

Subject: Olympics Budget Shortfall

Report Number: 6

Report to: Economic Development, Culture, Sport and Tourism Committee

Date: 7 July 2009

Report of: Executive Director of Secretariat

1. Recommendation

That the Committee notes the report as background to hearing from and putting questions to Sir Peter Rogers, Chief Executive of the London Development Agency (LDA), concerning recent media reports about a shortfall of £60 million to £100 million in the LDA Olympic budget.

2. Background

2.1 During June 2009 a number of newspapers¹ reported that an LDA internal review found that its Olympic budget was missing funding commitments of between £60 million and £100 million. The LDA have commissioned KPMG to carry out a forensic audit of the Olympic directorate and investigate how the shortfall arose.

3. Issues for Consideration

3.1 The KPMG forensic audit is still in progress and there are currently no publicly available documents from the LDA on the reported additional spending commitments.

4. Strategy Implications

4.1 This report may be relevant to the Mayor's Economic Development Strategy.

5. Legal Implications

5.1 The Committee has the power to do what is recommended in this report.

6. Financial Implications

6.1 There are no direct GLA financial implications arising from this report.

Background Papers: None

Contact: William Roberts, Budget and Performance Adviser; Tel:020 7983 4958;

¹ Guardian - 'LDA faces £60m Olympic budget shortfall' <http://www.guardian.co.uk/uk/2009/jun/14/lda-olympic-budget-shortfall>; Times - 'Fraud inquiry into £100m hole in London Development Agency's Olympic accounts' <http://www.timesonline.co.uk/tol/news/uk/article6565350.ece>; Financial Times - 'Audit finds Olympic budget shortfall' <http://www.ft.com/cms/s/0/55fe3506-60c6-11de-aa12-00144feabdc0.html>

Email: william.roberts@london.gov.uk