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# ODA Plan and Budget 2013



**MAYOR OF LONDON**  
ODA Plan 2013

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## Introduction

The Olympic Delivery Authority (ODA) is required by its stakeholders to produce an Annual Plan and Budget (“the Plan”) covering the lifetime of the Olympic Programme, its ongoing legacy and the year in question in more detail.

The detailed requirements for the Annual Plan are set out in the ODA’s Management Statement and Financial Memorandum with DCMS and within agreements with other funders, and require the ODA to set out:

- the ODA’s key objectives, targets and expenditure plans for the lifetime of the Olympic programme up to the wind-up of the ODA; key ODA targets and milestones for the year immediately ahead linked to budgeting information by project so that resources allocated to achieve specific objectives can be identified readily;
- a review of ODA’s performance in the preceding financial year together with comparable outturns for each of the previous years, and an estimate of performance in the current year;
- alternative scenarios to take account of factors which cannot be forecast accurately;
- expenditure to be met from the Public Sector Funding Package and that to be met from DCMS grant-in-aid;
- the amount to be spent on administration including a staffing plan and pay proposals in line, overall, with public sector pay policy;
- a statement of any change in policy affecting the ODA.

The Plan has been approved by the ODA Board. In previous years, the ODA Plan was required to be approved by the Board of the Olympic Lottery Distributor (OLD), however OLD dissolved in March 2013 and approval of the 2013 ODA Plan by the OLD Board is accordingly not required.

## ODA Financial Overview

### Public Sector Funding Package

On the 15 March 2007 the Olympic Minister announced a revised funding package of £9,325m for the Olympics. This funding package encompassed the total budget for the Games including amounts outside of the ODA's remit such as contributions to the operations of the Paralympic Games and wider security.

The June 2010 Emergency Budget reduced the available funding to the ODA within the funding package by £27m to £8,072m. The CSR in Autumn 2010 further reduced the maximum available funding specifically for the ODA to £7,321m, aligned to the ODA's AFC at the time and dispensed with Funders Contingency.

	Mar-07 CSR 2010	
	Total £m	Total £m
ODA	8,099.0	7,321.4
Elite and Community sport	290.0	290.0
Paralympics	66.0	95.0
Look of London	32.0	32.0
Security (including contingency)	838.0	995.0
LOCOG (including Park Operations)	0.0	130.0
City Operations and other operational provisions	0.0	86.0
Contingency	0.0	349.0
<b>Total Public Sector Funding Package</b>	<b>9,325.0</b>	<b>9,298.4</b>

Subsequent to the CSR 2010 the Chancellor's Autumn Statement issued in 2012 resulted in a further reduction of £0.4m or 1% of GiA resource funding that is available to the ODA and was followed by another 1% (£0.5m) reduction in March 2013 as part of the Budget announcement.

The ODA's current AFC is £6,711.1m. Key drivers to this decrease since the CSR include:

- The transfer of on-Park post-Games transformation scope to LLDC and the hand back of £333.5m funding to GOE.
- Release of Programme Contingency provisions held against LOCOG interface issues as part of the Remaining Scope agreement reached with GOE and LOCOG.
- Hand back of c£58m to GOE for scope to be delivered by LOCOG, including operational security from January 2012 and Venue Transport Operations.
- Savings generated by the ODA in efficient delivery of scope and close out of commercial arrangements with contractors.
- Savings generated by the ODA through Gamestime contingencies held within project budgets that were not required, notably in Transport and Park Operations.
- Reduced contingency requirements as risks reduce with the commercial close out of most projects.

## ODA Budget

### Current Baseline Budget

The table below shows the movements in the baseline budget from the Original Baseline Budget set in November 2007. Notwithstanding the increases to the ODA budget as a result of funding the IBC/MPC and the Village from the public purse and the significant increase in scope for Park Operations, procurement and delivery efficiencies have delivered significant savings on the ODA Programme. In addition the transfer of transformation scope to LLDC further reduced the Current Baseline Budget. Overall the ODA lifetime budget is £6,713.1m, almost £1.4bn lower than the maximum funding available in 2007.

	Original Base Budget £m	Current Base Budget (March) £m	OBB v CBB Variance £m
Powerlines	282	286	4
Utilities	256	224	(32)
Enabling Works	364	385	21
Structures, Bridges, Highways	830	577	(253)
Prescott Lock	5	5	0
Other infrastructure projects	206	341	135
<b>Total Site Preparation and Infrastructure</b>	<b>1,943</b>	<b>1,818</b>	<b>(125)</b>
Stadium	496	428	(68)
Other Olympic Park Venues	574	519	(55)
Non-Olympic Park Venues	101	156	55
<b>Total Venues</b>	<b>1,171</b>	<b>1,103</b>	<b>(68)</b>
Thorntons Field	47	23	(24)
Stratford Regional Station	119	120	1
Contribution to DLR upgrade	86	80	(6)
Contribution to North London Line	110	107	(3)
Other transport capital projects	178	90	(88)
Other transport operating projects	357	396	39
<b>Transport Projects</b>	<b>897</b>	<b>816</b>	<b>(81)</b>
Logistics for site construction	337	240	(97)
Section 106 and Masterplanning	127	93	(34)
Park Operations	0	195	195
Insurance	50	50	0
Security for Park construction	354	205	(149)
Other Parkwide projects	0	89	89
<b>Parkwide projects</b>	<b>868</b>	<b>872</b>	<b>4</b>
IBC/MPC	220	296	76
Olympic Village	272	984	712
Programme Delivery and Contingency	2,656	829	(1,827)
Corporation Tax and Net Interest	72	(5)	(77)
<b>Total ODA Budget</b>	<b>8,099</b>	<b>6,713</b>	<b>(1,386)</b>

## Anticipated Final Cost

<b>CBB at March 2013</b>				<b>6,713.1</b>
Headroom				(2.0)
<b>Current Anticipated Final Cost</b>				<b>6,711.1</b>

The anticipated final cost (AFC) for the programme takes into account an assessment of cost pressures and opportunities that are foreseen, plus an estimate of contingency requirements and headroom. The AFC as at March 2013 is £6,711.1m, £2.0m below the currently approved budget of £6,713.1m. This represents the “headroom” against the current ODA Budget of £6,713.1m taking into account cost pressures and opportunities.

## Review of 2012-13

The ODA milestones for the 2012-13 year reflected the capital works the ODA needed to complete pre-Games and work in relation to operational readiness, as well as the work required of the ODA post-Games in order to facilitate the exit process. The works completed in the year in relation to these milestones comprised the following:

### **On the Park**

Construction works at the Water Polo venue and Eton Manor completed in April 2012.

The environmental conditioning works at the Aquatics Centre finished in May 2012.

### **Infrastructure**

The spectator transport malls were completed in May 2012 and the operational screening areas handed over to LOCOG by June 2012. The crowd capacity enhancement work as delivered by SBH and Landscaping projects through certain areas on the Park completed in June 2012.

The Village public realm and open space was handed over to LOCOG in May 2012.

### **Off the Park**

All pre-Games work at the 15 games time training venues and all remaining pre-Games works at Eton Dorney completed by June 2012.

### **Securing the Park**

The handover of the Park Operations facility to LOCOG, including the installation of a third floor and fit out of the building, completed in April 2012. The ODA achieved Impact Level 4 compliance on CPSS by May 2012. Security capital works were ongoing until July 2012.

### **Getting there**

The Directly Managed Transport Games Plan completed in May 2012 however ongoing discussions with LOCOG and GOE resulted in the return of budget and scope to GOE to allow direct funding for Local Area Traffic Management Plans for Non-Competition Venues and Vehicle Access & Parking Permit Checks. The bridge at Eton Dorney was fully operational by June and all river services infrastructure completed, tested and ready to go prior to Games. All Direct Coach and Park & Ride sites were operational in time for Games and Paralympic transition completed without any issues.

## **After the Games**

The ODA's Off Park decommissioning works were largely completed by 31 March 2013 but some minor works (such as spring planting) could not be completed by this point or required ongoing maintenance obligations.

The whole of the Village site was handed back to the ODA by December 2012, allowing the ODA to commence survey and construction works on the removal of internal partitions and external works. The majority of works on the Village have now been procured, detailed planning for handover is ongoing between all parties including QDD and Triathlon.

Decommissioning of the transport works was substantially completed by December 2012. Works relating to the disposal and remediation of the Stratford Transport Office completed in March 2013.



## Delivery Plan 2013-14

### **Village Retrofit**

The broad scope of works in the East Village Retrofit comprises the removal of temporary partitioning and fit out, temporary floor finishes and the installation of new kitchens, final floor finishes and decorations to residential and retail units and common areas, re-commissioning and testing of systems, independent inspections and certification, work to complete the public realm and completion and fit out of the Health Centre and Chobham Academy.

### **Stratford Village Management Company (SVMC)**

The ODA is working with the legacy owners of the East Village, Triathlon Homes and QDD to specify and procure estate management services, both for the long term and for the interim period when the Village remains under ODA control but may be partially occupied by QDD and Triathlon tenants. Services will be delivered via a single purpose estate management company, Stratford Village Management Company, which will be re-named East Village Management Limited.

Until the completion of the agreement for the Sale and Purchase of SVDP Ltd between ODA and QDD (the QDD sale agreement), the ODA will retain a 51% membership of SVMC with Triathlon holding the other 49%.

### **Village Sale**

The completion of the retrofit works is a pre-requisite to the ODA achieving the completion of the sale of the Village to QDD and finalisation of lease agreements with Triathlon.

Under the sale and purchase agreement some units for which practical completion has occurred may be let or sold in advance of the sale completion date. This would require the establishment of some 22 subsidiary companies.

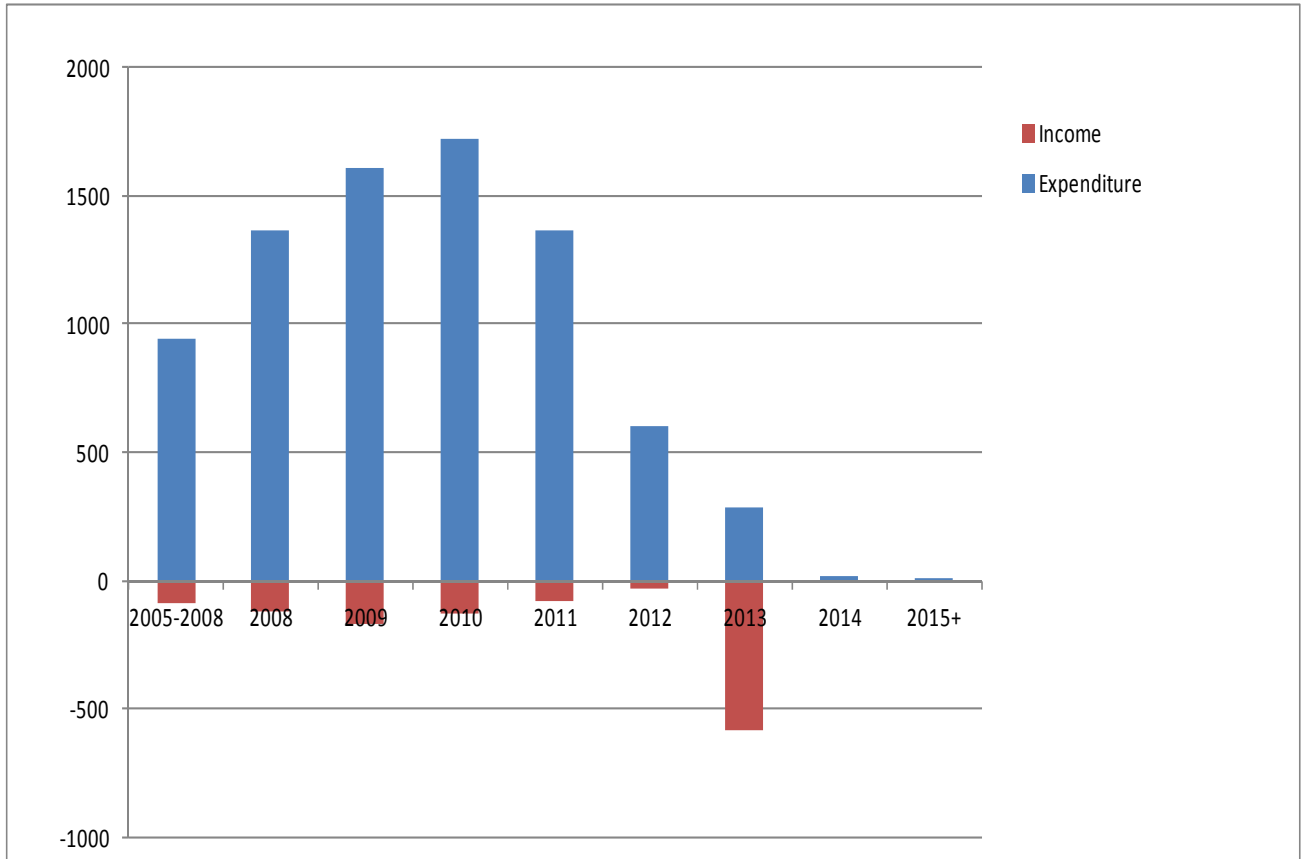
### **ODA Exit**

The ODA exit incorporates a number of milestones including commercial close out, close out/transfer of contracts to DCMS, ODA records/applications handed over to DCMS and ODA dissolution for 2014.

## 2013-14 Funding Requirements

Expenditure in 2013-14 and beyond predominately relates to the Village retrofit, Village sales costs and programme delivery. The level of expenditure is significantly below prior years and reflects the ODA's completion of its programme of works and progress to dissolution.

Significant contributions are expected to be received in 2013-14, largely comprising the completion of the sale of East Village homes to QDD.



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