

Report 3: Baseline and Counterfactual

Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games

FINAL REPORT – January 2012

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1 Introduction

1.1 Background

The London 2012 Olympic Games and Paralympic Games ('the Games' or '2012 Games') will be one of the largest events ever hosted in the UK. A key element of London's bid for the 2012 Games was the commitment that they would result in a lasting legacy for the whole of the UK.

The Department for Culture, Media and Sport (DCMS) has commissioned a consortium led by Grant Thornton, including Ecorys, Loughborough University and Oxford Economics, to undertake a comprehensive and robust 'meta-evaluation' of the additionality, outputs, results, impacts and associated benefits of the investment in the 2012 Games. The Economic and Social Research Council (ESRC) has part funded this project to recognise its contribution to advancing meta-evaluation methods.

The meta-evaluation consists of four phases:

- Phase 1: Inception (March 2010 – April 2011);
- Phase 2: Baseline and pre-Games interim evaluation (February 2011 – Summer 2012);
- Phase 3: Post-Games initial evaluation (June 2012 – Spring 2013);
- Phase 4: Longer-term evaluation of the impacts and legacy of the Games.

It is planned that Phase 4 of the work, looking at the longer-term impacts and legacy of the Games, will be commissioned separately at a later date and cover the impacts up to 2020.

This report (Report 3) is the third in a series of the following five reports which cover phases 1 to 3 of the meta-evaluation:

- Report 1: Scope, research questions and data strategy;
- Report 2: Methods;
- Report 3: Baseline and counterfactual;
- Report 4: Interim evaluation;
- Report 5: Post-Games initial evaluation.

1.2 Report 3

Report 3 of the meta-evaluation sets out the baseline and counterfactual scenarios for each of the four legacy themes. The baseline and counterfactuals is of critical importance to the meta-evaluation as it sets out the overall context in which the impact of legacy initiatives will be measured and evaluated.

The report is structured around the following legacy themes as set out in the Government's legacy plans:¹

- **Sport:** harnessing the UK's passion for sport to increase grass roots participation and competitive sport and to encourage physical activity;
- **Economy:** exploiting the opportunities for economic growth offered by hosting the Games;

¹ DCMS (December 2010). Plans for the Legacy from the 2012 Olympic and Paralympic Games.

- **Community Engagement:** promoting community engagement and achieving participation across all groups in society through the Games;
- **East London regeneration:** ensuring that the Olympic Park can be developed after the Games as one of the principal drivers of regeneration in East London.

The legacy plans cover existing and planned activity across the six host boroughs, London and the nations and regions of the UK.

Within each of the four legacy areas, the cross-cutting themes of 'Sustainability' and 'Disability' are also covered. The sustainability ambition is to use the construction and staging of the Games to inspire sustainable living, and the disability legacy aims to use the Games to change attitudes towards disabled people in society, particularly their economic contribution to society, to support opportunities for disabled people to participate in sport and physical activity and to promote greater participation in the community.²

The approach taken to developing the baseline and counterfactual is set out under each of the legacy themes. This is followed by an analysis of the baseline indicators, set out under the sub-themes defined in Reports 1 and 2. This section also sets out potential drivers of change which will enhance understanding of the no-Games scenario. The counterfactual scenarios build on high-level counterfactuals set out in Report 2, and are also set out under sub-themes. Each indicator is described in terms of the policy counterfactual and the outcome counterfactual, which are defined in the following chapter.

1.3 Report structure

The rest of the report is structured as follows:

- Chapter 2 provides an overview of the baseline and counterfactual methodology;
- Chapters 3 to 6 set out the baseline and counterfactual scenarios for each of the four legacy themes;
- Chapter 7 summarises the key baseline and counterfactual findings.

The Appendices provide further analysis at the disaggregated level, for example over time, across population and socio-economic groups, nations and regions, etc.

² Office for Disability Issues (April 2011). London 2012: A legacy for disabled people.

2 Methodological overview

2.1 Introduction

This chapter summarises the approach taken to develop the baseline and define the counterfactual scenarios. The baseline sets the context in which the impact of legacy initiatives will be measured and evaluated. The counterfactual is a description of the results, outcomes or impacts which would have been expected to have occurred in the absence of the 2012 Games and/or legacy intervention.

Alongside evidence from project-level evaluations and primary research, both the baseline data and counterfactual scenario will be used to assess and evaluate the additional impacts across the four legacy themes. The baseline provides a statistical and quantitative framework in which to measure the impact of the 2012 Games, and the quantitative and qualitative evidence to help inform the development and description of the counterfactual scenario.

Whilst the baseline is a factual description of underlying trends, the counterfactual scenario is an 'hypothesised' assessment or prediction of what would otherwise have happened to the same indicators if the 2012 Games did not take place. The additionality or net impact of legacy interventions can be calculated by taking the actual impacts under the 2012 Games and subtracting the impacts set out in the counterfactual.

2.2 Baseline

The baseline comprises of a range of economic, social, cultural and environmental indicators, developed under the research framework set out in Reports 1 and 2. The baseline also includes an assessment of the factors likely to have driven any changes, and identifies any issues or uncertainties with the data.

(i) Selection of baseline indicators

The baseline indicators have been selected taking into account:

- The outputs, outcomes and results hypothesised in the logic models developed for each legacy theme;
- The need to provide evidence to help answer the research questions;
- The availability of data for each indicator, the source of data and the continuity of this going forward;
- The granularity of data at the relevant spatial and group levels, particularly with regard to the need to drill down to the individual borough level across the six host boroughs;
- Whether the indicator will provide a measurement of direct or indirect relevance to the legacy themes.

A baseline is usually defined as a specific year and has the purpose of ensuring "*that the situation before the policy can be captured*".³ The baseline in the meta-evaluation is defined as 2003, which is the year the Government first committed support to London's bid. The scope of the meta-evaluation is to consider the impacts of the Games from the time when the Government first committed support to London's bid, which bidding, construction, staging and legacy impacts.⁴ These impacts of the 2012 Games are therefore expected to occur in any subsequent years since 2003, initially through the economic impact of the construction of the venues and

³ HM Treasury (2011). The Magenta Book, Guidance for Evaluation.

⁴ See Report 1 for a more detailed description of the scope of the meta-evaluation.

infrastructure followed by other pre-Games programmes and activities (eg Cultural Olympiad), event related activity in 2012 and longer-term legacy and regeneration effects post-2012.

However, it is not simply the case that any increase (or decrease) in the baseline indicators since 2003 is as a result of the 2012 Games. There will be a multitude of 2012 Games and other factors which will impact on the baseline indicators since then. In addition, many legacy activities have only just started in the past few years and in other areas the impacts will only be felt in 2012, or post-2012 in the case of regeneration effects.

A baseline of 2003 is therefore less relevant to how the trend changes over the 2003 to 2010 period and whether the changes which occur can be attributed to the 2012 Games or to other non-Olympic factors (eg the economy, policy changes, organisational changes). The trend before 2003 may also be relevant, particularly in the case of economic data and so it may be sensible to examine a longer-time series covering the period before 2003, as this allows analysis of the change in trends pre- and post-2003 to be examined, providing more evidence to identify attribution of changes to the 2012 Games.

(ii) Methodological issues

A number of issues were encountered in the collection of baseline data across the legacy themes. These include:

- The availability of the data across the full 2003 to 2010 period, most notably the lack of available data for the first few years' of this sample (ie 2003 to 2006). In cases where there are only a few years data, the opportunity to judge the underlying trend is extremely limited;
- The availability of data broken down by target groups such as young people, disabled people and ethnic minorities;
- The use of different data sources for comparison purposes. Apparent differences between data sources and surveys either spatially or across time should be treated with caution as they may simply occur due to differences in survey design, sample size and methodology;
- The cancellation or reduction in scope of many useful surveys. This significantly reduces the usefulness of any 2003 to 2010 historic data obtained as no survey data will be available after the 2012 Games to allow a pre- Games and post-Games comparison to be made.

Although a significant number of indicators have been selected and described in this report, it should be noted that baseline and counterfactual evidence will also originate from project-level evaluations and through other analysis (modelling, case studies, primary research, etc). Further baseline evidence will also be available from new data sources such as the Census 2011.⁵ The evidence expected to be aggregated is set out in each of the four themes (see Figure 3-1 for example).

2.3 The counterfactual

The counterfactual scenario sets out the extent to which policy, legacy activities and outcomes would have occurred in the absence of the Games. Both policy counterfactuals and outcome counterfactuals have been developed, and set out under each of the sub themes, and build on the outline counterfactuals set out in Report 2. The counterfactuals have been developed through analysis of baseline trends, identification of key drivers of change and through consultation with relevant organisations and stakeholders on their views on the influence of the Games.

(i) Policy counterfactual

The 'policy counterfactual' is an assessment (largely qualitative) of the key strategies, policies and initiatives likely to be in place or delivered in the absence of the 2012 Games. The assessment is not always clear cut as strategy and policy typically evolve over time. A

⁵ Basic statistics from the Census 2011 will start to become available in mid-2012, with more detailed statistics becoming available from 2013 onwards.

chronology of activity is therefore also highlighted to show how investment and activity has been guided over time.

The policy counterfactual covers, depending on evidence available, the:

- Underlying policy direction, strategy and priorities relevant to sub-themes around the time the Government first supported London's bid for the 2012 Games (ie pre-2003);
- Evolution of the government strategy and policy over the 2003 to 2011 period, particularly where organisations modified their approach in the light of the 2012 Games;
- Extent to which key activities (and initiatives) were already taking place prior to the development of the 2012 Games legacy strategy and the way plans have been re-focused, enhanced or re-branded to capitalise on the 2012 Games opportunity.

The purpose of the policy counterfactual is to set the strategic context for the outcome counterfactual, rather than to isolate and attribute each and every policy, strategy, investment or activity to the 2012 Games. Such a definition and approach is complicated by the fact that legacy impacts are expected to flow largely from existing activities and resources harnessed to maximise the beneficial impact of the Games. In addition, the policy documents cited in the rest of this report in many instances were drafted in relation to a view of city planning, urban regeneration and economic prospects which is in many cases divergent from the austerity conditions now in force.

The assessment is based on a mixture of desk-based research (policy documents, strategies, various studies, etc) and stakeholder consultation but may need to be refined in later stages of the meta-evaluation as further evidence is accumulated from project-level evaluations and from the release of the latest statistics. Further testing of the policy counterfactuals with the 2012 Games Evaluation Steering Group and other stakeholders is also planned.

(ii) The outcome counterfactual

The 'outcome counterfactual' sets out the results or impact which would have been likely to have occurred under the no-Games scenario. The techniques which will be used in the meta-evaluation to define the outcome counterfactuals include the following:⁶

- Project-level evaluations: Sourcing the counterfactual and baseline directly from the evaluations of legacy activities which are being conducted outside this study;
- Trend-based time series analysis: Identification of the underlying trend in the baseline indicators and extrapolation of the data to 2012 (for Phase 1 to 3 of the meta-evaluation) and to 2020 (in Phase 4);
- Comparator or control group analysis: Undertaking comparator analysis through the selection of comparator boroughs to establish trends in the host boroughs relative to other similar local authorities, in order to establish the impact of the Games on selected indicators;
- Statistical or econometric analysis: Identification in statistical terms of the influence of a range of explanatory variables on the policy outcomes of interest;
- Monitoring data and other indicators, including triangulation of data – the drawing upon data from multiple sources in order to infer the counterfactual;
- Bespoke modelling, such as macroeconomic modelling of the economic impact of the 2012 Games;
- Qualitative analysis, particularly case studies and consultation;
- Bespoke survey-based methods (including the proposed East London residents' survey).

At this stage of the meta-evaluation, it is only the trend-based techniques that can be used to define the counterfactual. It is too early for project-level evaluation to have been completed and

⁶ See The Magenta Book, Guidance for evaluation, April 2011 for more detailed description of appropriate methodologies.

the outcome counterfactuals defined using control group analysis or triangulation of data will need to be deduced from analysis of 'ex-post' observed patterns of change (ie based on 2012 data).

Some statistical analysis could be undertaken now to determine the counterfactuals, but the analysis would need to be repeated in 2012 with the latest data and the attribution effects may as a result change. Moreover, such counterfactual analysis may be undertaken by project-level evaluations, so it is therefore not cost-effective at this stage of the process for the meta-evaluation team to undertake work which might be replicated by others. As a result of these issues, Report 3 should be seen as initial assessment of the outcome counterfactual.

Many of the counterfactual scenarios will be contingent on wider economic and social changes taking place over the remainder of the study period. Emphasis has therefore been placed on developing an approach which embodies as fully as possible an understanding of the significance of the other drivers of change in each area based upon the literature, consultations and other research, as linear projections based on past performance may not be sophisticated enough and not be able to capture the causal effects of wider economic and social changes.

In addition, a number of pre-existing policy initiatives may have been at risk of scaling back or cancellation as a result of austerity measures with the impetus of the Games being instrumental in keeping them going.

At the time of assessment, the analysis of secondary data will be just one of many sources brought together to build a narrative and conclusion around actual outcomes. These other sources will include project level evaluations, as noted above, primary research results, review of benefits, and others.⁷

(iii) Methodological issues

As described above, the counterfactual scenarios will rely to varying degrees on statistical information and evidence which will only become available through evaluations, surveys and analysis to be conducted after the Games have ended. Counterfactuals and baseline may therefore need to be refined in Report 4 and Report 5 as appropriate evidence emerges. Other issues and challenges faced around the development of the counterfactuals prior to the 2012 Games are as follows:

- Changes to government policy and legacy strategy: There have been changes made to the Games legacy themes and related public sector policy and activities which will impact on and change the focus of the outcomes occurring as a result of the Games. This has been incorporated into the research framework and accounted for in the counterfactual narrative;
- Lack of a suitable control scenario: Apart from undertaking qualitative international case studies and the use of comparator borough analysis to develop the East London counterfactual, realistically there is no suitable control analysis which could be undertaken to explore the true additionality of outcomes linked to the Games legacy activities;
- Impact of non-Games related policy changes: The counterfactual analysis will inevitably be complicated by non-Games related transformational changes being pursued by the Government (eg the reform of benefits for the disabled may have greater effects than any of the 2012 Games-related programmes aimed at disabled people);
- Changing economic conditions: The economic downturn will have impacted on many of the indicators being studied as part of the baseline and counterfactual analysis. In cases where the economic climate has negatively impacted on trends, the counterfactual analysis will need to consider the extent to which legacy initiatives may have mitigated recessionary effects.

⁷ A full discussion of the data sources that will be used to build our assessment are given for each theme in Report 2.

2.4 Structure of thematic chapters

The following Chapters 3 to 6 set out the baseline and counterfactuals for each of the four legacy themes, covering the:

- **Baseline indicators:** This is the 2003 baseline and its evolution over the 2003 to 2011 period, including the potential drivers of this change (including for example the UK economic recession);
- **Policy counterfactual:** The policies and strategic direction in the absence of the 2012 Games;
- **Outcome counterfactual:** The results that would have occurred on the ground in the absence of the Games, described using either the trend-based approach, the methodology to be used in 2012 or the evaluation evidence expected to be available.

The thematic chapters also highlight areas of risks and uncertainties, particularly around the data and around current or future policy changes which are likely to have an impact.

3 Harnessing the UK's passion for sport

3.1 Introduction

The Government has made a commitment to "*harnessing the United Kingdom's passion for sport to increase grass roots participation, particularly by young people – and to encourage the whole population to be more physically active*". This chapter sets out the baseline and the counterfactual scenario according to the following sub-themes:

- Participation: With a focus on sport and physical activity participation;
- Infrastructure: Covering the London 2012 facilities, access to facilities, club membership, sports volunteering and sports coaching;
- Elite: Covering medals performance, athlete development, elite coaching and hosting major events;
- International: Based on the International Inspiration programme.

(i) Baseline

For each of the four legacy themes, the baseline indicators are as follows:

- Participation: Indicators cover sport and physical activity participation, primarily from Taking Part⁸, analysed by health and well-being, age, gender, ethnicity, socio-economic class, nations and regions and disability. Competitive school sport, as an indicator of participation of children in sport, is also assessed, taken from evaluations of the School Sport Partnership Programme. Sport England's Active People Survey is also used through this report, and provides data on sports participation and other sports indicators for England;
- Infrastructure: Indicators cover access to facilities, club membership, sports volunteering, and sports coaching, sourced primarily from Active People⁹. An assessment of the 2012 facilities is also included;
- Elite: Indicators focus on medals performance since the baseline year as well as human development and the hosting of major events;
- International: Indicators focus on monitoring data from the International Inspiration programme.

(ii) Policy and outcome counterfactuals

Policy counterfactuals are based on an analysis of the policy context and how this has changed since 2003. Evidence on key programmes and initiatives and their resultant funding in this context have also been set out where evidence exists or where a clear consensus emerges from consultation. However, in many cases, while stakeholders acknowledge that some initiatives and activities would most likely not have taken place in the absence of the 2012 Games, determining the degree of this additionality and change is challenging.

In terms of the outcome counterfactual, for participation and elements of infrastructure (ie volunteering, club membership) outcome counterfactuals have been set out in this report under a trend-based approach of Taking Part and Active People survey data. However it should be noted that while it is sensible to use this data as the trends have remained fairly constant, the data is based on a five-year trend only, and is not pre-2003.

⁸ The Taking Part survey covers England only.

⁹ Active People covers England only.

Although a trend-based approach is set out in this report across a number of sub-themes, it should be noted that other sources of evidence will also be used to identify and describe the counterfactual. The main evidence sources for the sports theme counterfactuals are project-level evaluations, trend-based time series analysis and case studies as summarised in the table below.

Figure 3-1: Overview of approach to determining Sport outcome counterfactuals

| Sub-theme | Areas / Indicators | Project-level evaluation | Trend-based time series | Statistical or Econometrics | Comparator analysis | Bespoke modelling | Monitoring data or other indicators | Qualitative or case studies | Survey-based methods |
|----------------|---|--------------------------|-------------------------|-----------------------------|---------------------|-------------------|-------------------------------------|-----------------------------|----------------------|
| Participation | Participation in sport and physical activity by adults and young people | ✓ | ✓ | | | | | ✓ | |
| Infrastructure | 2012 Olympic facilities, including new, existing and enhanced facilities Access to facilities and overall satisfaction with facilities Adult membership of sports clubs Volunteering in sports by adults and young people Sport coaching | ✓ | ✓ | | | | | ✓ | |
| Elite | Medals won in major championships Level of financial support to the various sports (NGBs) Human development, ie initiatives and programmes aimed at developing athletes and coaches Hosting major events, as indicated by spend and events supported | | ✓ | | | | | ✓ | |
| International | International Inspiration programme | ✓ | | | | | ✓ | ✓ | |

3.2 Participation: Baseline

One of the key legacy promises in relation to sport is to increase grassroots participation, particularly amongst young people, and to encourage the whole population to be more physically active.¹⁰

In order to answer the headline research question for the sport theme (*What have been the impacts of the Games on sport and physical activity and in particular the development of mass participation, competitive school and elite sport?*) an understanding of the baseline position for sport and physical activity participation is required.

This section assesses how participation has changed since 2005, analysed by the following: health and well-being, age, gender, ethnicity, socio-economic class, nations and regions, disability and competitive school sport.

Taking Part has been used throughout this report to provide a picture of participation at a national level. Where there is a need for local level data or more detailed analysis by individual sports, the Active People survey has been used.

¹⁰ DCMS (December 2010). Plans for the Legacy from the 2012 Olympic and Paralympic Games.

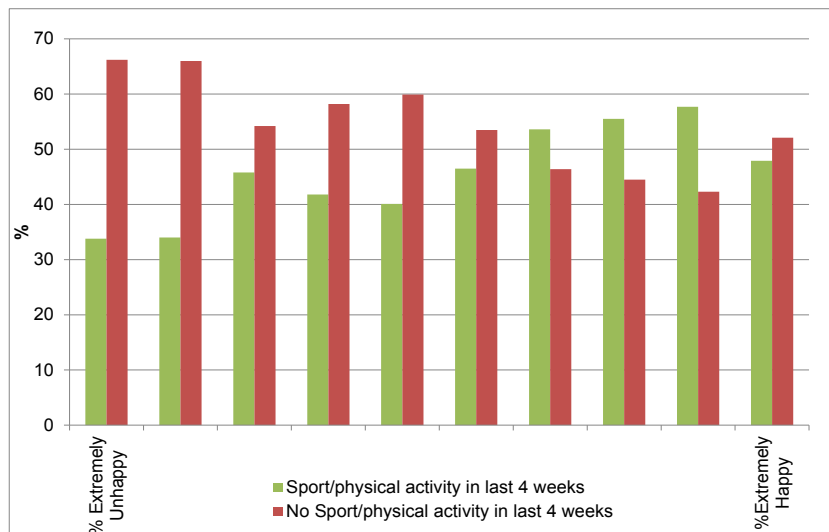
(i) Health and well-being

Some distinct features of the sport logic model should be noted at the outset. Whilst levels of health (and other resources at the disposal of the individual) which enable participation in sport can be viewed as contextual conditions, overtime the health and well-being impacts of sports will change these conditions, in turn producing feedback that may affect sports participation. A synopsis of the supporting evidence for this was included in the previous meta-evaluation report.

The baseline data analysed for this report also suggests that subjective well-being (happiness) and perceptions of health are linked to sports participation. Overall the data in Taking Part for 2005/06 suggests that approximately 77% of people reported scores greater than 7 on a scale of one to ten, in which '1' indicated extremely unhappy and '10' extremely happy. In the case of subjective health approximately 71% of respondents indicated that their health was either good or very good. This is consistent with many surveys on health and well-being.

Figure 3-2 and Figure 3-3 also show that sports participation can be linked to higher levels of both health and well-being. The figures presented are for 2005/06, which is the year closest to the 2003 baseline for which data is available.¹¹

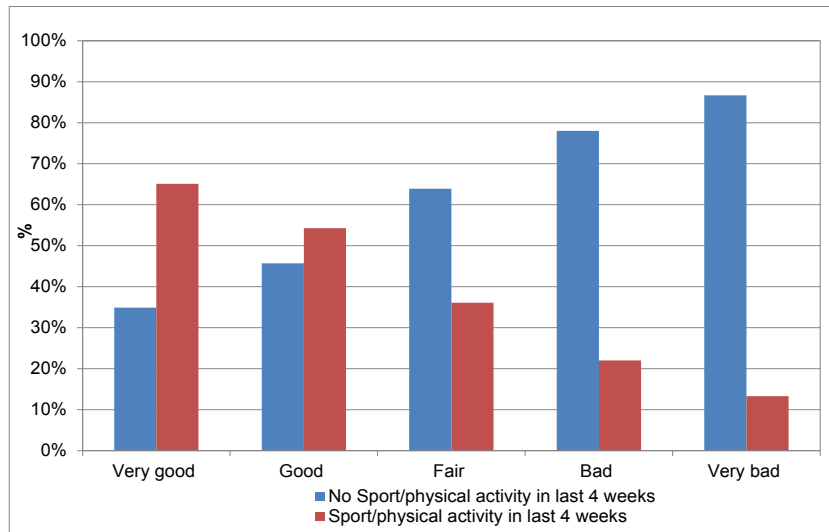
Figure 3-2: Happiness and sports participation in England, 2005/06



Source: Taking Part (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

¹¹ Taking Part is a major continuous survey of cultural and sport participation in England and has been undertaken every year since 2005/6.

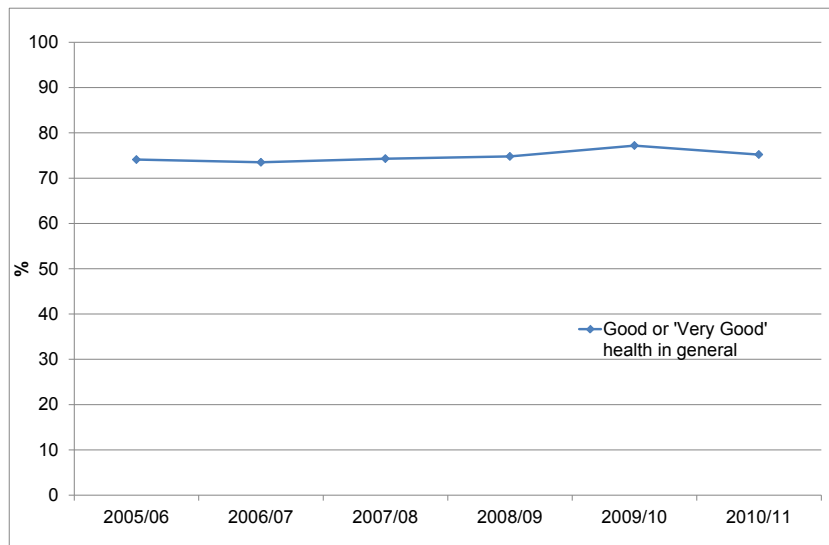
Figure 3-3: Perceived level of health and sports participation in England, 2005/06



Source: *Taking Part* (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

It can be seen in Figure 3-4 that this is part of a wider trend towards people feeling healthier across England, highlighting that participation in sport and physical activity is likely to be only one of many drivers of health and well-being, not least including socio-economic status, standards of health care, and other lifestyles factors.

Figure 3-4: People rating their health as good or very good in England, 2005/06-2010/11



Source: *Taking Part*.

While some positive health benefits at the individual level from participation in sport and physical activity are evidenced in the literature, this does not necessarily mean that the causal link between health and participation is that participation improves health. In fact, causality could be that improved health promotes increased sport participation.

For this report, the baseline analysis abstracts from these longer term influences and focuses on the more immediately measurable components of the logic model, and which might feasibly be attributable to the 2012 Games.

(ii) Headline participation rates¹²

Overall, sport and physical activity participation rates are remarkably stable, averaging at between 53.0% and 53.7% over the 2005/06 to 2010/11 period, in terms of having taken part in sport in the past four weeks.

Participation is measured by any sports and active recreation/ physical activities undertaken in the four weeks prior to the interview, and covers all of the activities classified as sport and physical activity in 'Taking Part'.¹³ This is to give an insight into general sports participation. It is well known that certain sports, for example those associated with teams, are more typically younger people activities, whilst other more general activities such as weight-training and keep fit are participated in by male and female genders respectively. The four-week measure is used because, despite potentially being affected by variation in seasonal participation for some team sports, it is more reliable in terms of the recall of respondents.

There is little consensus as to why rates are so stable. One argument is that sports policy has worked well to maintain the status quo.¹⁴ Other commentators, such as Downward et al¹⁵, argue that it is due to structural factors, including socio-economic circumstances and the accumulation of skills required to participate in, or 'consume' sport. For example the economic opportunity to participate in sport afforded by income from work, or perhaps time constraints produced by the presence of children in the household, will only vary quite slowly. Further, the skills required to participate in some sports require a substantial time to accumulate. Variations in either socio-economic conditions and time availability over the short-run are therefore likely to be small.

Male participation in sport tends to be higher than female. Taking Part survey data shows male participation in sports is fairly steady between 2005/06 and 2011/12, while female participation is declining.

The gap between the genders is less so for physical activity sports as compared to Olympic sports. This is perhaps not surprising as Olympic sports will have a greater competitive dimension; traditionally male participation has been higher in activities perceived to be more competitive. The relative decline in competitive and more formalised forms of sport has been associated with a change in cultural values towards more individual activity that takes place in a flexible environment.¹⁶

Figure 3-5: Participation in sport and active recreation in England in the past four weeks, 2005/06-2010/11

| Participation over the past four weeks: | By | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|------------|---------|---------|---------|---------|---------|---------|
| Sport/ active recreation | All Adults | 53.7% | 53.4% | 53.6% | 53.2% | 53.4% | 53.0% |
| | Male | 60.2% | 61.0% | 61.5% | 60.8% | 59.4% | 60.4% |
| | Female | 47.7% | 46.2% | 46.1% | 46.0% | 47.7% | 45.9% |

Source: Taking Part. Confidence intervals range between +/-0.7 and +/-1.9 (Sport/ active recreation is at least once a month and includes physical activity (except recreational walking and cycling)).

(iii) Frequency of adult participation

There is some evidence that more frequent sports participants are increasing their activity over time. Crucially, however, participation of less than 10 days in any four weeks, which is the typical pattern of participation, is relatively static. The frequency of 'zero' participation (in the past four weeks) has fallen. Combined with the above evidence, the figures show a deepening of involvement in sports rather than a broadening across the population.

¹² Downward, P.M. Dejonghe, T. and Dawson, A. (2009). Sports Economics: Theory, Evidence and Policy, Elsevier: London.

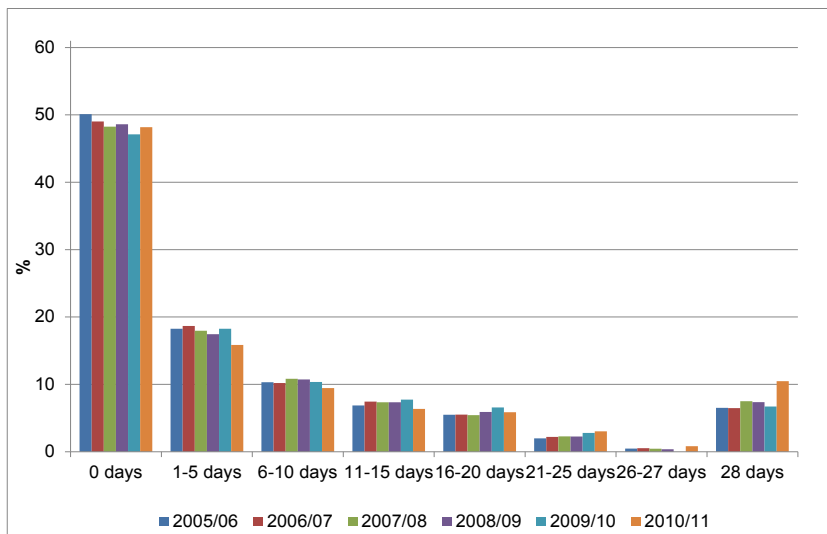
¹³ Although it does not include recreational walking and cycling.

¹⁴ Carter, P. (2005). Review of National Sport Effort and Resources, DCMS, London.

¹⁵ Downward, P.M. Dejonghe, T. and Dawson, A. (2009). Sports Economics: Theory, Evidence and Policy, Elsevier: London.

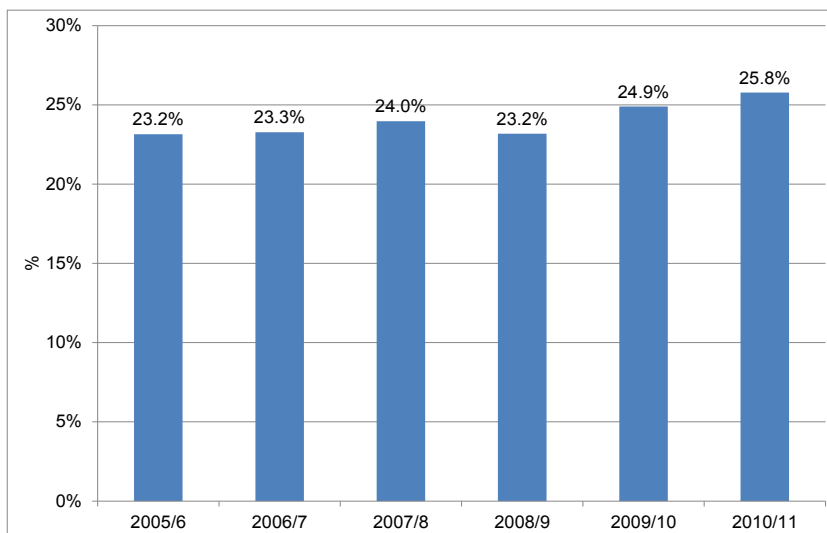
¹⁶ Coalter, F (1999). Sport and recreation in the United Kingdom: flow with the flow or buck the trends? *Managing Leisure*, 4:1, 24-39.

Figure 3-6: Frequency of adult participation in sport in England in the past four weeks, 2005/06-2010/11



Source: Taking Part. Confidence intervals range between +/-1.0 and +/-2.5 (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

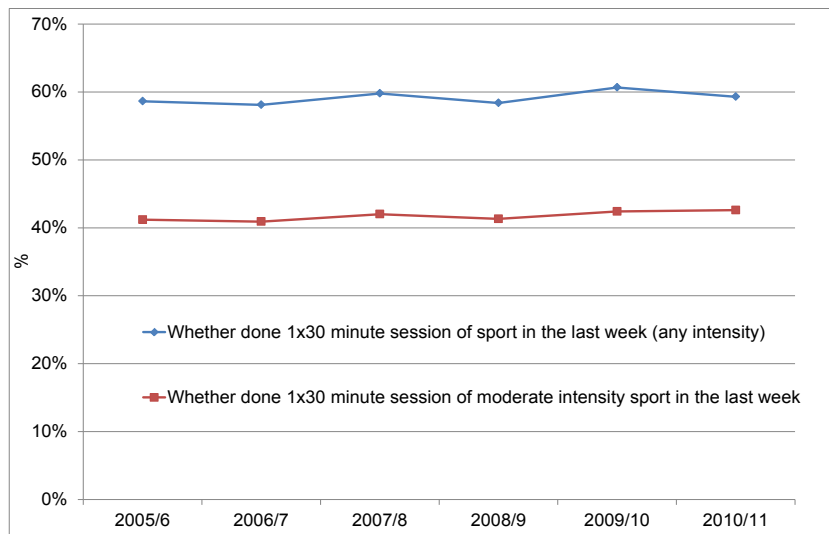
Figure 3-7: Frequency of adult participation in sport (3x30 minute sessions of moderate intensity sport) in the last week in England, 2005/06-2010/11



Source: Taking Part (Sport is defined as whether done 3x30 minute sessions of moderate intensity sport in the last week, including recreational walking and cycling where this raises the breathing rate).

Participation levels in 2009/10 and 2010/11 show a significant increase from 2005/06.

Figure 3-8: Frequency of adult participation in sport (1x30 minute sessions of sport) in the last week in England, 2005/06-2010/11



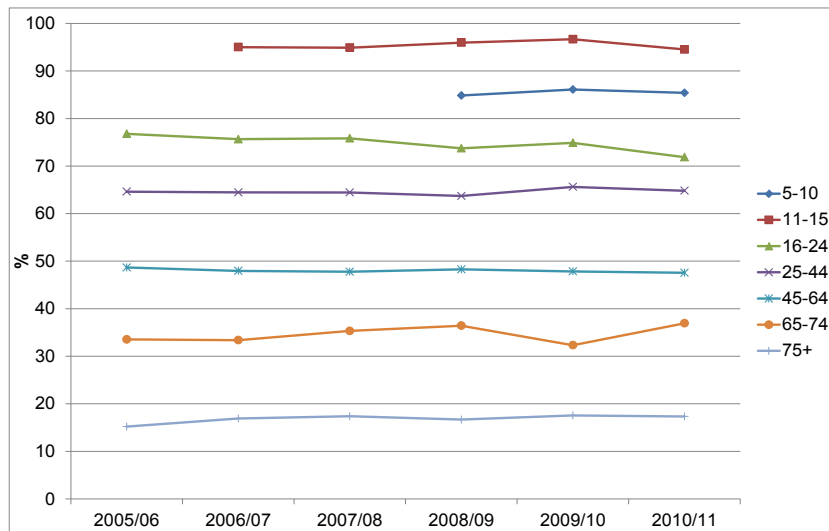
Source: Taking Part (Sport is defined as whether done 1x30 minute session of sport in the last week (any intensity, including recreational walking and cycling).

For any intensity sport participation, 2009/10 showed a significant change from 2005/06, while for moderate intensity sport participation, 2010/11 showed a significant increase from 2005/06.

(iv) Participation by age

These overall trends mask some variation in their composition, particularly by age. Between 2005/06 and 2010/11 there has been a slight drop in the proportion of 16-24 year olds doing sport and a slight increase in older people (particularly aged 65 to 74) doing sport.

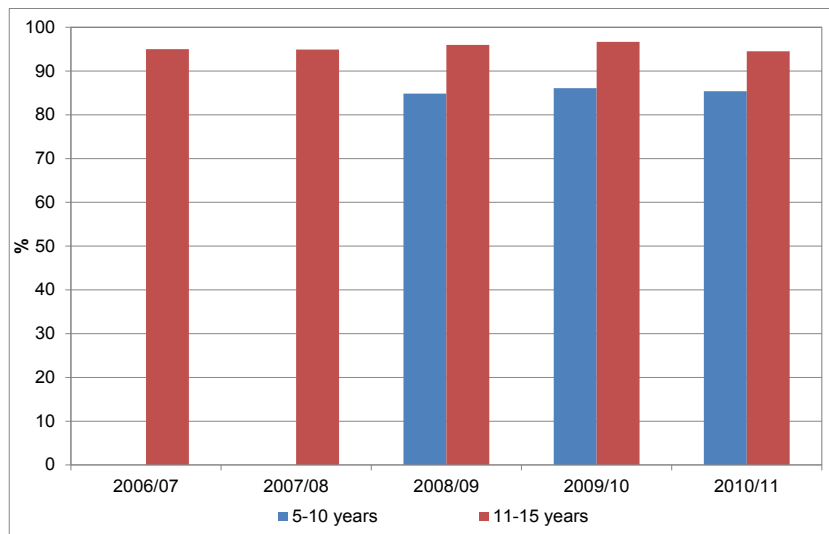
Figure 3-9: Percentage of people participating in sport in England in the past four weeks by age group, 2005/06-2010/11



Source: Taking Part. Confidence intervals range between +/-1.1 and +/-4.9 (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

There is generally less data available to examine children's participation and therefore caution needs to be exercised regarding any conclusions drawn. Available data does however show a fairly stable trend.

Figure 3-10: Proportion of children participating in active sport in the last week in England, 2006/07-2010/11



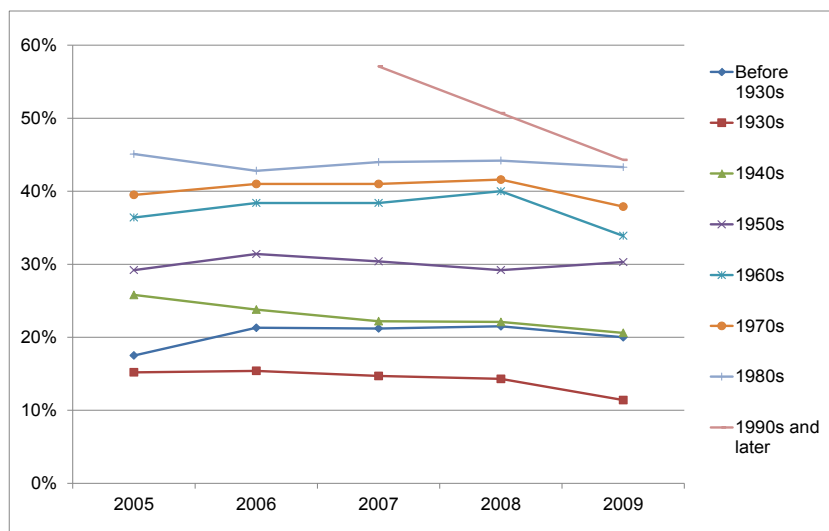
Source: *Taking Part* (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

The relationship between young people's and adults' (including that between children and their parents) sports participation is also complex. Undoubtedly parental engagement in sport will influence participation of children alongside school provision. Children's participation will then feed into their participation and involvement as adults. In this analysis, the focus is also on indicators more clearly linked to Games legacy impacts, including those which suggest whether there has been a strengthening of competitive sport in schools and access to sports opportunities, and the sustainability of participation post-16. In addition, adults who did sport as children are more likely to do sport as an adult.

(v) Participation by decade of birth

A similar pattern is revealed by decade of birth. Figure 3-11 shows the participation rates of individuals according to birth year as cohorts. Not surprisingly participation rates per decile-age at the time of the survey vary inversely with those born longest ago.

Figure 3-11: Participation in sport by decade of birth in England in the past four weeks, 2005-2009



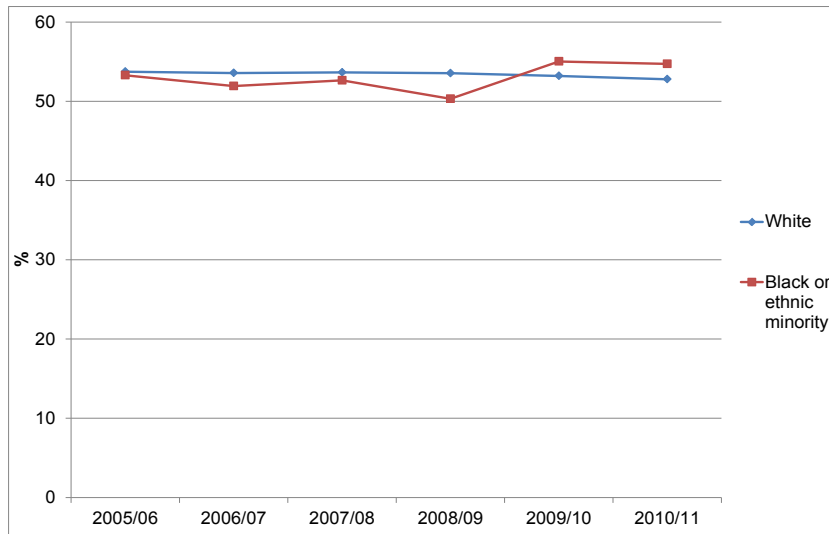
Source: *Taking Part* (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

(vi) Participation by ethnicity

With regard to ethnicity, profiles vary, though the category 'white British' makes up the majority of participants in sport. Figure 3-12 shows that there is also some evidence of a slight increase in the black or ethnic minority group, although the results are subject to wide confidence

intervals. This trend is also seen in the Active People survey. Wave 4 shows an increase amongst non-white participation in 3x30 minutes of sport from 16.1% to 17.3%.

Figure 3-12: Participation in sport by ethnicity in England in the past four weeks, 2005/06-2010/11

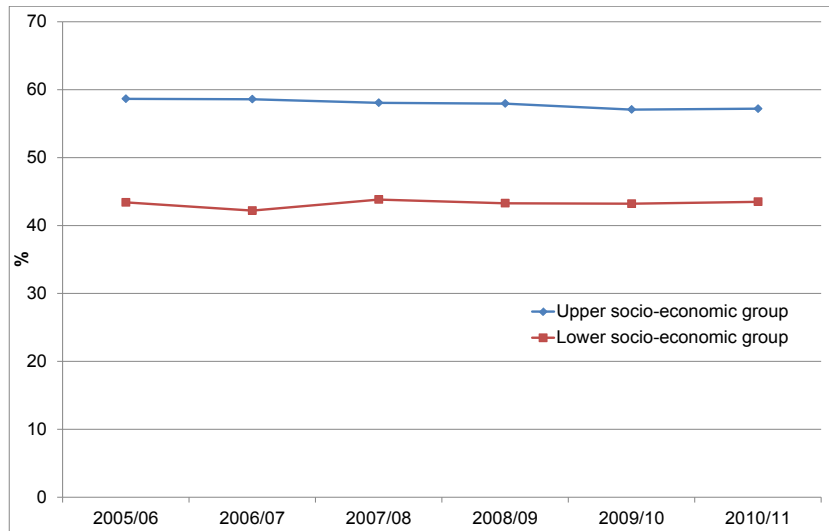


Source: Taking Part (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

(vii) Participation by socio-economic class

Varying levels of sports participation are also identified in connection with socio-economic class with higher levels of sports participation often observed for higher managerial occupations and lower levels for those that have never worked, according to Figure 3-13.

Figure 3-13: Participation in sport by socio-economic class in England in the past four weeks, 2005/06-2010/11



Source: Taking Part (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

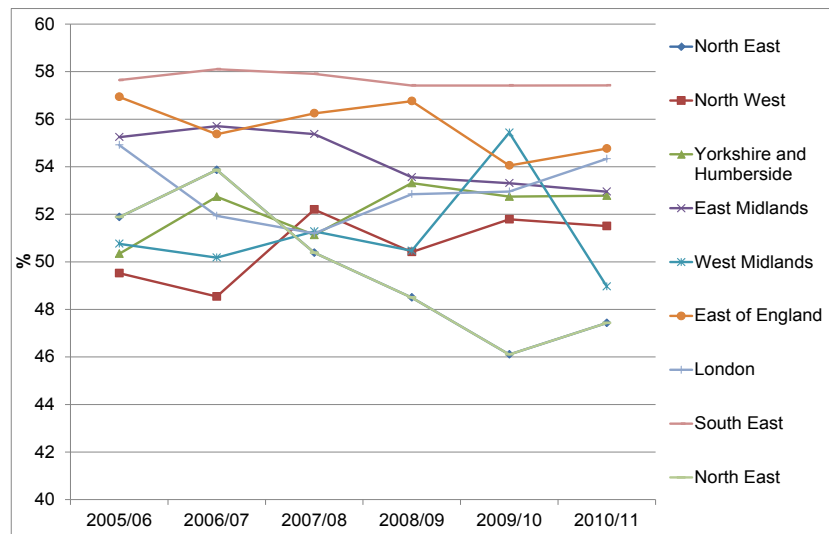
The evidence suggests that the legacy programmes linked to the 2012 Games will face significant contextual challenges in affecting any change to levels of participation, not least socio-economic status and particularly amongst young people leaving school.

(viii) Participation by region in England

The figure below provides an indication of participation by region. The South East has persistently higher participation rates while the North East and the North West tend to have lower participation rates. Additional consultation and analysis will be required to determine why

these regional differences are experienced and indeed what the impact of the 2012 Games will be.

Figure 3-14: Percentage of adults participating in sport by region in England in the past four weeks, 2005/06-2010/11



Source: *Taking Part*. Confidence intervals range between ± 2.0 and ± 8.4 (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

Overall though, this hints that measuring regional impacts on sports participation will be difficult to identify. It is likely that the differential rates reflect the accessibility and quality of sports infrastructure and socio-economic characteristics (such as demographics, unemployment and income differentials).

(ix) Participation by nation

Outside England, the UK adult participation patterns echo the overall patterns above (although the available data does not indicate how the baseline has evolved in such detail and it should be noted that the surveys have some distinct features).¹⁷ For example Figure 3-15 illustrates the generally greater male participation in sport compared with females. In contrast to England where the greatest change is among females, the changes are greater amongst males. It does however need to be noted that as the surveys used are different, data is not strictly comparable.

Figure 3-15: Adults participating in sport in Scotland, Wales and Northern Ireland

| Nation | Demographic category | 2007 | 2008* | 2009 |
|----------------------------|----------------------|-------|-------|-------|
| Scotland | Total | 74.0% | 73.0% | 72.0% |
| | Male | 79.0% | 76.0% | 75.0% |
| | Female | 70.0% | 70.0% | 69.0% |
| Wales (2008/09) | Total | - | 56.4% | - |
| | Male | - | 62.5% | - |
| | Female | - | 50.7% | - |
| Northern Ireland (2008/09) | Total | - | 45.0% | - |
| | Male | - | 54.0% | - |
| | Female | - | 39.0% | - |

Source: *Active Adults Wales*, *Continuous Household Survey Northern Ireland*; *Scottish Household Survey*.

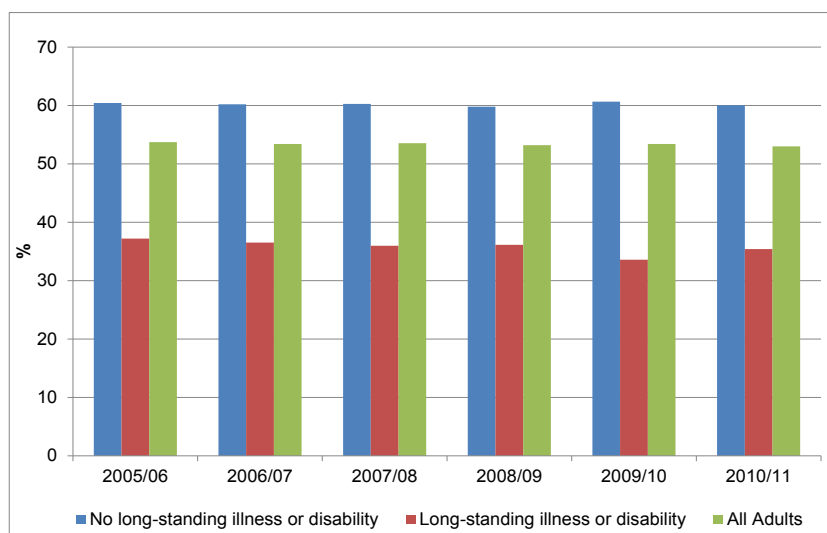
Note: * *Wales and Northern Ireland survey undertaken over 2008/09 period.*

¹⁷ The surveys are broadly similar in that most ask about sports participation in the last four weeks or not, and their frequency over this period. However, some features of the sampling methods do differ. For example, *Active Adult Wales* focuses upon an individual in the household, whilst the *Scottish Household Survey* likewise, but also includes another randomly selected individual. In the former case, too, adults aged over 15 are investigated, whilst in the latter, adults are defined as aged 16 and over. Sampling and weighting methods also vary.

(x) Participation by disability

Figure 3-16 reflects the broadly stable patterns of participation noted above, with marginal decreases in participation in 2009. However, more generally, sport and physical activity participation rates amongst disabled people or those with a long-term illness are significantly lower than for those without.

Figure 3-16: Long-term illness and participation in sport in the past four weeks in England, 2005/06-2010/11



Source: *Taking Part*. Confidence intervals range between ± 0.8 and ± 2.7 (Sport is defined as at least once a month and includes physical activity (except recreational walking and cycling)).

Figure 3-17 shows similar patterns of sports participation for disabled people in Wales and Northern Ireland.

Figure 3-17: Long-term illness and sports participation in the past four weeks in Wales and Northern Ireland, 2008/09

| Nation | Demographic category | 2008/09 |
|------------------|--|---------|
| Wales | Long-term illness, health problem or disability | 35.0% |
| | No long-term illness, health problem or disability | 65.0% |
| Northern Ireland | Has limiting long-standing illness | 22.0% |
| | Does not have limiting long-standing illness | 53.0% |

Source: *Active Adults Wales, Continuous Household Survey Northern Ireland*.

Report 2 explored the barriers to participation amongst disabled people, which include not only health but also time and money, a lack of confidence, and access to information and support. 2012 legacy interventions must overcome such challenges if they are to boost participation amongst disabled people. Initiatives such as Parasport are attempting to improve access to opportunities through better signposting for this group.

(xi) School sport participation

The Department for Education (DfE) commissioned annual surveys of the School Sport Partnership Programme, established in 2000, from 2003/04 to 2009/10. The Sport Partnership Programme became part of the Physical Education and Sport Strategy for Young People (PESSYP) which was set up in 2003.

PESSYP, which received £755 million between 2008/09 and 2010/11, was jointly led by DCMS and DfE, and contributed to participation, elite sport and infrastructure (soft) objectives.

PESSYP has been cancelled, but prior to its cancellation, it consisted of ten strands:

- Infrastructure;

- Sport Unlimited;
- Competition;
- School club links;
- Leadership and volunteering;
- Disability;
- Recruit into coaching;
- Gifted and talented;
- Continuing professional development;
- School swimming improvement.

In terms of participation, an initial target was set to increase the percentage of school children who spend at least two hours of each week on high quality PE and school sport to 75% by 2006, extended to 85% by 2008. This target was exceeded in 2008 and thus the target was raised to at least three hours.

It is important to note that as there is a lack of baseline information on how much sport schools were doing pre-PESSYP, it is difficult to accurately determine the extent to which PESSYP contributed to driving the increased target. There was a mandatory curricular requirement for two hours' sport which would have prompted schools into organising themselves to meet this target. In addition, it is possible that many schools were already close to the two hours per week target, and PESSYP and the curriculum requirement acted as a driver for the schools to meet this target.

We have included below some key participation related findings from the DfE survey as well as from an Ipsos MORI survey. The following should be noted with regards to the methodological approach used by the two surveys reported:

- The DfE survey:
 - Conducted annually from 2003/04 to 2009/10;
 - Based on a self-completion questionnaire administered by TNS-BMRB to partnership schools involved;
 - Completed by the schools themselves, although it is unclear who at the school level completed the survey;
 - Partnership Development Managers¹⁸ were asked to take responsibility for data collection within their partnership. The self-assessment nature of the questionnaire has resulted in some debate regarding the survey outcomes;
 - DfE has cancelled this survey and thus the monitoring data collected to date is unlikely to be collected in this format in the future.
- Ipsos MORI survey:¹⁹
 - Conducted between March 2008 and February 2009;
 - Three questions were posed monthly to children aged 5 to 19 via the LVQ Children's Omnibus.

Both surveys provide an indication of how school sport participation has changed since 2003/04.

¹⁸ Partnerships are 'families' of schools which typically comprise a Specialist Sports College linked to a set of secondary schools, each of which has a further group of primary and special schools clustered around it. The Partnership Development Manager is at the core of the Strategy and is responsible for managing the partnership.

¹⁹ Children and Young People's Participation in Organised Sport, Omnibus Survey, Research Report DCSF-RR135, Jen Fraser and Alexandra Ziff, Ipsos MORI.

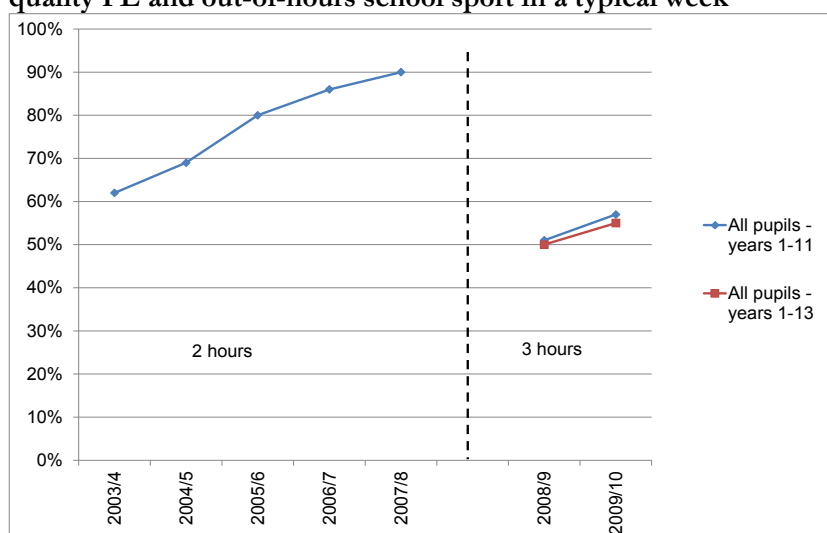
The DfE survey broadly indicates that over the period 2003/04 to 2009/10 participation in PE and out-of-school sport increased, and in 2009/10 55% of pupils in years 1 to 13 participated in at least three hours of high quality PE and out-of-hours school sport.

The Ipsos MORI survey indicated that during the 2008/09 survey period, 68% of children aged 5 to 16 years participated in at least two hours of organised sport in total (ie during and outside of the school day), with 47% participating in at least three hours. As the survey was only conducted for a year, trends over this time have not been included in this report, as varying participation over the year could be due to a variety of factors, including for example seasonal differences.

The different levels of participation are probably due to the methodological differences in the survey. In particular, the DfE survey was completed by schools whereas MORI surveyed children through direct face-to-face contact.

Figure 3-18 indicates how participation increased from 2003/04 to 2007/08, and has continued to increase between 2008/09 and 2009/10.

Figure 3-18: Percentage of pupils who participated in at least two or three hours of high quality PE and out-of-hours school sport in a typical week



Source: PE and Sport Survey, DfE.

In addition to increasing the target to three hours, the 2008/09 survey also assessed years 1 to 13, as opposed to years 1 to 11 as in previous years. This has limited the extent to which detailed trends can be determined since 2003.

The 2008/09 and the 2009/10 surveys display similar patterns in terms of participation levels by age group (as was the case for the previous five surveys, when the measure was two hours of PE/school sport).

The Ipsos MORI survey measured children and young people's participation in sport both in school and outside of the school day.²⁰ Key findings include:

- 56% of children aged 5 to 16 years participated in at least two hours of organised sport during the school day, with 18% participating in at least three hours;
- 35% of children aged 5 to 16 years participated in at least two hours of organised sport outside of the school day, with 21% participating in at least three hours;
- 68% of children aged 5 to 16 years participated in at least two hours of organised sport in total, with 47% participating in at least three hours.

²⁰ As indicated by participation in the past week.

According to the DfE survey, participation levels during years 2008 to 2010 are highest in Years 4 to 6, with levels of participation increasing up to year 6 and then decreasing thereafter, with the lowest levels of participation recorded in years 12 and 13.

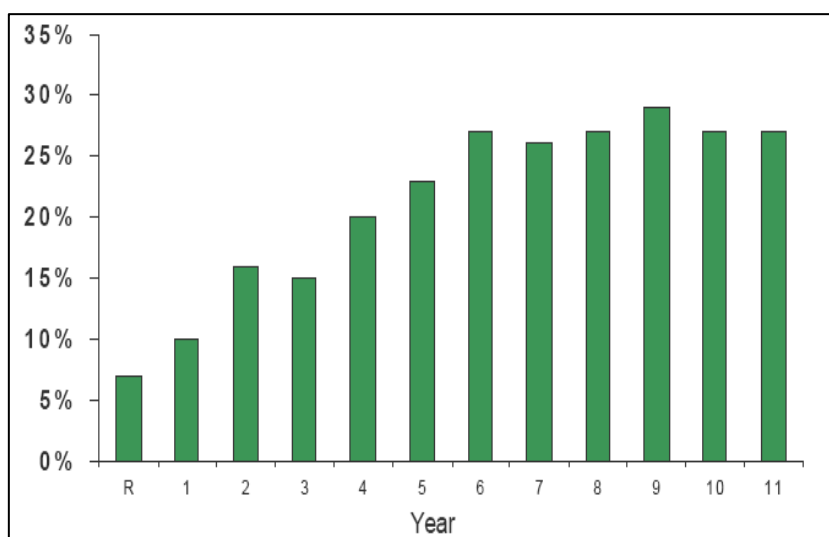
Figure 3-19: Percentage of pupils who participated in at least two or three hours of high quality PE and out-of-hours school sport in a typical week

| Year | Two hours | | | | | Three hours | |
|-------------------------|-----------|--------|--------|--------|--------|-------------|---------|
| | 2003/4 | 2004/5 | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 |
| All pupils – Years 1-11 | 62% | 69% | 80% | 86% | 90% | 51% | 57% |
| Year 1 | 37% | 51% | 74% | 87% | 95% | 47% | 57% |
| Year 2 | 40% | 54% | 77% | 89% | 96% | 52% | 61% |
| Year 3 | 52% | 64% | 83% | 91% | 97% | 55% | 63% |
| Year 4 | 56% | 68% | 84% | 92% | 97% | 59% | 66% |
| Year 5 | 62% | 72% | 87% | 93% | 97% | 63% | 69% |
| Year 6 | 64% | 74% | 88% | 94% | 97% | 65% | 70% |
| Year 7 | 86% | 87% | 90% | 92% | 95% | 53% | 59% |
| Year 8 | 85% | 86% | 89% | 91% | 93% | 50% | 54% |
| Year 9 | 80% | 81% | 84% | 86% | 89% | 44% | 49% |
| Year 10 | 58% | 63% | 65% | 67% | 71% | 42% | 45% |
| Year 11 | 54% | 58% | 60% | 63% | 66% | 37% | 40% |
| Year 12 | | | | | | 21% | 23% |
| Year 13 | | | | | | 19% | 21% |

Source: PE and Sport Survey, DfE.

The Ipsos MORI survey reported participation in at least five hours of organised sport by year. According to survey results, the younger age groups (reception to year 3) had the lowest level of participation, with levels peaking between years 6 and 10, beginning to drop off from year 11.

Figure 3-20: Percentage of 5 to 16 year olds (reception to year 11) participating in five or more hours of organised sport outside of school time in the past seven days

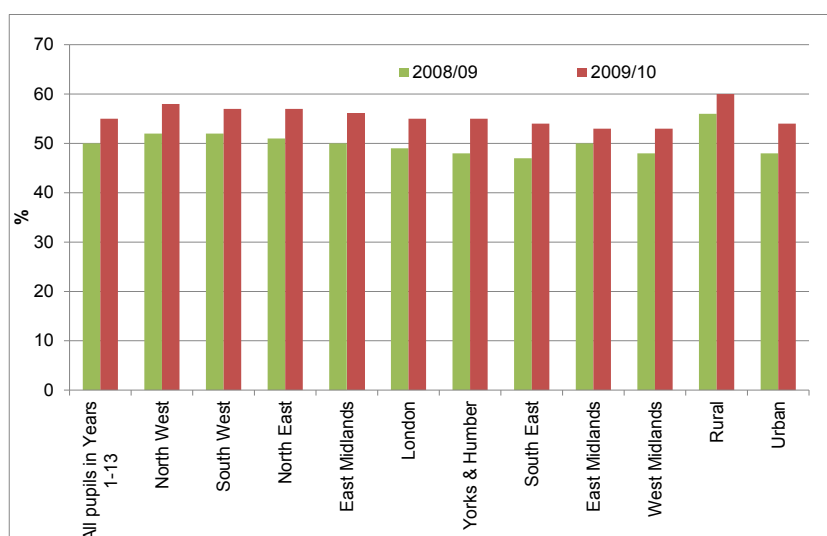


Source: Ipsos MORI.

Participation rates did not vary much between the different regions of the country, with rates in the North West (58%) being the highest, and rates in the West Midlands and the East (53%) the lowest. All regions have shown an improvement on 2008/09, with these improvements spread relatively consistently across the regions. Participation rates in at least three hours of PE and out-of-hours school sport were higher in rural areas than in urban areas, although the gap has narrowed.

The Ipsos MORI survey did not report data by region.

Figure 3-21: Percentage of pupils who participated in at least two or three hours of high quality PE and out-of-hours school sport in a typical week, 2008/09 to 2009/10



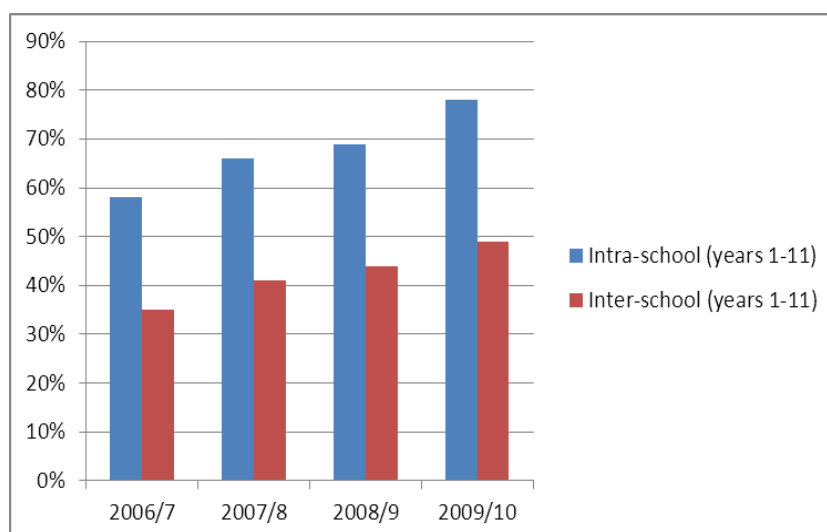
Source: PE and Sport Survey, DfE. Base: All pupils in Year 1-13 where information given.

In 2009/10 data was obtained on gender for the first time, and this indicated that around half (52%) of girls participated in at least three hours of PE/school sport, compared to 58% of boys. When looking at individual year groups, the smallest differences by gender were in years 1 to 7. After that, the gap between the sexes widened as pupils got older, until by year 11 the difference was 13 percentage points (33% participation for girls and 46% for boys). This difference was also apparent in years 12 and 13.

The Ipsos MORI survey revealed that boys (26%) were more likely to have participated in at least five hours of physical activity than girls (18%).

Participation in intra-school activities (excluding sports days) has increased from 58% in 2006/07 to 78% in 2009/10 – a 20 percentage point increase in four years. Almost half of pupils in years 1 to 11 participated in inter-school competition during the 2009/10 academic year, a 14 percentage point increase over the last four years.

Figure 3-22: Percentage of pupils involved in intra-school and inter-school competitive activities during this academic year

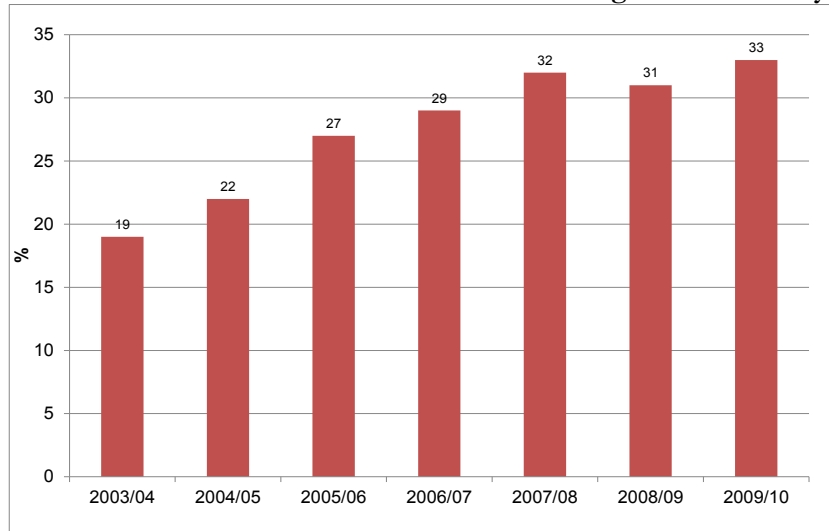


Source: PE and Sport Survey, DfE.

There has been a 14 percentage point increase in the proportion of pupils in years 2 to 11 participating in one or more community sports, dance or multi-skill clubs with links to the school, from 19% in 2003/04 to 33% in 2009/10. While 2008/09 saw a stalling at around 30%,

an increase was experienced in 2009/10. Participation generally increases up to year 6, at which it peaks, and then drops off after that.

Figure 3-23: Percentage of pupils participating in one or more community sports, dance or multi-skill clubs with links to the school during this academic year

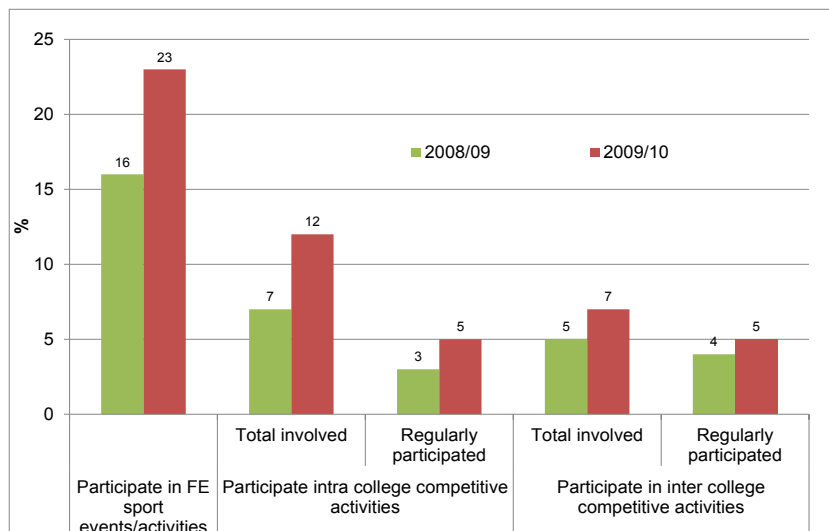


Source: PE and Sport Survey, DfE. Base: All pupils in Year 2-13 where information given.

During 2008/09 an additional element was introduced to the survey which looked at sport participation in Further Education (FE) colleges with data related to 16 to 19 year olds studying full-time.

Figure 3-24 indicates that 23% of all full-time pupils aged 16 to 19 had taken part in at least one sporting event during the academic year. While this does indicate that participation drops off after school, it is encouraging that participation increased by 7 percentage points between 2008/09 and 2009/10.

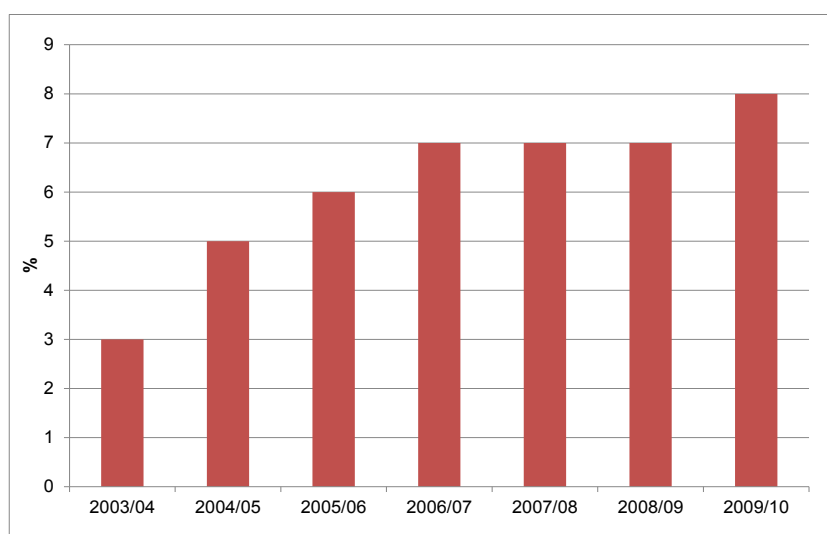
Figure 3-24: Percentage of FE students who participated in sporting activities during academic year



Source: PE and Sport Survey, DfE. Base: All full-time FE pupils where information given.

8% of pupils across years 5 to 11 were registered as gifted and talented because of their ability in PE and/or school sport, nearly treble that from 2003/04.

Figure 3-25: Percentage of pupils registered as gifted and talented because of their ability in PE and/or school sport



Source: PE and Sport Survey, DfE. Base: All pupils in Years 5-11 where information given.

It is crucial that a method be identified to collect the data previously collected through the PESSYP survey, regarding the number of young people involved in PE and competitive PE and sport, so that participation can be tracked.

Sport England has recently commissioned the Sport Industry Research Centre at Sheffield Hallam University to conduct an impact study of the School Games. The study, which runs from December 2011 to March 2015, will include a quantitative assessment of all participating schools, quantifying the outputs generated by the School Games. A sample of schools will also be evaluated in a quantitative assessment to determine net impacts as well as key lessons. The first results are expected in summer 2012.

We are also aware that some researchers at academic institutions are looking at small scale data collection studies and case studies to determine trends, and this will provide additional evidence.

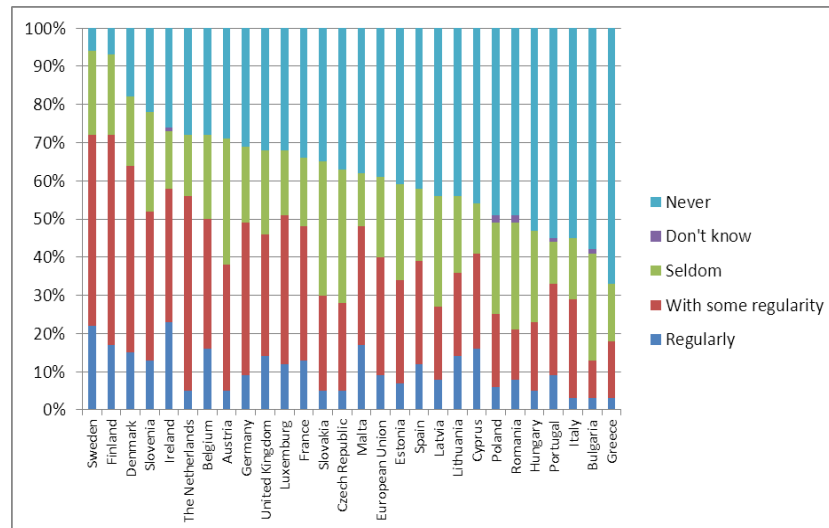
(xii) International sport participation comparisons

In order to help contextualise sport and physical activity participation in the UK, a high level analysis of sport participation in Europe has been included.

Data is based on two Eurobarometer reports on sport and physical activity participation in the European Union, based on surveys conducted in 2004 and 2009. Unfortunately, the way in which the data is reported differs between the two reports, limiting the extent to which the change in participation between 2004 and 2009 can be assessed.

The figures below provide an indication of sport and physical activity participation by country in Europe in 2009. This is based on respondents indicating how often they exercise or play sport as follows:

- Regularly – five times a week or more;
- With some regularity – three to four or one to two times a week;
- Seldom – one to three times a month or less;
- Don't know;
- Never.

Figure 3-26: Sport and exercise participation in the European Union, by country

Source: *Sport and Physical Activity, Special Eurobarometer, March 2010.*

Figure 3-27: Participation in sport and exercise in the European Union, by country

| Country | Regularly | With some regularity | Seldom | Don't know | Never |
|-----------------|-----------|----------------------|--------|------------|-------|
| Sweden | 22% | 50% | 22% | 0% | 6% |
| Finland | 17% | 55% | 21% | 0% | 7% |
| Denmark | 15% | 49% | 18% | 0% | 18% |
| Slovenia | 13% | 39% | 26% | 0% | 22% |
| Ireland | 23% | 35% | 15% | 1% | 26% |
| The Netherlands | 5% | 51% | 16% | 0% | 28% |
| Belgium | 16% | 34% | 22% | 0% | 28% |
| Austria | 5% | 33% | 33% | 0% | 29% |
| Germany | 9% | 40% | 20% | 0% | 31% |
| United Kingdom | 14% | 32% | 22% | 0% | 32% |
| Luxemburg | 12% | 39% | 17% | 0% | 32% |
| France | 13% | 35% | 18% | 0% | 34% |
| Slovakia | 5% | 25% | 35% | 0% | 35% |
| Czech Republic | 5% | 23% | 35% | 0% | 37% |
| Malta | 17% | 31% | 14% | 0% | 38% |
| European Union | 9% | 31% | 21% | 0% | 39% |
| Estonia | 7% | 27% | 25% | 0% | 41% |
| Spain | 12% | 27% | 19% | 0% | 42% |
| Latvia | 8% | 19% | 29% | 0% | 44% |
| Lithuania | 14% | 22% | 20% | 0% | 44% |
| Cyprus | 16% | 25% | 13% | 0% | 46% |
| Poland | 6% | 19% | 24% | 2% | 49% |
| Romania | 8% | 13% | 28% | 2% | 49% |
| Hungary | 5% | 18% | 24% | 0% | 53% |
| Portugal | 9% | 24% | 11% | 1% | 55% |
| Italy | 3% | 26% | 16% | 0% | 55% |
| Bulgaria | 3% | 10% | 28% | 1% | 58% |
| Greece | 3% | 15% | 15% | 0% | 67% |

Source: *Sport and Physical Activity, Special Eurobarometer, March 2010.*

The UK ranks as follows in terms of sport and exercise participation:

- 10th overall in terms of some participation (ie did not respond 'never');
- 8th in terms of regular participation (14%) as compared with Ireland which has the highest level at 32%;

- 12th in terms of participation with some regularity (32%) as compared with Finland which has the highest level at 55%;
- 13th in terms of seldom participation as compared with Slovakia and the Czech Republic which have the highest level at 35%.

The UK thus performs well in terms of participation as compared with its peers.

In order to determine how participation has changed between 2004 and 2009, the 'never' response to the question "*How often do you exercise or play sport?*" has been used, as this is the only common response between the two surveys.

Figure 3-28: No participation in sport and exercise in the European Union, by country, 2004 vs. 2009

| Country | 2004 | 2009 | Difference |
|-----------------|------|------|------------|
| Luxemburg | 40% | 32% | -8% |
| Belgium | 36% | 28% | -8% |
| Hungary | 60% | 53% | -7% |
| Austria | 34% | 29% | -5% |
| Germany | 36% | 31% | -5% |
| Spain | 47% | 42% | -5% |
| Malta | 43% | 38% | -5% |
| Latvia | 48% | 44% | -4% |
| Lithuania | 48% | 44% | -4% |
| The Netherlands | 31% | 28% | -3% |
| Italy | 58% | 55% | -3% |
| Ireland | 28% | 26% | -2% |
| Slovenia | 24% | 22% | -2% |
| Slovakia | 36% | 35% | -1% |
| Sweden | 7% | 6% | -1% |
| European Union | 40% | 39% | -1% |
| France | 35% | 34% | -1% |
| Cyprus | 47% | 46% | -1% |
| Estonia | 40% | 41% | 1% |
| Denmark | 17% | 18% | 1% |
| United Kingdom | 31% | 32% | 1% |
| Czech Republic | 34% | 37% | 3% |
| Finland | 4% | 7% | 3% |
| Portugal | 46% | 55% | 9% |
| Greece | 57% | 67% | 10% |

Source: Sport and Physical Activity, Special Eurobarometer, March 2010; The Citizens of the European Union and Sport, Special Eurobarometer, November 2004.

It is challenging to use this as a measure of participation, because it does not reflect the extent/level of participation. It does, however, indicate that several countries in fact show a fairly stable position in terms of 'no participation' between 2004 and 2009.

Thus, while the UK may have experienced a relatively stable trend in sport and physical activity participation in the past five years (as reflected in the Taking Part survey data analysed above), this could in fact be part of a wider global stable trend on sport participation.

3.3 Participation: Policy counterfactual

In support of the Government's ambitions to boost participation in sport, a number of programmes have been developed and funded. This section explores the extent to which these would have otherwise occurred with reference to the strategies in place before the bid was first supported, and how the 2012 Games has impacted on strategies, policies and initiatives around sport participation.

Sport England is currently focused on the creation of a world-leading community sport system in England that will grow and sustain participation in grassroots sport and create opportunities for people to excel at their chosen sport. It is funded by the Government and the National Lottery and the organisation works with UK Sport, which has responsibility for elite success and attracting major sports events. The Youth Sport Trust, which was the delivery partner for the School Sport Partnership and PESSYP programme is Sport England's delivery partner for the new School Games programme.²¹

Sport England has had a long-standing focus on maintaining and developing levels of grassroots sport participation (and supporting the development of talent pathways) and this was a regular feature in their historical strategies before the Government first committed support to London's bid in 2003. The chronology and strategies around participation are summarised below.

²¹ Sport England website (www.sportengland.org)

Figure 3-29: Chronology of key sporting strategy around participation

| Strategy and date of publication | Description |
|--|--|
| England, the Sporting Nation (English Sports Council 1996) ²² | The strategy for the 1997 to 2004 period focused on the four areas of 'young people', 'active participation throughout life', 'performance development' and 'achieving excellence'. The specific goals for the active participation element focused on increasing the number of people taking sport, reducing the drop out in participation with age and reducing barriers to participation. |
| A Sporting Future for All (2000) | The strategy set out Labour's vision for sport, including sport in education, sport in the community, sporting excellence and the modernisation of sporting organisations. It put in train a variety of initiatives and strategies, including PESSYP. It was later replaced by Game Plan 2002. |
| Game Plan, 2002 ²³ | This strategy prepared by the Strategy Unit set the Government two objectives to produce "a major increase in participation in sport and physical activity" and "a sustainable improvement in success in international competition". Recommendations were made around 'grassroots participation', 'high performance sport', 'mega-sporting events' and 'delivery'. |
| The Framework for Sport in England (2004 to 2008) ²⁴ | Sport England's three stranded approach centred on making England active, making England successful and backing the bid to host the 2012 Games. The first activity strand has a diverse strategy around , amongst other things, " <i>helping people to start and stay in sport, providing the solutions to increase and widen the base of participation for everyone regardless of age, gender, ethnic origin or disability</i> " |
| Review of National Sport Effort & Resources, Patrick Carter, March 2005 | This report reviewed national sport efforts and resources and recommended five key areas for consideration: <ol style="list-style-type: none"> 1 To introduce robust measurement and monitoring systems that inform government investment at local level and ensure clear lines of accountability; 2 To promote the personal benefits of sport and physical activity and to help people identify their local delivery points; 3 To improve the local delivery of sport and suggest that government considers how it can support the co-ordination of public, private and voluntary sector investment – as well as local authorities and regional bodies – in order to improve local sporting facilities; 4 To create, under strong government leadership, a single access point and brand for sport in England and to streamline duplicating 'back office' functions that would release more money for front line activity; 5 To provide targeted incentives and commercial assistance – via a new National Sports Foundation – to encourage individual and corporate support and to "<i>help sport help itself</i>"²⁵ |
| Sport England Strategy (2008 to 2011) ²⁶ | This strategy – published alongside the Legacy Action Plan - revolves around the three sporting outcomes of 'excel', 'sustain' and 'grow'. Participation in sport features in the sustain strand where " <i>approximately 60% of Sport England's investment will focus on sustaining current participants in sport by ensuring that people have a high quality experience and by taking action to reduce the 'drop-off' in sports participation between 16 and 18.</i> " The 2012 Games was a driver for developing the strategy but Sport England interventions and outcomes were not specifically linked to the Games and no specific 2012 Games programme or workstream were identified in the strategy. |

These strategies confirm the focus on increasing and sustaining sports participation before the 2012 legacy participation programmes were developed, and even before the 2012 Games bid was successful. The 2012 Games features in Sport England's strategy and is one of many factors which are taken into account. Changes in Sport England's strategy were made as a result of the successful bid for the 2012 Games. The most significant of these was in November 2010 when Sport England launched a specific Olympic Legacy programme, Places People Play.

It should be noted though that while the focus has been on sport participation since pre-2003, and that the Olympics has been one of many factors influencing sport strategies, the policy environment and resultant programmes to deliver these strategies have changed over time to reflect changing conditions and requirements. An important example is the 2005 Carter

²² English Sports Council (1996). England, the sporting nation: A strategy.

²³ Game Plan: a strategy for delivering Government's sport and physical activity objectives, A Joint DCMS/Strategy Unit Report (December 2012).

²⁴ Sport England 2004. The Framework for Sport in England. Making England an Active and Successful Sporting Nation: A Vision for 2020.

²⁵ <http://www.sportdevelopment.info>

²⁶ Sport England (June 2008). Sport England Strategy 2008-2011.

Report²⁷ which reviewed national sport efforts and resources and recommended five key areas for consideration. A key outcome of this was the systematic shift towards using national governing bodies (NGBs) and the development of their Whole Sport Plans. This saw NGBs funded to support the delivery of the national sport strategy. Sport England funded 34 NGBs over the 2005 to 2009 period and then extended this to 46 governing bodies over the 2009 to 2013 period to ensure that all Olympic and Paralympic sports were included.

The issue of funding is more complex to disentangle. According to Sport England, in the absence of the Games they would still have invested in sports delivery, but the delivery programmes and themes may well have varied. In addition, the impact of the additional public interest and press scrutiny may also have impacted on delivery. Whether or not funding levels would have remained the same is debatable, with the view of some stakeholders that the Games has potentially resulted in funding levels being higher than they would otherwise have been, or funding being protected/ring-fenced. Other stakeholders take the view that the Games has resulted in a significant reduction in Lottery funding to Sport England for investment in community participation projects. In addition to the reduction in Sport England's share of lottery sales and the transfer of funds to the Olympic Lottery Distribution Fund (OLDF), as detailed below, Sport England has made its own lottery grants to the Aquatics Centre, the Velodrome and the Broxbourne Water Centre. The chronology of national lottery funding related to sport and the 2012 Games is outline in the table below:

Figure 3-30: Chronology of National Lottery funding to Sport and the 2012 Games

| Date | Summary (including expected costs and outputs where available) |
|-------------|---|
| Up to 1998 | Sport received 20% of lottery good causes income. |
| 1998 | Funding to Sport was reduced to 16.6% in 1998 to fund additional projects in health, education and environment run by the New Opportunities Fund. |
| June 2003 | Memorandum of Understanding 2003: Contribution of £1.5 billion envisaged as part of the original £2.375 billion budget. The contribution comprises £750 million from sales of Olympic-themed tickets, £340 million from Sports lottery distributors and £410 million (if required) from the National Lottery Distribution Fund. ²⁸ |
| August 2005 | Set up of the OLDF in April 2005 with funds first transferred in August 2005. |
| June 2006 | Confirmation that the £410 million funds from the National Lottery Distribution Fund would be required. ²⁹ |
| June 2007 | Revised Memorandum of Understanding 2007: Increased contribution from the national lottery from £410 million to £1,085 million (ie a proposed further £675 million). |
| Feb 2008 | Set up of a statutory instrument in February 2008 to transfer the £1,085 million of funds from the National Lottery Distribution Fund in 15 quarterly instalments from February 2009 to August 2013. |
| 2010 | After consultation by DCMS, Parliament decided that funding for sport, arts and heritage would be restored to their original shares of 20% in two stages: On 1 April 2011 to 18% each; on 1 April 2012 to 20% each. ³⁰ |

The allocation of National Lottery sales to sport is reflected in the table and figure below.

²⁷ Review of National Sport Effort & Resources, Patrick Carter, March 2005.

²⁸ Memorandum of Understanding (2003) and House of Commons Culture, Media and Sport Committee (April 2008). London 2012 Games: the next lap (23 April 2008).

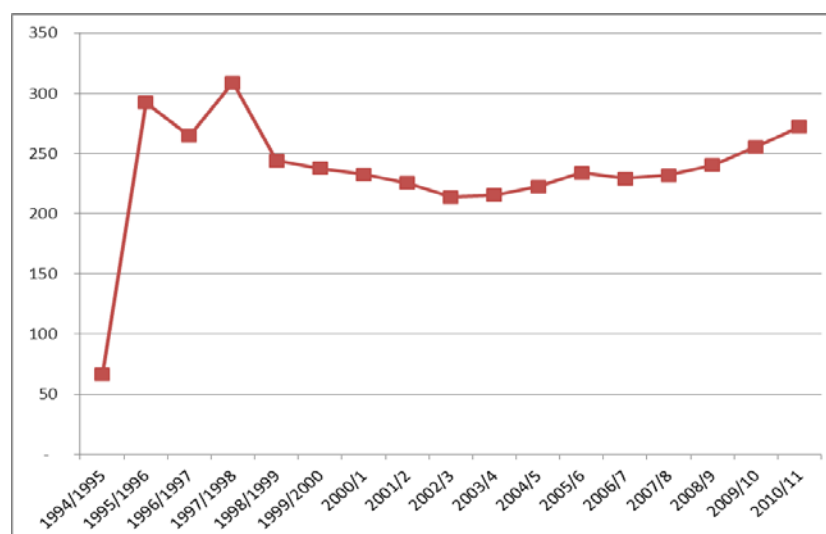
²⁹ DCMS Press Release 087/06, 21 June 2006.

³⁰ Consultation on the National Lottery Shares (May to August 2010).

Figure 3-31: Total National Lottery sales and allocation to Sport (£ million)

| Year | Total Lottery Sales (£m) | % to Good Causes | % to Sport | Total Sport Allocation (£m) | Total Good Causes Allocation (£m) |
|-----------|--------------------------|------------------|------------|-----------------------------|-----------------------------------|
| 1994/1995 | 1,191 | 28% | 20% | 67 | 333 |
| 1995/1996 | 5,217 | 28% | 20% | 292 | 1,461 |
| 1996/1997 | 4,723 | 28% | 20% | 264 | 1,322 |
| 1997/1998 | 5,514 | 28% | 20% | 309 | 1,544 |
| 1998/1999 | 5,228 | 28% | 17% | 244 | 1,464 |
| 1999/2000 | 5,094 | 28% | 17% | 238 | 1,426 |
| 2000/01 | 4,983 | 28% | 17% | 233 | 1,395 |
| 2001/02 | 4,834 | 28% | 17% | 226 | 1,354 |
| 2002/03 | 4,575 | 28% | 17% | 214 | 1,281 |
| 2003/04 | 4,615 | 28% | 17% | 215 | 1,292 |
| 2004/05 | 4,766 | 28% | 17% | 222 | 1,334 |
| 2005/06 | 5,013 | 28% | 17% | 234 | 1,404 |
| 2006/07 | 4,911 | 28% | 17% | 229 | 1,375 |
| 2007/08 | 4,966 | 28% | 17% | 232 | 1,391 |
| 2008/09 | 5,149 | 28% | 17% | 240 | 1,442 |
| 2009/10 | 5,477 | 28% | 17% | 256 | 1,533 |
| 2010/11 | 5,825 | 28% | 17% | 272 | 1,631 |

Source: National Lottery Commission Annual Reports, *The National Lottery – The First 15 Years*, Research Paper 09/93, 14 December 2009, *The National Lottery, Is it Progressive*, Paul Bickleby, Theos.

Figure 3-32: Total National Lottery sales allocation to Sport (£ million)

Source: National Lottery Commission Annual Reports, *The National Lottery – The First 15 Years*, Research Paper 09/93, 14 December 2009, *The National Lottery, Is it Progressive*, Paul Bickleby, Theos.

National Lottery funding to sport peaked in 1997/1998 at around £309 million and then declined to around £215 million in 2003/04, off the back of lower National Lottery sales and a decrease in allocation from 20% to 16.67%.

The issues and rationale for the 2010 decision are set out in more detail in Box 3-1 below. The 2012 Games did not feature as a rationale for the reallocation of the share of Lottery sales back to 20% in 2010, but the Games and the desire to enhance the sports legacy were identified as potential beneficiaries.

Box 3-1: Conclusions on the 2010 decision to increase sport funding to 20% share

"The Government believes that some of the health, education and environment funding has been used for projects which should have been funded by statutory bodies rather than the Lottery, in effect reducing the amount of funding available for arts, heritage and sport."

"The Coalition: Our Programme for Government' states that the Government will reform the National Lottery so that more money goes into sport, the arts and heritage. The Government believes that a vibrant cultural, media and sporting sector is crucial for our well-being and quality of life."

"To restore the Lottery good causes of sport, arts and heritage to their original shares of 20% each of the National Lottery Distribution Fund, resulting in more Lottery money going to projects in these good causes. The Government wishes to focus the Lottery on its original causes. The Government also wants to ensure that the levels of funding to the voluntary and community sector through Big Lottery Fund are protected."

"Lottery funding through arts, heritage and sport has increasingly benefitted local community and voluntary groups over the years, and the proposed changes would further this, including such things as increased participation in legacy of major sporting events such as the Olympics."

Source: The Apportionment of Money in the National Lottery Distribution Fund Order 2010 (Impact Assessment, 15/06/201).

Exchequer income for the three-year period 2008/09 to 2010/11 was determined as part of the 2007 Comprehensive Spending Review (CSR) and Sport England indicated that the extent to which DCMS' negotiations with the Treasury about the CSR were affected by the Games is not known.

Report 1 discusses all the sport-related policies and programmes in detail. In terms of sport participation, if we treat the Whole Sport Plan investment as steady state, there are five key programmes to consider:

- Places People Play;
- School Games;
- PESSYP;
- Free Swimming;
- London Organising Committee for the Olympic Games and Paralympic Games (LOCOG) Sponsor programme of activities and initiatives.

At this micro level of specific investment projects and programmes, it is difficult at the level of the meta-evaluation to disentangle the range of factors that influence their development. This is confirmed by consultation with key stakeholders, including Sport England. Factors which were cited as important include evidence from evaluations, external market factors, political and government priorities, views from stakeholders and partners, the 2012 Games and lobbying by different sports groups. Disentangling the exact extent to which the 2012 Games, out of all these factors, has driven changes and investment is therefore challenging given the range of different views. The meta-evaluation is therefore reliant on policy context and counterfactuals being well defined in the project-level evaluations.

Although the 2012 Games appears to have been one of the many factors that has affected the strategic direction of Sport England's specific programmes, it has clearly acted as a catalyst, providing an opportunity to maximise the effectiveness of existing investments. In addition to acting as a catalyst, the 2012 Games has created a momentum behind the initiatives. This has been accompanied by increased publicity, press and public scrutiny which may in turn have impacted on momentum and delivery.

Places People Play (a £135 million initiative) and the School Games (a £125 million initiative) are two of the major sport related interventions, both launched recently and explicitly linked to the Games. Therefore we can assume that in the absence of the Games, funding for community sport would have been invested differently.

PESSYP was launched in 2002 as a national initiative, which consisted of ten strands by 2011 when the programme was terminated. Although PESSYP preceded London's successful bid for the 2012 Games, the programme was subsequently harnessed to help meet some of the 2012 Games legacy objectives, particularly from 2008 onwards.

In particular, additional investment of £100 million over the 2008/09-2010/11 period was directed towards the programme, specifically to give every young person (aged 5 to 16 years) the chance to do five hours of sport a week (and 16-19 years, three hours per week).³¹ This additional investment was clearly driven by the 2012 Games and it is unlikely that this level of additional funding would have been committed otherwise.

The additional funding included funding to support extending 'club' activity designed to attract semi-sporty young people to do sport outside the school day – the 'Extending Activities' programme which became Sport Unlimited. Sport Unlimited was aimed at increasing sport participation and ran from 2008 to March 2011 with a total budget of £36 million. Sportivate, one element of Places People Play, with total funding of £32 million, is a new programme which builds on the lessons from Sport Unlimited. An evaluation of Sport Unlimited is ongoing with a final report expected in November 2011.

The announcement for additional funding in 2007, post London winning the right to host the Games, positions the investment as part of a campaign to give every child the chance of five hours of sport every week in the run up to 2012. It does however not directly say that the investment was the result of winning the right to host the Games.

The table below sets out our understanding of the policy counterfactual for four key programmes, informed through interviews with Sport England, UK Sport, DCMS and the Youth Sport Trust. Based on the analysis, consultation, and historical strategies, the evidence so far accumulated suggests that the key participation programmes are generally scope enhancements of existing activity already underway. The table describes programmes in terms of the extent to which programmes are new/additional or whether existing programmes have been increased in scope through additional funding or other resources – 'increased scale' – or through other 'quality' enhancements.

³¹ Announcement on 13 July 2007 by the Prime Minister.

Figure 3-33: Policy counterfactuals for key sports participation programmes (PESSYP, Places People Play, School Games and Free Swimming)

| Programme | Development in the absence of the Games |
|------------------------------------|---|
| PESSYP | <p>Existing, increased scale – PESSYP, launched in 2002 as a national initiative and which consisted of ten strands, was terminated in 2011. Led jointly by DCMS and DfE, it contributed to participation, elite sport and infrastructure targets. Sport Unlimited, one of the strands, was aimed at increasing sport participation and ran from 2008 to March 2011 with a total budget of £36 million.</p> <p>In July 2007 an additional investment of £100 million for 2008 to 2011 into PESSYP was announced with total funding of £36 million to Sport Unlimited. The additional funding was directed towards the programme to harness and improve its effectiveness as a result of the Games (albeit broadly defined as a sports initiative rather than a 2012 Games programme).</p> |
| Places People Play, Sportivate | <p>New, additional (but builds on learning from previous project Sport Unlimited) – Sportivate provides opportunities for teenagers and young adults (14-25) to receive six weeks of coaching in a sport of their choice. Sportivate runs from April 2011 to March 2015 with a total investment of £32 million of National Lottery funding.</p> <p>The programme supersedes the Sport Unlimited programme which took place over the 2008 to 2011 period. Without the 2012 Games, Sportivate in its current form and funding would not have been delivered but similar activities may have gone ahead at a much lower level of funding.</p> <p>There are a range of other programmes that form part of Places, People, Play, but these are discussed in further detail in later sections.</p> |
| School Games | <p>New, additional – a framework of sports competitions for school pupils. Funding includes: National Lottery funding of £10 million per annum; Department of Health funding of £14 million from 2011 to 2013; and DfE funding of £65 million up to the end of 2012/13.</p> <p>Although the School Games programme is an entirely new initiative the activity was preceded by elements of the PESSYP programme (for example the recruitment of Competition Managers part of the £100 million additional investment) which was not entirely 2012 Games focused. Stakeholder views are however mixed with regards to the extent to which a similar programme or interventions would have gone ahead with this level of funding or in the same format in the absence of the Games. It is probable that the new Government would have shifted away from PESSYP and top-down funding towards a school-led model with more emphasis on competition, but is unlikely that they would have done so by creating a dedicated Olympic-styled competitive school sport programme.</p> |
| Places People Play, Gold Challenge | <p>New, additional – Gold Challenge aims to motivate 100,000 adults to get involved in Olympic sports to raise money for charity. It runs from November 2010 to the end of 2012. Sport England does not fund this project but provides support to delivery (linking with NGB activity).</p> <p>Places People Play is a new initiative. The Gold Challenge project is also new as a result of the Games. However the concept of adults participating in sport for charity is not new.</p> |
| Free Swimming | <p>New, additional – although the Free Swimming programme has been cancelled, it came about entirely due to the Games. It enabled over-60s and under-16s to swim for free in local authority facilities. It was funded by five government departments (DCMS, DH, DfE, DWP and DCLG) and received investment and support from Sport England and the Amateur Swimming Association. It was designed to increase participation in swimming in England and to lead to subsequent health and economic benefits. The £140 million programme ran from April 2009 to July 2010.</p> |

Source: Grant Thornton and Ecorys research and analysis, DCMS, Sport England, UK Sport, GLA and Youth Sport Trust Consultation.

It is also important to consider LOCOG's sponsor activation programme as it is likely that the sponsor initiatives would not have taken place at all or at the same scale and timeframe were it not for the Games. Initiatives aimed at increasing participation include:

- Adidas' adiZones and adiStars;
- Lloyds TSB's sponsorship of the National School Sports Week;
- Lloyds TSB's sponsorship of local heroes;
- Cadbury's Spots versus Stripes.

Additional consultation with the sponsors is required to determine the extent to which these initiatives would have gone ahead in the absence of the Games. In addition, evaluations of the programmes should assist in determining the extent to which these initiatives have impacted on sport participation.

In terms of disability, there is a focus by government and its delivery partners on increasing participation amongst young disabled people, and ensuring that those with a higher level of ability in PE and sport are identified and are able to access and progress along a talent pathway. Many of the participation initiatives outlined above include an element for disabled people, but there are also a number of initiatives aimed specifically at disabled people, including:

- Within Places People Play, Lottery funding has been dedicated to tackling the barriers faced by disabled people when they want to play sport, as well as making sure that every element of the Places People Play programme works for disabled sportsmen and women too;
- Within School Games, there are initiatives to track disabled participants, to create better material for schools to engage disabled children in meaningful sport and competition and to create specialist clusters around the new School Games Organiser network.

Ensuring accessibility and inclusiveness for disabled people and other minority target groups is an important theme of the 2012 Games, especially as related to legacy. While disability is an increasingly important consideration, the Games and the scale of attention which will come with the Paralympic Games has most likely increased the focus on sport for disabled people. In addition, as indicated above both Places People Play and School Games have specific disability elements seeking to secure a Paralympic legacy.

A number of private sector initiatives are particularly focused on helping people with disabilities to benefit from the Games' sporting legacy. For example, Deloitte has invested £1.7 million in its Deloitte Parasport Programme, delivered in partnership with the British Paralympic Association (BPA), which involves developing disability sport in the UK before 2012, a sum that is match-funded by Government, bringing the total value to £3.4 million.

The evidence so far accumulated suggests that the 2012 Games had an effect of enhancing, expanding and influencing 'existing' programmes aimed at increasing sport participation, using the 2012 Games to improve their effectiveness. There have also been some new programmes developed to create a legacy of participation from the London 2012 Olympic and Paralympic Games, notably Places People Play (£135 million awards). Sports participation initiatives may have received additional funding than would otherwise have happened in the absence of the 2012 Games, but this is difficult to determine with any certainty. Thus, overall not only has the volume of activity increased, but also the variety of programmes and activities on offer.

3.4 Participation: Outcome counterfactual

Sport participation levels for adults in England have remained very stable since 2005 on the 'participation in past four weeks' in active sport measure ranging from 53.0% to 53.7%. Participation levels have also been fairly stable on other measures of participation ranging from 58.1% to 60.7% on the undertaken '1x30 minute session of sport in the last week' at any intensity and 23.2% to 25.8% on the 'undertaken 3x30 minute sessions of moderate intensity sport in the last week'.³² Participation varies by age, gender, ethnicity, disability and socio-economic status, but trends over time have remained fairly stable.

Although the indicators on participation do show a high degree of stability, the limited number of annual observations makes it difficult to define a specific counterfactual with any degree of robustness. The approach adopted therefore is based on two methods ('average' and 'trend' based) to calculate a single central estimate for the 2012 counterfactual figure for sports participation and then to use the standard deviation of each sample to infer the plausible range of the sample.

³² Three different measures of participation are shown. The 'participation in past four weeks' is in active sport, which can be at any intensity but does not include recreational walking and cycling. The '1x30 minute session of sport in the last week' is at any intensity and the '3x30 minute sessions of sport in the last week' is at moderate intensity, and both of these do include recreational walking and cycling, although to be of moderate intensity this must raise the breathing rate.

Under the average-based method, the 2012 counterfactual central estimate is based on the average sport participation rate over the 2005/06-2008/09 period.³³ As some 2012 Games effects on participation may already be reflected in the 2005-2009 period, this is only an initial assessment of the counterfactual. Further analysis of Taking Part data and the collection of evidence from project-level evidence will therefore be required during the interim and post-Games evaluation to attribute changes in participation rates to the 2012 Games.

In the second, trend-based method, the 2010-2012 counterfactuals are based on a simple linear extrapolation of the trend over the 2005-2009 period. The range is then calculated based on two standard deviations (ie a 95% confidence level) of the sample average.³⁴

To demonstrate that the 2012 Games or the legacy programmes have had a 'statistical significant' positive effect on participation, the participation rate in 2012 would need to exceed the range provided in the table. Given that the ranges identified are quite wide (due to the small number of observations), it will only be possible to attribute, say, an increase in one or two percentage points to the 2012 Games, if there is supporting and corroborative evidence.

Figure 3-34: Outcome counterfactual for sports participation

| Scenario | Year | Participation in past four weeks | Whether done 1x30 minute session of sport in the last week (any intensity) | Whether done 3x30 minute sessions of moderate intensity sport in the last week |
|--------------------------------------|------------------------|----------------------------------|--|--|
| Baseline | 2005/06 | 53.7% | 58.6% | 23.2% |
| | 2006/07 | 53.4% | 58.1% | 23.3% |
| | 2007/08 | 53.6% | 59.8% | 24.0% |
| | 2008/09 | 53.2% | 58.4% | 23.2% |
| | 2009/10 | 53.4% | 60.7% | 24.9% |
| | 2010/11 | 53.0% | 59.3% | 25.8% |
| Counterfactual projection for 2012/3 | 2005/6-2008/9 average | 53.5% | 58.7% | 23.4% |
| | 2012/3 likely range | 53.1% to 53.9% | 56.6% to 60.9% | 21.9% to 24.9% |
| | 2005/6- 2008/9 average | 58.3% | 58.3% | 58.3% |
| | 2012/3 likely range | 52.3% to 53.1% | 57.1% to 61.4% | 22.3% to 25.3% |

Source: Taking Part and Grant Thornton analysis (1x30 and 3x30 measures include recreational walking and cycling; participation in the last four weeks does not include recreational walking and cycling.)

The challenges around defining a precise outcome counterfactual are more problematic across other disaggregate measures such as gender, age, ethnicity, occupational status, region and disability, as year-to-year changes are slightly more erratic. Counterfactuals, defined using the average and trend-based approaches, are shown in Figure 3-26.

The counterfactual scenario in relation to disabled people is that participation would have continued to decline very slightly, and potentially at a faster rate, as reduced public spending translated into reduced budgets for organisations supporting disabled sports and infrastructure for disabled people. The 2012 Games has therefore potentially provided an opportunity to slow the longer-term rate of decline against this particular measure.

The counterfactual for children's participation in sport is complicated by the general lack of historic data from Taking Part, which impacts on the extent to which future trends can be projected, based on current trends. With the PESSYP programme having been discontinued, trends reported in the PE and School Sports survey cannot be used to project the 2012 counterfactual scenario. The limited data suggest a fairly stable level of children's participation in sport and therefore that the counterfactual is a continuation of past stable trends.

³³ Taking Part data is only available from 2005 and no comparable sources are available pre-2005.

³⁴ Given the wide confidence intervals for some of the categories it may be necessary in the interim and post-Games evaluation to explore statistical significance at the 90% confidence level or even lower.

As more evidence is accumulated, the outcomes counterfactuals may need to be revised. For example, PESSYP data suggests that the programme may have been effective in raising the level of school sport participation. However, since PESSYP has now been discontinued, it is not clear whether this positive impact will be sustained going forward or will continue to increase. Participation may, for example, continue to increase based on other programmes, such as the School Games. Project-level evaluation evidence (eg PESSYP and School Games evaluation) will be critical in disentangling the effectiveness on participation of the different elements of PESSYP and other participation-related initiatives.

Figure 3-35: Sport participation counterfactual scenarios for 2012³⁵

| Demographic indicator | | Baseline Data | | | | | | Counterfactual scenarios | | | | | |
|--|----------------------------|---------------|--------|--------|--------|---------|---------|--------------------------|-------|-------|---------------------------------|-------|--------|
| | | | | | | | | Average-based | | | Trend-based or Line of best fit | | |
| | | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 | 2010/11 | 2012 | Range | | 2012 | Range | |
| | | | | | | | | Central | Low | High | Central | Low | High |
| Participation in past four weeks | | 53.7% | 53.4% | 53.6% | 53.2% | 53.4% | 53.0% | 53.5% | 53.1% | 53.9 | 52.7 | 52.3 | 53.1 |
| Whether done 1x30 minute session of sport in the last week (any intensity) | | 58.6% | 58.1% | 59.8% | 58.4% | 60.7% | 59.3% | 58.7% | 56.6% | 60.9 | 59.2 | 57.1 | 61.4 |
| Whether done 3x30 minute sessions of moderate intensity sport in the last week | | 23.2% | 23.3% | 24.0% | 23.2% | 24.9% | 25.8% | 23.4% | 21.9% | 24.9 | 23.8 | 22.3 | 25.3 |
| Participation in the past four weeks | | | | | | | | | | | | | |
| Gender | Male | 60.2% | 61.0% | 61.5% | 60.8% | 59.4% | 60.4% | 60.9% | 59.3% | 62.5% | 62.2% | 60.6% | 63.8% |
| | Female | 47.7% | 46.2% | 46.1% | 46.0% | 47.7% | 45.9% | 46.5% | 44.7% | 48.3% | 43.6% | 41.8% | 45.3% |
| Age | 5-10 | - | - | - | 84.8% | 86.1% | 85.4% | 84.8% | 83.1% | 86.6% | 89.9% | 88.1% | 91.6% |
| | 11-15 | - | 95.0% | 94.9% | 96.0% | 96.7% | 94.5% | 95.3% | 93.6% | 97.0% | 98.3% | 96.7% | 100.0% |
| | 16-24 | 76.8% | 75.6% | 75.8% | 73.7% | 74.9% | 71.9% | 75.5% | 73.2% | 77.8% | 70.6% | 68.3% | 72.9% |
| | 25-44 | 64.6% | 64.5% | 64.4% | 63.7% | 65.6% | 64.8% | 64.3% | 62.9% | 65.7% | 62.8% | 61.4% | 64.2% |
| | 45-64 | 48.7% | 47.9% | 47.8% | 48.3% | 47.8% | 47.6% | 48.2% | 47.4% | 48.9% | 47.4% | 46.7% | 48.2% |
| | 65-74 | 33.5% | 33.4% | 35.3% | 36.4% | 32.3% | 36.9% | 34.7% | 31.4% | 38.0% | 40.5% | 37.2% | 43.8% |
| | 75+ | 15.2% | 16.9% | 17.4% | 16.7% | 17.5% | 17.3% | 16.5% | 14.7% | 18.4% | 19.2% | 17.4% | 21.1% |
| Ethnicity | White | 53.7% | 53.6% | 53.6% | 53.6% | 53.2% | 52.8% | 53.6% | 53.2% | 54.0% | 53.3% | 52.9% | 53.8% |
| | Black or ethnic minority | 53.3% | 51.9% | 52.6% | 50.3% | 55.0% | 54.7% | 52.0% | 48.6% | 55.5% | 47.5% | 44.1% | 51.0% |
| Occupational Category | Upper socio-economic group | 58.6% | 58.6% | 58.1% | 58.0% | 57.1% | 57.2% | 58.3% | 57.0% | 59.6% | 56.9% | 55.6% | 58.2% |
| | Lower socio-economic group | 43.4% | 42.2% | 43.8% | 43.3% | 43.2% | 43.5% | 43.2% | 42.0% | 44.4% | 43.9% | 42.7% | 45.1% |

³⁵ Three different measures of participation are analysed. The 'participation in past four weeks' is in active sport, which can be at any intensity but does not include recreational walking and cycling. The '1x30 minute session of sport in the last week' is at *any intensity* and the '3x30 minute sessions of sport in the last week' is at *moderate intensity*, and both of these do include recreational walking and cycling, although to be of moderate intensity this must raise the breathing rate.

| Demographic indicator | | Baseline Data | | | | | | Counterfactual scenarios | | | | | |
|-----------------------|--------------------------|---------------|--------|--------|--------|---------|---------|--------------------------|-------|-------|---------------------------------|-------|-------|
| | | | | | | | | Average-based | | | Trend-based or Line of best fit | | |
| | | 2005/6 | 2006/7 | 2007/8 | 2008/9 | 2009/10 | 2010/11 | 2012 | Range | | 2012 | Range | |
| | | | | | | | | Central | Low | High | Central | Low | High |
| Region | North East | 51.9% | 53.9% | 50.4% | 48.5% | 46.1% | 47.4% | 51.2% | 45.2% | 57.2% | 43.7% | 37.7% | 49.7% |
| | North West | 49.5% | 48.5% | 52.2% | 50.4% | 51.8% | 51.5% | 50.2% | 47.1% | 53.2% | 53.6% | 50.6% | 56.7% |
| | Yorkshire and Humberside | 50.3% | 52.7% | 51.1% | 53.3% | 52.7% | 52.8% | 51.9% | 49.4% | 54.4% | 55.9% | 53.4% | 58.4% |
| | East Midlands | 55.2% | 55.7% | 55.4% | 53.6% | 53.3% | 53.0% | 55.0% | 52.7% | 57.2% | 52.0% | 49.8% | 54.2% |
| | West Midlands | 50.8% | 50.2% | 51.3% | 50.5% | 55.4% | 49.0% | 50.7% | 46.3% | 55.0% | 50.8% | 46.5% | 55.1% |
| | East of England | 56.9% | 55.4% | 56.2% | 56.8% | 54.1% | 54.8% | 56.3% | 54.0% | 58.7% | 56.5% | 54.1% | 58.9% |
| | London | 54.9% | 51.9% | 51.2% | 52.8% | 53.0% | 54.3% | 52.7% | 49.9% | 55.5% | 48.9% | 46.1% | 51.7% |
| | South East | 57.6% | 58.1% | 57.9% | 57.4% | 57.4% | 57.4% | 57.8% | 57.2% | 58.4% | 57.3% | 56.7% | 57.9% |
| | South West | 53.8% | 54.2% | 53.7% | 51.6% | 51.3% | 51.4% | 53.3% | 50.6% | 56.0% | 49.5% | 46.8% | 52.2% |
| Disability | No long standing illness | 60.4% | 60.2% | 60.3% | 59.8% | 60.7% | 60.0% | 60.2% | 59.5% | 60.8% | 59.2% | 58.5% | 59.8% |
| | Long standing illness | 37.2% | 36.5% | 36.0% | 36.1% | 33.6% | 35.4% | 36.5% | 33.7% | 39.2% | 34.4% | 31.6% | 37.1% |

Note: Data for children aged 5-10 and 11-15 needs to be viewed with caution as data is only available for 2008-2009 for age 5-10 years olds and for 2006-2009 for age 11-15 year olds

Source: Taking Part, Grant Thornton Analysis.

3.5 Infrastructure: Baseline

Legacy initiatives to develop sport and health will be supported through investments not only in participation programmes but also in infrastructure. Here, Government aims to transform the places where people play sport and inspire people to make sport happen at a local level.

Infrastructure includes physical infrastructure (ie facilities), as well as 'soft' infrastructure (ie personnel such as coaches, volunteers, etc). Baseline data on this is presented below for the following:

- Physical infrastructure:
 - 2012 facilities
 - Upgrading of or new build sporting facilities
 - Facility access and satisfaction
 - Club membership
- Soft infrastructure:
 - Sport volunteering
 - Sport coaching

(i) 2012 facilities

The 2012 Games will be hosted in a range of existing and new venues located both within and outside of London. There are six categories of Olympic venues:

- Olympic Park venues;
- London venues;
- Out of London venues;
- Non-sporting venues;
- Games time training camps;
- Pre-Games training venues.

The first four categories are detailed in the table below.

Figure 3-36: 2012 Games Venues

| Venue area | Venue | New/Existing/ Enhanced | Temporary/Permanent | |
|-------------------------------|------------------------------|---------------------------|---|-----------|
| Olympic Park | Aquatics Centre | New | Permanent | |
| | Basketball Arena | New | Temporary | |
| | BMX Track | New | Permanent | |
| | Eton Manor | New | Permanent | |
| | Handball Arena | New | Permanent | |
| | Hockey Centre | New | Temporary (but new legacy facility to be developed in Eton Manor) | |
| | Olympic Stadium | New | Permanent | |
| | Velodrome | New | Permanent | |
| | Water Polo Arena | New | Temporary | |
| London | Earls Court | Existing | Permanent | |
| | ExCeL | Existing | Permanent | |
| | Greenwich Park | New | Temporary | |
| | Hampton Court Palace | Existing | Permanent | |
| | Horse Guards Parade | New | Temporary | |
| | Hyde Park | New | Temporary | |
| | Lord's Cricket Ground | Existing | Permanent | |
| | North Greenwich Arena | Existing | Permanent | |
| | The Mall | Existing | Permanent | |
| | The Royal Artillery Barracks | New | Temporary | |
| | Wembley Arena | Existing | Permanent | |
| | Wembley Stadium | Existing | Permanent | |
| | Wimbledon | Existing | Permanent | |
| | Out of London | Brands Hatch | Existing | Permanent |
| | | City of Coventry Stadium | Existing | Permanent |
| Eton Dorney | | Enhanced | Permanent | |
| Hadleigh Farm | | New | Temporary | |
| Hampden Park | | Existing | Permanent | |
| Lea Valley White Water Centre | | New | Permanent | |
| Millennium Stadium | | Existing | Permanent | |
| Old Trafford | | Existing | Permanent | |
| St James' Park | | Existing | Permanent | |
| Weymouth and Portland | | Enhanced | Permanent | |
| Non-sporting | | Athletes' Village | New | Permanent |
| | IBC/ MPC | New | Permanent | |

Source: London 2012 Website (<http://www.london2012.com/games/venues/index.php>).

Of the 34 venues, half are new venues and half are existing venues. All of the existing venues are permanent, although some have or will undergo enhancement. Nine of the new venues are permanent and eight are temporary:

- 15 venues are existing and permanent;
- 9 venues are new and permanent;
- 8 venues are new and temporary;
- 2 venues are enhanced and permanent.

Pre-Games training camps

In terms of pre-Games training camps, there are over 600 facilities throughout the UK that are being or will be used as training venues for the 2012 teams. At this stage there is limited consistent data on these training camps, which makes it difficult to determine the counterfactual scenario.

There are probably a range of potential scenarios, including:

- Venues enhanced/ upgraded, etc specifically for the Games, with this unlikely to have occurred in the absence of the Games;
- Venues would have been upgraded/enhanced, but the Games has either brought this forward and/or has increased the extent thereof;
- Venues unchanged (no upgrades, etc).

DCMS is working closely with key stakeholders to ensure that data on pre-Games training camps is captured so that the impact can be determined.

The counterfactual discussion below highlights the extent to which venues would have been developed or enhanced in the absence of the Games.

Games-time training venues (GTTVs)

GTTVs will be used by the athletes immediately prior to and during the London 2012 Olympic and Paralympic Games.

The following venues have been selected as GTTVs for the Olympic Games:

- Barking Abbey School – Basketball
- Becontree Heath Leisure Centre – Water Polo
- Brentwood School – Modern Pentathlon
- Cardiff University – Football
- Eltham College – Football
- Eton Manor – Aquatics
- Europa Gymnastics Centre – Volleyball
- Goresbrook Leisure Centre – Boxing
- Greenwich Academy – Gymnastics
- Hackney Community College – Basketball
- Langdon School – Taekwondo
- Long Lane Junior Football Club – Football
- Mayesbrook Park Arena – Athletics (track and field)
- Mayesbrook Park Sport House – Handball
- Manchester Grammar School – Football
- Newcastle University – Football
- Newham Sports Complex – Athletics (track)
- Old Loughtonians Hockey Club – Hockey
- Partington Sports Centre – Football
- Redbridge Cycle Centre – Cycling

- Redbridge Sport and Leisure – Badminton, Judo, Wrestling
- Rokeby School – Indoor Volleyball
- Sobell – Indoor Volleyball
- Strathclyde University – Football
- Warwick University – Football.

The following venues have been selected as GTTVs for the Paralympic Games:

- Europa Gymnastics Centre – Sitting Volleyball
- Hackney Community College – Wheelchair Basketball
- Mayesbrook Park Arena – Athletics (track and field)
- Mayesbrook Park, House of Sports – Wheelchair Rugby, Judo
- Newham Sports Complex – Athletics (track and field)
- Old Loughtonians Hockey Club – 5-a-side and 7-a-side Football
- Redbridge Cycle Centre – Cycling
- Redbridge Sport and Leisure – Goalball.

More than £17 million is to be invested in a range of schools, universities, sports clubs and leisure centres across London and throughout the UK, bringing them up to world-class standards. These facility upgrades will be available to local communities for public use after the Games.

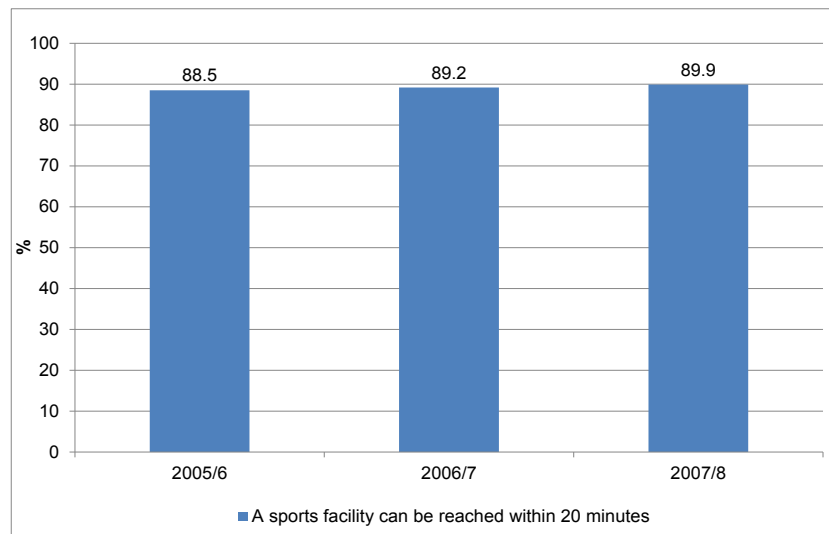
(ii) Upgrading of and new build facilities

In addition to the Olympic related facilities (ie venues, pre-Games training camps and GTTVs) other facilities have been or will be upgraded as a result of the Games. This includes the Sport England Places People Play initiatives which focus on 'places' as well as other potential local authority investment that may be brought forward as a result of the Games. Additional consultation, as well as input from Sport England, is required to determine what impact the Games has had and what would have happened in the absence of the Games.

(iii) Facility access and satisfaction

Sport participation is influenced by access to facilities and relative satisfaction with these facilities. The data provided in Figure 3-37, taken from Taking Part, indicates that in principle provision is high and growing, in that approximately 90% of the population has access to sports facilities within a 20 minutes travelling time. These facilities are provided by the public, private, and voluntary sectors.

Figure 3-37: Population able to reach a sport facility within 20 minutes in England, 2005/06-2007/08



Source: *Taking Part*.

As the figures below reveal, however, this does not mean that suitable provision across a range of sports uses is uniform. Data for England is based on the Active People Survey sport provision satisfaction – the percentage of adults who are very or fairly satisfied with sports provision in their local area.

However, assessing sport provision satisfaction is challenging as responses to these types of questions can be hard to interpret in isolation, and it is not possible to conclude with any accuracy what percentage of very/fairly responses would equate to the provision being satisfactory.

Sport provision (which is not explicitly defined in the Active People Survey) is also likely to include a range of factors, with facilities being one of these.

Sport England also publishes a sport satisfaction survey which determines satisfaction levels across 46 sports. Although not reported in this section, it is important to note that in assessing sport satisfaction, there are 10 areas which constitute the overall satisfaction score:

- Value for money
- Performance
- Social/belonging
- Facilities and playing environment
- Logistics/organisation
- People and staff
- Diversion/release
- Exertion and fitness
- Officiating
- Coaching.

Figure 3-38: Population satisfied with sports provision in England by gender and limiting illness/disability, 2005/06 to 2008/09³⁶

| Demographic category | 2005/06 | 2007/08 | 2008/09 |
|-----------------------------------|---------|---------|---------|
| Male | 69.2% | 66.5% | 68.3% |
| Female | 69.9% | 66.8% | 68.5% |
| Limiting illness or disability | 66.0% | 62.7% | 64.8% |
| No limiting illness or disability | 70.1% | 67.3% | 69.0% |
| Total | 69.5% | 66.6% | 68.4% |

Source: *Active People*.

The figure below indicates that in Northern Ireland satisfaction amongst females, disabled people and those with a long-term illness is lower than males and those with no limiting illness or disability respectively.

Different surveys are used for England (Active People which is specific to sport) and Northern Ireland (general household survey) and as a result no accurate comparison can be made between sport facility satisfaction in the two countries.

Figure 3-39: Population very or fairly satisfied with sports provision in Northern Ireland by gender and limiting illness/disability, 2008/09

| Demographic category | 2008/09 |
|-----------------------------------|---------|
| Male | 56.0% |
| Female | 50.0% |
| Total | 53.0% |
| Limiting illness or disability | 43.0% |
| No limiting illness or disability | 56.0% |
| Total | 53.0% |

Source: *Continuous Household Survey Northern Ireland*.

Whilst access to facilities may have improved in recent years in parts of the UK, the quality and compatibility of existing facilities with the needs of participants needs to be more fully determined. A key legacy question that needs to be addressed is whether the Games has led providers to improve their service, for example through investing in the programmes and initiatives on offer at the centres. Sport England is currently sourcing additional information in this regard and additional consultation with stakeholders will be required.

(iv) Club membership³⁷

Figure 3-40 indicates that sports club membership is relatively static, at around 25% of participants, though naturally also reflects greater levels of male sports participation. Similar results occur for different ethnicities, disabled people and also long-term illness. In these cases white British and those without long-term illness or disability are more likely to be club members respectively.

³⁶ This measure of satisfaction was dropped at the end of Active People Survey 4.

³⁷ Club membership is defined as participants that have been a member of a sports club particularly so that they can participate in the sport in the last four weeks.

Figure 3-40: Sports club membership in England by gender, ethnicity and limiting illness/disability 2005/06 to 2008/09

| Demographic category | 2005/06 | 2007/08 | 2008/09 |
|-----------------------------------|---------|---------|---------|
| Male | 29.3% | 29.0% | 28.4% |
| Female | 21.1% | 20.7% | 20.0% |
| White | 25.5% | 25.2% | 24.6% |
| Non-white | 21.4% | 20.7% | 20.3% |
| Limiting illness or disability | 15.4% | 15.6% | 14.9% |
| No limiting illness or disability | 26.9% | 26.4% | 25.8% |
| Total | 25.1% | 24.7% | 24.1% |

Source: *Active People*.

The figures below reveal similar patterns for sports-club membership for Wales, Scotland and Northern Ireland by gender and illness/disability. However, whereas the level of engagement in Wales and Northern Ireland is less than in England, the data for Scotland shows a similar pattern, albeit slightly higher, to club membership as England.

Figure 3-41: Sports club membership in Scotland, Wales and Northern Ireland by gender, 2007 to 2008

| Nation | Demographic category | 2007 | 2008 * |
|----------------------------|-----------------------------------|-------|--------|
| Scotland | Total | 28.0% | 27.0% |
| | Male | 36.0% | 32.0% |
| | Female | 22.0% | 21.0% |
| Wales (2008/09) | Total | - | 16.1% |
| | Male | - | 21.9% |
| | Female | - | 10.8% |
| | Limiting illness or disability | - | 9.0% |
| | No limiting illness or disability | - | 19.0% |
| Northern Ireland (2008/09) | Total | - | 19.0% |
| | Male | - | 28.0% |
| | Female | - | 13.0% |
| | Limiting illness or disability | - | 9.0% |
| | No limiting illness or disability | - | 23.0% |

Source: *Active Adults Wales, Continuous Household Survey Northern Ireland; Scottish Household Survey*.

Note: * Wales and Northern Ireland survey undertaken over 2008/09 period.

Club membership varies across the UK, although it should be noted different surveys have been used and thus they may not be entirely comparable. Further analysis is required as well as an assessment of why this is so eg the impact of the social side of sports clubs, which may be a factor.

(v) Sports volunteering

Data on the provision of the personnel required to support sport is presented below. Though it should be remembered that the absolute number of volunteers is small in sport, the data overtime for England (also derived from Active People) reveals that males are approximately twice as likely to volunteer, for one hour a week for sport, than females. Volunteer levels are also relatively constant. In contrast, limiting long-term illness or disability is likely to reduce the probability of volunteering in sport by about 40%.

Figure 3-42: Sports volunteering in England by gender and limiting illness/disability, 2005/06 to 2008/09³⁸

| Demographic category | 2005/06 | 2007/08 | 2008/09 |
|-----------------------------------|---------|---------|---------|
| Male | 6.1% | 6.5% | 6.3% |
| Female | 3.4% | 3.5% | 3.2% |
| Limiting illness or disability | 3.2% | 3.1% | 3.3% |
| No limiting illness or disability | 5.0% | 5.3% | 5.0% |
| Total | 4.7% | 4.9% | 4.7% |

Source: *Active People*.

The figures below reveal very similar patterns in Wales. In Northern Ireland the data reveals a greater chance of male volunteering in sport, but an even lower proportion of disabled people or people with a long-term illness participating in sport volunteering relative to the total.

Figure 3-43: Sports volunteering in Wales and Northern Ireland by gender, 2008/09

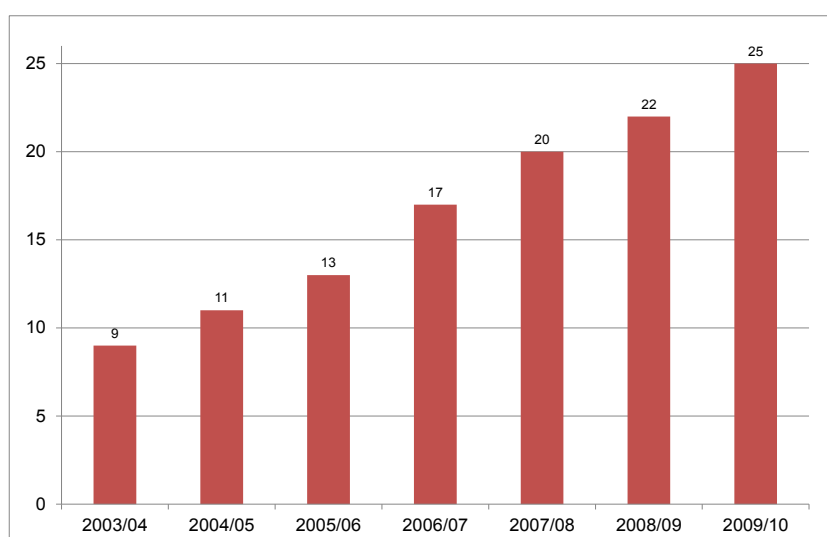
| Nation | Demographic category | 2008/09 |
|------------------|-----------------------------------|---------|
| Wales | Total | 5.0% |
| | Male | 5.0% |
| | Female | 4.0% |
| | Limiting illness or disability | 3.0% |
| | No limiting illness or disability | 5.0% |
| Northern Ireland | Total | 5.0% |
| | Male | 8.0% |
| | Female | 3.0% |
| | Limiting illness or disability | 3.0% |
| | No limiting illness or disability | 6.0% |

Source: *Active Adults Wales and Continuous Household Survey Northern Ireland*.

By contrast, sport volunteering by children is higher and growing, with the percentage of year 10 to 13 students in England actively involved in sports volunteering increasing from 9% in 2003/04 to 25% in 2009/10.

³⁸ The volunteering measure was changed from Active People Survey 5 as more detail was required. There will thus be some issues with the continuity of this measure going forward.

Figure 3-44: Percentage of pupils actively involved in sports volunteering and leadership this academic year – analysis over time (England, Years 10-13 only)



Source: PE and Sport Survey, DfE.

(vi) Sports coaching

The need to develop a stronger, more professional basis in terms of coaching was formally acknowledged by the Cunningham Report published in 2001 which stated:

*"The UK is a long way behind other countries in the licensing and employment of sports coaches. The vast majority of sports coaches are still volunteers despite the increased amount of time and expertise required in the rapidly changing world of sports performance. This is an area which requires a radical new approach – a step change in how we recruit, train, employ and deploy sports coaches."*³⁹

The report proposed an increase in funding for the elite sports system, part of which was to be allocated to NGBs on the basis of their articulation of integrated sports plans incorporating an analysis of how coach development was to be enhanced.

A baseline for the size and nature of the coaching workforce can be derived from the research undertaken by MORI for Sports Coach UK in the report Sports Coaching in the UK (MORI, 2004). This was published in September 2004 but represents the closest available approximation to the situation for the baseline date. It also has the merit of allowing comparison with data from succeeding surveys undertaken in 2006 and 2008 (Townend and North 2007; Sports Coach UK, 2011).

The MORI (2004) report concludes on the basis of surveys of schools, universities, NGBs and local authorities that there were 1.2 million people providing coaching in the UK, with 'coach' defined as "any individual who is involved in providing coaching" thus incorporating the full range from informally organised volunteers to elite level coaches.

Figure 3-45: Total number of coaches in UK (000s) in 2004, 2006 and 2008

| UK | England | Scotland | Wales | NI | UK |
|------|---------|----------|-------|----|-------|
| 2004 | 1,020 | 90 | 70 | 40 | 1,220 |
| 2006 | 984 | 103 | 58 | 32 | 1,177 |
| 2008 | 927 | 96 | 54 | 31 | 1,109 |

Source: Sports Coaching in the UK, MORI (2004 / 2006 / 2008).

³⁹ Cunningham (2001). Elite Sport Funding Review, Report to the Prime Minister and the Secretary of State for Culture, Media and Sport.

Coaches were predominantly male (76%). Approximately half of all coaches coach one of three sports – football, rugby union and swimming – with football alone accounting for approximately one-third of all coaches.

In social class terms ABC1s are overrepresented among the coaching population, accounting for almost half of the population, but with 850,000 coaches, approximately 70% of the total. The survey also suggested that individuals from the white ethnic grouping were more likely to be coaches than those from black and minority ethnic (BME) groups (though the difference fell outside the boundaries of statistical difference), and members of the BME population were more likely to declare an interest in becoming coaches.

Other statistics on coaching are as follows:

- Approximately 38% (470,000) of coaches in the UK claimed to hold a coaching qualification, with NGBs recognising 40,000 individuals as qualified coaches;
- Approximately 253,000 school sport providers and 27,000 local authority coaches, and 3,200 university coaches hold coaching qualifications;
- Approximately 230,000 (19%) of coaches in the 2003/04 survey were paid. A lower proportion of male coaches (15%) than female coaches (31%) are paid. The hypothesis is that females are likely to coach sports where payment is more common (eg swimming, keep fit, aerobics). Linked to these statistics, the Cunningham (2001) review expressed particular concern about the lack of coaches in paid employment and the heavy reliance on unpaid volunteers;
- NGBs employed 680 coaches full-time across 24 NGBs, with 525 coaches employed part-time over 22 NGBs, and concludes that this group largely constituted the core of the elite coaching workforce.

Data from Sport Coach UK's 2011 report⁴⁰ suggests that there has been little change in the demographic composition of the coaching population since the MORI review in 2004. Although the surveys were conducted on different bases the overall picture is broadly similar.

Figure 3-46: Demographic profile of coaches

| Category | Sub-category | Coaches | | Qualified coaches | | UK population |
|------------------------------------|-----------------|------------------|------------|-------------------|------------|---------------|
| | | Number | % | Number | % | % |
| Gender | Male | 768,098 | 69 | 486,197 | 82 | 49 |
| | Female | 340,921 | 31 | 106,726 | 18 | 51 |
| Ethnicity | White | 1,072,801 | 97 | 586,994 | 99 | 92 |
| | Ethnic minority | 36,218 | 3 | 5,929 | 1 | 8 |
| Disability | Yes | 93,883 | 8 | 65,222 | 11 | 15 |
| | No | 1,015,136 | 92 | 527,701 | 89 | 85 |
| Socio-economic class ⁴¹ | AB | 503,336 | 45 | 225,311 | 38 | 26 |
| | C1 | 340,052 | 31 | 225,311 | 38 | 29 |
| | C2 | 160,229 | 14 | 71,151 | 12 | 21 |
| | DE | 105,402 | 10 | 65,222 | 11 | 25 |
| | Total | 1,109,019 | 100 | 592,923 | 100 | - |

Source: Sport coach UK (2011) *Sports Coaching in the UK III: A statistical analysis of coaches and coaching in the UK*.

Source: 2008 data – BMRB Omnibus (general public survey)

Base: All adult coaches (16+ years)

Percentages may not total 100 due to rounding

UK population figures are based on 2001 Census of population data

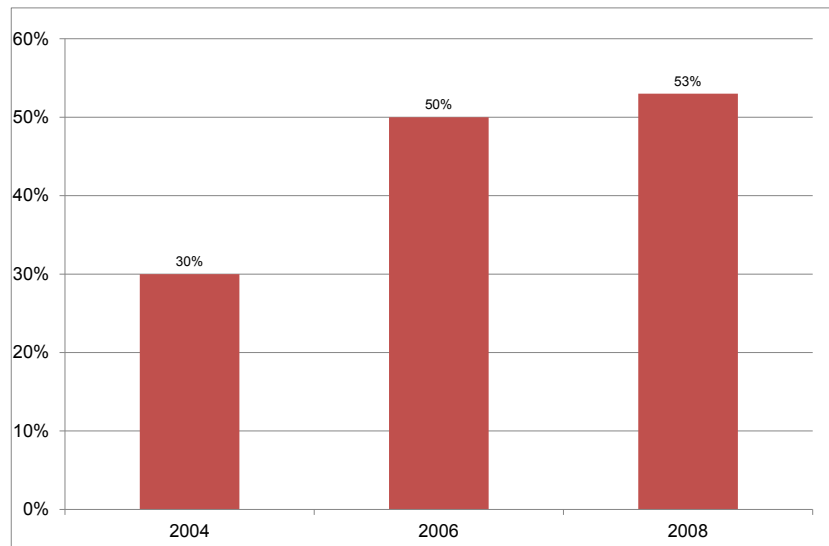
⁴⁰ Sports Coaching in the UK III: A statistical analysis of coaches and coaching in the UK (drawing in part on BMRB 2008 data).

⁴¹ Class A: High managerial, administrative or professional; Class B: Intermediate managerial, administrative or professional; Class C1: Supervisory, clerical and junior managerial, administrative or professional; Class C2: Skilled manual workers; Class D: Semi and unskilled manual workers; Class E: State pensioners, casual or lowest grade workers, unemployed with state benefits only.

However, a significant change would seem to have taken place in terms of the proportion of coaches with qualifications (Figure 3-47). The report notes however that "around one in three of female coaches are qualified compared to two in three of male coaches. Overall, this means that females account for less than 20% of the total qualified coaching qualification."⁴²

More than two-thirds of qualified coaches (69%) were qualified up to Level 2 and only 12% at Levels 4 and 5 which would incorporate those qualified to work with elite performers. 9% of coaches worked with high performance athletes. Thus while the overall number of coaches appears to have been relatively stable, efforts to structure and stimulate coaching qualifications and their uptake might be argued to have had an impact.

Figure 3-47: Percentage of qualified coaches 2004-2008 (%)



Source: Sports coach UK (2011: p. 13).

(vii) Key findings: infrastructure baseline

Key findings in terms of the infrastructure baseline include:

- 34 sporting venues will be used to host Olympic and Paralympic events in 2012:
 - 15 venues are existing and permanent;
 - 9 venues are new and permanent;
 - 8 venues are new and temporary;
 - 2 venues are enhanced and permanent.
- In England, facility provision is generally high and growing, with approximately 90% of adults having access to facilities (ie able to reach a sport facility within 20 minutes);
- Sport provision satisfaction is more challenging to assess as it is based on a range of factors and it is difficult to accurately determine the extent to which the survey responses denote satisfaction;
- Club membership is on the whole static, at around 20% to 25% in England, Northern Ireland and Scotland, and slightly lower in Wales. Differences are also noted based on gender and disability;
- Sport volunteering levels throughout the UK are around 5%, although in England an increase in sports volunteering by children under PESSYP has been reported;
- There are approximately 1.2 million coaches in the UK, with very little change in the number since 2004. However, coaches with qualifications has increased.

⁴² Sports coach UK (2011: p. 13).

3.6 Infrastructure: Counterfactual

This section sets out the counterfactual for the infrastructure sub-theme covering 2012 venues, facility access and satisfaction, club membership, sport volunteering and coaching.

(i) 2012 venues

In the absence of the 2012 Games, it is almost certain that the majority of the new Olympic venues would not have been constructed, nor would the existing venues have undergone the extent of enhancements that they have. In terms of the policy counterfactual for the 2012 venues, there are three elements for consideration:

- New builds;
- Enhancement of existing facilities;
- Temporary facilities – both new and existing.

New builds

In terms of new builds, in the absence of the Games, it is unlikely that the new Olympic venues would have been constructed (see also East London chapter). Though the picture of future use of venues is emerging as more tenders are issued by the Olympic Park Legacy Company (OPLC), our current understanding of how these will be used in legacy has been informed through discussion with OPLC and the counterfactual for each sport venue is as detailed below.

The analysis focuses on the new permanent venues to a greater extent than the new temporary venues, as the permanent new venues are likely to have a lasting future legacy. It is, however, recognised that the temporary facilities could have an impact. Figure 3-48 summarises the legacy use for the seven new and permanent sporting venues. In addition, there are two non-sporting new and permanent venues – the Athletes' Village and the IBC/MPC. Hadleigh Farm is currently a temporary venue, but as there is an aspiration and plan to make the venue permanent it is also included in this table.

Figure 3-48: Counterfactual for permanent 2012 Games venues and legacy uses

| Venue | Development in the absence of the Games |
|---|--|
| Olympic Stadium | New, additional – there would be no new sporting facility of this size without the Games. The Stadium will be retained as a public asset. It will become the new national stadium for athletics and has already been chosen to host the 2017 World Athletics Championships. OPLC commenced a new process to enhance the legacy further by inviting bids from interested parties to bring a range of sporting, cultural and commercial events to the Stadium. The OPLC plans to appoint the winning bidders in May 2012 and remains on track to reopen the venue in 2014. |
| Aquatics Centre | New, additional – contains two of the 23 Olympic-size 50 metre pools in England. Local authorities, if they would have invested in new swimming pools, would not have built any pools on this scale (local authority pools are usually 25 metres). The Aquatics Centre also has a separate diving pool and the two 50m pools have moveable floors to allow depth and height changes. Following its transformation after the Games, the Aquatics Centre will cater for all levels of swimming ability and aquatic disciplines. |
| Multi-use sports facility (Handball Arena during Games) | New, additional – this venue will continue to be a sports venue in legacy, though it will also be possible to host business and cultural events in it. |
| Eton Manor (including relocated Hockey Centre from Games) | New, additional – this venue will operate in legacy as two separate facilities – an indoor and outdoor tennis centre and a hockey centre. It will be operated by Lea Valley Regional Park Authority (LVRPA). |
| VeloPark – including venues of: i) Velodrome; and ii) BMX track | New, additional – LVRPA were in discussion before the Games announcement about developing a cycling facility at Eastway – the first in London and the South East which then evolved into the VeloPark. This VeloPark will be operated by LVRPA in legacy, and as well as providing a cycling facility, there will also be provision for office space (for the British Cycling Federation) and other business facilities. |
| Lea Valley White Water Canoe Centre | New, additional – prior to the 2012 Games announcement LVRPA had an aspiration to develop a new white water canoe centre, and the 2012 Games provided the opportunity to do so. The £4 million of funding received from the Regional Development Agency is unlikely to have been provided to LVRPA if the centre had been built in isolation (ie not as part of the Games venue investment). The facility has now opened (though the site's location changed during the planning phase) and will be operated in legacy by the LVRPA. |
| Hadleigh Farm | New, additional – construction of the new mountain bike course at Hadleigh Farm was completed in March 2011. In July 2011 the Hadleigh Farm Mountain Bike International took place as part of the London Prepares series. The event allowed LOCOG to test key aspects of its operations ahead of London 2012. While originally planned as a temporary venue ⁴³ there are clear aspirations for the course to remain in place after the Games. Essex County Council has recently published consultation findings which aim to help shape the legacy use of Hadleigh Farm, with residents in favour of the mountain bike course being retained and developed after the Games for elite and community usage. Funding packages and approaches are currently being explored with the BCU. |

Source: Stakeholder consultation.

Enhancement of existing facilities

While many of the existing venues are unlikely to undergo any significant enhancement or upgrade as a result of the Games, including for example many of the football stadia and arenas, there are several venues which are or have been enhanced/ upgraded due to their future use as Olympic venues. Two venues which have undergone a significant enhancement/ upgrade include:

- Weymouth and Portland;
- Eton Dorney and Hadleigh Farm.

⁴³ <http://www.london2012.com/hadleigh-farm>

Figure 3-49: Policy counterfactuals – Enhancement of existing venues for 2012 Games

| Venue | Development in the absence of Games |
|-----------------------|---|
| Portland and Weymouth | <p>Existing, increased scale and enhanced quality – Weymouth Bay and Portland Harbour will be the venue for the Olympic and Paralympic Sailing competitions. It comprises the Weymouth and Portland National Sailing Academy (WPNSA) and the adjoining commercial marina.</p> <p>In addition to the sailing facilities at Portland and Weymouth which have been enhanced, it is acknowledged that the 2012 Games has kick-started additional regeneration (eg of the former Naval Air Station at Portland, now known as Osprey Quay, where new residential, commercial and marina facilities are underway).</p> <p>It is too premature to determine the counterfactual but work is underway by Team Dorset to capture the legacy, with two possible scenarios:</p> <ul style="list-style-type: none"> • Legacy would not have been achieved/secured/delivered if the Games had not come to the county (ie legacy was achieved because of the 2012 Games); • Legacy would have happened anyway but has been enhanced, expanded, or accelerated as a result of the 2012 Games (ie influenced by the Games rather than achieved because of the Games). |
| Eton Dorney | <p>Existing, increased scale and enhanced quality – Eton Dorney will be the venue for Rowing, Paralympic Rowing and Canoe Sprint events during the London 2012 Games in addition to the sailing facilities at Portland and Weymouth which have been enhanced.</p> <p>The venue's existing facilities have been enhanced, a new bridge constructed and the existing gravel/stone access road to the competition venue has been upgraded.</p> <p>Construction of the lake commenced in 1996, well before the Olympics bid, and was completed in 2006. However, while the lake was clearly not Olympics related and would have been developed irrespective of the Olympics, consultation with the Government Olympic Executive reveals that it is unclear the extent to which other developments and enhancements would have taken place.</p> |

Source: Stakeholder consultation.

Another factor for consideration is venues and facilities which have undergone or will undergo an upgrade or expansion to become pre-Games training camps or GTTVs. It is likely that most of the venues would not have undergone the scale or extent of development in the absence of the Games.

In addition, it is also possible that some venues may have undergone an upgrade or expansion to potentially become training venues, even if they were not eventually selected. We have been unable to find any evidence thereof, but anecdotal evidence indicates that this may have been the case. This will require further investigation going forward.

Temporary facilities

Some of the venues have already indicated that parts of the temporary venues are expected to be reused or relocated elsewhere in the UK (eg Basketball Arena and Water Polo Arena), or equipment from the training, warm up and competition venues will be given to clubs and schools across the country (eg Lord's Cricket Ground). Many of the other venues may well follow suit.

In these cases, in the absence of the Games, these facilities and equipment are unlikely to have been available for redistribution. It should however be noted that stakeholders indicated that investments made in the Olympic venues, especially those in East London, are likely to have displaced investments in other parts of the country.

In summary, the likely outcome counterfactual scenario is that in the absence of the Games, the Olympic venues would not have been constructed, nor are the enhancements likely to have taken place to the same extent or within the same timeframe. However, the new and enhanced venue infrastructure needs to be considered alongside the local sporting infrastructure, which is discussed in the next section.

(ii) Facility access and satisfaction

Policy counterfactual

In terms of developing the policy counterfactual, an understanding of the extent to which investment in facilities has changed as a result of winning the right to host the Games needs to be determined.

Report 1 discusses all the sport-related policies and programmes in detail. The table below sets out our understanding of the counterfactual for the infrastructure initiatives related to Places People Play.

Places People Play is discussed in further detail in the previous section on participation, and many of the opinions expressed here apply to infrastructure as well. Essentially, the 2012 Games may have influenced the range and scale of programmes aimed at improving infrastructure provision, including Places People Play.

Figure 3-50: Policy counterfactuals for key infrastructure programmes (Places People Play and PESSYP)

| Programme | Development in the absence of the Games |
|---|--|
| Places People Play, Inspired Facilities | <p>New, additional – as part of Inspired Facilities, local sports clubs and facilities will be upgraded, with local communities influencing the decision over which are upgraded. Clubs, community and voluntary sector groups and councils will be able to apply for grants of between £25,000 and £150,000. The scheme launched in Summer 2011, with the final of five funding rounds taking place in 2014/15. Sport England will invest a total of £50 million of Lottery funding into facilities over the duration of the scheme.</p> <p>The economic climate and associated policy and spending pressures has resulted in limited upgrade of existing local community facilities, although upgrades have been undertaken. Inspired Facilities is a new initiative. In addition, there is limited evidence of the creation of new facilities through the conversion of existing buildings being a focus before, so this activity is new.</p> |
| Places People Play, Iconic Facilities | <p>New, additional – Iconic Facilities is a new initiative linked to the 2012 Games, which builds on Sport England's earlier Sustainable Facilities programme.</p> <p>Sport England will invest in a number of iconic multi-sport facilities that are regionally significant for at least two sports. Around £30 million of National Lottery funding will be invested by Sport England over three years (with the third and final bidding round for funds opening in Autumn 2012).</p> |
| Places People Play, Protecting Playing Fields | <p>New, additional – Playing fields across the country will be protected and improved, preserving high-quality spaces for local people to play and enjoy sport, with £10 million of National Lottery funding available. Sport England launched the first of five £2 million funding rounds in May 2011, with the final round being in 2013/14.</p> <p>According to Sport England, playing fields are one of the most important resources for sport in England with over 59,200 playing pitches at 19,200 sites in England.⁴⁴ Recognising this, Sport England has been a statutory consultee on planning applications that affect playing fields since 1996, and thus any planning application that affects a playing field has to be referred to Sport England for comment by the local authority.</p> <p>Protecting Playing Fields is a new and 2012-badged initiative, adding funding to support the protection of playing fields to the ongoing protection provided by Sport England's role as a statutory consultee on planning applications.</p> |
| Places People Play, Sport Makers | <p>New, additional – programme to train 40,000 sport leaders who will lead 10 sessions of sport, either through events, through NGB links and clubs or DIY opportunities. Sport England is providing £2.6 million of funding and working through County Sports Partnerships.</p> |
| Places People Play, Club Leaders | <p>New, additional – programme supported by £2 million of Sport England funding. Designed to achieve a stronger sporting club network by assisting clubs to adopt a modern response to a range of challenges in the business of club management. Supporting clubs to meet these sorts of challenges will help to ensure that a strong, economically sustainable and enterprising community sports club network can thrive.</p> |

Source: Grant Thornton and Ecorys Research and Analysis, Sport England, UK Sport, GLA and Youth Sport Trust Consultation.

However, in addition to the programmes and initiatives indicated above, overall investment in facilities needs to be assessed so that we can determine the extent to which investment in 2012 Olympic venues has impacted on or displaced investment elsewhere. The following approach is recommended in determining this:

- Determine local facility provision and how this has changed. Data from Active Places indicating the number and type of sport facilities by location (ie host borough, region and nationally) from 2000 to 2012. This information should provide an indication of how the number of facilities has changed since London was appointed the 2012 Games host city. In addition, we will also need to determine the extent to which quality and service provision has changed. The impact of the new facilities on supply of sports opportunities and the demand from people wanting to do sport or to do more sport will need to be assessed. This

⁴⁴ Active Places database January 2011, Sport England.

will need to be supplemented with stakeholder interviews as well as additional input from Sport England;

- Determine local authority spend on sport as a whole, including facilities, programmes, etc. This will include determining public sector capital infrastructure expenditure on sports facilities from CIPFA from 2000 to 2012. This information should provide an indication of how local authority spend has changed since London was appointed the 2012 Games host city, and what impact expenditure on the 2012 Games venues has had on other provision. An assessment of how the Games has affected local authority funding on sport as a whole will also need to be determined. This will need to be supplemented with stakeholder interviews especially as related to the host boroughs, as well as additional input from Sport England.

Stakeholders have expressed a concern regarding facility provision and quality going forward given the potential impacts of the recent round of spending review cuts and the resultant pressure on local authority budgets. Facility provision and user satisfaction could decrease if funding is directed away from sport facilities.

Outcome counterfactual

The assessment detailed above should provide an indication of facility provision in England (ie access to facilities within 20 minutes). Based on the fairly stable trend in facility provision (as reported in Taking Part) it is sensible to assume a counterfactual scenario in which without the 2012 Games there would have been little change in existing trends. No trend analysis has been developed for facility provision as only three data points exist for this.

The table below provides the outcome counterfactual for sport provision satisfaction. As indicated previously this measure is not specific to facilities, but facility quality, etc will be one of the factors considered. It should be noted however that the trend analysis is based on four data points.

Figure 3-51: Sport provision satisfaction counterfactual scenario

| Scenario | Year | Satisfaction with facilities |
|-------------------------------------|-------------------|------------------------------|
| Baseline | 2005 | 69.5% |
| | 2006 | 66.6% |
| | 2007 | 68.4% |
| | 2008 | 69.0% |
| | 2009 | 68.4% |
| Counterfactual projection for 2012: | 2006-10 average | 68.4% |
| | 2012 likely range | 66.2% to 70.6% |
| | 2006-10 trend | 68.5% |
| | 2012 likely range | 66.3% to 70.6% |

Source: Active People and Grant Thornton analysis.

Sport provision satisfaction is likely to include the quality of the building and equipment, back of house, staff and the range and diversity of opportunities and programmes on offer. Any improvements in satisfaction could suggest that local authorities and other providers have improved their facilities and offering, with this potentially inspired in part by London 2012.

(iii) Club membership

Policy counterfactual

Club membership levels although fairly stable, are low, at around 5%⁴⁵. It is however important to understand the context, recognising that a range of factors will impact on club membership levels. The extent to which the Olympics will impact on club membership is yet to be determined.

⁴⁵ Active People Survey, Sport England.

There is a global trend in sport participation with an individualisation of sport away from clubs and towards more informal participation, with this trend being experienced in Europe and elsewhere. There are a range of factors which contribute to this, including increasing time pressures and family responsibilities. This could see the current stable club membership levels changing in the future.

In addition, club membership is dominated by health and fitness clubs (approximately 50%) which are largely commercial. These clubs also do not typically provide coaching or volunteering opportunities, which in turn impacts on these.

Ultimately sport is now much more casual and individual, indicating low levels of club membership is a result of changing demand.

Club membership is not a strong theme in current sport programmes and initiatives, although it did form part of PESSYP, in the form of School Club Links.

Premier League 4 Sports, a £3.8 million programme which runs from 2009 to 2011, aims to get 25,000 young people to join local sports clubs in four Olympic sports, namely table tennis, judo, badminton and volleyball. It is a partnership between the Premier League, Youth Sports Trust and Sport England, and is unlikely to have gone ahead in this format or with this level of funding in the absence of the Games. Additional consultation will however be required to determine the exact counterfactual, and the impact of this programme on club membership for young people will need to be assessed.

Outcome counterfactual

Based on the fairly stable trend in club membership, it is sensible to assume a counterfactual scenario in which without the 2012 Games, there would have been little change in existing trends.

Figure 3-52: Club membership counterfactual scenario

| Scenario | Year | Club membership |
|-------------------------------------|---------------------|-----------------|
| Baseline | 2005/06* | 25.1% |
| | 2007/08* | 24.7% |
| | 2008/09* | 24.1% |
| | 2009/10* | 23.9% |
| Counterfactual projection for 2012: | 2005/6-9/10 average | 24.5% |
| | 2012/3 likely range | 23.3% to 25.6% |
| | 2005/6-9/10 trend | 23.2% |
| | 2012/3 likely range | 22.1% to 24.4% |

Source: Active People and Grant Thornton analysis. Note: * October 2005 to October 2006 etc.

(iv) Sports volunteering

Policy counterfactual

Volunteering is discussed in further detail in Section 5, 'Promoting community engagement & participation'. This provides the overall context for volunteering and the policy context which has impacted on this.

Encouraging sports volunteering is closely linked to the promotion of volunteering and engagement more generally (see Section 5.2 'Promoting community engagement & participation'). The Government has a clear policy to promote volunteering as part of the Big Society agenda. The policy counterfactual is therefore that the Big Society initiative and associated activities would have happened anyway without the 2012 Games, but the specific large scale programmes which are aimed at increasing volunteering such as Games Makers and the Inspire mark programme would not have gone ahead.

In terms of sports volunteering, levels have remained fairly stable over the past five years, although sport volunteering should not be assessed in isolation as it is impacted by many other

factors, including for example sport participation and club membership. The management of the club and how well it can identify, upskill and use volunteers for anything from coaching to administration and facilities maintenance will also impact on this. Low levels of club membership could also potentially result in a lower demand for volunteers. In addition, the commercial nature of many of the clubs (ie health and fitness) also reduces volunteering opportunities.

There are a range of initiatives aimed at boosting sport volunteering, for example Sports Makers, in which 40,000 sports leaders will be trained and deployed to organise and lead local level sporting activities. As part of this programme, every leader will commit to at least 10 hours of volunteering and there is an aim that at least half of the leaders will remain active as sports volunteers. Sport England will invest up to £4 million of National Lottery funding in this initiative, which will be delivered in partnership with the British Olympic Association (BOA) and the BPA. The initiative will run from April 2011 until September 2013.

Although not 2012 Games volunteers, the Sport Makers programme is explicitly linked to the 2012 Games, and while similar levels of funding may have been invested in volunteering, in absence of the Games this may not have been as sport focused or to the same extent.

Outcome counterfactual

Although sport volunteering levels have been fairly stable this is based on limited data. We have however assumed a counterfactual scenario in which without the 2012 Games there would have been little change in existing trends, although the limited data implications need to be noted. In addition, as the volunteering measure in the Active People Survey has changed, there will be some issues with the continuity of this measure going forward.

Figure 3-53: Sport volunteering counterfactual scenario

| Scenario | Year | Rates of sports volunteering |
|--------------------------------------|---------------------|------------------------------|
| Baseline | 2005/06* | 4.7% |
| | 2007/08* | 4.9% |
| | 2008/09* | 4.7% |
| | 2009/10* | 4.5% |
| Counterfactual projection for 2012/3 | 2005/6-9/10 average | 4.7% |
| | 2012/3 likely range | 4.4% to 5.0% |
| | 2005/6-9/10 trend | 4.6% |
| | 2012/3 likely range | 4.3% to 4.9% |

Source: Active People and Grant Thornton analysis. Note: * October 2005 to October 2006 etc.

(v) Sports coaching

Policy counterfactual

In terms of the policy context, while the MORI (2004) report provides a cross-sectional snapshot of the nature and level of provision of coaches, it is clear that policy efforts were already in place before 2003 to enhance provision.

The proposal to require integrated sports plans which deal with the progression from early talent identification to excellence, implies making explicit coach development plans. In addition, the development of coaching within the European qualifications framework has rationalised the varied hierarchies of qualifications which historically had been adopted in different sports, aligning qualification levels with pre-degree, degree and post-graduate levels, enhancing the credibility of qualifications, and further promoting professionalizing in the field.

In terms of the specific contribution of the Games to the development of coaching expertise, it is at the elite level that there has been the strongest evidence of impact. Coach development at lower levels had been targeted for growth independently of the decision in 2003 to promote the London bid. However, in the case of elite coach development, while supported in principle by the Cunningham review of elite sport, the development of specific initiatives and funding

commitment have been accelerated by the proximity of the Games.⁴⁶ This is discussed in further detail below under the elite sub-theme.

One project in this area is the London Coaching Bursary scheme. The context for the project is the mass sports participation legacy planned for the lead-up and post-Games period, which will be reliant upon competent volunteers and staff delivering sport and physical activity opportunities across the capital.⁴⁷ SkillsActive SSC identified that more and higher qualified sports coaches would be needed, especially those qualified to levels 1 and 2. To address this shortage and skills gap, a bursary was set up by Pro-Active Partnerships in London and National Governing Bodies of Sport. The consultation indicated that if the Coaching Bursary scheme had been delivered without the Games (although this is unlikely), it would have been on a much smaller scale. According to SkillsActive, although the skills gap was increasing because of the Games, it is not only the Games which has been driving this need. In addition, the National Skills Academy for Sport and Active Leisure is currently running the Skills Investment Programme in London, which is a specific strand of the Mayor's Sports Legacy Fund.

Outcome counterfactual

As indicated in the baseline assessment above, there has been little change in the number or demographic composition of the coaching population between 2004 and 2011. It is sensible therefore to assume that the outcome counterfactual would be a continuation of these trends.

Figure 3-54: Total number of UK coaches – counterfactual scenario

| Scenario | Year | Number of coaches |
|--------------------------------|-------------------|-------------------|
| Baseline | 2004 | 1,220 |
| | 2006 | 1,177 |
| | 2008 | 1,109 |
| Counterfactual projection 2012 | 2006-10 average | 1,169 |
| | 2012 likely range | 1,060 to 1,280 |

Source: Sports Coaching in the UK, MORI and Grant Thornton analysis.

⁴⁶ Cunningham (2001). Elite Sport Funding Review, Report to the Prime Minister and the Secretary of State for Culture, Media and Sport.

⁴⁷ Skills Active July 2008). London Coaching Bursary, Evaluation Report.

3.7 Elite sport: baseline

The aim of the elite sport legacy is to maintain a world class high performance system in the UK.

For the purposes of evaluating a baseline and establishing the 'direction and distance' of travel for elite sport, it is proposed that a selected and adapted set of nine Sports Policy factors Leading to International Sporting Success (SPLISS factors) be employed. These factors are key policy determinants, which evidence suggests are important for international elite sporting success. These factors are outlined in the box below.

Box 3-1: Measures of investment and performance in Elite Sport delivery system

- 1 Financial support
- 2 Integrated approach to policy development
- 3 Participation in sport (see Section 3.2)
- 4 Talent identification and development system
- 5 Athletic and post-athletic career support
- 6 Training facilities (see Section 3.5)
- 7 Coaching provision and coach development (the section below will deal with elite coach provision only; non-elite coaching development is dealt with in section 3.5)
- 8 International competition
- 9 Scientific research

Based on the above (with the exception of items 3, 6 and part of 7 which are dealt with elsewhere in the report), a baseline and counterfactual position has been developed for the above elements and for Olympic and Paralympic medals gained.

Key findings associated with the elite sport baseline are highlighted below. Detailed policy and other contextual information is included in Appendix B.

(i) Financial support

According to data from UK Sport, Lottery funding for elite sport (excluding the amount disbursed via Sport England in this period for World Class Start and WC Potential) amounted to £21.5 million in 2002/03, with an additional Grant in Aid funding of £18.3 million – a combined total of £39.8 million in 2002/03. Funding increased significantly after 2006 with additional injections of exchequer (see Figure 3-59).

(ii) Integrated approach to policy development

The policy for elite sport performance was set in 1997, with the establishment of the World Class Performance programme (WCPP), following poor performance in Atlanta in 1996. The WCPP is a UK Sport programme which supports the UK's most talented athletes in realising their potential. A variety of 2012-specific programmes (Mission 2012, Team 2012) have also been established, targeted at athletes, coaches and future leaders.

(iii) Talent identification and development system

The development of support systems for talented student athletes has been promoted after 2003, the baseline date, through the Talented Athlete Scholarship Scheme (TASS) and elite athlete support through scholarships to university students. In addition, traditional within-sport talent ID and development schemes were complemented after the baseline date by a variety of cross-sport initiatives, in particular those introduced by the UK Talent Team.

(iv) Athletic and post-athletic career support

The major vehicle for delivery of athletic and post-athletic career support for those on the WCPP is the Performance Lifestyle (PL) service. The PL service is a broader and more developed service than the Athlete Career and Education Service which came before it.

While the development of the PL programme predates the baseline, it has been consolidated and responsibility and funding placed within the EIS budget and management system. The consolidation of the programme under the EIS and the increase in the number of PL personnel post-dates Beijing.

(v) Elite coach and leadership development

Since 2003, UK Sport has established a suite of initiatives incorporated within its People Development Programme to develop support personnel who are qualified, innovative and have the potential to develop into world class support. These initiatives aim to:

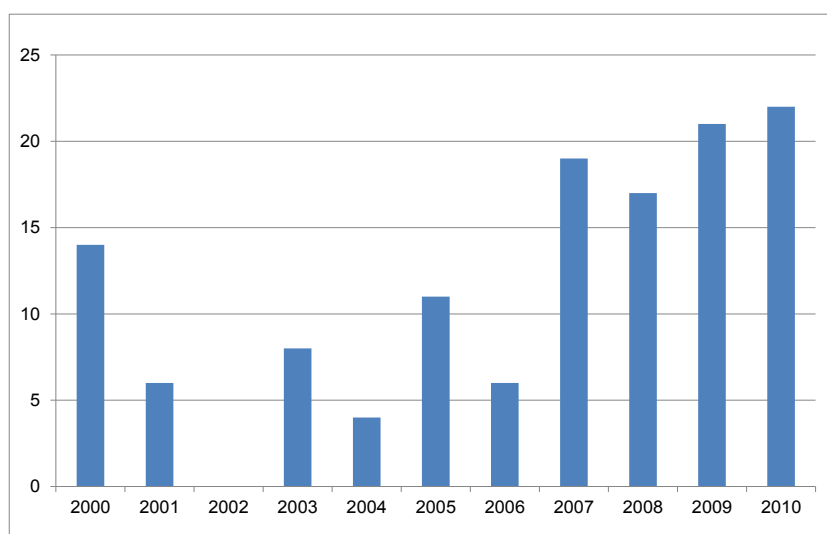
- Develop 'World Class People' in coaching: ie through the Elite Coach and Elite Coach Apprenticeship Schemes, both launched in 2004. The Fast Track Practitioner Programme, launched in 2004, is aimed at young sports science and medicine practitioners;
- Develop 'World Class People' in sports leadership and administration, ie through the International Leadership Development Programme.

(vi) International competition

The drive to host world class events in the UK was established in the late 1990s but has received considerably more resources in the post-2003 period, attracting more events (see Figure 3-55) and investment (see Figure 3-56).

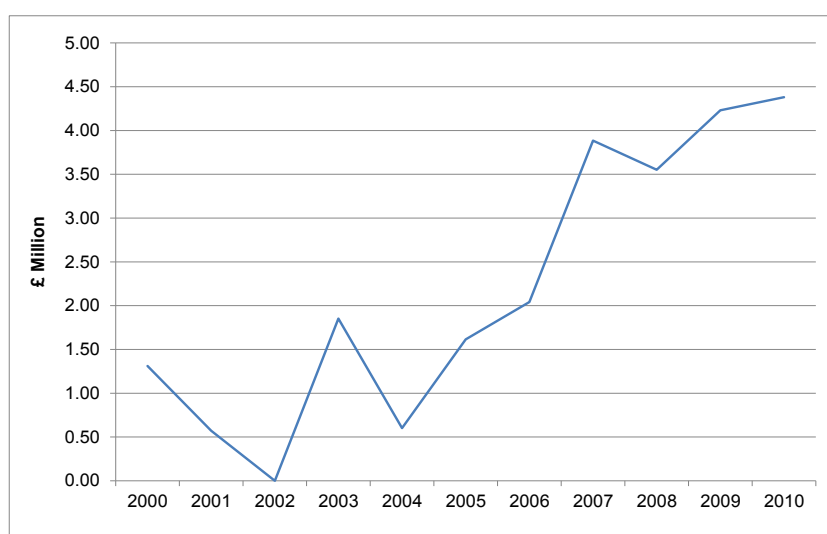
Comparing the number of world class events and funding available pre and post 2003 shows that over the 2000-2003 period an average of seven events per year were financially supported at an average rate of £133,000 compared with the average financial support of £203,000 for the 14 or so events per year on average over the 2004-10 period.

Figure 3-55: Number of major sporting events supported by UK Sport, 2000-2010



Source: Reproduced from UK Sport data.

Figure 3-56 shows the increased level of investment relating to the attraction of world class events to the UK, with financial assistance given to help support both bidding and staging costs (eg cost of developing promotional materials, enhancements of sporting infrastructure, the staging of evaluation visits for the bid and basic research costs). The successful 2012 Games bid led to the World Class Event programme budget almost doubling from 2003, when it was under £2 million, over £3.5 million in 2007. It is scheduled to rise to £5 million per annum over the next four years.

Figure 3-56: Overall UK Sport investment in supporting the hosting of major sporting events, 2000-2010

Source: Reproduced from UK Sport data.

(vii) Scientific research

The Research and Innovation programme has developed partnerships which have resulted in technological advantage for performance in particular in sports in which Britain performed particularly strongly in Beijing. However, it is not clear whether the uplift in funding received in 2006 contributed directly to Beijing performances.

(viii) Medal outcomes

With the exception of the Atlanta Games, performance in terms of medals won and place in the medals table had remained relatively stable prior to the baseline date (and given the proximity of the Athens performance to the baseline, we can incorporate the Athens performance since preparation predated 2004).

Figure 3-57: Ranking and Medals Won (gold-silver-bronze)

| | Seoul 1988 | Barcelona 1992 | Atlanta 1996 | Sydney 2000 | Athens 2004 | Beijing 2008 |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Olympic Games | 12 th (5-10-9) | 13 th (5-3-12) | 36 th (1-8-6) | 10 th (11-10-7) | 10 th (9-9-12) | 4 th (19-13-15) |
| Paralympic Games | 3 rd (64-66-63) | 3 rd (40-47-41) | 4 th (39-42-41) | 2 nd (41-43-47) | 2 nd (35-30-29) | 2 nd (42-29-31) |

Source: UK Sport.

There was evidence that the integrated WCPP system was beginning to pay dividends in terms of improved performance, but such momentum being built would not seem to explain the spectacular step change in performance at the Beijing Olympics.

The next section explores the extent to which elite sport has been impacted by London winning the right to host the 2012 Games.

3.8 Elite sport: Counterfactual

This section sets out the counterfactual for the elite sport sub-theme for "*harnessing the UK's passion for sport*". Policy counterfactuals have been developed and are discussed below focused on the following:

- Financial support;
- Integrated approach to policy development;
- Talent identification and development system;
- Athletic and post-athletic career support;
- Elite coach and leadership development – incorporating the development of UK influence in international sporting bodies;
- International competition;
- Scientific research;
- Medal outcomes.

(i) Financial support

Policy counterfactual

Funding for elite sport, as administered by UK Sport, comes from three key sources:

- Grant in Aid;
- UK Sport Lottery Funding;
- Other private income – although this funding is not significant.

Figure 3-58, which provides an indication of financial support by sport for the past three Olympiads, and Figure 3-59, which illustrates how the funding of the elite sport system through the funding of UK Sport from 2000/01 to 2007/08 has changed, indicate the dramatic shift in 2006 with the Government's announcement of £200 million of additional government funding.

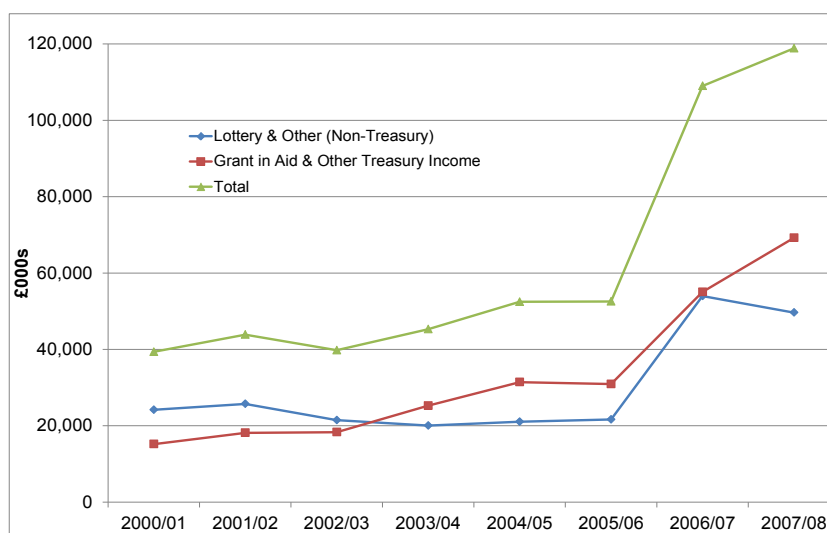
Figure 3-58: Financial support (£000s)

| Sport | Sydney Olympiad* | Athens Olympiad* | Beijing Olympiad^ |
|-----------------------|------------------|------------------|-------------------|
| Archery | n/a | £800 | £2,834 |
| Athletics | £10,600 | £11,400 | £26,513 |
| Badminton | n/a** | n/a** | £8,759 |
| Basketball | n/a | n/a | £3,694 |
| Boxing | n/a** | n/a** | £5,005 |
| Canoeing | £4,500 | £4,700 | £13,622 |
| Cycling | £5,400 | £8,600 | £22,151 |
| Diving | £900 | £1,400 | £5,873 |
| Equestrian | £3,000 | £4,400 | £11,727 |
| Fencing | n/a | n/a | £3,074 |
| Gymnastics | £5,900 | £4,100 | £9,036 |
| Handball | n/a | n/a | £2,986 |
| Hockey | n/a** | n/a** | £9,882 |
| Judo | £3,900 | £4,100 | £6,947 |
| Modern Pentathlon | £1,100 | £2,000 | £5,920 |
| Rowing | £9,600 | £10,600 | £26,042 |
| Sailing | £5,100 | £7,600 | £22,292 |
| Shooting | n/a | £1,400 | £5,056 |
| Swimming | £6,900 | £6,400 | £20,659 |
| Synchronised Swimming | n/a | n/a | £1,648 |
| Table Tennis | n/a** | n/a** | £2,533 |
| Taekwondo | £600 | £600 | £2,667 |
| Triathlon | £1,400 | £2,600 | £5,113 |
| Volleyball | n/a | n/a | £4,112 |
| Water Polo | n/a | n/a | £3,147 |
| Weightlifting | n/a | £300 | £1,686 |
| Wrestling | n/a | n/a | £2,125 |
| Total | £58,900 | £70,000 | £ 235,103 |

* Figures for the Sydney and Athens Olympiads relate just to Podium level funding. During that time, the home nation sports councils were responsible for supporting Development and Talent level activities

^ On 1 April 2006, UK Sport became responsible for all Performance funding from Talent to Podium and these figures reflect that total package. These figures also include the cost of sports science and medicine provision not previously incorporated as part of a sport's funding award

** Prior to 1 April 2006, governing bodies of sports administered on a home nation basis within the UK were funded by their respective home nation sports councils

Figure 3-59: UK Sport income, 2000/01 - 2007/08

Source: UK Sport Annual Reports.

Annual Grant in Aid plus Lottery funding increased from £39.3 million in 2000/01, to £39.8 million in 2002/03 and to £52.6 million in 2005/06. Thus the policy counterfactual suggests at best funding along this trajectory of modest growth (though this may not have been sustainable in the difficult economic climate emerging later in the decade).

The provision of the extra £200 million of government funding represents the major impact of winning the bid for the 2012 Games on funding for elite sport. This enabled UK Sport to begin funding all of the UK's Olympic and Paralympic sports (excluding the professional sports of Football and Tennis).

(ii) Integrated approach to policy development

Policy counterfactual

The construction of the World Class Performance Programme from 1997 predates the baseline for this study, and its consolidation under a single body, UK Sport, was called for in the recommendations made in the Cunningham Report in 2001, the bringing together of responsibility for the World Class Start and World Class Potential Programmes in 2006. The World Class Performance Programme has had a major impact such that UK Sport⁴⁸ can claim that this is a major factor in the improvement of UK Performance.

Performance levels were impacted upon for Beijing in a number of ways by the injection of £200 million of Exchequer funding which enhanced a range of provisions, some of which were already in place but could be expanded or intensified with the additional resource provided.

The new system brought under one roof elite athlete support, elite coach, sports science, and sports medicine, talent identification and development, bidding to stage world class events, oversight of the performance of NGBs through the modernisation programme, and other services. This, together with the government pledge of additional funding in 2006, facilitated the success levels witnessed in Beijing in 2008. Evidence of athlete and NGB perception of a more focused and effective service is reflected in the Athletes Insight Survey of Athletes on the World Class Programme.

A major vehicle for performance improvement has been the Mission 2012 self-assessment system for NGBs developed by UK Sport. This system addresses 30 dimensions under three main headings:

- Athlete: Performance, development, health and well-being, and commitment;

⁴⁸ UK Sport (2010). Making the Case for Elite Sport: Evidence and Research to Demonstrate the Impact and Wider Effect of UK Sport's Activities and Responsibilities. London, UK Sport (unpublished).

- System: Staff, structures, facilities, processes, knowledge and expertise;
- Climate: Culture, feel and day-to-day function as experienced by athletes and staff.

The system provides a 'traffic light' warning system for aspects of the NGB and its work that need to be addressed.

The policy counterfactual is thus one of a trend towards, and a declared intention of, integration of elite sport policy delivery but with the delivery of this integration accelerated post 2003.

In addition, athlete satisfaction with the provision of services under this integrated approach to meeting elite athletes needs is evidenced in the survey of elite athlete views on the appropriateness and quality of services provided. The conclusions from the 2010 analysis of the Athletes survey are set out in the Box below.

"Athletes noted improvements to support services in the previous 12 months with 39% believing that overall sports science support on the WCP had improved, 34% suggesting that overall sports medicine support had increased and 30% indicating an improvement in Performance Lifestyle support. Only a small minority of athletes reported a decrease in standards – 9% in sports science, 9% in sports medicine and 7% in Performance Lifestyle support. Satisfaction scores had slightly increased from 2007 for nine of the fourteen WCP support services, with Performance Lifestyle support showing the greatest improvement. Those athletes with an individual performance plan generally rated support services higher than those without an individual plan. ... Two-thirds of the sample (66%) agreed that there was a coordinated approach to coaching and other types of support within their sport's WCP; Podium-level athletes were more likely to agree with this proposition than their Development-level peers (72% v 64%)"

Source: Athletes Survey, 2010.

We are still trying to source pre-2010 and ideally pre-2003 athlete survey results to establish post-2003 levels of improvement in athlete ratings. The table below sets out our understanding of the policy counterfactual for the key overarching programmes across elite sport, based on the analysis, consultation, and historical strategies.

Figure 3-60: Policy counterfactuals for elite sport – key overarching programmes

| Programme | Development in the absence of the Games |
|--------------|--|
| Mission 2012 | Existing, increased scale and enhanced quality – existing policy but significantly extended in scope and focus. It is reasonable to attribute the additional scope to the winning of the 2012 bid. Although UK Sport had focused on professionalizing of delivery by NGBs through its modernisation programme at all levels including elite ⁴⁹ , the additional funding gave UK Sport the ability to develop through Mission 2012 a much more developed concentration on organisational performance in delivering elite success. |
| Team 2012 | Existing, increased scale and enhanced quality – new organisation established to address the issue of generating additional funding through commercial sources and partnerships. Although a new organisation this was a policy which re-existed but which was given additional impetus Fund raising was an ongoing core activity modified in scale and in approach (with an emphasis on partnership). Although the impact of the Games has been to foster partnership activity, the current climate has not been positive in terms of the generating of external financial support |

(iii) Talent identification and development systems

Policy counterfactual

The principal changes to have occurred in the area of talent identification policy relate to the volume of support and the development of cross-sport initiatives (rather than sports specific talent identification schemes which were largely in place prior to 2003).

⁴⁹ Deloitte and Touche and UK Sport, 2003. Investing in change – High level review of the modernisation programme for governing bodies of Sport (July 2003).

As the UK Talent Team acknowledges "*The inspiration of the home Games in 2012 has been a huge catalyst for this work*".⁵⁰ While it is difficult to assert with absolute confidence that some, at least, of these cross-sport talent identification initiatives would not have emerged anyway, nevertheless the most reasonable approach will be to assume additionality here.

In terms of the volume of support, in addition to new schemes in talent identification, this includes athlete scholarships through TASS and the introduction of elite scholarships in particular at universities attracting elite student athletes.

Figure 3-61: Policy counterfactuals for elite sport – athlete focused programmes

| Programme | Development in the absence of the Games |
|---|--|
| World Class Performance Programme | Existing, increased scale and enhanced quality – would have gone ahead in the absence of the Games as set in 1997 and further promoted by the Cunningham Report (2001). Funding has increased substantially since the 2012 bid was won, and its increased personal financial support to sports and athletes in the WCPP has significantly enhanced the level of athlete support and preparation. |
| Talented Athlete Scholarship Scheme | Existing, increased scale and enhanced quality – existing policy of support for World Class Potential and Development athletes prior to 2003 baseline, but extended by the introduction of TASS. The level and scope has been extended since its introduction which it is reasonable to attribute to the impact of winning the bid. |
| UK Talent (and generic Talent ID schemes) | Existing, increased scale and enhanced quality – policy in terms of support for the development of elite coaching and athlete support services had been set by Cunningham (2001), but the development of these schemes represented innovations after the bid had been launched. |

The BPA indicated that London 2012 has assisted in generated Paralympic talent identification opportunities. For example the Cadbury Foundation has provided the BPA with around £150,000 to £200,000 funding to support the BPA's activities around hosting talent identification days. Prior to Beijing these were funded by UK Sport, through the BPA. UK Sport is now doing this in-house and the additional funding that the BPA has received is unlikely to have been made available in the absence of the 2012 Games.

Outcome counterfactual

The provision of cross-sport talent ID programmes which have identified potential elite performers in sports which the individuals would not have considered or had access to is likely to have generated additionality. However, within sport talent identification systems operated by the individual NGBs themselves, some estimate of the additional volume of potential identified and subsequently developed would have to be made. This can probably only be done with an NGB survey identifying the numbers processed and numbers added to the World Class Start and World Class Potential Programmes prior to 2003, for comparison with the post 2003 volume and source of talented individuals identified and their progress through the WCPP, and in terms of performance.

(iv) Athletic and post-athletic career support

Policy counterfactual

The Performance Lifestyle programme which is responsible for delivering these forms of support was established in 2003, growing out of an earlier scheme (the Athlete Career and Education (ACE) programme), and thus predates the baseline date.

In terms of impact on the delivery of medal winning performances, the major enhancement of the PL programme did not occur until 2009 when provision of PL Advisors doubled with the infusion of £900k of additional funding.

⁵⁰ UK Sport (2011). Talent Identification, Confirmation and Development – finding Britain's future Olympic and Paralympic champions. Retrieved 28 May 2011, 2011, from <http://www.uk sport.gov.uk/pages/talent-id/>

Figure 3-62: Policy counterfactuals for athletic and post-athletic career support

| Programme | Development in the absence of the Games |
|---------------------------------|--|
| Performance Lifestyle Programme | Existing, increased scale and enhanced quality – enhancing of existing services takes place in 2003 with the move from a focus on athlete careers and education, to personal development and lifestyle support, without reference to the Bid. Further developments take place in 2009 (with the transfer of the PLS to the English Institute) which thus do not contribute to the Beijing performance. |

(v) Elite coach and leadership development*Policy counterfactual: elite coaching*

The development of elite coaching capacity to service the needs of athlete development was recognised as a priority by the Cunningham Report in 2001, predating the baseline of 2003.

Thus in terms of policy counterfactuals, the extent to which the Elite Coach, the Elite Coach Apprenticeship, and the Fast Track Practitioner programmes are additional, is questionable.

Further research is required to establish the impact of the additional funding post 2006 on the delivery of the elite coaching programmes.

Figure 3-63: Policy counterfactuals for elite sport – coaching focused programmes

| Programme | Development in the absence of the Games |
|-----------------------------------|--|
| Elite Coach Programme | New, additional – these are new initiatives developed and implemented after the baseline date but existing policy intentions expressed in Cunningham's (2001) review of elite sports policy. Reasonable to argue that the 'intensification' of policy effort has been influenced by the 2012 bid |
| Elite Coach Apprenticeship Scheme | |
| Fast Track Practitioner Programme | |

Outcome counterfactual: elite coaching

In terms of the stock of elite coaches and their level of expertise, this has been impacted upon by the 32 Elite Coach Graduates, the 12 Elite Coach Apprentices, and the more than one hundred Fast Track Practitioners who have been through these programmes. It will be necessary to establish whether all of the programmes would have been run and would have achieved the volume of throughput without the injection of the additional funding provided in 2006 by the Exchequer.

In estimating the impact of 2012 on the availability of world class coaching it is important to note that in addition to home-grown coaching talent which has been developed under these three programmes, there has been an influx of coaches from other countries' elite sports systems.

At this stage, it is not possible to say whether the 2012 Games has had an impact as there is no data on the number of foreign coaches present in the UK and whether that has changed as a result of the 2012 Games. Some basic primary research will therefore be required to identify the number of elite coaches in the NGB and Institutes of Sport system over the 2003 to 2012 period.

These three programmes seek to boost capacity in the area of elite coaching, in effect countering the UK's reliance on the recruitment of foreign coaches whose human capital is lost if their stay in the UK is time-limited. Nevertheless, the impact of hosting the Games on recruitment of foreign coaches is an additional area to explore since, as UK Sport sources have acknowledged the attraction of a London Games has led to many world-leading coaches practitioners and support staff entering the UK system, bringing their expertise and experience.

Policy counterfactual: UK influence in international sporting bodies

The Government and UK Sport have a policy of encouraging people to be members of international sports organisations, and to take up more senior roles. UK Sport actively promotes this through its International Leadership Programme.

Neither the International Leadership Programme nor the Women and Leadership Development Programme were in existence prior to 2003, and the outputs/ outcomes of these programmes might be considered as predominantly additional.

However data in relation to the membership of International Federations and other positions of influence in international sport prior to 2003 need to be considered. This data is currently unavailable as far as we know, although the International Unit at UK Sport may be able to assist.

Figure 3-64: Policy counterfactual for elite sport – leadership focused programmes

| Programme | Development in the absence of the Games |
|------------------------------------|--|
| International Leadership Programme | New, additional – policy in this area was established in a systematic manner following the successful 2012 bid |

Outcome counterfactual: UK influence in international sporting bodies

Some basic primary research will be needed to assess the growth of recruitment of British administrators to international sporting bodies, particularly those elected or appointed to the Boards or Executives of International Federations and other such influential bodies.

(vi) International competitionPolicy counterfactual

In terms of the policy counterfactual, we can point to the level and intensification of funding for the attraction of World Class Events rather than any major change in policy direction per se. The changes in funding levels are indicated above.

Figure 3-65: Policy counterfactual for elite sport – hosting focused programmes

| Programme | Development in the absence of the Games |
|----------------------------|--|
| Hosting World Class Events | Existing, increased scale and enhanced quality – World Class Events Programme initiated in 1997. Funding and support activity greatly increased after the winning of the 2012 bid. |

Outcome counterfactual

In terms of outcome counterfactuals the increased number of events attracted is identified in Figure 3-55. Given the time lag between winning the bid to hosting an event and the staging of the event (in many instances a minimum of four years), it is probably the case that bids made after 2003 are reflected in the data for events staged from 2007. The mean post 2006 of events staged is 20, but for 2000-2006 is 7.

In terms of expenditure on this budget item, the nature of the published figures changed in 2005 from what was actually spent to the maximum that was committed for any given event. With this caveat in mind, data indicates an increased level of commitment averaging £203,000 per event from 2007-2010 compared to £151,000 for 2000-2006. This represents a shift from a mean of £1.05 million (2000-2006) to £4.06 million per annum (2007-2010).

(vii) Scientific research*Policy counterfactual*

The Research and Innovation programme can point to a range of projects which have made direct contributions to the enhancement of performance, particularly in key medal winning sports in Beijing. Projects on track testing, design and experiments with track cycling, rowing, canoeing and skeleton bob in which medals were won illustrate the nature of the contribution made at Beijing. However baseline funding for the period pre-2005 stood at approximately £750,000 but rose to approximately £2 million in 2006/07. Further investigation is required to establish how this infusion of funds was used, and whether such uses directly contributed to the 2008 medal outcomes.

Figure 3-66: Policy counterfactual for scientific research

| Programme | Development in the absence of the Games |
|-----------------------------------|--|
| Research and Innovation Programme | Existing, increased scale – the existence of the programme pre-dates the base line. With the boost to funding of the programme received in 2006 it is not clear the extent to which the activities funded by the additional money made a contribution to medal winning in the Beijing Games. |

(viii) Medal outcomes*Outcome counterfactual*

Medal outcomes provide the variable through which the primary outcome counterfactual is to be established for the elite sport system. In effect, the major policy changes to impact on the elite support system were firstly the impact of increased Lottery funding in 1997, post poor performance in Atlanta in 1996, and secondly, the major injection of funding (ie £200 million) in 2006. Performance increased significantly after 1996, as the increased funding allowed programmes to be developed or enhanced, with more full-time athletes supported and additional qualified coaches. Although changes in elite sport policy were already largely in place or planned prior to the decision for London to bid, some conclusions can be made on medal performance if the 2012 Games did not happen. If we consider the outcome counterfactual at its most pessimistic level, then medal performances of the level achieved at the 2000 and 2004 Summer Games (ie 10th in the Olympic Games and 2nd in the Paralympic Games) are perhaps at the lower end of what might be expected as an outcome in the absence of the initiatives undertaken as a result of London being awarded the 2012 Games.

However, the continued development of the integrated elite sport development system, with the return on longer-term investment in elements listed above might reasonably have been expected to result in improved performance in the medal table. Thus without the additional activities funded by the influx of money in 2006, in particular from the Exchequer, a significant improvement in the medal table position in 2008 would probably not have been achieved.

One may hypothesise that a number of factors contributed to performance in Beijing exceeding even the optimistic outcome counterfactual, for example:

- The development of elite coaches and increased coaching capacity at the elite end of the spectrum;
- The use of funding to expose WCPP athletes to more regular and intense international competition;
- The contribution of more intense talent ID processes to the reinforcing of an elite performance culture;
- The hosting of world class competition in the UK, which with home advantage fosters a culture of winning;
- The application of technological advances to sporting performance.

According to the BPA, the additional funding most likely contributed to the UK maintaining its second place on the medals table, in what has become an increasingly competitive global Paralympic arena.

The BPA did however indicate that this is not simply about medals and where the UK finishes on the medals table, but also about awareness creation, which ultimately leads to additional funding as well as increased elite participation.

According to the BOA, it is challenging to determine the extent to which the additional funding contributed to medal performance in 2008 as there are a range of factors which impact on performance and how this translates into medals. These factors include:

- Consistency and certainty of funding, which supports the programmes, athletes, coaches and others;
- Coaches;
- Sport medicine and science support;
- Athlete attendance at competitions;
- Support services to athletes, coaches and others;
- Ensuring that athletes are prepared for the environment at the Olympic Games.

However, the BOA and UK Sport both indicate that although the impact of the additional funding in 2006 would have varied from sport to sport, it is likely to have resulted in additional or enhanced programmes, enhanced equipment, and greater exposure to international competition, etc. However, the extent to which this then resulted in the medal outcome in Beijing in 2008 is challenging to determine, and a longer-term view is required, including performance at the 2012 Games.

The table below provides an analysis of how expenditure changed between 2005/06 to 2006/07 and 2005/06 to 2008/09 for four sports.

With the exception of a large increase in programme expenditure (ie 484%) for one of the sports in the latter part of the cycle (attributable mainly as a result of domestic training and international competition activities), expenditure patterns are fairly similar with significant increases occurring when the new and transferred monies first took effect – and slower increases thereafter.

Figure 3-67: Change in expenditure by NGBs by type from 2005/06 to 2008/09

| Expenditure Type | Podium and development | | | | | | Podium Only | |
|---|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Sport A | | Sport B | | Sport C | | Sport D | |
| | 2005-6 to 2006/7 | 2005/6 to 2008/9 | 2005-6 to 2006/7 | 2005/6 to 2008/9 | 2005-6 to 2006/7 | 2005/6 to 2008/9 | 2005-6 to 2006/7 | 2005/6 to 2008/9 |
| Core staff costs | +98% | +141% | | | | | | |
| Support staff costs | +104% | +133% | | | | | | |
| Total staff costs | +100% | +138% | +58% | +133% | +103% | +155% | +19% | +69% |
| Total programme (training, competition, science, medicine, etc) costs | +31% | +156% | +156% | +484% | +121 | +162 | +33% | +180% |
| Total (incl other costs) | +68% | +149% | +107% | +299% | +157% | +190% | +36% | +122% |

Note: For Sports A, B and C comparisons are made between 2005/06 expenditure (Podium-level equivalent) and expenditure over the rest of the cycle (Podium and Development). Sport D expenditure is Podium level only

Source: UK Sport Analysis of NGB accounts.

Expenditure varies from sport to sport, with equipment-dependent sports, such as cycling, sailing, etc able to increase spending on equipment.

Both the BOA and UK Sport indicated that quantifying the impact of the additional funding on Beijing results is challenging, but confirmed that the Olympic target of top eight was exceeded by the 4th place finish but that the targets for Beijing were set prior to the additional funding being made available and that this funding was in fact awarded to support success in 2012.

In addition, although it is important to consider the impact to which the additional funding has and will continue to impact on performance as demonstrated by medal outcomes, this additional funding is also likely to have supported some sports in improving their performance, although this may not yet or will not be reflected in medal outcomes.

For example, the BOA indicated that handball, one of the host sports in which a team is being fielded at 2012, is likely to have been impacted significantly by London hosting the Games, although this may not translate into medals being won.

3.9 International: Baseline

(i) Background

The key activity for this sub-theme is International Inspiration.

International Inspiration was announced by the Prime Minister in India on 21 January 2008. It brings into reality the 'Singapore Vision', ie the promise made by the London 2012 bid team to "*reach young people all around the world and connect them to the inspirational power of the Games so they are inspired to choose sport*".⁵¹

The aspiration was to reach 12 million children in 20 countries. The Programme aims to use the power of sport to enrich the lives of millions of children and young people of all abilities, in schools and communities across the world, particularly in developing countries, through the power of high quality and inclusive physical education, sport and play. This will not only deliver the ambitions promised in Singapore – and contribute to the achievement of the Millennium Development Goals – but will also set the foundations for a true international legacy from the London 2012 Olympic and Paralympic Games.

International Inspiration has received the formal backing of the International Olympic Committee and the International Paralympic Committee. This is the first time an Olympic Games Organising Committee has undertaken an international legacy programme of this kind.

⁵¹ UK Sport website.

- Opened up sport for development projects in new countries, eg Azerbaijan is unlikely to have been reached by sport without International Inspiration;
- Changed their focus where necessary, eg from elite to school and grassroots sport. UK Sport networks built through International Inspiration have also acted as a catalyst for other activities.

Most of the activities are completely new, although they do often build on existing ways of working. For example:

- Malaysia: Youth leadership work taking place was disparate and not sports focused. International Inspiration brought sports leadership together;
- India: There was a PE curriculum, but through International Inspiration a resource was developed to empower individuals which "*brought a dormant part of the curriculum to life*".

International Inspiration secures buy in at a senior strategic level first, with bringing the grass roots and senior players together seen as a powerful element. It also assists policy makers to see things happening.

Figure 3-69: Summary of policy counterfactual for international theme

| Programme | Development in the absence of the Games |
|---------------|---|
| International | New, additional – this programme aimed at using the Games to inspire 12 million children in 20 countries to become involved in sport. Although UK Sport was involved in the international market to a minor extent, this programme would not have gone ahead in the absence of the Games. |

4 Exploiting opportunities for economic growth

4.1 Introduction

This section sets out the baseline position, key trends and an estimated counterfactual position for the 2012 Games legacy theme 'exploiting opportunities for economic growth', structured by the following legacy sub-theme:

- Overall economic impact of 2012 Games;
- Business access to 2012;
- Promoting the UK as a place to invest;
- Export and trade promotion;
- Tourism;
- Employability and skills development;
- Promoting sustainable business.
- Opportunities for disabled people in business and disabled access to transport;⁵²

Given the potential size of the Games' effects in relation to other factors influencing economic outcomes, such as Gross Value Added (GVA) and employment, whilst providing important contextual understanding, trend-based analysis has a limited role to play in constructing counterfactual scenarios under this theme. Many of the associated policy interventions under this theme will have national impacts that are fairly marginal in the context of other public sector programmes aimed at promoting economic development.

This chapter has close links and overlap with the East London legacy theme (Chapter 6), focused on regeneration across the six host boroughs. The legacy plans for East London regeneration revolve around developing the Olympic Park (transforming place), the construction of new homes and community facilities (transforming communities), the creation of new job opportunities (transforming prospects), as well as socio-economic convergence. Many of the East London sub-themes will have an impact on the economy and the outcomes captured in this chapter and vice-versa. The split in the presentation of the analysis is that this Chapter covers economic impacts for London, the nations and regions, and the host boroughs in summary terms where data is available. Chapter 6 then explores the regeneration effects particularly around the Olympic Park and at the individual level of host boroughs.

The counterfactual sections in this chapter are therefore largely concerned with how far specific Games-related interventions would have been taken forward in the absence of the Games, in order to support the bottom-up assessment of impacts that will be taken forward at the interim and final evaluation stages of the study. There is quite a wide range of expected evidence sources for the economic theme counterfactuals as summarised in the table below.

⁵² From Report 3 onwards, the phrase 'disabled access to transport' replaces the 'transport accessibility' term used in Reports 1 and 2.

Figure 4-1: Overview of approach to determining economic outcome counterfactuals

| Sub-theme | Main indicators | Project-level evaluation | Trend-based time series | Statistical or Econometrics | Comparator analysis | Bespoke modelling | Monitoring data or other indicators | Qualitative or case studies | Survey-based methods |
|--|--|--------------------------|-------------------------|-----------------------------|---------------------|-------------------|-------------------------------------|-----------------------------|----------------------|
| UK Business Access to 2012 Games Contracts | Increases in/safeguarding of employment and GVA | ✓ | | | | ✓ | | | |
| Promoting the UK as a place to invest | Additional investment in the UK and associated GVA and jobs created | | ✓ | | ✓ | | ✓ | ✓ | ✓ |
| Export and trade promotion | Additional export sales and associated increases in/safeguarding of employment and GVA | ✓ | | | | | ✓ | ✓ | |
| Tourism | Additional visitors to the UK and associated spend | | | ✓ | | | | | ✓ |
| Employability and skills development | Increased employment and sustainable employment in the UK | ✓ | | | | | | ✓ | |
| Promoting sustainable business | Increased awareness of environmental issues/sustainability. | | | | | | | ✓ | |
| Disability | Disabled access to transport Disabled people in business | ✓ | ✓ | | | | | ✓ | |

4.2 Overall economic impact of 2012 Games

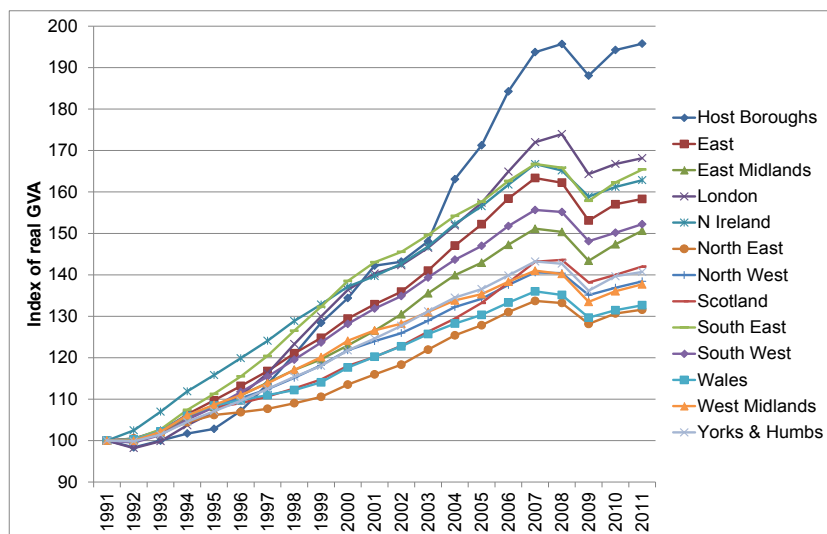
(i) Baseline

Economic growth in the host boroughs has over-performed in both London and the UK regions over the past 20 years. GVA in the host boroughs increased over the 1991 to 2011 period by 96% in real terms from £17.8 billion in 1991 to an estimated £ 34.8 billion in 2011.⁵³ This compares to a GVA increase in real terms of 68% in London and 52% across the UK over the same period. Slowest growth occurred in the North East which experienced only 32% growth.

The host boroughs experienced the strongest growth over the economic boom of 2003 to 2007, with GVA increasing by an average of 6.35% per annum compared to 3.9% in London and 2.9% across the UK on average. Detailed GVA trends are shown in the figure below.

⁵³ GVA in real 2006 prices and consistent with the European System of Accounts (1995).

Figure 4-2: Real GVA trends across UK nations, regions and host boroughs (1991 to 2011⁵⁴)



Source: Oxford Economics estimates, Autumn 2011.

(ii) Policy and outcome counterfactual

Estimating the counterfactual for the UK and London economies is more challenging than many assume. In particular, it cannot be approached simply by looking at the outlook expected in economic forecasts produced before the 2012 Games was awarded to London – there have been a lot of other shocks affecting the economic outlook since 2007 besides just building in the effect of the 2012 Games.

Furthermore, simply removing estimates of the various impacts of the 2012 Games from the baseline forecasts could overestimate the likely difference in performance. There may be some jobs that would have been created in other sectors of the economy if the employment associated with the 2012 Games was not competing for labour. As a result, it is sensible to include assumptions to scale down the likely employment loss associated with not winning the right to host the 2012 Games. In doing so, various projects, policies and programmes that are currently on-going in London should be considered, as well as the current economic environment and the likelihood that some of the 2012 Games budget would likely have been earmarked for reducing national debt, which would have little impact on jobs.

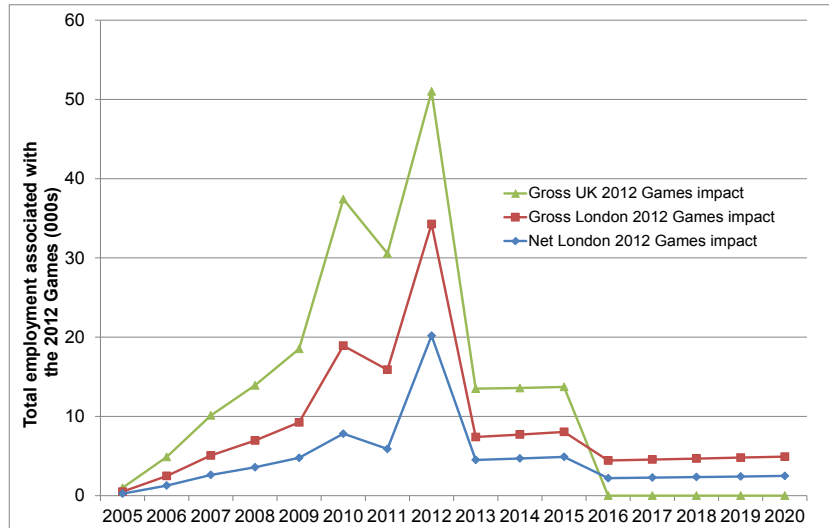
In the 2010 Work Foundation Lasting Legacy report,⁵⁵ Oxford Economics estimated that the gross employment needed to deliver the 2012 Games would peak at 51,000 across the UK, of which 34,300 would be based in London, although it should be noted that many of the jobs required to deliver the Games in 2012 will be very temporary in nature. These figures should be treated with caution, given the discussion above and the implications of recent labour market data over the recession, and therefore the different baseline outlook. Oxford Economics will be carrying out a fresh analysis of these impacts for Reports 4 and 5 of the meta-evaluation, using updated information and more outturn rather than estimated data.⁵⁶

⁵⁴ Figures for 2010 and 2011 are estimates based on preliminary information and are likely to change as a result of new data releases and revisions to GDP. These figures should be treated with caution.

⁵⁵ Work Foundation (2010). A Lasting Legacy: How can London fully exploit the opportunities created by the Olympic Games in the recovery and to 2030?

⁵⁶ See Appendix A for a more detailed discussion of the approach.

Figure 4-3: Previous estimates of the impact of the 2012 Games (from 2010 analysis)

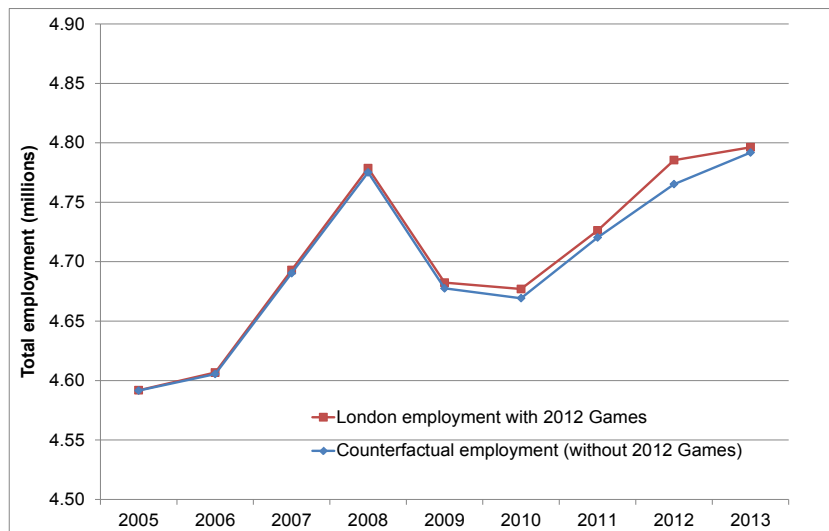


Source: Oxford Economics 2010 analysis for Work Foundation Lasting Legacy report (2010).

Taking into account displacement, the peak level of employment falls to 20,200 net jobs in 2012. Over the period 2005 to 2020 it was estimated that on average 8,700 jobs per annum would be needed in London to deliver the 2012 Games, and 13,000 across the UK. However, when displacement was taken account of, net annual employment requirements fell to 4,500 in London.

The difference in the counterfactual and baseline for London is shown in the figure below. The overall impact on jobs is not large when considered against London's total level of employment. However, the impact may be more important in terms of engaging with communities, encouraging people back to work and re-skilling/up-skilling individuals.

Figure 4-4: Employment and counterfactual estimates for London (from 2010 analysis)



Source: Oxford Economics 2010 analysis for DCMS.

4.3 Business access to 2012 Games contracts

(i) Baseline

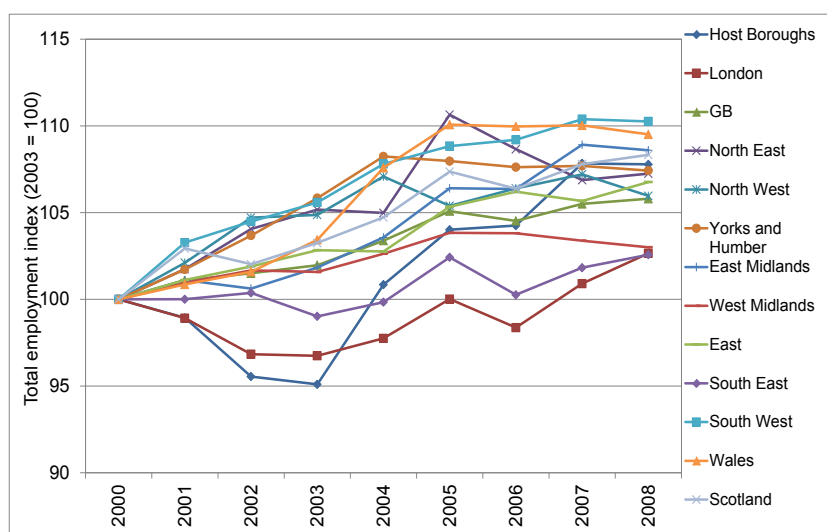
The principal rationale for maximising UK business access to 2012 contracts is the safeguarding and generation of additional employment and other spin off benefits through the delivery of these contracts. As well as the direct effects on construction employment in the lead up to the Games, employment opportunities are also expected to be generated in the tourism and leisure, retail, creative media, and hospitality sectors. This section also provides overarching contextual analysis relevant to the meta-evaluation's synthesis and aggregated estimation of the total economic benefits resulting from the Games.

Change in total employment

The baseline analysis of employment draws on data from the ONS (Office for National Statistics) Business Register and Employment Survey (BRES) which recently replaced the ONS Annual Business Inquiry (ABI). Differences in the design and definitions adopted in the two series mean that it is not possible to make direct comparisons with the years preceding 2008 and 2009.⁵⁷ ABI data is therefore used here to provide a historical perspective on changes in employment levels since 2000.⁵⁸ The Annual Population Survey (APS) and Labour Force Survey (LFS) do provide a consistent dataset over the 2003 to 2010 period, but do not provide data by Standard Industrial Classification (SIC) code. The APS and LFS are used for show trends in employment and unemployment rates (see Section 6.6).

During the period between 2003 and 2008 all regions and nations enjoyed sustained employment growth. Between 2003 and 2008 London and the host boroughs outperformed the Great Britain (GB) average in terms of employment growth (Figure 4-5) with growth of 6.1% and 13.3% respectively compared with an increase of 3.8% across Great Britain. The key driver of employment growth in both London and the host boroughs has been the financial and business services sector, which created over 2.2 million jobs in the UK as a whole in the decade to 2008 and 0.5 million in London alone.⁵⁹ The only region which outperformed London in percentage growth terms was the East Midlands, which had a growth rate of 6.4%.

Figure 4-5: Change in number of employees, 2000-2008



Source: ONS, Annual Business Inquiry (employee analysis).

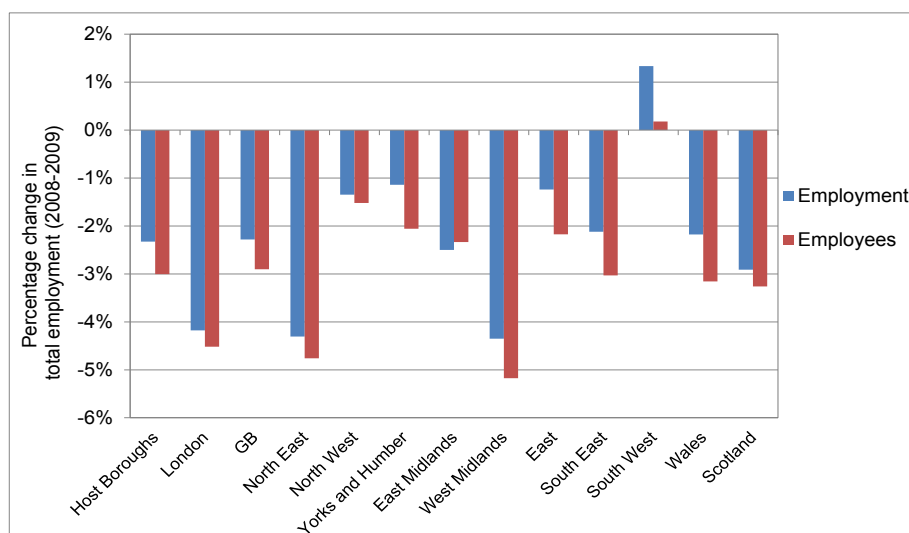
⁵⁷ Changes between the Annual Business Inquiry (ABI) and the new Business Register and Employment Survey (BRES) which cause discontinuities between the two series include changes in the questionnaire design, in the sample design, in the validation and quality assurance processes, and in the estimation methodology and outlier treatment. More details about this discontinuity can be found at <http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=15390>.

⁵⁸ It should be noted that there changes applied to the Annual Business Inquiry from 2006 onwards cause a discontinuity between 2005 and 2006. These changes include a change in reference date from December to September. More details about this discontinuity can be found at http://www.statistics.gov.uk/elmr/12_09/downloads/ELMR_Dec09_Gough.pdf. The discontinuity means that changes in employment levels specifically between 2005 and 2006 should be ignored.

⁵⁹ Potential of the Golden Triangle, Oxford Economics, 2010.

Between 2008 and 2009, the recession had a negative impact on employment throughout most of Great Britain: total GB employment decreased by 2.3% and the total number of employees by 2.9%.⁶⁰ The reduction in employment in the host boroughs (2.3%) was in line with the GB average, while the decline in London as a whole, given its reliance on financial and business services, was notably more pronounced (4.2%). The North East and the West Midlands were the only regions to experience a sharper decline.

Figure 4-6: Change in total employment and number of employees, 2008-2009



Source: ONS, Business Register and Employment Survey.

Employment in key sectors

This section now turns to employment changes in the five key sectors which have been highlighted by the Government as holding particular opportunities for capitalising on the staging of the Games.⁶¹ The key sectors include:

- Retail;
- Tourism (ie accommodation);
- Sports activities and amusement and recreation activities;
- Creative industries (as defined by DCMS⁶²);
- High-technology activity⁶³ (particularly with respect to East London).

Altogether, in 2009, the five sectors accounted for 91,900 jobs in the host boroughs (16.9% of total jobs), 922,500 jobs in London as a whole (21.5%) and 5.4 million jobs in Great Britain (19.5%). Relative employment levels in the sectors are therefore significantly lower than the national average in the host boroughs and significantly higher in London. Other regions where the proportion of employment in these key sectors is higher than the GB average are the East, the South East and the South West.

⁶⁰ The Business Register and Employment Survey, in vigour since 2008, presents data for both employees and employment. Employees are a subset of employment, which also includes working proprietors (ie sole traders, sole proprietors, partners and directors).

⁶¹ DCMS (2010). Plans for the Legacy from the 2012 Olympic and Paralympic Games.

⁶² DCMS (2010). Creative Industries Economic Estimates (Experimental statistics), Full statistical release, December 2010. Available at http://www.culture.gov.uk/images/research/CIEE_Full_Release_Dec2010.pdf The sectors for which DCMS estimates that less than 25% of the activity is actually creative were ignored, as well as photographic activities for the period 2000-2008. The 2000-2008 data series are based on the SIC 2003 definition of the creative industries, whereas the 2008-2009 data adopts the more recent definition, based on SIC 2007. Both definitions are available in the paper cited here as a source.

⁶³ The 2000-2008 data series are based on the SIC 2003 definition of the high-tech sectors (EUROSTAT, Aggregations of high-tech manufacturing and services based on NACE Rev 1.1. Available at http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/htec_esms_an2.pdf), whereas the 2008-2009 data adopts the more recent definition, based on SIC 2007 (EUROSTAT, 'High-technology' and 'knowledge based services' aggregations based on NACE Rev. 2. Available at http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/htec_esms_an3.pdf)

The impact of the economic downturn between 2008 and 2009 appears to have been more significant in London and the host boroughs, where employment within the key sectors fell by 6.2% and 4.6% respectively. The contraction in GB as a whole was only 1.1%. The GB figure was driven by growth in the South West (+3.6%) and North West (+4.4%). Detailed figures on all regions are shown in the table below.

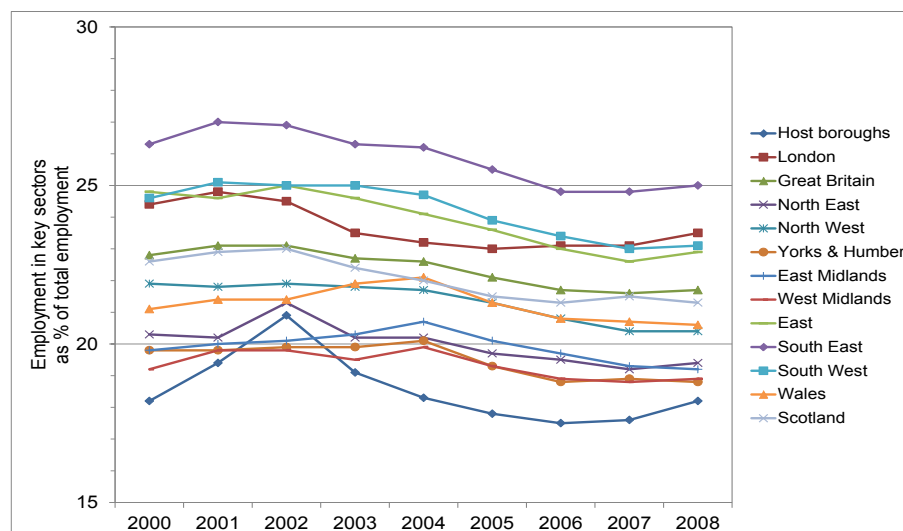
Figure 4-7: Employment in key sectors (2008-2009)

| | 2008 | | 2009 | | Growth (absolute) | Growth (relative) | Growth in proportion of total |
|------------------|-----------|-------|-----------|-------|-------------------|-------------------|-------------------------------|
| | Number | % | Number | % | Number | % | (%age points) |
| Host boroughs | 96,300 | 17.3% | 91,900 | 16.9% | -4,400 | -4.6% | -0.4 |
| London | 983,100 | 22.0% | 922,500 | 21.5% | -60,600 | -6.2% | -0.5 |
| GB | 5,505,700 | 19.2% | 5,443,900 | 19.5% | -61,800 | -1.1% | 0.2 |
| North East | 198,900 | 18.0% | 184,000 | 17.4% | -14,800 | -7.5% | -0.6 |
| North West | 571,200 | 18.0% | 596,200 | 19.0% | 25,000 | 4.4% | 1.0 |
| Yorks and Humber | 401,300 | 17.0% | 410,000 | 17.5% | 8,700 | 2.2% | 0.6 |
| East Midlands | 352,900 | 17.2% | 357,900 | 17.9% | 5,000 | 1.4% | 0.7 |
| West Midlands | 406,400 | 16.1% | 403,300 | 16.7% | -3,100 | -0.8% | 0.6 |
| East | 514,600 | 19.9% | 508,700 | 19.9% | -5,900 | -1.2% | 0.0 |
| South East | 871,800 | 21.8% | 860,100 | 22.0% | -11,700 | -1.3% | 0.2 |
| South West | 497,900 | 20.4% | 515,600 | 20.8% | 17,700 | 3.6% | 0.4 |
| Wales | 237,100 | 18.2% | 234,000 | 18.4% | -3,100 | -1.3% | 0.2 |
| Scotland | 470,600 | 18.1% | 451,600 | 17.9% | -19,000 | -4.0% | -0.2 |

Source: ONS, Business Register and Employment Survey.

Taking a longer-term perspective, employment in the key sectors has decreased in the past decade, both in absolute and relative terms (by between 1 and 2 percentage points in the host boroughs, London and GB). However, the overall reduction in employment in the key sectors is explained by the significant contraction of employment in the high-tech and retail sectors – absolute and relative growth has been observed in the creative industries, tourism, and sports and leisure sectors at all three geographical levels. Detailed analysis of historical trends by sector is provided below.

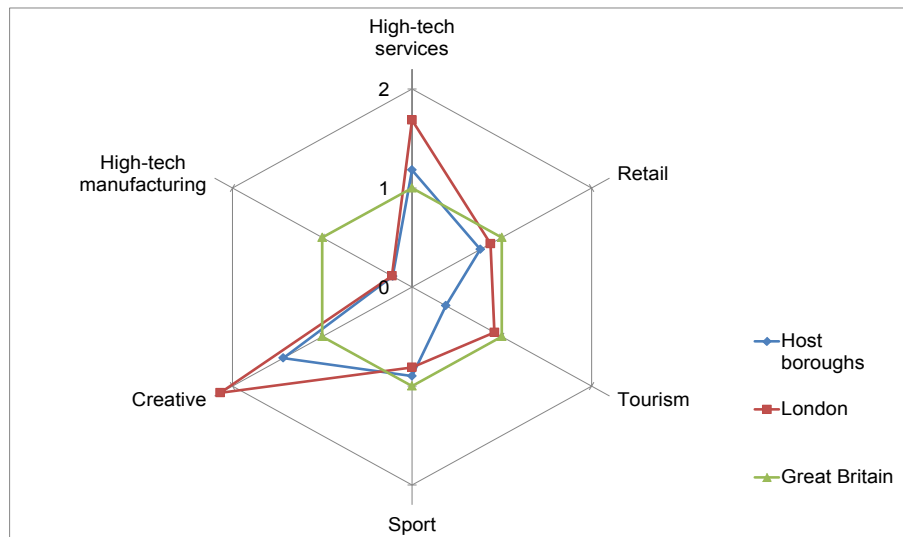
Figure 4-8: Employment in key sectors as a share of total employment, 2000-2008



Source: ONS, Annual Business Inquiry.

The graph below compares the location quotients⁶⁴ of key sectors across the three spatial levels, taking the Great Britain average as the level of reference (value: 1).

Figure 4-9: Location quotients key sectors 2009



Source: ONS, Business register and employment survey.

The graph shows:

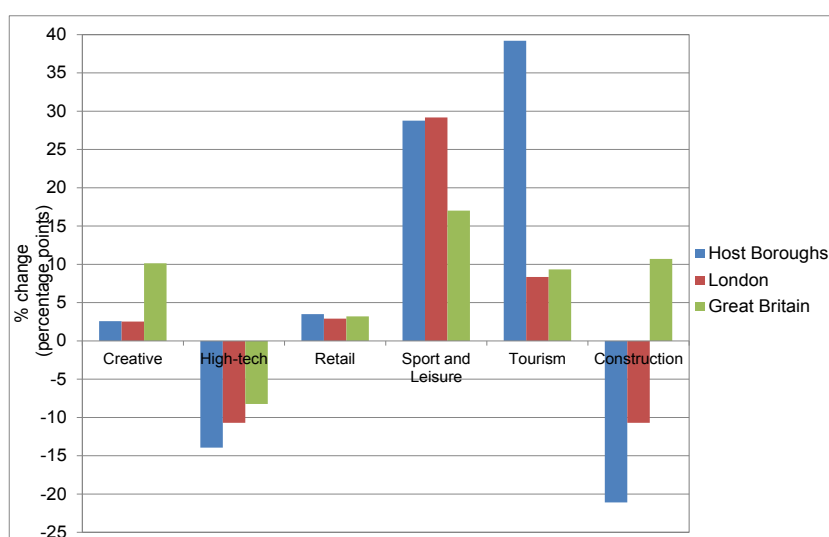
- The comparative strength of London and the host boroughs in the creative industries sector (ie each has a higher share of employment than the GB average), although this relative strength is more marked in London than in the host boroughs;
- London's relative strength in high-tech services (levels of employment in the host boroughs are in line with the GB average), but weakness for both host boroughs and London around high-tech manufacturing;
- A slight under-representation of retail, tourism and sport/leisure activities in London and the host boroughs, with the latter having a particularly low share of employment in the tourism sector.

The next graph illustrates long-term changes in employment for each of the key sectors (and in addition in construction) in the host boroughs, London and Great Britain between 2000 and 2008. It compares average employment between 2000 and 2002 with averages for the years 2006 to 2008.⁶⁵

⁶⁴ Location quotients are calculated as follows: share of total employment in sector A in area X/share of total employment in sector A in Great Britain. A location quotient above 1 means that the share of employment in a given sector in a given area is higher than the GB average (a value of 2 for example means that the share of employment is twice the GB average); a value below 1 means that the share of employment in a given sector in a given area is lower than the GB average.

⁶⁵ The analysis of changes between 2000 and 2008 is based on average employment for the years 2000-02 and 2006-08 to mitigate the impact of statistical errors, especially at the host borough level. We have used this approach in the analysis of employment change in the remainder of this section.

Figure 4-10: Relative change in employment in key sectors between 2000-02 (average) and 2006-08 (average)



Source: ONS, *Annual Business Inquiry (employee analysis)*.

Construction

The chart shows employment change in the construction industry (defined here as SIC 45). It illustrates a decline in construction employment in London and the host boroughs from the early 2000s onwards. However, it is worth noting that the period 2000-2001 was recognised as a boom period for construction activity in London. While employment in London declined sharply between 2001 and 2004, the period 2004-08 saw an increase from 117,000 to 122,000 construction jobs.

Retail

In the past decade, there has been a small growth in retail employment in the host boroughs (1,400 additional jobs between 2000 and 2008). This compares to a slight contraction of employment in this sector in London and GB as a whole (by around 3%). There is mixed evidence on the drivers of employment change in the industry. Since September 2008, there has been a sharp increase in the number of retailers going into administration and/or closing. At the same time, approximately 41,000 new jobs have been created by major retailers such as Sainsbury's, Tesco, Asda, Lidl and Poundland.⁶⁶

Tourism

The tourism (accommodation) sector accounted for 0.5% of employment in the host boroughs in 2009 (2,800 jobs), compared to 1.3% (53,400 jobs) across the capital and 1.4% in GB as a whole. The contraction of employment in the tourism sector was quite strong between 2008 and 2009, with a decrease of 2.9% in GB and 6.7% in London. However, historically, tourism employment has seen strong growth (8 to 9% growth in London and GB between 2000 and 2008). In the host boroughs, there has been strong growth in relative terms in the past decade (39.2%, albeit starting from a very low base). Particular drivers of change in the tourism sector are examined in the tourism section below.

Creative industries

The creative industries accounted for 7% of employment in London in 2009 (320,000 jobs), significantly above the GB average (3.5%). With the exception of the South East no other region has a level of employment in the creative sector comparable with London. The international nature of London, its strong media and film presence, its cultural festivals and its diversity have all been critical factors in enabling London to maintain its competitive advantage in this sector. However, the effect of the recession on creative employment has been stronger in the capital than in the rest of Britain (a reduction of between 10% and 11% in London and

⁶⁶ Skillsmart Retail Analysis (2009). Current and Future Trends in UK Retailing.

the host boroughs compared to a reduction of 2.2% across GB). A Greater London Authority (GLA) report on the creative industries in London suggests that the recession appears to have had a particular effect on those creative sectors with a strong connection to business services such as advertising.⁶⁷

The advertising industry, which contributed £15.6 billion to the UK economy in 2008, might be one specific industry which is likely to benefit significantly from the 2012 Games.⁶⁸ Impacts on the advertising sector could be picked up by a similar research exercise to this study, or if this is not replicated again, by analysis of levels of advertising expenditure.⁶⁹

High-tech

The high-tech manufacturing sector only accounted for 0.9% of GB jobs in 2009, and just 0.2% across London and the host boroughs. The contraction of this sector between 2000 and 2008 was also much stronger in the capital compared to other regions, with a 56% reduction of the number of employees in London (44.2% in the host boroughs), compared to a GB average decrease of 24.6%.

The high-tech knowledge-intensive services (KIS) sector is more important than the high-tech manufacturing sector in absolute terms, as in 2009 it accounted for 3.6% of total employment across GB, 4.2% in the host boroughs and 6% in London, the highest share amongst GB regions. The high-tech KIS provides over 259,000 jobs in London, including 23,000 in the host boroughs.

Despite London's long-term development as an international centre for knowledge-intensive services, employment in the sector has been declining over the longer term. Between 2000 and 2008 the number of employees in the sector decreased by 7.7% in London compared to 1.8% in GB as a whole. The rate of decline in the host boroughs was similar to London as a whole. The only specific exception to this pattern of employment decline within the broader definition of high-tech KIS is R&D activities, where the number of employees grew by over 6% in London (similar to the GB average) and by a significant 115% in the host boroughs, albeit starting from a very low base (less than 200 employees in 2000).

Sport and leisure

Employment in the sport and leisure sector has grown strongly in all parts of Great Britain (an increase in employment of 17% between 2000 and 2008). There are a number of factors at play that may have contributed to the increase in business activity in the sector, although the increasing demand for active leisure as a result of increasing disposable incomes is likely to have been a key factor. The sector accounted for 1.3% of employment in the host boroughs in 2009 (7,100 jobs), above the London average (1.2% or 50,300 jobs) but below the GB average (1.4%). Between 2008 and 2009, employment in this sector contracted in the host boroughs (by 4.8%) while it increased in London (+3.2%) and in GB as a whole (+2.8%). There is undoubted potential for the Games to have a significant impact on employment in the sector through its role in encouraging greater levels of participation. In terms of trend analysis this impact may be more noticeable in the regions and host boroughs than in London.

(ii) Outcome counterfactual

In terms of UK business access, the legacy benefits and outcomes arise from the longer-term benefits from the CompeteFor procurement tool, the wider London 2012 Business Network programme and from follow-on trade opportunities for companies that have been awarded Games-related contracts. Such benefits are likely to arise across the nations and regions rather than being confined to London, and also to different targeted groups such as firms owned by disabled people.

The counterfactual analysis under this sub-theme therefore needs to explore the extent to which the employment and GVA generated by Games-related contracts is likely to have been

⁶⁷ GLA Economics (2008). London's Creative Sector.

⁶⁸ Work Foundation (November 2011). The Contribution of the Advertising Industry to the UK Economy, A Creative Industries report.

⁶⁹ Advertising expenditure figures are available from the Advertising Association.

secured in the absence of the Games, whether the spin off benefits to firms would have been secured, and whether UK firms would have benefited from a more open and transparent procurement process through CompeteFor or an equivalent public-private procurement mechanism. The analysis should also explore the net employment effects of the Games in regional terms, whether positive or negative.

The macroeconomic impact of expenditure on the preparation and staging of the Games will be relatively moderate in the context of the scale of the UK and potentially London economies. Future baseline updates will therefore be limited in their ability to help unpick the impact of the preparation and staging of the Games on overall job creation and employment change in key sectors, relative to the counterfactual position. Counterfactual analysis for the economic impacts of the preparation and staging of the Games will instead be derived from the Oxford Economics macroeconomic model and associated regional (and host borough) models.

As an initial estimate, Oxford Economics' model of the London and UK economy was applied in the DCMS Lasting Legacy study⁷⁰ to estimate the potential impact of the 2012 Games on generating employment. Existing evidence of the expected direct impact of the Games (ie the spending associated with the preparation and staging of the games) was used together with the modelling of indirect and induced effects to examine the likely scale of impact between the years 2005 and 2020.

- This approach estimated that the Games will support a net annual average of around 4,500 FTE jobs in London between 2005 and 2020;
- Gross estimates were also produced for the whole of the UK, showing that the Games is estimated to support a gross annual average of around 13,000 FTE jobs in the whole of the UK over the period 2005 to 2020;
- Around half of the new jobs associated with the Games were estimated to be construction jobs.

It is worth noting that the Oxford Economics model did not capture the 'supply side' effects arising from the regeneration of the area and the creation of new economic capacity associated with the delivery of Games contracts. Such supply side effects are very important and have the potential to provide long-lasting economic growth, particularly for the host boroughs. Supply side effects such as regeneration are difficult to model but are being considered in the enhanced model being developed by Oxford Economics (see Appendix A).

The Lasting Legacy study estimates that the preparation and staging of the Games are likely to have a limited direct impact on employment growth in the high-tech and creative sectors in overall volume terms. However, the study suggested that there may be some additional employment in sectors such as software consultancy and supply, architecture, advertising, photographic activities, radio and TV, and news agency activities in the build up to the Games and during the hosting of the event.

The model will be updated in the post-Games evaluation (Report 5) with the use of actual contract-related spend and employment figures from Olympic Delivery Authority (ODA) and LOCOG, and estimates of wider employment gains derived from programme evaluations (eg CompeteFor) and from additional primary research, where relevant. This will deliver a more robust estimate of the counterfactual position, by sector, nation and region.

(iii) Policy counterfactual

To help strengthen evidence of the counterfactual position in relation to the Games' wider impacts on UK businesses, stakeholders at this stage were asked to consider the policy counterfactual, ie how far the CompeteFor initiative would have been taken forward in the absence of the Games. Consultations with the LDA and the Department for Business Innovation and Skills (BIS), two of the lead organisations on the programme, have indicated

⁷⁰ Work Foundation (2010). As applied in the DCMS study, A Lasting Legacy: How can London fully exploit the opportunities created by the Olympic Games in the recovery and to 2030?

that it is very unlikely that an e-procurement initiative of this scale and ambition would have gone ahead without the Games, as insufficient resources would have been made available. A key driver behind CompeteFor was Games-related, namely the need to ensure that the procurement process for Games contracts would be as accessible as possible to UK businesses.

However, consultees agree that without the Games it is possible that we would have seen some changes to methods of public sector procurement – it is clear that policy discussions on the need to make public procurement accessible to a broader range of businesses were already in progress prior to July 2005. Stakeholders however feel that without the Games there would have been a more piecemeal approach with varying practices across the regions rather than a comprehensive national programme.

The need for a CompeteFor service was initially promoted by the London 2012 Business Network which was set up to publicise the commercial opportunities relating to the Games. The Business Network involves the provision of events and business support activities to UK businesses, particularly small and medium-sized, to help them source and bid for 2012 Games-related contracts. The Business Network was set up in direct response to the contract opportunities arising from the 2012 Games, so it is clear that the Network would not have existed in the absence of the Games.

The table below sets out our assessment of the counterfactual for the CompeteFor and wider Business Network programmes. The programmes in the policy counterfactual table below (and the rest of this chapter) are described in terms of the extent to which they are new/additional or whether existing programmes have been increased in scope through additional funding or other resources – 'increased scale' – or through other 'quality' enhancements.

Figure 4-11: Policy counterfactual for UK business access to 2012 Games contracts

| Programme and description | Development in the absence of the Games |
|--|---|
| <p>CompeteFor Website that allows companies to access opportunities in the London 2012 supply chain and other major public sector procurement opportunities and to obtain business support. CompeteFor acts as a broker between potential suppliers and buyers throughout the supply chain. It also links businesses to existing support services, helping them to become better placed to compete for both Games and non-Games business.</p> | New, additional – programme would not have taken place in the absence of the Games as it was driven by need to provide information on 2012 opportunities for UK-based businesses including SMEs |
| <p>The Business Network A one-stop shop for UK businesses to find out more about the £6 billion of 2012 Games-related contracts which are expected to be awarded. The programme comprises events, activities, business support and the CompeteFor online service.</p> | New, additional – funded by ODA and LOCOG and would not have happened without the Games |

The impacts of CompeteFor are the subject of a comprehensive evaluation study that is expected to report in late 2012. It is understood that the evaluation will focus on the net impacts and sustainability of the programme (with some regional analysis and analysis of firms owned by disabled people), which the meta-evaluation will be able to both influence and draw from in order to determine the counterfactual position.

4.4 Promoting the UK as a place to invest

(i) Baseline

The legacy focus on promoting inward investment is based on the expectation that the Games will provide additional exposure for London and the rest of the UK (for example through Pre-Games Training Camps), and help to influence business perceptions of the benefits of locating in the UK, resulting in increased/safeguarded inward investment and job creation.

According to Ernst & Young's latest European Investment Monitor, the UK has maintained the highest share of both projects and jobs created by foreign direct investment (FDI) in Europe.

Figure 4-12: Top European countries for FDI 2010

| Rank | Country | FDI Projects 2010 | Change 2009-10 | Share of Total | Jobs created |
|------|----------------|-------------------|----------------|----------------|--------------|
| 1 | United Kingdom | 728 | 7% | 19% | 21,209 |
| 2 | France | 562 | 6% | 15% | 14,922 |
| 3 | Germany | 560 | 34% | 15% | 12,044 |
| 4 | Russia | 201 | 18% | 5% | 8,058 |
| 5 | Spain | 169 | -2% | 4% | 7,723 |
| 6 | Belgium | 159 | 9% | 4% | 4,010 |
| 7 | Poland | 143 | 40% | 4% | 12,366 |
| 8 | Netherlands | 115 | 6% | 3% | 958 |
| 9 | Ireland | 114 | 36% | 3% | 5,785 |
| 10 | Italy | 103 | 3% | 3% | 627 |

Source: Ernst & Young European Investment Monitor 2011.

London has been the top performing European city with respect to the number of foreign direct investment (FDI) projects attracted. Figure 4-13 shows that in 2010 London outperformed all other European cities in terms of the number of FDI projects secured.

Figure 4-13: Top European cities ranked by performance in attracting FDI (2010)

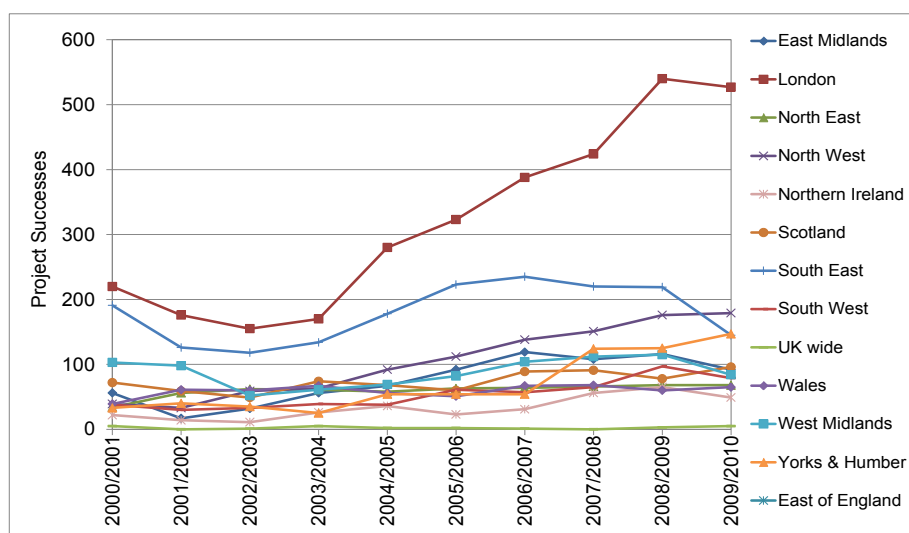
| Rank | City | Number of projects |
|------|----------------|--------------------|
| 1 | Greater London | 289 |
| 2 | Paris | 162 |
| 3 | Lyon | 122 |
| 4 | Dusseldorf | 73 |
| 5 | Madrid | 71 |
| 6 | Frankfurt | 68 |
| 7 | Moscow | 65 |
| 8 | Dublin | 62 |
| 9 | Milan | 55 |
| 10 | Antwerp | 55 |

Source: Ernst & Young European Investment Monitor 2011.

Note: Based on Nuts 2 and Nuts 3 classification

In the past decade London has also consistently outperformed the rest of the UK in respect of inflows of (FDI). Data from UK Trade and Investment (UKTI) indicates that between 2000 and 2010 London attracted 27% of new investment projects within the UK. The next most successful regions or nations in terms of percentage share have been the South East, which attracted 15% of total FDI projects and the North West (9%).

Over that period, the number of successful FDI projects in London increased from 220 in 2000/01 to 557 in 2009/10, an increase of 139% compared with 86% across the UK as a whole. As a result, London's share of FDI projects in the UK has increased from 25% to 33%. The growth in FDI projects in London was particularly strong between 2003/04 and 2008/09, during the expanding phase of the global economic cycle. Between 2008/09 and 2009/10, when the economy began to stagnate, the number of FDI projects declined in London, albeit at a slightly lower rate than in the UK as a whole.

Figure 4-14: Inward investment – project successes

Source: UKTI Note that projects classified as new investments, expansion, and retentions are included in this data.

Analysis of investment success on a per capita basis confirms the strong performance of London in the context of the UK. In 2009/10, for example, London attracted 68 new investment projects per million of the population compared to 28 in Yorkshire and Humberside, the second highest performing region, and the average of 26 for the UK as a whole.

According to UKTI data, in 2009/10 FDI in London was responsible for creating or safeguarding over 10,000 jobs in London (down from the peak of 11,500 jobs in 2008/09). This is also in line with national trends; there has been a tendency towards smaller FDI projects in the more advanced economies as they now face greater competition with the emerging economies for more employment-intensive investments. UKTI data on company successes shows that the average number of new jobs associated with each investment project has fallen by over a half – from 38 in 2000/01 to 16 in 2009/10.

Figure 4-15 shows the best European cities in which to locate a business based on the views of 500 senior executives undertaken for Cushman and Wakefield's European Cities Monitor. This provides further evidence of London's strong position as an investment location compared with other European cities.

Figure 4-15: Best cities to locate a business today

| Rank | City | 2010 Score | 2009 Score |
|------|-----------|------------|------------|
| 1 | London | 0.85 | 0.85 |
| 2 | Paris | 0.55 | 0.56 |
| 3 | Frankfurt | 0.36 | 0.33 |
| 4 | Brussels | 0.29 | 0.28 |
| 5 | Barcelona | 0.27 | 0.28 |

Source: Cushman and Wakefield European Cities Monitor 2010.

Note: Scores are weighted and derived from responses on specific location factors

The Cushman and Wakefield analysis also provides some insight into the reasons behind London's strong position. The analysis ranks London as the number one European city in terms of access to markets, availability of qualified staff, quality of telecommunications, transport links and availability of office space.

(ii) Policy counterfactual

The counterfactual analysis for this sub-theme needs to determine the extent to which the Games have led to net additional impacts on inward investment (and thus job creation and GVA). This will include exploring how far the Games have enabled additional foreign-owned businesses to access information on the benefits of locating in London and the UK, changed

perceptions and affected location decisions, over and above what would have happened anyway. It will also involve exploring the extent to which delivering Games-related contracts has encouraged foreign-owned companies to set up operations in the UK and retain or expand in the post-Games period.

A recent report by OCO⁷¹ draws on the views of a wide range of experts to consider current drivers and future directions for FDI, some of which suggest a favourable context for observing 2012 Games-related impacts:

- A number of direct 2012 Games-related drivers of FDI are identified, including its role in 'showcasing' the UK's offer and the location opportunities provided by the conversion of Olympic Park premises and related masterplans;
- There is a consensus that the BRIC (Brazil, Russia, India and China) economies are likely to exit the recession as more significant sources of FDI investment – the Games provides the UK with an opportunity to nurture relationships with three of these countries (Brazil, Russia and China) as previous and future hosts of major sporting events;
- There is also interest in (lower risk) R&D, Joint Venture and contract driven investment, especially related to stimulus packages and other major government backed infrastructure projects (logistics and transportation);
- Alternative and renewable energy is likely to emerge as a major business sector for global investment. Additionally, it is predicted that healthcare is poised to gain significant growth in the next decade as a result of shifts in demographics.

Conversely, the study identifies trends towards consolidation in the market, which may offer a challenge to securing additional FDI, particularly within the host boroughs:

- The level of expansions (of existing inward investment projects) relative to overall global FDI project numbers is anticipated to grow as key international investors consolidate or upgrade their existing presence;
- Mergers and Acquisitions (M&A) as a share of overall FDI are on the increase – in March 2009, a survey of investor intentions by OCO Global indicated over half of investments planned for 2009 would be via M&A.

On balance, it is anticipated that the exposure of the Games will generate higher numbers of inward investment enquiries and project successes both in London and across the UK, as well as increasing the potential for longer-term benefits by enhancing international business leader perceptions of London and the UK. The London FDI Barometer (previously Think London Barometer) is a long-term study that measures the confidence and sentiment amongst the 20,000 overseas-owned companies in the capital.⁷² Two hundred and seventy-two respondents were interviewed from 21 February to 12 April 2011, and shared their perceptions of the 2012 Games:

- 86% of interviewees felt that the 2012 Games will have a beneficial effect on London;
- 75% expected the legacy of the Games to provide long-term benefits to the capital.

One method for increasing these potential benefits is through the range of Games-related business events, which are actively using the Games as a 'hook' to promote London and the UK as a business location. The policy counterfactual with respect to the latter was tested out with relevant stakeholders at this stage. Generally, consultations suggested that the Games will have some effect on the focus and intensity of inward investment activity during 2012 (albeit with only marginal impacts on the allocation of expenditure).

⁷¹ OCO Insight (2009). A New Investment Paradigm.

⁷² The survey respondents are 'C-level' decision makers responsible for selecting and maintaining a company's location. Between 250 and 300 companies participate in three waves of the survey each year, representing an employment base in excess of 100,000 staff across the capital.

UKTIs aim to exploit this opportunity through the British Business Embassy at Lancaster House which aims to generate £1 billion trade and investment growth. The British Business Embassy will host a number of summits on each day of the 2012 Games and overall aims to provide 3,000 UK business with a platform to "*showcase their capabilities to key overseas CEOs, buyers, influencers and decision makers*".

For example, the Global Investment Conference which aims "*to showcase the UK as an outstanding global investment destination and a springboard for global growth*" will take place in London on the day before the Opening Ceremony. UKTI has indicated that the event will be attended by 100 global CEOs from 30 countries.

It is clear that the programme of events on this scale would not have gone ahead without the Games (although funding may have been diverted away from a more disparate set of activities). In addition, the Global Investment Conference is a bi-annual event specifically linked to the 2012 Games and so would not have happened without the Games.

The CompeteFor service, with which foreign companies can register, is providing an additional opportunity for UKTI and other agencies to target potential overseas investors, and convert foreign interest in 2012 contracts into wider investment potential. Finally, there is evidence that the Games has encouraged UKTI and Think London, the London investment promotion agency (now London and Partners), to focus more effort on building links with the host countries of other major sporting events.

Overall, it is safe to assume that more businesses will be exposed to marketing information as well as attending more promotional events in London in 2012 than would have been the case without the Games (which may in turn translate into more investment successes). It appears that most critical however will be the overarching 'catalytic effects' of the Games in terms of boosting the effectiveness of existing interventions, enabling infrastructure improvements, and attracting potential investors.

The table below summarises our assessment of the policy counterfactual for promoting the UK as a place to invest.

Figure 4-16: Policy counterfactual for promoting the UK as a place to invest

| Programme and description | Development in the absence of the Games |
|---|--|
| <p>UKTI Games-related inward investment activity. Range of Games-related business events, which are actively using the Games as a 'hook' to promote London and the UK as a business location. For example, the Global Investment Conference which aims "<i>to showcase the UK as an outstanding global investment destination and a springboard for global growth</i>" will take place in London on the day before the Opening Ceremony.</p> | <p>Existing, increased scale and enhanced quality – a programme of events on this scale would not have gone ahead without the Games; funding has been diverted away from a more disparate set of activities.</p> |

(iii) Outcome counterfactual

With regard to outcomes, the importance of other (changing) economic and location factors in influencing patterns of investment limits a simple trend-based approach to isolating these wider impacts from the Games. It will therefore be more productive within the economic theme to focus on the relative international performance of the UK and London with respect to suitable comparators. A difference-in-differences approach would be the preferred analytical approach, with the counterfactual scenario reflecting the average performance of comparator cities and nations.

At a more local level, relatively significant benefits from inward investment may be anticipated in the longer-term within the host boroughs as the area begins to exploit the opportunities

arising from the conversion of the legacy venues and promotion of the East London Tech City concept. In this case, a simple comparison between the areas surrounding the Olympic Park, the six host boroughs and the rest of London should provide a clear demonstration of whether or not there have been Games-effects. This will be explored within the East London theme as part of the interim and final meta-evaluation reports.

To arrive at a defensible counterfactual position, this evidence will be triangulated with analysis of UKTI's Inward Investment Survey, which in 2011 and 2012 will ask supported companies if the Games had any influence on their decision to invest, as well as additional UKTI evaluation work and/or primary research conducted with a sample of relevant inward investors. The latter is likely to cover both UKTI supported companies and those supported by London and Partners (through drawing on in the latter case their outcome data which indicates whether companies have been supported through Games-related activities).

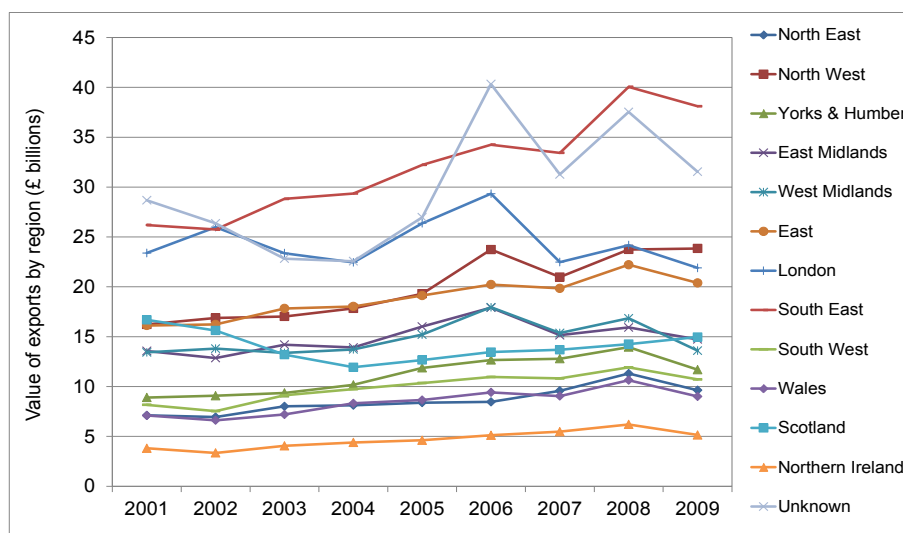
4.5 Export and trade promotion

(i) Baseline

The rationale for the focus on export and trade promotion is the expectation that the successful delivery of Games-related contracts will allow UK businesses to move into new export markets, creating additional employment and GVA. The Games also provides wider opportunities to showcase and promote UK innovation, enterprise and creativity to an international audience of business leaders at pre and Games-time events.

The total value of UK trade exports (excluding intangibles such as banking and tourism) rose from £189 billion in 2001 to £225 billion in 2009, an increase of 19%. In 2009, the South East had the highest level of exports in goods (£38 billion or 17% of total UK exports). The North West was second with 10.5% and London was third with 9.7%.

Figure 4-17: Share of exports (value) by UK region (2001-2009)⁷³



Source: HMRC Regional Trade Statistics data.⁷⁴

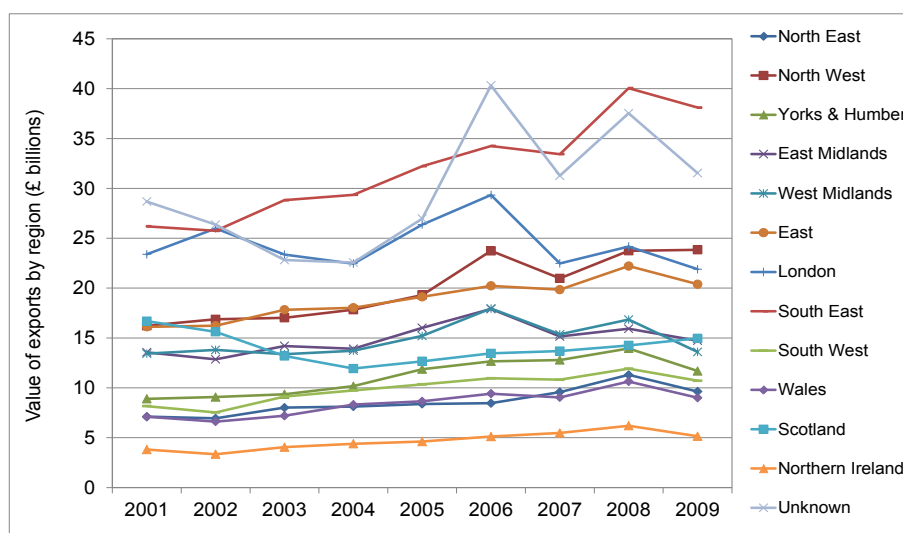
Taking the value of exports in 2003 as a base, only London has seen a decrease in the value of exports in goods. In 2009, London's exports stood at 94% of their value in 2003. The North East, North West, Yorkshire and the Humber, the South East, Wales and Northern Ireland also saw an increase of over 20% during this period.⁷⁵

⁷³ Regional Trade in Goods – Incorporating EU25 (Up to 2006 Q4); Regional Trade in Goods – Incorporating EU27 (2007 Q1 Onwards).

⁷⁴ Data available from HMRC's Tradeinfo database <https://www.uktradeinfo.com/index.cfm?task=AboutUs>

⁷⁵ Not all trade can be assigned to one of the nine English Government Office Regions, Wales, Scotland and Northern Ireland. This is referred to in the graph as 'Unknown' and includes: Trade carried out by persons or entities which cannot be matched to a region; Low Value Trade and estimates made for EU trade below the Intrastat threshold; Goods within classification codes that

Figure 4-18: Value of exports by UK region⁷⁶



Source: HMRC Regional Trade Statistics data.⁷⁷

(ii) Policy counterfactual

It can be hypothesised that Games effects will most likely be seen in the exporting behaviour of specific businesses that have benefited from Games-related contracts, and in particular those that have been supported through the Government's Host2Host programme (for example those operating in the green economy; see Section 4.8) and activities undertaken by UKTI around trade promotion such as the British Business Embassy initiative.

Host2Host is UKTI's flagship 2012 initiative, which has a focus on developing trade links with the host and bid cities of other major events to enable domestic businesses to compete for and win major global contracts. The British Business Embassy initiative involves a series of high level seminars, events and receptions aimed at generating £1 billion trade and investment growth.

Figure 4-19: Policy counterfactual for export and trade promotion

| Programme and description | Development in the absence of the Games |
|--|---|
| <p>UKTI Host2Host programme. An initiative to forge business partnerships with other countries involved in hosting major sporting events. It focuses on small, medium and micro enterprises setting up trading partnerships and knowledge sharing with previous host countries.</p> | Existing, enhanced quality – UKTI would have been active in the host countries; however, awarding the Games to London has allowed UKTI to implement a more focused branding approach linked to the specific 2012 experiences of UK companies. |
| <p>UKTI trade and export promotion activity. Initiatives such as British Business Embassy aim to generate new leads and business links to promote trade and increase exports.</p> | Existing, increased scale and enhanced quality – 2012 Games has given UKTI a high profile opportunity to showcase UK capabilities. Events would not have gone ahead with the same high profile without the Games. |

have changed since the previous year are not assigned to a region but are included within Unknown region for completeness; Data relating to Natural Gas and Electricity direct from pipeline and grid operators.

⁷⁶ Regional Trade in Goods – Incorporating EU25 (Up to 2006 Q4); Regional Trade in Goods – Incorporating EU27 (2007 Q1 onwards).

⁷⁷ Data available from HMRC's Tradeinfo database <https://www.uktradeinfo.com/index.cfm?task=AboutUs>

(iii) Outcome counterfactual

The counterfactual analysis under this sub-theme needs to explore how far UK businesses would have accessed new export markets and secured new export sales in the absence of the Games.

It is recognised that wider trends in exports sales are subject to significant external influences, such as exchange rates and therefore that any Games impacts are likely to be small in the context of overall trends.

Therefore it is not appropriate to use a trends-based approach to assess the outcome counterfactual for the export sub-theme, and instead a bottom-up approach is required focused on assessing the aggregate impacts of individual interventions. As an early indication of the counterfactual position for these programmes, stakeholders indicated that whilst UKTI would have been active in the host countries anyway, awarding the Games to London has allowed UKTI to implement a more focused branding approach linked to the specific 2012 experiences of UK companies. For example, this has allowed UKTI to develop a stronger relationship with Brazil in respect of the 2014 World Cup and the 2016 Games than would have been possible if London had not been awarded the Games. Consultees believe that the programme would have been delivered in a different form (ie with a different focus) and most likely on a lesser scale.

This counterfactual position will be updated in 2012 and 2013 using UKTI PIMS survey data (providing the sample of 'Olympics tagged' businesses is large enough) as well as corroborating evaluation or primary research evidence to determine the specific impact of Government programmes on firms, and what would have happened otherwise. Furthermore, the CompeteFor evaluation will be analysed to provide evidence of how far businesses benefitting from Games contracts have been able to access new export markets, and whether these benefits would have been realised in the absence of the Games.

4.6 Tourism

(i) Baseline

It is anticipated that the Games will attract a large volume of overseas and domestic tourists to London and other areas of the UK staging Olympic events. The events staged as part of the Cultural Olympiad may also bring visitors to the UK in advance of the 2012 Games.

The 2012 Games provides an opportunity to secure longer-term promotional impacts through using the event to showcase London as a tourism destination, specifically places such as Weymouth and the UK more widely through the Torch Relay event. The 2012 Games also offers an opportunity to improve the accessibility of London for current and future disabled visitors.

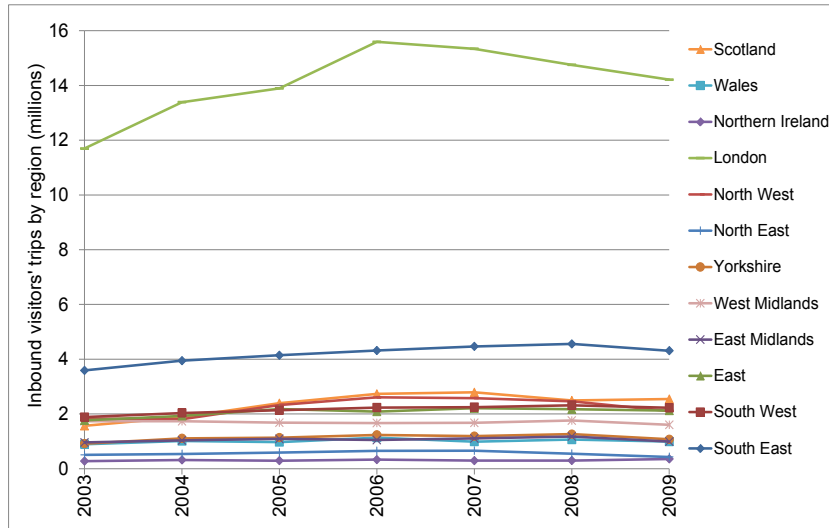
Inbound visitor trips and spend

Drawing on data from the International Passenger Survey (IPS), Figure 4-20 shows trends in trips to the UK amongst international visitors. The IPS is a survey of a random sample of passengers entering and leaving the UK by air, sea or the Channel Tunnel. Over a quarter million face-to-face interviews are carried out each year with passengers entering and leaving the UK through the main airports, seaports and the Channel Tunnel.

Between 2003 and 2010 the total number of trips to the UK by international visitors rose from 24.7 to 29.8 million. During this period total expenditure also rose from £11.9 billion to £16.9 billion.

The London tourism industry performs more strongly in respect of international visitors compared to the domestic market. The number of inbound visitors increased from 11.7 million in 2003 to 14.7 million in 2010. This equates to a rise of 26% compared to a rise of 21% in the UK as a whole (albeit visits appear to have peaked slightly in 2006). A regional breakdown by UK region over the 2003 to 2009 period is shown below. Figures on inbound disabled tourists are not available from the IPS.

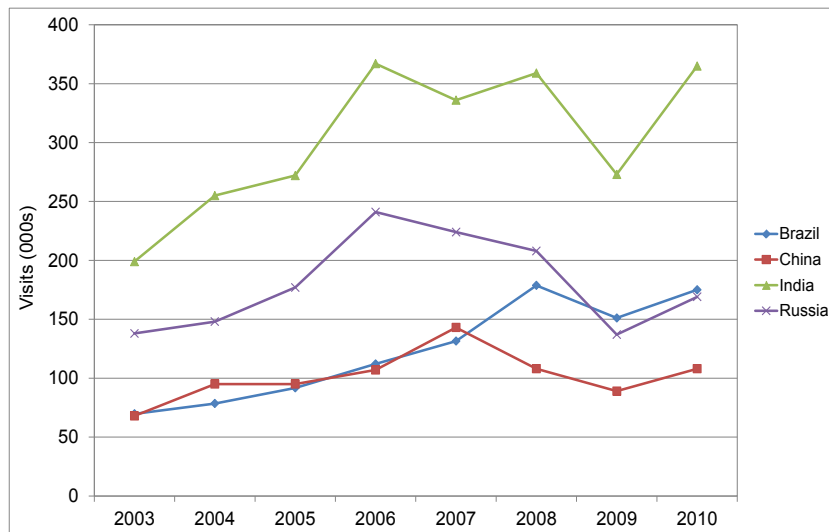
Figure 4-20: Inbound visitors' trips to UK region



Source: IPS.

Of particular interest, Figure 4-21 shows that visitor numbers to the UK from all of the BRIC nations has been growing since 2003, with Brazil and India contributing the largest increases. The number of visitors from Brazil has more than doubled from 75,000 in 2003 to 175,000 in 2008, whereas from India the number increased by almost 170,000. The numbers from Russia and China have also been increasing, albeit at slower rates and with greater cyclical variation.

Figure 4-21: Inbound visits by 'BRIC' nations



Source: IPS.

International image and reputation

The brand of country is now recognised as having its own inherent worth and as such can become an asset or a liability, both of which need to be carefully managed. The Anholt Nation Brands Index 2006 is a measure of the international image of countries, or the 'power of the brand', based on a number of criteria across the following six dimensions: exports, governance, culture and heritage, people, tourism and investment/immigration.

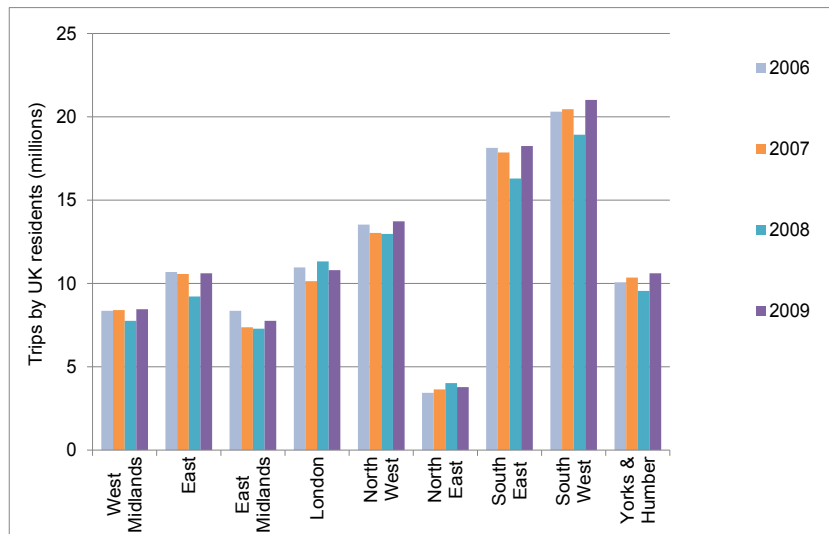
Evidence from other mega-events suggest that a well-run event can improve the brand of a country, with the German World Cup in 2006 in particular being hailed as a success from a branding and nation-building perspective. By the third quarter of 2006, Germany ranked second in terms of the Anholt Nation Brands Index, up from sixth place in 2005. By the third quarter of 2007, Germany reached first place, knocking the UK from the top spot it had been

occupying for many years. According to the survey, while there is no concrete evidence that this was because of the World Cup, it is the only plausible explanation.⁷⁸

Trips and spend by UK residents

Drawing on data from the United Kingdom Tourism Survey (UKTS), Figure 4-22 details trends in domestic trips by UK residents since 2006. Data is only included from the years from 2006 onwards because of inconsistencies in methodologies for capturing data in the years prior to 2006. UKTS is a national consumer survey measuring the volume and value of tourism trips taken by residents of the United Kingdom. The survey covers trips away from home lasting one night or more taken by UK residents for the purpose of holidays, visits to friends and relatives, business and conferences or any other purpose.

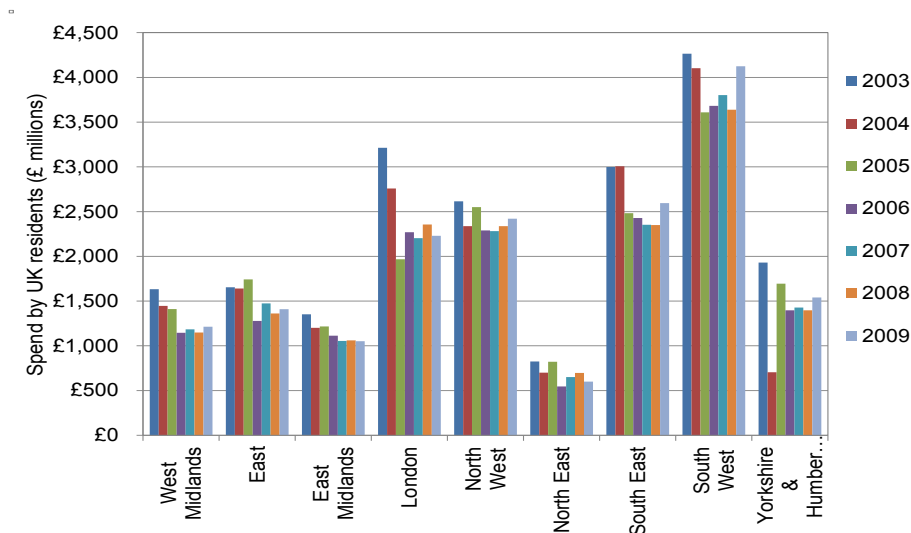
Figure 4-22: Trips by UK residents



Source: UKTS.

UKTS data indicate that tourism expenditure by UK residents rose slightly from £16.1 billion in 2006 to £17.2 billion in 2009. As shown in Figure 4-23, trends in expenditure by region mirror trends in the numbers of trips. The South West attracts the largest share of domestic tourism expenditure by some margin, with expenditure in the region remaining relatively constant between 2006 and 2009.

Figure 4-23: Tourism spend by UK residents



Source: UKTS.

⁷⁸ Wolfgang Maennig (July 2007). One Year Later: A Re-Appraisal of the Economics of the 2006 Soccer World Cup.

Visitor satisfaction

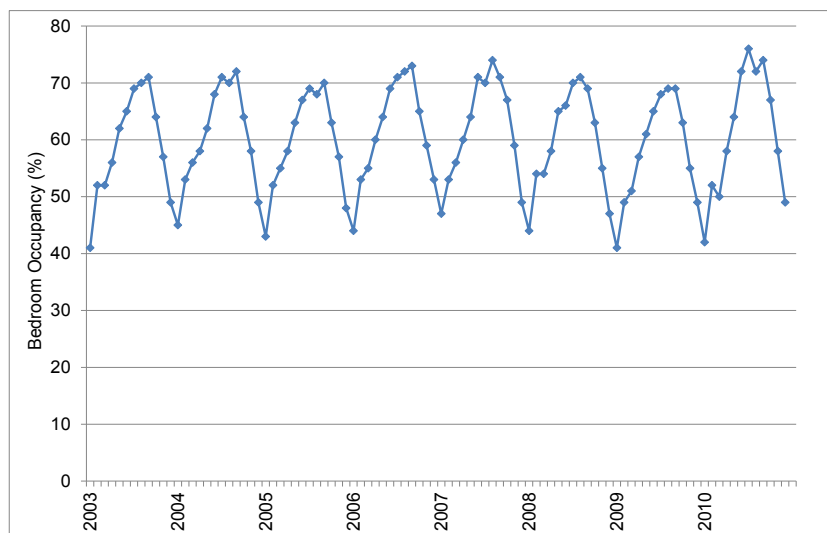
The London Annual Visitor Survey (LVS), last produced in 2008, conducted 5,000 interviews with overseas visitors, UK-staying visitors and day visitors. It aimed to identify the strengths and weaknesses of London as a visitor destination and to track visitor satisfaction with the capital over time. The survey showed that visitor satisfaction with London was high, with just under three-quarters of all those surveyed (71%) rating London as either excellent or very good as a place to visit. Other key findings on satisfaction were as follows:

- Overseas visitors and UK-staying visitors were most likely to rate London as an excellent place to visit (both 30%), ahead of London residents (28%) and UK day visitors (25%);
- Similarly, overseas visitors and UK staying visitors were more likely to state that the capital was very good as a place to visit (both 46%) compared to UK day visitors (43%) and London residents (38%).

Occupancy

UK annual bedspace occupancy averaged between 58.1% and 61.8% over the 2003 to 2010 period, with strong seasonal variations as summarised in the figure below. Occupancy rates dipped slightly in 2008 and 2009 as a result of the global economic recession, but recovered in 2010 with occupancy rates hitting an average of 73.3% over the June to August period, the highest quarterly figure for the 2003 to 2010 period.

Figure 4-24: UK bedroom occupancy rates



Source: UK Occupancy Survey for Serviced Accommodation (2003-2010).

Accessibility

UKTS data from 2009 shows that around 11% of all overnight domestic trips in England between January and June 2009 were made by groups of visitors including at least one person with special access needs.⁷⁹ This amounts to 11.28 million trips (there is no trend data available as this was a one-off module in the regular survey; therefore we cannot say whether the volume of disabled travellers has changed, although this nonetheless provides a useful baseline). UK residents with a health condition or impairment and their travelling party spent almost £2 billion on overnight trips in England, but again no trend data is available to estimate whether this is rising or falling.⁸⁰

In general, a higher proportion of adults with impairments experience barriers to going on holiday than adults without impairments (66% and 55% respectively).⁸¹ According to the 2008 LVS, accessibility for the disabled, elderly and those with buggies was rated at 3.29 (out of 5) by

⁷⁹ UKTS data for 2009, a question on accessibility was added in 2009 for one calendar year only. Source: UKTS, 2009, Visit England.

⁸⁰ UKTS.

⁸¹ ONS (2009/10). Life Opportunities Survey – Interim Results.

overseas visitors, while the comparative figures for UK-staying visitors, UK day visitors and London residents were 3.09, 3.04 and 2.97 respectively.

There is no comprehensive data available on historic trends in the accessibility of hotel room stock. Recent research suggests that in 2010 there were around 2,000 accessible⁸² hotel rooms in London, equivalent to 2% of the existing stock of hotel rooms.⁸³ The 'Inclusive London' website, launched in March 2011 and funded by the GLA, contains a database of accessible hotels, which will continue after the Games, and should therefore yield updated positions on the availability of accessible rooms. This website was showing 182 accessible hotels as of summer 2011, using search criteria across a wider range of accessibility measures.

(ii) Outcome counterfactual

The counterfactual analysis under this sub-theme needs to determine the level of additional UK tourism visitor numbers and spend generated by the 2012 Games, in terms of both overseas tourism to London and the UK regions, and domestic (day and overnight) from the UK regions to London. It will also need to examine how perceptions and satisfaction in relation to visiting London and the UK have been affected by the Games, relative to what would have occurred in their absence, including amongst disabled people.

The ODA estimates attendance of 5.3 million people at the Games, with a peak of 508,000 on Day 8. A number of studies have also provided initial estimates/modelling of the total Games-related impacts on tourism figures, which provide a starting point for determining the counterfactual. In 2007, Visit Britain and Visit London commissioned Oxford Economics to carry out a study into the likely tourism impact of the London 2012 Olympic and Paralympic Games. Key findings are summarised below:

- The research predicted that gross visitor spend in Britain generated by the London 2012 Games will be £2.34 billion (2006 prices) for the ten-year period 2007 to 2017, of which £1.85 billion will be spent in London (based on a central-case scenario);
- In terms of relative importance, the pre-Games period is responsible for 15% of the estimated total tourism benefits for the UK as a whole; the Games themselves account for 31%, and the remaining 54% is to be generated after the Games (ie legacy effect). The corresponding shares for London are 17%, 35% and 48% respectively;
- For the post-Games period (2013-17), a legacy effect worth £1.27 billion is forecast for the UK and £0.88 billion for London. These gains are generated largely by higher numbers of visitors from emerging markets for UK tourism (primarily from China, India and Russia), who decide to visit the country/city as a consequence of the media exposure and publicity associated with the Games.

More recently, some stakeholders have suggested that, whilst there may be large day-time increases in the populations of host boroughs during the Games (and principally in Newham and Greenwich), and that population numbers in central London will be higher than usual, this may be offset by Games' visitors displacing some usual August visitors to London with hotel accommodation a particular constraint. As shown in Figure 4-24, occupancy rates in the summer peak are already very high and as a result there is relatively little scope for additional demand to be absorbed over these busy periods. Hotels typically manage such demand peaks by increasing tariffs to drive people to less busy times of the year.

The meta-evaluation will be able to construct a more accurate counterfactual position based upon a combination of actual trend data and self-reported measures, derived from the IPS, the UKTS and primary research with visitors. The IPS and UKTS capture numbers of visitors to the UK regions (internationally and domestically), nights spent and expenditure, and are long-running and report quarterly. The Visit England Day Visits Survey (DVS) which starts in 2011 will also capture numbers of day visits and expenditure. These surveys will be used to establish the total number of visitors to London (and the UK) in the run up to, during and immediately

⁸² Wheelchair access and other disabled access.

⁸³ LDA (2010). Accessible Hotels in London.

after the 2012 Games, and their associated expenditure, while comparisons against a projection of visitor volumes based on prior years will provide a broad indication of the net increase in the volume of tourism during the period, over and above existing trends since the baseline year.

This approach will help to address issues of displacement and crowding out since it focuses on aggregate levels of tourism expenditure (rather than expenditure associated simply with those visiting due to the 2012 Games). Deadweight will be assessed more precisely through the inclusion of additional Olympics-related questions in these surveys, as well as through additional primary survey work with 2012 Games visitors. Assessing deadweight is particularly important for establishing the counterfactual, since reports on current drivers of change in the tourism sector suggest that we will see a significant growth in trips anyway in the coming years from the fast-growing BRIC nations (Brazil, Russia, India and China). Goldman Sachs for example has recently predicted that global tourism will grow on average by 5% over the next two years but that the BRIC nations and in particular India and China will grow at more than twice this level.⁸⁴

In the timescale for this phase of the meta-evaluation it will only be possible to provide a short-term analysis of the impact of the 2012 Games on tourism trends in London and the UK. Medium to longer-term impacts will be hypothesised at this stage through analysis of the perceptions of visitors (including disabled visitors) to London and the UK in terms of their satisfaction and intended future visits (if necessary gathered through additional primary survey work during Games time), in comparison with the baseline position derived from the LVS. This will be triangulated with any changes in the relative position of London and the UK in international tourism brand rankings.

Any observed increase in visits may be partly attributable to or influenced by Games-related marketing campaigns designed to harness and maximise the Olympic effect, whilst mitigating any potential negative impacts.

Recent survey evidence in 2010⁸⁵ suggests that the number of visitors in 2011 would be more or less the same without the Games. Some 22% of international visitors said the Games made them more likely to visit London in 2011 whereas 21% said the Games made them less likely.

Displacement is expected to be more of a factor in 2012 when the Games are actually taking place. Of those surveyed, 30% thought they would be less likely to visit London in quarter 1 2012, compared to 15% who said they would be more likely. The main factors putting off people are higher prices and that hotels and restaurants are expected to be busy. The difference is reduced to a net negative impact of 5% in quarter 2 2012 and the situation reverses to a 14% net positive effect in quarter 3 while the Games are taking place. Tourism agencies in London and the UK are undertaking marketing campaigns in 2012 to reduce this displacement effect.

By 2013, the displacement effect is expected to be eroded and tourism into London should increase due to the 2012 Games. Of those surveyed, 12% thought the 2012 Games would make them more likely to visit London and the UK.

(iii) Policy counterfactual

Visit Britain is investing around £120 million of public and private sector funding in an international marketing programme – the 'You're Invited' campaign which is part of the Government's GREAT campaign. This aims to use the major events taking place in Britain over the next few years – the Royal Wedding, the Diamond Jubilee and the 2012 Games – to deliver 4.6 million extra visitors from overseas and £2.27 billion in extra visitor spend over the next four years. A key pillar of the campaign is Games-motivated – ie to use the Games and the exposure it provides to London and the UK to inspire people to come to London/the UK in future years.

Consultees believe that without the Games some kind of international campaign would still have gone ahead, although it is likely that this would have been on a much smaller scale.

⁸⁴ Goldman Sachs (2010). BRICS Monthly Issue 10/03, May 20th 2010.

⁸⁵ Olive Insight (2010). Expected Impact of Olympics on Visiting London, research for Visit London.

Crucially, it is believed that the private sector would have had less incentive to invest on this scale without the Games. However, whilst conversion studies/evaluations of such initiatives are likely to be commissioned to explore their specific contributions to overall changes in tourism (and the counterfactual position), these are unlikely to be available within the timeframe of the initial meta-evaluation study. Their role (and the key lessons learnt) will instead be explored in qualitative terms through in-depth interviews with the tourism agencies.

On the domestic front, a £4 million programme was announced by DCMS and Visit England in September 2011 aimed at increasing domestic tourism from 2012 onwards. The 2012 Games, the Olympic Torch Relay and the Cultural Olympiad will be used to market different parts of the UK. The programme objectives are to support the movement towards domestic holidays by using the 2012 Games to "*reinforce this trend and strengthen the future of tourism, thereby supporting the economy and employment*".⁸⁶ The £4 million budget is sourced from the Olympic budget.

Figure 4-25: Policy counterfactual for promoting tourism

| Programme and description | Development in the absence of the Games |
|---|---|
| <p>Visit Britain's – 'You're Invited'. A campaign which aims to use the major events taking place in Britain over the next few years – the Royal Wedding, the Diamond Jubilee and the 2012 Games – to deliver an additional 4.6 million visitors and £2.27 billion of visitor spend by 2014.</p> | Existing, increased scale and enhanced quality – without the Games some kind of themed national campaign would still have gone ahead; however, less funding would have been attracted from the private sector |
| <p>DCMS and Visit England's domestic tourism campaign. The programme is aimed at reinforcing domestic tourism through the 2012 event, Torch Relay and the Cultural Olympiad.</p> | Existing, increased scale and enhanced quality – domestic tourism campaigns would still have gone ahead. The 2012 Games is a catalyst to enhance the effects and to create a legacy post-Games. The £4 million budget is sourced from the Olympic budget. |

In terms of improving accessibility, evidence available to the meta-evaluation team via consultations and desk research does not suggest that significant additional investment is being made in hotel rooms as a result of the 2012 Games. Thus we would not expect trends in the number of accessible hotel rooms to differ significantly in the absence of the Games (although this will be explored again with key stakeholders in 2012 and 2013). Instead, policy activity has focused on the 'scaling up' of existing initiatives, for example encouraging the tourism sector to conduct staff awareness training on the needs of disabled customers, and on the better provision of information about accessible hotel rooms (ie via the Inclusive London website). These policy interventions should nonetheless serve to make the existing accommodation offer more accessible and appealing to disabled tourists, and thus improve disabled people's experiences of tourism in the capital.

Developments are limited to London, as far as we have established to date. The counterfactual analysis here will therefore focus on comparing relevant satisfaction outcomes and accessibility measures at the London spatial level, derived from primary research (where required), compared with past trends from the LVS.

4.7 Employability and skills development

(i) Baseline

The Games provides an opportunity to increase the skills and employability of the UK's working age population at a time of economic uncertainty, including through targeting young, unemployed and disabled people, and local residents of the host boroughs. Particular emphasis has been placed on this as a legacy priority at the regional and local levels, and translated into initiatives such as the London 2012 Employment and Skills Taskforce (LEST), the regular monitoring of how many unemployed and local residents are employed at the Olympic Park,

⁸⁶ DCMS Press Release (12 September 2011).

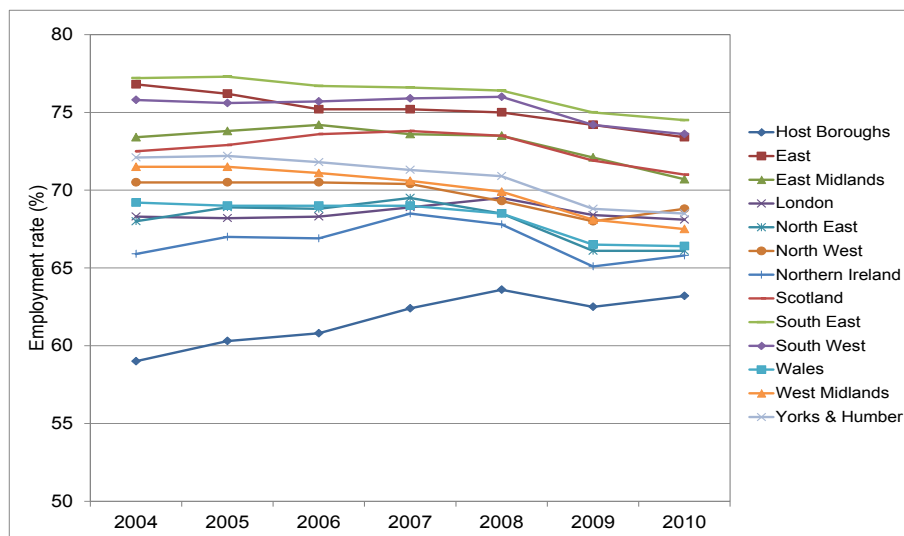
and training projects led by Sector Skills Councils (SSCs) and higher or further education institutions.

UK employment rate

The employment rate across the whole of the UK declined slightly from 72.4% in 2004 to 70.2% in 2010, reflecting wider economic conditions. Figure 4-26 below shows similar trends in resident employment rates across the nations and regions, albeit with a greater level of stability (and thus potentially greater resilience) within London.

Conversely, the rate in the host boroughs rose from 59.0% in 2004 to 63.2% in 2010, showing a relatively significant upward trend and convergence towards the London and UK averages. The baseline with respect to levels of economic activity and unemployment in the host boroughs is covered in more detail in Chapter 6, although it should be noted that the increase in employment was particularly pronounced in Tower Hamlets, driven by growth in financial and business services.

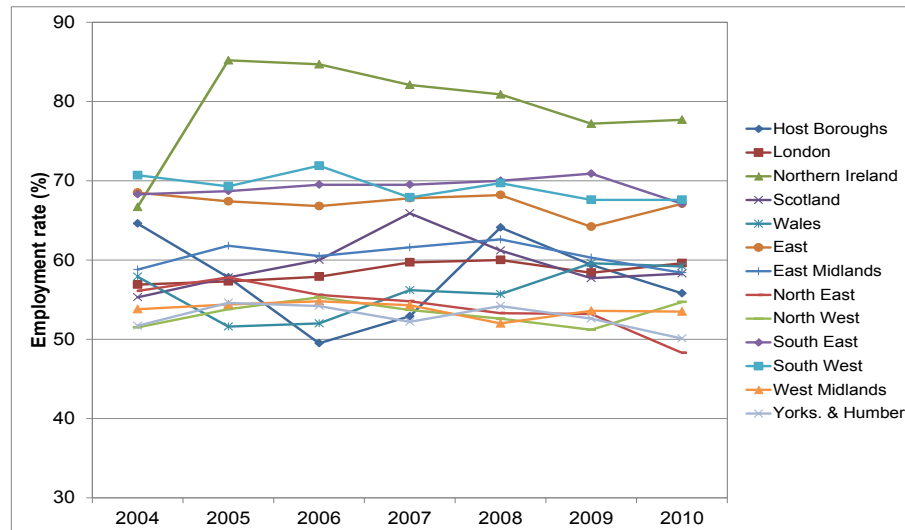
Figure 4-26: Employment rates



Source: ONS, Annual Population Survey (Jan-Dec).

Employment rate amongst ethnic minority groups

In the last three years for which data is available (2008-2010), the employment rate of ethnic minority people in London has remained relatively stable, whilst in the host boroughs the rate has dropped from 64.1% to 55.8% (although this needs to be set against a rapid increase over the 2005-2008 period). Such groups in East London therefore gained most from the economic boom, but have been disproportionately exposed to the economic downturn (in turn justifying targeted interventions). The 2010 rate compares with London and UK averages of 59.6% and 59.8% respectively.

Figure 4-27: Employment rates of people in ethnic minority groups

Source: ONS, Annual Population Survey (Jan-Dec).

(ii) Policy counterfactual

The policy counterfactual analysis for this sub-theme needs to examine the extent to which the 2012 Games, in supporting investments which offer people opportunities to gain work experience and develop new skills, has impacted on people's employability and progression to sustained employment in a manner that would not have occurred without the Games. Within this it is important to consider how far Games-related employment and skills interventions would have gone ahead without the Games, since some programmes are assisting people into wider, non-Games related opportunities, as well as exploring whether individuals (including disabled and unemployed people⁸⁷) would have secured the same employment benefits in the absence of the Games.

The Local Employment Training Framework (LETF) project, for example, which has evolved into the Five Boroughs Employment and Skills project, dates back to the success of the bid and has a clear link to the Games with its focus on getting people into employment on the Olympic Park. Similarly high levels of policy additionality can be expected from ODA and LOCOG focused employment and outreach initiatives (including measures to boost the inclusion of disabled people within their own workforces via their 'Access Now' programme). Actions through the Department for Work and Pensions (DWP) Work Programme to place disabled people in Games-related jobs should also be considered here. Such initiatives (including through the LDA's overarching impact evaluation) have also produced analyses of the extent to which beneficiaries are likely to have remained unemployed in their absence, which will be synthesised by the meta-evaluation to determine the counterfactual position.

In respect of the second category, the assessment of the counterfactual will need to take into account more fully how far related, but wider ranging, Games-related skills and employment programmes (and particularly aspects of LEST), would have been taken forward in the absence of the Games, in addition to whether they have secured skills and sustainable employment outcomes.

Although it is clear that the LEST framework was established in response to the Games, in order to test the Games effects consideration is needed of how far specific projects under LEST would have gone ahead in its absence. Documentary reviews suggest that some projects that sit within the framework would have happened anyway. LEST built on existing initiatives that were already funded and delivered by a range of agencies, including Job Centre Plus (JCP),

⁸⁷ The extent to which residents of the host boroughs would have secured benefits anyway will be a major focus of the East London theme.

the Learning and Skills Council (LSC), and the London Development Agency (LDA). The London Employer Accord project, for example, was an important element within the London Skills and Employment Board's strategy which was taken forward independently of LEST. Most of the activities were met from existing budgets. Conversely, Personal Best, whilst aiming to move participants into employment opportunities across London and beyond, was heavily inspired by the Games (using the hook of becoming a potential Games Maker to attract disadvantaged participants to the project, and building on the experience of the Manchester Commonwealth Games).

The added value of LEST, which specifically relates to the Games influence has reportedly been its enabling role in encouraging more joined-up working between the LDA, JCP, LSC and other agencies in the delivery of employment and training interventions. Whilst we were not able to identify and consult with stakeholders who were involved in establishing the original LEST action plan at this stage, the strategic added value of LEST (and its employment impacts) will be the subject of more detailed analysis in the LDA impact evaluation, which was not available at the time of this report.

It is assumed that the national and regional impacts of the Games on employment and skills levels will be small in comparison with the effects of all public sector programmes focused on these outcomes. Skills data, such as NVQ results below, will be used to provide context to the project-level evaluations evidence.

Figure 4-28: Qualifications, 2010

| Qualifications indicator | UK | London |
|--|------|--------|
| % with NVQ4+ – aged 16-64 | 31.2 | 41.9 |
| % with NVQ3+ – aged 16-64 | 50.9 | 55.7 |
| % with NVQ2+ – aged 16-64 | 67.2 | 67.3 |
| % with NVQ1+ – aged 16-64 | 80.1 | 76.3 |
| % with other qualifications – aged 16-64 | 8.4 | 13.8 |
| % with no qualifications – aged 16-64 | 11.6 | 9.9 |

Source: ONS.

However, groups of individuals hold the potential to derive significant benefits. Given the limitations of trend-based analysis, a bottom-up approach, identifying the additional individuals that have increased their skills and moved into sustainable employment due to the Games through drawing on relevant evaluation and survey evidence, will be most useful in constructing the counterfactual.

Figure 4-29: Policy counterfactual for employability and skills

| Programme and description | Development in the absence of the Games |
|--|---|
| LEST. A £75 million strategy by LDA to maximise the skills and employment impact of the Games for Londoners. | Existing, increased scale and enhanced quality – this activity would not have gone ahead on this scale without the Games. |
| Personal Best. This programme, supported by London 2012, is a scheme to help people furthest from employment into work, including disabled people, using the prospect of volunteering to attract people to the programme. It then offers training for an accredited volunteering qualification. | New, additional – inspired by the Games, uses the hook of becoming a potential Games Maker to attract disadvantaged participants to the project, and building on the experience of the Manchester Commonwealth Games. |
| Access Now. The LOCOG scheme for recruiting a diverse workforce. | New, additional – this activity would not have gone ahead without the Games. |

In the absence of any comprehensive planned evaluation, we also consulted with Sector Skills Councils (SSCs) on the role of the Games in influencing the development and/or implementation of key skills initiatives. Around one-third both responded and reported that they have been running 2012-related activities. In addition to Personal Best described above (which had a national dimension led by Skills Active), five specific examples are detailed below. The consultation suggests varying results, but generally the Games has had a strong influence, which will support the inclusion of some programme results in the analysis described above.

- **Advanced Apprenticeship in Creative and Digital Media:** this was developed by Skillset, the SSC for creative media, after conducting industry research and consultation aiming to identify skills challenges for the creative media industries in preparation for the 2012 Games. The programme also uses the Games as a hook to attract and motivate young people to train and become employable in the industries. Prior to the bid announcement, Skillset had already identified the need for alternative entry routes to the creative media industries, which have tended to be dominated by graduates. However, Skillset believed that it is very unlikely that the project would have come forward in this form without the Games. The development of a new qualification may have been considered, but it is believed that the 2012 Games was the catalyst that urged the industry into action. This programme was initially delivered in London as per the funding requirements. However, the programme has since been rolled out to other regions (particularly the South West region), and has increased the take up of the Advanced Apprenticeship in Creative and Digital Media;
- **WorldHost: People 1st,** the SSC for hospitality, leisure, travel and tourism, is working with LOCOG to ensure that local communities benefit in the long term from the economic opportunities from hosting the Games. One of the skills initiatives which People 1st is developing is its WorldHost customer service training programme, for which it has been awarded the 2012 Games Inspire mark. It is based on the successful training programme that was developed in Canada for the 2010 Vancouver Winter Olympic Games, which was identified by LOCOG as a model for raising the standard and delivery of customer service training in the local area. Linked to this is their Employment 1st programme, which is a pre-employment training package for individuals who are interested in careers within hospitality. The programme will train up to 2,000 local people to assist them in securing jobs at the 2012 Games, and support their future career prospects within the hospitality and tourism sector. People 1st is also looking to bring together employers and those that have worked on the Games to support legacy and achieve sustainable job outcomes;
- **National Skills Academy for Retail:** Skillsmart Retail is setting up one of their National Skills Academy for Retail (NSAR) skills shops at the Westfield retail centre next to the Olympic site. The Westfield Workzone skills shop will deliver quality assured training to retailers through their customer service programme, improving the skills of local employees in the area in preparation for hosting the London 2012 Games. Whilst Skillsmart would still have developed its network of NSARs anyway, the 2012 Games was nonetheless reported to have been a key factor in the decision to base one of the NSARs in Stratford. Skillsmart Retail is also working with People 1st to deliver three retail specific WorldHost training programmes;
- **Skills for Security Bridging the Gap:** The Bridging the Gap initiative has been developed by the British Security Industry Association (BSIA), Skills for Security, Bucks New University and North Hertfordshire FE College. The project has been funded by the Home Office, BIS and LOCOG, and has been created in liaison with PODIUM, the Security Industry Authority and Skills Active. Bridging the Gap provides a formal qualification for further education students from across the UK, leading to a guaranteed job interview with a BSIA member and, for some Bridging the Gap graduates, the opportunity to assist in the security arrangements for London 2012. The initiative has been awarded the London 2012 Inspire mark. This mark recognises innovative and exceptional projects that are directly inspired by the London 2012 Games. The project is seen as a major contributor to the security challenge at the Games. As a result, more than 4,000 students and unemployed have completed stewarding and/or door supervision qualifications;

- London Coaching Bursary: This bursary scheme, available through SkillsActive, the Pro-Active Partnerships in London and National Governing Bodies of Sport, aims to address a shortage of sports coaches (See Section 3.6(v)).

(iii) Outcome counterfactual

In order to understand and assess the contribution of different types of activity to the headline target of reducing worklessness, the counterfactuals for two broad categories of employment outcomes will therefore be explored:

- Outcomes associated with projects directly linked to Games employment (eg Olympic Park construction);
- Other outcomes derived from legacy initiatives that are inspired by 2012, but not directly related to Games employment.

4.8 Promoting sustainable business

(i) Baseline

The key sustainability questions under the economic theme relate to the environmental impacts of the preparation of the Games (ie the construction of venues and its infrastructure) and the staging of the Games, and the wider demonstration effects and benefits for green business. LOCOG and the ODA have committed to a number of carbon reduction measures as set out in the London 2012 Sustainability Plan and ODA Sustainable Development Strategy.

Carbon footprint

Given the likely impact of the Games relative to the total sum of economic and social activity in the UK as a whole, a top-down analysis of UK-wide sustainability trends even at the London level would not provide a satisfactory basis for assessing the short-term impacts of the Games on sustainability. A bottom-up method to estimate the baseline and counterfactual is therefore more useful and this has been produced by LOCOG in their Carbon Footprint Study.⁸⁸

The LOCOG study defines the baseline or reference carbon footprint as an "*estimate of what the Games footprint would have been before commitments to reduce it are considered*". In other words, a business-as-usual approach to sustainability based on the following assumptions: basic legal compliance; adoption of industry standard practices; anticipated behaviours of spectators; similarities with past Games and average benchmarks of sectoral emissions per £ spent.

One of the methodological challenges cited is the boundaries of the study and the principle adopted is to consider those elements which the Games have control or influence over. With this principle in mind the approach adopted classified operations as either 'owned', 'shared' or 'associated' according to the extent of the financial contribution from LOCOG and the ODA. These categories are defined as follows:

- Owned: Wholly funded core activities where the entire associated carbon footprint is allocated to London 2012 (for example, office utility use, venue construction);
- Shared: The footprint associated with the partner contributions to jointly funded activities (for example, jointly funded development of the Olympic Village);
- Associated: Activities clearly associated with the Games which are not funded by London 2012, but over which they may exert some influence and which result in a measurable difference.

LOCOG's study estimates the London 2012 reference footprint to be 3.4 million tonnes of carbon dioxide equivalents (3.4MtCO_{2e}). This total is split between four broad categories: venues; spectators; operations; and transport infrastructure, with most of the carbon emissions occurring pre-Games. These arise from the construction of venues, the delivery of the transport infrastructure, and the fitting out and 'dressing' of the venues and Olympic Park. Most of the remaining emissions attributable to operational activities and spectators would occur at Games-time.

Owned emissions from the ODA and LOCOG make up two-thirds of the overall footprint (around 2.3MtCO_{2e}). The majority of 'owned' emissions relate to the construction of venues and Games-time operations. The responsibility for these is shared between LOCOG and the ODA. As the table shows, LOCOG has greater control over operations and spectators; the ODA is responsible for venues and transport infrastructure. The bulk of the 'shared' and 'associated' emissions are from transport infrastructure development and spectators, areas where the ODA and LOCOG have less of an ability to influence sustainability outcomes, but nonetheless are attempting to influence practice and behaviour.

⁸⁸ LOCOG (2010). Carbon Footprint Study – Methodology and Reference Footprint.

Figure 4-30: Responsibility by component

| ktCO _{2e} | Owned – ODA | Owned – LOCOG | Shared + associated |
|--------------------|-------------|---------------|---------------------|
| Venues | 1,728 | 0 | 0 |
| Transport | 161 | 1 | 429 |
| Spectators | 0 | 15 | 655 |
| Operations | 0 | 384 | 75 |
| Total | 1,889 | 400 | 1,159 |

Green economy

The broader sustainability standards achieved in the building and running of the Games present an opportunity to showcase the UK's particular capabilities in renewable energy and low carbon techniques, and LOCOG, ODA, FCO and Department for Environment, Food and Rural Affairs (DEFRA) are pursuing initiatives to this effect. The aim is to increase the take-up of such practices (for example within the construction, waste management and events management sectors) and resultant positive economic benefits for businesses, and ultimately the growth of the green business sector itself, as the profile of UK businesses in this area is raised facilitating access to new contracts at home and abroad.

Industrial carbon emissions data for example is not available by specific industrial sectors and thus would not be suitable as a baseline indicator for measuring progress against these objectives and within this sub-theme. Instead, the measures relating to this aspect of the Games' legacy focus on setting a baseline for measuring longer-term growth in the green economy.

In a recent study for the then BERR (Business, Enterprise and Regulatory Reform)⁸⁹, the green sector was defined as traditional environmental services and renewable energy, as well as emerging low carbon activities, such as low carbon building technologies and carbon finance (LCEGS). Measurement of market and employment trends in the sector incorporated the wider supply chain, from manufacturing and R&D to final retail and maintenance services, and informed assumptions were made in relation to the percentage of sales activity that could be attributed to environmental-related activities. The key findings of the baseline are as follows:

- The LCEGS sector employed an estimated 910,000 in 2008/09;
- This was an increase of 1,675 jobs on previous comparable estimates for 2007/08;
- The emerging low carbon sector accounted for just under half of total employment (445,600), with renewable energy employing 29% (266,300) and environmental services 22% (197,900);
- Value growth was greater than growth in job estimates for 2008/09, as some companies withheld increases in their labour force even with sales increasing due to economic uncertainty.

London had the highest share of employment in 2008/09 with 157,000 employees working in the industry; the next highest was the South East region (117,000 employees).

ii) Policy counterfactual

For this sub-theme the counterfactual needs to explore the extent to which more sustainable approaches to construction, procurement and events management, and growth within the green economy, would have been delivered anyway in the absence of the Games stimulus and its dissemination efforts.

The Games provides an opportunity to demonstrate that a sustainable approach can be implemented successfully and be commercially viable. However, stakeholders suggested that

⁸⁹ BERR (2010). Low Carbon and Environmental Goods and Services: an industry analysis.

this is part of an iterative and longer-term effort on the part of government, with the Games also learning lessons from the steps taken by other major developments which have recently been completed (eg Heathrow Terminal 5). Nonetheless, the catalytic role of the Games and its high profile commitment to exemplary standards of sustainability are expected to encourage people to do more and to move forward sooner than they would have done otherwise. The ODA's learning legacy work to disseminate and encourage take-up of good practice in this area, for example, is additional to any promotion of sustainability which would have taken place in the absence of the Games.

Figure 4-31: Policy counterfactual for sustainability

| Programme and description | Development in the absence of the Games |
|---|---|
| Learning Legacy (ODA). Work to disseminate and encourage take-up of good practice in sustainability approaches | New, additional – in terms of any promotion of sustainability which would have taken place in the absence of the Games. |

ii) Outcome counterfactual

The assumed counterfactual is therefore the continuation of existing trends in the adoption of green business practices (which instead will be accelerated thanks to the Games), and potentially lower rates of business and employment growth in the green sector.

Take up of the new BS8901 events management quality standard to promote sustainable practices within the industry, as well as the uptake of green procurement standards across government departments, will provide useful ongoing measures of additional impact linked to the Games. This will be triangulated with stakeholder interviews and business/industry case studies to confirm the counterfactual position across the range of relevant sustainability approaches and sectors (as well as any attendant benefits in terms of economic growth). Primary research with green businesses conducted under the exports sub-theme as well as analysis of the CompeteFor evaluation will also be relevant here, in terms of helping to unpick the wider commercial benefits of the Games demonstration effect and its promotional projects for the UK's green economy, relative to what would have happened in the absence of the Games.

4.9 Disabled people in business and disabled access to transport

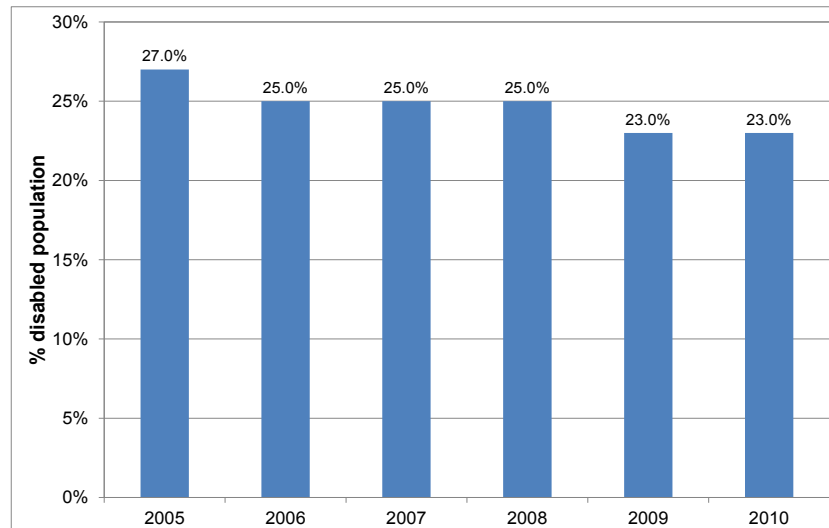
(i) Baseline

Disabled access to transport

Disabled people can face difficulties accessing transport, including public transport, and Games-led legacy initiatives aim to help alleviate these problems, particularly within London. Two types of measures can be used to establish a baseline in this respect: survey-based perception data; and data on the proportion/number of transport modes that are accessible. Available data is collated by the Office for Disability Issues (ODI).

Historical opinion survey data, available from 2005, shows a trend of improvement in disabled access to transport at the national level. Figures from 2010 show that disabled people are slightly less likely to report having difficulties in using transport than they were in 2005. In 2010, 23% of disabled people experienced difficulties when using transport compared to 27% in 2005.⁹⁰

⁹⁰ ONS Opinion Survey (published October 2011). Source: <http://odi.dwp.gov.uk/roadmap-to-disability-equality/indicators.php>

Figure 4-32: Difficulties accessing transport

Source: Life Opportunities Survey.

The Life Opportunities Survey⁹¹ nonetheless shows that disabled adults (whether defined by the Disability Discrimination Act or by impairment) are still less likely to use all modes of transport as much as they would like to when compared with non-disabled adults. This is particularly marked for some modes of transport, notably local trains, the London Underground, long-distance trains and motor vehicles. For example 78% of disabled adults do not use the Underground as much as they would like to, compared with 62% of non-disabled adults. The key barriers in accessing public transport were noted as cost (also the most important factor for all groups⁹²) followed by lack of regular, accessible and direct public transport for disabled people. Getting in and out of transport is also a barrier: adults with impairments are six times as likely to experience difficulty getting in and out of local buses compared with adults without impairments (19% and 3% respectively). The Life Opportunities Survey is a new survey and so trend data is not available, although future waves are planned.

Data on the physical accessibility of transport is patchy. For example, between 2005/06 and 2007/08, the percentage of buses with low-floor wheelchair access increased from 50% to 62%⁹³ nationally (amongst London buses the proportion is 100%).

Transport for London (TfL) also monitors disabled people's access to transport.⁹⁴ Their '*physical accessibility to the transport system*' is a weighted measure of the level of step-free access. This measure shows incremental improvements in the accessibility of London's transport system. The 2009/10 results showed that 37% of the network was physically accessible. This is a re-benchmarked value based on more complete data and is not, therefore, strictly comparable to the value of 36% for 2008.⁹⁵ However, the comparison does reflect specific additions to the accessible network between 2008 and 2009/10.

Specific results for different transport modes are as follows:

- As of late 2010, London Underground had 60 stations (22.2% of the total of 270 stations) which were step-free from street to platform and 10 stations (3.7%) that were step-free from train to platform;⁹⁶
- 17 of 78 London Overground stations were fully accessible (22%);
- 103 of 332 National rail stations in London were fully accessible (31%);

⁹¹ Life Opportunities Survey (2009-10). Transport Key Facts. See <http://odi.dwp.gov.uk/docs/res/los/transport.pdf>

⁹² In qualitative research to accompany the main survey. Source: Life Opportunities Survey (2009-10) Transport Key Facts.

⁹³ Department for Transport's Annual Sample Survey of Bus Operators.

⁹⁴ TfL (2010). Travel in London – Report 3.

⁹⁵ Previously given in TfL (2010). 'Travel in London – Report 2'.

⁹⁶ TfL (2010). Travel in London – Report 3.

- The DLR is 100% fully accessible;
- 50% of London bus stops were accessible.

Each of the above measures will be able to be tracked using later editions of TfL data. Underground accessibility improvements completed each year are also catalogued. For example, King's Cross St Pancras became step free in 2010, due to lift installations. Four new accessible stations in Hackney, a new fully accessible station at Shoreditch and six refurbished step-free stations and improvements were planned for the coming year (including platform humps, tactile surfaces, and Victoria Line improvements). We also understand that the ODA will collate outcome data on disabled people's access to transport trends in the period up to 2013, and this will be monitored by the evaluation team to track baseline measures.

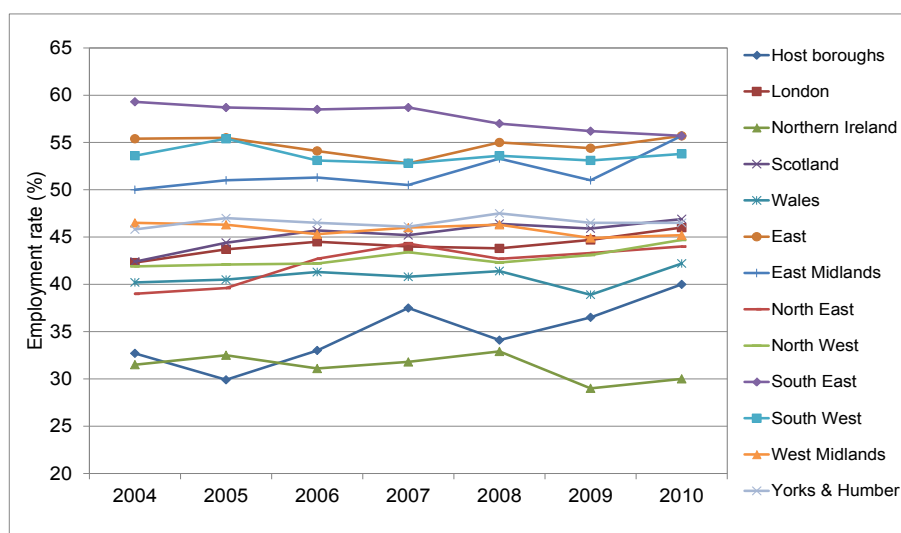
Employment of disabled people

Since 2008 LOCOG has set in place 'Access Now', a scheme to ensure the diversity of its workforce, ensuring various actions to enable access to jobs and opportunities, specifically targeting disabled people, alongside the wider six diversity strands. LOCOG records and tracks the numbers of disabled people they have recruited to help prepare for and stage the Games. Further, the Department of Work and Pensions' Work Programme and Work Choice are involved in finding suitable employment for opportunities for disabled people both in 2012 Games roles and other roles across the country.

Data on the employment rates of disabled people across London and the UK provides a strong rationale for programmes that are seeking to use the Games as a hook to improve the employability of disabled people. In 2009, only 47.3% of London's disabled working age people were in employment compared with an employment rate of approximately 70% for the general working age population.

In the six years to 2010, the employment rate of disabled people tended to be lower in all host boroughs than in London as a whole (although the employment rate also rose by 5 percentage points between 2008 and 2010, showing a convergence towards the London average).

Figure 4-33: Employment rates of disabled people



Source: ONS, Annual Population Survey (Jan-Dec).

Recent research on disability, skills and employment indicates that educational qualifications appear to be of critical importance to disabled people in terms of influencing future life chances.⁹⁷ Data on qualifications, educational outcomes and skills all show relative levels of disadvantage for those disabled at an early age. Across Great Britain, pupils with special needs tend to achieve fewer qualifications than those with no special needs, and pupils in more

⁹⁷ For example S. Riddell et al (2010) Disability, Skills and Employment: A review of recent statistics and literature on policy and initiatives, Equality and Human Rights Commission Research Report No. 59.

deprived areas (such as East London) are more likely to be identified as having additional needs but less access to targeted support.

(ii) Policy and outcome counterfactual

Part of the intended legacy of the Games is to bring about lasting improvements in disabled people's access to transport in London and nationally, in addition to boosting access to the Games and capacity.

Transport legacy plans are being led by TfL (*forthcoming*) and the ODA (London 2012 Accessible Transport Strategy).⁹⁸ Department for Transport (DfT) funding for improving accessibility is also being used to contribute towards Games related improvements, for example via the addition of Olympic/Paralympic stations to the Government's 'Access for All' programme to create accessible routes in time for the Games using ring-fenced money.

ODA plans include the following targets:

- Improvements to Stratford Regional station making it fully accessible, and lifts at the International station;
- Boosting the capacity of the accessible DLR and Jubilee lines permanently (not just in Games time);
- Making 25% of London Underground stations accessible by 2012;
- A range of additional improvements, such as increases in blue badge parking at accessible transport hubs, platform humps in 24 stations, accessible information, and induction loops in the majority of platforms/ticket halls.

This is coupled with an expectation that improving disabled people's experiences of using public transport during Games time will lead to improved perceptions of transport and lead to increased usage in the future.⁹⁹ ODA has also undertaken scoping work related to disability awareness and customer care training for transport staff, and this work is now being taken forward by TfL.

The three themes of the forthcoming TfL Accessible Transport legacy plan are: (i) physical legacy (ii) behaviour changes around use of transport but also in opinions towards disabled travellers and (iii) operational changes for Games time that will remain. Improvements will include:

- Physical improvements such as at Shoreditch and Crystal Palace;
- Step-free in time for Games (at Southfields, Kings Cross and Green Park);
- Extensions to the DLR;
- Plans to improve information provision for disabled travellers;
- Staff training on disability awareness.

The *forthcoming* TfL plan also contains an intention and associated action point to help improve perceptions and attitudes towards disabled people.

*"The Paralympic Games will provide an opportunity to raise awareness of physical accessibility issues and the specific needs of disabled travellers. This could be useful, for example, in terms of promoting better behaviour by, and greater awareness of, the travelling public towards, fellow passengers, and better behaviour and awareness among transport operational staff, particularly towards people with disabilities."*¹⁰⁰

This action may potentially translate into an awareness campaign on public transport; however there were no specific/concrete plans for this at the time of the research. Results in this respect should be linked to the wider discussion about baseline and progress in public attitudes in the

⁹⁸ ODA (2008). London 2012 Accessible Transport Strategy.

⁹⁹ ODA (2008). London 2012 Accessible Transport Strategy.

¹⁰⁰ TfL (*forthcoming*) Leaving a Transport Legacy.

following chapter (see Section 5.6). A final intention is to encourage walking and cycling by disabled groups, but again no specific plans had been set (and no data exists on levels of walking/cycling among the disabled public more generally that we are aware of).

An important distinction should be made in terms of the counterfactual position in relation to transport improvements. Interviews with policy stakeholders confirmed that all improvements funded directly by ODA are *additional* to what would have happened without the Games and would not have taken place in the counterfactual scenario. Some ODA investments are purely for Games time but many will leave a lasting legacy. This includes the upgrades to capacity on the DLR; the accessible Stratford station; and the 24 new platform 'humps'. It can therefore also be surmised that any resultant increases in satisfaction and usage amongst disabled passengers who have benefited from improvements at ODA-supported stations and lines would not have occurred in the absence of the Games.

In some instances, ODA is working with delivery partners on existing schemes, and this has galvanised or sped up the pace of accessibility improvements; has ensured improvements do take place; or has influenced the locations of improvements. This includes work conducted and funded by TfL, for example the improvements at existing Games-time stations such as Southfields. The Shoreditch and Crystal Palace improvements had been planned for some time, but the Games is reported to have ensured that these took place. Whilst the improvements at Southfields would not have been a priority without the Games, this also provides an example of investment being displaced from other projects by the Games. In general, existing TfL funding is likely to have been diverted to Games-related improvements, meaning that other projects may have been affected (delayed, postponed or cancelled), which would have gone ahead under the counterfactual scenario, although specific examples were not provided.

In some instances, improvements would have taken place anyway and have not been influenced significantly by the Games. Broadly speaking this includes the activity led by wider national partners such as DfT. Examples of this include improvements that are now required to all new rail rolling stock and step-free access at various national rail stations. Staff disability awareness training funded by TfL would also have taken place anyway.

Figure 4-34: Policy counterfactual for disabled access to transport

| Programme and description | Development in the absence of the Games |
|--|---|
| <p>ODA (2008) London 2012. Accessible Transport Strategy A range of infrastructure improvements covering all modes of transport in and around the Olympic Park, including increases in blue badge parking at accessible transport hubs, platform humps in 24 stations, accessible information, and induction loops in the majority of platforms/ticket halls.</p> | <p>New, additional – all improvements funded by ODA would not have happened without the Games.</p> |
| <p>TfL (<i>forthcoming</i>) Leaving a Transport Legacy. The Plan contains improvements to the rail and underground network, and also an intention and associated action point to help improve perceptions and attitudes towards disabled people.</p> | <p>Existing, enhanced quality – in most instances, improvements would have taken place anyway and have not been influenced significantly by the Games. Staff disability awareness training funded by TfL would have taken place anyway.</p> |

5 Promoting community engagement & participation

5.1 Introduction

The Government's ambition for this strand of the Games legacy is to help empower and embolden communities to achieve what they want to do in their local area, leading to more cohesive and proactive communities and supporting the creation of the Big Society.

This chapter sets out the baseline position and subsequent trends in relation to the headline indicators of relevance to the community engagement and participation legacy theme. These headline indicators mirror the outcomes found in the logic model and are discussed under the following sub-themes of activity:¹⁰¹

- Volunteering and social action;
- Participation in culture;
- Engaging children and young people;
- Encouraging sustainable living;
- Influencing attitudes towards disabled people.

There is also consideration of evidence relating to indicators of community cohesion, which is an overarching outcome for this legacy theme.

The selected indicators have been identified as key components of the methodology for assessing progress towards achieving the legacy objectives for this theme. Issues of data availability mean that it has not always been possible to present data for the baseline year (2003), although even where data has only been collected more recently it is still referenced in order to provide a more detailed picture of trends.

This chapter also includes consideration of the 'without the Games' counterfactual for each sub-theme, in terms of both policy and outcomes, and also details how this will be assessed more fully as part of subsequent stages of the meta-evaluation. It is important to note that at this stage, the extent to which evaluations of some of the key interventions under the community engagement and participation theme will include a robust assessment of net additional effects is unclear. In addition, issues around the availability and consistency of top-down data in areas of relevance to this theme (such as participation in volunteering) will place limitations on the development of the required counterfactual scenarios (in addition to the generic challenge of isolating the effects of legacy projects). There is also a lack of previous research into the effects of external factors on observed trends.

As a result of this, the development of counterfactuals at this stage is largely reliant upon projecting forward observed trends in available datasets combined with evidence from qualitative interviews held with key stakeholders. The expected evidence sources for the community engagement theme are summarised in the table below, which shows a heavy reliance on project-level evaluations.

¹⁰¹ See Meta-Evaluation Scoping Report for further details.

Figure 5-1: Overview of approach to determining social outcome counterfactuals

| Sub-theme | Main indicators | Project-level evaluation | Trend-based time series | Statistical or Econometrics | Comparator analysis | Bespoke modelling | Monitoring data or other indicators | Qualitative or case studies | Survey-based methods |
|---|---|--------------------------|-------------------------|-----------------------------|---------------------|-------------------|-------------------------------------|-----------------------------|----------------------|
| Volunteering and social action | Participation in volunteering | ✓ | ✓ | | | | | | ✓ |
| Participation in culture | Engagement with the arts Barriers to accessing culture, sports & leisure Size of creative industries sector | ✓ | ✓ | | | | | | ✓ ¹⁰² |
| Engaging children and young people | Educational attainment and attendance | ✓ | | | ✓ | | | ✓ | |
| Sustainable living | Household energy consumption and recycling Travel behaviour | ✓ | | | ✓ | | | ✓ | |
| Influencing attitudes towards disabled people | Perceived levels of prejudice against disabled people | | ✓ | | | | ✓ | | |

5.2 Volunteering and community engagement

(i) Baseline

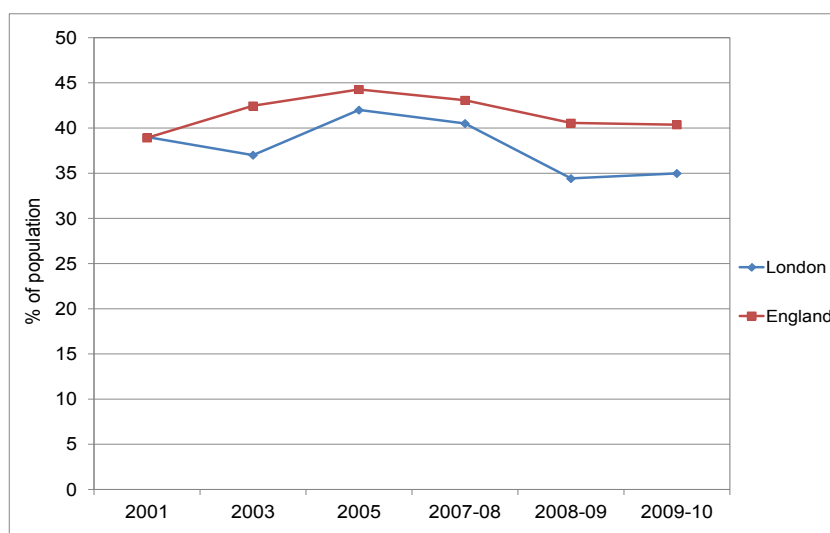
The 2012 Olympic and Paralympic Games present a key opportunity to get people involved in volunteering and community activity across the UK, whether directly through initiatives such as LOCOG's Games Makers, or through organising and participating in neighbourhood events and projects inspired by 2012.

According to the Department for Communities and Local Government: "*volunteering enables people to become more involved in society; it brings people together and produces more empowered and cohesive communities. As well as providing support for some of the most disadvantaged people in society, volunteering is seen as having benefits for those that volunteer*".¹⁰³

As shown in the following chart, approximately two-fifths of adults in England participated in formal volunteering over a 12-month period, according to the 2009/10 Citizenship Survey, the sixth such survey administered in England. Formal volunteering is defined as unpaid help given as part of a group, club or organisation to benefit others or the environment. The data show that there has been a small decline in volunteering nationally since peaking at 44% in 2005.

¹⁰² It is anticipated that a dedicated audience survey will be undertaken.

¹⁰³ DCLG (2010). 2008/09 Citizenship Survey.

Figure 5-2: Percentage of the population volunteering at least once in last 12 months

Source: *Citizenship Survey*.

On this measure, adults aged 35-49 (46%) are more likely to volunteer than any other age group, followed by those aged 16-25 and 65-74 (both 41%), while volunteering rates are lowest for those aged 75 and over (29%). Those from ethnic minority groups (32%) are less likely to volunteer than those who are white (41%).

Volunteering rates in London are below the national average. Only 35% of Londoners took part in formal volunteering over the previous 12 months in 2009/10, resulting in the region having the second lowest rate in England after the North West; possible explanations for this are that Londoners have less free time compared to other regions (due to long working hours and high commuting times) and/or a higher number of potential alternative ways of spending leisure time. Volunteering rates are highest in the South West and the South East.

Disabled people or those with a long-term limiting illness are significantly less likely to volunteer than those without. In 2009-10, 22% of disabled people engaged in formal volunteering at least once a month compared with 26% of non-disabled people, whilst 28% of disabled people engaged in informal volunteering at least once a month compared with 30% of non-disabled people.¹⁰⁴ While participation rates for formal volunteering of non-disabled people have significantly decreased since the baseline, for disabled people they have remained fairly constant.

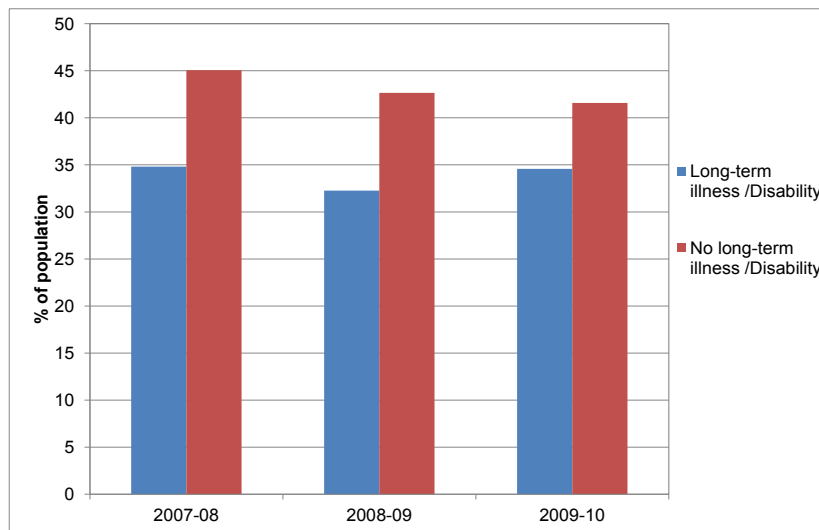
Participation rates for informal volunteering for both disabled and non-disabled people have significantly decreased since a 2005 baseline. Charitable or voluntary work was reported as being the leisure activity adults were least able to take part in as much as they would have liked to (66%). Barriers to taking part in this activity were experienced fairly equally by disabled and non-disabled adults (66% and 65% respectively).¹⁰⁵ The most common barriers to volunteering for all people include: too busy/not enough time, a health condition/illness or disability, other reasons, a caring responsibility, and to a lesser extent, too expensive, lack of availability and travel problems. Of all of these, the main reason for all adults not taking part in charitable or voluntary work as much as they would have liked to was being too busy or not having enough time (76%). This result varied greatly, with 85% of non-disabled adults reporting it as a reason compared with 54% of disabled adults.¹⁰⁶ For disabled adults, their impairment or illness was also a key reason they could not participate as much as they would like.

¹⁰⁴ Roadmap to disability equality indicators, ODI (accessed July 2011) see <http://odi.dwp.gov.uk/roadmap-to-disability-equality/indicators.php>

¹⁰⁵ ONS (2010). Life Opportunities Survey Interim Results 2009-10.

¹⁰⁶ ONS (2010). Life Opportunities Survey Interim Results 2009-10, page 106.

Figure 5-3: Percentage of the disabled population or those with a long-term limiting illness volunteering at least once in the last 12 months, England

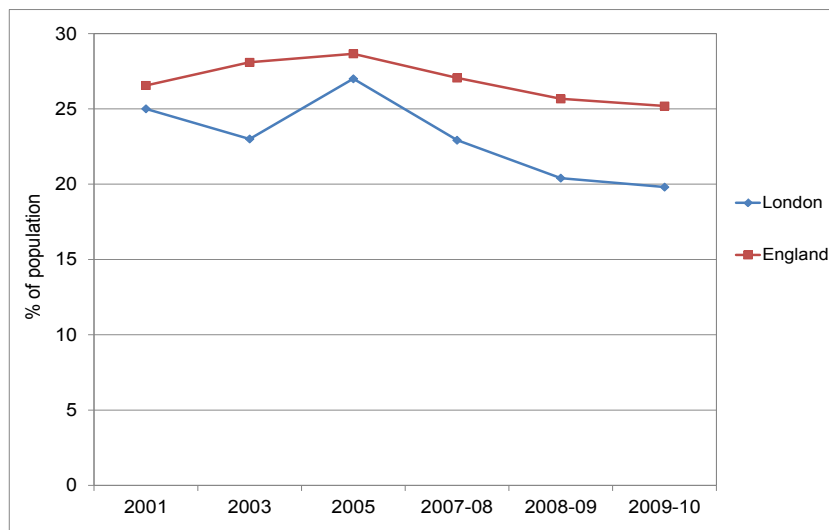


Source: Citizenship Survey.

The following chart shows that, according to the Citizenship Survey, about a quarter of the population of England volunteered formally at least once a month in 2009/10, having dropped from a peak of 29% in 2005. The decline in regular volunteering in London has been even sharper, dropping to below 20% in 2009/10, making London the joint worst performing region in England on this measure, along with the North West.

Although regular volunteers are well spread across age groups, the likelihood that a person volunteers at least once a month tends to increase with age, peaking at age 65 to 74 (perhaps due to an increase in leisure time following retirement) before dropping off significantly (possibly due to limitations placed by ill health or other factors associated with ageing). Again, those from ethnic minority groups record a lower rate of participation than those who are of white ethnicity, highlighting the need to broaden the range of opportunities available to ensure that they appeal to all ethnic groups.

Figure 5-4: Percentage of the population volunteering at least once a month



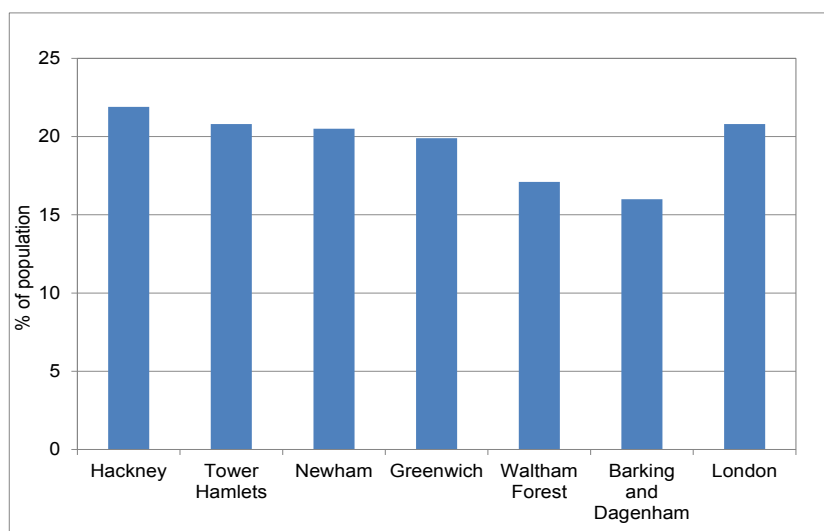
Source: Citizenship Survey.

Although the number of people participating in informal volunteering (defined by the Citizenship Survey as unpaid help given as an individual to someone who is not a relative) is higher than those volunteering formally, this measure has also been declining both in London and nationally. For example, the proportion of Londoners volunteering informally at least once

during the year fell from 69% in 2001 to 49% in 2009/10 (compared to a fall from 67% to 54% in England).

Data on regular volunteering (defined as giving unpaid help at least once a month over the previous 12 months) was also provided by the Place Survey in 2008. London, at (21%), is again the second lowest ranked region on this measure in England (23%). Volunteering rates in the host boroughs do not exceed the London average, except in Hackney (22%). Regular volunteering in Tower Hamlets is equal to the London average, yet falls to as low as 16% in Barking and Dagenham.

Figure 5-5: Percentage of the population giving unpaid help at least once a month in last 12 months, 2008



Source: Place Survey.

The Citizenship Survey also covers Wales, although the Department for Communities and Local Government (DCLG) only reports results for England. Volunteering rates in Scotland are found to be at similar levels to England. The Scottish Household Survey reports that, in 2007/08, 24.5% of people in Scotland gave up their time to volunteer over the previous 12 months, having seen a small increase since 2003.¹⁰⁷ Analysis of changes in volunteering in Scotland in the coming years, and the role of the 2012 Games in contributing to this, will be of particular interest given the potential to benefit the 2014 Commonwealth Games which is to take place in Glasgow. Formal volunteering over a 12-month period in Northern Ireland appears to be slightly lower (21% in 2007, having dropped from 29% in 2001).¹⁰⁸ However, these data come from different sources and may be based on different definitions of volunteering, so it is not possible to compare directly between countries within the UK.

The evidence suggests that there has been a small but perceptible decrease in volunteering since the baseline (2005), at least in England. It is possible that the changing demographic profile of the UK may be having an effect. An ageing population (increasing proportion of the population aged 75 and above) will reduce the supply of able volunteers, as hypothesised by the Joseph Rowntree Foundation (1995)¹⁰⁹, although the large 'baby-boomer' cohort is now reaching the age group (65-74) where volunteering rates are predicted to be highest.

The recent economic downturn may also be having an effect. Analysis of the Citizenship Survey finds that work commitments was the most common reason for not volunteering, so there is an argument to suggest that lower rates of employment should be accompanied by higher rates of volunteering. However, opportunities for employer-supported volunteering may have declined due to the recession. Moreover, it was found that only 5% of regular volunteers

¹⁰⁷ Scottish Household Survey.

¹⁰⁸ Volunteer Development Agency (2007). *It's all about time: Volunteering in Northern Ireland*.

¹⁰⁹ Joseph Rowntree Foundation (1995) 'The determinants of volunteering'.

say that it gives them a chance to improve their employment prospects, so it is unlikely that economic hardship or unemployment have been key motivators of volunteering.¹¹⁰

(ii) Policy counterfactual

The counterfactual analysis for the volunteering and community engagement sub-theme needs to consider the extent to which any observed increases in volunteering and community engagement would have occurred in the absence of the Games. It is hoped that the significant number of additional volunteering opportunities, which will exist in and around Games-time, will provide an increase in participation during 2012, and it is hoped that this will be sustained to some extent in future years.

Consultees agreed that promotion of volunteering and engagement on the scale which is currently taking place (including through Games Makers and the Inspire mark programme) is very unlikely to have happened if London had not been chosen to host the 2012 Games. In the without the Games scenario, one view was that there would have been continuing interest in the potential to use volunteering as a route back into employment but that this would be unlikely to create a shift in participation rates amongst the general population. In addition, it is expected that it may take some time for any forthcoming promotion of volunteering linked to the Big Society to translate into a significant shift in participation levels.

The media interest in the Games has also provided an opportunity to raise awareness of, and interest in, volunteering, which would otherwise have not taken place (for example the significant media coverage given to the launch of the Games Maker programme). The programmes in the policy counterfactual table below (and the rest of this chapter) are described in terms of the extent to which they are new/additional or whether existing programmes have been increased in scope through additional funding or other resources – 'increased scale' – or through other 'quality' enhancements.

Figure 5-6: Policy counterfactuals for volunteering

| Programme and description | Development in the absence of the Games |
|---|---|
| Games Maker | New, additional – programme would not have taken place in the absence of the Games which provides a specific need for large-scale recruitment of volunteers. |
| London Ambassadors (and other similar volunteering initiatives in other parts of the UK). | New, additional – programme would not have taken place in the absence of the Games which provides a specific reason for recruitment of volunteers. |
| Inspire programme ¹¹¹ | New, additional – programme would not have taken place in the absence of the Games which provides a specific reason for increased community activity/events to take place (although the extent to which projects/events which are awarded the Inspire mark are additional is unclear; further evidence will be provided by planned evaluation). |
| Social Action Fund | New (opened in September 2011), enhanced quality (focus) – social action inspired by the Olympics and Paralympics legacy is one of three themes under which grant applications can be submitted. It can be reasonably assumed that the programme would have taken place in the absence of the Games but without the specific Olympics and Paralympics strand. |

(iii) Outcome counterfactual

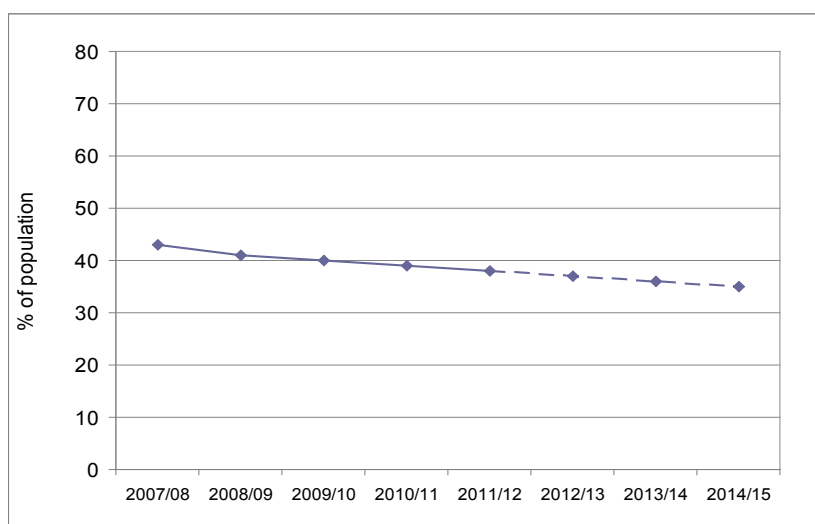
Unfortunately, there is not sufficient evidence on volunteering to construct a reliable quantitative model to test the effect of external economic and demographic factors on volunteering rates. Therefore, trend data from Taking Part, combined with surveys of

¹¹⁰ DCLG (2010). 2008/09 Citizenship Survey.

¹¹¹ It should be noted that the Inspire programme is also relevant to other Community Engagement and Participation sub-themes due the range of activity being undertaken.

volunteers, will be used to explore outcomes associated with the Games, and an initial analysis of the counterfactual position is shown in the chart below. As noted, there has been a declining trend in volunteering rates in England of around one percentage point per year in recent years. If this trend continues at the same rate it is likely that the proportion of the population undertaking formal volunteering at least once a year would fall to around 35% by 2014/15.

Figure 5-7: Percentage of the population participating in formal volunteering at least once in the last year (projected figures 2011/12 to 2014/15), England



Source: Citizenship Survey (actual figures) and Ecorys analysis (projections indicated by dashed lines from 2011/12 onwards).

Therefore the assumed counterfactual for participation in volunteering and community activity amongst the general population (and sub-groups including the disabled) is the continuation of recent trends. Equally, with stakeholders suggesting that disabled people can be reluctant to volunteer lest they be considered fit for work or incur a reduction in their benefits, and in the current climate where there is a re-evaluation of benefit eligibility taking place, this may also have been expected to have led to a reduction in volunteering rates amongst disabled people.

There are no plans for a comprehensive evaluation of Games Maker, although it is planned to undertake a survey of programme applicants designed to assess the additional impact of the programme on volunteering behaviour, and which will therefore inform a more robust estimate of the counterfactual position in 2012. Similarly, for Inspire, a survey will be distributed to project leads.

The assessment will also draw upon data relating to the previous volunteering behaviour of applicants (which was recorded as part of the application process). An estimate of the counterfactual will also be informed by drawing upon more general evidence provided by the ongoing survey of new users of the Do It website, as well as from primary research conducted with the organisers and volunteers from Inspire mark activity.

5.3 Culture

(i) Baseline

The Cultural Olympiad is an integral element of the Olympic and Paralympic Games. The 2012 Cultural Olympiad comprises a number of specific initiatives and programmes and offers an opportunity to foster engagement with the arts, reduce barriers to participation amongst specific groups, and promote excellence and the development of the creative industries sector.

*"Arts Council England is committed to getting great art to everyone by championing, developing and investing in artistic experiences that enrich people's lives."*¹¹² To that end, Arts Council England undertakes analysis

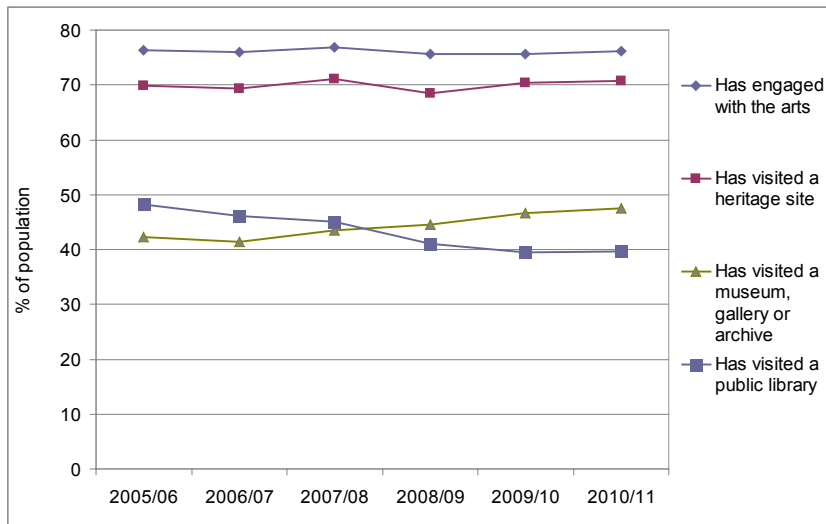
¹¹² Arts Council England (2010). Arts Engagement in England 2008/09: Findings from the Taking Part survey.

of findings from the Taking Part survey (which has been running annually since 2005) in order to assess the level of people's engagement in the arts in England.

Overall engagement with culture in the past 12 months

The following chart shows that a consistently higher proportion of the population have engaged in the arts or have visited a heritage site compared to those who have visited a museum, gallery or archive, or a library. There has been a small increase in the proportion of people who have visited a museum, gallery or archive, yet at the same time a small decrease in the proportion of people who have visited a library over the past three years; however engagement with the arts and visits to heritage sites have remained relatively stable.

Figure 5-8: Percentage of population who have visited a museum, gallery or archive, a public library, a heritage site or engaged with the arts in the last year, England



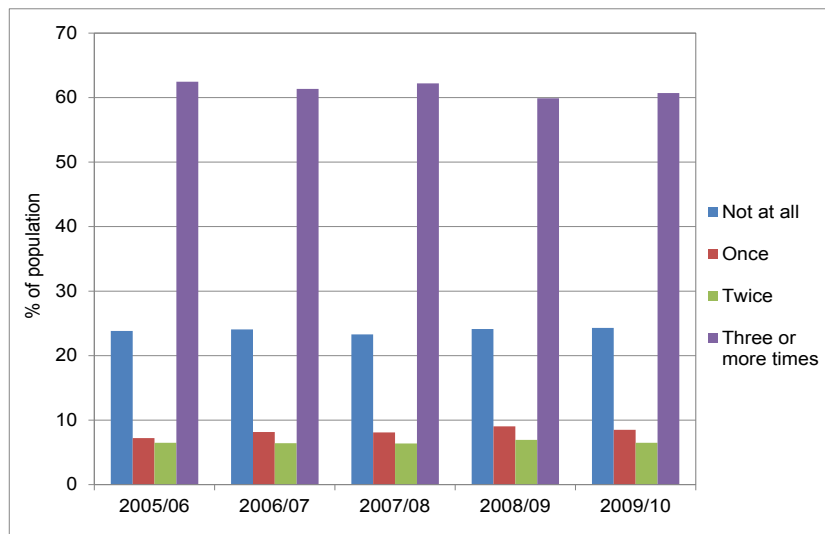
Source: Taking Part.

Overall level of arts engagement in past 12 months

The following chart, based on the Taking Part survey, shows that the level of arts engagement¹¹³ in England is quite polarised. While over 60% of adults tend to engage with the arts at least three times in a given year, nearly a quarter of adults do not engage with the arts at all in a given year. Meanwhile, a relatively small proportion of the population (about 15%) have a moderate engagement with the arts (engaging once or twice in a given year). This pattern has remained relatively unchanged over the last five years.

¹¹³ Arts engagement is defined as either participating in an arts activity or attending an arts event.

Figure 5-9 Percentage of population engaging with the arts, by number of times per year, England

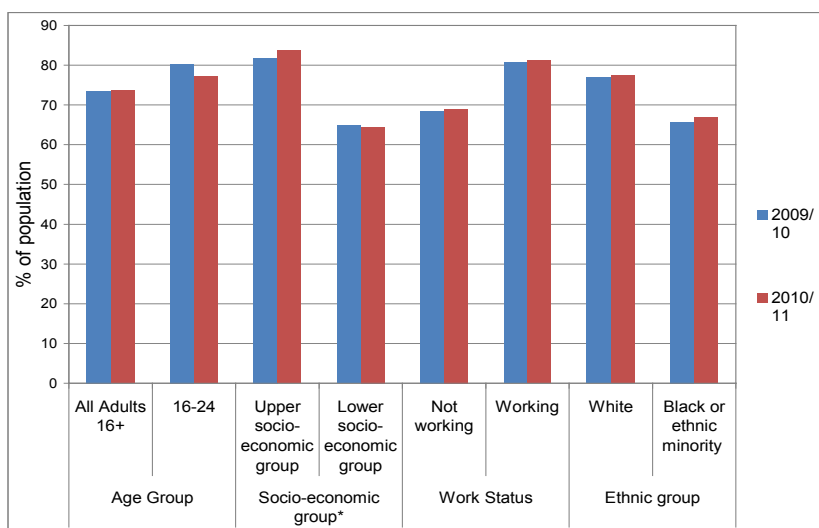


Source: Taking Part.

People are more likely to attend arts events than participate actively. In 2009/10, about two-thirds of adults attended at least one arts event during the year, while less than half participated. People were most likely to have attended an 'other' live music event (presumably mainly pop or rock performances), followed by a musical and a play or drama. In terms of participation, textile crafts was the most popular activity, with over 11% participating at least once during the year. The Taking Part survey also reveals an increase in the proportion of adults visiting museums or galleries since 2005, but a decrease in the numbers attending public libraries.

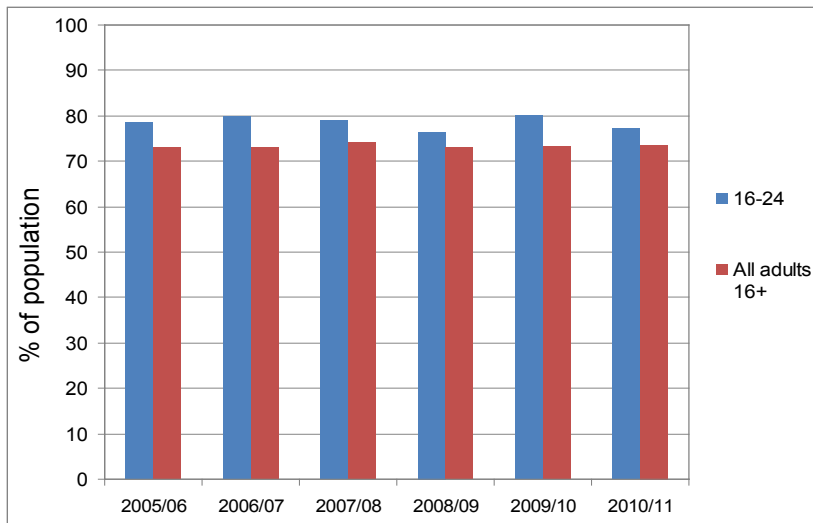
There are also significant differences in arts engagement across population sub-groups. As shown on the following chart, being from a lower socio-economic group is associated with significantly lower engagement with the arts, while people who were working were more likely than those not working to engage. In terms of ethnicity, black and ethnic minority groups are less likely than those of a white ethnicity to engage with the arts.

Figure 5-10: Percentage of the population engaging with the arts at least once in the past 12 months, England



Source: Taking Part.

Figure 5-11: Percentage of young people and adults engaging with the arts at least once in the past 12 months, England

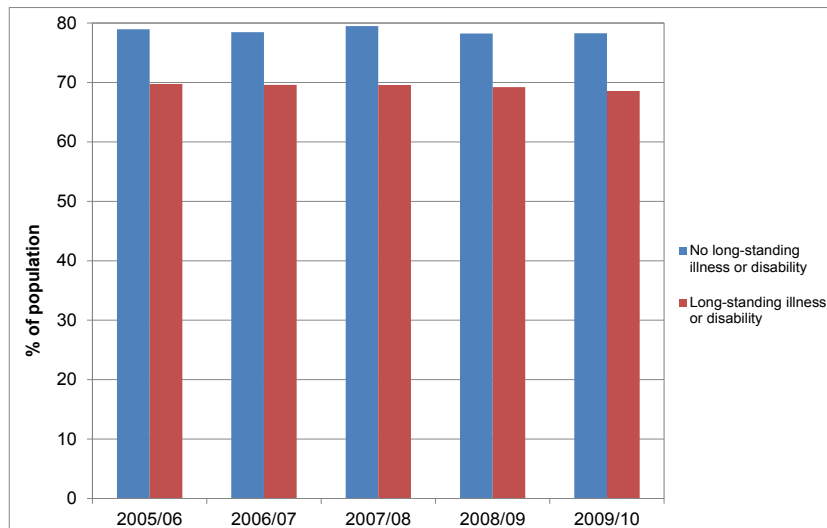


Source: Taking Part.

The results of the Taking Part survey show that over the past six years a consistently higher proportion of young people (aged 16-24) have engaged with the arts once or more in the past year compared to the engagement reported by all adults (aged 16+).

In addition, the Taking Part survey shows that the proportion of disabled people or those with a long-standing illness who have engaged with arts once or more in the past year is significantly lower, at around 10 percentage points less than non-disabled people or those who do not have a long-standing illness. The figure below highlights that this trend has been ongoing and fairly constant since 2005/06.

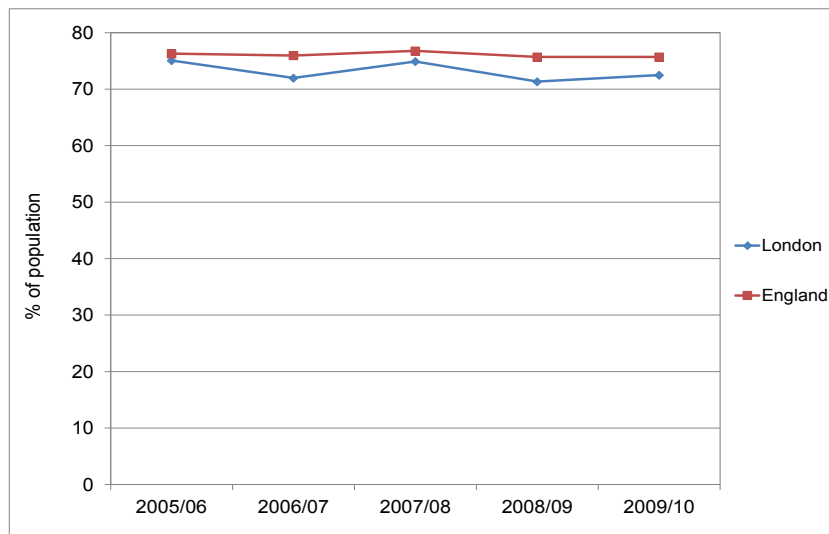
Figure 5-12: Percentage of disabled population or those with a long-term limiting illness engaging with the arts at least once in the last 12 months



Source: Taking Part.

The following chart shows that arts engagement in London is slightly below the national average. In the 2009/10 survey, 72% of adults in London engaged with the arts at least once in the previous year, compared to 76% in England. Although this measure has fluctuated over recent years, the data suggest that engagement in the arts has fallen in London over the last five years.

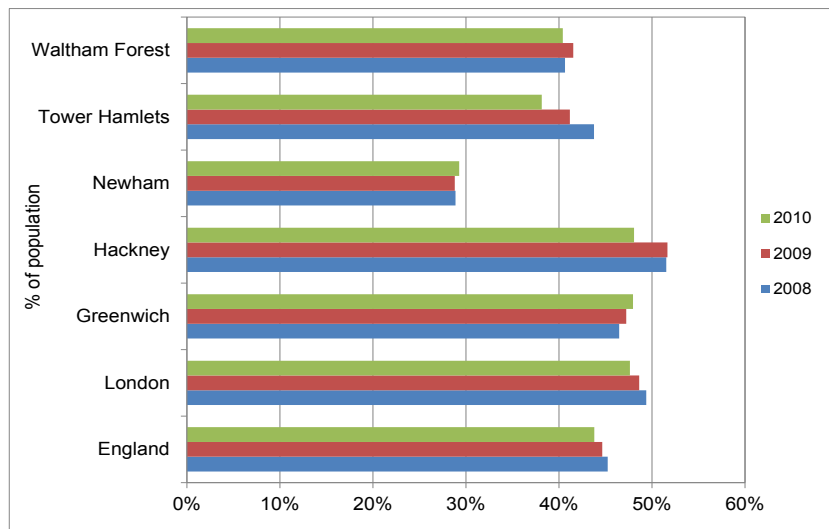
Figure 5-13: Percentage of population engaging with the arts at least once in the last 12 months



Source: *Taking Part*.

An alternative survey, *Active People*, provides data on arts participation at local authority level. In contrast to the *Taking Part* survey, this source finds that people in London are more likely than elsewhere in England to have attended an arts event or participated in an arts activity at least three times in a 12-month period for leisure purposes. In 2010, just under half (48%) of Londoners had participated in the arts at least three times compared to 44% nationally, although this proportion has fallen slightly over the last two years, as shown in the chart below. Of the host boroughs, Hackney has the highest level of arts participation (48%) while Newham has the lowest rate (29%).

Figure 5-14: Percentage of adult population that has participated in the arts for leisure at least three times in the last 12 months



Source: *Active People*.

Data on engagement with arts and culture in other countries in the UK are also available but are not directly comparable to the data for England due to different definitions of what constitutes an arts or cultural activity (for example, cinema attendance is included as an arts activity in the Wales survey but not in the England survey). The Scottish Household Survey reveals that, in 2009, about 74% of adults attended cultural activities in the last 12 months.¹¹⁴ Unlike England and Scotland, arts engagement in Wales saw an increase between 2005 and

¹¹⁴ Scottish Household Survey.

2010, with attendance in the last 12 months rising from 76% to 86% and participation increasing from 20% to 39%.¹¹⁵ In Northern Ireland, 76% of adults had attended an arts or cultural event in the previous 12 months in 2007, a small increase relative to 2004, while 22% had participated in an arts-related activity.¹¹⁶

A recent report by the Culture and Sports Evidence programme (CASE) analyses the drivers of engagement in culture and sport. It finds a strong correlation between high levels of education and socio-economic status and engagement in culture. Moreover, childhood experience of culture is a strong predictor of further engagement as an adult, suggesting that parental background can be a significant barrier to engagement with the arts. Women are more likely to attend arts events but less likely to participate in sport.

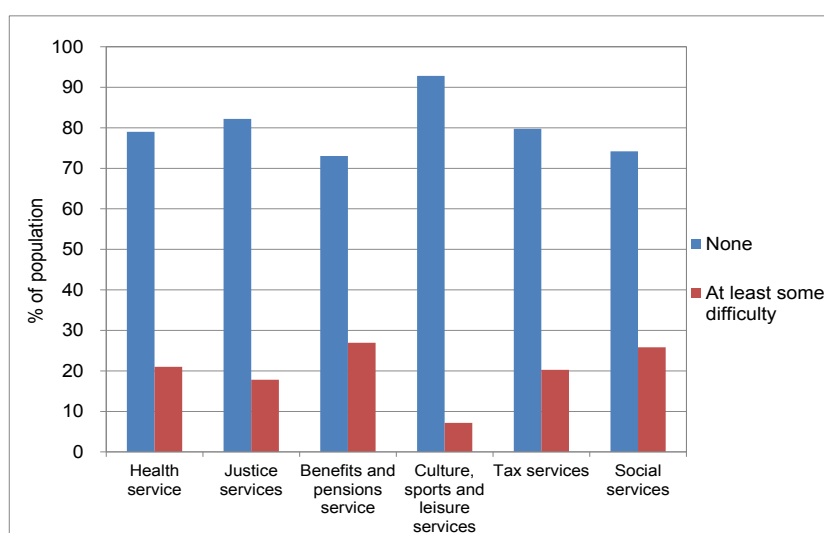
In terms of policy interventions, the report suggests that increasing the supply of cultural facilities or improving the affordability of engagement are not likely to impact significantly on levels of engagement. However, improving promotional activity and access to media, and removing barriers to engagement faced by those who have limiting illnesses, are found to be policy interventions that do increase engagement in culture.

Ability to participate in cultural services

Given the importance of removing barriers that prevent disabled people, and others, from accessing cultural services, it is interesting to explore the extent to which these barriers are experienced. The Life Opportunities Survey "is a new large-scale longitudinal survey of disability in Great Britain" and is the first survey to explore "disability in terms of the social barriers to participation that people experience, rather than only measuring disability in terms of impairments or health conditions".¹¹⁷ As this is a new survey, no time series information is available, although there is a commitment to future surveys.

According to the Life Opportunities Survey, only a small proportion of adults in Great Britain (7%) report that they have experienced difficulty when accessing cultural, sports and leisure services. As shown in the following chart, this is much lower than the level of difficulty experienced when accessing other public services.

Figure 5-15: Level of difficulty using public services for all adults in Great Britain, 2009/10



Source: Life Opportunities Survey.

However, the data suggest that disabled people experience significantly more difficulty accessing cultural services than those who are not disabled. As shown below, 14% of adults

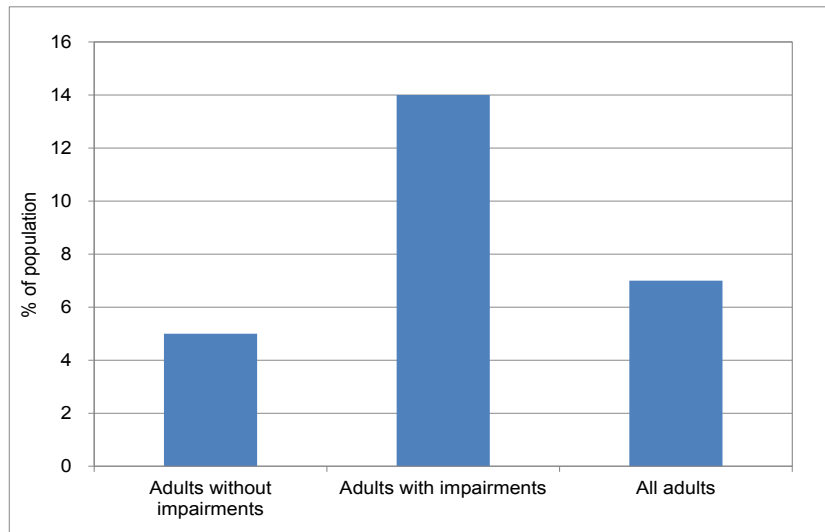
¹¹⁵ Art in Wales (2010). 'Attitudes, attendance and participation'.

¹¹⁶ Arts Council of Northern Ireland 'Arts and Culture in Northern Ireland 2007: Findings from the General Population Survey'

¹¹⁷ ONS (2010). Life Opportunities Survey Interim Results 2009/10.

with impairments have experienced at least one barrier, more than three times the rate of adults without impairments.

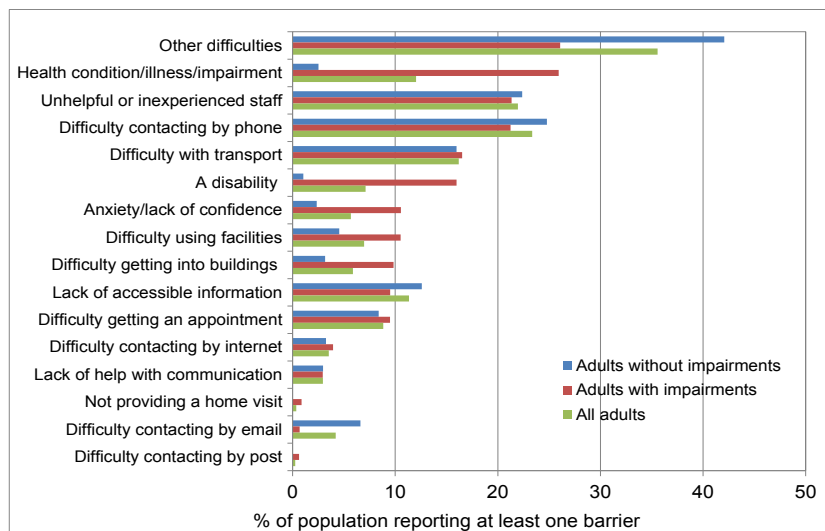
Figure 5-16: Percentage of adults experiencing at least one barrier to accessing culture, sports and leisure services, by impairment status, 2009/10



Source: Life Opportunities Survey.

Aside from 'other difficulties', the most common barriers experienced by both people with and without impairments include unhelpful or inexperienced staff, difficulty contacting by phone and difficulty with transport. However, as the chart below shows, adults with impairments are just as likely to cite their health condition, illness, impairment or disability as being a barrier to accessing culture, sports or leisure services.

Figure 5-17: Experience of barriers to culture, sports and leisure facilities in Great Britain by impairment status, 2009/10



Source: Life Opportunities Survey.

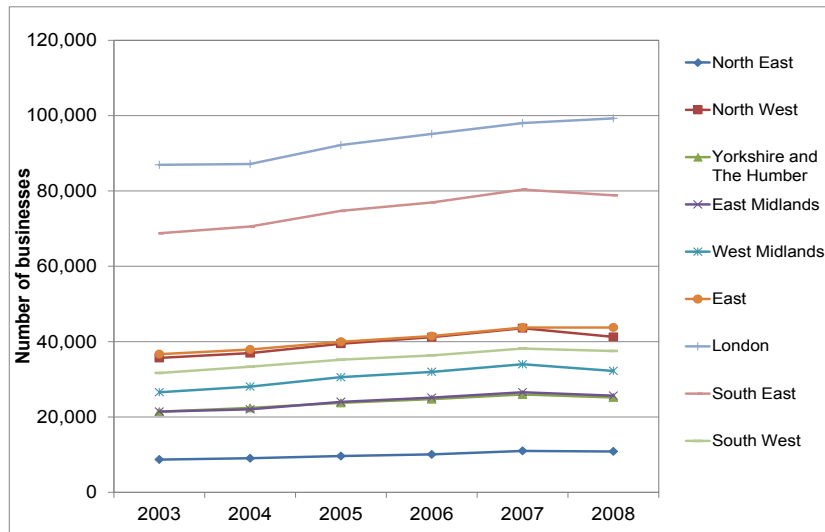
Size of creative industries sector

The creative industries sector has been identified as a key growth sector in rebalancing the UK economy. Software and electronic publishing makes up nearly half of this sector but publishing and advertising are also important industries. In total, the sector accounts for 5.6% of national GVA and 4.1% of exports, while nearly 2.3 million people are employed in creative jobs.¹¹⁸

¹¹⁸ DCMS (2010). Creative Industries Economic Estimates (Experimental Statistics).

The following chart shows that London has a larger creative industries sector than any other region in England. In 2008, there were nearly 100,000 registered businesses in this sector in the region, a figure that has been steadily growing since 2003, in line with trends elsewhere.

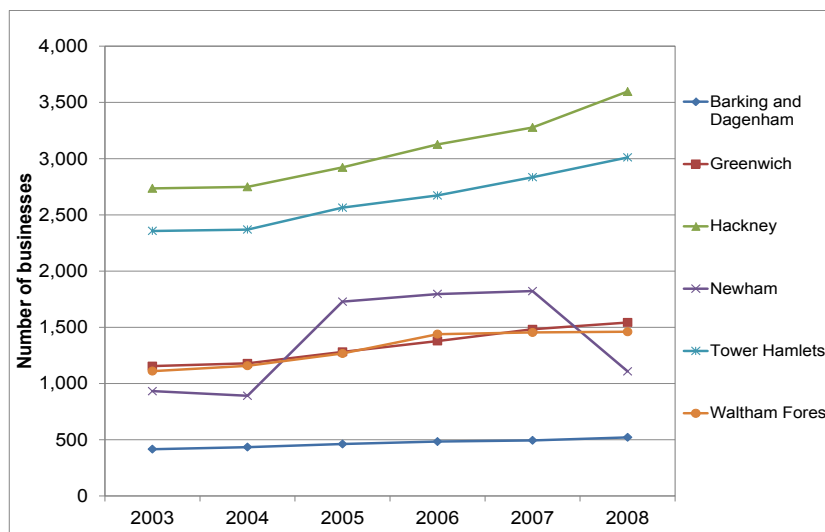
Figure 5-18: Number of businesses in the creative industries sector, by region



Source: Annual Business Inquiry.

Within the host boroughs, Hackney has the largest creative industries sector while Barking and Dagenham has the smallest, as shown below. Again, the trend since 2003 has been towards expansion.

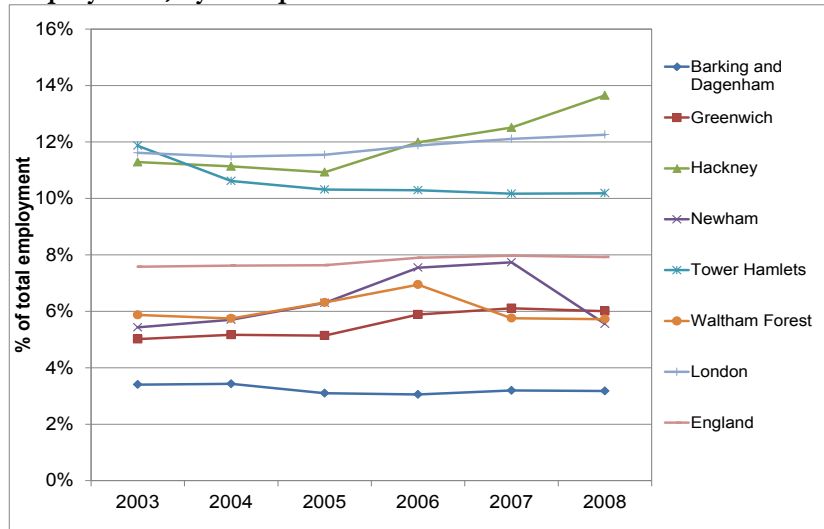
Figure 5-19: Number of businesses in the creative industries sector, by host borough



Source: Annual Business Inquiry.

In terms of employment in the creative industries sector, London is again well above the national average. About 12% of people working in London are employed in creative industries, compared to 8% in England as a whole, higher than any other region.

Figure 5-20: Employment in the creative industries sector as a percentage of total employment, by workplace location



Source: Annual Business Inquiry.

The chart again suggests that Hackney has a particularly large and growing creative industries sector, accounting for nearly 14% of employment in 2008. Hackney prides itself on being a creative industries hub and is "home to more artists and creative workers than anywhere else in Europe".¹¹⁹ Other host boroughs have lower than average employment in this sector.

(ii) Policy counterfactual

There is an aspiration that Cultural Olympiad activity will result in increased participation in cultural events, but also generate economic benefits by creating and supporting jobs in the creative sectors and encouraging international visitor activity (and associated expenditure). The counterfactual analysis for this sub-theme therefore needs to consider the extent to which any change in these indicators would have taken place anyway in the absence of the Games.

It is assumed that in the without the Games scenario there would have been no major new policy interventions focused on increasing cultural participation or developing the creative sector. However it is also important to note that the National Lottery is providing £2.2 billion of funding for the Games as a whole, some of which will be diverted from arts and heritage good causes. Therefore at least some of the funding secured for the Cultural Olympiad would have been spent on arts and heritage anyway, and consequently some of the observed gross impacts are likely to be deadweight. Funding is likely to be redirected back to the arts and heritage following the Games.

Another important aspect is the media focus on culture which the Cultural Olympiad (via its dedicated programmes and initiatives) is expected to generate. These marketing and promotional efforts are an important opportunity to increase levels of engagement and would not have taken place without the Games.

¹¹⁹ Hackney Borough Council.

Figure 5-21: Policy counterfactual for cultural programmes

| Programme and description | Development in the absence of the Games |
|------------------------------|---|
| Cultural Olympiad | Existing, increased scale – the programme itself would not have happened in the absence of the Games but there is evidence that a proportion of the funding would have been spent on arts and heritage anyway. |
| More specifically: | |
| Creative Programmers Network | This programme provides a UK-wide network to facilitate new approaches to the coordination of regional programming as well as a link to national Games-related themes and priorities. This programme would not have happened in the absence of the Games. |
| Legacy Trust UK | This programme would not have happened in the absence of the Games, although a proportion of the funding would have been spent on arts and heritage anyway. The focus on Games-related or inspired activity has generated new collaborations and synergies which would not otherwise have occurred. |
| Inspire mark | This programme would not have happened in the absence of the Games, and adds value by providing a coordinated branding and communications approach which has given greater visibility to otherwise dispersed and uncoordinated activity. |
| London 2012 Festival | This initiative would not have happened in the absence of the Games. It is a UK-wide curated festival, and the emphasis on free events, distinct thematic highlights and coordinated communications would be expected to attract new (non-arts) audiences. |

(iii) Outcome counterfactual

Therefore as a counterfactual in terms of cultural participation and the growth of the sector, it is assumed that existing trends (ie prior to the date that Cultural Olympiad activity commenced) would have largely continued in the absence of London's hosting of the Games up to 2012. For cultural participation this suggests in the short term a continuation of modest growth in attendance at museums, galleries and archives, and little growth in arts participation¹²⁰ as a counterfactual. For disabled people, trends could be expected to be roughly constant. Arguably, less tangible impacts from the delivery of the Cultural Olympiad are likely to be more easily realised (especially in the short term), in terms of increased standards of artistic excellence and an increased profile for the sector catalysed by the 2012 Games.

An evaluation of the Cultural Olympiad has been commissioned, which will be used by the meta-evaluation to explore additional impacts on the profile and organisation of the sector, as well as impacts on individuals (for example increased cultural participation linked to the 'hook' of the Games, or through increased access for disabled people inspired by Paralympic values). However, the evaluation is still in the scoping stage and the extent to which the evaluation will explore the counterfactual and issues such as the additionality of outcomes and displacement is unclear. If gaps exist in the project-level evidence base, the development of counterfactuals will be largely reliant on projecting forward observed trends in available datasets as above, which will limit the extent to which the effects of the Cultural Olympiad can be isolated from those of unrelated factors. The meta-evaluation team has worked to influence the scope and content of the study.

5.4 Engaging children and young people**(i) Baseline**

Activity under this sub-theme aims to use the Olympic and Paralympic values as a means to inspire and motivate children and young people. It is recognised that key programmes such as Get Set are not explicitly focused on improving educational performance; however, data on educational attainment and attendance in the host boroughs will be analysed as proxy measures

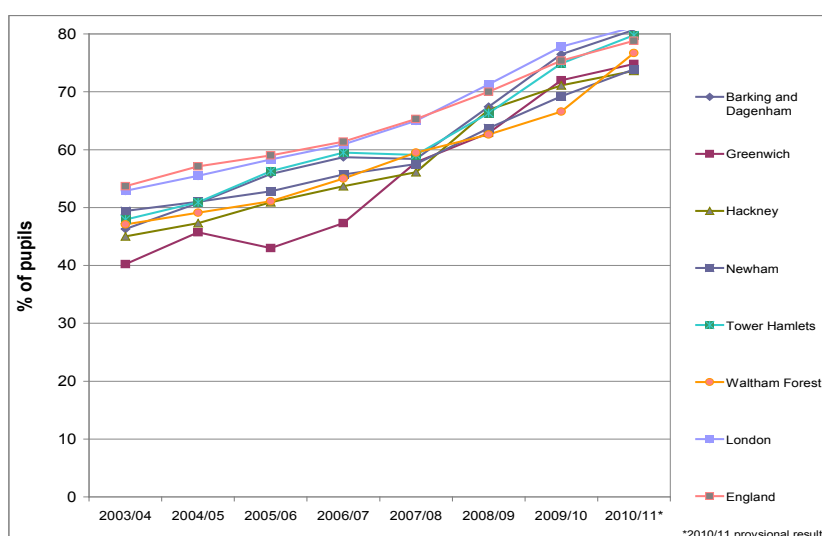
¹²⁰ DCMS Taking Part (2009/10). The National Survey of Culture, Leisure and Sport; Adult and Child Report.

for the anticipated inspirational effects. Other key projects such as the Prince's Trust's Opportunity 'inspired by' 2012 have a more direct link to improved attainment and progression.

GCSE attainment

The percentage of pupils achieving five or more A*-C grades including English and mathematics at GCSE has been steadily rising in England over the last few years, increasing from 44.7% in 2004/05 to 58.3% in 2010/11.¹²¹ Performance in the host boroughs has largely followed that trend with some boroughs (notably Barking & Dagenham, Hackney and Greenwich) significantly closing the gap, as shown in the chart below. London performs better than the national average on this measure. Moreover, in 2010/11 a higher percentage of pupils (61%) achieved five or more A*-C grades including English and mathematics in London than in any other region. The host boroughs have made significant progress in this area. For example in Hackney, 56.5% of pupils achieved five more A*-C grades including English and mathematics in 2010/11 compared to just 37% in 2005/06.

Figure 5-22: Percentage of pupils at Key Stage 4 achieving five or more GCSE grades A*-C or equivalent¹²²



Source: DfE.

In 2009/10, 54.8% of pupils of any white background in England achieved five A*-C grades at GCSE or equivalent compared to just 48.9% of pupils of any black background. This gap has narrowed by 4.5 percentage points compared to 2005/06.¹²³ Girls continue to outperform boys, although the attainment gap has narrowed by 2 percentage points since 2005/06.

English Baccalaureate

In 2009/10, the government introduced a new performance measure called the 'English Baccalaureate' (EBacc) which recognises where pupils have achieved a grade C or above across a core of academic subjects (English, mathematics, the sciences, geography or history and a foreign language).¹²⁴

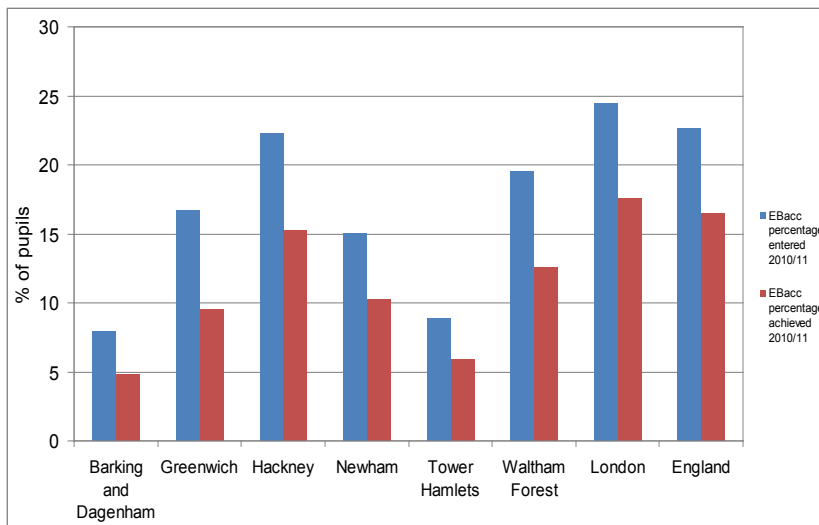
¹²¹ DfE (2011) GCSE and Equivalent Results in England 2010/11 (Provisional). SFR26/2011 <http://www.education.gov.uk/rsgateway/DB/SFR/s001034/index.shtml>

¹²² This measure includes any GCSEs and does not have to include English and mathematics.

¹²³ DfE (2010) Statistical First Release: GCSE and Equivalent Attainment by Pupil Characteristics in England, 2009/10.

¹²⁴ DfE (2010) English Baccalaureate. <http://www.education.gov.uk/schools/teachingandlearning/qualifications/englishbac>

Figure 5-23: Percentage of pupils entering and achieving the English Baccalaureate in 2010/11 (provisional)



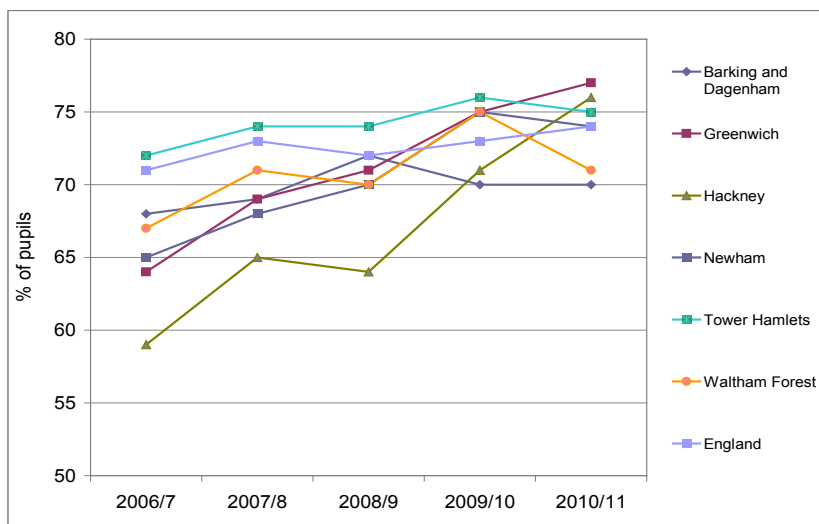
Source: DfE.

In 2010/11, the percentage of pupils entered for the EBacc in the host boroughs was between 8% and 22.3%, which was lower than the average entry rates for London (24.5%) and England (22.7%). Of the host boroughs, Hackney had the highest EBacc achievement rate (15.3%).

Key Stage 2 attainment

The percentage of pupils achieving the expected level of Level 4 or above in both English and Mathematics in Key Stage 2 tests has increased gradually from 71% to 74% in England over the last five years.¹²⁵ Among the host boroughs, children in Tower Hamlets have consistently performed slightly above the national average on this measure, while Hackney was the worst performing borough from 2006/07 to 2008/09 but has seen some significant improvement in 2009/10 and also 2010/11.

Figure 5-24: Percentage of pupils at Key Stage 2 achieving Level 4 or above in English and Mathematics



Source: DfE.

The gap in attainment between those children who are known to be eligible for free school meals and those that aren't known to be eligible is still significant despite narrowing over the

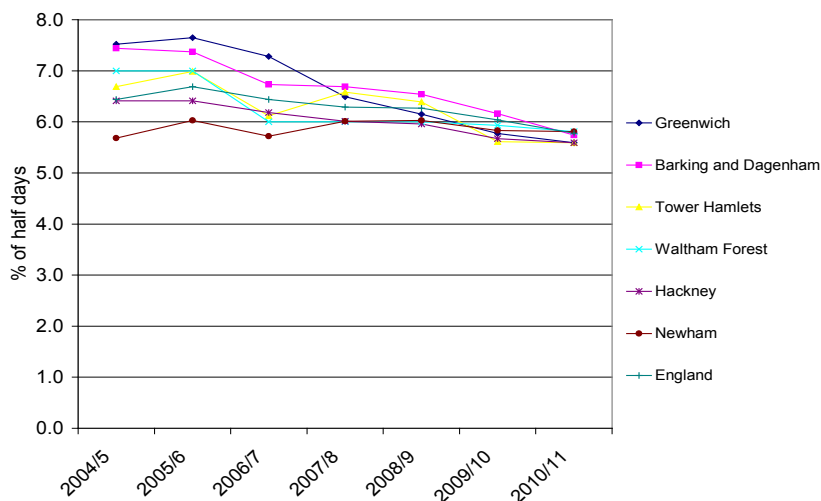
¹²⁵ DfE(2011) Interim Results for Key Stage 2 & 3 National Curriculum Assessments in England, 2010/11. SFR18/2011. <http://www.education.gov.uk/rsgateway/DB/SFR/s001018/index.shtml>

last five years. This gap stood at 21.3 percentage points in 2010 compared with 25.1 percentage points in 2006 for England.¹²⁶

School attendance

As shown in the following chart, approximately 5.7% of all half-days (primary and secondary) were missed due to authorised or unauthorised absence in England in 2010/11. All host boroughs except Newham have experienced a fall in absence rates between 2004/05 and 2010/11.

Figure 5-25: Percentage of school half-days missed due to authorised or unauthorised absence



Source: DfE.

Although data on ethnicity should be treated with caution due to potential under-reporting of certain groups, absence rates were highest for Travellers of Irish Heritage (22.6%) and Gypsy/Roma (17.2%) ethnic groups whereas the average overall absence rates for pupils of black (4.6%) and Chinese (3.4%) ethnic origin were well below the national average.

It is not compulsory for schools to state reasons for absence, although many do record it. In 2010/11 the most common recorded reason for absence was illness (accounting for 61.0% of absent sessions) with the next most common reason being an agreed family holiday (5.9%) or a medical/dental appointment (5.7%).¹²⁷ In the Parents'/Carers' Attitudes Towards School Attendance survey, almost all parents felt that it was unacceptable to take a child out of school to earn money (97%) or to go shopping (96%). However, taking a child to the doctor or dentist during school hours was deemed acceptable by nearly half (47%) of all parents/carers.¹²⁸ In an earlier study of absenteeism, 27% of primary school children said that they had truanted without the collusion of their parents and, in 17% of cases, pupils stated that they were able to leave school without being detected by a member of staff.¹²⁹

(ii) Policy counterfactual

The counterfactual analysis for this sub-theme needs to explore the extent to which any observed change in educational attainment (and other personal development outcomes) can be linked to the Games.

¹²⁶ As measured by those achieving Level 4 or above in both English and Mathematics in Key Stage 2 tests. DfE (2010) Statistical First Release: Key Stage 2 Attainment by Pupil Characteristics, in England 2009/10. <http://www.education.gov.uk/rsgateway/DB/SFR/s000972/index.shtml>

¹²⁷ DfE (2010) Statistical First Release: Pupil Absence in Schools in England, including Pupil Characteristics.

¹²⁸ Dalziel, D. and Henthorne, K. (2005) Parents'/carers' Attitudes Towards School Attendance.

¹²⁹ Malcolm, H. et al (2003) Absence from School: a study of its causes and effect in seven LEAs.

In policy terms, tackling social exclusion was a priority for the previous administration which introduced programmes such as Positive Futures¹³⁰ and established the Social Exclusion Unit and National Strategy for Neighbourhood Renewal. The Social Exclusion Taskforce, however, and related programmes were wound up in late 2010 by the new coalition government as part of the shift towards the Big Society agenda and reductions in public expenditure.

This suggests a high level of policy additionality with respect to Games-related activity under this sub-theme. The two main contributing interventions include Get Set and Opportunity Inspired by 2012. Get Set uses the Olympic and Paralympic values as a means to inspire and motivate young people; this opportunity only exists as a result of the successful bid and so the programme can be considered additional as it would not have taken place in the absence of the Games. Similarly, Opportunity Inspired by 2012 aims to use the UK's hosting of the Games as a means to provide young people with the skills and experience that they need to access future education, volunteering and employment opportunities. It aims to provide support for an additional 500 young people, over and above what the Prince's Trust would have delivered otherwise.

Figure 5-26: Policy counterfactual for education-based programmes

| Programme and description | Development in the absence of the Games |
|------------------------------|--|
| Get Set/Get Set + | New, additional – programme would not have taken place in the absence of the Games which provides a 'hook' to engage children and young people in a range of subjects, eg citizenship. |
| Opportunity Inspired by 2012 | Existing, increased scale and enhanced quality – work with target group was already taking place but funding allows the Prince's Trust to reach a greater number of young people and also uses the Games to provide opportunities. |

(iii) Outcome counterfactual

The outcome counterfactual for outcomes relating to this sub-theme would be the continuation of existing trends in pupil attainment and behaviour at the school and individual levels, and in the levels of disadvantage experienced by those socially excluded groups targeted by projects such as Opportunity Inspired by 2012. This can be estimated with reference to published statistical data for key socio-economic variables (such as employment status, income, etc) for the target groups.

In particular, it may be possible to explore relative change using school level data, comparing participating (network) schools with non-participants using difference-in-difference techniques which will look at and compare the pre- and post-intervention outcomes for both the treatment and control groups in order to provide an assessment of the net additional effects.

This assumes nonetheless that participating individuals are well targeted and would not have experienced similar benefits anyway (due, for example, to changes in wider external and non-policy factors). Given the diverse nature of activities such as Get Set, these assumptions will be tested out through identifying evidence of impact at the local and individual levels, rather than anticipating changes in national trends, through drawing on (and influencing) the evaluations of Get Set and Opportunity Inspired by 2012 respectively. The additional impact of wider convergence activities to help boost educational attainment within the host boroughs will be considered as part of the East London theme.

¹³⁰ Positive Futures is an activity-based social inclusion programme for young people aged 10-19 which was launched in 2001.

5.5 Sustainable living

(i) Baseline

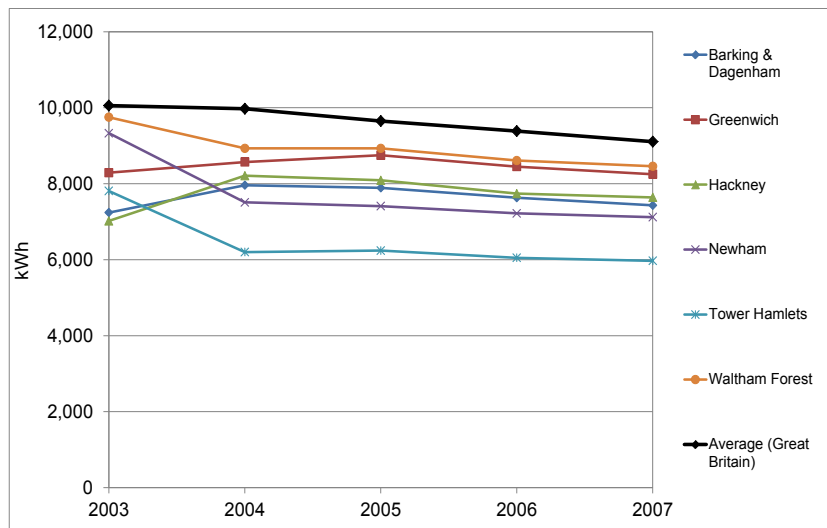
The principal rationale behind activity in this sub-theme is to use the catalyst of the Games to encourage increases in sustainable behaviour, including through DEFRA's Inspiring Sustainable Living programme. This can be measured by monitoring patterns of energy use, waste production and travel behaviour.

Since 2007, there is evidence that there has been an increase in the proportion of people willing to do things to help the environment and a mainstreaming of 'green' ideals. In the 2009 Survey of Public Attitudes Towards the Environment, 51% of people disagreed that 'being green is an alternative lifestyle, it's not for the majority' compared to 30% in 2007. In 2009, 55% of people said that they sometimes feel guilty about doing things that harm the environment, and a lower proportion than in 2007 reported that they find it hard to change their lifestyle habits to be more environmentally friendly. However, still more than one-quarter (28%, an increase from 27% in 2007) of people stated that the environment is a low priority when compared with other things in their lives.¹³¹

Domestic energy consumption per capita

The following chart shows that average domestic energy consumption across the countries and regions of Great Britain fell from 10,100 kWh per capita in 2003 to 9,100 kWh in 2007. Scotland has the highest per capita energy consumption (9,720 kWh) in comparison to the South West where it stands at 8,430 kWh per capita. All of the host boroughs have lower average domestic energy consumption than the national average, ranging from 8,500 kWh per capita in Waltham Forest to just 6,000 kWh per capita in Tower Hamlets. In line with national trends, domestic energy consumption has been falling in all the host boroughs since at least 2005.

Figure 5-27: Total domestic energy consumption per capita



Source: Department for Energy and Climate Change.

The reasons for this decrease may include improved efficiency of household appliances or increased energy prices leading to falling demand. Nevertheless, a survey by DEFRA reveals that there has been a significant shift in people's attitudes towards energy consumption over a relatively short period of time. In 2009, just 14% of people admitted to not giving much thought to saving energy in the home compared to 23% in 2007. Moreover, 76% of people in 2009 reported cutting down on the use of gas and electricity compared to just 58% in 2007.¹³²

¹³¹ Department for Environment, Food and Rural Affairs (2009). Public attitudes and behaviours towards the environment – tracker survey.

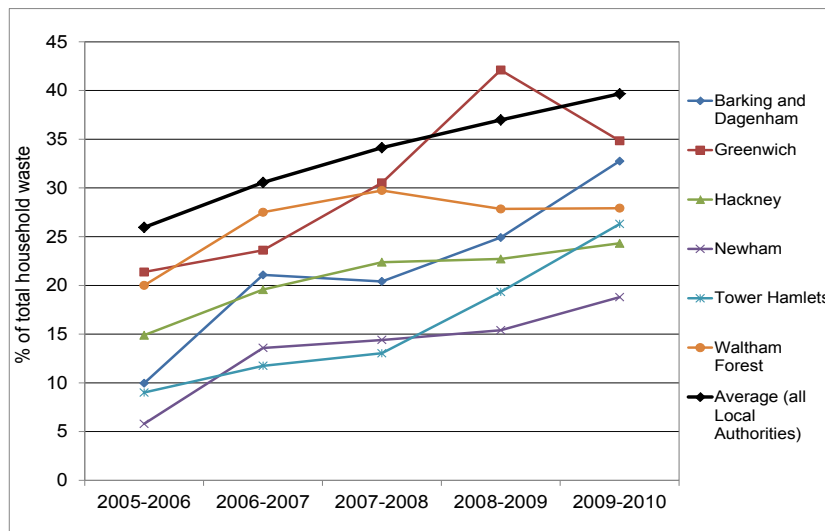
¹³² DEFRA (2009). Public attitudes and behaviours towards the environment – tracker survey.

The underlying factors driving this increase are likely to range from higher energy prices to an increased awareness and desire for sustainable living.

Recycling

Household waste generation in England has been decreasing annually since 2006/07. Between 2008/09 and 2009/10 there was a 2.7% decrease in the amount of household waste being produced.¹³³ This has coincided with an increase in proportion of household waste sent for recycling. Recycling, composting or reuse has risen in all the host boroughs since 2005/06, with rates tripling in Barking & Dagenham, Newham and Tower Hamlets. Nevertheless, rates are still lower in all host boroughs than the average of all local authorities in England.

Figure 5-28: Percentage of total household waste recycled, composted or reused



Source: DEFRA.

Attitudes towards recycling are overwhelmingly positive. In a recent study by DEFRA, 86% of respondents agreed that people have a duty to recycle whilst only 6% disagreed.¹³⁴ However, the extent to which people agree with this statement appears to be affected by age. 91% of people over the age of 65 believe that people have a responsibility, compared to 79% of people aged 16 to 24. More than four-fifths of Londoners (81%) are satisfied with the collection of recycling from their households, with just 5% expressing dissatisfaction.¹³⁵ This is echoed across all of the host boroughs, and none more so than Greenwich where 93% of residents are satisfied with the current system of household recycling collection.

In England as a whole, 91% of people stated that they were throwing away less items than they recycled in 2009, compared to 70% in 2007. This corresponds with significant increases in the proportion of residents benefiting from doorstep recycling collections. Moreover, over this same period, the proportion of people saying that they always or very often reuse items more than doubled from 18% to 45%.

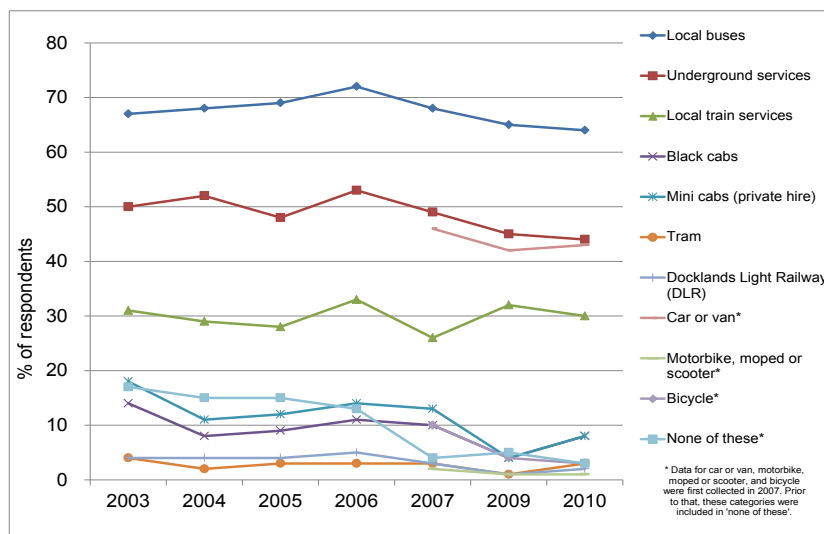
Regular use of transport

The chart below shows the percentage of the London population that regularly uses different modes of transport. In 2010, 64% of Londoners regularly used local buses, 44% used Underground services, 43% used a car or van and 30% used local train services. However, the chart shows a marked reduction in bus and Underground usage since 2006. Moreover, regular bicycle usage fell from 10% in 2007 to 3% in 2010.

¹³³ DEFRA (2010). Statistical Release: Municipal Waste Management Statistics for England 2009/10.

¹³⁴ Department for Environment Food and Rural Affairs (2010). 2010 Omnibus Survey on Public attitudes and behaviours towards the environment.

¹³⁵ BMG Research (2010). Annual London Survey.

Figure 5-29: Percentage of population regularly using different modes of transport, London

Source: Annual London Survey.

In terms of the outlook for Great Britain as a whole, the most frequently used mode of transport in 2009 (based on the average number of trips per person) was the car (41%) followed by walking (23%), with the least popular mode being rail (3%).¹³⁶ The number of car driver and car passenger trips has decreased by 7% and 9% respectively since 1995/97. However, the average journey length has remained largely the same. Total vehicle consumption per capita (measured in terms of tonnes of fuel) in London is much lower than the national average: 0.3 tonnes in comparison to 0.6.¹³⁷ In Waltham Forest and Hackney, the vehicle consumption per capita is even lower than the London average (0.2 tonnes).

Since 1995/97 there has been a significant decrease in the annual number of transport journeys made per person in Great Britain. The number of shopping trips made fell by 18% and commuting fell by 16%. However, whilst the average distance travelled for a shopping trip has decreased by 4.9 miles since 1995/97, commuting distances have risen from 8.2 to 8.6 miles.¹³⁸

Cheaper bus and tube fares, reducing traffic congestion and more reliable buses and tubes were identified as the top three aspects of transport in need of improvement in the 2010 Annual London Survey, with these issues increasing in importance compared to the previous year. Moreover, between 2009 and 2010 there was a 14 percentage point increase in the number of people identifying a need for improvement to roads, which remain the highest priority for improvement compared to other transport modes. However, 22% of respondents felt that the 2012 Games will bring longer-term benefits for London's transport system, although this represents a reduction of two percentage points when compared to responses from the previous year.¹³⁹

(ii) Policy counterfactual

The counterfactual analysis for this sub-theme needs to investigate the extent to which observed changes in sustainable behaviours would have taken place in the absence of the Games. Given the nature of activity, the assessment of the effect of relevant interventions will focus in the short term on identifying change at a local level rather than anticipating significant changes in national trends (although it is hoped that post-Games the funded project will expand and develop, helping to create a wider effect).

The hosting of the 2012 Games provides a unique impetus to encourage behavioural change, particularly by using it as a way to reach people who are interested in the Games but have not

¹³⁶ DfT (2009). National Travel Survey 2009.

¹³⁷ Department of Energy and Climate Change (2010). High level energy indicators 2007.

¹³⁸ DfT (2009). National Travel Survey 2009.

¹³⁹ BMG Research (2010). Annual London Survey.

previously shown an interest in sustainability. However, the funding which DEFRA has provided to Games-related projects through the Inspiring Sustainable Living Fund has been diverted from the Greener Living Fund, which also exists to encourage more sustainable behaviour amongst individuals and households. The key difference between the two funds is the requirement for projects supported by Inspiring Sustainable Living to use the Games as a mechanism to promote and encourage change. As noted, this is expected to support targeting of a different segment of the population and so may yield higher levels of change. Project-level evaluation findings will be used to inform an assessment of the extent of potential deadweight.

Figure 5-30: Policy counterfactuals for sustainable living programmes

| Programme and description | Development in the absence of the Games |
|---|--|
| Inspiring Sustainable Living (ISL) Fund | Existing, enhanced quality (focus) – money diverted from Greener Living Fund which also exists to encourage sustainable behaviour, but ISL projects use the Games as a 'hook' to encourage behavioural change. |

(iii) Outcome counterfactual

The assumed counterfactual is that, in the absence of the Games, there would have been no significant additional driver of individual behavioural change (energy and resource use and travel behaviour), except for work targeting households, for example the RE:NEW programme being delivered in London and work being undertaken by energy providers more widely as part of efforts to meet the UK's carbon reduction targets (the undertaking of which is largely unaffected by the presence of the Games). However, it should be noted that the ODA plans to invest over £1 million in carbon reduction measures for local housing and schools in four of the host boroughs and that this will be done by building on the existing RE:NEW programme. This represents additional funding for RE:NEW which would not have been available in the absence of the Games.

This counterfactual scenario would therefore be represented by existing forecasts (of emissions, energy and resource use, to the extent that these incorporate the target reductions in household energy use which energy companies and others are working towards, for example through CERT¹⁴⁰) and/or analysis of current trends (relating to transport behaviour).

It may be possible to quantitatively define the counterfactual by exploring relative change in 2012, comparing trends in key variables observed pre- and post-intervention in East London (also London as a whole) with data for the rest of the UK, using difference-in-difference techniques in an attempt to highlight the net effect.

5.6 Influencing attitudes towards disabled people

(i) Baseline

The Olympic and Paralympic Games are seen by the International Paralympic Committee (IPC) as an important event in terms of providing a catalyst for changing public perceptions of disability. Before, during and after London 2012, organisations such as Channel 4 will attempt to maximise these benefits through their programming schedules and approach to televised coverage of Paralympic events.

Generally speaking, attitudes towards disabled people have been improving since 2005, as measured by the British Social Attitudes Survey (BSAS).¹⁴¹ In 2009, a smaller proportion of people said that they thought of disabled people as 'getting in the way' (7% compared with 9% in 2005) or with some 'discomfort and awkwardness' (17% compared with 22% in 2005).

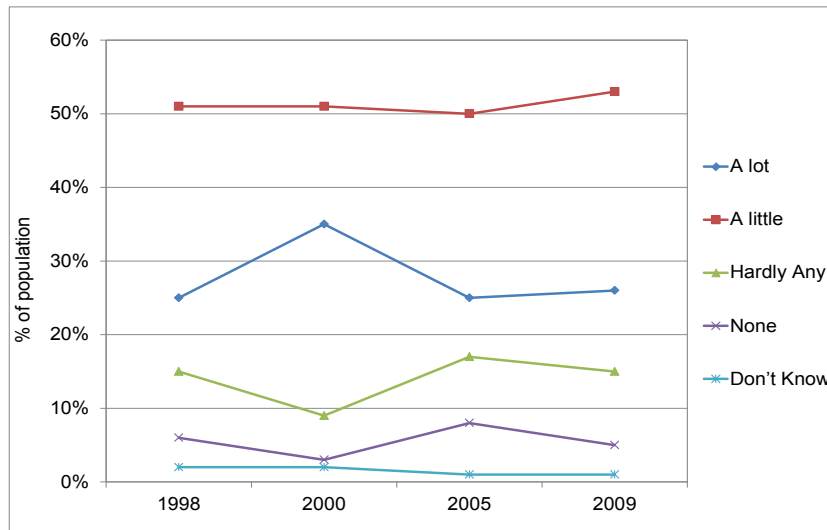
¹⁴⁰ Carbon Emissions Reduction Target – an obligation which requires all domestic energy suppliers with a customer base in excess of 50,000 customers to make savings in the amount of CO₂ emitted by householders.

¹⁴¹ Based on specific modules on attitudes towards disabled people asked in 2005 and 2009 in British Social Attitudes Survey (BSAS). See Office for Disability Issues (2010) 'Public Perceptions of Disabled People: Evidence from the British Social Attitudes Survey 2009'.

People were also more likely to think of disabled people as the same as everybody else (85% in 2009 compared with 77% in 2005).

However, the same survey data (BSAS), shows that the majority of people still feel that prejudice against disabled people exists in British society and is not getting any better. In 2009, almost four in five people (79%) felt that disabled people face a lot or a little prejudice, a four percentage point rise compared to 2005. Over a quarter of respondents (26%) felt that there was a lot of prejudice against disabled people.

Figure 5-31: How much prejudice people feel there is against disabled people



Source: British Social Attitudes Survey.

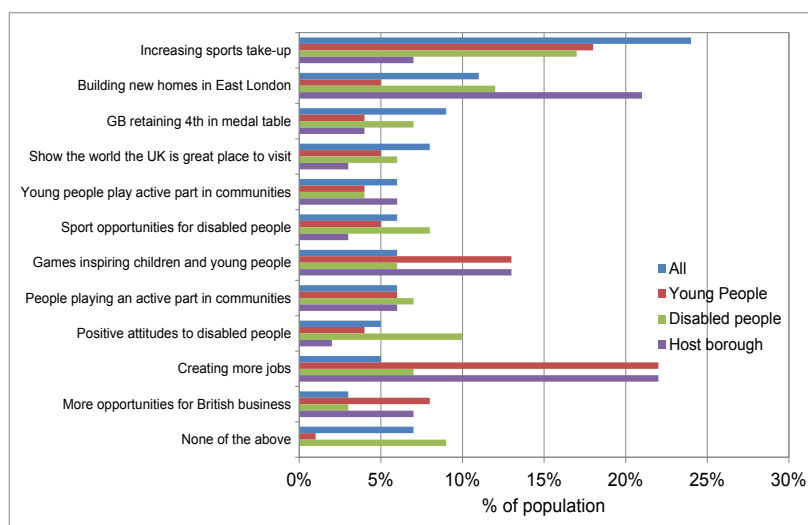
The findings of the British Social Attitudes Survey regarding gender and prejudice towards disabled people align with many other studies that have shown that women are more likely than men to express positive attitudes towards disabled people. Eight out of ten women revealed that they are comfortable with someone with a physical or sensory impairment living next door, compared to just seven out of ten men. Moreover, there is a positive relationship between educational attainment level and comfort around disabled people. Almost three-quarters of people in the higher education group compared with 60% of people in the lower education group said they would feel very comfortable with a friend or family member marrying someone who is physically impaired.¹⁴²

Public attitudes can be seen to translate into differing levels of awareness and support for Games-related aims around disability. The London 2012 Legacy Tracker Survey asked respondents to assess the importance of different Government aims for the Games. Generating positive attitudes towards disabled people was considered to be the most important aim for the Games amongst 10% of disabled people, and was the third most popular response amongst this group overall. However, for the general population, positive attitudes towards disabled people were considered much less important. This was the second lowest response given for the population as a whole, the joint lowest for young people and the absolute lowest response for people living in the host boroughs, who appear to be most concerned about new homes and jobs.

However, the number of people ranking sports opportunities for disabled people to be the top priority was slightly higher. By adding these two responses together we find that 11% of the general population feel that the Government's priorities for disabled people are more important than any other aim for the Games. Moreover, the survey also reveals that nine out of ten people feel that it is important that the Games deliver long-term benefits for disabled people.

¹⁴² Office for Disability Issues (2010). Public Perceptions of Disabled People: Evidence from the British Social Attitudes Survey 2009.

Figure 5-32: Importance of Government aims for the Games, percentage ranking each option as the most important, 2009



Source: London 2012 Legacy Research, COI, 2009.

(ii) Policy counterfactual

An intended legacy of the 2012 Games is to leave a lasting improvement in attitudes and perceptions towards disabled people across the UK, particularly their economic contribution to society. This is intended to be achieved through increasing awareness of disability sport, through the media coverage planned on Channel 4 of the Paralympic Games and through increasing opportunities for disabled people in volunteering and arts and culture, all of which will be made 'more visible' through Games coverage.

The TfL legacy plan (*forthcoming*) also aims to help improve perceptions and promote a positive image of disabled people (this may occur through public information campaigns on public transport, but is as yet undecided). All of this activity has the potential to impact positively on attitudes towards disabled people, relative to the counterfactual position.

Figure 5-33: Policy counterfactual for influencing attitudes towards disabled people

| Programme and description | Development in the absence of the Games |
|--|---|
| Channel 4's coverage of the Paralympic Games (and associated programming). | New, additional – Paralympics coverage previously provided by the BBC with no supporting/ associated programming. |

(iii) Outcome counterfactual

In terms of the counterfactual position, public attitudes towards disabled people have generally improved between 2005 and 2009.¹⁴³ The counterfactual position is that without the catalyst provided by the Games, public attitudes towards disabled people would have continued to change in line with historical trends. An alternative hypothesis would be that attitudes may have in fact stabilised or worsened slightly over the period, due to negative stereotypes of disabled people being reinforced, for example through some media coverage of changes to benefits for disabled people and measures to encourage disabled people back into work.

Interviews with policy stakeholders suggest that the 2012 Games has provided the opportunity to build the momentum to promote positive messages about disabled people and their contribution to society, whereas in the without the Games scenario it would have been difficult for Government to undertake positive promotional activity on such a large scale. The

¹⁴³ Source: feedback from interview with ODI based on British Social Attitudes survey data from 2005 and 2009.

Government's policy focus since 2005, when the Office for Disability Issues was established, has been on assisting and influencing policymakers across government in the achievement of disability equality and a strong legislative framework exists to support this. The 2012 Games has afforded the Office for Disability Issues the opportunity to incentivise departments to meet requirements, for example in creating more accessible transport, alongside their usual remit of encouraging departments to meet legislative requirements. In the longer run this should ultimately improve disabled people's participation in society.

Equally, the 2012 Games provides an unprecedented opportunity for generating positive media coverage of disabled people, on a scale that is unlikely to have taken place without the event. Channel 4, a publicly owned but commercially funded Public Service Broadcaster, is hosting coverage for the Paralympic Games. The 2012 Games provides the opportunity for the private sector, government and the voluntary sector to work together to influence coverage of disabled people and thus influence perceptions. For instance, the Games has provided a timely opportunity for government to discuss the disability sports agenda with broadcasters, which may not have happened without the Games as the impetus.

An interview with Channel 4 also showed that media coverage offers the possibility to increase the volume/amount of coverage (air time) of disabled sports/Paralympic Games/disabled athletes (and compared with previous Olympics). This is planned for by a programme of coverage led by Channel 4 and also via a commitment to aim towards ensuring that 80% of TV presenters, commentators and other talent in front of and behind the camera are disabled people. The quality of media coverage of disabled people can also influence perceptions, and Channel 4 intends to promote positive images of disabled people, for example portraying the sporting achievements of disabled athletes in their own right and running programmes that explain various disabled sports. The assumed counterfactual position here is that baseline levels of media coverage would persist (across TV, print and internet) giving no additional opportunity to influence perceptions and attitudes through these channels. Therefore, perceptions would be expected to stay in line with existing trends. Primary research on the volume of media coverage related to disability attitudes is currently being considered as a priority.

Any changes in public perceptions can be measured by repeating the BSAS question modules in 2012 and post-Games, and comparing this with the historical trend. The volume of coverage and audience figures are being measured by Channel 4; changes in quality will also be measured qualitatively, through an analysis of the tone and language of a sample of broadcast and other media content before and after the Games. Without implementing either of these methods, it will be difficult for the meta-evaluation to provide an assessment of the Games' impact on public attitudes, relative to the counterfactual position.

5.7 Overarching social indicators

(i) Baseline

The shared rationale for intervention in respect of the legacy's community engagement and participation sub-themes is that the Games and associated programme of activities have the potential to support the development of not only more active and successful communities, but also more cohesive communities. The baseline position is considered below with respect to two key indicators: people from different backgrounds who get on well in their local area, and satisfaction with the local area.

Community cohesion

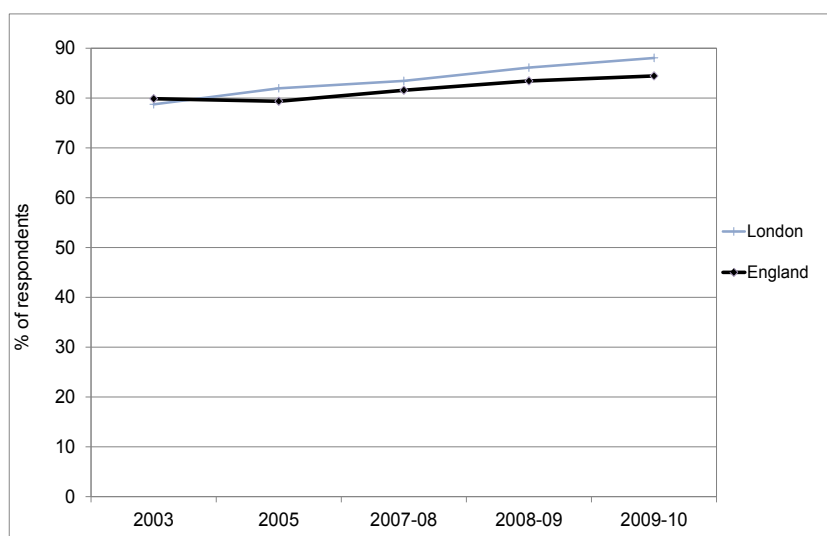
The characteristics of an area have a strong bearing on the extent to which individuals perceive their area as cohesive. For example, in 10% of the most deprived localities in England and Wales 69% of people felt that their area was socially cohesive compared to 91% of people in the least deprived areas.

According to the Citizenship Survey, the most common barrier to social cohesion was the lack of association and social contact with people from different backgrounds (25%). Other common reasons included different values (15%) and different cultures (13%). Since 2007,

there has been a decrease in the number of people mentioning race issues or skin colour as a barrier.

Community cohesion in London is very high, as shown in the chart below. According to the 2009/10 Citizenship Survey, over 88% of Londoners agree that their local area is a place where people from different backgrounds get on well together. This is four percentage points higher than the England average and represents a nine percentage point increase since 2003. On this measure, London is the second highest ranked region in England after the South West.

Figure 5-34: Community cohesion – percentage of population agreeing that local area is a place where people from different backgrounds get on well together



Source: Citizenship Survey.

There is a distinct relationship between fear of crime and social cohesion. According to the Citizenship Survey, 64% of people who were 'very worried' about becoming the victim of crime believed that their local area was less cohesive than those who were 'not worried at all'. There is an overarching tendency for women to be more concerned about crime than men. For example, in the Beckton area of Newham, 61% of women admitted to worrying about crime compared to just 31% of men.¹⁴⁴ It should be noted that in this locality the differences are particularly stark (even in comparison to surrounding areas) and this does not quite reflect the situation of England as whole: 47% of women and 37% of men worry about crime.¹⁴⁵

(ii) Counterfactual

One of the overarching aims of the community engagement and participation legacy theme is to encourage improved community cohesion. The scale and profile of the Games and associated legacy activity provide an opportunity to improve cohesion (and satisfaction with place) by bringing communities together to engage with the Games and participate in related activity.

Other events, such as the recent Royal Wedding and the forthcoming Queen's Diamond Jubilee, have also created similar opportunities, but the scale of the Games and the longevity of its build up and potential legacy mean that it offers the potential for a greater and more sustained effect. The assumed counterfactual scenario in the absence of the Games is therefore the continuation of existing trends in levels of cohesion, or else a slight decline, given the economic uncertainty facing the UK at this time.

This will be explored by considering trends in national survey findings concerning related indicators (although it will not be possible to fully isolate the effect of the Games from that of unrelated factors). In addition, any project-level evaluation findings which relate to cohesion

¹⁴⁴ London Borough of Newham (2008). Newham Household Panel Survey (NHPS) Wave 5 Report.

¹⁴⁵ Note that this data comes from the Citizenship Survey and as a result of varying data collection; it is not directly comparable with the outcomes of the Newham Household Panel Survey.

will also be used to provide an insight into the contribution of the Games, particularly at a more localised level.

6 Driving the regeneration of East London

6.1 Introduction

The strategy for the East London legacy theme is to ensure that the Olympic Park can be developed after the Games, and the achievement of convergence of socio-economic chances for the local host communities by 2030. The convergence ambition is being driven by the host boroughs of Greenwich, Hackney, Newham, Tower Hamlets, Waltham Forest, and Barking & Dagenham while the Mayor of London will be accountable for the regeneration of the Olympic Park after the event, with a Mayoral Development Corporation (MDC) being responsible for delivery. The MDC is expected to become operational on 1 April 2012, with the assets and funding of the OPLC transferring into the corporation at that date.

This baseline and counterfactual position for the East London regeneration theme is structured according to the following sub-themes:

- Transforming place: The physical development in and around the Olympic Park, including land remediation, venues and the development of the Park itself;
- Transforming communities: The development of homes and other community facilities, leading to improvements in community cohesion;
- Transforming prospects: The enhancement of economic prospects from the 2012 Games around employment, skills development and business investment;
- Convergence: The aspiration that "*within 20 years, the communities which host the 2012 Olympic and Paralympic Games will enjoy the same social and economic chances as their neighbours across London*".¹⁴⁶

The purpose of the sub-themes is to provide a framework to group the various legacy activities, government objectives and associated investments in East London. The first three sub-themes group a set of actions to transform the locality, while the last sub-theme is an outcome oriented theme around better economic and social outcomes for residents of East London. Convergence will be met through the various activities in the other sub-themes, but goes wider by looking at health and other quality of life outcomes.

The sub-themes can also be viewed as a framework for analysis of both place-based and people-based changes. The boundary for place-based analysis is more clearly defined as its purpose is to explore physical changes within a definite boundary. Benefits for people are more difficult to identify within geographic boundaries as people are mobile and business interests are varied. In particular, benefits are likely to accrue to people and businesses outside of East London. Analysing both place and people sub-themes together enables achievement of outcomes to be more robustly set against wider evidence of change in a particular area.

(i) Baseline

The East London baseline reflects the evaluation framework developed for the DCLG, where approximately 30 baseline indicators were selected and analysed across the original five host boroughs. These indicators cover:

- Economic indicators: Employment, worklessness, education and skills, growth in the high-tech and creative/cultural sectors, land and house prices;
- Social and community indicators: Green space, health outcomes, crime rate, perceptions of community cohesion;

¹⁴⁶ Host boroughs (2009). Convergence, Strategic Regeneration Framework, An Olympic legacy for the host boroughs.

- Resident satisfaction indicators: Satisfaction with the local area, satisfaction with locally provided services, etc.

The consistency of time series data across the baseline indicators is a key challenge for the project-level evaluations and the meta-evaluation more generally. Many of the social indicators have been sourced from the Place Survey, which has now been discontinued, and changes in Standard Industrial Classification (SIC) codes and the approach to the business surveys undertaken by the ONS also impact on the consistency of the data.

(ii) Policy counterfactual

Policy counterfactuals have been developed from a review of strategies and masterplans, and from consultation with key organisations. The main information source for the policy counterfactual is the Lower Lea Valley Area Development Framework (ADF) which sets out the strategy and plan for the area and was produced in 2003, before the work on bidding for the 2012 Games commenced but after the decision to bid had been made. Two versions of the document were produced. The first would be adopted in the case of winning the bid and the second in the case of not winning the bid.

Since then, there has been a steady evolution of the regeneration strategy over several years, driven by a multitude of strategy documents and policies that have been produced by a large number of public, private and third-sector organisations involved in the regeneration of East London. It is therefore important as part of the policy counterfactual to describe the chronology of the key regeneration strategies developed over the 2003 to 2010 period, and how these strategies have been refined and developed to capitalise on the 2012 Games.

(iii) Outcome counterfactual

The outcome counterfactuals for East London will be defined using a control group approach, where trends in baseline indicators of the host boroughs as a whole are compared against the performance of a set of similar local authorities as a whole (ie the comparator boroughs). There are advantages and disadvantages to this approach. The main advantage is that it allows comparisons in indicators across all the sub-themes to be analysed in a comprehensive and consistent manner. Without the comparators, the trend in each indicator in the host borough group would need to be subject to individual modelling exercises to test for statistical significance. Having said this, the approach also has limitations, the main one being that the comparison group is not an identical match in socio-economic and demographic characteristics, levels of industrial land being brought into employment use and levels of public and private sector investment. These factors may be behind some of the changes in trends, but the comparison approach may not pick these up.

Taking this into account, the expected evidence sources for the East London theme are summarised in the table below:

- Comparator analysis where key variables observed pre and post-2012 Games in East London are compared between the host boroughs and a comparator set;
- The proposed survey of East London residents which is expected to provide data which is comparable to previous Place Surveys;
- Trend-based analysis of socio-economic analysis indicators;
- Case studies on private sector-driven investments to demonstrate large-scale changes (eg Westfield).

Figure 6-1: Overview of approach to determining East London outcome counterfactuals

| Sub-theme | Main indicators | Project-level evaluation | Trend-based time series | Statistical or Econometrics | Comparator analysis | Bespoke modelling | Monitoring data or other indicators | Qualitative or case studies | Survey-based methods |
|--------------------------|--|--------------------------|-------------------------|-----------------------------|---------------------|-------------------|-------------------------------------|-----------------------------|----------------------|
| Transforming place | House prices Commercial property values Area of green space Public transport accessibility | | | | ✓ | | | ✓ | |
| Transforming communities | Housing units Satisfaction with area/local services Perception of community cohesion Perception of anti-social behaviour | | ✓ | | ✓ | | | | ✓ |
| Transforming prospects | Number of businesses People in employment Employment rate (among total population, disabled people, ethnic minorities, high-tech industries and creative industries) Number of businesses in creative and cultural industry | ✓ | | | ✓ | | | | ✓ |
| Convergence | Wages Worklessness Unemployment Educational attainment Adult skills Health and life expectancy Violent crime incidents Population | | | | ✓ | | | | ✓ |

Some trend-based examples of the outcome counterfactual have been set out in this report using 2003 to 2010 data. However in the East London theme our approach to the outcome counterfactual is to calculate these with a sample which includes 2012 data.¹⁴⁷

The inclusion of 2012 data will allow a more robust assessment of whether any differences in trends between the host boroughs and the comparator boroughs are significant. Some of the economic impacts, particularly from the construction of the Park, will be significant prior to 2012 and work is underway to source the construction data and to develop an economic model to assess these impacts.¹⁴⁸

The approach to selecting the comparators is given in the box below.

¹⁴⁷ The counterfactual will probably need to be revised during the Phase 4 evaluation, as more data will be available in which to statistically test the difference in the trends between the comparator and the host boroughs.

¹⁴⁸ See Appendix A for a more detailed discussion of the modelling approach to assessing the economic impact of the 2012 Games.

Box 6-2: Selecting the comparators

The outcome counterfactuals for the East London theme are based on a 'comparator areas' approach, where changes in the East London host boroughs (as a whole) are compared against a set of other London local authorities (as a whole) with similar economic, social and physical characteristics.

The London boroughs are selected as the comparators, as London is quite different from the rest of the UK in terms of economic structure and the labour, property and land markets. The drawback with this approach is that some of London boroughs outside East London are also likely to benefit from the 2012 Games, and a simple benchmarking could under-estimate the effects of the 2012 Games. In other words, the comparison against London boroughs will therefore reduce the impact of non-2012 Games-related factors on the benchmarking assessment. The comparator areas approach will therefore be supplemented with other evidence sources, most notably project-level evaluations and evidence from the East London residents' survey.

The selection of the London borough comparators is based on the Index of Multiple Deprivation (IMD) listing which ranks local authorities by their level of deprivation. It is a composite score based on indicators such as income, health, living environment, crime and employment. Under this method, the boroughs which most closely match the six host boroughs (on the basis of rank of average IMD score) are Brent, Haringey, Islington, Lambeth, Lewisham and Southwark.

Two other options were considered. Firstly, the CIPFA nearest neighbours, which bases the comparison on indicators such as population, deprivation, the visitor economy, number of houses, shops, offices among others. Using this approach, the UK comparator boroughs are Oldham, Southwark, Lewisham, Haringey, Lambeth and Enfield. This was eliminated as a method as the indicators covered aspects not sufficiently aligned to the meta-evaluation, and comparator boroughs should ideally be in London.

Secondly, the ONS output area classification measure. This categorises local authority areas according to an indicator set based on individual and area-based indicators. Using this approach, the top six comparator boroughs are identified as Enfield, Haringey, Brent, Ealing, Southwark and Croydon. This was considered a close alternative to the IMD approach but, on balance and in discussions with DCLG, the IMD method was considered the best measure to track change in outcomes given the regeneration ambitions.

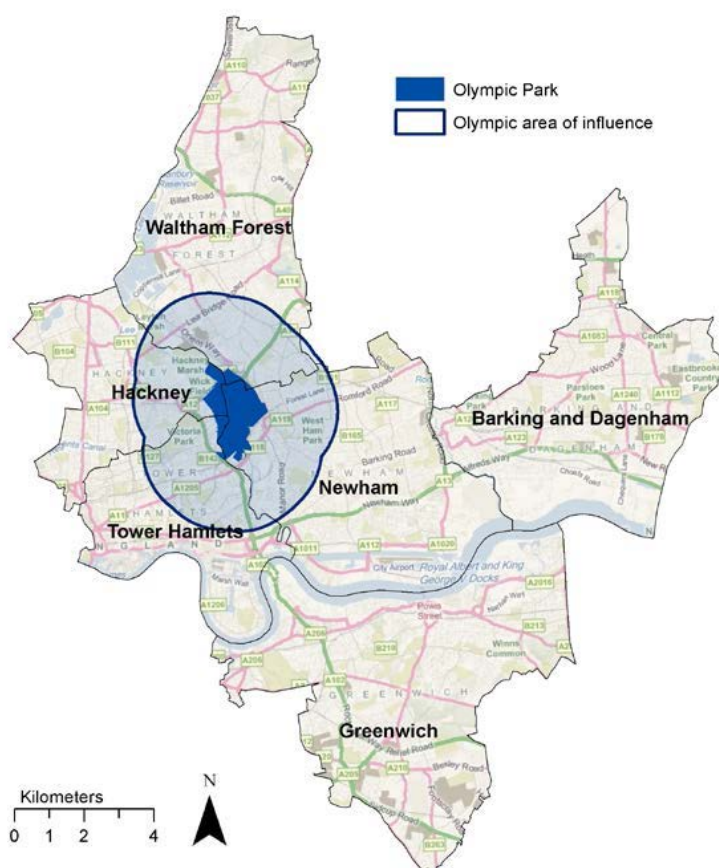
6.2 Transforming place: Baseline

The baseline indicators described in this sub-theme are house prices, commercial property values, green space area and public transport accessibility levels. It should be noted that these indicators are focused on outputs and/or benefits and represent just some of the evidence that will be collected and used for the meta-evaluation. Evidence from project-level evaluations (particularly the LDA evaluation), primary research and monitoring data will all be used to describe the inputs, activities, outputs, results, outcomes and impacts the 2012 Games have had on transforming the Olympic Park and the surrounding area.

The spatial focus of the sub-theme is the Olympic Park and the surrounding neighbourhoods known as the 'area of influence' as illustrated in Figure 6-2. The area of influence is defined as 2km around the Olympic Park boundary and is the area where it is anticipated the main impacts of schemes related to hosting the Games will be felt.¹⁴⁹ For the baseline and counterfactual, data is presented at the level of the host boroughs. In the interim and post-Games evaluations, primary research and project-level evaluation evidence will be analysed and presented where it is available for, or can be approximated to, the Olympic area of influence.

¹⁴⁹ DCLG's London 2012 Olympics Regeneration Evaluation Framework.

Figure 6-2: The Olympic Park and host boroughs



(i) Average house prices¹⁵⁰

Across England, house prices increased 166% over the 1995 to 2010 period¹⁵¹, compared to growth of 274% in the host boroughs. The reasons for the increase in house prices across all areas of the UK have been researched in depth and include demand factors such as changing demographics, easy access to mortgage finance and rising incomes, and supply factors such as low rates of house building.¹⁵²

In October 2010, house prices in the host boroughs averaged £278,000, higher than the England average of £166,000 but lower than the London average of £340,000. Out of the six host boroughs, Tower Hamlets had the highest average house price at £345,000 and Barking and Dagenham had the lowest at £215,000.

House prices dipped considerably in 2008 across all geographies as a consequence of the financial crisis and economic recession. House prices started to rise again in 2009, albeit at a much lower rate of increase than pre-2008.¹⁵³

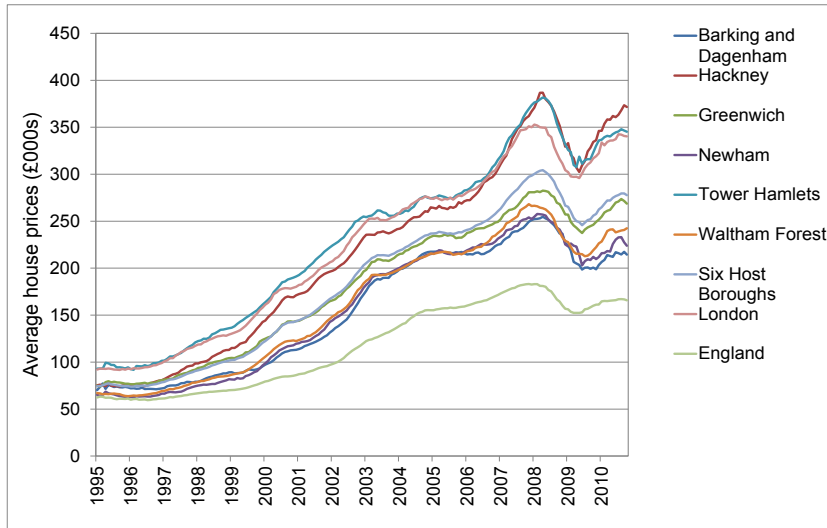
¹⁵⁰ Postcode analysis will be undertaken in Report 4 provided that suitable access to data can be obtained.

¹⁵¹ To October 2010.

¹⁵² Kate Barker, Review of Housing Supply, Delivering Stability: Securing our Future Housing Needs, 2004.

¹⁵³ Further analysis needs to be undertaken with respect to this variable to see how far the increases seen over the period would have been realised without the 2012 Games. The data suggests above average growth levels were seen prior to any 2012 Games announcements.

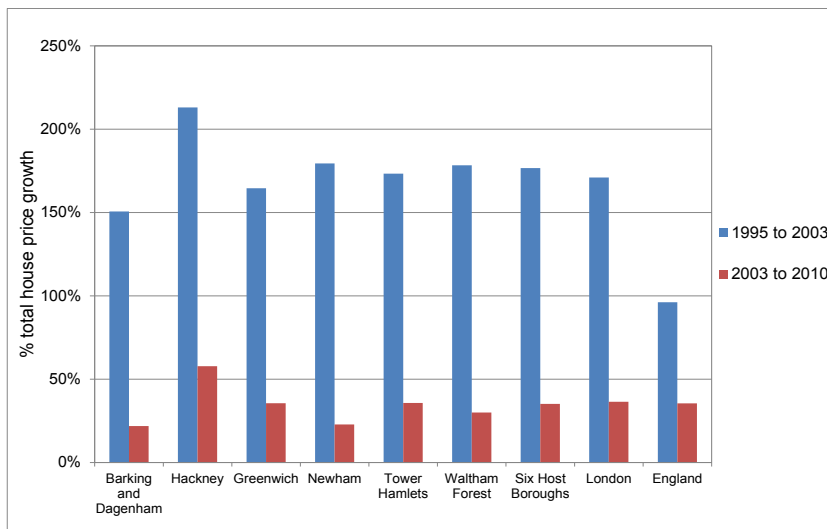
Figure 6-3: House prices (1995-2010)



Source: Land Registry.

The average increase in house prices across the host boroughs is similar to wider London trends both before and after the 2003 baseline. House price growth across the host boroughs was 177% over the 1995 to 2003 period and 35% over the 2003 to 2010 period, compared to a London average of 171% and 36% respectively.

Figure 6-4: House price growth 1995-2003 compared with 2003-2010



Source: Land Registry.

Lloyds TSB has conducted a more local analysis of house price growth in 14 postal districts nearest the Olympic Park between 2005 and 2010.¹⁵⁴ It shows the average East London increase was 26% over this time, with six of the districts, mainly in Newham and Hackney, exceeding this high growth rate.

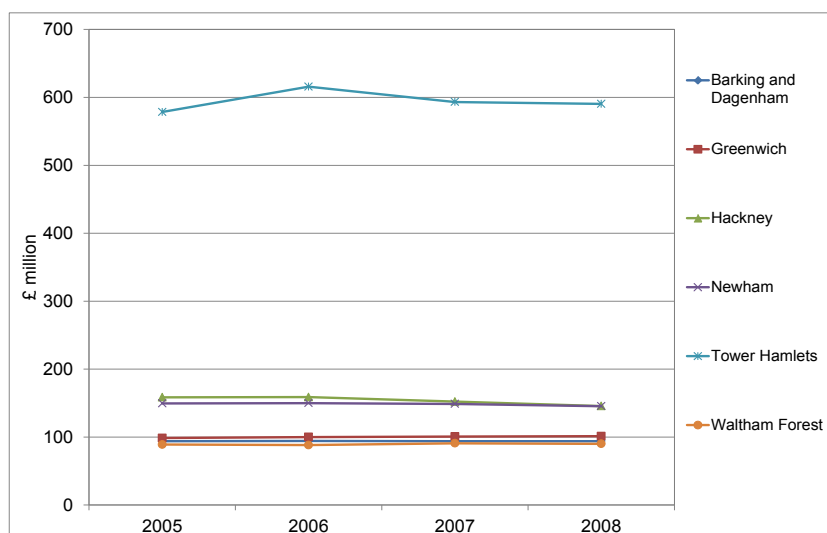
(ii) Commercial property values

The total rateable value of commercial property (eg office, retail, commercial office, factories and warehouses) in the host boroughs was £1.2 billion in 2008. Tower Hamlets accounts for one-half of the total across the host boroughs (or nearly £600 million), reflecting the high value of office developments in and around Canary Wharf.

¹⁵⁴ Lloyds TSB, East London house prices up 26% since London 2012 victory announcement, July 2010.

Over the 2005 to 2008 period, the total rateable values across the six host boroughs stayed roughly stable, with just a 0.1% fall. This compares to a fall of 3% across London over the same period. The total value of commercial property grew most in Greenwich by 2.9% and fell most in Hackney by 8.1% between 2005 and 2008. Recent London Plan policy has been to release industrial land for residential use, and this may be one of the reasons behind the decline in Hackney.

Figure 6-5: Total rateable value, 2005-2008, £ million (2005 revaluation¹⁵⁵)



Source: Valuation Office Agency.

The rateable value in the host boroughs averaged £84 per square metre in 2008. Tower Hamlets had the highest level at £151 per square metre, and Barking and Dagenham the lowest at £44 per square metre. Tower Hamlets, as a result of the impact of Canary Wharf, had a rateable value closer to the London average of £142 per square metre in 2008. These rents are more comparable with other prime office (and retail) spaces in London such as the City, Southbank and West End, than with other parts of the host boroughs. Canary Wharf's office space provision was around 1.3 million square feet in May 2011 and most of its tenants were in financial services. Average rents were £38.50 per square foot while in competitor areas, such as the City and West End, these were much higher at £55 and £92.50 respectively.¹⁵⁶ These figures provide context but are only a snapshot given that economic conditions are changing. New commercial floorspace delivered in the host boroughs averaged 80,000-85,000 square metres annually over the 2003 to 2009 period.

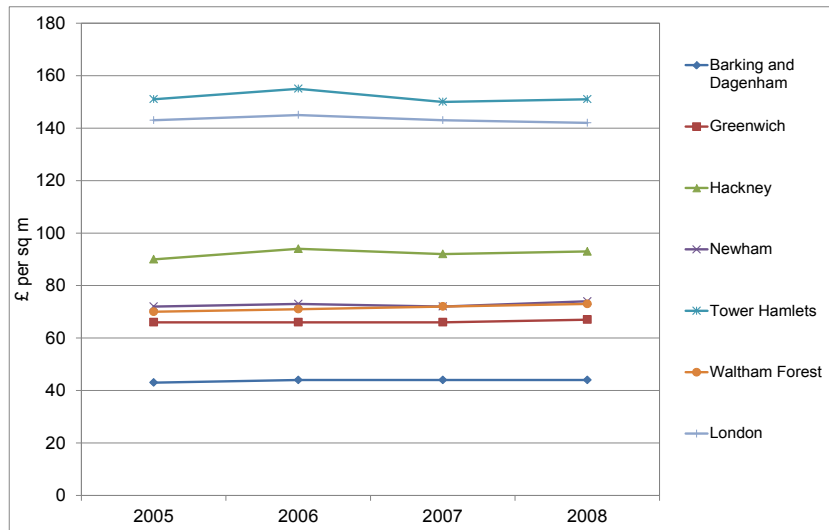
Over the 2005 to 2008 period, Tower Hamlets experienced no growth in £s per square metre, similar to London which experienced a slight fall of 0.7% in values per square metre. The other host boroughs (which have much lower valuations per square metre) experienced slightly higher, albeit still relatively modest, growth. Waltham Forest experienced the faster growth of 4.3% in total from 2005 to 2008.¹⁵⁷

¹⁵⁵ Revaluations take place every five years so data presented here is based on 2005 revaluations and incremental changes between years is then based on change in type, size and location of buildings.

¹⁵⁶ CB Richard Ellis, Central London Property Market Review, Q3 2011.

¹⁵⁷ Note this is based on 2005 data. A revaluation took place in 2010 but £ per sq metre measures or total value over time has not been tracked here. These summary statistics have been taken from ONS Neighbourhood Statistics but are based on 2005 data

Figure 6-6: £ per square metre, 2005-2008 (2005 revaluation)



Source: Valuation Office Agency.

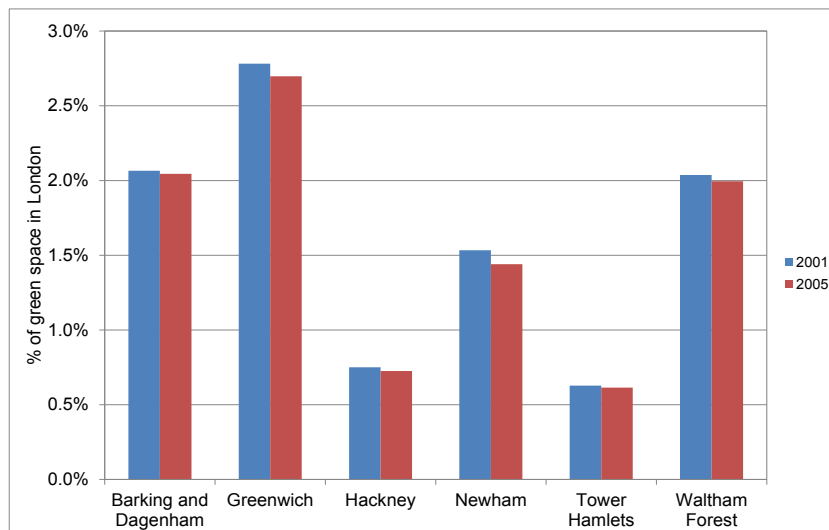
(iii) Green space

Many areas of East London are considered to be deficient in green space.¹⁵⁸ A total of 22% of East Londoners do not have access to a regional park; a third of residents do not have a local park within 400 metres of their home, and large areas have no sites dedicated to wildlife.¹⁵⁹

Figure 6-7 shows the level of green space across the host boroughs in 2001 and 2005. In 2001, Tower Hamlets had the lowest level of green space at just under 4 million square metres and Greenwich the most with over 16 million square metres. This definition of green space includes natural features, outdoor historical features and roadside tracks and paths.¹⁶⁰

Over the 2001 and 2005 period, the area of green space fell by an average of 3.4% across the host boroughs, compared to a fall of 0.5% across the whole of London and 0.3% in the UK. Green space declined most in Newham (6.6%) and least in Barking and Dagenham (1.5%).

Figure 6-7: Green space by host borough (% of total London space)



Source: DCLG, Generalised Land Use Database, 2006.

¹⁵⁸ Green Growth for Green Communities, A selection of regional case studies ParkCity Conference 2009.

¹⁵⁹ Aston-Mansfield Community Involvement Unit, Friends of the Earth Environmental Justice East London Scoping Report, 2007.

¹⁶⁰ DCLG, Generalised Land Use Database, 2006.

The new Olympic Park and investment in public realm is expected to significantly increase the area of green space in the host boroughs. Green space data is currently only available until 2005, and plans to measure this in the future are not clear.

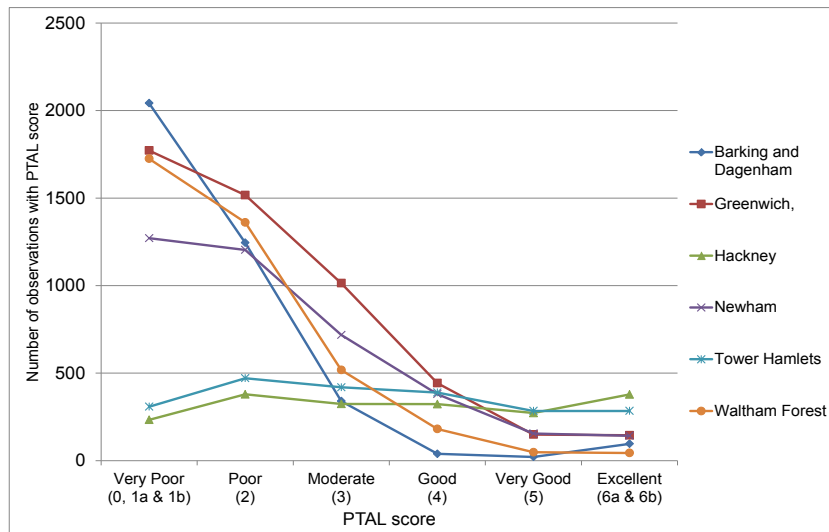
(iv) Public transport accessibility levels

Public Transport Accessibility Level (PTAL) is a measure of the accessibility of a particular location in London to the public transport network. PTALs take into consideration walking time to the network (eg bus stops, rail stations, light rail stations, Underground stations and tramlink halts) within pre-defined catchments and the frequency of service. PTAL scores range from 1a which is very poor to 6b which is excellent.

Figure 6-8 shows the number and level of PTAL ratings by each borough, based on between 1,900 and 5,000 PTAL observation points across each of the host boroughs, with each observation representing a grid point at 100m intervals across London. Of the six host boroughs, Hackney and Tower Hamlets have lower numbers of observations at the very poor rating end of the scale and more observations at the higher level of accessibility. PTALs are typically lower in outer London boroughs and higher in central London areas, representing a result of urban density and transport infrastructure density. Higher scores reflect:

- Lower walking time from the point-of interest to the public transport access points;
- Better reliability of the service modes available;
- Higher number of services available within the catchment;
- Higher quality of service at the public transport access points.

Figure 6-8: Level and number of PTAL scores by borough, 2010



Source: TfL. Note: There is no time series available so scores are given for 2010 only.

6.3 Transforming place: Counterfactual

The transforming place sub-theme covers an extensive range of activities. Local and sub-regional strategies and masterplans, land use, land character, the Olympic Park venues, transport investments and private sector-led investments are therefore all relevant to the policy and outcome counterfactuals. Each of these aspects are covered below (with housing and floorspace covered in the transforming communities and transforming prospects sub-theme respectively). The table below sets out our understanding of the policy counterfactual for some of the key programmes in transforming place sub-theme. The programmes are described in terms of the extent to which they are new/additional or whether existing programmes have been increased in scope through additional funding or other resources ('increased scale'), other 'quality' enhancements or 'brought forward'.

Figure 6-9: Policy counterfactuals for key transforming place programmes

| Programme and description | Development in the absence of the Games |
|--|---|
| Olympic Legacy Supplementary Planning Guidance | New, additional – guidance, seen as a blueprint for the MDC, would not have been created without the Games. |
| East London urban centres regeneration | Existing, enhanced quality and brought forward – town centres in host boroughs were focus of individual borough-led masterplanning exercises, but given the driver of the Games, have been delivered more quickly and in an integrated way. |
| Land reclamation | New, additional – land reclamation, including undergrounding of power lines, was seen as too expensive or unviable by private sector. Without the Games, LDA would have undertaken some remediation but not likely to be on the same scale as with that needed for the Olympic Park. |
| Olympic venue construction | New, additional – no new sports venues of Olympic scale would have been built in East London in the absence of the Games. |
| Transport investments | Existing, brought forward – most transport investments enhancing links between Stratford and the rest of London were planned, but have been brought forward given the importance of infrastructure in supporting the event. Some new, additional investments have been made such as in signage and cosmetic improvements to station facades. |
| Stratford Westfield | Existing, changed scale and brought forward – this shopping centre would have been built by Westfield, but likely on a smaller scale, possibly in phases over time and to a different specification. Without the Games, no additional public investment would be available to integrate Westfield and the Olympic Park, and there would be no flexible office space delivered as part of the development. |

(i) Host boroughs and sub-regional strategies

The host boroughs and wider East London sub-region have been a focus for regeneration for many decades, with the formation of the London Docklands Development Corporation (LDDC) in 1981. The LDDC areas encompassed the riverside parts of Southwark, Tower Hamlet and Newham, covering sites such as Wapping and Limehouse, Isle of Dogs, Beckton, Bermondsey Riverside, Surrey Docks and Royal Docks. The LDDC completed its activities on these sites over the 1995 to 1998 period, ceasing to operate in March 1998.¹⁶¹ Although the spatial area of the LDDC does not directly cover the Olympic Park – the Isle of Dogs northern border is approximately two miles away from the Olympic Park – the successful regeneration of the Docklands area has helped raise the profile of East London as a good location for business.

The Lower Lea Valley, which does incorporate the Olympic Park, gradually took over from the Docklands as the spatial focus of regeneration policy and has been the priority in East London for the past ten years or so.¹⁶² The Lower Lea Valley covers an area across the four host boroughs of Hackney, Tower Hamlets, Newham and Waltham Forest. The Lower Lea Valley was therefore a London and perhaps a UK regeneration priority around three to five years before it was even decided to bid for the 2012 Games. The area had not previously been developed for a number of reasons. Firstly, the area crosses four different boroughs, which have been difficult to coordinate; it had suffered since the Second World War from contaminated land and therefore the land had little or no value, was very expensive to develop and had very poor communications. Given the extent of the market failure, regeneration investment has often been targeted towards areas where the market failures were not as severe and where returns would more quickly be realised.

¹⁶¹ London Docklands Development Corporation 1981-1998.

¹⁶² London School of Economics (2010). The Olympic Fringe, the Cities Programme.

Organisations have, in recent years, been charged with the development of the area. The LDA has been closely involved, as has the London Thames Gateway Development Corporation (LTGDC), a body set up in 2004 with the required planning powers to regenerate the Lower Lea Valley and London Riverside, an area adjacent to the river and formed from parts of the boroughs of Newham, Barking & Dagenham and Havering. These areas along with parts of south Essex and north Kent, are core to the government's Thames Gateway scheme which has been a regeneration priority for government since 2003.¹⁶³ LTGDC is a delivery agent of the programme along with the Thames Gateway South Essex Partnership and other partnership (statutory and non-statutory) bodies. Within the Thames Gateway, the focus of activity and effort on the Lower Lea Valley may have taken precedence since the Games was won.

Strategies for the Lower Lea Valley date back in line with the organisations that have been involved. They include the iterations of the London Plan (since the Mayor's role was created in 2000).

A comprehensive strategic framework, the Lower Lea Valley ADF was developed for the area in 2003, setting out how the area would be regenerated over the next 20 years.¹⁶⁴ This brought together the vision of the LDA, LTGDC and other bodies. Two versions of this document were produced; the first would be adopted in the case of winning the bid and the second in the case of not winning the bid. The strategic plans are described in Box 6-2 and represent the policy counterfactual on the latter.

¹⁶³ Office of the Deputy Prime Minister (2003). Creating sustainable communities: making it happen: Thames Gateway and the growth areas.

¹⁶⁴ Amion Consulting (2003). Lower Lea Matrix Group, Lower Lea Arc Preliminary Draft Area Development Framework Policy Statement.

Box 6-2: Lower Lea Valley Accelerated Development Framework (2003)

The Lower Lea Valley ADF sets out a 20-year vision for the area to become a 'Water City', comprising some of London's premier mixed commercial and residential districts. The objectives of the ADF were to secure high value new investment, a unique high quality environment, significantly improved community facilities and the linking of opportunities created with satisfying the needs of local people. The masterplan diagram is given in Appendix D.

The ADF covered 600 hectares consisting of three character areas including not just the Stratford/Hackney Wick area close to the Olympic Park, but also two areas south of this: Bromley-by-Bow/West Ham and South Poplar/Canning Town. Within these areas, five separate priorities were agreed:

- Infrastructure: a new A11-A13 access road, additional rail stations and underground power lines;
- Physical development: including the creation of new open space, parkland riverside and canal-side open areas or waterside parks. There should also be provision for a new high-density residential and commercial development near public transport nodes;
- Business development: new support for businesses and key emerging clusters such as the film industry, and tackling externalities associated with industrial firms already located in the area that may affect location decisions of other businesses;
- Community and neighbourhood renewal: making provision for a programme to provide new and improved community facilities and encouraging local employment and skills matching;
- Employment and lifelong learning network: to ensure that local people are able to access employment and lifelong learning.

The gross public sector cost was estimated in 2003 at £1.3 billion and the net cost at £370 million. The framework set out a low, high and full masterplan range of intervention options, with anticipated impacts in the Lower Lea Valley to 2023 summarised below.

| | Do nothing | Low | High | Full masterplan |
|---------------------------|-------------------|------------|-------------|------------------------|
| Floorspace (000 sqm) | 300 | 400 | 590 | 1,010 |
| Residential units | 13,900 | 15,600 | 28,900 | 35,500 |
| Gross employment | 30,200 | 33,100 | 38,100 | 43,500 |
| Net additional employment | | 3,000 | 8,000 | 13,400 |

Clearly there have been some significant economic and social changes across the area since these plans were developed, not least the housing crash and economic recession over the 2008-2010 period which almost certainly will have made these targets more difficult to achieve. However, the framework provides a good indication of the policy counterfactual for the Lower Lea Valley together with some evidence on the outcome counterfactual for the housing units delivered.

Since the original strategic framework was adopted in 2003, the Lower Lea Valley has continued to be a regeneration priority, as illustrated in the chronology of strategies below.

Figure 6-10: Chronology of strategies for the Lower Lea Valley

| Document | Summary (including expected costs and outputs where available) |
|--|--|
| Lower Lea Valley Area Development Framework, Lea Valley Arc, 2003 | This strategy estimated 15,600-28,900 new homes and 35,100-38,100 new jobs for the area. This document was written on the basis of a no-Games scenario. |
| London Plan 2004 | The Lower Lea Valley is defined as an opportunity area, with 6,000 new homes to 2016 planned and 8,500 new jobs. Across the opportunity areas, a total of 52,400 new homes were planned to 2016 and 210,700 jobs. The Plan notes that the Lower Lea Valley area is a core location for the London bid for the 2012 Games and also sets out a specific sports policy (Policy 3D.5 Sports facilities ¹⁶⁵) to promote and develop London's sporting facilities. |
| Vision for the Lower Lea Valley, LTGDC, LDA, Mayor of London, 2006 | This vision projected 30-40,000 new homes in the Lower Lea Valley between 2006 and 2026, up to four new secondary schools, up to nine new primary schools and 50,000 new jobs. The Stratford City masterplan referred to in the vision proposes 140,000 sqm of retail space, 465,000 sqm of office space (generating 34,140 new jobs) and 4,830 new homes. |
| Lower Lea Valley Delivery and Investment Strategy, LTGDC, 2007 | The estimated cost of delivering the 2006 vision was £1-1.6 billion, based on two different affordable homes scenarios. |
| Lower Lea Valley Opportunity Area Planning Framework (Strategic Planning Guidance), LDA, 2007 ¹⁶⁶ | This set out that the Games has the potential to bring 40,000 new homes, 50,000 new jobs, 7,000 construction jobs and between 30,000 and 50,000 volunteering opportunities to the area. |
| London Plan, GLA, 2011 ¹⁶⁷ | The Plan identifies both the Lower Lea Valley and Upper Lea Valley as opportunity areas. It states that the Legacy Masterplan Framework should reflect London Plan policy and also be coordinated with the Lower Lea Valley Opportunity Area Planning Framework. |
| Legacy Communities Scheme | OPLC submitted the Legacy Communities Scheme Planning Application to the ODA Planning Decisions Team (PDT), which is the planning authority for the Olympic Park, in September 2011 and post-application consultation is now underway. The Legacy Communities Scheme seeks permission for the long-term development of five new neighbourhoods within the future Queen Elizabeth Olympic Park. It replaces the Legacy Masterplan Framework. Fringe area masterplans have also been developed for areas adjoining the Park. |

Source: Various and as listed.

(ii) Public realm regeneration

To maximise the impact of the Olympic Park and to better integrate it into the Lower Lea Valley, there is a programme of associated public realm improvements in and around the host boroughs. The original five host boroughs¹⁶⁸, along with the DCLG, LDA, TfL, the Homes and Communities Agency (HCA) and LTGDC have a joint programme of public realm capital schemes, valued at £190 million, to be delivered between 2009 and 2012. The full programme comprises 71 projects, which have been structured around 10 priority packages detailed in the table below, including an assessment of the policy counterfactual.

These host borough 2012 schemes are often only part of much larger and longer-term schemes. These wider schemes were mapped in 2003 (see the baseline masterplan, Appendix D). The context of the Olympic schemes, as detailed in publicly available documents, has been explored in consultations undertaken as part of the meta-evaluation. This analysis suggests the public realm improvements would have been made within these areas, which are regeneration priority areas that were identified as areas of focus prior to 2003. The improvements would have been made, but most likely on smaller scale or at a later date. Interventions that are Games-specific, such as live sites and walking routes, would have been less likely.

¹⁶⁵ Mayor of London (February 2004). The London Plan, Spatial Development Strategy for Greater London.

¹⁶⁶ GLA (2007). Lower Lea Valley Opportunity Area Planning Framework, Strategic Planning Guidance.

¹⁶⁷ GLA (2011). The London Plan, Spatial Development Strategy for Greater London, July 2011. Sub-regional Planning Guidance for East London is also being prepared.

¹⁶⁸ Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest.

Figure 6-11: Policy counterfactuals for key public realm schemes

| Site/investment | Description | Development in the absence of Games |
|-------------------------------------|--|---|
| Stratford town centre | Funded works include nearly £14 million of improvements to the town centre and access routes. | Existing, increased scale and brought forward – the Stratford Masterplan has been in development for 20 years. Improvements were planned by the borough of Newham, but would have been delivered later and on a smaller scale and probably without the major investment of undergrounding of power lines. |
| High Street 2012 | This 6km route follows the A11, starting at Aldgate nearest central London and passing through Mile End, Bow through to Stratford. | Existing, brought forward and rebranded – the 2004 London Plan identified Whitechapel/Aldgate as an opportunity area. Bow is also mentioned as an opportunity area in the London Plan, as it is part of the Lower Lea Valley, so some public realm improvements would have been made, though unlikely to be branded in this way. |
| North East Fringe | Improvements to road interchanges, provision of walking and cycling routes and work at Leytonstone station is anticipated. | Existing, brought forward – regeneration at Walthamstow and Leyton was referred to in 2005 strategies and in the 2007 Walthamstow Masterplan, suggesting these areas were highlighted as regeneration priorities before the 2011 AAP was published for the area. |
| Hackney Wick and Fish Island | Environmental improvements, pedestrian access improvements at Hackney Wick and Homerton Station. | Existing, brought forward – the regeneration of Hackney Wick started in 1997 with a seven-year SRB funded programme. This demonstrates a long-term commitment to the area prior to the decision to hold the Games in London. |
| Hackney Marshes | Environment and access improvements at South Marsh and East Marsh (though the latter will be used as a coach drop off point temporarily during the Games). | New, additional – prior to the announcement of the Games, there was little focus on the Marshes as an area for investment. |
| Live Sites and Town Squares | Live sites and town squares to be improved include Eltham, Woolwich, Shoreditch, Victoria Park, East Ham, Silvertown Quays and Walthamstow. | New, additional – this network or public screens would not have been delivered in the absence of the Games. Town centre sites would have been improved in line with borough strategies (detailed in the rest of this table). |
| Walking and Cycling Routes | The routes to receive investment include Cutty Sark to the O2, Woolwich Road, Regents Canal, Lea Valley, the Greenway, Romford Road, Lea Bridge Road. | New, additional – these improvements would have been unlikely in the absence of the Games. These are specifically designed to lead visitors to the Olympic Park area, so while upgrades to walking routes may have been an element of individual masterplan sites, it is unlikely they would have been in place as a network around the Lower Lea Valley. |
| Greenwich Riverside and Town Centre | The town centre will benefit from £13 million of investment to pedestrianise it, re-route traffic, provide cycle parking and improve public gardens. | Existing, brought forward – Greenwich Riverside is identified as an opportunity area in the London Plan and in the 2006 UDP. As a focus for development and within the remit of the LTGDC, it is likely public realm improvements would have been delivered in the absence of the Games. |
| ExCeL and Canning Town | Over £10 million will be invested to put in place foot bridges, improve station exteriors and increase the number of walking routes to the site. | Existing, brought forward – Canning Town and the area around the ExCeL Centre was highlighted as a focus for regeneration plans in Newham's Arc of Opportunity in the 2001 UDP, and the Canning Town AAP was adopted in 2002. |
| Inter-changes | The transport interchanges to be improved include Hackney Central/Hackney Downs, Walthamstow Central and Leytonstone. | Existing, brought forward – much of the capital work undertaken by TfL would have taken place in future years, so has been speeded up as a result of the Games. More cosmetic enhancements have largely been driven by the Games. |

In the absence of detailed early planning documents, the evidence in the table suggests areas of opportunity and growth had been identified prior to the Games announcement, but that the Games had a catalytic effect in bringing forward the public realm improvements in particular.

The existing schemes were given impetus by the process of bidding, through the strengthening of relationships between boroughs when they worked together to define and agree the bid commitments.

It also had the effect of bringing boroughs together to discuss their long-term regeneration ambitions, and that in itself has transformed the quality and quantity of regeneration, something that is not expected to have happened in the absence of the Games. This interpretation was supported in consultations conducted with the boroughs of Newham, Hackney, Tower Hamlets and Waltham Forest.

AAPs and masterplans are in place in most sites, which indicates the individual sites would have been regenerated over time, but on a piecemeal basis. The OPLC's Legacy Communities Scheme has set a vision for the area's overall development as a new London neighbourhood that will provide good quality family housing and give the area a consistent 'look and feel'. Additional financial support and resource from LDA, DCLG and DCMS has also helped to catalyse the regeneration of this part of East London.

(iii) Land use, land values and character

Much of the development at the Olympic Park (both public sector and private sector) has been catalysed investment by the ODA and LDA for on-site preparation and infrastructure. The investment was for remediation of land and undergrounding of power cables. The LDA role in this is detailed in the box below.

Box 6-4: The LDA role in land acquisition and remediation and counterfactual

The LDA was the lead agency responsible for land acquisition and remediation in line with the 2003 Memorandum of Understanding between the Government and Mayor. In a recent report for the LDA, it is noted that "*the counterfactual is both complex and uncertain... if London had not bid to host the 2012 Games... it is evident that the LDA would have devoted significant resource to promoting regeneration of the Lower Lea Valley... For example when the LDA Board agreed to purchase the land for the Olympic Park, some of the resource was already committed to the area.*"

The LDA acquired 2.5 square kilometre of land that makes up the Olympic Park through private agreements (relocation of residents, businesses, allotments etc) and compulsory purchase orders. The report notes that in the absence of the Games, the acquisition would have:

- Been more selective;
- Taken place over a longer period of time;
- Been less immune to the effects of the recent spending cuts.

LDA activities also included organisational and process support around the land delivery programme, including the management of construction contracts.

Furthermore, the Games acted as a catalyst for the LDA's urban design and regeneration planning activities. They probably allowed activity to be started and completed at a faster rate than in a no-Games scenario.

In discussion with stakeholders, it was confirmed that the undergrounding work began weeks after the Games was won, so the process to appoint a contractor had begun long before then, raising the likelihood of the work being carried out in the absence of the Games.¹⁶⁹ So the Games necessitated this work being undertaken and it still holds that without the Games, this work would not have gone ahead.

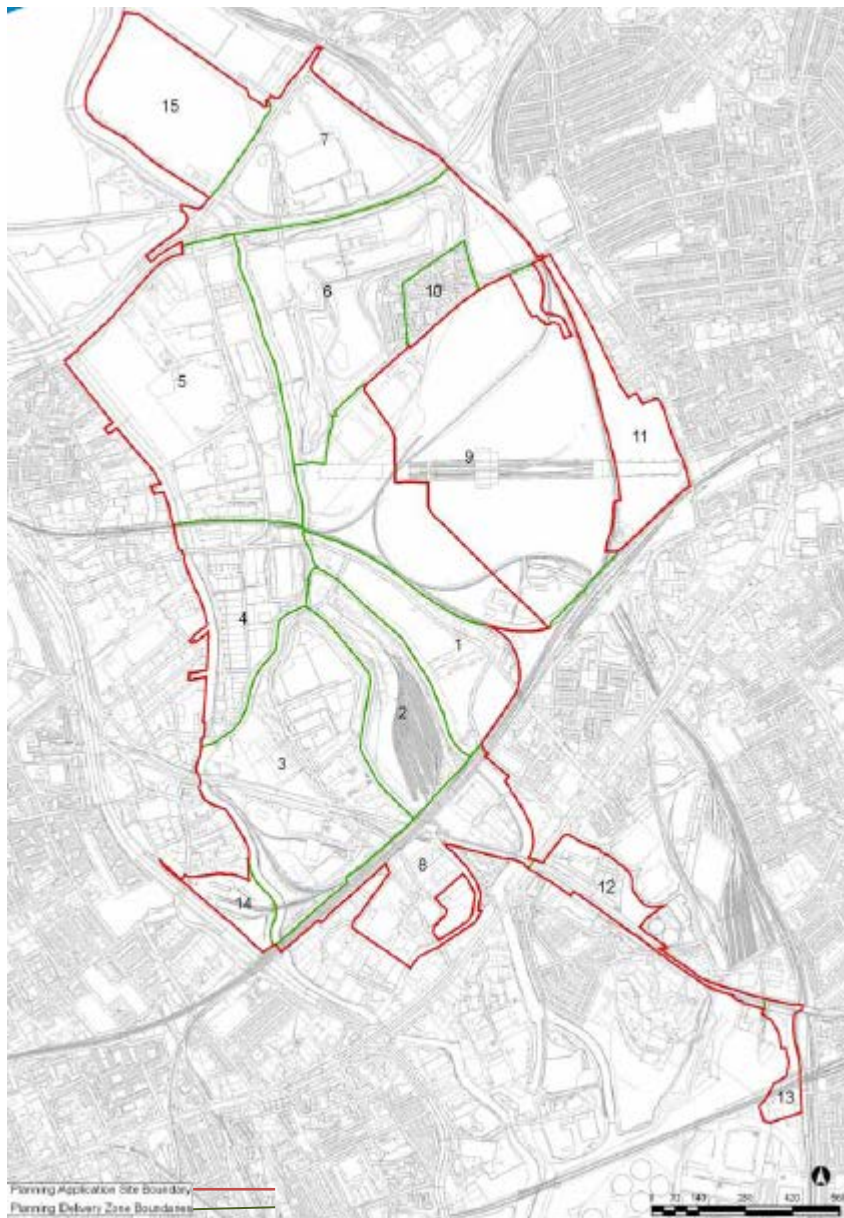
Though LDA funded much of the early acquisition and remediation, government was required to contribute to the site preparation when the Memorandum of Understanding was revised in 2007. Much of this was additional funding allocated to DCLG. This may not have been made available by HM Treasury without the driver of the Games. If it was allocated to DCLG, it

¹⁶⁹ Meeting of British Tunnelling Society, January 2008.

would likely have been paid to a national regeneration agency (English Partnerships, at the time) or to regional regeneration agencies (the Regional Development Agencies), either of which may have allocated it to a large number of smaller schemes in London or across the UK. Around 2005, the regeneration priorities in London were the Lower Lea Valley and London Riverside, partly the reason for creation of the LTGDC. That suggests a degree of change in land use, values and character would have occurred.

The 2012 Games has affected the pattern of land use at the Park. The location and nature of uses found at the Olympic site prior to the initiation of any Olympic-related development is described below in Figure 6-12 and Figure 6-13 by planning development zones (PDZs). This breakdown of use at the site in 2005 totals an area less than the full 353 hectares within the Olympic Park, owing mainly to the Stratford City developments in and around PDZ 9.

Figure 6-12: Planning development zone boundaries



Source: ODA Guide to the Olympic, Paralympic & Legacy Transformation Planning Applications and Olympic Village (part) and Legacy Residential Planning Application, 2007.

Figure 6-13: Land use at the Olympic site¹⁷⁰

| PDZ | Hectares | Predominant land use | Comments |
|--------------|--------------|--|--|
| PDZ1 | 13.7 | Brownfield | |
| PDZ 2 | 13.7 | Brownfield | Thornton Fields carriage sidings and industrial buildings |
| PDZ 3 | 33.1 | Brownfield + Old Ford Nature Reserve | Old Ford Nature Reserve + Greenway is 20.27ha in total |
| PDZ 4 | 15.9 | Commercial | |
| PDZ 5 | 37.2 | Commercial, travellers site, and common land | |
| PDZ 6 | 33.1 | Open space | |
| PDZ 7 | 20.6 | Open space | |
| PDZ 8 | 16.7 | Commercial | |
| PDZ 9 | 68.5 | Rail | The site is closely linked to the Stratford City developments. |
| PDZ 10 | 3.8 | Residential | Contains the Clays Lane Estate |
| PDZ 11 | 9.7 | Brownfield | |
| PDZ 12 | 5.6 | Commercial | |
| PDZ 13 | 2.4 | Rail/greenspace | |
| PDZ 14 | 3.4 | Brownfield | |
| PDZ 15 | 16.5 | Open space | |
| Total | 293.9 | | |

Source: ODA Planning Decisions Team, *Olympic, Paralympic & Legacy Transformation Planning Applications – Main Committee Report, 2007, supplemented by Generalised Land Use Database.*

It is unlikely that the use of land before the bid was submitted would be the same as the use in 2012 even in the absence of the Games. Investment was planned in the Lower Lea Valley, and some development would have taken place and land use transformed at selected sites.

This land character discussion is complemented by a short assessment of changes in the character of the waterways around East London and the effects of this. The waterways form part of the Olympic Park and have been used to transport construction materials. A new lock and water control structure on Prescott Channel near Bromley-by-Bow has been put in place and the new Three Mills Lock has restored the Bow Back Rivers to navigation. British Waterways comments that although the strategy to bring the waterways back into use was launched in 2000, the speed and scale of the changes now complete would not have been achieved in the absence of the Games. The Games was a driver as there was a flooding risk to be managed around the Olympic Park if the tidal flows of the rivers were not controlled. The overall change would have been much slower, and changes to particular parts of the rivers would have been incremental as these depended on developer contributions (through Section 106).

These investments form part of a wider strategy to maximise the use of the rivers in the area for the benefit of wildlife, navigation and people, including those living on houseboats.

British Waterways is leading this work and has commented that after the Games, the restored waterways could be used to carry waste and recyclates from new homes in the area, as well as attracting increased leisure boat activity. Furthermore, wildlife habitats will be enhanced and protected and access to the rivers will be improved with new paths, signage, links to parks and other rivers in the Lower Lea Valley.

(iv) Olympic Park venues

Without the Games, the new Olympic venues would not have been constructed. Though the picture of future use of venues is emerging as more tenders are issued by the OPLC, our current understanding of how these will be used in legacy has been informed through discussion with OPLC. The counterfactual for each venue is as detailed below.

¹⁷⁰ DCLG is currently breaking down land use in more detail, using aerial photographs of the site. DCLG will suggest ways in which the counterfactual can be developed, including the identification of a comparison site.

The new venue infrastructure should be considered alongside the local sporting infrastructure, detailed in the Sports chapter.

Figure 6-14: Policy counterfactuals for Olympic Park venues (and legacy uses)

| Venue | Development in the absence of Games |
|----------------------------|--|
| Olympic Park | The area will become Queen Elizabeth Olympic Park in legacy. There would be no park in this area aside from green space proposed in individual masterplans. |
| Olympic Stadium | The Stadium will be retained as a public asset. It will become the new national stadium for athletics and has already been chosen to host the 2017 World Athletics Championships. OPLC commenced a new process to enhance the legacy further by inviting bids from interested parties to bring a range of sporting, cultural and commercial events to the Stadium. The OPLC plans to appoint the winning bidders in May 2012 and remains on track to reopen the venue in 2014. |
| Aquatics Centre | Contains two of the of the 23 Olympic-size 50 metre pools in England. Local authorities, if they would have invested in new swimming pools, would not have built any pools on this scale (local authority pools are usually 25 metres). The Aquatics Centre also has a separate diving pool and the two 50m pools have moveable floors to allow depth and height changes. Following its transformation after the Games, the Aquatics Centre will cater for all levels of swimming ability and aquatic disciplines. |
| Multi-use sports facility | This venue will continue to be a sports venue in legacy, though it will also be possible to host business and cultural events in it. |
| ArcelorMittal Orbit | This 114 metre high structure has a viewing platform and restaurant. It will remain in East London in legacy and be a visitor attraction within the Park. An operator is currently being sought. It is unlikely that such a development would have been constructed in the absence of the Games. |
| Press and broadcast centre | The OPLC is in the process of identifying tenants for this facility in legacy. They are likely to be in high-tech and the creative industries, in line with the East London Tech announcements made the Prime Minister in 2010. |
| Eton Manor | This venue will operate in legacy as two separate facilities comprising indoor and outdoor tennis centres and a hockey centre. It will be operated by Lea Valley Regional Park Authority (LVRPA) |
| VeloPark | This will be operated by LVRPA in legacy. As well as providing a cycling facility, there will also be provision for office space (for the British Cycling Federation) and other business facilities. |

In addition to new venues, the existence of the OPLC acting as a single management body to ensure the area is well planned, managed and maintained is also entirely a result of the Games. The ODA's role as the local planning authority for the Olympic Park area, which will transfer to the MDC (formerly the OPLC) after the Games, is similarly a direct result of the Games. The OPLC has ensured that the Legacy Communities Scheme is developed in partnership with stakeholders and the community.

In consultations, it was noted that investments made in venues in East London are likely to have displaced investments in other parts of the country. It was also noted that positive effects on economic indicators such as house prices and commercial property values would be likely to occur, as well as sports and social indicators (eg sports participation). The project-level evaluations and the interim meta-evaluation will need to test these views.

(v) Transport investment

ODA has committed over £547.6 million to fund transport improvements in and around the Olympic Park. These are being carried out by TfL and spread across a range of projects, including rail transport, river transport, walkways and cycleways, and road networks. Some of these were committed to as part of the original bid to host the Games and others were committed to later as part of preparation for the Games.¹⁷¹

Investment outside of the Lower Lea Valley ADF has been made by TfL, such as cosmetic enhancements to stations in central London (though transport investments for the Games are

¹⁷¹ Mayor of London TfL's Games Plans Extract from TfL's Investment Programme, December 2007.

mainly delivered by the ODA). These investments, alongside the associated counterfactuals discussed with TfL, are set out in the table below.

In the absence of the Games, it would be expected that PTAL scores for each borough would be significantly lower than they would otherwise be from around 2006 or 2007, when the first improvements from 2012-related transport investment were experienced. An assessment of the extent to which the PTAL increase since 2006 is attributable to 2012 Games-related investment as opposed to non-Games-related investment would require with-and-without 2012 Games investment scenarios to be run on an existing London transport planning model such as the London Transportation Studies model.¹⁷²

¹⁷² The London Transportation Studies (LTS) model is run for TfL by MVA Consultancy and is one of the largest transport models in the world.

Figure 6-15: Policy counterfactuals for transport investments supporting the Games

| Transport investment | Development in the absence of Games |
|---|--|
| Rail | |
| £125 million project to double capacity at Stratford Regional Station. | Existing, brought forward – the Games acted as a catalyst and helped to secure funding. Possible that it displaced funding from other projects outside of East London. |
| Upgrades to the DLR, including expansions to the network; increased number of rail-cars; and more frequent service. | Existing, brought forward – a large amount of this would have taken place without the Games. For instance, upgrades around Canary Wharf and the City would have been delivered. The DLR was extended either side of Canning Town, with new stations at West Silvertown, Pontoon Dock, London City Airport, Woolwich Arsenal, Star lane, West Ham, Abbey Road, Stratford High Street and Stratford International. In addition, existing capacity has been enhanced on most routes with additional cars, some of which would not have been in place without the Games as a driver. |
| Conversion of the North London Line (NLL) to DLR operation between North Woolwich and Stratford and four new stations. | Existing, brought forward – ODA funding secured and catalysed this work. Without the Games, it would have happened over a longer period. |
| NLL upgrade | Existing, brought forward – work here was catalysed by the Games, but not affected beyond this. This work was additional. Additional signalling and infrastructure work and 22 additional railcars were funded by the ODA and specifically put in place to meet Olympic demand. |
| Infrastructure upgrade at Blackwall and East India Stations and modifications between Poplar and Woolwich Arsenal. | Existing, brought forward – ODA funding secured and catalysed delivery of this project, though current demands on capacity due to City Airport suggest this would have happened anyway. |
| Increase to station capacity at Prince Regent (second exit to serve ExCeL exhibition centre) and other network stations | Existing, brought forward – ODA funding secured and catalysed the delivery of this work. |
| Upgrade of West Ham London Underground station to increase capacity (£13.2 million invested by ODA). | New, additional – this investment would not have gone ahead in the absence of the Games. |
| River | |
| Greenwich Pier and Tower Pier improvements. | New, additional – this work was additional and driven by the Games. Given this work is minimal, it is likely it would have gone ahead in the absence of the Games but at a later date. |
| Cable car – Royal Docks to Greenwich Riverside (to open in Summer 2012). | Existing, brought forward – this work would most likely have taken place in the absence of the Games, but its timing was influenced by the Games. |
| Cycling and walking | |
| Greenway (walking route) improved and extended. | New, additional – Greenways existed already but improvements were additional. |
| New infrastructure in Olympic Park – 30 new bridges, 14km of new roads, 35km of new cycle tracks and footpaths. | New, additional – it is unlikely there would be investment in this infrastructure without the Games. |
| Enhancement of London Cycle Network. | Existing, brought forward – some of this was ODA funded (£7.5 million invested) but it is likely this would have gone ahead in the future. |
| Road | |
| New TfL Transport Coordination Centre to manage and coordinate traffic incidents. | New, additional – this facility will bring together police and transport operators into one centre at Southwark. This work was additional, entirely driven by the Games and will remain in legacy. |
| Improvements to CCTV and traffic signals. | New, additional – this work was additional and driven by the Games. |

(vi) Private sector-led investments

There is no corresponding policy counterfactual for private sector-led investments as the intervention under analysis is not the result of a public organisation's policy but driven by investment potential, which may reflect factors including relevant planning or economic policies. Therefore, it is more appropriate to consider investment counterfactuals in this section (ie whether or not the investment would have been made in the absence of the Games). Discussions with Westfield and Hi-Speed 1 have been undertaken to explore the rationale for investment and the extent to which investments would have been made without the Games.

The investment being made by Westfield adjacent to the Olympic Park is the most significant private-sector led project and the counterfactual to this has been explored with Westfield in detail and is described in the box below.¹⁷³

Box 6-3: Westfield Stratford City: Counterfactual

Westfield received planning permission to develop a new shopping centre in Stratford in 2003. The company therefore had an intention to develop the site before any announcement regarding the 2012 Games. Importantly, footfall generated by an event such as the Olympic Games over a period of a few weeks is not significant to the lifetime viability of a scheme of this size.

Phase 1 of the development (including the shopping centre) opened in September 2011, and has been supported with £1.6 billion of investment. It has created over 10,000 permanent jobs and generated over 25,000 temporary jobs during construction. Phase 2 is expected to be completed in 2020 and will be supported with a further £600 million investment by Westfield.

Evidence gathered in an interview with a representative of Westfield found that:

- The size of the scheme has been affected by the £200 million infrastructure funding provided by the Government (channelled through the ODA). Without this, the scale of the scheme would likely be smaller or would be built out in phases, generating returns to enable further infrastructure works to be undertaken for future phases. Without the infrastructure spending, it may have been that Westfield would not have received planning permission for the mixed use element of the scheme, possibly even for the shopping centre element. Overall, £600 million further investment from Westfield was needed to make the site accessible and safe;
- Without the Games, it was likely the development would have been delivered over a longer time period, possibly taking a further five years to finish;
- A Section 106 agreement is in place in which Westfield has committed investment;
- The investment the Government is providing to improve public realm in the area is resulting in an improvement in the overall 'Stratford' brand. For instance, the development was unlikely to be named Stratford City in the absence of the Games, and it is likely to have been difficult to attract retailers given the image of the area before any Games announcement;
- Westfield has built an office building (12,000 sqm) with the view that flexible office space will attract premium rent over Games-time. This would not have been built in the absence of the Games;
- Within the Westfield development, two hotels (Holiday Inn and Staybridge Suites with 350 rooms in total) will open before the 2012 Games. Consultations suggest that these hotels have specifically been completed in Phase 1 to cater for Games-time demand.

Further assets and developments in East London affected by the Games are:

- Hotel developments in addition to Holiday Inn and Staybridge Suites by Westfield include Travelodge (providing 350 rooms) and Premier Inn (providing 267 rooms). It is anticipated that these developments will open prior to the 2012 Games;

¹⁷³ Volterra (June 2011). Westfield Stratford City: The Inheritance before the Games.

- Lend Lease's International Quarter will provide four million square feet of office space in Stratford. Work on the £1.3 billion, scheme will start in 2013, following the completion of the 2012 Games, with the first plots ready for new occupants from the end of 2014;
- ExCeL, the conference centre based by the Royal Docks, to be used as a venue in Games, may have attracted investment;
- The O2, another Games-time venue which may have seen additional investment attracted as a result.

The extent to which these locations have been influenced as a result of the 2012 Games or attracted additional investments will be examined in more detail in the interim and post-Games evaluations.

In addition to the public realm projects listed earlier that are directly related to the 2012 Games, there are other schemes in place within host boroughs that are being delivered alongside the private sector. Given the economic downturn and the heavy losses faced by property investors since 2008, those consulted suggested that the Games has encouraged developments to complete rather than stall to a greater extent than encouraging new development.

Individual schemes within the 'fringe' area which may have been affected by the Games are listed below with a short description.

Figure 6-16: Wider regeneration plans in the Olympic 'fringe'

| Programme and host borough | Description |
|---|--|
| St. Andrews Hospital, Bromley-by-Bow, Tower Hamlets | This major residential development is being undertaken by developer Barratt Homes in a joint venture with the LDA (as landowners). |
| Land Prop, Newham | This is a new mixed use development planned at Sugar House Lane, totalling 30 acres in size. Current plans are for the scheme to include 1.3 million sq ft of residential space, 480,000 sq ft of offices, 200,000 sq ft of hotels and ancillary retail space. |
| Royal Docks, Newham | LDA plans to develop the area with a mix of uses. The Docks have recently been identified as London's only Enterprise Zone, and recent investments into the area include that by Siemens to invest in a permanent showcase for sustainable technologies. It is likely profile and development of the area is being catalysed by the Games. |

It is difficult to ascertain the effect of the Games on each development, but of the stakeholders consulted, there was a consistent view that the Games has impacted on scale and size. They noted regeneration programmes have been able to achieve more within the immediate area, and suffered less from the recession

The momentum of the development may have improved perceptions of East London, which may result in further rounds of investment. This may be partly due to the fact that the Games is helping to generate brand value in East London. While investments such as Westfield will also have contributed to this, the scale and speed of change driven by the Games is thought to be significant to the success of other regeneration schemes in the host boroughs.

6.4 Transforming communities: baseline¹⁷⁴

(i) Housing units delivered

The numbers of housing units, their quality and affordability are central to the legacy commitment. Over the 2000 to 2009 period, the number of residential housing units completed averaged 5,410 per annum across the host boroughs as a whole (or an average of around 900 per borough per annum). The level of completion across the host boroughs in total jumped

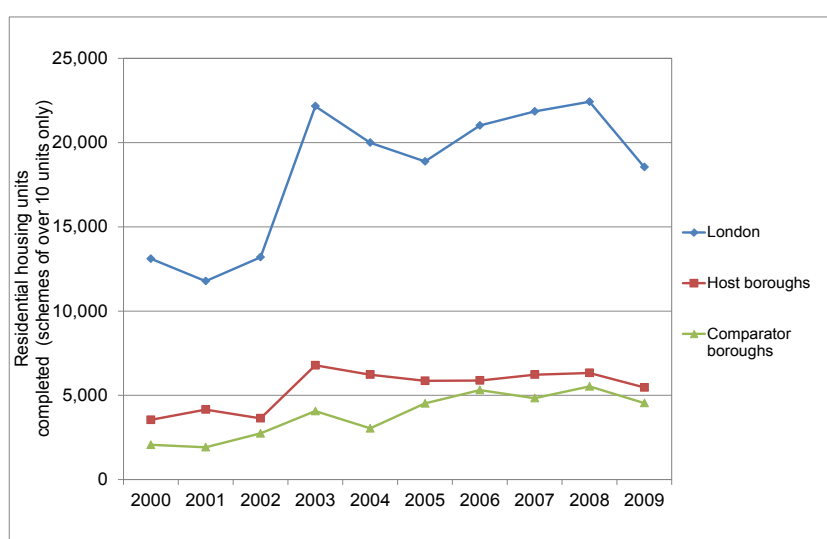
¹⁷⁴ The main data source for this sub-theme is the DCLG Place Survey, which was conducted in 2008 and has now been discontinued, which means sourcing historical and future trend data is not possible. It will be necessary to use other sources and options are being considered by DCMS and the meta-evaluation consortium.

from an average of 3,800 per annum over the 2000 to 2002 period to 6,100 per annum over the 2003 to 2009 period.

The level of completions in the host boroughs has been significantly higher than the comparator boroughs, which averaged 3,860 per annum over the same 2000 to 2009 period. Residential units completed in London averaged 18,300 per annum respectively over the same 2000 to 2009 period.

The higher rate of completion in the host boroughs relative to the comparator boroughs is consistent with housing targets. The London Plan is informed by a Housing Capacity Needs Study, which set out annual additional 'homes' targets for the host boroughs. The 1999 study states 810 homes per annum were expected over the 1997-2016 period compared with the 800 per annum in the comparator boroughs.¹⁷⁵ The targets increased in the host boroughs in subsequent housing capacity need studies (see analysis in the transforming communities section).

Figure 6-17: Housing completions 2000-2009



Source: Greater London Authority, London Development Database.

(ii) Satisfaction with area

While numbers of housing units delivered are key to legacy, the extent to which they are embedded into the local environment and foster community cohesion is reflected in this indicator. The indicator can be viewed as a counterbalance to the numbers of housing units delivered.

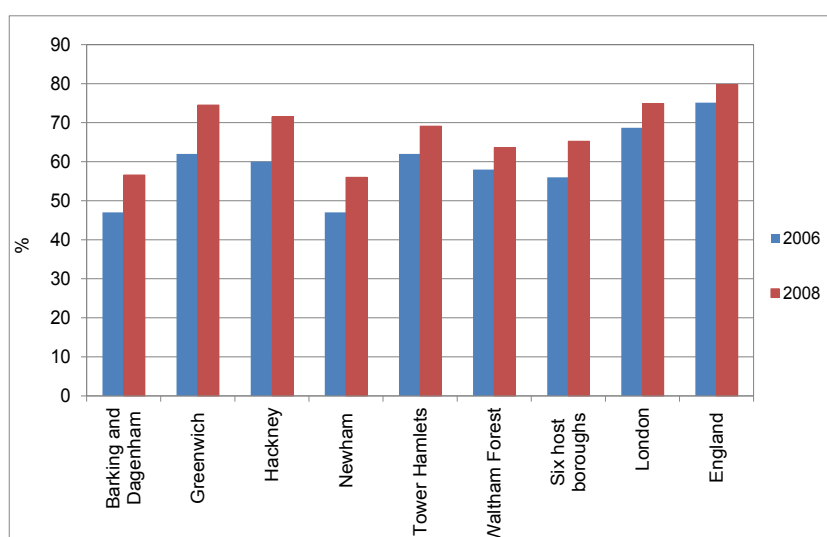
Residents' satisfaction with their local area as a place to live in 2008 across the host boroughs was 65% on average, lower than both London (75%) and England (80%). There are significant differences across host boroughs. For example, Greenwich's satisfaction rating was 75%, compared to Barking and Dagenham's 57%.

Using the Audit Commission's survey¹⁷⁶ for 2003/04 and 2006/07, it appears that satisfaction rates have improved across the host boroughs, London and England. In 2006, only 56% of people in the host boroughs, 69% in London and 75% in England said they were satisfied with their local area as a place to live. The change over time has been most marked in Greenwich where people who were satisfied grew 12.5 percentage points between 2006 and 2008, while the lowest change at 5.6 percentage points was in Waltham Forest.

¹⁷⁵ GLA (2000). London housing capacity study Annex 2.

¹⁷⁶ Audit Commission, Best Value General User Satisfaction Survey results, 2006/07.

Figure 6-18: Percentage of people who are satisfied with their local area as a place to live, 2006 and 2008



Source: Place Survey 2008, DCLG, Best Value General Survey, Audit Commission.

Unsurprisingly, levels of satisfaction are linked to deprivation¹⁷⁷, with people in deprived areas¹⁷⁸ consistently less satisfied with their local area as a place to live than the average. The host boroughs represent one of the greatest clusters of deprivation in England and Wales, which probably explains the lower satisfaction rates.¹⁷⁹ For example, Newham has low levels of satisfaction and was the sixth most deprived district in England and the third most deprived within London in 2007.¹⁸⁰ There are also specific issues around deprivation in the host boroughs. For example, overcrowding ranges from 18% to 38% of households in the host boroughs compared to the London average of 7%.¹⁸¹

The 2012 Games event could have a direct impact on satisfaction levels in the host boroughs. Investments in the public realm, skills development and employment opportunities in these areas are aimed at addressing levels of economic deprivation and could be expected to indirectly improve satisfaction rates.

(iii) Satisfaction with local authority services

Satisfaction with local authority services has increased between 2006 and 2008 across all of the host boroughs except Tower Hamlets. Satisfaction levels averaged 59% for host boroughs in 2008, which is the same as the England average. Greenwich had the highest rate of satisfaction at 62%, while Tower Hamlets had the lowest at 55%.

In terms of changes between 2006 and 2008, satisfaction in Barking & Dagenham increased most, by 12.4 percentage points, closely followed by Newham which increased by 11.1 percentage points.¹⁸²

Tower Hamlets is the only borough where satisfaction with local services has fallen, decreasing from 63% in 2006 to 55% in 2008. Local initiatives have been put in place in order to tackle this, including activities to give local people greater say in decisions being made (eg the 'You Decide!' programme recently gave local residents a vote on allocation of a £2 million council fund).

¹⁷⁷ DEFRA, Measuring Progress – Sustainable Development Indicators, 2010.

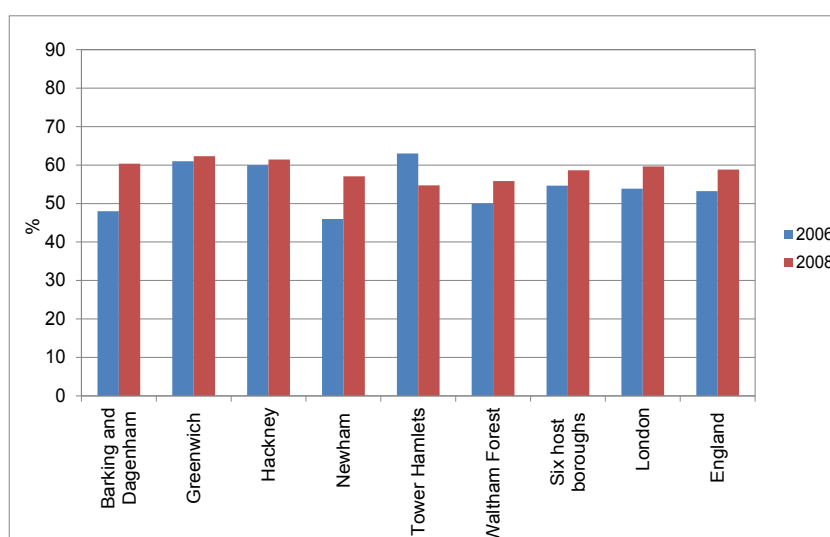
¹⁷⁸ Deprived areas are defined as those lower layer super output areas that are amongst the 10% most deprived in England according to the overall Index of Multiple Deprivation. Source: The English Indices of Deprivation 2010, Neighbourhood Statistical Release, DCLG (24 March 2011).

¹⁷⁹ Host Boroughs Unit (2009). Host Boroughs Strategic Regeneration Framework: Convergence.

¹⁸⁰ Corporate Research Unit Newham, Indices of Deprivation 2007 – Comparison with 2004, 2007.

¹⁸¹ With reference to the five boroughs only.

¹⁸² These changes should be treated with caution as slightly different questions on satisfaction with local authorities were asked in the 2008 Place Survey compared to the 2006 Best Value survey.

Figure 6-19: Percentage of people very or fairly satisfied with local authority services, 2006 and 2008

Source: Place Survey 2008, DCLG, Best Value General Survey, Audit Commission.

The main three drivers of overall satisfaction with a local authority are whether the council is efficient and well run, satisfaction with environmental services and satisfaction with housing services.¹⁸³ The increase in satisfaction levels will be influenced by many economic, social and wider factors, and by government policy initiatives aimed at increasing the efficiency and effectiveness of local authorities (eg Best Value and successor regimes).

Understanding of user needs through comprehensive surveys such as the Place Survey and subsequent engagement with local residents on issues of concern will also have helped. In Barking and Dagenham for example, the 'Tell Us' and 'Done in One' campaigns were both aimed at improving satisfaction and levels of access to local services across the borough.¹⁸⁴

(iv) Community cohesion

The degree of community cohesion in the host boroughs, as measured by the proportion of people who agree that their local area is a place where people from different backgrounds get on well, at 67% in 2008 is slightly lower than the London average of 76%.

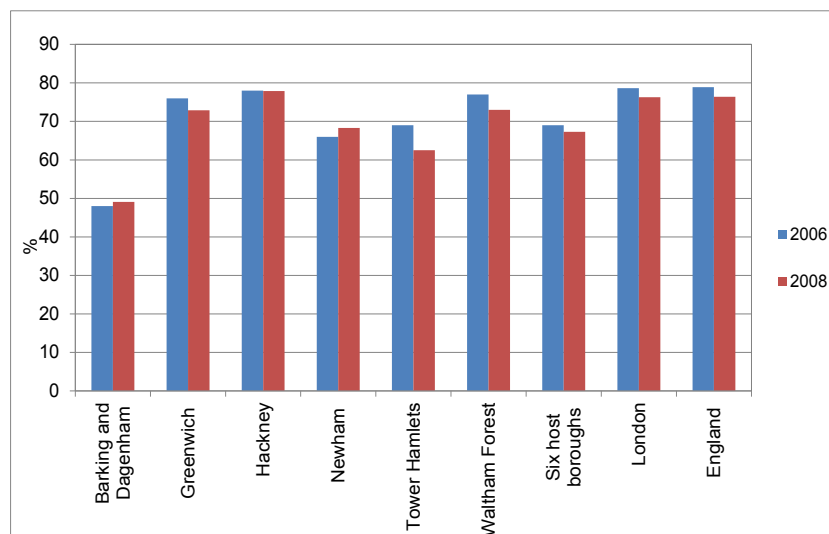
Barking and Dagenham has the lowest rate of community cohesion, with only 49% of people agreeing that their local area is a place where people from different backgrounds get on well. Hackney has the highest rate at 77%.

Between 2006 and 2008, Barking & Dagenham and Newham were two of the few boroughs that saw an improvement in this indicator, with increases of 1 percentage point and 2 percentage points, respectively. Greenwich, Tower Hamlets and Waltham Forest all experienced declines in the measure from 2006 to 2008, while Hackney remained roughly static.

¹⁸³ Figure 40. DCLG, User Satisfaction and Local Government Service Provision, 2006.

¹⁸⁴ The Audit Commission, Barking and Dagenham Comprehensive Area Assessment, 2009.

Figure 6-20: Percentage of people who agree that their local area is a place where people from different backgrounds get on well together, 2006 and 2008



Source: Place Survey 2008, DCLG, Best Value General Survey, Audit Commission.

Many different influencing factors on community cohesion have been identified, including rate of demographic change, extent of manufacturing decline, and relatively low property prices, all of which are significant factors in Barking and Dagenham.

A DCLG study found that health and disability is strongly linked to views on cohesion, stating that "*the strongest negative socio-demographic predictor of cohesion is whether an individual has a limiting long-term illness or disability*"¹⁸⁵ and the level of crime.

Educational attainment and deprivation have a complex relationship with perceptions about community cohesion. A report by DfE looking into young people's views on cohesion found that higher educational attainment achieved by young people in more deprived areas has a negative influence on perceptions of local cohesion, suggesting that this is due to "*alienation in situations where limited opportunities thwart ambition and potential*".¹⁸⁶

Ethnicity and country of origin appear to have a positive effect on cohesion and perceptions of cohesion. Both the DCLG and DfE studies found that people from minority ethnic backgrounds and people born outside of the UK tend to have more positive views about cohesion than white people who are born in the UK. Hackney is a good example of this, as it scores highly on community cohesion while being one of the most ethnically diverse of the host boroughs.

(v) Anti-social behaviour

Anti-social behaviour covers a range of offences, including vandalism and anti-social drinking. In 2008, 39% of people in the host boroughs were concerned about anti-social behaviour, which is higher than the London figure of 27%.

The level of concern is falling, decreasing on average by 17 percentage points across the host boroughs between 2006 and 2008.¹⁸⁷ This was also true in London, where concern fell 18 percentage points, and across England where concern also fell 18 percentage points. In England, the Anti-Social Behaviour Act came into force in 2004, introducing measures to tackle anti-social behaviour, such as on-the-spot fines, extra powers for police forces and giving newspapers and local councils the power to name young people committing offences. This may be one of the key drivers behind the decreasing levels of anti-social behaviour nationally and

¹⁸⁵ DCLG, Predictors of community cohesion: multi-level modelling of the 2005 citizenship survey, 2005.

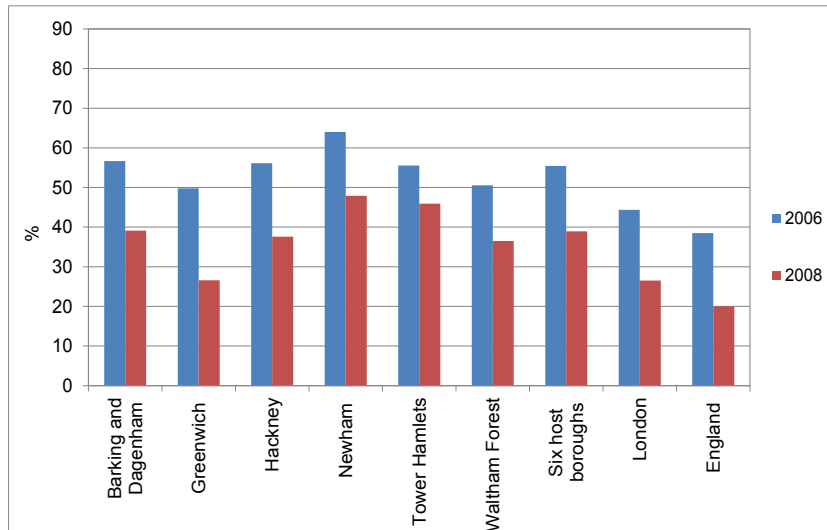
¹⁸⁶ DfE, Young People and Community Cohesion: Analysis from the Longitudinal Study of Young People in England (LSYPE), 2010.

¹⁸⁷ This change should be treated with caution as slightly different questions around anti-social behaviour were asked in the 2008 Place Survey compared to the 2006 Best Value survey.

across the host boroughs, although changes in the survey questions could also be a significant factor.

In 2008, Newham has the highest levels of concern about anti-social behaviour, with 48% of residents stating it as a problem. Greenwich has the lowest levels of concern (27%).

Figure 6-21: Percentage of people who think that anti-social behaviour is a problem in their local area, 2008



Source: Place Survey 2008, DCLG, Best Value General Survey, Audit Commission.

The Home Office anti-social behaviour web page lists a number of indicators at the individual level which are linked to an individual's increased likelihood of becoming involved in anti-social behaviour, such as poor parenting and drug abuse.¹⁸⁸ Wider social factors can also be influential, including poor schooling and living within a deprived area. As noted earlier, Newham residents have the highest concern about anti-social behaviour for example, and is the sixth most deprived district in England and the third most deprived within London.¹⁸⁹

6.5 Transforming communities: Counterfactual

(i) Housing units

Evidence on the counterfactual comprises a variety of measures, including the number of new homes planned in the host boroughs on an annual basis before 2003, the number of new homes delivered on an annual basis before 2003 and the number of houses planned or delivered in the comparator boroughs after 2003.

The Lower Lea Valley ADF developed in 2003 also provides evidence in the form of an historical based counterfactual. This framework sets out a strategy to deliver between 15,600 and 28,900 new homes over the 2003 to 2023 period.

In 1999, the number of new homes planned for the host boroughs totalled 4,859 per annum. This is significantly lower than the 2011 target of 10,965 in the latest London Plan (see Figure 6-22). This increase reflects a number of changing demand and supply side conditions. Many of these are not related to the 2012 Games, such as the housing market boom to 2008 and increased household formation rates (due to immigration, divorce and birth rates, etc) and a London-wide policy to release surplus industrial land for residential development (of which there is comparatively more in East London than in the rest of the city).¹⁹⁰

¹⁸⁸ Home Office web archive

<http://webarchive.nationalarchives.gov.uk/20100405140447/asb.homeoffice.gov.uk/article.aspx?id=9066>

¹⁸⁹ Corporate Research Unit Newham, Indices of Deprivation 2007 – Comparison with 2004, 2007.

¹⁹⁰ Policy 4.4, London Plan 2011.

The 2012 Games is, however, also likely to have an impact. Discussions with GLA suggest that some of the increase in the housing target is related to the 2012 Games, particularly that housing becomes more viable for developers given the land value increases that are a direct consequence of the investment into East London for the Games. This hypothesis will need to be tested in the interim evaluation.

Figure 6-22: Annual housing targets 1999 and 2011

| Area | Target 1999 | Target 2011 | Change in housing target 1999-2011 |
|---------------------|-------------|-------------|------------------------------------|
| London | 20,051 | 33,380 | 66% |
| Host boroughs | 4,859 | 10,965 | 126% |
| Comparator boroughs | 4,798 | 7,420 | 55% |

Source: London Plan 2011, Housing Capacity Study, 1999. Note the capacity estimates in the Housing Capacity Study have been interpreted as targets here.

Alongside the housing unit targets are the number of housing units physically delivered. Housing units delivered is considered to be better for the meta-evaluation than planning-based targets as the indicators specifically measure the benefits actually delivered on the ground, taking into account the changing market conditions.

Actual housing units completed are summarised in Figure 6-23 below for the host boroughs relative to the comparator boroughs. Over the 2000 to 2009 period, housing completions averaged 5,410 per annum across the host boroughs as a whole, compared to 3,856 across comparator boroughs.

Figure 6-23: Number and density of housing completions (2000 to 2009)

| Period | Spatial area | Annual housing completions | Density of housing completions (units per million population) |
|-----------|---------------------|----------------------------|---|
| 2000-2009 | London | 18,290 | 2,360 |
| | Host boroughs | 5,410 | 4,100 |
| | Comparator boroughs | 3,860 | 2,560 |
| 2003-2009 | London | 20,690 | 2,670 |
| | Host boroughs | 6,110 | 4,640 |
| | Comparator boroughs | 4,550 | 3,020 |

Source: London Development Database. Data given since 2000 when first collected.

The average number of housing completions in the comparator boroughs of 4,550 per annum over the 2003 to 2010 period provides an indication of the outcome counterfactual. Housing completions in the host boroughs of 5,410 per annum provides further evidence but this is likely to be a somewhat high estimate, being a mixture of early 2012 Games effects as well as non-Games related factors (eg longer-term East London regeneration, infrastructure development). Issues of attribution will be an important consideration in the interim and post-Games evaluations.

In summary, based on this variety of evidence, the outcome counterfactual is that housing completions in the host boroughs would have otherwise been expected to average around 4,500-5,500 units annually.

While the number of housing completions is key to the commitments in OPLC's Legacy Communities Scheme, equally important are the quality and affordability of homes. In particular, the commitments to date note the housing mix will include high quality one- and two-bedroom apartments, as well as larger family houses that are planned near to waterways and open spaces. It is expected that the proportion of family homes will be 40% of all new homes.

In relation to affordability, the OPLC is aiming for up to 35% affordable housing across the Park. It is also working alongside housing associations to identify innovative models of

affordable housing, such as shared ownership, shared equity and the feasibility of community trusts.

(ii) Area masterplanning – community facilities

In addition to provision of homes and commercial floorspace discussed in the transforming place sub-theme, ensuring adequate community infrastructure, such as schools and health centres, is also key to achieving positive perceptions of communities.

The vision for the Lower Lea Valley, as described within the Lower Lea Valley ADF, is to create a place which:

- Provides a good quality of life for all sections of its community;
- Genuinely engages people in decisions which impact upon their neighbourhoods and communities;
- Engenders a sense of loyalty and attachment.

The Lower Lea Valley ADF also provides evidence of the community facilities which would have been delivered in the absence of the Games. The document notes a community and neighbourhood renewal framework was in development and gives consideration to engagement with the local community in order to explore the need for community facilities, including schools, medical centres, sport and leisure facilities.¹⁹¹

OPLC is lead body for ensuring facilities are delivered around the Olympic Park (boroughs remain lead bodies for areas outside the Park). OPLC submitted a planning application to the ODA in autumn 2011 outlining the proposed changes to be made within the Olympic Park, such as transformation of the parklands into Queen Elizabeth Olympic Park, the creation of five new residential neighbourhoods which will include provision for family homes and the venue transformation. This will be the core content of the Legacy Communities Scheme.

Other additional activities that will contribute to the sub-theme include:

- The refurbishment of the athletes' village and the new neighbourhoods in the Olympic Park, which will provide up to 11,000 homes by around 2030. The Park will offer up to 8,000 new homes in five new neighbourhoods, with 6,800 included in the Legacy Communities Scheme. A further 2,800 units will be created in the Olympic Village. Associated schools and health centres will support the growing populations, though timing of these is dependent on reaching resident level trigger points. The housing counterfactual is as set out earlier;
- A poly-clinic, which will be constructed for Games-time use by athletes. During the event, it will be staffed using NHS volunteers. This facility will remain in the area and be transferred to the NHS for the use of the local community. Though a health facility was included within the Stratford City masterplan, stakeholders interviewed noted that the poly-clinic which replaces it will be in place earlier, will offer more services and is larger in size;
- Chobham Academy in Stratford City, a school which has already been completed, will open providing 1,800 places for pupils aged 3-19. This has been brought forward given existing plans.

Given the commitments made in the Lower Lea Valley ADF, we can say that the Games has had the effect of bringing forward the delivery of community facilities and has altered the character of some.

In relation to how this impacts on the local community, it is expected that trends seen in the Place Survey data will be followed (assuming there will be a mechanism for the same questions to be asked post-2012). In the absence of the Games, outcome counterfactuals would be as

¹⁹¹ Lower Lea Matrix Group (2003). Lower Lea Arc Preliminary Draft Area Development Framework Policy Statement, prepared by Amion Consulting.

detailed below, with an increase since 2008 controlled for any similar increases in the comparator boroughs. These results have been taken directly from the baseline review.

Figure 6-24: Transforming communities – key indicators outcome counterfactual

| Indicator | Counterfactual | |
|--|----------------|------|
| | 2006 | 2008 |
| Satisfaction with the local area | 56% | 65% |
| Satisfaction with local services | 55% | 59% |
| Area where people from different backgrounds get on well | 69% | 67% |
| Area where anti-social behaviour is a problem | 55% | 39% |
| People reporting health either good or very good | - | 77% |

Source: Place Survey 2008, DCLG, Best Value General Survey, Audit Commission.

The provision of homes and community facilities should drive increased satisfaction with place, demonstrated by improved performance for indicators such as those in the Place Survey.¹⁹²

(iii) Area masterplanning – community consultation

Though consultation is an essential element of any new planning initiative or development, the scale and size of the Olympic Park development has necessitated a broader and fuller community engagement strategy than might be seen otherwise. Forums which LOCOG and the ODA are actively engaged with and which are likely to be consulted in the future by the OPLC include:

- The OPLC's Legacy Youth Panel: 35 young people (13-19 year olds) from across five host boroughs. As this has been running for three years, the total number of young people engaged is 75. The programme is delivered by Fundamental, a social enterprise based in Stratford, which hosts workshops with young people on a monthly basis;
- Changing Places: This is a LOCOG environmental volunteering initiative and the OPLC is a funding and management partner. It is delivered in conjunction with London-based providers such as London Wildlife Trust, ODA, Bromley-by-Bow centre, Groundwork London and London in Bloom. To date, 116 volunteers have volunteered over 3,100 hours as part of 26 projects on graffiti removal, rubbish collection, river cleaning, and other local projects aimed at securing long-term benefits in and around the Park;
- LOCOG 2012 Forum: A pan-London forum comprising borough representatives, faith communities, community sports organisations and various interested parties. The group meets biannually;
- LOCOG Faith reference group: A group that brings together leading representatives from the nine major faiths, coordinated by LOCOG's faith advisor to discuss Games and legacy-related issues. The group meets quarterly;
- LOCOG community advocates: There are 12 advocate groups: such as black Londoners, LGBT, Faith forum (similar to the reference group, but representatives are not as senior), and a third sector forum. The groups meet quarterly;
- LOCOG neighbourhood ward panel forum: This group has been coordinated jointly by LOCOG and the Olympic Security Directorate to develop a better relationship between residents, councillors and safer neighbourhood teams in the wards that surround the Park;
- ODA Olympic Park Engagement Network (OPEN): This group gives local community leaders the opportunity to receive presentations and question the senior managers from ODA and OPLC on any Olympic or legacy-related issues concerning them. They are then expected to disseminate this information back through their community networks. This group also meets quarterly;

¹⁹² As noted earlier, the Place Survey is being discontinued. DCMS and the meta-evaluation team are exploring options for data sources that will best replace the information previously provided by the survey.

- ODA local residents' forums: There is a Leyton residents forum, Stratford residents forum, Hackney Wick residents' forum and Fish Island residents' forum. OPLC joins these sessions quarterly to discuss legacy plans and ensure consistent working between the Games-related organisations.¹⁹³

Responsibilities that are currently held by the ODA and will fall to OPLC in future include:

- Provision of 24-hour public hot-line;
- Your Park – a newsletter delivered to residents at two mile radius around the Park;
- Visits programme – seven days-a-week Park tours;
- Construction site safety campaigns – such as construction crew and in-school safety workshops;
- On-site apprentice schemes;
- Artistic and creative projects on site and treatments to 'soften' walls/fences;
- Security and policing for the site.

It is likely that in the absence of the Games, the host boroughs would not employ such time-intensive community consultation to help shape the individual regeneration strategies.

In relation to the outcome counterfactual and how the degree of consultation impacts on the local community, it could be expected that such close engagement would drive increased community satisfaction within the local area. As before, in the absence of the 2012 Games, it is expected that Place Survey data trends would be followed (with data from the comparator boroughs being used to control for any changes in satisfaction driven by general factors such as the economy). The robustness of this counterfactual is, however, somewhat compromised by the need to undertake a new survey of East London residents to replace the discontinued Place Survey. The table below sets out our understanding of the policy counterfactual for the community consultation element of the transforming communities sub-theme.

Figure 6-25: Policy counterfactuals for community consultation

| Programme and description | Development in the absence of the Games |
|--|--|
| Community consultation to support masterplanning | New, additional – it is likely that in the absence of the Games, the host boroughs would not employ such time intensive community consultation to help shape the individual regeneration strategies. |

6.6 Transforming prospects baseline

(i) Number of businesses¹⁹⁴

The overall number of businesses operating in East London is an important indicator for this section. However, the mix and type of business is also an important consideration. The high-tech and creative and cultural industries are of particular interest in East London and they are discussed in more detail later in this chapter.

In relation to all businesses, there has been a gradual increase in the number of businesses across all host boroughs, by a total of 25% over the 1998 to 2008 period. Growth in businesses in the host boroughs outperformed both the London average of 17% and the England and Wales average of 19% over the same period. Over the more recent 2003 to 2008 period, the number of businesses grew by 14% in the host boroughs and by 10% in London.

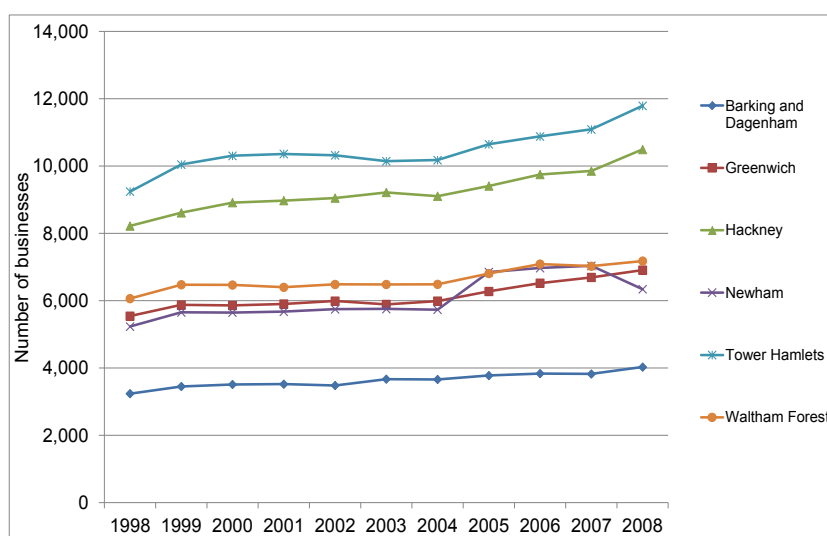
¹⁹³ OPLC, Draft Strategy: Community Engagement, March 2011.

¹⁹⁴ The trends in the number of businesses were sourced from the Annual Business Inquiry. This finished in 2008 and is being replaced by the Business Register and Employment Survey (BRES).

The number of businesses is particularly high in Tower Hamlets (around 11,800 in 2008), largely due to the established business centre around Canary Wharf. The East London Business Alliance has worked within this borough with large companies in Canary Wharf to open up opportunities in local communities, particularly for young people in the area. Tower Hamlets experienced an increase in the number of businesses of 28% over the 1998 to 2008 period.

Greenwich experienced the second largest proportionate increase, with the number of businesses rising by 25% over the 1998 to 2008 period, from just over 5,540 to over 6,900. Greenwich has a number of agencies which are working to help local businesses, including the Greenwich Employment and Skills Partnership and Greenwich Local Labour and Business. These agencies engage with local businesses in order to open up opportunities for local residents. It will be necessary for any project-level evaluations and the meta-evaluation to disentangle these background effects from the business contracts being created by the 2012 Games.

Figure 6-26: Number of businesses, 1998-2008



Source: *Annual Business Inquiry*.

The overall increase in business numbers reflects strong growth in the London economy, where regional GVA doubled over the 1998 to 2008 period.¹⁹⁵

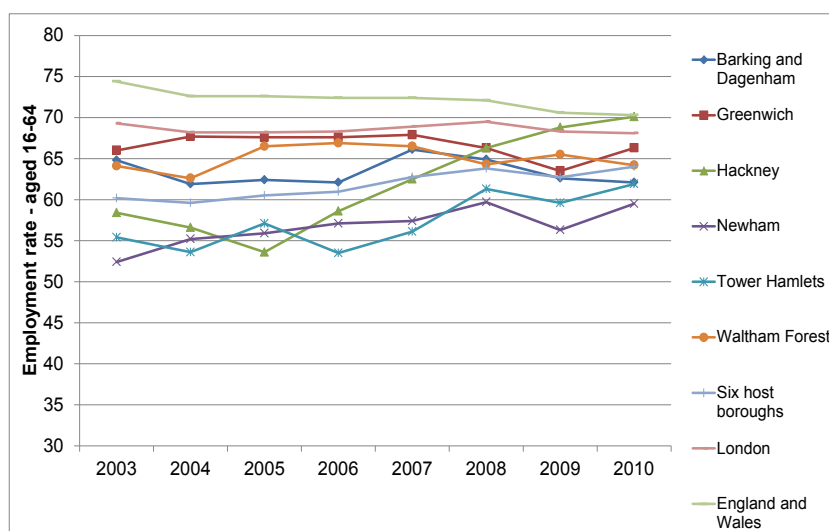
In East London, GVA has also doubled over the period, increasing on average by 7.2% every year over the 1998 to 2008 period. These trends have been driven by increasing opportunities across East London that have come with improved skill levels in the local workforce, enhanced by investment attracted by large regeneration schemes underway in the area such as Canning Town and Stratford City. Targeted activities have been undertaken by the East London Business Alliance, a partnership of key public and private sector bodies in the area which works to maximise the business opportunities in the area.

(ii) People in employment

In 2010, the resident-based working age employment rate in the host boroughs was 64%, lower than the London rate of 68%. Between 2003 and 2010, employment grew across the host boroughs by 3.3 percentage points overall, with growth highest in Hackney at 12.4 percentage points and lowest in Barking and Dagenham, where employment fell by 2.2 percentage points.

The overall growth in the host boroughs of 3.3 percentage points goes against the trend across London as a whole where employment fell by 1.1 percentage points, and across England and Wales which saw a 4.1 percentage point decline between 2003 and 2010.

¹⁹⁵ ONS Regional Accounts.

Figure 6-27: Working age employment rate, 2003-2010

Source: Annual Population Survey, ONS.

The impact of the recession in 2008 is clearly shown by declining employment rates in England and Wales and London. The host borough trends have, however, to some extent bucked the national trend in this period. Some of the drivers of change over the period include:

- The transformation of the London Docklands through the Canary Wharf development;
- Schemes in place to lower rates of worklessness and increase employment rates such as New Deal for Communities, which was in place in parts of Hackney, Newham and Tower Hamlets, since the programme was launched in 1998.

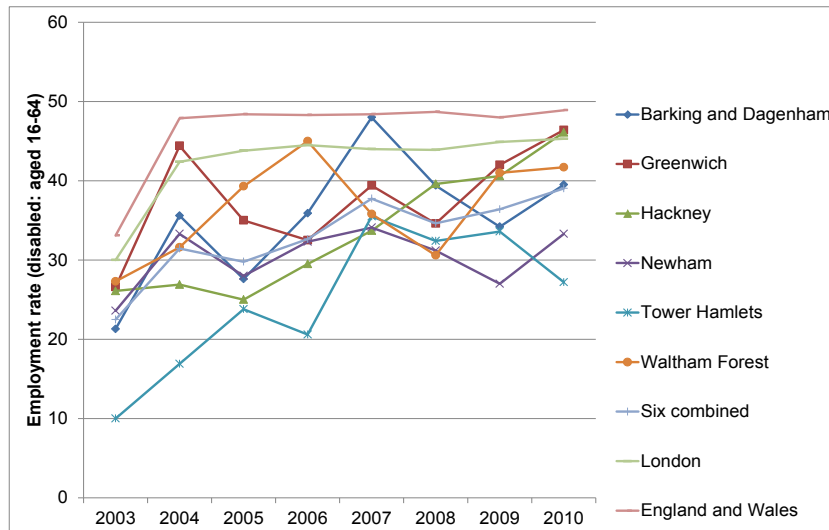
Population increases in the boroughs, possibly influenced by improved transport connections which have attracted skilled people to the borough (see analysis in the Convergence sub-theme). This may explain the underlying reason for the increase in Hackney.

A growing local labour force has also been employed on the Olympic site on site clearance and the construction of the venues.

The employment rate among disabled people in the host boroughs was 39% in 2010, 25 percentage points lower than the overall employment rate across the host boroughs. The rate is highest among disabled people in Greenwich at 46% in 2010, similar to the 45% average for London but lower than the 49% average in England and Wales. Tower Hamlets had the lowest employment rate among disabled people in 2010 at 27%.

Employment among disabled people has remained lower in the host boroughs than in London in every year between 2003 and 2010. The gap was 7.5 percentage points in 2003 and 6.3 percentage points in 2010.

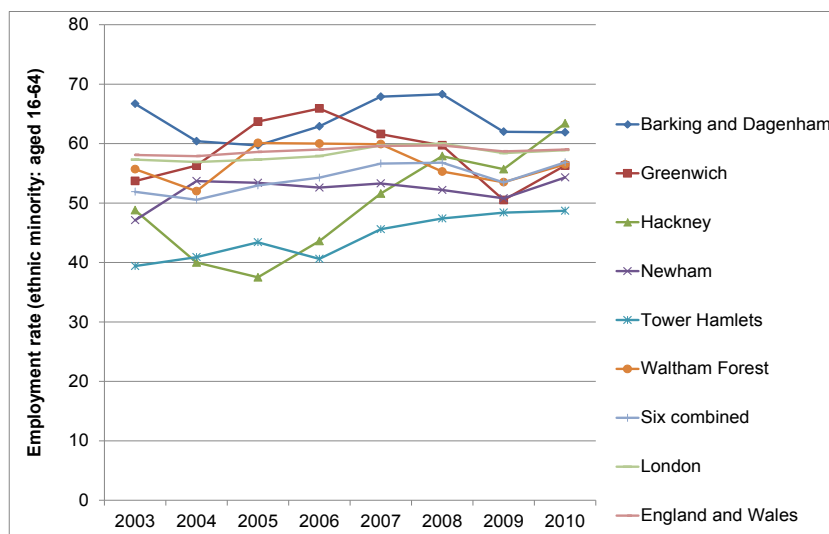
Figure 6-28: Working age employment rate among disabled people, 2003-2010



Source: Annual Population Survey, ONS.

The employment rate among BME groups in the host boroughs has also lagged behind the overall rate, though not to the same extent. In 2010, it was 57%, 2 percentage points behind that of London and also England and Wales on the same measure (where the rate is around 59%) and 6.7 percentage points lower than the overall employment rate across the host boroughs. Most of the host boroughs had lower BME employment rates in 2010 than the national average, except for Hackney (63%) and Barking and Dagenham (62%).

Figure 6-29: Working age employment rate among BME groups, 2003-2010



Source: Annual Population Survey, ONS.

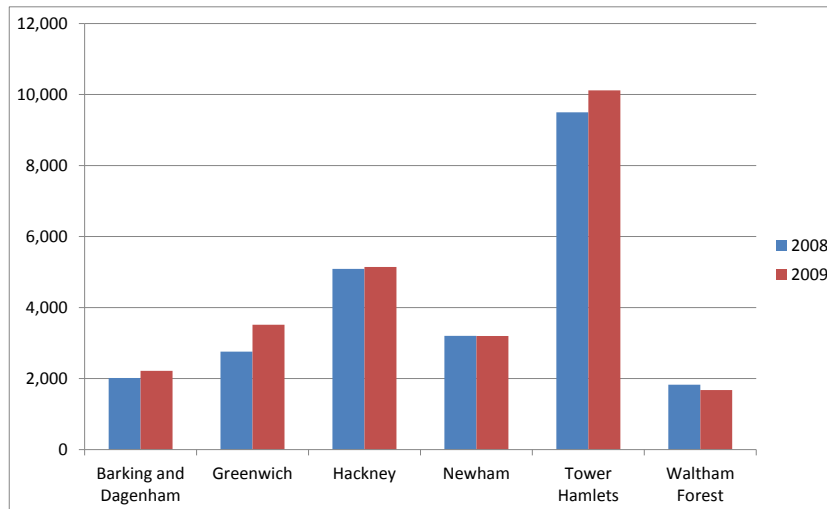
(iii) Employment in high-tech industries

In 2009, around 5% of the host borough workforce worked in the high-tech industries compared to 6% of the London workforce. The number of people employed in high-tech industries was highest in Tower Hamlets in 2009, which employed around 10,100 in the sector. This may reflect the high levels of IT companies working in and around Canary Wharf to support other industries.

Numbers employed in high-tech industries in Hackney are slightly higher than the other boroughs (employing around 5,150 people in 2009 compared to the 2,650 on average employed in Barking & Dagenham, Greenwich, Newham and Waltham Forest). The borough with the lowest number of employees in high-tech industries was Waltham Forest, with around 1,680.

Over the 2008-9 period, levels of employment in the high-tech sector increased by an average of 6% in the host boroughs, with the highest growth levels in Greenwich (27%) and lowest in Waltham Forest (8% decline).

Figure 6-30: Employment in high-tech industries, 2008 and 2009



Source: Business Register and Employment Survey.

The above data provides only a two-year snapshot of the size of the high-tech industries in the host boroughs. It has not been possible to determine the longer-term trend in size of the sector since 2003, as the Standard Industrial Classifications (SIC) codes were changed significantly in 2007 when the Annual Business Inquiry changed to the Business Register and Employment Survey. The methodology used to determine which industries are included in the definition of high-tech and cultural industries is described in the box below.

Box 6-4: Calculation of employment in high-tech and cultural industries

The definitions given to high-tech and cultural industries are based on SIC codes. However two factors have made measurement over time a complex task:

- SIC codes changed in 2007 and there is no straightforward mapping of pre-2007 categories to post-2007 categories;
- The Business Register and Employment Survey has been used as the source, as it breaks down employment by Standard Industrial Classification (SIC). The survey started in 2008. Before this, it was the Annual Business Inquiry. This change affected methodology and, upon analysis, highlighted some discontinuities in the data. Therefore trends for 2008 and 2009 only are given. As this survey is an employer-based survey, employment will be reported on an employment basis and not residence basis.

On definitions:

- For high-tech industries, the Eurostat definition has been adopted;
- DCMS has published SIC codes for creative and cultural sectors both before and after 2007, so the task is more straightforward. In Eurostat and DCMS definitions, there are also some overlaps – with some SIC codes falling under both categories. This suggests a minimal amount of double-counting.

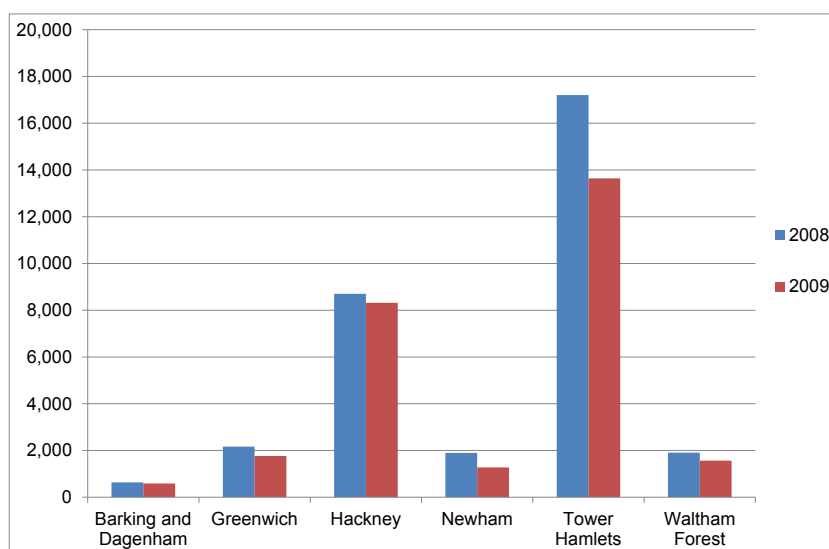
These two definitions do not cover all the activities of the firms which are to be based in East London Tech. For instance, McKinsey and Siemens have committed to invest in East London, but changes in employment would not be captured given the current framework.

(iv) Employment in creative and cultural industries

London has 7.7% of its workforce working in creative industries compared to 4.2% in England and Wales. Within the host boroughs, Tower Hamlets employs the greatest number of people in the sector, with 13,640 employees in 2009, while Hackney employs the highest proportion of the workforce in this sector at 10% workforce. The likely reason the Tower Hamlets figure is much higher than in other boroughs is because the definition, set by DCMS, includes publishing industries. This is boosted given employment by the Mirror Group at Canary Wharf and News International at Wapping.

Between 2008 and 2009, employment in the sector fell around 16.5% in the host boroughs.¹⁹⁶ The reasons that may be influencing the falling numbers employed in the sector are likely to be cyclical.

Figure 6-31: Employment in creative and cultural industries, 2008-2009



Source: Business Register and Employment Survey.

LTGDC recently launched its vision for Hackney Wick and Fish Island – districts in Hackney – where a new creative quarter is planned. The corporation notes that artists and designers have been attracted to the area for a number of years 'by the historic warehouses and good value rents'.¹⁹⁷

6.7 Transforming prospects: Counterfactual

(i) Employment and skills initiatives

Policy counterfactual

The most significant employment and skills intervention is the LDA-led LEST, including the LETF, supported by over £10 million between 2007 and 2010 and a further £15 million from the LDA between 2010 and 2013 (to be transferred to GLA in June 2013).¹⁹⁸ The DWP-led East London City Strategy Pathfinder is also important, launched in 2006 for the original five host boroughs and supported by £13.5 million from the Disadvantaged Areas Fund until March 2011.¹⁹⁹ The policy counterfactuals are summarised below.

¹⁹⁶ Business Register and Employment Survey.

¹⁹⁷ LTGDC, Hackney Wick & Fish Island: Vision and Objectives, 2010 available from <http://www.ltgd.org.uk/news/publications.aspx>

¹⁹⁸ Section 4.7 includes a more detailed analysis of counterfactuals with respect to LEST.

¹⁹⁹ Published evaluation for the CSP will inform analysis of impacts.

Figure 6-32: Policy counterfactuals for key transforming prospects sub-themes

| Programme and description | Development in the absence of the Games |
|---------------------------|---|
| LEST | Existing, increased scale and enhanced quality – this activity would not have gone ahead on this scale without the Games. |
| City Strategy Pathfinder | New, additional – in the absence of the Games, unlikely additional central funding to support employment outcomes would have been made available. |

The policy counterfactual in relation to these funded initiatives needs to take account of the following observations:

- Job brokerage services are generally provided by boroughs as a core service and would be in place if there were no 2012 Games. For instance, the boroughs of Newham, Tower Hamlets and Barking & Dagenham have their own employment brokerage schemes, and Hackney has a scheme it runs with a partner. These schemes would have continued separately in the absence of the Games;
- The additional funding provided by DWP encouraged boroughs to trial innovative approaches to employment support, such as the 'hub and spoke' model where one site acts as a principal base providing centralised support or activities to satellite sites which are connected to the principal site. These models, now operating in Newham, would have been implemented at a slower pace in the absence of the additional support;
- The additional support has meant more residents can access support in the host boroughs. Furthermore, some additional services have been necessary to tailor employment support to the specific type of opportunity offered in and around the Olympic Park, such as in relation to construction centres and the Retail Academy.

Further observations are likely to be found in the LDA-commissioned study which will include an evaluation of LEST and LETF.

At the level below the LEST and City Strategy, interventions known to operate at the host borough level are listed below along with some consideration of whether these would have been in place in the absence of the Games. This analysis has been informed by discussion with the host boroughs and Host Boroughs Unit. In addition to these interventions several national initiatives developed by Sector Skills Councils have been focused in East London, such as People 1st's WorldHost programme and the National Skills Academy for Retail at Westfield (See Section 4.7(ii)).

Figure 6-33: Employment and skills initiatives in the host boroughs

| Host borough | Description |
|----------------------|---|
| Across host boroughs | <p>Olympic Park supply chain pilot: using ArcelorMittal Orbit as a case study: this project helps bidders for the Orbit engage with the local business base, through a 'local supplier directory'.</p> <p>Creative Way media skills programme 2009: an initiative incorporating media skills training and an awards scheme designed to give young people in East London advice on a career in media.</p> <p>London Legacy 2020, The East London Business Alliance: this is an initiative delivered in partnership with the Broadcast Centre Legacy Group, a group of digital media and broadcast companies. The project has developed GEcircle, a social networking platform to support the voluntary sector. It also encourages companies to invest in the CREATE festival, an annual summer arts festival in the six host boroughs.</p> |
| Hackney | <p>OnSite Hackney Recruitment Centre: Opened in 2008 is a Games-related initiative.</p> <p>Jobs Fair 'Your Olympics, Your Future, Your Choice': an annual Games-related event.</p> <p>Skills in Media Showcase: Hackney media students showcase their work to major broadcasters at the Ravensbourne summer school (2008-2012), this is a Games-related initiative.</p> <p>Ways into Work programme: An existing employment support programme which was modified to take advantage of opportunities arising from the Games. Without the Games, it would have existed in its original form.</p> |
| Newham | <p>Newham Workplace: Jobs brokerage service for the 2012 Games and other regeneration schemes in the area. This was an existing service modified to take advantage of Games opportunities, so would have existed in its original form in the absence of the Games.</p> |
| Tower Hamlets | <p>Employment Solutions: This is a partnership responsible for coordinating the borough's strategic agencies, including through Skillsmatch, a job brokerage service active in, but not limited to, Canary Wharf. This is in place, and would have been in place in the absence of the Games.</p> |
| Waltham Forest | <p>Worknet programme: This existing service was modified to take advantage of Games opportunities but would have been in place in its original form in the absence of the Games.</p> <p>National Skills Academy for Construction: This £7.6 million investment in Leytonstone was launched in January. It offers 160 apprenticeships and 1,000 adult training places every year. It was funded by the Skills Funding Agency, the council and the LDA. This would not have been in place without the Games.</p> |
| Barking & Dagenham | <p>Job brokerage: Services for residents giving them 48 hours advance notice of jobs on the Olympic site. This would not have been place without the Games.</p> <p>Gateway to the Games: This volunteering programme for 500 local people is also an Inspire project. This would not have been in place without the Games.</p> |
| Greenwich | <p>South East Enterprise Board is providing additional advice to local SMEs to help them take advantage of opportunities created by the 2012 Games. This additional advice would not have been provided without the Games.</p> <p>Destination Greenwich: A 2012-specific initiative, which would not have been in place without the Games, focused on building relationships between the borough and Chinese businesses which has led to new business contracts.</p> <p>London Leisure College: Delivering 'Pre-Volunteering Training' programmes</p> <p>Greenwich Local Labour Scheme: An existing job brokerage service, and provides up-to-date details of job vacancies on the Olympic Park site.</p> <p>New cruise liner terminal: Planning permission has been granted for a new ship terminal to be built in the borough, which will provide temporary accommodation during Games-time. This is as a direct result of the Games.</p> |

Discussions with the host boroughs and the Host Boroughs Unit highlighted the leverage that was created by the Games. In particular:

- It is unlikely that the East London boroughs would have been a City Strategy Pathfinder area without the driver of the Games. The boroughs were granted this status as a result of a ministerial decision, rather than by bidding for it;
- The City Strategy Pathfinder status helped secure further funding including £2 million from the European Social Fund (ESF), £2 million from the ESF for a further transnational

project, around £14 million from the Future Jobs Fund²⁰⁰ and £5.5 million for a project focusing on English as a Second Language (ESOL) training;

- Boroughs' Working Neighbourhoods Fund allocations and funding received via Section 106 was used to support the City Strategy Pathfinder business plans and to meet the strategic ambition rather than local objectives;
- The Learning and Skills Council allocated funding to support three construction centres and the Retail Academy at Westfield (which will be supported by the Skills Funding Agency going forward), which would not have been secured without the Games.

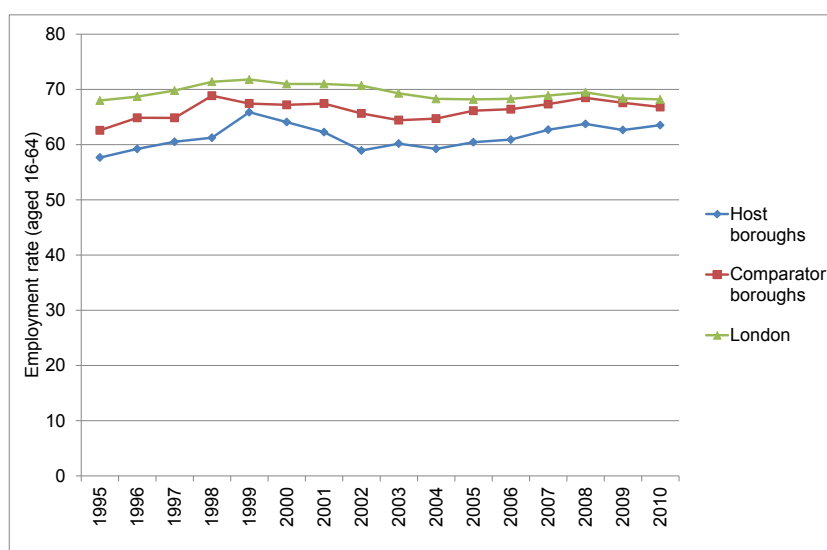
Outside of employment and skills-specific initiatives, the East London Tech policy initiative is in place, led by the Prime Minister, to stimulate the development of the Olympic Park (particularly the Hackney Wick part) into a hub for high-tech and creative industries. Further detail on the LEST programme counterfactual is provided in Section 4.7.

Outcome counterfactual

This part of the meta-evaluation will look at numbers of people moving into employment, but the quality of those jobs and the skills that enabled people to move into work are important in the context of the meta-evaluation. A survey will be conducted to understand the changes in employment prospects given a sample of residents.

At this stage, illustrative data on employment trends to date in the host boroughs and the comparator boroughs are shown below. This shows gaps in the overall employment rate over time with the comparator boroughs and London. This same exercise will be conducted to include 2012 data, in line with the approach set out in Box 6-1.

Figure 6-34: Employment rate of working age adults (residence based), 1995-2010



Source: Annual Population Survey, Local Area Labour Force Survey, Labour Force Survey.

The increase in the employment rate over the 1995 to 2010 period was 5.9 percentage points in the host boroughs, 4.2 percentage points in the comparator boroughs and 0.2 percentage points in London. If this trend were to continue it would demonstrate convergence between the host boroughs and the comparator borough group and with the rest of London. In the interim and final meta-evaluation assessments, this exercise will also be conducted for the unemployment rate, worklessness rate, employment rate among disabled people and ethnic minorities and income levels. It was noted in consultation that:

- A City Strategy Pathfinder evaluation has been completed, which found the working age employment rate in the original five host boroughs increased from 60.7% to 62.7%

²⁰⁰ Note payments are still being drawn down so a final figure cannot be given.

between 2006 and 2010. The gap between these and a set of comparator boroughs and with London both narrowed over the same period including during the recession;²⁰¹

- Investment in infrastructure (such as the DLR) has had an impact on the overall employment rate increase, also suggesting there may be some displacement;
- The most significant influence on the boroughs' employment rate is the national economy so while the interventions may have been successful in moving people into work, there has been less success in relation to the hard to reach unemployed. This implies that the interventions will have some effect on increasing the employment rate (though it is unclear on the extent to which this will be true for disabled people and BME groups).

The additional programmes also helped to promote strategic added value (SAV):

- The increased funding that was available to support employment and skills ensured senior level involvement from boroughs in relation to allocation and this developed understanding and capability within the host boroughs;
- Without the Games, a piecemeal approach to employment support would have been in place and there would be no overarching skills strategies such as the LOCOG Employment and Skills Strategy. Alongside this, there would be no specific resource dedicated to ensuring equalities and diversity are fully integrated into employment policies. ODA and Lend Lease, for instance, have dedicated equalities and diversity leads.

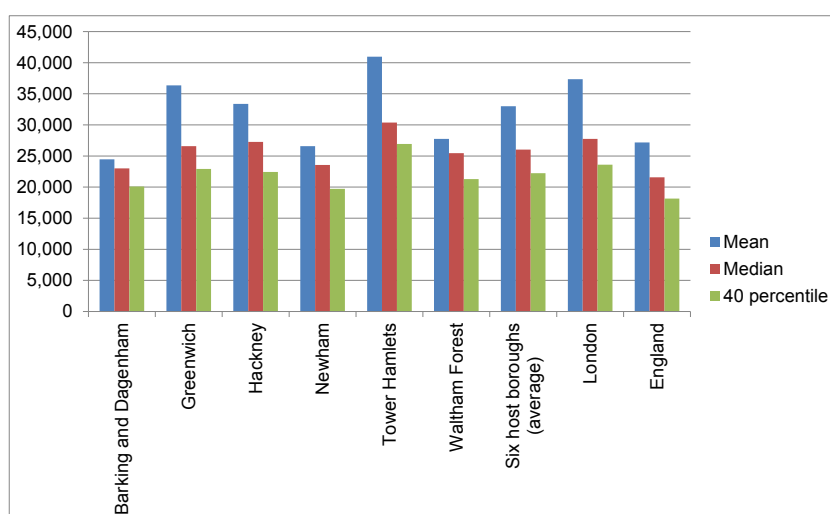
6.8 Convergence: Baseline

The indicators in this category are largely taken from the Strategic Regeneration Framework (SRF).²⁰² Analysis has been undertaken on income levels (by residence), although there are some gaps in income, and on education and skills, health and crime.

(i) Income

The average host borough median wage in 2010 was around £26,000, compared to the London average of £27,800 and the England average of £21,600. The trend from 2003 to 2010 has shown a rising nominal wage, with the median increasing by 22.2% in the host boroughs, compared to 20.8% across London and 20.6% across England and Wales. Hackney has seen the largest change, with a 31.3% rise over the period, and more modest increases have been evident for boroughs such as Waltham Forest which saw only an 11.8% rise.

Figure 6-35: Gross Annual Pay (mean, median, 40th percentile), 2010



Source: Annual Survey of Hours and Earnings, ONS.

²⁰¹ East and South East London City Strategy Pathfinder Evaluation Final Report, Centre for Social and Economic Inclusion and Shared Intelligence, 2011. Comparator boroughs for the five host boroughs were chosen on the basis of labour market characteristics. The comparator boroughs were Barking & Dagenham, Haringey, Islington, Lambeth and Southwark.

²⁰² Convergence, Strategic Regeneration Framework, An Olympic legacy for the host boroughs (October 2009).

Long-term trends across the UK have shown a general increase in nominal incomes, particularly in the years between 2003 and 2007. Prior to the recession, there had been upward pressure on wages due to increased productivity and job creation across the economy, the need to keep pace with inflation and the rising costs of living, and increases in the national minimum wage which has directly affected the pay of a large number of workers.²⁰³

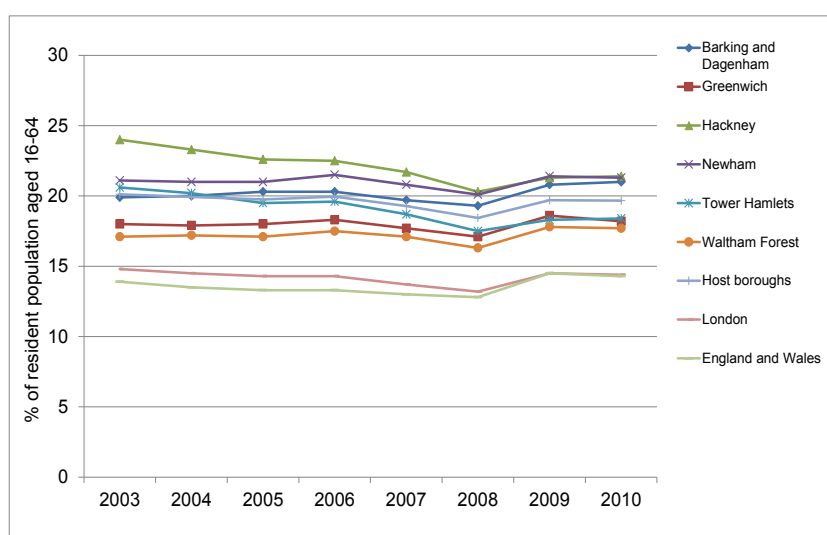
However, more recently average wages have remained constant across the host boroughs, rising just 1.6% between 2008 and 2010. The current climate of high unemployment and low economic growth has produced downward pressure on nominal wages. The Bank of England's Agents' Summary of Business Conditions 2010 found that over three-quarters of businesses had made use of flexible working practices such as freezing pay and reducing overtime in order to reduce labour costs.

Some areas have been more vulnerable to these pressures. London's exposure to the financial services sector has posed increased risks for many boroughs, including Tower Hamlets where a 10.4% drop in average wages occurred between 2009 and 2010. Tower Hamlets has generally had the highest average incomes out of the host boroughs, and these have been increasing at a greater rate than elsewhere. This is attributable to the location of financial and professional service firms in Canary Wharf and the surrounding area. The negative effect of the recent economic downturn on these types of firms will have been a contributing factor to the recent drop in wages in the borough.

(ii) Worklessness

Worklessness measures the number of people not working, and includes those who choose not to work such as students and parents with children. This is approximated using the number of benefit claimants, shown as a proportion of the resident population, aged between 16 and 64, in the chart below. The rate of worklessness in the host boroughs was almost 20% in 2010, which is higher than London (14%) and England and Wales (14%). Between 2003 and 2010, worklessness fell by 0.5% on average across the host boroughs with higher falls in Hackney (2.6 percentage points) and Tower Hamlets (2.2 percentage points). This compares to a fall in the worklessness rate in London of 0.4 percentage points and an increase in England and Wales by 0.4 percentage points over the same period.

Figure 6-36: Rate of worklessness, 2003-2010



Source: Benefit claimants – working age client group, DWP.

(iii) Unemployment

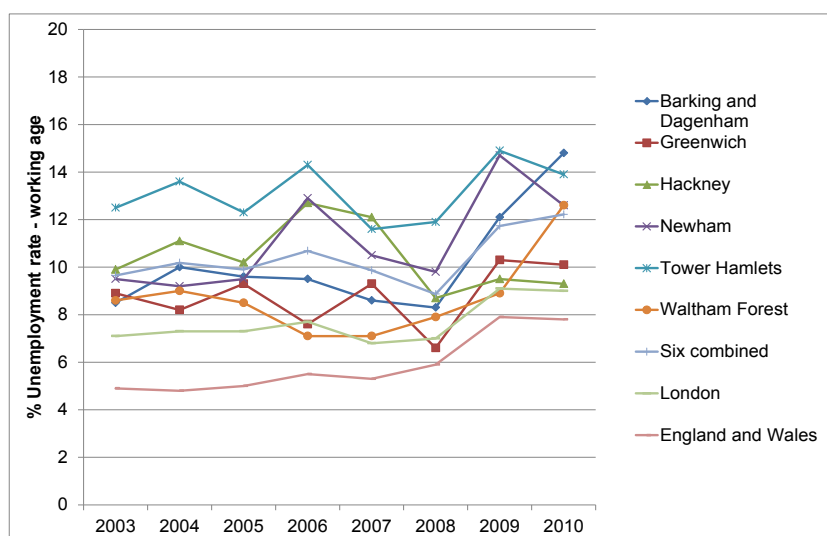
Unemployment rates are taken as a proportion of the working age population. From 2003 to 2010, unemployment rates in the host boroughs have been consistently above the England and

²⁰³ Bank of England, Agents' Summary of Business Conditions, May 2005.

Wales average and also generally remained above the London average. Between 2003 and 2010, unemployment rates increased across all host boroughs except Hackney. But during this time, period, 2007 to 2008, seems to have been a turning point, as shown in the chart below. Over these two years, Greenwich saw a 2.7 percentage point decline in unemployment and Hackney saw a 3.4 percentage point decline. It will be important for project-level evaluations and the meta-evaluation to assess the extent to which these improvements are a result of the tail end of the economic boom, the result of legacy interventions such as LEST or construction employment at the Olympic Park.

Tower Hamlets had on average the highest unemployment rate of all the host boroughs in the 2003 to 2010 period, rising from 12.5% in 2003 to 13.9% in 2010, although in 2010 was overtaken by Barking and Dagenham which had an unemployment rate of 14.8%.

Figure 6-37: Rate of unemployment 2003-2010



Source: Annual Population Survey, ONS.

Barking and Dagenham has been particularly vulnerable to the economic downturn. Possible reasons for this are that the borough has a traditional employment base largely focused around temporary and low paid employment in manufacturing and manual trades, industries which were already under downward pressure and are under continued strain.²⁰⁴

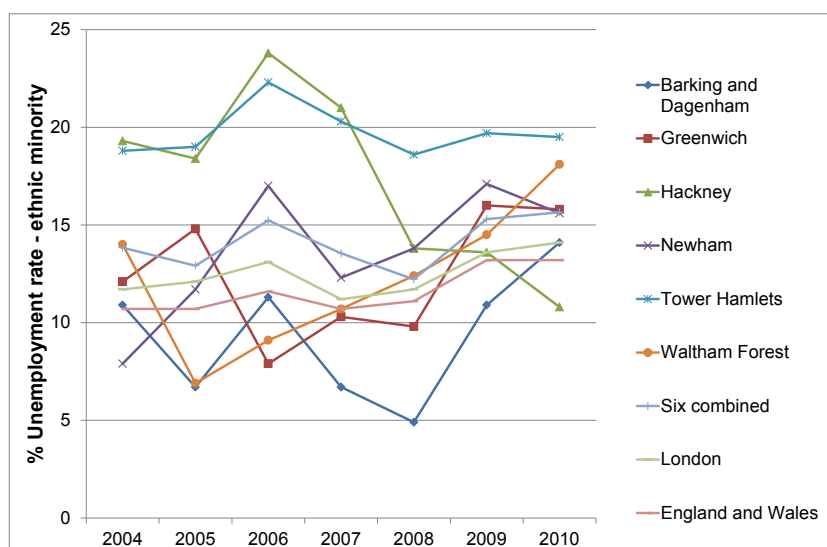
Some of the reduction in worklessness and unemployment in boroughs such as Hackney and Tower Hamlets could be attributed to targeted action plans, for example Hackney's Community Economic Development Plan 2002.²⁰⁵

The unemployment rate for disabled people in host boroughs was 16.8% in 2010 compared to 10.8% in England and Wales. Rates of underemployment for disabled people are typically much higher than the general population, with 10.8% of disabled people unemployed in the UK compared to the overall rate of 7.8%. In Barking and Dagenham, unemployment among disabled people was 25.8% in 2010 compared to the overall unemployment rate of 14.8%. Greenwich and Newham show the reverse with unemployment around 3 percentage points lower among disabled people. Something to bear in mind is that for disabled people, an increase in unemployment may reflect an increase in the number of disabled people entering the workforce and actively seeking work.

The unemployment rate among BME groups has fluctuated over the 2004 to 2010 period. In 2010, the rate across the host boroughs was 15.7% compared to 14.1% across London and 13.2% across England and Wales. The greatest increase in BME unemployment over the period has been in Newham which increased 7.7 percentage points from 7.9% in 2004 to 15.6% in 2010. The highest rate is seen in Tower Hamlets at 19.5% in 2010.

²⁰⁴ The Audit Commission (2009). Barking and Dagenham Comprehensive Area Assessment.

²⁰⁵ London Borough of Hackney (2002). Community Economic Development Plan.

Figure 6-38: Rate of unemployment BME groups 2004-2010

Source: Annual Population Survey, ONS.

Hackney is the only host borough to see a reduction in the BME unemployment rate over the 2003 to 2010 period, falling by 8.5 percentage points. In 2007, Hackney had the highest unemployment rate among BME groups of all the host boroughs at 21%. Since then, the borough has implemented policies aimed at diversifying its workforce, including the Phoenix programme to support disabled staff and staff from minority ethnic backgrounds to develop management skills. Recent studies of the borough's socio-economic profile have shown increases in skills levels and higher proportions of minority groups in work.²⁰⁶

Games-related initiatives may also have helped to reduce unemployment in the host boroughs. In Greenwich, where unemployment fell over the past year, the Greenwich Employment and Skills partnership has responded to the recession with initiatives such as partnering with Greenwich Local Labour and Business on a set of volunteer programmes to provide young people with work experience at the O2 and the 2012 Games.

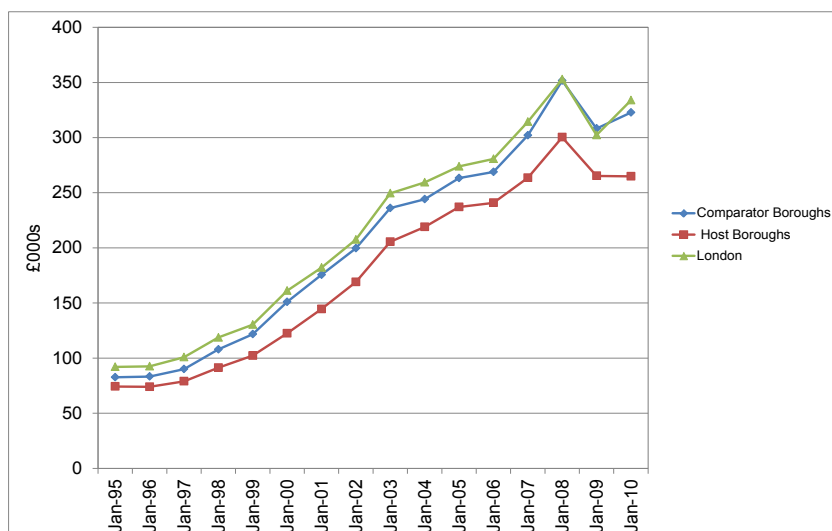
The Games-related contracts won by firms across the host boroughs are also helping to reduce unemployment. For example, in Greenwich seven companies have secured £15 million of Olympic related contracts with the ODA.²⁰⁷

(iv) House prices

In relation to house prices, growth rates in host boroughs and comparator boroughs are shown in the chart below.

²⁰⁶ Hackney Council, Hackney Cohesion Review, 2010.

²⁰⁷ The Audit Commission (2009). Greenwich Comprehensive Area Assessment.

Figure 6-39: House prices, 1995-2010

Source: Land Registry.

The trends pre- and post-2003 are given below, including through the compound annual growth rate measure (CAGR). These show that growth rates are slightly higher in the comparator boroughs than in the host boroughs and in London across both time periods. The average house price in the comparator boroughs is closer to the London average as it is skewed by the very high average house price in Islington. The counterfactual here is that the house prices in the host boroughs would have increased at roughly the same rate as the comparator boroughs.

Figure 6-40: House price growth in host boroughs and comparator boroughs, 1995-2010

| Indicator | London | Host boroughs | Comparator boroughs |
|---------------------------|----------|---------------|---------------------|
| CAGR (1995-2003) | 13.3% | 13.6% | 14.0% |
| CAGR (2003-2010) | 4.2% | 3.7% | 4.6% |
| Average house price, 2010 | £334,000 | £265,000 | £323,000 |

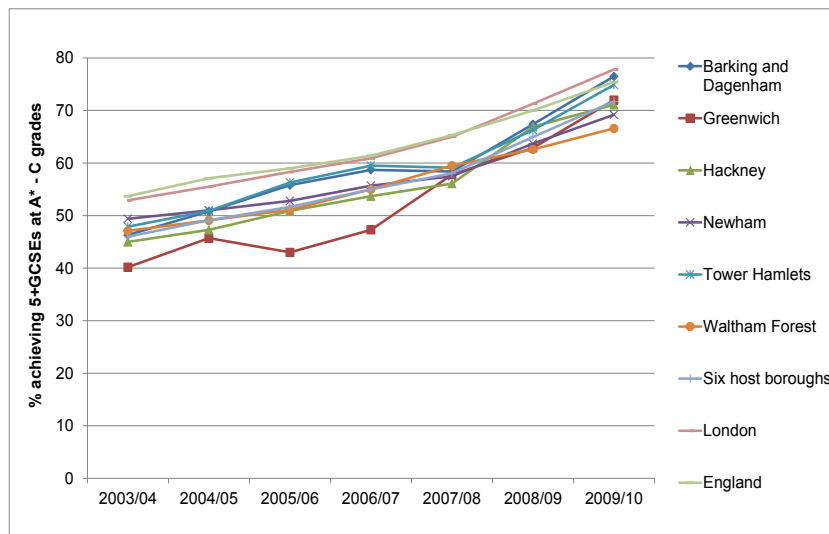
Source: Land Registry.

(v) Educational attainment

In 2009/10, the proportion of pupils at Key Stage 4 who achieved five or more GCSEs at grades A*-C in the host boroughs was 72%, lower than across London (78%) or England (75%). Barking and Dagenham has the highest achievement rate (77%) out of the host boroughs in 2009/10 and was the only host borough where achievement at this level was above the national average; the lowest achieving host borough was Waltham Forest with 67%.

Across the host boroughs achievement at Key Stage 4 increased by 26 percentage points between 2003/04 and 2009/10, which is slightly higher than London as a whole which improved by 25 percentage points.

Figure 6-41: Educational attainment – Pupils at Key Stage 4 achieving 5+ GCSEs at A*-C grades 2003/04-2009/10



Source: GCSE and equivalent results in England, DfE.

Educational attainment at Key Stage 2, measured by point scores, shows a less marked variation between the boroughs, with fluctuations in point score changing by less than one per year.

Between 2003/04 and 2008/09, the average point scores of pupils at Key Stage 2 increased by 2.6 points across the host boroughs, slightly higher than the change across London (2.2 points) and England (1.1 points).

Average point scores of pupils at Key Stage 2 generally increased up to 2006/07, after which they remained constant or increased. Greenwich increased the most over the period rising from 26.6 in 2003 to 27.7 in 2008/09, an increase of 1.1 points. Tower Hamlets experienced the slowest increase, rising by 0.4 points over the period.

Figure 6-42: Educational attainment – Pupils at Key Stage 2 average point scores, 2003-2009

| Area | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 |
|--------------------|---------|---------|---------|---------|---------|---------|
| Barking & Dagenham | 27.0 | 27.0 | 27.1 | 27.5 | 27.4 | 27.7 |
| Greenwich | 26.6 | 26.9 | 27.0 | 27.1 | 27.4 | 27.7 |
| Hackney | 26.1 | 26.2 | 26.3 | 26.5 | 26.7 | 26.8 |
| Newham | 26.7 | 26.9 | 27.0 | 27.1 | 27.1 | 27.3 |
| Tower Hamlets | 27.1 | 27.1 | 27.4 | 27.6 | 27.4 | 27.5 |
| Waltham Forest | 26.7 | 26.8 | 27.2 | 27.4 | 27.5 | 27.4 |
| London | 27.4 | 27.5 | 27.7 | 27.9 | 27.8 | 28.0 |
| England | 27.5 | 27.6 | 27.8 | 27.9 | 27.9 | 27.8 |

Source: National Curriculum Assessments at Key Stage 2 and 3 in England, DfE.

There is a national trend of improving educational attainment at Key Stages 2 and 4, driven by factors including joined up working across delivery agencies through Education Improvement Partnerships which worked at a regional level across England (discontinued 2008).

Despite this, educational attainment at Key Stages 2 and 4 in host boroughs has fallen short of national and London-wide averages. However, policies aimed at improving the quality of education in the host boroughs have had some recent success. In the 2009 Area Assessment of Barking and Dagenham, the work of the Barking Learning Centre and the 15 Children's Centres across the borough were noted in their provision of help for children and families, which is having a positive impact on educational attainment in the area.²⁰⁸

A report by DfE into the drivers of success in education found that educational attainment of young people is also strongly linked to the socio-economic conditions of an area.²⁰⁹ In the host boroughs, factors such as poverty, poor housing and poor health remain prevalent across many communities. In Waltham Forest, the gap between the achievement of young people who are eligible for free school meals (ie those from low income households) and those who are not, has been reduced for both Level 2 and Level 3 qualifications and many more young people from low income families progress to higher education.²¹⁰

(vi) Adult skills

Both the host boroughs and London have seen an 8 percentage point increase in the percentage of 19 year olds reaching Level 3 over the 2004/05-2008/09 period. Although the trend has been upwards, the performance of the host boroughs has remained consistently below the London average. For example, 42% of 19 year olds reached level 3 in the host boroughs in 2008 compared to the London average of 54%.

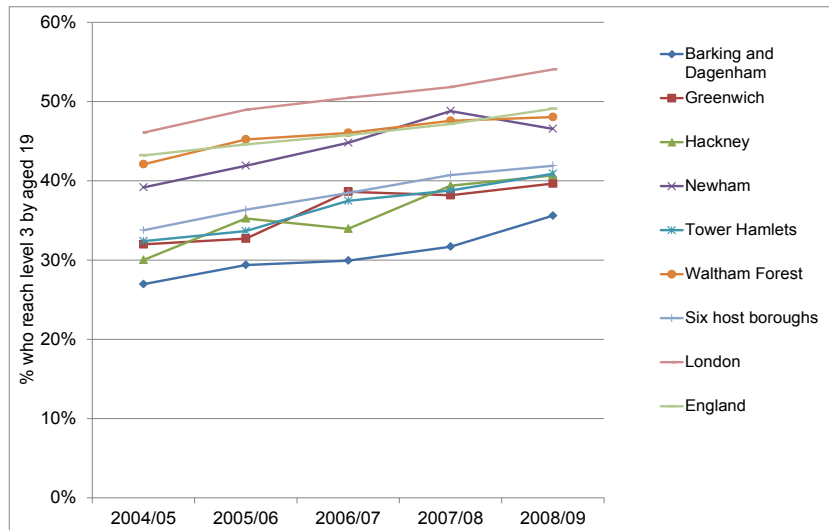
The borough with the highest level of achievement in 2008/09 was Waltham Forest, which saw an increase between 2004/05 and 2008/09 from 42% to 48%. The lowest proportions of achievement at this level have been consistently found in Barking and Dagenham. In 2008/09, Barking and Dagenham was 13 percentage points below the England average of 49%, whereas Waltham Forest was just 1 percentage point below the England average.

²⁰⁸ The Audit Commission (2009). Barking and Dagenham Comprehensive Area Assessment.

²⁰⁹ DfE, Drivers and Barriers to Educational Success: Evidence from the Longitudinal Study of Young People in England, 2008.

²¹⁰ The Audit Commission (2009). Waltham Forest Comprehensive Area Assessment.

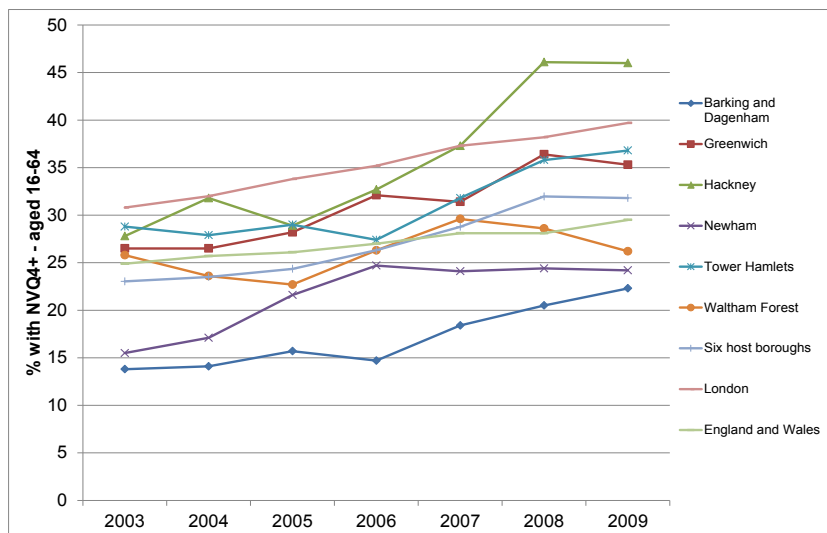
Figure 6-43: Skills levels – Percentage of 19 year olds reaching Level 3, 2004-2008



Source: DJE.

The proportion of adults who have an NVQ at Level 4 in the host boroughs has increased by 9 percentage points since 2003, 9 percentage points across London and by 5 percentage points across the country. In 2009, the figure in London was 40%, 32% in the host boroughs and 30% in England and Wales. All of the host boroughs have seen an improvement in this indicator between 2003 and 2009. The most significant increase over the period was seen in Hackney, where an 18 percentage points increase was achieved, compared to an increase of 8.8 percentage points in host boroughs as a whole. In Waltham Forest, skills increased only by 0.4 percentage points over the period.

Figure 6-44: Skills levels – Percentage of adults achieving a NVQ Level 4, 2003-2009



Source: Annual Population Survey, ONS.

The national trend of increasing adult skills has been enhanced by the introduction of targeted policies, such as the Skills for Life Scheme, a £5 billion scheme introduced in 2001 which aimed to increase the literacy and maths qualifications of 2.25 million adults by 2010.

The borough of Hackney has seen an improvement since 2005, where the Hackney Skills for Employment Strategy, set out in 2009, may have contributed. This included activities to specifically target the achievement of 19 year olds in the borough at Level 3, using the jobs to be created by the Games to target skills programmes.²¹¹

²¹¹ Team Hackney (2009). Hackney Skills for Employment Strategy, May 2009.

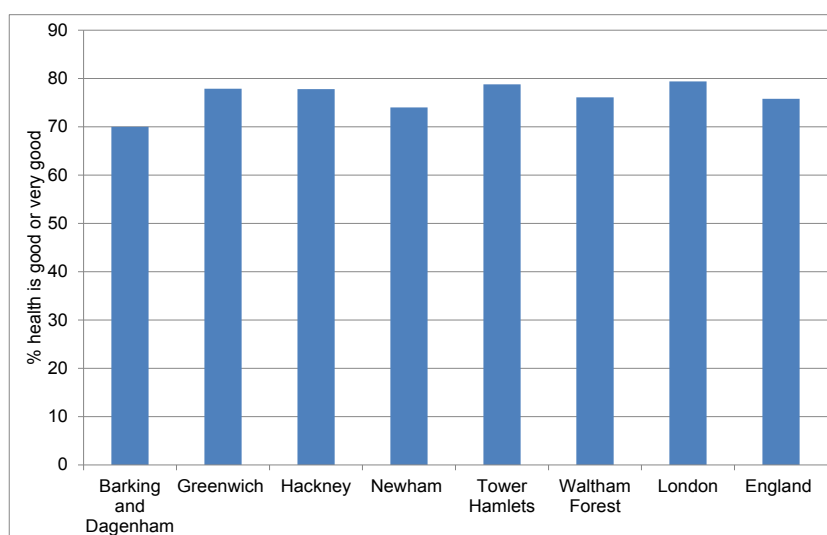
The borough of Newham has performed worse than average in this area over the past decade. Apart from a slight decline in numbers from 2007 to 2008, the borough has been improving consistently across this period. Activities underway in the borough which are driving this trend include the introduction of all five of the new Foundation and Higher Diplomas for 14 to 19 year olds. The borough is also working to provide different opportunities for young people to stay in education beyond the age of 16 through working in partnership with the University of East London.²¹²

The low levels of adult skills in Barking and Dagenham may be driven by the borough's dependence on low skilled manufacturing jobs. Recently, improvements have been made through policies such as the Council's Skills Pledge 2007, which aims to develop the skills of its lower paid staff, and also a number of apprenticeship programmes which are in place with key public sector organisations committing 750 placements borough-wide.

(vii) Health

Across the host boroughs on average 75.8% of people reported their health to be good or very good.²¹³ This compares to London as a whole, where 79.4% of people report positive results. Out of the host boroughs, Tower Hamlets reported the highest levels with 78.8%, compared to Barking and Dagenham which had the lowest levels of people satisfied with their health at 70.0%.

Figure 6-45: Percentage who say their health is good or very good



Source: DCLG, Place Survey, 2008.

(viii) Life expectancy

Life expectancy has been steadily increasing for both males and females in London increasing by two years for men (from 76.0 to 78.2 years) and two years for women (from 80.8 to 82.7 years) over the 2001 to 2006 period.

Across the host boroughs, in 2006:

- Life expectancy for men was 75.9 years, lower than across London (78.2 years) and England (77.9 years). Of the host boroughs, life expectancy was lowest in Tower Hamlets (75.3 years) and highest in Waltham Forest (76.5 years);
- Life expectancy for women in the host boroughs was 81.1 years, lower than in London (82.7 years) and England (82.0 years).

²¹² The Audit Commission (2009). Newham Comprehensive Area Assessment.

²¹³ DCLG (2008). Place Survey.

Figure 6-46: Life expectancy at birth

| Sex | Area | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------|--------------------|------|------|------|------|------|------|
| Male | Barking & Dagenham | 74.6 | 74.9 | 75.3 | 75.9 | 76.3 | 76.4 |
| | Greenwich | 74.1 | 74.5 | 74.7 | 75.0 | 74.9 | 75.5 |
| | Hackney | 74.4 | 74.6 | 75.1 | 75.0 | 75.7 | 75.9 |
| | Newham | 73.7 | 74.4 | 74.9 | 75.0 | 75.7 | 75.8 |
| | Tower Hamlets | 72.9 | 73.8 | 74.8 | 75.2 | 75.3 | 75.3 |
| | Waltham Forest | 74.6 | 74.9 | 75.3 | 75.3 | 75.9 | 76.5 |
| | Six host boroughs | 74.1 | 74.5 | 75.0 | 75.2 | 75.6 | 75.9 |
| | London | 76.0 | 76.4 | 76.9 | 77.4 | 77.9 | 78.2 |
| | England | 76.2 | 76.5 | 76.9 | 77.3 | 77.7 | 77.9 |
| Female | Barking & Dagenham | 79.4 | 79.2 | 79.4 | 79.8 | 80.3 | 80.6 |
| | Greenwich | 80.0 | 80.1 | 80.2 | 80.7 | 81.4 | 81.7 |
| | Hackney | 80.4 | 80.8 | 81.5 | 81.7 | 82.1 | 82.2 |
| | Newham | 78.9 | 78.8 | 78.9 | 79.4 | 79.8 | 80.4 |
| | Tower Hamlets | 78.9 | 79.2 | 79.9 | 80.2 | 80.4 | 80.4 |
| | Waltham Forest | 79.5 | 79.9 | 80.3 | 80.7 | 81.0 | 81.2 |
| | Six host boroughs | 79.5 | 79.7 | 80.0 | 80.4 | 80.8 | 81.1 |
| | London | 80.8 | 81.1 | 81.4 | 82.0 | 82.4 | 82.7 |
| | England | 80.7 | 80.9 | 81.1 | 81.6 | 81.8 | 82.0 |

Source: NOMIS, ONS.

As with other indicators discussed, health and life expectancy are closely linked to socio-economic conditions. Improving socio-economic conditions across the nation and within the host boroughs has facilitated healthier lifestyles. However, deprivation remains persistent in many of the communities within the host boroughs. Key underlying factors behind poor health are poverty, unemployment and poor housing.

The SRF states that the host boroughs account for "*the greatest cluster of deprivation in England and Wales*".²¹⁴ As a result of this, it is estimated that an extra 15 people per 100,000 of the population die prematurely in the host boroughs compared to London.

In Tower Hamlets, where the high average wage masks significant polarisation, it is estimated that two in five households live on less than £15,000, leaving children living in poverty and resulting in poor health across these groups.²¹⁵ Tower Hamlets has managed to reduce poor health by tackling poor housing, in addition to ensuring that local health services invest more in communities.²¹⁶

The host boroughs also have a high level of overcrowding, a factor which may lead to poorer health for those residents.²¹⁷ A DCLG review stated that living in overcrowded accommodation can exacerbate illnesses such as stress and depression.²¹⁸ The SRF states that the percentage of households who live in overcrowded conditions is between 18% and 38% in the host boroughs, compared to the London average which is under 7%.²¹⁹ There is a particularly high concentration in Tower Hamlets.²²⁰ Improvements to the overcrowding situation are being made through local authority-led programmes such as Tower Hamlets' cash incentive schemes to encourage under-occupiers to move out, and funding for 'knockthroughs' to increase the size of existing properties.

²¹⁴ The Host Boroughs Unit (2009). Host Boroughs Strategic Regeneration Framework: Convergence.

²¹⁵ The Audit Commission (2009). Tower Hamlets Comprehensive Area Assessment.

²¹⁶ The Audit Commission (2009). Tower Hamlets Comprehensive Area Assessment.

²¹⁷ Host Boroughs Unit, Host Boroughs Strategic Regeneration Framework: Convergence, 2009.

²¹⁸ DCLG (2007). Tackling overcrowding in England: An action plan, December 2007.

²¹⁹ Host Boroughs Unit (2009). Host Boroughs Strategic Regeneration Framework: Convergence.

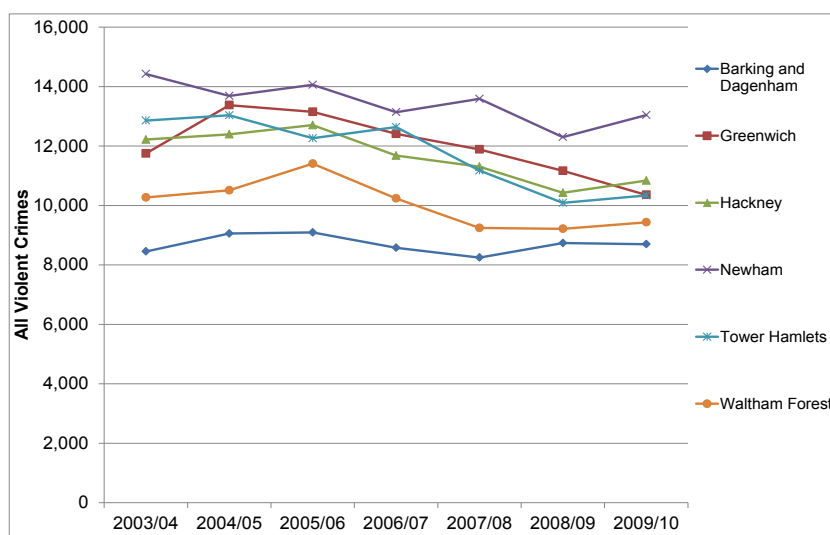
²²⁰ Tower Hamlets Council, Tower Hamlets Overcrowding Reduction Strategy, 2009-2012.

(ix) Violent crime rates

Violent crime offences recorded by the police have declined by 10.4% across the host boroughs over the 2003/04 to 2009/10 period. This fall was a slightly greater than London as a whole which showed a 9.3% decline, but slightly less than England as a whole which declined by 11.5%.

Incidents decreased across all boroughs, with the exception of Barking and Dagenham where incidents increased since 2003/04 by 2.9%. The decline was most pronounced in Tower Hamlets of all the host boroughs, which saw a 19.6% decline in incidents.

Figure 6-47: Violent Crime Incidents – count of incidents



Source: Neighbourhood statistics.

The British Crime Survey, estimates that violent crime in England and Wales has fallen since 1995 and is now stable.²²¹

Violent crime recorded in London has fallen, although it is high compared to other regions. Reduction may be driven by initiatives such as Crime and Disorder Reduction Partnerships, aimed at joining up the work of police forces with local authorities, PCTs and probationary services.

The Review of Violent Crime in England and Wales found that victims had estimated the age of offenders committing violent crime to be between 16 and 24 years in 48% of cases.²²² Tower Hamlets has managed to reduce the rate of violent crime committed by young offenders through programmes such as those aiming to reduce overcrowding in the borough, which can reduce the number of youths spending time on the street.²²³

The increase in violent crime rates in Barking and Dagenham was noted in the Comprehensive Area Assessment 2009, which suggested that this may be partly due to the fact that the local police issue fewer fixed penalty notices for disorder compared to similar areas, which may be reducing the efficiency in dealing with offenders and detection rates.²²⁴ The Council contends that the majority of violent crime in the borough is related to domestic abuse, with youth and pub violence also an issue, and since 2009 local policing tactics have changed significantly, targeting interventions where appropriate to reduce the overall violence in the borough. In 2010/11 there was a 9.5% reduction on the year 2009/10 in the number of crimes of violence (compared to a 6.1% reduction for London as a whole) and a further 13% reduction in the year to date.

²²¹ The Home Office (2009). British Crime Survey. Note BCS includes a wider definition of violent crime than used in this report, and includes robbery, harassment and sexual assault.

²²² The Home Office, Crime in England and Wales 2009-2010, 2010.

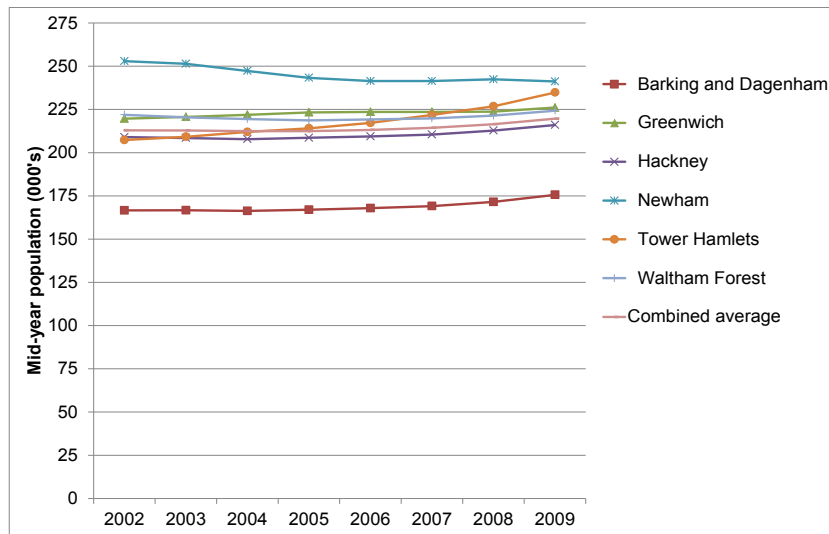
²²³ The Audit Commission (2009). Tower Hamlets Comprehensive Area Assessment.

²²⁴ The Audit Commission (2009). Barking and Dagenham Comprehensive Area Assessment.

(x) Population

The chart below graphs population since 2002.

Figure 6-48: Population in the host boroughs (thousands)



Source: ONS.

The population trends across the host boroughs have broadly followed regional and national trends. The combined average change across the host boroughs for the whole period is a 3% increase, just slightly below increases in London as a whole (5%) and England and Wales (4%), with the most growth occurring from 2005 onwards.

The host borough which experienced the greatest population growth was Tower Hamlets, which saw a 13% increase over the total period. Newham was the only host borough to experience a decline in population across the period, though this change was concentrated between 2003 and 2005, and since then levels have been fairly stable.

Although experiencing some of the highest rates of population decline in England, Newham also continues to have the largest total population of the host boroughs, with a total population of 241,200 in 2009, compared to 175,600 in Barking and Dagenham, which consistently has the lowest total population.

Population changes need to take account of migration in and out of boroughs in addition to births and deaths, in order to isolate any underlying trends. As noted by DCLG, the factors that affect mobility are mainly household characteristics, including those that help determine employment opportunities, such as socio-economic status/position and educational attainment.²²⁵ DCLG also writes that choice of residential location is also heavily affected by the range and price of housing available. Thus, satisfaction with the dwelling, the neighbourhood and the council are relevant but they are also highly associated with these household characteristics.

²²⁵ DCLG (2010). Population churn and its impact on socio-economic convergence in the five London 2012 host boroughs.

6.9 Convergence: Counterfactual

The policy counterfactual for the convergence theme is that the SRF would not have been developed for the host boroughs. The SRF has been vital in:

- Driving strategic planning and delivery across the host boroughs;
- Building links between traditionally separate programme areas where an integrated approach offers significant net gains, such as in health and housing;
- Realising opportunities which have lacked a clear champion to take them forward.

Without an SRF, these strategic priorities and activities which require partnership working across the different host boroughs would not have taken place. This is largely because a Host Boroughs Unit would not be in place to provide leadership and coordination in the absence of the Games. As noted earlier, there is likely to have been some degree of joint working, facilitated as part of the bidding process, but not to the same extent as the Host Boroughs Unit has brought about.

The Host Boroughs Unit is currently producing an SRF Action Plan which will set out the specific policies and programmes that will help deliver the convergence ambition.²²⁶ It is likely that the total regeneration effort including the interventions listed in Report 1 and in more detail in this report, will help deliver convergence as well as those actions that will be listed in the SRF Action Plan.

It is important for the Host Boroughs Unit to undertake its programme in partnership with statutory bodies that will exist after the Games to see through the 25-year vision it promotes. In the absence of such a commitment it is unlikely the convergence vision will be reached. The activities of the MDC should therefore reflect the convergence agenda in the longer term, where the policy counterfactual is that there would be no MDC in place.

The policy counterfactuals are therefore as set out in the rest of this chapter. It is worth distinguishing that programmes underway led by host boroughs and OPLC to improve socio-economic outcomes will include the capital investments discussed and employment support initiatives discussed, but a number of other investments in the area of quality of life are planned. The table below gives a sense of these legacy activities underway, most of which would not have been in place without the Games.²²⁷

²²⁶ The SRF Action Plan is due to be reviewed by the East London Legacy Group.

²²⁷ Note also that a number of these projects will be part of the Inspire programme. To reduce duplication with the Community Engagement theme, Cultural Olympiad projects have not been included in this table.

Figure 6-49: Sport and culture programmes in host boroughs²²⁸

| Host borough | Description |
|----------------------|---|
| Across host boroughs | Four Borough Sports Festival: four colleges from across three London boroughs collaborated to run and compete with each other in a three-day, ten-sport festival in 2009. |
| Hackney | Hackney Museum Mapping the Change: exhibition to record the changes that will take place in Hackney. Hackney Schools at the Heart programme: this programme will develop a Games-inspired curriculum for primary schools. Hackney 2012 Youth Ambassadors: this programme aims to train 24 students drawn from Hackney's secondary schools to promote Games-related issues. |
| Newham | Newham Volunteers: this is a scheme that is run by the council and would operate even in the absence of the Games. It provides resource for event organisers and voluntary sector projects across London. |
| Tower Hamlets | Urban Olympics project: this project involves visits by schools and youth clubs where participants learn about the Olympic and Paralympic Games, and are told about local clubs where they can take up alternative Olympic activities. Sports Development 2012 Programme: this aims to inspire people to get active through supporting and developing events and activities. VAULT: this youth film training project is aimed at developing filmmaking skills and looking at life in London during the 1948 Games and in the run up to 2012. The project is open to all young people aged 14-19 from the host boroughs. It is funded by the LDA, Tower Hamlets 2012 Unit and LVRPA. Activity Legacy Programme: jointly with Tower Hamlets Primary Care Trust, this involves targeted programmes for children and young people, disabled people, BME, and older people to increase levels of physical activity. |
| Waltham Forest | Vestry House Museum: an exhibition held at Vestry House Museum hosted a heritage exhibition looking back at the 1948 Games and forward to 2012. Inspired by the Tour de France: this is a new event, more specifically, a guided bike tour, intended to encourage residents take more physical activity. Drapers Field: subject to planning approval, there is work underway to invest in sport facilities and open spaces in the borough, for the temporary release of Drapers Field. 2012 Youth Ambassadors Scheme: this group of young people will be responsible for ensuring the youth perspective informs councils plans and developments for the 2012 Games. |
| Barking & Dagenham | Giant beach: this new facility at Mayesbrook Park is the second beach volleyball venue in London to open. Living the Dream: this is the borough's charitable trust set up for the 2012 Games, to support talented young local athletes. Gateway to the Games: a volunteering and events programme, 'Celebrate, Activate, Participate', celebrates the countdown to the Games and the union of art, culture and sport. |
| Greenwich | Greenwich Sportathon: this is the biggest annual mass-participation event for primary school children in London, with over 2,000 children from every primary school in the borough attending. Greenwich 2012 Ambassadors: to help reach out to all different groups and organisations in the community. 2012 cycle trail: this eight mile route links three venues in the borough. Greenwich 2012 Diversity toolkit: the toolkit was developed by the council and is designed to highlight what is effective in promoting equality and cohesion within and through sports and cultural activity. |

It is expected that the programmes listed will contribute towards convergence indicators such as life expectancy, self-reported health and educational attainment. There is relatively little

²²⁸ A further description of health and well-being projects is expected from NHS London East and City which will supplement the list above.

evidence around other programmes in place to meet the aim of lowering crime in the host boroughs in legacy.

The outcome counterfactual would be a continuation of trends with regards to socio-economic outcomes in the East London area, and no change in relation to trends in comparator boroughs. This analysis, though set up to be completed at the borough level, recognises the nature of the economic and social characteristics in East London and the geography of these. In particular, that there are pockets of deprivation and disparities in incomes, skills levels and quality of housing.

A handful of convergence indicators are presented in the table for host boroughs and comparator boroughs, which are illustrative only. This method of comparing change with the comparator boroughs will be used to establish outcome counterfactuals for 2012.

Figure 6-50: Key socio-economic indicators in host boroughs and comparator boroughs

| Indicator | Statistic | Host boroughs | Comparator boroughs | London |
|---------------|--|---------------|---------------------|--------|
| Worklessness | Percentage point change in % working age population claiming benefit (2003-2010) | -0.5% | -1.3% | -0.4% |
| Adult skills | Change in proportion of workforce qualified to NVQ4 (2003-2009) | 8.9% | 11.8% | 8.9% |
| Attainment | Percentage point change in % pupils achieving 5 GCSEs (A*-C) (2003-2009) | 25.7% | 26.4% | 24.9% |
| Violent crime | Percentage point change in all violent crimes (2003-2009) | -10.4% | -7.7% | -9.3% |

Source: ONS.

7 Summary

7.1 Introduction

The baseline indicators identified are based on the research framework and methodology set out in Reports 1 and 2, particularly the results and outcomes set out in the logic models and the need to answer each of the research questions. The baseline indicators help to measure change across each of the themes and sub-themes and provide contextual background on the key trends prior to and leading up to the 2012 Games.

Counterfactuals have been developed through an analysis of trends and stakeholder consultations. Two counterfactuals have been considered, namely:

- Policy counterfactual: essentially what strategies and policies were being followed and what activities and initiatives would have been delivered in the absence of the Games;
- Outcome counterfactual: what results would have occurred on the ground in the absence of the Games.

The baseline and counterfactual scenarios are summarised below for the legacy themes of sport, economy, community engagement and East London.

7.2 Sport

(i) Participation

Participation in sport and physical activity was broken down to capture variation by gender, age, socio-economic class, disability and English region. The key findings were as follows:

- Overall sport and physical activity participation rates (in England) have remained fairly stable in the period from 2005 to 2010. There is also some evidence that more frequent sports participants are increasing their activity over time;
- The composition of sports participation among adults is changing, possibly reflecting a shift towards personal fitness activities and less organised sport;
- Participation within hard-to-reach groups such as youth and disabled populations would have been the least likely to change in a no-Games scenario.

In terms of the policy counterfactual, broadly focused government strategies and programmes aimed at increasing participation in sport would have gone ahead, though possibly on a smaller scale, in the absence of the Games. However, specific Games-related programmes aimed at participation such as Places People Play and the School Games, would not have gone ahead or received funding without the Games.

In cases where activities have followed on from previous programmes, it was less clear the extent to which these would have reached the same scale and levels of funding in a no-Games scenario. Private and voluntary sector activities in particular appear explicitly linked to the Games and would not have happened in their absence.

The extent to which sport legacy programmes received additional funding as a result of the 2012 Games is more challenging to resolve at this stage. Evidence so far accumulated suggests:

- The 2012 Games resulted in additional funding for sport-related legacy activity in aggregate terms and the ring-fencing/protection of existing funding;
- Additionality of funding is especially significant in the area of elite sport;

- The 2012 Games gave an impetus to many existing programmes;
- The 2012 Games influenced the funding allocation across sport programmes, but was only one of a variety of factors considered. Unpicking the funding impact of the 2012 Games across programmes was in most stakeholders' opinion, difficult to do with any degree of accuracy.

(ii) Infrastructure

Access to sports facilities has improved, with the proportion of the population having access to sports facilities within a 20 minutes travelling time rising from 88.5% in 2005/06 to nearly 90% by 2007/08.

The policy counterfactual for sporting infrastructure looked at strategies around the official Games facilities, including new builds, enhanced facilities and temporary venues. The analysis showed that most of the venues and facilities would not have been provided in the absence of the Games. However, it should be noted that stakeholders indicated that investments made in Games facilities in East London may have displaced investment from other areas of London.

Sports volunteering has remained static since 2005. Sports volunteering has seen Games-specific policies and programmes such as Sports Makers opening this up as an area for focus since 2003. However, sports coaching policy efforts were already in place before 2003 to enhance provision.

The impact of the Games on trends for sports coaching has been difficult to identify, as programmes to tackle this were already in place before the Games were announced.

In terms of infrastructure, the analysis points toward no change in existing trends in the absence of the Games (in terms of overall facility provision). However through Places People Play there are three programmes and almost £100 million of awards to facilities that are directly linked to the Games.

(iii) Elite sport

The policy counterfactual for elite sport performance can be identified in that the elite sport policy framework was set in 1997, with the establishment of the World Class Performance Programme, following poor performance in Atlanta in 1996. The momentum of this has built with a variety of 2012-specific programmes established since, targeted at athletes, coaches and future leaders, and the consolidation of responsibility for the WCPP including responsibility for the English Institute of Sport and TASS in UK Sport.

Success has been achieved in the Games, with Great Britain and Northern Ireland ranked 4th in the medal standings in 2008, and 2nd in the Paralympics in 2000, 2004 and 2008. While the pre-bid performances in Sydney and Athens were within the range of previous Games' performances (with the exception of Atlanta) the Beijing performance may be seen as a consequence in part of the ongoing development of the WCPP itself as well as the additional £200 million Exchequer funding made available in 2006.

In financial terms 2006/07 saw not only transfer of funding and responsibility for World Class Potential funding, responsibility for the EIS and TASS to UK Sport, it also saw significant increases in Exchequer funding for the period 2006-9. The Comprehensive Spending Review in 2010 imposed a cut of 28% on UK Sport Exchequer funding (as compared with 33% for Sport England) but Lottery funding together with the sourcing of commercial funds through the Team 2012 initiative is intended to protect athlete funding up to and beyond 2012.

Initiatives relating to the development of human potential among athletes, coaches, and administrators have been promoted post 2003 in ways which suggest a step change that it is reasonable to attribute to the hosting of the Games. Cross-sport talent identification programmes, for example, have been developed fairly intensively in the run up to London 2012 to complement the traditional 'silo' based intra-sport talent ID and development programmes. The introduction of the Elite Coach, Elite Coach Apprenticeships and the Fast Track Practitioner programmes are also post-2003 innovations.

In relation to developing British leaders to compete for roles in international sporting organisations, the timing of the development of the International Leadership programme and its focus on developing competitive advantage for British sport in things such as bidding to host major events represents an intensification of efforts. Although policies around attracting major sporting events to the UK have not changed significantly, funding levels have grown significantly. Between 2000 and 2003, an average of 7 events per year were supported at an average expenditure of £133,000, compared with an average number of events in the period 2004 to 2010 of 14 events per year supported with up to £203,000 on average per event.

The policy counterfactual for the elite sport sub-theme is therefore a trend towards, and a declared intention of, integration of elite sport policy delivery but with the delivery of this integration accelerated post 2003.

Analysis of the outcome counterfactuals points to the conclusion that medal performances of the level achieved at the 2000 and 2004 Summer Games (ie 10th in the Olympic Games and 2nd in the Paralympic Games) would be the lowest end of what might be expected in the absence of the initiatives undertaken as a result of London being awarded the Games in 2012. However, the continued development of the integrated elite sport development system, with the return on longer-term investment, might reasonably have been expected to result in improved performance in the medal table. Thus without the additional activities funded by the influx of money, in particular from the Exchequer, in 2006 a significant improvement in the medal table position in 2008 would probably have been achieved.

(iv) International

Although UK Sport, with other stakeholders, considered how best to develop the concept of sport and international development, without the catalyst and unifying force of the 2012 Games it seems unlikely that such a significant investment would have been made. Without the Games, UK Sport would have undertaken limited international development and disability work. However, International Inspiration has increased the reach and take up of projects, initiated sport for development projects in new countries unlikely to have been reached otherwise, and acted as a catalyst for other activities.

7.3 Economic

Economic indicators analysed include employment, business contracts, foreign direct investment (FDI) and tourist expenditure. High-level trends identified to date are summarised below.

(i) Business access to 2012

Between 2003 and 2008 all regions and nations enjoyed sustained employment growth. London (6.1%) and the host boroughs (13.3%) outperformed the Great Britain average (3.8%). Between 2008 and 2009, the recession had a negative impact on employment throughout most of Great Britain. The 2.3% reduction in employment in the host boroughs was in line with the GB average, while the decline in London was more pronounced (4.2%).

Employment in the sectors offering the greatest Games-related potential accounted for 16.9% of jobs in the host boroughs, 21.5% in London and 19.5% in Great Britain. Contraction in these sectors in the host boroughs and London as a result of the recession has been particularly notable, although employment in the key sectors has decreased in the past decade, largely due to the significant contraction of employment in the high-tech and retail sectors.

Stakeholder consultations regarding the policy counterfactual – how far the CompeteFor initiative would have been taken forward in the absence of the Games – indicate that it is very unlikely that an e-procurement initiative of this scale and ambition would have gone ahead without the Games as insufficient resources would have been made available. Stakeholders report that without the Games, there would have been a more piecemeal approach, with varying practices across the regions rather than a comprehensive national programme.

In terms of the outcome counterfactual, it can be expected that the macroeconomic impact of expenditure on the preparation and staging of the Games will be relatively moderate in the context of the scale of the UK and potentially London economies. Counterfactual analysis for

the economic impacts of the preparation and staging of the Games will instead be undertaken as part of the post-Games meta-evaluation analysis and will be derived from the Oxford Economics macroeconomic model and associated regional (and host borough) models.

(ii) Promoting the UK as a place to invest

Baseline analysis of the UK and London's ability to compete for inward investment indicates that both country and city are leading locations for FDI:

- The UK has maintained the highest share of both projects and jobs created by FDI in Europe;
- London has been the top performing European city with respect to the number of FDI projects attracted;
- London's share of FDI projects in the UK increased from 25% to 33% between 2000/1 and 2009/10.

In terms of the counterfactual position, it is anticipated that the exposure of the Games will generate higher numbers of inward investment enquiries and project successes both in London and across the UK, as well as increasing the potential for longer-term benefits by enhancing international business leader perceptions of London and the UK.

More businesses will be exposed to marketing information as well as attending more promotional events in London in 2012 than would have been the case without the Games (which may in turn translate into more investment successes). Most critical, however, will be the overarching 'catalytic effects' of the Games in terms of boosting the effectiveness of existing interventions, enabling infrastructure improvements, and attracting potential investors.

(iii) Export and trade promotion

The baseline for exports and trade presents a picture that is geographically varied:

- The total value of UK trade exports rose from £189 billion in 2001 to £225 billion in 2009, an increase of 19 %;
- Only London has seen a decrease in the value of exports in goods since 2003. In 2009, London's exports stood at 94% of their value in 2003.

It is likely that Games effects will most likely be seen in the exporting behaviour of specific businesses that have benefited from Games-related contracts. In particular, those that have been supported through the Government's Host2Host programme are likely to experience benefits they would not have in the absence of the Games and the business support they have brought.

In addition, whilst UKTI would have been active in the host countries in the absence of the Games, awarding the Games to London has allowed UKTI to implement a more focused branding approach linked to the specific 2012 experiences of UK companies. These companies are unlikely to have received this support in the absence of the Games, but there may be some displacement of other activities undertaken by UKTI.

(iv) Tourism

Between 2003 and 2010 the total number of trips to the UK by international visitors rose from 24.7 to 29.8 million, as did total expenditure – from £11.9 billion to £16.9 billion.

London performs more strongly than the rest of the UK in respect of international visitors. The number of inbound visitors increased from 11.7 million in 2003 to 14.7 million in 2010. This equates to a rise of 26% compared to a rise of 21% in the UK.

There has been a slight decline in the total number of domestic trips, from 124 million in 2003 to 119 million in 2010, although the tourism expenditure by UK residents has increased slightly from £20.5 billion to £20.8 billion.²²⁹

London has seen a slight decline in its share of domestic visitors from 11% to 10% over the 2003 to 2010 period, with the decline in expenditure more marked, decreasing from £3.2 billion in 2003 to £2.5 billion in 2010.

Work undertaken for Visit Britain and Visit London in 2007 painted an early picture for the counterfactual:

- Predicting that gross visitor spend in Britain generated by the Games will be £2.34 billion for the 10-year period 2007 to 2017, of which £1.85 billion will be spent in London (2006 prices);
- Indicating that the pre-Games period is responsible for 15% of the estimated total tourism benefits for the UK as a whole; the Games themselves account for 31%, and the remaining 54% is to be generated after the Games. The corresponding shares for London are 17%, 35% and 48% respectively;
- Forecasting a post-Games (2013-17) legacy effect worth £1.27 billion for the UK and £0.88 billion for London, generated largely by higher numbers of visitors from emerging markets (primarily from China, India and Russia);
- Around 11% of all overnight domestic trips in England between January and June 2009 were made by groups of visitors including at least one person with special access needs. In 2010 there were around 2,000 accessible hotel rooms in London (2% of the existing stock).

Additional counterfactual findings through the meta-evaluation indicate:

- Large day-time increases in the populations of host boroughs during the Games and higher population numbers in central London may be offset by Games' visitors displacing some usual August visitors to London. This implies that additional visitor numbers and spend identified in the 2007 work may be lower than indicated;
- Any observed increase in visits may be partly attributable to or influenced by Games-related marketing campaigns designed to harness and maximise the Olympic effect, whilst mitigating any potential negative impacts. Consultees report that without the Games, some kind of national campaign would still have gone ahead, although it is likely that this would have been on a much smaller scale. Crucially, it is believed that the private sector would have had less incentive to invest on this scale without the Games;
- Available evidence regarding accessibility does not suggest that significant additional investment is being made in hotel rooms as a result of the 2012 Games. Thus it is not expected that trends in the number of accessible hotel rooms would differ significantly in the absence of the Games. Instead, policy activity has focused on the 'scaling up' of existing initiatives (eg disability awareness training). These policy interventions should serve to make the existing accommodation offer more accessible and appealing to disabled tourists, ideally improving disabled people's experiences of tourism in the capital.

(v) Employability and skills development

The employment rate across the whole of the UK declined slightly from 72.4% in 2004 to 70.2% in 2010. Conversely, the rate in the host boroughs rose from 59.0 in 2004 to 63.2 in 2010, showing a relatively significant upward trend and convergence towards both the London and UK averages.

Between 2008 and 2010, the employment rate of ethnic minority people in London remained relatively stable, whilst in the host boroughs it has dropped, from 64.1% to 55.8%.

²²⁹ Note that there are inconsistencies in the trend data, as the methodologies for capturing data differ before and after 2006.

In 2009, only 47.3% of London's disabled working age people were employed. In the six years to 2010, the employment rate of disabled people tended to be lower in all host boroughs than in London as a whole (although the employment rate also rose by 5 percentage points between 2008 and 2010, showing a convergence towards the London average).

Analysis of the policy counterfactual related to employability and skills development points to a number of key findings:

- Employment projects directly linked to the Games (eg LETF) and ODA and LOCOG focused employment and outreach initiatives (including measures to boost the disabled workforce) can be expected to exhibit high levels of policy additionality;
- Although the LEST framework was established in response to the Games, some of the projects that sit within it would have happened even in the absence of the Games, albeit on a smaller scale, as the framework built on existing initiatives already funded and delivered by a range of agencies. Stakeholders report that the added value of LEST which specifically relates to the Games influence has been its enabling role in encouraging more joined-up working between agencies in the delivery of employment and training interventions;
- Consultations with Sector Skills Councils (SSCs) on the role of the Games in influencing the development and/or implementation of key skills initiatives suggest varying but generally positive levels of policy additionality with respect to the influence of the Games.

(vi) Disabled access to transport

The proportion of disabled people likely to report having difficulties in using transport declined between 2005 (27%) and 2010 (23%).

As of late 2010, 22.2% of London Underground stations were step-free from street to platform and 3.7% were step-free from train to platform. 22% of London Overground stations were fully accessible, while the DLR is fully accessible. 50% of London bus stops were accessible. 31% of National rail stations in London were fully accessible.

Through consultations, three key outcome counterfactual findings have been identified:

- Accessibility improvements funded directly by the ODA are additional to what would have happened without the Games and would not have taken place in the absence of the Games;
- In some instances, the ODA is working with delivery partners on existing schemes, and this has galvanised or sped up the pace of accessibility improvements, ensured improvements do take place, or has influenced the locations of improvements. Notably, these sorts of Games-related improvements may have involved diverting funding from other projects;
- Some improvements and investments were already taking place and have not been influenced by the Games, often led by wider national partners such as DfT (eg step-free access at various national rail stations). Staff disability awareness training funded by TfL would have taken place anyway.

(vii) Promoting sustainable business

The creation of a business sustainability legacy is about taking a sustainable approach to the planning, construction, procurement and staging of the 2012 Games and then transferring good practice and knowledge to other UK businesses.

One of the key quantitative measures of how effective the 2012 Games has been on sustainability, is around the level of CO₂ emissions. LOCOG commissioned a study to estimate what the carbon footprint would have been if there was a 'business as usual' or industry standard approach to sustainability. Under such assumptions, this so-called reference carbon footprint was estimated to be 3.4 million tonnes of carbon dioxide equivalents (3.4MtCO₂e).

This total is split between four broad categories: venues; spectators; operations; and transport infrastructure, with most of the carbon emissions occurring pre-Games. Emissions attributable

to the ODA and LOCOG make up two-thirds of the overall footprint (around 2.3MtCO₂e) and relate to the construction of venues and Games-time operations.

The LCEGS sector employed an estimated 910,000 in 2008/09, an increase of 1,675 jobs from 2007/08.

The emerging low carbon sector accounted for just under half of total employment (445,600), with renewable energy employing 29% (266,300) and environmental services 22% (197,900).

London had the highest share of employment in 2008/09 with 157,000 employees working in the industry; the next highest was the South East region (117,000 employees).

In the absence of the Games, it could be expected that existing trends in the adoption of green business practices would continue (rather than be accelerated because of the Games influence) and that rates of business and employment growth in the green sector would be lower.

7.4 Community engagement

(i) Volunteering and community engagement

Approximately two-fifths of adults in England participated in formal volunteering over a 12 month period in 2009/10. Participation in volunteering has experienced a small decline nationally since peaking at 44% in 2005. Volunteering rates in London (35%) are below the national average.

Adults aged 35-49 (46%) are more likely to volunteer than any other age group, followed by those aged 16-25 and 65-74 (both 41%) while volunteering rates are lowest for those aged 75 and over (29%). Those from ethnic minority groups (32%) are less likely to volunteer than those who are white (41%).

In 2009-10, 22% of disabled people engaged in formal volunteering at least once a month compared with 26% of non-disabled people, whilst 28% of disabled people engaged in informal volunteering at least once a month compared with 30% of non-disabled people.

Analysis suggests that in the absence of Games-related volunteering activities, participation in volunteering would have continued to decline; continuation of recent trends suggests a decline in the short term of perhaps one percentage point per year.

Consultees agree that promotion of volunteering and engagement on the scale which is currently taking place is very unlikely to have happened if London had not been chosen to host the 2012 Games. One view was that there would have been continued interest in the potential to use volunteering as a route back into employment, but that this would be unlikely to create a shift in participation rates amongst the general population.

The media interest in the Games has provided an opportunity to raise awareness of, and interest in, volunteering which would otherwise have not taken place (eg the significant media coverage given to the launch of the Games Maker programme).

(ii) Culture

Participation in arts activities has remained polarised between those who participate at least three times a year (60%) and those who never participate (25%). The level of participation in England has remained relatively unchanged over the last five years.

People are more likely to attend arts events than participate actively in England. In 2009/10, about two-thirds of adults attended at least one arts event during the year, while less than half participated.

In 2009, about 74% of Scottish adults attended cultural activities in the last 12 months. Unlike England and Scotland, arts engagement in Wales saw an increase between 2005 and 2010, with attendance in the last 12 months rising from 76% to 86% and participation increasing from 20% to 39%. In Northern Ireland, 76% of adults had attended an arts or cultural event in the

previous 12 months in 2007, a small increase relative to 2004, while 22% had participated in an arts-related activity.

A small proportion of adults in Great Britain (7%) report that they have experienced difficulty when accessing cultural, sports and leisure services, much lower than the level of difficulty experienced when accessing other public services. However, 14% of adults with impairments have experienced at least one barrier, more than three times the rate of adults without impairments.

It is assumed that in the without the Games scenario there would have been no major new policy interventions focused on increasing cultural participation or developing the creative sector. It is important to note that a portion of the public sector contribution to the Cultural Olympiad comprises diverted National Lottery funding. As a result, some of the observed gross impacts of the Cultural Olympiad are likely to be deadweight.

Therefore, it is assumed for the outcome counterfactual that existing trends (ie prior to the date that Cultural Olympiad activity commenced) would have continued in the absence of the Games. For cultural participation, this suggests in the short term a continuation of modest growth in attendance at cultural facilities and little growth in arts participation. For people with a disability, trends could be expected to be roughly constant.

(iii) Engaging children and young people

Educational attainment²³⁰ has been improving across England, with the percentage of pupils achieving five or more A*-C grades including English and mathematics at GCSE increasing from 44.7% in 2004/05 to 58.3% in 2010/11. Performance in the host boroughs has largely followed this trend with Barking & Dagenham, Hackney and Greenwich significantly closing the gap to the national average.

The percentage of pupils achieving at least Level 4 in both English and mathematics at Key Stage 2 has increased gradually from 71% to 74% over the past five years. Children in Tower Hamlets have consistently performed slightly above the national average on this measure while Hackney was the worst performing borough, but has seen significant improvements over the past two years.

Approximately 5.7% of all half-days (primary and secondary) were missed due to authorised or unauthorised absence in England in 2010/11. There has been a marked improvement in school attendance over the last five years in the host boroughs.

In terms of education policy, the broad direction as set by the previous and current governments would have continued in the absence of the Games.

Interventions which use the Olympic and Paralympic values as a means to inspire and motivate young people can be considered to be additional to what would have been the case without the Games. The opportunity only exists as a result of the successful bid and the intervention would not have taken place in the absence of the Games. It is therefore assumed that the outcome counterfactual would have been a continuation of existing trends in pupil attainment and behaviour at the school level, and a continuation of current social and economic conditions for the socially excluded groups which are targeted by the intervention (which assumes that this group would not otherwise benefit from similar support).

(iv) Sustainable living

Average domestic energy consumption across the countries and regions of Great Britain fell from 10,100 kWh per capita in 2003 to 9,100 kWh in 2007. Consumption in the host boroughs ranges from 6,000 kWh per capita in Tower Hamlets to 8,500 kWh per capita in Waltham Forest.

²³⁰ It is recognised that key programmes within this sub-theme are not explicitly focused on improving educational performance. However, data on educational attainment and attendance in the host boroughs will be analysed as a proxy measure of the anticipated inspirational effects.

Between 2008/09 and 2009/10 there was a 2.7% decrease in the amount of household waste being produced in England, coinciding with an increase in the proportion of household waste sent for recycling. Recycling, composting or reuse has risen in all the host boroughs since 2005/06, with rates tripling in Barking & Dagenham, Newham and Tower Hamlets. However, rates are still lower in all host boroughs than the average of all local authorities in England.

The most frequently used mode of transport in 2009 in Great Britain was the car (41%) followed by walking (23%), with the least popular mode being rail (3%).²³¹ The number of car driver and car passenger trips has decreased by 7% and 9% respectively since 1995/97.

The assumed counterfactual is that, in the absence of the Games, there would have been no significant additional driver of individual behavioural change (energy and resource use and travel behaviour), except for work targeting households, for example the RE:NEW programme and work being undertaken by energy providers more widely as part of efforts to meet the UK's carbon reduction targets (the undertaking of which is largely unaffected by the presence of the Games)²³².

The outcome counterfactual can therefore be represented by existing forecasts (of emissions, energy and resource use, to the extent that these incorporate the target reductions in household energy use which energy companies and others are working towards, for example through CERT) and/or analysis of current trends (relating to transport behaviour).

(v) Influencing attitudes towards disabled people

Attitudes towards disabled people improved between 2005 and 2009, with the proportion of people reporting that they thought of disabled people as 'getting in the way' falling from 9% to 7%. People were also more likely to think of disabled people as the same as everybody else (85% compared with 77%).

The majority of people feel that prejudice against disabled people exists in British society and is not getting any better. In 2009, 79% of people felt that disabled people face a lot or a little prejudice, a four percentage point rise compared to 2005. Within that proportion, 26% felt that there was a lot of prejudice against disabled people.

The counterfactual position is that without the catalyst provided by the Games, public attitudes towards disabled people would continue to change in line with historical trends. Interviews with policy stakeholders suggest that the 2012 Games has provided the opportunity to build the momentum to promote positive messages about disabled people and their contribution to society, but it would have been difficult for government to undertake positive promotional activity on such a large scale in the absence of the Games. In addition, the Games provides an unprecedented opportunity for generating positive media coverage of disabled people, on a scale that is unlikely to have taken place without the event.

(vi) Overarching social indicators

Community cohesion in London is very high, with over 88% of Londoners feeling that their local area is a place where people from different backgrounds get on well together. This is four percentage points higher than the England average and represents a nine percentage point increase since 2003.

The Games provides an opportunity to improve cohesion by bringing communities together to engage with the Games and participate in related activity. Other recent events, such as the Royal Wedding, have created similar opportunities but the scale of the Games and the longevity of its build up and potential legacy means that it offers the potential for a greater and more sustained effect. The assumed counterfactual scenario is therefore the continuation of existing trends in levels of cohesion, or else a slight decline, given the economic uncertainty facing the UK at this time.

²³¹ DfT (2009). National Travel Survey.

²³² However, it should be noted that the ODA plans to build on the RE:NEW programme by investing a significant sum which represents additional funding which would not have been available in the absence of the Games.

7.5 East London

(i) Transforming place

Over the 2003 to 2010 period house prices have been rising in the host boroughs in line with those in the rest of London, increasing by 35% in host boroughs compared to 36% in London. Looking back further to 1995 there is still little divergence in growth trends, with house prices in the host boroughs growing slightly more than in the rest of London (177% compared to 171%). However, in absolute terms, prices in the host boroughs are lower on average, with the average house price in London at £340,000 compared to a house price in the host boroughs of £278,000 in October 2010. In relation to commercial property, the total rateable value stayed roughly stable between 2005 and 2008 in the host boroughs, while it fell 3% in London.

Transport accessibility and access to green space are further indicators important to the physical transformation of East London, and while these are not available over time, there is evidence to suggest accessibility in the host boroughs is 'poor' and that over the 2001 and 2005 period, the area of green space fell by an average of 3.4% across the host boroughs, compared to a fall of 0.5% across the whole of London.

The policy counterfactual is primarily being defined according to what would have happened in the absence of the Games as defined by the Lower Lea Valley ADF. It is assumed that public realm improvements would have been made as the areas under consideration were already identified as regeneration priorities before 2003. However, improvements would have most likely been made on a smaller scale or at a later date. Interventions that are Games-specific, such as live sites and walking routes, would have been less likely.

Other place-related policies are more directly linked to the Games. It is extremely unlikely that, in the absence of the Games, the Olympic Park venues would have been constructed. However, this investment may have displaced investments in other parts of the country. The strategic planning roles played by the OPLC and ODA would also not have been present. In addition, public sector funding for remediation works on the Olympic Park site and surrounding area may not have been available in the absence of the Games. Although many of the transport infrastructure improvements had already been planned by TfL, most of these have been brought forward to ensure they are in place for the Games.

In terms of the outcome counterfactual:

- Housing completions in the host boroughs would have otherwise averaged 4,500-5,500 annually post-Games;
- Some development would have occurred but involving fewer organisation with less coordination, at lower speed and reduced scale;
- No comprehensive masterplanning would have taken place, so different regeneration and design objectives would be at play resulting in an overall fragmented approach;
- Transport investments would also have been carried out at a later date and on a smaller scale. PTAL scores for each borough would likely have stayed the same as in 2010;
- Stakeholders expressed a consistent view that the Games has impacted on the scale and size of private sector development.

(ii) Transforming communities

On the basis of resident surveys conducted, a baseline can be constructed using data from 2006 and 2008. This finds that resident satisfaction with their local area was growing in the host boroughs over this time, going from 56% to 65%, compared to similar but slightly slower growth from 69% to 75% in London as a whole. Satisfaction with local authority services also grew between 2006 and 2008, but more slowly and not in all boroughs. It went from 55% to 59% in the host boroughs, compared with growth in London of 54% to 60% seen in the same surveys.

These surveys also ask about resident concerns such as cohesion and antisocial behaviour. The measure of cohesion, the proportion of people who agree their area is a place where people from different backgrounds get on well together, declined between 2006 and 2008 in host boroughs and across London by around 2%, measuring 67% in host boroughs in 2008 compared with 76% in London. In 2008, 39% of people in the host boroughs were concerned about anti-social behaviour, which is higher than the London figure of 27%. The level of concern is falling however, decreasing on average by 11 percentage points across the host boroughs between 2006 and 2008 and 13 percentage points in London.

In terms of the policy counterfactual, given the Lower Lea Valley ADF proposals, it is likely that the Games has had the effect of bringing forward the delivery of community facilities and has altered the character of the areas now part of, and close to, the Olympic Park.

In the absence of the Games, outcomes would have likely reflected the trends reported in the baseline. Housing completions in the host boroughs would have continued to average 4,500-5,500 annually post-Games.

(iii) Transforming prospects

Labour market data is the most easily accessible and up-to-date data for localities. It goes back further than 2003, which helps to extract cyclical effects. Employment rates in the host boroughs have been increasing between 2003 and 2010, while London and England saw a decrease over the same period. Having said this, the average employment rate of 64% is still below the London average of 68%. In relation to the high-tech sectors where growth is expected, around 5% of the host borough workforce worked in the high-tech industries compared to 6% of the London workforce.

In relation to businesses, the Annual Business Inquiry provides insight up to 2008, when it was discontinued. Between 1998 and 2008, the number of businesses increased by 25% in the host boroughs and by 17% in London. This needs to be balanced against the business survival rate, which was 91% in the host boroughs and 89% in London in 2008.²³³ Both of these results indicate East London is being seen as an attractive place to do business.

The policy counterfactual relates to the various employment and skills interventions:

- Job brokerage services are generally provided by boroughs as a core service and would be in place if there were no 2012 Games;
- The additional funding provided by DWP encouraged boroughs to trial innovative approaches to employment support. New models would have been implemented at a slower pace in the absence of the additional support;
- The additional support has meant more residents can access support in the host boroughs. Furthermore, some additional services have been necessary to tailor employment support to the specific type of opportunity offered in and around the Olympic Park;
- Without the Games, employment and skills initiatives in East London would still have taken place, but without the emphasis and focus provided by the 2012 Games. Prior to the bid for the 2012 Games, East London has already been a focus for overarching skills and employment initiatives. The LDA, the Learning and Skills Council and the Thames Gateway London Partnership, for example, have all delivered or contributed to regional initiatives;
- The 2012 Games has allowed resources focused on East London to deliver actions to exploit the employment and skills-development opportunities associated with the Games (eg LEST, the London Employment and Skills Taskforce for 2012).

Stakeholder consultations indicate directions for the outcome counterfactual, which will be further augmented by comparator borough analysis in the next stage of meta-evaluation work:

²³³ One-year survival rate taken from ONS, Business Demography 2009.

- A City Strategy Pathfinder evaluation has been completed, which found the working age employment rate in the original five host boroughs increased from 60.7% to 62.7% between 2006 and 2010. The gap between these and the comparator boroughs and with London both narrowed over the same period, including during the recession;
- Investment in infrastructure (such as the DLR) has had an impact on the overall employment rate increase, also suggesting there may be some displacement;
- The most significant influence on the boroughs' employment rate is the national economy, so while the interventions may have been successful in moving people into work, there has been less success in relation to the hard-to-reach unemployed. This implies that the interventions will have some effect on increasing the employment rate (though it is unclear on the extent to which this will be true for disabled people and BME groups);
- The increased funding that was available to support employment and skills ensured senior level involvement from boroughs in relation to allocation, and this developed understanding and capability within host boroughs.

(iv) Convergence

The baseline indicators within this sub-theme largely mirror those in the SRF. The nominal median wage of residents in the host boroughs has risen broadly in line with London, increasing by 22.2% in the host boroughs, compared to 20.8% across London and 20.6% in England and Wales. Worklessness has fallen marginally in the host boroughs between 2003 and 2010 by 0.5 percentage points, as in London, though it remains higher in host boroughs at 20% compared with 14% in London. As with the transforming prospects labour market indicators, a challenge to explore in future phases is how far these positive movements were as a result of the Games.

On broader measures, such as educational attainment, the proportion of pupils in schools achieving five or more GCSEs at grades A*-C increased by 26 percentage points between 2003/04 and 2009/10, which is a greater improvement than in London as a whole where attainment improved by 25 percentage points, or nationally, where it improved 22 percentage points. Having said this, overall levels of achievement are lower in the host boroughs.

On life expectancy, this is also lower in the host boroughs at 75.9 years for men, compared to 78.2 years in London and 77.9 years in England. Finally, on violent crime, incidents have declined by 10.4% across the host boroughs over the 2003/04 to 2009/10 period. This fall was higher than in the rest of London, which showed a 9.3% decline, but less than in the rest of England where it fell by 11.5%.

Many of the improvements are positive, particularly when compared to the rest of London, but outcomes such as life expectancy and resident sentiment (shown in the transforming communities section) are yet to improve to the same levels as in the rest of London.

With regard to the policy counterfactual, without an SRF there may have been individual regeneration programmes delivered, but the counterfactual would be a continuation of trends with regards to socio-economic outcomes in the East London area. Policy relating to public realm would have focused on growth, regeneration and public realm improvements in the same areas, but mostly on a smaller scale and at a later date with fewer strategic organisations involved. The same is true for wider regeneration strategies, where development in a no-Games scenario would have been on smaller scale and on a piecemeal basis. Transport improvements committed to as part of the Games would not have gone ahead, or would have been delivered over a longer timescale.

The outcome counterfactuals will largely be defined using a control group approach, where trends in baseline indicators of the host boroughs as a whole are compared against the performance of a set of similar local authorities as a whole (ie the comparator boroughs). Some examples of the outcome counterfactual have been set out in this report using 2003 to 2010 data. However in most cases the outcome counterfactual will need to be calculated during the

post-Games evaluation using the latest data available (ie 2003 to 2012 data).²³⁴ Without 2012 data, it will be difficult to attribute any trend differences between the host boroughs and the comparator boroughs to the 2012 Games.

²³⁴ The counterfactual will probably need to be revised during the Phase 4 evaluation, as more data will be available in which to statistically test the difference in the trends between the comparator and the host boroughs.

A Macroeconomic modelling

This Appendix provides a summary of the proposed approach to estimating the overall economic impact of the 2012 Games and the counterfactual, using a combination of regional and local forecasting models and a specific impact model.

A.1 Impact modelling

The objective of the economic modelling is to separate out the impact of the 2012 Games from the counterfactual. The starting point is the Oxford Economics' economic forecast which is a policy neutral outlook for the UK and London. This means that it does not include potential developments that could be delayed or even cancelled in today's uncertain funding environment. It does, however, contain our view of the impact of the 2012 Games, given that London is committed to hosting the games.

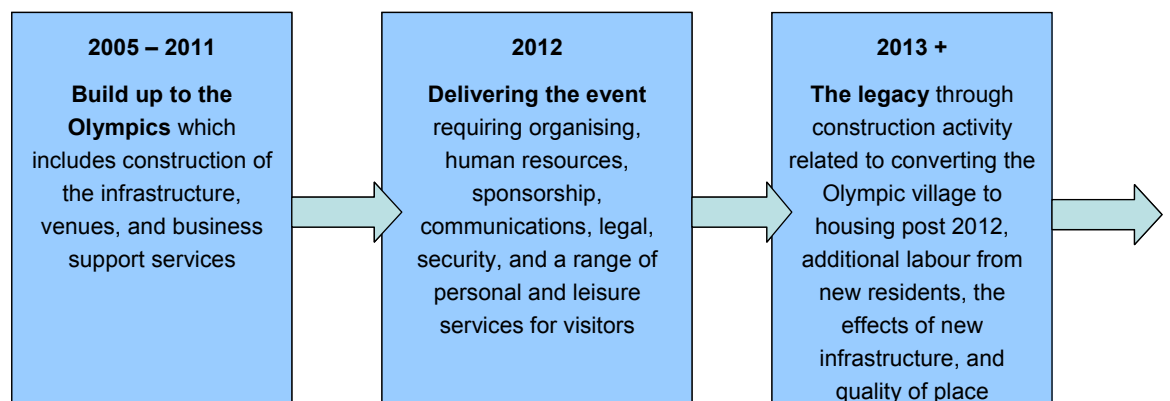
It is difficult to estimate the likely economic performance of the London economy and its boroughs in the absence of the 2012 Games

The approach involves a mix of standard forecasting models and impact modelling. There are four main areas where the modelling requires data or assumptions. Each of these are considered below.

The direct impact

The scale of direct employment and spending of the 2012 Games covers three main areas:

Figure A-1: The 2012 Games impact over time



The previous analysis by Oxford Economics considered the three stages separately before summing together to produce the overall impact of the 2012 Games. Given the scope of previous research, existing studies and Government publications which estimated the direct impact of the 2012 Games were used to inform the direct sectoral employment assumptions. Assumptions were made about the sectoral distribution of these jobs – details are provided in the figure below of how many jobs we expect in construction itself, in related business services, in public admin, in transport, in hotels & catering, and so on. However, we should be able to get more accurate data post the Games – indeed, providing more accurate information on these direct effects is a key input to the modelling from other parts of the meta-evaluation study.

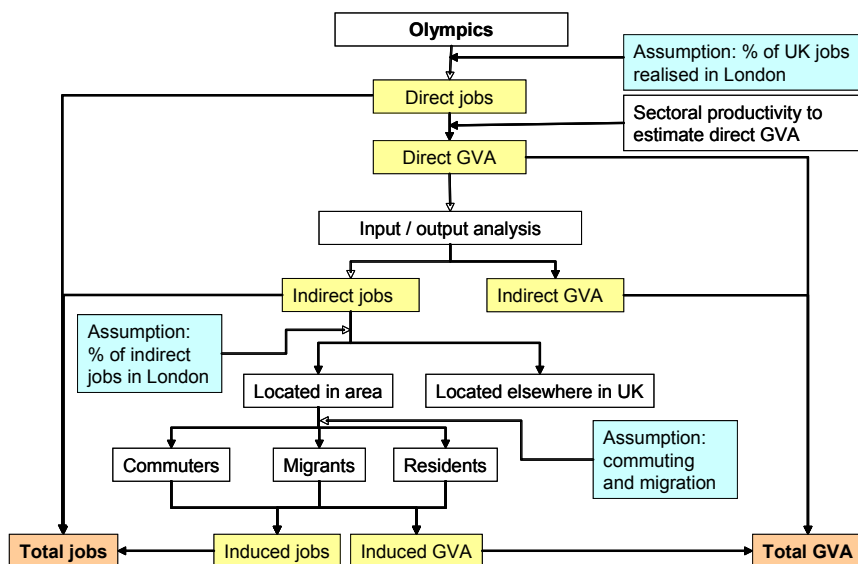
Figure A-2: Direct employment assumptions used in the 2010 analysis

| Assumptions: Total direct jobs | | | | | | | | |
|--------------------------------|---------------------------------|--------------|-------------------|---------------|--------------------------------|--------------|------------------------------------|--------------|
| | Build up jobs p.a (2005 - 2011) | | Event jobs (2012) | | Legacy jobs p.a. (2013 - 2020) | | Total jobs per annum (2005 - 2020) | |
| | UK | London | UK | London | UK | London | UK | London |
| Agriculture | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Extraction | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Manufacturing | 0 | 0 | 0 | 0 | 0 | 30 | 0 | 15 |
| Utilities | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Construction | 3,664 | 2,931 | 975 | 878 | 1,888 | 1,560 | 2,608 | 2,117 |
| Distribution | 0 | 0 | 2,200 | 1,980 | 0 | 121 | 138 | 184 |
| Hotels | 0 | 0 | 2,500 | 2,250 | 0 | 784 | 156 | 533 |
| Transport & comms | 0 | 0 | 700 | 630 | 0 | 70 | 44 | 74 |
| Finance | 0 | 0 | 0 | 0 | 0 | 66 | 0 | 33 |
| Business | 3,150 | 2,205 | 13,825 | 12,443 | 0 | 287 | 2,242 | 1,886 |
| Public admin & def. | 214 | 171 | 3,000 | 2,700 | 0 | 37 | 281 | 262 |
| Education | 0 | 0 | 0 | 0 | 0 | 164 | 0 | 82 |
| Health | 0 | 0 | 0 | 0 | 0 | 87 | 0 | 43 |
| Other pers. Services | 0 | 0 | 1,300 | 1,170 | 0 | 379 | 81 | 263 |
| Total | 7,029 | 5,308 | 24,500 | 22,050 | 1,888 | 3,587 | 5,550 | 5,494 |

Source: Oxford Economics 2010 analysis for DCMS.

Estimating indirect and induced impacts

With an estimate of direct employment, we can utilize input-output tables to estimate indirect impacts. For each stage, the direct, indirect (ie supply chain employment arising from direct employment) and induced impacts (ie employment arising from the additional income from those in direct and induced employment) will be estimated across broad sectors of the economy. The figure below provides a conceptual overview of how this is likely to operate.

Figure A-3: A conceptual approach to impact modelling

Indirect and induced effects will be modelled based on information about the supply chain of the relevant sectors, average wages and the impact of consumer spending on jobs in retailing and elsewhere.

The allocation of jobs between London and the rest of the UK will be informed by the relative concentration of different sectors in different parts of the country (ie location quotients). Employment location quotients provided an indication of the size of London's sectoral employment relative to the UK average. A figure above 100 reflects an above average concentration of sectoral employment while a figure below 100 highlights a below average concentration of sectoral employment.

The figure below provides the assumptions used in the previous analysis. Using these location quotients we were able to assume initial proportions of the sectoral employment impacts to London. Adjustments were then made to specific sectors to reflect the physical location of the 2012 Games in London. For example:

- Construction was uplifted to reflect the need for locally concentrated activity;
- Finance and business services were uplifted to reflect the mature nature of the sectors in London, and their proximity to the games;
- Public administration was uplifted to again reflect the local responsibility for delivery of the games;
- Other personal services and hotels were uplifted to reflect increased level of local demand.

Figure A-4: Employment location assumptions

| | Employment location quotients (100 = UK average) | Base: % of direct employment located in London | Adjusted: % of direct employment located in London |
|-----------------------------------|--|--|--|
| Agriculture | 6 | 20% | 20% |
| Extraction | 40 | 20% | 20% |
| Manufacturing | 47 | 20% | 20% |
| Utilities | 42 | 20% | 20% |
| Construction | 71 | 30% | 80% |
| Distribution | 82 | 30% | 30% |
| Hotels | 106 | 40% | 40% |
| Transport & Comms | 125 | 40% | 80% |
| Finance | 202 | 60% | 80% |
| Business | 153 | 50% | 70% |
| Public administration and defence | 97 | 30% | 80% |
| Education | 81 | 30% | 50% |
| Health and social work | 77 | 30% | 50% |
| Other personal services | 133 | 40% | 70% |

Source: Oxford Economics 2010 analysis for DCMS.

Given the likelihood that only a proportion of the employment created by the 2012 Games will be taken by London residents, the analysis will take into account commuting patterns and migration trends to ensure that the impacts are assigned to the correct areas in so far as it is possible to do so.

Accounting for job displacement

The analysis will also make assumptions on the scale of job displacement (ie the proportion of jobs that would replace existing employment), and the location of indirect and induced employment (ie within London or from elsewhere in the UK).

In the previous analysis we assumed that high proportions of finance and business services jobs would have occurred regardless of the 2012 Games given their internationally tradable nature (see figure below). In addition, we also assumed that high proportions of public sector jobs would remain and be working on other projects in the absence of the 2012 Games. However we assumed that the hotel and restaurant sector, along with the construction sector would have significantly less activity in the absence of the 2012 Games.

Figure A-5: Likelihood of sectoral employment under the counterfactual (2010 analysis)

| Counterfactual assumptions: likelihood of employment in the absence of the Olympics | | | |
|--|-----------------|--------------|---------------|
| | Build up | Event | Legacy |
| | % | % | % |
| Agriculture | 50% | 50% | 50% |
| Extraction | 50% | 50% | 50% |
| Manufacturing | 40% | 40% | 40% |
| Utilities | 50% | 50% | 50% |
| Construction | 30% | 30% | 30% |
| Distribution | 40% | 40% | 40% |
| Hotels | 40% | 20% | 30% |
| Transport & comms | 50% | 50% | 50% |
| Finance | 80% | 80% | 80% |
| Business | 80% | 30% | 50% |
| Public admin & def. | 70% | 70% | 70% |
| Education | 80% | 80% | 80% |
| Health | 80% | 80% | 80% |
| Other pers. Services | 40% | 40% | 40% |
| Average | 56% | 51% | 53% |

Source: Oxford Economics 2010 analysis for DCMS.

In the absence of the 2012 Games, the funding earmarked for the 2012 Games could have been spent in other areas and projects had the games not been in London. For example some of the money may have been assigned to the regeneration of other areas or to investment in transport. We will therefore estimate a proportion of the employment creation arising from the 2012 Games which would have occurred regardless.

Estimating the legacy impacts

There is limited evidence on the scale of legacy impacts arising from the 2012 Games, with most studies not attempting quantification. In our previous study we estimated the legacy impact by considering the construction employment needed post-2012, and through projections of the new housing. However other effects could arise through catalytic affects. Though the detailed evidence behind existing legacy impact estimates is unavailable. As such we did not consider these potentially wider benefits, though we did note that as additional information became available, they should be quantified.

A.2 Revised baseline outlook

Since our previous analysis for DCMS, the official view of labour performance over the recession changed dramatically. Clearly there is scope for further changes before the current study is completed, so although assessing the economic impact of the 2012 Games will require an understanding of the underlying economic situation this section provides only a quick overview of what has changed so far rather than a definitive assessment of the outlook.

Prior to publication of the most recent employment data for 2009 – the BRES which succeeded the ABI – the perceived wisdom was that London had escaped the worst ravages of the recession and that despite the financial origins of the crisis, the city had shown remarkable reliance.

The BRES data for 2009 has cast doubt over this view by recording London as the most severely impacted region, losing 192,000 jobs (4.5%) between 2008 and 2009, compared to the GB average of 2.9%. This is at odds with the previous Quarterly Employment Survey (QES) data and the LFS. In addition the latest regional GVA data for 2009 recorded London's contraction at somewhat less than the UK average (-1.5% compared to -2.1%).

Consequently, Oxford Economics' historic and baseline outlook for the UK and London is notably different than that included in previous Olympic impact work.

Figure A-6 summarises a range of key data sources on the labour market for GB and London and clearly highlights the divergence across the sources – though it is always worth remembering that the different data sources all have acknowledged margins of error.²³⁵ The contrast between the BRES and the LFS and APS estimates is particularly marked but note that the APS and LFS are grossed up using population estimates and it is quite possible that these too will be revised downwards in the future. The BRES data will be used to benchmark the next release of QES data and in a sense will therefore become the 'official' picture of London's employee numbers, so until such time as any future revision is carried out, history will record a severe labour market recession in London.

Figure A-6: Labour market data, London and GB, 2008-10

| London, annual change (000s) | Quarterly Employment Survey (mid year) | BRES (Sept) | LFS (4 qtr avg residence based) | APS (4 qtr avg, workplace based) | Claimant unemployment |
|---------------------------------|--|-------------|---------------------------------|----------------------------------|---------------------------|
| 2008 | 120 | - | 96 | 93 | -8 |
| 2009 | -72 | -192 | -46 | 31 | 74 |
| 2010 | -78 | - | 30 | 12 | 6 |
| London, annual change, % | | | | | (Percentage point) |
| 2008 | 3.0 | - | 2.6 | 2.3 | -0.2 |
| 2009 | -1.7 | -4.5 | -1.2 | 0.8 | 1.4 |
| 2010 | -1.9 | - | 0.8 | 0.3 | 0.1 |
| GB, annual change, % | | | | | (Percentage point) |
| 2008 | 0.8 | - | 0.7 | 0.8 | 0.1 |
| 2009 | -2.8 | -2.9 | -1.5 | -1.0 | 1.5 |
| 2010 | -1.8 | - | 0.1 | -0.8 | -0.1 |

Source: ONS workforce jobs, Business Register and Employment Survey, Labour Force Survey, Annual Population Survey, Claimant Count.

Note: Due to significant commuting, resident measures should not be considered comparable to workplace estimates for London, though it is unusual for there to be large scale divergence in overall magnitudes.

Note II: The ONS workforce jobs figures refer to the employee job series and are non-seasonally-adjusted mid-year figures (Q2).

Looked at spatially again there seems little match-up between the claimant unemployment data and the BRES employee data. The extent of commuting into London makes this comparison only partially useful but it does raise concerns due to the scale of divergence in the pattern. The employee data suggests an increase in employment between 2008 and 2009 in Newham (which could be linked to the Olympic construction and retail developments) but yet unemployment rose by more than either of the five boroughs in which the most significant job loss was recorded. The losses are more marked (in percentage terms) in the outer London areas, which is arguably consistent with the losses in relatively lower value added activities such as administrative support, manufacturing and construction, but this pattern is not shared into the wider commuter belt in the East and South East region.

²³⁵ The standard errors published by ONS for the BRES data, for example, imply that they are 95% confident that the actual employment figure for London in 2009 was within 164,700 either side of the published number.

Figure A-7: BRES employee change and Claimant Count change, selected London Boroughs, 2008-09

| | 2008-09 change | | |
|----------------------|----------------|--------|----------------|
| | Employees | | Claimant Count |
| | % | Nos. | |
| Sutton | -9.6 | -6700 | 1700 |
| Richmond upon Thames | -9.3 | -6800 | 1400 |
| Croydon | -9.1 | -11900 | 4100 |
| Ealing | -8.5 | -9700 | 4100 |
| Waltham Forest | -7.5 | -4300 | 2700 |
| | | | |
| Lambeth | -2.9 | -3700 | 3800 |
| Kingston upon Thames | -2.8 | -2200 | 1400 |
| Barnet | -2.3 | -2600 | 2900 |
| Newham | 0.1 | 100 | 2800 |
| Hackney | 0.4 | 300 | 2900 |

Source: BRES, Claimant Count.

Note: For the Claimant Count, September figures have been used in order to correspond with the timing of the BRES

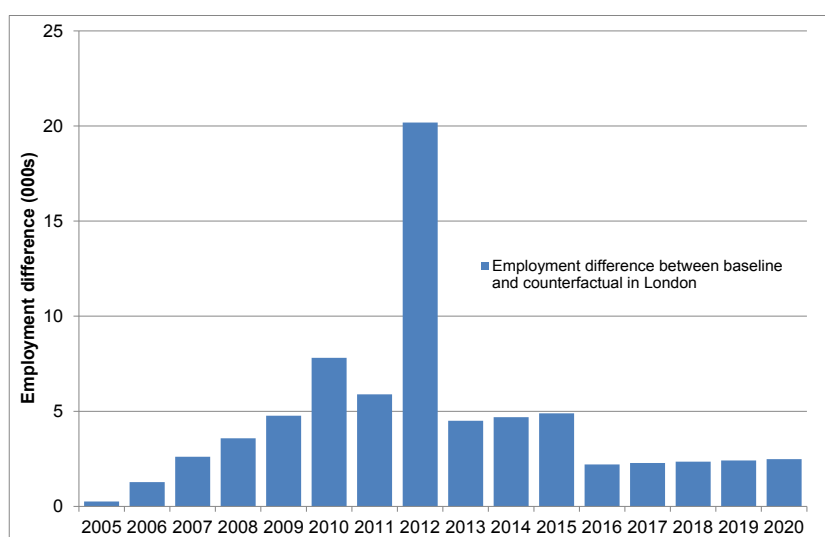
Note II: The table shows the top 5 and bottom 5 London Boroughs in terms of the percentage change in employees

A.3 Previous results

This section provides a high level overview of the impact of the 2012 Games, taken from the 2009 DCMS analysis. Given the discussion above on the implications of recent labour market data over the recession, and therefore the different baseline outlook, the figures below should be treated with caution.

Direct and indirect effects

Oxford Economics, estimated that the gross employment needed to deliver the 2012 Games would peak at 51,000 across the UK, of which 34,300 would be based in London, although it should be noted that many of the jobs required to deliver the games in 2012 will be very temporary in nature.

Figure A-8: Net employment London impact (from 2010 analysis)

Source: Oxford Economics 2010 analysis for DCMS.

Catalytic impacts

Catalytic impacts are complicated to assess as they depend on a range of market factors. Developing a 'worked' estimate of the catalytic impact would be a study in itself. However we reviewed a number of reports that set out the wider regeneration activity in the Lower Lea Valley and produced illustrative estimates.

The legacy affect estimated above included only the construction required to convert the Olympic Village into new housing, new residents, tourism and new education facilities.

The wider regeneration of the Lower Lea Valley is quoted to have the potential to create 40,000 jobs pa. The figure shows how this additional employment, combined with the Olympic legacy employment (discussed above) could be distributed across sectors once displacement has been taken account for.

We estimated that the direct impact would be in the magnitude of 23,600 jobs pa. However when indirect and induced employment are added, the total impact could be approximately 46,300 additional net jobs pa. Again this was illustrative only, and should not be interpreted as Oxford Economics estimate of net legacy employment impacts from the 2012 Games.

Figure A-9: An illustrative example of legacy impacts

| London Legacy Net impact: illustrative estimates of a | | | | |
|--|---|---|--|--|
| | Direct jobs p.a. (2013 - 2020) | Indirect jobs p.a. (2013 - 2020) | Induced jobs p.a. (2013 - 2020) | Total jobs p.a. (2013 - 2020) |
| Agriculture | 0 | 1,080 | 218 | 1,298 |
| Extraction | 0 | 425 | 0 | 426 |
| Manufacturing | 4,818 | 3,658 | 1,486 | 9,962 |
| Utilities | 1 | 143 | 51 | 194 |
| Construction | 1,092 | 1,559 | 32 | 2,683 |
| Distribution | 6,072 | 1,791 | 377 | 8,241 |
| Hotels | 1,949 | 321 | 1,057 | 3,327 |
| Transport & comms | 35 | 2,364 | 191 | 2,590 |
| Finance | 813 | 320 | 88 | 1,222 |
| Business | 6,144 | 4,898 | 603 | 11,644 |
| Public admin & def. | 11 | 51 | 6 | 69 |
| Education | 33 | 138 | 187 | 357 |
| Health | 17 | 66 | 567 | 650 |
| Other pers. Services | 2,628 | 790 | 269 | 3,687 |
| Total | 23,613 | 17,604 | 5,134 | 46,351 |

Source: Oxford Economics 2010 analysis for DCMS.

B Elite sport policy context

B.1 Integrated approach to policy development

The policy context for elite sport was largely set in 1997 with the establishment of the World Class Performance Programme, a UK Sport programme which supports the UK's most talented athletes in realising their potential. This followed Britain's poor performance at the Atlanta Games in 1996.

The programme covers all summer Olympic and Paralympic sports, together with the high-performing winter Olympic sports and operates at three distinct levels:

- Podium: Supporting athletes with realistic medal winning capabilities at the next Olympic/Paralympic Games (ie a maximum of four years away from the podium);
- Development: Comprising of athletes whose performances have suggested that they have realistic medal winning capabilities for 2012 and newly funded sports that are demonstrating the ability to be competitive by 2012;
- Talent: Designed to support the identification and confirmation of athletes who have the potential to progress through the World Class pathway with the help of targeted investment.

The Programme works by ensuring that athletes get support, with this delivered through the sport NGBs.

Figures for the Sydney and Athens Olympiads in Figure 3-58 relate to Podium level funding only. During that time, the home nation sports councils were responsible for supporting Development and Talent level activities. On the 1st April, 2006 UK Sport became responsible for all Performance funding (ie Podium, Development and Talent) and thus these figures reflect that total package. These figures also include the cost of sports science and medicine provision not previously incorporated as part of a sport's funding award.

The transfer of the World Class Potential programme in England, together with the responsibility for the direction of the TASS, TASS 2012 Scholarships and the English Institute of Sport meant that a one-stop shop for performance funding for UK governing bodies and athletes was provided.

Mission 2012 also represents an aspect of integration aligning self-assessment of NGBs along key performance criteria relating directly to UK Sport goals. However while the consolidation of the WCPP was prefigured well before the 2003 baseline, Mission 2012 (despite some relationship with good governance initiatives promoted for NGBs in the early part of the 2000s) is largely a new initiative.

A further element of integration of effort is evident in the establishment of Team 2012 which aims to raise funds for Olympic and Paralympic sports from the private sector, building on the funds received from the National Lottery and the Exchequer.

B.2 Talent identification and development system

In the period since 2003 a wide ranging suite of programmes broadly relating to talent identification, has been developed. These have largely been complementary to the schemes in situ within individual sports, and include

- TASS initiated in 2004 and is a partnership between young athletes, NGBs and Higher and Further Education sectors;
- University scholarships awarded by individual institutions;

- UK Talent initiatives – a partnership between UK Sport and EIS.

While the development of talent identification systems prior to the baseline had largely been an in-house process for individual NGBs prior to 2003, a range of cross-sport TID systems was developed after 2003 especially under the auspices of UK Talent (see discussion below).

Talented athlete scholarship scheme

TASS provides services to assist student-athletes in balancing the demands placed upon them, and a range of initiatives produced by the UK Talent Team aimed at identifying, confirming and developing talented athletes and / or facilitating transfer between sports. Under the TASS scheme athletes receive up to £3,500 worth of support of two kinds:

- Core Services: Such as strength and conditioning, physiotherapy and medical services, lifestyle / education / career support and mentoring;
- Sport Specific Services: Such as coaching, competition expenses, equipment, sports science support.

By 2010 TASS had invested £24 million and awarded 6,000 scholarships delivered at 70 educational institutions, with 13 hub universities. In terms of impact the TASS service cites the following:

21 of the British Medallists in Beijing were current or former TASS Athletes the only GB medallist in Vancouver at the Winter Games was TASS Alumnus Amy Williams and 55 TASS supported Athletes won 85 medals at the recent Commonwealth Games in Delhi.²³⁶

University scholarships

Given the fact that university students and graduates represented 58% of Team GB in Beijing and took home 50% of the medals, university scholarships can play a significant role for some individuals.

In addition to the TASS Scholarships, individual universities offer sports scholarships and these have undoubtedly in some cases increased in variety, number and value since the announcement of the London 2012 bid. However attempts to solicit from universities what they offer in terms of sport scholarships on the part of the British Universities and Colleges Sport in a survey have proved unsuccessful since many of the universities regard this as sensitive information in terms of their competitive position.²³⁷

According to information sourced for Loughborough University, it has offered Elite Scholarships since 2006/07 to 35 to 40 athletes per year at a value of £4,000 to £5,000. This covers fees plus a contribution to competition/ training expenses. These figures do not however, include the university investment in the cost of coaching, support services, or facility investments made on campus.

UK Talent

The UK Talent Team was established in 2006, well after the baseline date. It is a working collaboration between UK Sport and the English Institute of Sport with the remit of supporting the NGBs of targeted Olympic and Paralympic sports to identify, confirm and develop talented athletes. Its programmes include:

- Talent 2012, Paralympic Potential: For Paralympic sports;
- Fighting Chance: A talent transfer programme for high level combat athletes to convert to Taekwondo;
- Tall and Talented: Targeted at identifying candidates for rowing and basketball;
- Girls4Gold: Identifying female athletes potential in new sports;

²³⁶ TASS (2011). Helping Talent Shine in Education and Sport. Retrieved 25 May 2011, 2011, from <http://www.tass.gov.uk/>

²³⁷ Personal communication from BUCS Chief Executive.

- Pitch to Podium: A partnership with football and rugby authorities to identify potential athletes among those who do not succeed in graduating from professional academies into professional football or rugby);
- Sporting Giants: Identifying tall athletes for the 'tall sports' of basketball, rowing and handball);
- Talent 2016 Throws Initiative: Aimed at discovering potential for the heavy throw events in athletics.

The UK Talent Team initiatives attracted over 7,000 applications by 2010 and approximately 3,000 were subsequently assessed of whom 10% were invited to phase 1 of their respective testing / development programmes.

The programmes can already point to having produced "*a number of World and European finalists at U23 level including a gold medallist in World U23 Rowing Championships in July 2009*".²³⁸

Sporting Giants 2007, after two and a half years of operation had achieved the following:

- Rowing: 80 tested at Phase1 from which 28 have now progressed to Olympic Development Scholarships with GB Rowing 13 National Championships and 2 world medals including one U23 gold medal;
- Handball: 132 tested at Phase 1 from which 10 have progressed full members of the GB men and women squads playing in Europe;
- Volleyball: 109 tested at Phase 1 from which 2 athletes have made international senior caps and 3 competed in the Junior World Championships.²³⁹

B.3 Athletic and post-athletic career support

The major vehicle for delivery of athletic and post-athletic career support for those on the WCPP is that of the Performance Lifestyle (PL) service.

The PL service developed out of the former Athlete Career and Education Service (adopted on licence from Australian Institute of Sport) in 2003 when the service was broadened to take into account the needs of athletes beyond a primary focus on vocational and educational advice to incorporate aspects such as time management, budgeting and finance, dealing with the media, sponsorship and negotiation/conflict management. The service aims to minimise potential concerns, conflicts and distractions, all of which can be detrimental to performance, and thus to allow the athlete to focus on performance enhancement. Since 2009 the PL service has been delivered through the English Institute of Sport.

Prior to 2009 the Service operated with approximately 8 full time equivalent staff with PL advice being one aspect of a wider role of 'Athlete Support Managers'. Individual sports bought in time from this service. According to feedback from UK Sport's Athlete Survey the PL Service was perceived as valued but was perhaps underused. Thus with extra funding in 2009 additional staff time was allocated and the role of Performance Lifestyle Advisor was defined and recognised, with funding ring-fenced within EIS budgets rather than services being bought in by sports on a needs basis. An additional sum of approximately £900k was provided (for English, Scottish and Welsh Institutes but with approximately 90% going to the EIS) and the number of PL Advisors rose to approximately 15 full time equivalents. The major improvement of performance in Beijing was achieved prior to the provision of this additional funding and more tightly defined set of roles for the PL Service.

²³⁸ UK Sport (2011). Talent Identification, Confirmation and Development – finding Britain's future Olympic and Paralympic champions. Retrieved 28 May 2011, 2011, from <http://www.uk sport.gov.uk/pages/talent-id/>.

²³⁹ Data provided by UK Sport interviewee.

B.4 Elite coach and leadership development

Since the 2003 baseline, UK Sport has established a suite of initiatives incorporated within its People Development Programme to develop support personnel who are qualified, innovative and have the potential to develop into world class support. These initiatives aim to:

- Develop 'World Class People' in coaching: ie through the Elite Coach and Elite Coach Apprenticeship Schemes);
- Develop 'World Class People' in sports leadership and administration: ie through the International Leadership Development Programme;

Three initiatives represent the principal interventions since 2003 to enhance the development of the elite coaching capacity in the UK. These are:

- Elite Coach programme launched in 2004;
- Elite Coach Apprenticeship Scheme initiated in 2004;
- Fast Track Practitioner Programme – launched in 2004 for young sports science and medicine practitioners.

The Elite Coach Programme is designed for coaches operating in a world class performance environment. It is a 3 year programme in which technical and leadership skills are developed by observing and interacting with leading figures not simply in sport but also in business, industry and the arts. The programme is tailored to the specific needs of each individual coach. It has had four intakes since 2004 and has 32 graduates.

The Elite Coach Apprenticeship scheme is aimed at those coaches emerging on the world class performance landscape. It is a two year programme in which coaches are apprenticed to world class master coaches. There are 12 coaches who have benefited from this programme.

The Fast Track Practitioner Programme is aimed not at coaches as such but those from coach related and sport science support areas who are starting out on a career in elite sport support. Over 100 practitioners have been through the programme, which deals with disciplines such as physiotherapy, strength and conditioning, physiology, nutrition, performance analysis, psychology, biomechanics, talent identification, performance lifestyle and research.

In 2006 UK Sport established its International Leadership Programme which is designed to provide participants with the skills required to work effectively in an International Federation or similar sporting body.

A key focus is on developing cross-cultural intercommunication skills. In the first three years of operation, 36 people graduated from the International Leadership Programme of whom 17 currently hold posts of influence within international federations. The annual funding of the programme for 2009 was £55,000.

In addition to the International Leadership Programme, in 2009/10 UK Sport invested £555,000 into 33 NGB International Influence Strategies (an average of £16.8k per NGB. 62 individuals were elected, re-elected or appointed to positions of influence in international sporting bodies in 2009.

B.5 International competition

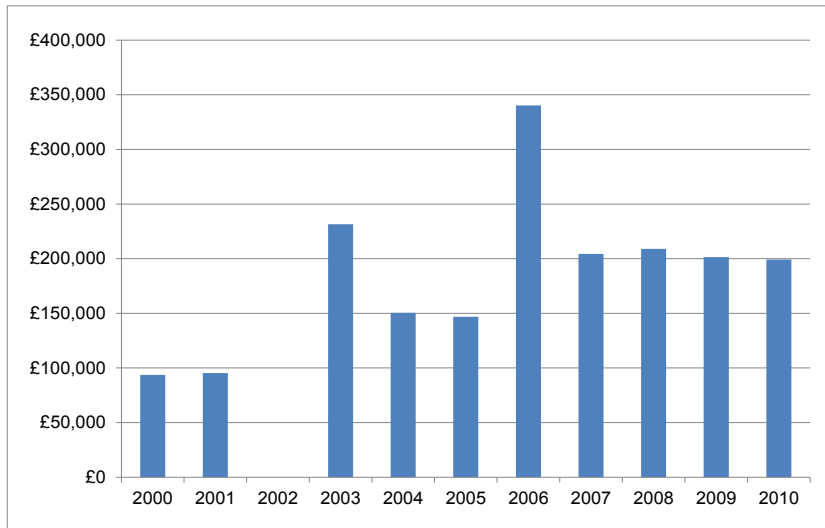
It is not clear at this stage whether increased funding from 2006 onwards has been used to enhance access to international competition. Further research with successful sports in terms of medal performances in Beijing is needed to establish the extent to which additional funding was used to increase exposure to international competition in the run-up to Beijing. However the opportunity to compete on home soil in world class competition has certainly been enhanced since the baseline date.

The impact of the 2012 Games on hosting major events can be identified by contrasting the volume, quality and range of world class events (ie world championships and major

international competitions) attracted to the UK in the period up to 2003 with those hosted post-2003. The drive to host world class events in the UK has been undertaken since 1997 by the World Class Events programme.

From 2006/07 the number of World Class events attracted has grown considerably. In terms of baseline in the period 2000-2003 an average of 7 events per year were supported compared to around 14 events per year over the 2004-10 period (see Figure 3-55).²⁴⁰ The average of 7 events per year were financial supported at an average rate of £133,000 compared with the average financial support of £203,000 for the 14 or so events per year on average over the 2004-10 period.

Figure B-1: Average amount of financial support per event, 2000-2010



Source: Reproduced from UK Sport Data. Figures for 2005 and later are for awards 'up to the value' of specified amounts.

Thus while it is clear that more events are being supported at a higher level of investment, we are still trying to determine the success rate thereof (ie has the proportion of events won also increased?).

Directly relevant to the concern with enhancing elite performance is research published by UK Sport²⁴¹ relating to the impact of home advantage on sporting success. The findings of the study identify the differential impacts of particular sports and types of sport.

It is the declared aim of UK Sport to attempt to ensure that in moving towards the hosting of the Olympic and Paralympic Games of 2012 virtually every NGB will have hosted a world class event:

Our current priority is to support athlete preparation – we know that competing at an international level on home soil can be an infrequent and fundamentally different experience for many Olympic and Paralympic athletes. Through this programme, most British athletes and their support staff will have experienced and rehearsed for the unique environment of competing at home, and the biggest moment of their sporting lives.²⁴²

Scientific research

The primary vehicle in research terms for delivering technological advantage to British athletes is through UK Sport's Research and Innovation programme. This facilitates partnerships between scientific experts and individual sports to promote technological solutions which develop technological advantage.

²⁴⁰ UK Sport (2011). World Class Events: Past Events from <http://www.uk sport.gov.uk/pages/past-events>

²⁴¹ UK Sport (2009). Home Advantage: The Performance Benefits of Hosting Major Sporting Events. London, UK Sport.

²⁴² UK Sport (2011). UK Major Events Programme as an example of 'legacy in action. Retrieved 8 March 2011, from <http://www.uk sport.gov.uk/news/uk-major-events-programme-an-example-of-legacy-in-action-240211>

Partnerships with the UK Research Councils (EPSRC, BBSRC, ESRC) have resulted in some £10 million being directed towards the application of science, engineering and medicine to the needs of high performance sport. Work with industrial partners such as British Aerospace (BAE Systems) and McLaren F1 has leveraged major investment. Technological breakthroughs in sports such as cycling, rowing, sailing and bobsleigh have been produced as a direct result of such partnerships. Funding levels for this programme were approximately £750K per annum until the injection of Exchequer funding in 2006 since when the funding of the programme has reached approximately £2million. per annum.

Further research is required to establish whether additional funding might be said to have contributed to the application of technology to enhance performances which resulted in medals at Beijing.

Medal outcomes

The baseline for performances in previous Olympic and Paralympic Games in terms of medal performance is shown in Figure B-4.

Figure B-2: Ranking and Medals Won (gold-silver-bronze)

| | 1988 | 1992 | 1996 | 2000 | 2004 | 2008 |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Olympic Games | 12 th (5-10-9) | 13 th (5-3-12) | 36 th (1-8-6) | 10 th (11-10-7) | 10 th (9-9-12) | 4 th (19-13-15) |
| Paralympic Games | 3 rd (64-66-63) | 3 rd (40-47-41) | 4 th (39-42-41) | 2 nd (41-43-47) | 2 nd (35-30-29) | 2 nd (42-29-31) |

Source: UK Sport.

In the Games held after the period of the boycott games of Moscow (1980) and Los Angeles (1984), Great Britain and Northern Ireland hovered between 13th and 10th with the exception of Atlanta, where it dropped to 36th. The performance in Atlanta prompted a radical new approach to elite sport with the advent of the World Class Performance Programme funded by the National Lottery from 1997.

UK Sport interviewees attributed the improvement in performance post 1996 and up to 2004 as the product of the foundation established with the World Class Performance Programme approach and the growth of funding which allowed more athletes to commit themselves within this programme to operating as full time athletes.

In Beijing in 2008 the UK achieved 4th in the Olympic Games medal table and 2nd in the Paralympic Games medal table. This increase in performance is likely to be in part due to the activities and momentum already established within the World Class Performance Programme as well as the additional funding committed to elite sport post Athens and in the wake of London winning the right to host the Olympic Games in 2012. In 2006, £200 million of additional Exchequer funding was pledged from 2006 up to 2012 with £64.5 million of this made available over the 2006/07 – 2008/09 period.

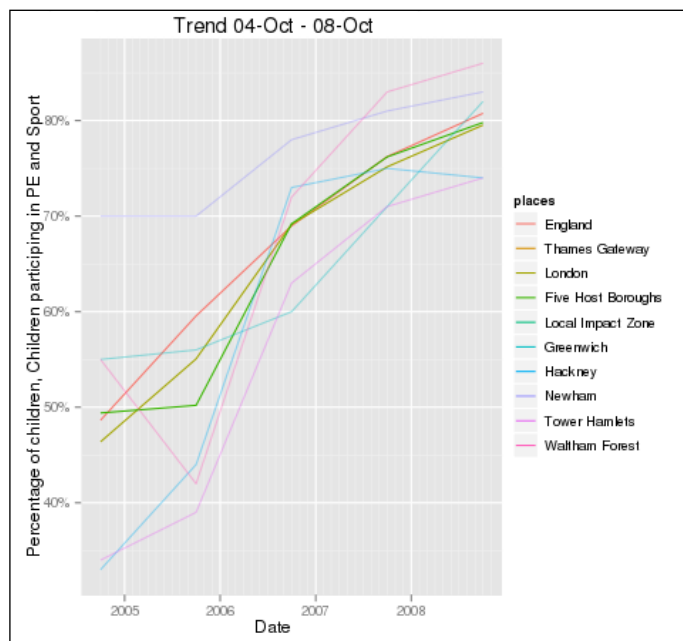
C Additional East London indicators

C.1 Sports participation

DCLG survey

The DCLG survey provides sports participation for young people by host borough, London, Thames Gateway. There has been significant increases since 2004, when levels on average were either under or around 50%, with the exception of Newham and Hackney. By 2008 children and young people's PE and sports participation rates were nearly identical in the host boroughs (79%), London (79%) and England (80%). School policy may have normalised these rates.

Figure C-1: Young persons' participation in London and the host boroughs, 2004-2008



Source: DCLG.

Whilst participation amongst children and young people in school is very high (over 95% for 11-15 year olds), there is significant evidence of drop-off after this, beginning with a 20% drop off amongst the 16-24 age group, and continuing from there. This challenge is recognised in the Government's recent legacy strategy, and embodied in the aims of a number of sports legacy initiatives, including Places, People, Play and the School Games.

Active people survey

According to Sport England's Active People survey, host borough sport participation has increased between 2005/06 and 2009/10 with an average of 15.5% of the host borough population in 2009/10 participating in sport 3 times a week for 30 minutes at moderate intensity, up from 14.5% in 2005/06. This is slightly lower than the national (England) and London participation rate of 16.% and 16.6% respectively in 2009/10. However, the overall increase in participation in the host boroughs and for London as a whole between 2007/08 and 2009/10 has not been significant.

On the whole participation in Barking & Dagenham and Newham was slightly lower than the other host boroughs with slightly higher participation in Hackney and Tower Hamlets.

Figure C-2: 3 x 30 Sport participation in the host boroughs

| Region | 2005/06 | 2007/08 | 2008/09 | 2009/10 |
|-------------------------------|---------|---------|---------|---------|
| Barking & Dagenham | 11.8% | 13.4% | 15.9% | 12.4% |
| Greenwich | 16.5% | 16.0% | 22.7% | 16.7% |
| Hackney | 15.2% | 15.7% | 16.5% | 17.7% |
| Newham | 12.2% | 12.7% | 12.5% | 12.6% |
| Tower Hamlets | 16.9% | 15.2% | 13.8% | 17.6% |
| Waltham Forest | 14.2% | 15.5% | 16.3% | 16.0% |
| Host Borough Average | 14.5% | 14.8% | 16.3% | 15.5% |
| London | 16.4% | 16.5% | 17.2% | 16.6% |
| England | 15.5% | 16.4% | 16.6% | 16.5% |

Source: *Active People, Sport England.*

The National Indicator (NI) 8 measure refers to adult participation in sport and active recreation.²⁴³ In 2008/10, approximately 18% of adults in the host boroughs participated in sport and active recreation, unchanged since 2005/06.

Participation in Barking & Dagenham and Newham is the lowest, with the highest participation in Greenwich and Hackney. Although participation has changed slightly since 2005/06 (either increasing or decreasing) the change has not been significant, indicating that participation rates have remained constant in the past five years.

Figure C-3: Adult participation in Sport and active recreation (NI8)

| Region | 2005/06 | 2007/08 | 2008/09 | 2009/10 |
|-------------------------------|---------|---------|---------|---------|
| Barking & Dagenham | 15.5% | 15.5% | 16.5% | 14.8% |
| Greenwich | 19.1% | 19.1% | 21.6% | 22.6% |
| Hackney | 20.8% | 21.0% | 19.7% | 20.3% |
| Newham | 14.5% | 14.7% | 14.7% | 15.3% |
| Tower Hamlets | 19.8% | 17.7% | 17.0% | 17.3% |
| Waltham Forest | 19.2% | 18.3% | 17.7% | 19.1% |
| Host Borough Average | 18.2% | 17.7% | 17.9% | 18.2% |

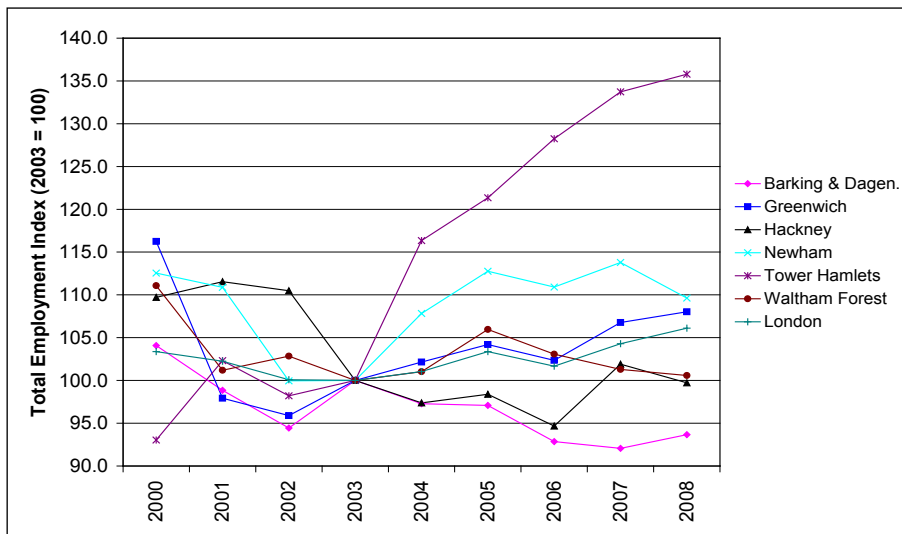
Source: *Active People, Sport England.*

²⁴³ Percentage of the adult population (age 16 years and over) in a local area who participate in sport and active recreation, at moderate intensity, for at least 30 minutes on at least 12 days out of the last 4 weeks (equivalent to 30 minutes on 3 or more days a week).

C.2 Employment

The graph below shows changes in number of employees in the host boroughs between 2000 and 2008.

Figure C-4: Change in number of employees in the host boroughs, 2000-2008



Source: ONS, *Annual Business Inquiry (employee analysis)*.

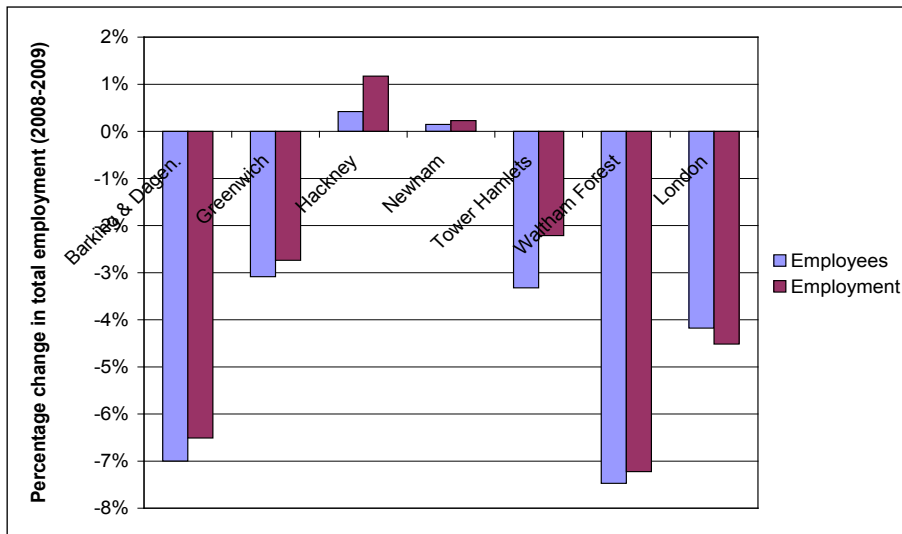
Three distinctive patterns of change can be identified within the host boroughs between 2003 and 2008:

- Greenwich, Newham and Tower Hamlets experienced a strong increase in the total number of employees – all were above the London average increase of 6.1%. Of the three boroughs, the increase in employment was particularly pronounced in Tower Hamlets (35.8%), largely as a result of the growth in financial and business services at Canary Wharf. It should be noted that although there has been growth in logistics in Newham as well as in the visitor economy and leisure offer through the ExCeL exhibition centre, according to Newham's Local Economic Assessment (LEA)²⁴⁴ a high proportion of jobs growth has occurred in the public sector; the largest employers in the Borough include Newham, the National Health Service and the University of East London;
- In Hackney and Waltham Forest, the number of employees remained relatively constant over this period;
- In Barking and Dagenham, the number of employees fell (by 6.3%).

In the period 2008-2009 only Hackney and Newham managed to secure positive growth in employment. Barking and Dagenham and Waltham Forest, however, appear to have been affected relatively severely by the crisis, with both experiencing a reduction in employment of around 7%, a rate significantly higher than the London average of around 4%.

²⁴⁴ Newham Local Economic Assessment 2010 – 2027.

Figure C-5: Change in total employment and number of employees in the host boroughs, 2008-2009

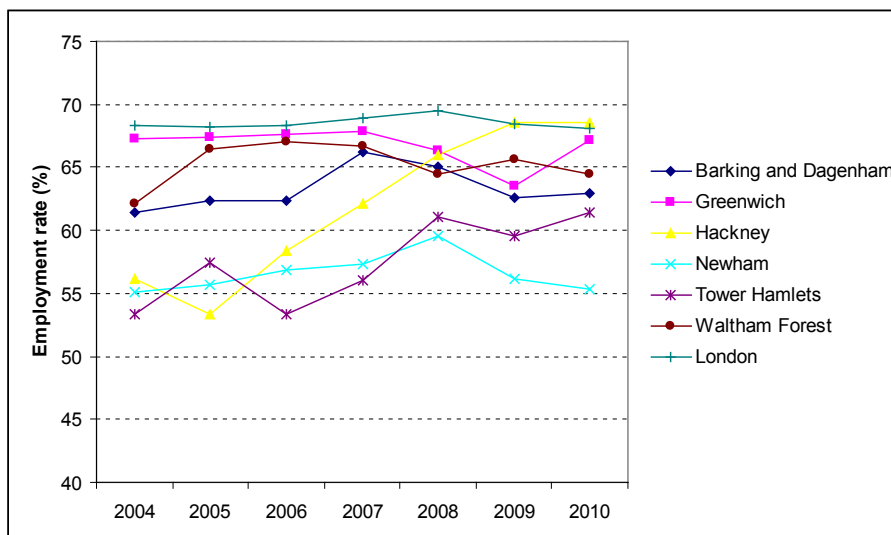


Source: ONS, Business Register and Employment Survey.

C.3 Employment rates in the host boroughs

The figure below shows trends in resident employment rates in London and the six host boroughs. The most significant changes since 2004 can be seen in the boroughs of Hackney and Tower Hamlets, where rates rose by 12.4 and 8.1 percentage points respectively, compared with relatively static movement across London as a whole. It is worth noting that this may be the result of increasing flows of in-migration (people already employed moving into the areas) rather than long-term residents securing employment, given patterns of residential development in these areas. Conversely, employment rates in Newham remained low.

Figure C-6: Employment Rates in the host boroughs



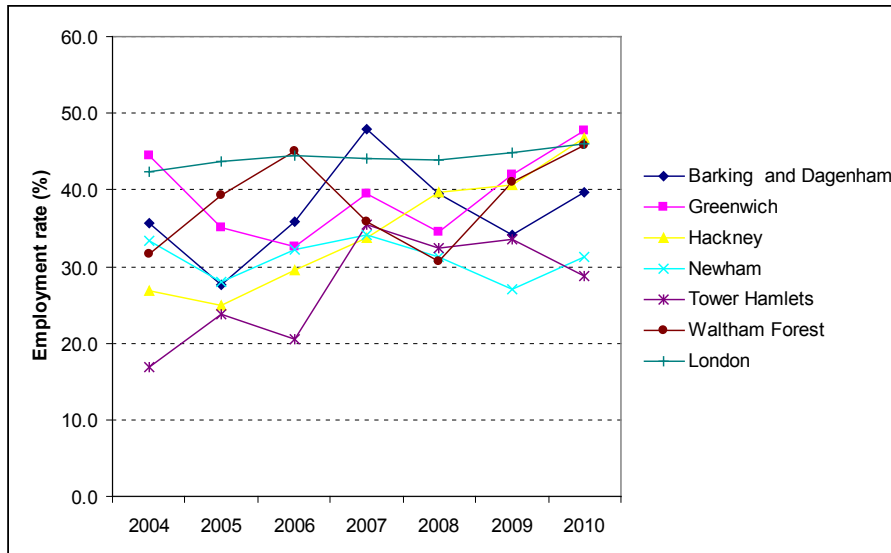
Source: ONS, Annual Population Survey (Jan-Dec).

C.4 Employment rates of disabled people in the host boroughs

In the six years to 2010, the employment rate of disabled people tended to be lower in all host boroughs than in London as a whole (although the employment rate rose by 5 percentage points between 2008 and 2010 showing a converging towards the London average). In the case of Barking & Dagenham, Newham and Tower Hamlets, the difference with the London

average was over 10 percentage points. However, there has been a notable improvement in the employability of disabled people in Hackney and Tower Hamlets, where the employment rate of disabled people was respectively 20 and 12 percentage points higher in 2010 than in 2004, mirroring wider trends.

Figure C-7: Employment rates of disabled people in the host boroughs



Source: ONS, Annual Population Survey (Jan-Dec).

D East London regeneration

D.1 Public realm projects in East London

Stratford

The 2011 Masterplan sets out the full scale vision for the area, delivering 20,000 homes and 46,000 jobs. Over 50 projects will deliver this but four projects are prioritised in first phase (Stratford Old Town, Carpenters Regeneration, Chobham Farm, Sugar House Lane) which could deliver 1873 new homes and 3670 new jobs in the next 10 years.

High Street 2012

This road was originally conceived as the final leg of the marathon event, but this subsequently changed in 2010. Despite this change, there will be renovations to public buildings, improved lighting and new green spaces. The area closest to the city, known as the City Fringe has benefited from an Area Action Plan in 2007, which states the area will provide 30,000 jobs by 2016.

Walthamstow and Leytonstone

The Northern Olympic Fringe AAP was published in 2011, based heavily on the driver of the Olympics. This stated that Walthamstow could deliver 2,400 homes (though the timing for this is unclear).

Hackney Wick and Fish Island

The 2004 London Plan set out that Hackney has a ten year target from 2007/08 to 2016/17 of 10,850 new homes and an annual monitoring target of 1,085 new homes. It is listed as an Opportunity Area as part of the Lower Lea Valley. It also listed the area as a Strategic Employment Location and Strategic Industrial Location.

The Lower Lea Valley Opportunity Area Planning Framework (2007) based on a pre-Games Lower Lea Valley Joint Strategic Planning Guidance (2004) includes plans for the delivery of between 350 and 360 new homes to 2016.

A draft Masterplan for the Hackney Wick area submitted in September 2010 which aims to maximise the benefits of the raised profile of the area as a result of its proximity to the Olympic site. Plans include the 2012 Creative Media City, a mixed use employment quarter based around the International Broadcasting Centre on the Olympic Park which will be located near Hackney Wick, providing up to 5,000 jobs.

Hackney Marshes

A Sports Regeneration Programme was confirmed for Hackney Marshes in 2006 as a result of the Games. The agreement was made between LDA and the Council to safeguard open spaces and improve facilities on the Marshes. The agreement brought £4 million of local investment (£3 million from the LDA and £1 million from the Council).

Greenwich Riverside

Greenwich Riverside was listed in the 2006 UDP as an opportunity area. Riverside and the town centre have been the focus of development prior to 2006, eg the transformation of the Millennium Dome site. The latest Greenwich Strategy 2006 sets out plans to revitalise Woolwich town centre with the introduction of retail development. It also sets out plans to build total of 19,000 new homes across Greenwich.

Excel and Canning Town

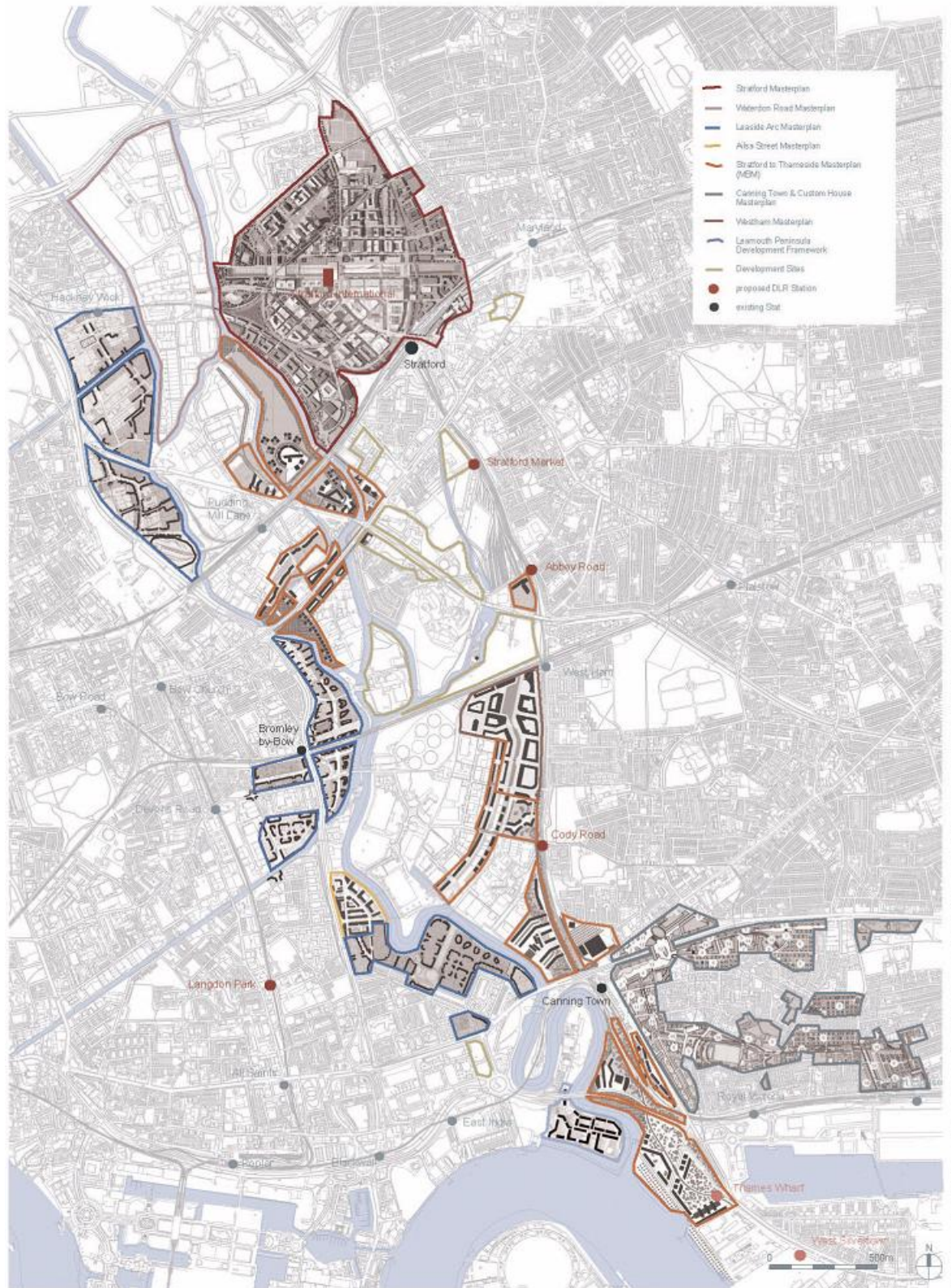
Canning Town and the area around ExCeL was a focus for regeneration strategies at the borough and sub-regional level before the Games were announced. In 1998 an International

Design Competition was launched to establish potential regeneration plans for part the Lower Lea Valley from Stratford to Thameside, including Canning Town.

The regeneration of Canning Town and Custom House was set out in the 2007 Masterplan and recent 2011 Newham Core Strategy set out plans for 7,100 new homes in the Canning Town and Custom House area along with two improved town centres.

The extension of ExCeL announced in 2008 included plans for a purpose-built convention centre and DLR pedestrian link. The Games has been a catalyst for these plans. ExCeL London will also play a central role in the Games, hosting seven Olympic and five Paralympic events.

D.2 Baseline masterplan in 2003



Based upon the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings

Source: Lower Lea Matrix Group, Lower Lea Arc Preliminary Draft Area Development Framework Policy Statement, prepared by Amion Consulting, 2003; prepared by Witherford Watson Mann Architects.