

TRANSPORT FOR LONDON

FINANCE AND POLICY COMMITTEE

SUBJECT: 2012 GAMES GOVERNANCE

DATE: 20 JANUARY 2011

1 PURPOSE AND DECISION REQUIRED

1.1 The purpose of this paper is to inform Members of the structures being adopted to govern the delivery of transport services to support the London 2012 Olympic and Paralympic Games.

2 BACKGROUND

2.1 To date, management of the Games has largely been carried out through three organisations:

- (a) London Organising Committee of the Olympic and Paralympic Games (LOCOG);
a private company set up to gather sponsor funding and to run the Games' operations during "Games Time".
- (b) Olympic Delivery Authority (ODA);
a public sector body, which holds the funding and is responsible for delivering the new infrastructure required for a successful Games. Much of the transport work has been delivered through their transport partners such as TfL, Network Rail and the Highways Agency.
- (c) Government Olympic Executive (GOE);
a Government body that is part of the Department of Culture, Media and Sport (DCMS) providing support to the Olympic Board in overseeing and assuring the Government that proper plans are being established to ensure that the Games will be delivered successfully within the agreed budget and timescale.

Overall oversight, strategic coordination and monitoring of the entire 2012 Games project is undertaken by the Olympic Board. It is also responsible for ensuring a sustainable legacy from the staging of the Games.

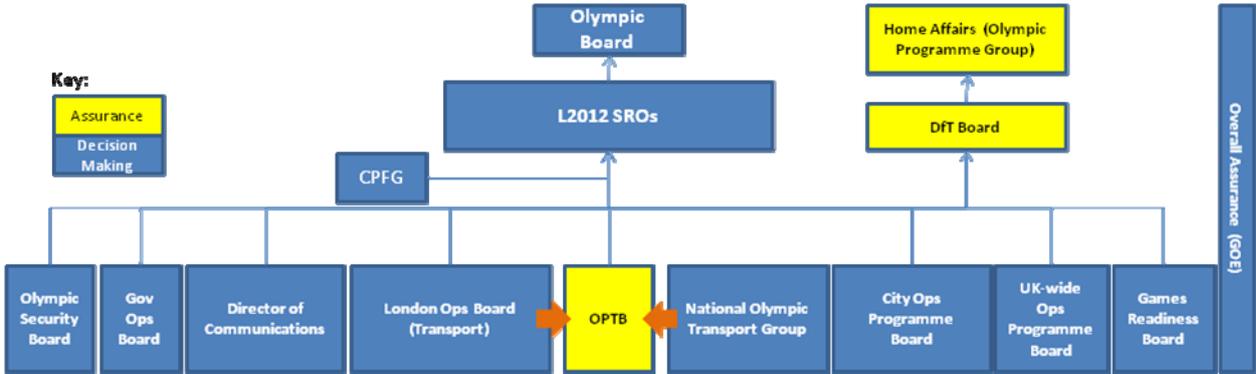
2.2 Previous governance structures were primarily designed to manage and assure construction activity. However, with transport infrastructure for the Games now approximately 70 per cent complete and outstanding elements generally on schedule and budget, focus has shifted towards preparing Games transport readiness and operating transport services. Other areas of Games activity are reaching a similar stage.

2.3 Consequently, the governance structure for Games transport has been reconfigured to ensure a more prominent role for the organisations responsible for delivering cost-effective and integrated transport services. These organisations must cater to the needs of the Games, while also ensuring that London and the rest of the UK keeps moving and working during the Games period.

3 GOVERNANCE AT GOVERNMENT LEVEL

3.1 In order to reflect the change in focus towards operational considerations, the following more streamlined governance structure for Games transport has been implemented from 1 January 2011.

High Level Governance Structure



Olympic Board

3.2 The Olympic Board continues to be the ultimate dispute resolution body. The Government has expanded membership of and attendance at the Olympic Board to include a broader range of political and sporting leaders.

3.3 Olympic Board membership and attendees are detailed in Appendix 1.

London 2012 Senior Responsible Owners Group (L2012 SRO Group)

3.4 Unlike its predecessors, the Olympic Board Steering Group and the Olympic Project Review Group, this contains all key delivery partners and government representatives, including the TfL Commissioner. The full membership of this group is detailed in Appendix 2.

3.5 The L2012 SRO Group will be a forum for issue identification and resolution, not just progress reporting. The key SROs of major programmes will be held to account by this group.

3.6 Financial issues affecting the programme will be assessed and resolved by the Cross Programme Finance Group (CPFG). A transport representative will be invited to attend as and when transport funding is considered. Issues that CPFG are unable to resolve will be escalated to the L2012 SRO Group.

3.7 The role and membership of the CPFG are set out in Appendix 3.

Home Affairs (Olympic Programme Group)

- 3.8 During the Spending Review, it was agreed that the DfT would take over responsibility for Olympic Transport from the GOE. Therefore, the Secretary of State for Transport is required to keep Cabinet abreast of progress and issues in respect of the Games. This requirement is satisfied through a monthly report to the new Cabinet Board, the HA (OPG), which considers the strategic and reputational risks to the Government.

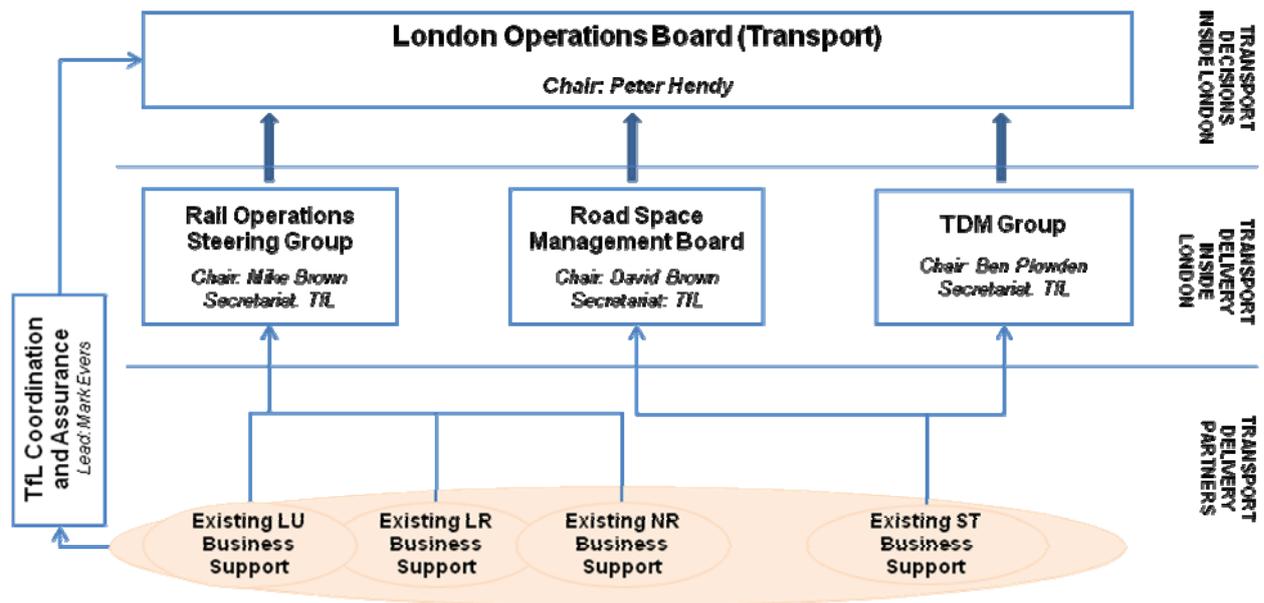
Olympic and Paralympic Transport Board (OPTB)

- 3.9 The DfT has requested that this existing Board, under the independent chairmanship of Christopher Garnett, continues to provide assurance to the DfT that the transport operations programme is fit for purpose, properly integrated, and is being planned, developed and implemented in a timely fashion.
- 3.10 The OPTB seeks to ensure that “Games Time” transport operates smoothly and safely – delivering the Games Family and spectators to their required destination, while enabling London to continue to move and work. It is the senior transport forum where all the transport providers across all modes and organisations are represented.

4 TRANSPORT DELIVERY BOARDS

- 4.1 Bringing together the key delivery organisations responsible for ensuring that transport operates seamlessly throughout the UK during the Games, there are two groups reporting into the L2012 SRO Group and the OPTB:
- (a) London Operations Board (Transport);
chaired by the TfL Commissioner, this group’s objective is to secure common purpose between all transport organisations operating in London to ensure the successful delivery of integrated and safe transport services in the run up to and during the 2012 Games.
 - (b) National Olympic Transport Group;
chaired by Hugh Sumner of the ODA, this group’s objective is to ensure that effective integrated transport is provided for spectators travelling to London for the Games and spectators going to events outside London. This group also supports Games Family transport on road networks outside London.

5 LONDON OPERATIONS BOARD (TRANSPORT)



5.1 TfL, the ODA and LOCOG have agreed five key objectives for the London Operations Board (Transport) [LOB(T)]. These objectives are detailed below:

- (a) To co-ordinate and lead all transport operations in London for the period from the Diamond Jubilee (2-5 June 2012) through the Olympic Games (27 July to 12 August 2012) and the Paralympic Games (30 August to 9 September 2012) to the closure of the Olympic Park (14 September 2012);
- (b) To be an issues resolution group – not a communication forum;
- (c) To lead the operational planning and the delivery of all transport services in London;
- (d) To ensure that there is proper engagement with all relevant stakeholders in London and co-ordination with the transport operations of the Games outside London enabling seamless services; and
- (e) To mitigate or minimise risks to transport in London during 2012.

The Terms of Reference for the Board are contained in Appendix 5.

5.2 It is proposed that four sub-groups, covering all aspects of transport within London, will report to LOB(T). These sub-groups, and the organisations comprising them, will generally be self-assuring. LOB(T), as a decision-making group, will focus on resolving key issues that have the potential to have a major impact on services. Groups reporting to LOB(T) are:

- (a) Rail Operations Steering Group; which will manage all rail issues arising in London during the Games. As well as involving all of TfL's rail modes, National Rail, the ODA and LOCOG will also be represented. This group will be led by the Managing Director, London Underground.

- (b) Road Space Management Board; which will manage all road and pedestrian issues such as the Olympic Route Network, Movement Management regimes that are proposed for Central London, Road Race course design and implementation and the overall management of the Transport Co-ordination Centre. This will be led by the Managing Director, Surface Transport.
- (c) Travel Demand Management (TDM) Group; TDM has been managed by the ODA but, subject to the approval of the ODA Board, it is proposed that it will transfer to TfL. TDM will ensure consistency of messaging and manage the Transport Communication Strategy to all transport users in the lead up to and during games time. Demand management across road and rail modes will be key to ensuring that London can operate at Games' time for all transport users. Subject to the ODA's approval of the transfer, this group will be led by the Director, Better Routes and Places, Surface Transport.
- (d) TfL Coordination and Assurance; which will support LOB(T) by providing secretarial support and coordination. It will also oversee a proportionate level of assurance within TfL based on a controlled self-assurance process and TfL's existing assurance structures. While the other sub-groups and individual delivery organisations will ultimately be responsible for self-assurance, this sub-group will coordinate outward reporting and will assure and monitor progress towards milestones.

6 BUDGET

Infrastructure

- 6.1 Approximately £7bn of transport infrastructure has been or will be delivered in the lead up to the Games. Most of this cost, some £6.5bn, has been funded through TfL's Investment Programme. These projects are vitally important to the Games, but also address pre-existing issues and will provide benefits to London long after 2012.
- 6.2 Another £600m has or will be spent on Olympic specific projects. These projects are required for the Games, but have been enhanced to ensure that there is a legacy benefit. The ODA will contribute £270m towards these projects, the cost of what would have been spent on temporary measures for the Games. Payments are made monthly in arrears, with £142m invoiced to date. TfL is funding the remaining £330m cost of these projects.

Operational costs

- 6.3 Under the new governance arrangements, the ODA will still hold the funding for Games operations. The ODA will reimburse costs on the completion of agreed payment milestones. Reimbursements are paid monthly in arrears.
- 6.4 As many of these milestones are still being defined, a Memorandum of Understanding ("Operating Costs Agreement") has been agreed in principle with the ODA and the Finance and Policy Committee, at its meeting on 9 March 2010, noted the proposed funding arrangements. It specifies a targeted cap of approximately £82m for TfL operational changes associated with the Games.

- 6.5 The Operating Costs Agreement states that the ODA will hold TfL financially harmless for all Olympic and Paralympic related incremental public transport costs. It also states that it is the intention of TfL and the ODA to manage within the cap. The operating cost cap will be amended if there are agreed changes to TfL's responsibilities that expose the organisation to additional expense.
- 6.6 It should be noted that the Operating Costs Agreement is nonbinding, except in respect of ODA's obligation to repay TfL's approved costs.
- 6.7 A detailed summary of infrastructure costs is set out in Appendix 6.

7 RECOMMENDATION

- 7.1 The Committee is asked to NOTE the new governance arrangements for the delivery of transport services to support the London 2012 Games.

8 CONTACT

- 8.1 Contact: Mark Evers, Director TfL Games Transport
Number: 020 7126 3031
Email: MarkEvers@tfl.gov.uk

Olympic Board

Role	Membership and Attendees
<ul style="list-style-type: none"> • Remains the ultimate dispute resolution body • Retains approval rights on substantive scope changes / alterations to Bid commitments • But focused on discussing the political and reputational aspects of the programme – public face of the project • Expanded to include Chair of the BPA – as well as Labour and Lib Dem reps • Attendance by others at Chair’s discretion 	<ul style="list-style-type: none"> • Members <ul style="list-style-type: none"> • DCMS SoS – Jeremy Hunt • Mayor of London – Boris Johnson • LOCOG Chair – Lord Coe • BOA Chair – Lord Moynihan • Attendees: <ul style="list-style-type: none"> • MfSO – Hugh Robertson • Lab Rep – Tessa Jowell • Lib Dem Reps – Don Foster / Sir Menzies Campbell • ODA Chair – John Armit • OPLC Chair – Baroness Ford • BPA Chair – Tim Reddish • MPS Commissioner – Sir Paul Stephenson • LOCOG Deputy Chair – Sir Keith Mills

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Source: Department for Culture Media and Sport, “2012 – Programme Governance”, Oct 2010

London 2012 SROs

Role	Membership
<ul style="list-style-type: none"> • Merged Olympic Board Steering Group and Games Operations Directors Group • Manage project / programme delivery • Focused on issue resolution for Games planning and readiness, including funding issues and contingency requests • Escalates unresolved issues and scope changes to the Olympic Board • Receives monthly project and programme reports from programme boards and CPMG, and calls programme SROs to account. • Responsible for change control to critical view and for approval of readiness plans. 	<ul style="list-style-type: none"> • GOE DG – Jeremy Beeton (Chair) • CPMG – David Goldstone • Govt & UK-Wide Ops – Nicky Roche • Games Readiness – David Brooker • London City – Neale Coleman • London City Ops – Vince Fihosy • LOCOG CE – Paul Deighton • LOCOG Ops – Doug Arnot • ODA CE – Dennis Hone • Security SRO – Charles Farr • Security – Chris Allison or Robert Raine • Transport (London) – Peter Hendy • Transport Govt SRO – Jonathan Sharrock

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Source: Department for Culture Media and Sport, “2012 – Programme Governance”, Oct 2010

Cross Programme Finance Group

Role	Membership
<ul style="list-style-type: none"> • Responsible for taking decisions on financial issues affecting the programme, including making recommendations on the use of contingency funds, including to SoS / HA(OPG) for use of PSFP funds, and to Olympic Board where there are significant scope changes • Issues CPFG are unable to resolve escalated to London 2012 SROs for scope decision and Ministers / HA(OP)G for funding decision • Expect issues to be escalated from either operational programme boards, or LOCOG/ ODA Boards 	<ul style="list-style-type: none"> • GOE FD - David Goldstone • HMT – Helen Bache • HO – Paul Regan • GLA – Martin Clarke • LOCOG FD - Neil Wood • ODA FD – Gerry Murphy • OLD CE - Ian Brack

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Source: Department for Culture Media and Sport, “2012 – Programme Governance”, Oct 2010

Statement of Principles

**PRINCIPLES OF GAMES TRANSPORT AGREED BETWEEN THE OLYMPIC DELIVERY AUTHORITY (ODA),
TRANSPORT FOR LONDON (TfL) AND LOCOG**

1. The London Olympic Games Act 2006 provides the statutory framework to ensure the delivery of the Games obligations including Transport.
2. The Olympic Transport Plan shows how all partners deliver transport and how transport relates to venues. It is a statutory document and is the means by which the Secretary of State for Transport can enforce compliance with the measures needed to deliver the Games. This jointly prepared document will also be the baseline for change control purposes.
3. The Secretary of State for Transport leads for Government on all transport issues related to the successful delivery of the Games. The Government Senior Responsible Officer (SRO) role for Olympic Transport lies in DfT and is responsible for providing assurance to Ministers on reputational and political risks relating to the delivery or perception of transport issues at the Games.
4. The Olympic and Paralympic Transport Board (OPTB) is set up as the lead assurance body that reviews progress against agreed milestones – this meeting is chaired by Christopher Garnett.
5. Co-ordination and leadership of transport operations for the Games across London will be provided by the Transport Commissioner for London, Peter Hendy, exercised through a London Operations Board which he shall Chair and determine the membership. Outside of London, transport operations will be co-ordinated by the most appropriate agencies for this, facilitated by the ODA. The Highways Agency, on behalf of the SoS Transport, will play a key role both inside & outside London.
6. The ODA is accountable for delivering spectators to the Games across the UK. It carries out this work via a series of delivery agreements with TfL, Network Rail, TOCs and private sector companies such as First Group. It also has specific co-ordination functions such as accessibility and testing, as well as local arrangements e.g. the Olympic Park Transport Integration Centre. ODA's role is to integrate, facilitate and co-ordinate spectator transport; others deliver and control.
7. LOCOG is responsible for Games Family Transport including procuring and managing vehicles, driver volunteers and depots.
8. LOCOG is responsible for Venue Operations and Venue Transport and will coordinate "Last Mile" and Local Area Traffic Management planning with TfL and other partners.
9. The ODA has agreed levels of funding and agreed operational parameters with TfL for enhancement to Games Time services for Buses, LUL, DLR and London Rail. TfL have full authority to implement these changes which will be managed by them within their operating businesses.
10. The ODA has statutory responsibility and powers to implement the ORN. TfL will deliver all work related to the ORN in London to an agreed LOCOG brief. ODA will support TfL by utilising its powers where necessary to facilitate the implementation and operation of the

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as at 26 November 2010

ORN. ODA will fund and provide light touch assurance to OPTB on the ORN, paying delivery partners agreed sums as milestones are met. Staff will be co-located and directed by TfL.

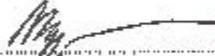
11. TfL has statutory responsibility and powers to manage the Transport for London Road Network (TLRN) and Strategic Road Network in London and will exercise those powers to manage the road network at Games time. TfL will co-ordinate and liaise with Boroughs and other highway authorities, so as to provide overall management of the road network at Games time, in conjunction with the Highways Agency.
12. TfL will lead on overall Road Space Management within the M25 for the Games. TfL will liaise with LOCOG to ensure that plans for delivery of Local Area Traffic Management and Parking Controls (LATMP - temporary Games time measures) around competition venues, major project interfaces and freight issues will fit in with the overall road space management.
13. The ICC will co-ordinate all transport at Games time across the UK and London. It will be funded by the ODA and managed by TfL on their behalf.
14. Surface Transport and Traffic Operations Centre (STTOC) will continue to manage the operational requirements of London's roads.
15. TfL, TOCs and Network Rail retain full operational control of their stations, trains and networks; co-ordinated through TCC. Current gold command and control arrangements remain unchanged at Games Time.

Signed on behalf of
The London Organising Committee of
the Olympic and Paralympic Games Ltd

Signed on behalf of
The Olympic Delivery Authority

Signed on behalf of
Transport for London


Doug Arnot
Director - Games Time Operations


David Higgins
Chief Executive


David Brown
Managing Director, Surface Transport


Paul Deighton
Chief Executive


Hugh Sumner
Director of Transport


Peter Handy
Commissioner

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as at: 29 November 2010

Terms of Reference for London Operations Board (Transport)

Scope

The Board is established to secure a direction of common purpose between all transport organisations to ensure the successful delivery of integrated transport services throughout London in the run up to and during the 2012 Olympic and Paralympic Games.

Objectives

1. To co-ordinate and lead all transport operations in London during 2012 for the period from the Diamond Jubilee (2-5 June), through the Olympic Games (27 July to 12 August) and the Paralympic Games (30 August to 9 September), to the closure of the Park (14 September) and a possible Heroes Parade.
2. To be an issues resolution Board. LOB(T) is not a communication forum. Paperwork will be kept to a minimum.
3. To lead the operational planning and the delivery of all transport services in London to:
 - (a) Deliver all contracted transport services required for the Games and facilitate, where practicable, Games Family transport requirements in London;
 - (b) Ensure spectators are transported in a safe and orderly fashion to the events that are taking place in London;
 - (c) Ensure London keeps working and moving while the Games and cultural events take place and the official Live Sites are in operation;
 - (d) Ensure operational transport co-ordination between the Games, the cultural events and the day to day needs of the city; and
 - (e) Provide oversight and consistency of communications.
4. To ensure that there is proper engagement with all relevant stakeholders in London and co-ordination with the transport operations associated with the Games outside London, enabling seamless services.
5. To mitigate or minimise risks to transport in London during the Games period in 2012.

Membership

Name	Position	Organisation
Peter Hendy (Chair)	Commissioner, Transport for London	TfL
Mike Brown	Managing Director, London Underground and London Rail	TfL
David Brown	Managing Director, Surface Transport	TfL
Vernon Everitt	Managing Director, Marketing and Communications	TfL
Dennis Hone	Chief Executive	ODA
Doug Arnot	Director, Games Operations	LOCOG
Richard George	Director of Transport	LOCOG
Charles Rudgard	Director "Grey Space"	LOCOG
Neale Coleman	Mayor's Adviser - Olympics	GLA
Mike More	Chief Executive, Westminster City Council	City of Westminster
Robin Gisby	Director of Operations & Customer Services	Network Rail
Cmdr. Bob Broadhurst	Commander, Public Order and Pan London Operational Support	Met. Police

Administration

- Secretariat services will be provided by TfL
- Meetings will be monthly or as determined by the Board
- Substitutes will be allowed only by exception

ODA Requested Capital Projects

Mode	Project	Total Budget £k	Actual to 31/3/10 £k	Balance 10/11 - 12/13 £k	TfL Gross Value £k
DLR	3 Car East Route	10,800	4,385	6,415	21,299
	Stratford International DLR Extension	31,500	27,781	3,719	182,517
	Olympics Additional Rail Cars	20,000	16,877	3,123	43,808
	3 Car Poplar-Woolwich	8,544	8,544	0	8,544
	West route signalling	920	143	777	1,450
	West route Resilience	6,366	6,366	0	6,366
	Total DLR	78,130	64,096	14,034	263,984
LOROL	NLR Infrastructure Project	105,623	60,596	45,027	249,251
	NLR Infrastructure Project	1,277	1,277	0	2,968
	Total London Overground	106,900	61,873	45,027	252,219
LU	Stratford Upgrade	32,000	26,077	5,923	32,596
	Total London Underground	32,000	26,077	5,923	32,596
ST	ORN Junctions & Clearways	36,815	655	36,160	36,831
	Transport Coordination Centre (TCC)	5,822	2,618	3,204	5,830
	Olympic Cycle Network	7,840	2,039	5,801	7,865
	Olympic Walking Route	1,471	497	974	1,446
	Games Piers Infrastructure	500		500	1,999
	Total Surface Transport	52,448	5,809	46,639	53,971
	Total Capital Projects Budget	269,478	157,855	111,623	602,770