

11 November 2013

Gareth Bacon AM  
City Hall  
The Queen's Walk  
London, SE1 2AA

Dear Gareth,

**Re: Voluntary Accord between LLDC and its contractors**

Many thanks for your letter dated 16 October following our appearance at the meeting of the London Assembly Regeneration Committee on 8 October. In your letter, you requested information on the voluntary accord the London Legacy Development Corporation has with its contractors – as well as the agencies that supply its contractors – regarding zero hour contracts, London Living Wage and PAYE tax.

Our approach

The Legacy Corporation is committed to supporting the Mayor's Convergence agenda and the development of Queen Elizabeth Olympic Park is intended to have a significant impact on the surrounding boroughs. To help achieve this we have invested heavily in our work programmes to act as a blueprint for the wider area by:

- Using our procurement process to assess the ability of bidders' proposals to deliver socio-economic benefits for the local area and embedding such proposals contractually
- Developing interventions with Borough partners, Job Centre Plus and the GLA to help ensure consistent best practice and support contractors in delivering their obligations
- Offering a successful apprenticeship programme
- Providing funding to support demand-led pre-employment training to complement existing job brokerage schemes. This helps to ensure that local people are equipped to take advantage of the employment opportunities as they are created on the Park.

For example, the Legacy Corporation has committed to securing apprenticeship opportunities across the site with a peak of 60 apprentices - the highest number on a single site in London in 2013. Greenwich Leisure Limited (GLL), the operator of Copper Box Arena, has committed to recruiting 36 apprentices over their ten year contract and Balfour Beatty Workplace has committed to recruiting 50 apprentices during the lifetime of their Estates, Facilities and Management contract.

We also encourage all our contractors to recruit through the local borough job brokerages who have strong links into local communities. This helps to ensure that benefits really are being delivered to the residents of surrounding communities.

### Our contractors

The Legacy Corporation requires its Tier 1 construction contractors to pay the London Living Wage (LLW), or Construction Working Rule Agreement (CWRA) rates (depending on which is the highest).

Within the contracts the Legacy Corporation holds with Tier 1 contractors it is stated that, where possible, Tier 1 contractors should encourage their subcontractors to pay LLW and CWRA rates to their workforces.

### Labour Agency Vendor Accord (LAVA)

The construction industry often uses a number of recruitment agencies to supply construction workers to sites, meaning working conditions and wage levels can vary. In response to this issue, the Legacy Corporation encouraged a model, led by BAM Nuttall (a Tier 1 contractor) to help standardise wages across the Park. The Labour Agency Vendor Accord (LAVA) was the result.

Through LAVA, agencies supplying BAM Nuttall are vetted to ensure that they adhere to the accord's basic principles including:

- Workers are on PAYE contracts of employment
- Workers receive CWRA rates (or London Living Wage)
- Delivery of Legacy Corporation priority theme commitments (employment for targeted groups including local, BAME, women, disabled and previously unemployed).

Agencies bidding for work were approved provided they could fulfil these commitments. Minimum pay rates were set to ensure that there are no discrepancies between agency workers undertaking the same job.

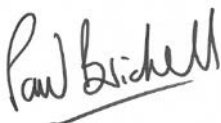
The Legacy Corporation encourages other Tier 1 contractors on site to adopt this model and both Careys and Balfour Beatty (both Tier 1 contractors) use similar models to regulate their labour agencies.

The Legacy Corporation has worked hard to understand the use of zero hours contracts on the Park and has an undertaking from its Tier 1 contractors that their workforces are not on such contracts.

I trust that the above information addresses the questions you raised in your letter.

If you require any further information, please do not hesitate to get in touch.

Yours sincerely,



Paul Brickell,  
Executive Director, Regeneration and Community Partnerships