



## **Social Enterprise London**

The role of social enterprise in the  
London 2012 Olympic Games and  
Paralympic Games

Rocket Science UK Ltd and Social Enterprise London  
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## What if....?

- Community Food Enterprise worked in partnership with major catering contractors to ensure that safe, nutritious and culturally acceptable food permeates the Olympic menus? CFE is embedded in East London and its participation would offer a real opportunity to involve local people in the Games.
- London Community Recycling Network composted all the food waste generated by contractors during site preparation in the run up to 2012? Local agencies have a track record in delivering good quality resource and waste management services whilst providing basic work skills training to people with particularly high barriers to employment.
- Greenwich Leisure managed the Olympic Aquatic Centre, delivering not just their proven and successful leisure services, but also directly impacting health inequalities in the local community by achieving above average participation rates in fitness activities?
- Hackney Community Transport provided transport services for volunteers and staff during the Games?
- The Environment Trust, based in Tower Hamlets, utilised their Green Homes model to develop sustainable, affordable homes across the Lower Lea Valley, achieving social, economic and environmental objectives?
- CDS Co-operatives managed legacy assets, utilising their Community Mutual Home Ownership model? This model would enable the Olympic Village to transition from athlete accommodation to truly affordable housing with a guaranteed asset lock.
- All tea, coffee and chocolate consumed during 2012 came from Fairtrade providers Cafédirect and Divine Chocolate? Commodity producers would be guaranteed a stable price for their goods, sharing the benefits of the London Games.
- Newco Products supplied 10% of the windows, doors and kitchens for the Olympic village? The company employs able-bodied and disabled staff on a 50:50 basis and their reputation as a high quality manufacturer is well-deserved.
- The Workers' Beer Company worked with the major catering contractor to adapt their summer festival volunteer model – the scheme that runs the beer tents for Glastonbury – to ensure that high quality training is delivered to the volunteer base, providing meaningful skills to individual participants?
- Calverts, a graphic design co-op in East London, partnered with a larger agency to ensure that the values of local communities are reflected in 2012 communications?
- Green-Works provided 're-made' furniture to the offices of LOCOG as it grows during 2007/8? This would make an immediate statement about the 2012 commitment to be the most sustainable Olympic Games and Paralympic Games ever...

If these things happened, the 2012 Olympic and Paralympic Games could genuinely claim to be the most sustainable – economically, socially and environmentally – Games ever.

# 1 Executive Summary

The potential for the London 2012 Olympic and Paralympic Games to catalyse social, environmental and economic benefits for the city – and the country as a whole – has been widely recognised. A theme that distinguished the London bid from others in July 2005 was the commitment to ambitious environmental and social principles, ensuring that the Games leave a meaningful long-term legacy for communities in London and the UK. It is crucial to engage the organisations, co-operatives and social enterprises who reflect the ambitions of the bid, in the planning and delivery of the event.

Social Enterprise London commissioned Rocket Science UK Ltd to identify through research, a clear role for social enterprises and co-operatives in the Games, and potential benefits of their involvement. Concurrent to this, Social Enterprise London surveyed London's social enterprises to explore their capacity to meet the needs of the games. This report, produced jointly by Rocket Science and Social Enterprise London, examines the possible role of social enterprise in the London Olympics, and considers the social and economic impact it could have.

## 1.1 Context

The target of the London Olympics is to maximise the wider economic impacts of the Games in order to offset its costs, which are now projected at c.£9.35bn. The Sydney 2000 Games demonstrate that broad economic benefits can significantly redress the costs incurred. Economic, infrastructural and environmental impacts will be substantial, due to the large-scale regeneration that will take place in the Olympic boroughs, as well as the £1.4–£2bn boost the Games will bring to Britain's tourist/visitor economy.

The positive impact of the Games will be enhanced by the Olympic Delivery Authority's (ODA) aim to ensure that procurement of work, goods and services is open to a diverse range of suppliers, including social enterprises. The ODA is a public authority and must comply with procurement legislation, basing decisions on value for money. It is clear that contract opportunities will range from large to small, long- to short-term, and – although much remains to be clearly defined – a number of emerging opportunities of relevance to social enterprises have been identified. Procurement has begun, and the time for developing offers is now. Guidelines to facilitate social enterprises in the tendering process are outlined here, in order to ensure that organisations maximise their chances of making timely and successful bids.

## 1.2 The role of social enterprise

In terms of business opportunities linked to the Games, corporate attitudes towards collaboration with social enterprises are positive. Surveys demonstrate corporate recognition of the many benefits such partnerships can have, in areas such as branding, recruitment, productivity, morale, customer relations, reputation, and new business opportunities. Social enterprises also have knowledge of particular communities and markets that corporates would like to access. Procurers also view social enterprises favourably, believing their involvement in the Games would have significant positive impacts, particularly in ensuring that a lasting and meaningful legacy is achieved. Social enterprises are aware that they will need to demonstrate the skills and attributes needed to deliver on procurers' other concerns, such as delivering on time, minimising costs and risks, and displaying diversity in workforces.

Social Enterprises surveyed demonstrated the capacity to deliver across a wide range of industries, and it is estimated that a total of half a billion pounds' worth of goods and services could be provided by some of the larger organisations, before, during and after 2012. In particular, at a roundtable discussion including some of London's leading social enterprises, clear ambitions relating to the Games were articulated, and bids are being formulated for winning a number of contracts. While many social enterprises are confident about producing a bid for opportunities, there are some concerns that reliance on better-known reputations and resistance to change might stand in the way of successful procurement. Greater access to information about bidding processes and emerging opportunities was identified as a key requirement, and it was felt that a single point of contact and a timetable of the commissioning process would also be desirable.

A large number of London-based social enterprises demonstrated the capability to bid competitively for Olympic contracts. Social enterprises can help London to meet its stated aims in terms of fair tendering, raising participation levels in sporting activities, and engaging volunteers. They can also help the Olympics to achieve a successful legacy, not least due to the stake many of them have in the future of East London.

## 1.4 Next steps

In order to understand how best to support social enterprises in realising their ambitions for the Games, it is useful to consider existing support structures of other organisations. London Business Network and West London Business both demonstrate effective strategies for helping their members to maximise benefits from the Games.

Recommendations have been made to Social Enterprise London about how best to meet their members' needs. These include: keeping London's social enterprises 'in the loop' via a range of communication channels; facilitating collaboration between organisations; ensuring that social enterprises are OPR (Olympic procurement ready) by developing new training programmes; developing strong links with ODA and other contractors; encouraging the ODA procurement approach among all contractors; targeting corporates; informing government of legal obstacles hindering social enterprise involvement; build the evidence base to demonstrate the added value social enterprise can bring; prioritise social enterprises with a realistic chance of winning contracts.

## 1.4 Key findings

To achieve the level of social enterprise participation set out at the front of this document (What If...?), a number of elements need to work in parallel, namely:

- A baseline **support framework** is required to digest, prioritise and disseminate 2012 information, to highlight emerging opportunities and to build relationships and networks among social enterprises.
- Organisations wishing to engage with the 2012 agenda need to work together to develop a **joined-up approach** to promote social enterprise models and to achieve scale for delivery of services.
- Ongoing **advocacy** work is required to continue to build on good links with the ODA and to build similar links with LOCOG. Advocacy is also necessary to build relationships with potential corporate sector partners.
- Further work is required around social **impact measurement**, specifically to advance the generic business case for social enterprise participation.

## 2.1 Introduction

### 2.1 Contextual overview

*'2012 is not simply the date of a sporting occasion. It is a clear deadline we can set ourselves for our collected efforts to confirm London's position as the greatest city in the world.'* – Tony Blair, April 2006

The immense planning and preparation that are required to make a success of the London 2012 Olympic and Paralympic Games are for far more than a 6-week international sporting competition in the summer of 2012. It is a unique chance for London, along with the other regions and nations of the UK, to use this 'deadline' as a powerful catalyst for bringing economic and community benefits both to the city, and the country as a whole.

In order to deliver a successful Games, and create a sustainable legacy, it is vital to engage those organisations, co-operatives and other social enterprises, whose values and attributes reflect the social, environmental and economic ambitions of the bid. This is an issue that is not disputed by any of the key agencies involved in the planning of the Games, but this is not a time for the sector to be complacent, nor to assume that its involvement can be guaranteed. The 2012 Games represent an immovable deadline. As that date gets ever nearer there is a real danger that some of the broader social, cultural and economic objectives of London's hosting the event will be compromised in an effort merely to ensure that the occasion itself is a one-off success. The Games may be poorer because of such expediency, but they will be staged, irrespective of their legacy to the UK.

In terms of broader third sector issues, Social Enterprise London has worked closely with The Big Opportunity<sup>1</sup> project based at London Civic Forum (formerly the VCS 2012 project)

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<sup>1</sup> The project provides strategic voice for the VCS in relation to 2012. It was set up by London Civic Forum, London Voluntary Service Council and the East London CVS network. It is supported by a steering group of leading VCS organisations, including Aston Mansfield, Artsline, BASSAC, Black Neighbourhood Regeneration and Renewal Network, Greater London Volunteering, Praxis, London Sports Forum For Disabled People, Women's Resource Centre, The Scarman Trust, London Youth and LORECA (London Refugee Economic Action).

## Social Enterprise

The term 'social enterprise' describes a business model that encompasses a broad range of activities and organisational forms. In its social enterprise strategy<sup>2</sup> the Government defined social enterprise as:

*'a business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximise profit for shareholders and owners.'*

Unlike voluntary and community organisations, social enterprises have trading as a significant part of their activities, and unlike other businesses, the profits achieved are reinvested in the business or community in pursuit of social objectives. It is a business model that is being increasingly championed by central Government, most recently in the 2006 Social Enterprise Action Plan: *Scaling New Heights*, which contains a commitment to foster the development and sustainability of a thriving social enterprise sector.

In that document, the Government sets out its view of the impact of social enterprise. "The Government recognises that social enterprises contribute to its vision of a fairer, more just society – and, so, to a number of its key targets. Contributions come through:

- meeting social needs, using business success to address social or environmental challenges such as regeneration and social inclusion;
- encouraging ethical markets, raising the bar for corporate responsibility;
- improving public services, by shaping service design, pioneering new approaches and delivering services; and
- improving levels of enterprise, showing that ethical commitment and business success can be combined."<sup>3</sup>

The following report demonstrates how social enterprises in London are well placed, and ready, to competitively bid for Olympic contracts that will help London meet its aspirations for an inclusive, diverse and sustainable Games.

## 2.2 What Rocket Science was asked to do

Social Enterprise London commissioned Rocket Science UK Ltd. to undertake a piece of research to identify a clear role for social enterprises, including co-operatives, to contribute to the planning and delivery of the London 2012 Olympic Games and Paralympic Games, as well as the potential impact that

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<sup>2</sup> *Social Enterprise: A Strategy for Success*, DTI (2002)

<sup>3</sup> *Social Enterprise Action Plan: Scaling New Heights*, Cabinet Office (2006), pp.13-14

social enterprise involvement in the Games could have, both socially and economically.

The brief identified the key aim of this research as being to produce a clear view on the role of social enterprise around the 2012 agenda. One of the primary objectives of this research, beyond simply highlighting the environmental and social credentials of social enterprises, is to make a strong business case for social enterprise involvement in the Games. Social Enterprise London rightly places an emphasis on identifying the needs and requirements of the various Games' organisers in order to understand and begin to plan how the unique attributes of the social enterprise sector can contribute to the values, delivery and legacy of a successful Games, and to recognise what support the sector needs in order to realise its Olympic ambitions.

Concurrent to this research, Social Enterprise London have undertaken a supply-side survey of London's social enterprises to explore their capacity to meet the needs of the Games. Findings from this survey feed into the recommendations, and headline issues arising are included in Chapter 3.

This report has been jointly prepared by Rocket Science and Social Enterprise London.

## 2.3 Methodology

The research was carried out between November 2006 and February 2007 through a combination of:

- Desk research – a scan of key documents and emerging delivery plans;
- Stakeholder interviews – in-depth discussions with:
  - Statutory bodies, including GLA, LDA, ODA and LOCOG;
  - Corporate organisations; and
  - Social enterprises.
- Focus group – a roundtable discussion with 13 high-level representatives from London's leading social enterprises, as well as representation from the Social Enterprise Unit and a national social enterprise body.

## 2.4 Structure of report

This report comprises the following chapters:

**3. Staging the Games** – aspirations of the London 2012 Games; delivery and procurement processes; and emerging opportunities for social enterprise involvement.

**4. Ambitions and Perceptions of Social Enterprises** – ambitions and readiness of social enterprises to compete; and barriers to social enterprise involvement.

**5. Building the Business Case for Social Enterprise** – additionality of social enterprise; and how social enterprises have the attributes, track record and capacity to help achieve the social, economic and environmental aspirations of the Games.

**6. Other Business Support Models** – how other business support organisations support their members to be '2012-ready'; lessons for Social Enterprise London.

**7. Recommendations** – how Social Enterprise London can best support its members to be both ambitious and realistic.

**Appendix** – list of consultees; 2012 timeline.

### 3 Staging the Games

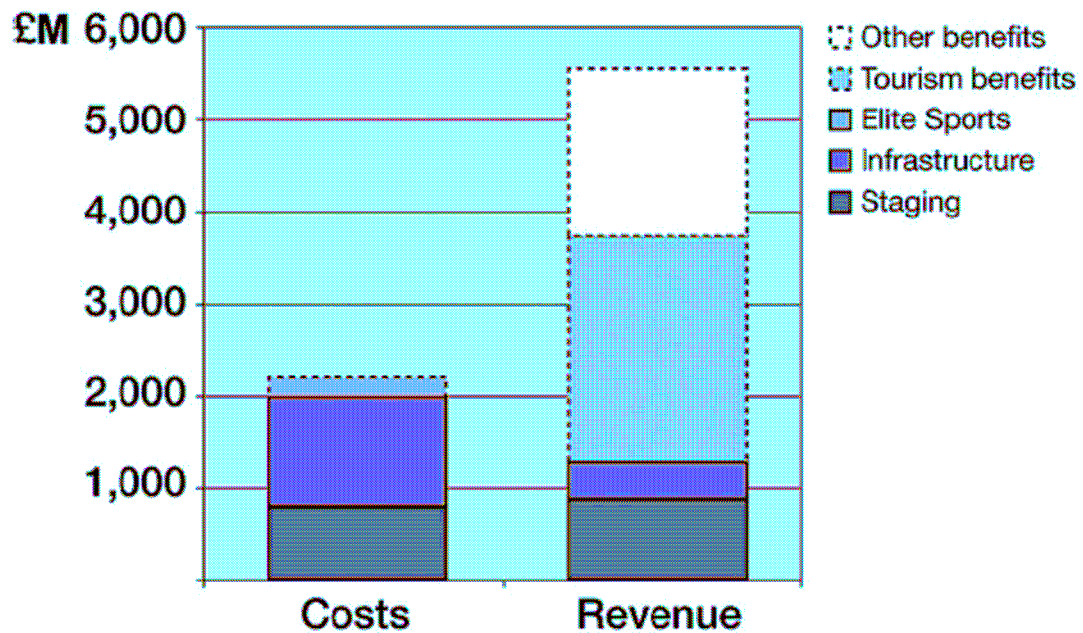
'London 2012 will be a 'major catalyst for change and regeneration in east London...levering resources, spurring timely completion of already programmed infrastructure investment and leaving a legacy to be valued by future generations.'<sup>4</sup>

At this position, five years prior to the Games, the potential economic, infrastructural and environmental impacts of hosting the Games are becoming clearer:

#### Economic impacts

London's business case for hosting the Games was centred on a commitment to maximise the wider economic impacts of the Games in order to offset the costs of staging the Games. *Figure 1* below, taken from London's Business Opportunity Prospectus<sup>5</sup>, shows that whilst Sydney 2000 did not recoup its infrastructure and staging costs in terms of revenue, the wider economic benefits significantly redressed the balance:

**Figure 1: Sydney Games outturn figures for costs and revenues**



<sup>4</sup> London 2012 candidate file

<sup>5</sup> London's Business Opportunity Prospectus, Arup, with London First, CBI and London Chamber of Commerce, January 2007

Hosting the 2012 Olympic Games and Paralympic Games will mean creating the equivalent of a new town the size of Exeter in the Lower Lea Valley, with 40,000 new homes, as well as new schools, community and health facilities. With a global audience of 4 billion people, and a predicted 300,000 tourists, there will be a boost of between £1.4–£2bn to Britain's tourist/visitor economy.

### **Infrastructural impacts**

Infrastructural impacts in London will include:

- Major refurbishments of key Olympic area stations;
- A Channel Tunnel rail link at Stratford;
- Extensions to the DLR and East London Line; and
- A new road and utility infrastructure (10km of new road will be laid).

### **Environmental impacts**

Impacts on the environment will include:

- The remediation and development of substantial brownfield areas in East London;
- 3 million cubic metres of soil will be cleaned;
- The development of Europe's largest new urban park in 150 years.

A persistent theme cross-cutting all of these anticipated impacts, and one which made the London bid stand out from its competitors in July 2005, is a commitment to adhere to ambitious environmental and social principles, ensuring that the Games leaves a lasting and meaningful legacy for communities in the UK, and particularly, East London.

London's successful bid was praised by the International Olympic Committee (IOC) for its firm commitment to responsible sustainability. Aspirations to stage the 'greenest Games', with the 'best Games transport' and a 'lasting legacy' have not lost momentum, with the publication of the Mayor's Green Procurement Code, and the One Planet Olympics pledge being examples of the Government's commitment to embed these principles in the preparation for the Games.

### **The cost of the Games**

The Government has recently disclosed an updated estimate of £9.35bn for the staging and delivery of the Games; nearly four times the £2.4bn presented in the winning bid, although the original bid never included the additional £1bn earmarked for local regeneration in the area. Whilst the £9.35bn includes contingency for unforeseen costs and the unresolved VAT issue (£840m), at a minimum, the 2012 budget will be 120% higher than the original estimate. Commentators predict that this will increase still further. The increased

contribution from National Lottery funding had led to rising fears about the negative impact of the Games on the Third Sector. An undertaking from the Government, on 15<sup>th</sup> March 2007 however, provided assurances that voluntary sector funding will not be redirected to the Games. Instead, the Olympic transfer will come from Lottery funding that would otherwise have gone to statutory agencies.

### **3.1 Delivery structure**

Overall responsibility for delivering the Games and legacy lies with the **Olympic Board** (comprising the Government; the GLA; London 2012 Organising Committee; and the British Olympic Association (BOA), with the ODA attending as an observer).

#### **Government**

The Department for Culture, Media and Sport is the lead Government Department for the 2012 Games with a remit to ensure that the 2012 Olympic Games and Paralympic Games leaves a lasting legacy and creates maximum benefits for London and the UK as a whole.

#### **Greater London Authority (GLA)**

The GLA is responsible for co-ordinating the work to capture the sustainable legacy and benefits from the 2012 Games in London.

#### **London 2012 Organising Committee (LOCOG)**

LOCOG will be responsible for most of the contracts for services to deliver and run the Games, with procurement for contracts starting in 2009.

The bulk of these will focus on the staging of the Games themselves, so its procurement requirements are likely to cover goods and services such as sports equipment, venue seating, temporary facilities, security, venue dressing, catering, staff and volunteers' uniforms and official merchandise.

#### **British Olympic Association (BOA)**

The BOA's aim is to field the largest and most competitive Team GB ever with an aspirational goal of finishing 4<sup>th</sup> in the overall medal table in 2012.

### **Olympic Delivery Authority (ODA)**

The ODA will let the majority of the contracts for the infrastructure, transport and construction of the Olympic Park, and will be responsible for preparing for the hand-over of assets post-Games.

Other key delivery agencies include:

### **London Development Agency (LDA)**

The LDA will let contracts enabling work such as demolition, remediation and bulk earthworks. It is also responsible for maximising the wider economic benefits of the Games to London, including those for tourism and business promotion.

The LDA is also responsible for delivering accessible and appropriate information to the business community (including SMEs, BAME, women-owned businesses, LGBT businesses and Third Sector organisations) regarding the Olympic and Paralympic Games' contracting and sub-contracting opportunities, in good time to allow companies, social enterprises and Third Sector organisations to prepare for tenders.

### **London Learning and Skills Council (LSC)**

London LSC has a remit to equip Londoners with the skills required to benefit, and benefit from, the 2012 Olympic Games and Paralympic Games, developing an Olympic Plan to maximise the educational and social benefits to Londoners.

## **3.2 Procurement**

The ODA is currently the most active procurer, and has begun advertising procurement opportunities on the London 2012 website<sup>6</sup> through an e-procurement process. The ODA procurement strategy aims to ensure that the processes are open to the widest possible range of suppliers:

*'The ODA aims to ensure that the procurement of all work, goods and services arising from its delivery programme is transparent, fair and open to a diverse range of suppliers including...social enterprises...'*<sup>7</sup>

The ODA are the first primary Games organisers to develop their procurement protocols, and will be the prototype for other organising bodies.

<sup>6</sup> <http://www.london2012.com/en>

<sup>7</sup> *Equality and Diversity Strategy draft for consultation*, Olympic Delivery Authority, January 2007

The ODA procurement policy is now complete and published. Feedback through the consultation process has been taken on board, and social enterprise is now explicitly mentioned in the policy. The policy sets out the ODA's 'balanced procurement' approach, a framework that will evaluate suppliers in terms of cost, time, safety and security, quality and functionality, environment, equalities and inclusion and legacy. The ODA will develop selection and award criteria specifically for each individual contract and "will look to evidence of environmental and sustainability management systems, equalities, diversity, health and wellbeing, inclusion and socio-economic commitments as appropriate to the procurement taking place."<sup>8</sup>

The vast majority of the ODA's spend will be on works rather than supplies and services. 2000 contracts will be let directly by ODA/CLM, and about 10% of these will be sizeable. The balance will include corporate requirements for services such as printing.

Further details on the procurement process are outlined below.

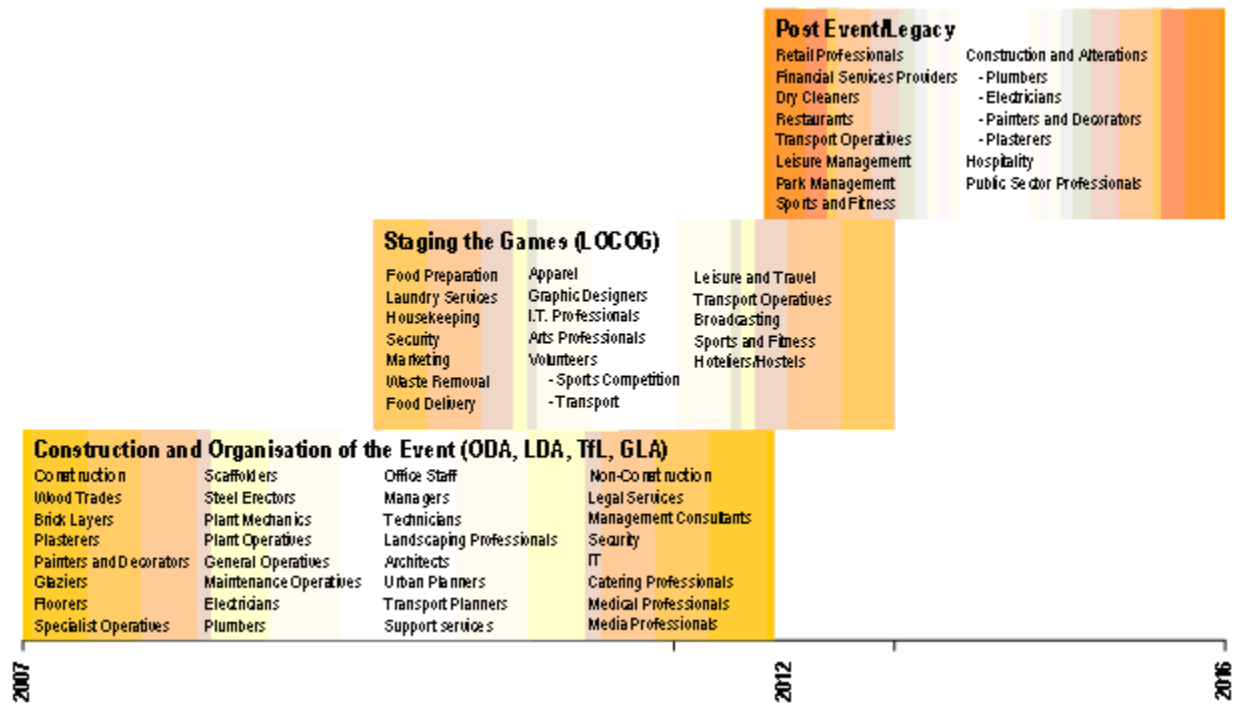
### **3.3 Areas of opportunity for social enterprises**

The scope of goods and services likely to be required in the development, delivery and legacy phases of the London 2012 Games is enormous (see *Figure 2* below). It is interesting to note that, given the ODA's chief remit to deliver the Olympic Park, with contracts likely to be heavily weighted towards construction activities, the first service to be procured is a photography contract – to record the progress of the Olympic Park development. This underscores the scope of goods and services to be procured in delivering the Games. Contract opportunities will range from the large and long-term, to small and short-term, enabling a diverse range of organisations to bid.

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<sup>8</sup> Procurement Policy, Olympic Delivery Authority, March 2007, p16

**Figure 2: Forecast of services required in the development, delivery and legacy phases of the London 2012 Games<sup>9</sup>**



**Specific emerging opportunities**

The delivery plans of the key agencies have now been drafted, detailing objectives, measurable targets and timescales against the range of priority areas as set out in the Olympic and Paralympic Games Programme Objectives.

Whilst much remains undefined, there are some emerging priorities, with tangible targets that fit well with the attributes of social enterprises. These include:

- Asset management – dates have been set for the designs of briefs to determine the proposed use of venues in legacy mode; a target has already been set by the ODA demanding 90% of legacy use is community-related;
- Waste management and recycling – 90% of the waste materials arising on site during demolition and site clearance are to be reused or recycled;

<sup>9</sup> Diagram derived from work completed by Preuss, H. (2006) ‘Lasting Effects of Major Sporting Events’ [www.idrottsforum.org](http://www.idrottsforum.org); ‘Community Assessment of 2010 Olympic Winter Games and Paralympic Games on Vancouver’s Inner-City Neighbourhoods Final Report, 2003’ by Ference Weicker & Company; Employment and Skills for the 2012 Olympic Games: Research and Evidence prepared for the London Development Agency and the Learning and Skills Council by Experian, May 2006.

- Commitments to supplying locally sourced produce – feasibility studies are being undertaken in early 2008 to explore the capacity of local food producers and manufacturers to supply to Olympic Games food contractors;
- One Planet Olympics commitment to ensure 'zero carbon emissions' and 'zero waste'.

However, it is important to note that a lot has not yet been determined – both in terms of the detail of the delivery plans, and in the nature of the procurement guidelines. LOCOG has now appointed a Head of Procurement: a policy or strategy paper is likely to emerge over the coming months.

Key issues relevant to social enterprises that have not yet been defined, include:

- Targets and timescales for recycling at venues (ODA);
- Accessibility of transport provision (ODA);
- Detail of the Legacy Masterplan Framework (ODA);
- Legacy briefs, and robust and sustainable business cases for Olympic Park venues in legacy mode (ODA);
- Capacity building London businesses to respond to the challenge of designing and constructing venues maximising sustainable building and environmental practices (GLA);
- Enhanced business opportunities in the following sectors relevant to social enterprises (LDA):
  - Hospitality, Leisure, Travel and Tourism
  - Creative
  - Food
  - Retail
  - Production industries;
- Ensuring the Olympic Park site provides high levels of accessibility for those with physical or visual impairments (LDA).

The clear message for social enterprises is that although there is still time to develop their offer, time is limited – procurement has started, and the opportunities to deliver are beginning to emerge.

## **Procurement legislation**

### ***ODA and LDA***

The ODA and the LDA are public authorities and thus must comply with procurement legislation; this means that all their requirements valued over £144,371 for supplies and services and over £3,611,319 for works must be the subject of a call for competition by publishing a contract notice in the Official Journal of the European Union (OJEU) at <http://ted.europa.eu>. These tenders will

be subject to rigorous procurement procedure (detailed below) in accordance with European Union procurement legislation.

The Government's procurement policy further requires that all public procurement must be based on value for money (defined as the optimum combination of whole-life cost and quality to meet the user's requirement), which should be achieved through competition unless there are compelling reasons to the contrary. Thus it has established the website [www.supply2.gov.uk](http://www.supply2.gov.uk) to openly advertise requirements under £100,000, which enables organisations to register and receive notification of smaller value public procurement contract opportunities. ODA opportunities should also be available on this forum, through a link from the Olympics website.

The ODA has confirmed that all contracts it tenders will be advertised on the Olympics website <http://www.london2012.com/en>. Businesses will be able to register their interest and receive e-mails regarding tenders.

### **LOCOG**

LOCOG will manage its procurement separately from the ODA, and as a private sector organisation, it is not subject to public procurement legislation. There are no procedural obligations placed on contracting bodies in the private sector, however supplier relations are regulated by the Competition Act 1998, which outlaws agreements, business practices and conduct that damage competition. Furthermore, it is generally in the interest of the buyer to research the market and tender openly, in order to find the best supply solution and generate competitive pricing. Depending upon the nature of the goods and services required, LOCOG will either contact potential suppliers directly or they will undergo an open tender process in the same manner as the ODA. It is likely that for large requirements, they will advertise on the Olympics website and generally tender in a transparent way due to pressure from the business community. For specialised requirements, however, they may not. This factor alone highlights a clear need for the social enterprise sector to engage with LOCOG as its procurement policies are developed.

Finally, a significant portion of the business opportunities will occur many steps down the supply chain, and are likely to be advertised in trade press.

### **Public sector procurement process**

For goods and services valued over £144,371 and works valued over £3,611,319, particular process steps must be followed with the purpose of opening up the public procurement market and ensuring the free movement of goods and services within the EU. These steps are:

1. Procuring agent establishes the requirement, and the criteria by which they will evaluate the offers (these must be objective, non-discriminatory and relevant to the subject of the contract).
2. For all requirements, there is an obligation to call for competition by publishing a contract notice in the Official Journal of the European Union (OJEU) at <http://ted.europa.eu>. This enables any company in Europe to register its interest to supply.
3. Respondents to the notice will receive a Pre-Qualification Questionnaire (PQQ); the key purpose of this is to shortlist credible providers by assessing their technical & financial ability to provide the services.
4. The purchaser is required to state the criteria they will use at the pre-qualification stage in the contract notice or the PQQ; these do not have to be weighted.
5. A formal invitation to tender will follow for those that are successful. The criteria to award the contract (e.g. quality, price, after-sales service, etc.) will be distinct from the PQQ criteria; they will be weighted and set out in the contract notice or invitation to tender. The tender questions will be aimed to enable the procurer to evaluate each bidder against the set criteria.

Answers to any requests for clarification made by a bidder will be circulated to all.

6. There may be final clarification on proposals to help decide among the most promising bidders and negotiate the final deals. Award will be made to the bidder scoring highest against the criteria given.

Submission of a tender normally constitutes a binding legal obligation to provide services, subject to the terms and conditions in the tender document.

7. A contract award notice will be published in the OJEU to notify the outcome of the tender.

### **Guidelines for tendering**

Organisations that wish to access and take advantage of the business opportunities generated by the Olympic and Paralympic Games should consider the following actions:

- Get the organisation and its paperwork in order so that you are ready to compete for contracts. An ability to demonstrate suitability as a supplier, particularly through the following areas, will be key:
  - Quality of supply;
  - Quality of business management;
  - Financial probity, including having a managed or audited set of accounts;
  - Health and safety standards, including an understanding of legal requirements;
  - A clear policy and practice of equality and diversity, including consideration of diversity of supply, and using sub-contractors that offer equal opportunities in ethnically diverse communities;
  - Environmentally friendly and ethical credentials.
- Articulate the social and/or environmental benefits that the organisation has experience of generating, as these could provide a competitive advantage.
- Take time to understand a generic public sector pre-qualification and bidding process in advance, as this will save much stress at the deadline.
- Ensure e-commerce capability to find tenders on the internet, and check for opportunities on a regular basis.
- Bear in mind when deciding where to focus efforts, that a contract is unlikely to be awarded to a company where the contract exceeds 20 percent of the company's annual turnover.
- Make sure when submitting a bid to focus on the elements of the service that meet the selection criteria, to comply with presentation requirements, and to be on time.

### 3.4 The challenge

#### ...for the organisers

The foremost priority for the Government is to deliver the Games on time. July 2012 is an immovable deadline, and with the necessity of venue testing, all venues are scheduled for completion by 2011. The challenge for the Government is to demonstrate that it can achieve this whilst still honouring the legacy principles set out in the bid. The reputations that stuck from the Los Angeles Games in 1984 and the Atlanta Games in 1996 were of the Olympic Games as a money-making machine for big business: Los Angeles was dubbed 'the capitalist Games', and Atlanta, the 'Coca-Cola Games'<sup>10</sup>. The organisers of London 2012 are keen to avoid this criticism, seeing the Games as London's

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<sup>10</sup> *After the Gold Rush: A sustainable Olympics for London*, ippr and Demos, 2004

opportunity to 'help the International Olympic Committee to achieve the first sustainable Games'<sup>11</sup>.

**...for social enterprises**

The test then, for social enterprises wishing to bid for contracts for the planning, delivery and legacy elements of the Games, will be to demonstrate how they have the attributes and inherent qualities to contribute to this goal, guaranteeing a solid track record, the capacity to deliver on time, value for money AND the delivery of social or environmental added-value.

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<sup>11</sup> *Towards a One Planet Olympics: Achieving the first sustainable Olympic Games and Paralympic Games*, an agreement between London 2012, conservation group WWF and sustainable development experts BioRegional

## 4 Ambitions and Perceptions of Social Enterprises

This chapter explores the ambitions and readiness of key social enterprises in London to compete in delivering 2012 contracts. This follows a series of interviews, and a high-level roundtable discussion held in February 2007, and incorporates Social Enterprise London's supply-side survey of its members, mapping social enterprise activity with the delivery priorities of the Games.

### 4.1 Corporate organisations

This section draws on conversations held with corporates as part of this project, it also draws on the knowledge and experience that Rocket Science has developed through its close relationships with a wide range of corporates and private businesses operating in the corporate social responsibility, economic development and regeneration sectors in London and across the UK.

#### How are corporates preparing?

At this stage corporates are considering the business opportunities linked to the 2012 Olympics in the same way they would any other potential business opportunity, e.g. Canary Wharf, Stratford City, Thames Gateway, or Crossrail – 'It's important, but not the only game in town.' This is linked to the facts that, 'it's still a long way off' and that, much of the detail – nature, scale and timing – of the business opportunities are still emerging.

The issue to note here is that many corporates already have well established systems, procedures and networks for influencing and responding to opportunities like the 2012 Games as they arise, and therefore are already well positioned in comparison to some social enterprises.

In addition to activities being undertaken by individual corporates, many of the business membership organisations, for example, LCCI, London First, CBI, ELBA and BITC, have established information and networking programmes, and in some cases training courses, to keep their members up to date on the opportunities as they emerge. Two of these examples – the London Business Network (LBN) and West London Business (WLB) – are outlined in more detail in Chapter 6.

#### Is there an appetite for collaboration with social enterprises?

Corporates recognise that there are business benefits from working with social enterprises, particularly those that operate at a reasonable scale, and that the

best and most sustainable relationships are those that are mutually beneficial. This is reflected in the increasing number of business orientated collaborations that have been established in recent years between private businesses and social enterprises<sup>12</sup>.

Increasingly, corporates are beginning to articulate the direct benefits to their companies from engaging in such partnerships. These include:

- branding (name recognition);
- employee recruitment and retention;
- enhanced workforce (productivity and morale);
- improved customer relations (and retention);
- reputation enhancement within the local political structure;
- new business opportunities and product development;
- crisis avoidance (market slumps, poor PR).

However, despite this burgeoning experience, the majority of corporates, when discussing the notion of collaboration with the social enterprises around the Olympics, still tend to do so in the context of Corporate Social Responsibility (CSR), which continues to push companies to consider the wider impact of their business on society and increasingly to partner with organisations to maximise their positive contribution.

### **What can we learn?**

All corporates stress that an important element in developing partnerships is to identify and tap into the motivations of corporates for engaging in such activities. For the corporate sector the benefits include business opportunities that would not otherwise arise. For example, social enterprises often have knowledge of particular communities and markets, such as health, childcare, leisure, affordable housing, recycling and waste management, which corporates would like to access.

Corporates, as many of them do already, should be encouraged to view the social and environmental requirements of the Games as opportunities to develop new products and services, access new markets and clients, and build their reputation and profile with key stakeholders. As opposed to additional 'community' obstacles that need to be overcome.

The aspiration between social enterprises and corporates to engage in partnerships should be based on business principles rather than a philanthropic desire to 'do good'. This is important to note because they represent two

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<sup>12</sup> See for example, CAN (2005) *Match Winners: a guide to commercial collaborations between social enterprise and private sector business*, Small Business Service, DTI

different types of business decisions. One is an integral operating decision made by line managers, and the other is a peripheral decision often made by the company's foundation or community affairs department. Collaboration based on business principles is often more congruent, enduring, replicable across companies and industries, and has greater long-term effects on a community. This means having a mutually agreed agenda, investment and risks borne by both parties, activities rooted in the user community and a long-term commitment to sustain and replicate solutions.

## 4.2 Social enterprises

### **Survey**

During January and February 2007, Social Enterprise London carried out a consultation, exploring social enterprise attitudes to the London 2012 Olympic Games and Paralympic Games. Participants were self-selected and drawn primarily from the London Social Enterprise Network, although a small number of social enterprises outside the Capital also participated. Whilst this does not constitute a statistically robust survey, it does provide an interesting insight into the views of social enterprises. Just over forty social enterprises took part in the consultation, contributing the following findings:

### **Capacity**

Social enterprises have capacity to deliver services across a wide range of industries, including:

- Learning and skills;
- Sport and leisure;
- Transport;
- Cultural industries;
- Volunteer recruitment and training;
- Catering;
- Design and print;
- Construction, joinery, fixtures and fittings;
- Grounds maintenance;
- Communications, merchandising, venues and event production.

Through survey findings and follow-up conversations with some of the larger social enterprises, Social Enterprise London has estimated that social enterprises can deliver in the region of half a billion pounds worth of goods and services before, during and after 2012.

That delivery can be broken down into the following broad categories:

- Fairtrade produce - £160m (includes textiles, coffee, tea, fruit, chocolate)
- Asset development and management - £150m (includes environmental building solutions, fixtures and fittings, asset management)
- Waste and recycling - £90m (includes waste management, recycling, reuse)
- Transport - £60m (includes conventional transport, community transport and no-carbon transport solutions)
- Medical and care services - £25m (on-call medical services, information and advice)
- Community engagement - £15m (legacy design, consultation, volunteer management, cultural Olympiad)

### ***Procurement and tendering***

58% of respondents were confident of their ability to produce a bid for 2012 opportunities; only 39% were confident of winning a contract however. Only 20% of respondents felt that public procurement processes take account of social criteria in their purchasing decisions.

80% of respondents reported that they would be happy to join a consortium bid with other social enterprises; 76% would consider joining a bid with private sector businesses; 71% would consider subcontracting to a corporate partner.

### ***Information***

Only 12% of respondents stated that they had access to adequate information or support that would enable them to take advantage of opportunities presented by the Games. Social Enterprise London, the London Development Agency and the Greater London Authority were cited as the most helpful agencies thus far.

### ***Barriers to success***

The most frequently cited external barriers that would prevent social enterprises from winning 2012 contracts were:

- Lack of reputation;
- Private sector seen as more competitive;
- Culture/resistance to change (in construction industry);
- Preference of contractors to 'go with what they know'.

The most frequently cited internal barriers to success were lack of time/resource and lack of knowledge.

### ***Support required***

The most frequently cited support needs among respondents were:

- Information, about bidding process and emerging opportunities;
- A single point of contact for relevant information;
- A timetable of the commissioning process.

## **Roundtable**

Rocket Science and Social Enterprise London hosted a roundtable discussion in February 2007, to play back the main findings of this research, and generate debate amongst 13 of London's leading social enterprises (see Appendix for full list). The discussion focused on the ambitions of social enterprises, and the support needed to realise these ambitions, which is outlined in chapter 6: Recommendations.

## **Ambitions of social enterprises**

Encouragingly, the majority of those present could articulate a clear ambition for their organisation relating to the objectives of the Games. The range of ambitions voiced included:

- Winning the contract to run the Aquatic Centre both during and post-Games (GLL);
- Supporting those food social enterprises providing food to construction workers at venue sites, by ensuring all food waste is recycled (LCRN);
- Winning a merchandise license to deliver services of craft and jewellery makers (Hidden Art);
- Acting as a sub-contractor in environmental projects, including green roofing (Groundwork West London);
- Supplying fairtrade tea and coffee (Cafedirect).

Several organisations have begun pursuing their ambitions. GLL seems particularly well tapped into the opportunities, having established contacts with key organising players since pre-July 2005. They are currently working alongside both the BOA and KPMG, to try to realise their ambition to run the Aquatic Centre. GLL is keen to share good practice with other social enterprises, and to develop joint offers with those who can contribute to their proposal to run the Aquatic Centre after the Games.

Other social enterprises have already begun collaborating with other organisations. Calverts is working with London Remade to develop their offer, and Groundwork West London are engaged with large corporates from whom they hope to sub-contract. Some organisations have yet to clearly define their offer, being unclear about the opportunities open to them. There is an opportunity for formal consortium approaches between groups to achieve

delivery scale. Both Social Enterprise London and Co-operatives UK have the skills to facilitate consortia development.

### **Understanding of the Games**

The procurers' main fears were understood to be:

1. Delivering the Games on time;
2. Cost and risk transfer;
3. 'White elephants';
4. No sustainable legacy.

It was unanimously agreed that social enterprises can have most impact in supporting the organisers in relation to points 3 and 4, where their community links would be essential to ensure the avoidance of the Games failing to meet the bid's commitment to a lasting and meaningful legacy. Nonetheless, roundtable participants understand that they will need to demonstrate their ability to deliver against points 1 and 2 in order to be credible in the bidding process.

### **Key challenges facing social enterprises**

These can be divided into internal and external challenges – i.e. those that social enterprises need to action themselves, with support from Social Enterprise London and Co-operatives UK; and those that need to be communicated to the procurers.

#### **Internal challenges**

##### ***Lack of peer knowledge***

There is a clear need for further knowledge sharing amongst those consulted; both about the nature of each other's work and ambitions, and the potential for collaboration. The focus group served to highlight the benefit of such a gathering, and several commented that they had learnt about potential collaboration opportunities previously unknown to them. Without further investment in this area, social enterprises will be unable to capitalise on a consortium approach.

##### ***Representation – Is our own house in order?***

Some of London's social enterprises will struggle to demonstrate the inclusivity of their own workforce as a reflection of the Olympic values of inclusion and diversity. Many of the enterprises around the table were aware that their organisations may not be truly representative of BAME communities, women and/or disabled people. There are concerns that this may weaken the offer of the 'added value' of social enterprise.

That said, organisations like Newco are clear examples of best practice, employing 50% disabled people.

### ***Demonstrating that social enterprise is not a 'risky investment'***

One of the primary fears expressed by social enterprises is that, when faced with a choice, procurers will choose to contract with large corporates over social enterprises, due to a perception of less risk. The value of social enterprise as a delivery vehicle is receiving a lot of attention in central Government, but there is a feeling that this has not cascaded down to those who make the decisions about procurement. An early challenge then is for social enterprises to be able to articulate their track record, demonstrating robust measures to minimise and mitigate risks, both real and perceived. Further evidence about the impact and value add of social enterprises is required.

### **External challenges**

#### ***Lack of clarity about procurement processes***

Procurement of services by the ODA has already begun, and many social enterprises feel unprepared, either being unaware of where to find information on opportunities, or finding that communication from London 2012 via its business bulletins is 'confusing'. The main challenge here is in scanning the horizon for opportunities, understanding when they are likely to arise, and how the processes will work.

#### ***Understanding who to influence***

Coupled with understanding the procurement processes is a need to be able to influence the processes, and the priorities of procurers. A key challenge is the perception that procurers in the ODA and LOCOG are 'inflexible', and the need to target lobbying for more open procurement processes at a higher level – directly at figureheads like Tessa Jowell and Ken Livingstone.

#### ***Disparity between Games aspirations and procurement law***

The ODA have a responsibility to procure contracts in line with European Union procurement legislation. There is also a commitment to make efforts to source local supplies; a commitment which may conflict with the European procurement code.

#### ***Responsibility for measuring social impact***

There is a general lack of understanding about the accountability processes related to social impact, i.e. which agency will be responsible for measuring

social impact, and how this will be carried out. There is still a need to ensure that measurable social impact clauses are specified throughout the bidding process in order to objectively measure bidding organisations' ability to meet these criteria. There is also a need for a clear, joined-up policy focus on how accountable bodies will measure the social impact of 2012.

## 5 Building the Business Case for Social Enterprise

Insufficient data currently exists about the impact of social enterprise and the value added to service delivery by social enterprise models. The absence of this data makes it difficult to build a robust, evidence-based business case that highlights the comparative strengths of social enterprise delivery models. The need for further work around impact measurement is a key finding of this report.

Nonetheless, it is possible to begin to highlight areas that signal the strength of the sector.

### **London's social enterprises are ready and able to competitively bid for Olympic contracts**

- GLL, ECT Group, Hackney Community Transport all demonstrate this capability as do the organisations listed in the 'What If...?' section at the front of this document. Social Enterprise London estimates that social enterprises have the capacity to deliver up to half a billion pounds worth of goods and services for 2012.

### **London's social enterprises can help London meet its stated aims for the 2012 Olympic and Paralympic Games**

- **ODA outcome:** Fair tendering and contract award process; BAME, women and disabled-owned businesses in supply chain
  - Women and members of specific ethnic minority groups are more likely to be social entrepreneurs than they are to be involved in conventional entrepreneurial activity.<sup>13</sup>
- **Games outcome:** To raise participation levels in sporting activities
  - Services managed by **GLL** all exhibit higher levels of participation and usage than before they assumed responsibility.
- **Volunteer programme outcome:** To engage 70,000 volunteers
  - Social enterprises are often embedded in diverse communities and engage some of the hardest to reach people, as apprentices (e.g.

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<sup>13</sup> *Global Entrepreneurship Monitor: Focus on Social Entrepreneurs*, Harding, R. 2004

Training for Life), employees (e.g. GLL and Newco), or volunteers (Community Food Enterprise, Community Links). They are therefore well placed to facilitate engagement with potential Games volunteers, and influence best practice in the delivery of the Pre-Volunteer Programme.

- 10,000 volunteers worked on the 2002 Manchester Commonwealth Games, and many of these have since worked as volunteers on other events and/or obtained employment. However, despite the 'inclusivity' focus – Manchester aspired to be the 'world's first inclusive Games' – 91% of Manchester's volunteers were white British<sup>14</sup>. Social enterprises can make a strong case for the value they can bring to the process in including London's diverse communities.

**Achieving a successful legacy will need to involve organisations like social enterprises that have a stake in the future of east London**

- Social enterprises have a strong place-based, community component to their operations.
- Social enterprises have strong social capital added value as a direct outcome of the business practices, although more needs to be done to identify, quantify and promote this.
- Many social enterprises are based in, employ from, provide services to, or reinvest surplus in the Olympic boroughs.

The ODA's Procurement Principles underpin its procurement policy. One fundamental principle is the achievement of the legacy, a legacy which should reflect:

- The aspirations and commitment of London's bid for the 2012 Games;
- The development of London as an exemplary, sustainable world city;
- Strong, long-term and diverse economic growth locally, regionally and nationally;
- Fundamental improvements in the environment, utilising relevant measures, and in the way in which resources are used;
- The regeneration and development, benefiting the local communities and the wider Thames Gateway<sup>15</sup>.

Social enterprises are able and willing to make legacy aspirations a reality.

<sup>14</sup> *Commonwealth Games Benefits Study*, NWDA and Faber Maunsell, 2004

<sup>15</sup> Procurement Policy, Olympic Delivery Authority, March 2007, p4

## 6 Other Business Support Models

'Business clubs' are emerging in response to the Games agenda, including in Regional Development Agencies and local Chambers of Commerce. In order to understand how best to support Social Enterprise London's members in realising their ambitions for the Games, it is useful to get an understanding of existing business support structures of other organisations that aim to engage their members in maximising benefits from the Games.

This chapter looks at two examples in detail: the London Business Network (LBN), and West London Business (WLB).

### 6.1 London Business Network

The London Business Board<sup>16</sup> have worked with business consultants Arup, to develop a Business Opportunity Prospectus. The Prospectus calls for the creation of a London Business Network (LBN) responsible for communicating and supporting businesses in relation to Olympic opportunities.

Objectives of the LBN include<sup>17</sup>:

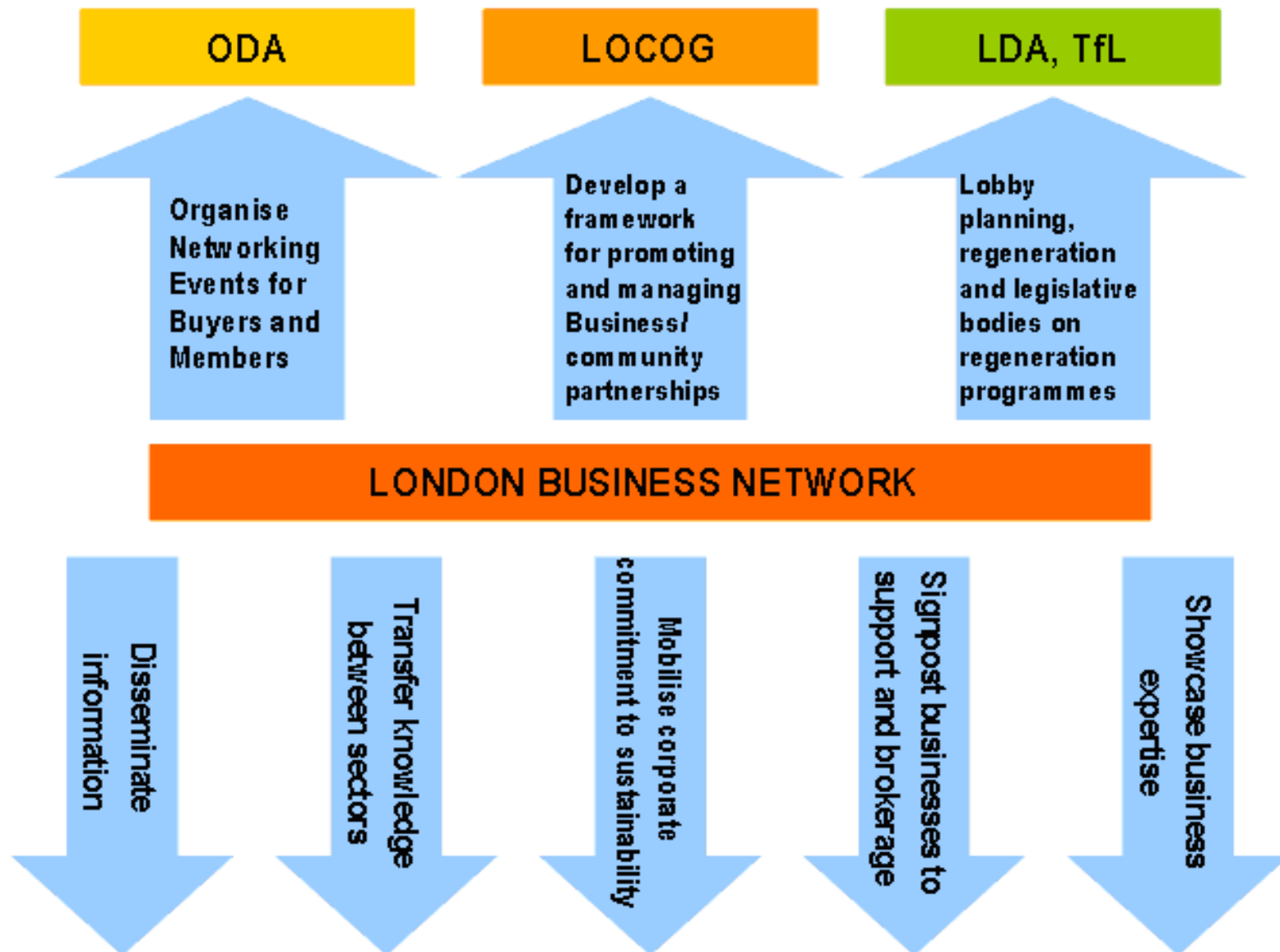
- To support London 2012 in communicating with the business community and encouraging as many London companies as possible to be involved in the project;
- To mobilise the business community to be supporters of the project, including delivering positive economic, social, community and environmental outcomes;
- To make it as easy as possible for London companies to bid for work around the 2012 Games;
- To provide vital links and information to the large number of companies that are either not interested in or able to bid for Games contracts but who, with access to the right knowledge bank, could benefit from the wider economic opportunities created before, during and after the Games; and
- To support the marketing of London as the leading global city by incorporating activities for international companies.

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<sup>16</sup> The London Business Board comprises the London Chamber of Commerce and Industry, the London CBI and London First. The project steering group also included representatives of Think London, Visit London, the London Development Agency (LDA) and the Greater London Authority (GLA) with advice from the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic Games and Paralympic Games.

<sup>17</sup> *London's Business Opportunity Prospectus*, Arup, with London First, CBI and London Chamber of Commerce, January 2007

**Figure 3: Summary of the Objectives of the London Business Network and Legacy Initiatives**



Several specific legacy initiatives detailed in the Prospectus focus on promoting London, increasing corporate and community involvement and encouraging skills improvement in Olympic boroughs.

The Prospectus calls for the LBN and the initiatives to both advocate and communicate (see *Figure 3* above), and sets a useful framework for supporting and informing businesses with regards to opportunities linked with the Olympics.

The launch of the LBN is expected imminently. The Prospectus calls for the LBN to be set up as a not-for-profit company with free membership. Members would be expected to pay fees for attending network events and conferences.

The London Chamber of Commerce and Industry is a useful starting point for current information about the progress of the Network.

## 6.2 West London Business

With LBN's framework in mind, business organisations large and small have developed their own interpretations. One such organisation is West London Business (WLB), the Chamber of Commerce for West London.

WLB has transformed a section of its website – '*2012: A Sporting Chance*<sup>18</sup>' into a signposting tool, to inform businesses in the area of new developments and important dates.

Topics covered include:

### ***Getting involved***

- An overview of main players;
- Direct link to signing up for the London 2012 business e-alerts.

### **Case studies**

- Succinct information about the economic impacts of previous sporting events.

### **Procurement opportunities**

- Direct link to the ODA Procurement Policy;
- Clear and concise summary of the report;
- Direct link to both the London 2012 and the Official Journal of the European;
- Union procurement portals.

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<sup>18</sup> [www.westlondon.com](http://www.westlondon.com)

**Games and construction timeline**

- Broad summary of the construction and involvement timelines of the main players;
- More specific timeline for the construction of the Olympic Park.

**Supply chain**

- Succinct information on some of the supply chain opportunities;
- Direct link to 'Supply London', an LDA/Business Link programme designed to ensure that SMEs meet the pre-qualification criteria for tenders, looking at, for example:
  - Financial probity;
  - E-commerce capability;
  - European directives;
  - Diversity and equal opportunities.

**Advice and signposting**

- Links to other useful organisations.

**Presentations and events**

- Direct links to London 2012 business speaking events;
- WLB Olympic related presentations and events.

In addition, the organisation is hosting 'meet the buyer' events for its members. With its lobbying and representation strengths, WLB has created a model of support that reflects the strengths of the LBN approach, and is a relevant and user-friendly source of information.

**6.3 Relevance and learning**

The LBN offers a useful model for the provision of support to social enterprises. Participants at the social enterprise roundtable event (p24) articulated a need for services similar to those outlined in the LBN Prospectus. Additional or specific work would be required to customise information and event content to the needs of social businesses. Any social enterprise network developed should maintain strong links with the LBN however, not least as a route to facilitate cross-sector partnerships.

## 7 Recommendations

This chapter looks primarily at the support required by social enterprises in order to realise their ambitions for involvement in the preparation, delivery and legacy phases of the London 2012 Olympic Games and Paralympic Games; and makes recommendations to Social Enterprise London about how best to meet these needs. It is suggested that Social Enterprise London draw up a programme of support that combines practical support to individual social enterprises, and groups of social enterprises with common aims; and targeted lobbying to procurers and influencing bodies. This is a model of support that echoes the characteristics of the LBN and WLB models outlined in the preceding chapter.

Social Enterprise London has an important support and influencing role, but it is also important for social enterprises to recognise the importance of individual action. Chapter 2 outlines specific preparation that social enterprises can undertake to meet procurement requirements. Underlying this, is a crucial need for social enterprises to clearly define and communicate their organisation's vision for the Games. One of the key success factors of the 2002 Manchester Commonwealth Games was that the objectives and outcomes of the Games had a 'fit' with local, regional and national strategies. If social enterprises are serious about delivering services for the London 2012 Games, they similarly need to define their 'vision' and shape it to fit with key agencies' priorities and outputs as set out in this report.

### 7.1 Recommendations for Social Enterprise London

#### **Keep London's social enterprises in the loop**

Dates and goalposts change constantly – social enterprises need a regularly updated source of information. Social Enterprise London can:

- Use the Social Enterprise London website/London Social Enterprise Network to provide links to procurement portals used by ODA, LOCOG and TfL (i.e. Official Journal of the European Union, ODA's dedicated procurement portal (yet to be developed));
- Ensure that all its members, beyond those identified in the mapping process, have signed up to the London 2012 business alerts;
- Use the Social Enterprise website and e-newsletter, 'Update', to ensure that members are well versed in the procurement timeline leading up to, during and after the Games and to provide other up-to-date information e.g. from The Big Opportunity;

- Adapt and update the prototype timeline (see Appendix) for the website. Opportunities in the next month and 12 months (as well as an overview of more distant opportunities) are of particular interest to social enterprises.

### **Facilitate collaboration between social enterprises**

Social enterprises need a greater knowledge of potential collaborators, either within the sector, or in the corporate sector, in order to demonstrate the requisite level of capacity for procurement requirements. Social Enterprise London can:

- Sustain the momentum of the desire to collaborate voiced at the roundtable discussion, either through regular meetings hosted by Social Enterprise London, or through a Social Enterprise London 'dating agency' model;
- Follow up the Calverts offer to host an event giving social enterprises the opportunity to promote their 'elevator pitch' in order to raise awareness of peer activity and potential for collaboration;
- Link volunteering capacity among social enterprises into wider Third Sector activity through The Big Opportunity project.

### **Ensure that London's social enterprises are Olympic procurement ready (OPR)**

Social Enterprise London can:

- Develop new training programmes on:
  - UK and EU procurement regulations;
  - Framework Agreements and dynamic purchasing systems (e.g. Zanzibar) likely to be used by ODA;
  - E-procurement practices and technology capacity building;
  - Other formats to be used by procurement officials (New Engineering Contract: Version 3);
  - Procurement assessment criteria with specific support on financial management and transparency.
- Stay in touch with GLA, LDA, and host boroughs' social enterprise initiatives;

- Investigate the possibility of developing a Social Enterprise London 'kitemark' to assure procurement organisations of risk management and risk minimisation skills, and track record of social enterprises;
- Ensure that social enterprise consortia include their existing kitemarks, e.g. Customer First, PQASSO, when bidding for contracts.

### **Meet the contractors: Global Games, Local Players**

- Develop and nurture good relations with ODA, ODA's delivery partner (CLM Consortium), LOCOG, TfL, LDA, GLA.
- Specifically, build good relations with CLM's Supply Chain Management Programme.
- Host events where potential social enterprise procurement candidates have contact with procurement officials.
- Ensure that Social Enterprise London and its members attend ODA procurement events.

### **Policy and advocacy**

- ODA procurement approach needs to be adopted by LOCOG, LDA, TfL, GLA.
- Main Olympic contractors need to be encouraged to 'pass on' and monitor sub-contractors to ensure they abide by the standards set by public agencies.
- Corporates need to be targeted to demonstrate the benefits and competitive advantages of partnering with social enterprises – examples might be:
  - Workers Beer and Sodhexo/Compass on events;
  - LloydsTSB and Fair Finance around personal credit;
  - Bovis and CDS Housing around athlete accommodation;
  - Hackney Community Transport and McQuarry West around transport;
  - Shanks East London and ECT Group around recycling and waste.
- Social Enterprise London also have a role to inform the Government about the legal obstacles hindering social enterprise involvement – e.g. the discrepancy between commitment to source local supplies, and adherence with European procurement code.

- London Social Enterprise conference in autumn 2007 – SEL can utilise this opportunity to mobilise the sector.

### **Build the evidence base**

- One of the key weaknesses of the social enterprise business case is the absence of strong data about the value add of the social enterprises on the ground. Further research should be conducted to develop a stronger evidence base in this area.

### **Prioritise social enterprises with realistic chances of winning contracts**

- Conduct a telephone, email or paper survey of members to maintain a focus on those organisations who are actively pursuing 2012 opportunities.
- In line with the procurement timetable, identify which businesses to offer support and resources to, and when.

# Appendix

## List of consultees

### Interviews/discussions

Mark Sesnan, Managing Director, Greenwich Leisure Limited  
 Dai Powell, Chief Executive, Hackney Community Transport  
 David Rodgers, Chief Executive, CDS Co-operatives  
 Helen Seymour, Head of Projects and Development, Co-operatives UK  
 Annabel Gunnell, Community Relations Manager, LOCOG

### Corporate Perspectives

As part of the assignment Rocket Science undertook conversations with a number of corporates and business membership organisations.

In addition Rocket Science was able to draw on its wider bank of knowledge and experience developed through working with corporates and private businesses operating in the corporate social responsibility, economic development and regeneration sectors in London and across the UK.

### Focus group attendees

Dr. Kingsley Antonipillai, Community Projects and Partnerships Manager, Groundwork Thames Valley  
 Peter Bunday, GLL  
 William Du Plooy, Business Manager, Newco Products  
 Dieneke Ferguson, Chief Executive, Mazorca Projects Ltd. trading as Hidden Art  
 George Garwood, Employment Theme Manager, Shoreditch Trust  
 Paul Lewis, Social Enterprise Unit, Office of the Third Sector  
 Sinéad Mc Brearty, Deputy Chief Executive, SEL  
 Penny Newman, Chief Executive, Cafedirect  
 Ian Nixey, Business Development Manager, Groundwork West London  
 Claudine Piggott, Green-Works  
 Eamon Pryle, Groundwork Camden and Islington  
 Mark Sesnan, Managing Director, GLL  
 Helen Seymour, Head of Projects and Development, Co-operatives UK  
 Matthew Thomson, Chief Executive, London Community Recycling Network  
 Sion Whellens, Sales Director, Calverts

**2012 Timeline** – Prototype suggestion for SEL website

	Olympic Delivery Authority (ODA)	LOCOG	Others
<b>2013</b>	<b>July 27<sup>th</sup> – August 12<sup>th</sup>: 2012 London Olympic and Paralympic Games</b>		
<b>2012</b>		2011: Ticket sales commence	
<b>2011</b>		2010: LOCOG launches volunteer programme	
<b>2010</b>	2010: Construction of temporary sporting venues commences.	2009: LOCOG Games-time procurement goes live	
<b>2009</b>	2009/10: Peak construction period for ODA. Estimated 12,000 construction workers on site Mid 2009: Olympic Park Legacy Master Plan Framework published	2009: LOCOG Games-time procurement goes live	
<b>2008</b>	Mid 2008: Develop Legacy Masterplan Framework 2008: Construction of Olympic Stadium, Athletes Village and Olympic Park Commences March 2008: Olympic and Paralympic Village legacy brief, and Velopark legacy brief, agreed January 2008: Aquatic Centre legacy brief agreed	2008 – 2012: Cultural Olympiad	December: LDA to conduct feasibility study on the capacity of local food producers and manufacturers to supply to Olympic food contractors
<b>2007</b>	2007/10: Assessment of transport needs for people with disabilities 2007: ODA awards contracts for main design, programme and project management March/April: ODA Community Relations Strategy completed 7 <sup>th</sup> March: ODA Games Procurement Briefing event February: London 2012 tendering service launched February: ODA consultation on transport plan completed January: ODA will submit as part of its planning applications, a design and access statement which will underpin the design of all the Games venues	2007: LOCOG releases venue overlay specifications and sponsor sectors identified; Early 2007: Identify opportunities for use of language skills in Games and volunteering	2007/8: LETF and LDA sponsor £9.6m programme to deliver benefits to residents and businesses in the five Olympic boroughs Late 2007: LDA to commission feasibility study re: maximising creative business engagement and growing the sector in Stratford March 2007: LDA leading on production of Employment and Contracting Calendar Early 2007: GLA leading on capacity building London businesses re: sustainable building and environmental practices
<b>2007</b>	January: ODA Board meeting and publication of revised ODA procurement plan in Spring		