



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

22 October 2014

Dear Gareth,

Re: Regeneration Committee – 16 September 2014

Many thanks for your letter dated 2 October. I was pleased to attend the session held on 16 September to discuss how the Stadium on Queen Elizabeth Olympic Park will become just one part of the wider story of regeneration in Stratford and the surrounding area.

Your letter raises a number of follow up questions and I will address each of these in turn below. As a number of the questions raised pertain to the Stadium contract, I copy in Kim Bromley-Derry, Chief Executive of Newham Council.

First, you asked how many employees on Queen Elizabeth Olympic Park are residents of the Growth Boroughs and to break this down in terms of both construction and non-construction roles.

Following the close of the London 2012 Olympic and Paralympic Games in September 2012, the Legacy Corporation started to transform the Park into its permanent legacy state. Venues started to re-open to the public from July 2013, with the south of the Park re-opening on 5 April 2014.

During that transformation phase, over 5,000 people worked in construction roles on the Park. 30% of those workers were resident in the Growth Boroughs. When the construction workforce was at its peak (approximately 1,500 workers), 44% of the workforce were resident in the Growth Boroughs. The peak workforce also included 60 apprentices, 95% of whom were resident in the Growth Boroughs.

Construction of the Stadium is ongoing. As of July 2014, the monthly snapshot showed a total Stadium workforce of 888 people, 25.5% of whom were resident in the Growth Boroughs. Work in the Stadium is more specialist than the transformation works, resulting in a slightly lower % of local residency. However, this figure of 25.5% is still above average industry standards.

In terms of non-construction roles the total size of the workforce is currently relatively low. The latest figures, from May 2014, show 415 people working in the venues and in Estates, Facilities and Management. As developments on the Park come forward, it is anticipated

that up to 20,000 jobs will be created on the Park in the next ten years: 5,300 at Here East, 4,000 in the neighbourhoods and up to 10,000 by Olympicopolis.

A summary table of the key contracts and the % of the workforce who are resident in a Growth Borough is below:

Contract	Size of workforce	% resident in the Growth Boroughs
Greenwich Leisure Limited, Operators of Copper Box Arena and London Aquatics Centre	105	70
Cofely, Estates, Facilities and Management contract (includes landscaping, cleaning, ArcelorMittal Orbit and security)	275	71
Camden Society, operators of Timber Lodge and ECSI Ltd, operators of Park kiosks	23	56

Secondly, you asked what key lessons the Legacy Corporation has learnt about the most effective ways to ensure local communities are able to access the job opportunities on Queen Elizabeth Olympic Park. As I mentioned in the session on 16 September, the approach we have taken is to use the local borough's job brokerages to spearhead any approach, in order to ensure residents of the local boroughs are able to access jobs. This approach was used successfully during the transformation phase to achieve an average lifetime performance of 30% of the workforce coming from the Growth Boroughs (well above normal industry standards) and the operator who is appointed for the Stadium will be required by the E20 Stadium LLP to utilise Workplace – Newham's job brokerage scheme – to recruit.

In the past, the Legacy Corporation has worked with contractors from the beginning of their recruitment process for jobs on the Park, an approach which has resulted in successfully recruiting local residents and under-represented groups, as is demonstrated by the statistics in the table above. We will work with the Stadium operator in the same way to support their recruitment of a Stadium workforce with a target of 75% for residents of Newham. The Stadium operator will also be required to pay their workforce the London living wage.

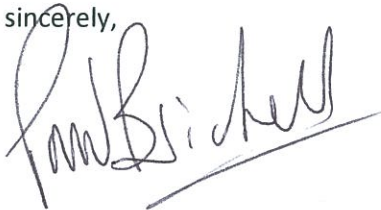
Thirdly, you asked me to describe the process the E20 Stadium LLP has used to develop the contract for the future operator of the Stadium. The E20 Stadium LLP looked at a number of operating options available to them and undertook extensive soft market testing to look for verification from the market. Once a proposal was developed, the E20 Stadium LLP started a competitive tender process, which remains ongoing. The proposal is that the operator is responsible for the operation of the Stadium, the delivery and management of events run there and facility management.

Fourthly, you asked whether the operator's contract will be a management contract or whether it will be a framework within which the operator has some discretion over how the Stadium runs and the events it is used for. The operator will have some discretion over the events programme in the Stadium. The programme will be dependent on delivering obligations to existing concessionaires, including West Ham and UK Athletics, allowing for ten days community use exclusively for the London Borough of Newham and other existing events including Rugby World Cup 2015 and the IAAF and IPC World Athletics Championships 2017.

Finally, you asked who will hold the Stadium operator to account for its performance. The Stadium operator will be accountable to the E20 Stadium LLP and will have a number of key performance indicators written into the contract which it will be assessed against, which is standard practice for contracts of this type.

I trust I have fully addressed the points you raised in your letter. Please do not hesitate to contact me if you have any further questions.

Yours sincerely,



Paul Brickell,
Executive Director
Regeneration and Community Partnerships

Cc: Kim Bromley-Derry
Cc: Jo Sloman