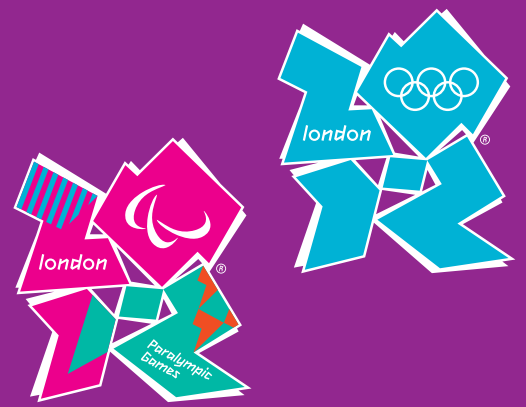




The finishing straight





Olympic Delivery Authority
Annual Report and Accounts 2011–12

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

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Chairman's foreword



At every turn since 2005, the UK has proved that it can compete with the best, win, deliver, and do what it promised.

The big day is almost upon us. More than 2,500 days have come and gone since Jacques Rogge announced that London was to host the London 2012 Olympic and Paralympic Games. Pages of calendars have been turned, governments and mayors have changed.

For those of us who have had the privilege to be part of the London 2012 project, our eyes have always been firmly fixed on one date – one that we could never move.

The countdown clock runs out on the final Friday of July when the Opening Ceremony of the Games of the 30th Olympiad begins.

Knowing that we had to be ready by then has been a crucial and terrific discipline for all of us who have had the responsibility for delivering the venues and infrastructure for the Games. It concentrated minds wonderfully and rooted in us all a real sense of what had to be done and by when.

The Olympic Delivery Authority (ODA) has met all its objectives in the last six years, a success acknowledged by the House of Commons Public Accounts Committee.

That success is a success for Britain: for the businesses which have been our partners, from our Delivery Partner CLM, to the smallest company far distant from London but still a valued part of the London 2012 supply chain; for all the staff in the highly professional teams at the ODA, CLM and in those companies, large and small; and for more than 46,000 workers who built the Olympic Park. I thank them all.

The venues that will be seen in billions of homes across the world this summer were completed on time and firmly within our overall budget.

These venues show off the best of British – high-quality sports facilities, designed by the best, built by the best, to be used by the best.

They were built with long-term use in mind, not just for the Games this summer – and with sustainability built into our vision as an essential, not a luxury. An Olympic Park has been built, but with an impact that goes much wider, transforming this part of east London.

In the process we have regenerated an historic part of east London, creating an Olympic and Paralympic Village, that will be re-named East Village once the athletes have departed, with a school, a health centre, and room for individuals and families to work, rest and play.

We will spend a billion pounds less of public money than allowed in our original budget through prudent financial management and engineering the venues to achieve the most, without spending the most.

There have been no construction-related deaths in building the Olympic Park and the other venues for which we had responsibility. We will leave behind a safety record without equal for a project of this scale and complexity.

Finally, through our Learning Legacy initiative, we are ensuring that the lessons we have learned will not be lost, but endure and so help UK plc show what it is made of, as we deliver new and exciting projects in the decades that lie ahead.

At every turn since 2005, the UK has proved that it can compete with the best, win, deliver, and do what it promised. We will do so again this summer.

A handwritten signature in black ink, appearing to read 'John Armitt', written in a cursive style.

Sir John Armitt
Chairman
Olympic Delivery Authority

Chief Executive's report



In 2006 we published an ambitious set of goals that we wanted to accomplish. We have achieved these goals on time and under budget.

In July 2006, we set out a challenging vision to clean and clear the Olympic Park site, then complete the 'big build' – the construction of the main venues and infrastructure – one year ahead of the Opening Ceremony of the Olympic Games. This would give the London Organising Committee of the Olympic and Paralympic Games (LOCOG) a year to test the new facilities on the Park ahead of the Games.

The Velodrome was completed in February 2011, with the Olympic Stadium the following month, and during 2011–12 we have seen the fruits of our labour with the completion of the 'big build' and the finishing touches on the Olympic Park.

Construction of the Copper Box (which will host the Handball, Goalball events and the fencing element of the Modern Pentathlon) was finished in May 2011, with the Basketball Arena following a month later.

These construction milestones were followed by the completion of the Aquatics Centre in July 2011, which signalled the end of the ODA's 'big build'. To mark one year to go until the Opening Ceremony of the Olympic Games, British diver Tom Daley performed the first dive into the pool.

In January 2012, we handed the Olympic Park over to LOCOG, which was followed shortly after by the completion of the Olympic and Paralympic Village. Since then, we have also finished construction of the Water Polo Arena and Eton Manor (which will host the Wheelchair Tennis events). We have also put the last touches to the parklands and our 'Art in the Park' project. Outside of the Park, we have completed the construction of the shooting ranges at The Royal Artillery Barracks.

There is, however, no room for complacency.

As we head towards Games time, our focus is now on being operationally ready. Following the completion of the 'Transport big build' in June 2011, the ODA's Transport team has been working with external agencies, to ensure that spectators, the workforce and Games Family will be able to get to the venues smoothly, safely and on time this summer.

Similarly, our Advertising and Trading team has been finalising the regulations and putting in place the infrastructure needed to prevent ambush advertising and marketing. During the Games, the team will be working closely with 30 local authorities to implement and enforce these regulations.

On the Park, the ODA will be supporting LOCOG by undertaking facilities management and maintenance during the Games.

With the project in its final stages, the organisation is preparing for change and, ultimately, closure. Contracts are being closed out and the lessons learned from the programme are being captured and passed on through our Learning Legacy project.

One priority over the coming months is to support our staff through this period of transition. We have put in place a career transition programme, Changing Gear, which we hope will provide staff with the tools, confidence and connections to build on the skills and experience that they have developed at the ODA, and enable them to take their careers forward.

I would like to thank all our staff, past and present, for their huge personal and collective contributions to the work of the ODA, and ultimately to the success of London 2012.

In 2006 we published an ambitious set of goals that we wanted to accomplish. We have achieved these goals on time and under budget, but our work is far from over. After the Games, we will be undertaking a new set of transformation works, including the 'retro-fit' of the Olympic and Paralympic Village, to create a new park, homes and facilities for the local community. We are now, therefore, creating a new set of goals that we will need to achieve before the ODA's main functions are completed in March 2013.

A handwritten signature in black ink, appearing to read 'D Hone', written in a cursive style.

Dennis Hone
Chief Executive
Olympic Delivery Authority



Funding available to the ODA

The budget for the Games, announced in March 2007 by the Minister for the Olympics, was £9,325 million, within which the total funding available to the ODA was £8,099 million.

Fig. 1.1 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 funding available to the 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

The original baseline budget for the ODA of £7,095 million, approved by the Olympic Board¹ comprised £6,127 million for the delivery of the individual projects and programmes that make up the ODA programme, and £968 million of programme contingency for risks that arise from the management of a complex integrated programme of projects. In addition, a funders' contingency of £1,004 million was held by Government to cover unforeseen exogenous risk to the overall delivery of the ODA programme, bringing the total funding available to the ODA in March 2007 to £8,099 million.

In 2010, the June budget and the comprehensive spending review that followed reduced the available funding in the public sector funding package for the Games by £27 million, to £9,298 million and reallocated funding across the London 2012 programme. The funding available exclusively to the ODA was reduced to £7,321 million in line with the anticipated final cost of the ODA programme at that time, which reflected the advanced status of the ODA programme and the progress made by the ODA in delivering savings against its original baseline budget.

Savings from the ODA programme and some contingency funding previously available exclusively to the ODA were reallocated within the public sector funding package for the Games to manage cost pressures and to mitigate risks across the wider London 2012 programme.

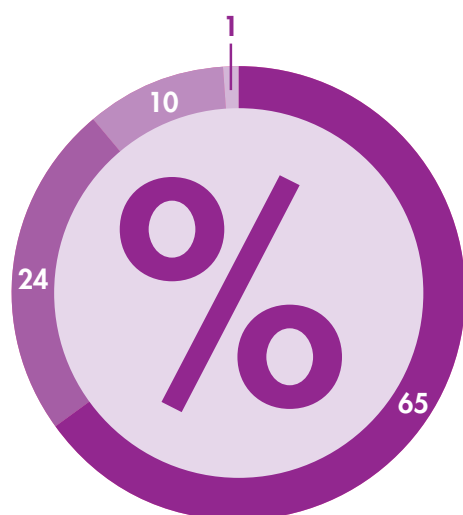
In June 2011, the ODA returned £333 million to Government for post-Games transformation works to the Park that will now be delivered by the London Legacy Development Corporation (LLDC, formerly the Olympic Park Legacy Company). The LLDC will align these works with their own development plans for the Park to create efficiencies and streamline the post-Games handover to the bodies ultimately responsible for managing the London 2012 venues and Park long term. Included in the funding settlement associated with the transfer were all the post-Games contingencies associated with the transformation of the Park on the understanding that the risk for delivery of these works now sits with LLDC.

¹ During the financial year, the Olympic Board, established to provide oversight, strategic coordination and monitoring of the entire 2012 Games project, comprised the Minister for Sport and the Olympics, the Mayor of London, the British Olympic Association Chairman and the London 2012 Organising Committee Chairman.

The forecast for the public sector funding package (PSFP) as at March 2012, incorporating the changes above and reflecting further savings delivered by the ODA and subsequent movements in the allocation of funds across the PSFP for the Games, shows the ODA's current forecast funding requirement of £6,761 million.

Fig. 1.2 Revised public sector funding package – forecast as at March 2012

		£m	£m
ODA	ODA base costs including VAT	6,673	
	Programme contingency	88	
	Total funding available to ODA		6,761
Non-ODA	Park transformation	296	
	Elite and community sports, additional support for Paralympic Games, Look of London	417	
	Security	1,028	
	LOCOG (including Park operations)	251	
	City operations and operational provisions	138	
	Domestic and international tourism campaigns	4	
	Programme contingency	403	
	Total non-ODA		2,537
	Total public sector funding package		9,298



**March 2012
Sources of funding**

- 65%** Central Government
- 24%** National Lottery
- 10%** GLA/LDA
- 1%** Sport England

Sources of funding

The ODA is primarily funded by central Government comprising contributions from the Department for Culture, Media and Sport (DCMS), Department for Communities and Local Government (CLG) and the Department for Transport (DfT), the National Lottery and the Mayor of London.

	March 2007 £m	March 2012 £m
Central Government	5,226	4,420
National Lottery	1,800	1,642
London (GLA* and LDA**)	1,022	659
Sport England	51	40
Total funding available to the ODA	8,099	6,761

*Greater London Authority
**London Development Agency



ODA anticipated final cost

99% Base cost
1% Contingency

Anticipated final cost

The anticipated final cost of the ODA's programme takes into account known cost pressures and saving opportunities, plus estimates of contingency requirements. The ODA's anticipated final cost is updated and published in a quarterly economic report by the DCMS, and at the end of March 2012 is forecast to be £6,761 million, well within the original funding set aside for the ODA in the PSFP in March 2007 of £8,099 million².

The ODA has delivered cumulative savings of £998 million by March 2012, £158 million in the last year, since the original baseline budget was established in 2007. The savings derive primarily from value engineering changes, procurement savings, inflation, contractual negotiations and VAT savings, and have been applied to cost pressures as they have arisen. In particular, they have been used to help publicly fund the Olympic and Paralympic Village, originally budgeted to be funded substantially by private investment and ensuring that the programme overall can be delivered within budget.

Within the total anticipated final cost, the ODA is holding £88 million of unreleased contingency against known cost pressures and a quantitative risk assessment of issues that may arise during the delivery of the remaining programme.

Progress to date³

To 31 March 2012, the ODA has spent £6,419 million, £1,271 million of which was spent in 2011–12.

The venues and infrastructure capital programme to Games is 97.4 per cent complete. Spend to 31 March 2012 accounts for 95 per cent of the net ODA anticipated final cost of £6,761 million.

	Actual to March 2012 £m	Spend to go £m	AFC as at March 2012 £m
Site preparation and infrastructure	1,778	44	1,822
Venues	1,074	32	1,106
Transport	541	353	894
Other Park-wide projects	733	163	896
International Broadcast Centre/Main Press Centre	293	2	295
Olympic and Paralympic Village	1,334	(399)	935
Programme delivery, taxation and interest	666	59	725
Contingency	-	88	88

²On a like for like basis, adjusting for transfers of scope, the ODA's anticipated final cost, compared to the original funding set aside for the ODA of £8,099 million is £7,145 million.

³Prior 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 Agency 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.

In January 2012, the ODA handed over the Olympic Park and Village to LOCOG who assumed full responsibility for control of the Park and Village, including all operational security. LOCOG's use of the venues and Park is governed by a Venue Use Agreement dated 6 January 2011, and on the Village, a lease agreement dated 3 February 2012.

The ODA has held the venues and infrastructure costs in assets under construction throughout the construction period. The ODA continues to hold these assets on its balance sheet post handover to LOCOG and on completion, when the Park is fully licensed in May 2012, the ODA will reflect these assets in their appropriate asset categories at cost as specialised Olympic assets.

The ODA has an asset protection responsibility throughout the run up to Games and during Games, and continues to support LOCOG on the Park and Village with the provision of facilities management in the venues and common domain, logistics and some construction services.

The agreement to transfer the delivery of all post-Games transformation works to the Park from ODA to LLDC means that LOCOG will hand back the Olympic Park directly to LLDC after the Games.

The ODA are working with LLDC to novate such contracts held by the ODA as are required by the LLDC to complete the transformation of the Park and open it to the public progressively from mid-2013 onwards.

Lee Valley Regional Park Authority (LVRPA), as legacy owners, will take possession of the VeloPark following completion of transformation works by LLDC.

Post Games, the ODA will work with LLDC and LVRPA to appropriately reflect the handover to legacy bodies of all Olympic Park assets which will result in the full write down of these assets in the ODA's books.

The Olympic and Paralympic Village

The assumption in the ODA baseline budget was that the development of the Village would be funded substantially by private investment. The turbulence in the financial markets, the credit crunch and the downturn in the property market in 2007 meant this no longer presented the best value for money option for the public purse.

In 2009, ODA entered into a pre-sale agreement with Triathlon Homes LLP, an approved provider of social housing, to deliver £268 million of development funding to the project in exchange for 999-year leases on 1,379 homes, comprising the affordable housing element of the Village as required by the Stratford City section 106 agreement. In legacy there will be four tenure types; social for rent, intermediate for rent, shared ownership and shared equity.

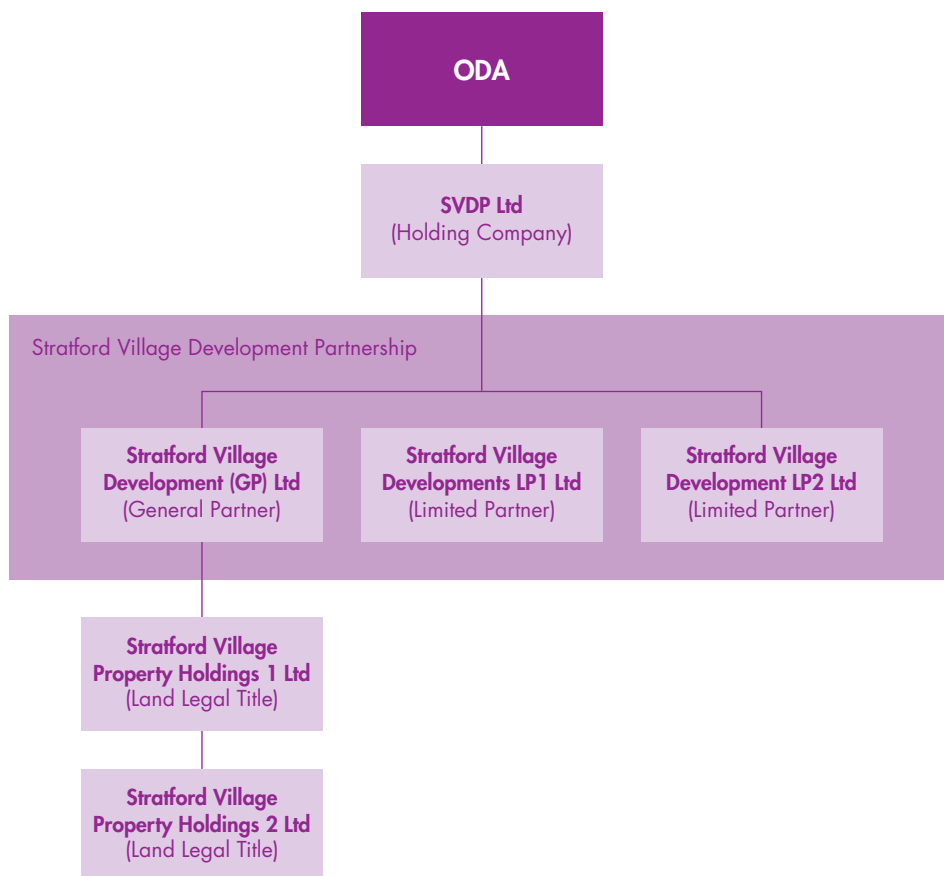
Following a market testing exercise, a competitive process was initiated in 2010 for the sale of the ODA's remaining interest in the Village. In August 2011, contracts were exchanged for the future sale of the Village, to QDD Athletes Village UK Ltd (QDD), a joint venture between Delancey, a UK-based specialist real estate investment company, and Qatari Diar, a real estate developer and investor wholly owned by the Qatar Investment Authority. The deal, worth £557.5 million with further potential profit share, will complete in March 2014 and is conditional on the successful delivery by the ODA of the post-Games retro-fit (strip out of temporary Games overlay and installation of kitchens) of the Village.

The company will remain under the control of the ODA, and will continue to be consolidated into its group accounts, until its sale to QDD completes in March 2014.

The delivery of the Village is through the Stratford Village Development Partnership. The original partnership structure was designed to allow for future private sector investment. In August 2011, the ODA established a holding company, SVDP Ltd, incorporating all of the ODA's remaining interests in the Village to simplify the sale transaction with QDD.

The modified group structure is shown in Figure 4.

Fig.4 ODA Group structure



Consistent with the treatment of all London 2012 venues, the ODA Group will reflect the Village as a specialised asset developed for use during the London 2012 Games. In the books of Stratford Village Development (GP) Ltd, expenditure on the Village is treated as inventory and income received from Triathlon recognised as sales revenue. This treatment is more appropriate to the purpose of the subsidiary company which is to develop and market the Village.

The Village incorporates a health centre that has been part-funded by the local primary care trust, NHS Newham, which will provide primary healthcare facilities and a multi-use community facility in legacy. An academy, primarily grant funded by the Department for Education will be handed over to Chobham Academy Trust in July 2013, and will open as a school for 4–19 year olds in the following autumn, specialising in the performing arts.

ODA exit strategy

Following the transfer of post-Games works on the Park to LLDC and the agreement for the future sale of the Village to QDD, the ODA reviewed and revised its strategy for the orderly winding up of the organisation, a requirement of the ODA's governing management statement with DCMS. In December 2011, the ODA received Ministerial approval for a substantial contraction of the organisation in March 2013, with final dissolution in March 2014, following completion of the retrofit and the Village sale to QDD.

Implementation of the strategy is underway. The construction focused element of the organisation began contracting in summer 2011 following completion of the big build phase of the programme, with further staff leaving in the first quarter of 2012 following the handover of the Olympic Park and Village to LOCOG. The ODA's executive management team was re-organised to better deliver the remaining activities of the organisation, including the Games-time operational phase and close down.

During the course of 2011–12, a number of ODA staff were seconded to partner organisations to support them in their business objectives.

The ODA has commenced a commercial close-out programme which aims to have substantially closed out all pre-Games contractual arrangements by July 2012 and all post-Games arrangements by March 2013.

Delivery Partner

The ODA's Delivery Partner, a consortium of CH2M Hill, Laing O'Rourke and Mace (CLM), is managed through call downs against a framework contract. CLM are reimbursed for direct costs and only receive incentive payments based on the successful achievement of milestones and cost performance targets agreed with the ODA. In total, the ODA has charged £607 million (including VAT) to the accounts to date in respect of CLM services on the project from September 2006, when CLM was appointed and £92 million of this relates to 2011–12. Of the cumulative expenditure to date, £38 million relates to accrued performance payments that will only be payable in future years if currently projected completion dates and cost savings are achieved. In line with the ODA's exit strategy, the final tranche of the CLM contract is expected to complete in December 2012.



Sir John Armitt CBE FREng FICE

Sir John Armitt CBE FREng FICE was appointed Chairman of the ODA on 1 September 2007. Sir 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.

Sir John is also a Non-Executive Director of the Berkeley Group and an Advisory Board member of PWC and Siemens. He was awarded the CBE in 1996 for his contribution to the rail industry.

He was formerly Chairman of the Engineering and Physical Sciences Research Council, and is a Fellow of the Royal Academy of Engineering and the Institution of Civil Engineers.

Sir John received a Knighthood in the New Year Honours List 2012 for his services to engineering and construction.



Sir Roy McNulty CBE

Sir Roy McNulty CBE is Deputy Chairman of the ODA and was Chair of Advantage West Midlands from 2009–2012. He is also a Non-Executive Director of Gatwick Airport Limited and has been Chairman of Ilex URC, the regeneration company for Derry-Londonderry, and Chairman of the Rail Value for Money Study, sponsored by the Department for Transport and the Office of Rail Regulation.

Previously, he was Chairman of the Civil Aviation Authority (CAA) (2001–09), Chairman of National Air Traffic Services (NATS) (1999–01) 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 (1993–94) and Chairman of the Department of Trade and Industry Aviation Committee (1995–98).



Lorraine Baldry OBE

Lorraine Baldry OBE is Chairman of London and Continental Railways Ltd, Inventa Partners Ltd and Tri-Air Developments Ltd. She is also Senior Independent Director of Circle Holdings plc and 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

Tony Ball is Chairman of the Supervisory Board of Kabel Deutschland AG, Europe's largest cable operator. He is a non-executive director of BT Group plc and ONO SA (Spain). He was Chief Executive of British Sky Broadcasting plc (1999–03) and is 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 and held senior positions in both media and broadcasting companies in the UK and Europe before this.



Barry Camfield

Barry Camfield was a full time union official for the Transport and General Workers Union (TGWU) from 1975 until September 2007. He was TGWU Assistant General Secretary from 2000 to 2007, and was previously TGWU 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.

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 previously a 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 for SEEDA.

Barry was a member of the TUC 'Unions 2012' group of TU officials and Chair of the 'Community and Trade Union Learning Centre', located next to the Olympic Park.

Barry resigned from his post as ODA Board member in January 2012, as a result of moving to live in Australia.



Neale Coleman

Neale Coleman is an adviser on the London 2012 Games to the Mayor of London, Boris Johnson. He previously chaired the Olympic Master Plan Reference Group, which led the work programme during the bid to deliver the Olympic master plan and outline planning consent for the Olympic Park.

Neale co-chaired the Olympic Delivery Group, which had responsibility for leading physical preparations for the Games prior to creation of the ODA.



Stephen Duckworth OBE

Stephen Duckworth OBE is the Contract Director for Serco Welfare to Work in the West Midlands. Previously Stephen was Chief Executive of Disability Matters Ltd, a consultancy which helps organisations profit from the potential of disabled people. 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 Board Member of the National Quality Board which aims to improve service quality within the NHS, and a member of the Disability Equality Delivery Board advising seven government departments on how to improve the life chances of disabled people. He was formerly a member of the Council of the University of Southampton.

Stephen has advised ministers on the Welfare Reform, the Polish Government on introducing anti-discrimination legislation and more than 400 public and private sector organisations on how to improve services for disabled customers while increasing the representation of disabled people in their workforce. He was awarded an OBE in 1994 in recognition of his service to disabled people.



David Fison

David Fison is Chief Executive of Osborne, a family-owned construction business. He is also a Director of the UK Construction Group, a trade association representing over 30 of the major UK contractors. He 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 multidisciplinary businesses involving very large construction projects and support service operations. David previously held senior management positions at Skanska and construction firm Balfour Beatty.



Christopher Garnett

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 is also a member of the National Railway Museum Advisory Board, a member of the Board of Transport for London and a Trustee of the Windsor Leadership Trust.



Baroness Morgan of Huyton

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.

Sally was appointed Chair of Ofsted in March 2011 and is also Chair of Future Leaders. She is Advisor to the Board of the children's charity, ARK, and a trustee of the Mayor's Fund. She is also a Non-Executive Director of Carphone Warehouse plc and serves on the advisory panel for the Virgin Group.



Kumar Muthalagappan OBE

Kumar Muthalagappan OBE is founder of a group of themed hotels including Colwick Hall Hotel, the ancestral home of Lord Byron.

Kumar is Managing Director of Medinova Research, a company specialising in clinical research and medical services. He is the Chairman of the City of Birmingham Symphony Orchestra (the CBSO) and Council Member of the University of Warwick, and was a Board Member of Advantage West Midlands until March 2012. He joined Alexandra Palace as a non-executive director in January 2010 to help make this historic asset into a sustainable and premier venue.

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

He was a board member of VisitBritain between 2002 and 2010 and Chairman of its Audit Committee, and was previously on the board of the Heart of England Tourist Board and Belgrade Theatre (2000–04).

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



Sir Nicholas Serota

Sir Nicholas Serota has been Director of Tate since 1988. He was previously Director of the Whitechapel Art Gallery (1976–88) and of the Museum of Modern Art, Oxford (1973–76).

He has been a member of the Visual Arts Advisory Committee of the British Council (1976–98, Chairman 1992–98), a Trustee of the Architecture Foundation (1991–99) and Commissioner on the Commission for Architecture and the Built Environment (1999–06).



David Taylor CBE

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 of BL Canada Quays Ltd, a joint venture with British Land plc currently developing 900 new homes and mixed-use space in Southwark.

David is former CEO of English Partnerships and special adviser to Lord Prescott. Prior to that, he had responsibility for development at AMEC plc. David chairs Rockpools People and Performance Ltd, Energy 10 Ltd, Venture Extreme Ltd, Communities and Provident International PLC and is Deputy Chairman of Preston North End FC.



2012

The east London landscape has been transformed into one of Europe's largest urban parks.



Summary

Where we started

After London won the right to host the 2012 Olympic and Paralympic Games in July 2005, the ODA faced the challenge and opportunity of creating an Olympic Park from scratch.

The 2.5 square kilometre site in east London was home to many industrial premises, which needed to be acquired and businesses relocated. Due to years of industrial use, the soil was contaminated with various pollutants, including heavy metals, tar, arsenic, oil, petrol and lead. Fly-tipping and landfill had caused further problems across the Park.

In the derelict areas of the site, invasive Japanese knotweed had taken root in an area equivalent to 10 football pitches, stunting the growth of natural species. The Park's waterways were neglected, and along with railway lines, had created a fragmented and disconnected site. Overhead electricity pylons criss-crossed throughout the River Lea Valley, hindering the scope for large-scale development.

The challenge was great: to create a stage for the world's best athletes to compete in the world's greatest sporting events and equally to deliver sustainable venues, infrastructure and parklands that would benefit the communities living and working in the area for generations to come. And to do this to the ultimate fixed deadline – the Opening Ceremony of the Olympic Games on 27 July 2012.



July 2005

London awarded 2012 Olympic and Paralympic Games

October 2005

Project to underground power lines begins, initially by the London Development Agency

March 2006

Olympic and Paralympic Games Act receives Royal Assent – Olympic Delivery Authority created

Where we are now

The work to clean and prepare the site for construction, known as the 'demolish, dig, design' phase, was completed on schedule by the time Beijing staged the Olympic Games 2008.

More than 200 of the site's previous structures were demolished, creating a clean slate for new venues and infrastructure.

The contaminated soil found on the Olympic Park site was cleaned and reused, making this the UK's biggest land clean-up. Five soil washing machines were a key fixture on the Park, sifting and churning through around two million tonnes of soil.

Sustainability has been a key priority from the start. During the demolition phase, the ODA recycled and reused on site around 98 per cent of material generated from the demolition works.

Two 6km-long tunnels now carry high voltage cables underground, 30m below the surface. The tunnels were the ODA's first major construction project to be completed and meant the 52 electricity pylons that previously dominated the Park and its surrounding area could be dismantled, unlocking the area for construction.

The commitment to sustainability continued into the design phase. Energy-efficient venues, specially designed for smooth transition to legacy, have been built and have set new standards for sustainability.

The people who will work, live and play in the Park had an opportunity to have their say on the new buildings through extensive consultation that involved residents, businesses, sports and community groups, and many others in east London.

Just before the Beijing 2008 Games the ODA entered the first of three 'big build' stages. 'The big build: foundations' marked the start of venue construction, on time or, in some cases, ahead of schedule. Thousands of concrete piles were installed deep into the ground to create the solid foundations of the Park's new buildings.

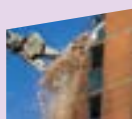
The 'big build: structures' phase began in 2009 and the Park could be navigated by the venues themselves, rather than plans or maps. External structures for major venues were completed and most reached their full height, transforming the skyline of east London.

Bridges began to form new connections on the Park, connecting previously isolated pockets of land to the surrounding areas. Parklands and green spaces started to form and mature.

The Primary Substation that distributes energy around the Park and the surrounding area and forms a key piece of the Park's new infrastructure was up and running in October 2009, the first building on the Park to be operational.

The 'big build: completion' started in 2010 and was delivered on time and on budget in July 2011, with the end of the construction of the Aquatics Centre.

By March 2012, the ODA had also completed construction of the Olympic and Paralympic Village and met its commitment to hand over the Park and venues to the LOCOG on time in January 2012.



December 2006

Start of demolition on Olympic Park site

February 2007

10,000-page Olympic Park planning application submitted



April 2007

Tunnelling work begins on 6km tunnels under the Olympic Park to carry power lines underground

Completing the 'big build' and one year to go

The opening of the Aquatics Centre in July 2011 marked the completion of the 'big build' and heralded one year to go to the Opening Ceremony of the Olympic Games

Each year of the 'big build' the ODA published 10 key milestones (see pages 52–55) that it planned to achieve for each stage, to ensure that the London 2012 construction project was transparent and accountable to the public.

Fast forward to 2011 and all of these milestones have been successfully met. The opening of the Aquatics Centre in July 2011 marked the completion of the 'big build' with one year to go. The Centre was the last of the main venues to be completed by the ODA, just under three years after construction began in 2008.

Earlier in 2011, the Olympic Stadium and Velodrome had been delivered on time and within budget, with a safety record far better than the industry average, and setting new standards in sustainable and accessible design.

The Copper Box (formerly Handball Arena) was completed in May 2011. The third of the main venues to be finished, the construction milestone was marked by a visit from Prime Minister David Cameron and Deputy Prime Minister Nick Clegg. Like all the main venues, the Copper Box was designed with sustainability and legacy in mind.

Its unique copper cladding has a high recycled content, while the lower tier of the 6,500-capacity arena is retractable, providing flexibility for use in its legacy as a multi-sports centre.

Following swiftly behind, the 12,000-capacity Basketball Arena was finished in June 2011. One of the largest temporary venues built for an Olympic and Paralympic Games, it was also one of the quickest, taking just 15 months from start to finish. After the Games, it will be dismantled with elements reused elsewhere. The International Broadcast Centre/Main Press Centre (IBC/MPC) was completed in summer 2011.

The remaining key infrastructure was also finished by July 2011. Long before one year to go, the ODA had completed the Energy Centre, Primary Substation, and Pumping Station, and installed an entire new utilities infrastructure across the Park. Among the infrastructure to be completed in the final year was the central park footbridge, which spans the River Lea at a focal point between the Olympic Stadium and Aquatics Centre, and the London 2012 transport 'big build'.



The Aquatics Centre was completed in July 2011



The Basketball Arena took just 15 months to build



May 2007

First earthworks begin on the Olympic Park, with soil being washed for reuse on the Park

June 2007

Underground power lines tunnelling complete

July 2007

Vacant possession of the majority of the Olympic Park achieved



On time

big build complete July 2011

£6.76bn

the anticipated final cost of
the ODA's construction and
transport programme

September 2007
Full Olympic Park
planning permission
secured



January 2008
Upgrade works start at
Weymouth and Portland
National Sailing Academy

May 2008
Start of construction on
the Olympic Stadium



£120m

has been invested by the ODA in improvements to Stratford station

10

different rail routes will serve the Olympic Park, making Stratford one of the most connected stations in London



June 2008

Start of construction on the Olympic and Paralympic Village

July 2008

Start of construction on the Aquatics Centre

July 2008

Contracts signed between ODA, London and Continental Railways and Westfield to secure delivery of the shopping centre and associated Games facilities

Transport big build

The ODA and its delivery partners have invested billions of pounds into London's transport network to ensure that it is fit for the Games

London's transport network moves millions of people every day. To ensure that there is even greater capacity during the Games, the ODA and its delivery partners have invested billions of pounds in improvements.

During the last year, the ODA has completed transport infrastructure improvements at Stratford station and across London. The completion of these upgrades signalled the end of the 'infrastructure improvement' phase and the start of the 'operational' phase for the ODA's Transport team (see page 40).

More than £120 million has been invested by the ODA to increase capacity and improve accessibility at Stratford station, with two-thirds of spectators expected to use the station to get to the Olympic Park.

Key improvements to the station have included nine new lifts and eight new staircases to improve passenger flow and accessibility, and a new accessible mezzanine-level entrance, which will ease crowding at the existing entrance and take passengers directly to the westbound Central line and Docklands Light Railway (DLR) services.

These improvements, together with the extension of the DLR and upgrades to London Underground, have made Stratford station one of the most connected parts of the capital.

Across London more than 100 walking and cycling improvements have been made, such as wider paths, smoother surfaces and better entry and access points. There have also been enhancements to transport infrastructure along the River Thames, such as an extension at Tower Pier, and a new roof for Greenwich Pier.

Working with Transport for London (TfL), Network Rail and others, the ODA has created a positive transport legacy for London, the benefits of which are already being felt by passengers across the transport network, and will continue to be felt for decades to come.



Transport infrastructure along the River Thames has been upgraded



More than 100 improvements have been made to walking and cycling routes



Upgrades to London Overground's North London Line include new signals, track, and longer platforms



November 2008

Weymouth and Portland National Sailing Academy upgrade works complete – first London 2012 venue ready

December 2008

All pylons removed from Olympic Park site, unlocking the landscape for development

February 2009

Docklands Light Railway extension to Woolwich Arsenal opens

Olympic and Paralympic Village

The Olympic and Paralympic Village will house 23,000 athletes and officials during the Games

The completion of the Olympic and Paralympic Village, one of the biggest construction projects on the Olympic Park site, coincided with the handover of the Park to LOCOG in January 2012. This enabled LOCOG to begin installing the Games-time facilities, while the ODA continued to put the finishing touches to the landscaping of the surrounding courtyards and parklands.

During the London 2012 Olympic Games the apartments will house up to 16,000 athletes and team officials, and throughout the Paralympic Games it will provide accommodation for 6,200 athletes and team officials, plus 1,000 referees and umpires. After the Games, it will offer new homes for the community, including two-, three- and four-bedroom houses and flats. There will be a mix of housing for sale and rent, nearly half of which will be affordable housing.

The future of the Olympic and Paralympic Village was secured in August 2011 when the ODA signed contracts with property investment company QDD for the future purchase and management of the Village.

The companies will be investing around £557.5m in the Village, to be known as 'East Village'. They will be working alongside Triathlon Homes, which will be investing £268m and will own and manage the 1,379 affordable new homes.

Before handing the Village over to its legacy owners, the ODA will be responsible for the 'retro-fit' of the Village. This will include installing kitchens, taking down temporary partitions, and installing timber and carpet flooring, to transform it from Games-time accommodation into flats and houses for the community.

1,379

affordable new homes will be available to the local community

£557.5m

will be invested in the Village by the new owners QDD

£268m

will be invested by Triathlon Homes for affordable housing

March 2009

Start of construction on the Velodrome



April 2009

Start of construction on the International Broadcast Centre/Main Press Centre Complex

June 2009

Contracts signed with Triathlon Homes for the sale of 1,379 affordable homes in the Olympic and Paralympic Village



July 2009
External structure of
Olympic Stadium complete

July 2009
Start of construction on
the Copper Box

July 2009
Start of construction on
Lee Valley White Water
Centre

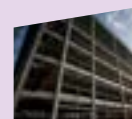


July 2009

First time trial of the Javelin® train from St Pancras International to Stratford International Station

July 2009

Works starts on Chobham Academy in the Olympic and Paralympic Village



September 2009

International Broadcast Centre structure complete

Handing over the Olympic Park and venues to LOCOG

With the 'big build' complete, the ODA handed the Park to LOCOG in January

The keys to the Olympic Park were handed over to LOCOG in January 2012. With the ODA's 'big build' complete, LOCOG took over the baton to install overlay and hold test events to ensure the Park is fully operational for Games time.

Examples of this work include the installation of broadcasting facilities and sponsor facilities, as well as building the temporary seating stands for the 16,000-capacity Riverbank Arena, and 6,000-capacity BMX Track.

With the handover of operations, we also passed on the legacy of an exemplary track record in health and safety, security and sustainability.

In order to support LOCOG, ensure a smooth transition of knowledge and maintain the highest standards in these areas, a number of ODA and the Delivery Partner staff were seconded to LOCOG to work in operational areas, including Olympic Park site tours, security and access, and the Construction Hotline.

With the handover of operations we passed on a legacy of an exemplary track record in health and safety, security and sustainability

October 2009

Start of construction on the Basketball Arena

October 2009

Start of upgrade works at Eton Dorney



October 2009

First plot structurally complete on the Olympic and Paralympic Village

After the London 1948 Olympic Games, the athletics track used at Wembley Stadium was re-laid at Eton Manor

5

temporary pools will be in place for Aquatics training during the London 2012 Games

10.6m

litres of water needed to fill the Aquatics training pools

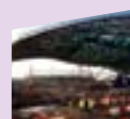


October 2009

Primary Substation complete – the first building on the Olympic Park

November 2009

Her Majesty The Queen plants first tree in Olympic Park



November 2009

Aquatics Centre's 160-metre long 2,800-tonne wave-like roof frame complete

Eton Manor

After the Games, Eton Manor will be handed back to the community as a multi-functional sporting facility

Eton Manor was one of the last venues to be completed by the ODA. Located in the north of the Olympic Park, it is the only new permanent London 2012 Paralympic venue and has been designed to be as flexible as possible, as well as to leave a lasting legacy for the local community.

The venue, which was completed in February 2012, will have different functions throughout the Games and in legacy. During the Olympic Games, it will be the Aquatics training venue with five temporary pools: three 50m swimming pools, plus smaller pools for synchronised swimmers and water polo players. The lightweight steel and aluminium frame and PVC structure built for these pools make it the only building of its kind in Europe to house three 50m pools.

During the Paralympic Games it will become a spectator venue, hosting the Wheelchair Tennis events. In this form, the venue will feature nine Wheelchair Tennis competition courts with capacity for 10,500 spectators, including a 5,000-capacity show court and four warm-up courts.

After the Games, the area will be transformed for a third time into sporting facilities for the local community, including a tennis centre with four indoor and six outdoor courts, and a hockey centre. There will also be space for 10 five-a-side football pitches.

Eton Manor Old Boys' Club

Eton Manor has had a long sporting heritage. The site first became a sports club in the 1900s when four philanthropic Old Etonians established the Eton Manor Old Boys' Club to provide local boys with the opportunity to enjoy sport and social activities, including boxing, shooting and cricket, as well as amateur dramatics and debating.

After the London 1948 Olympic Games, the venue was chosen as the home for the Wembley Stadium athletics track. Eton Manor Old Boys' Club was an important local amenity for nearly a century, but became increasingly cut off by main roads and eventually fell into disrepair in 2001, before the venue was taken over by the ODA in 2010.



December 2009
Olympic Stadium cable-net roof complete and lifted into place

January 2010
Velodrome external structure complete

February 2010
International Broadcast Centre cladding complete

Inflated recyclable PVC cushions are used for the roof instead of a single layer, which prevents heat gain and loss and, therefore, condensation

37m

competition pool and smaller training pool

5,000

spectator capacity



February 2010
First Docklands Light Railway three-car services in operation

March 2010
Olympic Stadium at full height with all 14 lighting towers in place



April 2010
Velodrome cable-net roof complete and lifted in place

Water Polo Arena

The Water Polo Arena was completed in March 2012 in time for LOCOG test events

Along with Eton Manor, the Water Polo Arena was one of the final venues to be built by the ODA on the Park. Construction started in spring 2011 and was completed in time for test events in May 2012.

The Arena will be among the first venues seen by spectators as they enter the Park, and its silver-coloured wrap and an inflatable roof will ensure it gets their attention. Located at the eastern entrance to the Park, next to the Aquatics Centre, it sits in one of the most compact areas of the 2.5sq km site. To make the best use of available space, the venue shares a number of back of house facilities with the Aquatics Centre.

It is the first ever bespoke Water Polo venue for an Olympic Games, with a unique wedge-shaped design sloping upwards from 6m to 25m. This ensures that the referees' raised table used in Water Polo does not obscure the view of spectators, who sit on the opposite side of the 37m competition pool. The venue is accessible to all, with spectators able to access the internal concourse level via a series of accessible ramps.

To minimise waste, many of the parts used in the build, such as the temporary seating, have been hired so they can easily be returned to the supplier and reused. The building's silver skin is also made of an environmentally-friendly PVC that can be recycled. After the Games, the lightweight venue will be taken down, with its elements expected to be reused elsewhere.



April 2010

Aquatics Centre pools structures complete and tested



May 2010

Eton Dorney upgrade works complete

May 2010

Contracts signed with London and Continental Railways to acquire six development plots adjacent to the Olympic and Paralympic Village

18,000

square metres of recyclable PVC membrane cover the temporary indoor range



June 2010
Olympic Park soil washing complete

June 2010
Start of planting across Olympic Park site



June 2010
First seats installed in the Olympic Stadium

The Royal Artillery Barracks

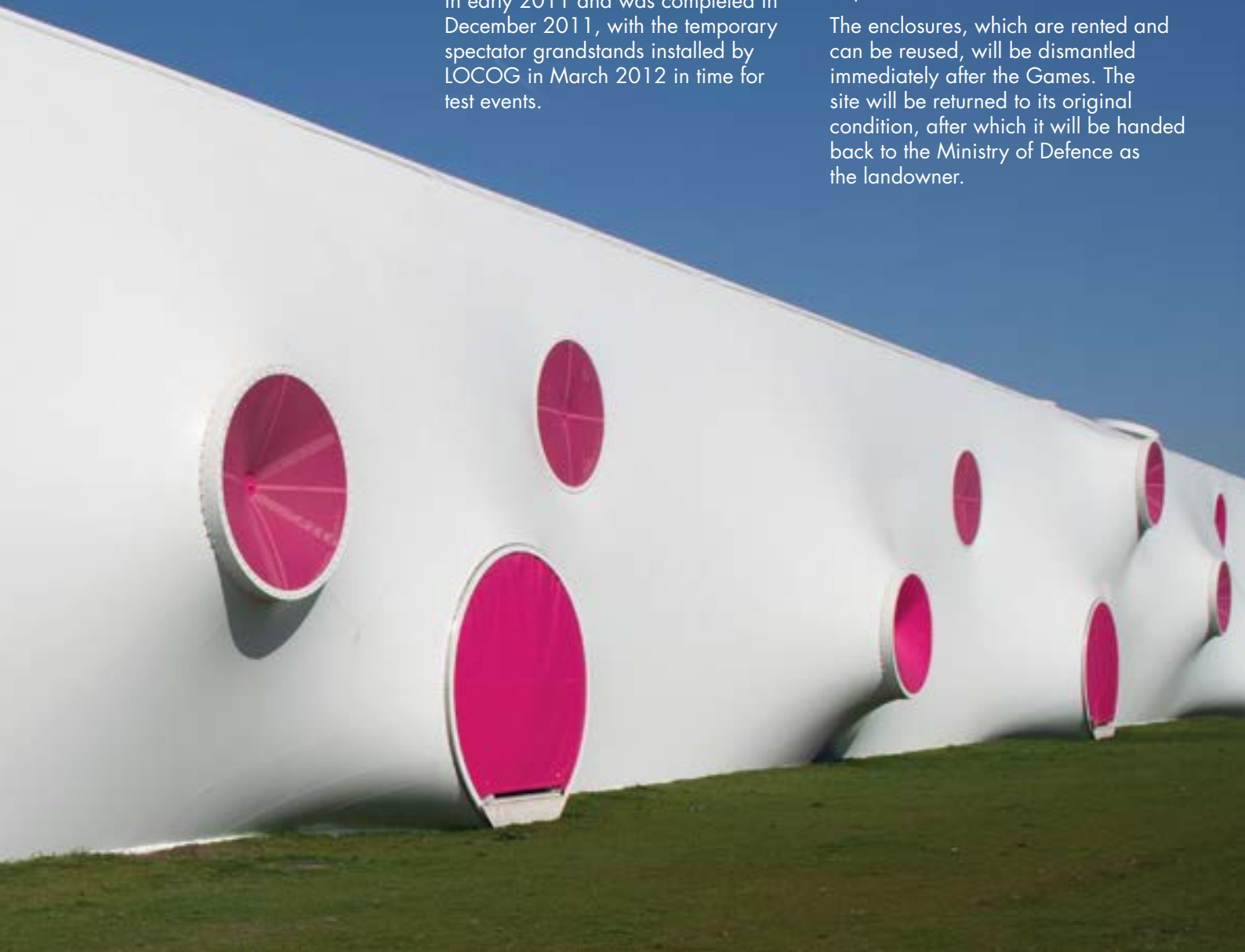
The shooting ranges at The Royal Artillery Barracks will accommodate up to 7,000 spectators

Located in the grounds of the historic military base in Woolwich, The Royal Artillery Barracks shooting range is one of the most visually striking new temporary venues. The entire site of the venue is the size of the Olympic and Paralympic Village, and includes the outdoor shotgun ranges for Trap and Skeet Shooting events, as well as outdoor ranges for Paralympic Archery.

Construction on the three temporary indoor ranges for Pistol and Rifle Shooting (a 25m, a combined 10m/50m and a finals range) started in early 2011 and was completed in December 2011, with the temporary spectator grandstands installed by LOCOG in March 2012 in time for test events.

Rather than being built using scaffolding, the ranges, which are two or three times the size of some of the buildings on the Olympic Park and have a combined capacity of 7,000 spectators, were constructed from a steel frame, and clad in around 18,000 sq m of an environmentally-friendly phthalate-free PVC membrane. The vibrant orange, pink and blue openings of the cladding not only help break up the white facades, but also provide natural light and ventilation. Because of its unique design, local people nicknamed the venue 'liquorice allsorts'.

The enclosures, which are rented and can be reused, will be dismantled immediately after the Games. The site will be returned to its original condition, after which it will be handed back to the Ministry of Defence as the landowner.



June 2010
Main Press Centre structure complete

June 2010
Construction starts on the health centre in the Olympic and Paralympic Village

June 2010
Start of construction works at Eton Manor – all permanent Olympic Park venues now underway

Embedding the parklands

The ODA has transformed this part of east London into one of the largest urban parks in Europe

2.5sq km

Olympic Park site transformed

120,000

plants in the 2012 Gardens

Transforming 2.5sq km of east London into one of the largest urban parks in Europe for more than a century has been a major challenge, and has involved excavating and remodelling the landscape of this part of London.

2011–12 saw the completion of the ODA's two-year planting programme on the Olympic Park. To celebrate the transformation, local residents and schoolchildren enjoyed the first 'picnic in the park' in June 2011. More than 100 local people of all ages joined the picnic and guided tours of the newly completed wetland bowl, riverside spectator lawns and wet woodlands, led by the experts behind the design and construction of the parklands.

A key feature of the new parklands is the 2012 Gardens, which stretch almost one kilometre between the Aquatics Centre and Olympic Stadium and feature 120,000 plants from 250 different species across the world, arranged by temperate regions.

In May 2011, Rachel Read and 12-year-old Hannah Clegg planted the garden's first tree, a 20-year-old oak. They had won the Royal Horticultural Society's competition to help design the Great British Garden, situated within the 2012 Gardens.

The ODA has also been working closely with international wildflower experts from the University of Sheffield to design a range of late flowering annual and perennial meadows for the Olympic Park, which will provide a colourful and festival atmosphere for the London 2012 Games. Planting trials for these meadows, to ensure flowering coincides with the Games, were completed in September 2011.

The ODA is developing a smart phone app to maximise the user experience of the parklands during the Games and afterwards. The app guides visitors around the 2012 Gardens, providing more information on individual plants, planting schemes, as well as offering in-depth interviews with the Gardens' designers.

Ongoing maintenance of the parklands, both during and after the Games, has also been key task for the Parklands team over the last year. During 2011, two contracts – one for the north of the Park and one for the south – were let for the ongoing maintenance of the parklands post Games.

After the Games, the parklands will be central to the Queen Elizabeth Olympic Park, and one of the most enduring and lasting legacies of London 2012. As the parklands embed, it is anticipated that they will become a haven for wildlife and plants. To encourage wildlife to make the Park their home, new habitats for species including otters, kingfishers, grey herons and water voles were installed, and were completed in November 2011.

July 2010

Olympic Stadium roof covered in fabric

July 2010

Velodrome timber ceiling installation complete



July 2010

Copper Box structure complete



After the Games, the parklands will be central to the Queen Elizabeth Olympic Park



In June 2011, more than 100 local people were invited to join in the first 'picnic in the park'



Arranging ongoing maintenance of the parklands has been a key task this year



July 2010
Basketball structure and covering complete



July 2010
Lee Valley White Water Centre courses and lake structures complete and filled with water

August 2010
First seats installed in the Basketball Arena

Art in the Park

The Olympic Park is home to 26 art installations, 24 of which are permanent

From the start, the London 2012 project has incorporated arts and culture initiatives into the heart of the Olympic Park, creating an international benchmark for future Games.

Over the last four years, the ODA has worked with a range of artists to develop its programme of permanent and temporary art on and off the Park. The numerous projects have included 26 art installations, like the 9m-tall 'RUN' artwork by Monica Bonvicini, community projects such as the View Tube, and over 70 events, including the first reading of Poet Laureate Carol Ann Duffy's London 2012 poem 'Eton Manor'.

26

art installations on the Olympic Park

35

crayon-shaped sculptures form the artwork 'Steles'

6

permanent poems have been installed across the Olympic Park

August 2010

First Olympic Park flower meadows bloom

September 2010

Aquatics Centre pool tiling starts



October 2010

Olympic Park Energy Centre complete



'Eton Manor' by Carol Ann Duffy
The Poet Laureate captured the spirit of the venue's previous existence as the Eton Manor Boys' Club. The poem has been set in bespoke aged steel plates with brass letters at the venue, by artist Stephen Raw.



'Fast, Faster, Fastest'
The artwork will celebrate the winners of several Olympic and Paralympic running events at London 2012 by giving visitors to the Park the chance to race against the pace of the winning athletes. By sprinting against the 100m light-and-sound trail passing across the bridge people will get a sense of how quickly the athletes really run.



'History Trees'
Ten trees, each supporting bespoke metal ring of bronze or stainless steel, have been planted at the main entrances to the Park to create a permanent legacy of the Games. The artworks, created by British artists Ackroyd and Harvey, are engraved with the hidden histories of each area.



'Floating Cinema'
The Floating Cinema was an artist-led community engagement project that travelled the waterways of the Host Boroughs and the Olympic Park during summer 2011. Developed by UP Projects, artists Nina Pope and Karen Guthrie and local architects, it hosted more than 30 events, for example on-board screenings, creative canal tours, talks and workshops, and engaged with over 5,000 local people.



'Steles'
Created by Hackney-based artist Keith Wilson, the long line of 35 brightly coloured pillars, named 'Steles', will be seen by visitors walking along the waterfront of the 2012 Gardens. After the Games, the artworks will be used as mooring posts fastened to pontoons for boats along the waterway.

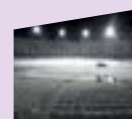


'RUN' by Monica Bonvincini
Made from polished stainless steel and mirrored glass, the letters of the 'RUN' sculpture, located outside the Copper Box, create a mirror effect during the day, while complex LED lighting inside illuminates the artwork at night, creating an iconic landmark in the Olympic Park landscape. The choice of the word 'RUN' was inspired by popular music titles, including Bruce Springsteen's 'Born to Run'.



November 2010
Velodrome timber track complete

December 2010
Lee Valley White Water Centre complete



December 2010
Olympic Stadium floodlights switched on for the first time

Transport operations

Ensuring spectators have smooth and safe journeys to and from events, while keeping the rest of London and the UK moving, will be crucial to the success of the Games

The ODA has been advising spectators to start thinking early about how they will get to the Games.

Olympic Route Network and Paralympic Route Network

The ODA is responsible for implementing the Olympic Route Network (ORN) and Paralympic Route Network (PRN) which link all the competition and key non-competition venues for the Games and provide safe, secure and reliable transport services to members of the Games Family, such as athletes and officials.

During 2011–12, we have been working with TfL, the Highways Agency and local highway authorities to complete our programme of engagement and consultation with people who may be affected by the ORN/PRN, to help them plan ahead for it and ensure any adverse impacts are minimised. Outside London, the ODA has signed service level agreements with local highway authorities, and a Memorandum of Understanding with the Highways Agency to deliver the ORN/PRN.

Transport Coordination Centre

In collaboration with TfL, the ODA has created the Transport Coordination Centre (TCC) – a brand new, national centre that will provide a centralised transport communication and information-sharing function across the UK's transport networks 24/7 during the Games. The TCC has been operationally ready since December 2011 and has carried out numerous exercises to test operating processes and ensure appropriate resources are available to manage issues.

Travel Demand Management

The investments in and improvements to the UK's public transport system will help the network to cope with the increased demand during the Games, but they are finite.

A Travel Demand Management (TDM) programme has therefore been developed to understand where demand will be highest, to promote short-term changes to travel behaviour and to help passengers make informed travel choices. TDM interventions include:

- raising awareness of the transport impact of the Games and the transport choices available;
- providing information to people using the busiest parts of the transport network;
- providing travel advice for regular users of the transport network, businesses and spectators; and
- encouraging people to pre-plan their travel.

Responsibility for the programme's delivery was handed over to TfL in February 2011, together with responsibility for delivery of the ORN/PRN in London.

The ODA launched the spectator journey planner in June 2011 to advise spectators to start thinking early about how they will get to the Games. This has coincided with TfL's programme of engagement with local authorities, and large and small businesses, to ensure they understand how their operations may be affected.

A website – GetAheadoftheGames.com – was launched in January 2012 by TfL to provide information about the travel hotspots and enable advance planning to make journeys easier.

December 2010

Aquatics Centre's first diving tower complete

January 2011

Start of construction on the Water Polo Arena

January 2011

Copper Box cladding complete and first seats installed

A new website and marketing campaign was launched in January 2012 to encourage people to 'Get ahead of the Games'



4,000

extra trains will be operating during the Games

80%

of spectators will travel by rail



February 2011
Velodrome complete



March 2011
Olympic Stadium complete



March 2011
First accommodation block complete on the Olympic and Paralympic Village

Advertising and trading regulations

The ODA's Advertising and Trading team will be responsible for preventing ambush marketing during the Games

An important statutory function of the ODA is to protect the vital funding provided by London 2012 sponsors, without which the UK would not be able to host the Games.

To prevent ambush advertising or marketing and to stop illegal outdoor trading, the ODA was tasked by the government in 2006 to manage the implementation of the regulations to counter these activities within all of the 28 Event Zones (areas a few hundred metres around competition venues) during the Games. The regulations were passed as law in December 2011 (January 2012 for Wales).

Since November 2011, traders and businesses have been able to apply for an authorisation to trade and advertise within the Event Zones. Applications closed at the end of March 2012 and the team processed more than 630 trading applications for the Games. Applications to advertise are submitted to LOCOG, but the ODA's Advertising and Trading (ATR) team will be responsible for enforcing the regulations during the Games.

The ATR team has been working closely with 30 local authorities to provide advice and information to key stakeholders, and has recruited 250 experienced enforcement officers to help enforce these regulations during the Games.

Throughout summer 2012 the ODA will coordinate the officers from headquarters in London. As a result, a key part of the ATR team's work over the last 12 months has been to train all the enforcement officers on the detail of the regulations and on the ODA's enforcement policy (to ensure a reasonable and proportionate enforcement response), and build the C3 (Command, Control and Communications) structure, including accreditation, uniforms and enforcement equipment, that will form the backbone of operations and be key to protecting the Games from ambush.

630+

applications to trade received

250

enforcement officers recruited and trained

March 2011

Start of construction on the BMX Track

April 2011

Lee Valley White Water Centre opens to public

April 2011

Aquatics Centre pool tiling complete

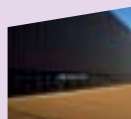
Drink Bliss Beer



Preventing ambush marketing and illegal advertising will protect the vital funding from London 2012 sponsors



April 2011
Wetland bowl in north of Olympic Park complete



May 2011
Copper Box complete

May 2011
Start of construction on the shooting ranges at The Royal Artillery Barracks

Priority themes

The successful completion of the London 2012 construction project has been underpinned throughout by the ODA's priority themes. Across these themes we have set new standards and raised the bar for the construction industry. The lessons we learned are set out on the London 2012 Learning Legacy website, london2012.com/learninglegacy

Launched in October 2011, the website is designed to help share best practice across the construction industry. Using videos, reports and case studies, the website illustrates

how the ODA tackled issues such as getting more women into construction, building better health and safety records, creating a green landscape from a former industrial site and completing projects on time and within budget.

The website, which will also be able to be added to over time, will contribute to the ODA's own legacy of sharing best practice and ensuring that the valuable lessons learned on the project can be replicated by others.



May 2011

Aquatics Centre 'Gateway to the Park' bridge structure complete

May 2011

Planting starts on the Great British Garden in the Olympic Park



June 2011

Basketball Arena complete

Design and accessibility

From the start, the ODA's aim was to design for the Games and legacy together. The ODA wanted to create exciting, well-designed venues that were appropriate for the world's greatest sporting event, while connecting seamlessly with the parklands and urban neighbourhoods around them. Inclusive design has also been at the heart of the project, and we set out to achieve an excellent standard of accessibility that would act as a benchmark and inspiration to others.

At the end of the 2011–12 financial year, all of the ODA venues were complete and the parklands were almost finished. The ODA has delivered on its commitment to only build permanent venues if there was a long-term use and has achieved the highest standards in design and accessibility, as recognised by the multiple awards the ODA, its designers and contractors have received (see pages 56–57).

Through engaging and consulting with local people and stakeholders, we were able to adapt and evolve our designs to take on board concerns and opinions, such as providing sufficient numbers of faith rooms in venues.

It is not just on the venues where we have delivered on our commitments. The new green spaces within the Park have been designed to be accessible to all types of visitors, including wheelchair users, parents with pushchairs, and people of all ages. To make sure that everyone can move through the parklands easily and comfortably, the pathways are wide, with smooth surfaces, shallow gradients and seating at regular intervals.

Ensuring that everyone can get to the Games has been equally important. The ODA and its transport delivery partners have invested millions of pounds into improving accessibility across the transport network, such as new lifts at Stratford station and extensions to the DLR that will increase capacity on what was already a highly accessible transport option (read about the Transport 'big build' on page 25).

Looking to the future, the Park has been designed so it can be quickly transformed to its legacy form, enabling the LLDC to open to the public as quickly as possible after the Games.



Wide pathways, smooth surfaces and seating at regular intervals make the parklands accessible to all

June 2011
Stratford station
upgrade complete



July 2011
Aquatics Centre complete

July 2011
International Broadcast Centre/
Main Press Centre complete

Employment and skills

10%

of the construction workforce were previously unemployed

46,000+

people have been employed by the London 2012 construction project

Winning the bid for the London 2012 Games gave people in London and the UK access to new jobs and career opportunities.

As the body responsible for developing the venues and infrastructure for the Games we made a commitment in our employment and skills strategy, 'Jobs, Skills, Future', to get unemployed people into work and to improve the skills within communities in east London and beyond.

Over the last five years, the London 2012 construction project has provided more than 46,000 people with jobs and training during a difficult time for the economy, and given over 450 people the opportunity to experience working in the construction industry through our apprenticeships scheme, easily passing our target of 350 apprenticeships.

Through the combined efforts of contractors and partners we have had particular success in getting unemployed people into work, with 1,580 placements.

We have also delivered on our commitment to invest in the local community, with 18 per cent of the construction workforce recruited from the five Host Boroughs (Hackney, Waltham Forest, Newham, Tower Hamlets and Greenwich).

These efforts have created new jobs and improved skills and opportunities for employment, which we hope will leave long-term social and economic benefits for London and the UK.

Commitment	Olympic Park contractor workforce percentage***	Olympic and Paralympic Village contractor workforce percentage***	Benchmark percentage****
Women*	4%	3%	11%
Disabled people**	1.2%	0.5%	3%
BAME	15%	13%	15%
Previously unemployed	10%	10%	7%
Employment from five Host Boroughs	15.6%	24.2%	15%

*In manual trades, three per cent of the Olympic Park workforce and 1.3 per cent of the Olympic and Paralympic Village workforce were women, against the national average which is between one to two per cent

**Ethnicity and disability data is provided voluntarily by the workforce; the percentage of respondents disclosing disability may suggest underreporting

***As of 30 June 2011

****The ODA used the 2006–2007 Labour Force data as a baseline for its Employment and Skills commitments. The benchmarks set from this were aspirational and percentages achieved exceeded industry norms.



July 2011
Chobham Academy
handover complete

August 2011
BMX Track (original configuration)
construction complete

Equality and inclusion

469

graduates from the Construction College of East London, known as 'digger school'

The momentum provided by the London 2012 Games, and the investment in the Lower Lee Valley, offered the chance to significantly reduce historic and long-standing inequalities in the area.

Through our Equality and Diversity strategy we wanted to ensure that Londoners, and specifically those living within east London, felt ownership of the project and were able to participate in and benefit from the opportunities of the delivery programme.

Inextricably linked with our vision for employment and skills were the ways we recruited and managed employees, including those working in the supply chain, to help ensure they were demonstrably fair and offered equal opportunities to all.

The ODA committed to working with our partner organisations to encourage women, black, Asian and minority ethnic people (BAME), disabled people, and those who were previously unemployed to improve their skills and apply for jobs in construction and other areas where they were traditionally underrepresented.

The ODA developed a range of employment and training programmes with our partner organisations including the Women into Construction project, which recruited and placed women directly into jobs on the Olympic Park, as well as a 'digger school', which gave people – including women and disabled people – the chance to train in operating construction machinery.

Beyond employment, we have engaged with all groups in the local community in partnership with other organisations including the LLDC, the GLA and LOCOG. This engagement work has included public meetings, consultation events, and community capacity building opportunities, for example participation in the Newham Festival and Disability Pentathlon and hosting the 'Time to Shine' sporting event in 2009.

Through our wide-ranging programme of activities, we have helped to build a legacy that is inclusive for people of all cultures, faiths and ages, and one that is accessible to disabled people with a range of impairments.



The ODA's Women into Construction project was just one of a range of employment programmes



The 'digger school' gave disabled people the chance to train in operating construction machinery

August 2011
Stratford International, Docklands Light Railway extension opens

August 2011
Contracts signed with Delancey and Qatari Diar for the sale of the Village development company and 1,439 private homes

Sustainability

Sustainability was embedded in the bid for the 2012 Games. Together with LOCOG, the ODA committed to using the Games as a catalyst for change, for the regeneration of the area and to improve quality of life in east London.

Part of our commitment was to create venues, facilities and infrastructure for London 2012 that would leave a lasting social, economic and environmental legacy for London and the UK, while minimising any other adverse impacts.

To meet this commitment, the ODA set itself and its contractors working on the Park a comprehensive range of targets which were embedded in the systems, processes, tools and culture of the project. At the end of the London 2012 construction project, the ODA has met or exceeded targets in all but one of its commitments.

Our approach has been unprecedented for a project of this scale. Since it began in 2006, we have translocated species, reused materials from demolition and cleaned two million tonnes of soil.

We have also incorporated state-of-the-art, cutting edge sustainable technologies into the venues, such as light pipes to reduce energy use, brown roofs to encourage new wildlife habitats, and rainwater collection facilities to reduce water consumption.

Longer term, the Park's new energy infrastructure will reduce carbon emissions, while the creation of more than 100 hectares of open space will help to reduce the risk of flooding in the river valley and enrich the biodiversity of the area.

The ODA's approach to sustainability has been commended by the Commission for a Sustainable London. In the Commission's 2010 Annual Review we were recognised for doing 'an exemplary job of sustainable construction', and the standards we have set were recommended as a benchmark for the construction industry to follow.

675

bird and bat boxes are being installed across the Olympic Park

1.8

million tonnes of material were delivered to the Park by rail



Bird and bat boxes are being installed across the Park



The Park's new energy infrastructure will reduce carbon emissions



September 2011

Eton Manor main facilities building and indoor tennis hall complete

October 2011

Olympic and Paralympic Village Health Centre handover complete

Commitment	Status
Reduce carbon emissions arising from the operation of the built environment in the Olympic Park by 50 per cent by 2013	Exceeded
Deliver 20 per cent of all energy demands for the immediate post-Games legacy using on-site renewable resources*	Target revised**
Build the Olympic and Paralympic Village to Code for Sustainable Home Level 4	Design stage achieved, on track for achievement in transformation
Transport 50 per cent (by weight) of construction materials to the Olympic Park by rail or water	Exceeded
Reclaim 90 per cent of material from Olympic Park demolition work for reuse and recycling	Exceeded
Use 25 per cent (by weight) recycled and/or secondary aggregate for construction venues and Park-wide infrastructure	Exceeded

*Target not achieved as a major wind turbine could not be successfully deployed.

** Planning target revised to nine per cent and remaining proportion of carbon savings met through a community energy saving retrofit project which has exceeded the target savings.



October 2011
Central Bridge and other new permanent bridges on Olympic Park complete



January 2012
The Royal Artillery Barracks shooting ranges complete

Health, safety and security

12,000

workforce on the Olympic Park at the peak of construction, with over 46,000 working on the Park over the duration of the project

0

fatalities on the construction project, when average statistics suggest three deaths were to be expected on a project of this scale

30

periods of one million hours worked without a reportable injury – plus five periods of two million hours and two periods of three million hours

From day one, health and safety has been at the heart of the London 2012 construction project. The ODA wanted to be a best practice organisation, fully compliant with applicable UK and European legislation and standards.

We aimed to raise the bar in health and safety within the construction sector, and have been committed to eliminating preventable illnesses, injuries, business losses and environmental harm due to unplanned events.

As part of this commitment we published the 'Health, Safety and Environment (HS&E) Standard', which outlined how the ODA would procure designs, appoint contractors and build the new venues and infrastructure safely and without risk to health. The standard was a permanent reminder to contractors of their responsibility to always aim for best practice.

Leadership was key to achieving this and to building an excellent health and safety culture. ODA directors and the Delivery Partner established the Safety, Health and Environment Leadership Team (SHELT), which created the link between HS&E performance targets and each main contractor. A senior representative of each project joined SHELT, which provided the strong leadership that had a direct impact on the site workforce.

The ODA also worked with suppliers and their workforce to embed this culture and give the highest priority to health, safety and security issues. We encouraged workers to take pride in the standards being set, and rewarded them through recognising best practice with London 2012 pin badges, free breakfasts, and monthly and annual awards to individuals and teams.

As well as focusing on preventing harm, we have been committed to enhancing the well-being of all involved in the project and to this end

established Park Health, the Olympic Park's on-site medical service and Village Health, the Village's equivalent. Over the course of the project, Park Health undertook 90,000 assessments or treatments of site workers.

With pioneering approaches to health and safety, the ODA has succeeded in raising the bar for the construction industry with no fatalities and 30 periods of one million hours worked without a reportable injury. It has been recognised externally for its exemplary record in health and safety.

In 2010, the ODA was awarded the Sword of Honour, one of the most prestigious international health and safety accolades, and in June 2012 also received a special Diamond Jubilee award from the Royal Society for the Prevention of Accidents (RoSPA) to mark Her Majesty The Queen's Diamond Jubilee. The award recognised the ODA's outstanding and exemplary health and safety achievements during the 'big build'.



Poster campaigns promoted positive health and safety messages



January 2012

Olympic and Paralympic Village complete and Olympic Park handed over to LOCOG

February 2012

Eton Manor complete

Legacy

75p

in every £1 has been spent on the long-term regeneration of the area

100ha

of new green space created – equal in size to St James's Park

The London 2012 Games offered a unique opportunity to revitalise the Lower Lee Valley and transform one of the most underdeveloped and deprived areas of London into a benchmark 21st century urban environment that not only reflected the area's diverse and vibrant population, but would also be a place where people would want to live, work and play.

Our aim was to create one of the largest new urban parks in Europe for more than 150 years, with a lasting legacy of world-class sports facilities, homes for the local community and green spaces in and around the Park.

The ODA has delivered on this aim. We have transformed the physical environment in and around the Park by clearing and cleaning the site, improving waterways, burying the overhead power lines, enhancing the ecology of the area and creating 100ha of new green space. Infrastructure in the area has also been enhanced, with improvements to public transport networks making Stratford one of the most connected communities in London.

After the Games, the Park will be handed over to the LLDC for the next stage of transformation into the Queen Elizabeth Park, while the Olympic and Paralympic Village will go to its new owners, QDD and Triathlon Homes, to be changed into housing for the local community.

Legacy operators have now been found for six out of eight permanent venues. Lee Valley Regional Park Authority will own and run the Lee Valley White Water Centre, Velodrome and Eton Manor, while Greenwich Leisure Limited (GLL) will be the operator for the Aquatics Centre and Copper Box, and Balfour Beatty WorkPlace will be responsible for the Orbit. The LLDC are currently finalising arrangements for the IBC/MPC and Olympic Stadium. Outside of the Park, the new facilities at Weymouth and Portland National Sailing Academy have already been handed back to the owners following the completion of enhancement works in November 2008.

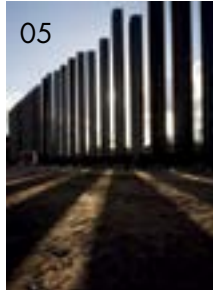
By planning the Games and their legacy together we have ensured that they will be remembered, not only as a summer of fantastic sport, but also as the catalyst for the regeneration of one of the most underdeveloped areas of the UK.



The London 2012 Games will leave a lasting legacy to the local community with world-class sports facilities and new homes



March 2012
Water Polo Arena
construction complete



Milestones: achieved

Each year we published 10 key milestones we planned to achieve during that year, to ensure that the London 2012 construction project was transparent and accountable to the public. All of these milestones have now been delivered on time and within budget.

Demolish, Dig, Design

Milestones to the Beijing 2008 Games

Milestone 01 ✓

The majority of the Olympic Park will be 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 will have been 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 will have started.

Milestone 05 ✓

The regeneration of the waterways 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 will have started, with many complete.

Milestone 07 ✓

Construction will have started on the bridge that will take people over the Aquatics Centre to the Olympic Stadium. Building work on the Stadium will be about to begin.

Milestone 08 ✓

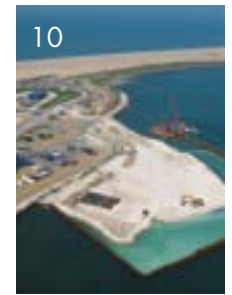
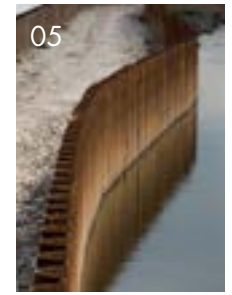
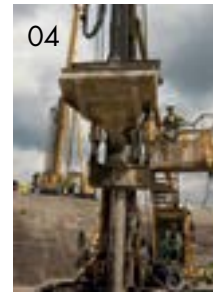
Construction on the Olympic and Paralympic Village will have started.

Milestone 09 ✓

Contracts will have been let and designs agreed for the 'big four' venues in the Olympic Park – and at venues outside London work on site will have started.

Milestone 10 ✓

The development of the Legacy Masterplan Framework (LMF) for the Olympic Park will be well advanced.



The Big Build: Foundations 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. The construction of the new Energy Centre will be well underway.

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 IBC/MPC.

Milestone 07 ✓

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

Milestone 08 ✓

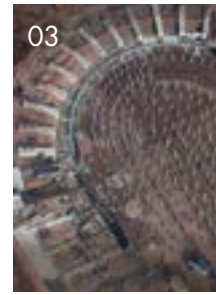
Building work will be underway on the majority of the Olympic and Paralympic Village plots.

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 Lee Valley White Water Centre.



The Big Build: Structures Milestones to 27 July 2010

Milestone 01 ✓

The structure of the Olympic Stadium including the roof will be complete. The first seats will be fitted and work on the field of play about to start.

Milestone 02 ✓

The Aquatics Centre's permanent structure and roof will be complete and all three swimming pools will be dug out.

Milestone 03 ✓

The Velodrome structure and roof will be complete, with work about to start on installing the timber track.

Milestone 04 ✓

The structure of the IBC and multi-storey car park will be finished, with roof and wall cladding well underway. The MPC's structure will be nearing completion.

Milestone 05 ✓

The Copper Box and Basketball Arena structures will be in place with internal works underway. Building work will have begun on the new Eton Manor sporting facilities.

Milestone 06 ✓

The majority of the Olympic and Paralympic Village homes will be structurally finished and internal works will have started. All the major infrastructure needed to support the development will be complete.

Milestone 07 ✓

All works will be complete at the Eton Dorney Rowing venue. The new lake and competition courses at Lee Valley White Water Centre will be finished. A planning application will have been submitted for the Shooting facilities at The Royal Artillery Barracks.

Milestone 08 ✓

More than half of the new bridges and underpasses will be complete and parts of the Olympic Park Loop Road in operation. Planting will have begun across the Park.

Milestone 09 ✓

The Energy Centre, Primary Substation, main sewer and deep sewer pumping station will all be operational.

Milestone 10 ✓

All major transport improvements will be in progress or complete, and the next level of detailed planning for transport operations during the Games will have been completed.



01



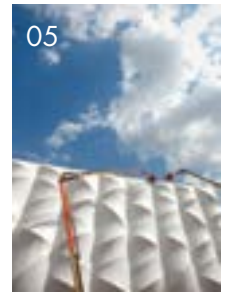
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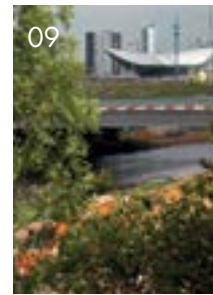
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08



07



09



10

The Big Build: Completion Milestones to 27 July 2011

Milestone 01 ✓

Construction of the Olympic Stadium will be complete and the venue ready to be handed over.

Milestone 02 ✓

Construction of the Aquatics Centre will be complete and the venue ready to be handed over.

Milestone 03 ✓

Construction of the Velodrome will be complete and the venue ready to be handed over.

Milestone 04 ✓

Construction of the IBC/MPC will be complete and ready for occupation by the Olympic Broadcasting Service and the LOCOG.

Milestone 05 ✓

Construction of the Copper Box and Basketball Arena will be complete and the venues ready to be handed over.

Milestone 06 ✓

Construction of the Lee Valley White Water Centre facilities will be complete and the venue handed over to Lee Valley Regional Park Authority.

Milestone 07 ✓

Construction work on Eton Manor and The Royal Artillery Barracks will be underway and completed as planned in spring 2012.

Milestone 08 ✓

The external structure of the Olympic and Paralympic Village will be finished with the internal fit out complete in most of the blocks.

Milestone 09 ✓

Construction of all permanent bridges will be complete. All utilities will be operational. Landscaping will be well advanced across the Park.

Milestone 10 ✓

Construction work at Stratford station will be complete, with Londoners already benefitting from hundreds of millions of pounds of additional investment across London's transport system.

Awards

The ODA is proud to have won the following awards that acknowledge the successes and achievements of the London 2012 construction project

2008

Remediation Innovation Awards: Best use of a combination of techniques

2009

RTPI National Awards 2009: Today's Leaders' Award

RTPI National Awards 2009: Equality and Diversity Awards

Association for Project Management: Project of the Year – Power Lines Underground (PLUG)

Noise Abatement Society: John Connell Awards

Edie: Sustainable Construction Award
Landscape Institute: Urban Design/
Master Planning Category

Constructing Excellence National Awards: Legacy Award – Sustainability

Regeneration and Renewal Awards 2009: Environmentally sustainable regeneration scheme of the year

Procurement Leaders Awards: Best Procurement Team

National Mentoring Consortium Award – New Employer of the Year (Ethnicity Scheme)

National Mentoring Consortium Award – New Employer of the Year (Disability Scheme)

Human Capital Awards – Excellence in the Public Sector

Employers Forum on Disability Standard – Bronze Standard

2010

Opportunity Now: Innovation Award

ICE London Civil Engineering Awards: Greatest Contribution to London Award: London 2012 Olympic Park Enabling Projects

First Women Awards: Business of the Year

PPMA Awards: HR Awards

British Construction Industry Awards: Major Project category – Enabling Works

Breakthrough UK Independent Living Awards: Accessible Public Transport

Structural Steel Design Awards: Structural Steel Design Awards 2010 – Aquatics

Women of the Future Awards 2010: Women of the Future Corporate Award

Building Public Trust Awards: 'Excellence' in Reporting in the Public Sector

Institution of Civil Engineers: Edmund Hambly Medal – Enabling Works

Public Sector People Managers' Association – Wellbeing Award

Women in Science and Engineering – Partnership Award

Race for Opportunity (Supplier Chain Award) – Highly commended

2011

ICE London Civil Engineering Awards:
Building Award – Velodrome

Faculty of Occupational Medicine:
Wilf Howe Award

Building Magazine:
– Personality of the Year (then ODA
Chief Executive David Higgins)
– Client of the Year
– Integrated Supply Chain of the Year

Business Commitment to the
Environment (BCE): The Sir Peter
Parker Award

RIBA: London Awards (shortlisted for
Stirling Prize) – Velodrome

Chartered Institute for Purchasing and
Supply: – Best Public Procurement –
Overall Winner

Constructing Excellence:
– Project of the Year
– Health and Safety Award

RoSPA Occupational Health Award:
The Astor Trophy

The British Safety Council: Sword of
Honour

Prime Minister's Better Public Building
Award: Velodrome

Awards for Environmental Excellence:
Sustainable Construction

Building Awards: Diversity Champion
of the year – highly commended

Building Awards: Integrated Supply
Chain of the Year

Regeneration and Renewal – Strategic
planning

RTPI Planning Awards – Judges Special
Award

SHP/IOSH Health and Safety in
Construction Award

SHP/IOSH Judges Special Award for
Health and Safety Achievement

2012

RoSPA Diamond Jubilee Award for
the most outstanding achievement in
Health and Safety performance in Her
Majesty The Queen's reign

Payroll Giving Gold Award 2012

RESI Deal of the Year: Delancey
and Qatari Diar's acquisition of the
Olympic and Paralympic Village

Architects Journal: Client of the Year
award

RIBA: London Awards (shortlisted for
Stirling Prize) – Olympic Stadium

First Women Awards: First Women
Business of the Year Special Award
2012

Learning Legacy

Following the success of the London 2012 construction project, the ODA has worked closely with contractors, industry partners, government bodies and academia to capture the lessons learned and document best practice examples to help continue to raise the bar within the construction industry, and act as a showcase for UK plc.

Find out more at london2012.com/learninglegacy

Accounts

Accounting Officer's statements

Accounting Officer's Report

Statutory background

The Olympic Delivery Authority (ODA) was established under Section 3 of the London Olympic Games and Paralympic Games Act 2006 (the Act) as a body corporate and commenced business on 1 April 2006.

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

Ministerial responsibility is held by the Rt Hon Jeremy Hunt MP, Secretary of State for Culture, Olympics, Media and Sport and Hugh Robertson MP, Minister for Sport and the Olympics.

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

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. The ODA's planning powers transfer to LLDC on 1 October 2012.

The ODA controls a limited partnership and a number of limited companies established to facilitate the development and management of the Olympic and Paralympic Village. Details of the partnership and companies are given in Note 22.

Presentation of the Accounts

The Accounts for the year to 31 March 2012 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 108. The Accounts are prepared in accordance with the Financial Reporting Manual issued by HM Treasury which incorporates International Financial Reporting Standards.

Details of the principal Accounting Policies, including the basis of consolidation, 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 majority of the freehold ownership rests with the London Legacy Development Corporation (LLDC), formerly the Olympic Park Legacy Company (OPLC). The ODA does not have any freehold ownership in the Olympic Park. The ODA has licence arrangements to enter the site to carry out groundworks and other site infrastructure and a lease in respect of the site of the International Broadcast Centre/Main Press Center (IBC/MPC) and associated car park. The ODA also has access rights to other third party land holdings under the licence with LLDC which ends on 31 December 2014. The ODA has licence arrangements to enable it to undertake work on land owned by the Lee Valley Regional Park Authority (LVRPA) for the construction of a temporary basketball training venue at Leyton Marsh. The licence expires on 15 October 2012 by which time the venue must be dismantled and land reinstated.

The ODA has a development agreement with Eton College and Dorney Lake Trust Company which contains a licence to enter and carry out works at Eton Dorney which expires on the completion of the construction.

The ODA has a development agreement with the Ministry of Defence which contains a license to enter and carry out works at The Royal Artillery Barracks in Woolwich. The agreement expires on 29 March 2013.

The ODA has entered into short-term licenses on land at 39 sites for use as park-and-ride, taxi rank and cycle parking sites during the London 2012 Games. Negotiations are proceeding on a further 24 sites. All the licences, including those yet to be signed, will expire by the end of September 2012.

During 2012–13 there will be a phased handover of the permanent venues and infrastructure to legacy owners, primarily the LLDC, but also including LVRPA, Network Rail and the London Borough of Newham.

Freehold land interests

The ODA holds the freehold of land to the east of the Olympic Park. 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. Beneficial title to the land is held by the Stratford Village Development Partnership (SVDP). Some of the land has been used for the construction of the Olympic and Paralympic Village and the remainder is held for future development. In August 2011 the ODA created a new holding company SVDP Ltd which is now the parent company of Stratford Village Development (GP) Ltd. More details on the corporate structure can be found in Note 22: Corporate structure. In August 2011, contracts were exchanged for the sale of the newly-created parent company, SVDP Ltd, to QDD Athletes Village UK Ltd (QDD), a joint venture between Delancey and Qatari Diar. Under the terms of the contracts, completion of the sale is scheduled for March 2014. QDD will pay £1 for the share capital of SVDP Ltd and put funds into SVDP to enable it to repay grant funding to the ODA of £557.5 million. On exchange of contracts QDD paid ODA a security amount of £55.75m which is repayable on completion of the sale. Information about the security amount is disclosed in Note 11: Financial instruments.

The ODA owns or has owned the freehold of a number of small parcels of land that were acquired to facilitate the completion of construction works. Land at Meridian Square has been transferred to Stratford City Developments Ltd (SCDL) and London Underground. Land at Great Eastern Road has been transferred to London and Continental Railways Ltd (LCR) and the balance of the holding will be transferred to them during 2012–13. Land at Angel Lane has been transferred to LCR and the airspace rights will be transferred to Network Rail Ltd in 2012–13. The ODA owns land at Henrietta Street and Alma Street which was acquired to facilitate the construction of new bridges. No decision has been made on the disposal of this land. The ODA owns land at Warton Road which has been the subject of highway improvements, the surplus land not required for adoption by the highway authority will be transferred to adjacent landowners.

Other leasehold land and property ownerships

The ODA holds a number of leases on premises at 11 Burford Road, Stratford where its Planning Decisions team is located. The majority of the leases expire on 31 December 2012 and can be terminated at three months' notice. One lease expires on 28 September 2014 and cannot be terminated prior to that date.

The ODA holds an assignment of leasehold premises at Omega Works, Roach Road, Bow, for use as a viewing platform. The lease expires on 1 November 2012. The cost of this lease has been recharged to the London Organising Committee of the Olympic and Paralympic Games (LOCOG) since 1 October 2011.

The ODA is a licensee of the LOCOG and a sub-tenant of Barclays Bank plc in respect of its offices at 1 Churchill Place, Canary Wharf. The licence and lease expire on 31 December 2012 and 31 March 2013 respectively.

The ODA holds the lease on land adjacent to the M11 motorway in Chigwell, Essex, which is used for a logistics centre. The lease expires on 31 July 2014 and can be terminated any time after 31 December 2012.

The ODA holds land at Chobham Farm, Stratford, and within and adjacent to the Olympic and Paralympic Village on lease from LCR. The lease expires on 31 March 2013.

In March 2011 the ODA entered into a lease with DB Schenker Rail (UK) Ltd for land to the south of the Olympic Park which will be used for the Olympic Stadium Site Preparation and Warm Up Track during the Games. The lease expires on 31 December 2013.

The ODA holds air rights leases from HS1 and Network Rail to allow the construction of bridges across railway lines around the Olympic Park and Village.

The ODA has the lease on a footbridge crossing the railway at Temple Mills Lane, which will be adopted by the London Borough of Newham.

Delivery Partner

The ODA appointed 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 Ltd and Mace plc. CLM provides the ODA with world class project and programme management expertise with experience of previous Olympic and Paralympic Games. CLM has enabled the ODA to quickly resource to meet its challenging operational and delivery targets and effectively manage and integrate the delivery of the programme of works.

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 which was completed in July 2008. Work is currently being performed under Master Task Order 2. The second tranche of Master Task Order 2 was completed at the end of July 2011 and a third and final tranche covering CLM resources up to December 2012 agreed. In order for the ODA to achieve or better certain financial and time-based targets, incentive 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 in Note 19, Related party transactions.

Accounting Officer's statements

Accounting Officer's Report continued

Olympic Park Transport and Environmental Management Schemes (OPTEMS)

In 2007–08, as part of the planning permissions for the Olympic Park, the ODA was obligated to make a contribution of £20,000,000 (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 and cash equivalents' figure in the ODA's Statement of Financial Position. At 31 March 2012 the unspent balance, including accrued interest was £16,241,000 (2010–11: £18,132,000). Any unspent balance at 1 October 2012 will be transferred to LLDC at which time it will assume the ODA's planning responsibilities.

S106

During 2011–12 the s106 agreement relating to the 2005 Stratford City planning permission was modified to take account of the change in the planning permission on the development plots and the changes in land ownership following a 2010 agreement with LCR. This modification, which facilitated the sale of SVDP Ltd to QDD, resulted in £2,400,000 becoming payable to the London Borough of Newham with a further £2,417,000 of existing obligations settled upon the signing of the revised agreement, of which £1,308,000 was transferred post year-end into a bank account controlled by the ODA (but to which it has no recourse) for the future benefit of the Community Development Trust.

Review of activities

A full description of the ODA's activities is given on pages 18 to 57.

Board membership

The ODA's Board comprises 12 members, appointed until 30 September 2012 by the Secretary of State for Culture, Olympics, Media and Sport. The members of the ODA's Board are listed on pages 12 to 16.

The members of the ODA 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 London 2012 website and by application to the Board Secretariat.

Committees of the Board

Planning Committee

The Planning Committee is a sub-committee of the ODA 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 a role independent 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 coordination with local authorities regarding development control issues in respect of the London 2012 Games.

The Planning Committee is appointed by the ODA Board and the appointment of external members is confirmed by the Secretary of State for Culture, Olympics, Media and Sport.

The Committee members during the year were:

Lorraine Baldry	Chair
David Taylor	Deputy Chair
Cllr Judith Gardiner	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	

Planning Committee members (other than Board members) are appointed until September 2012. On 1 October 2012 the ODA's planning powers will transfer to the LLDC.

Audit Committee

The Audit Committee is a sub-committee of the ODA 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 all relevant statutory and administrative requirements; and that the ODA meets the highest standards of propriety and accountability for the use of public funds.

The Committee members are:

Sir Roy McNulty	Chair
Barry Camfield	(to 31 January 2012)
Neale Coleman	
David Fison	
Christopher Garnett	
Kumar Muthalagappan	

Finance Committee

The Finance Committee is a sub-committee of the ODA 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 ODA 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:

Sir John Armit	Chair
Sir Roy McNulty	
Barry Camfield	(to 31 January 2012)
Neale Coleman	
David Fison	
Christopher Garnett	
Kumar Muthalagappan	

Remuneration Committee

The Remuneration Committee is a sub-committee of the ODA Board that meets at least twice a year to review 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
Sir John Armit	
Tony Ball	
Christopher Garnett	
Kumar Muthalagappan	

Safety, Health and Environment Committee

The Safety, Health and Environment Committee is a sub-committee of the ODA Board that meets at least four times a year. The Committee has two prime functions: to review the ODA's 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	(to 31 January 2012)
David Fison	
Frank Musgrave	Co-opted external member

Accounting Officer's statements

Accounting Officer's Report continued

Executive Management Board

Dennis Hone was appointed as Chief Executive in February 2011 by the Secretary of State. He has also been designated as Accounting Officer and is responsible to the ODA Board for the general exercise of the ODA Board's functions. The Executive Management Board (EMB) assists the Chief Executive in the discharge of his responsibilities.

With the completion of the big build the composition of EMB has changed to more closely focus on the eventual wind-up of the ODA including commercial close out of contractual relationships, planning responsibilities transition to LLDC and human resources issues.

The members of the EMB during the year were:

Dennis Hone	Chief Executive
Wendy Cartwright	Director of Human Resources (from 1 May 2011)
Mike Cornelius	Director of Commercial and Legal (from 1 May 2011)
Ralph Luck	Director of Property
Gerry Murphy	Director of Finance
Alison Nimmo	Director of Design and Regeneration (to 31 December 2011)
Vivienne Ramsey	Director of Planning (from 1 May 2011)
Howard Shiplee	Director of Construction (to 30 September 2011)
Godric Smith	Director of Communications (to 30 September 2011)
Hugh Sumner	Director of Transport
Simon Wright	Director of Venues and Infrastructure

Sustainability

The ODA's approach to sustainability is described on pages 48–49.

Greenhouse gas emissions		Energy consumption	Carbon emissions	Cost £000
Scope 1 (direct)	No gas consumption or vehicles owned by ODA	–	–	–
Scope 2 (indirect)	Electricity	21,263.6 Mwh	11,504 tCO ₂	1,541
	Carbon reduction commitment	–	–	143
	Heating supplied via CCHP district heating network – heat	19,233.9 Mwh	2,981 tCO ₂	924
	Cooling supplied via CCHP district cooling network	5,876.5 Mwh	570 tCO ₂	588
	Village electricity	7,907.3 Mwh	4,278 tCO ₂	–
	Village heat	15,733.6 Mwh	2,439 tCO ₂	756
Total scope 2		70,014.9 Mwh	21,772 tCO₂	3,952
Scope 3	Mileage	44,200 miles	17 tCO ₂	18
	Taxis (low emission government cars)	2,480 miles	1 tCO ₂	22
	Flights	–	19 tCO ₂	30
Total scope 3		46,680 miles	37 tCO₂	70
Total greenhouse gas emissions		–	21,809 tCO₂	4,022

Resources	Quantity	Target	Cost £000
Water	62,170 m ³ potable water	No target on construction water. Over 40% of water supplied during construction non-potable. Low flow water fitting used in site accommodation.	148
Waste	7,491 total waste arising Waste to landfill – 3% Waste recycled – 94.8% Waste reused – 0.02% Waste recovered – 2.2%	Overall programme target to reuse, recycle or recover 90% of construction and demolition waste	537

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 2011–12 financial year showed that 84 per cent (2010–11: 81 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 priority issue in the specification, procurement and delivery of design and construction work during the year in which construction activities began to move to their conclusion, and the Olympic Park and Village were formally handed over to LOCOG in January 2012.

The now mature processes to ensure healthy and safe designs and site construction works were maintained, reviewed and developed. The projects remained closely monitored by an assurance team, to confirm compliance with the extensive ODA Safety, Health and Environment Standard. The main members of the supply chain have continued to work to honour their commitments to maintain and improve performance, seeking to emulate world-class projects, and cooperate with each other and the ODA to achieve this.

The overall accident rate remained well below industry averages, but there is no complacency. The programme recently marked the 30th period of a million hours worked without a reportable accident and the rolling (one year) average accident frequency rate for the year was driven down to close to our aspirational benchmark of limiting reportable injury accidents to fewer than one in every one million hours worked.

The two largest elements of the project work have been on the Olympic Park and the Village. There has been in the course of the year a great improvement in the safety record on the Village which now stands in good comparison with the Park, largely as a result of the great efforts made to train, engage, motivate and supervise the workforce.

The ODA has continued to express its commitment to looking after the health and well-being of its own staff and the construction workforce, through regular monitoring and effective control of the working environment, occupational health schemes for staff and on site initiatives such as healthy eating campaigns. The ill-health prevention and healthcare programme has been subject to an independent evaluation which has documented the cost-effective management of health risks contributing to the maintenance of a healthy workforce and the delivery of projects on time. The Departments of Health and of Work and Pensions have made a film about the health programme, distributed by them to encourage other employers to take note and develop their own.

The health and safety programme, overseen by the Safety, Health and Environment Committee of the ODA Board, has maintained its certification to the international standard OHSAS 18001, and has received further awards and recognition as one of the most effective initiatives in modern workplaces.

As the year drew to a close, the Royal Society for the Prevention of Accidents (RoSPA) advised that it was making a special award to mark the Diamond Jubilee year of its Patron, Her Majesty The Queen, to recognise the ODA's outstanding and exemplary safety and health achievements during the 'big build' construction work for London 2012 – the Diamond Jubilee Trophy for Health and Safety.

Accounting Officer's statements

Accounting Officer's Report continued

Olympic Park trade union engagement

The ODA is party to a Memorandum of Agreement with construction trade unions Unite, UCATT and GMB, covering the activities on the Olympic Park, and also party to the Principles of Cooperation with the TUC and LOCOG. The ODA has enjoyed good working relationships with the unions which have been positive, particularly in respect of the management of health and safety on the programme.

Employee relations

The ODA values diversity and strives to provide equality of opportunity in employment. 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. Over the course of the ODA's programme of work, the organisation will continue to change in terms of staff numbers and skills base.

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. There is an active Staff Forum, which is an elected body set up for information and consultation purposes, and which contributes to human resources policy development.

Pensions

Employees can elect to join the ODA's group stakeholder pension plan, which is described in Note 3 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 2000.

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, regardless of their size. This information is recorded on the gifts and hospitality register, maintained by the Legal team. The register is published quarterly on the London 2012 website.

Protected personal data

The ODA had no protected personal data incidents during 2011–12 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 2.6 (2010–11: 3.8).

Financial performance

The Group Statement of Comprehensive Net Expenditure shows a deficit for the year of £224,933,000 (2010–11: £228,807,000 (restated)). 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 Statement of Comprehensive Net Expenditure and a deficit arises. Also, as Grant-in-aid is recognised on a cash basis it does not cover accruals which increases the deficit taken to the General Reserve.

The ODA has an ongoing financial reliance on the DCMS, Olympic Lottery Distributor (OLD) and the Greater London Authority (GLA) to fund its operations. The ODA has received funding in the year from the now defunct London Development Agency (LDA) although no further funding is due from this source.

The ODA has made enquiries of DCMS and its other funding bodies and is confident that sufficient financial resources will be secured to enable the ODA to meet its financial and operational objectives until March 2014. In addition the overall funding of the work necessary to deliver the venues and infrastructure for the London 2012 Games is underwritten by Government as part of the Host City Contract with the International Olympic Committee. Details of grant income receivable in the year are given in Note 5 to the Accounts.

Expenditure during the year, which is shown in Note 2, relates to the preparation and construction of the Olympic Park, Village and off-Park venues.

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

	ODA 2006–11 £'000	ODA 2011–12 £'000	Total £'000
Site preparation and infrastructure	1,554,521	238,412	1,792,933
Venues	930,513	174,281	1,104,794
Transport	433,104	110,231	543,335
Other Park-wide projects	498,394	236,428	734,822
IBC/MPC	225,807	67,758	293,565
Olympic and Paralympic Village	983,112	305,093	1,288,205
Other Stratford infrastructure	342,570	35,396	377,966
Total programme	4,968,021	1,167,599	6,135,620
Programme management	590,097	84,046	674,143
Total	5,558,118	1,251,645	6,809,763

The ODA expenditure in the period 2006–11 includes expenditure incurred by the interim Olympic Delivery Authority in the period 6 July 2005 to 31 March 2006. ODA expenditure in 2011–12 excludes depreciation of £27,481,000 (2010–11: £14,949,000) and transfer of assets of £nil (2010–11: £70,173,000).

At the year end, the Group Statement of Financial Position shows net assets of £2,636,724,000 (2010–11: £1,908,804,000 (restated)).

Non-current assets

Total non-current assets amounted to £3,154,018,000 (2010–11: £2,573,036,000). Land amounted to £13,966,000 (2010–11: £10,103,000). Assets under construction amounted to £3,114,333,000 (2010–11: £2,534,878,000). Computer equipment amounted to £563,000 (2010–11: £993,000). Fixtures and fittings amounted to £93,000 (2010–11: £356,000). Plant and machinery amounted to £24,676,000 (2010–11: £25,796,000). Intangible assets amounted to £387,000 (2010–11: £910,000).

Cash balances

Cash balances are held on interest earning deposit at the ODA's bankers, Lloyds TSB Bank plc or with the Government Banking Service (GBS). Deposits held with the GBS do not earn interest but are used to reduce the overall level of government borrowing. The ODA does not have the authority to invest in other financial instruments.

Financial instruments

The ODA has implemented IAS 32 Financial Instruments: Presentation, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 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 statement of financial position date is disclosed in Note 11. The ODA holds only primary financial instruments 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.

Events after the reporting period

There were no reportable events after the reporting period.

Accounting Officer's statements

Remuneration Report

Constitution of the Remuneration Committee

The constitution of the Remuneration Committee is set out on page 63.

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 ODA Board and the Chief Executive as requested on general matters regarding remuneration of employees;
- To consider any matters relating to the ODA's pension arrangements that may require the attention of the ODA 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 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 the performance of individuals during each financial year.

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

Service contracts

The Secretary of State for Culture, Olympics, Media and Sport appoints ODA 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 Secretary of State for Culture, Olympics, Media and Sport for periods up to two years. Their appointments require three months notice of termination.

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

The Chief Executive is employed on a permanent contract and is required to give six months notice of termination of employment while the ODA is required to give nine months notice to the Chief Executive.

Other EMB members have permanent contracts of employment with notice periods of six months.

Remuneration (audited information)

Board members		2011-12 £'000	2010-11 £'000
Sir John Armit	Chairman	250	250
Sir Roy McNulty	Deputy Chairman	28	44
Lorraine Baldry		17	21
Tony Ball		–	–
Barry Camfield	(to 31 January 2012)	12	15
Neale Coleman		10	10
Stephen Duckworth		11	11
David Fison		16	12
Christopher Garnett		29	25
Baroness Morgan of Huyton		10	10
Kumar Muthalagappan		18	19
Sir Nicholas Serota		10	10
David Taylor		18	17

Board members receive no benefits in kind or pension entitlements. Board members received reimbursement of travel and subsistence expenses amounting to £18,000 (2010-11: £27,000) 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:

		2011-12 £'000	2010-11 £'000
Cllr Rofique Ahmed	(to September 2010)	–	2
Cllr Judith Gardiner	(from September 2010)	4	2
Cllr Conor McAuley		8	7
Cllr Geoff Taylor		5	8
Cllr Terry Wheeler		7	6
Mike Appleton		9	7
Celia Carrington		9	9
William Hodgson		4	5
Janice Morphet		7	7
Dru Vesty		9	8

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 (2010-11: £7,000) in the financial year.

Accounting Officer's statements

Remuneration Report continued

External committee members

Frank Musgrave received fees of £3,000 (2010–11: £2,000) and expenses of £1,300 (2010–11: £1,700) for his work on the SHE Committee.

Executive Management Board (EMB)

		Salary	Performance related pay ²	Taxable benefits	Employer's pension contributions	Total 2011–12	Total 2010–11 Restated ^{3,4}
		£'000	£'000	£'000	£'000	£'000	£'000
Directors serving EMB all year							
Dennis Hone	Chief Executive	310	149	–	48	507	401
Ralph Luck	Director of Property	223	52	5	26	306	307
Gerry Murphy	Director of Finance	140	34	–	17	191	32
Hugh Sumner	Director of Transport	228	52	–	26	306	307
Simon Wright	Director of Venues and Infrastructure	228	52	–	26	306	307
Directors leaving EMB during year							
Alison Nimmo	Director of Design and Regeneration (to 31 December 2011) ¹	174	39	–	20	233	309
Howard Shiplee	Director of Construction (to 30 September 2011)	144	33	–	17	194	385
Godric Smith	Director of Communications (to 30 September 2011)	99	22	–	11	132	262
Directors joining EMB during year							
Wendy Cartwright	Director of Human Resources (from 1 May 2011)	119	29	–	14	162	–
Mike Cornelius	Director of Legal and Commercial (from 1 May 2011)	128	31	–	15	174	–
Vivienne Ramsey	Director of Planning (from 1 May 2011)	124	30	–	15	169	–
Former directors							
David Higgins	Chief Executive (to 31 January 2011)	–	–	–	–	–	544
Total		1,917	523	5	235	2,680	2,854

¹ The salary for Alison Nimmo includes a £3,000 statutory redundancy payment.

² EMB members, apart from the Chief Executive, Director of Finance, Director of Legal and Commercial, Director of Human Resources and Director of Planning were entitled to participate in a performance-related payment assessed over an 18-month period aligned to the completion of the 'big build' from 1 April 2010 to 30 September 2011. £319,000 was accrued but not paid in respect of these performance-related payments in the 2010–11 accounts. Payment was made in October 2011 and the 2010–11 comparatives have been restated to include the amounts applicable to that year. The performance-related pay for the Chief Executive, Director of Finance, Director of Legal and Commercial, Director of Human Resources and Director of Planning relates to the period 1 April 2011 to 31 March 2012 or to the period of their appointment if shorter.

The Chief Executive was the ODA's highest paid director in 2011–12. Median remuneration for 2011–12 was £59,777. The ratio of the highest paid employee to the median was 7.7:1. For the purpose of this calculation, remuneration has been defined as salary, benefits (excluding employer pension contributions) and performance-related payments.

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 group stakeholder pension plan which is administered by Fidelity Ltd. Details of the scheme are given in Note 3. Except as noted below, all members of the EMB are members of the scheme.

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

Dennis Hone is a member of the Homes and Communities Agency (HCA) Pension Scheme which is a multi-employer defined benefit scheme.

Ralph Luck ceased to be an active member of the HCA Pension Scheme on 5 April 2011 and joined the ODA group stakeholder pension plan on 6 April 2011.

	Real Increase in Accrued Pension £'000	Accrued Pension at 31 March 2012 £'000	CETV at 31 March 2011 £'000	CETV at 31 March 2012 £'000	Real Increase/ (Decrease) in CETV £'000
Dennis Hone	(2)	72	1,354	1,681	317
Ralph Luck	(4)	78	1,889	2,288	399

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 the assessed payment that would be made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement if 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.

The transfer value calculation is indexed to the Consumer Prices Index (CPI).

Exit Packages Cost Band	Number of Compulsory Redundancies	Number of Other Departures £'000	Total Number of Exit Packages by Cost Band
<£10,000	18	–	18
Total	18	–	18

On being made redundant ODA staff are entitled only to statutory redundancy pay. The highest amount paid in the year was £3,000 and the average amount was £1,700.

- ³ As noted above, this column has been restated to include amounts relating to 2010–11 that were not included in the 2010–11 remuneration report as they were not paid until October 2011.
- ⁴ The Chief Executive and the Director of Finance were appointed to their current roles on 1 February 2011. Therefore comparative figures for 2010–11 do not relate to the whole year. The directors who joined the EMB during the year were promoted from within the organisation. Their remuneration in previous roles has not been disclosed in the 2010–11 column as it does not relate to their current roles.

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 Comprehensive Net Expenditure, changes in taxpayers' equity 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 FReM 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 DCMS 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 'Managing Public Money' issued by HM Treasury.

Governance Statement

Scope of responsibility

As Accounting Officer for the ODA I have responsibility for maintaining a governance structure and internal control framework that:

- supports the achievement of the ODA's policies, aims and objectives;
- 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 DCMS, the GLA and the OLD.

This Statement is given in respect of the ODA and its subsidiaries. The ODA Board and Audit Committee exercise oversight of the actions of these wholly owned subsidiaries.

Corporate governance

The ODA is guided by the principles set out in 'Corporate governance in central government departments: Code of good practice 2011'. These principles relate to:

- accountability;
- role, composition and effectiveness of the ODA Board; and
- risk management.

The ODA has complied with the principles set out in the Code of good practice 2011 although, given its particular role and the particular statutory provisions governing its activities, the ODA has implemented the principles in ways which differ in detail from the Code, but are appropriate for the tasks given to the Authority.

The ODA Board and governance

The ODA Board is responsible for ensuring the effectiveness of the governance and internal control framework, and is assisted in this regard by the work of the Audit Committee which, in turn, draws on the work of Risk & Audit. The Head of Risk & Audit reports to the Chief Executive and in addition has unfettered access to the Chair of the Audit Committee.

The ODA Board is comprised of members who have the appropriate balance of skills, experience, independence and knowledge of the ODA to enable them to discharge their duties and responsibilities effectively. The members are also able to commit sufficient time to the ODA to enable them to discharge their duties effectively.

The ODA Board is instrumental in the development of strategy and receives regular reports from management to satisfy itself that the strategy is being promulgated effectively. Additionally, the ODA Board agrees the annual business plan and monitors the achievement of this. The ODA Board ensures the ODA retains sufficiently talented people to enable it to achieve its challenging work programme.

During the year the ODA Board produced a suite of documents detailing the good practices adopted throughout the lifetime of the programme. This Learning Legacy is available on the London 2012 website.

The ODA Board is supplied in a timely manner with sufficient information in a form and of a quality appropriate to enable it to discharge its duties. The Chairman also meets annually with the individual ODA Board members to review the effectiveness of the ODA Board.

During the 2011–12 financial year there were eight meetings of the ODA Board. Details of the attendance at these ODA Board meetings are set out below.

Member	Meetings attended
Sir John Armit (Chairman)	8
Sir Roy McNulty (Deputy Chairman)	7
Lorraine Baldry	8
Tony Ball	6
Neale Coleman	6
Barry Camfield	7
Stephen Duckworth	7
Christopher Garnett	8
Baroness Sally Morgan	8
David Fison	7
Kumar Muthalagappan	5
Sir Nicholas Serota	7
David Taylor	8

The ODA Board has established an Audit Committee which ensures the ongoing integrity of the ODA governance arrangements. The Audit Committee reviews and approves the annual work programme of Risk & Audit, and reviews this at regular intervals throughout the year to ensure it continues to reflect the key risks and issues facing the ODA. Risk & Audit reports to the Audit Committee on the progress of the work programme and submits reports on the areas reviewed. Risk & Audit additionally reports to each Audit Committee meeting the top risks facing the ODA.

As a result of considering the reports produced and the management response to such reports, the Audit Committee is able to satisfy itself as to the ongoing appropriateness and effectiveness of the governance and internal control framework. The Audit Committee Chair keeps the ODA Board regularly apprised of key issues arising from its work and provides a report annually to the ODA Board on the work of the Audit Committee. The Audit Committee is responsible for reviewing the ODA Annual Report and Accounts.

Accounting Officer's statements

Governance Statement continued

The Audit Committee is chaired by the ODA Deputy Chairman and its membership is comprised of non-executive directors with skills commensurate to the demands of the ODA's work programme. During the 2011–12 financial year there were six meetings of the Audit Committee and details of the attendance at these meetings is set out below:

Member	Meetings attended
Sir Roy McNulty (Chair)	6
Barry Camfield (to 31 January 2012)	5
Neale Coleman	4
Christopher Garnett	4
Kumar Muthalagappan	5
David Fison	4

The ODA Board has also established a Finance Committee to oversee the financial performance of the ODA. The Finance Committee is chaired by the ODA Chairman and its membership is comprised of non-executive directors which include the chair of the Audit Committee. During the 2011–12 financial year there were six meetings of the Finance Committee and details of the attendance at these meetings is set out below:

Member	Meetings attended
Sir John Armit (Chair)	5
Sir Roy McNulty	5
Barry Camfield	5
Neale Coleman	3
Christopher Garnett	5
Kumar Muthalagappan	6
David Fison	5

The papers received by the ODA Board, Audit Committee and Finance Committee pertain to matters integral to the overall performance of the ODA and enable the members of these bodies to discharge their responsibilities.

The internal control framework

The internal control framework is designed to manage risk to an appropriate level and not to eliminate absolutely all risk of failure to achieve policies, aims and objectives. The framework therefore only provides appropriate and not absolute assurance of effectiveness.

The internal control framework is based on an ongoing risk management process which is 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 risks efficiently, effectively and economically.

The year to 31 March 2012 was the ODA's sixth year of operation, during which the venues were completed and responsibility for the Olympic Park, Olympic and Paralympic Village and other venues transferred to LOCOG. The ODA continues to work on the Park and Olympic and Paralympic Village infrastructure, and will do so through to the Olympic Games. As Games time approaches, the internal control framework will continue to bind the ongoing management, control and reporting across the programme. As part of the 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 internal control framework has been in place in the ODA for the full year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Risk management governance framework

The ODA attaches considerable importance to the management of risk and has established a framework which has been embedded into the overall system of internal control and which facilitates the effective management and reporting of risk.

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

- 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 & Opportunity Management Framework';
- Second Line: the Programme Assurance Office (PAO) is responsible for the effective oversight and challenge of risk management, reporting on effectiveness to EMB and the ODA Board; and
- Third Line: the Risk & Audit team is responsible for delivering an internal audit work programme to provide assurance to the Audit Committee and EMB on the effectiveness of implementation of the system of internal control and risk management framework.

The three lines of defence are recognised and overseen by the ODA Board, Audit Committee and EMB. These are further supported by key operating committees:

- Commercial Board – oversight of the ODA's contractual arrangements;
- Programme Change Board – responsible for considering change requests and for ensuring the effective management of such changes;
- Remuneration Committee – responsible for setting the remuneration levels and incentive structure of executive management; and
- Safety, Health and Environment Committee – aims to ensure the health, safety and welfare of all employees through sound working practices and a safe working environment.

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, references the detailed procedures followed within the ODA and its delivery partner, and outlines the risk escalation strategy and categorisation, and the risk recording and reporting processes.

The ODA's strategy is to marshal its resources so 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 EMB, and senior management understand the quantum of the risk exposure being incurred and informs the actions to be taken.

The ODA maintains a risk register at programme level, which incorporates both strategic and operational risks. This records the risks the ODA faces, and shows clearly the owner of the risk, the current risk score, the actions being taken to mitigate the risk, and the target risk position. The ODA Board reviews a monthly schedule of the top risks. Additionally, the Audit Committee regularly reviews the key risks and management's planned mitigation actions. Risk registers are also maintained for all projects and these form an important part of the ODA's decision making and review processes. On behalf of the ODA Board, Risk & Audit periodically review the Risk Management Framework to ensure its ongoing appropriateness.

Fully mitigating the impact of all risks may be uneconomical (for example, risks arising from 'acts of God'), therefore line management is responsible for establishing and testing contingency plans for such risks. The ODA follows the 'Business Continuity/Crisis Management Policy & Planning Standards', an overall business continuity strategy, approved by the EMB. This continues to evolve to reflect changes in the scope of the ODA's work, to encompass all projects and aspects of ODA operations.

The EMB reviews the risk profile of the ODA on a quarterly basis and additionally has 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 the EMB and the Government Olympic Executive of DCMS.

In addition to the Risk Management Framework, the ODA has established an annual internal assurance process that requires directors to report to the Accounting Officer 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. This process embraces the delivery partner (CLM) through the assurance given by the responsible Director in the ODA.

Accounting Officer's statements

Governance Statement continued

Key risks and issues as at 31 March 2012

The ODA has identified the following key risks and issues as at 31 March 2012:

- failure to retain appropriately skilled personnel with the capability to fulfil all responsibilities;
- the Olympic Route Network is inadequate or does not work effectively;
- planned Travel Demand Management measures do not work effectively leading to transport system failures;
- failure to deliver the retrofit works and contracted sales figures for the Olympic Village;
- significant damage to, or loss of, a major asset;
- project and programme completion and close out takes longer than expected;
- uncertainty around LOCOG overlay works and their integration with park operations and remaining works;
- residual extraneous risk exposure to ODA from Games-time transport operations by delivery partners; and
- the ODA is held responsible for the cost of changes during the Games.

Information security

My responsibility for the Governance Statement includes the management of risks associated with information security. ODA has maintained information management policies and processes throughout the year and has formally adopted government standards as outlined by the Cabinet Office's Security Policy Framework. Systems and processes to support this policy are embedded into operations across the organisation and programme. The ODA continues to work with its delivery partners, key contractors and key government experts to cascade these policies down through the supply chain. An annual audit of information security is carried out by Risk & Audit to provide assurance as to compliance with the stated standards. I am able to report that no information security incidents have occurred that required reporting to the Information Commissioner during this year.

Fraud

The ODA continues to be alert to the ever present risk of fraud across its activities and has established and maintained a comprehensive anti-fraud framework which includes fraud awareness as a key preventative control. The ODA has experienced a low incidence of fraud or suspected fraud that has in turn resulted in no loss. This experience has continued throughout the year 2011–12. The ODA's policy is to review all allegations of fraud fully with a particular emphasis on the continuing effectiveness of relevant controls. Where necessary improvements to controls are agreed and introduced.

Review of effectiveness of the internal control framework

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

- EMB, together with the executive directors and heads of department 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 Major Projects Authority and the Commission for a Sustainable London;
- the ODA Board and Audit Committee;
- the Public Accounts Committee (PAC) and the National Audit Office (NAO) value for money reports, 'Preparations for the London 2012 Olympic and Paralympic Games'; 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 internal control framework by the ODA Board and the Audit Committee, and plans to address weaknesses and ensure that continuous improvement of systems are in place.

The Risk & Audit team 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 practice, with the aim of improving processes and practices within the ODA. All actionable items arising from audits/reviews have an agreed management response and implementation date. 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 of and outcome from the approved annual work programme for the 2011–12 financial year.

Significant internal control issues

There were no significant internal control issues to report in the year ended 31 March 2012.

Overview of performance

Since its inception the ODA has recognised the benefits that arise from establishing and maintaining a disciplined approach to programme and risk management. The systems that were initially established, and which are kept under regular review to ensure their ongoing effectiveness and appropriateness, have been integral to the successful achievement of the ODA's objectives.

The ODA has developed an approach to risk management that has not only been practiced throughout the organisation but has also, importantly, been incorporated into the working practices of its delivery partner (CLM).

The ODA Board, Audit Committee and EMB have not only endorsed the approach to risk management but have wholeheartedly encouraged its application across the ODA's work programme. There has been a strong 'tone from the top' and, through the work of Risk & Audit, the governing bodies of the ODA have received an independent and objective assessment of the integrity of the risk and internal control framework.

Achievement of ODA objectives in 2012-13

The Audit Committee receives regular updates on the progress of, and risks to, the achievement of the ODA's objectives. To ensure the achievement of these objectives, the Head of Risk & Audit highlighted the following areas for attention in 2012-13, when the ODA should:

- ensure the effective management of the key risks noted above;
- ensure due rigour continues to be applied in the commercial close out of major contracts in line with the Commercial Close Out Policy;
- manage the exit strategy and retain appropriately skilled personnel with the capability to fulfil all responsibilities;
- ensure ODA Transport meet their statutory, contractual and operational obligations, generally through third party contracts;
- work with stakeholders to ensure appropriate alignment in the delivery of key Olympic commitments, notably with:
 - LOCOG and GOE to ensure the effective management of Park operations and any issues arising;
 - TfL and transport delivery partners regarding the delivery of Games-time transport operations, the Olympic Route Network and Travel Demand Management; and
 - LLDC to ensure an orderly handover of assets;
- ensure post-Games management of the Village estate and retrofit works, and it is important to establish post-Games management of the Village estate and retrofit works, ensuring alignment to the QDD and Triathlon agreed specification, thereby facilitating a smooth sales process;
- remain vigilant to ever-present security and fraud risks;
- continue to apply discipline to programme and project management;
- ensure that its operational responsibilities are appropriately controlled at all times;
- ensure the continuation and effectiveness of decision making; and
- ensure the efficient and effective management of the CLM contract.

Conclusion

The ODA attaches considerable importance to the establishment of a sound corporate governance framework and has allied this to a strong focus on ensuring the effective management of risk. I consider it is essential to receive reports on the ongoing quality of the governance and control environment and attach great store to the work of Risk & Audit in this field.

Overall, the Head of Risk & Audit concluded, 'the system of internal control within the ODA is good and is meeting the day to day challenges being faced by the ODA. However, with the Games imminent, it is important to ensure the ODA fulfils its objectives, continues to enjoy a close and effective working relationship with LOCOG and GOE, and with TfL and transport delivery partners; and ensures the speedy response to key decisions and the resolution of issues. The ongoing levels of spend, and the transition into the final phase of the ODA's lifecycle, reinforce the need for ongoing diligence and ensuring appropriate controls continue to be applied. It is therefore important during this period that attention is paid to ensure the system of internal control continues to operate effectively. It is also important that as the ODA transitions into the final phase of its responsibilities it retains an appropriate level of skills and knowledge to meet these responsibilities'.

As result of the foregoing, I am satisfied that an appropriate and sound system of governance is in place to manage, monitor and report on the ODA programme. As part of our ongoing and continuous review and development, further refinements and improvements to systems will be implemented during 2012-13 in relation to the issues detailed above.



Dennis Hone

Chief Executive and Accounting Officer
Olympic Delivery Authority
28 June 2012

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 for the year ended 31 March 2012 under the London Olympic Games and Paralympic Games Act 2006. The financial statements comprise: the Group Statement of Comprehensive Net Expenditure; the Group and Authority Statements of Financial Position, Cash Flows, and Changes in Taxpayers' Equity; 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, Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the London Olympic Games and Paralympic Games Act 2006. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the Olympic Delivery Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Olympic Delivery Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report and Accounting Officer's Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Olympic Delivery Authority's affairs as at 31 March 2012 and of the group's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the London Olympic Games and Paralympic Games Act 2006; and
- the information given in the Accounting Officer's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas CE Morse

Comptroller and Auditor General

National Audit Office

157–197 Buckingham Palace Road

Victoria

London

SW1W 9SP

5 July 2012

Accounts

Group Statement of Comprehensive Net Expenditure for the year ended 31 March 2012

	Note	2011-12 £'000	2010-11 £'000 Restated
Expenditure			
Programme expenditure	2	(500,950)	(661,905)
Programme management	2	(111,140)	(111,583)
Transfer of assets	2	–	(70,173)
		(612,090)	(843,661)
Income			
Property sales	4	1,512	7,346
Funders grant receivable	5	383,737	604,059
Other income	6	2,762	3,174
		388,011	614,579
Net expenditure		(224,079)	(229,082)
Net interest (payable)/receivable	7	(712)	429
Net expenditure after interest		(224,791)	(228,653)
Taxation	8	(142)	(154)
Total comprehensive expenditure for the year ended 31 March 2012		(224,933)	(228,807)

Grant-in-aid received towards programme expenditure and management is not recognised in the Group Statement of Comprehensive Net Expenditure but taken directly to reserves in accordance with requirements specified by HM Treasury and therefore a deficit arises.

The notes on pages 85–107 form part of these Accounts.

All amounts relate to continuing activities.

Statement of Financial Position at 31 March 2012

	Note	2011-12 £'000	Group 2010-11 £'000 Restated	2009-10 £'000 Restated	2011-12 £'000	Authority 2010-11 £'000 Restated	2009-10 £'000 Restated
Non-current assets							
Property, plant and equipment	9	3,153,631	2,572,126	1,548,273	1,935,217	1,633,265	1,074,658
Intangible assets	10	387	910	2,520	387	910	2,520
Investments	23	–	–	–	–	–	–
Total non-current assets		3,154,018	2,573,036	1,550,793	1,935,604	1,634,175	1,077,178
Current assets							
Trade and other receivables	12	66,411	41,744	13,389	64,192	39,478	11,189
Cash and cash equivalents	13	43,306	75,143	56,194	43,306	75,143	56,194
Total current assets		109,717	116,887	69,583	107,498	114,621	67,383
Total assets		3,263,735	2,689,923	1,620,376	2,043,102	1,748,796	1,144,561
Current liabilities							
Trade and other payables	14	(540,453)	(595,639)	(413,051)	(306,211)	(395,598)	(288,210)
Total current liabilities		(540,453)	(595,639)	(413,051)	(306,211)	(395,598)	(288,210)
Non-current assets less net current liabilities		2,723,282	2,094,284	1,207,325	1,736,891	1,353,198	856,351
Non-current liabilities							
Financial liabilities	11, 14	(56,917)	–	–	(56,917)	–	–
Provisions for liabilities and charges	14	(29,641)	(185,480)	(40,914)	(13,174)	(179,238)	(40,914)
Total non-current liabilities		(86,558)	(185,480)	(40,914)	(70,091)	(179,238)	(40,914)
Assets less liabilities		2,636,724	1,908,804	1,166,411	1,666,800	1,173,960	815,437
Taxpayers' equity							
General reserve		2,636,724	1,908,804	1,166,411	1,666,800	1,173,960	815,437
Net assets		2,636,724	1,908,804	1,166,411	1,666,800	1,173,960	815,437

The notes on pages 85–107 form part of these Accounts.
All amounts relate to continuing activities.

Approved by the ODA Board on 28 June 2012



Dennis Hone
Chief Executive and Accounting Officer



Sir John Armitt
Chairman

Accounts continued

Group Statement of Cash Flows for the year ended 31 March 2012

	2011-12 £'000	2011-12 £'000	2010-11 £'000 Restated
Cash flows from operating activities			
Net Expenditure after interest and before tax		(224,791)	(228,653)
Depreciation		27,481	14,949
Asset transfer		–	70,173
(Increase) in trade and other receivables		(24,667)	(28,355)
(Decrease)/increase in trade payables	(55,186)		182,588
Add/(less) movements in payables not passing through the Statement of Comprehensive Net Expenditure	99,030	43,844	(121,762)
Increase in long term liabilities		23,585	144,566
Use of provisions		(122,507)	–
Loss on disposal of non-current assets		–	476
Net cash (inflow)/outflow from operating activities		(277,055)	33,982
Taxation			
Corporation tax		(142)	(154)
Taxation		(142)	(154)
Cash flows from investing activities			
Purchase of property, plant and equipment		(707,260)	(985,935)
Purchase of intangible assets		(233)	(144)
Net cash outflow from investing activities		(707,493)	(986,079)
Cash flows from financing activities			
Grant-in-aid received		952,853	971,200
Net financing		952,853	971,200
Net (decrease)/increase in cash and cash equivalents in the year		(31,837)	18,949
Cash and cash equivalents at the beginning of the year		75,143	56,194
Cash and cash equivalents at the end of the year		43,306	75,143

The notes on pages 85–107 form part of these Accounts.
All amounts relate to continuing activities.

Authority Statement of Cash Flows for the year ended 31 March 2012

	2011-12 £'000	2011-12 £'000	2010-11 £'000 Restated
Cash flows from operating activities			
Net expenditure after interest and before tax		(459,871)	(612,524)
Depreciation		27,481	14,949
Asset transfer		–	61,066
(Increase) in trade and other receivables		(24,714)	(28,289)
(Decrease)/increase in trade payables	(89,387)		107,389
Add/(less) movements in payables not passing through the Authority Statement of Comprehensive Net Expenditure	73,067	(16,320)	(49,375)
Increase in long term liabilities		7,118	138,324
Use of provisions		(116,265)	–
Loss on disposal of non-current assets		–	476
Net cash outflow from operating activities		(582,571)	(367,984)
Taxation			
Corporation tax		(142)	(154)
Taxation		(142)	(154)
Cash flows from investing activities			
Purchase of property, plant and equipment		(401,744)	(583,969)
Purchase of intangible assets		(233)	(144)
Net cash outflow from investing activities		(401,977)	(584,113)
Cash flows from financing activities			
Grant-in-aid received		952,853	971,200
Net financing		952,853	971,200
Net (decrease)/increase in cash and cash equivalents in the year		(31,837)	18,949
Cash and cash equivalents at the beginning of the year		75,143	56,194
Cash and cash equivalents at the end of the year		43,306	75,143

The notes on pages 85–107 form part of these Accounts.
All amounts relate to continuing activities.

Accounts continued

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2012

	Group General Reserve £'000	Authority General Reserve £'000
Balance at 1 April 2010, restated	1,166,411	815,437
Comprehensive expenditure for the year, restated	(228,807)	(612,677)
Total recognised income and expense for 2010–11, restated	(228,807)	(612,677)
Grant-in-aid from DCMS	971,200	971,200
Balance at 31 March 2011, restated	1,908,804	1,173,960
Comprehensive expenditure for the year	(224,933)	(460,013)
Total recognised income and expense for 2011–12	(224,933)	(460,013)
Grant-in-aid from DCMS	952,853	952,853
Balance at 31 March 2012	2,636,724	1,666,800

Taxpayers' equity for the Group and the Authority is represented solely by the general reserve.

The notes on pages 85–107 form part of these Accounts.

All amounts relate to continuing activities.

Notes to Accounts

1. Accounting Policies

Statutory basis

The Accounts of the ODA have been prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 (paragraph 2(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, FReM. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM 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, which is expected to cease operations by 31 March 2014.

The ODA is fully funded for the construction of venues and infrastructure through the public sector funding package and therefore the Accounts are prepared on a going concern basis. However, the ODA is aiming for a substantive exit by 31 March 2013 and expects to be wound up on physical completion of the Olympic and Paralympic Village and completion of the sales transactions to Triathlon Homes and QDD in March 2014.

Changes in Accounting Policy and Prior Year Adjustment

In prior years the ODA allocated grants received to specific capital reserves to the extent that the grant matched capital expenditure. With effect from 2011–12 the FReM only allows grants relating to assets to be deferred where the funder imposes specific conditions on the use of the grant. The ODA has reviewed its grants and has determined that they do not meet these requirements. As a consequence, the specific capital reserves that existed at 31 March 2011 have been released to the Statement of Comprehensive Net Expenditure and the prior year comparative figures have been restated accordingly. The effect of this change is summarised below under the circumstances.

	2010–11 £'000	2009–10 £'000
Statement of Financial Position – General Reserve	829,721	484,497
Statement of Financial Position – Specific Capital Reserves	(829,721)	(484,497)
Statement of Comprehensive Net Expenditure – Net Expenditure	(403,398)	(276,742)

It is not possible to calculate the effect on the Statement of Comprehensive Net Expenditure and Statement of Financial Position in 2011–12 without preparing a second set of financial statements on a completely different basis. Management does not believe that the significant investment in time and effort required to do this is justifiable under the circumstances.

Adoption of new and revised Standards

See above under 'Changes in Accounting Policy'.

IFRS 3: Business Combinations. This applies to combinations involving an entity within the public sector and an entity outside the sector and therefore is not relevant to the ODA.

IFRS 7: Financial Instruments. Where appropriate the required disclosures have been made.

IAS 24: Related Party Disclosures. The amended disclosure requirements have been adopted.

IAS 34: Interim Financial Reporting. Public sector bodies are not required to implement this standard.

IFRIC 13: Customer Loyalty Programmes. The impact on the ODA is immaterial.

IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments. This has had no impact on the ODA.

Notes to Accounts continued

Proposed changes to accounting standards

The following accounting standards were issued in 2011–12 and will be applied in 2012–13 or later. It is not yet possible to identify the impact of the implementation of these standards.

IAS 1: Presentation of Financial Statements
IAS 12: Income Taxes
IAS 19: Post-employment Benefits
IFRS 7: Financial Instruments
IFRS 9: Financial Instruments
IFRS 10: Consolidated Financial Statements
IFRS 11: Joint Arrangements
IFRS 12: Disclosure of Interests in Other Entities
IAS 27: Separate Financial Statements
IAS 28: Investments in Associates and Joint Ventures
IFRS 13: Fair Value Measurements
IPSAS 32: Service Concession Arrangement

There are no proposed significant changes to the FReM for 2012–13 that are likely to affect the financial statements of the ODA.

Consolidated financial statements

The consolidated financial statements incorporate the financial results of the 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 ODA as an individual entity ('Authority').

Investments

Investments comprise holdings in subsidiary companies valued at cost. Cost has been used as a proxy for fair value as there is no ready market for these investments.

Property, plant and equipment

All property, plant and equipment are held at valuation and revalued annually. Where there is no, or limited, market based evidence of value, the asset is valued at depreciated replacement cost.

Permanent venues, temporary venues and infrastructure

Permanent venues, temporary venues and infrastructure are specialised Olympic assets held at cost in assets under construction until they are physically complete and licensed for use by the public for the London 2012 Games. On being brought into use on licensing in May 2012, permanent venues are valued as specialised Olympic assets. Post Games permanent venues will be valued as non-specialised assets. Any impairment arising on revaluation will be charged to the Statement of Comprehensive Net Expenditure and any uplift in value will be credited to the revaluation reserve.

On being brought into use, assets may be held by the ODA, transferred to another body or sold. Where an asset is transferred to another body or sold a disposal is recorded in the ODA's financial statements. Where appropriate, the asset may be transferred to another public body for nil consideration, subject to DCMS approval.

Temporary venues have a useful life of less than one year and are treated as a separate class of current asset when brought into use.

Infrastructure assets are valued as non-specialised assets. During the construction period infrastructure assets are held as Assets under Construction. On completion they are revalued using the depreciated replacement cost method.

Where the ODA has a legal obligation to remove or convert a venue at the end of the Games, the estimated cost is recognised as part of the carrying value of the asset, with a matching provision established in accordance with the ODA's accounting policies. The estimated cost is recognised in proportion to the extent that the cost of the temporary element of construction has been incurred.

Non-project related assets

Non-project related assets, such as IT and office equipment, are stated at the value to the business, less accumulated depreciation and any recognised impairment loss.

Depreciation

Assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful life to the ODA. The useful life of assets to the ODA cannot exceed 31 March 2014, when the organisation is expected to be wound-up. The economic lives of assets may substantially exceed the useful life to the ODA.

Useful lives are normally in the following ranges:

Permanent freehold and leasehold venues and buildings	The shorter of the useful life, up to 31 March 2014, the period of the lease or handover to a legacy owner.
Temporary venues	The useful life, up to the end of the Games.
Bridges, roads and other infrastructure	The useful life, up to 31 March 2014.
Portable buildings	The useful life, up to a maximum of three years, but not exceeding 31 March 2014.
Specific construction equipment	The length of the construction contract.
IT and office equipment	The useful life, up to a maximum of six years but not exceeding 31 March 2014.

Intangible assets

Intangible assets are held at value. Intangible assets are computer software and licences which are written down to estimated residual value over the expected life of the asset, but not exceeding 31 March 2014.

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 Lee Valley and its regeneration.

The ODA is currently investing in eight broad categories of projects that make up the programme:

- **Site preparation and infrastructure** (Powerlines Underground, Utilities, Enabling Works, Structures, Bridges and Highways and Landscape and Public Realm);
- **Venues** (Olympic Stadium, other Olympic Park and non-Olympic Park venues);
- **Transport** (Thornton's Field relocation, Stratford station improvements, DLR improvements, Games-time transport service and Olympic Route Network and Paralympic Route Network, North London Line);
- **Other Park-wide projects** (logistics, master planning, s106 obligations (planning gain), insurance, security, Park Operations);
- **International Broadcast Centre/Main Press Centre Complex;**
- **Olympic and Paralympic Village**
- **Other Stratford infrastructure;** and
- **Programme and Project 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 Statement of Comprehensive Net Expenditure as incurred unless the ODA retains an economic interest in the asset in which case the treatment will be as described above in 'Property, plant and equipment'.

Venues

The accounting treatment of venues is described above in 'Property, plant and equipment'. 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 below in Provisions and in Note 14c. For the majority of venues the responsibility for transformation has been transferred to LLDC.

Transport

Grants provided to transport delivery organisations for the upgrading of transport networks or rolling stock are charged to the Statement of Comprehensive Net Expenditure as the assets created are not owned by the ODA. Costs associated with the provision of transport services during the Games will be expensed.

Notes to Accounts continued

Other Park-wide projects

Expenditure on logistics, master planning, s106, insurance, security and park operations is charged to the Statement of Comprehensive Net Expenditure as incurred except where the expenditure creates an asset as defined by the ODA's accounting policies.

International Broadcast Centre/Main Press Centre complex

Expenditure on the IBC/MPC is capitalised.

Olympic and Paralympic Village – Group Accounting Policy

Payments for land rights at the Village were expensed as incurred. Freehold land purchased to secure the future development of the Village is held at cost as a non-current asset. Expenditure on the vertical build element of the Village, infrastructure and community facilities is capitalised as a non-current asset.

Olympic and Paralympic Village – Authority Accounting Policy

Grants to Stratford Village Development (GP) Ltd are charged to the Statement of Comprehensive Net Expenditure.

Other Stratford infrastructure

Grants towards the cost of Zone 1 Infrastructure and other village property costs are charged to the Statement of Comprehensive Net Expenditure.

Programme and project management costs

The treatment of programme management costs follows the treatment of the associated projects. Project management costs associated with capitalised projects are capitalised or otherwise expensed. Programme management costs that are not project specific are expensed.

Grants and funding receivable

The ODA receives a public sector funding package comprising grants from DCMS, GLA and OLD.

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 not drawn at the year end. The DCMS grant finances capital expenditure.

Funding from OLD and GLA is allocated to the Statement of Comprehensive Net Expenditure. The use of the GLA grant is restricted to projects in Greater London.

The ODA receives specific grant funding from Sport England to support the construction of the Aquatics Centre, and the VeloPark, the Department for Education (DfE) to support the construction of Chobham Academy at the Village and the East of England Development Agency (EEDA), and Sport England and LVRPA to support the construction of Lee Valley White Water Centre.

Sport England funding is included as part of the public sector funding package.

Specific grant funding is allocated to the Statement of Comprehensive Net Expenditure.

Work undertaken on behalf of third parties

Where the ODA undertakes revenue 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 group stakeholder pension plan.

Contributions are charged in the Statement of Comprehensive Net Expenditure as they become payable in accordance with the rules of the scheme.

Provisions

A provision is recognised in the Statement of Financial Position when the ODA has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the ODA has a legal obligation to remove or convert a venue at the end of the Games, the estimated cost is recognised as part of the carrying value of the asset, with a matching provision established in accordance with ODA's accounting policies. The estimated cost is recognised in proportion to the extent that the cost of the temporary element of construction has been incurred. The provision will be used to fund costs as they are incurred in the post-Games period. For the majority of venues the responsibility for transformation has been transferred to LLDC.

A provision is established to cover the cost of making good dilapidations on leasehold properties where required to do so under the terms of the lease.

A provision is established to cover the cost of making staff redundant as the ODA contracts in size on completion of its programme of works.

Corporation tax

The Group is liable for Corporation tax on its taxable profit which, to date, has arisen on bank interest earned.

VAT

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

Financial instruments

Financial assets and financial liabilities are recognised in the Group and Authority Statement of Financial Position when the Group or Authority becomes a party to the contractual provisions of the instrument. The Group and Authority measure financial assets and liabilities on initial recognition at fair value and determine the classification of such assets and liabilities at initial recognition and on any subsequent reclassification event.

Bank deposits are included within cash and cash equivalents.

Trade receivables are measured at fair value, ie, original invoice amount less an allowance for uncollectable amounts.

Trade payables are initially measured at fair value.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's and Authority's accounting policies which are described above, management has made the following estimates that have the most significant effect on the amounts recognised in the financial statements.

- Accruals: the value of accruals depends on professional estimates of the value of work done. There is an element of subjectivity in this process, especially where projects are being delivered through third parties.
- Provisions: provisions made for decommissioning costs will be incurred at a future date and therefore by their nature cannot be estimated with certainty.

Notes to Accounts continued

2. Expenditure

The analysis below sets out the business segments used by the ODA and reported to its board to manage its business, as required by IFRS 8 Operating Segments. Net assets by segment are not reported.

	Total expenditure £'000	Capitalised to non-current assets £'000	2011-12 Charged to Statement of Comprehensive Net Expenditure £'000	2010-11 Charged to Statement of Comprehensive Net Expenditure £'000 Restated
Programmes				
Site preparation and infrastructure	238,412	(107,347)	131,065	199,190
Venues	174,281	(152,401)	21,880	55,128
Transport	110,231	(88)	110,143	184,422
Other Park-wide projects	236,428	(58,088)	178,340	123,729
IBC/MPC Complex	67,758	(67,758)	–	–
Olympic and Paralympic Village	305,093	(279,546)	25,547	6,381
Other Stratford infrastructure	35,396	(1,421)	33,975	93,055
Total programme	1,167,599	(666,649)	500,950	661,905
Programme management	111,526	(386)	111,140	111,583
Transfer of assets	–	–	–	70,173
Total expenditure	1,279,125	(667,035)	612,090	843,661

Total expenditure

Total expenditure comprises building new venues and facilities, including their legacy conversion where appropriate, 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 utilities and work on roads, bridges and tunnels. The majority of the Olympic Park is owned by the LLDC.

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 Statement of Comprehensive Net Expenditure.

Total expenditure includes:

	2011-12 £'000	2010-11 £'000
Auditor's remuneration – audit work	258	242
Auditor's remuneration – non-audit work	6	12
Operating lease costs	6,141	5,922
Depreciation	27,481	14,949
Loss on disposal or transfer of non-current assets	–	476

3. Staff numbers and related costs

3.1 Staff costs

					2011–12	2010–11
	ODA Board members and Committee members £'000	Permanent staff £'000	Agency and temporary staff £'000	Seconded staff £'000	Total £'000	Total £'000 Restated
Staff costs						
Salaries	493	14,817	–	–	15,310	15,562
Performance-related pay	–	2,506	–	–	2,506	2,645
Social security costs	53	2,174	–	–	2,227	2,087
Other pension costs	–	1,538	–	–	1,538	1,594
Temporary staff costs	–	–	6,546	2,065	8,611	13,587
Gross staff costs	546	21,035	6,546	2,065	30,192	35,475
Costs recovered for staff seconded to other organisations	–	(2,669)	(280)	(733)	(3,682)	–
Net staff costs	546	18,366	6,266	1,332	26,510	35,475

£346,000 of staff costs were capitalised to non-current assets as part of the cost of delivering a venue or item of infrastructure. (2010–11: £1,231,000).

Performance-related payments for the 2011–12 financial year were paid to employees in May 2012.

A detailed analysis of ODA Board members and Planning Committee members remuneration is contained in the Remuneration Report on pages 68–71.

3.2 Staff numbers

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

				2011–12	2010–11
	Permanent staff	Agency and temporary staff	Seconded staff	Total	Total
Programme employees	72	62	28	162	224
Programme management employees	150	13	6	169	169
Gross total employees	222	75	34	331	393
Employees seconded to other organisations	(33)	(2)	(7)	(42)	–
Net total employees	189	73	27	289	393

Notes to Accounts continued

3.3 Pensions

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

- one member of the EMB in a Self-Invested Personal Pension. Contributions are charged in the Statement of Comprehensive Net Expenditure as they become payable in accordance with the rules of the scheme; and has
- one member of the EMB in the HCA Pension Scheme which is a multi-employer defined benefit scheme as described in paragraph 29 of IAS 19 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 Statement of Comprehensive Net Expenditure as they become payable. Employer's contributions for EMB members are disclosed in the Remuneration Report.

Total employer contributions for the year to 31 March 2012 for all pension funds was £1,538,000 (2010–11: £1,594,000).

At the balance sheet date, there were unpaid pension liabilities of £nil (2010–11: £nil).

4. Property sales – Group

	2011–12 £'000	2010–11 £'000 Restated
Other sales	1,512	7,346
Other Sales	1,512	7,346

Other sales in 2011–12 and 2010–11 relates to amounts received from utility companies on the transfer of utility infrastructure.

5. Grants receivable

5a. Grants receivable – general

This table shows the sources and application of the general grant funding receivable during 2011–12.

	DCMS Grant-in-aid £'000	GLA £'000	OLD £'000	2011–12 Total £'000	2010–11 Total £'000
Statement of Comprehensive Net Expenditure	–	33,000	277,161	310,161	563,105
General reserve	952,853	–	–	952,853	971,200
Total	952,853	33,000	277,161	1,263,014	1,534,305

The ODA receives grant funding to support overall programme delivery.

Grant received from the GLA supports the ODA's delivery of Games projects in Greater London only.

5b. Grants receivable – specific

This table shows the sources and application of specific grant funding receivable during 2011–12.

	Sport England £'000	DfE £'000	LVRPA £'000	LOCOG £'000	Other funders £'000	2011–12 Total £'000	2010–11 Total £'000
Statement of Comprehensive Net Expenditure	30,272	3,354	1,898	37,545	507	73,576	40,954
Total	30,272	3,354	1,898	37,545	507	73,576	40,954

The Sport England grant is to support the construction of the Aquatics Centre, Lee Valley White Water Centre, and the VeloPark. The DfE grant is to support the construction of the Academy at the Village. The LVRPA grant is to support the construction of Lee Valley White Water Centre. Where the ODA has been better placed to deliver LOCOG scope, LOCOG has made contributions to projects which in 2011–12 primarily relate to Water Polo, The Royal Artillery Barracks, and LOCOG overlay of the Village. In addition, the ODA has seconded a number of ODA and CLM staff to LOCOG to support their delivery. Contributions to these costs have been accounted for in the same manner as grants.

6. Other income

	2011–12 £'000	2010–11 £'000
Other grants	2,431	2,768
Planning fee income	331	406
Other income	2,762	3,174

Planning fee income does not include £44,000 of planning fees in respect of the ODA's own planning applications (2010–11: £106,000).

7. Interest payable and receivable

	2011–12 £'000	2010–11 £'000
Bank and other interest receivable	455	429
Other amounts payable	(1,167)	–
Net interest (payable)/receivable	(712)	429

Notes to Accounts continued

The average interest rate during the year on interest receivable was 0.38 per cent (2010–11: 0.36 per cent).

The repayable security amount paid by QDD on the exchange of contracts for the sale of SVDP Ltd accrues an adjustment amount at an annual rate of 3.25 per cent. The amount accrued for 2011–12 is disclosed above as 'interest payable'.

8. Taxation

UK Corporation Tax of £142,000 (2010–11: £154,000) was paid on bank interest receivable.

9. Property, plant and equipment

9.1 Property, plant and equipment – Group

	Land £'000	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation						
At 1 April 2010	–	1,524,517	5,980	1,288	28,912	1,560,697
2010–11						
Additions	10,103	1,080,534	706	54	16,300	1,107,697
Disposals	–	(70,173)	(1,122)	–	–	(71,295)
Reclassification to intangible assets	–	–	(960)	–	–	(960)
At 31 March 2011	10,103	2,534,878	4,604	1,342	45,212	2,596,139
2011–12						
Additions	3,863	633,373	575	33	24,304	662,148
Net release of provisions not required	–	(53,918)	–	–	–	(53,918)
At 31 March 2012	13,966	3,114,333	5,179	1,375	69,516	3,204,369
Depreciation						
At 1 April 2010	–	–	4,159	718	7,547	12,424
2010–11						
Charge	–	–	1,229	268	11,869	13,366
Disposals	–	–	(906)	–	–	(906)
Reclassification to intangible assets	–	–	(871)	–	–	(871)
At 31 March 2011	–	–	3,611	986	19,416	24,013
2011–12						
Charge	–	–	1,005	296	25,424	26,725
At 31 March 2012	–	–	4,616	1,282	44,840	50,738
Net book value at 31 March 2010	–	1,524,517	1,821	570	21,365	1,548,273
Net book value at 31 March 2011	10,103	2,534,878	993	356	25,796	2,572,126
Net book value at 31 March 2012	13,966	3,114,333	563	93	24,676	3,153,631

All assets are owned by the ODA. The provision release is described in more detail in Note 14c.

The ODA has made the venues available to LOCOG for use during the London 2012 Games. This does not constitute a de-recognition of the amounts concerned.

9.2 Property, plant and equipment – Authority

	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
Cost or valuation					
At 1 April 2010	1,050,902	5,980	1,288	28,912	1,087,082
2010–11					
Additions	616,284	706	54	16,300	633,344
Disposals	(61,066)	(1,122)	–	–	(62,188)
Reclassification to intangible assets	–	(960)	–	–	(960)
At 31 March 2011	1,606,120	4,604	1,342	45,212	1,657,278
2011–12					
Additions	357,683	575	33	24,304	382,595
Net reversal of provisions not required	(53,918)	–	–	–	(53,918)
At 31 March 2012	1,909,885	5,179	1,375	69,516	1,985,955
Depreciation					
At 1 April 2010	–	4,159	718	7,547	12,424
2010–11					
Charge	–	1,229	268	11,869	13,366
Disposals	–	(906)	–	–	(906)
Reclassification to intangible assets	–	(871)	–	–	(871)
At 31 March 2011	–	3,611	986	19,416	24,013
2011–12					
Charge	–	1,005	296	25,424	26,725
At 31 March 2012	–	4,616	1,282	44,840	50,738
Net book value at 31 March 2010	1,050,902	1,821	570	21,365	1,074,658
Net book value at 31 March 2011	1,606,120	993	356	25,796	1,633,265
Net book value at 31 March 2012	1,909,885	563	93	24,676	1,935,217

All assets are owned by the ODA. The provision release is described in more detail in Note 14c.

The ODA has made the venues available to LOCOG for use during the London 2012 Games. This does not constitute a de-recognition of the amounts concerned.

Notes to Accounts continued

10 Intangible assets – Group and Authority 2011–12

	Software Licenses £'000
Cost or valuation At 1 April 2010	6,979
2010–11 Additions	144
Disposals	(1,019)
Reclassification from Property, plant and equipment	960
At 31 March 2011	7,064
2011–12 Additions	233
At 31 March 2012	7,297
Amortisation At 1 April 2010	4,459
2010–11 Charge	1,583
Disposals	(759)
Reclassification from Property, plant and equipment	871
At 31 March 2011	6,154
2011–12 Charge	756
At 31 March 2012	6,910
Net book value at 31 March 2010	2,520
Net book value at 31 March 2011	910
Net book value at 31 March 2012	387

All assets are owned by the ODA.

Amortisation is charged to the Statement of Comprehensive Net Expenditure as part of the programme management cost.

11 Financial Instruments

	Loans & receivables £'000	Group Liabilities at amortised cost £'000	Loans & receivables £'000	Authority Liabilities at amortised cost £'000
As at 31 March 2010				
Assets				
Cash and cash equivalents	56,194	–	56,194	–
Trade receivables	11,686	–	9,486	–
Total	67,880	–	65,680	–
Liabilities				
Trade payables	–	(287,688)	–	(287,210)
As at 31 March 2011				
Assets				
Cash and cash equivalents	75,143	–	75,143	–
Trade receivables	28,054	–	25,788	–
Total	103,197	–	100,931	–
Liabilities				
Trade payables	–	(387,903)	–	(394,742)
As at 31 March 2012				
Assets				
Cash and cash equivalents	43,306	–	43,306	–
Trade receivables	56,056	–	53,837	–
Total	99,362	–	97,143	–
Liabilities				
Trade payables	–	(281,678)	–	(298,286)
Non-current financial liabilities	–	(56,917)	–	(56,917)
Total	–	(338,595)	–	(355,203)

In accordance with the contractual requirements of the sale agreement with QDD, a sum of £55.7million was paid by QDD to the ODA by way of security against QDD's obligations under the agreement. The amount is repayable upon legal completion of the sale agreement on 31 March 2014. Management regard the likelihood of non-completion of the sale agreement as remote, and as such the security amount and the accrued adjustment amount is recognised on the balance sheet as a financial liability.

Management regard the risk around this financial instrument to be minimal as the amount refundable is fixed at the amount received plus the accrued adjustment amount, which is deemed to be the fair value of the liability

No other element of the sale agreement meets the requirements for disclosure under the respective financial instrument accounting standards.

As the cash requirements of the ODA are met through grants from funding organisations, Grant-in-aid from the DCMS and grants from OLD, GLA, TfL, DfE, LVRPA and Sport England, financial instruments play a more limited role in managing risk than would normally be expected to apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the ODA's expected purchase and usage requirements and the ODA is therefore exposed to little credit, liquidity or market risk.

Notes to Accounts continued

12a. Trade and other receivables – Group

12a (i) Trade receivables analysis

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Prepayments and accrued income	43,620	14,911	8,876
VAT receivable	9,764	11,925	3,724
Other trade receivables	13,027	14,908	789
Trade receivables	66,411	41,744	13,389

There are no amounts receivable in more than one year (2010–11: £ nil)

12a (ii) Intra-Government balances

	Due within one year		
	2011–12 £'000	2010–11 £'000	2009–10 £'000
Balances with other central government bodies	56,103	18,516	4,210
Balances with local authorities	7,255	5,315	150
Intra-government balances	63,358	23,831	4,360
Balances with bodies external to government	3,053	17,913	9,029
Trade receivables	66,411	41,744	13,389

12b. Trade and other receivables – Authority

12b (i) Trade receivables analysis

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Prepayments and accrued income	43,620	14,911	6,676
VAT receivable	9,764	11,925	3,724
Other trade receivables	10,808	12,642	789
Trade receivables	64,192	39,478	11,189

There are no amounts receivable in more than one year (2010–11: £ nil)

12 b (ii) Intra-Government balances

	Due within one year		
	2011–12 £'000	2010–11 £'000	2009–10 £'000
Balances with other central government bodies	55,458	18,516	4,210
Balances with local authorities	7,255	5,315	150
Intra-government balances	62,713	23,831	4,360
Balances with bodies external to government	1,479	15,647	6,829
Trade receivables	64,192	39,478	11,189

13. Cash and cash equivalents – Group and Authority

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Balance at 1 April	75,143	56,194	23,830
Net change in cash and cash equivalent balances	(31,837)	18,949	32,364
Balance at 31 March	43,306	75,143	56,194

The following balances at 31 March were held at

Government Banking Service	24,000	–	–
Commercial banks and cash in hand	19,306	75,143	56,194
Balance at 31 March	43,306	75,143	56,194

14a. Trade and other payables – Group

14a (i) Amounts falling due within one year

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Trade payables	56,345	32,772	28,502
Corporation tax	55	80	–
Other taxes and social security costs	573	536	525
Other payables	2,613	2,474	3,627
Accruals	222,092	352,898	255,034
Deferred income	258,775	206,879	125,363
Trade and other payables	540,453	595,639	413,051

14a (ii) Intra-Government balances

	Due within one year		
	2011–12 £'000	2010–11 £'000	2009–10 £'000
Balances with other central government bodies	10,551	1,361	3,383
Balances with local authorities	13,496	4,253	21,034
Intra-government balances	24,047	5,614	24,417
Balances with bodies external to government	516,406	590,025	388,634
Trade and other payables	540,453	595,639	413,051

The ODA has, through its subsidiary Stratford Village Development (GP) Ltd, pre-sold 1,379 units in the Olympic and Paralympic Village to Triathlon Homes, an approved provider of social housing. Triathlon Homes makes regular payments to Stratford Village Development (GP) Ltd according to a pre-determined schedule. The health centre has been sold to NHS Newham which makes payments on a similar basis. Amounts received are not recognised as income but held as deferred income.

Notes to Accounts continued

14b. Trade and other payables – Authority

14b (i) Amounts falling due within one year

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Trade payables	48,931	26,113	28,502
Corporation tax	55	80	–
Other taxes and social security costs	573	536	525
Other payables	2,613	2,474	3,627
Accruals	191,215	290,856	255,034
Deferred income	7,925	–	522
Balance with subsidiary	54,899	75,539	–
	306,211	395,598	288,210

14b (ii) Intra-Government balances

	Due within one year		
	2011–12 £'000	2010–11 £'000	2009–10 £'000
Balances with other central government bodies	10,219	1,361	3,383
Balances with local authorities	12,142	4,878	21,034
Intra-government balances	22,361	6,239	24,417
Balances with bodies external to government	228,951	313,820	263,793
Balance with subsidiary	54,899	75,539	–
	306,211	395,598	288,210

14c. Non-current liabilities

Financial liabilities

On exchange of contracts for the sale of SVDP Ltd to QDD, QDD paid a repayable security deposit to ODA. The amount is repayable on legal completion of the contract on 31 March 2014. The security amount increases each year by an adjustment amount described in Note 7: Interest payable and receivable. The amount disclosed in the Statement of Financial Position is the security deposit plus the adjustment amount accrued to 31 March 2012.

Provisions for liabilities and charges

The Group has recognised provisions for liabilities and charges as follows:

- **Legacy conversion:** The provision relates to the estimated cost of the removal of temporary venues and the legacy conversion of temporary elements of permanent venues. The transfer of responsibility for legacy conversion to the LLDC has resulted in the release of the majority of the provision. Legacy conversion provisions for capitalised projects were themselves capitalised for consistency with the related asset. The release of the legacy conversion provision has resulted in a reduction in the net cost of property plant and equipment in Note 9.
- **Third party and contractual claims:** The provision relates to items subject to agreement that have not been fully substantiated or agreed by the ODA but are sufficiently likely to be agreed for the ODA to create a provision.
- **Dilapidations:** The provision relates to the estimated cost of making good dilapidations on leasehold properties at the end of the lease term.
- **Redundancy:** The provision relates to the cost of redundancy where employees have been notified of the decision to make them redundant during 2011–12. Two employees have received such notification. ODA employees are entitled to receive statutory redundancy pay only.

The Group expects to use all provisions by 31 March 2013 except for those which relate to its subsidiary, Stratford Village Development (GP) Ltd.

14c (i) Provision for liabilities and charges – Group

	Legacy conversion £'000	Third party and contractual claims £'000	Dilapidations £'000	Redundancy £'000	Total £'000
Balance at 1 April 2010	38,758	–	2,156	–	40,914
Provided in the year	22,860	123,186	–	46	146,092
Utilised in year	(300)	–	–	–	(300)
Provisions not required written back	–	–	(1,226)	–	(1,226)
Balance at 1 April 2011	61,318	123,186	930	46	185,480
Provided in the year	4,580	20,702	–	2	25,284
Utilised in year	–	(122,461)	–	(30)	(122,491)
Provisions not required written back	(58,498)	–	(118)	(16)	(58,632)
Balance at 31 March 2012	7,400	21,427	812	2	29,641

Notes to Accounts continued

14c (ii) Provision for liabilities and charges – Authority

	Legacy conversion £'000	Third party and contractual claims £'000	Dilapidations £'000	Redundancy £'000	Total £'000
Balance at 1 April 2010	38,758	–	2,156	–	40,914
Provided in the year	22,860	116,944	–	46	139,850
Utilised in year	(300)	–	–	–	(300)
Provisions not required written back	–	–	(1,226)	–	(1,226)
Balance at 1 April 2011	61,318	116,944	930	46	179,238
Provided in the year	4,580	4,235	–	2	8,817
Utilised in year	–	(116,219)	–	(30)	(116,249)
Provisions not required written back	(58,498)	–	(118)	(16)	(58,632)
Balance at 31 March 2012	7,400	4,960	812	2	13,174

15. Commitments – Group and Authority

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Capital commitments			
Contracted capital commitments at 31 March for which no provision has been made.			
Property, plant and equipment			
Group – Property, plant and equipment	205,067	702,596	1,318,075
Authority – Property, plant and equipment	181,400	634,596	1,237,861
Other commitments			
The ODA has entered into an insurance contract for the duration of the construction phase and is committed to pay premiums totalling £5,236,000 at various dates in 2012 and 2013.			

16. Commitments under leases – Group and Authority

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2011–12 £'000	2010–11 £'000	2009–10 £'000
Land and buildings			
Not later than 1 year	1,834	2,533	2,929
Later than 1 year but not later than 5 years	468	2,302	3,572
Total land and buildings	2,302	4,835	6,501
Other			
Not later than 1 year	3	56	101
Later than 1 year but not later than 5 years	–	3	59
Total other	3	59	160
Total commitments under leases	2,305	4,894	6,661

17. Contingent liabilities disclosed under IAS 37

The ODA had contingent liabilities of £nil at 31 March 2012 (2010–11: £nil).

18. Contingent liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes

In order to facilitate the redevelopment of the Olympic Park, the ODA relocated the railway siding at Thornton's Field to Orient Way. Eurostar, as the lessee of Orient Way can repossess the site any time between 1 July 2023 and the end of its lease on 30 June 2086. Should this occur, the ODA has agreed to meet 33 per cent of the cost of relocating the siding between 1 July 2023 and 30 June 2038 and 22 per cent of the cost between 1 July 2038 and 30 June 2086. This liability cannot be quantified reliably as it falls so far into the future.

In 2008 the ODA entered into an agreement with Westfield Holdings Limited and its wholly-owned subsidiary Stratford City Developments Limited (SCDL). Under the terms of this agreement, if, at the later of one year after the opening of the retail centre or 31 December 2012, the value of designated non-retail lands within Zone 1 of Stratford City falls below a certain threshold, the ODA will be obliged to make up any shortfall, or, if agreement on the quantum of the shortfall cannot be agreed, SCDL has recourse to a 'put' option obliging the ODA to purchase the land at the threshold price. The ODA also has a 'call' option enabling it to purchase the land at the threshold price. This agreement was entered into at a time when the financial outlook was highly uncertain and asset prices were unstable. Given the subsequent stabilisation and improvement in the property market since this time, the ODA considers the likelihood of a liability crystallising as remote. The liability will be extinguished in the 2012–13 financial year.

The ODA has guaranteed the liabilities of its subsidiary Stratford Village Development (GP) Ltd to the extent that the developments costs of the Olympic and Paralympic Village are not covered by sales proceeds.

When the ODA winds up in 2014 the contingent liabilities above will pass to DCMS (or its successor).

Notes to Accounts continued

19. Related party transactions

The ODA is a non-departmental public body sponsored by DCMS. OLD is also sponsored by DCMS and is considered to be a related party.

All public sector entities are considered to be related parties as they are ultimately under the common control of HM Government.

The ODA has a close working relationship with LOCOG.

The ODA has a close working relationship with the GLA.

The ODA had a close working relationship with the now defunct LDA who assembled the freehold of the Olympic Park prior to its transfer to the LLDC.

The ODA has a close working relationship with the LLDC, a company limited by guarantee and sponsored by the Department for Communities and Local Government and the Mayor of London. The LLDC will be the owner, post the London 2012 Games, of the majority of the Olympic Park and the venues developed by the ODA.

The ODA has a close working relationship with the LVRPA which is the owner and operator of the Lee Valley White Water Centre and will be the owner of the VeloPark.

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

Board

Sir John Armitt is a Fellow of the Institution of Civil Engineers.

Lorraine Baldry was appointed Chairman of LCR on 19 April 2011 and was a director of DTZ Holdings plc until 8 December 2011.

Tony Ball is a non-executive director of BT Group plc.

Neale Coleman is an employee of the GLA.

Christopher Garnett is a board member of TfL.

Planning Committee

Four members of the Planning Committee are members of London boroughs.

Member	Borough
Cllr Conor McAuley	London Borough of Newham
Cllr Judith Gardiner	London Borough of Tower Hamlets
Cllr Geoff Taylor	London Borough of Hackney
Cllr Terry Wheeler	London Borough of Waltham Forest

Dru Vesty is a board member of the Homes and Communities Agency.

EMB and senior managers

Dennis Hone and Ralph Luck are directors of Stratford Village Development (GP) Ltd.

It has been agreed that, in addition to his role as ODA Chief Executive, Dennis Hone will act as interim Chief Executive of the London Legacy Development Corporation from 15 August 2012 until a permanent CEO is appointed.

Allan Edmondson, Head of Bus and Coach Transport is a director of and shareholder in Transport Partners Ltd.

Transactions with related parties

IAS 24: 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 5 and the property transactions described in the Accounting Officer's Report, the following charges were made to and from the ODA by related parties, on a cashflow basis.

Related party	Payments £'000	Receipts £'000	Owed by ODA £'000	Owed to ODA £'000
BT plc	521	–	65	500
Department for Culture, Media and Sport	–	245	–	–
DTZ Debenham Tie Leung	850	–	–	–
Greater London Authority	852	1,037	119	37
Homes & Communities Agency	37	–	–	–
Institution of Civil Engineers	–	24	–	–
Lee Valley Regional Park Authority	6	2,278	138	6,478
LOCOG	79,292	54,083	14,089	2,783
London Borough of Hackney	2,045	–	1	–
London Borough of Newham	4,806	198	866	198
London Borough of Tower Hamlets	627	–	–	–
London Borough of Waltham Forest	575	–	612	–
London Development Agency	628	864	1,716	–
London Legacy Development Corporation	136	1,593	–	280
Stratford Village Development (GP) Ltd	305,092	40,916	54,899	–
Transport for London	69,998	45	8,037	26
Transport Partners	–	69	–	69

The ODA has a licence from the LLDC that enables the ODA to occupy and develop the land on the Olympic Park subject to specific limitations. The licence fee is disclosed under lease commitments in Note 16.

Notes to Accounts continued

CLM was incorporated to act in concert with the ODA to achieve the ODA's objective of delivering the Games venues and infrastructure. The ODA does not have direct control over CLM but does have significant influence over the operating activities of CLM.

The ODA paid a total of £92,270,000 (2010–11: £116,613,000) to its Delivery Partner, CLM. This expenditure was allocated as follows:

	2011–12 £'000	2010–11 £'000
Programme expenditure	39,638	47,447
Programme management	13,457	18,201
IT costs	233	368
Performance payments	38,942	50,597
	92,270	116,613
Of which, capitalised to assets under construction	20,055	25,707

Performance payments are payable to CLM for the achievement of key programme milestones and cost targets. The performance payments for 2011–12 and 2010–11 include estimates for amounts, insofar as they relate to the respective periods, that will become payable to CLM after September 2012, December 2012 and March 2013 provided currently projected completion dates and cost savings are achieved. Excluding these amounts, the actual performance payment to CLM in the year was £50,201,000 (2010–11: £16,088,000). The figures for payments to CLM include VAT which is not recoverable by the ODA and which is not retained by CLM.

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.

During the course of the financial year the ODA made special payments of £nil (2010–11: £224,000).

21. Events after the reporting period

There were no reportable events after the reporting period.

22. Corporate structure

The ODA reviewed its corporate structure in the light of its exit strategy and concluded that the ODA Legacy Partnership which was formed to facilitate the potential post-Games legacy development of the Olympic Park was no longer required. The Partnership was dissolved in November 2011 and its member companies struck off in March 2012.

The ODA formed the Stratford Village Development Partnership to facilitate the development of the Olympic and Paralympic Village. The partnership structure was modified in August 2011 to include a holding company, SVDP Ltd. The ODA holds a £1 ordinary share in SVDP Ltd giving it 100 per cent control of the company.

The members of the Stratford Village Development Partnership are:

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

In August 2011, contracts were exchanged for the sale of SVDP Ltd, to QDD. Under the terms of the contracts, completion of the sale is scheduled for March 2014. QDD will pay £1 for the share capital of SVDP Ltd. In the interim period, the company has been deemed to remain under the control of the ODA, and will continue to be consolidated into its group accounts.

The ODA is a member of Stratford Village Management Company Ltd, a company limited by guarantee which was established to provide estate management services to the Olympic and Paralympic Village in legacy. The company has never traded.

None of the subsidiaries had a financial result for the year or reserves at 31 March 2012 except Stratford Village Development (GP) Ltd which had turnover of £40,916,000 (2010–11: £130,400,000), loss for the year of £nil (2010–11: £nil) and total assets and non-current payables of £566,408,000 (2010–11: £487,842,000) having accounted for its activities in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance.

The ODA has taken advantage of the exemption from the requirement to prepare partnership accounts for the Stratford Village Development Partnership contained in regulation 7 of The Partnership (Accounts) Regulations 2008 on the grounds that the partnership accounts are dealt with on a consolidated basis in the group accounts of the ODA.

23. Investments

The ODA holds a £1 ordinary share directly or indirectly, in each of the companies listed in Note 22, except Stratford Village Management Company Ltd which is limited by guarantee.

24. Approval for issue

The Financial Statements were approved for issue on the date that the Comptroller and Auditor General signed the audit opinion.

Appendix 1

Accounts Direction given by the Secretary of State for Culture, Olympics, 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 2012 (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 2012 and subsequent financial years, and of the net expenditure, changes in taxpayers' equity 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;
 - c account for income from grants received for revenue purposes to the statement of net income, providing adequate disclosure in notes to the accounts of the grants income policy adopted; and
 - d provide any other specific disclosures required by the Secretary of State.
- 4 This direction shall be reproduced as an appendix to the annual accounts.
- 5 Schedule 1 to this direction gives details the additional disclosure requirements of the Secretary of State for Culture, Olympics, Media and Sport.

Signed by Authority of the Secretary of State for Culture, Olympics, Media and Sport on 14 June 2012.

Schedule 1

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

- 1 The Governance Statement 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 Managing Public Money; and
 - ensuring compliance with the requirements of the ODA's Management Statement and Financial Memorandum.
- 2 The Governance Statement 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 and Financial Memorandum.
- 3 The Notes to the accounts shall provide an analysis of funding by funder and make clear the accounting treatment of funds.
- 4 The Notes to the accounts shall disclose expenditure incurred on the Delivery Partner.
- 5 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; and
 - c an analysis of remuneration and expenses of ODA Board members.





A summarised version of this publication is available on request in other languages and formats. To obtain a copy please quote reference number ODA 2012/042.

Email: info@enquiries.london2012.com Phone: 0808 100 2012

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





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