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19<sup>th</sup> December 2012

Mr Dennis Hone  
Chief Executive  
Olympic Delivery Authority  
One Churchill Place  
Canary Wharf  
London E14 5LN

Dear Mr Hone

Thank you for your letter of 13 December 2012.

As you know, Balfour Beatty's work on the Olympic Aquatics Centre commenced in April, 2008 and continues. Our work on the Roads and Bridges contracts for Lots 3 and 4 was carried out between February, 2008 and February, 2012 and February, 2008 and October, 2010 respectively. Our subsidiary Mansell worked on the Eaton Manor contract between June, 2010 and December, 2011. Balfour Beatty Engineering Services also works as a sub-contractor on the Water Polo venue. This work commenced in November, 2010 and continues.

Our Ground Engineering operating company provided sub-contract services in respect of the following Olympic Park works:

- (a) Bridge FO6 for Pennine Vibropiling Limited who were working for Lagan Construction Limited in May- June 2009
- (b) Central park Bridge for Lagan Construction Ltd in June 2009
- (c) Velodrome for Rock & Alluvium in March-April 2009
- (d) Energy centre for East London Energy centre limited in June-July, 2008
- (e) Athletes' village, Stratford for Bourne Construction Services in February- March 2010.

Our Ground Engineering operating company never used the services of the Consulting Association.

Other operating companies within what is now the Construction Services UK Division of Balfour Beatty used the services of the Consulting Association prior to February, 2009 when the Office of the Information Commissioner raided the Consulting Association's offices. Since February 2009, no Balfour Beatty company or individual has made any use of the services of the Consulting Association.



INVESTOR IN PEOPLE

Balfour Beatty WorkPlace, now part of our Services Division, is currently in contract with the Olympic Park Legacy Company for facilities management and grounds keeping services at the Olympic Park (including venues such as the ArcelorMittal Orbit and the Aquatics Centre). At no stage was Balfour Beatty WorkPlace ever involved with the Consulting Association and no blacklisting allegations have ever been made against it.

We note the evidence given before the House of Commons Scottish Affairs Select Committee by Mr Ian Kerr and respond to your questions as follows:

- 1 We have carried out an internal review of our operating companies to check whether any use was made by us of the Consulting Association in relation to the engagement of individuals on the Olympic Park prior to February 2009.

As a result, we found that in 2008 we used the Consulting Association in connection with the engagement of 12 operatives. All 12 operatives concerned were employed after our check with the Consulting Association. We found no evidence of checks being made with the Consulting Association resulting in denial of employment.

We found no evidence of any other use of the Consulting Association in connection with Olympic projects. Most operatives working on Balfour Beatty contracts at the Olympic Park were employed by Balfour Beatty's sub-contractors. It was not a requirement of Balfour Beatty that these operatives were checked with the Consulting Association; nor does Balfour Beatty have any knowledge that any such checks were made.

In the interests of full transparency, our records also show that some supervisors and operatives already employed by Balfour Beatty on other non-Olympic projects were transferred on to Olympic Park projects. We found no evidence that they were subjected to a checking process at the time of their transfer to the ODA project. We cannot rule out the possibility that these transferred supervisors and operatives may have been the subject of earlier reference checks with the Consulting Association at the time of their initial engagement with Balfour Beatty on these earlier, non-Olympic Park projects. However, clearly these people were not denied employment on those projects.

Balfour Beatty also employed monthly-paid office staff to work at the Olympic Park. We found no evidence that any of these staff were checked with the Consulting Association.

- 2 Other than as above, Balfour Beatty can confirm that it has found no evidence that it, at any stage, used the services of the Consulting Association during its work on London 2012 venues and infrastructure and we have found no evidence that anyone was denied employment.
- 3 Balfour Beatty is not aware that any of its sub-contractors or suppliers used the services of the Consulting Association or engaged in blacklisting in relation to any work carried out on London 2012 venues and infrastructure.
- 4 Balfour Beatty has found no evidence that it sought or received payment from the ODA for the cost of any checks on potential employees with the Consulting Association.

I would like to re-iterate that, since the Office of the Information Commissioner raided the Consulting Association's offices in February 2009, Balfour Beatty has not used that organisation or any similar organisation. Our Code of Conduct, revised in 2009, prohibits the checking of references for job applicants without first obtaining their consent and prohibits the use or support of databases of "blacklisted" people and the supply of information to such databases.

We co-operated fully with the investigation of the Office of the Information Commissioner in 2009. If called to provide assistance, Balfour Beatty will also co-operate fully with the investigation by the Scottish Affairs Select Committee.

Yours sincerely

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

**Mike Peasland**

Dennis Hone  
Chief Executive  
Olympic Delivery Authority  
One Churchill Place  
Canary Wharf  
London E14 5LN

By e-mail and by post

Date	Our reference/No	Our contact	Direct line
19 December 2012	HF/SJH	Harvey Francis	+44(0) 1923 423657
Your date	Your reference/No		
13 December 2012			

Dear Mr Hone

## **The Consulting Association**

I refer to your letters dated 13 December 2012 sent to Mike Putnam and Adrian Cooke.

Mike has asked me to respond to both letters as I am the Skanska director responsible for all HR matters within Skanska UK plc.

Skanska is aware of the allegations made by Ian Kerr before the Scottish Affairs Select Committee that Skanska "possibly" used the Consulting Association in relation to Olympic projects. We take these allegations very seriously. Skanska did of course carry out an investigation into its use of the Consulting Association when it was raised by the ICO in 2009. However, as a result of the comments made by Mr Kerr, we have carried out a further investigation specifically in relation to Skanska's Olympic projects.

These projects were (i) the Media Centre, (ii) Lot 1 – Structures, Bridges and Highways: North Park, (iii) Landscaping and Public Realm: South Park and (iv) piling for certain parts of the Olympic Village.

For our investigation, we interviewed the key personnel involved with Skanska's Olympic projects including those who managed Industrial Relations, the project managers, the HR managers and those who managed the site access and induction process and who therefore had access to the names of all subcontract employees who were put forward to work on the sites.

## **Skanska UK Plc Human Resources**

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Web [www.skanska.co.uk](http://www.skanska.co.uk)  
Reg. in England  
Reg. No 784752

Registered Office: Maple Cross House, Denham Way, Maple Cross, Rickmansworth, Hertfordshire, WD3 9SW

Dennis Hone - ODA

19 December 2012

Our investigation found no evidence that Skanska used the Consulting Association on any Olympic project and nor did Skanska use any other form of so called blacklist or covert means of checking those who were allowed on site in relation to any Olympic project.

Based on this I am, therefore, happy in response to your letter to confirm that Skanska did not at any stage use blacklisting in relation to its work on London 2012 venues and infrastructure and that as a result Skanska did not seek or receive payment from the ODA for the cost of any checks on potential employees or indeed subcontractor employees with the Consulting Association. We are also unaware of any use of blacklisting in our Olympic project supply chain.

You may recall that, following the original investigation carried out by the ICO in 2009 into the Consulting Association, the ICO wrote to us to confirm that no action would be taken against Skanska. Skanska is committed to doing business with a high degree of integrity and ethics and this commitment is enshrined in our Code of Conduct. The use of blacklists is against the values and behaviours of our company. We recognise and encourage employees' rights to form or join trade unions and take a proactive approach to building and maintaining good relationships with the trade unions.

I trust this answers your query. Should you require any further information, please feel free to contact me. I am happy for the contents of this letter to be made public. Perhaps you could inform me if and when you plan to do this.

Yours sincerely



Harvey Francis

Executive Vice President  
Human Resources  
Skanska UK plc

Dennis Hone  
Chief Executive  
Olympic Delivery Authority  
One Churchill Place  
Canary Wharf  
London E14 5LN

30<sup>th</sup> November 2012

By e-mail and conventional post

Dear Dennis

**Olympic Stadium**

Thank you for your letter of 16<sup>th</sup> November 2012.

I begin by dealing with the specific points which you raise in the second page of your letter:

- I completely refute Mr Murphy's perception that "the increase in [our] blacklisting activity coincided with the building of the Olympic Stadium". This is incorrect. I specifically confirm that Sir Robert M<sup>c</sup>Alpine Limited was not involved in any blacklisting (by which I mean discrimination against individuals which would prevent them gaining employment) at the Olympic Stadium.
- As far as proving that we did not blacklist workers on the Olympic venues is concerned, I can confirm that I have questioned as many relevant staff members as possible and we could find no evidence of any discrimination on the part of Sir Robert M<sup>c</sup>Alpine. It is, of course, impossible for me to "prove" a negative assertion but I do not understand how Mr Murphy can make the allegations to the Select Committee which he did, given that we have yet to receive detailed particulars of other specified breaches which are alleged to have taken place on our part from the claimants.
- I specifically confirm the assurance which I gave John Evans to the effect that we did not engage in blacklisting as part of the London 2012 contract. In passing, I should mention that I made extensive enquiries before giving such an assurance in order to ensure that it was both comprehensive and totally accurate. Please also refer to the second bullet point above.
- I can confirm that we neither sought nor received payment from the ODA (or any other Employer) in respect of costs relating to the Consulting Association, and it follows that no public funds were applied in that respect. I am more than willing to provide you with access to the relevant part of our management accounts which supports this statement should the ODA so require.

I should in addition make it clear that the Information Commissioner's office wrote to us (amongst many other companies) on March 11<sup>th</sup> 2009 pointing out possible contraventions of the Data Protection Act 1998 and we replied on 2<sup>nd</sup> April apologising for our lapse in registering as a Data Controller and undertaking to rectify that breach which we did immediately. On 22<sup>nd</sup> June the Information Commissioner confirmed that he would take no enforcement action against us, although his office did so against a number of other companies who had breached the Act.



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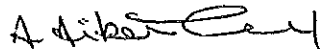
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You may be aware that a group of more than 90 claimants have launched in excess of 200 claims in an attempt to recover damages arising out of alleged breaches of Data Protection and Employment legislation. Eight of these claimants have complained of unspecified breaches on the part of Sir Robert M<sup>o</sup>Alpine Limited but none of these relate to the Olympic Stadium or the Arcelor Mittal Orbit. Given these circumstances, I am confident that any accusation of blacklisting workers on our part is misconceived and wholly wrong.

Please let me know if you would like any part of this reply clarified or expanded upon.

Yours sincerely

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

A. Aikenhead  
Director of Operations