

John Biggs AM, Chairman of the Budget and Performance Committee

Dennis Hone
Chief Executive
London Legacy Development Corporation
Level 10, 1 Stratford Place
Montfichet Road
London
E20 1EJ

City Hall
The Queen's Walk
London SE1 2AA
Switchboard: 020 7983 4000
Minicom: 020 7983 4458
Web: www.london.gov.uk
Ref: 229

30 November 2012

Dear Dennis,

Blacklisting on the Olympic site

I am writing regarding your comments to the Committee on 7 November about the blacklisting of construction workers on the Olympic site.

You told the Committee that the Olympic Delivery Authority (ODA) did not receive, and could not find, any evidence of blacklisting on the Olympic site. I am writing to invite you to expand on the statement you gave to the Committee on this issue, addressing the following points:

1. During the planning and construction phases before the Olympic and Paralympic Games was the ODA aware of the general problem of blacklisting in the construction industry?
2. What steps did the ODA take to prevent contractors operating on the Olympic site from blacklisting workers?
 - Did the ODA actively seek assurances from contractors that they were not blacklisting workers? If so, which contractors gave the ODA such assurances?
3. How many complaints did the ODA receive concerning blacklisting on the Olympic site?
 - How did the ODA investigate those complaints, and what was the outcome?
4. How do you respond to the evidence given to the House of Commons Scottish Affairs Committee on 27 November that Sir Robert McAlpine, Balfour Beatty and possibly Skanska ran checks on construction workers applying for work on the Olympic site through an organisation called The Consulting Association?

Contact: Dale Langford, Senior Committee Officer, City Hall, Queen's Walk, London SE1 2AA
020 7983 4415: dale.langford@london.gov.uk

LONDON ASSEMBLY

5. How will you respond if it is proven that contractors operating in the Olympic site did blacklist workers?
6. What steps are you now taking to ensure that blacklisting does not take place in the Olympic Park?

I would be grateful if you could respond to these points by Friday 21 December 2012, copying to the Senior Committee Officer (details below).

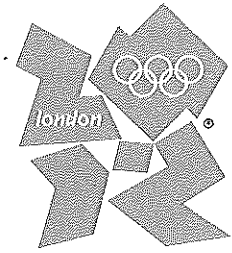
I would also appreciate it if you would ask the contractors (who have worked, or still are working on the site) for written confirmation that they did not (and do not) blacklist workers on the Olympic site, and provide those documents to this Committee. I would be grateful if you could do this by Friday 1 February 2013.

Yours sincerely



John Biggs AM
Chairman of the Budget and Performance Committee

RECEIVED
02 JAN 2013



John Biggs AM
Chairman of the Budget and Performance Committee
London Assembly
City Hall
The Queen's Walk
London
SE1 2AA

21st December 2012

Dear Mr Biggs

Thank you for your letter of 30 November 2012.

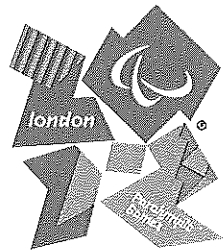
Your letter was sent to me at the London Legacy Development Corporation and I hope that you will agree that it is proper that I should be responding separately for the two organisations.

The Olympic Delivery Authority (ODA) has always been fully aware of the historic use of blacklisting in the construction industry, and the legitimate concern of trade unions about the practice. However our inquiries have not found any indication that any individuals were denied work on the Olympic Park and other ODA projects as a result of the use of vetting checks, nor that any evidence of potential or actual blacklisting was ever supplied to the ODA by unions or individuals.

We have already sought assurances from Sir Robert McAlpine that they did not use blacklisting checks as part of their recruitment for work on London 2012 venues and infrastructure, and I attach a copy of their response. Following your letter, we have sought similar assurances from Skanska and Balfour Beatty. Their responses are attached.

As you will be aware, the ODA has had more than 1,600 Tier 1 principal contractors, with whom we have a direct commercial relationship, in addition to tens of thousands of companies through the supply chain.

In response to your last request, I am writing to those companies that are still working for the ODA on the Olympic Park or the Olympic Village. We will come back to you on the outcome of these letters in January. We are also contacting the Information Commissioner's Office (ICO) to establish if any of



MAYOR OF LONDON

The Olympic Delivery Authority is a statutory authority established under the London Olympic Games and

Paralympic Games Act 2006.

their data about companies' use of the Consulting Association involves ODA Tier 1 contractors and shows a clear link with the ODA's programme of work.

However I do not believe that it is appropriate – or practical, given our much-reduced staffing – for the ODA to challenge all our contractors, including those whose work has been completed, without some justification in terms of ICO evidence. In most cases our contracts with these firms are already commercially closed out and, in any event, we have no power whatsoever to insist that they disclose information to us, nor any sanctions we could employ for actions which might go back several years.

I have already made clear to your committee my views about blacklisting.

In addition, the ODA has acted promptly, after this issue re-entered the public domain in October, to check for any evidence of blacklisting being employed on the London 2012 Olympic and Paralympic construction project. We have not so far uncovered any indication that we were sent evidence, by unions or individual workers, of blacklisting. Had we received any, we would obviously have investigated it.

These checks involved extensive searches of our IT system and emails, interviewing past and present senior staff, liaison with our Delivery Partner CLM, and examination by them of Tier 1 contractor accounts to verify that there is no suggestion that any public money was used to pay for blacklisting checks.

We have also spoken to Barry Camfield, the former assistant general secretary of the Transport and General Workers' Union, who was a member of the ODA's Board from 2006 until January 2012. Barry was also a member of the TUC General Council and the 'Unions 2012' group of senior officials.

While he was obviously very well aware of trade union concerns about the Consulting Association, he is emphatic that no concerns about blacklisting, let alone specific cases or evidence, were ever brought to his attention by UCATT, or any other union, nor any discussion of the issue that he can recall within London 2012 forums that included union representation. He confirms that he brought the case of Frank Morris to our attention, but this was prompted by reading about it in the media.

This case involved a sub-contractor, not a Tier 1 company with whom the ODA had a direct relationship. At no stage did we receive evidence to substantiate the claims that Mr Morris was the victim of blacklisting.

In response to the specific points you raised in your letter:

Yes – we were aware of the general problem of blacklisting in the construction industry.

Our contracts included a requirement that contractors should at all times comply with UK law and the ODA's employment and skills strategy. The ODA signed a Memorandum of Agreement with trade unions in 2007 and Principles of Cooperation with the TUC in 2008 – both documents encouraged contractors to act fairly at all times. A confidential helpline, run by a third party, was established so workers could raise concerns anonymously, however no calls were received about blacklisting. Union representation at Board level ensured any issues could be aired at the highest level. In addition, the ODA put in place regular industrial relations coordination mechanisms. Reviews of reports uncovered no evidence of blacklisting being raised with us.

We received no complaints concerning blacklisting on the Olympic site. Consequently, there was nothing to investigate.

As above, we sought assurances from Sir Robert McAlpine, Skanska and Balfour Beatty that they did not use blacklisting checks during their London 2012 construction work. We would investigate any evidence of blacklisting that was provided to us.

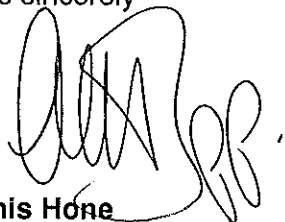
If we receive or uncover any evidence that blacklisting is in use, we would call in the contractor in question, remind them of their obligations, and issue a formal warning that the practice should be immediately discontinued. If appropriate, we would also pass evidence on to the ICO or the police. However you will appreciate, as explained previously, that most of our Tier 1 contracts have now been closed and that we have no power to force these companies to disclose information, nor sanctions we could employ.

As indicated above, we are writing to all contractors still working for the ODA to remind them of their obligations, and clearly stating that we do not condone in any way the use of blacklisting.

The ODA placed good industrial relations and workers' welfare at the heart of our construction project, forming strong relationships with trade unions, including agreeing a site-wide agreement on minimum pay, health and safety and union recognition. To demonstrate this record of achievement, I attach copies of two ODA 'Learning Legacy' documents that I hope will be of interest, one written by a senior TUC official, Mike Smith.

It is a matter of regret to us that this immensely positive record appears to be being undermined by unsubstantiated claims made after the completion not just of the construction programme, but the whole London 2012 Olympic and Paralympic Games – rather than in a timely way when the ODA still had contractual and working relationships with contractors and when any evidenced unacceptable practices could have been addressed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dennis Hone', written over a horizontal line.

Dennis Hone

Chief Executive

RECEIVED
07 JAN 2013

Level 10, 1 Stratford Place
Montfichet Road
London E20 1EJ
Tel: +44 (0) 20 3288 1848

28th December 2012

John Biggs AM
GLA
The Queens Walk
London
SE1 2AA

Dear John

Blacklisting

Thank you for your letter of 30th November 2012 regarding the blacklisting of construction workers on the Olympic site. Most of the points raised in your letter relate to the build phase of the Park and I have already addressed these in a letter to you in my capacity as CEO of the Olympic Delivery Authority.

I now turn to the steps the London Legacy Development Corporation is taking to ensure that blacklisting does not take place during the transformation and development phases.

1. The LLDC has signed Principles of Cooperation with the TUC, ensuring these are embedded by our Tier 1 contractor and throughout their supply chain. The Principles outline a joint commitment by the LLDC, TUC and our contractors to fair and ethical employment practices, training, health and safety and the benefit of equality, diversity and inclusion programmes for the workforces involved in building and delivering the Park in legacy.
2. Contractually requiring all our contractors to comply with all applicable law and regulatory guidance relating to equality and opportunity and discrimination in employment (including the Employment Relations Act 1999 (Blacklists) Regulations 2010 (SI 2010/493), Data Protection legislation and the Trade Union and Labour Consolidation Act 1992) and the provision of goods and services and ensuring contractors:
 - do not unlawfully discriminate;
 - procure that their personnel do not unlawfully discriminate; and
 - use reasonable endeavours to procure that his Subcontractors of any tier do not unlawfully discriminate.
3. Including contractual requirements for the Tier 1 contractor and their supply chain implement adequate provision for employee representation and the provision of facilities and time for trade union activities in the workplace.
4. We have contracted Mace as our Transformation Project Management Partner who is monitoring compliance against all aspects of the contract, including industrial relations and compliance with employment and data protection legislation

5. We are setting up a Labour Agency Vendor Accord in partnership with BAM and Balfour Beatty, which will regulate recruitment agency practice when providing labour on site.

I will shortly be writing to our contractors on the Park to remind them that blacklisting is not an acceptable practice for companies working with the LLDC and to seek assurances that they have not used blacklisting when recruiting their current workforce. I will also remind them of their commitments to working in partnership to deliver the physical, social and economic opportunities that the Park will create in legacy. I will provide you with the responses we receive from contractors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Hone', written in a cursive style.

Dennis Hone
Chief Executive

Copy to Dale Langford – Senior Committee Officer - GLA