



**OLYMPIC DELIVERY AUTHORITY**

**STANDING ORDERS (2)**

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## STANDING ORDER 2:

### SCHEME OF DELEGATION

#### INTRODUCTION

The powers and duties (“functions”) of the ODA are vested in the Board. The Act permits the Board to delegate the discharge of the ODA’s functions as outlined in paragraph 1 below. This Standing Order 2 sets out the ODA’s scheme of delegation in relation to the discharge of the ODA’s functions and includes the ODA’s financial limits on the exercise of delegated functions. Words and phrases used in Standing Order 2 have the meanings set out in paragraph 41 of Standing Order 1.

#### Bodies to whom the ODA may delegate

1. Schedule 1 paragraph 16 of the Act provides that the Board of the ODA may delegate a function to:
  - a. a Board member;
  - b. an employee;
  - c. a committee; or
  - d. any other person.

The Board itself may discharge a function even though it has previously delegated the discharge of that function.

Schedule 1 paragraph 17 provides that where the discharge of a function is delegated by the Board to a committee, the committee may, delegate it to:

- a. a Board member;
- b. an employee;
- c. a member of the committee;
- d. a sub-committee; or
- e. any other person.

A committee may discharge a function even though it has previously delegated the discharge of that function.

## MATTERS RESERVED TO THE BOARD FOR DECISION

2. The following matters are reserved to the Board for decision:
  - a. provision of strategic guidance on the discharge of the ODA's statutory duties consistent with the Management Statement and Financial Memorandum;
  - b. approval of the ODA's budget proposals (for submission to DCMS);
  - c. approval of the Annual Accounts of the ODA;
  - d. approval of the Annual Report for the ODA;
  - e. approval of the Corporate Plan and the Business Plan;
  - f. approval of commitment to budgeted expenditure greater than £20 million per project on construction, land, buildings and fixed assets, subject to the consent of DCMS in respect of expenditure in excess of the delegated financial limit for expenditure set out in the Financial Memorandum as amended from time to time;
  - g. approval to incur overhead expenditure within approved budget of greater than £20 million per item subject to the consent of DCMS in respect of expenditure in excess of the delegated financial limit for expenditure set out in the Financial Memorandum as amended from time to time;
  - h. approval of any increase in total project cost per project of more than £3 million or 5% of the original contract value, whichever is the lowest, in respect of projects with an original contract value in excess of £20 million subject to the consent of DCMS in respect of cost increases in excess of the delegated financial limit for regulation of cost changes set out in the Financial Memorandum as amended from time to time;
  - i. approval of aggregate cost increases or use of general contingency in any one year of more than £30 million subject to the approval of DCMS in respect of cost increases or use of general contingency in excess of the delegated financial limit for regulation of aggregate cost increases set out in the Financial Memorandum as amended from time to time;
  - j. approval of the viring (switching) of funds from one project to another of more than £3 million in any one year subject to the consent of DCMS in respect of virement in excess of the delegated financial limit for virement set out in the Financial Memorandum as amended from time to time;
  - k. approval of the disposal of surplus assets or a package of surplus assets of a value greater than £5 million net where there has been a price competition, or greater than £3 million net where there has been no price competition, or for disposal of surplus assets at a price less than the best consideration reasonably obtainable subject to the consent of DCMS in respect of disposals at less than best consideration or at a value greater than the delegated financial limit for disposal of assets set out in the Financial Memorandum from time to time;
  - l. approval of projects which in the opinion of the Chief Operating Officer are novel, contentious or repercussive, subject to the consent of the DCMS;

- m. appointment of committees and delegation of the discharge of ODA's functions to committees, to a Board member, an employee or any other person in accordance with paragraph 26 of Standing Order 1 (subject to the consent of the Secretary of State in relation to appointment to a committee of a person who is not a Board member, in accordance with Schedule 1 paragraph 10(2)(b));
- n. formation or acquisition of interests in a body corporate or joint venture, subject to the consent of DCMS having been obtained and delegation of the exercise of the ODA's functions to such a body corporate;
- o. appointment of advisors to committees and sub-committees upon the recommendation of the Chief Operating Officer;
- p. disposal of any part of the ODA's undertakings;
- q. making and amending the ODA's Standing Orders;
- r. approval of schemes for transferring property, rights and liabilities from the Greater London Authority, the London Legacy Development corporation and Transport for London to the ODA under Section 8 of the Act;
- s. approval of the Olympic Transport Plan, having regard to the Mayor's transport strategy and the Mayor's spatial development strategy;
- t. approval of the ODA's strategies for bringing the regulations made by the Secretary of State under:
  - S19(1) of the Act in relation to advertising in the vicinity of London Olympic events; and
  - S25(1) of the Act in relation to trading in the vicinity of London Olympic events;

to the attention of people likely to be affected or interested;

- u. approval of any proposal by the ODA to take out a loan or enter into a property or financial lease or any arrangement akin to borrowing, subject to the approval of DCMS having been obtained;
- v. consideration of statutory reports and public interest reports, issued in respect of the ODA, including statutory recommendations and advisory notices issued by the ODA's external auditors and Ombudsman reports where there has been a finding of maladministration against the ODA;
- w. consideration of any written objection which the Chief Operating Officer as Accounting Officer is required to make under paragraphs 14-18 of "The Responsibilities of an NDPB Accounting Officer" if the ODA is contemplating a course of action which s/he considers would infringe the requirements of propriety and regularity or his/her responsibilities for economy, efficiency and effectiveness;
- x. appointment (with the Secretary of State's approval) and removal of the Chief Operating Officer.
- y. approval of any proposal by the ODA to lend money, charge any asset as security, give any guarantee, indemnity or letter of comfort (other than in the

ordinary course of business) or incur any other contingent liability subject to the consent of the DCMS;

- z. approval of the writing off of losses or making of special payments greater than £250,000, subject to the consent of DCMS in respect of losses or special payments in excess of the delegated financial limit for writing off losses or making special payments set out in the Financial Memorandum as amended from time to time;
- aa. approval of the ODA's procurement policy;
- bb. anything that by law is reserved to the Board;
- cc. anything which the Chief Operating Officer considers should be referred to the Board for decision; and
- dd. anything else which the Board thinks fit.

### **DELEGATION: GENERAL PROVISIONS**

- 3. All delegated authority conferred by the following paragraphs of this Scheme of Delegation must be exercised:
  - a. subject to any restrictions imposed by law;
  - b. in accordance with the Management Statement and Financial Memorandum;
  - c. in accordance with any conditions imposed by the Board or any committee with authority to do so;
  - d. in accordance with the provisions of Standing Orders including the ODA Delegated Authority Financial Limits set out in the Scheme for Financial Authority in Appendix 1 to this Standing Order 2;
  - e. having regard to the principle of equal opportunity for all people;
  - f. within the financial framework established by the ODA. No expenditure may be incurred in the exercise of delegated authority unless there is budget provision for that expenditure, except where any express delegation in relation to commitment of contingency in advance of an agreed increase in budget provision is provided for in this Scheme of Delegation;
  - g. in accordance with the ODA's policies and priorities;
  - h. in a manner consistent with the responsibilities of the Board and the Chair and with the duties of the Chief Operating Officer as Accounting Officer and Consolidation Officer set out in the Management Statement and Financial Memorandum.

## **CHAIR**

4. The Chair has, consistent with the terms of the Management Statement, responsibility to the DCMS for the matters set out in Appendix 2 of this Standing Order 2.
5. Communications between the ODA and the DCMS shall normally be through the Chair.
6. In cases of urgency, the Chair may discharge any function of the ODA on its behalf provided that, before exercising that delegated authority, the Chair shall as far as possible consult with or arrange for consultation with Members of the ODA who can be readily contacted.

## **DEPUTY CHAIR**

7. In the absence of the Chair the Deputy Chair may discharge any function of the Chair.

## **DELEGATION TO COMMITTEES OF THE ODA**

8. There is delegated from the Board to each committee of the ODA the discharge of those functions of the ODA which fall within their terms of reference, other than any matter reserved to the Board for decision, in accordance with paragraph 2 above.

## **DELEGATION TO THE CHIEF OPERATING OFFICER OF THE ODA**

9. There is delegated from the Board to the Chief Operating Officer or, in his/her absence, the Director of Village and Commercial, the discharge of all functions of the ODA other than:
  - a. any matter reserved to the Board for decision, in accordance with paragraph 2 above;
  - b. any matter delegated to committees of the ODA, in accordance with paragraph 8 above;
  - c. any matter delegated to the Chair;
  - d. any matter delegated to another officer in accordance with paragraph 11 and 12 below;
  - e. any matter delegated to a Board member or another person as permitted by paragraph 16 of Schedule 1.
10. The Board recognises that the Chief Operating Officer has, consistent with the Management Statement and Financial Memorandum, the duties set out in Appendix 3.

## GENERAL DELEGATIONS TO OFFICERS

11. Without prejudice to the provisions of paragraph 9 above there is delegated from the Board to each Director, including any Acting Director the discharge of all functions of the ODA for which he/she has, with the approval of the Chief Operating Officer, managerial and/or professional responsibility other than:
  - a. any matter reserved to the Board for decision, in accordance with paragraph 2 above;
  - b. any matter delegated to the committees of the ODA, in accordance with paragraph 8 above.
  
12. There is delegated from the Board to each Officer below the level of Director the discharge of all functions of the ODA for which s/he has managerial and/or professional responsibility provided that:
  - a. the Director to whom s/he is responsible has delegated authority in relation to any matter in respect of which that Officer proposes to exercise delegated authority; and
  - b. that Officer has obtained the consent of the Director, to whom s/he is responsible (or, in the absence of such Director, the Chief Operating Officer), to the exercise of that delegated authority.



## SCHEME FOR FINANCIAL AUTHORITY

### AUTHORISATION OF EXPENDITURE

1. Approval of the ODA Budget provides authorisation for the Chief Operating Officer and Director to incur expenditure including project related expenditure in respect of their allocated budgets, subject to:
  - a. the existence of appropriate provision in the budget ;
  - b. compliance with the ODA's Standing Orders;
  - c. securing specific approval, where required;
  - d. any restrictions or conditions included in business or service plans;
  - e. compliance with financial, procurement and land transaction policies approved by the Board from time to time;
  - f. compliance with the financial policies and procedures issued by the Finance Director from time to time; and
  - g. compliance with the Delegated Authority Financial Limits set out in paragraph 2 below, as amended from time to time.

## ODA DELEGATED AUTHORITY – FINANCIAL LIMITS

2. Delegations of authority to the Chief Operating Officer and others within the ODA are shown below. These delegations may be amended from time to time as stated in the Management Statement and Financial Memorandum. The table also identifies the review powers of the Board as stated in the Management Statement and Financial Memorandum (as at August 2007)

	Commitment or disposal that is novel, contentious or repercussive	Authority to issue guarantees, indemnities and letters or statements of comfort	Authority to commit to any one gift or total gift to one person or organisation	Authority to disposal of surplus assets	Authority to write off losses and approve special payments
Board Review (+DCMS)	All	> £100,000	> £10,000	Above £5m in value with competition, or above £3m in value with no competition or disposal at less than best consideration	Above £250k
Chief Operating Officer	None	Up to £100,000	Up to £10,000	Up to £5m in value with competition or up to £3m in value without competition or disposal at less than best consideration	Up to £250k
Director of Village and Commercial	None	Up to £100,000	None	Up to £1m	Up to £100k
Senior Management Team & Project Sponsors	None	None	None	None	None
Others	None	None	None	None	None

	Lifetime Project Approval	Authority to incur individual project lifetime cost increases for projects > £20m	Authority to vire (switch) funding from one project to another	Authority to approve Change Orders	Authority to incur aggregate project cost increases	Authority to commit to expenditure for an approved project	Authority to commit to contract variations prior to change order	Authority to commit to ODA Management Costs	Authority to commit to CLM Fees	Authority to approve invoices or equivalent
Board Review (+DCMS)	Above £20m	Above the lower of £3m or 5% of original project cost	Above £3m	Up to Programme Contingency levels	> £30m in any one year	None	None	Above £20m	Task order	None
Chief Operating Officer	Up to £20m	Up to the lower of £3m or 5% of original project cost	Up to £3m in any one year	Up to Project Contingency Levels	Up to £30m in any one year	Up to Budget	Up to contingency level	Up to £20m	Variations up to £3m	Unlimited
Director of Village and Commercial	Up to £10m	Up to £1m	Up to £1m in any one year	Up to Project Contingency Levels	None	Up to £10m	Up to contingency level	Up to £2.5m	Variations up to £3m	Unlimited
Senior Management Team & Project Sponsors	None	None	None	None	None	Up to £250k	Up to £250k	Up to £250k	None	Up to £1m
Others	None	None	None	None	None	Up to £25k	None	Up to £25k	None	Up to £250k

3. Variations to a contract must be approved in accordance with the ODA's procurement code, change control process and the financial limits set out above.
4. Contracts must not be broken down into lower value contracts to avoid a requirement for authority at a particular level or to avoid UK Procurement Regulations or EC Procurement Directives.
5. Where an option forms part of any contract the estimated value of the contract for the purposes of paragraph 2 above is to be calculated on the assumption that the option will be exercised.
6. All sums expressed in this Standing Order are exclusive of Value Added Tax.
7. Contracts should (other than in the circumstances set out in the ODA's Procurement Code or EC Procurement Directives or UK Procurement Regulations) only be entered into following a competition conducted through a tender process or by competitive quotation.
8. Notwithstanding any other authority given by this Standing Order, where it is proposed that a contract over the value of £3,000 be awarded other than through a competitive process, the authority of the Head of Finance / Senior Programme Finance Manager and the Head of Commercial must be obtained. Where the Head of Finance / Senior Programme Finance Manager or Head of Commercial has been directly involved in the transaction, the authority of the Chief Operating Officer must be obtained.
9. All contracts must be expressed to be governed by English Law unless otherwise agreed by the Head of Legal. Transactions must also be subject to the jurisdiction of the English Courts unless an alternative dispute resolution procedure is required by English Law or otherwise agreed by the Head of Legal.

## **LAND TRANSACTIONS**

10. Land Transactions require authorisation in accordance with this Appendix 1, in addition to any authorisations required pursuant to the Act or other statute.
11. All Land Transactions must be carried out in compliance with directions or guidance issued from time to time by the Director of Village and Commercial.
12. All Land Transactions must be undertaken in compliance with the ODA's land and property policies.

## **CALCULATING THE LEVEL OF AUTHORITY**

13. Any calculation of the level of authority required for any Land Transaction must:
  - a. have regard to the total consideration which is to be paid or received in relation to the Land Transaction; and
  - b. where an option forms part of a Land Transaction, assume that the option will be exercised.

**RESPONSIBILITIES OF THE CHAIR**

1. The Chair has, consistent with the terms of the Management Statement, responsibility to the DCMS for the following:
  - a. ensuring that the ODA's policies are consistent with those of the DCMS and that the ODA's affairs are conducted with probity;
  - b. providing effective strategic leadership on the following matters:
    - formulating the ODA's strategy for discharging its statutory duties and ensuring that the ODA's actions are within its statutory powers;
    - encouraging high standards of propriety and promoting the efficient and effective use of staff and other resources throughout the ODA;
    - ensuring that the ODA Board, in reaching decisions, takes proper account of the guidance provided by the DCMS or his/her officials;
    - representing the views of the ODA to the general public;
    - providing an assessment of performance of individual Board members when they are being considered for reappointment and as requested by DCMS; and
    - seeking the approval of the DCMS to the appointment of committee members;
  - c. ensuring that all Board members, when taking up office, are fully briefed on the terms of their appointment and their duties, rights and responsibilities and receive appropriate induction training;
  - d. when Board vacancies arise, advising the Secretary of State on the needs of the ODA with a view to ensuring a proper balance of professional, financial and other expertise;
  - e. ensuring that a Code of Practice for Board members is in place based on the Cabinet Office's model.

**DUTIES OF THE CHIEF OPERATING OFFICER AS ACCOUNTING OFFICER  
AND CONSOLIDATION OFFICER**

1. The Chief Operating Officer is designated as the ODA's Accounting Officer by the Accounting Officer of the DCMS. As the ODA's Accounting Officer the Chief Operating Officer is personally responsible for safeguarding the public funds for which s/he has charge, for ensuring propriety and regularity in the handling of those public funds and for the day-to-day operations and management of the ODA.
2. The Chief Operating Officer must comply with the terms of the Management Statement and Financial Memorandum and with the instructions and guidance in Government Accounting and other instructions and guidance issued from time to time by DCMS, the Treasury and Cabinet Office.
3. As Accounting Office the Chief Operating Officer has in particular responsibility for:
  - a. establishing, in agreement with DCMS, the ODA's Corporate and Business Plans and informing within that framework DCMS and GLA, of ODA's progress in the delivery of the Games venues and infrastructure and in demonstrating how resources are being used to achieve those objectives;
  - b. advising Board members on the ODA's performance, compared with its aims and objectives;
  - c. advising Board members on the discharge of their responsibilities under the Management Statement, the Financial Memorandum, the Act and other legislation and any other relevant instructions and guidance that may be issued from time to time;
  - d. ensuring that all public funds made available to the ODA are used for the purpose intended by parliament and that such funds, and the ODA's assets, equipment and staff are used economically, efficiently and effectively;
  - e. ensuring that timely monitoring information and accurate forecasts are provided to DCMS and that the ODA keeps within the resource and expenditure limits set by the DCMS; that corrective action is taken to avoid overspends, and that DCMS, and GLA are notified promptly if overspends, or underspends are likely to occur; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are notified to DCMS in a timely fashion;
  - f. ensuring that the Chair and Board members are briefed fully on the financial considerations prior to reaching and executing decisions and that standard financial appraisal techniques are followed as far as this is practical;
  - g. ensuring that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
  - h. ensuring the ODA's compliance with the financial and other management controls applied by DCMS and maintain systems for compliance with the Management Statement and the Financial Memorandum;

- i. ensuring the ODA's compliance with the conditions, requirements, instructions and guidance set out in the grant letters of DCMS, and GLA,;
  - j. ensuring that adequate internal management and financial controls are maintained by the ODA, including that sums receivable are collected and that there are effective measures in place against fraud and theft;
  - k. maintaining a comprehensive system of internal delegated authorities which are notified to all staff together with a system for regularly reviewing compliance with these delegations;
  - l. ensuring that appropriate personnel management policies are introduced and maintained;
  - m. signing the accounts and being responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by DCMS;
  - n. signing a Statement of Accounting Officer's responsibilities for inclusion in the annual report and accounts;
  - o. signing a Statement of Internal Control regarding the ODA's system of internal control, for inclusion in the annual report and accounts;
  - p. taking action as set out in paragraphs 14-18 of "The Responsibilities of a NDPB Accounting Officer" if the ODA, or its Chair, is contemplating a course of action involving a transaction which the Chief Operating Officer considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration or efficiency or effectiveness;
  - q. giving evidence, normally with the Accounting Officer of DCMS, when summoned before the Committee of Public Accounts on the use and stewardship of public funds by the ODA;
  - r. ensuring that effective procedures for handling complaints about the ODA are established and made widely known within the organisation.
4. For the purposes of the Whole of Government Accounts the Treasury may designate the Chief Operating Officer as its Consolidation Officer for the ODA and if so designated the Chief Operating Officer must comply with the requirements of the Consolidation Officer Memorandum.
  5. The Chief Operating Officer is the Principal Officer for handling cases involving the Parliamentary Commissioner for Administration and as such shall inform the Permanent Secretary of DCMS (and the nominated representative of the GLA) of any complaints about the ODA accepted by the Ombudsman for investigation and about the ODA's proposed response to any subsequent recommendations from the Parliamentary Ombudsman.
  6. Without prejudice to the provisions of paragraph 11 of Standing Order 2 (General delegations to officers) the Chief Operating Officer may delegate the day-to-day administration of his Accounting Officer responsibilities to other employees of the ODA provided that he shall not assign absolutely to another person any of the responsibilities of the Accounting Officer set out in the Management Statement and in particular shall not delegate the duty of signing the annual accounts, which must at all times remain the personal responsibility of the Accounting Officer.