London 2012 Learning Legacy

Olympic Delivery Authority
Organisation and Governance

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Olympic Delivery Authority
The ODA’s task

Transform

• 200 Hectares of Brownfield land across 4 London Boroughs
• Waterways and rail lines
• 200 buildings, 52 electricity pylons in situ

To

• 14 permanent and temporary sporting venues
• 20km new roads, 13km tunnels, 26 bridges, new utilities infrastructure
• 80 hectares of new parklands
• The Olympic Village

via

• Masterplanning and submission of around 750 planning applications
• Around 70 individual projects
• 300 contracts
Challenge – Olympic Park, April 2006
The Olympic Park nearing completion
Delivery Strategy – the challenges

• An immoveable deadline – 27th July 2012
• Highly visible public profile, potential (global) reputational impact for UK Plc
• Dual objectives of venues “fit for purpose” for both Games and legacy
• Scale & complexity = delivery partner approach
• Multiple clients, often with conflicting objectives & working to different timescales
• Large public investment = transparency & scrutiny
• Decision Making / Empowerment
• Transparency
Organisational Context

- IOC
- LOCOG
- Olympic Delivery Authority
  - CLM Delivery Partner Ltd
    - CH2M Hill
    - Laing O’Rourke
    - Mace

Olympic Board

- BOA
- GLA
- LOCOG
- GOVT
Governance – Top Level

- ODA BOARD
  - ODA EXECUTIVE MANAGEMENT BOARD
    - OVERSIGHT AND APPROVALS
    - APPOINTMENTS
      - SECRETARY OF STATE
      - MINISTER FOR OLYMPICS
        - GOVERNMENT OLYMPIC EXECUTIVE (GOE)
Organisation and Roles

- **GOVERNMENT**
  - STAKEHOLDERS
  - MEDIA

- **ODA**
  - DELIVERY
  - PARTNER

- **CLM**
  - TIER 1s

- **Shared Objectives**
  - Time, Cost, Quality, Priority Themes

- **Roles**
  - Planning
  - Brief
  - Stakeholder Management
  - Assurance
  - Project and Programme Management
  - Integration
  - Project Controls
Approach to Programme and Project Approvals

• Budget for entire programme secured in late 2007

• Programme Baseline Report published (November 2007) - cost, programme, risk and scope aligned

• Individual ‘projects’ all subject to Business Case and government approval before contracts could be committed

• c 70 individual projects

• Contingency held in 3 ‘buckets’ – Project, Programme and Funders, access tightly controlled
Programme Management Environment

Programme Start-Up
- Defining The Programme

Programme Delivery
- Governing the Programme
  - Managing the Programme
  - Managing Benefits

Programme Close
- Closing the Programme

Project Management Environment
- A. Project Start Up
- B. Project Development
- C. Run Project
- D. Close Project

Key:
- Phases
- ODA Approval Steps
- OGC Gateways
3-Step Process: Define, Plan & Gain Approval (PROJECT)
Getting Started: Project Initiation Document (PID)

5 or 6 pages
- Objectives (What)
- Rationale (Why)
- Scope (How)
- Constraints / Dependencies / Risks
- Key Milestones / Deliverables

Funds the “Project Development”
- Concept & Outline Design
- Creation of a Business Case
  - Agreed set of requirements
  - Possible options to deliver
  - Preferred option

No resources can be committed to a project without this authorisation
Determining Options: Strategic Outline Case (SOC)

Requirements
- Elaborates on PID
- Includes Priority Themes
- Achieved External Sign Off

Affordability
- Strategic Options (Preferred Option)
- Mandatory that an Affordable Option is presented (even if scope reduction required)
  - Project Review Task Force

Ensured that project direction aligns with external stakeholder requirements and eliminated unaffordable options
Obtaining Funding Approval: Full Business Case

Requirements
- Strategic Options (Preferred Option)

Must demonstrate Value for Money in order to obtain authority to proceed
# Business Case - what we covered

| "What do I want to achieve"                      | Objectives                          |
| "What is the project about (and what it is not)" | Scope / Exclusions                  |
| "What is the project committed to deliver"      | Requirements                         |
| "What will improve as a result of doing the project" | Benefits                           |
| "How much funding is available to deliver the project requirements" | Budget |
| "What are the steps and how long they will take" | Schedule / Programme                |
| "Who and what is needed to deliver it"          | Resources                            |
| "What might prevent us being successful"        | Risks                                |
| "Who needs to make the decisions about it"      | Approvals / Governance               |
| "Who is affected by us doing it"                | Stakeholders                         |
Component Elements of a Business Case

1. STRATEGIC CASE
   - Project Objectives
   - Benefits
   - Critical Success Factors
   - Requirements
   - Stakeholders

2. OPTIONS CASE
   - Value Categories
   - Fit-for-Purpose
   - Time
   - Sustainability
   - Legacy
   - Health & Safety
   - Security
   - Equalities & Diversity
   - Risk
   - Benefits
   - Cost
   - Whole Life Cost
   - Affordability

3. COMMERCIAL CASE
   - Output Specification
   - Procurement Strategy
   - Contract Mgmt
   - Implementation Timings

4. FINANCIAL CASE
   - Cashflow
   - Budget
   - Funding

5. PROJ. MGMT. CASE
   - Project Governance
   - Project Plan
   - Risk Management
### Assessing Options: Value for Money

Each viable option should be identified and scored objectively for value together with cost.

Value for Money = \( \frac{\text{VALUE}}{\text{COST}} \)

<table>
<thead>
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<th>Value Categories</th>
<th>Option #1</th>
<th>Option #2</th>
<th>Option #3</th>
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<td>7</td>
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<tr>
<td>Time</td>
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<td>Risk</td>
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<tr>
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Obtaining Funding Approval: Olympic Projects Review Group (OPRG)
Programme Management Strategy

• Clearly defined governance, roles & responsibilities

• c70 individual projects – planned, approved and run independently

• BUT – common programme management disciplines and tools applied

• Extensive integration task – time, space, resources, communications

• Delivery Partner empowerment through delegation

• ODA acted as sponsor – DP insulated from outside “interference” and allowed to focus on delivery
• Programme level Boards monitor performance across the whole ODA Programme
Rigorous Programme Monitoring and Control

• Rigorous and disciplined application of PPM process by the Delivery Partner

• Common systems across each project mandated in contracts, allowed roll up of data across the programme

• Comprehensive progress review and reporting processes

• Robust Change Control

• ‘Heavy weight’ ODA and external assurance – “3 Lines of Defence”
Key Learnings – Organisation and Governance

• Planning phase is critical – set a robust baseline with compatible programme targets

• Get the right people with delivery capability on board.

• Pay constant attention to governance and organisation – different structures, processes and people needed at different points of the programme

• Strong Programme management needed – programme priorities override projects

• It’s a team game – relationships between ODA, CLM, government and stakeholders are very important
Thank you