

**SUMMARY MINUTES OF THE 27th MEETING OF THE BOARD
HELD ON 18 February 2010 at 11.30**
at the Olympic Delivery Authority
1 Churchill Place, Canary Wharf
London

Present:

Carol Ainscow

Hilary Daniels

Lindsey Holbrook

Sirajul Islam

Janet Paraskeva (Chair)

Ian Brack (Chief Executive)

Ros Francis (Head of Finance and Corporate Services)

Liz Prescott (Appraisal and Monitoring Officer)

Bernadette Wallis (Secretary to the Board)

Sirajul Islam was welcomed to his first meeting of the Board as a Board Member of the OLD.

The Board congratulated Ian Brack on his appointment as Chief Executive of the OLD.

1. Apologies for absence

Apologies for absence had been received from Sir Craig Reedie.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of the 26th Meeting of the Board held on 17 December 2009

The minutes were approved as an accurate record of the proceedings.

4. Matters arising from the 26th Meeting of the Board held on 17 December 2009

There were no outstanding matters arising that were not the subject of separate items on the agenda.

5. Chief Executive's Report

Key items on the CEO's Report were highlighted as follows:

Memorandum of Understanding/Ministerial Statement

The OLD/DCMS Memorandum of Understanding had been revised to incorporate a section on receipts and the Memorandum had been lodged in the libraries of the House of Commons and the House of Lords. A written Ministerial Statement had been made to the House on 9 February 2010.

The Government Olympic Executive's (GOE) Annual Report to Parliament had been submitted to the House in conjunction with this. This reported an ODA budget of £7,250m, reflecting changes approved by the Funders' Group in early February 2010. This budget would go to the OLD Board for approval later in the year. **In the meantime, the Board agreed that payments continue to be made to the ODA in advance of detailed approval of the higher budget figure.**

Community Grants

A sub group of the Board had met to consider the East London Business Alliance's (ELBA's) proposals in respect of community grants. The sub group had concluded that an application relating to some of the proposed projects could be considered. The Chair briefed the Board further on discussions held with ELBA and the fact that further clarity had been received from ELBA in respect of the community projects.

The Board said that it was important that small grass roots organisations were not excluded from the opportunity to obtain funding and it was noted that ELBA was likely to sub contract a small grants programme to a respected small grants organisation in London in the event that an application for funding was accepted.

The Board also recognised the fact that community grants funding did bring with it some risks, particularly of a reputational nature, but that these risks could be managed and mitigated.

Action: OLD staff

The Board agreed to consider an application from ELBA on the terms set out in the draft letter that had been circulated.

The 25th Hour

This was a GOE initiative that had Ministerial support. The OLD had received information on this project with the Board papers. The 25th Hour scheme centred on a significant publicity campaign and a digital hub to encourage and facilitate volunteering. The Board was being asked whether or not the GOE could make an application to the OLD for funding for the project – estimated to be between £2-5m. The Board discussed.

The Board raised concerns that any funding it provided to this project would not be 'additional' and also that it did not feel comfortable with funding Government.

Whilst the OLD Board was not averse to supporting programmes that encouraged volunteering, Board Members were unclear about the way in which a digital hub would operate and also felt that there did not appear to be clarity about the outcomes of the programme.

The Board agreed that it did not wish to consider an application from the GOE relating to the 25th Hour project.

Paralympics

Discussions in respect of potential funding for the Paralympic Games were continuing.

Live Screens

The Board was updated that the Rotherham Big Screen had been switched off and was due to be removed in the next fortnight.

6. Summary Minutes of the 26th Meeting of the OLD Board held on 17 December 2009

The minutes were approved for publication on the OLD's website.

7. Finance Report

The Board noted key points from the Finance Report including:

- The OLD had paid £102.3m to the ODA in January 2010.
- Income from the Olympic Lottery Distribution Fund was healthy and the OLD would end the year on target.
- Recruitment activity had taken place in January and February 2010 and a new Appraisal and Monitoring Officer had been appointed.
- The permanent appointment of Ian Brack as Chief Executive had been approved by the DCMS along with contract terms.
- The Management Accounts reflected operational spend up to 31 January 2010. The forecast had been revised downwards to £757,619.

8. Communications Update

The Board received an update on the OLD's PR and Communications priorities for the next 12 – 18 months.

The Board discussed. It was recognised the fact that there would be PR/publicity opportunities around projects that the OLD would be funding, such as the Cultural Olympiad.

The Board felt that it would be useful for the OLD to have a more active PR strategy in place and suggested that regular preparation of press focused questions and answers about major Olympic developments/projects or aspects of OLD funding would be useful. OLD staff would take this forward.

Action: OLD staff

The Board noted that the OLD was planning to review its website in the autumn to ensure that it fully reflected the OLD's current and prospective business, for example potential funding of the Cultural Olympiad and Community Grants. The Board was supportive of this review and recognised the importance of the OLD projecting a positive image of its role and the role of Lottery funding.

In response to a question from the Board, the Board was briefed on the background to the 'Look of London' Initiative. The OLD would continue to investigate with the GOE what plans were being developed for ensuring that the Look was not just a London centric initiative.

The Board discussed the use of logos in respect of PR material relating to the Cultural Olympiad.

The Board agreed that if the other contributing Lottery Distributors chose to use their own logos on PR material, it would wish to have the Joint High Impact logo used. However, if other contributing Lottery Distributors were happy to be represented by the National Lottery crossed fingers logo, the OLD would support OLD consistency with this approach.

9. ODA Progress Update

The OLD Board received the Progress Update which was based on the ODA Report containing data to 27 November 2009.

The Board was informed of changes that the ODA had made to the way it reported progress on the Park and the fact that these changes affected both the overall Park percentage completed figure and the schedule and cost variance figures. The changes were logical and they resulted in greater accuracy and visibility of the various sub projects that made up the total Olympic park capital programme.

The Board's attention was drawn in particular to the Summary Statistics in the report. As at the end of November 2009, the total Olympic Park Capital Programme was 47.7% complete vs 48.8% planned. In respect of a 'to beginning of the Games Time figure' the programme was 50.2% complete vs 51.1% planned.

The ODA's total accrued spend to end of November 2009 was £3103.7m which was 42.9% of the ODA Lifetime Budget of £7,236.6m.

The Board noted the status of the ODA Lifetime Budget and that the changes in November 2009/January 2010 brought the budget to within the *de minimis* level at which Board Approval would be required.

Overall progress on the Olympic Park continued to be strong. There were some delays but the impact of these delays on the float was being monitored.

The Board discussed the report and asked for further information on the Key Performance Indicator around Employment Opportunities and Equalities. The OLD would do some further research on this issue with the ODA and report back to the Board by email.

Action: OLD staff

The Board discussed other matters in the report.

10. ODA Cashflow Grant Application

The Board had discussed this item at the December 2009 meeting. The Board had set out a number of actions that it wished to see undertaken before it would approve cashflow grant to the ODA and these actions had now been completed, as confirmed earlier in the meeting (CEO's Report).

The Chief Executive advised the Board that, should it approve the cashflow grant of up to £69.2m to the ODA, it would be prudent to treat this as distinct from the ODA Lifetime Grant.

The Board discussed noting that it had considered this matter in some detail in December 2009 and that the Government had provided some comfort in ensuring that the actions requested by the OLD Board in December 2009 were carried out.

The Board agreed to offer a cashflow grant of up to £69.2m to the ODA. This would, however, be treated as a separate grant to the ODA Lifetime budget.

11. Cultural Olympiad

A paper setting out recent developments in respect of the Cultural Olympiad had been circulated.

A review was being undertaken of the Cultural Olympiad following Ruth Mackenzie's appointment as Director. Whilst the Review was likely to have a significant impact on the scope and budget for the six Cultural Olympiad projects being funded by the OLD, the projects would remain in being and therefore the OLD grant would not fall away. Overall, the Board felt that the Review would be a positive step forward and it was likely to result in stronger projects with clearer outcomes.

The Board was apprised of options in respect of funding and noted that LOCOG had asked for some cashflow funding to enable pre commissioning work. This was not considered to be a request for new areas of funding, but rather, an acceleration of some funding for the current six projects.

The Board was reminded that in December 2009 it had agreed to allow LOCOG to use up to £675,000 of the grant to meet urgent costs relating to the World Shakespeare Festival and World River. LOCOG was now asking for this £675,000 to be used across all six projects. The Accounting Officer advised that the Board could prudently support this request.

LOCOG had also asked for a wider waiver in terms of the OLD's commitment to funding than had been previously agreed by the Board in December 2009.

The Board discussed. There was some concern that the Board was being asked to fund administration rather than projects themselves and this was not what OLD grant was intended to fund. Ian Brack clarified that LOCOG had indicated the general purposes to which funding would be applied and these appeared satisfactory. However, the OLD was requesting detailed information from LOCOG about what the funds would be used for, which was being provided. The Board was comforted to note that the Cultural Olympiad team in place was used to Arts Lottery funding and grants.

The Board recognised the need for a Review of Cultural Olympiad projects and also that projects needed development. One way forward would be for the Board to support LOCOG's proposals and agree the £675,000 funding. This would be for early commissioning to facilitate the projects in the longer term.

The Board AGREED IN PRINCIPLE to:

i) Maintain the current grant in place and continue working with LOCOG to Complete Grant Agreements

ii) Allow access of up to £675,000 of funding for development of the Cultural Olympiad project.

The Accounting Officer objected to a general waiver of recovery of funds but said he believed that it would not, in fact be necessary. He considered that there was scope for the OLD to be supportive in a more limited way and would discuss the issue of grant recovery in more detail with LOCOG. The Board supported the Accounting Officer's objection to a general waiver.

12. Any Other Business

There were no items of Any Other Business

Date of Next Meeting

Thursday, 18 March 2010