

Section 11: Impact Assessment

Title: Regulations about advertising activity and trading in open public places during the Olympic and Paralympic Games 2012 Lead department or agency: DCMS Other departments or agencies:	Impact Assessment (IA)
	IA No: DCMS011
	Date: 26/01/2010
	Stage: Consultation
	Source of intervention: Domestic
	Type of measure: Secondary legislation
Contact for enquiries: Helen Anderson	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

High profile events attract companies who want to associate themselves with the event or promote their products to the masses of people attending or watching the event on television. The Olympic and Paralympic Games are sponsored by companies who pay for that association right and therefore it is a requirement of the International Olympic Committee (IOC) that the Government put in place legislation to prevent other businesses promoting themselves within the proximity of Games venues without permission. Moreover we want to ensure spectators can get to events easily and that they enjoy their experience of a London Games. The London Olympic Games and Paralympic Games Act 2006 set out the broad framework for advertising and trading regulations. The detail of these have now been developed and is available for scrutiny.

What are the policy objectives and the intended effects?

The policy objectives are to:

- To ensure all Olympic and Paralympic events have a consistent celebratory look and feel to them;
- To prevent ambush marketing within the vicinity of venues¹; and
- To ensure people can easily access the venues.

¹ Ambush marketing describes activities undertaken by businesses not sponsoring an event which nevertheless suggest they or their products are associated with the event or which seek to exploit the interest in the event by exposing their brands to spectators at the event and/or watching the event on TV around the world.

What policy options have been considered? Please justify preferred option (further details in Evidence Base)

Option 1: Do nothing and rely on existing legislation. Option 2: Do what is proportionate and limit the scope of the restrictions. Option 3: Gold plate our requirements to cover wide spaces for long periods.

Our preferred option is 2, to produce regulations which build on existing law to achieve our aims and to be reasonable and proportionate in line with the Host City Contract and commitments made in Parliament. We are consulting on our regulations to seek wider views on this approach

When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?

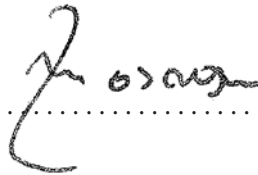
It be reviewed
05/2011

Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?

Yes

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Date:

2 Feb 11

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year	PV Base Year 2010	Time Period Years 1	Net Benefit (Present Value (PV)) (£k)		
			Low: Optional	High: Optional	Best Estimate:
COSTS (£k)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Cost (Present Value)
Low	£99.79		Optional		£92.8047
High	£332.65		Optional		£309.3645
Best Estimate	£216.23				£201.0939
Description and scale of key monetised costs by 'main affected groups'					
Traders prohibited by the regulations will be those who trade in open public places, who are not exempt or authorised. Loss of revenue has been estimated using earnings data (Annual Survey of Hourly Earnings) and turnover of business (National Associate of British Markets Authorities) data. For advertisers we can estimate the total revenue of sites within the area and the potential for losses. Restrictions will apply to different places for different periods, the longest period being 35 days, the shortest being one day.					
Other key non-monetised costs by 'main affected groups'					
BENEFITS (£k)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Benefit (Present Value)
Low	Optional		Optional		Optional
High	Optional		Optional		Optional
Best Estimate					
Description and scale of key monetised benefits by 'main affected groups'					
Other key non-monetised benefits by 'main affected groups'					
Putting in place reasonable restrictions on advertising and street trading will prevent us from failing to meet commitments given to the IOC (which could have financial consequences).					
Authorised street traders will be able to trade and should make significant revenue during a time of heightened visitors. Sellers of advertising space are likely to be able to sell all their space during the Games period.					

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
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Impact on admin burden (AB) (£k):			Impact on policy cost savings (£k):		In scope
New AB:	AB savings:	Net:	Policy cost savings:		Yes/No

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain		
From what date will the policy be implemented?					
Which organisation(s) will enforce the policy?			the police and ODA		
What is the annual change in enforcement cost (£k)?					
Does enforcement comply with Hampton principles?			Yes		
Does implementation go beyond minimum EU requirements?			N/A		
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:	Non-Traded:	
Does the proposal have an impact on competition?			Yes		
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?			Costs:	Benefits:	
Annual cost (£k) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties² <i>Statutory Equality Duties Impact Test guidance</i>	Yes	
Economic impacts		
Competition <i>Competition Assessment Impact Test guidance</i>	Yes	
Small firms <i>Small Firms Impact Test guidance</i>	Yes	
Environmental impacts		
Greenhouse gas assessment <i>Greenhouse Gas Assesment Impact Test guidance</i>	No	
Wider environmental issues <i>Wider Environment Issues Impact Test guidance</i>	No	
Social impacts		
Health and well-being <i>Health and Well-being Impact Test guidance</i>	No	
Human rights <i>Human Rights Impact Test guidance</i>	Yes	Section 10 of the consultation
Justice system <i>Justice Impact Test guidance</i>	Yes	
Rural proofing <i>Rural Profing Impact Test guidance</i>	No	
Sustainable development <i>Sustainable Development Impact Test guidance</i>	No	

² Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	http://www.statutelaw.gov.uk/content.aspx?activeTextDocId=2321128
2	ODA publication on Advertising and Street Trading June 2009 http://www.london2012.com/publications/advertising-and-street-trading-regulations-detailed-docu.php

Evidence Base

Annual profile of monetised costs and benefits* – (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits										
Annual recurring benefits										
Total annual benefits										

*For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

Problem under consideration and rationale for intervention

The Olympic and Paralympic Games will draw international attention to London and the UK and the way we stage the Games could have a lasting impact on the UK's international reputation. An event as important as the Games needs legal and practical measures in place to manage the area in the vicinity of events effectively and proportionately so London can showcase itself.

In our bid for the Olympic and Paralympic Games we stated 'London will become a Host City with an unmistakable air of celebration and excitement' and that this feeling will be taken to all venues. We want to create 'a backdrop fit for celebration on a truly global scale'. Moreover Games sponsors provide a vital source of funding for the Olympic and Paralympic Games, without which the UK would not be able to host the Games. In return for this funding, sponsors have exclusive rights to associate their brands with the Olympic and Paralympic Games. Intentional unauthorised advertising on streets in the immediate vicinity of Olympic venues is a form of ambush marketing by people attempting to create an association with the Games and/or seeking to exploit the interest in the event by exposing their brands to spectators. Such promotion not only undermines the value of Games sponsorship, it also threatens the aesthetic values of London at a time when the city will be subject to unprecedented international scrutiny. Finally, to ensure a free flow of spectators to venues we need to limit the number of additional people taking up space on the pavements. For these reasons we need to regulate to limit advertising and street trading within the proximity of Games events.

Policy objectives

Our primary policy objective is to comply with the commitments made to the IOC which were to introduce legislation to reduce and prevent ambush & manage street vending in the vicinity of the Olympic sites and to control advertising space and airspace during the period of the Games. To comply with this we passed the London Olympics Games and Paralympic Games Act 2006 which provided the framework for the regulations. This requires Ministers to make regulations about advertising and trading in the vicinity of London Olympic Events. The consultation outlines our proposals and should be read alongside this IA.

We are regulating advertising and trading for three reasons:

- To ensure all Olympic and Paralympic events have a consistent celebratory look and feel to them;
- To prevent ambush marketing within the vicinity of venues³; and
- To ensure people can easily access the venues.

Description of options considered

Option 1

We could do nothing and rely on existing legislation. We could utilise existing legislation and accept that it was not crafted with such large and time critical event in mind.

Option 2

We could be proportionate and limit the scope of the restrictions. In the technical manual the IOC requests that advertising and concessions be controlled by the organising committee between main access points (train/bus stations, airports) and the venues. The IOC does not state how far this extends to but advises that: 'no publicity, or branding of any kind appears on or from the field of play or field of performance at any Olympic venue or other Olympic site, not appears within the sightlines of viewing spectators, nor within view of the television cameras'. We could aim to cover only the nearest transport hubs and identify key sites which could be used to promote brands within 200m of a venue perimeter.

Option 3

We could "gold plate" the regulations preventing any and every advertiser and trader from conducting business within a wide space around venues and for a long period. Previous host nations have brought in stringent laws to regularise advertising and trading. In 2000 Sydney law makers restricted advertising within a 1km perimeter of the main Games venues. In 2004 the Athens Olympic and Paralympic organising committee cut the number of billboards around the city, clearing 10,000 from buildings and city rooftops. In 2008 the Beijing organisers ensured that all advertising was strictly controlled not just on billboards but on all public transport, at airports and city streets.

Costs and benefits of each option

Option 1: Do nothing and rely on existing legislation.

Benefits

- Preserve status quo.
- Free market for companies and individuals to derive commercial benefit from Olympic and Paralympic Games.
- No additional expenditure incurred in authorising and enforcing.

³ Ambush marketing describes activities undertaken by businesses not sponsoring an event which nevertheless suggest they or their products are associated with the event or which seek to exploit the interest in the event by exposing their brands to spectators at the event and/or watching the event on TV around the world.

Costs

- The IOC could take legal action against the Government and other parties for failing to deliver on commitments made in the bidding process and contained in the Host City Contract.
- Companies and individuals may not comply with the regulations (may act illegally) where the penalty for doing so is lower than the potential commercial gain, or where enforcement is weak.
- Enforcement officers are unable to respond to illegal advertising and trading within the strict timeframes of the Olympic or Paralympic Games.
- The UK's inability to deal with ambush marketing means it is too high a risk to be allowed to host major events thus denying a significant future income.
- Current legislation does not effectively meet our three principal policy objectives.

Option 2: Do what is proportionate and limit the scope of the restrictions.*Benefits*

- Government and other bid stakeholders able to deliver the commitments made as part of the bidding process (in the Candidature File and associated guarantees as well as by signing the Host City Contract).
- The UK is considered a good option for future major events.

Costs

- Limiting advertising and street trading has a financial impact of around £216.23k depending on numbers of authorisations.
- Cost to the ODA to enforce the regulations.
- That a tightening of the laws on advertising and trading even for a small period is unpalatable to the general public.

Option 3: Gold plate our requirements to cover wide spaces for long periods.*Benefits*

- Government and other bid stakeholders able to deliver the commitments made as part of the bidding process (in the Candidature File and associated guarantees as well as by signing the Host City Contract).
- High satisfaction from the IOC and sponsors leading to the UK being considered for future major events.

Costs

- High outlay as enforcement would need to cover large distances for significant periods.
- That such stringent control on advertising and street trading would be unpalatable to the general public.

Explanation of costs calculation

Costs have been identified for option 2 and within that 3 potential scenarios of impact are assessed. Financial impact is measured by the losses which UK businesses might incur as a result of new regulations on advertising and trading before and during the Olympic and Paralympic Games. The losses which are being measured are from normal trading not the losses which might arise from the extra revenues because of higher visitor numbers during the Games.

Advertising methodology

Any market consists of buyers and sellers who will both obtain benefits from buying and selling. The regulation of a market may have consequences for either of these groups and potentially other related markets.

For sellers we can estimate the total revenue of sites within the area and the potential for losses. For the regulation under consideration it is assumed that the sellers of advertising space will be able to sell their space

generally to sponsors if not to other buyers. In some cases the advertising space may be at a higher price and there may be some gains for sellers. These are not estimated but are likely to be a few high prestige sites where sponsors might wish to compete for these locations. In practice therefore it is reasonable to expect any losses, if any to sellers, to be mitigated largely by sales to sponsors. Some scenario estimates with relatively high take up of advertising space are estimated.

For buyers there are potential losses but these are less tangible. The costs therefore will potentially lie with the buyers of advertising space who have a preference for a local site who are displaced by the sponsors (whose business is more international). Many buyers may be content to use other space or find substitute advertising media. It is not practical to estimate precisely the numbers of advertisers who benefit from a particular location but given the scale of the regulation perimeter the numbers are expected to be few. For these reasons it was concluded any potential loss to buyers should be excluded from the base advertising costs and scenarios.

Advertising sites are identified using the Postar database which lists advertising spaces in public areas such as roadside billboards, posters on kiosks etc. For each venue sites within the regulation perimeter were identified. For each of the advertising sites a price per day was established taking account of the type of road and size of the advertisement. For sellers this provides the potential revenue per site. Also the number of days the regulations were expected to apply to each venue was taken into account. These estimates are:

Standard Prices

Prices (£per 2 weeks)	London	Manchester, Glasgow	Other outside London
6 sheet	250	390	250
48 sheet	500	550	500
96 sheet	2000	2250	2000

Premium Prices

Prices (£per 2 weeks)	London	Manchester, Glasgow	Other outside London
6 sheet	500	390	250
48 sheet	1000	900	500
96 sheet	4500	3000	2000

For sites included here only standard prices were used.

Trading methodology

Traders prohibited by the regulations will be those trading in open public places in the vicinity of Olympic and Paralympic events. Some traders may be exempt or be able to move to a suitable alternative site but the estimates provided are based on the assumption that any traders subject to these regulations will have to cease trading for the appropriate period.

The numbers and sites for traders are based on information provided by local authorities hosting the Games. The income foregone is estimated in two ways:

- Earnings of the customer sales group using Annual Survey of Hourly Earnings (ASHE) data. The ASHE database is a highly regarded and a widely used data source. This is a survey of earnings across the UK and provided incomes for broad ranges of occupations. Customer sales include street traders but other sales occupational groups. This earnings figure may not represent all the labour input into a small business. It is expected that an individual street trading unit might employ more than one person not necessarily in direct selling but including other activities such as deliveries or other assistance. An estimate of 2 persons per site is used.

- Turnover of business is an alternative approach to measuring impact and arguably is better adjusted to the particular occupational group. One disadvantage of this measure is availability and reliability of data.

The final estimates used here are of losses are based on an average of the earnings and turnover estimates with a regional adjustment based on ASHE regional earnings data.

Scenarios

Three costs are identified based on 3 scenarios:

- Base scenario: 5% advertising space not taken up (£16.65k) and 50% street trading disallowed (£199.58k). This equates to a total cost of £216.23k (2010 prices);
- Scenario 1: High cost scenario: 10% advertising space not taken up (£33.29k) and 75% street trading disallowed (£299.36k). This equates to a total cost of £332.65k (2010 prices);
- Scenario 2: Low cost scenario: All advertising space taken up (zero cost) and 25 %street trading disallowed (£99.79k). This is a total cost of £99.79k (2010 prices).

All three scenarios are based on estimates of the impact of the regulations on existing street trading.

It may be expected that additional traders might wish to take the opportunity to trade within the regulation perimeter but are unlikely to be allowed such access. For illustrative purposes we have estimated a worse case scenario of 100% increase in interest to trade using our base model of 50% being disallowed (which includes 5% of advertising space not taken up). This equates to a total cost of £615.38k.

We anticipate that our best estimate of costs lie with our base scenario.

Risks and assumptions

The UK has not hosted an Olympic Games since 1948, so it is difficult to calculate the extent of unauthorised advertising and trading that might occur during a London Games. However, the experience of previous host cities is that non-sponsors make sustained and creative attempts to benefit commercially from the Games. The regulations must be designed to counter such attempts.

However it is also recognised that the Olympic and Paralympic Games represents an opportunity for local business to benefit commercially and in these austere times it should not be the role of Government to prevent that. Consequently the risk of ambush marketing must be weighed against the opportunities for local businesses to exploit the influx of potential trade.

In developing the policy two major assumptions have been made:

- That despite efforts a number of local businesses will not be aware of these restrictions and will, in ignorance, breach the regulations;
- That some companies will know about the regulations but will be prepared to risk the penalties to market their products.

The enforcement of the regulations will take into account these two extremes and deal appropriately and sensitively to the range of breaches that may occur.

The paralympic road cycling assumes the same route (for illustrative purposes) as the road cycle course.

Administrative burden and policy savings calculations

None

Wider impacts

The Games will be the largest special event ever hosted by the country and will attract an unprecedented level of commercial activity in public spaces in the proximity of the Games venues, unless it is carefully regulated. Trading and commercial advertising at the street level, through distribution of pamphlets, flyers, and product samples, can cause congestion and litter adversely affecting the enjoyment of the Games by residents and visitors alike. The regulations strengthen our ability to regulate activities on the streets in the vicinity of Games sites.

Summary and preferred option with description of implementation plan

Our preferred option is 2 which means we only do what is necessary to showcase our country and protect against ambush marketing to ensure we maintain a focus on the sport itself.

Restrictions will be in place at different times for different venues; they will be in place for between one day and 35 days depending on the venue. Similarly the coverage of the restrictions will depend on the local environment but in most cases we have gone no further than 200m from a venue perimeter. This equates to less than 0.01% of the land mass of Great Britain, 1.2% of London. As a consequence of these strict spatial and temporal restrictions, a permanent impact on competition in the affected markets is very unlikely.

In the regulated zones (during the relevant event periods) the regulations will override any existing advertising and street trading authorisations and licences. That means that advertisers and traders will need to be authorised by or under the regulations (in addition to holding current authorisations and licences under the general law).

The regulations will not impact on those that trade indoors. So shops and businesses trading in the restricted zone will be able to conduct business as normal. In addition ordinary shop signs will be allowed together with corresponding advertising that is normally used.

Authorisation

In addition to exemptions on the face of the regulations, there will be an authorisation process whereby advertisers and existing street traders can apply to advertise and trade during the Olympic /Paralympic period. The London Organising Committee of the Olympic Games and Paralympic Games Ltd (LOCOG), which is identified by the draft regulations as the designated body to authorise advertising will permit advertising which does not conflict with the aims of the regulations, including advertising by London 2012 sponsors on existing outdoor advertising sites in the vicinity of venues.

LOCOG has indicated that it proposes to authorise advertising activity which is consistent with the aims of the regulations and has identified the following types of activity which it therefore anticipates authorising:

- advertising activity undertaken by London 2012 sponsors for products within their sponsor product category, including displaying advertisements on outdoor advertising spaces in the vicinity of venues in respect of which LOCOG has entered into option agreements;
- the display of London 2012 "Look" (ie decorative Games-related street dressing) displayed by local authorities and other organisations, with LOCOG's agreement;
- advertising activity undertaken by non-commercial partners (including the Greater London Authority, local authorities and government departments) which is non-commercial in nature; and
- permanent or customary advertising which is not specifically excepted by the regulations but which does not suggest that the brand advertised is associated with the Games and does not seek to gain advantage for the brand advertised by reason of its proximity to a Games venue (examples may include some large illuminated signage on the forecourt of petrol stations or films advertised outside a cinema).

In the case of trading the Olympic Delivery Authority (ODA) is responsible for issuing authorisations. The ODA will look to the three main policy objectives (outlined on p6) when considering authorisation. The focus will be ensuring that existing business can continue to operate, or operate with conditions attached, without compromising the main objectives.

Enforcement

The regulations may be enforced by the police or by enforcement officers designated by the ODA. It is only right that the police focus on safety and security matters at Games time and therefore the ODA will take the lead on enforcement. It is looking to designate enforcement officers from local authorities, who are experienced in dealing with street trading and advertising offences (for example Trading Standards Officers, Street Trading Enforcement Officers). ODA will take a light touch approach to minor infringements that can easily be rectified but persistent offenders could face having offending items seized, removed or destroyed. Serious and deliberate ambush marketing attempts will be dealt with using the full enforcement powers conferred on designated officers, and may result in prosecution through the criminal courts.

Sunsetting

Given that the objective of Games legislation is to allow the UK to host a successful Games in line with IOC requirements, the regulations are designed to apply to advertising and trading from the week before the Opening Ceremony of the Olympic Games. The regulations will cease to take effect on 11 September 2012

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added to provide further information about non-monetary costs and benefits from Specific Impact Tests, if relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p>
<p>Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here]</p>

Annex 2: Competition Assessment

The Office of Fair Trading published revised guidelines for departments on the consideration of competition assessments in 2007. The guidelines state that, in relation to competition assessments, the following four key questions should be considered:

1. Does it directly limit number or range of suppliers?

This is likely to be the case if the proposal involves:

- the award of exclusive rights to supply, or
- procurement from a single supplier or restricted group of suppliers, or
- the creation of a form of licensing scheme, or
- a fixed limit (quota) on the number of suppliers.

DCMS position: No. There is no exclusivity over supplying products to traders or advertisers. Wherever possible we are looking to authorise traders to continue to trade in the vicinity of Olympic venues and advertising space will be utilised. We are restricting any potential for new trade, illegal advertising and trading but for those legitimate traders we will make every effort to ensure they can continue to trade. For those we do restrict this will be for a short time and in a limited geographical space. We are not making a permanent change to business in the relevant areas.

2. Does it indirectly limit the number or range of suppliers?

This is likely to be the case if the proposal significantly raises the costs:

- of new suppliers relative to existing suppliers,
- of some existing suppliers relative to others, or
- of entering or exiting an affected market.

DCMS position: No. Supplier costs are not expected to be affected through the legislative change.

3. Does it limit the ability of suppliers to compete?

This is likely to be the case if the proposal:

- controls or substantially influences the price(s) a supplier may charge, or the characteristics of the product(s) supplied, for example by setting minimum quality standards
- limits the scope for innovation to introduce new products or supply existing products in new ways,
- limits the sales channels a supplier can use, or the geographic area in which a supplier can operate,
- substantially restricts the ability of suppliers to advertise their products, or
- limits the suppliers' freedoms to organise their own production processes or their choice of organisational form.

DCMS position: Yes. Both advertising and trading will be limited in terms of what product they can promote however this limitation will only be in place within a restricted area and for a limited time.

4. Does it reduce suppliers' incentives to compete vigorously?

This may be the case where a proposal:

- exempts suppliers from general competition law,
- introduces or amends intellectual property regime,
- requires or encourages the exchange between suppliers, or publication, of information on prices, costs, sales or outputs, or
- increases the costs to customers of switching between suppliers.

DCMS position: Yes.

We are restricting who may advertise or trade in specific areas so there will inevitably be an impact on competition. In addition we are limiting both the number/range of suppliers and their ability to compete. However, the restrictions are not substantial or long lasting enough to have a significant impact as they will only be applied to a tightly defined area for a limited period. The Games will generate a significant influx of new trade to the wider area and arguably there is scope for exploiting the market outside these areas.

We therefore consider that this policy is unlikely to raise substantive competition concerns.

Small Firms Impact Test

The main impact here will be due to the restrictions on traders, although restrictions on advertisement might also impact small businesses e.g. who maintain small billboards, want to undertake sales promotions during the Games. Again we do not believe that the restrictions are substantial or long lasting enough to warrant a detailed assessment. For example, whilst we will prevent some traders from trading, this will only be for a limited period in less than 0.01% of the land mass of Great Britain, 1.2% of London. In addition we have worked hard to identify licensed street traders within the vicinity area and wherever possible we will seek to ensure they can continue to trade, in some circumstances with additional conditions applied to their business. Moreover the enforcement of these regulations will deal with any rogue traders who may tempt business away from legitimate traders.

Justice Impact Test

Discussions with the Ministry of Justice suggest that there will be a negligible impact on the justice system.

Annex 3: Equality Impact Assessment

Summary of evidence on the impact (adverse and positive) on the community and demographic groups

Will the policy have an impact on national or local people/staff?

The temporary restrictions on advertising and street trading within a few hundred metres of an Olympic and Paralympic venue perimeter will have a temporary impact on the local population. It will mean that local street vendors and those wishing to advertise will need to be authorised before they can promote and/or sell their produce. It will also have an impact on the local community that buy or are affected by traders and advertisements. However we are looking to limit the impact on the local population by exempting or authorising a proportion of legitimate business.

Are particular communities or groups likely to have different needs, experiences and/or attitudes in relation to the policy?

Street traders are static traders and usually operate in a specific location with a stall selling fruit, clothes, etc. They will have a Local Authority issued license for the location and the products they sell. Many street traders operate in street markets. Mobile traders operate by moving around to customers for example pedlars. There are approximately 4000 pedlars in the UK. Pedlars apply and are issued with a certificate from the police which allows them to travel and trade on foot to sell or expose for sale goods or services.

Street traders and mobile traders will be used to trading around big events. However these specific restrictions will mean that these traders will need authorisation from the ODA to trade at Games time around Games venues. Permission to trade will be considered against risks of ambush marketing and ensuring a smooth Games experience. Only authorised traders will be allowed to trade within specific zones on specific days. Trading outside of those zones and days will be subject to existing law.

The impact of having the Olympic Park in an area unused to hosting major events will attract a number of opportunist traders at Games time. However only traders authorised under the existing law and by the ODA will be allowed to continue to trade.

Are there any aspects of the policy that contribute to narrowing future inequalities?

According to the Office of National Statistics the local demographics for the five host boroughs are:

- In the five host boroughs, 58% of the population are of white origin, 20% are of Asian origin and 15% of black origin. In London overall the comparable shares are 70%, 13% and 11% respectively. Bangladeshi and Pakistani communities, make up a significant proportion of the population within the boroughs, particularly in Tower Hamlets.
- Ethnic diversity is particularly high among young people. In Tower Hamlets around 67% of children are from Black, Asian and Minority Ethnic (BAME) communities, similarly the figure is around 70% in Newham, and roughly half in Waltham Forest and Hackney, with BAME children in Greenwich numbering approximately a third.
- According to the 2001 census 21% of the population in the five host boroughs recorded that they are disabled compared to 17% in London and 18% for the whole of the UK.
- The East London area contains a high representation of Muslim residents. Muslims constituted 19% of the population at the census in 2001. There is a slightly lower than the London average representation of Christians in the host boroughs, though this is still high at 50%. There are also significant Buddhist, Hindu, Jewish and Sikh populations resident in the host boroughs. There is an equivalent ratio of women to men in the host boroughs, as in London more widely.
- Estimates show that the Lesbian, Gay, Bisexual and Transgender (LGBT) population of London ranges from 6-15%.

Whilst there is no information on the demographics of street traders or advertisers surrounding the Olympic Park, it can be presumed that the demographics of East London are reflected in the local business community and in the specific businesses of advertising and street trading with which we are restricting. Similarly the same

conclusions can be drawn from other host boroughs. Specific demographic breakdown for each of the Olympic and Paralympic venues have not been extracted outside of East London however a question relating to the impact of the regulations on specific communities has been asked in the consultation and this may assist in identifying particular affected groups.

Can the adverse impacts be justified and the policy implemented without making adjustments? Please explain:

We have endeavoured to limit the impact on the local population by keeping the restricted zone tight and by looking to authorise a good proportion of legitimate business. The proposed location of the restrictions will not change unless there is a convincing argument that they should.

What action will be taken to mitigate the adverse impacts?

We are consulting widely on the Regulations and will make changes to our plans where it is reasonable to do so.

Stakeholders/Customers and consultation

We have consulted numerous stakeholders including London Organising Committee of the Olympic Games and Paralympic Games Ltd, Olympic Delivery Authority, Greater London Authority, International Olympic Committee, International Paralympic Committee, Local Authorities, Host Boroughs Unit, Street Trade Associations (National Market Traders Federation, National Association of British Market Authorities, London Market Associations), Pedlars.admin, Outdoor Advertising Association, Incorporated Society of British Advertisers, The Royal Parks, Olympic & Paralympic Security Programme, the Metropolitan police, Home Office, Ministry of Justice, Department for Communities and Local Government, Department for Business Innovation and Skills, Scottish Government, Welsh Assembly Government, London Chamber of Commerce, Confederation of British Industry London, Civil Aviation Authority, Marine Policing Unit, Olympic Specialist Response, Liberty, Local Authorities Coordinators of Regulatory Services (LACORS), Joint Local Authority Regulatory Services (JLARS), London Trading Standards Association (LOTSAs), London Councils, London Street Trading Benchmarking group, Office of Fair Trading, Transport for London, Association of Train Operating Companies (ATOC), Port of London Authority.

There have been a series of meetings and discussions on the Regulations. ODA provided a general notice in June 2009 alerting the public to the Regulations, and this will be followed up with a specific detailed notice 6 months prior to the Regulations coming into force.

Are you going to abandon the policy?

No. The policy is part of our commitment to the IOC in staging the Games. Its fundamental aim is to prevent ambush marketing and ensure we can stage an effective and clean Games.

Monitoring and Reviewing

The equality impact assessment will be reviewed following the consultation to consider any further identified impacts. In addition equality issues will be monitored through the monthly Project board which oversees the development of this work.

Section 12: Summary of Questions

Question 1: Have we got the definition of advertising right?
Yes/no/partially – please give your views

Question 2: Have we made the right exceptions? *Yes/no/partially – please give your views*

Question 3: Have we got the balance right between protecting sponsors and allowing businesses to operate as usual? *Yes/no/partially – please give your views*

Question 4a: Have we got the definition of trading in open public places right?
Yes/no/partially – please give your views
Question 4b: Have we made the right exceptions?
Yes/no/partially – please give your views

Question 5a: Are we impacting on specific groups through these regulations?
Yes/no/partially – please give your views
Question 5b: How can we limit that impact? *please give your views*

Question 6: Do our event timings allow us to adequately deal with rogue trading or advertising? *Yes/no/partially – please give your views*

Question 7: The event zone will extend to the water and up into the air. Have we got this right? *Yes/no/partially – please give your views*

Question 8: Is the ODA approach to street trading authorisation reasonable and transparent? *Yes/no/partially – please give your views*

Question 9: Is the LOCOG approach to advertising authorisation reasonable and transparent? *Yes/no/partially – please give your views*

Question 10: Is the ODA approach to enforcement reasonable and proportionate?
Yes/no/partially – please give your views

