

department for
**culture, media
and sport**

Impact Assessment for the London Olympic Games and Paralympic Games (Amendment) Bill

As Introduced into the Lords

September 2011

Our aim is to improve the quality of life for all through cultural and sporting activities, support the pursuit of excellence, and champion the tourism, creative and leisure industries.

INTRODUCTION

The Bill

1. In the course of preparing for the 2012 Olympic and Paralympic Games, a number of issues have emerged where the existing powers provided through the London Olympic Games and Paralympic Games Act 2006 (the 2006 Act), are insufficient or do not achieve the intended effect.
2. The London Olympic Games and Paralympic Games (Amendment) Bill seeks to remedy these issues by making amendments to four policy areas of the 2006 Act; (i) advertising and trading (ii) traffic management - (iii) ticket touting and (iv) goods vehicle operator licensing.

Impact Assessments

3. Individual impact assessments (IA) have been produced for the advertising and trading, traffic management and goods vehicle operator licensing policy areas which discuss the options, rationale and costs and benefits for the different proposals. No Impact Assessment has been produced for the ticket touting provisions as these policy proposals do not impose a cost or saving to legitimate Businesses. Full copies of the individual IAs are attached at Annexes A – C and a summary is detailed below.
4. The Impact Assessments have been signed by the Minister for Sport and the Olympics and the Minister for Transport respectively. Their signatures indicate that each Minister has read their IA and is satisfied that it represents a fair and reasonable view of the expected costs, benefits and impacts of the policies, and that the benefits justify the costs. Please note that the signed copies of the IAs have not been attached here. They are held by DfT and DCMS respectively.

SUMMARY OF IMPACT ASSESSMENTS

Advertising and Trading IA

5. Two issues are under consideration in the advertising and trading Impact Assessment; (i) the handling of seized articles by the Olympic Delivery Authority (ODA), and (ii) the flexibility to amend the advertising and trading regulations at short notice.
6. In terms of the first issue, the Impact Assessment considers that the transfer of the function of handling seized articles from the police to the ODA will result in a £55,000 net saving to the public purse. In relation to the second issue, the estimated cost to business from any amendments to the advertising and trading regulations that are made at short notice ranges from £0 to £126,700, depending on the nature of the amendment.
7. The most likely scenario, where the advertising and trading regulations would need to be amended at short notice, would be an amendment to the regulations to apply them to an altered 2012 Games road race route. This is assessed as having an impact in the range between £0 and £15,400 and the key benefit of this policy proposal is to ensure that the Government can meet its commitments to the International Olympic Committee (IOC) in relation to ambush marketing.

Traffic Management IA

8. The Impact Assessment relating to traffic management considers the issues of; (i) civil enforcement of moving traffic contraventions especially on the Olympic Route Network (ORN) and (ii) making traffic regulation orders or notices at short notice.
9. In relation to point (i), the main use of the additional enforcement powers will be for Games Lanes on the ORN, where people who contravene the moving traffic regulations and are subject to a penalty will be impacted. Properly enforced Games Lanes will bring significant monetised and non-monetised benefits. Enforcement powers will form part of an overall wider transport strategy (to be maintained by the ODA) that will aim for high levels of compliance and relatively few penalty notices being issued.
10. The key impacts associated with the second issue will be the costs incurred by traffic authorities in the making of temporary traffic regulation

orders or notices, as well as the potential for additional impact to local residents and businesses through traffic restrictions.

11. However the Impact Assessment makes the case that, providing authorities with the power to make traffic regulation orders and notices at short notice will allow the ODA and other authorities to react quickly to changing circumstances to keep the Games operating smoothly and reduce the reputational risk arising from Games transport for Games organisers and public authorities.

Freight Licensing IA

12. The goods vehicle operator licensing Impact Assessment considers the impact of enabling Traffic Commissioners to shorten the application process for variations in the conditions on a goods vehicle operator's licence, where such a variation is required in urgent circumstances and in connection with the 2012 Games.
13. The IA makes the case that the main 'affected groups' would not incur any key monetised costs under this proposal but that there could be non-monetised costs, including some cost to society in the form of noise intrusion for residents living near such an operating centre.
14. However this is considered to be outweighed by the key (monetised and non-monetised) benefits to the main 'affected groups' which includes more flexibility for freight operators in performing their operations for the period of the Olympics and avoiding the reputational risk to the Olympics of businesses not being able to get goods supplied.

Overall Impact of Bill

15. In general, the Bill should have minimal direct impact to business and consumers. This is particularly true given that measures proposed are temporary in nature and that they only seek to ensure that the original intentions behind the 2006 Act can be properly and effectively implemented so that the commitments made to the IOC can be delivered and the 2012 Olympic and Paralympic Games are a success. Many of the benefits and costs associated with these proposals will tend to be "intangible", such as costs from last minute changes, making it difficult to monetise all benefits and costs in a meaningful way. This is further complicated by the fact that there has been no direct previous UK experience of comparable activities and therefore there is little historical data and evidence relating to the costs and benefits of these issues.

ANNEX A

**Impact Assessment for
Advertising and Trading Powers
in the
London Olympic Games and Paralympic Games
(Amendment) Bill**

Title: Ammendments to the London Olympic Games and Paralympic Games Act 2006 Advertising and Street Trading Powers Lead department or agency: DCMS Other departments or agencies:	Impact Assessment (IA)
	IA No: DCMS0012
	Date: 11/01/2011
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Primary legislation
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Summary: Intervention and Options

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

There are two issues:

- (1) Handling seized articles - London Olympic Games and Paralympic Games 2006 Act states that articles seized for breaches of street trading and advertising regulations must be dealt with by the police. This is out of step with existing practice. Moreover during the 2012 Olympic and Paralympic Games police resources will be focussed on safety and security matters, reducing their capacity to deal with seized articles.
- (2) Amending regulations - currently the 2006 Act does not, practically, provide scope to amend advertising and street trading regulations once they have been made. This means that we are unable to alter the regulations if a venue or road event change at the last minute.

What are the policy objectives and the intended effects?

The policy objectives are to:

- (1) To provide for the Olympic Delivery Authority to deal with articles seized under the advertising and street trading regulations. This will mean that the police are able to reduce their involvement and concentrate resources on priority issues such as safety and security matters; and
- (2) To provide for amendment of the regulations should a venue or road event change late in the schedule thereby ensuring we can meet our commitments to the IOC to take action to prevent ambush marketing.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1 -do nothing: (1) Handling seized articles - would force the police to deal with seized articles at a time when police resources need to be prioritised towards ensuring the safety and security of the 2012 Games. (2) Amending regulations - would prevent application of regulations when changes to timings or venue are needed. This risks breaching commitments to the IOC.

Option 2 - legislate to: (1) Handling seized articles - provide for the ODA to deal with articles seized under advertising and street trading regulations, thereby releasing police resources from this administrative task. Current legislation does not allow any discretion for the police to delegate this responsibility to another agency. (2) Amending regulations - put in place procedures which enable us to be respond flexibly to Games time situations and enable us to meet commitments to the IOC.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

What is the basis for this review? Not applicable. **If applicable, set sunset clause date:** Month/Year

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

Yes

SELECT SIGNATORY Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible SELECT SIGNATORY: _____

Date: _____

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2012	PV Base Year 2011	Time Period Years 0.75	Net Benefit (Present Value (PV)) (£m)		
			Low: -£67.4k	High: £55k	Best Estimate: -£6.2k

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	£20k		£19.3k
High	£146.7k		£141.7k
Best Estimate	£83.35k		£80.5k

Description and scale of key monetised costs by 'main affected groups'

(1) Handling of seized articles– the new power specifically allows the ODA to handle goods that have been seized using their existing enforcement power. ODA have budget £20k +£2k to fund their extended role.
 (2)Amending the regulations - costs to advertisers and traders will be dependent on the type of venue, the length of time the event is held, and the extent with which ODA and LOCOG issue authorisations. The existing range of costs for a change of venue is estimated to be between 0-£126.7k.

Other key non-monetised costs by 'main affected groups'

(1)This option will not incur any additional costs to the public purse as the ODA is taking the role away from the police so the costs of performing the function remain within the public sector and are likely to be of the same magnitude whichever public body performs the role.
 (2) Amending the regulations - advertisers and traders will incur the costs associated with being prevented from operating in the 'new' venue vicinity but costs are no longer incurred in the 'old' vicinity.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		N/A
High	N/A		N/A
Best Estimate	£77k		£74.3k

Description and scale of key monetised benefits by 'main affected groups'

(1) Handling seized goods - initial estimates to pay the police to provide the administration associated with goods siezed as a result of the Olympics and Paralympics are £77k based on daily rate and number of officers required. This is an immediate saving.

Other key non-monetised benefits by 'main affected groups'

(1) Handling seized articles - call on police resources to deliver this administrative task is removed therefore allowing police to maintain their focus on priority safety and security requirements.
 (2)Amending the regulations - IOC and London 2012 sponsors benefit from the restrictions.The UK maintains its reputation and does not incur possible costs associated with not meeting its commitments.

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
--------------------------------------------	--------------------------	-----

Direct impact on business (Equivalent Annual) £m):	In scope of OIOO?	Measure qualifies as
Costs: £63.4k	No	NA
Benefits: £0		
Net:		

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?			Great Britain			
From what date will the policy be implemented?			01/01/2012			
Which organisation(s) will enforce the policy?			ODA			
What is the annual change in enforcement cost (£m)?			£22k			
Does enforcement comply with Hampton principles?			Yes			
Does implementation go beyond minimum EU requirements?			No			
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A	Non-traded: N/A		
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: 100	Benefits: 100		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)		Micro see p8	< 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 duties¹ Statutory Equality Duties Impact Test guidance	Yes	p12
Economic impacts		
Competition Competition Assessment Impact Test guidance	Yes	p15
Small firms Small Firms Impact Test guidance	Yes	p16
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	The London Olympics Games and Paralympic Games Act 2006: http://www.legislation.gov.uk/ukpga/2006/12/contents
2	
3	
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

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	0	80.5k								
Annual recurring cost	0	0								
Total annual costs	0	80.5k								
Transition benefits	0	74.3k								
Annual recurring benefits	0	0								
Total annual benefits	0	74.3k								

* 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

(1) Handling of seized articles

The Olympic Delivery Authority (ODA) was established by the London Olympic Games and Paralympic Games Act 2006 (2006 Act). It is the public body responsible for developing and building the new venues and infrastructure for the Games and their use after 2012. It is also responsible (with the police) for enforcing advertising and street trading regulations made under the 2006 Act. As a public body, the ODA is accountable to Government, Parliament and other stakeholders for its work.

The 2006 Act provides that articles seized by the ODA for breaches of the street trading and advertising regulations must be handed over to the custody of the police and does not allow any discretion for the police to delegate this responsibility. This was to ensure that seized articles were dealt with in accordance with the Police (Property) Act 1897 and the Police (Property) Regulations 1997 (as amended). This legislation provides a procedure whereby the police may dispose of or return seized property and individuals may reclaim property. However, requiring the police to deal with articles seized for breaches of advertising or street trading regulations is out of step with existing laws and practice.

For example, the London Local Authorities Act 1990 (as amended) deals with seizures of articles and receptacles where street trading offences are committed. The London Local Authorities Act 2007 (sections 14-17) gives similar powers to Local Authorities in relation to advertising offences. The Acts provide for the forfeiture, return or disposal of articles by the local authority and contain special provisions for dealing with perishable goods. The London Local Authorities Act 1990 is enforced by all 32 London Boroughs. Although the legislation allows for enforcement by the police or local authority enforcement officers these offences are exclusively dealt with in all 32 London boroughs by the Local Authority and this includes the seizure retention forfeiture, and disposal of goods.

Some local authorities outside London have also implemented their own legislation to deal with illegal street trading and the seizure of articles which follow similar rules to the London Local Authorities Act 1990, including the City of Newcastle upon Tyne Act 2000, the Bournemouth Borough Council Act 2010, the Manchester City Council Act 2010.

In addition Westminster City Council has implemented the Westminster Act 1999 to deal with the particular issues they face with street trading. Seizures and forfeitures are dealt with in the same way as under the London Local Authorities Act. Leeds, Nottingham, Reading and Canterbury councils are also currently pursuing similar legislation.

Almost all local authority regulatory/enforcement legislation allows for the seizure, retention and forfeiture of offending articles by a local authority enforcement officer (as well as the return of those goods if no offence is proven or prosecution pursued or where the goods themselves are compliant with relevant legislation).

As well as being out of step with existing law and practice, the requirement for the police to hold articles seized for breach of the street trading and advertising regulations places a burden on police resources at a time when they will be significantly stretched. During the 2012 Games police resources will be prioritised towards dealing with safety and security issues. This means that their capacity to deal with the administrative activities related to processing and storing seized articles will be limited. In recognition of this, the police have requested this change, with support from the ODA and the Department for Communities and Local Government.

This proposed new power therefore would additionally allow the ODA to perform the administrative and storage functions associated with their existing power to seize goods.

(2) Flexibility to amend advertising and street trading regulations

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 Games. Intentional unauthorised advertising and trading on streets in the

immediate vicinity of Games venues is a form of ambush marketing by businesses attempting to create an association with the Games. Such promotion undermines the value of Games sponsorship and breaches advertising and street trading regulations.

Advertising – Ministers are required to make regulations which determine the location, nature and definition of advertising in the vicinity of Games events that is regulated. Although existing legislation gives Local Authorities the ability to regulate advertising and to require the removal of illegal signage on private property, that legislation does not entirely achieve the objectives underlying the Games legislation and enforcement processes are too slow to deal effectively with illegal advertising installed during or immediately prior to the Games.

Street Trading - The 2006 Act requires the Secretary of State to make regulations about street trading in the vicinity of Games events during the Games period. Those regulations will prevent people who are not exempt and who do not have an authorisation from the ODA from trading in open public places close to Games venues during the Games period. The regulations will not affect existing shopkeepers and others that trade in buildings.

Because the 2006 Act prescribes lengthy publicity and scrutiny processes, it does not, practically, give any scope to amend the advertising and street regulations once they have been made. This means that we would not be able to alter the regulations if a venue or road event changes at the last minute. To resolve this, we have proposed amending the 2006 Act provisions to bring them into line with the Glasgow Commonwealth Games Act, under which only the first set of advertising and street trading regulations are subject to the affirmative resolution and special consultation procedures. Any subsequent regulations are subject only to the negative resolution procedure. This provides flexibility but continues to ensure parliamentary scrutiny. To ensure that this change would not lead to an abuse of powers or to the public being denied an opportunity to scrutinise the substance of the regulations we would commit to amending the first set of regulations only if there were exceptional circumstances.

Policy objectives

The policy objectives we intend to achieve are:

- (1) Handling of seized articles - to amend sections 22 (relating to advertising) and 28 (relating to street trading) of the 2006 Act. The purpose of the proposed amendments is to ensure that any articles seized by ODA enforcement officers or the police during the 2012 Games for breaches of advertising and street trading regulations can be held by the ODA instead of the police. This would mean that, during the 2012 Games, police time is not spent filing and dealing with the storage of seized property. This proposal has been requested by the police and supported by the ODA and the Department of Communities and Local Government (DCLG); and
- (2) Amendment of the regulations - to introduce some flexibility into the 2006 Act advertising and street trading provisions. Currently the 2006 Act does not, practically, give any scope to amend advertising and street trading regulations once they have been made. This means that we are unable to alter the regulations if a venue or road event changes at the last minute. To resolve this, we plan to amend the 2006 Act powers to bring them into line with the Glasgow Commonwealth Games Act (sections 43-46), under which only the first set of advertising and street trading regulations are subject to the affirmative resolution and special consultation procedures. Any subsequent versions of the regulations are subject only to the negative resolution procedure. This provides flexibility but continues to ensure parliamentary scrutiny.

Description of options considered (including do nothing)

Option 1- do nothing

(1) Handling of seized articles - we could do nothing and rely on the police to deal with seized articles. However, this would risk diverting police resources from safety and security matters, which only they can effectively address.

(2) Amendments of the regulations - we could do nothing but this would mean we are unable to respond quickly and effectively to a change in Games venues or timings. As such we would be at risk of breaching our commitments to the IOC (to prevent unauthorised advertising and trading around Games events) with a high probability of permanent damage to the UK's reputation meaning a lower likelihood of winning any other bids relating to major sporting events.

Option 2 - legislate

(1) Handling of seized articles - we could ensure that our arrangements for dealing with seized articles that breach advertising and street regulations are consistent with existing law and practice. In addition there would be no demand on police resources at a time when they will already be under significant pressure.

(2) Amendment of the regulations – we could meet our commitments to the IOC to make certain that we protect against ambush marketing, ensuring we maintain a focus on the sport itself.

There is currently no legislative discretion for the police to delegate this responsibility to another agency and so there is no alternative to these two options.

Costs and Benefits of Options 1 and 2

Option 1- do nothing

Costs

(1) Handling of seized articles – a do nothing approach would force the police to deal with the storage of articles seized as a result of breaches of the advertising and street trading regulations covering the London 2012 Olympic and Paralympic Games. This would lead to additional pressure on police resources at a time when they will be prioritising safety and security requirements. The police would require payment for this time and resource which initial estimates put at £77k.

(2) Amendment of the regulations - a do nothing approach would effectively allow ambush marketing to go unchallenged when changes to venues or event timings are made. This could lead to the UK being in breach of commitments to the IOC to prevent ambush marketing taking place. The long term financial risks could be that the UK is considered too high a risk to be allowed to host major events thus denied an important source of future income generating events. There would also be long term reputational damage.

Benefits

(1) Handling of seized articles – no legislation required and therefore costs of doing primary legislation not incurred.

(2) Amendment of the regulations – no legislation required and therefore costs of doing primary legislation not incurred. There would also be benefits to advertisers and traders who would not be subject to special limits on the commercial advantage they could make from the Olympic and Paralympic events taking place in the vicinity of the areas in which they operate.

Option 2 – legislate

Costs

(1) Handling of seized articles – the new power specifically allows the ODA to handle goods that have been seized using their existing power. The costs of these powers are therefore only those associated extending their role beyond seizure to handling. These costs will cover (i) administration; and (ii) storage. The ODA will put forward an enforcement strategy, to be signed off by the Minister in 2011. The strategy will include the estimate of costs incurred by exercising these new powers. Costs are currently budgeted at £20,000 to cover administration and storage, with a £2,000 contingency. This has been estimated at £600pcm for 225ft of which 6 for 6 months cost £10k. This option will make savings to the public purse as initial payments to the police are likely to be higher (see benefits).

(2) Amendment of the regulations - advertisers and street traders will incur costs associated with being prevented from operating in the `new' venue vicinity areas. However, the costs would no longer be incurred by the advertisers and street traders in the `old' venue vicinity. If we change a venue, the

original venue will become free from the restrictions, so the impact on certain individuals shifts but the net impact on the UK will on average tend to be neutral. If we change a road race (the most likely scenario) we envisage the costs to be minimal as the event is generally only one day and the restrictions are drawn tightly to the road and pavement. Taking four current venues, the costs on advertising and trading are below:

	<u>Olympics</u>		<u>Paralympics</u>		<u>Total</u>		<u>Total</u>
<u>Venue losses (£k)</u>	<u>Advertising</u>	<u>Street trading</u>	<u>Advertising</u>	<u>Street trading</u>	<u>Advertising</u>	<u>Street trading</u>	
Time Trial	1.0	0.0	0.0	0.0	1.0	0.0	1.0
Eton Dorney	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earls Court	24.3	11.1	0.0	0.0	24.3	11.1	35.4
Hampden Park	5.7	121.0	0.0	0.0	5.7	121.0	126.7

Assuming LOCOG acquire a less high profile venue at late notice the costs will arguably either be the same and therefore neutralise the impact or less than those identified. In some scenarios they could be significantly less, for example Hampden Park which has 83 traders identified which is the most of any venue. Moving to a lesser known venue may reduce the costs by £121k. Conversely LOCOG may need to move from a venue with no traders to one which has as many as Hampden Park.

The main cost arising from this proposal has to do with last minute changes and not the impact of restrictions on advertising and street trading.

Advertisers and traders at existing venues have been identified and the impact of these regulations have been costed in IA No:DCMS011. Estimating the impact of changing venues is difficult without information on the advertising and trading space around the new venue. It is a statutory requirement that ODA advise affected bodies in advance of the regulations coming into affect and this notice, as limited as it could be, should help to minimise costs. Costs on advertisers and traders at a new venue will be dependent on the type of venue, the length of time the event is held, and the extent with which ODA and LOCOG issue authorisations. Based on the existing range of costs, a change of venue could have an impact of between 0-£126.7k. For the most likely scenario, a change to a road race, the impact ranges from 0-£15.4K.

Please note that we do not have information on the distribution of costs by organisation size and hence this has not been included.

Benefits

(1) Handling of seized articles - the proposed amendments would ensure that any articles seized by ODA enforcement officers (seconded Local Authority enforcement officers) or the police during the 2012 Games for breaches of advertising and street trading regulations can be held by the ODA instead of the police. Removing the need for the police to deal with this administrative task would mean that, during the 2012 Games, police time is not spent filing and dealing with seized property instead of dealing with safety and security issues. In addition the costs associated with administration and storage of seized goods would transfer from the police to the ODA. The ODA have calculated this to be a saving of £77k minimum which is an initial estimate based on daily rate of an officer multiplied by the number of days required (this does not include cost of storage). Ensuring that seconded Local Authority officers manage and store goods would align the approach taking during the Olympic and Paralympic Games to existing law and practice. This also results in improved continuity of evidence, as the enforcement officer is responsible for the seizure, retention, return or disposal of the said goods. The seized goods can be retained in secure storage at his/her local authority and are more accessible for the enforcing/investigating officer whilst preparing his/her case. If the goods themselves are required for court the enforcement officer can bring the goods with him/her. The whole process is more manageable and a more appropriate way of dealing with seized good for these offences and the ODA can absorb the costs of managing and storing (small items) as part of their wider negotiations of one payment for Local Authority officers. It's very unusual to have goods seized by one agency being retained by another agency.

(2) Amendment of the regulations - this option would ensure that we are able to take a flexible and proportionate approach to preventing ambush marketing and meeting our commitments to the IOC. The benefits would include IOC and Games sponsors' satisfaction. The IOC benefits from the restrictions put in

place to ensure the commercial benefits of the Games accrue only to the IOC and Games sponsors. In addition, the UK maintains a good reputation in this area and does not incur costs arising from not living up to its commitments.

Risks and assumptions

(1) Handling of seized articles – Enforcement of the regulations can be undertaken 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 ODA are looking to designate enforcement officers from Local Authorities, who are familiar in dealing with street trading and advertising offences, to enforce the regulations on its behalf (i.e. Trading Standards Officers, Street Trading Enforcement Officers, Planning Enforcement Officers). These officers will largely be drawn from local authority staff employed by the host authorities.

The ODA will therefore work with Local Authorities to utilise existing expertise of Trading Standards Officers and to ensure ODA processes for storage meet best practice.

It is assumed that no costs, in addition to normal service delivery costs, will be incurred by Local Authorities and that the ODA has sufficient resources to cover all the costs associated with exercising its new function.

(2) Amendment of the regulations – to have effect the regulations should be flexible enough to be changed in line with any venue change. The UK has not hosted an Olympic Games since 1948, so it is difficult to calculate the extent of unauthorised advertising and street trading that might occur during the London 2012 Games. Sydney, for the 2000 Olympic and Paralympic Games, was the first city to bring in laws on ambush marketing. Cities that have hosted Olympic Games since then have been approached for data on ambush offences but information was not collated under specific categories and therefore is misleading if relied upon. There is an indication however from previous host cities that the number of prosecutions for these offences is minimal. The approach has been to have the requisite laws in place to deter parties from ambush. We are aware that non-sponsors make sustained and creative attempts to benefit commercially from the Games. The regulations and their implementation must be designed to counter such attempts.

It is also recognised that the Olympic and Paralympic Games represents an opportunity for local business to benefit commercially and 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.

Two major assumptions have been made:

- that given the short notice 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.

Administrative burden and policy savings calculations

None

Wider impacts

Amendment of the regulations - city streets and parks are a finite public resource. Regulation of commercial activities on the streets and in the parks is particularly important during special events because of the increased commercial pressures on those spaces. The city hosts numerous special events each year and the experience has shown that these events attract commercial activity, especially street vending and advertising, proportionate to the numbers of people attending the event. Unregulated commercial activity in public spaces has the potential to interfere with the safety and enjoyment of the people attending the special event by creating congestion and littering.

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 such as streets and parks in the proximity of Games venues,

unless it is carefully regulated. Street trading and commercial advertising at the street level, through distribution of pamphlets, flyers, and product samples, can cause congestion and littering adversely affecting the enjoyment of the Games by residents and visitors alike. The powers strengthen our ability to flexibly regulate commercial activities on the streets in the vicinity of Games sites and to ensure that breaches are dealt with effectively.

Summary and preferred option with description of implementation plan

Our preferred option is option 2. This means we will (1) provide the ODA with the function of dealing with seized articles and (2) do what is necessary to protect against ambush marketing.

The implementation of the legislative amendments will be considered as part of the wider implementation of the regulations. See IA No:DCMS011 for detail.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information 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. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. 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), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</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 of monitoring information for future policy review]</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p> <p>The success of the Olympic and Paralympic Games will be evaluated and the consideration of the laws that support that success will be part of that evaluation. Therefore, these specific amendments will not be reviewed separately.</p>

Annex 2: Equality Impact Assessment

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

(1) HANDLING OF SEIZED ARTICLES

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

No

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

No

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

No

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

N/A

What action will be taken to mitigate the adverse impacts?

N/A

Stakeholders/Customers and consultation

The police have made a request for this change and have the support of the ODA and DCLG.

Are you going to abandon the policy?

No

Monitoring and Reviewing (please specific when the equality impact assessment will be reviewed).

N/A

(2) AMENDMENT OF THE REGULATIONS

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 event perimeters 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. However we are looking to limit the impact on the local population by exempting or authorising a proportion of existing 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. 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. They are usually sole sellers e.g. selling balloons, etc.

Existing licensed street traders and pedlars 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. 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 last minute Games venues in an area, possibly unused to hosting major events is that it will attract a number of opportunist traders at Games time. However, only traders licensed by the ODA (in addition to their ordinary licenses, certificates, permits, etc) 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 Games venues, it can be presumed that these demographics in the Boroughs are reflected in the local business community and in the specific businesses of advertising and street trading with which we are restricting.

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

The location of the restrictions will not be adjusted as the new provisions need to apply to areas outside Olympics venues designated as such at short notice.

The policy is part of our commitment to the IOC in staging the games. Its fundamental aim is to protect Games sponsors and ensure we stage effective events. It has an indirect impact on a number of ethnic minorities due to their greater presence around key Games venues. However we are striving to ensure that the impact is minimal and is limited in terms of time and geography.

What action will be taken to mitigate the adverse impacts?

We will seek to limit the impact on the local population by keeping the regulated zone tight, by providing exceptions for a range of activity and by authorising a proportion of existing legitimate businesses.

Stakeholders/Customers and consultation

We have consulted numerous stakeholders including London Organising Committee of the Olympic Games and Paralympic Games Limited, Olympic Delivery Authority, Greater London Authority, International Olympic Committee, International Paralympic Committee, Local Authorities, Street Trade Associations (National Market Traders Federation, National Association of British Market Authorities, London Market Associations) Royal Parks, Olympic & Paralympic Security Programme, Met police, Ministry of Justice, Department for Communities and Local Government, Department for Business Innovation and Skills LACORS, LOTSA, LGA, London Councils, London Street Trading Benchmarking group, Office of Fair Trading, TfL, ATOC, British Waterways, Park Rangers (Lea Valley).

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 protect Games sponsors and ensure we stage effective events. It has an impact on ethnic minorities due to their greater presence around key Games venues. However, we are striving to ensure that the impact is minimal and is limited in terms of time and geography.

Monitoring and Reviewing

The equality impact assessment will be reviewed as part of the wider review of the way in which the advertising and street trading regulations have been implemented.

Annex 3: Competition Assessment and Small Firms Impact Test

(1) Competition Assessment – Handling of seized articles

Does it directly limit number or range of suppliers?

No.

Does it indirectly limit the number or range of suppliers?

No.

Does it limit the ability of suppliers to compete?

No.

Does it reduce suppliers' incentives to compete vigorously?

No.

(2) Competition Assessment – Amendment of the regulations

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:

Does it directly limit number or range of suppliers?

No. There is no exclusivity over supplying products for traders or advertisers. Wherever possible we are looking to authorise traders to continue to trade in the vicinity of Games 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.

Does it indirectly limit the number or range of suppliers?

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

Does it limit the ability of suppliers to compete?

Yes. Both advertising and street 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.

Does it reduce suppliers' incentives to compete vigorously?

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 2012 Games will generate a significant influx of new trade to the wider area and arguably there is scope for exploiting the market outside the Olympics venue areas. We therefore consider that this policy is unlikely to raise substantive competition concerns.

(1) Small Firms Impact Test – Handling of seized articles

Are alternative approaches (including, but not limited to, exemptions, simplified inspections and less frequent reporting) appropriate?

No.

Can small businesses be given a complete or partial exemption from new provisions?

N/A

What are the annual costs (quantified) your policy will place on micro, small and medium size businesses?

N/A

(2) Small Firms Impact Test – Amendment to the regulations

Are alternative approaches (including, but not limited to, exemptions, simplified inspections and less frequent reporting) appropriate?

The main impact here will be due to the restrictions on street traders, although restrictions on advertisements 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 street traders from trading, this will only be for a limited period. In addition we have worked hard to identify legitimate 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 take away any rogue traders who may tempt business away from legitimate traders. For small businesses and authorised traders the implementation of these Regulations may enhance their revenue.

Whether small businesses can be given a complete or partial exemption from new provisions?

Small business cannot be given an exemption as the vast majority of street traders are small businesses. In order to meet out contractual commitments to the IOC these provisions need to apply to small businesses.

Quantifying the annual costs your policy will place on micro, small and medium size businesses?

The restrictions on advertising and street trading within the agreed Games venue vicinity will only be in place for a short time.

ANNEX B

**Impact Assessment for
Civil Enforcement and Traffic Regulation Provisions
in the
London Olympic Games and Paralympic Games
(Amendment) Bill**

Title: Olympic and Paralympic transport – Olympics Bill provisions on civil enforcement and traffic regulation Lead department or agency: Department for Transport (DfT) Other departments or agencies: Department for Culture, Media and Sport (DCMS) Olympic Delivery Authority (ODA)	Impact Assessment (IA)
	IA No: DFT00076
	Date: 26/01/2011
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Primary legislation
Contact for enquiries: Richard Buckley, DfT (020 7944 2980)	

Summary: Intervention and Options

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

The success of the Olympic and Paralympic games transport strategy depends on the successful making and enforcing of the Olympic Route Network (ORN) and other Games-related temporary traffic regulations. It has become clear that the London Olympic Games and Paralympic Games Act 2006 will not provide all the powers necessary. Proposed regulations for the civil enforcement of a range of 'moving traffic' contraventions in England, which were anticipated at the time of the 2006 Act, would have been sufficient to provide these powers. However those proposed regulations were not implemented, and now cannot practicably brought into force by summer 2012. The only practicable alternative is to make new primary legislation.

What are the policy objectives and the intended effects?

The objectives are to achieve high levels of public compliance with local traffic regulations made for Games purposes, to reduce causes of congestion and disruption, and enable Games journey time targets to be met. We wish to ensure that local traffic regulations and notices can be made and effected quickly, in response to incidents and issues arising, and to use civil enforcement mechanisms to deter non-compliance by road users.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The alternative option is to do nothing, i.e. not to provide the additional powers. The enforcement of moving traffic offences would then be only for the police, who have said they will have other priorities during Games time and cannot provide the enforcement necessary to ensure that the traffic measures worked as intended. This option would also leave ODA and traffic authorities unable to make certain essential changes at short notice in response to changed circumstances, e.g. security requirements or the traffic measures needing to be adjusted in the light of actual operations. The 'do nothing' option does not achieve the policy objectives, unlike Option 1, our preferred option, which fills the gaps in the powers so that ODA and local traffic authorities will have powers to manage the road network effectively at Games-time.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 1/2013

What is the basis for this review? Not applicable. **If applicable, set sunset clause date:** 9/2012

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

Yes

Ministerial Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister: _____

Date: _____

Summary: Analysis and Evidence

Policy Option 1

Description:

Implement Olympics Bill provisions on civil enforcement and traffic regulation for Games purposes

Price Base Year 2010	PV Base Year 2010	Time Period Years 1	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.508	High: 1.0	Best Estimate: 0.7545

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	1	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0.475		0	0.475

Description and scale of key monetised costs by 'main affected groups'

Cost to traffic authorities of enforcing moving traffic contraventions during Games time by CCTV
 Cost to traffic authorities of making temporary traffic orders
 Cost to traffic authorities of making temporary traffic notices

Other key non-monetised costs by 'main affected groups'

Some potential for additional impact on local residents and businesses through facilitating temporary traffic orders and traffic notices, though the proposal is about how they are made, not their scale or number.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.983	1	0	0.983
High	1.475		0	1.475
Best Estimate	1.2295		0	1.2295

Description and scale of key monetised benefits by 'main affected groups'

Journey time and reliability savings for 'Olympic family' transport, due to effective civil enforcement
 Operating costs savings for Games Family fleet

Other key non-monetised benefits by 'main affected groups'

Journey time and reliability savings for 'Paralympic family' transport - and the wider public
 Journey time and reliability savings due to faster process for making traffic orders and notices
 Reduction in reputational risk arising from Games transport, for Games organisers and public authorities
 Reduced demands on police for traffic management and enforcement activities

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

We assume the powers would be used during appropriate times within the 2012 Games period only, in the context of an overall compliance strategy that will aim for high levels of compliance and relatively few penalty charges being issued. Existing and established enforcement personnel, processes and equipment would be used wherever possible. The key risk that the wider compliance strategy may not produce the desired behaviour changes, and therefore a greater level of enforcement activity or the making of additional traffic regulation orders becomes necessary to deliver the desired outcome. This could raise traffic authorities' up-front costs considerably, but such costs would be largely recovered by the same authorities through penalty charge payments.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0	Net: 0	No	NA

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	England and Wales				
From what date will the policy be implemented?	01/01/2012				
Which organisation(s) will enforce the policy?	Traffic authorities; enforcement subject to independent adjudication.				
What is the annual change in enforcement cost (£m)?	0.4m; 2012 only				
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: 0		Non-traded: 0		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: 100		Benefits: 100		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro 0	< 20 0	Small 0	Medium 0	Large 0
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 duties ¹ Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	
Small firms Small Firms Impact Test guidance	No	
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	London Olympic Games and Paralympic Games Act 2006 ("Games Act")
2	Regulatory Impact Assessment for the London Olympic Games and Paralympic Games Bill
3	Transport Plan for the London 2012 Olympic and Paralympic Games (second edition consultation draft; ODA, December 2009)
4	The Olympic Route Network Designation Order 2009 (SI 2009/1573)
5	Impact Assessment for The Olympic Route Network Designation Order 2009
6	Accessible Transport Plan (ODA, January 2010)
7	Olympic Route Network and Paralympic Route Network Designation Amendment Order consultation (including impact assessment) (ODA, July 2010)

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

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	0	0.475	0	0	0	0	0	0	0	0
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0	0.475	0	0	0	0	0	0	0	0
Transition benefits	0	1.3125	0	0	0	0	0	0	0	0
Annual recurring benefits	0	0	0	0	0	0	0	0	0	0
Total annual benefits	0	1.3125	0	0	0	0	0	0	0	0

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



Microsoft Office
Excel Worksheet

Evidence Base (for summary sheets)

1. Background

1.1 The management of the road network in London and at other venues outside will be a key part of the transport arrangements for the Olympic Games and Paralympic Games in 2012. This will include a range of traffic management measures to enable accredited Games Family members (athletes, team and technical officials, broadcasters, International Olympic Committee and International Paralympic Committee members and staff, officials and staff of national Olympic and Paralympic committees, the World Anti-Doping Agency and Council of Arbitration for Sport, medical personnel, international sports federations, key marketing partners) to travel between their accommodation and competition and other venues, safely, reliably and within journey times that have been committed to the IOC. The Olympic Games family is expected to amount to around 77,000 individuals, the Paralympic family around 12,000:

- They will, for example, be able to travel around parts of the Olympic Route Network (ORN) using dedicated 'Games lanes', reserved at key Games times for Games family use. Specific traffic management measures of this nature are considered essential for achieving journey time targets;
- Around the venues - in order to manage safely the concentration of movements by pedestrians, official Games Family vehicles, park and ride buses, coaches, blue badge holders, cyclists etc, and also to deter parking by spectators in the surrounding area;
- For road events - such as the marathon and cycle road races, to enable them to take place safely.

1.2 If traffic management measures are to work as intended, drivers must comply with the associated Traffic Regulation Orders (TROs), e.g. to restrict waiting and loading, to ban turns or to designate certain lanes for official Games Family vehicles only (Games Lanes). To achieve public compliance with such Orders, it is necessary to implement appropriate enforcement of contraventions. The enforcement provisions in the Games Act were based on the intention that this would be primarily by local traffic authorities, using their existing civil enforcement powers, equipment and personnel.

2. Problem

2.1 **A]** As the traffic management measures needed for the Games were developed, it became apparent that the intended traffic order making and enforcement powers could not be fully provided directly by the provisions in the Games Act; the making and enforcement of Traffic Regulation Orders by traffic authorities and the ODA would also need an enforcement framework provided by secondary legislation. At the time of the Games Act, it was anticipated that those civil enforcement regulations would have been made as part of England-wide regulations for the enforcement of a range of traffic contraventions, under the Traffic Management Act 2004 (TMA). Regulations under the TMA have been made by ministers in relation to civil parking enforcement, but no corresponding regulations have been made for the civil enforcement of 'moving traffic' contraventions. Regulations cannot now practicably be implemented by the time of the Games. Any decision from the Secretary of State to implement such regulations would have to be made with reference much wider policy considerations; regulations would also take at least 2 years to implement following a decision due to the need for detailed policy development and consultation with a wide range of interested organisations and local authorities across England. This cannot be achieved before the Games period. As things currently stand, traffic regulations made for Games purposes will be effectively unenforceable during the 2012 Games period, except by the police, who are most unlikely to have resources for this task during Games time.

2.2 **B]** The existing powers for making or changing traffic regulation orders or notices do not take sufficient account of the sort of changes that might be needed at short notice for the Games. Even if the changes to traffic measures are required for Games purposes, the present provisions of the Games Act do not remove the requirement for short notice traffic orders or notices (under s14 of the Road Traffic Regulation Act) to be for one of the three standard purposes of such orders/notices, namely for works in the road, to prevent danger to public or property, or for litter collection or cleansing. Therefore if a change needed to be made solely for traffic management purposes, e.g. to extend a Games Lane, there is currently no power to do this. The Games will be a unique situation and some adjustments to usual traffic management arrangements are to be expected. This gap in powers is not affected by whether

orders apply to the ORN or to other roads, or to which authority makes the order or notice. The gap applies whether ODA (limited to the ORN) or the traffic authority makes the orders or notices.

2.3 As an illustration, if it were to be found that Games family vehicles were being obstructed by other vehicles trying to make a particular turning movement, it may be necessary to remedy the situation by implementing a temporary 'banned turn' restriction and diverting traffic to another route. The change may need to be put in place very quickly in order to enable Games transport time targets to be met. Any such restrictions would be removed as soon as they are no longer required, and at the latest quickly after the close of the Games. After that point the temporary powers of the ODA and traffic authorities would no longer be used, and traffic authorities would revert to making their traffic regulation orders in the usual manner.

3. Rationale for intervention and policy objective

3.1 The policy objective is to achieve high levels of public compliance with local traffic regulations made for Games purposes, to reduce causes of congestion and disruption, and enable Games journey time targets to be met. We wish to ensure that local traffic regulations and notices can be made and effected quickly, in response to incidents and issues arising, and to use civil enforcement mechanisms to deter non-compliance by road users. Both of the gaps set out above A and B above need to be filled, otherwise the Games-time operations could be compromised - as described in more detail below. The specific objective of the proposed provisions is therefore to fill those gaps and thereby enable the traffic measures for the Games to be implemented, modified and enforced efficiently and effectively by ODA and the relevant traffic authorities, as originally intended by Parliament when it enacted the Games Act.

4. Description of Base Case and Proposed Option

4.1 Apart from the base case there is only one option, namely:

- Base Case: do nothing; and
- Proposed Option: provide the requisite powers through primary legislation.

These are described below.

Base Case - Do Nothing

A - Civil enforcement of moving traffic contraventions

4.2 ODA and Transport for London, together with the London Boroughs and in discussion with DfT, has developed a compliance strategy for the ORN in London, based on the civil enforcement of parking and moving traffic contraventions. There are four elements to the strategy:

- An communications programme to inform road users ahead of and during the Games about the importance of the ORN and how it will operate; to explain about Games lanes; to promote compliance; and to encourage different ways of travelling during the Games.
- A visible on street presence of civil enforcement officers to deal with parking contraventions and by their presence to reinforce the compliance message.
- An enhanced removal capability so that vehicles parked in contravention of TROs can be moved quickly to prevent obstruction to the Games Family.
- CCTV enforcement capability to enforce moving traffic contraventions, especially in Games lanes, using a similar approach to that currently used for bus lane enforcement.

4.3 ODA is preparing a similar strategy for outside London with the local authorities around the venues.

4.4 In the absence of the civil enforcement powers for moving contraventions, authorities cannot implement the fourth element of the strategy above. The only enforcement possible is as a criminal offence by the police. The police have advised us that, given that safety, security and crime prevention will be their priorities during the Games, they will not have capacity to achieve sufficient enforcement of the range of local traffic regulations necessary for successful Games events. The presumption behind the compliance strategy is therefore they will not be in a position to carry out traffic management enforcement. Without a credible alternative enforcement regime, provided by traffic authorities, there

would be little to deter motorists from using the Games Lanes inappropriately, or ignoring banned turns and thereby undermining the operation of the Games' traffic measures, both on the ORN and around venues.

B - Making traffic regulation orders or notices at short notice

4.5 Without the ability to make short notice changes for traffic management reasons, any necessary changes to the traffic management arrangements for the Games would depend on the police being in a position to use the traffic powers that they have. The police may be unavailable for such work at short notice, they will in any case have other priorities, and the use of general police powers to make specific temporary restrictions on road use may be subject to legal challenge. So this route could not be relied upon for the Games-time situations when quick action will be needed. Even if the police did use their powers, the measures could not be enforced through civil enforcement, implying an ongoing enforcement liability for them. If, as anticipated, the police were not in a position to act, then ODA and traffic authorities would not be able to react if problems arose; that would prejudice the operation of the ORN, i.e. risking athletes being late for their events, and the management of traffic around the venues.

Proposed Option - provide the requisite powers through primary legislation.

4.6 The proposed Olympics Bill provisions are, in themselves, enabling in nature – i.e. they enable civil enforcement and the rapid deployment of traffic orders and notices by the relevant competent authorities. They do not, in themselves, require any specific additional civil enforcement activity; neither do they require orders and notices for Games purposes to be made. Such decisions will be made by individual enforcement authorities, and the Games delivery authorities, in response to Games-time circumstances. Our estimates of the impacts of the proposals reflect current reasonable expectations of the likely scale of enforcement and regulatory activity, as enabled by these proposals. Actual outcomes are inherently uncertain, and will reflect the success of a wider compliance strategy in influencing the behaviour of road users, and the quality of traffic management and planning before and during the Games. Although the proposed legislation will have apply to the whole of England and Wales, to achieve congruence with the wider legislative framework for traffic regulation and enforcement, the actual application of Games-related local traffic regulations will be limited to locations on and around the Olympic Route Network and Games locations and facilities, mostly in or near London.

A - Civil enforcement of moving traffic contraventions

4.7 All recent Games host nations have placed a very high emphasis on public compliance with Games lanes and other traffic management measures, in order to achieve demanding Games travel time targets. In other countries, enforcement activities are usually carried out by the police. The UK has a distinctive approach, in which enforcement of many traffic regulations is increasingly carried out by traffic authorities, and has become a civil rather than criminal matter. Traffic authorities are the relevant expert bodies and it is therefore appropriate to enable them to enforce traffic management measures relating to the Games, which in turn enables them to coordinate this work with their wider traffic enforcement activities. There are therefore no directly relevant precedents from overseas for the proposed legislation, but the end result we are trying to achieve – effective traffic management enabling successful Games events – reflects recent overseas experience.

4.8 This option will provide local traffic authorities with powers for the civil enforcement of Games-related moving traffic contraventions. This will allow local traffic authorities to undertake the fourth element of their strategy above, which would not otherwise be possible. The amendments will also include the provision for ODA to set the penalty charge level for such moving traffic contraventions, subject to the approval of the Secretary of State, as already provided in the Games Act for parking contraventions.

B - Making traffic regulation orders or notices at short notice

4.9 This option will enable ODA (on the ORN) and traffic authorities to make temporary traffic regulation orders purely for traffic management reasons, provided the orders are for the Games purposes set out in the Games Act. It will also enable traffic authorities to make temporary notices for immediate changes during Games-time

4.10 As with other TROs made through the provisions in the Games Act, such orders or notices will cease to have effect after the Games. The normal requirements for publicising temporary orders and notices will then apply; authorities already have the necessary processes in place.

5. Costs and Benefits

Benefits compared to base case

A - Civil enforcement of moving traffic contraventions

Journey time savings

5.1 Civil enforcement has proved to be an effective means of enforcing bus lane contraventions, which the most relevant precedent for the successful enforcement of Games lanes. We have assumed below that a failure to enforce Games lanes and other Games-related traffic management measures could lead to a 10-15% average increase in Games journey times. In making this estimate, we have no direct previous UK experience to draw on, but this assumption would be consistent with the experience of Transport for London and other London local authorities in enforcing bus lanes in recent years, and their published data on the relationships between bus lane enforcement and bus journey times. It should be noted that a 10-15% assumption could encompass a range of outcomes— much of the time there would be no significant incidents, and Games travel times would be largely unaffected, but the complete absence of civil enforcement could lead to a small number of incidents that cause very severe delays at particular times and to particular affected individuals.

5.2 Given the police's other priorities, reliance on the police for enforcement of Games lanes and other Games-related traffic management measures would lead to little or no active enforcement. With local traffic authorities able to carry out civil enforcement for Games related orders, this should promote a high level of compliance, whether in relation to Games Lanes on the ORN and for other restrictions (such as banned turns, one way streets or access controls) on the ORN and around venues.

5.3 Enforcement of Games lanes will be the main area affected by the additional powers. Properly enforced Games Lanes will bring very significant benefits to the movement of Games Family vehicles. Together with other measures they are expected to reduce journey times on the ORN by up to 50%. This amounts to journey time savings totalling 250,000 person hours across the network for Games Family members for the Olympic Games only (further analysis is found in the *Transport Plan for the London 2012 Olympic and Paralympic Games*). However the precise relationship between enforcement, compliance and journey times is not known, and there has been no direct previous UK experience of comparable transport strategies relating to major sporting events.

5.4 However assuming that a degradation in Games lanes performance without enforcement would erode 10 -15% of the journey time savings, and using the DfT-recommended average value of working time of £26 per hour, this represents a benefit due to enforcement of £650,000 - £975,000 for the Olympic Games Family alone. (It is appropriate to use the working time values here as the Games Family overwhelmingly consists of people who are carrying out work of one form or another. In practice many key individuals will have personal working time values much greater than £26 per hour, so this value is likely to be a substantial under-estimate.) To this could be added the savings during the Paralympic Games, although these will be smaller than for the Olympic Games because both the size of ORN and numbers of Games Family present are reduced. The costs of prominent athletes missing key events because of a failure to effectively enforce key traffic regulations would be hard to predict, but could be very significant indeed, particularly in terms of reputational damage. Finally, effective enforcement of Games-related traffic regulations would help to avoid preventable congestion more widely on the ORN and the wider road network, and this would be in the interests of all road users, local businesses and residents. We have not attempted to calculate such benefits, but they would be likely to be substantial during the Games period.

Operating cost savings

5.5 If journey times are extended, that also impacts on the costs of operating the Games Family vehicle fleet. A 10-15% increase in journey time would represent an additional £0.33-£0.5m on these

fleet costs. That includes the costs of Games fleet drivers' time as well the consequential increase in the size of fleet required. This is therefore additional to the Games Family members' time savings above.

Journey time reliability benefits

5.6 As with bus lanes, properly enforced Games Lanes will also provide reliability benefits for Games Family vehicles, protecting them from the impact of any congestion on the network. Studies of bus lanes have demonstrated their reliability benefits. Although these do have an economic value which would add to the time saving benefits above, the methodology does not yet exist to convert reliability improvements into specific monetary values. In the context of the Games, reliability is even more important for athletes who could risk missing their events as a result of unreliable journey times.

Reduction in demands on police resources

5.7 In the base case it is anticipated that there would be little or no police enforcement activity because of other priorities. With civil enforcement powers for the local traffic authorities the police would be able to plan with the confidence that there would be no demands (whether or not they could be met) for enforcement of the Games lanes and other moving contraventions.

Utilises existing processes and infrastructure

5.8 Most of the local traffic authorities concerned are already using other powers to enforce some moving contraventions, such as bus lanes, and have appropriate infrastructure and processes in place. They will be able to utilise their existing systems for these additional enforcement powers. In addition, they have the local knowledge to be able to deal with issues as they arise and can deal with representations against penalty charges quickly.

Offsetting public sector costs

5.9 The penalties from civil contraventions can be offset against the cost of enforcement, which reduces the net cost to the public purse. However the aim of the compliance strategy for the Games is to encourage drivers to comply with the traffic regulations, which should result in very few penalty charge notices being issued. The amount of any penalty income will also depend on the level of charge, which ODA will set, subject to the approval of the Secretary of State. If there were 1000 penalty charge notices issued for Games Lane contraventions, about 30 a day (which is much less than the equivalent number for bus lanes), at the current maximum penalty level of £120, income to traffic authorities would be between £60,000 and £120,000 depending on the proportion paid at the discounted rate for early payment. However in view of the maximum compliance aim, and BRE's guidance on impact assessments, no offsetting due to penalty charge payments has been allowed for in the cost benefit figures in the above summary table.

B - Making traffic regulation orders or notices at short notice

Rapid response to unforeseen events

5.10 The ability to make quick changes to traffic arrangements is very important for the operation of the Games. However much preparation and planning is done, experience of previous Games indicates that it is almost inevitable that some changes will be required in the run up to and during the Games; and if changes are needed they will need to be implemented quickly. With the additional powers proposed, ODA and the relevant traffic authorities will be able to react quickly to changing circumstances and make essential changes to traffic management arrangements quickly when necessary. These changes could be in order to keep the Games operating smoothly but it could equally be to remedy adverse impacts on non-Games traffic. The unpredictable nature and volume of the short notice changes make it difficult to quantify these effects, but they are likely to include journey time and reliability benefits for Games Family traffic in the first example and to general traffic in the second.

Reduction in demand on police resources

5.11 For the same reason as for the enforcement powers, reducing reliance on the police will reduce the uncertainty for their planning since local traffic authorities will be able to take the necessary action.

General

Reduction in reputational risk

5.12 As evidenced from the experience of the Atlanta Games, there is a high reputational risk if transport for the Games goes wrong. Managing the road network in London to work for the Games, on the ORN, around venues and elsewhere, will require the full range of tools for traffic authorities and

ODA. Providing ODA and traffic authorities with these additional order making and enforcement powers will fill an important gap and will allow authorities to better avert problems with the operation of the network and respond quickly when circumstances change.

Costs compared to base case

A - Civil enforcement of moving traffic contraventions

5.13 The main use of the additional enforcement powers will be for Games Lanes on the ORN. ODA and TfL's compliance strategy identifies the cost of additional CCTV based enforcement of Games Lanes as £0.4m. This is the gross cost, based on the fact that authorities will be largely using existing systems, and with no allowance for offsetting penalty income against costs.

5.14 Local traffic authorities will be required to deploy additional resources to utilise these powers. They are developing their plans for resourcing this over and above business as usual and without undue impact on their ongoing enforcement activities. In many cases these functions are contracted out and additional resources can be provided through their contracts. The costs are included in the figures above.

5.15 People who do contravene the moving traffic regulations and are subject to a penalty will be impacted. The usual safeguards will apply: for example, if drivers go into a Games Lane to avoid an accident they will not be charged; the enforcement regime will follow the normal Code of Practice requirements of fair and reasonable enforcement. This will be reinforced by the communications strategy so that there should be no reason for well intentioned drivers to receive penalties.

B - Making traffic regulation orders, or notices at short notice

5.16 The cost of making temporary traffic orders can vary between £2,000 and £8,000, depending on whether and where the order has to be advertised. The latter figure will be for orders that cover a wide area. It is anticipated that most of the circumstances when these short notice powers need to be used will be local, and the £2,000 will apply. (Where traffic authorities issue temporary notices, the cost is only £500 as no advertising is required, although notices are placed on street.)

5.17 There is no power for the police to make traffic regulation orders, notices or equivalent instruments, so in the 'do nothing' scenario, these sorts of short-notice local orders would not get made at all, and these cost would not be incurred. (Police officers do have some powers to address traffic problems immediately or at short notice – for example, powers to direct traffic, or to close a road for public safety purposes - but these are not flexible or targeted enough, or directly relevant to Games purposes, and do not represent any kind of alternative to the proposal.)

5.18 The number of expected temporary traffic orders is inherently hard to predict, as no equivalent traffic management strategy has ever been attempted before in the UK. Much will depend on whether traffic management orders made in advance of the Games achieve their purpose, and that will depend on the quality and rigour of the planning and implementation. The aim is to minimise reliance on the proposed 'short-notice' mechanism, but for present purposes, we assume that, on average, one temporary traffic order may be required on each competition day during the games period. There are 25 competition days, so assuming an average £3,000 cost per order, the total cost of making all orders under the proposed regulations is estimated at £75,000.

5.19 There may be some additional adverse impacts on some individual businesses and residents, arising from additional temporary traffic restrictions made using the proposed 'short-notice' procedures. The additionality comes about because alternative procedures for making a traffic regulation order for Games purposes take much longer; in many cases the problem may be severe in the short term, but no longer severe by the time an order, made under standard procedures, could be put in place. A new fast-track mechanism is therefore likely to mean additional orders being made that would not be made at all if the fast-track process were unavailable.

5.20 Such impacts could, for example, take the form of new temporary restrictions on parking or loading outside businesses, causing additional costs or difficulties in terms of direct costs of compliance (e.g. the need to spend time and money moving vehicles) and costs arising from more difficult access or on-street parking (which may for some businesses affect levels of trade). Those costs are impossible to predict in advance, and we have not attempted to calculate them, but they will in every case be very localised and temporary. (We have mentioned above the benefits to business arising from effective congestion prevention, which may offset such concerns in many circumstances.)

5.21 However, the relevant authorities, in making individual decisions about short-notice traffic regulation orders and notices, will take into account at that stage the potential impacts of that order on local residents and businesses, and - where necessary - they will need to balance those impacts against Games transport objectives. For this reason, it is not considered necessary to attempt to monetise such impacts at this stage.

6. Risks and Assumptions

6.1 The risks of not implementing these powers have been identified in the costs and benefits section above. The key risk is that without the powers the operation of the road network cannot be managed effectively for the Games. If that happens there are very significant impacts for the reputation of the London and the UK.

6.2 Assumptions have been identified in the costs and benefits above.

7. Administrative Burden and Policy Saving Calculations

7.1 Not applicable.

8. Wider Impacts

8.1 The analysis above has focussed on the traffic management implication of the proposed powers for the Games. Transport for the Games overall does have wider impacts which have been addressed elsewhere but the additional powers that are the subject of this impact assessment have no significant impact on environmental or other impact areas.

9. Summary of Preferred Option with Description of Implementation Plan

Preferred option

9.1 This is to amend the traffic provisions in the Games Act to enable:

- local traffic authorities to use civil enforcement powers for moving traffic contraventions of Games related traffic regulation orders; and
- ODA and/or traffic authorities to make changes at short notice to traffic measures for Games purposes alone

Implementation Plan

9.2 The compliance strategy developed by TfL and the London Boroughs, and that being developed for authorities outside the capital, incorporates the capability for the authorities to enforce moving offences. This will complement the use of prior publicity and Games time information to explain the reasons for the various traffic measures and to promote compliance. The strategy will be implemented over the next year so that the arrangements will be in place for enforcement to take place for the Games.

9.3 Similarly, arrangements for the management of the road network during the Games are being developed between ODA, traffic authorities, the police and other parties. The processes for taking action to modify traffic measures at short notice, utilising the proposed powers, will be part of those discussions.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information 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. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. 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), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</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 of monitoring information for future policy review]</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p> <p>The outcome of these provisions will be reviewed as part of a wide ranging debriefing/lessons learned exercise on the 2012 Games, to be led by the International Olympic Committee. The provisions will in any case only be used within the 2012 Games period and will have no effect beyond that period.</p>

Add annexes here.

ANNEX C

**Impact Assessment for
Goods Vehicle Operator Licensing
in the
London Olympic Games and Paralympic Games
(Amendment) Bill**

Title: Olympics and operator licensing Lead department or agency: Department for Transport Other departments or agencies:	Impact Assessment (IA)
	IA No: DfT00116
	Date: 27/07/2011
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Primary legislation
	Contact for enquiries: Matthew Hammond matthew.hammond@dft.gsi.gov.uk

Summary: Intervention and Options

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

Road haulage operators can have certain conditions imposed on their operator licences by traffic commissioners (TCs) in response to road safety or environmental concerns, for example they may restrict the hours a haulier may allow their lorries to exit or enter their operating centre. If a haulage operator wishes such conditions to be altered or removed they must apply to a TC, and legislation sets out in some detail the procedures that must be followed. Intervention is required to address concerns that restrictions on the hours of operation may hinder the changes to normal operating patterns required during the Olympics, and that the regulatory processes that must be followed may take too long.

What are the policy objectives and the intended effects?

To ensure that steps are taken to minimise any risks to the smooth delivery of, and any reputational damage caused to, the 2012 Olympic and Paralympic Games by operator licensing legislation and operator licensing administrative procedures as it impinges on the movement of freight in Great Britain. Current administrative measures (i.e. the do nothing case) should address the problem under consideration in the majority of cases (i.e. 95%) but a shortened process (Option 1 below) may have a beneficial impact on a tail end of hauliers who have not been able, for whatever reason, to make arrangements with traffic commissioners in advance.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option (do nothing): No legislative change. Instead the Department would encourage TCs to raise awareness of the need for and prioritise Olympics related applications in line with what they consider is reasonable under current legislation.

Option 1: In addition, amend legislation so that current procedures for applications for variations are shortened whilst still retaining a TCs powers to determine applications on a case by case basis.

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

What is the basis for this review? Not applicable. **If applicable, set sunset clause date:** Month/Year

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

No

SELECT SIGNATORY Sign-off For final proposal stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible SELECT SIGNATORY: _____ Date: _____

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2011	PV Base Year 2011	Time Period Years 1	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.0021	High: 0.0125	Best Estimate: 0.0071

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0
High	0	0	0
Best Estimate	0	0	0

Description and scale of key monetised costs by 'main affected groups'

None.

Other key non-monetised costs by 'main affected groups'

Cost to society because local residents and local authorities will be unable to challenge a traffic commissioner's decision for operators to allow vehicles to enter and exit their operating centres in extended hours from that that they are normally allowed to. There could therefore be some noise intrusion for residents living near such an operating centre.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0.0022	0	0.0021
High	0.0129	0	0.0125
Best Estimate	0.0074	0	0.0071

Description and scale of key monetised benefits by 'main affected groups'

No need to pay for an advert in a local paper, with an average cost for an advert required estimated by VOSA at £200, but that could range from £60 for a very local paper to £350 for an advert in a paper that may be more regional in nature but still considered a local newspaper.

Other key non-monetised benefits by 'main affected groups'

- An operator who is successful with their application would enjoy more flexibility in performing their operations for the period of the Olympics, and be able to take on new temporary contracts to maximise their profits. Operators may also benefit from less fuel consumption (due to less congestion),
- Avoiding the reputational risk to the Olympics of businesses not being able to get goods supplied.
- Society would benefit from less congestion, greenhouse gas emissions and better air quality

Key assumptions/sensitivities/risks	Discount rate (%)	3.5
--------------------------------------------	--------------------------	-----

ASSUMPTION - It is assumed that an operator would only incur the costs of applying for a relaxation in their hours of operation if they considered that it would be of financial benefit to their business.

RISK - The main risk is the impact on road safety. Although it could be argued that avoiding congestion might allow drivers to travel faster, which might cause additional accidents, it could be counter-argued that avoiding congestion might also mean less stress and less risk-taking for the drivers and, therefore, less accidents.

RISK - There is also a risk that operators may not be aware of the shortened process and therefore not try and apply, with the operator assuming they were too late to apply.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: 0	Benefits: 0.0071	Net: 0.0071	No	NA

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	Great Britain				
From what date will the policy be implemented?	01/03/2012				
Which organisation(s) will enforce the policy?	Traffic Commissioners/VOSA				
What is the annual change in enforcement cost (£m)?	£0m				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	Yes				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: 0		Non-traded: 0		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: 0		Benefits: 100		
Distribution of annual cost (%) by organisation size (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 duties¹ Statutory Equality Duties Impact Test guidance	No	
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	
Small firms Small Firms Impact Test guidance	No	
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	
Human rights Human Rights Impact Test guidance	No	
Justice system Justice Impact Test guidance	No	
Rural proofing Rural Proofing Impact Test guidance	No	
Sustainable development Sustainable Development Impact Test guidance	No	

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	Public Passenger Vehicles Act 1981 available at http://www.legislation.gov.uk/ukpga/1981/14/contents
2	Travel Advice to Business “Keep on Running” (ODA, November 2010) http://www.london2012.com/get-involved/business-network/travel-advice-for-business/pdfs/traveladviceforbusiness-handbook.pdf
3	
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

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	0	0	0	0	0	0	0	0	0	0
Annual recurring cost	0	0	0	0	0	0	0	0	0	0
Total annual costs	0	0	0	0	0	0	0	0	0	0
Transition benefits	0	0.0074	0	0	0	0	0	0	0	0
Annual recurring benefits	0	0	0	0	0	0	0	0	0	0
Total annual benefits	0	0.0074	0	0	0	0	0	0	0	0

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

Evidence Base (for summary sheets)

Problem under consideration

Traffic Commissioners regulate Great Britain's operator licensing system, using their powers to ensure that people operating goods and passenger transport vehicles are reputable, competent, and adequately funded. Action by the Traffic Commissioners is intended to encourage all operators to adopt robust systems, so that there is fair competition and that the operation of goods and public service vehicles is safe.

Commissioners are statutorily independent in their licensing functions. When necessary, they hold Public Inquiries, in particular to consider the environmental suitability of HGV operating centres and the possibility of disciplinary action against operators who have not observed the conditions of their licences.

Traffic Commissioners can also be asked to impose traffic regulation conditions to prevent danger to road users and/or environmental conditions i.e. reduce traffic congestion and/or pollution. These environmental conditions can cover a range of matters, but one of the common conditions that is attached to an operator's licence is a restriction banning vehicle movements at certain times of the day, or on certain days of the week. These conditions are commonly imposed by a traffic commissioner to protect the locality, and the residents in the locality of an operating centre.

However, the Department shares Transport for London (TfL) and Traffic Commissioner's concerns that such conditions may cause problems for haulage operators (but not for operators of passenger vehicles that are not subject to these particular rules) who may need to adjust their operations during the Olympics period in response to increased delivery restrictions in London [or elsewhere in Great Britain where Olympics events are being held] or to increased work associated with the Olympics that they may need or wish to undertake. Facilitating those changes forms part of a critical wider programme of work led by TfL to encourage businesses and individuals to change their travel behaviour at Games-time in the light of the very significant challenges that the operation of the Games and expected additional demand will place on the transport system (see reference 2).

Only a small percentage of road haulage operators (less than 3% - 1774 of around 96,000 operators) are subject to such conditions. As follows, the number of haulage operators by traffic area:

Table: Operators with environmental condition (June 2011)

Traffic Area	Total number of operators with environmental conditions that include restrictions on hours
Northeast	237
Northwest	200
Welsh	81
Scottish	57
West Midlands	138
Western	358
Eastern	268
South East and Metropolitan	435
TOTAL	1774

Under the 'do nothing' option, Traffic Commissioners, in collaboration with Transport for London, are taking steps to minimise any risk that these operators may be exposed to as a result of the Olympics, primarily by writing to the operators to ensure they are aware of the potential impacts the Olympics may have and, if they feel they will be affected, to apply, under the current procedures to Traffic Commissioners for a temporary relaxation of any conditions that they have imposed that may have an adverse impact on operations serving, or otherwise affected by, the Olympics.

Rationale for intervention

There may be some operators who may, due to unforeseen circumstances such as being awarded a short term haulage contract, or a short notice change to an existing contract, need to seek a relaxation of the environmental conditions within a matter of weeks of the start of the Olympics period. Typically, for a straightforward application it would take 15-20 weeks for an operator's application for a variation to be considered due to the various steps, as detailed in legislation that would need to be completed. There would therefore be no legal way to consider short-notice Olympic-related applications. Government intervention is therefore necessary to ensure that in exceptional circumstances, operators can apply at short notice for a relaxation of their hours of operation. This should help ensure that goods can be delivered, and services provided, so that this contributes towards the delivery of a successful Olympics.

Policy objective

To ensure the operation and reputation of the 2012 Olympics is not affected by operator licensing regulatory processes whilst still retaining TC discretion to accept or refuse applications on a case by case basis, both on road safety and environmental grounds.

Description of options considered

Option (do nothing): No legislative change. Despite the fact that no legislative change would be made, Traffic Commissioners would, under the current legislative procedures and in collaboration with Transport for London, take steps to minimise any risk that these operators may be exposed to as a result of the Olympics (as covered on page 5 above).

Option 1: Amend legislation to allow for a shortened application and Traffic Commissioner decision-making process in relation to amendments to environmental conditions for a period not exceeding the statutorily defined London Olympics period (29 June - 14 September 2012). This option will still retain TCs' powers to determine applications on a case by case basis. This process would however by-pass the normal requirements for operators to advertise their applications and thus to consult with local authorities and local residents. However traffic commissioners would still be able to use both their local knowledge and their specific knowledge of particular operators, in determining whether to accept or refuse particular applications. This is particularly important with regard road safety considerations and also to ensure any particularly sensitive local environmental issues are taken in account.

Costs and benefits of each option (including administrative burden)

Option 1: Legislate for an shortened application process

Monetised costs and benefits

VOSA estimate that 735 operators (95%) would apply using current application procedures (Option 'do nothing'). However 37 operators (5%) due to unforeseen circumstances may wish to seek, at short notice, a relaxation of their hours or days of operation for the Olympics period e.g. gaining unexpectedly a new haulage contract. It is these operators who would be reliant on a shortened legislative process being operational. For such operators the £250 application fee would still be payable (as in the 'do nothing' option). However the requirement to advertise their application would be removed, so this could save an operator £200 on average. This is the only monetised benefit we have identified. Given that all but 37 or so operators out of circa 96,000 road haulage operators in total are unaffected, it would

suggest that there is no reason why the ability to change operating patterns to address the delivery constraints expected during the Olympics should be materially adversely impacted by the legislation not changing i.e. by accepting Option 'do nothing'. However it is not possible to foresee exactly which operators might benefit from the proposed legislative change and the potential impact this might have on meeting localised delivery needs in London or other Games venue towns and cities.

Non-monetised costs and benefits

Society

There could be some cost to society because local residents and local authorities will be unable to challenge a traffic commissioner's decision for operators to allow vehicles to enter and exit their operating centres in extended hours from that that they are normally allowed to. There could therefore be some noise intrusion for residents living near such an operating centre. With VOSA estimating an average vehicle fleet size of 5 vehicles per operator, there could be up to an additional 185 number of lorries being operated in and/or out of operating centres during hours or on days that they would not normally be allowed to under normal circumstances.

Industry

An operator who is successful with their application would enjoy more flexibility in performing their operations for the period of the Olympic, and may therefore also be able to take on new temporary contracts to maximise their profits. Operators may also benefit from less fuel consumption (due to less congestion).

Implementing Option 1 would provide greater resilience by minimising the reputational risk to the Games and risk of small shops, businesses and public houses in London not being supplied, particularly with perishable goods, caused by their inability to plan ahead and then directly affected by some haulage operators inability to deliver because of the lead time in the licensing process.

Another potential benefit is that some operators may decide to make an application which they would not otherwise have made in the baseline situation due to the higher cost of applying (an additional £200 on average for the cost of advertising).

- Society would benefit from less congestion (and therefore potentially less greenhouse gas emissions and better air quality)

Risks and assumptions

The main risk is the impact on road safety. Although it could be argued that avoiding congestion might allow drivers to travel faster, which might cause additional accidents, it could be counter-argued that avoiding congestion might also mean less stress and less risk-taking for the drivers and, therefore, less accidents.

There is also a risk that operators may not be aware of the shortened process and therefore not try and apply, with the operator assuming they were too late to apply.

It is assumed that an operator would only incur the costs of applying for a relaxation in their hours of operation if they considered that it would be of financial benefit to their business.

Any inaccuracy in VOSA's assessment (5%) of the proportion of operators with relevant licence conditions who might benefit from the legislative change would not have a significant impact on the results of this assessment given that operators with such licence conditions form such a small proportion (3%) of total operators.

Wider impacts

Whilst the focus of this Impact Assessment has been to consider the impacts of any restrictions on hauliers operating in and out of London, there are of course other areas of Great Britain that will also be impacted during the Olympics period that could cause knock-on impacts to haulage operations through increased congestion, further loading and unloading restrictions etc. Therefore, Traffic Commissioner will also need to consider applications relevant to these areas of the country too, as they see fit.

Summary and preferred option with description of implementation plan

The preferred way forward is, as a first step, to seek to write to each of the circa 1700 operators who have conditions (hours of operation, movement restrictions etc) attached to their operators licence. The

letters would advise those operators that if they consider they are going to be affected by the Olympics they should apply to a traffic commissioner for a temporary variation (under the existing legislative procedures i.e. Option 'do nothing'). This approach would be the most direct means of minimising the risk of an operator putting in a late application claiming ignorance of the impacts of the Olympics on their operations.

However, there could still be, due to exceptional circumstances, some operators who may validly wish to apply at short notice (within 2-3 months of the Olympics period) for a variation to their licence, for example those who get a new contract shortly prior to the Olympics. It is for these, and only these, exceptional cases that legislation would need to be amended to allow for a shortened application process (Option 2). Any amendments would be time limited to the Olympics period and the main changes sought are to (a) remove the requirement that operators must advertise in a local newspaper their variation application for a period of 21 days and (b) remove any requirement for traffic commissioners to publish in Applications and Decisions and (c) remove any requirement for traffic commissioners to consider objections from local residents or from local authorities or the police.

However, traffic commissioners' powers to determine individual applications would be retained, including their right to hold a public inquiry. The same fee as currently incurred for seek a variation to an operator's licence would continue to apply (currently £250) as otherwise it could be seen to be a process that favoured late applications (and thus potentially poor planning on the part of the operator). Another reason to justify the same fee is that whilst the processes may be shortened, there may be a need to employ additional resources (e.g. to pay overtime) to process applications under the shortened process more quickly.

The measure is out of scope of OIOO because it is a temporary measure for the 2012 Olympics

Annexes

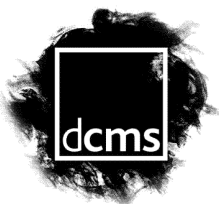
Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

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. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. 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), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</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 of monitoring information for future policy review]</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p>

Add annexes here.



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