutory basis

The Accounts of the Olympic Delivery Authority (the ODA) have been prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 (paragraph 32(1) of Schedule 1), and the Direction given by the Secretary of State (paragraph 18(2)(e) of Schedule 1), with approval by HM Treasury. The Direction reflects Government policy that the Accounts should conform to the accounting and disclosure requirements contained in Managing Public Money and in the HM Treasury guidance, 'Financial Reporting Manual (FRoM)'. The accounting policies contained in the FRoM follow UK Generally Accepted Accounting Practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where the FRoM permits a choice of accounting policy, the accounting policy selected is the one which has been judged to be the most appropriate to the particular circumstances of the ODA for the purpose of giving a true and fair view. These policies have been applied consistently in dealing with items considered material in relation to the accounts.

Basis of preparation

The ODA was formed to be the single delivery body responsible for creating the venues, infrastructure and associated works for the London 2012 Games. The accounting policies have been chosen to best reflect the limited lifetime of the ODA.

The Accounts are prepared on a going concern basis.

Consolidated Accounts

The consolidated financial statements incorporate the financial results of the Olympic Delivery Authority (ODA) and all entities controlled by ODA using the equity method of consolidation. Where appropriate a distinction is made between the consolidated financial results ('Group') and those of the Olympic Delivery Authority as an individual entity ('Authority').

Investments

Investments comprise holdings in subsidiary companies valued at cost.

Tangible fixed assets and depreciation

Tangible fixed assets are held at cost at the balance sheet date. Given the limited period of the ODA's operations, it is not intended to obtain regular professional valuations of assets until after the Games have been completed.

On initial recognition assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. The cost of the initial fitting out of the ODA's offices has been capitalised, together with all subsequent asset additions with a purchase price of over £1,000.

Where a legal requirement exists to convert an asset for legacy following the end of the Games, the cost of legacy conversion is recognised as a separable asset, in proportion to the extent that the cost of the temporary element of construction has been incurred.

On completion assets are held by the ODA or transferred to another body. The profit or loss on disposal is determined by the difference between the disposal proceeds and the capitalised construction cost. Where appropriate, the asset may be transferred to another public body for nil consideration subject to DCMS approval.

Notes to the Accounts continued

Assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful life. Asset lives are normally in the following ranges:

Land	Not depreciated
Freehold and leasehold venues and buildings	The useful life, up to a maximum of 50 years
Bridges, roads and other structures	The useful life, up to a maximum of 50 years
Portable buildings	The useful life, up to a maximum of 3 years
Specific construction equipment	The length of the construction contract
Computer and office equipment	The useful life, up to a maximum of 6 years

Intangible Fixed Assets

Intangible fixed assets are held at cost at the balance sheet date. Intangible assets are computer software and licences which are written off over the expected life of the asset.

Programme Costs

The ODA undertakes a mix of projects, some of which are carried out with the intention of delivering the London 2012 Games and others for providing infrastructure that creates benefits to the wider lower Lea Valley and its regeneration.

The ODA is currently investing in six broad categories of projects which make up the programme:

- **Site Preparation and Infrastructure** (Powerlines Underground, Utilities, Enabling, Works, Structures, Bridges and Highways, Landscape and Public Realm);
- **Venues** (Olympic Stadium, other Olympic Park and non-Olympic Park venues);
- **Transport** (Thornton Field relocation, Stratford Regional Station improvements, DLR improvements);
- **Other Parkwide projects** (Logistics, Master planning, Section 106 obligations (Planning Gain), Insurance, Security);
- **International Press & Media Centre and Olympic Village; and**
- **Programme Management.**

The accounting policies for these categories of projects are as follows:

Site Preparation and Infrastructure

The cost of site preparation and infrastructure is charged to the Income and Expenditure Account as incurred unless the ODA retains an economic interest in the asset in which case it will be capitalised.

Venues

Expenditure on all venues is capitalised. All venues will be revalued after the Games have been completed to reflect their ongoing legacy value. Any costs associated with converting the venues to their legacy status after the Games have been completed will be provided for when the ODA has an obligation to incur the expenditure, as described in the note on provisions.

Transport

Grants provided to transport delivery organisations are charged to the Income and Expenditure Account. Costs associated with the provision of transport services during the Games will be charged to the Income and Expenditure Account.

Other Parkwide projects

Expenditure on Logistics, Master planning, Section 106, Insurance and Security is charged to the Income and Expenditure Account as incurred.

International Broadcasting Centre/Main Press Centre and Olympic Village

Expenditure on the IBC/MPC was previously charged to the Income and Expenditure Account. The development will now be undertaken by the ODA and therefore has been capitalised. Further information about the financial effect of this decision is disclosed in Note 20. Expenditure on the Olympic Village was previously charged to the Income and Expenditure Account. Following the post balance sheet event described in Note 21 the cost of the Olympic Village has been capitalised.

Programme Management Costs

The treatment of programme management costs follows the treatment of the associated projects. Programme management costs associated with capitalised projects are capitalised.

Grants and funding receivable

The ODA receives a public sector funding package comprising grants from the Department for Culture, Media and Sport, the Greater London Authority and the Olympic Lottery Distributor.

Grant in Aid from DCMS is credited to the General Reserve. The ODA is not allowed to accrue for any balance of Grant in Aid undrawn at the year end. DCMS grant finances capital expenditure.

The Olympic Lottery funding is allocated between the OLD Capital Reserve, to the extent it matches capital expenditure, and the Income and Expenditure Account, to the extent it matches revenue expenditure. Any balance at the year end is treated as either an operating debtor or creditor.

The Greater London Authority funding is allocated between the GLA Capital Reserve, to the extent it matches capital expenditure, and the Income and Expenditure Account, to the extent it matches revenue expenditure. Any balance at the year end is treated as either an operating debtor or creditor. The use of GLA grant is restricted to projects in London.

The London Development Agency funding is allocated between the LDA Capital Reserve, to the extent it matches capital expenditure, and the Income and Expenditure Account, to the extent it matches revenue expenditure. Any balance at the year end is treated as either an operating debtor or creditor. The use of LDA grant is restricted to projects in London.

Additionally, the ODA receives specific funding from Transport for London (TfL). TfL funding is allocated to the TfL Capital Reserve. TfL grant is given to finance expenditure on the Velodrome. Any balance at the year end is treated as either an operating debtor or creditor.

Work undertaken on behalf of third parties

Where the ODA undertakes work on behalf of third parties, the contribution received is offset against the ODA's costs.

Other grants and other income

Other grants are receivable in respect of specific costs and are recognised on an accruals basis. Other income is recognised on an accruals basis.

Pension costs

Employees can elect to join the ODA's group stakeholder pension plan.

Contributions are charged in the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.

Provisions

The ODA provides for the cost of legacy conversion of the temporary elements of venues in proportion to the extent that the cost of constructing the temporary elements has been incurred.

Corporation Tax

The ODA is liable for Corporation Tax. Corporation Tax is provided for on an accruals basis. ODA will be liable for Corporation Tax on any profits from sales of units post-Games in the Olympic Village. Where the ODA is liable for other taxes, these are provided for on an accruals basis.

VAT

Irrecoverable VAT is charged to the appropriate expense or asset heading in the accounts. The ODA is registered for VAT; balances owing to and owed by HM Revenue and Customs are shown as a creditor or a debtor.

Capital charge

A charge, reflecting the cost of capital utilised by the ODA, is included in the Income and Expenditure Account. The charge is calculated at the rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities, except for assets funded by GLA, OLD, LDA and TfL grants where the charge is nil.

Loans

Loans are shown at historic cost.

Notes to the Accounts continued

Financial Instruments

The ODA has implemented FRS 25 Financial Instruments: Presentation, FRS 26 Financial Instruments: Recognition and Measurement and FRS 29 Financial Instruments: Disclosure. Details of financial instruments are shown in Note 23. There was no financial impact on adoption and no prior year adjustment was required.

2 Grants receivable

2a Grants receivable – general

This table shows the sources and application of the general grant funding receivable during 2008–09.

	Note	DCMS Grant in Aid £'000	GLA £'000	OLD £'000	LDA £'000	2008–09 Total £'000	2007–08 Total £'000
Grants receivable		957,900	58,700	125,000	50,000	1,191,600	471,892
Income & Expenditure Account		–	–	70,157	–	70,157	183,606
General Reserve	13	957,900	–	–	–	957,900	235,903
GLA Capital Reserve	14	–	58,700	–	–	58,700	40,140
OLD Capital Reserve	14	–	–	54,843	–	54,843	12,243
LDA Capital Reserve	14	–	–	–	50,000	50,000	–
		957,900	58,700	125,000	50,000	1,191,600	471,892

The ODA receives grant funding to support overall programme delivery.

The grants from GLA and LDA support the ODA's delivery of Games projects in Greater London only. Of the DCMS Grant in Aid received, £430,238,000 (2007–08: £27,230,000) was used to finance capital projects. The balance of the DCMS grant was used primarily to fund infrastructure projects.

2b Grants receivable – specific

This table shows the sources and application of specific grant funding receivable during 2008–09.

	Note	2008–09 £'000	2007–08 £'000
Grants receivable		2,500	–
TfL Capital Reserve	14	2,500	–
		2,500	–

The TfL grant is to support the construction of the Velodrome.

3 Other income

	2008–09 £'000	2007–08 £'000
Other grants	1,377	932
Planning fee income	947	285
	2,324	1,217

Planning fee income does not include £399,000 of planning fees in respect of the ODA's own planning applications (2007–08: £163,000)

4 Expenditure

	Total Expenditure £'000	Capitalised to Fixed Assets £'000	Grant Released £'000	2008–09 Charged to Income & Expenditure Account £'000	2007–08 Charged to Income & Expenditure Account £'000
Programmes					
Site Preparation and Infrastructure	323,160	(100,144)	–	223,016	232,357
Venues	218,002	(216,898)	–	1,104	–
Transport	81,670	(1,335)	–	80,335	35,367
Other Parkwide Projects	108,450	(95)	–	108,355	67,201
Olympic Village and IBC/MPC	346,281	(219,106)	–	127,175	9,109
Total Programme	1,077,563	(537,578)	–	539,985	344,034
Programme Management	185,857	(4,143)	(4,519)	177,195	111,136
Capital Charge	3,464	–	–	3,464	–
Transfer of assets	8,537	–	(8,537)	–	–
Total Expenditure	1,275,421	(541,721)	(13,056)	720,644	455,170

Total expenditure

Total expenditure comprises building new venues and facilities including their legacy conversion, transport projects and programme management, including staff, accommodation, the contract with the delivery partner and on site logistics, infrastructure improvements to the Olympic Park, such as undergrounding of powerlines, and work on roads, bridges and tunnels. The majority of the Olympic Park is owned by the LDA. Total expenditure includes a contribution of £108,409,000 (2007–08: £81,958,000) from the LDA towards remediation and other works.

The ODA incurs administration costs in respect of its staff, buildings, information technology and outsourced support functions including its Delivery Partner. Expenditure that is directly related to the delivery of projects is capitalised, where applicable, and all other costs are expensed to the Income and Expenditure Account.

Notes to the Accounts continued

Total Expenditure includes:

	2008–09 £'000	2007–08 £'000
Delivery Partner costs	151,647	87,563
Auditors' remuneration – audit work	212	158
Auditors' remuneration – non audit work	8	–
Operating lease costs	1,622	1,410
Depreciation	4,519	2,636
Loss/(Profit) on disposal of fixed assets	8,497	(386)
Capital Charge	3,464	–

5 Employee numbers and remuneration

5.1 Remuneration

	Board Members and Planning Committee Members £'000	Permanent staff £'000	Agency and temporary staff £'000	Seconded staff £'000	2008–09 Total £'000	2007–08 Total £'000
Staff costs						
Salaries	533	13,607	–	–	14,140	11,363
Performance related pay	–	2,141	–	–	2,141	1,690
Social security costs	57	1,770	–	–	1,827	1,488
Other pension costs	–	1,403	–	–	1,403	1,201
Agency and temporary staff costs	–	–	8,713	1,980	10,693	13,489
	590	18,921	8,713	1,980	30,204	29,231

The expenditure on seconded, agency and temporary staff includes VAT.

Performance related payments for the 2008–09 financial year were paid to employees in May 2009.

A detailed analysis of Board Members and Planning Committee Members remuneration is contained in the Remuneration Report on page 76.

5.2 Staff numbers

The average monthly number of full time equivalent staff during the year, excluding Board Members and Planning Committee Members, was made up as follows:

	Permanent staff	Agency and temporary staff	Seconded staff	2008–09 Total	2007–08 Total
Programme employees	107	71	19	197	140
Programme management employees	95	38	7	140	171
	202	109	26	337	311

5.3 Pensions

Employees can elect to join the ODA's group stakeholder pension plan which is a defined contribution scheme. The assets of the scheme are held separately from those of the ODA in an independently administered fund which is managed by Fidelity Ltd. Employer contributions are 6 per cent of pensionable pay. The ODA also matches employee contributions up to a further 6 per cent of pensionable pay.

The ODA was advised on the set-up of the scheme by Aon Ltd who also advise on the performance of Fidelity Ltd, the scheme's administrator.

The ODA has no on-going responsibility beyond the requirement to pay the employer contributions as they fall due and is neither responsible nor liable for the investment performance of the scheme. Fund selection and the adequacy of pension provision is the responsibility of the individual employee.

In addition, in accordance with the terms of their contracts of employment, the ODA has:

- One director in a personal Self-Invested Personal Pension. Contributions are charged in the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.
- Two directors in the HCA Pension Scheme which is a multi-employer defined benefit scheme as described in paragraph 9 of FRS 17, Retirement Benefits. Employer contributions are affected by a surplus or deficit on the scheme but the ODA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The contributions are treated as if the scheme was a defined contribution scheme. The scheme is undergoing a regular revaluation, the results of which are not yet available.

Contributions are charged to the Income and Expenditure Account as they become payable. Employer's contributions for these three EMB members are disclosed in the Remuneration Report.

Employer contributions for the year to 31 March 2009 were £1,403,000 (2007–08: £1,201,000).

At the balance sheet date, there were unpaid pension liabilities of £nil (2007–08: £145,538).

6 Interest receivable

Bank interest of £2,893,000 (2007–08: £1,579,000) was receivable for the year. The average interest rate during the year was 3.8 per cent (2007–08: 5.6 per cent).

7 Taxation

A tax provision for £1,059,000 (2007–08: £507,000) has been made for UK Corporation

Tax payable on bank interest receivable.

Notes to the Accounts continued

8 Tangible fixed assets – Group

	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2008	114,028	3,811	5,296	146	123,281
Additions	548,796	1,228	132	1,184	551,340
Disposals	(8,537)	(32)	–	–	(8,569)
At 31 March 2009	654,287	5,007	5,428	1,330	666,052
Depreciation					
At 1 April 2008	–	1,182	981	80	2,243
Charge	–	1,466	1,067	165	2,698
Disposals	–	(26)	–	–	(26)
At 31 March 2009	–	2,622	2,048	245	4,915
Net book value					
At 31 March 2009	654,287	2,385	3,380	1,085	661,137
At 31 March 2008	114,028	2,629	4,315	66	121,038

The ODA owns the freehold of land at Stratford at nil value. Legal title to the land is held by Stratford Village Property Holdings 1 Ltd and Stratford Village Property Holdings 2 Ltd on behalf of Stratford Village Development (GP) Ltd.

On completion of the works at the National Sailing Academy the legal title transferred to the South West England Regional Development Agency, with DCMS approval, for nil consideration. The cost of the works was £8,537,000.

8 Tangible fixed assets – Authority

	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2008	114,028	3,811	5,296	146	123,281
Additions	358,410	1,228	132	1,184	360,954
Disposals	(8,537)	(32)	–	–	(8,569)
At 31 March 2009	463,901	5,007	5,428	1,330	475,666
Depreciation					
At 1 April 2008	–	1,182	981	80	2,243
Charge	–	1,466	1,067	165	2,698
Disposals	–	(26)	–	–	(26)
At 31 March 2009	–	2,622	2,048	245	4,915
Net book value					
At 31 March 2009	463,901	2,385	3,380	1,085	470,751
At 31 March 2008	114,028	2,629	4,315	66	121,038

9 Intangible fixed assets – Group and Authority

	Software Licences £'000
Cost or valuation	
At 1 April 2008	3,517
Additions	3,048
Disposals	(28)
At 31 March 2009	6,537
Depreciation	
At 1 April 2008	855
Charge	1,823
Disposals	(15)
At 31 March 2009	2,663
Net book value	
At 31 March 2009	3,874
At 31 March 2008	2,662

10 Loans – Group and Authority

	2008–09 £000	2007–08 £000
Loans	–	4,250

The 2007–08 loan was advanced in order to progress and maintain the programme for the delivery of the Olympic Village up to the point that the contractual arrangements became unconditional, at which point it became repayable. The loan accrued interest at 1.5% above Barclays Base Rate. The loan was approved by the Minister for the Olympic and Paralympic Games. On the signing of contracts with Lend Lease in June 2008 the loan was repaid.

11 Debtors – Group and Authority

11a Debtors analysis

	2008–09 £'000	2007–08 £'000
Prepayments and accrued income	38	7,981
Other debtors	14,595	3,299
	14,633	11,280

There are no amounts due in more than one year (2007–08: £nil)

11b Intra-Government balances

	Due within one year		Due in more than one year	
	2008–09 £'000	2007–08 £'000	2008–09 £'000	2007–08 £'000
Balances with other central government bodies	510	428	–	–
Balances with local authorities	13,870	2,840	–	–
Intra-government balances	14,380	3,268	–	–
Balances with bodies external to government	253	8,012	–	–
	14,633	11,280	–	–

Notes to the Accounts continued

12 Creditors – Group and Authority

12a Amounts due within one year

	2008–09 £'000	2007–08 £'000
Trade creditors	30,425	28,321
Corporation tax	357	507
Other taxes and social security costs	515	445
VAT payable	11,010	14,808
Other creditors	2,250	136
Accruals	169,750	105,017
	214,307	149,234

12b Intra-Government creditors

	2008–09 £'000	2007–08 £'000
Balances with other central government bodies	20,225	18,530
Balances with local authorities	93	109
Intra-government balances	20,318	18,639
Balances with bodies external to government	193,989	130,595
	214,307	149,234

12c Provision for liabilities and charges

	£'000
Balance at 1 April 2008	–
Charge for year	12,608
Released in year	–
Balance at 31 March 2009	12,608

The provision is for the cost of the legacy conversion of the temporary elements of venues as described in Note 1.

13 General Reserve

	Group 2008-09 £'000	2007-08 £'000	Authority 2008-09 £'000	2007-08 £'000
Balance at 1 April	(58,560)	(25,188)	(58,560)	(25,188)
Grant in Aid received	957,900	235,903	957,900	235,903
Deficit for the year	(642,865)	(269,275)	(833,251)	(269,275)
Balance at 31 March	256,475	(58,560)	66,089	(58,560)

As Grant in Aid is recognised on a cash basis a deficit arises reflecting the extent to which accruals and creditor movements exceed the ODA cash expenditure for the year.

14 Capital Reserves – Group and Authority

The capital reserves reflect the book value of assets funded by grants from bodies other than DCMS.

	OLD £'000	GLA £'000	LDA £'000	TfL £'000	Total £'000
Balance at 1 April 2008	20,191	46,906	–	–	67,097
Additions during the year	54,843	58,700	50,000	2,500	166,043
Release to Income and Expenditure Account	(13,056)	–	–	–	(13,056)
Net movement for year	41,787	58,700	50,000	2,500	152,987
Balance at 31 March 2009	61,978	105,606	50,000	2,500	220,084

15 Commitments

	2008-09 £'000	2007-08 £'000
Capital commitments		
Contracted capital commitments at 31 March 2009 for which no provision has been made.	958,949	710,658

Other commitments

The ODA has entered into an insurance contract for the duration of the construction phase and is committed to pay premiums totalling £27m at various dates between 2009 and 2012.

Notes to the Accounts continued

16 Commitments under leases

Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	2008–09 £'000	2007–08 £'000
Land and buildings		
Expiry within 1 year	–	–
Expiry after 1 year but not more than 5 years	3,423	1,396
Expiry thereafter	–	–
Other		
Expiry within 1 year	–	5
Expiry after 1 year but not more than 5 years	64	55

17 Contingent liabilities disclosed under FRS 12

There were no contingent liabilities at 31 March 2009 (2007/08: £nil).

18 Contingent liabilities not required to be disclosed under FRS 12 but included for parliamentary reporting and accountability purposes

In the event that the Orient Way rail siding is relocated to the Lea Interchange bus depot site in 2022 part of the cost would fall upon the ODA's successor body.

19 Related party transactions

The ODA is a non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). The Olympic Lottery Distributor is also sponsored by DCMS and is considered to be a related party.

The ODA has a close working relationship with the London Organising Committee for the Olympic Games (LOCOG).

The ODA has a close working relationship with the London Development Agency (LDA). The ODA has novated contracts from the LDA and carries out work on its behalf.

The ODA is aware of the following related parties in relation to its Main Board and Planning Committee:

Main Board

John Armit is an Advisor to Price Waterhouse Coopers.

Sir Roy McNulty is the Chairman of the Civil Aviation Authority (CAA). During the year, the CAA recharged the ODA £9,988 (2007–08: £32,548) in relation to his expenses.

Neale Coleman is an employee of the Greater London Authority.

Christopher Garnett is the deputy chair of the Board of Transport for London.

Stephen Duckworth has acted as an advisor to LOCOG.

Sir Peter Mason is the Chairman of Thames Water.

David Fison held directorships in the Skanska group of companies until July 2008

Planning Committee

Four members of the Planning Committee are members of four London Boroughs.

Member

Borough

Cllr Conor McAuley	London Borough of Newham
Cllr Rofique Ahmed	London Borough of Tower Hamlets
Cllr Geoff Taylor	London Borough of Hackney
Cllr Terry Wheeler	London Borough of Waltham Forest
Janice Morphet acts as a consultant to Colin Buchanan Planning Consultants.	
Dru Vestey is a board member of the Homes and Communities Agency.	

Executive Management Board and Senior Managers

The Head of Health and Safety is the non-Executive Chairman and a shareholder in Sypol Ltd.

Transactions with related parties

Financial Reporting Standard number 8 (FRS 8), 'Related Party Disclosures', requires the ODA to provide information on its transactions with related parties, and further guidance has also been given by HM Treasury. As well as grants received which are disclosed in Note 2 and Note 3 the following charges were made to and from the ODA by related parties.

Related Party	Charges to the ODA £'000	Charges from the ODA £'000
LOCOG	10,343	579
London Development Agency	4,430	129,496
Greater London Authority	238	–
London Borough of Newham	523	–
London Borough of Tower Hamlets	37	–
London Borough of Hackney	95	–
London Borough of Waltham Forest	47	–
Price Waterhouse Coopers	58	–
Transport for London	43,507	–
Thames Water	1,868	–
Colin Buchanan Planning Consultants	72	–
Sypol Ltd	233	–
Cementation Foundations Skanska	30	–
Skanska Construction UK	10,073	–
Homes & Communities Agency	24	–

The ODA has a licence from the London Development Agency (LDA) that enables the ODA to occupy and develop the land in the Olympic Park subject to specific limitations. The licence fee is disclosed as a lease payment in Note 16.

CLM was incorporated to act in concert with the ODA to achieve the ODA's objective of delivering the Games venues and infrastructure. CLM has no other business except that of acting as the Delivery Partner to the ODA. The ODA does not have direct control over CLM but does have significant influence over the operating activities of CLM.

Notes to the Accounts continued

The ODA paid a total of £151,647,000 (2006–07: £87,563,000) to its Delivery Partner. This expenditure was allocated as follows:

	2008–09 £'000	2007–08 £'000
Programme	35,049	37,458
Programme management	36,876	23,803
IT costs	19,542	10,169
Performance payments	60,180	16,133
	151,647	87,563
Of which, capitalised to assets under construction	17,559	13,580

Performance payments are payable to CLM for the achievement of pre-agreed key performance indicators for the delivery of programme milestones and cost targets. The performance payment for 2008–09 includes an estimate of the performance payment payable on 31 December 2009 insofar as it relates to the period to 31 March 2009.

20 Losses and Special Payments

As required by the Accounts Direction, the ODA must summarise all losses and special payments made during the financial year.

The original plan for the IBC/MPC was for a privately financed development. As a result of the difficult economic circumstances and the problems of obtaining finance the preferred developer was unable to complete the deal. The Ministerial Funders' Group decided to finance the development from public funds. In accordance with the ODA's policy of capitalising the cost of publicly funded venues the IBC/MPC has been reclassified as a capital asset. Costs of £7,541,000 relating to design work and professional fees associated with the original plan and previously charged to the Income and Expenditure Account were deemed irrecoverable.

As a result of changing the White Water Canoe Centre from the Spitalbrook site to the Showground site at Broxbourne, design fees of £1,104,000 relating to the original site were deemed irrecoverable.

As a result of the post balance sheet event described below in Note 21 the Group became liable for costs of £3,550,000. £1,000,000 relating to abortive bank fees was charged to Stratford Village Development (GP) Ltd and £2,550,000 relating to legal fees payable on behalf of Lend Lease was charged to the ODA.

During the course of the financial year the ODA made one special payment of £16,000 (2007–08: £64,000). This is included in the staff costs in Note 5.

21 Post Balance Sheet Events

A meeting of the Ministerial Funders' Group, chaired by the Chancellor of the Exchequer, on 12 May 2009 concluded that the private sector funded option for the provision of the Olympic Village did not represent value for money and decided to proceed with a public sector funded solution. The accounts to 31 March 2009 have been prepared on this basis.

The construction costs of the Olympic Village were previously charged to the Income and Expenditure Account. Following the decision to fund the Olympic Village publicly the accounting treatment was changed to record a capital project. Costs incurred in prior years that were previously charged to the Income & Expenditure Account were charged to capital. The amount reclassified was £1,875,000. This has not been treated as a prior year adjustment. Termination of the arrangements with Lend Lease, Barclays and Royal Bank of Scotland triggered a constructive loss as described above in Note 20.

On 19 June 2009 the ODA's subsidiary, Stratford Village Development (GP) Ltd entered into an agreement to sell 1,379 homes to Triathlon Homes, an approved affordable housing provider, for a sum of £268,000,000. Triathlon Homes is a consortium comprising First Base Limited and two registered social landlords, East Thames Group and Southern Housing Group. The homes comprise 1,004 homes to meet the planning obligations in relation to the provision of affordable housing and 375 homes for intermediate rent. Of these homes for intermediate rent, 264 may be sold to private purchasers at the discretion of Triathlon Homes.

Under the terms of the agreement, a number of obligations are imposed upon the company. These include the delivery of the handover of the retro-fitted units by the agreed date and various guarantees and indemnities relating to voids cover and holding costs.

None of the subsidiaries had a financial result for the year or reserves at 31 March 2009. However, Stratford Village Development (GP) Ltd had turnover of £1,017,000 and fixed assets and long term liabilities of £190,386,000, having accounted for its activities in accordance with SSAP 4: Accounting for Government Grants.

22 Corporate Structure

The ODA has formed the Stratford Village Development Limited Partnership and the Stratford Village Legacy Limited Partnership to facilitate the development of the Olympic Village and the post-Games legacy development of the Olympic Park respectively.

The members of the Stratford Village Development Limited Partnership are:

Name	Parent company	Class of share, Issued share capital, % controlled by ODA
Stratford Village Development (GP) Ltd	ODA	Ordinary, £1, 100%
Stratford Village Property Holdings 1 Ltd	Stratford Village Development (GP) Ltd	Ordinary, £1, 100%
Stratford Village Property Holdings 2 Ltd	Stratford Village Development (GP) Ltd	Ordinary, £1, 100%
Stratford Village Development GP LP 1 Ltd	ODA	Ordinary, £1, 100%
Stratford Village Development GP LP 2 Ltd	ODA	Ordinary, £1, 100%

The members of the Stratford Village Legacy Limited Partnership are:

Name	Parent company	Class of share, Issued share capital, % controlled by ODA
Stratford Village Legacy GP Ltd	ODA	Ordinary, £1, 100%
Stratford Village Legacy No 2 Ltd	Stratford Village Legacy GP Ltd	Ordinary, £1, 100%
Stratford Village Legacy No 3 Ltd	Stratford Village Legacy GP Ltd	Ordinary, £1, 100%
Stratford Village Legacy No 4 Ltd	ODA	Ordinary, £1, 100%
Stratford Village Legacy No 5 Ltd	ODA	Ordinary, £1, 100%

Notes to the Accounts continued

23 Financial Instruments – Group and Authority

The ODA does not hold any assets or liabilities at fair value through the Income and Expenditure account or any derivatives used for hedging. The ODA has reviewed all contracts for embedded derivatives that are required to be accounted for under FRS 26. No such embedded derivatives have been found.

Classification of financial instruments

As at 31 March 2009

	Loans & Receivables	Liabilities at amortised cost	Total
Assets			
Cash and cash equivalents	23,830		23,830
Trade receivables	14,633		14,633
Total	38,463		38,463
Liabilities			
Trade payables		(214,307)	(214,307)

As at 31 March 2008

Assets			
Loans	4,250		4,250
Cash and cash equivalents	18,541		18,541
Trade receivables	11,280		11,280
Total	34,071		34,071
Liabilities			
Trade payables		(149,234)	(149,234)

24 Investments

The ODA holds a £1 ordinary share directly or indirectly, in each of the companies listed in Note 22.

25 Approval for Issue

The Financial Statements were approved for issue on 7 July 2009.

Appendix 1

Accounts Direction given by the Secretary of State for Culture, Media & Sport with the consent of HM Treasury in accordance with paragraph 18(2)(e) of Schedule 1 to the London Olympic Games and Paralympic Games Act 2006

1. This direction applies to the Olympic Delivery Authority (the 'ODA').
2. The ODA shall prepare accounts for the financial year ended 31 March 2007 (and subsequent financial years) in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury ('the FReM') which is in force for the financial year for which the accounts are being prepared.
3. The accounts shall be prepared so as to:
 - a. give a true and fair view of the state of affairs at 31 March 2007 and subsequent financial years, and of the income and expenditure, total recognised gains and losses and cash flows for the financial year then ended;
 - b. provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and
 - c. provide any other specific disclosures required by the Secretary of State.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed with the Department for Culture, Media and Sport and with HM Treasury.
5. Schedule 1 to this direction gives details the additional disclosure requirements of the Secretary of State for Culture, Media and Sport.

Schedule 1

Additional disclosure requirements of the Secretary of State for Culture, Media and Sport

1. The Statement of Internal Control shall follow Treasury guidance on format and content. In addition to Treasury requirements, the opening paragraph shall include explicit reference to systems to ensure compliance with the provisions of the ODA's Management Statement and Financial Memorandum. A suggested wording would include the following:

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that:

- supports the achievement of the ODA's objectives whilst;
 - safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting; and
 - ensuring compliance with the requirements of the ODA's Management Statement and Financial Memorandum.
2. The Statement of Internal Control should also include coverage of the processes applied in reviewing the effectiveness of the system of internal control to ensure compliance with the requirements of the ODA's Management Statement, Financial Memorandum.
 3. This direction shall be reproduced as an appendix to the annual accounts.
 4. The Notes to the accounts shall provide an analysis of funding by funder and make clear the accounting treatment of funds.
 5. The Notes to the accounts shall disclose expenditure incurred on the Delivery Partner.
 6. Other notes to the accounts shall provide an analysis of the ODA's administration costs showing, for example the following information
 - a. the average number of persons employed calculated on the basis of full-time equivalents;
 - b. employee costs during the year showing separately:
 - i. wages and salaries;
 - ii. early retirement costs;
 - iii. social security costs;
 - iv. contributions to pension schemes;
 - v. agency or temporary staff costs;
 - c. an analysis of remuneration and expenses of ODA Board members.

Minister for the Olympic and Paralympic Games and Co-Chair of the Olympic Board Tessa Jowell and ODA Chairman John Armit join the ODA Construction Crew in celebrating the start of construction on the Velodrome.



A summarised version of this publication is available on request in other languages and formats. To obtain a copy please quote reference number ODA2008/040.

Email: enquiries@london2012.com

Phone: 0203 2012 000

Olympic Delivery Authority

The construction of the venues and infrastructure for the London 2012 Games is funded by the National Lottery through the Olympic Lottery Distributor, the Department for Culture, Media and Sport, the Mayor of London and the London Development Agency.



MAYOR OF LONDON



Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
ID6178027 07/09

Printed on Paper containing 75% recycled fibre content minimum.



Olympic Delivery Authority

23rd Floor, One Churchill Place
Canary Wharf, London E14 5LN
Reception +44 (020) 3 2012 000
Fax +44 (020) 3 2012 001
london2012.com

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone Fax & E Mail

TSO
PO Box 29, Norwich, NR3 1GN
Telephone orders/General enquiries 0870 600 5522
Order through the Parliamentary Hotline Lo-Call 0845 7 023474
Fax orders: 0870 600 5533
E-mail: customer.services@tso.co.uk
Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,
London SW1A 2JX
Telephone orders/General enquiries: 020 7219 3890
Fax orders: 020 7219 3866
Email: bookshop@parliament.uk
Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from

TSO Ireland
16 Arthur Street, Belfast BT1 4GD
028 9023 8451 Fax 028 9023 5401

