

A clear run to employment...

A Review of Skills, Employment and Business Capacity
(Towards social and economic sustainability)



Executive Summary

An Olympic ambition

London's bid for the 2012 Olympic and Paralympic Games was founded on an ambition to stimulate vital economic and social regeneration in East and South East London where the Games were to be staged. This was a vision that inspired the Mayor of London, the Leaders and Mayors of the boroughs, the local communities themselves and even the Prime Minister. A central part of this ambition was to increase job and business opportunities and skills development for the communities in the area. Indeed, the aim was to make a major contribution to decreasing worklessness and child poverty in one of the most disadvantaged parts of the country.

The Commission's role

The Commission for a Sustainable London 2012 ("the Commission") was established in 2007 to progressively examine the many sustainability commitments made to the International Olympic Committee, to report on progress, and to act as a critical friend to ensure all those involved in the Games were on track to fulfil these promises. In the Governance Review in November 2007, the Commission decided that the employment and skills commitments of the Games were so important that an early look at progress was called for. This report is the output of our first review of the social and economic sustainability of the Games and Legacy.

Praise and concerns

The Commission has observed a great deal of progress in the development of programmes to enable people to obtain jobs on the Olympic Park, to gain additional training or to gain other skills. Many of these individuals have been previously unemployed and many are residents of the five Host Boroughs (Greenwich, Hackney, Newham, Tower Hamlets, and Waltham Forest). The September 2008 workforce data provided by the Olympic Delivery Authority shows that out of a total contractor workforce of 2,701 people, 24% were residents from the five Host Boroughs and 9% were previously unemployed people.

The challenges of such a complex programme have been tackled head-on. New relationships have been forged between various government agencies, voluntary sector groups, and the Olympic delivery bodies themselves. There has been an enthusiastic and determined commitment by all involved and at all levels to ensure that this once in a lifetime opportunity is not squandered. This is admirable.

In any project of this complexity, one would expect concerns to emerge. With an Olympic project with tight budgets, high political expectations and an immovable deadline, this comes as no surprise. In conducting this review, the Commission has taken care to test findings with those closest to the issues to ensure that initial observations are adequately verified. In the main, we have reflected what has been said to us by those directly involved. In this, we have found a reasonable level of accord as to what needs to be done better or differently.

Findings and opportunities

Our recommendations are listed next in this report and the detail of our observations follows in the body of the report. Our main findings are:

We think it is time for LOCOG to develop fully their plans and programmes around Games-time paid staff and Games-time volunteers. We think that the many enthusiastic people who signed up as Olympic volunteers during or just after the bid are a source of talent that should be used in some way now – in their local communities if Olympic activities are not ready yet.

We have seen a high level of commitment from the Olympic Delivery Authority and its contractors to get local people into jobs on the Olympic Park site. An excellent system has been set up with the local jobs brokerages, some of which have had years of experience in doing this. The system has not been fully tested yet, as the numbers coming through have been relatively small to date. We strongly recommend that a fully on-line recruitment management package be utilised and a business continuity plan be put in place.

A commitment was made early on for 4,000 apprenticeships to be established by 2012. The Olympic Delivery Authority have committed to 2,000 trainee apprenticeships and work placements. We would like to see clear evidence about how, when and by whom the remaining will come from.

The plans and programmes for the delivery of the Games employment and skills commitments were made in good times. We commend the work of the London Employment and Skills Taskforce for 2012 (LEST) Action Plan Implementation Group and the Host Borough Partnership Board and recognise the importance of the upfront funding by the London Development Agency. However, we think the time is right to take another look at these plans and programmes to see how realistic they are and whether anything needs to be done differently in the challenging economic times ahead.

We have tried to see how the complex web of programmes and organisations might look like to a consumer looking for work or training. We feel that there is more to be done here in providing ordinary people an easy route into the Olympic opportunities – particularly around a single point of access via the internet or a single phone number. The concept of no closed doors should apply.

A sustainable job

Finally, the Commissioners have reflected on what is a ‘sustainable job’? It’s an obvious question to ask for a Commission focussed purely and simply on sustainability in its broadest sense. We have come up with a definition that we hope will be helpful but which also will challenge our thinking.

A sustainable job is one that improves an individual's life chances and benefits the community – environmentally, socially, and economically.

Recommendations

The Commission's main recommendations on skills and employment:

1. That LOCOG develop a strategy to provide employment opportunities for residents in the five Host Boroughs building on the experience of the ODA, making use where appropriate of existing resources and processes (para.14.6).
2. That LOCOG develop a broad pre-Games volunteering engagement programme to capture the enthusiasm of those already having registered expressions of interest as Games-time volunteers linking to adult education opportunities to enable them to gain relevant skills. This should be done as soon as possible in order to provide volunteering opportunities through the Cultural Olympiad, Olympic test events, other sporting competitions and sponsor events (para.14.8).
3. That the Joint Coordination Team (JCT) should put in place a fully online recruitment system that is able to track individual applicants and be scalable for future requirements (para.24.7).
4. That the JCT develop a business continuity plan with clear trigger mechanisms to ensure that the system is enabled to manage significantly higher levels of vacancies and continue to operate in the event of disruption (para.24.7).
5. That as part of the roll-out of the London 2012 *Jobs Skills Futures* brand and the official launch of Relay London Jobs, a single point of entry be developed in terms of a single phone number and a web portal to ensure no-one is restricted in accessing the employment and skills opportunities of London 2012 (para.29.5).

The Commission's other recommendations on skills and employment:

6. That the Five Borough Partnership Board initiate a review of the Local Employment and Training Framework to be prepared concurrently with the review of the LEST Action Plan under Recommendation 7 and to include a review of the underlying assumptions (para.24.8).
7. That the LEST Action Plan Implementation Group initiate a review of the LEST Action Plan in the light of the changed economic situation and the establishment of the London Skills and Employment Board. Such a review should be undertaken concurrently with the review of the Local Employment and Training Framework under Recommendation 6 and should include a review of the underlying assumptions (para. 27.5).
8. That the LEST Action Plan Implementation Group incorporate a broader definition of a 'sustainable job' into future reviews of LEST and other programmes (para.26.4).
9. That the London 2012 Sustainability Group incorporate a broader definition of a 'sustainable job' into future updates of the London 2012 Sustainability Plan (para.26.4).

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10. That the LEST Action Plan Implementation Group and the London Skills and Employment Board ensure that the Olympic programme transition arrangements for the Learning and Skills Council are fully incorporated into the plans and programmes of all relevant partners and that any funding gaps are adequately addressed (para.28.4).
 11. That the LDA and other relevant organisations confirm their support and future funding of the LEST Action Plan to the end of 2012 and beyond (para.18.3).
 12. That the ODA and partners establish an open single regular briefing session for stakeholders based on reporting of a standard suite of key indicators and an explanation of progress made and challenges ahead with a single online portal for relevant information (para.9.5).
 13. That the ODA and LOCOG clarify their own commitment to apprenticeships given the LEST target of 4,000 apprenticeships and provide an outline programme of how these opportunities are going to be delivered up to 2012 (para.9.7).
 14. That the LDA, ODA, and LOCOG ensure that all tenders are placed on the CompeteFor on-line system and that clear regular reporting of winning contractors is posted on the system (para.19.8).

Introduction

1. Aim of the review

- 1.1 The Commission published its first governance review in November 2007¹. This includes a programme of thematic reviews that we will carry out as part of our assurance of the Games. One of these scheduled reviews was to assure the social and economic sustainability for the Games. This review is primarily focussed on skills and employment. Other aspects of social and economic sustainability will be addressed through future reviews. This focussed review of skills and employment was conducted with the following aims:
- To address feedback from informed stakeholders that the need to ensure the robustness and scalability of the programme will be critical as procurement activity increases closer to Games-time;
 - To assess activity of key stakeholders to present opportunities to local employees and small businesses (in conjunction with procurement and commercial partnerships review); and
 - To evaluate the capacity of support for potential employees and suppliers to the programme.
- 1.2 It is important to make the distinction between an assurance review and on-going monitoring and evaluation. The Assurance Framework for the Commission for a Sustainable London 2012 (February 2007) outlines the process for annual and on-going assurance of the London 2012 programme. The key purpose is to provide the Olympic Board (who 'own' the sustainability commitments made to the IOC in the bid) and external stakeholders with reports on progress and performance of the Games' programme in achieving the established sustainability objectives. Consequently, the focus of the assurance process is on these objectives rather than evaluating individual project outcomes. Individual assurance reports thus have to report on findings related to progress, areas of good practice, a red-amber-green status in terms of the sustainability objectives, and finally provide recommendations to enhance the successful realisation of the sustainability objectives. Fundamentally, it is not an ex-post process (after the event) but a process of continuous two-way communication designed to promote the successful delivery of the overall sustainability objectives of the Games.

2. Commitment to achieving sustainable development through skills, employment and business capacity

- 2.1 The original commitment to an economic and social legacy is clearly enunciated in the London 2012 Candidature File (2005). The overall ambition is that 'the Games will stimulate vital economic and social regeneration in what is now a disadvantaged area' (Introduction, p.11). Under the heading of 'benefiting the community through regeneration', the commitments are further spelt out. Firstly, the Olympic Park will become 'a model of social inclusion, opening up opportunities for education, cultural and skills development and jobs for people across the UK and London, but especially in the Lea Valley and surrounding areas' (Theme 1, p.19). In addition, it will 'provide local people with significant improvements in health and well-being, education, skills and training, job opportunities, cultural entitlements, housing, social integration and the environment' (Theme 1, p.23). Finally, the 'biggest economic legacy from the Games will be the creation of wider employment opportunities and improvements in the education, skills and knowledge of

¹ http://www.cslondon.org/documents/2007_Governance_Review.pdf

the local labour force in an area of very high unemployment' (Theme 1, p.25). At the time it was predicted that 7,000 FTE jobs in the construction sector would be required and that 12,000 new jobs could be created as a result of the legacy development in the area.

- 2.2 LEST first met in January 2006 and its subsequent Action Plan provides a blueprint for how London can use the opportunity of the 2012 Olympic Games and Paralympic Games to reduce the level of worklessness in the city. The *LEST Action Plan*² made a commitment to a reduction of 70,000 in the number of people out of work in London by 2012, 'as a result of the energy, effort and new ways of working in the public and private sectors that are called for in this report' (p.2). The plan stated that this would represent an important step toward the 270,000 reduction in worklessness that would be necessary to bring London's employment rate in line with the rest of England and Wales. This London-wide objective was supported by a focussed sub-objective of reducing worklessness in the five Host Boroughs by 20,000 by 2012 (p.18). Importantly, the following qualification was made: 'the total expected reduction in worklessness of 70,000 is not additional to the Government target but will support the achievement of this target' (p.19).

² <http://www.lda.gov.uk/server/show/ConWebDoc.1646>

London 2012 Commitments to Social and Economic Sustainability

Candidature File – broad social and economic regeneration

- ‘The Games will stimulate vital economic and social regeneration in what is now a disadvantaged area’ (Introduction, p.11).
- The Olympic Park will become ‘a model of social inclusion, opening up opportunities for education, cultural and skills development and jobs for people across the UK and London, but especially in the Lea Valley and surrounding areas’ (Theme 1, p.19).
- It will ‘provide local people with significant improvements in health and well-being, education, skills and training, job opportunities, cultural entitlements, housing, social integration and the environment’ (Theme 1, p.23).

Candidature File – employment and skills

- The ‘biggest economic legacy from the Games will be the creation of wider employment opportunities and improvements in the education, skills and knowledge of the local labour force in an area of very high unemployment’ (Theme 1, p.25).
- 7,000 FTE new jobs in the construction sector and 12,000 new jobs from legacy developments.

Towards a One Planet Olympics – London 2012, BioRegional, WWF

- Opportunities for local employment and education (p.4).
- Green business hub (p.4).

London Employment and Skills Taskforce for 2012

- A reduction by 70,000 in the number of people out of work in London by 2012, ‘as a result of the energy, effort and new ways of working in the public and private sectors that are called for in this report’.
- This to represent an important step toward the 270,000 reduction in worklessness that would be necessary to bring London’s employment rate in line with the rest of England and Wales.
- Within the London-wide objective a focussed sub-objective of reducing worklessness in the five Host Boroughs by 20,000 by 2012.
- The total expected reduction in worklessness of 70,000 is not additional to the Government target but will support the achievement of this target.

London 2012 Sustainability Plan – Inclusion Theme

- To demonstrate the UK is a creative, inclusive and welcoming place to live in, visit and for business.
- A jobs brokerage service.
- To effect a permanent reduction in the level of worklessness in London and especially in the Lower Lea Valley.
- ODA support for the London Living Wage.

Commitments to Equalities and Diversity

- London 2012 Diversity Statement.
- ODA Equality and Diversity Strategy, race, gender and disability statutory equality schemes.
- LOCOG Diversity and Inclusion Strategy.

Mayor of London’s Five Legacy Commitments

- Ensuring Londoners benefit from new jobs, business and volunteering opportunities.
- Job brokerage, volunteering opportunities, and business support.
- LDA’s £11 million Opportunities Fund will benefit over 14,000 individuals and 1,500 businesses in London.

HM Government – Before During and After the Games

- To Assist 20,000 workless Londoners from the five Host Boroughs to gain permanent employment by 2012.
- To create 12,000 job opportunities post-Games in and around the area of Olympic Park.

ODA Employment and Skills Strategy

- Olympic Park construction workforce to comprise at least 10%–15% of people from the five Host Boroughs.
- Get 2,000 people into trainee apprenticeships and work placements at Olympic Park and other ODA construction sites.
- Olympic Park construction workforce to comprise at least 7% of previously unemployed people.

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- 2.3 LEST has also been working within the context of two other emerging initiatives, whose objectives are related to its own. The first of these arose out of an agreement in September 2005 to fund a package of measures aimed at supporting people and businesses in the five Host Boroughs to ensure that they benefited from the opportunities offered by the Games. This package of measures has been brought together under a Local Employment and Training Framework (LETF) benefiting from LDA funding of nearly £10 million over three years. The second is the emergence of two City Strategy Pathfinder (CSP) pilots in east/south east London and west London. There is a clear linkage between the employment and skills objectives of LEST and the LETF and the broader objectives of CSP around getting families out of poverty through enhanced pathways to work.
- 2.4 The *London 2012 Sustainability Plan*, published in November 2007, sets out how London placed sustainability at the heart of its bid for the 2012 Games and confirms that this remains central to the vision for 2012. This plan builds on the Sustainability Policy formally agreed by the Olympic Board in June 2006. It expanded on the commitments set out in 'Towards a One Planet Olympics' developed by London 2012, WWF and BioRegional during the bid. The policy set out, amongst other objectives, the ambition 'to demonstrate the UK is a creative, inclusive and welcoming place to live in, visit and for business'. The plan has a programme-wide commitment to sustainability across all venues and Games-related activities. The commitments around skills, employment and business capacity are contained in the inclusion theme of the *London 2012 Sustainability Plan*, specifically the jobs brokerage service, the LEST 'to effect a permanent reduction in the level of worklessness in London and especially in the Lower Lea Valley' (p.44), and ODA support for the London Living Wage.
- 2.5 The Olympic Charter and Paralympic Constitution strongly oppose any form of discrimination. They seek to create a way of life which respects individuals, values their effort and recognises their inherent dignity. London's bid was founded on a celebration of the diversity of London's and the UK's population. London 2012 and the London 2012 Key Stakeholders are committed to ensuring that everyone can participate in, and benefit from, the Games and their legacy. The overall commitment to equality and diversity is contained in the inclusion theme of the *London 2012 Sustainability Plan*. The plan provides details of how the Games will provide equality of opportunities to a wide range of disadvantaged groups. This particularly applies to people who are not currently as fully engaged as they might be in economic, sporting, social and cultural life: women, people from Black, Asian and minority ethnic (BAME) groups, older people, disabled people, lesbian, gay, bisexual and transgendered (LGBT) people, and people from different faith communities. The area around the Olympic Park is one of the UK's most diverse but also one of its most deprived: 42% of the population of the boroughs bordering the site are from Black and minority ethnic groups and less than 70% of the working age population in these boroughs are in employment. In October 2007, the ODA published its *Equalities and Diversity Strategy*, which sets out its overall commitments to equality and diversity around inclusive design, employment and business opportunities, targeted community engagement and integration. This strategy followed a Corporate Commitment Statement on Equalities by the ODA Board (signed by the Chair) on 25 September 2007. During 2007, the ODA's three statutory equalities schemes

(on race, gender, and disability) were also published. In February 2008, LOCOG published its *Diversity and Inclusion Strategy*. This outlines how the planning, preparation and staging of the Games will embrace difference and welcome all individuals irrespective of their race or ethnic origin, gender, disability, faith or belief, sexual orientation or age. Finally, London 2012 and the London 2012 Key Stakeholders have jointly agreed a *London 2012 Diversity Statement*, setting out their shared approach and specifically that the employment, training and business opportunities arising from London 2012 are shared by all the diverse communities living in east London. Appendix 3 to this review details the status of recommendations from the Commission's 2007 Governance Review relating, amongst other issues, to equalities and diversity.

- 2.6 In March 2006, the Olympic Board approved the Olympic and Paralympic Games Programme Objectives. These catalogued the strategic objectives and the sub-objectives of the delivery bodies, the Government, the Mayor of London and the British Olympic Association regarding the totality of the Games delivery and legacy. Strategic objective three was shared between the Government and the Mayor: 'to maximise the economic, social, health and environmental benefits of the Games for the UK, particularly through regeneration and sustainable development in East London'. The details of these legacy programmes were published in two legacy action plans in 2008.
- 2.7 The Mayor of London's Legacy action plan is entitled *Five Legacy Commitments*³. Commitment Two is 'ensuring Londoners benefit from new jobs, business and volunteering opportunities'. This reiterates the commitments to job brokerage, volunteering opportunities, and business support. In addition, it states that the LDA's £11 million Opportunities Fund will benefit over 14,000 individuals and 1,500 businesses in London.
- 2.8 The Government's legacy action plan is entitled *Before, During and After: Making the Most of the London 2012 Games*⁴. This is organised around five legacy promises and has a nationwide remit. Promise Two is to 'transform the heart of East London'. This reiterates the commitments to assisting 20,000 workless Londoners from the five Host Boroughs to gain permanent employment by 2012. In addition, it promises to create 12,000 job opportunities post-Games in and around the area of the Olympic Park. Promise Five is to 'demonstrate the UK is a creative, inclusive and welcoming place to live in, visit and for business'. Within this promise are broader commitments to improving business and improving jobs and skills across the UK. These commitments are jointly shared between the Department for Work and Pensions and the Department for Innovation, Universities and Skills.
- 2.9 In February 2008, the ODA published its *Employment and Skills Strategy*⁵. This document outlines how it will create new jobs, increase sustainable skills among local people and improve links between employers. It includes support for jobs brokerage services run in partnership with

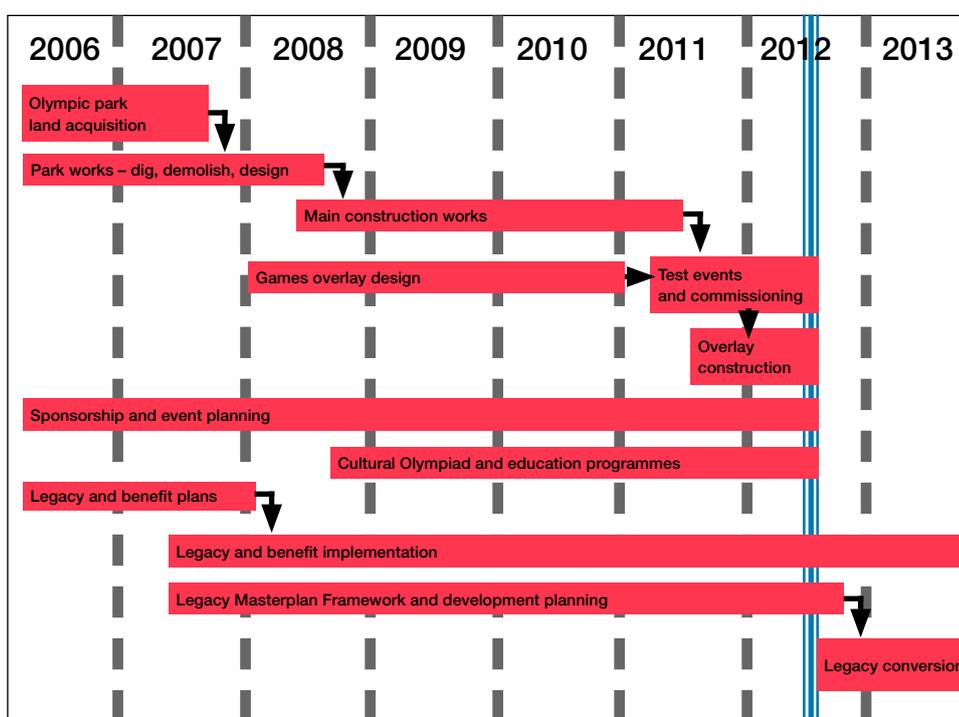
³ <http://www.london.gov.uk/mayor/olympics/docs/5-legacy-commitments.pdf>

⁴ <http://www.culture.gov.uk/images/publications/2012LegacyActionPlan.pdf>

⁵ <http://www.london2012.com/documents/oda-publications/employment-and-skills-strategy-feb-08-low-res.pdf>

Jobcentre Plus (JCP) that will match candidates in the five Host Boroughs (Greenwich, Hackney, Newham, Tower Hamlets, and Waltham Forest) and elsewhere in the UK with Olympic Park job opportunities. The strategy commits the ODA to working with contractors on the Olympic Park to identify job opportunities that JCP and the employment brokerage services in the five Host Boroughs will make available to local people. Opportunities will also be advertised through the UK-wide JCP network. Also, there is a commitment in the strategy that the ODA will ensure that information regarding the LSC's Train to Gain service, which provides independent advice on training to businesses, is passed on to contractors at start-up meetings.

3. Timeline⁶



3.1 London 2012 and their Key Stakeholders have been working closely and intensely together since the beginning of 2006. The diagram above shows the programme from the commencement of land acquisition to the legacy conversion. Stakeholders are at different stages of the project cycle. The ODA is now at the start of the main phase of construction, after two and a half years of 'dig, demolish, and design' work. LOCOG is developing its operational plans for the Games and working with the ODA on venue design and overlay. Post the Beijing Games, LOCOG are now entering into a more intense phase of event planning and sponsor engagement.

⁶ From "Towards a One Planet 2012" the London 2012 Sustainability Plan (2007).

3.2 The LDA executed a successful land acquisition and compulsory purchase programme from early 2006 to mid-2007. During this time and continuing to post-Games legacy, the LDA, on behalf of the Mayor of London, is active in its Olympic Opportunities Programme, which has a major focus on the skills, employment and business opportunities and legacy for London. The Government, through the Government Olympic Executive, is also active in the wider social and economic legacy of the Games, not only in London but across the UK.

4. Structure of the review

4.1 The subject of this review is the substantial legacy opportunities around skills, training, employment and business and hence is focussed on the delivery bodies and Key Stakeholders involved in the process. For the purposes of this review, these are the Olympic Delivery Authority (ODA), the London Organising Committee for the Olympic Games and Paralympic Games (LOCOG), the London Development Agency (LDA), and the five Host Boroughs.

4.2 The review also covers the extent to which individual programmes are integrated. As mentioned above, the key commitments around social and economic sustainability in the bid were translated into a jointly owned LEST Action Plan in 2006. This is a central document that marks out the programmes and opportunities around employment, skills and support for small business. In addition, the programme-wide focus addresses the implementation challenge of many agencies working together to achieve the desired outcomes.

5. Introduction

- 5.1 The ODA is responsible for one of the largest and most complex construction programmes in the country. It has tight financial and time constraints and complex internal interdependencies. The workforce of the three major Stratford-based construction projects (Olympic Park, Olympic Village, and Stratford City) is expected to peak at around 16,000 in 2010.
- 5.2 In February 2008, the ODA published its *Employment and Skills Strategy – Jobs Skills Futures*. This marked a significant milestone in the delivery of the skills and employment legacy. This established five key objectives to measure the success of the strategy:
- To fill 100% of jobs stemming from London 2012 construction;
 - To aim for the Olympic Park construction workforce to be comprised of at least between 10 and 15% of people from the five Host Boroughs;
 - To get at least 2,000 people into trainee apprenticeships and work placements (up to 2012) at the Olympic Park and other venues that the ODA is working on or building;
 - To aim for people who were previously unemployed before working on London 2012 construction to make up 7% of the workforce; and,
 - To see our strategy adopted as best practice by industry, partners and regeneration agencies.
- 5.3 The review of the ODA operations regarding skills, employment, and business capacity is essentially focussed on the Olympic Park. This review is not specifically targeted at the Olympic Village or the wider Stratford City development. However, all three developers (of the Park, Village, and Stratford City) have recognised the reality of a single labour market and consequently the need to collaborate closely. Westfield, the developer of Stratford City, has made commitments to maximise construction job opportunities for local people. Workplace, the London Borough of Newham's job brokerage scheme, is part funded by Westfield's Section 106 contributions. Workplace is responsible for matching people to jobs on the project and assisting them gain the skills required. Later in the Stratford City project, Workplace will match job seekers with retail, leisure and office jobs in the new development. Business opportunities are being provided through CompeteFor. This programme has been led by the LDA and is discussed in paragraph 18.13 and 19.5–19.9.

6. Key documents

■ External:

- September 2008 Principles of Cooperation between London 2012 and the TUC
- February 2008 ODA Employment and Skills Strategy – Jobs Skills Futures
- November 2007 London 2012 Sustainability Plan
- October 2007 ODA Equality and Diversity Strategy
- March 2007 ODA Procurement Policy

■ Pending publication:

- 2009 ODA Apprenticeship Strategy – in development

■ Internal:

- Forecasting – demand model
- Forecasting – supply model
- Key meeting list

7. Resources

- 7.1 The ODA had a fully staffed Employment and Skills Team on 15 September 2008. The team is managed overall by a Head and Deputy Head of Employment and Skills. The team head reports directly to the ODA Director of Construction. The team is organised around three work areas: forecasting and performance reporting; skilling the workforce; and, matching people to jobs.
- 7.2 The forecasting and performance function has two staff funded by the LDA and linked with CLM, the ODA's delivery partner. There is one skills programme manager and a skills manager who are responsible for developing a business plan and sourcing funding from ConstructionSkills, the LSC and LDA for skills activities largely on-site. The matching function has a programme manager and four employment managers. In addition, there are two project officers working on the LDA funded women in construction programme. The employment managers work closely with the contractors, JCP and the local labour schemes. They provide employment support and pastoral services. The individual input provided by these managers can be quite intensive. As well, there are two posts identified for the Olympic Village. It is understood that the LDA will fund additional employment manager positions if the need justifies this.
- 7.3 It is worth noting that the ODA Employment and Skills team have been able to recruit highly skilled and experienced people, including two with direct experience of managing the local labour scheme for the construction of T5 Heathrow. This practical experience of what works and doesn't work on large construction projects is an invaluable asset.

8. Process/sign-off

- 8.1 The ODA 'people-into-jobs' process is fully described in their Employment and Skills Strategy. Suffice to say from the outset that all these processes are highly dependent for success on good communication, a high level of partnership working, and an individual tailored approach.
- 8.2 There are basically two different aspects to the ODA's employment and skills programme – a supply side process (assisting candidates to find jobs) and a demand side process (providing

appropriate candidates for jobs on site as they arise). Linked to both is the Labour Market Intelligence Unit (LMI) which is primarily concerned with forecasting demand but has supply side capability too.

- 8.3 *Labour Market Intelligence.* The current forecasting model is a significant development from the data provided earlier in 2008 and in 2007. A demand side model has been developed. The LMI Unit has reviewed and updated month-by-month forecast costs and programme information on each individual project that makes up the Olympic build programme. This has been developed into an employment model that provides estimates by project/venue of specific full time employment equivalents for each construction skill. Extensive cost information has now been factored into the skills forecasts and consequently the model can be refreshed as project costs or methodologies change. For example, a change in materials used for the roof of the Aquatic Centre can be fed through to changes in particular skill sets at particular times in the project cycle. These forecasts can be read in conjunction with wider forecasts for Greater London that are published by ConstructionSkills and OGC/Treasury. Up-to-date research on available labour rates for specific construction trades and professions has been applied in order to fine tune predicted volumes of labour. The LMI team is linking with Bovis/Lend Lease in order to generate preliminary forecasts for the Olympic Village in a way that can be read in conjunction with those for the Olympic Park. The development of a supply side model is underway. This will enable capacity, employment, training and skills issues to be more strategically examined and planned for.
- 8.4 *Demand side process – finding a candidate.* This is essentially the management of the interface between the Tier 1 construction contractors and the supply organisations – principally the five Host Borough local labour schemes, Relay London Jobs, JCP and education colleges. The ODA is also engaging with Bovis/Lend Lease regarding the Olympic Village and Westfield regarding Stratford City. The process involves the translation of an identified vacancy into a suitable candidate for a job. It also involves providing on-going training and support to recently employed people to develop their skills, including linkages with Train to Gain skills brokers.
- 8.5 *Supply side process – finding a job.* This side of the process is concerned with finding and assisting suitable candidates to obtain jobs offered by the Olympic and related contractors. This is managed through the job brokerage networks, JCP and the five Host Boroughs. It also utilises outreach routes via community groups and voluntary organisations to access hard to reach groups. It uses more standard outreach methods through job fairs and schools and colleges. The core of the supply side response is to ensure candidates are trained and job-ready and additional training may be offered to assist people gain the skills necessary to obtain the jobs available. The mechanics of the brokerage system will be explained more fully in the Host Boroughs section of this report (see paras 23.1–23.4).

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- 8.6 *Training.* The Olympic Park site is now part of the National Skills Academy for Construction, funded by ConstructionSkills, the Learning and Skills Council and the LDA. The ODA was granted the status of National Skills Academy for Construction (NSAfC) in November 2007 and the Plant Training Centre, which is part of the NSAfC, opened at the end of December 2007. The Academy was formally launched with the ODA's Employment and Skills Strategy on 19 February 2008. Two other training centres are in the process of being established: civils training in Newham at Thames House (opening November 2008); and craft and civils training in Waltham Forest at Cathall Road.
- 8.7 The ODA's Employment and Skills Strategy has a number of distinct work streams. These are: pre-employment; recruitment; post-placement support; young people and schools; progression and post-employment training; professional skills; and equalities. These are not mutually exclusive and the approach of 'clustering' is advocated whereby programmes are put together from different work streams in order to better target particular groups. For instance, the ODA team has been working with the LDA, ConstructionSkills and local groups to place an additional 50 women a year in manual trades on the Olympic Park. The Women's Project started in September 2008 with the recruitment of the project team.
- 8.8 In June 2007, the ODA entered into a Memorandum of Agreement with the construction unions which included a commitment by the ODA to encourage contractors to recruit and train local people and to encourage contractors to commit to the ethos of a directly employed workforce. In September 2008, the ODA and LOCOG agreed 'Principles of Cooperation' with the TUC which include commitments to education and training, equality, diversity and inclusion.
- 8.9 *Apprenticeships.* The LEST Action Plan has a target of 4,000 public sector apprenticeships by 2012. The ODA is committed to a target of 2,000 trainees, apprenticeships and work placements working on the Olympic Park and other London 2012 venues, including a programme aimed specifically at placing women into construction jobs. From September 2008, the ODA will be piloting a scheme with the LSC, Carillion, Balfour Beatty and the Princes Trust to establish good practice and to test what works, in order to roll out the strategy across the site in 2009. The ODA's Apprenticeship Strategy will be published following the pilot testing. A National Apprenticeship Service is to be established UK wide from April 2009 as part of the LSC transition arrangements.
- 8.10 *London Living Wage.* The commitment to the London Living Wage was first contained in the Draft Procurement Principles published in September 2005, prior to the establishment of the ODA by Act of Parliament. The ODA Procurement Policy published in March 2007 states that the ODA 'will ask its contractors if they would be prepared to adopt fair employment measures including the London Living Wage for any work they are doing as part of an ODA contract' (p.29). The policy states that these issues will be taken into account when the ODA advertises contracts and considers tenders.

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- 8.11 Performance is monitored monthly against agreed Key Performance Indicators (KPIs) and details of progress are included in the quarterly ODA Priority Theme Performance Report. A fortnightly Employment and Skills Operations Meeting coordinates activity across the various agencies involved. This group comprises the ODA, LDA, Host Boroughs, Learning and Skills Council, and JCP. Recently Bovis/Lend Lease and Westfield have joined this group. The purpose of the operations meeting is to track progress, problem solve and ensure effective cross-agency coordination and joint working.
- 8.12 The ODA are in the process of establishing a new Employment and Skills Board to be chaired by the Chair of the ODA Board. The Board will include a number of Tier 1 contractors. Its remit is to drive forward the employment and skills agenda as one of the ODA's cross-cutting priority themes and to set the overall direction of strategy. In addition, it will ensure that employment and skills issues are given sufficient focus and time at the highest levels of the authority. The Board will report to the Executive Management Board of the ODA.

9. Findings

- 9.1 The ODA has taken a process-led best practice approach to employment and skills programmes. It is evident that a great deal of progress has been made in the year since the CSL Governance Review was published in November 2007. The staffing of the employment and skills function within the ODA has been highly successful and it is clear that a team of highly competent and motivated people has been engaged. It is also reflective of the seriousness with which the ODA take their commitments to sustainable employment that this has now been organised as a separate function with direct reporting to the ODA Construction Director.
- 9.2 The ODA's target is for 10 to 15% of the total workforce to come from the five Host Boroughs. The industry norm is said to be between only 3 and 5%. By comparison, the T5 Workplace Coordinator Project, which links local residents to jobs created by the construction of Terminal 5, assisted 154 people into work at Heathrow over the course of 2006/07. A second ODA target is to ensure that 7% of the workforce is made up of people who were previously unemployed. Clearly, these targets will become more testing as the nature of the construction labour market changes with the impact of the credit crunch and the recession. A number of the Key Stakeholders stated that further clarity was needed around these targets, particularly in the context of a downturn in economic activity in the construction sector. In March 2007, the Construction Skills Network Report predicted that 87,600 new workers would be needed for each year across the UK to 2011. In London, to meet increased demand from the Olympics and major transport projects, 12,880 new recruits would be needed every year. With the current industry downturn, this optimistic profile is unlikely to occur, though the precise extent of the downturn is difficult to predict. However, it is understood the revised estimate to be released in early November will be close to 40,000 for the UK and around 8,000 for London. This is a substantial change warranting more precision about the ODA's targets to ensure stakeholder buy-in and support for the ODA's activities in this area.

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- 9.3 The Labour Market Intelligence component of the employment and skills function is impressive in the amount and quality of information that can be provided to enable its effective use as a management and forecasting tool. Together with London-wide and sub-regional supply side data, this has enormous potential to assist every step of the process of placing and training candidates. It has the potential to set a benchmark for future public and private sector large scale development projects. The dynamic aspect of the ODA's forecasting capability is essential for it to function as a management tool across the employment and skills programmes of all the partners involved. The need for continued testing and refinement seems to be well understood by the ODA's LMI team. As yet, the use of the LMI data has not been seen in practice across the full spectrum of activities.
- 9.4 A key issue amongst stakeholders with regard to forecasting is the number of real vacancies likely over the period of the construction phase. Previous forecasting estimates presented gross numbers of jobs on site at monthly intervals to 2012. It is widely recognised both within and outside the ODA that this resulted in widespread confusion. The assumption was that the total demand at any one time equated to total vacancies. Consequently, estimates in the region of 20,000 construction vacancies across Olympic Park and Stratford City were talked about. With more robust modelling and a more considered view of how contractors source labour, a more realistic picture is emerging. Many of the major Tier 1 contractors bring a core workforce with them and, in addition, there has been a trend back towards direct labour and away from self-employment over the past few years. This has been driven by health and safety concerns on the part of contractors and changes in the tax regulations regarding self-employment. There is an, as yet untested, proposition that the credit crunch and its impact on the residential construction sector may also limit the number of vacancies delivered to the job brokerage schemes. Consequently, estimates of real vacancies vary amongst stakeholders and no accurate estimate is possible ahead of actual scheduling. However, it is clear that there is no simple one-to-one correlation between forecast jobs and available vacancies. The ODA have rightly identified communicating the reality of the opportunity to Key Stakeholders and the public at large as a major challenge. There is a related issue to ensure that this message is communicated across the ODA and informs other related strategies. For instance, the *2007 Equality and Diversity Strategy* states that 'total demand for labour on the sites of the Games park and venues, the Athletes Village and the adjoining Stratford City developments is estimated to exceed 20,000 at peak in 2010, including management and administration staff' (p.15). While technically accurate, this statement can easily be misinterpreted without further explanation and qualification.
- 9.5 There remain process obstacles with the job brokerage system. The ODA recognise that this remains a challenge and that there is a limited window of opportunity to ensure the system's functionality. The success of the system fundamentally rests on the confidence the Tier 1 contractors have in it – it must deliver for them. They identify that the biggest risk is in managing a highly politicised multi-stakeholder environment. This has two aspects, both crucial to success. Firstly, there is maintaining confidence that the system is delivering outcomes for all parties. Secondly, there is ensuring that the agencies involved and their front-line staff work together effectively and flexibly. There is in the background the lessons learnt and the consequences of

the failed Boost model from the autumn of 2007 and restructuring the employment brokerage arrangements around a generic London 2012 'Jobs Skills Futures' brand. The ODA have now prioritised stakeholder management in the employment and skills programme and state that there are now sufficient resources to achieve effective communication and coordination. As, in effect, the gatekeepers of the Olympic Park, the employment and skills managers will be key in managing relationships, building confidence and ensuring that outcomes are achieved to the satisfaction of all involved in the system. The approach of allocating one employment and skills manager to each venue/project seems logical and appropriate. There is an admirable 'can do' approach within the ODA employment and skills team, which is focussed on filling jobs first and fixing the process second. However, there is an added challenge not present in other large public sector projects which is the need to effectively report and communicate results to Ministers, Members of Parliament, Borough Leaders and Mayors, and key Council Members among others. This has been recognised by the ODA but the challenge remains to communicate consistent information, regularly, and to anticipate issues before they become political problems. The recently published quarterly 'Jobs Skills Futures Employment and Skills Update' newsletter is a highly welcome innovation and will greatly assist all stakeholders having a common understanding of the outcomes as they occur.

Recommendation 12

That the ODA and partners establish an open single regular briefing session for stakeholders based on reporting of a standard suite of key indicators and an explanation of progress made and challenges ahead with a single online portal for relevant information.

- 9.6 The training initiatives have largely been successful and indicate a good fit between contractors' requirements and participants' needs. The Plant Training Centre at Eton Manor was the first of the Olympic National Skills Academies for Construction and is already delivering significant opportunities for local people to get relevantly skilled and obtain employment either on the Olympic Park or on other construction sites. Since it opened in December 2007, the centre has conducted around one hundred courses and trained 388 participants. As at September 2008, of the 247 individual participants passing their courses, 155 have subsequently moved into full time employment (132 on Olympic Park and 23 elsewhere). It is understood that the Plant Training Centre will be required to relocate in the next few months. In addition, one further centre is to be opened later in the year at Thames House, Newham. An additional centre is planned for Waltham Forest at Cathall Road. It is important that the early success of the Plant Training Centre be continued and logistical arrangements not interrupt the delivery of this training for five Host Borough residents.

9.7 There are a number of unresolved issues with apprenticeships. The LEST Action Plan made a commitment to 4,000 public sector apprenticeship places by 2012, with an identified resource of £3,000 per apprenticeship (2006, p.10). The ODA's Employment and Skills Strategy has as an objective to 'get at least 2,000 people into trainee apprenticeships and work placements (up to 2012) at the Olympic Park and other venues that the ODA is working on or building' (2008, p.6). The TUC and others point to the difference between an indentured apprenticeship and a 'work placement' in the ODA strategy. The TUC support the concept of a transferable apprenticeship so that an individual apprentice can more easily move on to another project or employer as one finished. As mentioned above, the ODA is trialling its apprenticeship strategy in autumn 2008 for a complete roll out in 2009. Some early wins and commitments by contractors have been achieved through direct brokerage by the ODA Director of Construction. However, there remain some issues with the five Host Boroughs putting forward candidates, links with FE colleges, and funding for apprenticeships post the dissolution of the LSC in 2010. The ODA intend to finalise and formally adopt their apprenticeship strategy once the results of the pilots are known.

Recommendation 13

That the ODA and LOCOG clarify their own commitment to apprenticeships given the LEST target of 4,000 apprenticeships and provide an outline programme of how these opportunities are going to be delivered up to 2012.

10. Introduction

- 10.1 LOCOG, the London Organising Committee of the Olympic Games and Paralympic Games is a private company responsible for the staging of the Games, for the provision of temporary venues and sites, for the temporary overlay at existing and new venues and for the live sites. It is recognised as the official organising committee by the International Olympic Committee and the International Paralympic Committee. There are three phases to LOCOG's programme: (i) pre-Beijing planning and sponsorship; (ii) Beijing to test events; and (iii) test events to Games-time. The IOC Coordination Commission which visits the host city twice a year has consistently reported that London 2012 is on track to deliver the Games. The planning and phasing of LOCOG operations is very different to the ODA, whose key delivery date must coincide with the test event programme and the roll-out of the temporary Games-time overlay.
- 10.2 As part of its assurance activities for 2008/09, the Commission will conduct a review of LOCOG's procurement and commercial partnerships. This is a cross-cutting review as it relates to all five themes of the London 2012 Sustainability Plan and the full extent of the London 2012 programme, including the processes and outcomes of both LOCOG and the ODA. The Terms of Reference for the review of LOCOG's Procurement and Commercial Partnerships contain the following aims:
- 'This review will focus on the application of the London 2012 Sustainability Plan and other relevant documents through the LOCOG supply chain and in relationships with commercial partners. It will also consider how LOCOG are using their procurement to support the skills and employment agenda in East London and the UK.'
- 10.3 The Commission will be making recommendations regarding LOCOG's procurement to support the skills and employment agenda as part of this wider cross-cutting review (due for publication in 2009).

11. Reference to key documents

- External
 - September 2008 Principles of Cooperation between London 2012 and the TUC
 - November 2007 London 2012 Sustainability Plan
 - February 2008 Diversity and Inclusion Strategy
- Pending publication
 - None identified at this stage
- Internal
 - June 2007 Games Foundation Plan

12. Resources

12.1 LOCOG have a Human Resources Department, which is responsible for recruiting the planning and operational workforce for the 2012 Games. In addition, it is responsible for developing plans and procedures for mobilising and training up to 70,000 generalist and specialist volunteers for the Games. The Culture, Ceremonies and Education Department is charged with developing educational and community access programmes in the lead-up to the Games, with a particular focus on young people. LOCOG have an HR Director in post, who has wide responsibilities including skills and employment engagement. A Head of Education was recruited in March 2007 and a Head of Culture in April 2007. A Head of Diversity and Inclusion was appointed during summer 2008.

13. Process/sign-off

13.1 The current LOCOG workforce is around 250 people. This team has been kept deliberately small in the pre-Beijing phase to ensure that workforce budgets are effectively managed over the project lifetime. A process of benchmarking recruitment and workforce profiles from previous Games is currently underway. Initial estimates are for a maximum Games-time paid workforce of 3,400 persons. LOCOG is currently reviewing temporary staffing needs for Games-time in addition to these paid staff numbers. In addition, it is anticipated that a total contract workforce of up to 100,000 persons will be required. These will mainly be in hospitality and catering, security, information and communications technology, event management services, materials management and transport.

13.2 The recruitment task is enormous and particularly challenging as it has to ramp up over a relatively short time period. Previous Games and major international events have used recruitment agencies. Both the Sydney 2000 Olympic Games and the 2002 Manchester Commonwealth Games engaged Adecco to recruit different categories of their workforce and volunteers. The 2012 Vancouver Winter Olympics are managing the organisational recruitment in-house but are outsourcing the recruitment of temporary Games-time staff. LOCOG are seeking to engage the services of a recruitment partner to coordinate and manage all aspects of paid workforce recruitment. This does not include the volunteer programme.

13.3 On the wider commitments to social and economic sustainability, LOCOG coordinates the Olympic Games Impact study, known as OGI. This is an official IOC project to study the environmental, socio-cultural and economic impacts of the Games on the host city, region and country. LOCOG have appointed an independent research partner, ESRC, to collate data covering a wide range of indicators and to prepare reports for 2008. Further reports will be prepared in 2010, 2013 and 2015. This study will primarily provide information retrospectively on the impact that hosting the Games has had on London and the UK. Under recommendation three of the Commission's *Reporting Review*⁷ (2008), CSL will review LOCOG's reporting processes and sustainability management system in October/November 2008, as part of the 2008 Annual Review.

⁷ http://www.cslondon.org/documents/A_measure_of_performance.pdf

14. Findings

- 14.1 As mentioned in the introduction to this section, LOCOG is on a different planning timeframe to the ODA and this difference in phasing has been taken into account in forming these findings.
- 14.2 LOCOG is developing a *Employment and Skills Strategy*, due to be published in September 2009. We understand that this will take the opportunity to mirror the ODA's strategies and successful approaches where possible.
- 14.3 LOCOG's view is that they require an external dedicated resource to manage all recruitment. They recognise that even many private sector companies would find the task challenging and that a reliance on JCP will not be sufficient. This presents a number of challenges around the development of the local job brokerage schemes which do not easily fit into a process driven by a private sector recruitment organisation. LOCOG are making it a key supply principle for its potential recruitment partner that they commit to working with JCP and other brokerages across London. At this stage it is not clear how the future LOCOG supplier and the LEST partners will work together. Achieving the local employment aims of LOCOG should be a key component of the recommended review of LEST (see para.27.3). Any arrangements with a potential recruitment partner will include a commitment to comply with LOCOG's *Diversity and Inclusion Strategy* and forthcoming *Employment and Skills Strategy*.
- 14.4 It is understood that LOCOG will be monitoring diversity and inclusion as part of the recruitment process and as part of their *Diversity and Inclusion Strategy* they have adopted 'target zones' across the six key diversity strands. The LDA are funding a forecasting capability within LOCOG to emulate the capability within the ODA. There would seem to be an opportunity to link forecasting to the derivation of targets for local employment, women, disabled people, and BAME groups.
- 14.5 Working with partners, LOCOG has initiated a project called 'Bridging the Gap' to establish a training programme to help deliver a further 5000 qualified security personnel that will be required for 2012. LOCOG is also working with Podium to identify universities that contribute to delivering a skilled student workforce in the Technology area during test events and in 2012.
- 14.6 The ODA have developed an employment and skills function that looks set to deliver the outcomes that have been committed to for the construction phase. It seems obvious that LOCOG should learn from the experiences of the ODA and adapt them to their own specific circumstances and unique challenges. LOCOG have developed good relations with the five Host Boroughs and these should be built upon and strengthened in order to achieve common objectives. There is a strong view in the five Host Boroughs that the Games-time opportunities – both paid employment and volunteering – represent one of the most significant real opportunities for local residents. The experience of employment and volunteering opportunities in the year 2000 around the Millennium Dome is cited as an example, particularly as many of the participants who were given short term opportunities went on to longer-term more sustained employment.

Recommendation 1

That LOCOG develop a strategy to provide employment opportunities for residents in the five Host Boroughs building on the experience of the ODA, making use where appropriate of existing resources and processes.

- 14.7 The opportunity to volunteer at the Games is a major way that the event links in with people and communities across the country, but particularly with those in the surrounding boroughs. LOCOG are currently preparing the Games-time volunteer plan for completion in 2009 and the programme will be launched in 2010. Expressions of interest have been open for several years now and over a hundred thousand people have registered an interest. At this stage, LOCOG states that they have not set out expectations for Games-time volunteers, other than looking to recruit up to 10% of volunteers from the Personal Best programme described in para 19.4. The Commission considers that the enthusiasm and willingness that inspired people to sign up should be captured through volunteering opportunities between now and the Games. LOCOG is launching Trailblazers, a pilot of its pre-Games volunteer programme in October 2008. They intend to recruit up to 20 volunteers, five of whom will be Personal Best graduates, to be based at LOCOG's head office in Canary Wharf, starting in January 2009. They will perform a wide range of administration duties as required within all LOCOG departments. This is due for a full roll-out in July 2009.
- 14.8 The London 2012 website encourages people to volunteer for local charities and sporting organisations. Consideration should be given by the Culture, Ceremonies and Education Department to developing a pre-Games engagement programme with local authorities or Councils for Voluntary Service. The GLA chairs a group Volunteering in London which has representatives from organisations that use volunteers, for example, Greater London Volunteering, Timebank, Sport England, London Councils and Do-it.org. This would seem an obvious forum to discuss broadening the London 2012 volunteering opportunities. There are likely to be substantial volunteering opportunities in a range of non-Olympic sporting events in the years leading up to the Games. These are likely to be spread out across the country, so providing a wider range of opportunities to potential volunteers in the Nations and Regions. As well, the five Host Boroughs are keen to have volunteer ambassadors to promote these opportunities. LOCOG is also looking to implement another school leaver programme in 2009 to offer employment opportunities to local school leavers. LOCOG also has plans to launch a programme at the end of 2008 to encourage people with disabilities to secure work experience placements and to apply for job opportunities with LOCOG.

Recommendation 2

That LOCOG develop a broad pre-Games volunteering engagement programme to capture the enthusiasm of those already having registered expressions of interest as Games-time volunteers linking to adult education opportunities to enable them to gain relevant skills. This should be done as soon as possible in order to provide volunteering opportunities through the Cultural Olympiad, Olympic test events, other sporting competitions and sponsor events.

RAG Status: Green

15. Introduction

- 15.1 The Mayor of London has delegated responsibility to the LDA for leading delivery of the overall Olympic Objective in relation to maximising the employment and skills benefits for Londoners arising from Games-related business (Objective 3.2.1). As such, the LDA is responsible for reporting on all activities contained within the LEST Action Plan, including partner activities, irrespective of whether they are funded or managed by the LDA. However, overall accountability rests with the Mayor.
- 15.2 The Mayor chairs the London Skills and Employment Board (LSEB), which has been established to provide leadership in improving adult skills and employment in London. The LSEB is an employer-led body established in order to ensure that the Board's work is driven by the needs of employers and that skills provision meets the existing and future needs of the London workforce. The LSEB will set the framework for the annual spending of over £600m through the London Learning and Skills Councils adult skills budget. In addition, it will have the ability to influence and direct the spending and priorities of other key agencies such as JCP and the LDA. In July 2008, the Mayor launched London's Future: *The Skills and Employment Strategy for London 2008 – 2013*⁸. This is the Board's first Skills and Employment Strategy for London. It sets out a blueprint for the changes required to improve employment and skills outcomes for Londoners and London employers over the next five years.
- 15.3 In addition, the LDA is the 'interim legacy client' for the Olympic Park and is therefore responsible for ensuring that the venues and park that are designed and built by the ODA are compatible with emerging plans for their legacy use and that the legacy use is in keeping with the commitments to provide a sustainable legacy. The LDA is leading work on creating a Legacy Masterplan Framework (LMF) for the Olympic Park. Alongside this, the five Host Boroughs are leading on the development of a Strategic Regeneration Framework (SRF) that will cover a wider geography to ensure that the areas and communities surrounding the Olympic Park benefit. The SRF, due to be published in June 2009, will be a collaboration with the LDA and other partners and will set out the wider legacy framework in the five Host Boroughs that all partners can sign-up to and deliver. The principles set out within the SRF will be used to guide and inform spatial and socio-economic delivery plans across the boroughs, to realise the raised ambitions for the wider area, improve the standard of mainstream provision and contribute to an improved quality of life for the people that live and work in the five Host Boroughs. The SRF will capture the activity emerging from the five Host Borough Multi-Area Agreement (MAA), which is in the process of being developed. This will focus on three themes that the boroughs see as critical to delivering cross-boundary economic renewal and regeneration to transform the heart of east and south east London. The themes are worklessness, employment and skills, public realm and housing.

⁸ <http://www.london.gov.uk/lseb/docs/london-futures-report.pdf>

16. Key documents

■ External

- 2006 London 2012 Employment and Skills Taskforce: An Action Plan to Maximise the Employment and Skills Benefits of the Olympic Games and Paralympic Games in London (title as published)
- January 2008 Mayor of London's Five Legacy Commitments
- November 2007 London 2012 Sustainability Plan
- 2007 Annual Report to the London Assembly Economic Development, Culture, Sport and Tourism Committee
- June 2008 Update Report to the London Assembly Economic Development, Culture, Sport and Tourism Committee
- February 2008 Employment and Skills Update for 2012
- August 2008 Employment and Skills Update for 2012
- November 2005 A Business Update for London 2012
- 2008 2012 It's Happening Now
- Summer 2008 Personal Best Newsletter No.1
- February 2008 Shaping the Olympic Park Legacy
- LDA Equality Framework 2004–2007

■ Pending publication

- Legacy Masterplan Framework (LMF)
- LMF Protocol (incorporates sustainability objectives)

■ Internal

- November 2007 After The Games

17. Resources

17.1 In early 2006, the LDA established its Olympic Opportunities Team. In this structure the Olympic Land Team and the Olympic Opportunities Team reported to different LDA Group Directors. As a result of the expansion of the LDA's role in legacy, a new Group Director for Olympic Legacy was appointed in January 2008, reporting directly to the Chief Executive. Following this, during the first half of 2008, the LDA restructured all its Olympic teams to form a single Olympic Legacy Directorate to take forward all its Olympic work, on land preparation, skills and employment, legacy venue management, legacy planning and the LMF. However, the basic structure of the original Olympic Opportunities Team remained largely unchanged. It is a focussed team of professionals charged with delivery of the various opportunity programmes. Sustainability is resourced through dedicated officers working within the Olympic Legacy Directorate and through the consultancy team working on the LMF.

17.2 The Olympic Opportunities Team consists of six Heads of Service who lead teams involved in LEST, the Pre-Volunteer or Personal Best programme, Lower Lea Valley Legacy, Business, Sports and Culture interventions. Other officers in the Olympic Opportunities Team are responsible for evaluation, communications, equality and diversity and marketing. The staff are highly experienced in developing and implementing regeneration programmes and have appropriately aligned skills and backgrounds.

For instance, the Head of the Pre-Volunteer Programme initiated and implemented the innovative pre-volunteer programme for the 2002 Manchester Commonwealth Games.

18. Process/sign-off

- 18.1 The LDA has responsibility on behalf of the Mayor of London for much of the activity within the *Olympic and Paralympic Games Programme Objective 3.2*. This Objective relates to maximising the 'economic, social, health and environmental benefits the Games bring to London and all Londoners'. The LDA is responsible for delivering the London Legacy Plan for Sport and a cultural legacy programme in support of the Mayor's Olympic Cultural delivery plan. The LDA has made a £1.4 million investment in the 2012 Games London Cultural Skills Fund over 2008–2010 to provide grants of up to £50,000 for 2012-related projects that engage Londoners in arts and cultural activities and provide pathways into employment.
- 18.2 The LDA is particularly concerned with the delivery of elements of the following sub-objectives:
- 3.2.1 Maximise the employment and skills benefits for Londoners arising from Games-related business;
 - 3.2.2 Maximise the wider economic benefits of the Games to London, including those for tourism and business promotion;
 - 3.2.3 Maximise cultural benefits to Londoners from hosting the Games and the Cultural Olympiad;
 - 3.2.4 Maximise social benefits to Londoners, including in health, education and volunteering, of hosting the Games; and
 - 3.2.5 Ensure that the Games contribute to Sustainable Communities priorities, including the London Thames Gateway.
- 18.3 Sub-objective 3.2.1 relates primarily to the LEST Action Plan. The programme management framework developed by the LDA is based around the projects and programmes contained within the LEST Action Plan, and hence includes the pre-volunteering programme (under 3.2.4). These have been transposed into Commitment Two of the Mayor's Legacy Action Plan: 'ensuring Londoners benefit from new jobs, business and volunteering opportunities'. Initial funding for the LEST Action Plan was for the three year period 2006–2009. It is understood that current commitments amount to around £25 million per annum, giving a total forward commitment of around £100 million. Funding is in place according to organisations budgetary cycles but funds have not been committed beyond these cycles. It is important for the sake of continuity and confidence that organisations confirm their support and future funding.

Recommendation 11

That the LDA and other relevant organisations confirm their support and future funding of the LEST Action Plan to the end of 2012 and beyond.

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- 18.4 Sub-objective 3.2.5 relates to the development of sustainable communities post-Games in the context of the London Thames Gateway. These are transposed into Commitment Three in the Mayor's Legacy Action Plan and Promise Two in the DCMS Legacy Action Plan: 'transforming the heart of East London'. The Five Legacy Commitments document talks about the creation of 50,000 new jobs in the Lower Lea Valley post 2012 (2008, p.13).
- 18.5 The LDA reports to the Olympic Board via the Olympic Board Steering Group on the progress of Objective 3.2 (to maximise the economic, social, health and environmental benefits the Games bring to London and all Londoners) on a monthly basis. A summary report is provided both to the Olympic Board and the Olympic Board Steering Group on RAG status and high level risk. It also highlights key achievements and events. In addition, there is a multi-stakeholder LEST Action Plan Implementation Group. This meets at approximately monthly intervals and is chaired by the LDA's Director of Olympic Opportunities, with a GLA representative in attendance. It provides a means of assessing progress and analysing risk, by means of a summary risk register. It also enables issues to be addressed amongst the LEST partners and comprises senior managers in the relevant organisations who are generally empowered to make decisions and resolve problems. Our observation is that this meeting appears highly effective and partners perform well in solving problems and ensuring the programme is on-track.
- 18.6 An additional level of programme monitoring is provided more directly between the LDA and the ODA. The Olympic Legacy Directorate reports on a monthly basis to the LDA/ODA Programme Board. This meeting is chaired by the Chief Executive of the LDA and is attended by director level officers from the LDA, ODA, GLA, and TfL where necessary. Originally established to streamline the land assembly process, it now provides a highly useful interface between the two organisations and is focussed on high level strategic risk and coordination. In addition, there is the fortnightly Employment and Skills Operations Meeting which is more hands-on. This has already been discussed (para.8.11).
- 18.7 *LEST – Host Borough Job Brokerage*. The central elements of LEST are job brokerage, a pre-volunteering programme, and the employer accord. A focussed job brokerage network has been established to bring agencies across the Host Boroughs together to provide employment support and help people access 2012 related jobs. These organisations, working alongside JCP, have particular expertise and experience in providing support to people facing specific challenges in securing paid work. Established in 2007, its work is now coordinated through a JCT that includes JCP staff and staff from the Host Boroughs as required. This is described more fully below (para.22.4). Data available as at September 2008 indicated that 2,400 residents from the five Host Boroughs received support in 2007/08 and, of these, 470 have been brokered into jobs, although not all of them into jobs on the Olympic Park. Recent ODA workforce figures indicate that 637 or 24% of the current contractor workforce of 2,701 are from the Host Boroughs. Clients of member organisations can also access training, such as funded Construction Skills Certification Scheme training.

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- 18.8 *LEST – Relay London Jobs.* The LDA has funded a Pan London Job Brokerage Network encompassing all of London and will be formally launched as Relay London Jobs in autumn 2008. Relay London Jobs is being delivered by a small team co-located with the Joint Coordination Team and adopts a different business model to the Host Borough scheme. The service supports and develops job brokerage organisations across London, sharing vacancies and improving existing brokerage services. Already well over 100 organisations delivering job brokerage services in London are registered members of Relay London Jobs. The key focus is dissemination of employment opportunities to the entire network with an initial focus on London 2012 vacancies. In addition, network staff are benefiting from training opportunities in areas such as employment law, equality and diversity, back-to-work benefits awareness, understanding modern construction and employer engagement. Clients of member organisations are also currently accessing funded Construction Skills Certification Scheme training through the Relay London Jobs CSCS scheme.
- 18.9 *LEST – Construction Training.* The LDA has worked closely with the ODA and LSC to establish a National Skills Academy for Construction based around the Olympic Park. This incorporates activity to deliver three new training facilities to provide a skilled workforce for contractors building the Park and Village, including the Plant Training School established on the Olympic Park site in January 2008. The Skills Academy approach is allowing partners to tailor training, funded by the LDA, LSC and ConstructionSkills, to meet the needs of both individuals and contractors thereby maximising the employment outcomes from this work.
- 18.10 *LEST – Pre-Volunteering.* The pre-volunteering programme takes its inspiration from the highly successful 2002 Manchester Commonwealth Games programme. Now called Personal Best, it aims to motivate people with the prospect of volunteering for the Games, while boosting their confidence and providing them with appropriate employment skills. Of the 380 learners who have completed a pilot scheme, 19% have entered employment, 40% moved into education and 21% have volunteered for events. Eleven boroughs are currently involved in the second pilot phase and the pan-London roll-out commences in autumn 2008.
- 18.11 *LEST – Employer Accord.* The London Employer Accord assists employers to source skilled staff and helps Londoners to find jobs through recruitment support and training. Linking individuals to employers is a central element of LEST and is based around the concept of the ‘journey to employment’. So far, a number of pilot projects have developed partnerships with major employers and training providers, and placed over 400 previously unemployed people into paid employment. A specific element of the programme focuses on construction. Site based coordinators have been appointed to encourage contractors to use graduates from the on-site training school and other candidates from the job brokerage network. They also promote the availability of recruitment and training services to people not in work.
- 18.12 *LEST – LDA Opportunities Fund.* The LDA Opportunities Fund was established in 2007 and runs to 2010. The LDA is investing £11 million over the three years of the programme in 27 community-based projects. The aim is to reach communities with high levels of worklessness and to assist them with skills development and support into work. Already over 1,100 people have received employment support and almost 800 skills and training places have been delivered. From this, over 100 people have already secured paid employment.

18.13 *RDAs – CompeteFor*. Standing outside the LEST Action Plan, CompeteFor is an on-line service for businesses wishing to obtain contracts for Games-related tendering opportunities. There are estimated to be 75,000 Olympic contracts available through the London 2012 (ODA and LOCOG) supply chain from now until 2012. These contracts will be from a wide range of industries from construction to hospitality. The direct contracts and supply chain from the ODA alone is expected to produce around £6 billion in work for UK businesses. CompeteFor is open to all businesses but is specifically designed to support SMEs to bid for contracts further down the 2012 supply chain. It acts as a brokerage service between buyers and potential suppliers throughout the London 2012 supply chain. CompeteFor provides access to business support services in order to build skills and capacity to ensure that businesses across the UK can access opportunities linked to the hosting of the London 2012 Games. The LDA has worked closely with the London Business Network, the ODA and LOCOG to set up CompeteFor and has committed to place all its own contracts on the system. The service is jointly funded by all the English Regional Development Agencies and UK Devolved Administrations.

19. Findings

- 19.1 The first major finding is an obvious one. The LDA have engaged partners early in establishing the support programmes for a successful economic and social sustainability legacy for the London 2012 Games. It is evident that the employment, skills and business capacity programmes have started well in advance of any previous Games and in addition have been much broader and far reaching in scope. The LEST Action Plan published in mid-2006 provides a robust and integrated set of programmes designed to effectively link individuals with job opportunities and to ensure contractors are presented with job-ready appropriately selected candidates. The LEST programme, in particular, has been programme managed and risk assessed well and has robust systems in place to address issues as they arise.
- 19.2 The organisational arrangements, albeit slightly complex, appear fit-for-purpose for a project of this dimension. There are effective links into the Olympic Board (OB) via the Olympic Board Steering Group (OBSG). The OB has sufficient sight of the employment and skills programme, in terms of the highlighting of key achievements and the registering of risk. The LEST Action Plan Implementation Group functions well and partners around the table appear highly committed to the shared outcomes of the plan and in addition have a willingness to participate together, and, more significantly, to endeavour to work in new innovative ways. This should leave a wider legacy for the development of effective active labour market programmes and skills programmes across the UK. Finally, the more internal processes, such as the LDA/ODA Programme Board and the Employment and Skills Operations Meeting are key to ensuring that day-to-day operational issues are dealt with promptly and the cross-agency interventions to achieve resolution are fast-tracked. This implementation infrastructure is highly encouraging.

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- 19.3 Issues around the job brokerage schemes will be dealt with more fully under the section dealing with the five Host Boroughs. In terms of resourcing though, it is clear that the LDA has allocated sufficient resources to job brokerage both in terms of funding ODA staff positions in the employment and skills team and also in funding the LETF. It is encouraging to know that additional staff resources will be made available for job brokerage should the need be demonstrated.
- 19.4 The pre-volunteering programme, Personal Best, is a major success story. The model was ably translated into the London Olympic context from its origins in the Manchester Commonwealth Games. The LDA was fortunate in engaging an officer with direct experience of the Manchester model. The programme has been successful in targeting those furthest away from the labour market and in providing candidates with the opportunity to obtain a NVQ Level 1 qualification. Current outcomes indicate that 19% of participants have gone on to some form of employment and 40% to further education or training. These are good outcomes for this type of client group. An external evaluation of the programme has indicated the need for some sharpening of delivery standards and to enable skills gained to be utilised immediately. This could be done by way of more defined progression routes for graduates of the programme and perhaps some form of tracking after someone leaves the programme (see paras 29.2 and 29.4). It should be stated that the external evaluation recommended that the phase two roll-out be commenced. Ultimately for its success, Personal Best is highly dependent on on-the-ground local relationships with both educational providers and outreach organisations. There is an opportunity for a much stronger involvement by LOCOG in the programme and a stronger link being made between graduating through the programme and volunteering on the Games and also with job brokerage for operational Games-time jobs. The current commitment is that all graduates will be guaranteed an interview as part of the application process to become a 2012 Games-time Volunteer and LOCOG is looking to recruit up to 10% of volunteers from the Personal Best programme. The current Personal Best business plan is to 2013 but funding has only been committed through LSC to March 2010. Whilst using the hook of the Games, Personal Best is not a Games-dependent programme. Its value beyond and after the London 2012 Games should be recognised and the best practice learning from this and the Manchester programme be developed into longer-term programmes for hard-to-reach clients.
- 19.5 CompeteFor has been successfully established by the LDA in association with the delivery bodies. A great deal of effort was expended by the LDA in securing joint funding by all the English RDAs and the Devolved Administrations. For the Nations and Regions, business opportunities are a highly significant part of the benefits and legacy of the 2012 Games. For instance, Yorkshire Forward and the Yorkshire Committee for the 2012 Games published their own legacy action plan Yorkshire Gold in May 2007. Under their five 'golden opportunities', 'winners in business' details a range of business opportunity programmes including promoting the tender opportunity website. Alongside this, Yorkshire Forward has put in place a number of programmes to support businesses in their region to be 'fit-to-compete'.

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- 19.6 In London, CompeteFor is similarly supported by programmes to enable SMEs to be fit-to-compete and facilitates links to existing business support services. The service is promoted effectively by the London Business Network and it is intended that the process be supported by a series of 'meet the buyer events', which are an efficient way of providing encouragement and publicity to potential suppliers. Though there have not been any 'meet the buyer' events yet, the ODA have run a Construction Excellence road show programme across the UK. In addition, the London Borough of Newham has a programme of local neighbourhood events to promote Olympic Opportunities to small businesses. The LDA also uses the services of Business Link and business support programmes to promote CompeteFor to SMEs in London. Other Regional Development Agencies have similar processes. All in all, CompeteFor provides a more end-to-end service as well as providing transparency in the tendering process. The stated aim is to get 20% of all Games-related tender opportunities onto the CompeteFor system, and, critically for SMEs, those beyond the Tier 1 and Tier 2 contractors. The system has been designed to enable its use beyond the Games as a public sector supply chain management tool.
- 19.7 As at November 2008, there were 44,000 businesses registered nationally on the system, of which 14,000 were in London. There is a difference between simply being registered and having a complete data set on the system to enable access to the tenders. It has been identified that the terminology for the latter stage – 'fully published' – is deterring potential registrants. This would seem to be an easy formatting issue to correct. The overall success of CompeteFor will ultimately depend on publicity and confidence. In terms of publicity, more avenues could be explored to inform businesses, including SMEs, BAME owned businesses, women and disabled person headed businesses about the opportunities and the benefits of registering. Confidence is quickly lost in on-line tendering systems if sufficient opportunities are not presented on the site.
- 19.8 It is understood that the ODA is now mandating in contracts that all unlet tenders from ODA suppliers be placed on CompeteFor. Similarly, the LDA has now mandated use of CompeteFor for all new procurement unless an existing panel is used. There is an estimate of 10,000 tenders being let over the next two year period alone. For full opportunities for businesses to be realised, CompeteFor should be the central, if not only, point of contact for tendering within all organisations involved in the London 2012 programme. In one week in October 2008 taken at random, there were 55 opportunities on CompeteFor. These were clearly across the supply chain and presented opportunities for smaller businesses. Opportunities are being placed by Tier 1 contractors for their addressable supply chain and we are starting to see opportunities further down the supply chain. For instance, there were tender opportunities for catering equipment hire, envelope supplies, joinery services, training provision, laundry and linen suppliers and umbrella supplies. In addition, London First placed four contracts on CompeteFor on this sample week. This is an encouraging finding. This momentum in placing opportunities should be maintained.

Recommendation 14

That the LDA, ODA, and LOCOG ensure that all tenders are placed on the CompeteFor on-line system and that clear regular reporting of winning contractors is posted on the system.

- 19.9 The process of registering on CompeteFor requires companies to state whether they have a number of policies and processes in place. These are: health and safety, equal opportunities, quality management, and environmental. Failure to meet the first three requirements leads to immediate referral to the local Business Link for support. Around 90% of London referrals relate to failure to have a quality management scheme in place. However, there is no such referral action if the company does not have an environmental policy in place.
- 19.10 In terms of the LDA Opportunities Fund, one thousand Londoners and 186 businesses have already benefited from first round projects. The scheme is on track to benefit over 14,000 Londoners and 1500 businesses from 2007 to 2010.
- 19.11 As the interim legacy client, the LDA is leading the development of the Legacy Masterplan Framework to take forward the Olympic Park legacy. In March 2008, the LDA engaged a consortium of consultants to progress this work, including the development of a protocol to ensure that relevant sustainability issues are incorporated in all elements of the LMF. The current timetable for the final production of the LMF is mid-2009.
- 19.12 The Candidature File is clear about the commitment to an economic and social legacy – one which is both long-term and transformative (see para.2.1). In developing the LMF, the LDA needs to clarify how it intends to take key sustainability themes forward. Given that the planning process is still in its early stages, there is currently uncertainty over the commitments around employment, skills and business capacity. Following the publication by the LDA of *Shaping the Olympic Park Legacy* in February 2008, a programme of consultation workshops was developed including a stream on Legacy Employment and Economy. In time, there will need to be more clarity about exactly how the various strands of activity, namely the LMF, the wider Strategic Regeneration Framework and the Business Plan for the legacy Olympic Park link together to provide the sustainable economic and social legacy indicated in the Candidature File.

Host Boroughs and the JCT

Host Boroughs RAG Status: Green

JCT RAG Status: Amber

20. Introduction

- 20.1 The five Host Boroughs comprise the London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest. The boroughs came together to support the London bid and continue to work together to strengthen relationships in pursuit of the central objective to secure a lasting legacy for local people, communities and business. This commitment to work together was renewed after the bid was won in July 2005 and the boroughs have established a Five Host Borough Central Unit to coordinate efforts around legacy and in particular to maximise the opportunities for local people, communities and businesses and to create a lasting legacy from the Games for East and South East London.
- 20.2 The Host Boroughs act as the Key Stakeholder on behalf of local people, communities and business in the boroughs surrounding the Olympic Park and the other major Olympic venues in East and South East London. They bring collective knowledge about the issues, concerns and aspirations of the communities they represent together with local contacts and networks. Through these networks, the boroughs provide a central conduit between local communities and the myriad of agencies and organisations now engaged in the Games. As such their role is central to promoting engagement and inclusion of all the local host communities.
- 20.3 Each Host Borough has a designated Head of 2012 who both coordinates programmes within their borough and also ensures that effective cross-borough working occurs. The Leaders and Mayors of the Host Boroughs meet on a monthly basis to discuss matters of common interest regarding the delivery of the 2012 Games and the progress towards legacy.
- 20.4 One of the four themes that underpinned London 2012's vision for the Games as expressed in the Candidature File (Vol.1, p.17) was 'benefiting the community through regeneration'. Specifically, the commitment was made regarding the Olympic Park becoming a hub for East London, bringing communities together and acting as a catalyst for profound social and economic change. As cited in the LEST Technical Annex, the Host Boroughs all have low employment rates. In three of the five east London Host Boroughs, the proportion of the working age population in employment is particularly low (around 59% of the working age population), while in Waltham Forest and Greenwich the proportion of the working age population in employment is approximately 5 to 6 percentage points below the London average. A key objective of each of the Host Boroughs is to utilise the Games as a catalyst to induce a generational shift in the level of worklessness in their communities. (See for instance, the London Borough of Tower Hamlets' *Olympic Strategy and Programme*, 2006, – Theme 1 Creating and Sharing Prosperity.)

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- 20.5 As a consequence, and following the ultimately successful experience of the London Borough of Greenwich with the development of the Millennium Dome, a commitment to the establishment of a LETF became a key element of the Section 106 Agreement signed between the Host Boroughs and the LDA in October 2004 following the grant of planning permission for the original Lower Lea Valley Olympic and Legacy Planning Application in September 2004. The agreement ceased to have effect following the revised planning application in 2007 but, in anticipation, the LETF commitments were incorporated into the LEST Action Plan.
- 20.6 A JCT is co-located at Boardman House in Stratford alongside the Host Borough Central Unit. This team is managed by JCP and is a central component of the job brokerage system. The terms of its operation, including responsibilities and accountability, are covered by the Employment and Skills Partnership Agreement (Service Level Agreement) of May 2008 between the ODA, LDA and JCP. This details the working arrangements around the operation of the JCT and Relay London Jobs. More detail of the composition of the JCT and its role in the brokerage system are provided below (para.22.4). A separate Partnership Agreement was signed in February 2008 between the ODA, JCP, and the five Host Boroughs, with the LDA as a co-signatory. This provides the service level agreement around the joint work on skills and human resources for the Olympic Park. This has the overall aim of maximising the number of local people gaining opportunities on the Olympic Park as well as maximising the participation of under-represented groups, ethnic minorities, women and disabled people. Given the linkages between the JCT, the ODA and the local labour schemes operating in the five Host Boroughs, issues relating to both the Host Boroughs and the JCT are discussed together in this report. However, for clarity, the RAG status and recommendations are separated according to the appropriate body concerned.

21. Key documents

- External:
 - 2006 London 2012 Employment and Skills Taskforce: An Action Plan to Maximise the Employment and Skills Benefits of the Olympic Games and Paralympic Games in London (title as published)
 - 2004 Lower Lea Valley Olympic & Legacy Planning Permissions: Development Specification and Framework, Appendix H, Part 40
- Pending publication:
 - Strategic Regeneration Framework (SRF) – in development
- Internal:
 - Five Borough Unit Business Plan 2008/09
 - LETF Financial and Performance Monitoring (Quarterly)

22. Resources

- 22.1 In March 2006, the Leaders and Mayors of the Host Boroughs and the LDA Board agreed the investment in employment and skills initiatives linked to the 2012 Games. The total investment was £9.6 million to December 2009. The programme was to have an initial three year lifespan but would be updated with further resources for 2009 onwards. It is understood that there is a similar financial commitment by the LDA to continue funding until 2012.
- 22.2 Consistent with the Section 106 Agreement, the central element of LETF is the local labour and business scheme. This would support residents and businesses of the five Host Boroughs to take advantage of Olympic-related opportunities. The original intention was for the scheme to be delivered from offices close to the heart of (and potentially on) the Olympic Park. According to the LEST Action Plan, it was to specifically provide the following:
- A one-to-one support service, matching jobs coming forward from the development with local job seekers;
 - Organisation/commissioning of training according to the needs of both potential recruits and employers;
 - A 2012 employment outreach service to engage those furthest from the labour market in the five Host Boroughs;
 - A suite of services designed to assist local companies in securing access to 2012 contracting opportunities, via the 'Supply London' service; and
 - Locally determined/specific activities to reflect the needs and issues of local business communities, notably those run by entrepreneurs from black, Asian and minority ethnic (BAME) backgrounds, disabled people and women.
- 22.3 A Five Borough Partnership Board was established in 2006 to oversee the LETF and also the CSP pilot for east and south east London. CSPs emerged as a result of the Welfare Reform Green Paper published by the Department for Work and Pensions in January 2006. The initiative was directed at enabling public agencies to align their funding in order to achieve a real change in worklessness and poverty in their geographic areas. Given that City Strategy does not directly involve London 2012 Delivery Bodies and is not funded through Olympic budgets, it is considered beyond the scope of this review. The Partnership Board meets quarterly and is chaired by the Leader of Greenwich Council. It has representation from each of the five Host Boroughs, the LDA, GLA, the ODA, LOCOG, JCP, LSC, the East London Business Alliance and the South East Region of the TUC.
- 22.4 A detailed LETF business plan for 2008/09 has been developed. The London Borough of Hackney has contracted with the LDA to be the accountable body for LETF funding. The other boroughs are recompensed via Hackney for funds expended on LETF programmes on an arrears basis. The LETF directly funds a staff structure of 7 posts: a Head of Employment and Business Skills, an Operations Manager (Employment), with a Training Programme Manager and an Education Programme Manager reporting. In support roles, there is a Project Accountant (50%), Performance Monitoring Officer, and Training Co-ordinator. This structure operates alongside the JCP JCT. The JCT is a 12-strong team currently made up of JCP staff (City

and East London District) and two Account Managers. The team is made up of a coordinator responsible for overall day-to-day operations management, nine advisers who directly liaise with the ODA's employment and skills managers in finding and matching candidates for vacancies, and two national account managers who provide linkages with national programmes. A secondee was temporarily in place from the local Tower Hamlets jobs brokerage, Skillsmatch. Due to the relatively low volume of vacancies currently being presented, this additional resource was not replaced when he left. In addition, there is a team of six employees servicing brokerages across London (Relay London Jobs). Wider London and national networks are also accessed through JCP. The JCT are all co-located in Boardman House in Stratford and essentially work together as a single team. The Commission understands that the Employment Manager at the ODA will be convening regularly fortnightly meetings with JCP, the Host Boroughs, and Relay London Jobs to ensure the efficient functioning of the JCT.

- 22.5 The job brokerage and skills enhancement programme is supported by the established local labour schemes in each of the five Host Boroughs. Some of these have been running for many years, such as in Greenwich and Tower Hamlets. Others have been set up with assistance from the LDA, such as in Hackney and Waltham Forest. The services are: Greenwich Local Labour and Business (GLLaB), Skillsmatch in Tower Hamlets, Workplace in Newham, On-Site in Hackney, and Worknet in Waltham Forest. Each of these services is providing linkages for individual residents with the jobs and training opportunities available through London 2012.

23. Process/sign-off

- 23.1 The job brokerage process has been designed to ensure that the system maximises the opportunities for residents in the five Host Boroughs to access job vacancies on the Olympic Park. Consequently, the procedures for selection of candidates involve a cascading approach whereby jobs are made available to the five Host Boroughs first. Once a vacancy is identified by a contractor or sub-contractor it is placed on JCP's computer system called LMS (Labour Market System). This system has been used for many years by JCP. It is available in every JCP office across the country and aspects of the system can be viewed by clients (such as job searches). For the first 48 hours, the vacancy has a marker placed on it which enables the data to only be read by identified agencies in the five Host Boroughs. This is the critical window for the local brokerages to shortlist candidates for presentation to the contractor. If no suitable candidates are sourced within that period, the vacancy is posted to selected agencies across London for a further 24 hours. After a total of 72 hours, should no suitable candidates be forthcoming, the vacancy is posted nationally on the JCP LMS system.
- 23.2. The procedure for Olympic Village and Stratford City jobs is different as these relate to the Section 106 Agreement between Westfield and the London Borough of Newham. The new city centre in Stratford will create more than 25,000 construction jobs throughout the duration of the project, with a peak of 4,500 workers on site at any one time. It is estimated that over 18,000 permanent jobs will be created on completion. Section 106 contributions fund Workplace to broker Newham residents into construction jobs on the site. The procedure is that vacancies are placed with Workplace, being only available to Newham residents for a period, and thereafter are cascaded

London-wide. There is no agreed timescale for this and no vacancies to date have gone wider than the London Borough of Newham.

23.3 Each agency in the process has a specific designated role, in brief:

- ODA – manages contractor processes and access, total workforce demand and skills profile, quality assurance;
- Boroughs – the primary client interface and hold job-ready candidate files;
- LB Newham – primary job interface with Stratford City and the Olympic Village;
- Host Borough Central Unit – provides support to Host Borough brokerages, generic promotion and coordination of multi-borough activity, and coordination of the local skills training programme;
- JCP/LMS – provides coordination of five Host Borough job opportunity to candidate matching; provides the national reach and linkages; LMS carries vacancies from all parties and is embedded within the local labour schemes;
- Relay London Jobs – the pan-London job brokerage, provides London wide facilitation and coordination of job opportunities; and
- Recruitment agencies – several of these are licensed to provide specific employment services.

23.4 In May 2007, the LDA launched a common brand called 'BOOST'. This was in effect a new brokerage service intended to identify job and volunteering opportunities in advance to those registered with the local Host Borough services. However, the brand was only used for joint promotional activity prior to a 2012 brand becoming available. A new universal 'Jobs Skills Futures' brand has been developed and was first used at the Excel Careers Fair event in April 2008. It is being fully rolled out in autumn 2008 and is intended to provide a clearer identification of access points to London 2012 skills and employment opportunities. It can more easily be deployed alongside existing local service branding and will be more of an endorsement mark for individual borough employment services. The details of this are currently under negotiation with LOCOG. It will not appear to present an additional service infrastructure. The ODA will license the brand on behalf of London 2012 for all employment and skills partners and will require individual partners to agree and sign off individual license agreements. The JCT, though absolutely essential to the functioning of the system, is a back-of-house function and not a client interface. The successful use of the London 2012 jobs brand is clearly a key factor in the on-going success of the LETF programme and forms a critical part of the wider LETF community engagement strategy. A sum of £125,000 has been earmarked for Host Borough promotional activity in 2008/09. This includes specific campaigns to engage with target groups, for example, to encourage women into construction. In addition, the LETF's Education and Career Pathways stream is delivering a range of 13 projects aimed at raising aspirations of 14–19 year olds, particularly around construction and media industries.

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- 23.5 The LETF is closely aligned with the CSP Single Points of Access programme which is involved in outreach with hard to reach groups in the local communities. The introduction of Single Points of Access for services to the workless including lone parents and families on low incomes is one of the central actions of CSP. This part of the programme is intended to provide those furthest from work with a streamlined client-focussed service. Combined with existing relationships the boroughs have with voluntary and community organisations, this programme will tackle issues around equality and inclusion, and provide the link with London 2012 employment and training opportunities. According to progress reports to the Five Borough Partnership Board, this element of CSP is on track and making good progress.
- 23.6 The LETF supports another initiative across the ten London Thames Gateway boroughs which is designed to support local businesses and prepare them to bid for and to register on CompeteFor. The project, called East London Business Place, works with micro and small to medium-size enterprises as well as buyers across all industry sectors to source and match local suppliers to the purchasing needs of buyers as part of regeneration efforts in the Thames Gateway. It also offers free face-to-face advice and guidance on procurement practice as well as a free programme of events designed to improve competitiveness. The project is funded by the LDA.

24. Findings

- 24.1 From the position a year ago, there is now a significant uplift in operations around the brokering of Olympic Park jobs with respect to residents of the five Host Boroughs. According to the first Jobs Skills Futures Newsletter, at the end of September 2008, 637 local residents from the Host Boroughs were recorded as working on Olympic Park out of a total contractor workforce of 2,701. This represents 24% of the site workforce as against a monitoring target of 15%. This has been attributed to two factors: firstly, the success of applicants from the Plant Training Centre at Eton Manor gaining employment; and, secondly, an increase in the number of candidates for vacancies coming through the job brokerage system. The latter is being driven by the ODA Employment and Skills Managers who have relatively recently been appointed (see para.7.1). The percentage of people who were unemployed gaining employment on the site was 9% of the total contractor workforce (236 persons), slightly higher than the monitoring target of 7%. On business engagement, by July, 12% (83) of successful tenderers have been from the Host Boroughs and 42% (293) from the rest of London. This is out of a total of 703 contracts. These results are very encouraging.

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- 24.2 It is acknowledged that the brokerage system was slow to start, due to the low number of vacancies coming through and had a number of teething problems initially. However, it is important to recognise that during this time many local residents were assisted into work or training. Since January 2008, there has been improvement on all fronts – workforce forecasting, jobs brokerage, training and community engagement. This performance enhancement has been reported by all major stakeholders. Joint and inter-agency working has developed well and a more unified public face has emerged, though there is still a way to go with this. Co-location of the JCT at Boardman House has been cited by all involved as making a real palpable difference to day-to-day operations. In addition, there is both a willingness and commitment at all levels and across all agencies involved to make the LETF and associated programmes work. However, there are still key elements of the system that are as yet untested.
- 24.3 The Commission initially found that the JCT presented the ‘first 10’ candidates to the contractor, not the ‘best 10’. Thus, selection was based on minimum criteria. During the course of the review, the Commission understands that this has now been addressed through revised procedures for handling candidates, which have the express aim of putting the highest quality candidates forward (rather than the first) to contractors as a priority.
- 24.4 There are a number of procedural issues to be resolved with the matching process. There is no interview feedback to candidates due to unresolved data protection issues. There are problems with so-called ‘cancelled vacancies’. This is where after the matching process the contractor records the vacancy as ‘no longer required’. This is said to constitute around 18% of vacancies presented to the JCT. In terms of cascading, currently the JCT are placing approximately 90% of vacancies posted to them within the 48 hour window. There is an issue of a five day a week brokerage service operating for a seven day a week construction site. This problem typically presents itself as requests for candidates occurring on a Friday afternoon to be presented on a Monday morning to the contractor. This should be easily resolved. A more significant issue is the claim, which is by its nature difficult to evidence, that not all Olympic Park vacancies are being offered to the JCT, with contractors using external agencies or accepting ‘walk-ups’. This may explain the high number of ‘cancelled vacancies’. Addressing this should be a key objective of the ODA Employment and Skills team over the next three to six months.

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- 24.5 The job brokerage systems and procedures for ensuring as many five Host Borough residents and wider London residents capture the employment opportunities from the London 2012 Games is highly complex. This compares with much simpler procedures for other large construction projects such as Terminal 5 at Heathrow. Complexity itself is not a problem; however, the main issue with the system established through the JCT is its scalability. The key driver for functional performance is the number of vacancies presented to the JCT and the manner in which they are processed. At the moment, a request for candidates for a vacancy is sent via email by the ODA Employment and Skills Manager responsible for the particular construction project to the JCT. A member of the JCT will then enter the details on LMS as a new vacancy. The vacancy will then appear on the LMS databases of each of the Host Borough local labour schemes. The local labour schemes will then match candidates and email CVs to the JCT who then present the first 10 to the ODA Employment and Skills Manager who will then pass them on to the contractor. It should be recognised that LMS was not designed as a recruitment management system. At present, it only reports the vacancy. The rest of the procedure is handled manually via email. Tracking is difficult and there are obstacles to reporting back on the progress of candidates due to data protection issues. The latter is despite the fact that the local brokerages have endeavoured to obtain data release forms from candidates as they register. With such a hybrid system with high reliance on manual processing, scalability must be an issue.
- 24.6 Currently, the maximum JCT through-put in any one month has been around 100 vacancies. With the relatively high staffing levels now in place, this level of vacancies can be easily handled. All the Host Boroughs have indicated that they will provide additional secondees should the need arise. The key question is what number of vacancies in any period (month, week, day) can the system satisfactorily service? Some involved speculate that the current system could be stretched to 150 or 200 vacancies a month but would experience difficulties beyond this level. All customer service systems (of which a recruitment system is a special type) require automated tracking of exactly where a client is in the process and a reliable feedback loop on client outcomes. This data can then be utilised in performance management of the programme which, at present, is not possible. It appears that the current set-up cannot adequately meet these requirements. Furthermore, given that many steps of the procedure are not automated and rely on email contacts, this is an issue that needs urgent consideration.
- 24.7 It is the view of the Commission that a bespoke computerised recruitment management system is required in order to meet the processing challenge of more vacancies coming through the JCT. In addition, such an analysis must inform the development of a contingency business continuity plan. Business continuity plans address how an organisation would recover critical functions promptly if disrupted or, in this case, have a large spike in demand. Critical to this is the clear identification of the trigger mechanisms to initiate the business continuity plan. The Commission is of the view that a 'wait and see' approach is too risky with this mission critical aspect of the social and economic sustainability of the Games. We understand that Grant Thornton Associates has been commissioned by the LDA to review the measurement of benefit and the data systems and processes for the collection and reporting of candidate information on behalf of the agencies involved (see para.29.2). This will include a review of systems and processes and will outline a number of possible options for enhancements. The Grant Thornton report is due in autumn 2008.

Recommendation 3

That the JCT should put in place a fully online recruitment system that is able to track individual applicants and be scalable for future requirements.

Recommendation 4

That the JCT develop a business continuity plan with clear trigger mechanisms to ensure that the system is enabled to manage significantly higher levels of vacancies and continue to operate in the event of disruption.

24.8 In January 2008, the Five Borough Partnership Board initiated a refresh of the LETF business plan. In March 2008, the Board approved a business plan up to the end of March 2009. The refresh was highlighted as an opportunity to review performance and to gauge the impact of changes in the operating environment and strategic context. A partner workshop was held in February 2008 and a revised plan for 2008/09 was agreed by the Board in March 2008. It is the view of the Commission that a review of the LETF is warranted alongside the recommended review of the LEST Action Plan as it is such a fundamental component of it. The review of LEST will be discussed under programme-wide issues (see paras 27.1–27.5).

Recommendation 6

That the Five Borough Partnership Board initiate a review of the LETF to be prepared concurrently with the review of the LEST Action Plan under Recommendation 7 and to include a review of the underlying assumptions.

Programme-wide

RAG Status: **Amber**

25. Introduction

25.1 There is widespread acknowledgement amongst all major stakeholders that there have been significant improvements in partnership working over the past 12 months. Negative perceptions about individual organisations have largely been dispelled as a result of the imperative to work together on delivering the LEST programme. Whilst it is recognised there are still areas requiring further co-operation (e.g. common systems for data sharing), it is clear there is enormous potential to build on this goodwill of partners. Credit should also be given for the achievements of all partners in setting up the governance, strategic and operational systems for delivering the LEST Action Plan. A number of common issues have been raised during the course of the review covering: clarity of focus on priorities and targets; delivery capacity; and systems and targets.

26. What is a sustainable job?

26.1 During the course of this assurance review, the Commission was keen to gain an understanding about how Key Stakeholders defined a sustainable job. It emerged that there was very little in-depth thinking on the subject beyond placement targets. The latter were typically expressed as an individual still being in a job after a defined number of weeks, usually 13 weeks. Government reports on the wider aspects of sustainable employment have not gone much beyond traditional concepts of full employment. This did not seem to capture some of the dimensions of sustainability and certainly did not seem to constitute a 'sustainable job'. In February 2008, the House of Commons Committee of Public Accounts published a report of findings entitled: *Sustainable Employment: Supporting People to Stay in Work and Advance*. Amongst other things, this report challenged the Department for Work and Pensions' yardstick for sustainable employment of 13 weeks in work. It cited evidence to show that over a fifth of people who leave benefits and enter work return to Jobseeker's Allowance within 13 weeks, and 40% are back on benefits within six months. Thirteen weeks is too short a time for a job to be considered sustainable. The Committee's report referred to the fact that the Department for Work and Pensions is now developing indicators to demonstrate the longer-term impact of its programmes on sustainable employment. In addition, it concluded that success also depends on skills development which is the responsibility of the Department for Innovation, Universities and Skills.

26.2 The Commission has reviewed the extensive literature on sustainable livelihoods, sustainable employment and Green jobs. The diagram below is taken from a recently published report by the UNEP, ILO, IOE, ITUC Green Jobs Initiative⁹, entitled *Green Jobs: Towards Decent Work in a Sustainable, Low-carbon World*¹⁰ (September 2008). The report observes that employment can be categorised in at least four ways as the economy is oriented toward greater sustainability. It uses the vectors of environmentally sustainable jobs or ‘green jobs’ alongside the concept of decent work. It provides a useful matrix to examine what a job contributes to society or the community (green jobs) and how employment affects an individual and their immediate household or family (decent work/sustainable livelihood).

Figure 1.1-1 Green and Decent Jobs? A Schematic Overview

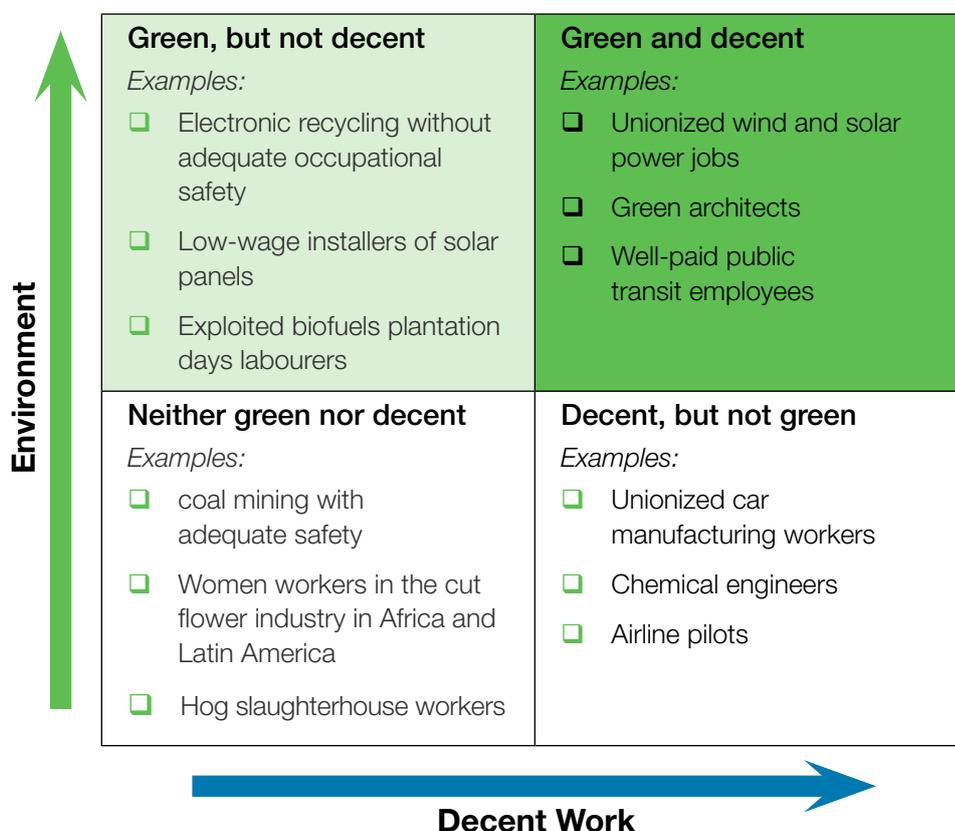


Figure credit: UNEP, ILO, IOE, ITUC Green Jobs Initiative

26.3 In August 2008, the Social and Economic Sustainability Sub Group of the Commission met to discuss the issue and has developed the following definition drawing on the Commissioners’ own unique experiences and also the literature in the field:

A sustainable job is one that improves an individual’s life chances and benefits the community – environmentally, socially, and economically.

⁹ United Nations Environment Programme (UNEP), International Labour Organisation (ILO), International Organisation of Employers (IOE), International Trade Union Confederation (ITUC)

¹⁰ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_098503.pdf

26.4 The Commission feels that this definition captures a number of critical dimensions. Firstly, is the job making a real difference to the person's life and life chances? This is very much the concern in the international development literature around sustainable livelihoods. The job should contribute to a long term improvement in an individual's life chances. Whilst the above mentioned placement definitions seek to test some form of permanence or settling in to employment, the real test of sustainability may elude such a target if someone becomes unemployed after a year. On the other hand, short term experience in work may be highly significant in getting the individual on the road to longer-term employment and a better livelihood for themselves and their families. The second issue is the nature of the work itself and this connects with the notion of Green jobs and sustainable work. A job for life in an armaments factory or an environmentally destructive industry could not reasonably be said to be sustainable. So, this led the Commission to the second, and equally important, component of the definition that the job should be beneficial to the community – not only economically but environmentally and socially too. The Commission would like to see some of this thinking incorporated into the next review of the employment and skills programmes around London 2012 and, in addition, to future updates of the London 2012 Sustainability Plan.

Recommendation 8

That the LEST Action Plan Implementation Group incorporate a broader definition of a 'sustainable job' into future reviews of LEST and other programmes.

Recommendation 9

That the London 2012 Sustainability Group incorporate a broader definition of a 'sustainable job' into future updates of the London 2012 Sustainability Plan.

27. Findings: focussed priorities and targets

27.1 The LEST Action Plan provides a comprehensive set of priorities for skills and employment projects designed to assist workless individuals into employment. The table summarises some of the key employment, skills and business capacity programmes. That said, it is widely acknowledged that the fundamentals have changed since the Action Plan was first developed in 2006. It is also accepted that much of the thinking behind LEST was based on educated guesswork – particularly in relation to the setting of appropriate targets – and that there was an element of trying to encompass as many projects as possible to help deliver these targets. Most significantly, the Action Plan was developed prior to the credit crunch and its far-reaching impact on the construction labour market, particularly in the residential construction sector. The LEST Action Plan was set in the context of a still expanding economy and one which anticipated significant labour shortages, especially in the south east of England. Even the most optimistic of recent industry commentators seem to indicate that a downturn in the sector will last well into 2011. Consequently, in the current economic climate, it may be unlikely that the construction phase of the Games will effect any substantial net gains in employment for the long-term unemployed or those currently engaged in the informal economy.

London 2012 Social and Economic Sustainability – Key Programmes

Local People into Employment – five Host Boroughs

- ODA Employment and Skills Team – managing the interface between contractors and local job brokerage services.
- JCT – coordinating the matching process between local brokerages selecting suitable candidates for jobs and the ODA employment managers presenting vacancies from the contractors.
- Local job brokerage services – services in each of the five Host Boroughs, providing outreach, skills and training opportunities and selecting candidates.

Local People into Employment – pan-London

- Relay London Jobs – working alongside the ODA Employment and Skills Team and the JCT to provide opportunities to a range of local brokerage agencies across London.

Sustainable Procurement

- London Living Wage – a commitment to pay the London Living Wage (published annually by the Greater London Authority) on the part of ODA contractors.

Labour Market Intelligence

- ODA Labour Market Intelligence Unit – providing sophisticated demand side and supply side information to better inform contractors, suppliers and those involved with job brokerages and training schemes.

Skills and Training

- Personal Best – an innovative programme, funded by the LDA, to assist people furthest from the workforce to gain skills and potentially employment.
- National Skills Academy for Construction – three sites established or being set up to provide construction skills training directly linked to Olympic Park employment opportunities.
- Apprenticeships – ambition to provide 4,000 public sector apprenticeships, with the ODA committed to providing 2,000 trainee apprenticeships and work placements at Olympic Park and other ODA construction sites.

Employer Accord

- London Employer Accord – scheme to assist employers to source skilled staff and help Londoners find jobs through recruitment support and training.

On-line tendering for London 2012 contracts

- CompeteFor – online registration system particularly targeted at SME businesses to enable them to more effectively compete for tenders related to the Games. CompeteFor is a nationally supported system and includes targeted business support programmes.

Opportunities Fund

- LDA Opportunities Fund – currently funding a programme of 27 community-based projects aiming to reach communities with high levels of worklessness and to assist them with skills development and support into work.

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- 27.2 The London Skills and Employment Board (LSEB) has now been established to drive the long term strategy for adult skills and employment in the capital with a more focussed response to the needs of employers. The LEST Action Plan Implementation Group reports to the LSEB. A member of the LSEB and of the LSEB secretariat sit on the LEST Implementation Group to ensure that initiatives are delivered in line with the LSEB strategy. Although the Olympic legacy programme was not the primary purpose of the LSEB strategy, it is clear that the LSEB objectives are concerned with helping more workless individuals to secure sustainable employment and skills outcomes and improving the responsiveness of the supply side to meet employer demand across the whole of the capital – to 2012 and beyond.
- 27.3 Whilst LEST has provided an excellent framework for setting up the governance arrangements, partnerships, working arrangements and systems for skills and employment programmes for the 2012 Games, many stakeholders are of the view that much has already been learned from the process to necessitate a review of the LEST Action Plan. In addition, a number of partners state that they would welcome a plan with fewer objectives and projects that have a much more direct linkage with Games-related initiatives, as well as a much more explicit recognition of the particular opportunities presented by both Games-time employment and volunteering opportunities, largely under the control of LOCOG.
- 27.4 Such a review would allow greater differentiation between initiatives which are wholly and directly Olympic-focussed and those which have a wider standpoint and more emphasis on longer-term, sustainable outcomes beyond 2012. For example, the Employer Accord programme is a pan-London initiative and aims to engage more employers in innovative schemes to provide more opportunities for the most disengaged workless individuals in London and is therefore not focussed on the 2012 Games alone. Although the Employer Accord activities make a valuable contribution to LEST, its position as a key element of the LSEB strategy is arguably more pertinent to the issue of sustainable skills and employment outcomes for Londoners more widely.
- 27.5 The Commission considers that the LEST Action Plan would benefit from a tighter suite of programmes and that programmes with a wider reach and life beyond 2012 would be better included in the broader work of the LSEB. With this in mind, it is considered that a review of the LEST Action Plan should aim to focus on those projects which utilise the specifically Olympic opportunities. This is intended to provide a route into employment for previously workless individuals, as well as to raise the employability potential of those most disengaged from the labour market, particularly those in the five Host Boroughs. Any review of targets in the light of the wider economic issues discussed in paragraph 27.1 should address issues around equality of opportunity for local residents from under-represented groups, particularly those currently facing barriers to employment. The LEST Implementation Group reports to the LSEB and a member of the LSEB and of the LSEB secretariat sit on the LEST Implementation Group to ensure that initiatives are delivered in line with the LSEB strategy. It is vital that the broader LSEB strategy captures lessons from the LEST programmes on achieving successful skills and employment outcomes and incorporates these for the longer-term; the LEST action

plan comes under the auspices of the LSEB strategy and is part of the piloting of LSEB interventions. In essence, the LSEB should seek to mainstream the legacy outcomes initiated through the LEST process.

Recommendation 7

That the LEST Action Plan Implementation Group initiate a review of the LEST Action Plan in the light of the changed economic situation and the establishment of the London Skills and Employment Board. Such a review should be undertaken concurrently with the review of the LETF under Recommendation 6 and should include a review of the underlying assumptions.

28. Findings: delivery capacity

- 28.1 Although LEST actions are generally considered to be on track, it is recognised that the 'system' is currently operating under capacity – and well below in some instances. This has led to some concerns being raised about the ability of the system to cope when the number of vacancies coming through is significantly increased as the construction programme is ramped up over the next 12 months.
- 28.2 Most stakeholders predict a significant increase in vacancies to commence over the six months from October 2008. The JCT is confident it can respond to the ebbs and flows of demand, particularly as they are operating under capacity at present. However, it is not entirely clear whether all organisations will be able to adapt so quickly and this does present a risk to the programme. Specific concerns have been raised in this review about the scalability of the systems operated by the JCT.
- 28.3 Some concerns were also raised about the effect of the global economic situation on the number of vacancies being made available through the programme. It is entirely possible that Olympic Park contractors will bring in more of their own workforce who are at risk of redundancy or were working on projects which have been terminated. In addition, changes in the construction or design of Olympic buildings may lead to a different set of qualification/skill requirements of workers. All of these elements will have a bearing on the overall number of vacancies coming through the system and ultimately, on the achievement of a 15% target for local employment on the Olympic Park. This is clearly a somewhat fluid and not easily predictable situation.

28.4 A key partner in establishing LEST in 2006 was the Learning and Skills Council. The LSC is a non-departmental public body which began work in 2001, taking over the roles of the former Further Education Funding Council and Training and Enterprise Councils. It has an annual budget of over £11 billion to improve UK skills. In a White Paper in March 2008, the Government announced its intention to close down the LSC by 2010. A large part of its funding (around £7 billion) and responsibilities is to pass to local authorities to help colleges and sixth forms deliver the reforms needed to raise the education and training leaving age to 18. A new Skills Funding Agency for adults will get £4 billion to oversee the distribution of funds to the sector and manage the performance of further education colleges. It will also house the new National Apprenticeship Service. It is understood that the London LSC has prepared transitional arrangements to ensure that Olympic programmes continue in a seamless manner. It is essential that these arrangements are fully reflected in any review of the LEST Action Plan and LETF and that the key learning and positive relationships are successfully passed on.

Recommendation 10

That the LEST Action Plan Implementation Group and the London Skills and Employment Board ensure that the Olympic programme transition arrangements for the Learning and Skills Council are fully incorporated into the plans and programmes of all relevant partners and that any funding gaps are adequately addressed.

29. Findings: customer experience

29.1 The main computerised system for registering vacancies and jobseekers and for matching candidates with opportunities is through the national JCP LMS system. Other job brokerage services and agencies have their own systems, but also utilise LMS via the JCP advisers based in the brokerages. The ODA has its own system to capture all its vacancies.

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- 29.2 The lack of a common operating system causes some concern in terms of monitoring the employment journey of individuals. Specific reference to this issue has already been made in relation to the job brokerage scheme operating in the five Host Boroughs (para.24.7); but the issue is of wider concern. LMS allows individuals to be tracked as long as they remain with those training programmes or employment opportunities which require being captured by the LMS system. If that person moves ‘out of range’ of the LMS world at any point, they can be lost to the system for that time – although it is possible they will come back in at a later date. Data protection constraints make it difficult for the ODA, LMS and other systems to ‘talk to each other’, at least without the aid of secure encryption processes. The ability to track an individual’s progress whether in employment, training or operating ‘outside’ the LMS system is a vital component of sustainability. The LDA has commissioned a Stakeholder Data Mapping Project by Grant Thornton which will look at better alignment of LEST stakeholders’ performance management systems to maximise their collective ability to track individual beneficiaries across LEST interventions into direct and indirect 2012 jobs. The Commission understands that this work will propose a number of options to resolve these issues on a cost-effective whole system basis. In addition, it will identify added functionality measures, such as tagging, which would enable individual stakeholder systems to better record individuals gaining direct or indirect 2012 jobs.
- 29.3 Targets have been set for the LEST Action Plan, the overall headline target being to enable 70,000 additional people into work by 2012. As mentioned above, the process of formulating the actions and targets was not a precise science, and a review of the LEST at this time should also revisit the realism of the 70,000 target.
- 29.4 What the process currently does not allow for is any opportunity to capture the indirect employment opportunities presented by the 2012 Games – many of which could play an important part in securing sustainable job outcomes for Londoners. Moreover, the targets – and all its component sub targets – are focussed on job outcomes alone and do not take enough account of the overall ‘distance travelled’ by individuals in their journey out of worklessness. Getting people job-ready and/or more qualified is a critical component of the employment journey and is pertinent to the issue of sustainable outcomes. The Commission understands that the LEST partners are looking to identify indirect employment opportunities, such as employers outside of the direct 2012 supply chain who consider that they have been influenced by the Games. It is proposed to establish a longitudinal individual beneficiary survey from 2009 to 2015 as part of the Olympic Legacy Impact Evaluation Study. This survey will aim to track the ‘distance travelled’ and longer-term outcomes for beneficiaries, as well as the actual impacts of individual interventions. The Commission understands that this is the first time that this has been done for an Olympic Games.

29.5 The Commission conducted a limited ‘mystery shopper’ exercise to better understand how a consumer might view what is quite a complex series of interlocking programmes. The exercise uncovered a number of difficulties in easily accessing information about employment opportunities. There was some confusion around whether or not the former Boost phone number (0845 155 2012) was acting as a single point of contact. There is clearly more to be done here in providing ordinary people an easy route into the Olympic opportunities – particularly around a single point of access via the internet or a single phone number. The concept of no closed doors should apply and each inquirer should be able to have their details logged on the system and be confident of follow-up. The Commission understands that this will be addressed in November 2008 when Relay London Jobs is launched.

Recommendation 5

That as part of the roll-out of the London 2012 Jobs Skills Futures brand and the official launch of Relay London Jobs, a single point of entry be developed with a single phone number and a web portal to ensure no one is restricted in accessing the employment and skills opportunities of London 2012.

Appendix 1 – Method

1. Methodology of review

The Commission procured external consulting support from Gary Cox Consulting Ltd to undertake this review. The consultants were Gary Cox and Emma Thomson, working with Jane Durney of the Commission. GLA guidance was followed during the procurement process. The fieldwork was carried out during July and August 2008.

Interviews

We carried out a series of interviews with staff involved in the delivery of social and economic sustainability objectives largely focussed on employment and skills and business capacity in the ODA, the LDA, LOCOG and the five Host Boroughs.

These interviews covered:

- The programmes in place
- The systems designed to deliver them
- Outcomes to date
- Issues with scalability and delivery challenges
- The sustainability of outcomes
- The potential impact of the operating environment, particularly the economic downturn

We interviewed the following people:

LDA	Mumtaz Bashir, Keith Bendall, Leon Clarke, Patrick Codd, Nadine Collins, Mick Fisher, Rosie Holcroft, Geoff Newton, Mary Nicholls, Michelle Reeves, Tom Russell, Tom Travers, Rob Whitehead
ODA	Lisa Doughty, Guy Hazlehurst, Ann-Marie Morrison
LOCOG	Paul Modley
GLA	David Massey
LSC	Mary Conneely, Neill Scott
JCP	Ann Lines, Nick Steward
Business Link	Ruth Nightingale
Employer Accord	Carrie England
London Business Network	Mike Mulvey
LSEB	Beth Simpson
5 Host Boroughs	Cllr Chris Roberts, Norman Turner, Frances Farragher, Ed Gallagher
London 2012 Nations & Regions	Angela Salt, Sameer Harji
TUC	Roy Lockett, Barry Francis, Matt Dykes, John Tennison

We observed a LEST Implementation Group meeting chaired by Peter Lewis, GLA, and an Employment and Skills Operations Meeting chaired by Geoff Newton, LDA, and attended a Heads of 2012 meeting.

2. Documents reviewed

The following documents were reviewed:

- London 2012 Sustainability Plan
- LOCOG
 - London 2012 Candidature File
- ODA
 - February 2008 Employment and Skills Strategy
- LDA/LSC
 - LEST Action Plan
- HM Government
 - Before, During and After: Making the Most of the London 2012 Games
- GLA
 - Five Legacy Commitments
- Five Host Boroughs
 - LETF
 - 2004 Planning Application and Section 106 Agreement

3. RAG Status definitions

The following criteria were used to assign a RAG status to each area:

- **Red** Significant concerns about performance and little evidence of recovery plan. Significant threats exist which may impact successful achievement of the Sustainable Development objectives and projected targets for the issue if not addressed in the short term.
- **Amber** Evidence not currently available in response to recommendation or some significant concerns about performance but evidence that they are being addressed is available. Threats exist which may impact successful achievement of the Sustainable Development objectives and projected targets for the issue if not addressed in the medium term.
- **Green** No significant threats to achievement of the target performance for the issue were identified.

Appendix 2 – Glossary and list of organisations

Glossary of common acronyms used in relation to the London 2012 Olympics

BOA	British Olympic Association
BPA	British Paralympic Association
CLM	CH2M Hill, Laing O'Rourke and Mace, the ODA delivery partner
CSL	Commission for a Sustainable London 2012
CSR	Corporate Social Responsibility
DCMS	Department for Culture, Media and Sport
GFP	Games Foundation Plan
GLA	Greater London Authority
GOE	Government Olympic Executive
HBCU	Host Borough Central Unit
Host Boroughs	London Boroughs of Greenwich, Hackney, Newham, Tower Hamlets, Waltham Forest
IOC	International Olympic Committee
IPC	International Paralympic Committee
JCP	Jobcentre Plus
JCT	Joint Coordination Team
LDA	London Development Agency
LEST	London Employment and Skills Taskforce for 2012
LETF	Local Employment and Training Framework
LLV	Lower Lea Valley
LMF	Legacy Masterplan Framework
LOCOG	London Organising Committee of the Olympic Games and Paralympic Games
LSEB	London Skills and Employment Board
MAA	Multi-Area Agreement
NRG	Nations and Regions Group; 12 senior representatives from UK business and sport, ensures the whole of the UK is involved in and benefits from the 2012 Games
OB	Olympic Board
OBSG	Olympic Board Steering Group
ODA	Olympic Delivery Authority
OPSU	Olympic Programme Support Unit
PSA	Public Service Agreement
RAG	Red, Amber, Green
SD	Sustainable Development
SRF	Strategic Regeneration Framework

Key Organisations Delivering the 2012 Games

Organisation/ group	Background	Role in relation to the London 2012 Games
British Olympic Association	The National Olympic Committee for Great Britain and Northern Ireland.	Co-signatory to the Host City Contract, signed with the International Olympic Committee. Co-signatory to the joint venture agreement which established LOCOG. The Chairman is a member of the Olympic Board. Represented on LOCOG's Board, the Olympic Board Steering Group and other stakeholder groups.
British Paralympic Association	The National Paralympic Committee for Great Britain and Northern Ireland.	Represented on LOCOG's Board, the Olympic Board Steering Group and other stakeholder groups.
ConstructionSkills	ConstructionSkills is the Sector Skills Council for construction. It represents every part of the construction industry, from architects to bricklayers, in every part of the UK. It covers every part of the skills agenda – from grants to college places. There are currently 22 SSCs covering all sectors of the economy from textiles to finance and IT. They are independent, employer-led organisations that actively involve trade unions, professional bodies and other key stakeholders.	ConstructionSkills has received government endorsement for a National Skills Academy for construction. This will act as a National Skills Academy as a Centre of Excellence for Work Based Learning. The main focus of the Academy is to provide a range of learning and development opportunities for people that are centred on construction projects. There are currently three active or proposed centres for on-site skills training related to Olympic Park: the Plant Training Centre, Cathall Road, and Thames House.
Department for Culture, Media and Sport	Government department.	The lead government department for the Games, with overarching responsibility for managing the Government's interests and responsibilities.
Government Olympic Executive (GOE)	Dedicated unit within the Department for Culture, Media and Sport, reporting direct to the Minister for the Olympics.	The team responsible for handling Olympic matters within the Department for Culture, Media and Sport. Provide assurance to the Olympic Board and the Minister for the Olympics that activities across the London 2012 programme are being well managed, and provide effective governance and risk and financial management for the Games as a whole.
Greater London Authority	Strategic governing body for London covering transport, policing, fire and emergency services, economic development, planning, culture and the environment. Comprises the Mayor of London, the executive of the Authority, and the London Assembly which scrutinises the Mayor's activities.	Contributing up to £625 million to the public sector funding package for the Games, to be generated from council tax receipts. The funding package for the Games includes up to a further £300 million which the Mayor of London agreed to make available over the lifetime of the programme. The Mayor of London is a co-signatory to the Host City Contract, signed with the International Olympic Committee. The Mayor of London is a member of the Olympic Board. The Mayor of London is a co-signatory to the joint venture agreement which established LOCOG.

Organisation/ group	Background	Role in relation to the London 2012 Games
Host Boroughs	The five London boroughs within which the 2012 Olympic Games will be staged: Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest.	Responsible for co-ordinating the delivery of LETF skills and employment programmes across the five Host Boroughs, including local job brokerage services for Olympic related vacancies. Also coordinates the delivery of the CSP Programme for East London. Reports to the Host Borough Partnership Board in this regard. Coordination activity managed via a Host Borough Central Unit located in Stratford. Key signatory of tri-partite agreement on Employment and Skills, along with the ODA and JCP. Part of the Olympic Joint Coordination Team.
JCP	National Government agency supporting people from welfare into work and assisting employers to fill vacancies. Part of the Department for Work and Pensions.	National responsibility for delivering matching and screening service for Olympic jobs. Reports to the GOE on employment issues. Shares national legacy objective with Department for Innovation, Universities and Skills (DIUS) on ensuring London is a better place to visit, work and do business (GOE Promise 5). Manages the LMS system for recording and disseminating Olympic vacancies to 5 Host Boroughs, London and UK. Key signatory of tri-partite agreement on Employment and Skills, along with ODA and 5 Host Boroughs. Part of the Olympic Joint Coordination Team.
Learning and Skills Council	National body responsible for planning and funding 14–19 education provision (except universities) and for workforce development programmes in England, such as Train to Gain and National Apprenticeship Scheme.	Regional Director of Regeneration has both London and national remit for Olympics. Represented on 5 Borough Partnership Board and London Skills and Employment Board. Regional Director sits on various sub-committees relating to LEST, including Education, Personal Best, etc.) Funds apprenticeship schemes for Olympics and the National Skills Academy for Construction. Establishing transition plan for new arrangements post demise of LSC in 2010, including those relating to the Olympics. Train to Gain brokerage service integrated into ODA contracting processes. Funds ESOL schemes in 5 Boroughs (including schemes specific to the CSP) and across London as a whole.

Key Organisations Delivering the 2012 Games

Organisation/ group	Background	Role in relation to the London 2012 Games
London 2012 Sustainability Group	Comprises senior representatives from the Olympic Delivery Authority, LOCOG, British Olympic Association, Government Olympic Executive, Greater London Authority and Defra. Other Government departments and Olympic stakeholders may be invited to attend. The Commission for a Sustainable London 2012 is invited to attend for part of meetings. The group meets every two months.	Responsible for the sustainability agenda, including overseeing, co-ordinating, monitoring and delivering sustainability commitments in the Sustainability Plan. Provides collective advice and assurance on the progress of sustainability commitments across the programme and shares best practice across the programme. Coordinates internal and external stakeholder engagement in relation to all sustainability and environmental issues.
London Development Agency	The Regional Development Agency for London, co-ordinating economic development and regeneration. Accountable to the Mayor of London.	Responsible for acquiring the land on the Olympic Park site, and leading on the development of the Legacy Masterplan Framework. Contributing up to £250 million to the public sector funding package for the Games, in addition to funding the land acquisition. Planning and implementation of a strategic regeneration plan for East London Securing Olympic legacy benefits for London as a whole.
London Organising Committee of the Olympic Games and Paralympic Games (LOCOG)	A company limited by guarantee, established by a joint venture agreement between the Secretary of State for Culture, Media and Sport, the Mayor of London and the British Olympic Association.	Responsible for the operational and staging aspects of the Games. The liaison point for the International Olympic Committee and a party to the Host City Contract, signed with the International Olympic Committee. The Chairman of LOCOG is a member of the Olympic Board.
Olympic Board	Established by a Memorandum of Understanding between the Secretary of State for Culture, Media and Sport, the Mayor of London and the British Olympic Association. Comprises the Minister for the Olympics, the Mayor of London, and the Chairs of the British Olympic Association and LOCOG. The Chair of the Olympic Delivery Authority and the Commissioner of the Metropolitan Police Service attend Board meetings. Chaired alternately by the Minister for the Olympics and the Mayor of London.	Responsible for resolving and determining issues raised by members of the Olympic Board to ensure the delivery of the Games, and for ensuring that a sustainable legacy is achieved following the staging of the Games. Oversees the Olympic programme, and receives reports and plans from the bodies involved in staging the Games.

Organisation/ group	Background	Role in relation to the London 2012 Games
Olympic Board Steering Group	Comprises senior officials from the Government Olympic Executive, the Greater London Authority, the British Olympic Association, LOCOG, the Olympic Delivery Authority, the Olympic Lottery Distributor, the Department for Communities and Local Government, and the British Paralympic Association. Chaired by the Director General of the Government Olympic Executive.	Supports the Olympic Board at official level. Takes a strategic overview of the work of the stakeholders in relation to the Olympic programme as a whole. Responsible for ensuring that the Olympic Board is kept informed and regularly briefed on all relevant matters.
Olympic Delivery Authority.	Established by the London Olympic and Paralympic Games Act 2006. Non-departmental public body, sponsored by the Department for Culture, Media and Sport.	Will prepare the Olympic Park site, build the new venues and provide for their legacy use, and deliver the Olympic Village, media facilities, certain off Park venues, and infrastructure for the Games. The planning authority for the Olympic Park area – any application relating to land within the area is considered by the Olympic Delivery Authority's Planning Committee rather than the local borough. Responsible for developing an Olympic transport plan and for delivering certain Olympic transport projects.
Partnership Board	Established in 2006 to oversee delivery of the LETF and the CSP Programme for East London. Chaired by the Leader of Greenwich Council. Meets every two months.	Checks progress against delivery of the LETF objectives in the five Boroughs. Has representation from each of the 5 Host Boroughs, ODA, LOCOG, GLA, LDA, JCP, LSC, the East London Business Alliance and SERTUC.

Appendix 3 – Status of recommendations from the 2007 Governance Review relating to social and economic sustainability

No	Responsibility	Recommendation	Status
14	CSL	The Commission should review, in 2008, the processes, infrastructure and resources to maximise the social and economic sustainability opportunities presented by the Games.	This report represents the first stage in reviewing the processes, infrastructure and resources to maximise the social and economic sustainability opportunities presented by the Games. Between now and 2014, the Commission will review other aspects of social and economic sustainability and will revisit recommendations made to ascertain progress.
2.31	CSL	CSL to review the local skills and employment process as part of a thematic review in the current year with recommendations for scalability.	This report represents completion of this recommendation.
3.24	CSL	The final ODA Equalities and Diversity strategy has now been issued and the Commission will review this as part of a review of social and economic sustainability.	The ODA Equalities and Diversity strategy has been reviewed.
3.25	CSL	CSL to monitor implementation of the equalities and diversity strategy.	CSL is monitoring implementation of the equalities and diversity strategy through regular review of performance monitoring reports.
3.26	CSL	CSL to conduct a review of the LETF process as part of the ongoing work programme.	CSL has reviewed the LETF process as part of this review and made recommendations accordingly.
3.27	LDA ODA LOCOG DCMS	Ensure that the work of the various agencies operating in the skills and employment area (ODA, LDA, host boroughs, local voluntary sector, local education authorities, Regional Centre of Excellence etc.) is robust and scalable as project activity increases.	CSL has reviewed this topic as part of this review and made recommendations accordingly.
3.28	LDA ODA LOCOG DCMS	Develop clearly focussed aspirations and targets for numbers of people to be trained, short and long term employment targets with particular reference to equalities.	CSL has seen evidence that the ODA has developed clear aspirations in this area and has made a recommendation for LOCOG to learn from and build on the ODA's experience.

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