

## Executive Summary

The summary findings of this report can be found below:

### **NATIONAL OVERVIEW**

#### **Plans**

- London 2012 state that the 500-acre site in Stratford will provide a compact, secure and easily accessible home for the Games, seven minutes from central London.
- There will be 9 new venues within easy walking distance of each other, therefore creating a bustling atmosphere. Details of the venues are on pages 8-9
- The London Olympic Committee estimate revenues of £1.5 billion and operations expenditure of £1.5 billion with capital investments around £9.9 billion, London 2012 state that they will not finance any capital expenditure.
- The Olympic Village makes use of an already planned \$1 billion public-private property development. The cost of the Olympic Park infrastructure represents the cost of providing underlying infrastructure, services and utilities to the Lower Lea Valley and carrying out remediation work in the Olympic Park as part of its planned regeneration.
- Olympic events such as the football tournament and the sailing will take place across the country
- Sport facilities across the UK will host training camps and preparation events to help athletes from all over the world acclimatise.

#### **Benefits**

- London 2012 predicts that tourism will receive a boost right across the UK, not just during the Games, but for years before and afterwards.
- Thousands of businesses and suppliers across the country are expected to profit from the Games, providing everything from construction to catering facilities.
- London 2012 predict that over 70,000 volunteers will be required to help run the Games, therefore providing opportunities for people from all over the UK and from all walks of life to play their part.

#### **A sustainable Games**

- London 2012 suggest the games could provide the catalyst for a huge programme of urban and environmental regeneration in one of the city's most underdeveloped areas. Building sustainable communities linked to sport, the environment and health.
- Included in the legacy is a low carbon games, a one planet Olympics, a zero waste games and regeneration of the Lea Valley. A list of the detailed legacies and how they will be achieved are outlined on pages 12-14

#### **After the Games**

- The Lower Lea Valley will be transformed into a 500 acre park which London 2012 envisage will be designed to enrich the local ecology, restoring wetland habitats and planted with native species.
- The canals and waterways of the River Lea will be cleaned and widened, and the natural floodplains of the area will be restored for wildlife.

### **Price Waterhouse Coopers (PWC)**

- Price Waterhouse Coopers (PWC) were commissioned by the Department of Media, Culture and Sport (DMCS) to undertake research into the possible effects of the Olympic and Paralympic games:-

### **Economic impacts**

- A predicted increase of UK GDP 2012-2016 of £1.9 billion
- Over the same period, the increase in London's GDP is estimated at £5.9 billion and the increase in (North) East London's GDP is £0.5 billion
- It is predicted that the largest economic impact in GDP terms (£3.362 billion) would occur in London during the pre-Games construction period
- For the UK as a whole, the impact on GDP would be greatest over the period of the Olympics (at a level £1.067 billion)
- More detailed analysis of the economic effects of the games on London are highlighted on pages 16-17

### **People, skills and employment**

- The report predicts that (as a result of the anticipated increases in expenditure and investment between 2005 and 2016) there will be an increase of full time equivalent ('fte') jobs in the region of 38,000 ftes in London and 8,000 ftes in the UK as a whole.
- Suggestions as to how the Olympics could be instrumental in supporting wider regeneration policies is detailed on pages 13-14

### **'Willingness to pay'**

- For the UK as a whole, the value of the intangible benefits of hosting the Olympics are estimated to be £3.2 billion, (80% of this benefit accruing to households living outside London).
- London households are willing to pay £22 each per annum for 10 years in order to host the Olympics
- Households in Glasgow and Manchester, the two other locations where fieldwork was undertaken besides London, are willing to pay £12 per household per year over the same period.
- Attitudes towards the Olympics are very positive with 79% of Londoners and 81% of those outside London supporting the bid
- The vast majority of respondents (72% in London and 78% in Manchester and Glasgow) think that intangible benefits are the most important or, at least, as equally important as the tangible benefits.

### **Public health**

- The expected positive impact of the Olympics on the promotion of healthier living including increased physical activity, improved dietary intake, improved provision and enhanced access to sports facilities and increased social interactions
- Analysis of the effects the games are predicted to have on the UK is highlighted on page 19

### **Environmental impacts**

- PWC note that even without the Olympics, the Lower Lea Valley is expected to be subject to a major programme of regeneration that will transform the area in physical and socio-economic terms
- Currently no formal assessment of the environmental impacts of the Olympics has been undertaken either at the London or the UK level.
- Analysis of the impact of the games on the environment is outlined on page 21

## **REGIONAL OVERVIEW**

### **Economic Effects**

- PWC estimate an overall increase in London's GDP of £5,900 (million) between 2005 and 2016.
- The migratory and transient nature of London means that some of the GDP generated in London (or North East London) will be earned by workers who live in other regions of the country (or other parts of the capital).
- More detailed analysis of PWC's predictions of the economic effect of the games on London are available on page 22

### **Inward investment**

- PWC continue that London faces economic competition from other established and emerging cities, therefore the Olympics could be used to promote London internationally as a business destination and to attract additional investment beyond any links directly to the Olympics.
- It is suggested that the largest opportunities are likely to be for East London itself to attract inward investment projects given the boost it will receive in awareness and infrastructure, initially in an increase in property prices.
- Research undertaken by a property consultancy suggest the impact of the Games on London would be smaller than on previous venues like Barcelona and Sydney because London is already a globally important city.

### **Tourism**

- PWC suggest that hosting the Olympics in London offers the opportunity to attract more visitors to London and, potentially, to other parts of the UK.
- Tony Blair predicts a 25% increase in visitors as a result of the Olympics
- Property consultants however suggest that there could be a displacement effect as a result of the Games, with some of the millions of visitors who come to London each year choosing to delay or cancel their trips.

### **Business support, innovation and diversification**

- A focus on the effect on firms and different sectors the Games will have is detailed on page 23

### **The Legacy of the Games**

- London 2012 state that 9,000 new homes will be created, in the legacy phase of the development, alongside new schools, health and community facilities. It is proposed that half of these homes be designated as affordable housing.
- A focus on the possible sporting legacies is highlighted on pages 25-26
- The 'London Plan for Sport and Physical Activity 2004 to 2008' report notes that it is hoped that the Olympics will act as an 'inspiration' to people increasing their participation in sport however no substantive work has as yet been undertaken to quantify the potential legacy impacts on sporting participation.
- Regeneration of the area is also proposed including an urban park, network of footpaths and cycleways, riverside housing, restaurants and cafes, improvement of the waterways and re-introduction of natural habitats
- Details of these regeneration initiatives are highlighted on page 13

### **Health**

- Health levels are heightened by the local development and enhancement of facilities, amenities and the opportunities presented by the need to meet the demand from Olympic related tourism activities.
- In the initial pre-Olympic stage there may be some negative effects for the health of London residents mainly due to the construction and disruption occurring to develop the Olympic infrastructure.
- Further details of the effect the Games will have on London are highlighted on page 26

## **Environment**

- PWC suggest the Games will generate significant interest in applying new approaches to sustainable event management and the creation of new sustainable communities,
- During the Olympics PWC a temporary deterioration in environmental quality may occur, associated with the increased volume of people attending/participating in the Olympics and their related transport movements.
- Further details of the effect the Games will have on the environment of London is highlighted on page 27

## **LOCAL OVERVIEW**

### **Economic Effects**

- Various Government reports suggests that the games will provide a once in a generation opportunity to alleviate economic deprivation in an area that has unacceptably high levels of worklessness and poverty.
- The Games could provide a powerful catalyst for private sector investment,
- Reports suggest that residents in or near the main Olympic development will be equipped with the highest possible skills, knowledge and expertise to take advantage of the Olympic project, therefore providing the legacy of a skilled local workforce and a competitive business community.
- PWC predict an overall increase in the North East London Region of £525 million between 2005 and 2016 with the greatest increase being in the pre-event phase of 2005-2011 mainly linked to the construction and organisational roles needed for the development of this project.

### **Employment**

- PWC suggest the Games will stimulate a vital economic regeneration programme in London's poorest and most disadvantaged area. For example the Olympic Park will provide local people with significant improvements in job opportunities, education and skills and training.
- It is calculated that approximately 20.5% of the jobs created as a result of the Games will be in the North East area of London.
- North East London's GDP increase represents 13.8% of the total London increase in GDP 2005-2011 (during the construction stage) and 5.2% of the jobs created at this stage are in the North East London region, however this share of jobs goes down to 3.3% after the games, and the GDP share goes down to 0.01%
- Training and skills initiatives which various bodies plan to develop will include construction training, apprenticeships, maintenance skills and vocational qualifications.
- It is proposed that job brokerage and employment support is provided to help those who gain employment develop and prosper in the jobs.
- Childcare provision is also proposed, as lack of childcare is a significant barrier to many potential employees, especially lone parents.
- it is proposed that volunteer programme is also established; it is estimated that over 70,000 volunteers will be needed to run the Olympic and Paralympic Games. This could provide valuable opportunities for training and work experience for young and economically deprived residents especially in under-skilled and high unemployed areas
- PWC continue by stating that the Olympics could be instrumental in supporting wider regeneration policies such as empowering disadvantaged groups, improving employment prospects and increasing social integration and co-operation

## Health

- This area has high levels of health deprivation arising from a combination of a poor environment, high unemployment, low educational attainment and poor housing.
- PWC suggest that local communities are expected to benefit from the economic and environmental improvements including the employment opportunities that will arise, improved community involvement and volunteer programmes as well as the replacement of contaminated brownfield sites and derelict buildings with high quality areas of open space and parkland.
- However PWC note that during the period of preparation for the Olympics, local communities in proximity to the site are expected to experience up to five years of intensive development.
- A more detailed look at the effect of the games on health is highlighted on page 32

## Environment

- PWC state that the Lower Lea Valley developments are expected to generate substantial environmental benefits including remediation of contaminated sites, redevelopment of brownfield land, restoration of river corridors, improvements to water quality, investment in low carbon energy infrastructure, undergrounding of electricity pylons, creation of a major urban green space and upgrading of other amenity areas.
- In addition Newham Council anticipate that the Olympic Village will become a new, desirable and sustainable residential community with 3,600 new housing units.
- The main negative impacts of the Olympics on the environment will be concentrated during the limited pre-event, construction phase. The Lower Lea Valley will be particularly affected since it will be the primary focus of the intensive construction programme.
- Further analysis of the effects of the Olympics on the environment of the Lea Valley is detailed on pages 33-35

## REPORTS/ WEBSITES OF INTEREST

- London Development Agency [www.lda.gov.uk](http://www.lda.gov.uk)
- London 2012 [www.london2012.org](http://www.london2012.org)
- Price Waterhouse Cooper (December 2005) *Olympic Games Impact Study Final Report* for the Department of Culture, Media and Sport