

Olympic Delivery Authority  
Annual Report and Accounts  
2006–2007



# report



**Olympic Delivery Authority**

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**2006–2007**



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## Chairman's foreword



This has been a year of significant achievement for the Olympic Delivery Authority (ODA). We have hit all our milestones to date for this huge and very exciting project, but we recognise we are still in the foothills and the mountain lies ahead of us. We have made a strong start but we are not complacent.

The progress we have made is a tribute to the world-class team we have in place and I would like to congratulate all of the staff in the ODA and the Delivery Partner on their efforts so far. I would also like to thank the Board for their guidance, support and leadership. Special thanks should go to the independent Planning Decisions Team and Planning Committee who are responsible for handling all planning applications on behalf of the ODA. They are doing a great job.

Our success in many different areas was underpinned this year by the funding announcement by Government. A realistic budget and prudent contingency give us clarity and certainty as we enter the next phase of the project. The Government should be applauded for announcing a budget that matches the ambitious regeneration plans for the Lower Lea Valley. This project is about far more than a summer of sport and we must ensure we collectively make the most of the opportunity to change east London for good.

Building on this solid start, work on site will accelerate as we take vacant possession of the site in July 2007. I congratulate the London Development Agency (LDA) for their excellent and detailed work in securing the land. Their hard work will give us the canvas on which to prepare and construct the Olympic Park.

Realising the ambitions for the London 2012 Olympic and Paralympic Games and beyond means working in partnership – the ODA, the Delivery Partner, the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG), the Greater London Authority, the LDA, the Government, the five Host Boroughs and many more organisations. The strength of these relationships, the common purpose and single-minded focus of all are very encouraging and bode well for future success.

It was encouraging that the International Olympic Committee recently praised the start London has made to the Games' preparation. I believe we are building strong foundations for success by putting the emphasis on planning right at the beginning of the project. Success is all about timely decision making and hitting our targets. As this Annual Report shows, we are on track to deliver. We are delighted that John Armitage will be taking on the role of Chair in September and we look forward to working with him and the team as the project moves to the next stage.

A handwritten signature in blue ink, which appears to read 'Sir Roy McNulty'. The signature is fluid and cursive.

**Sir Roy McNulty**  
Acting Chair

## Chief Executive's report



This has been a year of real achievement for the ODA as it sets out on the road to 2012. There is a lot we can look back on with pride – agreeing an improved Olympic Park Masterplan six years out from the Games, publishing the draft Transport Plan for the Olympic Games and Paralympic Games and submitting one of the largest planning applications in European history. Just three of the many milestones we have hit on target in our first year.

Our primary role is to deliver the venues and infrastructure for the London 2012 Olympic and Paralympic Games on time, within budget and to ensure they are fit for purpose. We are planning for success and are delivering against programme. We are on track and on target. But we are not complacent. We recognise this is an extremely challenging programme.

We are also ensuring that Games and legacy are being planned together. We will only build permanent venues if there is a long-term legacy use for them, and that means thinking creatively about temporary designs and structures. We must ensure there are no 'white elephants'.

Sustainability is at the heart of the project. I believe the standards we are committing to in our sustainability strategy will break new ground and raise the bar for an urban development of this scale. We have the chance to showcase new practice and set new standards.

After a year of set up and planning, we are now moving to the next stage of the project – 'demolish, dig, design'. We have set out our next 10 milestones which we aim to meet by the Beijing 2008 Games. We have done this because we believe it is essential we are transparent and accountable and people can judge how we are doing.

I am confident we can meet them, given the excellent team we have assembled at the Olympic Delivery Authority, and with our Delivery Partner, and also through the strong partnerships we have established with our stakeholders. The Authority is grateful to all our funders for their support – the National Lottery, the Department for Culture, Media and Sport, the Greater London Authority and the London Development Agency.

A handwritten signature in blue ink, consisting of stylized initials 'DH' followed by a long horizontal flourish.

**David Higgins**  
Chief Executive



**Sir Roy McNulty CBE** has been Chairman of the Civil Aviation Authority since 2001. Previously, he was Chairman of National Air Traffic Services (NATS) from 1999 to 2001, and, prior to that, he was Chief Executive and, latterly, Chairman of Shorts Brothers plc, the Belfast-based aerospace company. Sir Roy has also been President of the Society of British Aerospace Companies (1993-1994), and Chairman of the Department of Trade and Industry Aviation Committee (1995-1998).



**Lorraine Baldry** is Chairman of the London Thames Gateway Development Corporation, and, before that, was Chief Executive of Chesterton International plc. She was also a Senior Advisor at Morgan Stanley, Investment Banking Division. Lorraine is Chairman of Inventa Partners Ltd, a Director of Tri-Air Developments Ltd, and Chairman of Central London Partnership. She has over 30 years experience in a wide range of industries, including Financial Services, IT and Property, and has held senior executive positions in some of the UK's leading companies in these sectors.



**Tony Ball** is Chairman of the Advisory Board of Kabel Deutschland GmbH, Europe's largest cable operator. He is also Chairman of Ingenious Media Active Capital Limited (the UK-listed media fund). He is a director of ONO SA (Spain), Sky Italia SpA and a trustee of the Media Trust. Tony was Chief Executive of British Sky Broadcasting (1999-2003) and a former non-executive director of BAA plc, ProSiebenSat.1 and Marks & Spencer plc. He spent a number of years in the United States as Chief Executive Officer of Fox/Liberty Networks. He also served as President of Fox Sports International, where he oversaw businesses in North America, Latin America, Asia and Australia. He started his career at Thames Television.



**Sir Howard Bernstein** is Chief Executive of Manchester City Council. Sir Howard joined Manchester City Council in 1971 as a junior clerk, spending 27 years rising through the ranks before becoming Chief Executive in 1998. Former roles include Head of Urban Policy from 1980-86, Assistant Chief Executive from 1986-90 and Deputy Chief Executive from 1990-98. He was Secretary of the Commonwealth Games Organising Committee and was awarded a knighthood in 2003 for services to the reconstruction of Manchester and the XVII Commonwealth Games. He received an honorary fellowship from the Council of the Royal Institute of British Architects for his part in the city centre's regeneration following the terrorist bombing of 1996, and was instrumental in the construction of the Commonwealth Games Stadium, the expansion of Manchester Airport and the rebuilding of the city centre.





**Barry Camfield** is the Assistant General Secretary of the Transport and General Workers Union (TGWU). He has been Assistant General Secretary since 2000. He was previously Regional Secretary of the TGWU in its London, South East and East Anglia Region. He has been heavily involved in the work of the TUC and he was, for many years, an executive member of SERTUC, the Southern and Eastern Region TUC, which includes London. He has also served as SERTUC Vice President and as Chairman of its Economic Committee. He is currently a member of the TUC General Council and the TUC Executive Committee. Previously, Barry was a member of the South East England Development Agency (SEEDA), where he was heavily engaged in regional social dialogue issues, and he also served on the Kent and Medway Local Learning and Skills Council.



**Stephen Duckworth** is Chief Executive of Disability Matters Ltd. This consultancy 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 Non-Executive Director of four small businesses established to improve the life chances of disabled people. He is a member of the Council of the University of Southampton. Stephen has advised Ministers on the Welfare Reform; the Polish Government, on introducing antidiscrimination legislation; and more than 400 public and private sector organisations, on how to improve services for disabled customers whilst increasing the representation of disabled people in their workforce. He was awarded an OBE in 1994 in recognition of his service to disabled people.



**Neale Coleman** is Policy Director to London Mayor Ken Livingstone with responsibility for housing, major regeneration projects, relations with local government and GLA budget making. Neale leads on policy and implementation on regeneration and new developments in the Thames Gateway, and on preparations for the London 2012 Olympic and Paralympic Games. He chaired the Olympic Masterplan Reference Group, which led the work programme during the bid to deliver the Olympic Masterplan and outline planning consent for the Olympic Park. Neale has been co-chairing the Olympic Delivery Group, which had responsibility for leading physical preparations for the Games prior to creation of the Authority.



**Christopher Garnett** is a Director of Anglian Water Services Ltd, Chairman of the Future York Group and a Director of the York Central Steering Board. He was Chairman of GNER from 2004 to 2006, prior to which he was Chief Executive of GNER and Vice President of Sea Containers Limited from 1996 to 2004. He joined the transport industry in 1986 when he was recruited by Sea Containers to run the Continental European routes of Sealink British ferries, and in 1990 he joined Eurotunnel as Commercial Director for the launch of the Channel Tunnel "Le Shuttle" freight and car services. Christopher was Chairman of the Association of Train Operating Companies from December 2001 to August 2003. He is also a member of the National Railway Museum Advisory Board, and a member of the Transport for London Board.



**Sir Peter Mason KBE** is Chairman of Thames Water. He is also the Senior Independent Non-Executive Director of BAE Systems plc (from January 2003), and was appointed to the Treasury/DTI Asia Task Force in 2005. Previously, he was Chief Executive of AMEC plc, the international project management and services company. He was a board member of British Trade International from 2000 to 2005, and awarded a KBE in 2002 for services to international trade. Prior to joining AMEC in February 1996, Sir Peter was an Executive Director of BICC plc and Chairman and Chief Executive of Balfour Beatty Limited. He held a number of appointments in the engineering and construction industry before he joined Norwest Holst in 1980. Three years later he became Managing Director of the company's civil engineering division, and, in 1985, he was appointed Chief Executive of Norwest Holst Group PLC. He held this position until he joined BICC in 1992.



**Kumar Muthalagappan** is Managing Director and founder of the Pearl Hotels and Restaurants Group. He is a board member of Visit Britain (since 2002) and Chairman of its Audit Committee. He was also on the board of the Heart of England Tourist Board and Belgrade Theatre (2000–2004). Kumar is a member of the Council of the University of Warwick and Deputy Chairman of the City of Birmingham Symphony Orchestra (the CBSO). Kumar is a chartered accountant, and practised in the areas of audit, tax and corporate finance with KPMG from 1983 to 1996.



**David Taylor** is one of the country's leading exponents of urban regeneration, and he has worked extensively in the public, private and voluntary sectors. He is Chairman and joint founder of Silvertown Quays Limited, a special purpose company established to create a vibrant new heart for the Royal Docks in east London, and is also Non Executive Co-Chairman of the Thames Gateway Forum. David is former CEO of English Partnerships and personal adviser to John Prescott. Prior to that, he had responsibility for Development at AMEC Plc. He also chairs Hull City Build and Elevate, the Housing Market Renewal Pathfinder in East Lancashire.



**Baroness Morgan of Huyton**, a former London teacher and councillor, joined the House of Lords in June 2001. She was Minister of State at the Cabinet Office until November 2001, when she took up the post of Director of Government Relations at 10 Downing Street, which she held until June 2005. In the Lords, she serves on the European Select Committee on Social and Consumer Affairs. She is a Non-Executive Director of Carphone Warehouse PLC, Advisor to the Board of the children's charity ARK and a member of the Advisory Panel of Lloyds pharmacy.



**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 (1999-2006).



Powerlines undergrounding on the Olympic Park site



'This result is amazing. When we started out, we had a mountain to climb but we've had an incredible few days. What came over in our presentation was giving kids the chance – it's not just about cities. We spent a lot of time before formally submitting our bid preparing things, and we will start work on that tomorrow.'

Mayor of London Ken Livingstone, after London's 2012 win, July 2005.

## Who we are and what we do

The Olympic Delivery Authority's (the Authority's) mission is to "deliver venues, facilities, infrastructure and transport for the London 2012 Olympic and Paralympic Games on time, to budget and to leave a lasting legacy".

The Authority has responsibility for:

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

Delivery on time, to budget and fit for purpose is the Authority's primary role. This will be underpinned by five themes:

- health, safety and security;
- sustainability;
- design and accessibility;
- equality and diversity; and
- legacy.

The **health, safety and security** of everyone involved in our work, or affected by it, is vital. We are committed to integrating health and safety considerations into every part of the planning, design and construction operation. Our strategy is about more than just the prevention of accidents. It also aims to promote the well-being of everyone involved in the project. We will work with all our staff, partners and suppliers to give the highest priority to health, safety and security issues.

**Sustainability** is at the heart of everything we do. We are committed to creating venues, facilities and infrastructure for the London 2012 Games that leave a lasting social, economic and environmental legacy for London and the UK. Key sustainability gains will come from the location of the site and

the nature of the development. The Olympic Park will bring post-industrial land back into public use, create new green space for east London and help create new neighbourhoods, where people will want to live, work and play.

Our approach to **design and accessibility** is about combining excellence with innovation. We want to create venues fit for the world's greatest sporting event, and their long-term use afterwards. We are designing for Games and legacy together. We are only building permanent venues if there is a long-term legacy use; we will not leave 'white elephants'. We are looking at how best we use temporary and relocatable venues. We want to create an environment that is as accessible and inclusive as possible.

**Equality and diversity** are important issues for London 2012 and we have a significant opportunity to help reduce long-standing inequalities. Working with our partners, we will seek to ensure that the economic and social benefits arising from the regeneration of the Olympic Park site reach both local communities and different parts of the UK. We will also seek to tackle workplace discrimination. Similarly, we will aim to ensure our procurement process is transparent, fair and open to diverse suppliers.

**Legacy** is at the heart of the London 2012 project. The Games offer a unique opportunity to revitalise the Lower Lea Valley, transforming one of the most underdeveloped areas of London into a benchmark 21st century urban environment. Our vision is to deliver a lasting legacy of world-class sporting facilities, green spaces and homes and jobs for the local community. By planning the Games and their legacy together now, we will ensure that they are remembered not only as a superb sporting celebration, but also a catalyst for changing east London for good.

Ten milestones were set out for 2006-07, and achieved. These are below and are outlined throughout the body of the report.

### **Building the management team**

The team has been in place since September 2006.

### **Appointing the Delivery Partner**

The CLM consortium was appointed in August 2006 to programme and project manage the delivery on infrastructure and venues on the Olympic Park.

### **Agreeing the Masterplan and programme timetable**

A review of the plans undertaken by the Authority led to a significantly improved Olympic Park layout. The overall timetable for the delivery programme came within months of the formation of the Authority. The project remains on track.

### **Starting venue design**

The Aquatics Centre design has been reviewed and improved and procurement of the Aquatics Centre contractor is well underway. The Olympic Stadium procurement process started in July 2006 and work with the preferred contractor is progressing.

### **Engaging with the local community**

The 'Have Your Say' roadshow visited nine separate venues in Hackney, Newham, Tower Hamlets and Waltham Forest, the four Host Boroughs bordering the Olympic Park, in October 2006. These events marked the start of an ongoing process of communication, consultation and involvement with local people that will carry on until 2012 and beyond.

### **Acquiring the land**

The London Development Agency (LDA) applied for Compulsory Purchase Order (CPO) powers on the remaining land on the Olympic Park site that it had been unable to gain through negotiation. This was granted in December 2006. The ODA will gain vacant possession of the site in July 2007.

### **Cleaning, clearing and creating the platform**

Preliminary work began to clear and start to prepare the land platform site for the 'big build', the next phase of the project after 'demolition, dig, design'. Remediation of the contaminated soil will start in summer 2007.

### **Developing the Park**

The planning application for the Olympic Park, one of the biggest in European history, was submitted in February 2007.

### **Publishing the Transport Plan**

The first draft of the Transport Plan for the Olympic Games and Paralympic Games was published for consultation in October 2006. The strategy has the goal of encouraging all spectators to travel by public transport, or cycle or walk, using new routes to and from the Olympic Park.

### **Publishing the Procurement Policy**

A draft policy was published for consultation in July 2006. Following the consultation, a final policy was published in March 2007, which details the guiding principles of the Authority's procurement, and includes commitments to sustainability, health and safety, equality and diversity, legacy and achieving quality and value for money.

'Dig' phase of project



Solar panel



Aquatics Centre in legacy mode





Opposite: David Higgins, Chief Executive, Olympic Delivery Authority,  
and Ron Brooks, CEO, Delivery Partner on the Olympic Park site



'We have six years to regenerate east London. Six years to demonstrate to the world, as to ourselves, that we can host the greatest show on earth. And then, when the focus has shifted, we will be able to look at all we've done for London and for the rest of the country too.'

**Former Prime Minister Tony Blair,  
April 2006.**

## **Building the team**

Work began immediately after London won the right to stage the 2012 Olympic Games and Paralympic Games in July 2005. [See case study page 15]

The organisational structure that would be responsible for the Games had been clearly defined and planned during London's bid, based around two separate, but highly interlinked, bodies. The Authority is the public body responsible for the delivery of the new permanent venues and infrastructure for the Games and, in partnership with others, their legacy use. The Authority works closely with the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG), the private company responsible for promoting and staging the Games themselves. In short, the Authority will build the set, and LOCOG will put on the show.

The two organisations have shared offices in Canary Wharf, east London, since January 2006. Their formal relationship was confirmed in the London Olympic Games and Paralympic Games Act, which received Royal Assent on 30 March 2006 and formally established the Authority. They work closely together and both share the new London 2012 brand.

The Authority officially began work in April 2006, under the leadership of David Higgins, former Chief Executive of English Partnerships, the national regeneration agency. In the five months before, he had also overseen the work of the interim Olympic Delivery Authority (interim Authority), which undertook time-critical early tasks and began early assessment of the delivery programme.

The Authority's Board was appointed by the Department of Culture, Media and Sport in April 2006, and consists of 13 members. These members also sit on the various sub-committees of the Board that have oversight of different elements of the Authority's work.

# PEOPLE

The Authority is just one of many organisations working to deliver a successful Games and legacy. It has appointed the CLM consortium [see page 15] as its Delivery Partner, and works closely with many other organisations:

- the London Development Agency (LDA) and other Regional Development Agencies (RDAs);
- the London Thames Gateway Development Corporation;
- Olympic Lottery Distributor (OLD);
- Transport for London (TfL) and other transport authorities;
- the local authorities in the five Host Boroughs (the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest); and
- many other public agencies, as well as the companies that the Authority will contract to design, build, commission and convert venues and infrastructure.

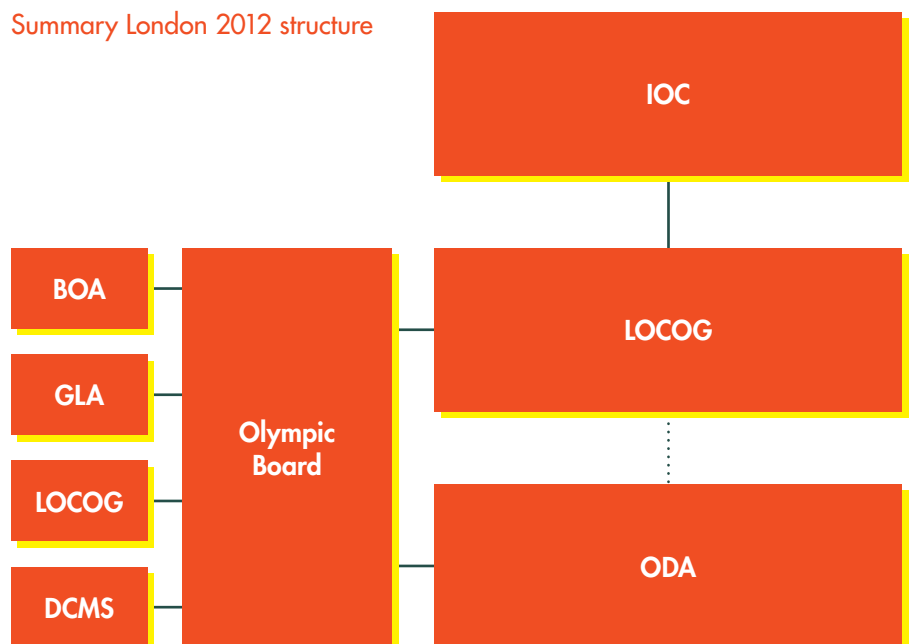
The Olympic Board has oversight of the entire London 2012 Olympic and Paralympic Games project and is responsible for coordinating the work of LOCOG and the ODA, resolving and determining issues raised by members and ensuring a sustainable legacy following the Games. The Olympic Board comprises the Olympics Minister (the Secretary of State for Culture, Media and Sport) representing the Government's interests, the Mayor of London (representing the Greater London Authority (GLA)) and the Chairs of

LOCOG and the British Olympic Association (BOA). Its meetings are attended by the Chair of the Authority.

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

The relationship of the Authority and the other members of the London 2012 Stakeholders is set out below.

Summary London 2012 structure





## Case study



Alison Nimmo, Director of Design and Regeneration

'I left Singapore, after being part of the winning bid team, on a Friday and by the Monday was working as the first member of what has become the new Authority team.

'We weren't starting from scratch, because we had a clear idea of what the overall delivery structure would be. We had done a lot of work in the bid phase. But we didn't have offices or staff. We borrowed some space in the offices of the London Development Agency and built from there.

'We were quickly able to make key interim appointments and decisions so that there was already a real sense of momentum when the Authority formally came into being. Now, looking around our offices and the many staff working so hard – from planners and transport specialists to procurement and design teams – it's easy to forget just how far we've come in such a short space of time.'



### CLM – the Authority's Delivery Partner

Any project of this scale, with multiple contractors building new sporting venues, bridges, roads and other infrastructure, requires effective programme management for success. This is not an optional extra but essential to ensure coordination across the site, and delivery to time and within budget.

The ODA decided to appoint a private sector Delivery Partner – the consortium CLM – to carry out this role rather than directly employing its own staff to do it. In this way the Authority can draw on a larger skill base from the companies that make up CLM as the project progresses.

The Delivery Partner is responsible for ensuring the land preparation and construction processes run as smoothly as possible, addressing key issues including logistics and health and safety. It is also working with the Authority to manage the costs and value for money of the project. The Delivery Partner's own profits are directly linked to meeting agreed performance targets.

The CLM consortium comprises CH2M HILL, Laing O'Rourke and Mace, who have worked on five previous Olympic Games and Paralympic Games – as well as major UK projects such as Heathrow Airport's Terminal Five. It brings to the project a world-class track record across sport, transport, the environment, technology and the public realm, covering programme and project management, construction and regeneration.

CLM has been hard at work since its appointment in September 2006 to help the Authority achieve all of its early milestones, and to prepare the London 2012 Olympic Park site for construction after the Beijing 2008 Games.

'These innovative changes make the Olympic Park even better – a better home for the 2012 Games and an even stronger legacy in prospect for future generations. We are determined to ensure that legacy is at the heart of everything we do, whether it is delivering world-class stadia or providing grassroots facilities designed to benefit the whole community.'

Olympics Minister Tessa Jowell MP,  
June 2006.

## Improving the site map

The Olympic Park Masterplan has been designed to provide for a great experience for athletes and spectators in 2012, and the best possible location for permanent facilities for London and the UK after the Games.

One of the first major tasks after London won the right to host the 2012 Olympic Games and Paralympic Games was to review the plans. This led to a two-step process of change which has improved the Masterplan significantly.

### Step 1

In January 2006, the Olympic Park was integrated with the Stratford City development, one of the largest mixed use developments in the UK in recent years. Part of the Stratford City Development will be the Olympic Village, where 17,000 athletes and officials will stay during the Olympic Games, and 7,000 during the Paralympic Games.

The improved integration with the Stratford City development means better security at Games-time.

It also led to two other major benefits: the ability to start construction on the Village sooner, and the relocation of fewer businesses and residents from the Park site [see page 26 – Acquiring the land]. In all, nearly a third of the businesses and 1,200 jobs which were originally scheduled to relocate were able to remain where they were.

### Step 2

In June 2006, the Masterplan was improved further when changes were made which moved the International Broadcast Centre and Main Press Centre (IBC/MPC) from the Stratford City development to a larger site in the north of the Park, and made it permanent in legacy. The VeloPark moved south of the A12, allowing a new sporting hub to be created in the north of the Park after the Games.

Other changes were made to the location of temporary venues which improved the site design of the Park during Games-time.

The result is that, for the first time ever, Olympic and Paralympic operations and post-Games use have been fully integrated at the outset of the planning process for the Games.

# improve

It means that London will deliver world-class venues for the 2012 Games which also have a long-term use agreed and identified before they are designed and built. Not only will the venue-by-venue legacy be clear at the outset, but also the different elements of the project can be designed to work together in Games-time. Agreeing a new Masterplan also gives us clarity and certainty for the delivery programme, as we know exactly what we are building and where we are building it.

The design confirmed the final location of the 'Big 4' Olympic Park venues – the Olympic Stadium, the Aquatics Centre, the IBC/MPC and the VeloPark – as well as the Olympic Village. All will be landmark facilities during the Games – and will remain so for the UK and communities of east London for decades to come after the Games.

The Aquatics Centre design has been reviewed and improved. The Centre has been designed by Zaha Hadid, following a design competition, and the new stunning design was unveiled in November 2006. With the process well advanced,

the procurement stage has started to select the main contractor, who will be appointed at the end of 2007. Preparatory works have begun on site, with construction works beginning shortly after the Beijing 2008 Games.

The Olympic Stadium procurement process started in July 2006. The Authority is now in detailed negotiations with the preferred bidder, Team McAlpine.

The confirmed Masterplan formed the framework that underpinned one of the most complex planning applications in the UK, submitted early in 2007. [See page 33 – Developing the Park]



### **The media centre – designed for legacy**

The International Broadcast Centre and Main Press Centre (IBC/MPC) is one of the focal points of any Games. As the working home for 20,000 of the world's media representatives every day during the Games, it is vital to a successful media operation.

In London, the IBC/MPC will also be a focal point for the community in the years after 2012, as part of long-term regeneration plans.

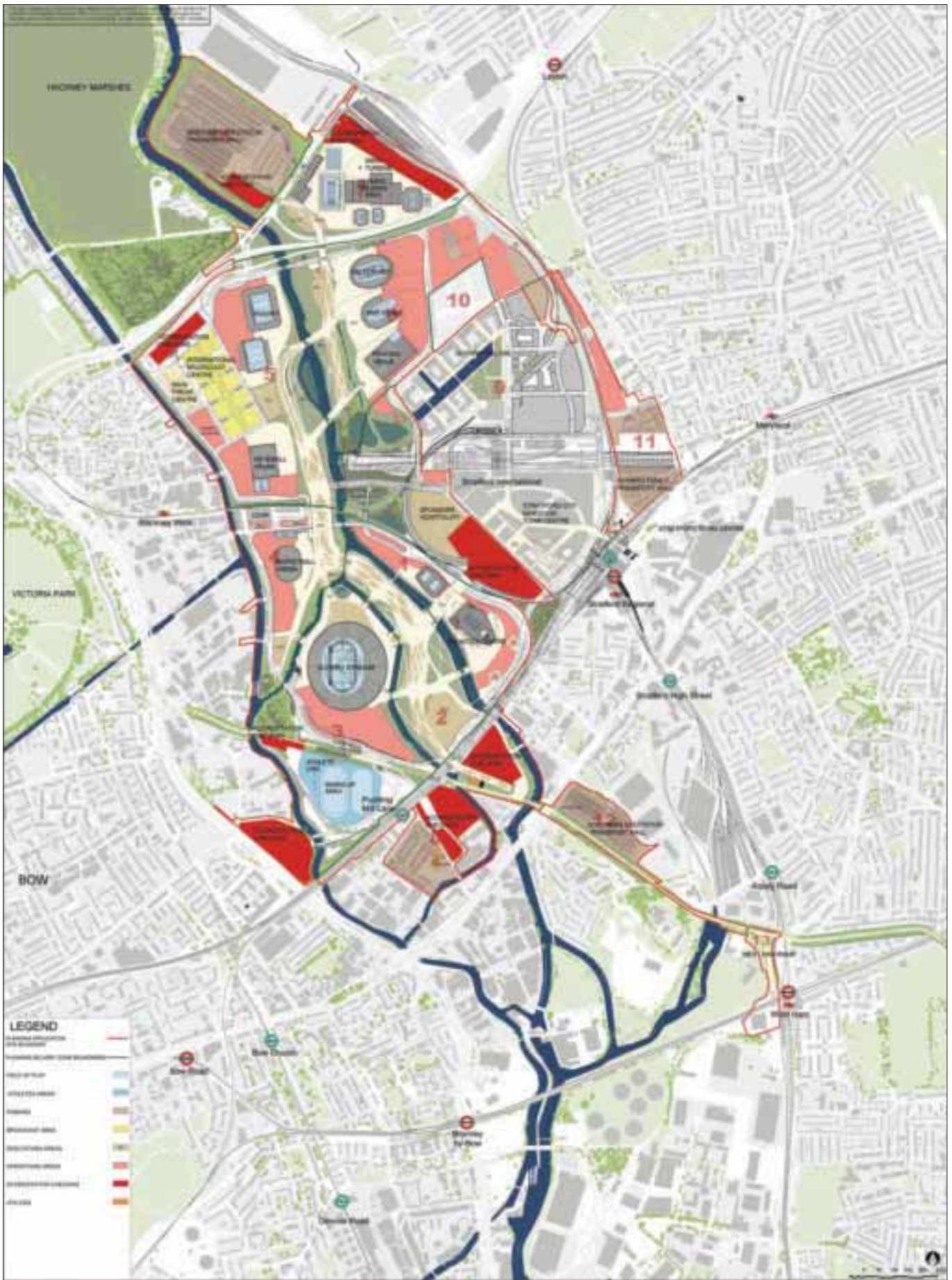
Thanks to the integration of legacy into the design of Olympic Park facilities, the IBC/MPC's future is already being secured – as high quality employment space supporting the London Borough of Hackney's development plans.

The Authority is already in discussions with a range of developers and legacy users.

Artist's impression of the Olympic Park after the Games







Olympic Park Masterplan during the Olympic Games





'This is our delivery route map to 2012. It is a bold move setting out indicative target dates that we can be measured against, but it is important that we are transparent and accountable. It is a timetable that is challenging but achievable, and one that will require a relentless focus on delivery, timely decision-making and sound project management over the next six years.'

David Higgins, Chief Executive,  
Olympic Delivery Authority,  
July 2006.

## Agreeing the timetable

The route map for the completion of the venues and wider infrastructure needed for London 2012 was agreed in mid-2006 – and the project remains on schedule.

The overall timetable for the delivery programme for the Olympic Park came within months of the formation of the Authority, and was based on a strategically phased approach. The four phases are:

- planning and set-up to spring 2007;
- 'demolish, dig, design', when the site will be cleared and prepared for development and the design agreed, for venues and infrastructure to summer 2008;

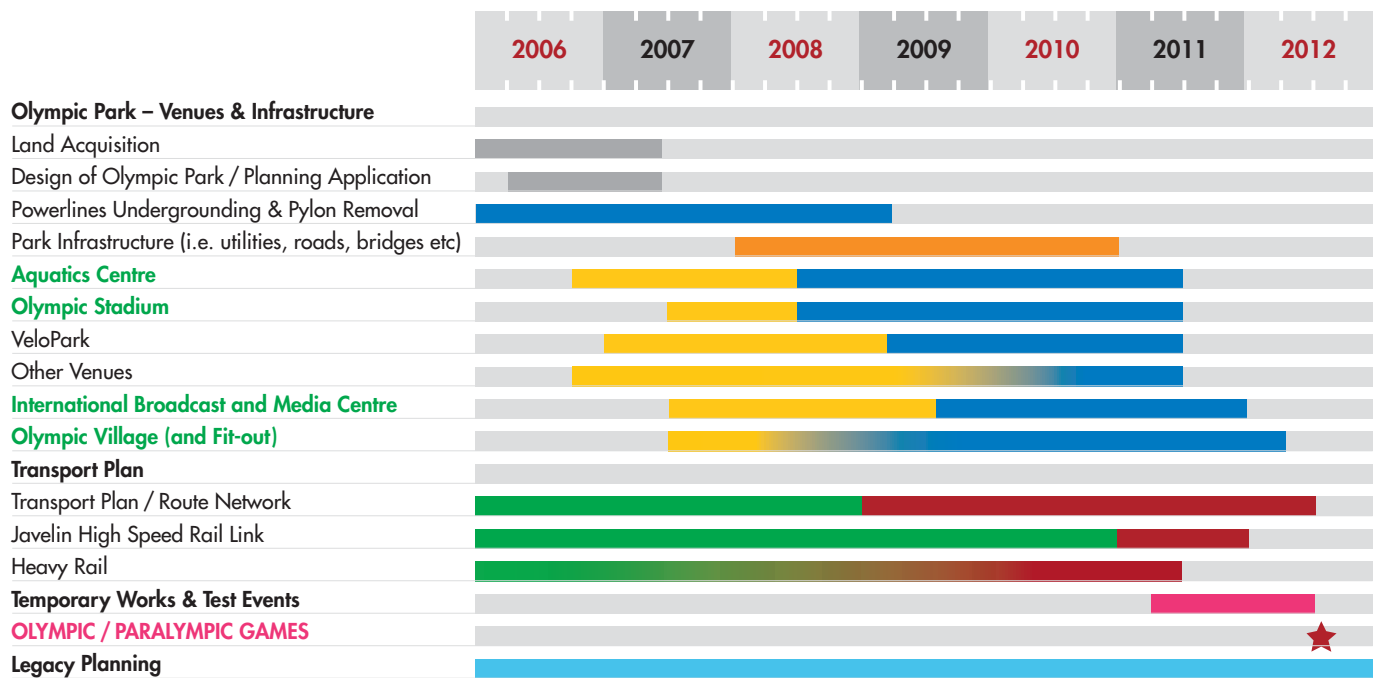
- the 'big build', when the construction of venues and infrastructure will take place to summer 2011; and finally
- a series of 'test events' that have to be staged at the completed venues before the London Olympic Games start on 27 July 2012.

Planning and preparation began well before London won the right to stage the 2012 Games, but clearly moved to a new level of detail and intensity when London went from Candidate City to Host City in July 2005, and with the formal creation of the Authority in spring 2006. This planning and preparation phase continued until April 2007.

# timeline

We have now started more intense activity on site. 'Demolition' of redundant infrastructure, 'digging' and other earthworks that will prepare the site for construction, and the detailed 'design' of the facilities to be built. It will be followed by the most intensive phase, construction works, and, finally, a period of preparation and test events. As the site plans evolved [see previous pages], the initial draft of the programme was also reviewed and confirmed. The Olympic Park

delivery programme was published in July 2006, amending the timetable outlined during London's 2012 bid to ensure the most efficient use of resources. It confirmed all venues would be completed in good time for the test events – but without sitting empty for months beforehand, incurring unnecessary maintenance costs. It also reflected the need for a co-ordinated construction programme across the whole Olympic Park, involving multiple venues in a secure environment.



**Legend**

- Land Acquisition / Planning
- Transport Design
- Land Preparation
- Transport Implementation
- Construction
- Temporary Works & Test Events
- Legacy Planning
- Infrastructure

This is an indicative timetable and works are expected to start / end within the quarter marked.

**Temporary Works** includes commissioning, installation of temporary facilities, overlay and security.

**Land Preparation** includes wildlife relocations, site clearance, site investigations, existing utility diversions, remediation and bulk earthworks.





'London was chosen to host the 2012 Games because of its diversity, unique heritage and the enthusiasm of local people. We want to invite people from all of London's communities, particularly those who live around the Olympic Park, to get involved and to reap the benefits the Games will bring.'

**Sebastian Coe, Chair, London 2012 Organising Committee, October 2006.**

## **Engaging with the local community**

Planning permission for the Olympic Park was first granted in October 2004, during the bid phase of the London 2012 campaign. The views of those living and working in and around the proposed site were taken into account – consultation has gone further as the plans have been developed [see page 16 – Improving the site map]. The changes to the Masterplan required submission of further planning applications – and presented the opportunity to seek the views of local people about the new Park layout.

The Authority consulted with thousands of residents, businesses and other groups in 2006. The 'Have Your Say' roadshow visited nine separate venues in the four Host Boroughs which border the Olympic

Park – Hackney, Newham, Tower Hamlets and Waltham Forest – in October 2006. These events marked the start of an ongoing process of communication, consultation and involvement with local people that will carry on until 2012 and beyond.

In keeping with the overall Authority objectives, the consultation was designed to be as accessible and inclusive as possible, and environmentally sustainable; it was promoted and transported by bicycle. Residents were invited to review the plans, learn more about the layout via an interactive exhibition and, most importantly, offer their views on what they saw. More than 5,000 people took the opportunity, via feedback cards, suggestion boxes and photographs, with many highlighting the benefits they wanted to see from the Games.

At the same time, the Authority co-published, with the London 2012 Organising Committee, the first issue of a regular newsletter designed to keep the local communities up to date with the latest 2012 news. 'Ahead of the Games' was distributed to more than 200,000 addresses neighbouring the Park, and will now be published four times each year throughout the Olympic Park development. In 2007, a new construction newsletter will also be produced bi-monthly, and a dedicated construction hotline made available for local residents.

The Authority has now agreed a community engagement strategy with the five Host Boroughs and LOCOG, and the Authority will ensure that the voices of local communities are heard in the lead-up to the Games.

A similarly inclusive consultation process has been put in place to ensure full feedback on the development plans at the main non-London venue, Weymouth and Portland, which will stage the 2012 Sailing regatta.



### A golden roadshow

Double Olympic champion Dame Kelly Holmes was one of many athletes who were part of the bid and have remained part of the ongoing 2012 preparations.

One of the Athens 800m and 1500m champion's visits was to Tower Hamlets during one of the 'Have Your Say' roadshow events.

Local residents had the chance to ask about the plans for the Olympic Park, and the facilities that would remain for the community.

And who better to outline the sporting and other benefits than Kelly, who is now using her profile and success to encourage a new generation of athletes.

Town Planning team



'Have Your Say' east London roadshow



'Be part of 2012' national roadshow





Demolition of disused Eton Manor sports facilities



'The London Development Agency has done an excellent job in securing the land for 2012. This land will be the cornerstone of our Games legacy, to transform some of the most deprived areas of London, leaving behind much-needed new homes, new jobs, rejuvenated park land and sporting facilities that will benefit generations to come.'

**Ken Livingstone, Mayor of London, December 2006.**

## Acquiring the land

The Olympic Park, in east London, is the location for one of the biggest and most ambitious regeneration projects in Europe. From the outset, the acquisition of the land that will form the Park has been the responsibility of the LDA. It has worked, and will continue to work, extremely closely with the Authority. The LDA hands the land over to the Authority for redevelopment in summer 2007.

The 246 hectare Olympic Park site, centred on Stratford, will be the heart of the London 2012 Olympic Games and Paralympic Games. It will provide a compact, secure and easily accessible home for the Games, seven minutes from central London via the high-speed Javelin service. [See page 36 – Publishing the Transport Plan]. In the years afterwards, it will form the cornerstone of the broader regeneration of the wider east London area and its local communities. It will be a long way from the current, largely brownfield, site which has suffered from decades of under investment.

Since the London 2012 bid phase, the LDA has been working with businesses, as well as residents and other groups that will have to move from the site. The first improvements in the Masterplan, in January 2006,

reduced the amount of land needed for the Games – and consequently the number of businesses affected. In all 80 businesses, supporting around 1,000 jobs, were taken out of the Park site and therefore do not need to relocate. Those that have had to move have been found new locations across London.

The LDA has also confirmed an agreement with the London Borough of Hackney for the use of part of the eastern edge of Hackney Marshes to be used as temporary parking during the Games.

The LDA applied for Compulsory Purchase Order (CPO) powers on the remaining land it had been unable to gain through negotiation, which was granted in December 2006, after an extensive Public Inquiry over the 2006 summer. It was one of the largest and most complex CPO applications ever made, and will help ensure that work across the Park can start on schedule in July 2007. A total of 93 per cent of the site is now in public ownership. In addition, well over half of site investigation work – tests to ascertain the level of contamination and ground conditions – is complete. To date, nothing unexpected has been found, although it has always been recognised that a large part of the site is contaminated and will need cleaning before construction can start.

# LAND

## Case study

### Bywaters Waste Management

Already, one of the companies that has moved out of the Olympic Park site is set to expand as a result of the relocation. The LDA helped Bywaters Waste Management to transfer a short distance to bigger premises.

Bywaters Managing Director John Glover said: 'The new premises allow us to develop our business in a way which would not have been possible were it not for the Games.'

Bywaters started moving some of its operations from Lea Interchange to the nearby ProLogis Industrial Estate in late summer 2006. The company plans to take on new staff to help create the largest indoor recycling centre in London.

It is one of the many businesses that already have confirmed relocation sites, safeguarding a total of 4,500 jobs. Many have moved to one of three new business parks, reserved for businesses relocating from the Park site.



### A new landscape

The Olympic Park site is located in the Lower Lea Valley, an area of great potential, that was a cradle of industrial development but has been in long-term decline for many decades.

The area is made up of mostly post-industrial land, neglected waterways clogged with weeds and waste, and pylons carrying numerous overhead electricity lines.

The Authority's work will see the birth of a new landscape, which will include new leisure facilities, restored waterways and the power cables buried in underground tunnels.

The result will be a Park with world-class sporting venues for the Games and, in legacy, as an area of London changed for good.

### Relocation of Bywaters Waste Management



### Artist's impression of the Olympic Park after the Games







Artist's impression of the Olympic Park during the London 2012 Games

'Today marks the start of a new sporting dawn. We will be preserving the proud sporting heritage of this area by knocking down crumbling, disused facilities and replacing them with state-of-the-art venues that will be at the heart of the Olympic Games and Paralympic Games. The new facilities, along with better links to the local community, will leave a significant sporting legacy in the Olympic Park for generations to come.'

Sir Roy McNulty, Acting Chair,  
Olympic Delivery Authority,  
December 2006.

## Cleaning, clearing and creating the platform

Work to prepare the Olympic Park site for its redevelopment and long-term regeneration began within weeks of London's 2012 bid win.

The first significant London 2012 contract was awarded in August 2005, initially by the London Development Agency (LDA). The £200 million project will move the powerlines that dominate the landscape into underground tunnels.

It will see 52 pylons, each up to 65m tall, dismantled once the cables are re-laid below ground, freeing up the land for regeneration. The two tunnels are 20 metres underground; one – which has its own monorail for inspections and servicing – is 4m in diameter and the other 2.5m. So far, more than 100 workers from east London have been recruited to work on the project, which is now being delivered by the Authority. Tunnelling is complete and we are on track to switch power over in 2008 from overground to underground.

Contracts were signed for the enabling works on site in June 2006. Site clearance and preparatory work is also well advanced at the Aquatics Centre and is gearing up in other areas across the Park. The actual remediation (cleaning) of polluted soil will start in earnest in summer 2007.

The first major demolition on site came when a disused sports hall on Eton Manor, in the north of the site, was knocked down in December 2006. Eton Manor Clubs moved out of the area 25 years ago and, despite efforts by the operators, Lea Valley Parks, to encourage use of the area and the sports hall since 1975, poor transport links meant that the sports hall was forced to close in 2001. It will be replaced by a new sports centre, which will be a training area during the Olympic Games and host Paralympic Tennis and Archery. After 2012, it will form part of a new sports hub for the local community, including the VeloPark and Hockey Centre. As well as the new sporting facilities, the Authority is also building land bridges to improve links with the surrounding areas.

The facilities will continue Eton Manor's strong Olympic heritage, which includes housing part of the running track from the 1948 Olympic Games at Wembley. The track, now buried underneath the site, was transferred after the Games and subsequently used for the first floodlit Athletics meeting in the UK.

Other preparatory works include site investigation at Broxbourne in Hertfordshire, for the new Canoe Slalom course. A consultancy team was appointed by the Authority last year. The design team are also progressing with the detailed design with planning applications due to be submitted later in 2007.

# clear



## Case study



Abu Miah, one of the east Londoners working for the Authority.

'As a local boy from Canning Town, I'm pretty excited about my job, working on the Games. I was one of the first 75 Newham residents who have joined the company building the powerline tunnels underneath the Olympic Park.

'It's an exciting job with good prospects, and we need more of those around here.

'This is a great opportunity for me, and I hope more people in east London will have the chance to improve their lives thanks to 2012.'

### Removal of spoil from one of the Powerline tunnels



### Dawning of a new era

An historic link to the last London Olympic Games was the centre of attention as one of the first 2012 milestones was achieved.

A jar containing cinders from the 1948 Olympic running track from Wembley Stadium was brought along to the first demolition at the Olympic Park site.

The track had been re-laid at Eton Manor Boys Club – and it was the club, now unused, that was being knocked down.

It is making way for new sporting facilities that in 2012 will be used for training by Olympic competitors and will host Paralympic Tennis and Archery.

Former Eton Manor Boys Club member Dick Franklin brought the jar of cinders to the demolition – and showed them to Seb Coe, Chair of the London 2012 Organising Committee.

Mr Franklin said: 'I was pleased to discover that Seb was aware of Eton Manor's historic significance. And, as he said, another important chapter is now beginning.

'For some of my fellow old boys, it was a real lump-in-the-throat moment as that digger tore into the old sports hall which played such a major role in our lives.

'But I'm not such a sentimental man. For me, the most important thing is that Eton Manor is once more to be associated with top-class international sport.'





Clearing the land in the north of the Park



'The Games are the catalyst for much needed social, environmental and physical regeneration of a deprived area of east London, and the sheer size and scope of the application reflects both the scale of the challenge as well as the enormous opportunity hosting the Games will bring to this area.'

David Higgins, Chief Executive, Olympic Delivery Authority, February 2007.

## Developing the Park

The planning application for the Olympic Park, one of the biggest in European history, was submitted in February 2007.

The 10,000-page document details the transformation of the 246 hectare site into one of the largest urban parks built in Europe in the last 150 years.

The full 'Olympic, Paralympic and Legacy Transformation Planning Applications' were split in two to allow planning permission for site preparation works to be prioritised. A separate application, known as the Olympic Village (part) and Legacy Residential Planning Application, was also submitted.

The first part – the 'Site Preparation Planning Application' – seeks permission for early site works to proceed as soon as possible to maintain the momentum of the Park development.

Among the works covered are:

- remediation, demolition and earthworks to prepare the land for construction;
- extensive works to waterways, including the construction of new river walls and flood defence walls; and
- the construction of new roads and bridges to provide initial construction access.

The second part is the 'Facilities and their Legacy Transformation Planning Application', which seeks permission for the core construction work and post-Games reconfiguration for long-term community use.

Among the works included are:

- the construction of five permanent venues (the Olympic Stadium, Aquatics Centre, VeloPark, Handball Arena and Eton Manor centre) and three temporary sporting venues (Basketball Arena, Hockey Stadium and Fencing Arena);
- the construction of the IBC/MPC;
- earthworks and extensive landscaping, including 11 permanent highway bridges and 13 permanent footbridges.

Also included are the above ground utilities, such as the wind turbine that will provide six per cent of the site's energy requirements, a new Combined Cooling, Heating and Power plant and five new water pumping stations.

Finally, it also covers some of the extensive post-Games work that will leave the Park ready for long-term use by the community. This includes:

- partial deconstruction, demolition, dismantling and construction of venues to form sports and leisure venues;

# develop

- earthworks and landscaping to provide permanent public open spaces and outdoor sports and changing facilities; and
- reconfiguration of buildings for office and industrial use and the transformation of the Olympic Park Loop Road to a new public road network.

A separate legacy planning application will be submitted by the London Development Agency in 2009.

The applications were submitted to coincide with the end of the statutory appeals phase of the Compulsory Purchase Order (CPO) of Olympic Park land, allowing the planning process to proceed unhindered by any unresolved CPO issues.

The applications were submitted to the Stratford-based Olympic Delivery Authority Planning Decisions Team. [See box right]

The Olympic Village (part) and Legacy Residential Planning Application seeks permission for a high quality residential development to the north of the Stratford City site, at Clays Lane, and for the temporary occupation of these buildings for use as part of the Olympic Village.

Other planning applications that have been submitted include the plan to regenerate Osprey Quay and the Weymouth and Portland National Sailing Academy (WPNSA), which will host the Olympic and Paralympic Sailing events during the Games.

Details of the plan include building a new permanent slipway, more race boat parking, and lifting and mooring facilities, all of which will deliver new and improved Sailing facilities for use during the Games and in legacy. Construction work is due to be completed by the end of 2008, meaning Weymouth and Portland will be one of the first venues ready for the 2012 Games.

### The Planning Decisions Team

One of the major landmarks of the Authority's first year was the establishment of the Planning Authority responsible for planning decisions in the Olympic Park area.

The Planning Decisions Team is based in Stratford, and has opened a drop-in office to offer advice and information on all applications in the area, which includes parts of the Boroughs of Hackney, Newham, Tower Hamlets and Waltham Forest.

The Authority has also established a Planning Committee – including representatives from each Borough – to guarantee applications are dealt with in an open and impartial way.

The make-up of the committee is completed by five independent members and two non-executive Board members from the Authority itself.

Artist's impression of the Olympic Park after the Games







Clearing the land in the north of the Park

'Our transport plans for the Games will help transform the Lower Lea Valley into one of the best connected areas in the capital, bringing economic and social benefits that go far beyond 2012, and far beyond sport. Robust transport plans will also be in place for all 2012 Games sites around the UK.'

**Hugh Sumner, Director of Transport, Olympic Delivery Authority, February 2007.**

## **Publishing the Transport Plan**

Detailed plans are being developed to ensure that the London 2012 Games are the best connected ever.

The Authority's transport team has responsibility for assuring the timely delivery of all transport for the Games, including services for the Olympic Family, workforce and spectators. Providing the overall strategic and operational level planning is an essential role in addition to contingency planning.

The first draft of the Authority's 'Transport Plan for the London 2012 Olympic Games and Paralympic Games' was published for consultation in October 2006. The strategy aims to encourage all spectators to travel by public transport, or to cycle or to walk, using new routes to and from all competition venues.

The plan aims to:

- provide safe, secure, friendly, inclusive and accessible, fast, frequent and reliable, environmentally-friendly transport for the Olympic Family, Paralympic Family, spectators and visitors; and
- keep London moving during the Games.

The plan builds upon the £17 billion worth of improvements being made in London's public transport system in the next five years. These improvements will benefit London and the travelling public for decades after the Games.

Among the highlights of the plan are:

- the Javelin service that will speed spectators to and from central London to Stratford International Station, which serves the Olympic Park in just seven minutes, and 10 minutes from Ebbsfleet Kent;
- one train running every 15 seconds to serve the Park, with the Games-time rail system carrying 240,000 people per hour – an increase of 100,000 people on the usual daily rate; and
- an extensive Olympic Route Network of major roads across London to transport the athletes and other members of the Olympic Family to ensure that they get to their venues on time.

The plan stresses that transport for the Games will be sustainable, by minimising environmental impacts wherever possible. The ongoing renewal of the bus, train and taxi fleets will ensure that London's transport is at the forefront of low emissions technology.

# transport



Consultation on the draft plan closed in February. More than 3,000 copies of the document were sent out and 192 responses, representing more than 500 organisations, were received. The first edition of the plan will be published in autumn 2007. The plan will continue to evolve, with further consultation taking place and further versions prepared before the Games.

The plan was developed in close collaboration with LOCOG and stakeholders, including BAA, Department for Transport, Highways Agency, London Boroughs, Network Rail, train operating companies and Transport for London (TfL). They, and many other delivery partners, will continue to play a major role as the Authority moves into its detailed planning and operational phases.

Several of the planned Games related transport improvements have already been delivered, or are well underway, to maximise the benefits to London and the UK long in advance of the Games. These include:

- an additional car on Jubilee Line underground trains;
- the extension of the Docklands Light Railway (DLR) to London City airport and then to Woolwich Arsenal, the location for Shooting at the 2012 Games [see box right];

- the provision of new carriages to enable the DLR to operate three-car trains on most of its network; and
- conversion of the National Rail North London Line between Canning Town and Stratford Regional Station to Docklands Light Railway operation and an extension to Stratford International Station.

Among the largest and most significant project to be fully funded by the Authority is the upgrade of Stratford Regional Station, which will serve the Olympic Park. This £100 million project will treble the station capacity and create a fully accessible station. It was approved in March 2007 and work will start during summer 2007. The new upgrade will not just serve the Games, but will also be a transport hub for the new community in east London post-2012.

In addition to transporting people to the Olympic Park during Games time, the Authority is also looking at transportation during the build phase of the project, with the addition of a new river Lock.

Prescott Lock and an improved water control system will allow large (350t) river barges to access the site. This will help the Authority reduce the number of lorry journeys on local roads, and meet its target of transporting 50 per cent of Park construction materials in a sustainable way.



**2012 work under water**

Deep underneath the River Thames, work to improve transport for 2012 has continued to press ahead.

A 540-tonne boring machine has been working up to 35m beneath the river to drill the two tunnels that will carry an extension of the Docklands Light Railway (DLR).

The £180m, 2.5km extension of the DLR from King George V station to Woolwich Arsenal will serve the Royal Artillery Barracks, venue for Shooting in 2012.

It will also provide access from Woolwich and south-east London to the Olympic Park at Stratford and other venues, as well as London City Airport.

The DLR Woolwich Arsenal station will be situated alongside the mainline station and will open in early 2009.

Former Prime Minister Tony Blair, at the launch of the Authority's Sustainability Strategy



Low-emission Hybrid Technology bus



Upgrade to the East London Line



'The London 2012 Games will be a showcase for world-class sporting excellence. It is also an opportunity to showcase world-class business performance. Our key task is to deliver on time and to the agreed budget. As we do this, we want to work with the best of business and companies that also share our values and objectives, such as sustainability and securing a lasting legacy for east London.'

**Howard Shiplee, Director of Construction, Olympic Delivery Authority, March 2007.**

## **Agreeing the planning and policy framework**

The Authority is committed to the highest possible standards throughout the Olympic Park and other developments, and to maximising the long-term benefits that result.

A significant amount of its early work was to develop appropriate strategies to meet those standards, and to devise the policy framework that will govern all the Authority's work. There are published policies for:

- equality and diversity;
- health and safety;
- procurement; and
- sustainability.

### **Equality and diversity**

The bulk of the Authority's work is concentrated in an area with an enormously diverse population: the five Host Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest.

The Authority is committed to ensuring that the economic and social benefits arising from the Olympic Park-led regeneration reach all communities and segments of the population. To help ensure this, a draft 'Equality and Diversity Policy' was published in January 2007. Among its aims were to:

- create and build facilities that are inclusive for people of all cultures, faiths and ages, and accessible to people with a wide range of disabilities, and to provide an accessible transport network;
- ensure all processes used to recruit and manage employees (including the supply chain) are demonstrably fair and offer equal opportunities to all; and

- work with partner organisations to encourage women, Black, Asian, minority ethnic and disabled people to train and apply for jobs in construction, and to combat workplace discrimination.

The public consultation for the draft strategy closed in February 2007 and the final strategy is due to be published in summer 2007.

### **Health and safety**

The Authority is committed to being a leader in environmental, health and safety (EHS) management, and aims to integrate EHS considerations into every planning, design and construction operation. It published its 'Design and Construction Health and Safety Standard' in July 2006, explaining how it intends to ensure construction workers on the 2012 Games project will be kept safe and healthy. The aim is to be a best-practice organisation in EHS performance, fully compliant with applicable UK and European law and standards – and continually improving.

### **Procurement**

Delivering the venues and infrastructure for the Olympic Park, to a fixed timetable is a task unprecedented in the history of UK construction. It is also an unprecedented opportunity for local and national businesses to be part of the regeneration of east London. In all, around 2,000 contracts and projects of various sizes will be procured directly by the Authority with many other opportunities in the supply chain. The final 'Procurement Policy', published in March 2007, followed a consultation that generated constructive responses from more than 60 groups and organisations. It describes in detail the guiding principles of the Authority's procurement, which include commitments to sustainability,

# *framework*



health and safety, legacy and achieving quality and value for money. The Authority will adopt a robust, fair and transparent approach to procuring, managing and monitoring these agreements. The Authority will not simply award contracts according to lowest price, but will take into consideration its broader objectives and values, recognising the need to secure value for money for the public purse.

As a public body, the Authority is required to operate in the procurement framework set out by European Union Procurement Legislation and UK Regulations. As part of its best practice approach to procurement, the Authority established an online eTendering service through which it advertises and procures contracts. The Authority also gives advance notice of contracts through a 'future opportunities' section of the London 2012 website and other advertising, where appropriate.

### Sustainability

The Authority is committed to delivering a sustainable Games, and to leave a sustainable legacy for London and the UK. The approach was detailed in the sustainable development strategy, launched by the former Prime Minister, Tony Blair, on 23 January 2007 – 2012 days before the Opening Ceremony of the London 2012 Olympic Games.

The strategy details the Authority's 12 sustainability objectives. The Authority has set actions to address environmental issues such as carbon, waste, materials, water, healthy living and inclusion. The Authority is continually working to further improve performance measures and standards set, where feasible,

and to develop new measures. As an example, the enabling and construction works have so far exceeded the 90 per cent, by weight, waste material recycling and reuse target for the demolition works.

Following the launch of the strategy, work has been carried out to ensure that project teams are provided with the information and support required to deliver against the strategy, and that management and assurance processes are in place.

The strategy also confirms the Authority's focus on the long-term economic and social aspects of sustainability, such as health and housing. The creation of new infrastructure, sporting facilities and homes in an area currently experiencing high levels of deprivation will help create vibrant neighbourhoods after the Games are over, where people will want to live, work and play.

### Design

Our goal is to deliver design for the London 2012 Games that combines excellence with innovation. We are designing for the Games and legacy together, and the venue designs must obviously meet the requirements of the Olympic Games and Paralympic Games. We are only building permanent venues if there is a long-term legacy use.

Inclusive design is at the heart of our design process, and has been since the project began. We want to set an excellent standard of accessibility for disabled people, older people and families with children, which will provide a benchmark and act as an inspiration to others.



### Olympic Park wind turbine

Plans to erect a wind turbine, to be located at Eton Manor, in the north of the Olympic Park site in east London – will play a key role in delivering renewable energy to the Olympic Park and be a visible symbol of London 2012's commitment to deliver its goal of staging the most sustainable ever Olympic and Paralympic Games.

The proposed turbine will provide the energy equivalent to supplying 1,200 homes over an average year. Construction is expected to start in spring 2008, subject to planning permission. It will be fully operational by 2010 at the latest, providing new renewable energy nearly two years before the Games.



**ACCIO**

**WINTS**

## Accounting Officer Statements

### Accounting Officer's Report

#### Statutory background

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

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

#### Principal activities

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

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

In addition the Authority 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 Authority to refuse an application for planning permission in a specified case.

#### Presentation of the Accounts

The Accounts for the year to 31 March 2007 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 principle Accounting Policies are provided in Note 1 to the Accounts.

#### Land and property ownerships

The Olympic Park in Stratford covers an area of 246 hectares where the freehold ownership either rests with the London Development Agency (LDA) or is intended to rest with the LDA following the completion of Compulsory Purchase procedures. The Authority does not have any land ownership interests on the Olympic Park but has licence arrangements to enter the site to carry out groundworks and other site infrastructure.

Adjoining the Olympic Park to the east is the site of the Stratford City development which will include the Olympic Village. On 20 April 2006, the Authority acquired the freehold of 55 hectares of land at Stratford City from the Secretary of State for Transport (SoST) which was surplus to the requirements of SoST and London & Continental Railways (LCR) and which will be developed for the Stratford City development including the Olympic Village. The economic interest in the land remains with SoST and LCR. The Authority has no other land ownership.

On 30 March 2007, with the approval of the Secretary of State, the Authority paid LCR the sum of £17.3m in order to achieve rights of early access and construction on the land required for the Olympic Village, and by way of early crystallisation and payment of sums which would be paid in the future to LCR in respect of the development and use of the Village land.

On 7 August 2006 the Authority took an assignment of leasehold premises at 11 Burford Road, Stratford in which to locate the Planning Decisions Team. The lease runs until September 2014.

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



## Interim Olympic Delivery Authority

Following the successful Host City bid but before the Authority was brought into existence by the Act, a number of Olympic and regeneration activities had to be undertaken to ensure the Olympic Programme could be delivered on time. Primarily these related to the procurement and implementation of contracts relating to Powerlines undergrounding and Groundworks on the Olympic Park. These activities were carried out by a separate division of the London Development Agency (LDA) and it was named the Interim Olympic Delivery Authority (iODA). The iODA was not a separate legal entity.

Funding for the interim Authority's activities was provided through Grant in Aid from DCMS.

On 18 February 2007, the assets and liabilities of the interim Authority amounting to £5,836,000 were transferred from the LDA to the Authority and the extant contracts with the iODA have been novated to the Authority. The London Development Agency is responsible for the acquisition of land required for the London 2012 Olympic and Paralympic Games at the Olympic Park in Stratford. They have been acquiring land through private treaty and Compulsory Purchase Orders. The cost of acquisition rests with the LDA.

The LDA is also charged with meeting the cost of remediation of the land at the Olympic Park and by virtue of a legal agreement entered into on 16 February 2007 the Authority will carry out the remediation as part of its Groundworks activities with the LDA meeting appropriate remediation cost.

## Delivery Partner

On 20 September 2006 the Authority appointed CLM as its Delivery Partner to support the Authority in project managing the delivery programme for the venues and infrastructure for the London 2012 Games. CLM is a consortium of CH2M Hill, Laing O'Rourke and Mace. CLM provides the Authority with world class project and programme management expertise with experience of previous Olympic and Paralympic Games. The appointment of CLM has enabled the Authority to quickly resource to meet its challenging operational and delivery targets.

## Review of activities

A full description of the Authority's activities is given on pages 10 to 39.

## Board membership

The Authority's Board comprises 13 members, appointed by the Secretary of State for periods of up to three years. The members of the Authority's Board are listed on pages 6 to 8.

All Board members were appointed on 21 April 2006 with the exception of Sir Peter Mason, who was appointed on 2 October 2006. All terms of appointment are for 2 years.

Jack Lemley served as Chairman until 17 October 2006 when he resigned. Sir Roy McNulty was appointed as acting Chairman from 18 October 2006.

On 9 May 2007, it was announced that John Armit had been appointed as Chairman by the Secretary of State with effect from 1 September 2007.

The members of the Board are required to follow the principles established by the Nolan Committee in the conduct of public bodies. The Authority maintains a Register of Interests to identify any potential conflicts of interests.

## Committees of the Board

### Planning Committee

The Planning Committee is a sub-committee of the Board set up to exercise the Authority's development control and planning authority powers set out in the Olympic Delivery Authority Planning functions order. It meets at least six times a year. The committee performs an independent role from the functions of the rest of the Authority 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 Authority's planning authority area. The Planning Decisions Team deals, *inter alia*, with planning enforcement matters and co-ordination with local authorities regarding development control issues in respect of the Olympic Games and Paralympic Games.

## Accounting Officer Statements

### Accounting Officer's Report continued

The Planning Committee is appointed by the Board and the appointment of those members that are members of London Borough Councils are confirmed by the Secretary of State. The Committee members are:

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

All Planning Committee members were appointed on 6 September 2006 for a two year term.

#### **Audit Committee**

The Audit Committee is a sub-committee of the Board that meets at least four times a year. The Committee has three prime functions, to ensure the adequacy and effectiveness of risk management and internal control, to ensure that financial statements comply with statutory and administrative requirements and to ensure the Authority meets the highest standards of propriety and accountability for the use of public funds. The Committee members are:

Sir Roy McNulty	Chairman to 17 October 2006
Sir Howard Bernstein	Acting Chairman from 18 October 2006
Neale Coleman	
Christopher Garnett	
Kumar Muthalagappan	

#### **Risk Committee**

The Risk Committee was formed as a sub-committee of the Board and met for the first time in April 2007. The Committee will meet at least four times a year to make recommendations to the Board in respect of expenditure requiring external approval, to review major contracts, to challenge risk management performance, to ensure environmental policies and procedures are in place, to review monthly progress against the Authority's programme including monitoring the risks related to the role of the Delivery Partner and periodically to review that the Authority and its Delivery Partner have sufficient resources to achieve objectives. The Committee members are:

Sir Peter Mason	Chairman
Sir Roy McNulty	
Christopher Garnett	

#### **Finance Committee**

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

Sir Roy McNulty	Chairman
Sir Howard Bernstein	
Neale Coleman	
Christopher Garnett	
Kumar Muthalagappan	

### Remuneration Committee

The Remuneration Committee is a sub-committee of the Board that meets at least four times a year to determine the remuneration of the Chief Executive including salary and performance related pay. The Committee also determines and performance related pay and pension arrangements for the Authority's staff. The Committee members are:

Sir Roy McNulty                      Chairman  
Tony Ball  
Sir Howard Bernstein  
Christopher Garnett  
Kumar Muthalgappan

### Communications Committee

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

Baroness Sally Morgan              Chairman  
Sir Howard Bernstein  
Neale Coleman

### Executive Management Board

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

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

David Higgins	Chief Executive	
Dennis Hone	Director of Finance and Corporate Services	From 14 August 2006
David Leather	Interim Director of Finance	To 14 August 2006
Ralph Luck	Director of Property	From 2 July 2006
Alison Nimmo	Director of Design and Regeneration	From 1 July 2006
Godric Smith	Director of Communications	From 1 September 2006
Howard Shiplee	Director of Construction	From 11 September 2006
Hugh Sumner	Director of Transport	From 10 July 2006
Simon Wright	Director of Infrastructure and Utilities	From 14 August 2006

### Creditor payment policy and practice

The Authority 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 provisions or within 30 days of the presentation of a valid invoice (or delivery, if later). An analysis of payment performance during the 2006-07 financial year showed that 48 per cent of invoices (not in dispute) were paid in accordance with the code.

### Employment of disabled persons

The Authority 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 Authority, arrangements for retraining and support will be made wherever possible with a view to enabling continued employment.

### Health & Safety

The Authority's Health & Safety Policy commits the Authority to looking after the wellbeing of staff. Arrangements have been put in place to ensure regular monitoring of the working environment, and staff are being trained in health and safety to raise their awareness of issues that could affect them and others. An occupational health scheme is operating, from 1 April 2007 that provides annual health checks addressing work-related and lifestyle issues. The health and safety programme is linked to the broader human resources policies and strategies.

## Accounting Officer Statements

### Accounting Officer's Report continued

#### Employee Relations

The Authority 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 Authority.

Employees of the Authority are provided with opportunities to actively participate in the affairs, policy development and performance of the organisation. Employees are invited to attend regular briefings on the work of the Authority and to contribute to human resources policy development.

#### Pensions

Employees of the Authority are able to participate in a stakeholder pension scheme which is described in Note 5 to the Accounts.

#### Open Government and Freedom of Information

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

#### Special Payments

Special payments are shown in note 18 to the Accounts.

#### Gifts and hospitality

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

#### Financial performance

The Income and Expenditure Account shows a deficit for the year of £83,696,000. This deficit arises principally as a result of the requirements of Government Accounting that require DCMS Grant in Aid to be taken directly to the General Reserve.

The Authority has an ongoing financial reliance on the DCMS, the Olympic Lottery Distributor (OLD) and the Greater London Authority (GLA) to fund its operations. The Authority has made enquiries of DCMS and its other funding bodies and it is confident that resources will be secured to enable the Authority to meet its financial and operational objectives. In addition the overall funding of the works necessary to deliver the venues and infrastructure for the London 2012 Games is underwritten by a Government guarantee to the International Olympic Committee.

Grants receivable during the year were as follows:

	£'000
Department for Culture, Media and Sport	52,672
Olympic Lottery Distributor	77,592
Greater London Authority	48,920
	179,184

In addition a further £6,080,000 was received from the GLA and paid directly to the London Development Agency for work to underground power lines and Olympic Park design projects undertaken prior to the formation of the Authority.



Expenditure during the year relates to spend on master-planning and the preparation of the Olympic Park for construction. Work has also commenced on the design phase for the permanent venues. In total £211,485,000 was expended; of this amount £18,034,000 was spent on fixed assets such as venues, roads, bridges and other structures, and related programme costs; £139,247,000 was expended having been spent on master planning, tunnelling for underground powerlines, venue design, initial ground works and purchase from LCR of development rights to the Village site. £53,684,000 relates to programme management and £520,000 relates to depreciation.

The combined investment of public money through both the Authority and interim Authority to date is set out in the table below.

	iODA 05-06 £'000	iODA 06-07 £'000	ODA 06-07 £'000	Total £'000
Expenditure	39,253	48,741	211,485	299,479
Olympic – Projects	5,481	968	62,597	69,046
Olympic – Programme Management	4,067	–	58,894	62,961
Olympic Total	9,548	968	121,491	132,007
Regeneration	29,705	47,773	89,994	167,472
Expenditure	39,253	48,741	211,485	299,479

The Authority expenditure in 2006-07 excludes depreciation of £520,000 and is net of reimbursement of £1,382,000 from the London Development Agency for remediation works undertaken by the Authority on its behalf.

### Financial position

At the year end the balance sheet shows net liabilities of £7,838,000; this position arises as a result of a Government Accounting requirement to treat DCMS Grant in Aid on a cash received basis but to recognise expenditure on the basis of work done. As noted above the guarantee of future funding has made it possible to prepare the Accounts on a going concern basis despite these net liabilities.

Debtors at the year end are comprised mainly of grant receivable from the Olympic Lottery Distributor of £22,111,000. Creditors are comprised primarily of accruals of £48,596,000 for works undertaken and not yet invoiced.

### Fixed assets

Tangible fixed assets purchased during the year amounted to £17,201,000 and assets valued at £2,191,000 were transferred from the LDA in respect of the interim Authority. Assets in the course of construction amount to £13,344,000. Plant and Machinery of £2,119,000 is for two tunnel boring machines utilised to dig tunnels for powerlines. The remaining £3,929,000 comprises expenditure on office fit-out and computer equipment.

### Cash balances

To the extent that cash balances are held by the Authority as a result of timing differences the Authority maximises its earning capability on its cash balances through money market deposit. All cash at the end of the period was held in commercial banks, at floating rates of interest.

### 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 Authority'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 Authority's auditors are aware of that information.

### Post balance sheet events

There were no post balance sheet events.

# Accounting Officer Statements

## Remuneration Report

### Constitution of the Remuneration Committee

The constitution of the Remuneration Committee is set out on page 45.

The Committee has four main functions:

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

### Remuneration policy

The Remuneration Committee has regard, within the constraints of Public Sector Pay Policy, to the need to recruit high calibre employees to ensure that the Olympic Programme can be delivered on schedule. The levels of remuneration of employees are subject to agreement with DCMS. Specifically the Remuneration Committee reviews the targets of senior management and determines performance related pay.

### Service contracts

The Secretary of State appoints Board members for periods of up to three years and also sets the level of their emoluments. Their appointments require three months' notice of termination.

Planning Committee members are appointed by the Authority with the Secretary of State's approval for periods up to two years. Their appointments require three months notice of termination.

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

The Chief Executive is employed on a permanent contract and is required to give six months notice of termination of employment whilst the Authority is required to give twelve months notice to the Chief Executive.

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

### Remuneration (audited information)

#### Board members

		£'000
Sir Roy McNulty	Acting Chairman from 18 October 2006	115
Jack Lemley	Chairman to 17 October 2006	611
Lorraine Baldry		15
Tony Ball		–
Sir Howard Bernstein		13
Barry Camfield		6
Neale Coleman		1
Stephen Duckworth		12
Christopher Garnett		12
Sir Peter Mason		2
Baroness Morgan of Huyton		12
Kumar Muthalagappan		10
Sir Nicholas Serota		7
David Taylor		9

The remuneration of the former Chairman, Jack Lemley, includes £58,000 for travelling, accommodation and other benefits in kind and £388,000 compensation for loss of office.

The other Board members receive no benefits in kind and no Board member has pension entitlements. Board members received reimbursement of travel and subsistence expenses amounting to £43,000 in the financial year.

### Planning Committee members

The Chairman and Deputy Chairman 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:

	£'000
Cllr Rofique Ahmed	4
Cllr Conor McAuley	3
Cllr Geoff Taylor	3
Cllr Terry Wheeler	3
Mike Appleton	5
Celia Carrington	3
William Hodgson	3
Janice Morphet	3
Dru Vesty	4

Planning Committee members receive no benefits in kind nor have any pension entitlements. Planning Committee members received reimbursement of travel and subsistence expenses amounting to £3,000 in the financial year.

### Senior management

		Salary £'000	Performance related pay £'000	Taxable Benefits £'000	Employer's pension contributions £'000	Total £'000
David Higgins	Chief Executive	360	215	–	56	631
Dennis Hone	Director of Finance and Corporate Services from 14 August 2006	162	33	–	21	216
Ralph Luck	Director of Property from 2 July 2006	136	40	5	23	204
Alison Nimmo	Director of Design and Regeneration from 1 July 2006	158	27	–	19	204
Howard Shiplee	Director of Construction from 11 September 2006	147	25	–	17	189
Godric Smith	Director of Communications from 1 September 2006	105	15	–	12	132
Hugh Sumner	Director of Transport from 10 July 2006	153	26	–	18	197
Simon Wright	Director of Infrastructure and Utilities from 14 August 2006	133	28	–	16	177

The performance related payments to Ralph Luck include a payment of £24,000 relating to performance during the period of his secondment to the Authority.

The Authority operates a defined contribution pension scheme administered by Fidelity Ltd., which all employees and Directors are entitled to join. Except as noted below all Directors are members of the scheme.

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

## Accounting Officer Statements

### Remuneration Report continued

Dennis Hone and Ralph Luck are members of the English Partnerships Pension Scheme which is a multi-employer defined benefit scheme. Employer contributions are affected by a surplus or deficit on the scheme but the Authority 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.

	Accrued pension at 31 March 2007 £'000	Real increase in accrued pension £'000	CETV at 31 March 2007 £'000	Real increase in CETV £'000
Dennis Hone	52	13	823	252
Ralph Luck	57	10	1,113	333

#### The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

#### 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.

#### Interim Executive Management Board members

During the course of the financial year the Authority paid the following third parties for the services of interim EMB members:

Third Party	Position	Period	£'000
Ernst & Young	David Leather Interim Director of Finance	1 April 2006 to 14 August 2006	232
Cabinet Office	Godric Smith Interim Director of Communications	1 April 2006 to 1 September 2006	37
CBD Ltd	Alison Nimmo Interim Director of Design & Regeneration	1 April 2006 to 1 July 2006	63
English Partnerships	Ralph Luck Interim Director of Property	1 April 2006 to 1 July 2006	42



## Accounting Officer Statements

### Statement of Accounting Officer's Responsibilities

Under Schedule 1 of the London Olympic Games and Paralympic Games Act 2006, the Authority 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 Authority's state of affairs and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

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

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

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

## Accounting Officer Statements

### Statement of Internal Control

#### Scope of responsibility

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

- supports the achievement of the Authority policies, aims and objectives; whilst
- safeguarding the public funds and Authority assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting; and
- ensures compliance with the Management Statement and Financial Memorandum, including specific accountability arrangements with the Department for Culture, Media and Sport, the Greater London Authority, London Development Agency and the Olympic Lottery Distributor.

#### The purpose of the system of internal control

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

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

- identify and prioritise the risks to the achievement of Authority policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The year to 31 March 2007 was the Authority's first year of operation, and during this period its system of internal control had to be developed. As a result some systems of internal control were developed over the course of the year, and were therefore not in place for the whole period up to the date of approval of the annual report and accounts. To mitigate the variable internal control frameworks during this first year of operation, management has taken a more active role in the preparation and review of regular reporting to the Executive Management Board (EMB), the Board and relevant Committees.

#### Managing risk

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

- **First line:** line management is responsible for managing the risk arising from their day to day activities in accordance with the processes set out in the Authority's Risk Management Framework.
- **Second line:** the Programme Assurance Office (PAO) is responsible for the maintenance of the Risk Management Framework and for the effective oversight and challenge of the risk management processes, and for reporting on the same to the EMB and the Board.
- **Third line:** the Risk & Audit Department is responsible for establishing an Audit Work Programme to provide assurance as to the effectiveness of implementation of the Risk Management Framework. The results of this Audit Work Programme are provided to Audit Committee and the Accounting Officer.

In addition, PAO advises Line Management on the risk training needs of those staff for which they are responsible. The provision for such training is facilitated by the PAO. The Head of Risk & Audit reviews the adequacy of risk training in the Audit Work Programme.

#### The risk and control framework

A Risk Management Framework document has been prepared, approved and communicated to staff outlining Authority risk escalation strategy and categorisation; and risk recording and reporting processes. It methodically addresses and quantifies the risks to the business with the objective of achieving sustained benefit within each activity and, importantly, across the portfolio of all activities.

The Authority strategy is to marshal its resources such that risk is reduced to a level which is tolerable and within its overall risk appetite. The risk appetite is the level of risk exposure which is considered tolerable should it materialise and is expressed as a series of boundaries which help the Authority executive and senior management understand the quantum of the risk exposure being incurred and when such exposure is approaching unacceptable levels.

However, the impact of certain risks is unavoidable (eg: risks arising from terrorist activity or Acts of God such as flood risk), therefore Line Management is responsible for establishing and testing contingency plans for such risks. In addition, an overall strategy for Business Continuity Management, including contingency plans, is being developed for the Authority as a whole, including the Delivery Partner operations.

Risks faced by the Authority are recorded in a risk register which shows clearly the owner of the risk, the gross value of the risk, the actions being taken to mitigate the risk and the net risk position.

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

### Review of effectiveness

The Risk & Audit Department has been established to provide an independent, objective and systematic evaluation of risk management, control and governance within the Authority. 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 Financial Memorandum.

Risk & Audit provides findings and recommendations for each audit/review, including benchmarking controls and performance against leading practices, with the aim of improving processes and practices within the Authority. All action items arising from audits/reviews have an agreed management response and implementation date. The successful implementation is monitored by Risk & Audit and reported on an exception basis to the Audit Committee.

As this was the first year of operation for the Authority, the 2006–07 Audit Work Programme comprised a number of audits/reviews directed at confirming the establishment of a robust governance structure and the design of an appropriate internal control framework across all programme areas.

Emphasis for the 2007–08 Audit Work Programme will be on testing that internal control frameworks, policies and procedures have been appropriately embedded.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has been informed by the work of Risk & Audit, internal assurance processes, Gateway reviews undertaken by the Office of Government Commerce and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and plan to address weaknesses and ensure continuous improvement of the systems in place.

Accounting Officer Statements signed and approved



**David Higgins**  
Chief Executive and Accounting Officer  
Olympic Delivery Authority  
28 June 2007

## 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 2007 under the London Olympic Games and Paralympic Games Act 2006. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### Respective responsibilities of the Authority, Chief Executive and auditor

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

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

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

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

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

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

#### Basis of audit opinion

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

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



## Opinions

### Audit Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State, of the state of Authority's affairs as at 31 March 2007 and of its deficit for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the London Olympic Games and Paralympic Games Act 2006 and directions made thereunder by the Secretary of State; and
- information given within the Accounting Officer's Statements is consistent with the financial statements.

### Audit Opinion on Regularity

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

### Report

I have no observations to make on these financial statements.



### John Bourn

Comptroller and Auditor General

6 July 2007

National Audit Office

157–197 Buckingham Palace Road

Victoria

London

SW1W 9SP

## Accounts

### Income and Expenditure Account for the year ended 31 March 2007

	Note	2007 £'000	2007 £'000
<b>Income</b>			
Grant receivable	2		108,642
Other operating income	3		20
			<b>108,662</b>
<b>Expenditure</b>			
Programme expenditure	4	139,247	
Programme management	4	53,684	
			192,931
<b>Operating deficit</b>			<b>(84,269)</b>
Interest receivable	6		818
<b>Deficit on ordinary activities before taxation</b>			<b>(83,451)</b>
Taxation	7		(245)
<b>Deficit for the year</b>			<b>(83,696)</b>

The notes on pages 60 to 68 form part of these Accounts.

All amounts relate to continuing activities.

## Balance Sheet as at 31 March 2007

	Note	2007 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible fixed assets	8		19,018
Intangible fixed assets	9		687
			19,705
<b>Current assets</b>			
Debtors	10	26,594	
Cash at bank and in hand		2,196	
		28,790	
<b>Creditors: amounts due within one year</b>	11	(52,243)	
<b>Net current liabilities</b>			(23,453)
<b>Total assets less current liabilities</b>			(3,748)
<b>Creditors: amounts falling due after more than one year</b>	11		(4,090)
<b>Net liabilities</b>			(7,838)
<b>Reserves</b>			
General Reserve	12		(25,188)
Greater London Authority Capital Reserve	13		6,766
Olympic Lottery Distributor Capital Reserve	13		10,584
<b>Net liabilities</b>			(7,838)

The notes on pages 60 to 68 form part of these Accounts.

All amounts relate to continuing activities.

Approved by the Board on 28 June 2007



**David Higgins**  
Chief Executive and Accounting Officer



**Sir Roy McNulty**  
Acting Chairman

## Accounts continued

### Statement of Recognised Gains and Losses for the year ended 31 March 2007

	Note	2007 £'000
Olympic Lottery Distributor grants taken to reserves	13	11,104
Greater London Authority grants taken to reserves	13	6,766
Reserves released in year for depreciation	13	(520)
Net assets transferred from London Development Agency to the Authority	19	5,836
Recognised gains		23,186

The notes on pages 60 to 68 form part of these Accounts.

All amounts relate to continuing activities.



## Cash Flow Statement

for the year ended 31 March 2007

	2007 £'000
<b>Net cash flow from operating activities</b>	(55,691)
Interest received	818
Taxation	245
Creditor for taxation	(245)
<b>Capital expenditure and financial investments</b>	(13,473)
<b>Financing</b>	70,542
<b>Increase in Cash</b>	2,196

The notes on pages 60 to 68 form part of these Accounts.

All amounts relate to continuing activities.

### Notes to the Cash Flow Statement

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

	2007 £'000
Operating deficit before interest	(84,269)
Depreciation	520
Grant released	(520)
Increase in debtors	(26,594)
Increase in operating creditors	51,527
Net operating assets transferred from London Development Agency to the Authority	3,645
<b>Net cash flow from operating activities</b>	(55,691)

b) Capital expenditure and financial investments

	2007 £'000
Capital expenditure	(18,034)
Increase in capital creditors	4,561
<b>Net cash flow from capital activities</b>	(13,473)

c) Financing

	2007 £'000
Grant in Aid	52,672
GLA grant	6,766
OLD grant	11,104
	70,542

# Notes to the Accounts

## 1 Accounting Policies

### Statutory basis

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

Where the FRoM permits a choice of accounting policy, the accounting policy selected is the one which has been judged to be the most appropriate to the particular circumstances of the Authority 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 Authority was formed to be the single delivery body responsible for creating the venues, infrastructure and associated works for the London 2012 Olympic and Paralympic Games. The accounting policies have been chosen to best reflect the limited lifetime of the Authority.

The Authority's assets are held at modified historical cost up to 2012 and, once they have served their purpose, the assets will be revalued to reflect their continuing legacy value. The difference between the cost of the assets and their value after the Games will be a measure of the capital resource consumed by the Games.

The Accounts are prepared on a going concern basis.

### Tangible fixed assets and depreciation

Tangible fixed assets are held at valuation at the balance sheet date. Assets are valued by applying appropriate indices to historical cost. Given the limited period of the Authority's operations, it is not intended to obtain regular professional valuations of assets until after the Games have been completed.

On initial recognition assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. The cost of the initial fitting out of the Authority's offices has been capitalised, together with all subsequent asset additions with a purchase price of over £10,000.

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

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

### Programme costs

The Authority 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 provides benefits to the wider lower Lea Valley and its regeneration. These are defined in the Accounts Direction published with this Annual Report and Accounts.

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

- [Master planning](#) (Olympic Park design and planning applications)
- [Ground works](#) (land remediation, earthworks, utilities and relocation)
- [Roads, bridges and other structures](#)
- [Temporary and Permanent Venues](#) (including the International Broadcast and Main Press Centre)
- [Olympic Village](#)
- [Transport schemes](#)

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

#### [Master planning](#)

The cost of preparing the Masterplan is charged to the Income and Expenditure Account as incurred.

#### [Ground works](#)

Investment in ground works is charged to the Income and Expenditure Account except where the land is owned by the Authority, in which case the cost is capitalised.

#### [Roads, bridges and other structures](#)

The Authority will capitalise expenditure on roads, bridges and other structures in which it retains an economic interest.

#### [Permanent and Temporary Venues](#)

Expenditure on all venues is capitalised. All venues will be revalued after the Games have been completed to reflect their ongoing legacy value. Any costs associated with moving the venues to their legacy status after the Games have been completed will be provided for when the Authority has an obligation to incur the expenditure.

#### [Olympic Village](#)

The Authority holds the freehold of 55 hectares of land at Stratford City; however it retains no economic interest in the land. Expenditure relating to construction rights and use of the land will be charged to the Income and Expenditure Account.

#### [Transport schemes](#)

Grants provided to transport delivery organisations are charged to the Income and Expenditure Account.

#### **Grants and funding receivable**

Grants and funding are received from the Department for Culture, Media and Sport, the Greater London Authority and the Olympic Lottery Distributor.

Grant in Aid from DCMS is credited to the General Reserve. The Authority is not allowed to accrue for any balance of Grant in Aid owed to the Authority at the year end.

Other grants and funding are accounted for on an accruals basis to the extent that there is matching eligible expenditure.

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

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

#### **Work undertaken on behalf of third parties**

Where the Authority undertakes work on behalf of third parties, the contribution received is taken as an offset against the Authority's costs.

## Notes to the Accounts continued

### Other income

Other income is recognised on an accruals basis.

### Pension costs

The Authority operates a defined contribution pension scheme, to which all employees are entitled to join. Contributions are charged in the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.

In addition the Authority has:

One employee in a personal Self-Invested Personal Pension. Contributions are charged in the Income and Expenditure Account as they become payable in accordance with the rules of the scheme.

Two employees in the English Partnerships Pension Scheme which is a multi-employer defined benefit scheme as described in paragraph 9 of FRS 17, retirement benefits. Employer contributions are affected by a surplus or deficit on the scheme but the Authority 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.

### Corporation tax

The Authority is liable for Corporation Tax in respect of interest earned on cash balances. Corporation Tax is provided for on an accruals basis. Where the Authority is liable for other taxes, these are provided for on an accruals basis.

### VAT

Irrecoverable VAT is charged to the appropriate expense or asset heading in the accounts in accordance with SSAP 5. Under limited circumstances, the Authority is permitted to register for VAT; balances owing to and owing by HM Revenue and Customs are shown as a creditor or a debtor.

### Capital charge

A charge, reflecting the cost of capital utilised by the Authority, is included in the Income and Expenditure Account. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities, except for donated assets where the charge is nil. For 2006–07 the charge is immaterial.

## 2 Grant receivable

This table shows the sources and application of the grant funding receivable during 2006–07.

	Note	DCMS Grant in Aid £'000	Greater London Authority £'000	Olympic Lottery Distributor £'000	Total £'000
Grants receivable		<b>52,672</b>	<b>48,920</b>	<b>77,592</b>	<b>179,184</b>
Income & Expenditure Account		–	42,154	66,488	108,642
General Reserve	12	52,672	–	–	52,672
GLA Capital Reserve	13	–	6,766	–	6,766
OLD Capital Reserve	13	–	–	11,104	11,104
		<b>52,672</b>	<b>48,920</b>	<b>77,592</b>	<b>179,184</b>

The Authority receives grant funding to support overall programme delivery.

The Greater London Authority grant is to support the Authority's delivery of Olympic and Paralympic projects in Greater London only.

## 3 Other income

	£'000
Planning fee income	20
	<b>20</b>

Planning fee income does not include £65,000 of planning fees in respect of the Authority's own planning applications.



## 4 Expenditure

	Olympic £'000	Regeneration £'000	Capitalised to Fixed Assets £'000	Grant Released £'000	Charged to Income and Expenditure Account £'000
<b>Programmes</b>					
Masterplanning	25,884	–	–	–	25,884
Groundworks	–	84,941	–	–	84,941
Roads, Bridges & Structures	–	5,053	(5,053)	–	–
Permanent and Temporary Venues	8,291	–	(8,291)	–	–
Olympic Village	17,248	–	–	–	17,248
Transport Schemes	11,174	–	–	–	11,174
<b>Total Programme</b>	<b>62,597</b>	<b>89,994</b>	<b>(13,344)</b>	<b>–</b>	<b>139,247</b>
<b>Programme Management</b>					
Delivery Partner	16,990	–	–	–	16,990
Staff Costs	18,696	–	–	–	18,696
Running Costs	11,786	–	–	–	11,786
Planning & Development Control	1,604	–	–	–	1,604
Set-up Costs	9,818	–	(4,690)	(520)	4,608
<b>Total Programme Management</b>	<b>58,894</b>	<b>–</b>	<b>(4,690)</b>	<b>(520)</b>	<b>53,684</b>
<b>Total Expenditure</b>	<b>121,491</b>	<b>89,994</b>	<b>(18,034)</b>	<b>(520)</b>	<b>192,931</b>

### Olympic

Olympic and Paralympic expenditure comprises building new venues and facilities including their legacy conversion, transport projects and programme management, including staff, accommodation, the contract with the Delivery Partner and on site logistics.

### Regeneration

Expenditure on regeneration comprises infrastructure improvements to the Olympic Park, such as undergrounding of powerlines, and work on roads, bridges and tunnels. The majority of the Olympic Park is owned by the London Development Agency. The Groundworks expenditure within Regeneration expenditure includes a contribution of £1,382,000 towards LDA remediation and demolition works undertaken by the Authority on their behalf.

### Programme management costs

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

Programme management costs include:

	£'000
Delivery Partner costs	16,990
Auditors remuneration	113
Operating lease costs	1,291
Depreciation	520

## Notes to the Accounts continued

### 5 Employee numbers and remuneration

#### 5.1 Remuneration

	Board Members and Planning Committee Members £'000	Permanent staff £'000	Agency/ Temporary staff £'000	Seconded staff £'000	Total £'000
<b>Staff costs</b>					
Wages and salaries	810	5,299	–	3,676	9,785
Social security costs	46	637	–	–	683
Other pension costs	–	521	–	–	521
Agency and temporary staff costs	–	–	7,707	–	7,707
	856	6,457	7,707	3,676	18,696

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

For detailed analysis of Board Members and Planning Committee Members remuneration, please refer to the Remuneration Report.

#### 5.2 Staff numbers

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

	Permanent staff	Agency/ temporary staff	Seconded staff	Total
Programme employees	37	30	17	84
Programme management employees	19	35	14	68
	56	65	31	152

#### 5.3 Pensions

The Authority operates a defined contribution pension scheme for all employees. The assets of the scheme are held separately from those of the Authority in an independently administered fund. All employees can opt to join the Authority pension scheme, a defined contribution scheme provided by Fidelity Ltd. Employer contributions for the year to 31 March 2007 were £460,000. Employer contributions are 6 per cent of pensionable pay. The Authority also matches employee contributions up to a further 6 per cent of pensionable pay.

The Authority also contributed to two other pension funds, separate to the Authority fund, for three directors. Employer contributions are affected by surpluses or deficits on the schemes but the Authority is unable to identify its share of the underlying assets and liabilities of both schemes on a consistent and reasonable basis. Contributions are charged to the Income and Expenditure Account as they become payable. Employer's contributions for these three EMB members are disclosed in the Remuneration Report.

At the balance sheet date, there were unpaid pension liabilities of £3,475.

#### 6 Interest receivable

Bank interest of £818,000 was receivable for the year. The average interest rate during the year was 4.6%.

#### 7 Taxation

A tax provision for £245,000 has been made for UK Corporation tax payable on bank interest receivable.

## 8 Tangible fixed assets

	Assets under construction £'000	Computer equipment £'000	Fixtures & fittings £'000	Plant and machinery £'000	Total £'000
<b>Cost or valuation</b>					
Additions	13,344	1,620	2,237	–	17,201
Transfer from the LDA	–	–	72	2,119	2,191
At 31 March 2007	13,344	1,620	2,309	2,119	19,392
<b>Depreciation</b>					
Charge	–	208	166	–	374
At 31 March 2007	–	208	166	–	374
<b>Net book value</b>					
At 31 March 2007	13,344	1,412	2,143	2,119	19,018

The financial impact of indexing assets to a modified historical cost was considered immaterial for the year and assets have therefore been disclosed at their historical cost value.

The transfer from the London Development Agency in respect of the interim Olympic Delivery Authority is explained in note 19.

The Authority owns the freehold of land at Stratford that has nominal value.

## 9 Intangible fixed assets

	Software Licences £'000
<b>Cost or valuation</b>	
Additions	833
At 31 March 2007	833
<b>Depreciation</b>	
Charge	146
At 31 March 2007	146
<b>Net book value</b>	
At 31 March 2007	687

## 10 Debtors

### 10(1) Debtors analysis

	£'000
Olympic Lottery Distributor	22,111
Prepayments and accrued income	4,438
Other debtors	45
	26,594

Included in prepayments is an amount of £1,537,000 which relates to an insurance premium for public, employers and employees liability that covers 36 months from 13 March 2006.

### 10(2) Intra-Government balances

	Due within one year £'000	Due in more than one year £'000	Total £'000
Balances with other central government bodies	22,116	–	22,116
Intra-government balances	22,116	–	22,116
Balances with bodies external to government	2,941	1,537	4,478
	25,057	1,537	26,594

## Notes to the Accounts continued

### 11 Creditors

#### 11(1) Amounts due within one year

	£'000
Trade creditors	680
Corporation tax	245
Other taxes and social security costs	822
VAT payable	1,450
Other creditors	450
Accruals	48,596
	52,243

#### 11(2) Amounts falling due after more than one year

Comprise retentions of £4,090,000.

#### 11(3) Intra-Government balances

	Due within one year £'000	Due in more than one year £'000	Total £'000
Balances with other central government bodies	2,617	–	2,617
Balances with local authorities	4	–	4
Intra-government balances	2,621	–	2,621
Balances with bodies external to government	49,622	4,090	53,712
	52,243	4,090	56,333

### 12 General Reserve

	£'000
Balance at 1 April 2006	–
Grant in Aid received	52,672
Net assets transferred from London Development Agency to the Authority	5,836
Deficit for the year	(83,696)
Balance at 31 March 2007	(25,188)

### 13 Capital Reserves

The capital reserves reflect the net book value of assets where funds have been donated or granted to the Authority.

	OLD £'000	GLA £'000	Total £'000
Balance at 1 April 2006	–	–	–
Additions during the year	11,104	6,766	17,870
Release to Income and Expenditure Account	(520)	–	(520)
Balance at 31 March 2007	10,584	6,766	17,350



## 14 Capital commitments

	£'000
Contracted capital commitments at 31 March 2007 for which no provision has been made	17,070

## 15 Commitments under leases

### Operating leases

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

	£'000
<b>Land and buildings</b>	
Expiry within 1 year	1,712
Expiry after 1 year but not more than 5 years	6,197
Expiry thereafter	1,651
<b>Other</b>	
Expiry within 1 year	11
Expiry after 1 year but not more than 5 years	5

## 16 Contingent liabilities

At 31 March 2007 discussions concerning the Authority's tax status between the Authority and HM Treasury and HM Revenue and Customs are ongoing. It is therefore not possible to be certain about the potential liabilities for taxation not already provided for in the accounts.

## 17 Related party transactions

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

The Authority has a close working relationship with the London Organising Committee of the Olympic and Paralympic Games (LOCOG).

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

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

### Main Board

Sir Roy McNulty is the Chairman of the Civil Aviation Authority (CAA). During the year, the CAA recharged the Authority £26,320 in relation to his expenses

Neale Coleman is an employee of the Greater London Authority.

Christopher Garnett was appointed a member of the Board of Transport for London on 28 March 2007.

### Planning Committee

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

#### Member

Cllr Conor McAuley  
Cllr Rofique Ahmed  
Cllr Geoff Taylor  
Cllr Terry Wheeler

#### Borough

London Borough of Newham  
London Borough of Tower Hamlets  
London Borough of Hackney  
London Borough of Waltham Forest

## Transactions with related parties

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

## Notes to the Accounts continued

Related Party	Charges to the Authority £'000	Charges from the Authority £'000
LOCOG	3,307	–
London Development Agency	14,546	1,382
Greater London Authority	240	–
London Borough of Newham	151	–
London Borough of Tower Hamlets	27	–
London Borough of Hackney	42	–
London Borough of Waltham Forest	8	–

The Authority has a licence with the London Development Agency (LDA) that enables the Authority to use the land subject to specific limitations in the Olympic Park that is owned by the LDA.

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

The Authority paid a total of £18,118,000 to its Delivery Partner. This expenditure was allocated as follows:

	£'000
Programme management	16,990
Capitalised to fixed assets	769
Regeneration	286
Set-up costs	73
	18,118

### 18 Special payments

As required by the Accounts Direction, the Authority must summarise all losses and special payments made during the year. During the course of the financial year, the Authority made one special payment, being the compensation for loss of office for the Authority's Chairman, Jack Lemley, for £388,000. This is included in the Remuneration Report.

### 19 Interim Olympic Delivery Authority

Before the Authority was brought into existence by the Act, a number of Olympic and Paralympic and regeneration activities had to be undertaken. These were carried out by a separate division of the London Development Agency (LDA) and it was named the Interim Olympic Delivery Authority (interim Authority). The interim Authority was not a separate legal entity.

Funding for the interim Authority's activities was provided through Grant in Aid from DCMS.

On 18 February 2007, the assets and liabilities of the interim Authority were transferred from the LDA to the Authority and the contracts being undertaken by the interim Authority were novated to the Authority. The assets and liabilities that were transferred were as follows:

	£'000
Fixed assets	2,191
Prepayments	3,214
Cash	1,194
Liabilities	(763)
	5,836

The assets and liability of the interim Authority were transferred to the Authority at nil cost and revalued in the Authority's Books. The net asset value of £5,836,000 has been recognised as a gain and taken to the General Reserve.

### 20 Post balance sheet events

There were no post balance sheet events up to the date the financial statements were approved for issue to DCMS, which was 12 July 2007.

## Accounts direction

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

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

# Schedule 1

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

- 1 The Statement of Internal Control shall follow Treasury guidance on format and content. **In addition** to Treasury requirements, the opening paragraph shall include explicit reference to systems to ensure compliance with the provisions of the Authority'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 Authority's objectives whilst;
  - safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting; and
  - ensuring compliance with the requirements of the Authority's Management Statement and Financial Memorandum.'
- 2 The Statement of Internal Control should also include coverage of the processes applied in reviewing the effectiveness of the system of internal control to ensure compliance with the requirements of the Authority's Management Statement, 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 Then notes to the accounts shall disclose expenditure incurred on the Delivery Partner.
- 5 Other notes to the accounts shall provide an analysis of the Authority's administration costs showing, for example the following information:
  - the average number of persons employed calculated on the basis of full-time equivalents;
  - 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;
  - an analysis of remuneration and expenses of the Authority Board members.



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Olympic Delivery Authority  
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Reception +44 (0) 203 2012 000  
Fax +44 (0) 203 2012 001  
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