

Minutes of 74th Board Meeting

Held on 20 March 2014

Present

Sir John Armit (Chairman), Sir Roy McNulty, Lorraine Baldry, Neale Coleman, David Fison, Christopher Garnett.

Apologies

Apologies were received from David Taylor.

Declarations of Interest

Sir John Armit declared an interest as a Member of the Board of Transport for London. Neale Coleman declared an interest as Deputy Chairman of the London Legacy Development Corporation and as the Mayor's advisor on the Olympic and Paralympic Games. Lorraine Baldry declared an interest as the Chair of the Board of LCR. David Fison declared an interest as a Director of Geoffrey Osborne Ltd, which was awarded two contracts for external works on the Olympic Village.

Minutes

The Board agreed the minutes of the 73rd Board Meeting held on 16 January 2014.

Chairman's Report

The Chair had nothing to report apart from the items of the agenda to be discussed as part of the meeting.

Programme Performance Report

The Director of Village and Commercial reported on progress at East Village and referred attendees to the papers circulated.

Village Update

Both Plots N14 and N26 were handed over since the last Board meeting on 16 January 2014. Five Plots in total have now been handed over (N09, N10, N13, N14, and N26).

The Director of Village and Commercial reported that Triathlon Homes is content to take possession of its units in N15 from Monday 24 March 2014. N15 has a high number of affordable units so getting it over the line pre end of March is good news. Triathlon Homes could, if it chose to, move people in immediately.

He reported that Plots N02 and N07 were targeted to be completed before the end of March. There is a 70-80% chance of N01 also completing.

Sir John Armit noted that if there is a 70/80% chance with 10 days to go, Plot N01 will not be completed by 31 March.

The Director of Village and Commercial said that progress on Plots N01 and N02 is being monitored on an hourly basis by a team of ODA staff who report to him on a daily basis.

A member requested a note from the Director of Village and Commercial on 31 March, with an update.

He also updated the Board on the final two plots, N03 and N04.

The Chief Operating Officer stated that a consequence of the final plots completing later is that the sale of SVDP will not occur at the end of June. As a consequence the ODA will be unlikely to lay the order for dissolution before Parliament ahead of the summer recess.

The Director of Village and Commercial added that QDD's marketing strategy and the take-up of their units may affect their appetite for the timing of the sale.

Village Update – Financial Matters

The Director of Finance at the Department for Culture, Media and Sport reported the DCMS assumptions on income recognition reflected in their report to HM Treasury.

A member noted this afforded ODA management a good view of their priorities to deliver to 31 March.

The ODA's Head of Finance advised that the Independent Certifier has issued a Certificate of Practical Completion Certificate for Plot N06.

A member asked what was delaying the execution of the Deed of Adherence. The Chief Operating Officer advised that the Deed of Adherence has been signed by all parties, but it cannot be completed (by dating the deed) until QDD has confirmed its approval, which requires all their JV partners to sign off. QDD is aware that this is required before 31 March.

Sir John Armitt asked for an update on the Anticipated Final Cost. The Chief Operating Officer confirmed that the Village AFC has a number of risks, prolongation of the programme being key. However, these risks are covered off by provisions within the overall ODA AFC which remains stable.

ODA Property Matters

The Project Sponsor for Property presented the paper on ODA property matters, identifying those to be completed before the completion of the sale of SVDP and those that we are planning to complete before the dissolution of the ODA. He noted that ODA had reasonable endeavours under the sale agreement with QDD to complete a number of property issues. The Chief Operating Officer raised a concern that some of these issues were complex and may be a cause for delay to sale.

Westfield Non-Retail Agreement

The Project Sponsor for Property presented the paper on the Westfield Non-Retail Agreement, explaining the background to the agreement.

The Board discussed the options outlined in the paper.

The Board endorsed the recommendations made in the paper.

Village Commercial Closeout

The Head of Commercial presented the paper on the East Village Commercial Management Commercial Closeout Strategy.

He confirmed that commercial closeout of Lend Lease's supply chain and Lend Lease's appointment (the RDMA) will continue beyond dissolution of the ODA. DCMS will continue to require Lend Lease services until the expiry of the defects liability periods under the supply chain contracts.

Sir John Armitt asked about the potential range of the Village Retrofit AFC. The Head of Commercial advised that ODA Commercial team and Turner & Townsend are undertaking a "bottom-up" exercise to establish a greater degree of confidence in the AFC.

A member commented that it is difficult for the Board to make a decision on which option to endorse, with such uncertainty around the AFC.

A member expressed the view that there was a real benefit to the ODA in getting a greater degree of certainty around the AFC.

The Board endorsed ODA Commercial recommendations and requested the team bring back the commercial close out strategy for consideration when there was greater certainty around the AFC.

Communications Progress Report

The Head of Communications and Communications Manager gave an update on communications and media matters, reporting that the ODA website is being updated as plots are handed over.

For Noting - ODA 2014-2015 Plan

The Chief Operating Officer confirmed that DCMS would not lay the order for dissolution of the ODA before the sale of SVDP. On current forecasts dissolution is likely to be at the end of November.

Audit Committee Minutes

This item was noted.

Remuneration Committee Minutes

This item was noted.

Village Sub Committee Minutes

This item was noted.

There being no other business the meeting closed at 3.35 pm.

Date of next meeting: 22 May 2014