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**Subject:** Report of the Chief Executive  
**Report No:** Public Item 01.6  
**Meeting date:** 16 September 2009  
**Report to:** Board  
**Report of:** Peter Rogers, Chief Executive  
**Key Theme:** Corporate

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**Confidentiality Status:** This document will not be treated as confidential.

## 1. Recommendations

The Board is asked to

1.1. **Note** the contents of this report.

## 2. Summary

- 2.1. This report seeks to update the Board on key deliverables and activities undertaken since my report to the Board on 22 July.
- 2.2. In my previous report, I highlighted the issues related to the Olympic legacy programme control and financial management and the investigation initiated to establish the facts regarding the additional budget commitments identified. KPMG have now completed their investigation and a report is presented to this Board under a separate agenda item where this issue will be discussed in greater detail. It should be noted that staff related matters are still ongoing in accordance with legal and procedural obligations which prevent discussions on these issues until that process is completed.
- 2.3. Given the importance of this matter to the Agency's investment planning for 2009/10 and beyond, much activity has focused on the investigation, addressing lessons learnt and reviewing options to minimise the impact of the additional budget commitments on planned programmes and projects. A revised budget for 2009/10 is also presented to this Board for a detailed discussion on this and our investment strategy for 2010/11 to 2013/14.
- 2.4. This issue remains a priority for the Agency and every effort is being taken to address the impact and implications arising as a matter of urgency. The Agency has also focused its attention on transfer arrangements for the Olympic Park Legacy Company. The vendor due diligence and legal due diligence of the Olympic Legacy Directorate conducted by KPMG and DLA Piper respectively have also concluded.

### **3. Key Deliverables**

3.1. Notwithstanding these developments, the Agency continues to focus on its new strategic direction, making the LDA fit for purpose and to continue delivering for London and Londoners. Key deliverables reported since the last Board meeting include:

3.1.1. An economic benefit to London of over £4.5m which represents an overall return on investment (ROI) of almost 9:1 on the UK element of the Only in London (OIL) May/June campaign conducted by Visit London. This is a huge success in the current economic climate and it is important to recognise the contribution of the Boroughs of Camden, Kensington and Chelsea, Westminster and the City of London to this significant achievement and boost to the London economy.

The UK OIL campaign generated an ROI of 11:1 on the LDA's funding of £409k and compares favourably to the UK Economic Recovery Action Plan (ERAP) campaign conducted in December 2008 to March 2009 which generated an ROI of 12:1 on the LDA's funding of £150k. The slightly lower ROI for the OIL campaign may be attributed to the fact that this campaign also targeted Londoners who have a lower spend per visit than UK domestic visitors. The full results for the OIL campaign will incorporate expenditure from overseas visitors and this is likely to generate a higher ROI for the campaign as a whole, as overseas visitors have a higher spend per visit than UK visitors and Londoners.

3.1.2. Launched London's Tourism Action Plan 2009-13 which sets out the priorities and actions that will ensure that London is well placed to take full advantage of the 2012 Olympic and Paralympic Games and strengthen its position as a leading global visitor destination.

3.1.3. Revised the programme of activities associated with the Legacy Masterplanning Framework to accommodate a review by the recently appointed Chair and Chief Executive of the Olympic Legacy Park Company (OPLC).

3.1.4. Began the procurement of a London Skills and Employment Observatory provider, one of the priorities identified by the London Skills and Employment Board (LSEB) to improve and coordinate labour market information.

3.1.5. In Q1 2009/10, we have achieved a total of 1500 outputs in terms of the number of young people involved in decision making activities and a total of 209 young people have undertaken skills training as part of the Mayor's Youth Offer borough projects.

- 3.1.6. Since the Manufacturing Advisory Service has gone live in June 2009, all staff including advisors are now fully trained. Take up is gaining momentum and 12 businesses have since progressed to high level support.

#### **4. Key Activities**

- 4.1. Internal and external activities focused on dealing with issues arising from the additional Olympic land commitments, the KPMG investigation, transfer arrangements for the Olympic Park Legacy Company, reviewing the Agency's budget for 2009/10 and investment planning for 2010/11 to 2013/14.

##### **Internal**

- 4.2. Initiated a review of the Agency's improvement programme to become more focussed on improving strategic leadership; reducing bureaucracy and improving processes; and increasing empowerment and accountability.
- 4.3. Conducted a Directors' briefing session on the LDA's investment strategy and investment principles.
- 4.4. We delivered a series of staff briefings on a number of key issues and activities including:
  - 4.4.1. Rising to the Challenge – The Mayor's proposals for a new Economic Development Strategy (EDS)
  - 4.4.2. LDA Vision and Values – Building an even greater London
  - 4.4.3. Partnership Development – The role of the Partnership Development team in engagement with Boroughs and the Third Sector
  - 4.4.4. LDA Stakeholder Research Findings
  - 4.4.5. The LDA/Homes and Communities London Brownfield Sites Database

##### **External**

- 4.5. On 22 July, Peter Bishop attended the Mayor's People Question Time in Croydon as a panel member.
- 4.6. On 3 August, Peter Bishop and I met with a major developer to further discuss proposals for the Green Enterprise Zone and the East London Science Park.
- 4.7. On 4 August, I met with the New West End Company to discuss business prospects in the West End.
- 4.8. Neale Coleman and I met with CLG on transfer arrangements for the Olympic Park Legacy Company on 6 August.
- 4.9. The Chair and I had our regular meetings with the Mayor on 6 August and 8 September which discussed Olympic legacy issues and other key priorities.
- 4.10. I met with Sir Simon Milton on 7 August to discuss Barrier Park East and other key issues.

- 4.11. Fortnightly meetings with the Mayor's Economic Policy Advisor continue to be held on Mayoral priorities.
- 4.12. I held an introductory meeting with Andrew Altman, the recently appointed Chief Executive of the Olympic Park Legacy Company on 19 August.

### **Upcoming Key Activities**

- 4.13. GLA launch of consultation on the London Plan, Economic Development Strategy and Transport Plan – 11 September
- 4.14. The Chair and I will be appearing before the London Assembly Economic Development, Culture, Sport and Tourism Committee scrutiny session on Olympic land budget and Skills for the Unemployed – 15 September.
- 4.15. Olympic Board meeting on 17 September.
- 4.16. The Agency's strategic review with our sponsor department Business Innovations and Skills (BIS) will be held on 18 September.
- 4.17. The first of three free "Fit for Purpose" Business seminars for SMEs as part of the Keep London Working campaign with the Mayor's Economic Recovery Action plan (ERAP) – 22 September
- 4.18. Andrew Travers and I will appear before the London Assembly Budget and Performance Committee to discuss the LDA budget and the impact of the Mayor's budget guidance – 13 October

## **5. New and Emerging Risks**

- 5.1. Potential change in national government following general elections may result in the abolition or the significant change in the remit of RDAs.

## **6. Reputational Matters**

- 6.1. The additional liabilities identified within Olympic Land budget have had a major impact on the LDA's reputation and will continue to do so until the matter has been resolved. The Agency is making every effort to resolve this issue speedily and in a transparent and open manner. It should be noted that this issue has its genesis under the previous administration and is a further demonstration of the shortcomings identified in the Agency's governance, systems and processes by the Mayor's Forensic Audit Panel report and the Agency's own reviews. These issues are being tackled in a systematic manner under the Agency's improvement programme and lessons learnt from this episode are informing this process.
- 6.2. The Agency and the other RDAs have had to cope with a significant increase in number of Freedom of Information (FOI) and Parliamentary Enquiries in light of the media interest in bonus payments and expenses. In

order to satisfy the public interest in this area, the Agency has since reviewed the categorisation of its expense codes to enable a more detailed breakdown of expenses to be recorded ensuring greater transparency and openness in the use of public funds. The Agency has also abolished the use of company credit cards.

- 6.3. It is important to note that in its drive for greater efficiencies and value for money, the LDA has registered a decrease of circa £31k in expenses paid in 2008/09 compared to 2007/08. This will continue to be an area of regular review.
- 6.4. The LDA has a strong desire to be successful and leading edge in stakeholder relationship management and as reported previously research studies were conducted to help the Agency gain a deeper understanding of its relationship with different stakeholder groups and its performance in meeting those stakeholder needs. The findings from the research conducted have now been discussed with staff and action planning is underway in response to the findings.
- 6.5. A significant development has been the completion of the review of the Agency's vision and values which have now been developed with contributions from a wide cross section of staff. Work is continuing apace to embed these values which will contribute significantly to enhancing the LDA's reputation and engagement with our key stakeholders.
- 6.6. The Agency continues to provide training to staff on "Making Reputation Count" which will enable the full implementation of the Agency's Communications and Stakeholder Engagement Strategy.
- 6.7. Key media announcements were made in the following areas:
  - Free online and face to face business seminars for SMEs to be held in September/October/November and conducted by Ernst & Young, KPMG and PricewaterhouseCoopers as part of the Keeping London Working campaign within the Mayor's Economic Recovery Action Plan (ERAP). This is further support to London's SMEs during these difficult economic circumstances.
  - Announcement of £9.5m carbon busting plan for London's homes which will give Londoners an unprecedented opportunity to cut their bills and make their homes more energy efficient. This is a joint initiative between the Mayor, the LDA, London Councils and London's 33 boroughs.
  - Mayoral announcement of a £4m fund to boost London's low carbon economy, create jobs and tackle climate change.

- Publication of an LDA study “SEVEN: Housing Intensification in seven South London town centres” which was developed in cooperation with planners in south London boroughs and aims to inform the debate on the future shape of London’s housing growth.
- Award of £500k from the Agency’s 2012 Cultural Skills Fund to twelve cultural and community based organisations to develop the creative skills of Londoners and increase their employment opportunities.
- Launch of the Vision for High Street 2012 for the regeneration of the A11/118 from Aldgate in Tower Hamlets to Stratford in Newham, with improvements to the public realm.
- Launch of the London Tourism Action Plan 2009-13 to maximise opportunities from the 2012 Games and to ensure that London remains a leading global visitor destination.
- Announcement of the roll out of the Personal Best programme in Hillingdon and Redbridge, a ground breaking training programme linked to 2012 Games and which offers young people a stepping stone into work.
- Mayoral announcement of the LDA programme “Play Sport London” providing free coaching to increase sports participation in the run up to the 2012 Games with the support of Sport England.
- Announcement of the unveiling by the Legacy Now Youth Panel of the seven pillars of legacy with their Olympic legacy manifesto after 10 months of work as part of the LDA’s Youth Engagement Programme
- Mayoral announcement on £12m programme to boost affordable childcare and help unemployed parents back into work.

6.8. Media enquiries focused on the Olympics land budget, Olympic legacy, Climate Change budget, the Crystal Palace public enquiry, Board and Staff expenses and Business support.

## **7. Financial implications**

7.1. There are no direct financial implications arising from this report.

## **7.2. Comments of the Director of Corporate Finance**

7.3. None additional to the report.

**8. Comments of the Director of Law & Governance**

9. There are no immediate legal implications arising from the contents of this report.

**10. Appendices**

- None

**11. Background documents**

- None

# Report approval checklist

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Committees and Advisory Groups.  
Please click on the relevant box to select it.**

	<b>Yes</b>	<b>No</b>
Approved by Director of Finance and Performance or nominee: Caroline Mikardo, Director of Finance & Performance	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Approved by Director of Law and Governance or nominee: Mark McConochie, Head of Public and Corporate Law	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Approved by Group Director Peter Rogers, Chief Executive	<input checked="" type="checkbox"/>	<input type="checkbox"/>