

Governance Review | Nov 07

On track for a sustainable legacy?

Review of Governance Arrangements
for the London 2012 Olympic Games
and Paralympic Games Programme



Foreword

People will say that building facilities equivalent to two Heathrow Terminal 5s in half the time – and transporting millions of people to watch an event with 200 competing nations, 17,000 athletes and officials, 38 sports and 500,000 spectators per day – is an unsustainable concept. Whilst there is some merit in this argument, it fails to see the bigger picture.

If it is possible to:

- **Create** real, long term jobs for people in the UK and in particular East London;
- **Use** the power of sponsorship and media to change people's behaviour across the world;
- **Develop** a more healthy and vibrant community in East London;
- **Set** new standards of sustainability for the construction and hospitality sectors;
- **Deliver** a truly inclusive and accessible place;
- **Engage** people in sport as part of a healthier lifestyle;
- **Make** all these things work together in a virtuous cycle;

then, the London 2012 Olympic Games and Paralympic Games could deliver significant net long term social, economic and environmental benefits.

This is the first report of the Commission for a Sustainable London 2012. We have faced the challenge of mobilising a new and unique commission in parallel with conducting our first review. I would like to thank the commissioners and team for their efforts and the Key Stakeholders for their open and constructive attitude to a new form of assurance. We have been particularly pleased to see emerging recommendations during the course of the review being acted on, to the extent that some issues identified during this review are well on the way to being resolved. This applies in particular to our findings with respect to leadership, an overall sustainable development plan and a holistic approach to carbon management.

Our findings and recommendations with respect to individual organisations are, in the main, positive. Most of the governance arrangements and resources we would expect to see are in place. This must be understood in the context that different bodies are at different stages of their development. Our main concerns lie in delivering the big strategic goals such as the delivery of a sustainable waste vision for East London, ensuring sustainable outcomes through sponsorship and maximising the opportunity to develop new skills, businesses and long term jobs. There is a need for greater leadership and coordinated effort in this area to deliver the vision. We have also expressed concern about the quality of the plans to deliver wider policy outcomes and we understand that action is being taken as a result of this. The plans for long term legacy are at an early stage and we will be watching these develop with interest over the coming year.

Our recommendations for further work in 2007/8 include reviews of reporting, social and economic sustainability, waste, procurement/sponsorship and food. We welcome feedback on this report through our website.



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

Shaun McCarthy
Chair

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Part 1

1. Context

1.1 Introduction

This report represents the outcomes of the first assurance activity undertaken by the Commission for a Sustainable London 2012¹ (CSL or the commission) on the sustainability status of the London 2012 Olympic Games and Paralympic Games programme (the London 2012 programme). It focuses on the governance arrangements for sustainable development across the London 2012 programme and the key sustainability objectives. It also sets out the core priorities for the commission's assurance programme for 2007/08 and 2008/09.

1.2 Background

The commission has been established to provide credible, independent assurance on the sustainability status of the London 2012 Olympic Games and Paralympic Games. The requirement for an independent commission was identified as a commitment in the Candidate File.

The formation of the commission was approved by the Olympic Board in mid 2006, the Chair was appointed in autumn 2006, the assurance framework was completed and the commission officially launched in January 2007. Whilst this is the first formal document produced by the commission, discussions have taken place about leadership, coordination and the lack of a strategic approach to key issues such as carbon. These issues are being addressed and are covered in more detail in this report.

The commission is jointly funded by four of the London 2012 Key Stakeholders: the Greater London Authority (GLA) Group; the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG); the Olympic Delivery Agency (ODA); and the Department for Culture, Media and Sport (DCMS). Comprising leading national experts across a range of relevant disciplines, the commission is headed by Chair, Shaun McCarthy and supported by a small team of senior officials.

The key goals of the commission, as defined by its terms of reference, are:

- To provide the Olympic Board and other stakeholders with commentary, supported by objective evidence, to demonstrate whether Key Stakeholders² have
 - Robust plans and processes in place to deliver SD objectives,
 - Objective evidence that SD Objectives are being achieved,
 - SD plans and performance to support a sustainable legacy;
- To provide a credible point of reference for all stakeholders, with respect to SD assurance issues.

The commission's establishment is ground-breaking. Never before has a project of this scale committed to being independently assured across social, economic and environmental goals. The task is inevitably complex, involving multiple stakeholders.

To support its assurance work, the commission published its assurance framework 'Assuring a Legacy'³ which sets out the framework for how assurance will be carried out, and how the annual

¹ www.csllondon.org

² Key Stakeholders are defined by the 2012 Programme as: BOA, the GLA Group, LOCOG, ODA and DCMS

³ www.csllondon.org/documents/Assuring-a-Legacy-February2007.pdf

cycle of assurance activities will be prioritised, planned and implemented.

The first major activity under the assurance framework, the review of governance arrangements and key strategies across the London 2012 programme, provides the framework for understanding how sustainable development objectives, policies and projects are being planned for, managed and implemented, and where the commission needs to turn its focus in the coming programme year.

1.3 Application of the Assurance Framework

The assurance framework sets out the following high level issues and processes to be addressed in undertaking a review of governance.

1. Review of governance arrangements, considering the following factors:

- Commitment to achieving the SD vision for the Games and legacy;
- Clarity of roles and responsibilities and accountabilities;
- Organisational capacity to deliver SD outcomes;
- Coordination of SD issues between organisations; and
- Relevance and focus of reporting and review.

2. Review of sustainable development strategy and plans.

3. Review of external perspectives.

1.4 The Governance Review Process

This first review of governance provides the commission and stakeholders with an opportunity to use the assurance framework for the first time, as well as to provide timely feedback to the Olympic Board with respect to sustainability commitments.

In carrying out the governance review, the commission has:

- Reviewed all relevant published documentation pertaining to the London 2012 programme governance arrangements, sustainability objectives, policies and projects;
- Interviewed key officials in LOCOG, the ODA, the GLA, DCMS, and the LDA;
- Consulted with stakeholders including the Host Boroughs, statutory agencies, NGOs, Mayoral advisory and national advisory bodies, industry bodies, and expert organisations;
- Sought broader stakeholder views on progress to date of the programme in meeting its sustainability goals;
- Undertaken regular media reviews of relevant national, local and trade press;
- Identified, analysed and prioritised key issues for further consideration; and
- Discussed high level findings with London 2012 programme officials

This work has been carried out in parallel with the mobilisation of the commission which has meant that resourcing the review has been iterative during this period. In particular, while the commission is working effectively on a core of four commissioners and a chair, there are some areas of expertise which are not yet covered by commissioners including biodiversity, sport and waste. The commission has drawn on stakeholder views where possible in this regard, but this initial review does not attempt to deal comprehensively with those areas where the commission currently lacks direct expertise.

1.5 Coverage of this Report

This report covers the activity that has occurred since London won the bid to host the 2012 Games. This period has been characterised by considerable change within the programme as LOCOG and the ODA have been formally established, staff have been recruited, land preparation for the Olympic Park has occurred, and numerous draft and final strategies have been released.

It should be noted that the London 2012 Programme is being delivered by a range of different organisations operating against different timescales. The ODA is most advanced and is operating on-site, LOCOG is in the early planning stages for the Games and its major programme of work will start after the Beijing Games have closed. The structure to deliver long term legacy is still under development.

In this context, the governance review focuses on the core processes, structures and policies that have been put in place to date and on those issues which are perceived by the commission as of most priority at this stage in the programme. It does not, for example, consider in any detail any regional or national issues. Nor does it deal in detail with wider legacy and regeneration issues, or the process of stakeholder engagement in the 2012 programme. These are all important and will be addressed in later reviews.

1.6 Structure of this Report

This report is structured in the following way:

- Part 1 – Context, Findings and Recommendations (this section);
- Part 2 – Analysis by Key Stakeholder and Analysis by Key Theme.

2. Findings

2.1 Review of Governance Arrangements

2.1.1 Commitment to achieving the Sustainable Development vision for the Games and legacy

The London 2012 programme has demonstrated a strong commitment to sustainable development (SD) from the outset. The commitments contained in the Candidate File were key to London winning its bid to host the 2012 Games. Two years since winning the bid, London is further advanced than any other host city in establishing structures, objectives and policies to implement these commitments. In addition, London's integrated concept of SD, incorporating social, economic and environmental considerations puts it at the forefront of sustainability thinking worldwide.

Specifically, the programme has:

- Produced an overarching SD policy "Towards a Sustainable Games"⁴ with core SD objectives and five key themes to drive work, which is described in Part 2 of this report;
- Produced a more detailed sustainability plan entitled "*Towards a One Planet 2012* The London 2012 Sustainability Plan" which sets out an approach for driving SD objectives;
- Established a working group structure to address SD issues across the programme which reports to the Olympic Board Steering Group;
- Established dedicated teams in each of the delivery bodies to embed SD into the operations of each organisation;
- Developed delivery plans to address the wider benefits of the Games;
- Put a range of detailed policies and procedures in place to begin implementing commitments; and
- Agreed to fund and establish CSL to provide independent assurance over the sustainability status of the programme.

Public perceptions and informed opinion are moving fast, particularly in relation to issues such as climate change, resource use and economic disparity. Sustainability is a significant agenda for the Olympic Movement and has the potential to be one of the defining features of London 2012. There is an ongoing challenge for the London 2012 programme to remain responsive to increasing expectations while also being able to deliver on time and on budget. The overarching London 2012 Sustainability Plan is a welcome road-map for how the programme can and will respond. In future reviews of governance, the approach adopted in the London 2012 Sustainability Plan to understand and address specific issues (achievements, commitments, challenges,) will be incorporated into the way the programme is assured.

Recommendation 1: The commission's 2008 governance review should have a particular focus on the arrangements to stage the Games and deliver a sustainable legacy nationally.

Following the publication of the London 2012 Sustainability Plan, it is important that the various Key Stakeholders make public their commitments and targets in line with this plan.

⁴ www.london2012.com/documents/locog-publications/locog-sustainability-policy.pdf

2.1.2 Clarity of roles and responsibilities and accountabilities

The London 2012 Programme is extremely large and complex. The scale of this event is unprecedented: the delivery of facilities will be Europe's largest construction project; the Olympic Games are the world's largest sporting event and the Paralympic Games are the second largest. The event will house 55,000 "Olympic Family" members (competitors, officials, press etc.), a workforce during Games time of 120,000 and 500,000 spectators per day. There are a range of regulatory and non-regulatory arrangements in place to provide governance across the programme and specifically on SD. These are driven by a number of factors including:

- Accountabilities to and requirements of the IOC;
- Accountabilities relating to the expenditure of public funds nationally and separately at the regional level;
- Political accountability both nationally and regionally;
- Fiduciary requirements on LOCOG; and
- Internal delivery drivers focussed on delivering the Games on time and on budget

All Key Stakeholders have been responsive to the need for clear roles and responsibilities in relation to implementing their SD commitments. From the outset, the London Bid Team had a dedicated resource focussed on embedding sustainable development into the bid, which continued directly into LOCOG. The interim ODA appointed an interim Head of Sustainable Development within a few weeks of winning the bid. The establishment of the London 2012 Sustainability Group comparatively early in the schedule, to bring together expertise from across Key Stakeholders, demonstrates this flexibility.

The two main delivery bodies for the Games (the ODA and LOCOG) have clearly defined accountabilities for SD in their strategic objectives and in the key accountabilities for senior executives, which flow clearly through to functional responsibilities. These processes are described in more detail in Part 2 of this report. It should be noted that it is appropriate that the ODA is well advanced in its organisational development and that LOCOG will not fully mobilise resources until after the Beijing Games in 2008, when London officially becomes the host city.

The LDA has been nominated as the Legacy Client for the physical legacy infrastructure and continues to have responsibility for land acquisition/management and the economic and social legacy of the Games. These responsibilities will, in the near future, be concentrated into a single directorate with an integrated team. This is a positive and timely development.

With respect to delivery of wider policy objectives, the Government Olympic Executive (GOE), a functional unit of DCMS, is accountable nationally and GLA is accountable regionally. In the GLA, resources and leadership structures are in place but the current delivery plans are inconsistent and programme and risk management arrangements were weak. However, during the course of this review it has become apparent that new project and risk management processes have been developed to address this and are being implemented. National delivery plans also vary in consistency and focus and the programme and risk management processes that are in place will require further realignment and improvement to enable effective delivery. The commission is advised

that these concerns will be addressed through the imminent publication of two Legacy Action Plans, supported by revised delivery plans, organisational capacity and new project and risk management processes to ensure the desired outcomes are delivered.

Recommendation 2: The commission should conduct a formal review of the two Legacy Action Plans as part of its ongoing programme of work. GLA and DCMS should ensure that adequate organisational capacity is aligned to the Legacy Action Plans and associated delivery plans.

During the course of the review, the commission identified a significant weakness in governance and recommended the nomination of a leader at OBSG level to be accountable for cross-cutting sustainability issues as well as to facilitate the important decisions yet to be made to support the aspirations of the London 2012 programme. The commission understands that this advice has been accepted and that a nomination is imminent. The London 2012 Sustainability Plan is the key public document describing SD. It is therefore important that supporting documents — setting out how the aspirations of the five key themes (in the document “Towards a Sustainable Games⁵”) and other significant SD issues such as ethics and materials will be achieved and the hard targets to support them — are clarified over time and made available in public. It is also important to report on progress against these targets openly and transparently, throughout planning, construction, games time and legacy.

Recommendation 3: OBSG, through the London 2012 Sustainability Group, should establish cross-cutting workstreams to deliver the strategic aspirations described by the five key themes and other significant SD issues. Work programmes, targets and progress should be reported through the London 2012 website and other media, to reflect all stages of the programme.

It is not clear how SD priorities will be delivered for temporary venues and temporary overlay of existing venues. The ODA SD Strategy is explicit in that it applies to permanent venues only and the overall London 2012 Sustainability Plan does not make this clear.

Recommendation 4: ODA and LOCOG should develop a clear statement of intent with respect to standards for temporary venues and temporary overlay.

Given the complex nature of the programme it is inevitable that success will be dependent on a small number of key individuals employing a combination of formal process, informal networks and personal knowledge. During the course of this review, 7 key people with responsibility for SD across the programme have moved on and been replaced and only 4 permanent, key staff members have remained in post. Whilst this level of turnover is not expected in the future, it is important to ensure that adequate succession planning and knowledge retention is in place to ensure continuity.

Recommendation 5: Succession plans are put in place for all key positions essential to the delivery of SD outcomes. Also see Recommendation 3.

⁵ www.london2012.com/documents/locog-publications/locog-sustainability-policy.pdf

2.1.3 Organisational capacity to deliver SD outcomes

The overall London 2012 programme is delivered by a number of organisations which will be at different stages of development at different times. This review recognises this context and findings are based on the organisational capacity appropriate for the current stage of development.

The two main delivery bodies have taken steps to put the necessary resources in place to deliver SD outcomes. This includes:

- Recruitment of permanent heads of SD in both LOCOG and the ODA;
- Recruitment of staff for both SD teams currently underway;
- Appointment of CLM as the Delivery Partner to the ODA, with its own SD team; and
- Beginning the process of embedding SD principles, targets and standards into ODA/CLM policies and procedures.

The ODA has a clear and appropriate structure for delivery of SD outcomes, but more precise objectives are needed to support the organisation's SD management system. There is a continuing need for the ODA to be rigorous in recruiting staff to key project positions and embedding SD into the organisation at the point of recruitment, induction, training of new staff and in its communication to its contractors and delivery partners.

Recommendation 6: Clear and specific SD objectives and targets should be embedded in ODA sub-project plans, with associated personal objectives, recruitment and training to ensure appropriately skilled personnel. This should have sufficient clarity to support the ODA plans to implement an ISO 14001 based management system.

At this stage of the programme, LOCOG has an appropriate high level organisation to deliver SD in place. The Head of SD is now supported by two professional staff and administrative support. There is clear evidence of the effectiveness of this team in addressing SD issues through early activities (such as sponsorship contracts) but incorporation of SD principles into key documents (such as the Games Foundation Plan and functional business plans) is incomplete.

Recommendation 7: The full requirements of the London 2012 Sustainability Plan as they apply to LOCOG should be fully embedded in the next round of functional area business plans. This should be supported by associated personal objectives for functional heads and their teams, with appropriate recruitment and training. This should have sufficient clarity to support LOCOG plans to implement its SD management system.

The LDA is working to implement a new approach to investment planning, which provides important context for the way the agency is restructuring to deliver a robust Olympic legacy. This will comprise two elements:

-
- An investment strategy, identifying what needs to happen to achieve the objectives targeted by the Mayor's Economic Development Strategy, and where the LDA can add most value - as well as allocating the LDA's budget across those objectives; and
 - A number of supporting investment frameworks, setting out what the LDA will do and where. A high level summary of the frameworks will be included in the strategy.

The LDA (Olympic Opportunity Team) is currently leading delivery of a sustainable skills and employment legacy from hosting the 2012 Games. It is working with ODA/CLM and LOCOG, major contractors and their supply chains to maximise opportunities for London businesses to access and win Olympic contracts. A comprehensive programme of activities has been developed and is starting to be implemented with partners across London.

The Olympic Land Team is leading on the following:

- Land assembly;
- Developing delivery mechanisms for development;
- Venue business plans;
- Business relocations and support;
- Preparation of strategic sites in the Lower Lea Valley; and
- Legacy Masterplan Framework.

The work of the Olympic Opportunity and the Olympic Land Team will be integrated into a single directorate for Olympic legacy.

The resources deployed by the LDA in the work of these teams, alongside existing significant sustainable development resources across the Agency, are adequate for the current purpose but will be subject to significant development in the coming year.

The GLA and Her Majesty's Government (as represented by DCMS) both have sufficient resources in place to coordinate regional and national government requirements. During the course of the review, the focus of this resource was not clear with respect to the risk and programme management of wider benefits through delivery plans. Following discussions about these concerns, the commission was presented with evidence of appropriate management processes that have been developed and are being implemented.

The five Host Boroughs (Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest) have formed a partnership to ensure that the Olympic Objectives are delivered locally. This group is actively engaged in the Legacy Action Planning, planning and economic regeneration activities.

2.1.4 Coordination of SD issues between organisations

The production of an overarching SD Plan and the ongoing role of the 2012 SD working group are significant steps forward for being able to coordinate an integrated approach to SD issues across the programme, including against delivery bodies which are not Key Stakeholders.

While earlier publication of an overarching plan for SD would have assisted early procurement and planning decisions, the time taken to consider all aspects of SD related to the Games has resulted in a high quality document that will provide appropriate direction for the programme going forward.

The commission welcomes the positive response to its advice over recent months to develop an overall SD plan and to nominate a leader to be accountable for taking this forward. However, delivery of some of the wider social, economic and environmental objectives will require leadership, direction and resources outside the influence of the Key Stakeholders. Good examples are the objective to act as a “catalyst” for waste management practice in East London and the ambitious plans recommended by the LEST Action Plan on employment and skills.

The LEST Action Plan has established the LEST Implementation Group to provide governance and monitor progress across the programme. It is chaired by Peter Lewis from the Mayor’s Office, includes representatives from key stakeholders who are delivering LEST (including LSC, London Business Board, JCP, Sector Skills Council, ODA and LOCOG) and meets monthly.

The LDA has established programme and risk management processes for the LEST Action Plan and all other lead Olympic Delivery Plans.

See Recommendation 3

2.1.5 Relevance and focus of reporting and review

The Candidate File makes a commitment to the implementation of a sustainability management system in line with international standards such as EMAS and ISO 14001 and which will be structured along the lines of the London Sustainable Development Commission’s (LSDC) Sustainable Development Framework (based on four principles of responsibility, respect, resources and results). Importantly, the LSDC Framework takes an integrated view of sustainable development, incorporating both social and economic sustainability as well as environmental issues. The Candidate File also made a commitment to the formation of an independent assurance commission; the implementation of this is evidenced by this report.

The ODA has committed to developing a certified management system in accordance with ISO 14001 and is making progress towards this objective. LOCOG does not consider this standard to be wholly appropriate to event management and has supported BSI in the development of a new standard (BS 8901) for sustainable event management. The commission will view LOCOG’s plans to develop their management system with interest in the coming year.

The focus of the commission’s assurance in this regard is to ensure that Key Stakeholders have robust systems and processes in place to manage outcomes. Key Stakeholders are at liberty to demonstrate this through the use of certified management systems or in-house management systems, according to their own objectives and business plans. However, there is an important responsibility on both LOCOG and the ODA to demonstrate to their suppliers and partners that they are committed to implementing high sustainability standards, particularly in view of the demands that they will be placing upon external organisations to perform against SD targets.

Recommendation 8: ODA and LOCOG should clearly set out their proposals for developing management systems to cover all aspects of SD which will be subject to further review in the commission's 2008 governance review.

There is some good evidence that internal reviews and reporting structures are being put in place within the ODA and LOCOG and that appropriate progress is being made by both organisations to establish reporting and monitoring structures and processes. For example the ODA has already undertaken an internal audit on its SD programme and has developed a comprehensive risk management process. LOCOG will need to continue to develop its internal risk, audit and reporting processes to ensure that these can provide an excellent early-warning system as well as a transparent and auditable trail of decision-making about the programme.

Programme-wide reporting is not well developed. There is no current process to provide CSL with SD performance information. Evidence of reporting on delivery plans to OBSG indicates that there is a lack of clarity and consistency about the focus and rationale of SD reporting. The decision to disband the Olympic Programme Support Unit (OPSU) means that the capability to deliver independently verified, meaningful reporting information will require further discussion. There will need to be an ongoing dialogue between the commission and Key Stakeholders to develop an appropriate reporting structure. The nomination of a chair for the London 2012 Sustainability Group who is also a member of OBSG should provide the leadership necessary to take this further.

Recommendation 9: London 2012 Sustainability Group to develop appropriate SD reporting processes to cover all aspects of the London 2012 programme.

Recommendation 10: The commission should establish a work programme with the London 2012 Sustainability Group to define how the commission will receive and act on SD performance reports. This work to commence immediately following the publication of this report.

2.1.6 Link to commitments contained in the Candidate File

The number of core commitments made as part of London's bid to win the 2012 Games run to many hundreds. Of these, roughly 1/3rd have some relevance for the sustainability of the programme.

The Key Stakeholders have been diligent in documenting and addressing the vast majority of Candidate File commitments in good faith. For some commitments it is still too early to assure. For example, the commitment that the Games will deliver an increase in volunteering in sport is unable to be assured at present, although there is work already underway to develop a volunteering programme in the lead-up to the Games. This is in the form of a Pre-Volunteer Programme, a programme developed by the LDA based on the successful Manchester Commonwealth Games initiative. This provides pathways into work, training and volunteering for disadvantaged individuals and has the support of LOCOG in terms of the Games-time volunteer programme.

For other commitments, there is still a need for Key Stakeholders to identify how or what they will do to implement them, for example how the zero waste during Games time commitment will be met. This is particularly the case where commitments relate to activities during the Games themselves.

The commitment to establish a London Olympic Institute appears to be the one major initiative which is unlikely to be met in the manner originally planned. Responsibility for this commitment has been reassigned from the British Olympic Association following a consultation process on proposals for the Institute which resulted in a view being taken that the Candidate File proposal did not match well to the perceived need for a sport-focussed centre of excellence. The commission understands that revised proposals are being developed which may include the potential for the Institute to be virtual in nature and with a different remit. The commission will review this decision in due course.

In our view there is also a significant challenge for LOCOG in meeting its commitment to provide 20% of electricity during Games-time from local renewable sources. This has not been done before and the nature of the energy market is not well geared to such short term contracts. This objective may represent a significant challenge.

Recommendation 11: LOCOG should establish dialogue with the utility sponsor (appointed by LOCOG) and the utility partner (appointed by the ODA) in 2008 to understand how the 20% Games time renewable energy target will be achieved. In this regard, LOCOG should consider the opportunity to link with the waste agenda, such as the use of biofuel from anaerobic digestion facilities.

2.2 Review of SD Strategies and Plans (against the five key themes)

There are some areas where further consideration could be given as to how best to meet the ambitions set out in the SD policy and in line with stakeholder expectations. These are explored in more detail in Part 2 of the report, but the key issues and findings are highlighted here. It should be noted that the headline objectives quoted in Part 2 of this report are from the London 2012 publication “Towards a Sustainable Games”, issued in 2006⁶.

Climate Change

■ Given the evidence presented by the Stern Report and the Inter-Governmental Panel on Climate Change, this is the most significant environmental challenge facing a generation. Many organisations have now raised the bar in terms of best practice. The UK Government office estate, the Welsh Assembly and many market leaders in the retail, banking and energy sectors have declared aspirations to be “Carbon Neutral” by 2012. Whilst it is accepted that this is an ill-defined term, there is a clear challenge for the London 2012 programme to make a substantial commitment to addressing this issue. The commission welcomes the positive response to its advice to perform a detailed carbon footprint study. The timing of the 2012 Games at the end of the Kyoto period and the global profile of the event present a unique set of opportunities to set an example for a low carbon major event and to influence emissions beyond the scope of the Games to the world at large.

⁶ www.london2012.com/documents/locog-publications/locog-sustainability-policy.pdf

- The anticipated nomination of a leader for the SD agenda is essential to ensure that the options for a strategic approach to carbon management will be evaluated and decisions made will be based on sound assumptions and long term aspirations.
- The programme would have benefited from the carbon footprint study being completed at an earlier stage to inform key procurement and planning decisions. Nevertheless, it has the potential to be a sound basis for a future management strategy subject to issues of strategic leadership being resolved.
- Communication to support the carbon project needs to be excellent and transparent in the light of stakeholder scepticism and confusion about terminology and accounting methods in this area.
- A challenge exists to translate any requirements emerging from the carbon footprint work into contracts that have been let or are in negotiation (for example, in relation to requirements to report on embodied energy).
- There is a need to ensure that energy and carbon plans are periodically refreshed to reflect emerging good practice as the programme develops.

Recommendation 12: OBSG should consider the options for carbon management associated with the Games based on the current study. This should be followed by clear communication of the resultant strategy. This should be done before the close of the Beijing Games in order for London to have a clear strategy during its tenure as host city. See Recommendation 3.

Waste

- The commission has expressed concern about the lack of activity to support the catalysing of waste infrastructure in East London. There is now evidence of an emerging programme of work, led by the LDA and supporting the delivery of key mayoral strategies relating to both municipal and business waste. This will need to be reviewed as it progresses. In particular, any programme of work should demonstrate leadership, adequate cross-stakeholder coordination, and the allocation of sufficient resources to achieve this objective.
- The ODA's stated performance on waste to date is excellent (currently exceeding the target to re-use or recycle 90% of demolition waste by weight) and its research into construction waste options has the potential to be best practice (e.g. timber and recycled concrete)⁷. There is an ongoing need to apply this approach to other environmentally sensitive materials, both in terms of how they are treated as part of the waste stream, and how they can be avoided as part of the design and construction process.
- The ODA's commitment to transport 50% of all materials to the Olympic Park by water or rail is appropriate and suitably ambitious but needs to be matched by the provision of adequate wharfage and facilities on the site that passes through Prescott Lock.
- LOCOG's commitment for zero waste to landfill during Games time is commendable but this commitment needs to be supported by a more strategic approach to waste management in East London to provide appropriate disposal facilities. There needs to be a coordinated approach by all Key Stakeholders and organisations outside the London 2012 team to achieve this.

⁷ The Commission has not yet seen evidence of verification of the ODA's stated performance of 96% of all construction waste diverted from landfill but will seek this as part of assuring performance data in the coming year.

Recommendation 13: The LDA should lead the development of a clear vision of waste disposal infrastructure for East London. This should link to opportunities to use waste from the Games as a fuel and to maximise appropriate opportunities to use energy from waste to power the Games and legacy facilities. Local employment opportunities should also be considered as part of this strategy. See recommendation 3.

Inclusion

- Social and Economic Sustainability (employment, skills, business opportunity) – in order to set the direction for a sustainable long term legacy, it is necessary to use the unique opportunity presented by the Games to achieve a permanent reduction of worklessness in the Lower Lea Valley and to provide business and employment opportunities throughout London and the UK. The LETF and LEST frameworks⁸ provide clarity and vision to guide the implementation of employment and skills opportunities linked to the 2012 programme. Both LETF and the LEST Action Plan initiatives are being led by the LDA, with the overall governance of the Mayor's London Skills and Employment Board.
- The project is on an unprecedented scale and there is some evidence of early success in providing opportunities to local SMEs (a contract has already been won by a local business). Given the size and complexity of the task there is a need to ensure that the processes and delivery mechanisms are robust and scalable (i.e. that small businesses can compete given the size of the project). In addition, it will be important to ensure that regional and national skills and employment objectives are being effectively met.
- Access and Mobility – there are considerable access challenges for the Olympic Park, both during Games time and into legacy – there is evidence that this is an ODA priority, and detailed work to meet these challenges will be required. Access to older venues requiring temporary overlay may present particular challenges (for example Wimbledon). LOCOG has stated this issue will be a priority and detailed plans will be reviewed when they are available.
- Equalities and Diversity – the commitment to diversity is encompassed by the London 2012 Diversity Statement and the ODA released a draft strategy which showed early commitment to addressing equalities and diversity issues as part of the development programme. The commission reviewed the initial draft and commented that it needed to include wider diversity and equalities groups. A final document has now been issued⁹ and the commission will review this as part of a recommended review of social and economic sustainability.

Recommendation 14: The commission should review, in 2008, the processes, infrastructure and resources to maximise the social and economic sustainability opportunities presented by the Games.

Healthy Living

- LOCOG has indicated its intention to develop a healthy and sustainable food strategy which reflects the cultural diversity of London and has initiated discussions with stakeholders to support this workstream. Considerable effort will be required to maximise the opportunity presented to

⁸ www.lda.gov.uk/server/show/ConWebDoc.1646

⁹ www.london2012.com/documents/oda-equality-and-diversity/equality-and-diversity-strategy.pdf

inform, educate and offer healthy food options over the course of the next five years (millions of meals will be consumed by site workers and during Games time). This strategy needs to be developed as a priority to ensure that the supply chain has sufficient time to gear up for this task. Additionally, the LDA is leading the development of the Mayor's London Food Strategy and will be looking to optimise the linkages with LOCOG's Sustainable Food Strategy to develop/strengthen local sustainable food supply chains; thereby using the Games to promote healthy lifestyle objectives and choices, during Games time and beyond.

Recommendation 15: The commission should review, in 2009, the arrangements to deliver healthy and diverse sustainable food with linkages to opportunities to improve health and social/economic sustainability.

Biodiversity

- Transition to legacy – the success of the biodiversity objective is largely dependent upon the management arrangements and resources that will be allocated to biodiversity management in the transition phase from Games time into legacy for the Olympic Park. This issue will be a focus of a future review after the Biodiversity Action Plan and the Legacy Masterplan Framework have been released.

Wider benefits / legacy

- The delivery of legacy and wider benefits will be dependent on development of three key documents and the resource infrastructure to deliver the aspirations:
 - Legacy Action Plan from GLA, describing how the longer term policy impacts identified in the Olympic Objectives will be met;
 - Legacy Action Plan from GOE, performing a similar role for the UK as a whole; and
 - Legacy Masterplan Framework from the LDA, setting out both the physical infrastructure to be developed to support the legacy and the supporting socio-economic programmes that will help ensure sustainable positive outcomes for local people/businesses.
- These will be supported by revised delivery plans with new project and risk management processes to ensure the desired outcomes are delivered.
- In addition, the IOC requires the Olympic Games Impact (OGI) study to be completed to measure the overall impact on society of the Games. Work to develop this process is well advanced and the London 2012 Impact Evaluation Steering Group has been established to monitor this.

Recommendation 16: The commission should conduct a further review of legacy arrangements and plans as part of its ongoing work plan in 2009 and should carry out formal reviews of all relevant strategy documents during the drafting process.

Procurement

- The opportunities and threats presented by the commercial activities related to this project are unprecedented. The opportunity is to procure and engage commercial partners in a manner that is ethical, safe, maximises opportunity for local economic benefit, reflects the equalities and diversity agenda and sets new standards in environmental performance. The challenge is in the size, scale, timing and “one off” nature of the project. Repeat business is not available as an

incentive, time constraints are unlikely to accommodate switching of contract partners and there is no opportunity to 'get it right' next time.

- There is evidence that the ODA's procurement activity is taking on board SD issues and has resulted in some local employment and contracting and exceeding an early environmental target (demolition waste). Continued vigilance is needed as the programme scales up.
- A clear plan and process is required for considering ethical issues in procurement and sponsorship contracts for both the ODA and LOCOG. Early work is being done to understand how information will be collected on labour standards but this needs to be supplemented by a clear understanding of how this information will be used to make decisions.
- Procurement processes will need to build in flexibility where possible so that they can incorporate emerging requirements such as carbon reporting, as these become known.

Recommendation 17: ODA and LOCOG should develop a clear plan to collect information about labour standards in the supply chains of commercial partners and suppliers and, more importantly, make it clear how this information will be used to make procurement and contract management decisions.

Sponsorship

- There is a major opportunity to deliver key SD outcomes via effective management of commercial partnerships with sponsors. Providing key messages to join up the SD/commercial agenda by highlighting the benefits of SD through sponsorship, can deliver additional and wider benefits.
- There is evidence that SD is being considered at all stages of the process for recruiting commercial partners. In addition, EDF Energy was announced as the first 'Sustainability Partner', a special designation new to Olympic sponsorship. The concept of a "Sustainability Partner" is new and potentially ground-breaking. It is important to maintain the credibility of this initiative by ensuring that clear and public statements are made about what these organisations will actually do to contribute to the sustainability of the Games and legacy.
- Further work is needed to understand how commercial partnerships will be managed with respect to delivery of SD objectives, the process for measuring results and managing corrective action.

Recommendation 18: The contribution made by sustainability partners should be clearly communicated through various media, including a section of the London 2012 website which also reports their progress against these commitments.

Recommendation 19: The commission should undertake a further review of commercial arrangements as part of its ongoing work plan

Design

- Good design is key to a variety of sustainable outcomes, including energy efficiency and supply, waste, access, biodiversity, healthy living and use of environmentally sensitive materials. There is evidence to suggest these issues are being taken on board for permanent venues. The policies

and standards set by the ODA SD strategy are a good starting point but they do not address all key environmental issues such as use of sensitive materials like refrigerants and PVC. The process is managed by the ODA through a matrix approach involving project sponsors and a risk management process where the SD team has the opportunity to provide analysis of key sustainability risks. The whole process is monitored by internal audit and an audit related to design is currently in progress.

Recommendation 20: The commission should undertake a review based on the ODA internal audit report into design to ensure that SD issues have been dealt with appropriately.

3. Recommended CSL Assurance Activities for 2008/9

3.1 Introduction

This proposal represents the recommendations for the commission to deliver an appropriate level of strategic assurance. The final programme of work will be subject to a detailed business plan to be presented to the Olympic Board for approval in accordance with the financial timetable set by the business planning process.

The commission recommends a two-year programme of assurance based on:

- The core governance issues against overarching themes in the assurance framework; these issues are those which have been identified under the following headings -
 - Commitment to achieving the SD vision for the Games and legacy,
 - Clarity of roles and responsibilities and accountabilities,
 - Organisational capacity to deliver SD outcomes,
 - Coordination of SD issues between organisations,
 - Relevance and focus of reporting and review;

- Key issues as they relate to the 2012 programme and the five key sustainability themes; these include -
 - Carbon footprinting and strategy,
 - Sponsorship,
 - Social and economic sustainability,
 - Food,
 - Waste infrastructure and Games-time waste strategy, and
 - Legacy Action Plan and wider benefits; and

- Key cross-cutting processes as they relate to the five key themes and the 2012 programme timeframe; these have been identified as -
 - Procurement,
 - Design,
 - Reporting.

3.2 Focus of Assurance

The focus of the assurance programme will be on strategic and proactive rather than reactive assurance. The nature of the 2012 programme means that reactive assurance is unlikely to be effective given the time and build constraints, which can prevent post-hoc amendments to major programme elements.

The expected outcomes from taking a proactive approach are that CSL is able to provide:

- Timely, credible and independent advice informally to assist key stakeholders in meeting objectives; and
- Formal advice to the Olympic Board on the process which has been used to engage with key stakeholders, and formal assurance on any outstanding issues which remain to be resolved.

The rationale for the priorities identified to be explored as part of the assurance programme over the next two years are summarised in this section of the report.

Carbon footprint and strategy (Progress Review)

The rationale for this review is:

- The global importance of this agenda and stakeholder expectations;
- The ground-breaking nature of the current carbon footprint work;
- Need for clarity to understand the roles of the commercial partner for utilities (appointed by LOCOG) and the delivery partner for utilities (about to be appointed by ODA), in particular their contribution to climate change;
- The potential difficulties identified in delivering 20% renewable energy during Games time; and
- To ensure carbon is considered as part of the design phase of the project.

This review will be undertaken to provide:

- Independent review of carbon footprinting assumptions and management strategy options;
- Independent commentary on the strategic position adopted as a result of the analysis; and
- Stakeholders with confidence that this key issue is being addressed appropriately.

CSL will undertake the review in the following way:

- Participate in key workshops and discussions with delivery bodies;
- Review appropriate reports and working documents;
- Interview consultants if required;
- Provide support and commentary on strategic options; and
- Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board.

Waste (Significant Review)

The rationale for this review is:

- The lack of strategic focus on waste identified in this review;
- The unique challenge of delivering zero waste during Games time;
- The opportunity to link the waste agenda with carbon and local employment/skills; and
- To ensure that long term infrastructure decisions are made in time to support the Games.

This review will be undertaken to:

- Review steps being put in place to achieve a joined-up approach to waste infrastructure development in light of the issues raised in this governance review;
- Review the arrangements being developed to deliver exemplary waste management practice;
- Ensure the approach is complementary to local, regional and national plans to deliver waste infrastructure; and
- Explore synergies between waste, energy and local employment.

CSL will undertake the review in the following way:

- Review national, regional and local waste strategies;
- Review ODA performance in delivering waste targets;
- Review LOCOG arrangements to deliver zero waste to landfill during Games time;
- End-to-end review of the strategic approach to waste management and how it will be implemented in legacy;
- Recommend any areas of potential weakness for the future and possible improvements; and
- Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board.

Social and economic sustainability (Significant Review)

The rationale for this review is:

- Stakeholder feedback indicating this issue as a substantial legacy opportunity;
- Complexity of the process to deliver results involving many organisations;
- The ambitious and far-reaching targets set out in the LEST taskforce report¹⁰; and
- To ensure that resources are available to support the programme at peak demand.

This review will be undertaken to:

- Understand the size and scale of the programme and the opportunity it represents, given the expectations for a significant contribution to legacy from this element of the programme;
- Engage positively in the early process of implementation to assure the potential of this programme in maximising benefits;
- Address the complexity of the programme (involving numerous delivery agents) to assure efficiency and continuity of process; and
- 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.

CSL will undertake the review in the following way:

- Review LEST Action Plan recommendations and other relevant delivery plans;
- Engage with accountable local, regional and national delivery agents;
- End-to-end review to understand the effectiveness of the implementation mechanisms and their management;
- Highlight good practice and recommend any areas of potential weakness and possible improvements; and
- Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board.

¹⁰ www.lida.gov.uk/server/show/ConWebDoc.1646

Procurement and commercial partnerships (Significant Review)

The rationale for this review is:

- The critical nature of procurement to delivery of the London 2012 programme;
- The unique opportunity presented by relationships with commercial partners to deliver benefits beyond the scope of the Games;
- The opportunity to set exemplary ethical standards and the risk of failure to do so; and
- To ensure that future procurement decisions and contract management processes address SD appropriately.

This review will be undertaken to:

- Ensure that SD objectives are being translated appropriately to contractual arrangements;
- Ensure effective controls are in place to assure performance; and
- Advise stakeholders with respect to ethical standards and approach.

CSL will undertake the review in the following way:

- Review of ODA and LOCOG commercial processes and outcomes;
- Attendance as an observer at appropriate meetings and governance forums;
- Continuous review of key categories, and provision of advice to ODA/LOCOG on specific areas of opportunity and risk;
- Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board; and
- Assure the process for wider stakeholders whilst respecting commercial confidentiality.

Food (Significant Review)

The rationale for this review is:

- The opportunity to deliver multiple sustainability benefits to environment, health, local employment, etc;
- The opportunity to set new standards in delivering healthy, sustainable food for major events;
- Stakeholder feedback on the importance of this issue; and
- The need to ensure the approach is robust and scalable in the anticipation that catering activity increases closer to Games time.

This review will be undertaken to:

- Assess whether the programme has maximised the benefits that a sustainable food strategy can bring in terms of health, local economy, celebrating cultural diversity, emissions etc;
- Review the arrangements being developed to deliver sustainable healthy food; and
- Explore the extent to which synergies are being maximised between food, waste and energy.

CSL will undertake the review in the following way:

- Engage with London Food Commission and other stakeholders to ensure strategic alignment;
- Engage with the Nations and Regions Group to understand wider UK plans;

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- Engage with NHS and other health bodies to understand health issues;
 - End-to-end review of the process to understand the effectiveness of the processes, resources, contracts and management;
 - Recommend any areas of potential weakness for the future and possible improvements; and
 - Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board.

CSL reporting processes (Significant Review)

The rationale for this review is:

- CSL does not currently have a process for gathering regular performance information or for receiving copies of key documents;
- The requirement to review performance is part of the assurance framework; and
- CSL has a responsibility to provide commentary on performance to the Olympic Board and wider stakeholders.

This review will be undertaken to:

- Enable continuous monitoring of key SD outcomes;
- Inform future reviews efficiently and with minimum disruption to Key Stakeholders;
- Enable Olympic Board to be advised of issues pro-actively and independently; and
- Enable independent reporting to stakeholders.

CSL will undertake the review in the following way:

- Assess Key Stakeholders plans for reporting and review;
- Develop procedure to extract and analyse key data for existing processes;
- Develop a procedure for reporting to wider stakeholders within the context of the assurance framework; and
- Agree with OBSG the extent of the commission's role in the verification of performance data.

Wider benefits/legacy (Significant Review)

The rationale for this review is:

- Stakeholder feedback which indicated this is the most important goal;
- Current status of early development means the commission requires more information to determine whether the plans are on track; and
- Complexity of the issue, involving many organisations within and outside the immediate London 2012 group.

This review will be undertaken to:

- Ensure wider and cross-cutting benefits are maximised in the draft Legacy Masterplan Framework; and
- Ensure that national and regional legacy issues are being appropriately addressed through delivery plans.

CSL will undertake the review in the following way:

- Engage positively with the LDA, ODA, Host Boroughs and other partners in the development phase for the draft Legacy Masterplan Framework;
- Review Draft Legacy Action Plans from GLA and GOE; and
- Undertake formal assurance of process and provide advice on outstanding issues to the Olympic Board.

This review will be carried out during the 2009-10 financial year and is therefore not shown in the assurance programme timeline.

Timeline and significance for assurance programme

	Oct-Dec 07	Jan-Mar 08	Apr-Jun 08	July-Sep 08	Oct-Dec 08	Jan-Mar 09
Governance review					Progress review	Progress review
Reporting	Significant review	Significant review				
Carbon footprint and strategy	Progress review	Progress review				
Procurement and commercial partnerships			Significant review	Significant review		
Social and economic sustainability		Significant review	Significant review			
Food					Significant review	Significant review
Design			Progress review			
Waste				Significant review	Significant review	

Key

Significant review



Progress review



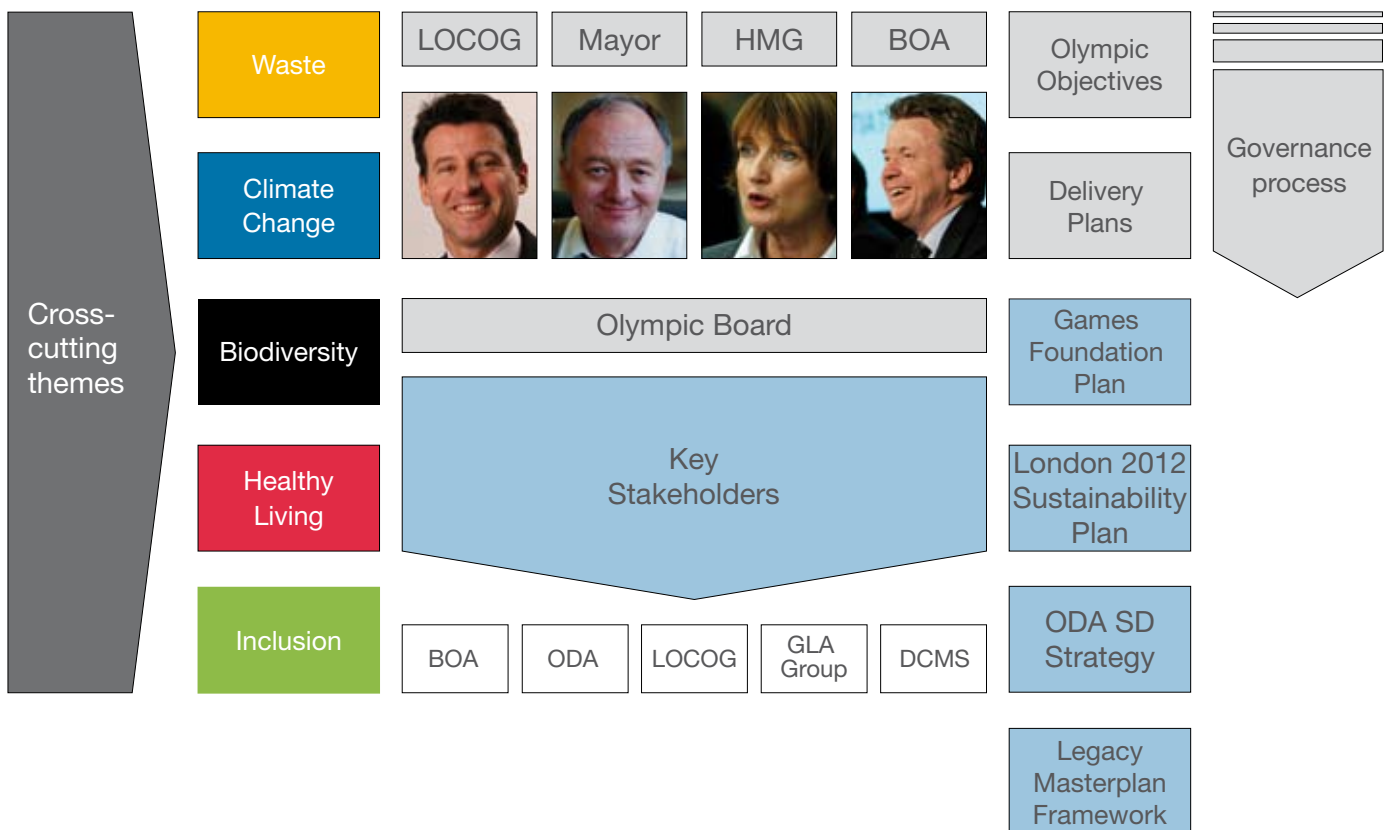
Part 2

1. Introduction

This section sets out a brief description of the governance structures, processes and resources employed by the various bodies involved in delivering the Games (Key Stakeholders) to deliver SD objectives. It reviews the effectiveness of these structures in delivering the five key SD themes established by the Olympic Board¹¹. It also sets out the detailed findings and recommendations for each Key Stakeholder.

The recommendations set out in this section are set out by Key Stakeholder and by key theme. They are more detailed than the headline recommendations in the main body of this report and are intended to demonstrate the logical connection between the review fieldwork, analysis and recommendations¹².

2. Overall Governance Structure



¹¹ www.london2012.com/documents/locog-publications/locog-sustainability-policy.pdf

¹² For the avoidance of doubt, the recommendations in part 1 of this document take precedence over those in part 2 if there is any ambiguity.

2.1 Overall Governance Structure – Description

The process for managing the requirements of a wide variety of government policies and stakeholder expectations through a complex project is a significant challenge.

The Olympic Board provides strategic governance for the UK 2012 Programme¹³ and comprises the Minister for the Olympics, the Mayor of London, the Chair of LOCOG and the Chair of the British Olympic Association. The Board is not a legal entity but its decision-making process is governed by a Joint Venture Agreement between the parties.

The Olympic Board is supported by the Olympic Board Steering Group that comprises primarily the programme delivery bodies (LOCOG, ODA, GLA, DCMS) and funding bodies such as the Olympic Lottery Distributor. It is chaired by the government's senior official responsible for the Games.

The International Olympic Committee (IOC) and International Paralympic Committee (IPC) have a number of requirements for staging the 2012 Games that are enshrined in the Host City Contract, jointly owned by the Mayor of London, the Minister for the Olympics, the BOA and LOCOG. LOCOG acts as the single point of contact with the IOC.

The Host City Contract also commits the parties to meet its commitments under the candidate file. The Olympic Board has allocated strategic responsibilities for meeting these commitments against four Strategic Objectives under which there are a number of sub-objectives that drive the programme deliverables. These objectives are:

1. To stage an inspirational Olympic and Paralympic Games for the athletes, the Olympic Family and the viewing public;
2. To deliver the Olympic Park and all venues on time, within agreed budget and to specification, minimising the call for public funds and providing a sustainable legacy;
3. To maximise the economic, social, health and environmental benefits of the Games for the UK, particularly through the regeneration and sustainable development of East London; and
4. To achieve a sustained improvement in UK sport before, during and after the Games in both elite performance – particularly in Olympic and Paralympic sports – and grassroots participation.

At a national level, the GOE as part of the Department for Culture, Media and Sport is responsible for coordinating government support and delivery against all government-led sub-objectives in addition to being the sponsor for the ODA, LOCOG, the Olympic Lottery Distributor and the former Olympic Programme Support Unit (the functions of which have now been absorbed into the Government Olympic Executive). The appointment of a Minister for the Olympics has provided greater ministerial focus on this programme.

At a regional level, the Mayor of London, supported by the GLA Group, is responsible for delivery against regional strategic objectives.

The national and regional government objectives focus on maximising the benefits of the Games for London and the UK. The broad outcomes are described in the documents “Our Promise for

¹³ www.london2012.com/about/the-people-delivering-the-Games/stakeholders/olympic-board.php

2012”¹⁴ published by DCMS in 2007 and “Your 2012”¹⁵ published by the GLA in 2007. The mechanisms to deliver these benefits are described in delivery plans.

Both DCMS and GLA have a responsibility to work with and represent the requirements of core national and regional stakeholders, notably the Nations and Regions Group and the five Host Boroughs. In addition, DCMS provides strategic reporting and scrutiny over the work of the ODA and its own performance.

Sustainable development across the Olympic programme is described by an overarching policy statement ‘Towards a Sustainable Games’ which includes eight objectives and five key themes. A more detailed London 2012 Sustainability plan has now been completed, entitled “*Towards a One Planet 2012 The London 2012 Sustainability Plan*”.

Delivery of SD outcomes is co-ordinated by the London 2012 Sustainability Group comprising the key people responsible for sustainability in the various organisations and other government stakeholders.

The HMG and GLA delivery plans are currently incomplete, inconsistent and lack clarity. For example, the Department for Education and Skills presentation provides clear measurable outcomes and milestones; many others do not. There is a programme of work going forward to clearly define legacy outcomes using three key documents:

- Legacy Action Plan from GLA, describing how the longer term policy impacts identified in the Olympic Objectives will be met;
- Legacy Action Plan from DCMS, performing a similar role for the UK as a whole; and
- Legacy Masterplan Framework from the LDA, setting out both the physical infrastructure to be developed to support the legacy and the supporting socio-economic programmes that will help ensure sustainable positive outcomes for local people/businesses.

At the time of preparing this report, there were no drafts of these plans available for review. The plans will also be supported by revised delivery plans with new project and risk management processes to ensure the desired outcomes are delivered.

In addition, the IOC requires the Olympic Games Impact (OGI) study to be completed to measure the overall impact on society of the Games. Work to develop this process is well advanced and the London 2012 Impact Evaluation Steering Group has been established to monitor this.

The Olympic Park Regeneration Steering Group has been established and met for the first time on 19th July 2007. This is chaired by the Mayor of London and comprises representation from national and regional government along with Leaders and Mayors of the Host Boroughs. The Olympic Park Senior Officers Group has been established to coordinate the work of the many organisations required to deliver the legacy. These groups will be responsible for setting most of the sustainability objectives for physical legacy in East London.

¹⁴ www.culture.gov.uk/Reference_library/Publications/archive_2007/ourpromise_for2012.htm

¹⁵ www.london.gov.uk/mayor/olympics/docs/your2012.pdf

The LDA has been appointed as Interim Legacy Client. The physical legacy will be defined by a Legacy Masterplan Framework which will be managed jointly by the LDA and ODA in partnership with the five Host Boroughs. The work is expected to support a planning application in mid 2009. Consultation is taking place to start to create a vision for the legacy in East London. The work of this group has been very recently established and further reviews will be necessary to assure this work.

2.2 Overall Governance Structure – Findings and Recommendations

Findings

- The structure to disseminate both national and regional government policy is complex. It relies heavily on informal contact and personal knowledge of individuals.
- The Olympic Programme Support Unit (OPSU) produced a programme brief to describe the structure in August 2006 with an update being written in April 2007. The OPSU role will be absorbed into the new Government Olympic Executive (GOE).
- The delivery plans coordinated by GOE and the GLA are inconsistent in content and some are incomplete. For example, the Department for Education and Skills presentation provides clear measurable outcomes and milestones; many others do not.
- GOE and GLA are developing more cohesive plans to monitor the Olympic Objectives but drafts were not available for review at the time of this report.
- The London 2012 Sustainability Plan has recently been completed. This document sets out a number of issues and challenges still to be resolved which will require the newly nominated OBSG executive to be engaged in the decision-making process.
- CSL currently receives no performance reporting with respect to SD objectives.

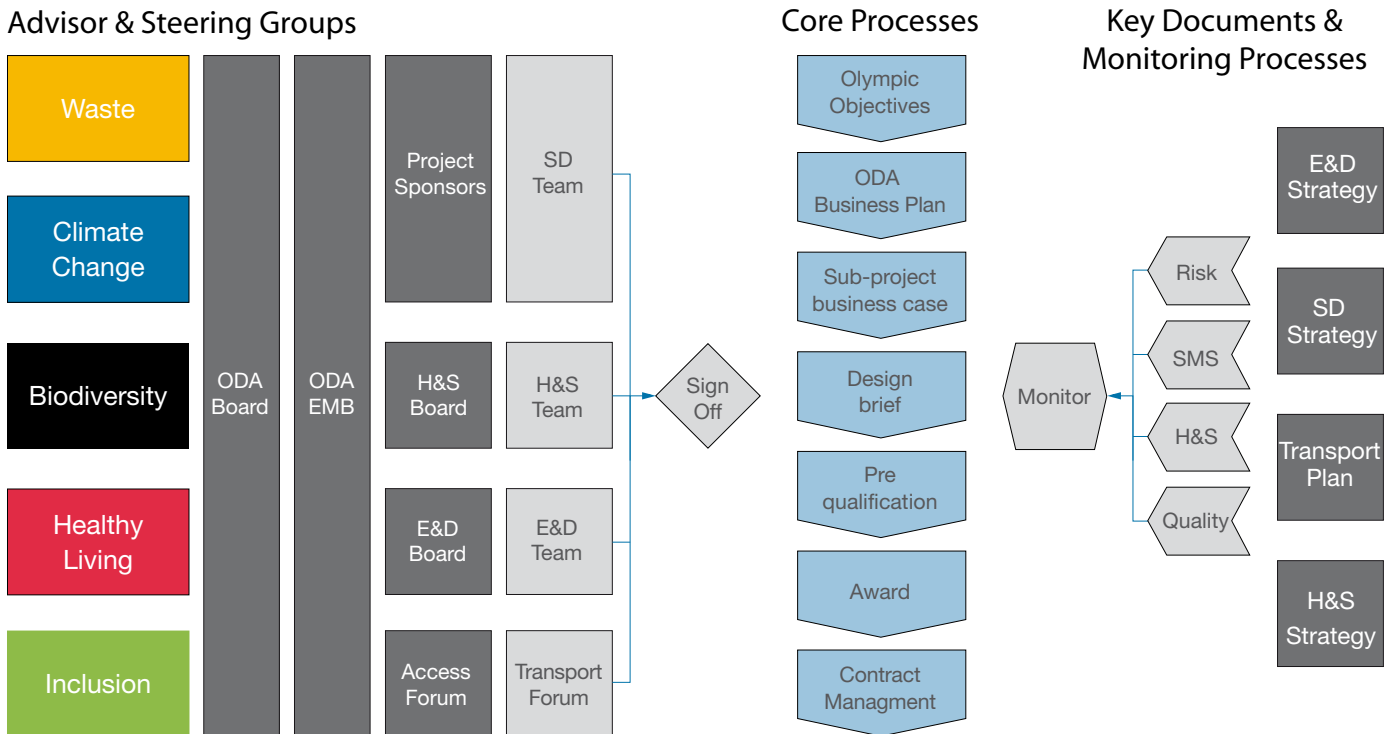
Recommendations

- 2.1 Ensure that recruitment and succession plans are in place to provide continuity for key roles.
- 2.2 GOE to update the programme brief document and ensure the principles and relevant content is communicated as part of the induction process for new staff and contractors.
- 2.3 Complete the planned development of coordinated Legacy Action Plans by GOE and GLA to describe how accountability for the Olympic Objectives will be disseminated, delivered and reported.
- 2.4 Implement the appointment of the nominated senior executive from OBSG to lead the SD agenda and ensure early engagement with key issues such as carbon management.
- 2.5 Build on the development of the London 2012 Sustainability Plan to describe how the wider strategic and legacy objectives related to the five key themes will be developed.
- 2.6 Clarify how reporting and verification of performance data will take place now that OPSU has been disbanded.
- 2.7 Key Stakeholders to work with CSL to establish a pragmatic and meaningful reporting process.

3. Analysis by Key Stakeholder

3.1 ODA

ODA Governance Structure



3.1.1 ODA – Overview

The ODA was established via the London Olympic Games and Paralympic Games Act 2006. It is an Executive Non-Departmental Public Body accountable to the Minister for the Olympics and is responsible for delivering the venues, facilities, infrastructure and transport for the Games. The ODA is governed via a non Executive Board, the Chair reports to the Minister for the Olympics and is an observer on the Olympic Board. Operational management is achieved through the Executive Management Board (EMB), chaired by the Chief Executive Officer.

The ODA's remit is operationalised through its corporate plan which identifies a number of sub-projects. Each sub-project has a sponsor and a business case. The sponsor is accountable for the delivery of the project including other priority themes. The ODA has produced its 'Sustainable Development Strategy' which identifies twelve SD objectives and maps these against the five key themes. The ODA policy with respect to its own SD objectives and the five key themes is managed through appropriate boards and supported by expert advisory teams. The advisory teams do not have line decision-making authority but have the remit to sign off key decisions and to define and report against key risks.

¹⁶ Olympic Delivery Authority Sustainable Development Strategy, January 2007
www.london2012.com/documents/oda-publications/oda-sustainable-development-strategy-full-version.pdf

SD principles, in addition to being described in the SD Strategy, are also outlined in the Equalities and Diversity Strategy, Health and Safety, Environment Standard and Transport Plan. Monitoring processes are in development to control Sustainability Management, Quality and Health and Safety. Risk management and internal audit processes have been established with a dedicated team to monitor outcomes across projects. The ODA plans to develop an ISO 14001 compliant sustainability management system.

This process is comprehensive and contains all the elements of good practice. There is evidence that SD requirements are being adopted through key processes such as procurement. There is evidence of cross-organisation working with LOCOG with regular meetings and joint initiatives. An internal audit into SD was carried out in April 2007, the results of which were broadly satisfactory. Corrective actions are being followed up.

A new, permanent Head of Sustainable Development was appointed in September 2007, reporting to the Director of Design and Regeneration, who is a member of the EMB. Permanent staff are currently being recruited to make up the SD team, which has been staffed up to now with secondments and temporary staff.

There is adequate resource planned to support the project. There are currently plans to employ four Full Time Equivalent (FTE) in the SD team, two in Equalities and Diversity and a proportion of the eight people in Health and Safety will cover occupational health and healthy living. The delivery partner CLM has six FTE staff dedicated to sustainability and the environment. There also resources dedicated to inclusive design, health and safety, equality, employment, community and other key themes for the organisation.

3.1.2 ODA – Findings and Recommendations

Findings

- The ODA SD strategy is a high level document with insufficient detailed targets in some areas to drive the process. If an ISO 14001 compliant process is to be developed there will be a need to develop more specific targets. This concern was identified by the ODA internal audit of SD in April 2007.
- There is intent to provide staff resources to support this programme but recruitment is a critical path activity. Many of the expert staff remain as interim positions and the new Head of SD has recently taken up the post (September 2007).
- The process relies on embedding SD principles into delivery teams and through the supply chain. There is evidence of this working as a process but it is not yet clear how SD capability is being evaluated in recruitment processes for managers and training for staff. Failure to recruit and train managers now could lead to failure of the process as resources increase.
- The procurement process takes into account SD requirements but there may be a need for the contract management process to take on board new requirements such as carbon management. The process needs to be sufficiently flexible to accommodate these requirements.
- There is some evidence that procurement decisions are being made on a whole life cost basis but this is difficult to achieve when the legacy use of a facility is not known.
- Objectives in the ODA SD strategy generally refer to permanent venues with no reference to temporary venues or overlay. This is of concern where some venues may not be able to meet the standards for new permanent venues (e.g. for disabled access).

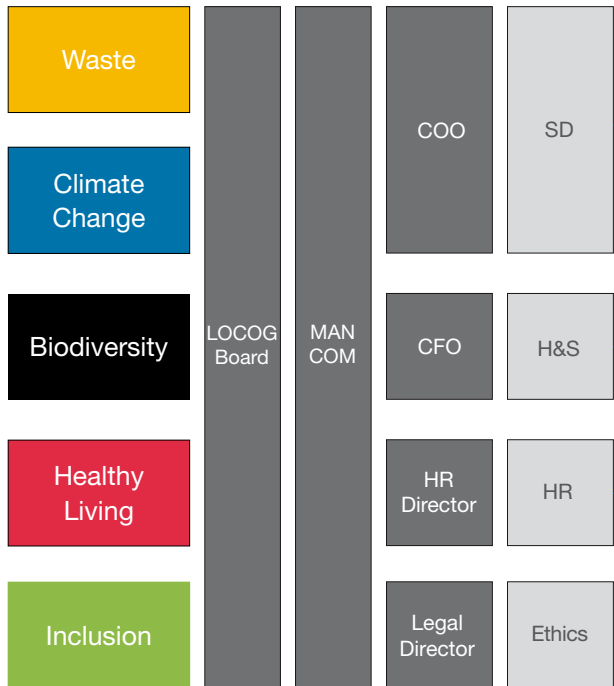
Recommendations

- 2.8** Ensure that sub-project specific plans contain detailed SD targets using guidance and coordination from the SD team. Summarise detailed targets and objectives to act as the start point for an ISO 14001 compliant management system.
- 2.9** Focus on recruitment of long term staff to support this agenda and procurement of resources required to support through service contracts and consultancy. Propose clear target dates for completion of this exercise.
- 2.10** Demonstrate commitment to SD principles by embedding SD into job descriptions, bonuses, objectives, recruitment and personal development plans, induction and training.
- 2.11** Ensure that the recommendations highlighted in this report and in the emerging Legacy Masterplan Framework are taken into account in procurement specifications and design briefs currently being developed. Create a mechanism to ensure that emerging issues can be accommodated where reasonable and practicable during the course of the project.
- 2.12** Ensure that shortage of information on legacy use of facilities does not preclude the business case for sustainable options by working with a range of options and scenarios for whole life cost to enable value judgements to be made when faced with shortage of information. Ensure that the value engineering process does not compromise the SD standards established for the project.
- 2.13** Clarify objectives and responsibilities and targets for temporary venues and overlay.

3.2 LOCOG

LOCOG Governance Structure

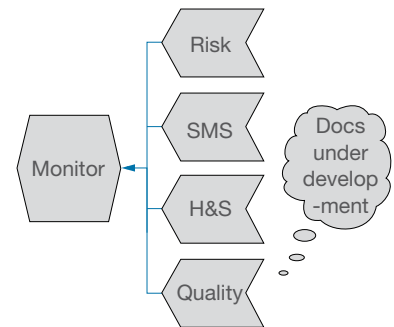
Advisor & Steering Groups



Core Processes



Key Documents & Monitoring Processes



3.2.1 LOCOG – Overview

LOCOG is a not for profit company limited by guarantee. It is responsible for staging the Games in accordance with the Host City Contract and is the single point of contact with the IOC and IPC. Funding is expected to come from sponsorship revenue, ticket sales, merchandise and broadcast rights but the cost is underwritten by HM Treasury. Objectives are governed by the Host City Contract and Games Foundation Plan.

While LOCOG is a company that exists for the purposes of putting on the Olympic and Paralympic Games it will be a major, high profile player on the London, national and international stage during the next five years. It is therefore important that it can demonstrate that its own performance is exemplary across all key SD areas.

LOCOG is governed by a Board of Directors, the Chair is a member of the Olympic Board. Executive management is achieved through the Management Committee (MANCOM) chaired by the Chief Executive Officer.

Various executive directors of LOCOG have responsibility for different aspects of SD (e.g. environment, inclusion etc.) LOCOG is organised into functional areas, each of which has a business plan but after the Beijing Games this will gradually switch to a venue focused structure. There is a small, permanent and competent Environment and SD (E&SD) team which influences and advises each functional area. This will be supplemented by venue environment managers when the focus moves to a venue driven structure. The business plans for functional areas are under development and do not cover all aspects of SD at this stage. The head of E&SD reports to the Chief Operating

Officer, who is a member of the LOCOG Management Committee and OBSG. This position has existed throughout the bid process and has been filled by the same individual throughout the bid and into the delivery programme to provide continuity.

Procurement and sponsorship arrangements in excess of £100K are approved by the Deal Committee which is attended by the Head of E&SD. There is evidence that SD requirements are considered as part of a tender process for sponsors, which are required to comply with an ethical sourcing code. Work to embed these requirements into firm contractual commitments and a contract management process has still to be completed.

Venue decisions are made by the Operations Committee, which is also attended by the Head of E&SD.

Sustainability commitments are contained in the Games Foundation Plan. This reflects the Candidate File requirements (e.g. zero waste to landfill at Games time). Specific plans are described in functional area business plans, which are updated annually. These should be updated in 2008 to reflect the London 2012 Sustainability Plan as these do not currently address the five key themes adequately. It should be noted that neither the Games Foundation Plan nor functional area business plans are public documents. LOCOG does not plan to publish a specific SD strategy in the manner of the ODA. The London 2012 Sustainability Plan will be used by LOCOG to develop specific action plans and targets related to the five key themes. This should also include other significant SD objectives such as ethical procurement and sponsorship, sustainable materials related to construction and merchandise, responsible marketing and other significant impacts. See also Recommendation 3 of this report. Processes to manage risk, delivery and assurance are under development.

Sponsorship arrangements are being put in place and all commercial partners are required to comply with London 2012 and LOCOG specific sustainability policies. As the functional business plans and theme-specific action plans are developed, it will be necessary to retrospectively apply requirements with sponsors who are already signed up or under negotiation.

LOCOG does not consider a certified management system in accordance with ISO 14001 to be wholly appropriate to event management and has supported BSI in the development of a new standard (BS 8901) for sustainable event management. The commission will view LOCOG's plans to develop its management system with interest in the coming year. LOCOG is required to report to the IOC on the Olympic Games Impact (OGI) study which will aim to track the wider benefits of the Games. This work is progressing and is closely linked into the wider remit of the London 2012 Impact Evaluation Steering Group, coordinated by the GOE.

The E&SD team comprises three FTE permanent staff plus shared administration support. This will be supplemented by two FTE Venue Operations Environment Managers when the switch is made to venue focus. During the development phase of LOCOG's organisation, there has been a heavy reliance on a small team of expert individuals to influence the leaders and staff of the functional areas. This has been effective to date but needs to be underpinned by a comprehensive process and management framework to remain effective as the project increases in scale.

3.2.2 LOCOG – Findings and Recommendations

Findings

- LOCOG does not plan to develop a separate SD strategy. Requirements will be defined by the Games Foundation Plan, functional area business plans (not public documents) and London 2012 Sustainability Plan, and thematic strategies on topics such as carbon, waste, diversity and inclusion.
- The functional area business plans and the Games Foundation Plan do not currently address SD issues consistently or adequately. The business plans are annual documents so there is an opportunity to address this issue in sufficient time.
- There is evidence that SD is being embedded as part of the sponsorship programme, including the opportunity for partners to become “sustainability partners” in return for commitment to SD objectives. These commitments need to be firmly embedded into contractual documents and monitored through a contract management process.
- The process to influence internally through a competent and influential E&SD team is effective now but should be embedded into a clear process and management system going forward.
- The sustainability management system currently in development needs to be robust but does not necessarily need to be certified.
- LOCOG has supported British Standards Institute (BSI) in development of a standard for sustainable event management. LOCOG, its partners and suppliers will consider this as a basis for their management system.

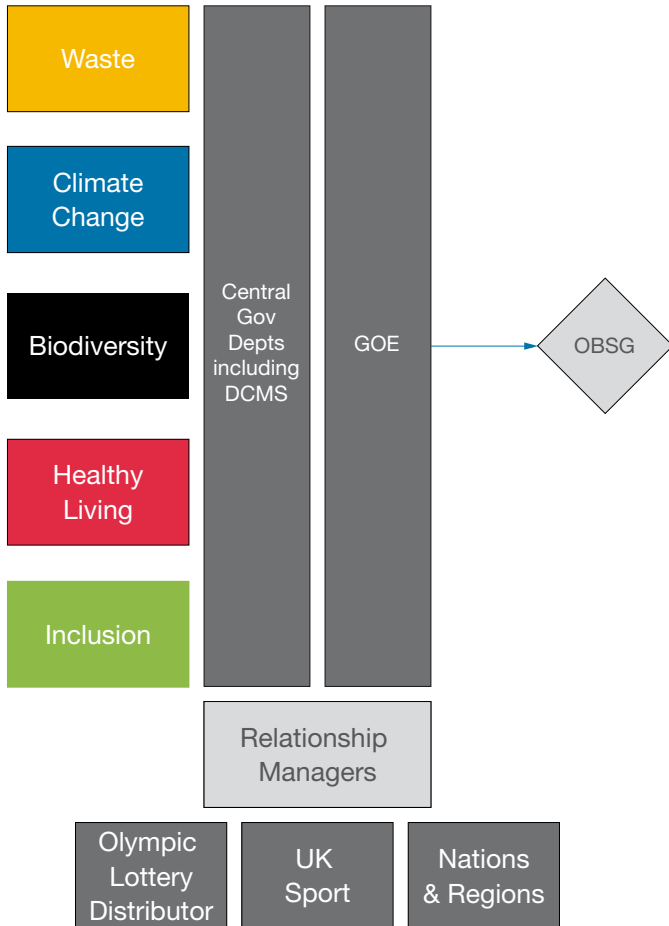
Recommendations

- 2.14** Publish specific SD objectives and targets.
- 2.15** Demonstrate significant progress in developing the following strategic plans over the next 12 months:
 - Food strategy to incorporate local, sustainable, healthy options which also minimise waste and carbon footprint;
 - A strategy for waste disposal that matches the commitment to zero waste to landfill during Games time and helps to stimulate investment in sustainable waste management facilities in East London by other bodies;
 - A strategy for ethical procurement that addresses the commitments to full and fair opportunity and addresses labour standards for all workers, including overseas and migrant workers, through sponsorship and procurement contracts; and
 - A strategy to deliver LOCOG’s contribution to reduction in the overall carbon footprint.
- 2.16** Ensure that Functional Area Business plans address clear SD targets, activities and outcomes in the next draft.
- 2.17** Demonstrate how SD is being embedded into contractual commitments and into the process for measuring results in relation to sponsorship arrangements generally and in relation to the category of “Sustainability Sponsorship”.
- 2.18** Demonstrate commitment to SD principles by embedding SD into job descriptions, objectives, recruitment and personal development plans.
- 2.19** Develop a Sustainability Management System that delivers adequate assurance in the absence of an ISO 14001 system and takes into account the requirements of BS 8901 in an appropriate manner or a similar Sustainability Management System.

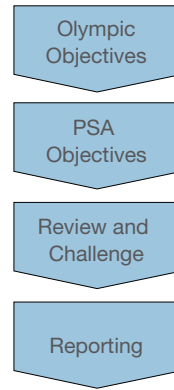
3.3 Minister for the Olympics / DCMS

HMG Governance Structure

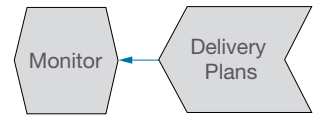
Advisor & Steering Groups and Oversight



Core Processes



Key Documents & Monitoring Processes



3.3.1 Minister for the Olympics/DCMS – Overview

DCMS is the key central government department with responsibility for the Olympics and for ensuring that appropriate government policies are delivered through the Olympic programme. The functional unit within DCMS with carriage of this responsibility, the Government Olympic Executive, reports to the Minister for the Olympics. The Minister is one of three stakeholders along with the Mayor and the Chair of the BOA in ownership of LOCOG, and is a member of the Olympic Board.

The senior executive accountable to the Minister on the government's 2012 programme chairs the Olympic Board Steering Group, the primary executive committee advising the Olympic Board, comprising all governance, delivery and funding bodies.

HMG has responsibility to deliver against Strategic Objective 3 (to maximise the economic, social, health and environmental benefits of the Games for the UK, particularly through regeneration and sustainable development in East London). GOE coordinates and manages the process for reporting against HMG's responsibilities under Objective 3.1 via delivery plans which have been developed by relevant government departments with specific delivery responsibilities. These are monitored within GOE by relationship managers with aligned responsibilities, one of whom is responsible for sustainability. As relationship managers are not content experts, they draw on expertise from other government departments for guidance (e.g. Defra for advice on environmental or food issues) informally and formally. Formal government approval is granted by the Cabinet sub-Committee ED(OPG) (formally Misc 25), chaired by the Chancellor of the Exchequer and on which the Minister for the Olympics also sits. The Minister reports to the Olympic Board on the government's responsibilities to deliver against its Olympic Objective. Reporting to the Olympic Board and OBSG was via OPSU and the report format is common with the GLA. The decision to disband OPSU as an independent source of quality information is key to the process and the transformation to GOE will need to be managed carefully.

The role of the GOE is to collate the various policy requirements of government departments and act as a constructive review and challenge to the delivery bodies but the Minister also has joint sign-off (with the Mayor) of all key milestone and funding decisions. The GOE and LOCOG are also responsible for making the link to other regional agendas, through the Nations and Regions Group, which reports to the Olympic Board and coordinates the requirements of the nine English regions and devolved administrations. DCMS has responsibility for elite sport through UK Sport and community sport through Sport England, (organisations established by Royal Charter). The UK Sustainable Development Commission provides strategic independent advice on SD issues to the Prime Minister.

Requirements on various departments are described by delivery plans which interpret the headline Olympic Objectives into policy requirements to be translated through the project plans of delivery bodies. GOE has published a document entitled "Our Promise for 2012"¹⁶ and the GLA published a document "Your 2012"¹⁷, these will be translated into a Legacy Action Plan from each of the GLA and HMG to describe how the policy outcomes will be delivered and monitored. It is expected that these will provide a means of publicly articulating the main objectives and outcomes of the delivery

¹⁶ www.culture.gov.uk/Reference_library/Publications/archive_2007/ourpromise_for2012.htm

¹⁷ www.london.gov.uk/mayor/olympics/docs/your2012.pdf

plans. At the time of preparing this report, there was no draft of the Legacy Action Plans available for review.

There are adequate resources to cover the requirements but the process relies heavily on informal networking and individual experience.

A Public Service Agreement (PSA) for the Olympics has been developed¹⁸, including an indicator for sustainability. The commission will support and help develop the reporting framework for this indicator, in accordance with the assurance framework.

¹⁸ www.hm-treasury.gov.uk/media/5/6/pbr_csr07_psa22.pdf

3.3.2 Minister for the Olympics/DCMS – Findings and Recommendations

Findings

- Delivery plan documents are inconsistent in focus. Some are aspirational with no clear indication of measures of success (e.g. sustainable communities), others are more focused with clear measures (e.g. health).
- The purpose of a delivery plan is not clear in terms of whether it describes how Olympic objectives are to be achieved and reported or is a description of expected policy outcomes.
- There is little knowledge of delivery plans among the staff in delivery bodies and they are not always taken into consideration when considering detailed strategies and plans.
- The commission was presented with an example of monthly reporting dated May 2007. This did not relate to the delivery plans but described progress in mobilising resources. During the course of the review further examples dated July 2007 have demonstrated progress in risk and programme management.
- Accountability for the delivery plan outcomes is with the relevant department and a Cabinet sub-committee. The GOE relationship managers have a role to facilitate delivery.
- The role of the relationship manager is key as the complex nature of government relies on a significant amount of informal networking and personal knowledge.
- The application of the PSA will be critical to the process going forward to ensure the correct level of attention is given to the SD outcomes of the Games.

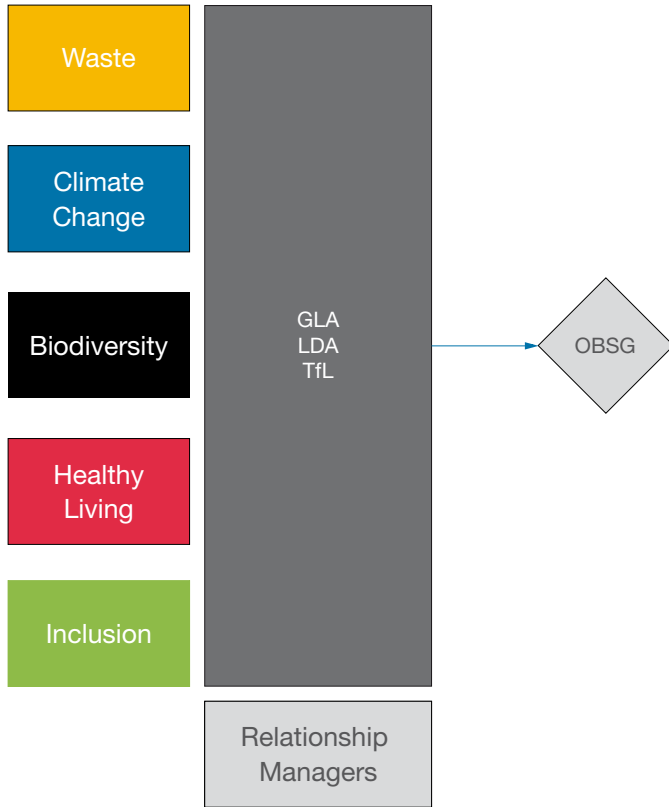
Recommendations

- 2.20** Complete the planned development of Legacy Action Plans by DCMS and GLA to describe how accountability for the Olympic Objectives will be disseminated, delivered and reported.
- 2.21** Develop a reporting structure that relates to the achievement of Legacy Action Plan requirements.
- 2.22** Ensure that recruitment and induction of relationship managers continues to deliver people with a sound knowledge of government and skills in using networks to achieve results.
- 2.23** Develop a detailed reporting process related to the PSA objectives and the role of CSL in providing assurance.

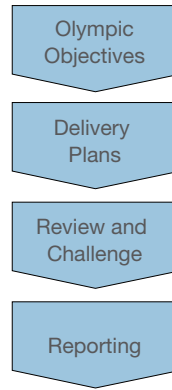
3.4 GLA

GLA Governance Structure

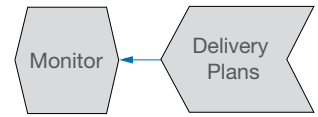
Advisor & Steering Groups and Oversight



Core Processes



Key Documents & Monitoring Processes



3.4.1 GLA – Overview

The Mayor has responsibility for delivery against programme objectives relating to the wider legacy of the Games in London and for ensuring that appropriate regional policies are delivered through the Olympic programme. The Mayor is one of three stakeholders along with the Minister for the Olympics and the Chair of the BOA in ownership of LOCOG, and is a member of the Olympic Board. The GLA is represented on the Olympic Board Steering Group, the primary executive committee advising the Olympic Board, comprising all governance, delivery and funding bodies. The Mayor (via the GLA) has responsibility for delivery against Strategic Objective 3.2 and sub-objectives under 4 (in addition, the LDA has one sub-objective under 2). These are monitored by the GLA through its Olympics and Thames Gateway Team. This is a policy focused group rather than a content-based expert group and it therefore draws on expertise from GLA areas of expertise and wider stakeholders where applicable (e.g. NHS for Health issues).

The role of the GLA team reporting via the Mayor's Office is to collate the Mayor's policy requirements and act as a constructive review and challenge to the delivery bodies but the Mayor also has joint sign-off (with the Olympic Minister) of all key milestone and funding decisions. The GLA team is responsible for making the link to other local agendas, through the 5 Boroughs Partnership Board (representing the Host Boroughs) and London Councils (representing the other London boroughs). There are also linkages to groups with responsibility for key Mayoral strategies, for example the Mayor's Skills and Employment Board. The London Sustainable Development Commission provides strategic independent advice on SD issues to the Mayor.

The delivery plans are being reviewed, recognising that they are at different stages in their development due to the nature of the programme. Some have deliverables that are early in the Olympic programme and others that occur closer to the Games themselves. The GLA drafted a report in August 2007 setting out the status of each delivery plan, achievements to date and key milestones going forward. This identifies that the majority of the areas have prepared delivery plans, although two are still in progress and two are identified as having made insufficient progress. The milestones generally only cover measures to be achieved in the current year, however delivery agents/stakeholders have been asked to provide a comprehensive list of milestones up to 2012. This is important to ensure that progress is continued towards the desired outcomes. A lead officer in the GLA is identified for co-ordinating each plan but it is not clear who is accountable for the content and outcomes as many of the objectives are to be delivered by other bodies.

The GLA published a document "Your 2012"¹⁹ and GOE has published a document entitled "Our Promise for 2012"²⁰. These will be translated into two Legacy Action Plans from the GLA and GOE to describe how the policy outcomes will be delivered and monitored. It is expected that these will provide a means of publicly articulating the main objectives and outcomes of the delivery plans. A project and risk management process is being introduced to take them forward and ensure delivery. The GLA and LDA are establishing a joint delivery plan programme group to monitor outcomes. This is due to meet for the first time in November 2007. A reporting procedure was agreed with all delivery agents and has been in place since June 2007. Delivery plan leads are required to report to the GLA every quarter, using an agreed template. The reporting format is common with GOE.

¹⁹ www.london.gov.uk/mayor/olympics/docs/your2012.pdf

²⁰ www.culture.gov.uk/Reference_library/Publications/archive_2007/ourpromise_for2012.htm

3.4.2 GLA – Findings and Recommendations

Findings

- Some delivery plan documents are inconsistent in focus. While many delivery plans are progressing well (e.g. education, sport and health), some are more aspirational with inadequate indication of measures of success (e.g. sustainable communities). Others are more focused with clear measures (e.g. employment and skills).
- The stated purpose of delivery plans is to describe how specific Olympic objectives are to be achieved. However, some are not sufficiently clear in terms of whether they describe how Olympic objectives are to be achieved and reported or a description of expected policy outcomes.
- There is insufficient knowledge of delivery plans among the staff in delivery bodies and they are not always taken into consideration when considering detailed strategies and plans.
- The recent report relating the status of delivery plans is a good starting point but this work will need to be progressed to report outcomes consistently.
- Although the GLA is represented in all delivery plan steering groups, the accountability for the delivery plan outcomes is complex, with some reporting to external organisations, which have their own reporting procedures. The relationship managers have a role to facilitate delivery but they do not have accountability for the outcomes or setting the objectives. The London Co-ordination Working Group signed off the delivery plans; however, specific accountability for leadership in some cases needs clarification.
- Each delivery plan already has a programme risk register and the commission has seen evidence of a risk register dated June/July 07.
- The role of the Olympic team within the GLA is key as the complex nature of the Mayoral strategies and the various commissions and steering groups relies on a significant amount of informal networking and personal knowledge.

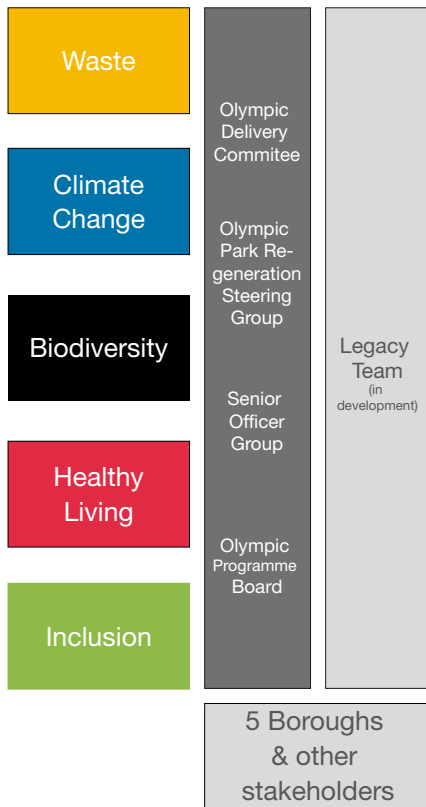
Recommendations

- 2.24** Clarify that the role of delivery plans is to achieve the Olympic Objectives agreed by the Olympic Board. It may be necessary to update them to reflect meaningful targets and to ensure that reporting is clearly linked to the desired outcomes.
- 2.25** Ensure that the process to communicate delivery plan content to people who need to know is progressed. The joint GLA/LDA programme group needs to be supported and resourced.
- 2.26** Complete the planned revisions to the delivery plans to describe how accountability for the Olympic Objectives will be disseminated, delivered and reported.
- 2.27** Develop the reporting structure to fully address the achievement of delivery plan requirements.
- 2.28** Ensure that succession planning, recruitment and induction of members of the Olympic team delivers people with a sound knowledge of regional government in London and skills in using networks to achieve results.
- 2.29** Allocate clear responsibility roles for delivery plans and a process for the necessary parties to approve and agree plans.

3.5 LDA

LDA Governance Structure

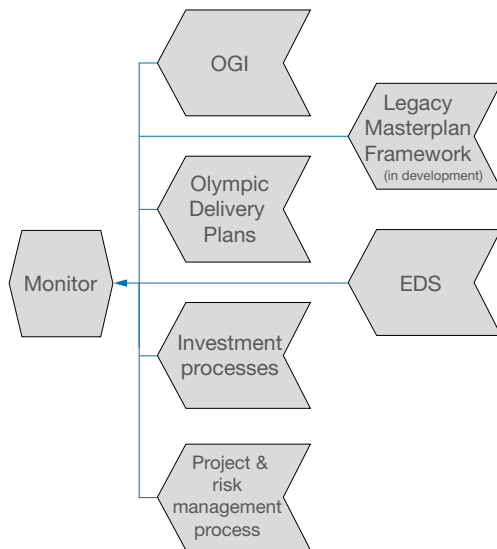
Advisor & Steering Groups



Core Processes



Key Documents & Monitoring Processes



3.5.1 LDA – Overview

The London Development Agency is one of nine regional development agencies set up by the government to promote economic development and regeneration. It is also one of the four functional bodies of the Greater London Authority Group. The LDA has responsibility for land acquisition, legacy construction, social/economic regeneration and legacy. Using its land acquisition powers, the LDA has secured the necessary ownership for the Olympic Park site, as well as owning sites at West Ham and Three Mills. The Lea Valley is identified as a priority in the LDA's corporate strategy and Economic Development Strategy, for investment in both infrastructure and people. The LDA is also using the catalyst of the Games to lead work on the Mayor's Framework for Sport Development in London.

Land acquisition is now complete and a new single team is being formed to manage the physical, social and economic legacy.

The Olympic Park Regeneration Steering Group has been established and met for the first time on 19th July 2007. This is chaired by the Mayor of London and comprises key ministers along with Leaders and Mayors of the Host Boroughs. The Olympic Park Senior Officers Group has been established to coordinate the work of the many organisations required to deliver the legacy. This group is chaired by the Mayor's Director of Business Planning and Regeneration. The LDA has been

appointed as Interim Legacy Client. The physical legacy will be defined by a Legacy Masterplan Framework which will be managed jointly by the LDA and ODA. The work is expected to support a planning application in mid 2009. The team, processes, roles and responsibilities have yet to be defined but this work is in progress. The LDA is currently re-structuring to create a single directorate to cover all aspects of London 2012 including land, social and economic and physical regeneration. The impact of the legacy client has yet to filter through the ODA and its supply chain, where the input is essential to ensure design and procurement decisions being made now match the options being considered for the Legacy Masterplan Framework.

The five Host Boroughs (the London boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest) are the elected local authorities for the Olympic Park and other Olympic venues in East London. As community leaders and place-shapers, they have responsibility for local land use planning policy in their areas, as well as for the promotion of well-being, and will provide the community leadership and many of the services required to make the regeneration of the Olympic Park and surrounding areas a success. Their Local Area Agreements set priorities for work in the area, and put in place local solutions to meet local needs. The four boroughs around the Olympic Park will also resume their planning powers for the area after the ODA's role is complete.

Social and economic impacts from the Games development and staging are managed through the 5 Boroughs Partnership Board, utilising LDA funded programmes to develop training, employment, business development and brokerage. The boroughs have developed an integrated plan to capture legacy from the 2012 Games, which includes initiatives already underway to help local people get access to jobs, training and business opportunities arising from the Games. The process to achieve this is in place and showing some early signs of success with new jobs and contracts created for local people in the early site works. The process to achieve this was observed but it was not examined in detail in this review. The process is complex requiring a wide variety of organisations to work together including ODA/LOCOG, LDA, local authorities, business support agencies, job centres and third sector partners etc. In order to capture this unique opportunity, the resources, skills and expertise of a number of organisations must perform in a way that is scalable and responsive to the rapidly increasing demands for resources that will emerge from the ODA and LOCOG. If the opportunity is lost due to process failure, the situation will not be recoverable, proactive assurance is required to ensure the necessary elements are in place.

Additionally, the LDA is working closely with ODA/CLM regarding the forecasting of labour demand and skills (part of the LEST Action Plan²¹), the delivery of an Electronic Brokerage Service for businesses and in terms of communication and community engagement.

Concerns were expressed during the course of the review that the vision to act as a catalyst for waste management in East London was not being led effectively by any one agency or collectively and that it was in danger of not being fulfilled. The LDA has responded to this criticism by mobilising activity in conjunction with the GLA to address this issue. A paper, prepared in July 2007, was passed to the commission in September 2007 but this was not reviewed in detail. Strategic waste management will be subject of a further review in 2008.

²¹ www.lda.gov.uk/server/show/ConWebDoc.1646

3.5.2 LDA – Findings and Recommendations

Findings

- There is a clear vision and intent to organise resources within the LDA to deliver all aspects of legacy from physical infrastructure to economic regeneration. It is too early to comment on the effectiveness of these arrangements as the organisation is under development.
- There is evidence of early success for the local employment and business development process but this must be cohesive and scaleable as requirements increase exponentially when the ODA moves into large scale construction and LOCOG requirements become clear.
- The LDA does not currently have a statutory role to develop waste infrastructure in London which impairs its contribution to the waste issues raised in this report. There are early signs that the LDA is rising to this challenge.

Recommendations

- 2.30** CSL to review legacy arrangements in more detail in the next Governance Review.
- 2.31** CSL to review the local skills and employment process as part of a thematic review in the current year with recommendations for scalability.
- 2.32** CSL to review waste as a thematic review and comment further on roles and responsibilities.

4. Transport

4.1 Overview

The transport agenda is unusual in that it requires delivery by a variety of organisations outside the direct control of the Key Stakeholders. The programme is governed by the Olympic Transport Plan²² which will become a statutory document. An independent consultant was appointed to review sustainability and key findings have been incorporated into the final document. A Transport Board has been established along with a Transport Sustainability Forum to coordinate the strategies of the various contributors. This group includes representation from:

- Transport for London;
- London Underground;
- One Railway;
- Environment Agency;
- Highways Authority;
- Office of Rail Regulator;
- Railway Safety and Standards Board (inc. Sustainability); and
- BAA.

Topic specialists for specific issues have been appointed including the development of key performance indicators, health, walking and cycling, access and inclusion and vehicle technology. Independent consultants reports have been commissioned to review best practice and to conduct an environmental impact assessment. Feedback from these exercises has been used to develop the final version of the transport plan.

This area has not been reviewed in depth and will be subject to further review later in the programme.

²² www.london2012.com/plans/transport/getting-ready/transport-plan.php

5. Analysis by Key Theme

On the 28th of June 2006, the Olympic Board agreed and published an overarching SD policy statement which contains five overarching SD priorities for the Games, entitled ‘Towards a Sustainable Games’²². The focus of the sustainability programme now centres on the five key themes as they clearly encapsulate the aspirations of the programme in respect of sustainable development. The publication of the 2012 Sustainability Plan provides further detail into specific targets, achievements and challenges. This analysis addresses each cross-cutting theme to understand how the vision set out by the Olympic Board is developing through the delivery bodies. It should be noted that the headline objectives quoted in this section differ from those also currently available on the London 2012 website²³, which are significantly less ambitious. It will be necessary to clarify this issue in the near future.

5.1 Waste

“Our aim is for the 2012 programme to be a catalyst for new waste management infrastructure in East London and other regional venues and to demonstrate exemplary resource management practices. We will minimise waste at source, divert construction waste wherever feasible and all Games-time waste away from landfill, and promote the waste hierarchy of “reduce, reuse, and recycle” to facilitate long term individual behaviour change.”

Findings

- The ODA set an ambitious target to divert 90% of waste by weight from landfill during the demolition phase. This current attainment level is commendable but has not yet been independently verified.
- The ODA has also set ambitious targets for use of recycled materials which is already setting new standards for the industry and are investigating equally challenging objectives for use of key materials such as timber (including how to manage the procurement of sustainably sourced timber through the supply chain). The ODA is to be congratulated for its leadership in this area.
- Work is in progress to determine how environmentally sensitive materials such as PVC and refrigerants will be dealt with in the design and procurement process.
- The standards for materials refer only to permanent facilities. There are no standards for temporary venues or temporary overlay.

Recommendations

- 3.1 Develop a programme for minimisation and disposal of Games time waste in a manner that achieves the “zero landfill” objective and stimulates investment in facilities and jobs in East London.
- 3.2 Continue to develop a strategy for dealing with environmentally sensitive materials through the design and supply chain process.
- 3.3 Develop a strategy and standards for temporary overlay and temporary venues.

²³ www.london2012.com/documents/locog-publications/locog-sustainability-policy.pdf

²⁴ www.london2012.com/plans/sustainability/getting-ready/index.php

Findings

- LOCOG has set a target to divert all waste from landfill during Games time. This is currently based on bid data and work is planned to develop a Waste and Resource Management Strategy.
- The objective to act as a catalyst for new waste management infrastructure in East London is not being achieved. The ODA has no plans to build waste disposal facilities on site and there is no plan to create municipal facilities that will deal with waste from the Games or to deliver energy from waste to the Olympic facilities. Since this concern was discussed as part of the review, there is evidence that this issue is starting to be addressed.

Recommendations

- 3.4** The LDA should lead development of a clear vision of waste disposal infrastructure for East London. This should link to opportunities to use waste from the Games as a fuel and to maximise appropriate opportunities to use energy from waste to power the Games and legacy facilities. Local employment opportunities should also be considered as part of this strategy.
- 3.5** Ensure that waste disposal is included in the carbon footprint to encourage prioritisation of reuse over recycling.

5.2 Climate Change

“Climate change is a global issue. The UK is leading the world in facing up to this challenge and the Games provide a platform for demonstrating long term solutions in terms of energy and water resource management, infrastructure development, transport, local food production and carbon offsetting. We aim to minimise the environmental footprint and carbon emissions of the Games and legacy development, notably by optimising energy efficiency, energy demand and use of low carbon and renewable energy sources.”

Findings

Carbon

- During the course of this review, concerns that the delivery bodies were not taking a strategic view of the carbon footprint have diminished but are not completely resolved. The current study into a wide range of sources of greenhouse gas emissions is best practice and has the potential to deliver a ground-breaking strategy. OBSG will need to be engaged in the process to develop options and decisions.
- Communication to support the carbon project needs to be excellent and transparent in the light of stakeholder scepticism and confusion about terminology and accounting methods in this area.
- A challenge exists to translate any requirements emerging from the carbon footprint work into contracts that have been let or are in negotiation (for example, in relation to requirements to report on embodied energy).
- There is a need to ensure that energy and carbon plans are periodically refreshed to reflect emerging good practice as the programme develops.

Recommendations

Carbon

- 3.6** Develop a clear definition of the footprint of the Games to include all relevant sources of greenhouse gas emissions that are created as a result of the Games and are able to be influenced by the Olympic programme.
- 3.7** Define how the carbon strategy will be decided and led at an executive level.
- 3.8** Develop a proactive approach to linking the carbon strategy to the procurement process.
- 3.9** Set out a timetable for refreshing the strategy to take account of emerging good practice.
- 3.10** Develop a clear communications strategy for the carbon strategy which is transparent about how carbon is to be managed, using terminology that is clear to wider stakeholders.

Findings

Energy

- The ODA energy strategy is challenging and realistic. It exceeds current good practice and regulatory requirements but needs to be part of an overall carbon strategy to be considered best practice by 2012.
- Current energy standards and targets refer only to permanent venues.
- It is not clear how energy will be supplied during Games time and how this energy will be sourced from sustainable resources.

Recommendations

Energy

- 3.11** Continue the good work to incentivise the Energy Services Company (to be appointed by the ODA) to deliver higher levels of carbon reduction.
- 3.12** Ensure that the ODA energy scheme is developed to utilise alternative fuel sources over time and during legacy.
- 3.13** Define energy targets for temporary venues and other venues requiring temporary overlay.
- 3.14** LOCOG should establish dialogue with the utility sponsor (appointed by LOCOG) and the utility partner (appointed by the ODA) in 2008 to understand how the 20% Games time renewable energy target will be achieved. In this regard, LOCOG should consider the opportunity to link with the waste agenda, such as the use of biofuel from anaerobic digestion facilities.

5.3 Biodiversity

“We aim to enhance the ecology of the Lower Lea Valley and other London and regional 2012 venues, and to encourage the sport sector generally to contribute to nature conservation and enhancing the natural environment.”

Findings

- Inclusion of biodiversity as a key theme has been important in ensuring that ecological considerations have been considered from the outset.
- The development of a Biodiversity Action Plan for the Olympic Park site is welcomed.
- The other venues will be subject to venue environment management plans (VEMP) to include biodiversity impacts, these will be made clear when LOCOG transition to a venue based organisation following the Beijing Games.
- Transition to legacy – the success of the biodiversity objective is largely dependent upon the management arrangements and resources that will be allocated to biodiversity management in the transition phase from Games time into legacy for the Olympic Park. There is insufficient detail available at this point to determine whether these plans will be adequate to secure a sustainable legacy for the biodiversity of the part of the Lower Lea Valley which incorporates the Olympic Park.

Recommendations

- 3.15** As part of the Legacy Masterplan Framework, clarify what resources will be available and which agency will be responsible for managing the implementation of the biodiversity strategy after Games-time, when the restoration of much of the ecology of the Park will occur.
- 3.16** Develop clear plans for how habitat is to be restored after construction on all sites.
- 3.17** Set out how biodiversity is incorporated into the design process for venues and other development.
- 3.18** Produce plans for habitat and species management at other venues as part of the VEMP process.
- 3.19** Ensure biodiversity issues are effectively managed in the development of Prescott Lock.

5.4 Healthy Living

“We will use the Games as a springboard for inspiring people across the country to take up sport and develop active, healthy and sustainable lifestyles”.

Findings

- Healthy and sustainable food – LOCOG has indicated its intention to develop a healthy and sustainable food strategy and has engaged with a range of stakeholders to assist with this task. Considerable effort will be required to maximise the opportunity presented to inform, educate and offer healthy food options over the course of the next five years (millions of meals will be consumed by site workers and during Games time). This strategy needs to be developed as a priority to ensure that the supply chain has sufficient time to gear up for this task but needs to recognise the very short term requirement.
- Health benefits related to other workstreams are not always captured, for example, through the employment and skills workstream.
- Health impacts of the Games - The GLA in conjunction with the NHS are developing health indicators to measure the health of those impacted by the Games, before, during and after the event. This work is to be commended and has the potential to be ground-breaking. Health is also part of the OGI study required by the IOC.
- Air quality, particularly in London is an ongoing issue, and there is a specific commitment for the creation air quality conditions in excess of the requirements defined by a Low Emission Zone (LEZ) during Games-time to mitigate against potential effects of the event on air quality. This is an important commitment and plans for its implementation will be reviewed when they are available.

Recommendations

- 3.20** Develop the 2012 programme sustainable food strategy by 2008 with subsequent revisions after the Beijing Games.
- 3.21** Work with food suppliers as early as possible to ensure there is an adequate supply chain to meet the ambitions for healthy, local and sustainable food supply.
- 3.22** Ensure that the health benefits of other workstreams are captured. For example, the impact on wellbeing from long term employment offered through the Employment and Skills programme.
- 3.23** Make plans for implementation of a Games-time LEZ available after the Beijing Games.

5.5 Inclusion

“We aim to host Games which promote access, celebrate diversity, and facilitate the physical, economic and social regeneration of the Lower Lea Valley and surrounding communities. This will be supported by the provision of new infrastructure and facilities, employment, training and education opportunities. Communities across the rest of London and the UK will be encouraged to identify and take full advantage of direct and indirect opportunities arising from the Games.”

Findings

Equalities and diversity

- A London 2012 Diversity Statement has been developed to set out the principles for the programme.
- The ODA released a draft Equalities and Diversity strategy which showed early commitment to addressing equalities and diversity issues as part of the development programme. The commission reviewed the initial draft and commented that it needed to include wider diversity and equalities groups.
- A process is in place to ensure diversity is addressed through ODA sub-projects and there is early evidence of compliance.

Social and economic sustainability

- A programme of work financed by the LDA and administered through the 5 Boroughs group has been set up to support employment and local business development through the LETF framework. Around 80 local jobs have been created and there is evidence of contracts being able to be won for local companies (one company has won a contract to date). The process should be subject to further review to ensure scalability.

Recommendations

Equalities and diversity

- 3.24** The final ODA Equalities and Diversity strategy has now been issued²⁵ and the commission will review this as part of a review of social and economic sustainability.
- 3.25** CSL to monitor implementation of the equalities and diversity strategy.

Social and economic sustainability

- 3.26** CSL to conduct a review of the LETF process as part of the ongoing work programme.
- 3.27** 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 scaleable as project activity increases.
- 3.28** Develop clearly focused aspirations and targets for numbers of people to be trained, including short and long term employment targets with particular reference to equalities.

²⁵ www.london2012.com/documents/oda-equality-and-diversity/equality-and-diversity-strategy.pdf

Findings

Access and mobility

- There are considerable access challenges to the Olympic Park both during Games time and into legacy – it is not yet clear that there is a well-defined strategy for how these challenges will be overcome although the ODA has identified this area as a priority for further work.
- Access standards apply only to permanent venues, the standards to be applied to temporary venues and venues subject to temporary overlay and will be developed closer to Games time.

Legacy/wider benefits

- There is further work required in many cases to understand how commitments relating to securing wider benefits to communities in East London, London more generally and communities across the UK will be delivered. Further evidence will be sought as the agencies responsible for delivery progress their plans. Consistency of approach must be assured as the demands on the programme increase.

Recommendations

Access and mobility

- 3.29** ODA/LOCOG to clarify how it will implement the commitment to access and mobility for Olympic Park and for temporary venues and temporary overlay.

Legacy/wider benefits

- 3.30** CSL to review the early development of the draft Legacy Masterplan to ensure it appropriately captures wider and cross-cutting benefits, and that it is appropriate for meeting the commitments in the Candidate File and regional and national delivery plans.

6. Glossary

BAP	Biodiversity Action Plan
BRE	Building Research Establishment
BREEAM	Building Research Establishment Environmental Assessment Method
BOA	British Olympic Association
BSI	British Standards Institute
CLM	CH2M Hill, Laing O'Rourke and Mace, the ODA delivery partner
CSL	Commission for a Sustainable London 2012
DEFRA	Department for the Environment, Food and Rural Affairs
DCMS	Department for Culture, Media and Sport
E&D	Equalities and Diversity
5 Boroughs Partnership Board	Representatives of the five Host Boroughs; Greenwich, Hackney, Newham, Tower Hamlets, Waltham Forest
GFP	Games Foundation Plan
GLA	Greater London Authority
GOE	Government Olympic Executive
H&S	Health and Safety
HFC	Hydrofluorocarbon
IOC	International Olympic Committee
IPC	International Paralympic Committee
LEST	London Employment and Skills Taskforce
LETF	Local Employment and Training Framework
LLV	Lower Lea Valley
LOCOG	London Organising Committee of the Olympic Games and Paralympic Games
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
PVC	Polyvinylchloride
SD	Sustainable Development



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