

Report 5: Post-Games Evaluation

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

ECONOMY EVIDENCE BASE

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1 Introduction

This legacy theme is about the role of the Games in supporting economic recovery and helping to generate long-term economic growth. As set out in the Government's Legacy document *Beyond 2012*¹, there are a number of ways in which the Games had the potential to support the development of the UK economy and contribute to the overall value for money of staging the Games.

This evidence base document sets out the evaluation evidence of activity related to the economic legacy theme. The evidence is presented according to the following sub-themes of activity:

- Overall economic impact of 2012 Games: a bespoke impact model using an input/output framework has been developed to estimate the economic impact arising from the preparation and staging of the Games as well as the potential on-going legacy impacts via the mechanisms described below;
- Business access to 2012: interventions aimed at promoting Games-related opportunities for UK businesses;
- Promoting the UK as a place to invest: using the Games as a hook to promote London and the UK as places to invest;
- Export and trade promotion: the extent to which the Games have given UK businesses the opportunity to showcase and promote UK innovation, enterprise and creativity, with opportunities to access new export markets and international contracts;
- Tourism: the impact of the Games and related events on visitor numbers and securing longer-term promotional impacts through using the event to showcase London and the UK as a potential tourism destination;
- Employability and skills development: using the Games to help people into sustainable employment or higher-skilled jobs (particularly those that are unemployed or long-term unemployed) and to address skill gaps and shortages;
- Promoting sustainable business: creating opportunities for learning and sharing good practice in sustainable development; and
- Opportunities for disabled people in business and disabled access to transport.

The remainder of this evidence base document systematically sets out the evidence available under each of the sub-themes.

¹ Department for Culture, Media & Sport (2012) *Beyond 2012 – the London 2012 Legacy Story*

2 Economic Impact of the Olympic Games

2.1 Introduction to the economic modelling

For the purposes of this evaluation Oxford Economics has developed a bespoke impact model using input/output frameworks to estimate the economic impact arising from the Games. Using a range of data sources, existing evaluations and work in progress reports the model attempts to quantify a number of possible economic benefits. This approach provides an accurate and flexible model that enables the exploration of impacts by location and time period as well as understanding of what is driving the results.

- In particular, the model considers the impact of:
- Public Sector Funding Package spending on preparing for and staging the Games;
- Additional privately raised LOCOG spending on staging the Games;
- Tourism spend;
- Catalysed investments;
- Trade and investment; and
- Employability and skills development.

The model is not a fully dynamic simultaneous model so it requires assumptions to be made around displacement, substitution, etc. rather than these being automatically adjusted for. However, such models do not always provide the level of detail and flexibility required for this project. This model therefore estimates the direct, indirect and induced:

- Output;
- Gross Value Added² (GVA);
- Employment; and
- Wages.

With all impact estimates available by region, sector and year.

For full details of the approach taken, the data included in the model and the assumptions made please see Annex A.

In the economic model the figures up to the end of 2012 have already been realised and as such have a high degree of confidence. There is always inherent uncertainty around future impacts and as such a range of potential impacts is presented to reflect the extent to which they may materialise, could displace other activity, or might have happened in the absence of the Games.

² Gross Value Added (GVA) is a measure of the value of goods and services produced in an area, industry or sector of an economy.

2.2 Overall measurable impacts

Figure 2-1 below summarises the analysis. Given the available data and time periods used it is estimated that the Olympic related benefits could total between £28 billion and £41 billion of net GVA over the period 2004 to 2020. In terms of job years of employment, it is estimated that the impacts range from 618,000 to 893,000 over the period.

Figure 2-1: Olympic related net benefits, 2004 to 2020

	Baseline	Upper range
Output (£m 2009)	57,700	82,960
GVA (£m 2009)	27,900	40,540
Job years of employment	617,780	893,340
Wages (£m 2009)	13,980	20,090

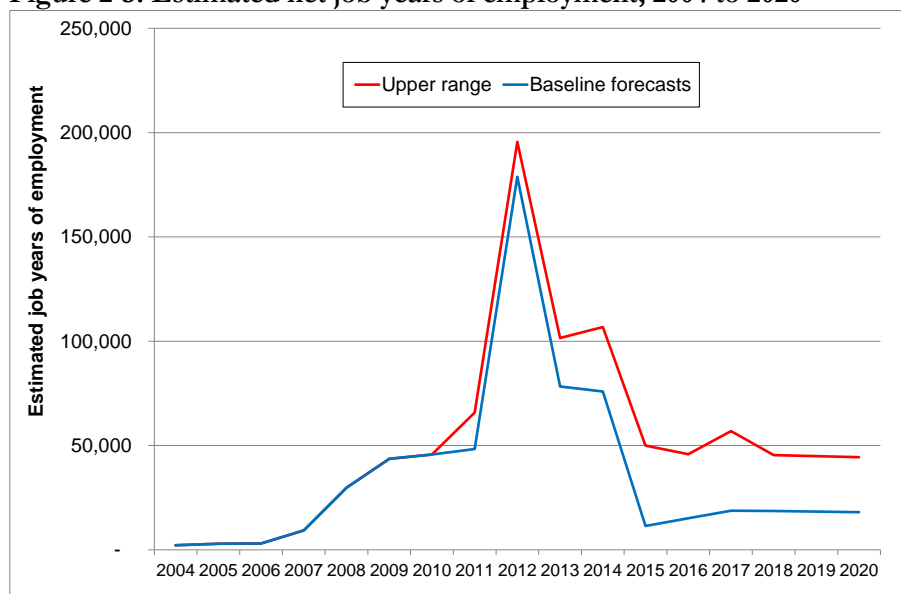
Source: Oxford Economics

Under the baseline analysis the majority of benefits are enjoyed over the period 2004 to 2012 (Figure 2-2). However under the upper range, the majority of benefits are found in the later period from 2013 to 2020.

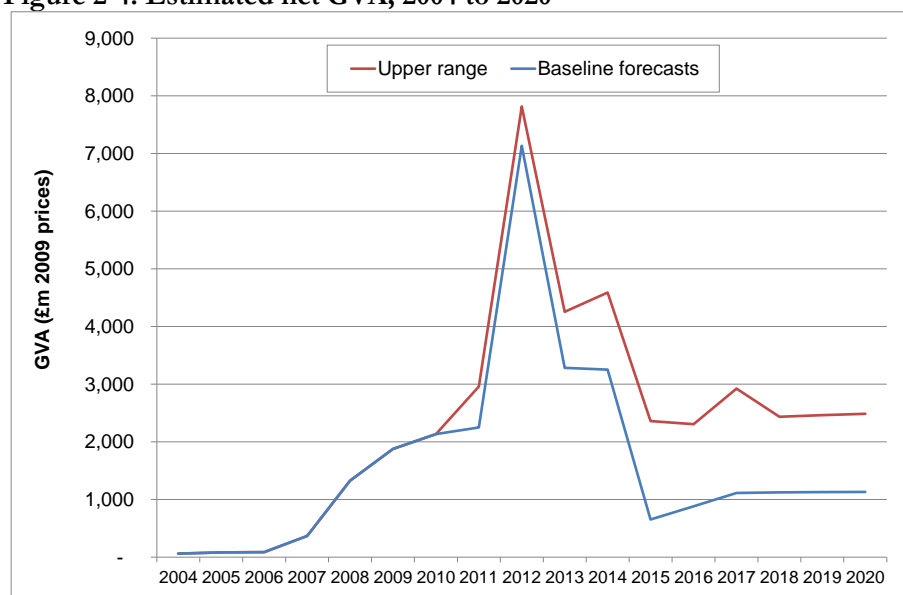
Figure 2-2: Olympic related net benefits over selected time periods

	Baseline		Upper range	
	2004 to 2012	2013 to 2020	2004 to 2012	2013 to 2020
Output (£m 2009)	30,810	26,890	33,460	49,500
GVA (£m 2009)	15,330	12,570	16,720	23,820
Job years of employment	363,430	254,350	397,710	495,630
Wages (£m 2009)	7,730	6,250	8,400	11,690

Figure 2-3 plots the estimates of job years over time under both the baseline and upper ranges while Figure 2-4 provides a plot of the estimated net GVA benefits over the same period.

Figure 2-3: Estimated net job years of employment, 2004 to 2020

Source: Oxford Economics

Figure 2-4: Estimated net GVA, 2004 to 2020

Source: Oxford Economics

At a regional level London enjoys the largest share of the benefits. Figure 2-5 provides a summary of the baseline benefits while Figure 2-6 splits out the upper range.

Figure 2-5: Baseline Olympic related net benefits by region, 2004 to 2020

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£19,140	£9,430	138,720	£4,070
South East	£7,970	£3,920	92,260	£2,040
East of England	£5,220	£2,540	61,000	£1,260
West Midlands	£4,660	£2,140	57,720	£1,080
Scotland	£4,540	£2,290	51,160	£1,500
North West	£3,730	£1,770	49,690	£910
Yorkshire and the Humber	£3,090	£1,410	38,630	£760
East Midlands	£3,090	£1,410	37,990	£740
South West	£2,910	£1,390	41,370	£750
North East	£1,280	£640	16,650	£330
Wales	£1,270	£570	20,310	£350
Northern Ireland	£790	£380	12,270	£210
Total	£57,700	£27,900	617,780	£13,980

Source: Oxford Economics

In the upper range Yorkshire and the Humber enjoys a significant boast in GVA and labour market benefits moving it from the 7th to the 3rd largest beneficiary in output terms.

Figure 2-6: Upper range of Olympic related net benefits by region, 2004 to 2020

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£29,410	£15,140	251,900	£6,850
South East	£10,030	£5,010	112,820	£2,540
Yorkshire and the Humber	£6,940	£2,970	72,610	£1,450
West Midlands	£6,840	£3,040	78,500	£1,500
East of England	£6,310	£3,110	73,640	£1,490
Scotland	£5,450	£2,750	62,360	£1,800
North West	£5,150	£2,460	66,610	£1,220
South West	£4,210	£2,020	59,400	£1,080
East Midlands	£3,910	£1,770	47,310	£920
Wales	£2,050	£950	31,370	£560
North East	£1,660	£830	21,200	£410
Northern Ireland	£1,010	£480	15,600	£260
Total	£82,960	£40,540	893,340	£20,090

Source: Oxford Economics

All sectors should benefit from Olympic related impacts. Retail is estimated to experience the largest labour market benefits with baseline estimates of 86,110 job years of employment created or supported over the period (Figure 2-7 and Figure 2-8). 'Professional, scientific and technical' (a key export and growth sector for the UK going forward) is also estimated to experience significant benefits as will the 'Administrative and support' services.

Figure 2-7: Baseline net job years of employment by sector, 2004 to 2020

Total employment (job years) 2004 - 2020	UK			
	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	4,690	5,840	10,530
Mining and quarrying	0	17,030	2,250	19,280
Manufacturing	11,630	20,580	13,970	46,180
Utilities	3,860	3,100	1,330	8,290
Water and waste	350	670	1,200	2,220
Construction	47,520	25,060	4,650	77,220
Wholesale and retail	9,200	14,930	61,970	86,110
Transportation and storage	2,860	11,400	14,710	28,980
Accommodation and food	8,480	2,130	31,300	41,900
Information and communication	9,810	6,620	5,580	22,010
Financial services	6,210	4,300	8,950	19,460
Real estate	3,500	1,900	6,890	12,280
Professional, scientific and technical	36,050	33,540	14,450	84,050
Administrative and support	27,050	33,000	14,920	74,970
Public administration	3,880	2,270	1,930	8,080
Education	5,810	4,660	5,750	16,220
Health	15,400	1,770	7,640	24,820
Arts, entertainment and recreation	11,220	4,090	10,640	25,950
Other service activities	2,140	2,280	4,830	9,240
Total	204,970	194,000	218,810	617,780

Source: Oxford Economics

Figure 2-8: Upper range of net job years of employment by sector, 2004 to 2020

Total employment (job years) 2004 - 2020	UK			
	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	7,810	8,780	16,590
Mining and quarrying	0	18,710	3,500	22,220
Manufacturing	29,440	28,550	20,250	78,240
Utilities	4,070	3,600	2,000	9,660
Water and waste	350	1,000	1,770	3,120
Construction	47,520	26,410	6,860	80,790
Wholesale and retail	40,660	22,680	91,450	154,790
Transportation and storage	5,620	19,140	21,780	46,540
Accommodation and food	10,670	3,260	46,190	60,120
Information and communication	17,080	9,810	8,150	35,050
Financial services	8,270	5,980	12,970	27,220
Real estate	3,660	2,830	10,320	16,810
Professional, scientific and technical	48,830	48,010	21,490	118,340
Administrative and support	37,490	45,140	22,070	104,700
Public administration	3,880	3,140	2,850	9,860
Education	6,390	6,470	8,550	21,420
Health	19,000	2,460	11,340	32,800
Arts, entertainment and recreation	16,110	6,160	15,780	38,060
Other service activities	6,440	3,390	7,180	17,010
Total	305,480	264,560	323,290	893,340

Source: Oxford Economics

Further benefits are likely if those taken off worklessness in London remain in employment or seek to upskill. In addition tourism related impacts that could arise from the Games showcasing the UK or any further trade or investment deals that may be secured as a result of the Games have not been included.

3 UK Business Access

3.1 Legacy programmes and initiatives

It was recognised at the outset that preparing for and staging the Games provided a major opportunity to deliver benefits for UK businesses. Opportunities in relation to the preparation of the Games involved in particular the development of infrastructure for the Olympic Park and the construction of venues. The staging of the Games provided opportunities for UK businesses in areas such as events management, hospitality, logistics, creative industries and entertainment.

The rationale for intervention in this area was based on the need to ensure fair and open access to London 2012 contract opportunities and to give UK businesses the best possible opportunity to benefit from the Games. It was perceived that UK businesses, particularly small and medium-sized enterprises (SMEs), would face barriers in accessing information on and bidding for Games contracts.

The CompeteFor service was developed by the London Development Agency (LDA) on behalf of the English Regional Development Agencies (RDAs) and Devolved Administrations (DAs). The service was set up to ensure the transparency and availability of London 2012 business opportunities; to maximise the number and diversity of businesses contributing to the delivery of London 2012; and to create a legacy of increased capacity and expertise across UK businesses. The London 2012 Business Network³ which was set up to promote Games-related business opportunities played an important role in establishing the programme. The CompeteFor programme also aligns with current Government initiatives to reform public sector procurement practices to make it easier for small businesses to access contract opportunities.

The CompeteFor service consisted of three interdependent delivery mechanisms:⁴

- **Electronic Brokerage System (EBS):** This web based solution was developed to ensure UK businesses have access to, and can compete for, 2012 Games related business opportunities. It was a match-making service for buyers and suppliers for all Games related opportunities ranging from construction, engineering and manufacturing to creative merchandising;
- **Supplier engagement programme:** Each UK region was responsible for delivering and funding local-level supplier engagement activities which can include: presentations, events, business seminars, regular email communications etc. Suppliers were signposted to business support services (through the national BusinessLink.gov.uk website or equivalent in Scotland, Wales and Northern Ireland) helping them to build their capacity to compete for public and private contracts;
- **Buyer Engagement Team (BET):** The BET was focused on optimising the number of opportunities posted on the EBS by buying organisations within the supply chain. The core activities of BET involved meeting prospective buyers to train, support and encourage them to post contract opportunities on CompeteFor.

³ The London Business Network was established in 2006 to ensure that the capital's business community maximises the economic benefits of hosting the London 2012 Games. It is a private-public sector partnership that was formed by London First, the London Chamber of Commerce, CBI London and the Federation of Small Businesses to represent the interests of the capital's business community.

⁴ Evaluation Partnership (2011) *Interim Evaluation of CompeteFor*. Final Report to London Development Agency.

Between 2008 and 2012 the RDAs⁵ funded '2012 Business Lead' posts, who co-ordinated promotional activity for businesses relating to the Games, and supported the promotion of CompeteFor through the Business Link service. Additional funding from BIS supported the delivery of a range of business focused workshops to continue to promote CompeteFor and to support businesses in gaining access to 2012 Games business opportunities.

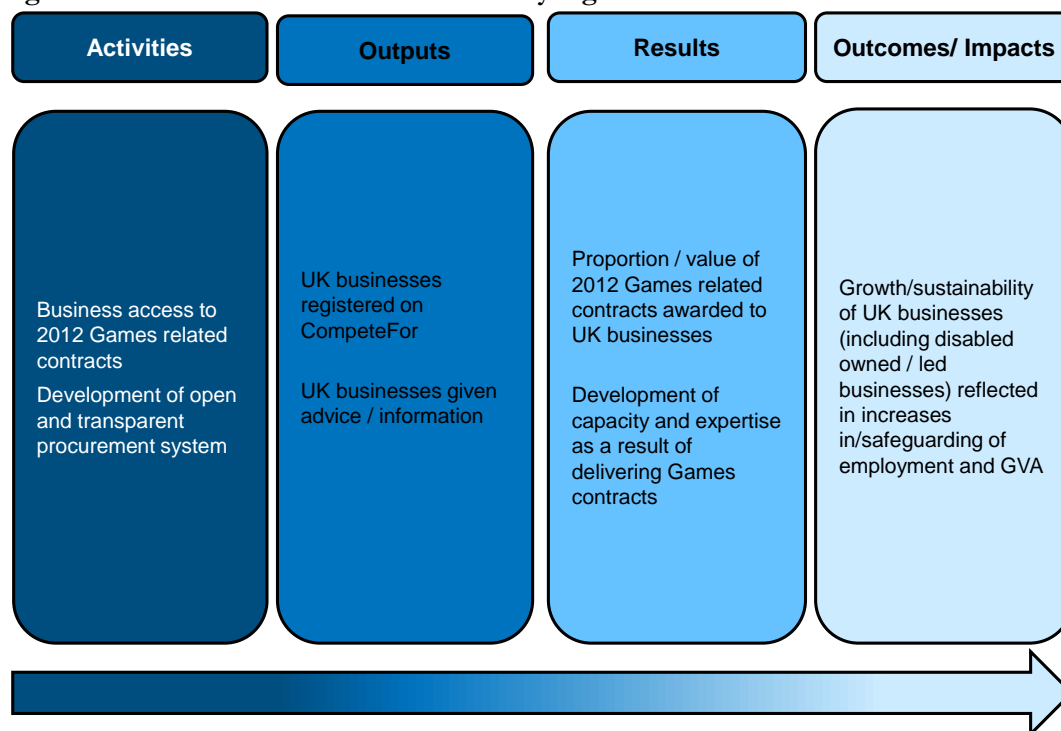
The Government's legacy strategies anticipate that the Games would benefit a range of economic sectors not only through the direct effects of Games contracts but also through other commercial opportunities that the Games would generate. Five key sectors were highlighted by the Government as holding particular opportunities for capitalising on the staging of the Games.⁶ These were:

- Retail: opportunities from increased visitor numbers during and after the Games as well as through enhanced retail activity in East London;
- Tourism: through increased visitor numbers to London and the UK in 2012 and the lasting tourism legacy of the Games;
- Sport activities, amusement and recreation activities: associated with the sporting legacy focus on increasing participation; and
- Creative industries and high-technology: particularly with respect to East London (building on the Games-related investments in East London and the Government's vision for East London to form a hub for the hi-tech and creative sectors – a 'Tech City') but also by showcasing UK industry.

The logic model below provides a summary of the activities and intended outputs, results, outcomes/ impacts for the UK business access sub-theme. Key outputs relate to the number of UK businesses registered on CompeteFor and the number of UK businesses given advice and information on bidding for Games-related contracts. It was expected that dedicated business support programmes would help UK businesses to access Games contracts and generate longer-term gains through the development of capacity and expertise as well as enhanced reputations.

⁵ The RDAs ceased to exist on April 1st 2012.

⁶ Department for Culture, Media & Sport (2010) *Plans for the Legacy from the 2012 Olympic and Paralympic Games*

Figure 3-1: Business access to 2012 summary logic model

3.2 Expenditure

CompeteFor is a multi-stakeholder funded intervention which has been supported by significant financial contributions from each of the RDAs⁷ and relatively smaller, but still significant contributions from each of the Devolved Administrations.⁸ As detailed in Figure 3-2 below, the total expenditure budgeted for core delivery of the CompeteFor service (both EBS and BET) between 2007/08 and 2012/13 was just under £14 million. The Final evaluation records that actual expenditure up to the end of 2012/13 was £14.1 million.⁹

Figure 3-2: Public expenditure on UK business access

Legacy programme/ initiative	Lead Organisation	Budget (£m)	Actual (£m)	Time period
CompeteFor	UK Government	£13.8 (2007/08 to 2012 /13)	£14.1m (2007/08 to 2012 /13)	2007 /08 – 2012/13
'2012 Business Lead' posts	RDAs	Full data not available	Full data not available	2008 - 2012

3.3 Evidence

(i) Levels and trends

Trend analysis of employment in key sectors

⁷ The RDAs ceased to exist on April 1st 2012.

⁸ Evaluation Partnership (2011) *Interim Evaluation of CompeteFor*. Final Report to BIS and RDAs.

⁹ Evaluation Partnership (2013) *Final Evaluation of CompeteFor*. Final Report to Department for Business, Innovation and Skills and Transport for London.

As noted above, five key sectors were highlighted by the Government as holding particular opportunities for capitalising on the staging of the Games.¹⁰ These included¹¹:

- Retail;
- Tourism;
- Sports activities and amusement and recreation activities;
- Creative industries (as defined by the Department for Culture, Media & Sport¹²); and
- High-technology activity¹³ (particularly with respect to East London).

Altogether, in 2011, the five sectors accounted for 109,382 jobs in the host boroughs (18.6% of total jobs), 966,812 jobs in London as a whole (22.6%) and 5.4 million jobs in Great Britain (19.7%). Relative employment levels in the sectors are therefore slightly 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. The table shows that relative growth in these sectors was particularly high in the host boroughs in the run-up period to the Games. However, this is partly related to the relative growth of the total workforce of these areas rather than a particularly large increase in their employment share.

Figure 3-3: Employment in key sectors (2008-2011)

	2008		2011		Growth (absolute)	Growth (relative)	Growth in proportion of total
	Number	%	Number	%	Number	%	(%age points)
Host boroughs	99,967	17.9	109,382	18.6	9,415	9.4	0.7
London	1,000,865	22.4	966,812	22.6	-34,053	-3.4	0.2
GB	5,576,664	19.6	5,472,278	19.7	-104,386	-1.9	0.1
North East	200,431	18.1	191,509	18.4	-8,922	-4.5	0.3
North West	579,173	18.2	575,607	18.6	-3,566	-0.6	0.4
Yorks and Humber	406,680	17.2	379,588	16.7	-27,092	-6.7	-0.5
East Midlands	366,164	17.9	353,712	17.8	-12,452	-3.4	-0.1
West Midlands	410,909	16.3	387,695	16.2	-23,214	-5.6	-0.1
East	518,904	20.1	511,829	20.4	-7,075	-1.4	0.3
South East	877,455	22.0	873,693	22.4	-3,762	-0.4	0.4
South West	501,931	20.5	509,775	21.3	7,844	1.6	0.8

¹⁰ Department for Culture, Media & Sport (2010) *Plans for the Legacy from the 2012 Olympic and Paralympic Games*

¹¹ Methodological differences between BRES data (2008 to 2011) and earlier ABI data (2000-2007), may lead to discontinuities in baseline figures, particularly at the lower level aggregates. For further information see <http://bit.ly/bres2008>.

¹² Creative Industries Economic Estimates (Experimental statistics), Full statistical release, December 2010, DCMS. 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 2008-2011 data adopts the more recent definition, based on SIC 2007. Both definitions are available in the paper cited here as a source.

¹³ 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 2008-2011 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).

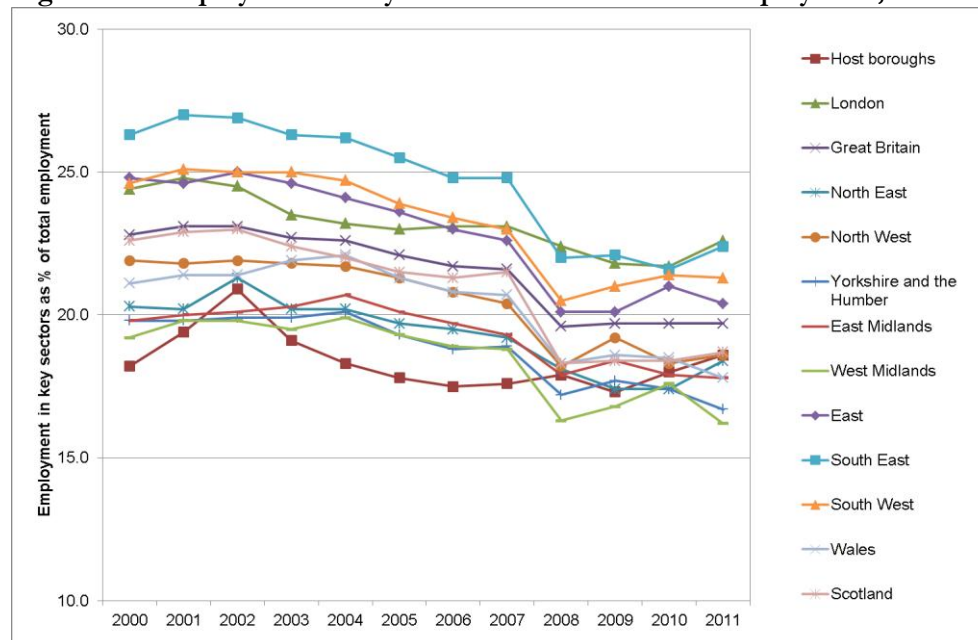
	2008		2011		Growth (absolute)	Growth (relative)	Growth in proportion of total
	Number	%	Number	%	Number	%	(%age points)
Wales	238,292	18.3	225,672	17.8	-12,620	-5.3	-0.5
Scotland	475,861	18.3	458,180	18.7	-17,681	-3.7	0.4

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 two and five percentage points in the host boroughs, and GB), whereas their employment in London has remained relatively stable. 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.

Detailed analysis of historical trends by sector is provided in Figure 3-4 below.

Figure 3-4: Employment in key sectors as a share of total employment, 2000-2011

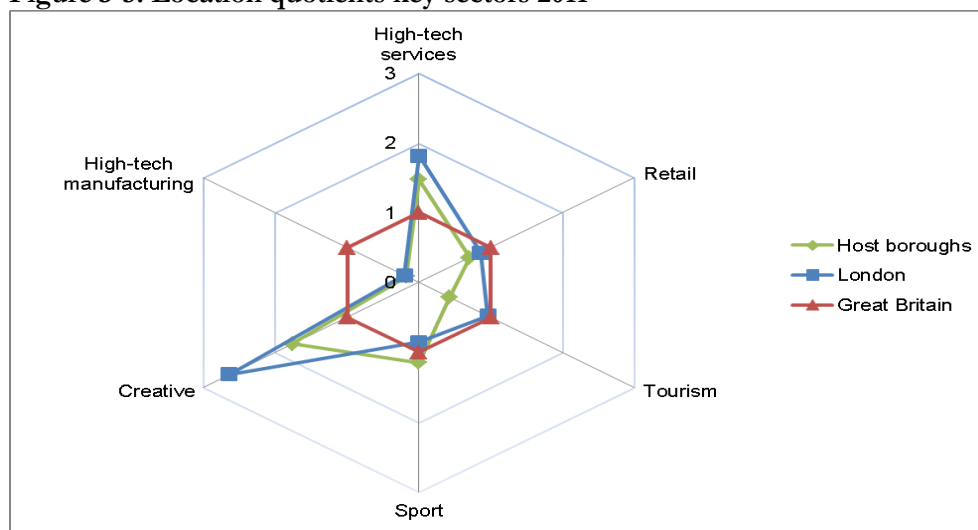


Source: ONS, *Annual Business Inquiry (2000-2007)*, *Business Register and Employment Survey (2008-2011)*¹⁴

Figure 3-5 below compares the location quotients¹⁵ of key sectors across the three spatial levels, taking the Great Britain average as the level of reference (value: 1).

¹⁴ Methodological differences between BRES data (2008 to 2011) and earlier ABI data (2000-2007) may lead to discontinuities in figures, particularly at the lower level aggregates. For further information see <http://bit.ly/bres2008>.

¹⁵ 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.

Figure 3-5: Location quotients key sectors 2011

Source: Business Register and Employment Survey

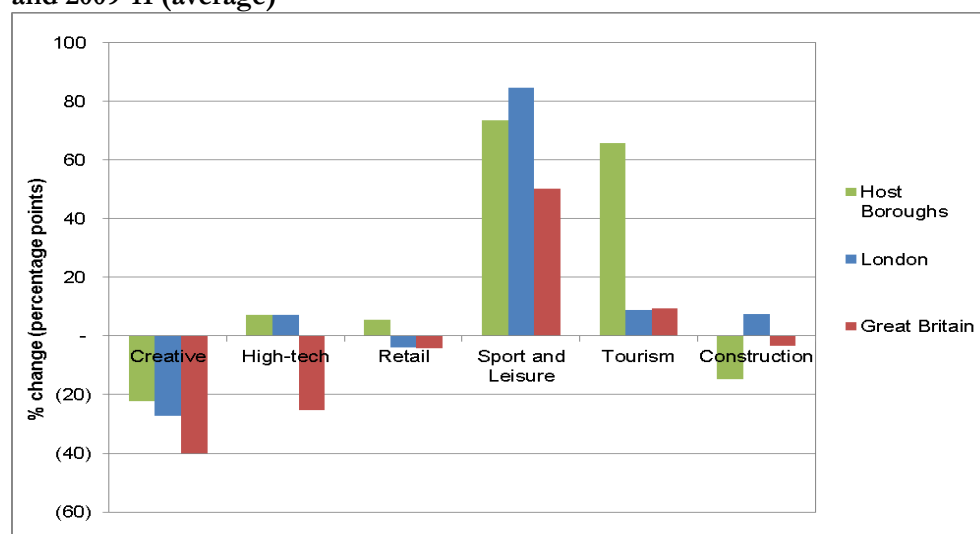
The graph shows:

- The comparative strength of London and the host boroughs in the creative industries sector (i.e. 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 a little higher than 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.

Figure 3-6 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 2011. It compares average employment between 2000 and 2002 with averages for the years 2009 to 2011.¹⁶

¹⁶ The analysis of changes between 2000 and 2008 is based on average employment for the years 2000-02 and 2009-11 to mitigate the impact of statistical errors, especially at the host borough level. This approach has been used in the analysis of employment change in the remainder of this section.

Figure 3-6: Relative change in employment in key sectors between 2000-02 (average) and 2009-11 (average)¹⁷



Source: ONS, *Annual Business Inquiry (2000-2002)*, *Business Register and Employment Survey (2009-2011)*¹⁸

Construction

Figure 3-6 shows employment change in the construction industry (defined here as SIC 45). It illustrates a decline in construction employment in the host boroughs and GB from the early 2000s. However, it is worth noting that 2000-01 was recognised as a peak period for construction activity. While employment in London declined sharply between 2001 and 2004, the period 2004-11 saw an increase from 117,000 to 126,000 construction jobs.

Retail

In the past decade, there has been a small growth in retail employment in the host boroughs (3,910 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 4%). 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.¹⁹

Tourism

The tourism (accommodation) sector accounted for 0.5% of employment in the host boroughs in 2009 (2,800 jobs), compared to 1.5% (63,000 jobs) across the capital and 1.5% in GB as a whole. Employment in the tourism sector contracted 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 (65.8%, albeit starting from a very low base). Particular drivers of change in the tourism sector are examined in the tourism section below.

¹⁷ Methodological differences between BRES data (2008 to 2011) and earlier ABI data (2000-2007) may lead to discontinuities in figures, particularly at the lower level aggregates. For further information see <http://bit.ly/bres2008>.

¹⁸ The removal of SIC codes 62.02 and 62.01/1 and dropping the scaling factor mean the GVA estimates between 2009 to 2011 considerably smaller than previous estimates between 2000-2002. However, the changes made make the 2009-2011 estimates a more accurate representation of the current UK creative industries. For more information see <http://www.culture.gov.uk/images/research/Creative-Industries-Economic-Estimates-Report-2011-update.pdf>.

¹⁹ Skillsmart (2009) *Retail Analysis, Current and Future Trends in UK Retailing*

Creative industries

The creative industries accounted for 5.9% of employment in London in 2011 (260,500 jobs), which suggests a higher concentration in London than GB (an average of 2.2%). 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. Although the graph appears to show a decline in the creative industries, there has been a significant revisions in methodology used to map the creative industries which has introduced discontinuities in the figures.²⁰

High-tech

Despite London's long-term development as an international centre for knowledge-intensive services (KIS), 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 Research & Development (R&D) activities, where the number of employees grew by over 6% in London (similar to the GB average) and by a relatively high 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 50% between 2000 and 2011). 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 0.7% of employment in the host boroughs in 2011 (3,718 jobs), below the London average (1.5% or 62,947 jobs) and the GB average (1.5%). Between 2008 and 2011, employment in this sector increased in the host boroughs (by +26.7%), in London (+12.9%) and in GB as a whole (+1.2%). 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.

(ii) Achievements*Assessment of the evidence*

Detailed evidence is available on outputs and achievements under this sub-theme from the comprehensive evaluations of CompeteFor, monitoring information on Games contracts and business survey evidence. A number of surveys have sought to understand the longer-term benefits of the Games to UK businesses. These surveys have generally focused on qualitative measures to provide an indication of possible future benefits. Stakeholders interviewed for the meta-evaluation were of the opinion that it will only be possible to examine the full extent of the impact of Games related contracts on UK businesses over the next five years, although the evidence that is currently available does provide some indication of the direct effects of Games contracts as well pointing towards some of the other longer term benefits that may emerge. The economic modelling work described above has estimated the effects of spreading contracts across the country in terms of the GVA and jobs impacts in every region and devolved nation.

²⁰ The removal of SIC codes 62.02 and 62.01/1 and dropping the scaling factor mean the GVA estimates between 2009 to 2011 considerably smaller than previous estimates between 2000-2002. However, the changes made make the 2009-2011 estimates a more accurate representation of the current UK creative industries. For more information see <http://www.culture.gov.uk/images/research/Creative-Industries-Economic-Estimates-Report-2011-update.pdf>.

Additionality

The stakeholder consultations have indicated that it is very unlikely that an e-procurement initiative of the ambition of CompeteFor would have gone ahead without the Games as resources would not have been available on this scale. A key driver of CompeteFor was the need to ensure that the procurement process for Games contracts would be as accessible as possible to businesses of all sizes throughout the UK. A smaller programme may have been funded without the Games although the evidence is not conclusive on what form the programme would have taken. However, it is reasonable to assume that the vast majority of impacts associated with CompeteFor in terms of behavioural change amongst SMEs supported would not have happened in the absence of the Games.

Impact of Business Support Initiatives

The gross outputs of the CompeteFor programme are shown in Figure 3-7.

Figure 3-7: UK business access outputs achieved

Legacy programme/ initiative	Lead Organisation	Total Outputs/KPI achieved	Units	Time period
CompeteFor	London Development Agency and Transport for London (TfL)	Total number of registered businesses	166,388	2007 /08 – 2012/13
		Number of short-listings for opportunities	65,666	2007 /08 – 2012/13
		Number of business opportunities made available	9,895	2007 /08 – 2012/13

Source: CompeteFor Contract Management Team (Transport for London)

As noted, the key source of evidence under the sub-theme of business access to 2012 is the National Impact Evaluation of CompeteFor. The CompeteFor Evaluation provides a detailed and robust assessment of the programme's effectiveness and impacts. The following data collection methods were adopted for the CompeteFor Evaluation:

- Longitudinal Panel: 351 firms were surveyed at the baseline, the interim and the final stages of the research;
- Contract Winners: 350 contract winners were surveyed to help the evaluation team understand the characteristics of firms that have been successful in securing contracts, and the extent to which these characteristics are systematically different from those of other CompeteFor users;
- Other registered users: 1,392 companies representing a cross-sectional sample of firms that had registered on CompeteFor were also surveyed. These were randomly selected from the full database of registered firms;
- Buyers: Organisations that have used CompeteFor as part of their tendering process. A sample of 100 buyer organisations were interviewed to ensure that this aspect of the service was assessed jointly with the other functions; and
- Case Studies: Ten in-depth interviews were conducted, a combination of eight supplier organisations and two buyer organisations.

Impacts and effectiveness of CompeteFor

This section draws together key conclusions on the impacts and effectiveness of the CompeteFor service, drawing on the monitoring data and evaluation evidence:

Engagement and Satisfaction with CompeteFor Service

The Final Phase Evaluation report was completed in April 2013. As reported in the evaluation, as of March 2013 a total of 166,388 businesses had registered on CompeteFor. Approximately 96% of those businesses (160,000) had registered by March 2012. Up until this point there were approximately (or up to) 20,000-25,000 businesses registering on CompeteFor every six months. As of March 2013, the number of contract opportunities made available via CompeteFor stood at 13,309. Approximately 85% of those contract opportunities (11,261) had been made available via CompeteFor by March 2012, five months prior to the Opening Ceremony of London 2012. There was no systematic analysis in the CompeteFor evaluation on the success of the service in engaging with minority-owned businesses. However, CompeteFor monitoring data indicates that 9% of these businesses were BAME owned/ led businesses which is line with the proportion in the total population of UK businesses.

Unrealistic expectations have led to lower levels of satisfaction among suppliers. Overall satisfaction with CompeteFor was quite low among suppliers. Slightly over a third (35%) of general registrants reported that they were either satisfied or very satisfied with the service provided while 44% of all firms were either dissatisfied or very dissatisfied.

The satisfaction rate has increased over the lifetime of the project and there is a much higher rate of satisfaction observed among contract winners. The main cause of dissatisfaction with CompeteFor can be attributed to the unrealistically high expectations organisations had of the service. CompeteFor was seen as the main route to a London 2012 contract but given the number of contracts estimated up-front by the London 2012 authorities as likely to be made available on CompeteFor (10,000 – 15,000), there was never going to be a contract for a large proportion of the 160,000 businesses registered on CompeteFor.

Overcoming Barriers to Bidding

Although official figures are not available, stakeholder evidence indicates that the vast majority of contracts awarded through CompeteFor were related to the Games either directly or indirectly. The Final Evaluation confirmed that CompeteFor has achieved some limited success at making bidding simpler and stimulating more firms to bid. Businesses were fairly positive about the effect of CompeteFor in simplifying the bidding process (25% of registered firms reported that it had made bidding easier) or in making firms more likely to bid for contracts (22% claimed that they had bid for more contracts as a result of CompeteFor). The evaluation also showed that CompeteFor has been relatively successful in increasing awareness about public sector opportunities among organisations (for example, 38% of registered businesses would not have been aware of these without CompeteFor). This is particularly the case among SMEs.

Benefits for Buyers

CompeteFor has benefited buyers in diversifying their supply chains. On the Buyers side, while only 10% of buyers reported difficulties in diversifying their supply chain, 35% reported having diversified their supply chain as a result of having engaged with CompeteFor.

Buyers' level of satisfaction with CompeteFor is significantly higher than that of suppliers. Buyers' initial expectations for CompeteFor were high, with 81% of buyers expecting CompeteFor to give them information on market suppliers and diversify their supply chain and around half expecting CompeteFor to save time and resources (51%), drive down costs (46%), and improve Corporate Social Responsibility (40%). Against these relatively high levels of expectation, a quarter of buyers reported that their expectations for CompeteFor were fully met or exceeded. The majority of buyers (60%) reported that CompeteFor met their expectations in the main or in part, and only a minority (13%) reported that they were not met at all. Some 58% of buyers reported at least one change in business practices resulting from CompeteFor. More specifically, changes included diversifying their supply

chains (35%), developing new partnerships (23%) and streamlining procurement processes (21%).

Economic Impacts

The key conclusions of the Final Evaluation of CompeteFor in respect of the economic impacts of the service were as follows:

- Minor impact on turnover reported by most businesses. Circa 90% of all respondents stated that without CompeteFor their turnover would have been exactly the same. Contract winners reported an average £200,000 turnover impact from using CompeteFor. Turnover effects were expected by surveyed firms to persist for an average of 4.7 years.
- Turnover generated by Games contract wins constitute 100% displacement. The turnover benefits from contracts awarded are not additional to the UK economy as a result of CompeteFor but merely displaced away from companies which would have been awarded the contracts in the absence of CompeteFor. This finding contrasts with the interim evaluation which identified major benefits to two users which were not secured at the expense of domestic competitor. It was decided in the final evaluation that it was inappropriate to draw wider conclusions from these outliers;
- Circa 6% of the overall turnover benefits experienced as a result of CompeteFor are potentially additional to the UK economy, i.e. they are not the result of winning a contract that would have gone to another business. Evidence from the Final Evaluation indicates that there are number of ways in which businesses may have benefitted from the service beyond the direct benefits associated with being awarded a contract. CompeteFor has played a role in influencing businesses to bid for more public sector contracts. Half of the businesses surveyed claimed that they are more likely to bid on public sector contracts as a result of CompeteFor. Approximately one in four companies have sought partnerships with other businesses (in the UK and abroad) and a similar proportion reported that CompeteFor had influenced them to introduce a new product, service or process to their business;
- CompeteFor generated a net creation of approximately 5,000 jobs in beneficiary firms or on average 1.12 jobs were created by firms that reported an impact from CompeteFor. The impact of CompeteFor as a generator of financial investments in firms is small; and
- The final evaluation concludes that the initiative has the potential to deliver additional GVA benefits totalling £72m over the period to 2017.

Overall Value for Money

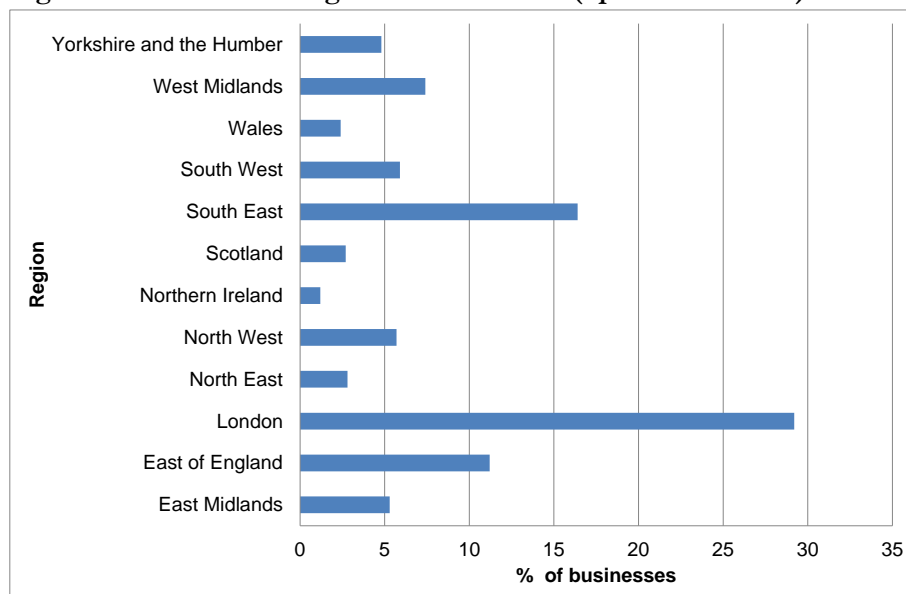
The Final Evaluation concluded that CompeteFor's Value for Money (VfM) improved over time. The initial capital costs were a one-off expenditure and the implementing partners benefited from an apparent steep learning curve. VfM gains might have been achieved by contracting a single organisation, rather than multiple organisations and/ or by incentivising members of the Buyer Engagement Team in alternative ways, earlier than was implemented.

Impact of CompeteFor on geographical distribution of contract awards

As shown in Figure 3-8 below, the London region had highest proportion of registered businesses (nearly 30% of all businesses registered on CompeteFor). The second most represented region was the South East of England (16% of all businesses registered). The second most represented region was the South East of England with 16%. According to the CompeteFor evaluation, the concentration of users in London is consistent with findings from stakeholder interviews which suggest that, while a significant effort was made in the early days of CompeteFor by the regional supplier engagement teams to encourage SMEs based outside London to register and use the service, the closure of the RDAs and regional

Business Links deprived CompeteFor of a major regional relay and made it much more difficult to maintain the regional diversity of users. Overall, CompeteFor monitoring data indicates that the service achieved some involvement from businesses in all English regions and in Scotland, Northern Ireland and Wales, although there was some scope to achieve a better penetration into the northern regions of England and the other nations of the UK.

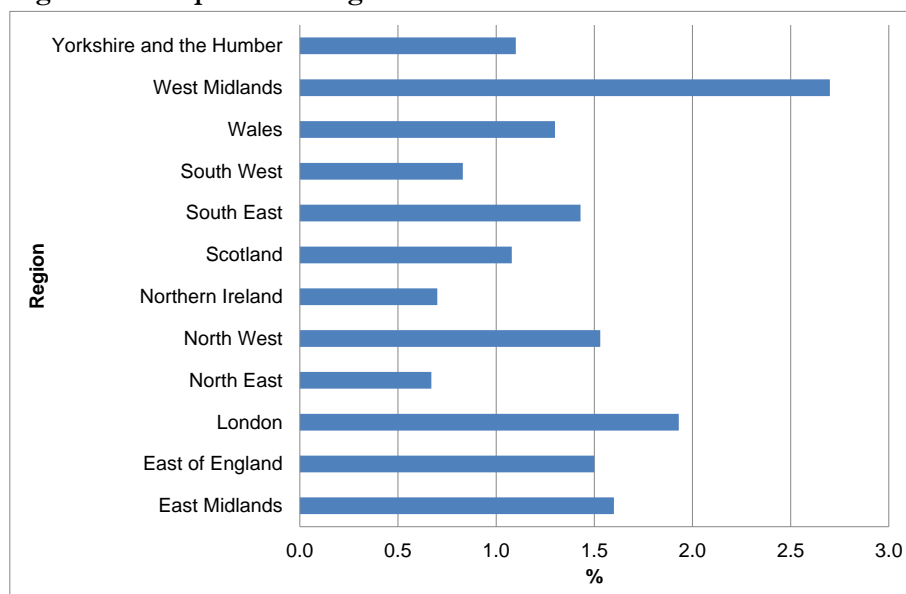
Figure 3-8: Location of registered businesses (up to March 2013)



Source: *CompeteFor Contract Management Team (Transport for London)*

Figure 3-9 below shows that there was a good geographical spread of contract awards amongst businesses that are registered on CompeteFor. The highest proportion has been in the West Midlands where 2.7% of registered businesses were awarded a contract followed by London where just under 2% were awarded a contract.

Figure 3-9: Proportion of registered businesses awarded contracts



Source: *CompeteFor Contract Management Team (Transport for London)*

Although official figures are not available, CompeteFor have advised that the majority of contracts awarded through CompeteFor are Games-related. These include contracts awarded to lead contractors and their supply chains and those related to Games indirectly through (for example) investment by the London 2012 host boroughs to prepare for the Games and

investments by the GLA family of organisations, including Transport for London, the Metropolitan Police Service and London Fire Brigade. Additional contracts not directly related to London 2012 tended to involve large-scale infrastructure projects, particularly Crossrail.

Recent data on the regional breakdown of contracts awarded through CompeteFor shows that around 1,600 contracts have been awarded to companies based in London. The next highest number was to companies in the East of England (496) West Midlands (442). In the case of the West Midlands this reflects the region's relatively high conversion rate as highlighted above (Figure 3-9).

Figure 3-10: CompeteFor contract awards by region



Source: CompeteFor Contract Management Team (Transport for London)

At the time of the CompeteFor Interim Phase Evaluation, which covered the period from 2007/08 to 2009/10, the Buyer Engagement Team had had limited success in penetrating Tier 1²¹ of the Games supply chains in many cases and the high pressure nature of Games contracts was evidenced as discouraging potential buyers. At this point in time the BET component had not been as successful as was hoped in encouraging a sufficient number of contract opportunity posts onto the system.

However, in seeking to explain why this was the case, the evaluation notes that BET was not in place early enough to penetrate the supply chains of many Tier 1 contractors and the contractual flow-down clause²² was not reinforced at this early stage by the ODA. Stakeholder consultations for the meta-evaluation have indicated that engagement improved as the proportion of Games contracts procured through the CompeteFor system increased over time. In addition, in the Crossrail project, information from the CompeteFor Contract Management Team and BET demonstrates that penetration of Tier 1 contractors is much higher, which would appear to reflect the lessons learned during the use of CompeteFor for the Games.

²¹ 'Tier 1' refers to the lead contractors on Games contracts.

²² This is the contractual requirement to advertise sub-contracts through CompeteFor.

Box 3-1: Case Study Business Support for London 2012 Opportunities in the West Midlands region.

According to the London 2012 Nations and Regions Group End of Games Report for the West Midlands, the success of West Midlands' firms in securing London 2012 contracts was aided significantly by the early recognition of the business opportunities the Games would bring and the support that was put in place to help firms benefit. In January 2006 AWM (the Regional Development Agency for the West Midlands) appointed a Business Manager for the 2012 Games. The 'West Midlands Business Task Force for 2012' was formed early in 2006, with membership from the Chambers of Commerce, West Midlands Business Council and other business representatives.

Later in 2006, the Task Force agreed the overall business objective for the region:

- 'Companies in the West Midlands to win contracts from the London 2012 Games, and associated projects, to the value of £400 million, by summer 2012. These successes to be spread across the entire West Midlands.'

Over the next five years, AWM provided a budget which financed substantial business support activity for the West Midlands' commercial sector, promoting opportunities from London 2012:

- Four London 2012 Business Opportunities annual conferences, which featured keynote speakers, including the then Olympics Minister Tessa Jowell, LOCOG Board Member Jonathan Edwards, LOCOG Chief Executive Paul Deighton and ODA Chairman, Sir John Armitt.
- Over 70 seminars, workshops, and other London 2012 business briefings. These were delivered for the first two years by West Midlands Business Council and subsequently by the West Midlands Chambers of Commerce. Uniquely in the West Midlands, a series of free, monthly '2012 Sector Briefings' was offered. These contained market intelligence and recent developments from London 2012, across eleven sectors. By the time of the last issue, in March 2012, there was a distribution list of approximately 1,300 businesses.

Through the Business Manager post, there was dedicated one-to-one support for companies to become registered on CompeteFor, ensuring contract winner case studies were developed, helping firms benefit from greater profile through their contract wins, in addition to direct support for companies in the tendering process.

The overall investment in all the above activity, excluding the RDA's contribution to CompeteFor, was £633,000.

The following outlines some of the key business achievements in the West Midlands:

- By Games time 367 firms from the West Midlands had secured contracts to supply the Games and related projects this is likely to increase further with all of the post-Games transformation opportunities;
- The estimated value of these contracts is now over £570 million. The original target of £400 million was achieved eleven months ahead of schedule, in September 2011. This places the West Midlands behind only London, the South East and East of England in terms of both the number of contracts and total value of contracts won; and
- The West Midlands is also proud of the spread of companies that have secured contracts. Businesses in 57 of the 58 parliamentary constituencies in the Region have secured Games-related contracts, from major urban areas to some of the smallest rural communities; the geographic spread of business success has been a major success for the region. Only Birmingham Hodge Hill, a largely residential area of east Birmingham, does not include a company that has been successful in winning a contract.

The West Midlands has also seen a great variety of contract wins from small contracts worth a few thousand to contracts worth hundreds of millions including construction of the International Broadcast Centre by Wolverhampton based Carillion, demonstrating the breadth and flexibility of businesses in the West Midlands.

A further key success for the West Midlands has been the high profile contract wins that the region's firms have secured and delivered successfully. Notably, the Olympic Torch was made in the West Midlands by The Premier Group.

Source: London 2012 Nations and Regions Group End of Games Report for the West Midlands

Sustainability of CompeteFor

The continued operation of CompeteFor is recognised as a potentially important legacy benefit of the Games. Following the closure of the Regional Development Agencies in England, including the London Development Agency (LDA), the CompeteFor project, managed by the CompeteFor Contract Management Team, transferred from the LDA to the Commercial Centre of Excellence at Transport for London (TfL) which is part of the Greater London Authority (GLA) group.

Since the service began in 2008, other major buying organisations and their supply chains are using CompeteFor as part of their procurement process, including TfL and Crossrail (currently the largest civil engineering construction project in Europe) – meaning that business opportunities are being made available to potential suppliers beyond the Games.

There is an aspiration from key stakeholders to continue the service beyond the 2012 Games and it is believed that CompeteFor's assets could be exploited by a private sector partner to generate revenue for a self-sustaining business model.

The Mayor of London stated in his 2012 Mayoral election manifesto that he would strengthen CompeteFor. The Mayor made short-term additional project funding available, meaning that the service continued under the current delivery, whilst TfL were working to successfully procure a suitable self-sustaining private sector-led business model that would ensure CompeteFor could continue beyond 2012, without being wholly reliant on public sector funding.

The final evaluation concluded that CompeteFor has demonstrated commercial viability. A four year contract has recently been awarded in order to operate CompeteFor on a commercial basis under a concession agreement and at no cost to the public purse. CompeteFor will continue to offer the same core elements of the service as previously, ensuring they are available to businesses equally and free of charge. Registered businesses will also benefit from additional 'value added services' made available at additional cost.

Other survey evidence on the impacts of the Games on UK businesses

A number of surveys have addressed the impacts of the Games on UK businesses. These generally focus on the potential longer-term benefits to business from London's hosting of the Games. The key findings from these surveys are considered below.

Armitt Report Survey

Research for DCMS²³ examined the impacts of the Games on firms who worked on Games contracts. The survey of 276 companies focused on a range of companies at different tiers of the supply chain. These companies were asked 20 questions about the impact of working on London 2012 on their companies and staff, on their finances, reputation and business networks, and future prospects. Both ODA and LOCOG contractors were well represented in the survey.

²³ Sir John Armitt for the Department for Culture, Media & Sport (2012) *London 2012 – a global showcase for UK plc*

These companies reported that more than 46,600 employees had been, or were, working on London 2012 contracts – and that just over 30,000 of these were new jobs. Whilst these numbers cannot be extrapolated to reflect the full supply chain, it is still a reflection of the scale of additional employment which was required to serve the construction activities required as a direct result of the Games.

There were some positive findings on the role of the Games in supporting the longer-term competitiveness of the firms. The key findings of the research were reported as follows:

- 63% of construction companies innovated to help their work on London 2012 (this included both process and product innovation);
- 68% of large businesses said working on the Games had increased their ability to take on big projects;
- 68% of companies said working on the 2012 Games had enhanced their reputation, rising to 77% for larger companies;
- Almost a third of companies had already secured further work as a result of their experience with the 2012 Games;
- Almost three-quarters of companies anticipated future business opportunities as a result of their involvement in the Games; and
- Two-fifths of companies involved took the opportunity to train employees specifically for the project, with health and safety at the top of their priority list. More than half of the construction companies and those providing services for this sector said they had carried out special training.

The DCMS research also identified the restrictions on companies marketing their own involvement in the London 2012 as a potential barrier to maximising the benefits of the Games to for UK businesses. The British Olympic Association (BOA) has since negotiated a limited licence agreement with the International Olympic Committee (IOC) which allows for a particular form of words to be used in advertising firms' roles in the Games.

Federation of Small Businesses Survey

In December 2012, the Federation of Small Businesses (FSB) surveyed 200 businesses across London and in the surrounding areas to obtain a better understanding of the likely legacy for micro and small businesses.²⁴ Questions included in the survey on the effects of the Games followed suggestions made by the meta-evaluation team. The report does not contain detailed information on the survey's sampling approach, therefore it is not clear how far the sample reflects the small business population across London. However, nearly one in five (18%) of the businesses that responded to the survey were based within the retail sector and 21% were within the professional, financial and business service sectors which indicates that the sample was broadly reflective of London's small business population.

Games-time Impacts

The FSB survey findings on Games-time impacts were as follows:

- From 27 July to 9 September 2012 (the Games period) more small businesses experienced a negative, as opposed to a positive, impact on trade - 41% of the total sample felt that there was a negative impact on the performance of their business during the Games compared to 16% who thought that there was a positive impact (although 69% thought that the Games were good for London overall);

²⁴ Federation of Small Businesses London Region (2013) *Passing the Baton: How small businesses have been affected by the London 2012 Games*

- Nearly a third (30%) of businesses said they reduced travel commitments for themselves, their customers and their employees. The sectors that were able to accommodate fewer travel commitments tended to include desk-based and home-based businesses, such as professional and business services;
- A fifth (20%) of London-based businesses implemented flexible working patterns (e.g. home working and early/late starts), and nearly one in ten (8%) arranged night-time deliveries to their business premises; and
- Micro and small businesses unanimously reported that there were no lasting benefits for businesses of their size from the changes to their delivery arrangements. However, the relaxation on night-time deliveries during the Games proved beneficial to larger businesses by freeing up road space during the working day, thereby easing congestion.

Longer-term Impacts

The key findings from the FSB survey on longer-lasting impacts included:

- Nearly a fifth (17%) of businesses that responded to the survey participated in at least one business event or programme linked to the London 2012 Games. With regards to awareness levels and the perceived importance for the bottom line of business, a significant majority of micro and small businesses were uninterested by the prospect of Games interaction;
- More than one in ten (12%) of the businesses that responded to the survey said that they had worked on an official Olympic or Paralympic Games contract. Small businesses within the manufacturing and professional services sectors won more such contracts;
- Furthermore, nearly a quarter (24%) employed new staff to fulfil the contract;
- A fifth (20%) of businesses obtained further work as a result of the contract and only one firm experienced any financial problems within their business; and
- There is clear evidence of small businesses achieving added value as a result of winning Olympic and Paralympic contracts. One half (50%) of companies felt that their reputation had been boosted by this. Almost a third (32%) saw the market position of their business improve and 28% have seen a higher level of skills within their business.

London Chamber of Commerce and Industry Survey

To understand the immediate impact of the Games and potential longer-term impacts, the London Chamber of Commerce and Industry (LCCI) in collaboration with pollsters ComRes, surveyed 165 London businesses and interviewed 13 businesses from a variety of sectors and company sizes. Key findings in relation to potential legacy effects focused on flexible working patterns, as follows²⁵:

- 42% of businesses surveyed allowed their employees to work from home and 29% from other locations, whilst 46% allowed their staff to work flexible hours; and
- 27% of all respondents said they would keep homeworking options; 17% would maintain the flexibility of working from other locations, 28% flexible hours and 11% working compressed weeks; compared to 15%, 12%, 18% and 4%, respectively, who despite implementing the changes said they would not maintain them in the future.

²⁵ London Chamber of Commerce and Industry (2012) *The Final Hurdle: securing a business legacy*

The LCCI report also provides some additional qualitative evidence on the impacts of the Games on flexible working²⁶:

We are confident that one of the legacies from the Games is the liberalisation of employer attitudes towards more flexible ways of working by showing that they are not only feasible, but they also add to a company's resilience. According to the Head of B2B London 2012 Sponsorship at a major banking group, "the Olympics allowed us to communicate to everyone how to work remotely properly – to not always be logged on, but log on for 10 minutes, download all the information, then work offline. That worked very well and many people have now realised they can remote work better and that will be embedded in the business going forward."

BT Survey

BT surveyed 600 large private and public sector organisations across the UK to ask them about the short-term and long-term impacts of the Games.²⁷ Details on the survey sample were not available to the meta-evaluation. However, the survey produced a number of findings on potential legacy effects for business:

- Two thirds of enterprises in the UK (65%) saw London 2012 as a business opportunity, most commonly looking to benefit from increased sales (60%), brand promotion (57%) and improved public profile and awareness (50%);
- Despite 65% seeing a business opportunity, only 32% said they took full advantage, with 56% thinking they missed out or could have done better. This could be because 22% did not think they were sufficiently prepared, or because they felt they were not assisted enough by authorities (52%), but the largest proportion (43%) felt it was because they are not located in London;
- In terms of legacy effects, some 45% (of enterprises) reported that the Games made no difference to them, 34% said they are continuing to enjoy the benefits, most commonly by sales/ revenue being higher than before the Games (37%) and from flexible working facilities brought in for the Games (34%);
- Over three in five public and private sector organisations (62%) think preparation for London 2012 offered lessons in coping with disruption or uncertainty in the future;
- Four in five (80%) organisations felt the benefits of London 2012 will still be felt in a year's time, with 29% believing this will be the case in five years and 16% in a decade;
- Over two in five organisations said they prospered from London 2012 (43%), but a similar number (46%) said that it made no difference. In the run up to the Games a quarter (25%) experienced issues with transport, 18% had issues with their IT network capacity and 17% were affected by increased staff absenteeism. They were also impacted during the Games by the same three issues, but staff absenteeism became the second most common; and
- During the Games, organisations who said they benefited, experienced an average revenue increase of 14%. Over half have continued to enjoy a revenue increase (on average 11%) since, and those who said that revenue was up during the Games compared to the same period last year saw an average 12% increase. Looking ahead, organisations who expect commercial benefits to continue predict revenues will be up about 11% in 2013 and an average of 13% over the next four years, suggesting a lasting legacy for many.

²⁶ London Chamber of Commerce and Industry (2012) *The Final Hurdle: securing a business legacy*

²⁷ BT (2013) *London 2012 Legacy Survey*

Stakeholder views

A number of business umbrella organisations and government departments were interviewed as part of the meta-evaluation to examine the impact of the Games on UK businesses. All of the key stakeholders interviewed for the meta-evaluation agree that the CompeteFor service and the regional business support systems put in place to support business access to 2012 contracts have on the whole been very effective at engaging UK businesses in the business opportunities from the Games.

A common issue identified by stakeholders was the marketing restrictions which were in place to ensure that businesses working on the Games did not promote themselves in a way that undermined the rights of the official London 2012 and wide Games sponsors. As noted above, the London 2012 – a global showcase for UK plc research commissioned by DCMS²⁸ identified the restrictions on companies marketing their own involvement in London 2012 as a potential barrier to maximising the benefits of the Games for UK businesses. This was highlighted as being particularly true for smaller contractors who the research identified as not enjoying the same degree of success as larger businesses, and not sharing the same optimism and confidence about the future. The British Olympic Association (BOA) has since negotiated a limited licence arrangement with the IOC which allows for a particular form of words to be used in advertising the role in the Games. As of May 2013, 644 companies had been approved for a license to use the scheme.²⁹ However, there is limited evidence on the extent to which the IOC's marketing clause had previously constrained UK businesses in building on their Games role and stakeholder views are mixed on whether the advertising clause hindered businesses. As some stakeholders pointed out, many of the businesses involved rely on informal networks and can use their networks to promote their experience on the Games. On the other hand, some business organisations believe that the advertising clause did act as a hindrance for small business.

As well as potential reputational benefits to UK businesses, the stakeholder consultations also suggested that benefits may occur through particular partnership approaches and business practices which were established to address security concerns and transport issues at Games-time. The consultations identified the Cross Sector Safety and Security Communications network (CSSC) which was established in London in 2011 by the London Police Service, Home Office and business groups. The purpose of the CSSC was to be “*a communications structure that was implemented in the run up to the London 2012 Games, and continues afterwards as a lasting enhancement to safety and security in the capital*”. While there was already a network to share information and intelligence on security issues, the Games encouraged the CSSC to expand this to all businesses through key sector contacts and improved the flow of information. Stakeholders representing business umbrella organisations indicated that the communication channels were effective and were able to provide real time information to feed down to their members.

Stakeholders also commended Transport for London's (TfL) awareness campaign of the potential transport impact on businesses and commuters that additional users might bring. Employees were advised to use alternative modes of transport or travel outside peak times and only when necessary; and businesses in the London area were asked to relax their staff working pattern arrangements (e.g. by allowing staff to take annual leave, work from home or other locations, or work alternative hours) and to put in place contingency plans for deliveries. Stakeholders considered that the enforced experiment of flexible working during Games-time will have more lasting benefits for UK businesses where this leads to more productive working practices. This is confirmed by the survey evidence above.

²⁸ Sir John Armitt for the Department for Culture, Media & Sport (2012) *London 2012 – a global showcase for UK plc*

²⁹ Source: British Olympic Association

3.4 Conclusions

There was a general consensus amongst key stakeholders that the CompeteFor service and the regional business support systems put in place to support business access to 2012 contracts were effective at engaging UK businesses in business opportunities arising from the Games. As reported in the Final Evaluation of CompeteFor, as of March 2013 a total of 166,388 businesses had registered on CompeteFor. Monitoring evidence indicates that the service had some success in influencing the regional distribution of benefits from Games contracts. There is little evidence to suggest support interventions were able to generate additional economic benefits for the UK economy as a whole as contracts awarded for the Games through the CompeteFor service will have largely displaced business away from other UK companies. However the Final Evaluation of CompeteFor indicates some additional benefits from the service for businesses in terms of increased awareness of public sector procurement and capacity enhancements. It looks highly likely that the CompeteFor service will continue and be run on a commercial basis which would provide a further legacy benefit.

The surveys on legacy benefits for UK businesses are generally comprehensive and provide a robust initial indication of potential long-term effects. The survey results point to significant reputational benefits for businesses that worked on Games contracts that can be built on in the longer-term. Moreover, the surveys suggest that there have been some early success in terms of securing further work as a result of working on Games. The experiment of flexible working during Games-time could have lasting benefits for UK businesses if it were to lead to more productive working practices. Evidence from a series of surveys indicates that a significant number of businesses are maintaining flexible working practices that were introduced during the Games to cope with potential congestion issues.

4 Promoting the UK as a Place to Invest

4.1 Legacy programmes and initiatives

There was an expectation in the Government's legacy strategy that the additional exposure of London and the UK would help to influence business perceptions of the benefits of locating in the UK.³⁰ The Games also provided a valuable opportunity to promote the benefits of London and the UK as attractive investment locations. Furthermore, the 2012 Games also brought new connections for London and the UK, not only with other host cities but also through the presence of business leaders in London during the Games.

Inward investment worth £6 billion is expected to be generated over the four years following the Games as a result of UKTI's London 2012 and associated inward investment programmes. The key UK Trade and Investment (UKTI) initiatives and other interventions that were designed to use the Games as a hook to generate inward investment are described below:

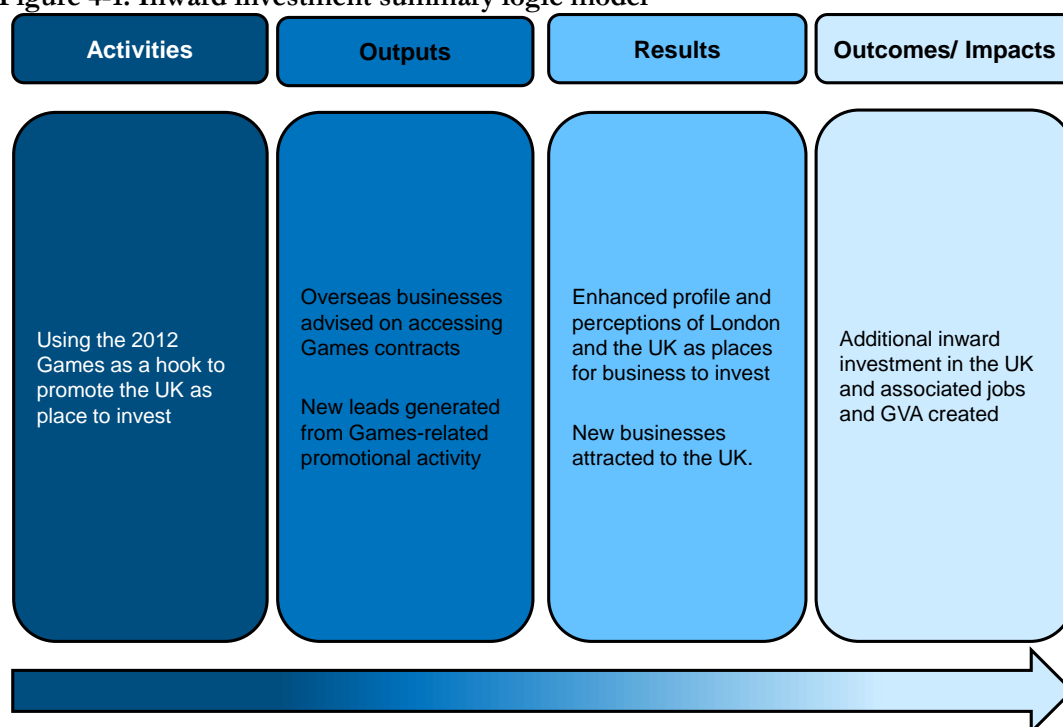
- **British Business Embassy:** During the Olympics and Paralympics, the Prime Minister, Deputy Prime Minister, Chancellor, Business Secretary, Foreign Secretary and over 30 other ministers hosted business leaders and global figures and international buyers, investors and policy makers, at a series of global business summits at Lancaster House in London. The programme included country days devoted to China and Brazil as well as Sector Summits featuring UK expertise in the creative industries, education, healthcare and life sciences, ICT, energy, infrastructure, retail, food and drink, advanced engineering, assistive medical technologies and global sports projects, plus a collaboration with the International Paralympic Committee. Each summit typically featured a business breakfast, interactive thought leadership sessions, networking opportunities and an evening reception;
- **The Global Investment Conference:** The flagship event for the British Business Embassy which aimed to showcase UK businesses and the UK as a global investment destination. The conference took place in London on the day before the Opening Ceremony;
- **Targeting potential investors through delivery of Games contracts:** 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;
- **In 2009 the then FCO Public Diplomacy Group set up a team, incorporating contractors and external agency resources, to deliver a public diplomacy campaign around the London 2012 Olympic and Paralympic Games across the overseas network.** This campaign aimed to use London 2012 as a catalyst to change perceptions of the UK worldwide, and thereby increase the UK's power to influence. A key objective of the activity was to bolster the UK economy, increase commercial opportunities for British business in target countries, and secure high value inward investment. To achieve these goals several types of activity were supported, including: events, films, documentaries, articles, interviews, and digital media.

³⁰ Department for Culture, Media & Sport (2010) *Plans for the Legacy from the 2012 Olympic and Paralympic Games*

- London and Partners 2012 Programme – The London and Partners 2012 Objective is "to use the 2012 Games as a business catalyst" to deliver incremental foreign direct investment to support 5000 jobs (equivalent to around £500 million in GVA) in 2006-2016³¹;
- Tech City Investment Organisation – Supporting the tech and creative sectors cluster in East London, stretching from Shoreditch to the Olympic Park. This UKTI initiative has already significantly increased the inward investment potential for the area, as well as being a means by which investors will be attracted to other parts of the UK; and
- GREAT campaign – Launched in September 2011, the campaign was designed to use the platform of the Games in 2012 to showcase Britain's capabilities in a number of areas. The campaign includes overseas marketing of the UK as a tourist destination (as described in Section 6) and as an investment destination.

The logic model below provides a summary of the activities, outputs, results and outcomes/impacts for the inward investment sub-theme. Key outputs relate to businesses advised at events linked to the 2012 Games and on Games-related contract opportunities. It was expected that new contacts with foreign-owned businesses would encourage them to consider London and the UK as investment locations and lead to new inward investment projects and economic impacts in the longer-term.

Figure 4-1: Inward investment summary logic model



4.2 Expenditure

As detailed in the table below, the total expenditure budgeted for the delivery of British Business Embassy and Global Investment Conference was £4.9 million.

³¹ London & Partners (no date) 2011/12 Business Plan

Figure 4-2: Public expenditure on promoting the UK as a place to invest

Legacy programme/ initiative	Lead organisation	Budget (£m)	Actual (£m)	Time period ³²
British Business Embassy	UKTI	£4.9m plus £1m private sector cash sponsorship and £1.3m value in kind contributions	£4m plus £1m private sector cash sponsorship and £1.3m value in kind contributions	July – August 2012
Global Investment Conference	UKTI	Included within the British Business Embassy budget	-	July 2012
Using CompeteFor registration to target foreign companies	UKTI	£0 (i.e. there is no additional programme budget for this activity)	-	2007 /08 – 2010/11
London and Partners 2012 Investment Programme	London and Partners	NA	NA	NA

4.3 Evidence

(i) Levels and trends

The focus on inward investment in the Games' legacy strategy reflects the Government's ambition to ensure the UK remains the top destination for inward investment in Europe. According to Ernst & Young's latest European Investment Monitor, the UK has consistently maintained the highest share of both projects and jobs created by foreign direct investment (FDI) in Europe (Figure 4-3).

Figure 4-3: Top European countries for FDI 2012

Rank	Country	FDI Projects 2011	FDI projects 2012	Change 2011-12	Share of Total 2012	Jobs created 2012
1	United Kingdom	679	697	3%	18%	30,311
2	Germany	597	624	5%	16%	12,508
3	France	540	471	-13%	12%	10,542
4	Spain	273	274	0%	7%	10,114
5	Belgium	153	169	11%	5%	2,229*
6	Netherlands	170	161	-5%	4%	3,559*
7	Poland	121	148	22%	4%	13,111
8	Russia	128	128	0%	3%	13,356
9	Ireland	106	123	16%	3%	8,898
10	Turkey	97	95	-2%	3%	10,146

Source: Ernst & Young European Investment Monitor 2013

Note: *2012 figure not available, 2011 figure taken from Ernst & Young European Investment Monitor 2012 instead

³² Period relates to the delivery period. Spending occurred over a longer time period than the events themselves.

London has been the top performing European city with respect to the number of foreign direct investment (FDI) projects attracted. Figure 4-4 below shows that in 2012 London outperformed all other European cities in terms of the number of FDI projects secured.

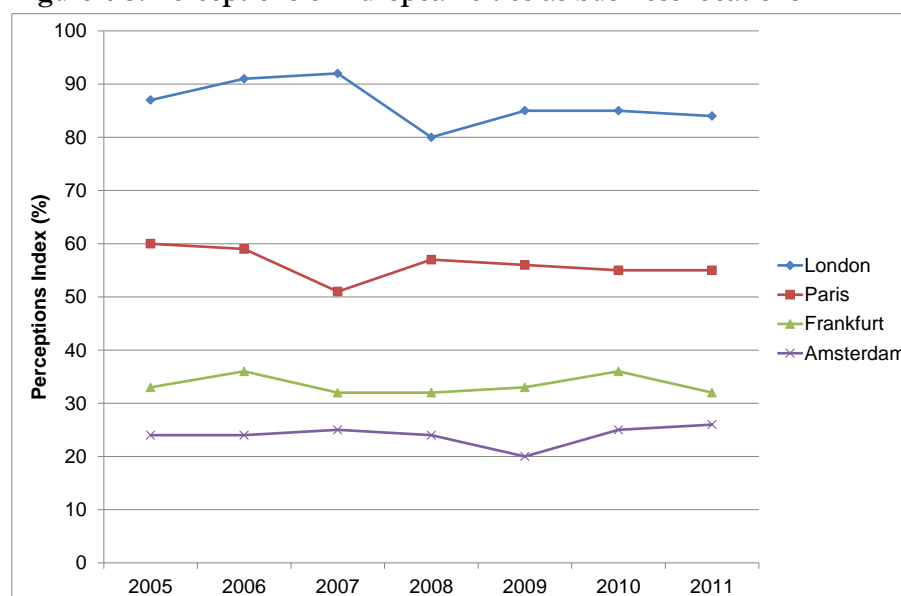
Figure 4-4: Top European cities ranked by performance in attracting FDI (2010)

Rank	City	Number of projects	Change 2001-12
1	Greater London	313	-4%
2	Paris	174	-15%
3	Barcelona	116	16%
4	Madrid	93	-1%
5	Dusseldorf	84	0%
6	Stuttgart	81	53%
7	Dublin	72	20%
8	Freiburg	71	39%
9	Lyon	70	6%
10	Amsterdam	68	39%

Source: Ernst & Young European Investment Monitor 2013

Cushman & Wakefield's annual survey on Europe's major business cities provides an overview of the perceptions that corporations have about cities across Europe and their relative attractiveness, and how perceptions have changed over time. The survey targets senior executives from European companies and asks about their perceptions of Europe's leading business cities³³. The scores for each city are based on the responses and weighted according to nominations for the best, second best and third best. Each score provides a comparison with other cities' scores and over time for the same city (see Figure 4-5).

Figure 4-5: Perceptions of European cities as business locations



Source: Cushman and Wakefield European Cities Monitor 2005-2011

The data shows that London has consistently achieved the highest score as a location to do business. Since 2008 the difference between London and the average score for three comparable cities (Paris, Amsterdam and Frankfurt) has widened slightly – London's score

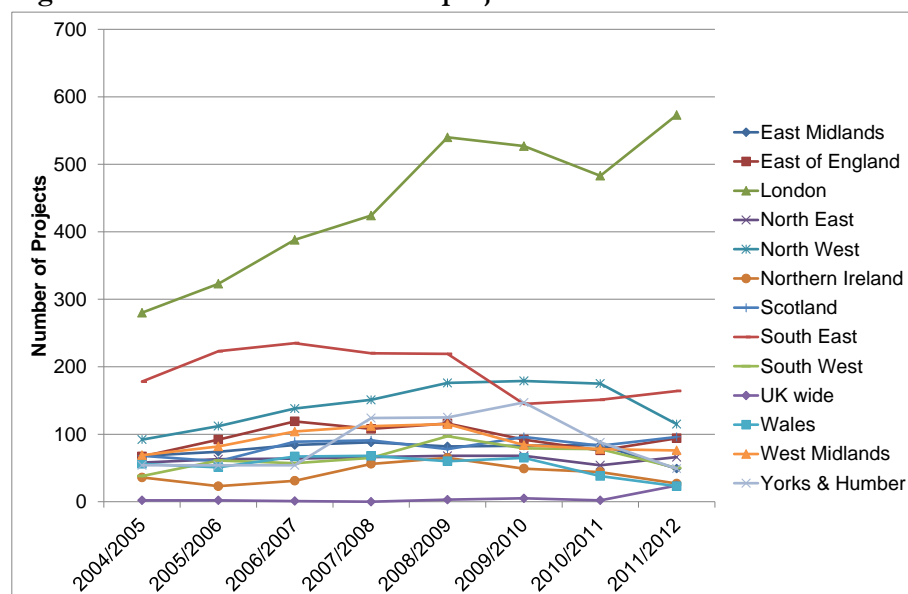
³³ The number of responses to the 2011 survey was 501.

increased from 80% to 84% while the average score for the three other cities remained constant at 38%. The Cushman and Wakefield survey also shows that the percentage of business leaders believing that London was doing the most to promote itself increased significantly from 16% in 2010 to 25% in 2011. It is clear that efforts to promote London in the build up to the Games intensified so it is plausible that some of this increase can be attributed to the Games.

In the past decade London has also consistently outperformed the rest of the UK in respect of inflows of (FDI). Data from UKTI indicates that between 2004/05 and 2011/12 London attracted 31% 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 13% of total FDI projects and the North West (10%).

Between 2004/05 and 2011/12 London's share of FDI projects in the UK has increased from 26% to 40%. The growth in FDI projects in London was particularly strong between 2004/05 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. London's performance has since improved again and in 2011/12 London attracted 573 FDI projects (Figure 4-6).

Figure 4-6: Number of investment projects



Source: UK Trade and Investment

Analysis of investment success on a per capita basis confirms the strong performance of London in the context of the UK. In 2011/12 London attracted 68 new investment projects per million of the population compared to an average of 22 for the UK as a whole. It needs to be borne in mind, of course, that the changing share of London within the UK may reflect wider changes, in particular in the nature of the inward investment projects for which the UK competes. UK investment figures for 2012/13 are to be announced in late July 2013.

(ii) Achievements

Assessment of the evidence

Monitoring data is available on UKTI's performance against its £6 billion target, including a regional breakdown of the value of the investment and number of jobs created. There is also some limited evidence currently available on programme outcomes pertaining to London & Partners 2012 programme. To further build the evidence base, the meta-evaluation team completed additional primary research to explore the influence of the Games on inward

investment. Stakeholders interviewed for the meta-evaluation have commented that a full assessment of the extent of impacts of the Games on inward investment can only be made over the next five years.

Programme outputs

Data on the gross outputs for key initiatives under the inward investment sub-theme are shown in the Figure 4-7 below.

Figure 4-7: Promoting the UK as a place to invest outputs achieved

Legacy programme/ initiative	Lead organisation	Total outputs/KPI achieved	Units	Time period
British Business Embassy	UKTI	Delegates attending	4,700	July – August 2012
Global Investment Conference	UKTI	CEOs attending	200	July 2012
CompeteFor	UKTI	Assessed	2,614 companies	2007 /08 – 2010/11
		Interactions	1,050 companies	
		Investments	520 projects	
London and Partners 2012 Investment Programme	London and Partners	Investment projects	NA	2009/10 -

In total over 4,700 delegates attended the British Business Embassy and the Global Investment Conference attracted around 200 global CEOs (two thirds of the international delegates) from 29 countries.

UKTI monitoring data indicates that 520 international companies that bid through CompeteFor for 2012 contracts (as of May 2012) had been advised by UKTI on inward investment opportunities in the UK.

Additionality

Consultation evidence indicated that a programme of events of the scale and intensity of the British Business Embassy and Global Investment Conference which were held during the Games period would not have gone ahead without the Games. However, through the stakeholder consultations it was reported that funding for these initiatives may have been diverted away from a more disparate set of activities. The CompeteFor service, with which foreign companies could register, provided 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, stakeholders believe that the Games encouraged UKTI and London and Partners, the London investment promotion agency, to focus more effort on building links with the host countries of other major sporting events.

Overall, based on the consultation evidence, it can be assumed that more businesses were exposed to marketing information and attended more promotional events in London and across the UK in 2012 than would have been the case without the Games. However, stakeholders believe that the 'catalytic effects' of the Games in terms of the added exposure of London and the UK and enabling infrastructure improvements are likely to be equally if not more significant in terms of generating new investments.

Programme outcomes data

The methodology used by UKTI to assess the impact of its Olympic programme was to assess the value of inward investments made, when either:

- The investor stated that their decision was influenced by the Games or where UKTI have validated subsequently that the Games was a genuine influencing factor.
- The investor attended the Global Investment Conference and/or British Business Embassy (BBE) and the investment decision date was during or after the Games.

UKTI's target for the inward investment component of its Games programme was to deliver £6 billion economic benefit to the UK economy by July 2016. The total benefit achieved to date (as of March 2013) on the basis of the above methodology is estimated as £2.5 billion with 31,062 jobs being created and 4,534 further jobs secured.

The regional breakdown of Games-related inward investment supported by UKTI in terms of value and jobs is presented in the table below. The data shows that the regions receiving the largest share of investment projects have been London and the South West.

Figure 4-8: Regional breakdown of Games-related inward investment (March 2013)

Region	Value of investment (£m)	Number of additional jobs
East Midlands	4	51
London	1006	14,928
North East	19	7
North West	30	315
Scotland	115	850
South East	81	553
South West	716	12,550
Wales	22	498
West Midlands	410	1160
Yorkshire	59	150
TOTAL	2,500	31,062

Source: UK Trade and Investment

London and Partners has provided an analysis of investment projects in which the Games could be considered to have had a 'catalytic' impact on the decision to locate in London or that the Games was/ is a factor that encouraged further growth of an existing start-up. In order to be counted as an investment completion the project has to comply with at least three criteria from a list which reflects the London and Partners' Games-related activity. London and Partners work leveraging the Games as a catalyst to attract additional FDI into London (2006-present) has to date reportedly contributed to the creation of over 7,000 gross jobs.

International perceptions

On balance, stakeholders were of the opinion 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 2012 CBI London Business Survey,³⁴ which received 170 responses from a cross-section of London businesses, suggests that business leaders in London are positive about the potential impacts of the Games on promoting London as an investment location. Some 92% think the Games will help promote London internationally, the same percentage as in 2011. Moreover, the promotion of London internationally was seen by the survey respondents as the most important potential way in which the Games can impact on the economy in the longer-term.

³⁴ CBI (December 2012) *London Business Survey 2012*

Case study evidence

The meta-evaluation team completed additional primary research to explore the influence of the Games on inward investment. Three examples of inward investment projects were identified by London & Partners as having a connection to the Games. The case studies involved in-depth interviews with representatives of the companies involved in the investment projects. The interviews addressed the following themes:

- The nature of the relationship between the investment project and the Games (for example whether it is connected to a Games-related legacy programme/ delivery of Games contracts/ infrastructure development related to the Games/ other specific opportunities relating to the Games);
- Influence of specific factors (including Games-related factors/ programmes) on the investment decision, speed of decision and scale of investment;
- The impact of the Games on perceptions of the UK as place to invest more generally and future investment prospects; and
- Relationship between the investment decision and Games legacy investments for business infrastructure (particularly in East London).

Summaries of the three case studies are presented in the boxes below. The case studies provide illustrative evidence on how the Games and the events around it have helped national and regional inward investment agencies to develop their relationships with the companies. The companies themselves provided positive feedback on the contribution of UKTI and London & Partners Games-related activities in supporting their investment projects. The case studies also show how the Games contributed to enhanced perceptions of the UK as place to invest and helped to instil confidence in the companies regarding the future prospects for their UK operations.

Box 4-1: Case Study A – China Daily

Overview of operations

China Daily UK was established in June 2010 as a brand new company. The headquarters of *China Daily UK* are in the City of London. Their parent company is based in Beijing, China. The company was looking to expand their media activities in Europe. They decided to publish a newspaper for European readers called *China Daily European Weekly*, to complement *China Daily*, targeted at a business audience working with China, or wishing to work in this context.

The business is expanding because of demand. *China Daily UK* currently employs 16 people, and is projected to have nearly doubled its staffing levels in a year's time. Within three years *China Daily UK* aims to employ around 50 people. Most employees work in marketing, circulation and corporate communications.

Links to the Games

China Daily identified an opportunity to increase their readership during the Games: "During the Olympics, in addition to the *Weekly*...we published an *Olympic Special*, which was a daily" (Deputy General Manager, *China Daily UK*).

The paper provided a range of international news, news from China, and coverage of the Games. The *special edition* was distributed to all the main Olympic venues. The paper was free at the Games venues and could also be bought from news stands.

Business expansion was already planned before the Games, but the Games provided “*more exposure and more marketing opportunities*” for China Daily UK, helping the paper to expand more quickly: “*The Olympics definitely helped with that*” (Deputy General Manager, China Daily UK).

Support provided by London & Partners and links to the Games

London & Partners assisted *China Daily* in finding suitable premises in 2010, and provided free office space for several months through its Touchdown service. They also helped the paper to establish operations in London by introducing them to legal contacts, and information on distributors and printers:

“They gave us a whole range of advice and if ever we have a problem...we always get a quick response to our satisfaction” (Deputy General Manager, China Daily UK).

London & Partners also provided useful advice on location and logistics. They provided *China Daily* with estate agent contacts to facilitate their move from their Touchdown office to larger offices in central London before the company finally moved to Cannon Street:

“Their service is indispensable to a new start-up business like ours. They helped us every step of the way in our development. I can’t speak more highly of their contribution to our work. We are extremely grateful...We think they have done a brilliant job” (Deputy General Manager, China Daily UK).

London & Partners helped *China Daily* make the decision to invest in London, as the paper was originally debating if they should be establishing a presence in Brussels or Paris rather than London:

“London & Partners played a major role in convincing China Daily that London was the best place” (Deputy General Manager, China Daily UK).

The final decision to invest in London was taken because London is seen by many as the media capital of the world, with mature media markets and a high presence of new international media. The company was also impressed by London’s infrastructure and investment environment. Overall *China Daily* rated the information, support and advice received from London & Partners to be an “*extremely important*” factor in their decision to invest in London.

Links to the Games

London & Partners invited representatives from *China Daily* to several Olympics events. One of the events attended was the China Day of the British Business Embassy organised by UKTI:

“The business summit was a one day meeting bringing high profile Chinese businessmen to London to sit down with high profile businessmen from the UK. We had a whole day discussion, people from both side spoke at length about how both sides should promote business and trade links. British government officials attended the meeting, including the Foreign Secretary William Hague, who delivered a brief speech...I was quite impressed with the business summit” (Deputy General Manager, China Daily UK).

A representative from *China Daily* attended the Olympics closing ceremony at the invitation of London & Partners, where they met some potential business contacts:

“Indirectly, this type of event may have made us more aware of the environment, the friendliness of London, and would have given everyone a better understanding of the country. If there are future investment opportunities, then London will surely be top of their mind. Events like this help us make future decisions easily and with confidence. It helps us indirectly; we don’t say straight away ‘well we will invest’ but it will help with future decisions” (Deputy General Manager, China Daily UK).

Role of the Games

China Daily viewed the Games as representing:

“Something really really big, it was a huge marketing opportunity, with a huge audience, people throughout the world. London would be the focus of the entire world, what would be better than to launch the paper there. That definitely helped” (Deputy General Manager, China Daily UK).

In general terms, London’s hosting of the Games did therefore influence the *China Daily* decision to invest in London:

“The London Olympics had a huge impact on the decisions we made. The London Olympics were at the forefront of our mind when we made the decision to invest in London. We thought we would get more readers, more publicity, and more opportunity. The Olympics is not only a sporting event but also a marketing event. It is a social event, a cultural event, a media event” (Deputy General Manager, China Daily UK).

The Games impacted on the company’s investment decisions:

“Friendships forged, contacts made and business ties are created during the Olympics. These are intangible things but will definitely help the company develop” (Deputy General Manager, China Daily UK).

The Games had a positive impact on *China Daily*, increasing its readership significantly:

“During the Olympics the Weekly had an average audience of around 110,000. And the Olympic Special achieved a daily audience of roughly 10,000. Our readership surged.” (Deputy General Manager, China Daily UK).

Box 4-2: Case Study B - Huawei

Overview of operations

Huawei is a global telecommunications company that supplies 45 out of the world’s 50 top telecommunications companies and the majority of the UK telecoms market. The company has three main business aspects: a carrier network business group; an enterprise business group; and, a consumer business group. The company provides mobile phone masts, cloud computing, under sea and submarine cables, and handset manufacture. Huawei developed the infrastructure for BT’s 21CN network in 2003.

Huawei’s global headquarters are located in Shenzhen in Southern China. Huawei has investments in every Western European country and has been operating in the UK for around 11 years. The company currently employs 890 staff in the UK. Staffing is projected to increase to around 1,500 in the next 4-5 years, nearly doubling their UK workforce. This will include highly skilled engineers and sales staff. The company will also employ outside contractors.

“We have seen a step-change in the business here. There is considerable interest from the China Board – they are now very focused on the UK market –...Many more Board members are travelling over from China to offer their expertise to the UK business... as a result of the positive meeting between the Prime Minister and Mr Ren the President and founder of Huawei during 2012. There has been a huge increase in the interest of very senior Chinese businessmen in the UK business which is very positive” (Director of Public Policy and Government Relations, Huawei).

The company is moving the UK headquarters from Basingstoke to Reading. Reading was chosen for its location near the M4 corridor and proximity to Huawei's telecommunications customers:

"Many of our customers are based near the M4, that's why we moved to Reading to be in closer proximity to them" (Director of Public Policy and Government Relations, Huawei).

Links to the Games

Senior members of the Huawei Board in China attended the Global Investment Conference held in the UK in July 2012, organised by UKTI. Huawei's Chairperson Madam Sun made a keynote address on China Day during UKTI's British Business Embassy (BBE). Some very senior Board members also attended Olympic events and participated in fringe meetings with the Prime Minister and the Mayor of London. Following the Games, on the 11th September 2012, Huawei's president and founder Mr Ren Zhengfei had a meeting with the Prime Minister in London:

"At that meeting Mr Ren promised and pledged a £1.3 billion investment here in the UK...This was a brand new announcement, this was the first time an investment of that volume has been made here in the UK by Huawei. Huawei is one of China mainland's largest inward investors here in the UK" (Director of Public Policy and Government Relations, Huawei).

This investment represents a five year development and implementation plan for Huawei's UK business, building on their existing operations in the UK.

Support provided by the UK Government and links to the Games

London & Partners involved Huawei in a number of pre- and post-Games events they hosted. At these events London & Partners facilitated meetings between Huawei's senior executives and the Mayor and Prime Minister. The events attended by Huawei's senior officials influenced their investment decisions:

"Our senior officials appreciated the time and effort that London & Partners, UKTI, the Department for Business, the FCO and the Prime Minister afforded to them. We were very pleased that Madam Sun, our Chairperson, had been given a speaking slot at the [BBE] China Day (which was pre-Olympics), and we were also very pleased that the Prime Minister agreed to meet with Mr Ren on the 11th September... In general we are very pleased with the responses we had from the government organisations that have been involved" (Director of Public Policy and Government Relations, Huawei).

London & Partners also assisted Huawei in finding suitable premises and assuring the company there were good transport links between their offices in Westminster and Waterloo and their new UK Headquarters in Reading.

Huawei received very comprehensive information and advice from UKTI and London & Partners:

"Principally, invitations to events, speaking opportunities at the Global Investment Conference, logistical information, transport information, arrangement of VIP invitations to specific events. So it was pretty high level support" (Director of Public Policy and Government Relations, Huawei).

Overall Huawei viewed the support received by various UK Government agencies to be very well organised.

Support from other organisations

UKTI events, such as the Global Investment Conference, were influential:

“These were big investment conferences arranged by the British government... There was a programme of conferences prior to the Olympics and some during the Olympics...Our senior leaders appreciate this opportunity” (Director of Public Policy and Government Relations, Huawei).

Huawei viewed these conferences and networking opportunities with the Mayor of London, Prime Minister, Chancellor, and members of the royal family very positively. The activities demonstrated that the British government welcomes inward investment.

Huawei also received useful information from the FCO (the Foreign and Commonwealth Office) and DCMS (the Department for Culture, Media and Sport).

“The support we had from ..government units has all added up to this positive investment that was made on the 11th September...The commitment and enthusiasm we’ve seen from these government departments has worked very well to secure the inward investment” (Director of Public Policy and Government Relations, Huawei).

Overall Huawei rated the information, support and advice received from various Government agencies as being “very helpful” in influencing their decision to extend their UK operations.

Role of the Games

London’s hosting of the Olympic and Paralympic Games influenced Huawei’s decision to invest further in the UK, by improving their overall perception of the UK:

“The Games...and the incredible focus on the United Kingdom and the enthusiasm of the United Kingdom...all had a contributory effort to the investment” (Director of Public Policy and Government Relations, Huawei).

The Games were also seen as helping to speed up the investment to some extent.

Box 4-3: Case Study C – iZettle

Overview of operations

iZettle was founded in Sweden in 2011. The company utilises new mobile technology to process debt and credit card payments. It provides a pay-as-you-go solution for micro businesses using smart phones or tablets. The device provides an alternative to customers paying by cash or cheque, working along the same lines as chip-and-pin machines.

iZettle expanded into Norway, Denmark and Finland at the beginning of 2012. The company decided to trial operations in the UK from May 2012 with three staff initially. The company's global headquarters are located in Sweden. The new UK office provides a sales and marketing function.

The company now employs 10 people in the UK. The company has recently moved to new offices in Grosvenor Gardens, from its original premises in the Regis building in Victoria. The UK business has grown very quickly and plans to recruit another five staff this year, and to double this with a further 15 staff next year. By the end of 2014 iZettle intend to have some staff based outside London, focusing on direct selling and relationship management.

Links to the Games

London's hosting of the Olympics did have an influence on iZettle's decision to locate in London:

"The Olympics themselves were influential, let's call it 20%. A couple of things that happened at the Olympics were specifically related to our trades...the trial of mobile payments with Visa and Lloyds who were two of the Olympic sponsors put a focus on some really relevant content for us" (Managing Director, iZettle UK).

Support provided by London & Partners and links to the Games

iZettle were introduced to London & Partners by Erik van der Kleij, a British entrepreneur who leads the Level39 Fintech Accelerator programme for Canary Wharf Group plc. London & Partners assisted iZettle in finding their new business premises by recommending three estate agents and also introduced iZettle to several legal firms. London & Partners understand the property challenges facing small foreign companies wishing to invest in the UK and helped iZettle establish the business case for the property. London & Partners have a sound reputation which helps ensure its network provides a good service. For example, iZettle found that their office fitters provided an efficient service and honoured their quotation price:

"They recognise the value of working with London & Partners and it shows to me as a customer 'we have an honourable commitment by working with London & Partners and we are going to reflect it straight away'...I found their influence to be extremely beneficial" (Managing Director, iZettle UK).

iZettle recruited a quarter of its current workforce through recruitment agencies introduced to them by London & Partners. London & Partners also provided valuable logistics advice for iZettle, demonstrating the benefits to their sales and marketing function of being based in Victoria, as they did not require the coding expertise located in Tech City:

"They helped us see that Victoria is a hybrid of technology and finance...Google and American Express are across the road, Visa are up in Paddington...We needed sales and marketing staff so the West of London was great" (Managing Director, iZettle UK).

Victoria was also selected as the most convenient location as it offered easy access to Gatwick for direct flights to Sweden, and had excellent road links to the Midlands through the A4 and M4 corridors without entering the congestion charge zone.

Links to the Games

iZettle participated in "an in-bound international commerce event" organised by London & Partners over one weekend during the Olympics. The tour was attended by 48 representatives from different companies from across Europe and Asia. iZettle made a variety of important contacts during the tour that helped establish their UK business, for example:

"The tour took us to Greenwich University and I got the chance to talk to Faculty members. We explored access to pre- and post-graduate resources, which has enabled us to get flexibility with our staffing that I don't think we would have got any other way" (Managing Director, iZettle UK).

The tour helped confirm that London was the best location for the UK operation. It highlighted the availability of highly qualified staff and University students in London with expertise in sales and marketing and technology and design. iZettle has subsequently recruited 12 current students from London Universities as Ambassadors, by advertising on the LSE website and using their own contacts. The Ambassadors are employed by iZettle on an occasional basis, helping at sales and marketing events. They also spend a day a week in the iZettle office assisting with marketing and communications campaigns. Several previous interns are now employed as full-time staff.

iZettle also visited Google Campus in Shoreditch as part of the London & Partners tour. Google Campus is home to a range of entrepreneurial technology companies and iZettle made some useful contacts, including app developers:

“You can literally turn round and ask them a question. Within a few minutes there’s someone who can help you solve the question you’re trying to get answered. It’s a little community of self sought help. It is a thriving community of people that have elements of what we are doing...It meant we could short cut a lot of things” (Managing Director, iZettle UK).

iZettle attended several presentations given by technology mentors identified by London & Partners. The tour also included a visit to the new BBC headquarters to view technological advances in ADTV, and iZettle participated in a debate with Facebook representatives.. These networking opportunities were very useful, and helped iZettle understand how other investors see the mobile market place. iZettle summed up the support received from London & Partners’ as:

“The main benefit was that they saved me months of legwork and headache by information sharing. They have a network which is excellent in two ways; one is in other companies such as ours, and the second is the supply chain which works with companies such as ours...that was really really good” (Managing Director, iZettle UK)..

Support from other organisations

iZettle have become members of London Chamber of Commerce, facilitated by London & Partners, which has further extended their network. iZettle identified a gap in current support for small companies interested in inward investment, as UKTI focuses on macro economics and global trade:

“It would have been useful for my parent company to have a ‘trading with the UK’ type company that worked at the same level as London & Partners do for London. There should be more information on exporting into the UK - we need more than the HMRC website” (Managing Director, iZettle UK).

Role of the Games

The Games themselves helped convince iZettle about the business opportunities offered by London:

“Working in the city the month before and the month after the Games, the whole environment and attitude of Londoners was delightful...The infrastructure has undoubtedly improved, the tube network has improved. It removed queries of capability... It was a proof point” (Managing Director, iZettle UK)”.

The information and advice received from London & Partners and the Games had a positive effect on the speed of the inward investment:

“Our success was 100% beyond our expectations...The network and support we had in the market place around London means the success is very strong in the South East, beyond our expectations” (Managing Director, iZettle UK).

4.4 Conclusions

UKTI’s target for the inward investment component of its Olympic programme was to deliver £6 billion economic benefit to the UK economy by July 2016. The total benefit achieved to date (as of March 2013) is estimated as £2.5 billion with 31,062 jobs being created and 4,534 further jobs secured. These figures were derived from UKTI’s record of

whether the inward investment decision was influenced by the Games and/or Games-related events, as reported by each investor.

There is further significant potential for the Games to contribute to inward investment in the longer-term. This potential has been enhanced by the strategic approach taken to using the opportunity of the Games to engage with businesses and showcase the UK as a location for business. Stakeholders consulted for the evaluation are generally optimistic that the Games will help promote London and the UK as investment locations. Monitoring evidence on London and Partners' work leveraging the Games as a catalyst to attract additional FDI into London indicates some significant potential benefits, and case studies of inward investment projects completed for the meta-evaluation provide illustrative evidence regarding how the Games and the events around it have helped to influence the scope and timing of major inward investment projects. The case studies also show how the Games contributed to enhanced perceptions of the UK as place to invest and helped to instil confidence in investor companies regarding the future prospects for their UK operations.

5 Export and Trade Promotion

5.1 Legacy programmes and initiatives

The rationale for the export and trade promotion focus in the legacy of the 2012 Games is the expectation that the international spotlight on the UK as a result of the Games will open up new export markets to UK companies. The Government's legacy strategy anticipated that the build up to the Games, and particularly the Games period itself, would give UK businesses the opportunity to showcase and promote UK innovation, enterprise and creativity, with opportunities to access new export markets and international contracts.³⁵ There is also potential for businesses to build on their successes in delivering Games contracts by exploiting innovation and their enhanced reputations in international markets.

Over the past decade GDP growth has been dampened by imports growing by more on average than exports with the UK's current account deficit reaching 3.7% of GDP at the end of 2012, its highest level since 1989. The growth of the world economy and particularly the emerging economies present an opportunity for the UK to improve its export performance. The International Monetary Fund (IMF) forecasts that the world economy will expand by \$20 trillion over the next five years, with fast growing emerging and developing economies contributing around \$11.5 trillion.³⁶

UKTI's target is to deliver £5 billion of economic benefit³⁷ to the UK economy over the four years following the Games from additional sales and High Value Opportunities (HVO) contracts won as a result of London 2012 and the associated export programmes such as the British Business Embassy. The following key initiatives aimed to use the Games as a hook to encourage UK businesses to access greater exporting opportunities:

- UKTI's HVO programme is a new approach to identifying, prioritising and supporting businesses to access large scale overseas procurement opportunities. A key element of the HVO programme was to build on the UK's success in delivering technologies, goods and services in preparation for London 2012. UKTI is providing UK businesses with an intensive level of support to access opportunities through events such as the Rio 2016 Olympic and Paralympic Games, which range from major infrastructure, manufacturing and engineering projects through to big supply or value chain opportunities;
- The British Business Embassy, which involved a series of global business summits during the Games, was delivered by UKTI to promote UK exports as well as promoting the UK as a place to invest;
- Working with the Devolved Administrations and UKTI's Regional Directors 60 events ran from June to September 2012, linking business opportunities to the Olympics and Paralympics. Key sectors covered include creative services, creative content, education, life sciences, ICT, energy, infrastructure, retail, food and drink and advanced engineering and country days on China and Brazil. Thirty-seven of these local programmes were enhanced by using either live streamed or on-demand content from the British Business Embassy Summits;

³⁵ Department for Culture, Media & Sport (2010) *Plans for the Legacy from the Olympic and Paralympic Games*

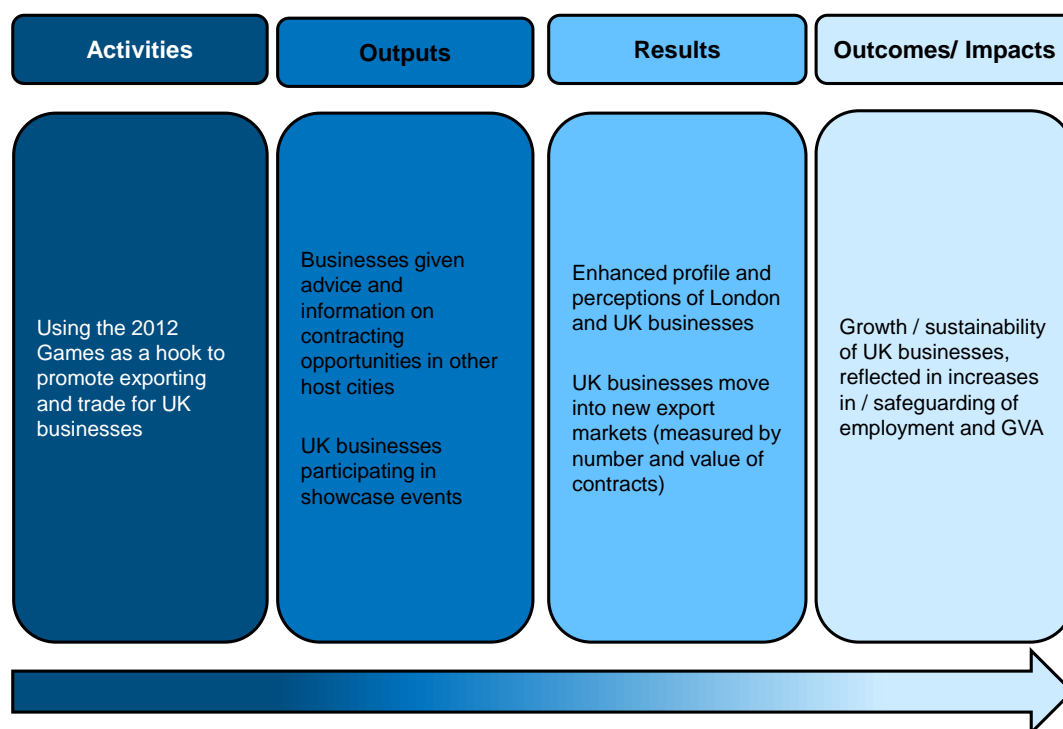
³⁶ Department for Business, Innovation and Skills (February 2011) *Trade and Investment for Growth*

³⁷ UKTI define economic benefits as additional sales and not additional GVA.

- UKTI's British Business Club, launched in September 2011, provides a one-stop-shop where up-to-date details of networking events, future business opportunities and potential partners are posted. In the lead up to the Games, the content covered information related to networking events, business activity, news and potential partners around international sports events with the aim of boosting the opportunities for UK companies to make valuable international business connections; and
- A key objective of the FCO Public Diplomacy campaign, described in detail section 5 was to use the Games to enhance the reputation of UK industry abroad, as well as to promote British security, culture and values.

The logic model below provides a summary of the activities, outputs, results and outcomes/impacts for the export and trade promotion sub-theme. Key outputs relate to businesses advised at events linked to the 2012 Games and those attending showcasing events. It was expected that the enhanced profile and perceptions of London and UK businesses attained through their involvement in the delivery of Games contracts and the showcasing of UK industry more generally would lead to enhanced economic outcomes.

Figure 5-1: Export and trade promotion summary logic model



5.2 Expenditure

As noted in section 4 and detailed in the table below, the total public sector expenditure budgeted for the delivery of British Business Embassy and Global Investment Conference was £4.9 million.

Figure 5-2: Public expenditure on exporting and trade promotion

Legacy programme/ initiative	Lead organisation	Budget (£m)	Actual (£m)	Time period ³⁸
High Value Opportunities	UKTI	NA	NA	2012-2014
British Business Embassy	UKTI	£4.9m plus £1m private sector cash sponsorship and £1.3m value in kind contributions	£4m plus £1m private sector cash sponsorship and £1.3m value in kind contributions	July – August 2012
Global Investment Conference	UKTI	Included within the British Business Embassy budget	-	2010-2012
British Business Club	UKTI	£0.15m	NA	2010 - 2012
National Programme of BBE-related events	UKTI	Within existing regional budgets	NA	2012 - 2013

5.3 Evidence

(i) Achievements

Assessment of the evidence

In terms of tracking UKTI's performance against its £5 billion target for additional sales and HVO contracts won, independently verified monitoring data is available from its Performance and Impact Monitoring Survey (PIMS) and tracking of HVOs. Comprehensive evaluation evidence is available on the intermediate outcomes of the FCO Public Diplomacy campaign and UKTI has provided case studies examples of how Games-related support activity has impacted on access to new export markets. In addition, as noted in section 3.3, the Federation of Small Businesses (FSB) surveyed small businesses across London and in the surrounding areas in December 2012 to obtain a better understanding of the likely legacy for micro and small businesses. The survey results provide evidence on exporting impacts for small businesses.

Programme outputs

UKTI monitoring data indicates that 4,679 individual companies were supported by UKTI Games-related activity. This figure does not include companies that have been supported by the HVO element of UKTI's Games programme. The number of supported companies was derived from the number of unique organisations tagged on UKTI's CRM as assisted by attending Games-related events across UKTI's network immediately before, during, and most directly related to the Games since London 2012.

Programme outcomes data

UKTI monitors the extent to which its support impacts on firms' business performance, sales and employment. Evidence about the impact and effectiveness of UKTI trade services are obtained from its quarterly Performance and Impact Monitoring Survey (PIMS) which is carried out by an independent survey company. PIMS results released at the end of June 2013 provide data on the outcomes and impacts of Games-related services delivered in the

³⁸ Period relates to the delivery period. Spending occurred over a longer time period than the events themselves.

12 months to December 2012 (excluding the HVO element of UKTI's programme). The data indicates that:

- 58% of clients reported significant business benefit as a result of the support provided by UKTI during the British Business Embassy and other related activity;
- Games related activity delivered £5.9 billion of additional sales³⁹. No estimates are available of the GVA benefits.

The Games-related elements of UKTI's HVO programme are identified as follows:

- The subject of the HVO is a Global Sports Event;
- Buyers were directly targeted through BBE events; and/or
- UK capability relevant to that project was showcased through London 2012.

On this basis UKTI indicate that the Games-related elements of the HVO programme have generated £1.5 billion of contracts won in the period up to March 2013 (with overall independent assessment provided by a third party research company).

UKTI's target for its Games programme was to deliver £5 billion economic benefit⁴⁰ to the UK economy by July 2016 from additional sales and HVO contracts won. The total benefit achieved to date is estimated as £7.4 billion.

Opportunities for UK businesses

Questions were added to PIMS to ask companies about the wider impacts of the Games on UK businesses' exporting. The results are presented in Figure 5-3, below.

Figure 5-3: Has the London 2012 Olympics had, or will it have, any positive impact on your overseas business?

	Total	Sector			Years Exporting		
		Production	Services	Other	<2 yrs	2-10 yrs	>10 yrs
<i>Base: All respondents PIMS 30-31</i>	2097	821	1232	44	503	707	878
Yes	17%	16%	18%	24%	13%	20%	17%
- Additional sales from overseas markets	9%	8%	10%	12%	6%	10%	10%
- More interest from overseas in doing business with UK firms	13%	11%	13%	18%	11%	14%	12%
- More positive perceptions of the UK	15%	14%	16%	24%	11%	18%	15%

³⁹ Derived from number of individual firms supported multiplied by mean additional sales. This calculation excludes English regions events which are less than ½ day events.

⁴⁰ PIMS monitors additional sales and not GVA. Note as well that additional sales are not necessarily overseas sales and some increase in domestic sales may be included.

- Other	1%	1%	1%	5%	1%	1%	1%
No	79%	82%	78%	71%	81%	77%	80%
Had a negative impact	0%	0%	0%	0%	0%	0%	0%
Don't know/refused	3%	3%	4%	5%	6%	2%	3%

Source: UK Trade and Investment PIMS

The data indicates that following the 2012 Games:

- 17% of UKTI clients believed that the London 2012 Games had, or will have, a positive impact on their overseas business;
- 9% had achieved additional sales as a result of the Games;
- 13% reported more interest from overseas in doing business with UK firms; and
- 15% reported more positive perceptions of the UK.

As noted in the UK Business Access section, in December 2012, the Federation of Small Businesses (FSB) surveyed 200 businesses across London and in the surrounding areas to obtain a better understanding of the likely legacy for micro and small businesses.⁴¹ 12% of the businesses that responded to the survey said that they had worked on an official Olympic or Paralympic Games contract. However, 95% of these businesses said that the contracts provided little access to export markets.

In contrast, according to BT legacy research⁴² with 600 large private and public sector organisations, a third of organisations (35%) think they now receive more international business than they did before the Games, mainly from Europe (86%) and Asia (46%).

An evaluation was carried out by the FCO Public Diplomacy Group on its Public Diplomacy Campaign in the build up to the Games. Outcomes were measured by evaluating the project at key milestones in the build up to the Games through its posts across the globe. The evaluation involved: questionnaires and general feedback of event attendees and from the post networks themselves; on-going digital media monitoring; case studies; and bi-yearly summaries. A key source of evidence was a final post-Games evaluation survey in which 159 posts took part.

The evaluation reports that posts worked with UKTI partners to target the right audiences and networks; promoted the expertise of British companies through screenings of the FCO documentaries (Going for Green and Game Changer); and sponsored media visits to the Olympic Park and companies involved in the build, as well as projecting the sustainability agenda through participation in local climate change and sustainability conferences and seminars. The evaluation assesses that messages about UK capability in delivering major infrastructure projects reached an audience of 120 million through the sponsored media visits and a further 597 million through screenings of 'Going for Green'. Journalists who attended the media visits almost unanimously agreed that as a result they now had a more positive opinion about the UK, seeing it as modern and innovative and providing an example in sustainability, urban regeneration and green technology. The evaluation concluded however, that it was too early to say if the campaign achieved its objective of bolstering the UK economy through increase commercial opportunities for British business in target countries.

⁴¹ Federation of Small Businesses London region (2013) *Passing the Baton: How small businesses have been affected by the London 2012 Games*

⁴² BT (2013) *London 2012 Legacy Survey*

The case studies below provide illustrative evidence on how Games contracts and Games-related support provided by UKTI have helped UK businesses to access new export markets. The first case study involves a direct Games contractor while the other illustrates how firms further removed from the Games were able to benefit due to the Games related export programmes.

Box 5-1: Case Study A - AND Architects

Participating in UK Trade & Investment Trade Missions has been key to the overseas success of a firm of architects, AND Architects, based in London. For the London Olympic and Paralympic Games, AND Architects was commissioned to work on a range of temporary structures on both client and contractor side, including the BP Showcase Pavilion and BP Walk in the Park, the Coca-Cola Pavilion, the BMW Pavilion, the EDF Pavilion and the basketball training facility. Over the years, AND Architects has worked with UKTI to expand its overseas client base, with a particular focus on Brazil. In 2008, the practice joined a trade mission to Rio and São Paulo, where it was given access to potential projects for the 2014 FIFA World Cup™.

The trade mission gave AND Architects a spot on the UKTI stand at Soccerex, the annual networking event for businesses involved in the football industry. This opened up a world of new contacts and allowed the company to get to know the local market.

“Without UKTI’s support we simply wouldn’t have gone to Brazil or exhibited at Soccerex...The cost of attending was subsidised to the extent that it was actually cheaper for us to exhibit on the UKTI stand than to buy a ticket and attend as a delegate. What’s more, standing there under the UKTI banner maximised our exposure and made sure that we attracted attention, making our investment much more worthwhile. Even though Soccerex is specifically geared around football, it gave us an amazing opportunity to look at work going on in Brazil and understand local opportunities and changes in the procurement process for major contracts.”

AND Architects has returned to Brazil with UKTI several times since then, building relationships with existing contacts and connecting with new potential partners and clients. In 2010 the company met a local partner and the two went on to partner on a project in Maranhão, in Northern Brazil. This resort comprises a base camp for use in the 2014 World Cup, a hotel, golf course, 70 villas and 300 apartments. AND Architects has since completed a feasibility study and outline design for the development.

A second partnership that arose out the company attending Soccerex with UKTI has resulted in a contract to design the Handball Arena for the 2016 Rio Olympic and Paralympic Games. AND Architects experience with temporary structures for the 2012 Games in London helped a local firm to secure the prestigious contract.

“The Rio Handball Arena project goes a step further than the work we did at London 2012, in that its legacy will be a specific alternative project - it will be dismantled and the components used to build four local schools,” says Manuel. “We are working with the specialist sub-contractors to create a design that builds in this future use from the outset. As a small company of just ten people, having UKTI’s backing has been a key part in us being positioned to win this contract and others like it. It gives us the credibility that enables us to make contact with potential clients and partners, and ensures that we are perceived as specialists in our field. There’s no quick fix for breaking into a new market. There’s no substitute for getting out there and talking to people. You need to build relationships and show your commitment with frequent visits. UKTI has allowed us to do this in an affordable and effective way.”

Box 5-2: Case Study B - Coveritas

The British Business Embassy hosted by UKTI during the 2012 Olympic and Paralympic Games gave ICT start-up Coveritas the credibility and exposure it needed to move its business forward and secure over £100,000 of new business.

Coveritas is an early stage start-up company based at Bletchley Park in Buckinghamshire. Since it was set up in early 2010, it has created a suite of tools that find functional bugs in software, such as systems crashes, specification ambiguity and non-conformance with protocol. Coveritas' products have been proven to catch problems that other tools miss, whilst reducing the time and cost of getting new software to market.

In January 2012, Coveritas attended an ICT Knowledge Transfer Network event at Cambridge University. There it met representatives from UKTI who encouraged the company to submit an application for a Technology Competition being run to identify leading UK SMEs. The successful applicants would be invited to attend the British Business Embassy ICT summit (BBE) that UKTI was hosting during the Games in London. The company's application was successful.

"As a newcomer to the market, we hadn't yet established any standing... Winning the Technology Competition and attending the BBE changed this for us. UKTI invited us to be part of a visual presentation about UK SMEs. A key client created a video about themselves, featuring our products. It was the first time we were able to publicise our connection with them, giving us the credibility we needed to take to other potential clients." (Co-Founder and Chief Executive Officer)

Part of the BBE package was a virtual global ICT summit. This online exhibition featured all the conference sessions, including presentations made by the companies. It allowed people around the world to connect with organisations that interested them, providing an unparalleled opportunity to build relationships that could be taken forward for future collaboration.

Coveritas had been in negotiations with a global market leader in the automotive sector. Whilst the potential client was convinced of the value of its products, it was hesitant to finalise a deal with such a young company.

"It can be very difficult to get a new customer on board... the supply chain managers responsible for approving suppliers tend to be rather risk averse. A technical evaluation of our product was not enough to win them over. They were looking for a commercial review that would justify them taking a chance on a new company with no proven track record. By having them log in to the virtual BBE exhibition, they were able to see us in action. The keynote speeches had a very strong impact. The Chancellor of the Exchequer and industry leaders who were attending and presenting at the event ratified us as being a serious entity. As a result, we were subsequently included on the approved supplier list for this company."

At the time of the BBE, Coveritas was moving towards filing a patent for its innovation. The company had decided to work with only the best patent attorneys, to further cement its credibility. The best patent attorneys deal with only one or two cases a year, and rarely take on start-ups like Coveritas. Again, thanks to the success of the BBE and the online exhibition, the company's profile was greatly enhanced, attracting the attention of Europe's number one patent attorney in software. He subsequently agreed to work with the company and file its patents.

"UKTI's support has been simply outstanding... BBE was a real trigger event for us in so many ways. It gave us an opportunity to make valuable connections, establish business relationships and raise our profile with top decision makers. The fact that we were selected to represent the UK at this prestigious event was in itself a real selling point, giving potential clients the confidence to work with us. Then, the way in which UKTI ran the BBE really allowed us to maximise our exposure. We have since won over £100,000 of new business."

Additional stakeholder views

Stakeholders were generally of the view that the Government responded effectively in recognising the potential for UK businesses to capitalise on their experience of working on Games contracts. Stakeholders commended the Government for setting out a clear strategy for exporting as early as possible and establishing a dedicated Olympics team at UKTI. They

also saw as a positive development the greater level of collaborative working across Government departments and agencies in terms of using the Games as a means of promoting UK businesses abroad. It was felt that this should encourage greater cross-departmental working in the future on exporting strategy. Finally, some stakeholders highlighted the longer-lasting impacts of the Games in encouraging UKTI to develop a new approach to helping UK businesses to bid for international contracts particularly in the areas of sports and events. It was recognised that it may be many years before the full extent of the exporting potential of the Games will be realised. While stakeholders were generally positive on the Government's approach some believed that more support needs to be provided to small and micro businesses in exploiting their connection with the Games to fully realise this potential.

5.4 Conclusions

UKTI's target for its Games programme was to deliver £5 billion economic benefit to the UK economy by July 2016 from additional sales and HVO contracts won billion. The total benefit achieved to date is estimated as £7.4 billion.

Stakeholders interviewed for the meta-evaluation believe that more time is needed before a full assessment of the extent of impacts of the Games on exports can be made, however it is clear that significant progress has already been made. Evaluation evidence on the FCO's Public Diplomacy Campaign indicates that the campaign has successfully used the Games to enhance the reputation of UK businesses abroad and larger firms are positive about the legacy benefits. However, for smaller firms the picture is more mixed and some stakeholders believed more needed to be done to support them.

6 Tourism

6.1 Legacy programmes and initiatives

The 2012 Games provided an opportunity to stimulate overseas and domestic tourism, particularly over the longer term by using the Games to showcase London and the UK. In December 2010 DCMS announced plans to deliver a lasting tourism legacy not just for London but also for the whole country.⁴³ This led to the You're Invited campaign which is detailed below.

The Games has driven a new growth strategy for inbound tourism to Britain from 2012 to 2020 which was published in April 2013⁴⁴. The key aim of the strategy is to deliver London 2012 Games' economic legacy through tourism, recognising the need to build on the positive perceptions that the Games have generated. The strategy's ambition is to attract 40 million overseas visitors (compared to 31 million in 2011) and to earn £31.5 billion from international tourism a year by 2020 compared to £18.0 billion in 2011. A key aim of the strategy is to increase the UK's market share in particular growth economies such as Brazil, Russia, India and China (the BRIC nations).

Another key area of the tourism legacy is in accessible tourism including customer service training to raise awareness of disabled tourists' needs (through raising staff awareness) and stakeholder work on the availability of accessible hotel rooms. Linked to this there was also the possibility that the Games would generate increased tourism by generating increased numbers of disabled visitors.

Games-related marketing activity

A number of major programmes and initiatives relating to the Games have been established to enhance tourism outcomes. These have the twin objectives of addressing any displacement of visitor numbers that may be caused by holding the Games in London and using the Games and the events around it as a means to promote the UK as a place to visit. The key campaigns are described below:

- **You're Invited:** VisitBritain is investing around £100 million of public and private sector funding in an international marketing programme, the 'You're Invited' campaign. This campaign aims to use the major events taking place in Britain over the next few years – including the 2012 Games – to deliver 4.7 million extra visitors from overseas and £2.27 billion in extra visitor spend over the period 2011-2015. A key pillar of the campaign is Games-motivated – i.e. 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;
- **GREAT:** The GREAT image campaign launched in February 2012. It has been designed to run alongside and complement the You're Invited campaign. The campaign, which is receiving £34.5m over 2011/12 to 2013/14, has been rolled out across 14 major cities in nine key inbound tourism markets and aimed to reach an estimated audience of some 90 million people. Activity in the first year was undertaken in major cities in Australia, Brazil, Canada, China, France, Germany, India,

⁴³ Department for Culture, Media & Sport (2010) *Plans for the Legacy from the Olympic and Paralympic Games*

⁴⁴ Visit Britain (2013) *Delivering a Golden Legacy: A growth strategy for inbound tourism to Britain from 2012 to 2020*

Japan and the US with the aim of enhancing overseas perceptions of the UK as a major tourism destination as well as promoting Britain's business strengths, as noted above. Posters were also on display at airports across the UK. The aim was to deliver a further 600k visitors and £270 million spend;

- 'Holidays at Home are Great': a £8 million programme and campaign led by DCMS and VisitEngland aimed at increasing domestic tourism. 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".⁴⁵ The campaign commenced in March 2012 and the 2012 Games, the Olympic Torch Relay and the Cultural Olympiad have all been used to market different parts of the UK;
- Limited Edition London: The overall objective of London and Partners' Limited Edition London campaign was to encourage visitors from 'core' markets to come to London during the period September 2011 to July 2012. The campaign approach stemmed from the possibility of 'displacement' effects whereby potential visitors may be put off from visiting London by the Games or change their plans. It aimed to direct traffic to visitlondon.com whilst raising the profile of London & Partners – the new organisation in charge of promoting the capital. The campaign also aimed to ensure visitors knew London was open for business and home to a series of one-off events; and
- Regional Tourism Campaigns; Many of the nations and regions have co-ordinated campaigns to maximise the opportunities the Games has to offer for the visitor economy.

Accessible tourism

LOCOG and partners worked together on pre-Games planning for accessible tourism through the 'Accessible Tourism Stakeholder Forum'. This forum was set up before the Games and still runs post-Games. It contained key stakeholders such as the big hotel chains, travel companies (Virgin, BA), ATOC, airlines, tourist boards, DCMS, English Heritage and the National Trust. The Forum is a way to share knowledge, pool resources and share good practices. Tourism for All chaired the Forum.

In addition, government and Olympic stakeholder groups have focussed particularly on encouraging the tourism sector to conduct staff awareness training on the needs of disabled customers.

The GLA also sponsored the project 'Destination London' an online leaflet and training pack for staff in the hospitality sector that aimed to improve attitudes and awareness of disabled tourists' needs. The pack covered restaurants, cafes, accommodation, attractions etc. It included three online training packages, and was all offered free of charge.

Other initiatives have included:

- A range of Time Out guides to support disabled tourists;
- An initiative called 'Changing Places' which aimed to get disabled toilets installed in public buildings, led by a consortium managed by Mencap;⁴⁶
- A booklet developed by Tourism for All called 'At Your Service' to promote accessible tourism; and

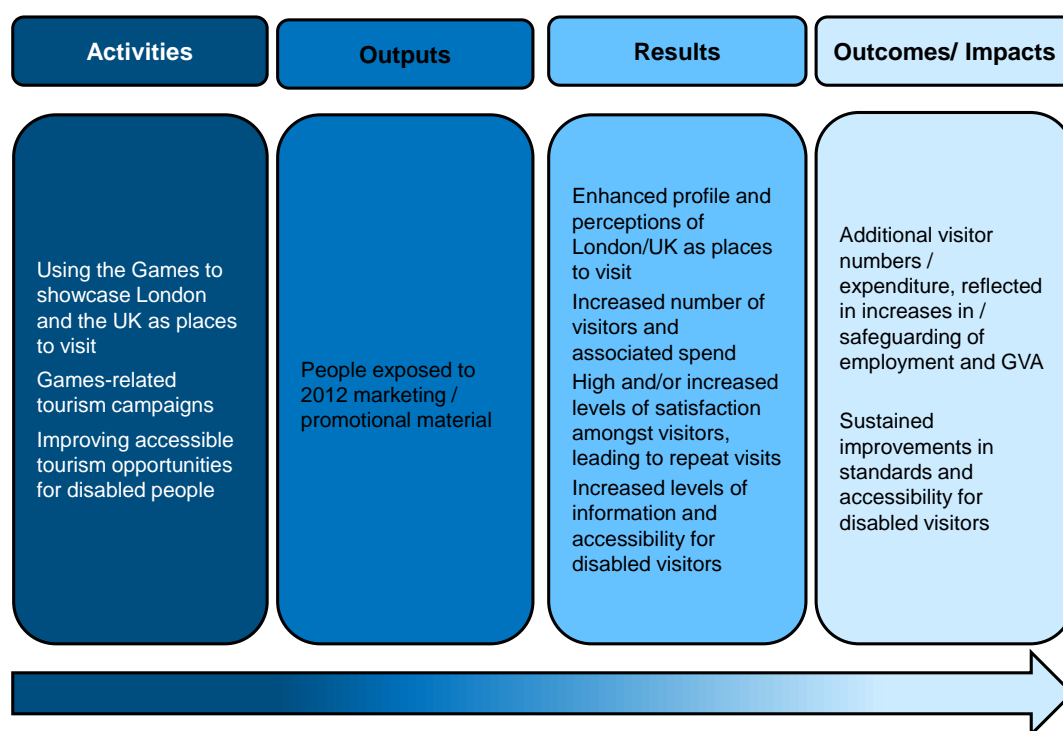
⁴⁵ Department for Culture, Media & Sport Press Release (12 September 2011)

⁴⁶ See <http://www.changing-places.org/>

- Activity by Tourism for All to encourage businesses to uptake disability awareness training.

The logic model below provides a summary of the activities, outputs, results, outcomes/impacts for the tourism sub-theme. Key outputs relate to the number of people exposed to 2012 marketing and promotional material. It was expected that the greater level of marketing activity and the exposure of London and the UK more generally would lead to enhanced perceptions and greater numbers of visitors and expenditure which would lead to wider economic benefits. The focus of these activities is in exploiting the long term potential of London and the UK as a tourist destination, bringing about a sustained increase in visitor numbers and expenditure, and associated economic benefits in the future.

Figure 6-1: Tourism summary logic model



6.2 Expenditure

Figure 6-2 below provides details on the expenditure associated with the key initiatives under this sub-theme.

Figure 6-2: Public expenditure on tourism

Legacy programme/ initiative	Lead organisation	Budget (£m)	Actual (£m)	Time period
'You're Invited' campaign	VisitBritain	£100m (of which up to £50m raised from the private sector)	NA	2011 – 2015
'GREAT' campaign	VisitBritain	£34m	NA	2011/12-2013/14
'Holidays at Home are Great' campaign	DCMS/ VisitEngland	£8m	NA	2012/13-2013/14
Limited Edition London	London and Partners	£1.5m	£1.5m	September 2011 – July 2012

Source: Visit Britain; Visit England and London & Partners

As detailed above, the three major national campaigns are led by VisitBritain and VisitEngland. VisitBritain are investing approximately £100 million of public and private sector funding in an international marketing programme (the 'You're Invited' campaign). The GREAT image campaign is receiving £34.5m over 2011/12 to 2013/14. 'Holidays at Home are Great' is a £8 million programme and campaign led by DCMS and VisitEngland aimed at increasing domestic tourism. The influence of the Games on the scope of the campaigns is examined below.

6.3 Evidence

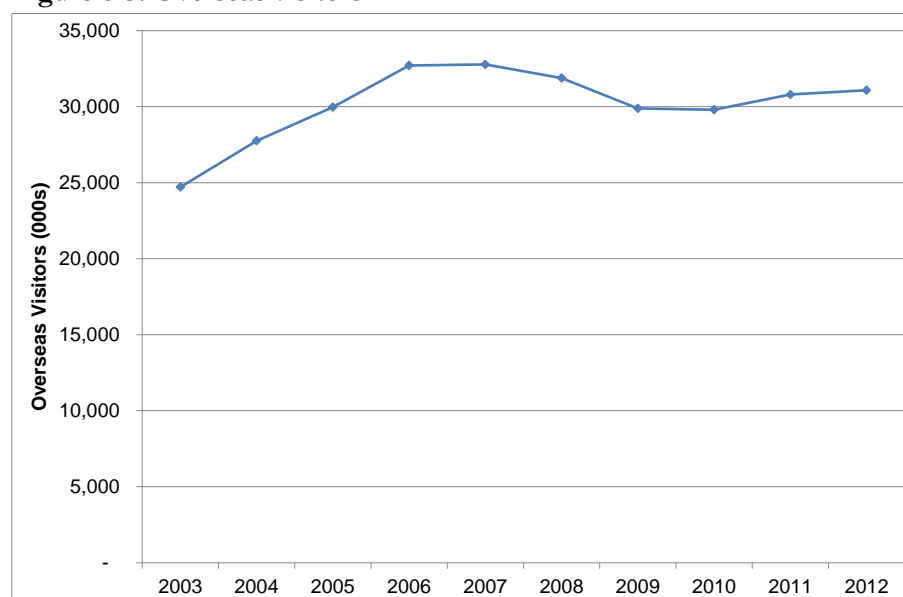
(i) Trends and levels

Inbound visitor trips and spend

The International Passenger Survey (IPS) provides data on 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.

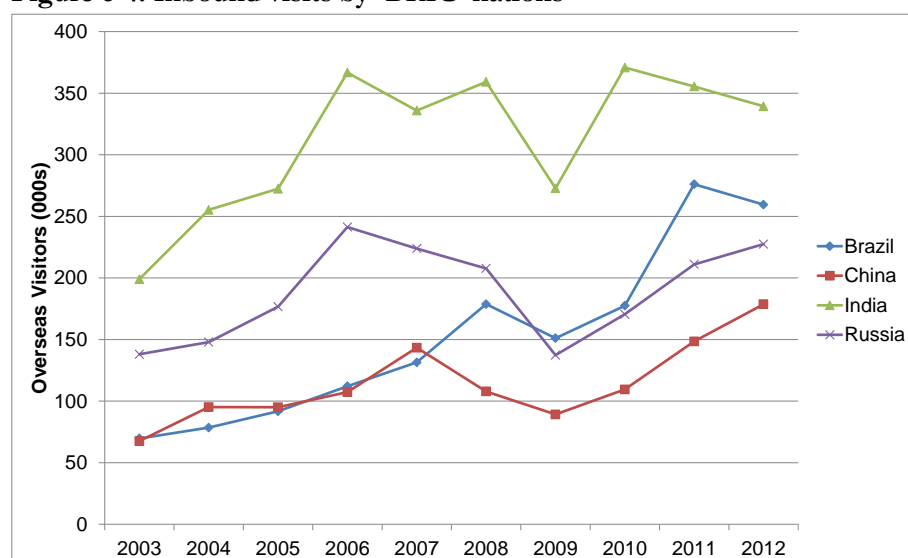
The IPS data shows that between 2003 and 2012 the total number of trips to the UK by international visitors rose from 24.7 to 31.1 million. During this period total expenditure also rose from £11.9 billion to £18.7 billion. Between 2011 and 2012 the total number of trips to the UK by international visitors rose by 0.3 million while expenditure rose by £0.7 billion (Figure 6-3).

Figure 6-3: Overseas visitors



Source: IPS

Of particular interest in light of the Government's Games-related tourism strategies, the graph below (Figure 6-4) 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 tripled from 75,000 in 2003 to 260,000 in 2012, whereas from India the number increased by almost 140,000. The numbers from Russia and China have also been increasing, albeit at slower rates and with greater cyclical variation.

Figure 6-4: Inbound visits by 'BRIC' nations

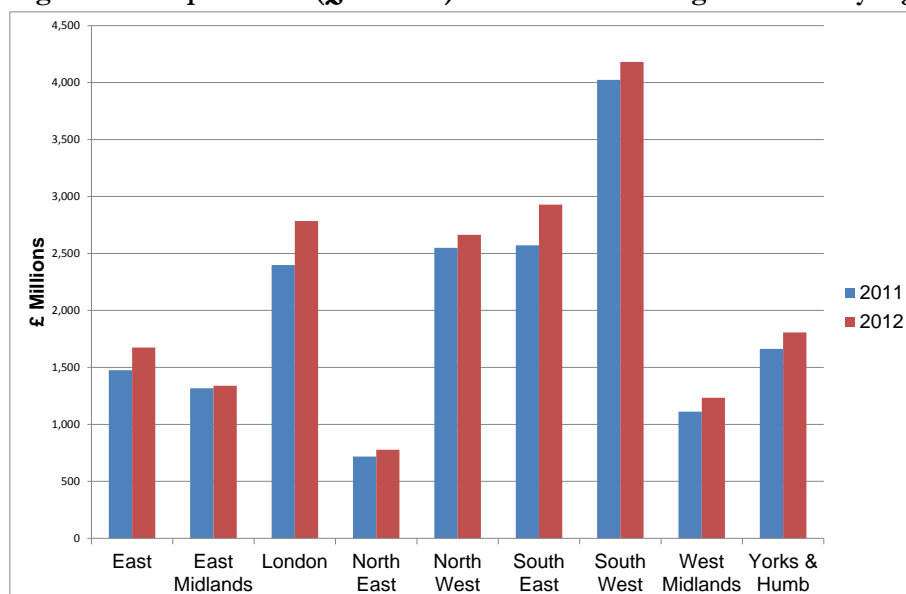
Source: IPS

Trips and spend by UK residents

The Great Britain Tourism Survey (GBTS) (known as United Kingdom Tourism Survey before 2010)⁴⁷ provides data on domestic trips by UK residents since 2006. GBTS 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.

GBTS data indicates that tourism expenditure by UK residents staying overnight rose from £16.1 billion in 2006 to £19.5 billion in 2012. Between 2011 and 2012 expenditure rose by £1.3 billion. As shown in Figure 6-5, the region with the highest levels of expenditure by domestic tourists is the South West. However, London experienced the highest increase in expenditure (16%) between 2011 and 2012.

⁴⁷ http://www.visitengland.org/insight-statistics/major-tourism-surveys/overnightvisitors/GBTS_2012/GBTS2012.aspx

Figure 6-5: Expenditure (£millions) of domestic overnight tourists by region

Source: GBTS

Accessible tourism

Research suggests that in 2010 there were around 2,000 accessible hotel rooms in London, equivalent to 2% of the existing stock of hotel rooms.⁴⁸ However, there is no historical data to compare this to and no update since. The 'Inclusive London' website, launched in March 2011 and funded by the GLA, contains a database of accessible hotels, and aimed to provide better information about accessible hotel rooms. The site will remain available after the Games. This website was showing 182 accessible hotels as of summer 2011, rising to 1,249 hotels in January 2013, using search criteria across a wide range of accessibility measures⁴⁹, with stakeholders reporting that it contained accessibility information on 35,000 businesses. This figure may have risen as more hotels were added to the site, rather than being a reflection of a rising proportion of accessible rooms becoming available.

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 access needs.⁵⁰ This amounts to 11.28 million trips (there was 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).

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 was available to estimate whether this is rising or falling.⁵¹ In general, a higher proportion of adults with impairments experience barriers to going on holiday than adults without impairments (66% and 55% respectively).⁵²

⁴⁸ London Development Agency (2010) *Accessible Hotels in London*

⁴⁹ Wheelchair access search term (all of London)

⁵⁰ UKTS data for 2009, a question on accessibility was added in 2009 for one calendar year only. Source: UKTS, 2009, VisitEngland

⁵¹ UKTS

⁵² ONS (2009/10) *Life Opportunities Survey – Interim Results*

(ii) Achievements

Assessment of the evidence

The meta-evaluation team completed a robust assessment of the impact of the Games on visitor numbers and spend in 2012 that brought together a range of secondary data sources. VisitBritain and VisitEngland adopted robust evaluation methodologies in assessing the impacts of the major Games-related marketing campaigns on perceptions and potential visitor numbers and spend. Evaluation evidence of You're Invited is available on the period up to the end of 2011/12 and interim evaluation results are available on the impacts of the GREAT campaigns. A diverse range of evidence is also available on the impact of the Games on perceptions of London and the UK as places to visit. The most comprehensive piece of research on perceptions was undertaken by VisitBritain, based on the Nations Brand Index (NBI), an online survey run by GfK in partnership with Simon Anholt.

Additionality

Stakeholders have reported that without the Games similar promotional activity to You're Invited would have gone ahead; however, it is likely that it would have taken place on a much smaller scale. Importantly, the Games encouraged VisitBritain to change its approach to co-operating with the private sector on campaign activity. Stakeholders consider that the private sector, which is contributing up to £50 million to the You're Invited campaign, would have also had less incentive to invest on this scale without the Games.

Stakeholders have reported that it is very unlikely that funding would have been available for both the GREAT marketing programme and the Holidays at Home are GREAT campaign without the Games. The impacts of both campaigns can therefore be considered wholly attributable to the Games.

The key areas of potential legacy of the Games in accessible tourism have been the availability of accessible hotel rooms, improvements to customer service for disabled people (through raising staff awareness) and the volume of tourism business generated by disabled visitors. Significant additional investment was not made in accessible hotel rooms as a result of the 2012 Games, according to consultation evidence and evidence gathered through desk research. Policy activity has focused on the 'scaling up' of existing initiatives, particularly in encouraging the tourism sector to conduct staff awareness training on the needs of disabled customers. Tourism for All suggest that as a result of the Games, the level of interest from businesses (unsolicited) in their membership scheme which offers customer awareness training on supporting disabled customers has risen. This training was intended to have a knock on effect on staff attitudes towards disabled tourists, but no evidence was available to measure the extent or effect of any change. These policy interventions should nonetheless have made the existing accommodation offer more accessible and appealing to disabled tourists, and thus improved disabled people's experiences of tourism in the capital.

Impacts due to Games-time visitors

Overseas Visitors

International Passenger Survey (IPS) data shows that there were 698,000 Games related visits to the UK by overseas residents in 2012.⁵³ 471,000 of these were classified as being primarily for an Olympics/ Paralympics Games purpose while a further 227,000 were primarily for another purpose but involved attending a ticketed London 2012 event. Approximately three quarters of these visits were completed in August with the vast majority of the remainder split equally between July and September.

⁵³ ONS (2013) *Visits to the UK for the London Olympic Games and Paralympics*, Travel Trends, April 2013

Those people visiting primarily for the Games spent an average of £1,553 on their visit which is double that of a normal tourist. This was not driven by length of stay either with these visitors spending eight nights in the UK on average compared with nine nights among all visitors at this time of year. This indicates the opposite of the pre-Games modelling prediction that Games visitors will typically spend less per visit. However, the modelled assessment of substantial displacement during the Games period did prove to be accurate. Total visits during Q3 2012 actually fell by 3% when compared to the same period in 2011, although because of the higher spend per visit of Games visitors earnings to the UK rose by 8%.⁵⁴

The evaluation of the Cultural Olympiad conducted analysis of the IPS⁵⁵ to give an indication of the impact of the Cultural Olympiad on visitor numbers and expenditure of overseas residents. The analysis estimated that 126,000⁵⁶ overseas visitors to the UK in Q3 2012 attended a London 2012 Festival show or exhibition, spending in total an estimated £170 million. However, the evidence suggests that the additional impact that the Cultural Olympiad had on visitor numbers over and above the sporting events was relatively small – most of these visitors would have come to the UK anyway. Less than a third (approximately 38,000) of these visitors came to the UK primarily for the Olympics/ Paralympics, of which the majority (30,000) also attended a ticketed event. Two-thirds of those who attended a Cultural Olympiad event but did not visit the UK primarily for the Olympics/ Paralympics said that their visit was “definitely not” or “probably not” influenced by the Olympics/ Paralympics while only 3% said that they would not have visited the UK otherwise.

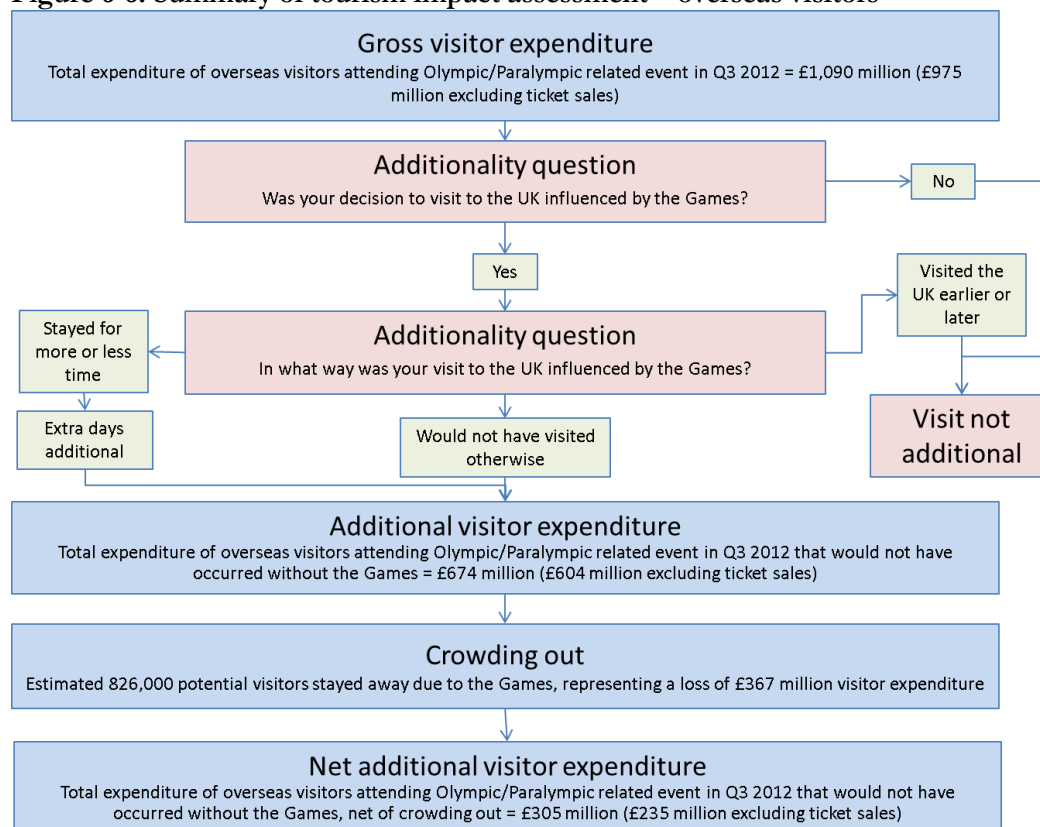
The tourism impact assessment, conducted as part of the meta-evaluation (see Annex B) used this IPS data to estimate the net additional impact of the Games on visitor numbers and expenditure from overseas.

Figure 6-6 summarises the calculations made to assess the net additional impact of the Games on overseas Games-time visitors. As shown in the flow chart, the gross expenditure of overseas visitors coming to the UK for the Olympics or Paralympics was nearly £1.1 billion. However, many of these visitors would have come to the UK anyway. The IPS also asked respondents who attended Games-related events to report the extent to which the Games influenced their decision to visit the UK and in what way. These responses were used to estimate the additional expenditure of overseas visitors that would not have occurred in the absence of the Games. The tourism impact assessment also provides an estimate of the crowding out effects – the number of visitors who were deterred from coming to the UK while the Games were being held. These estimates were based on overall trends from the IPS, which showed that the number of visitors to the UK significantly dropped in 2012 Q3 relative to recent trends although visitor expenditure was higher, suggesting that overseas visitors in 2012 Q3 spent more on average than visitors in comparable quarters.

⁵⁴ ONS (2013) *Overseas Travel and Tourism, Q3 2012*

⁵⁵ IPS visit estimates provided to aid national evaluation of the Cultural Olympiad, January 2013, conducted by ONS for DCMS

⁵⁶ Confidence interval of +/-25%

Figure 6-6: Summary of tourism impact assessment – overseas visitors

Source: London 2012 Tourism Impact Assessment (see Annex B)

As shown in the diagram, it is estimated that net additional visitor expenditure of overseas visitors due to the Games was about £305 million, or £235 million excluding ticket sales. The tourism impact assessment also finds that the majority (about 85%) of additional spending by overseas visitors took place in London.

Total additional expenditure of visitors attending Cultural Olympiad events was approximately £63 million, although visitors attending Cultural Olympiad events may also have attended other Games-related events (which may have had a greater influence on their decision to visit the UK). This estimate also does not account for any crowding out effects, although it can be assumed these would be minimal for the Cultural Olympiad.

Domestic Visitors

A visitor survey was carried out for the meta-evaluation during both the Olympics and the Paralympics, covering the venues Olympic Park, ExCeL London Centre and Wimbledon. The full results of this survey are included in Annex C. There were 1,264 respondents, comprising 897 from the Olympics and 367 from the Paralympics. Over 85% of these respondents were UK residents, including 57% from London and the South East and 30% were visiting the Games as part of an overnight stay. The survey elicited opinions about London as a place to visit with the results suggesting that most visitors think that London has improved since before the Games. About 63% of visitors thought that, overall as a place to visit, London was better than before the 2012 Games with less than 1% saying that it was worse. While only 40% of respondents said that activities, including attractions, museums and parks, were better than before the Games, more than half of respondents reported improvements in the following aspects of London's tourism offer: quality of services and customer service (68%); accessibility and transport (67%); security (65%); and environment (67%). About a third said that, having come to the Games, they were much more likely to visit London on a leisure trip, while over half said they were at least a little more likely to visit London on a leisure trip. Overall, only 2.3% of respondents considered themselves to

have a disability or long term illness although, for Paralympic events, this percentage was higher (4.4%).

The tourism impact assessment used the results from the visitor survey to estimate the additional impact of the Games on visitor expenditure from domestic visitors. Analysis from the visitor survey estimates that the average gross expenditure (including tickets, travel, accommodation and food) of each domestic visitor to a ticketed event was £125 per ticket for overnight visitors and £86 per ticket for day visitors. Extrapolating this expenditure for all Olympic/ Paralympic tickets sold to UK residents suggests that domestic day visitors attending ticketed events spent about £621 million in the visitor economy while domestic overnight visitors attending ticketed events spent about £234 million in the visitor economy.

The tourism impact assessment also made use of the following sources to assess visitor expenditure of UK residents who attended other (non-ticketed) Games-related events:

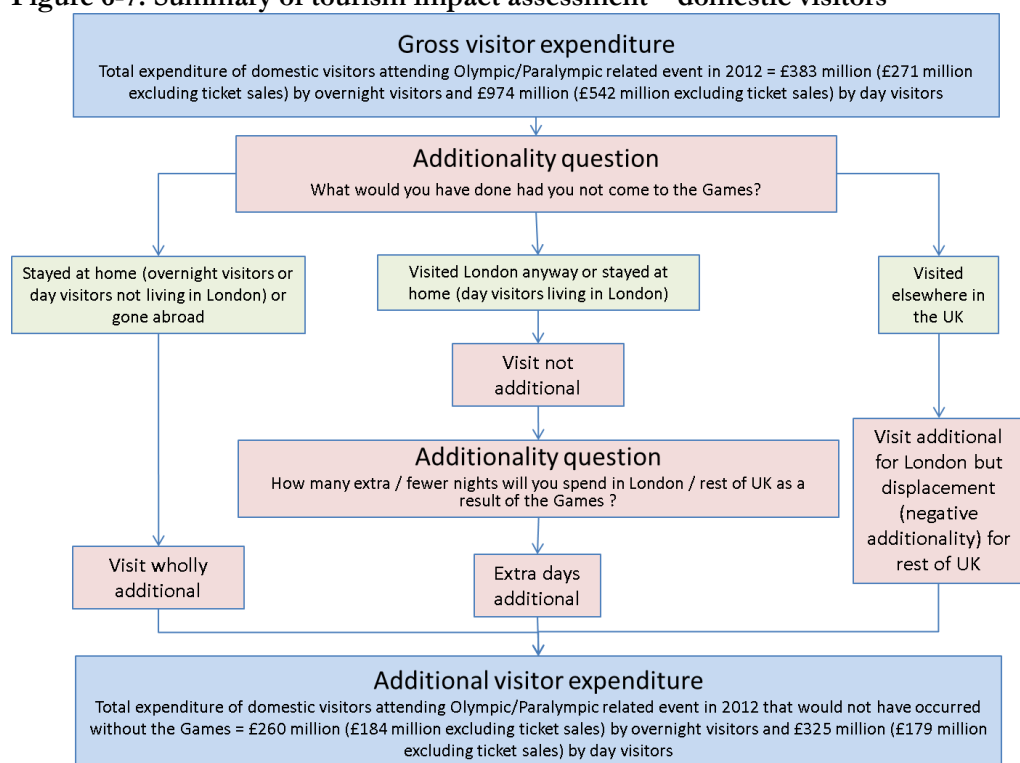
- Sample of 129 respondents⁵⁷ from the Great Britain Tourism Survey (GBTS) who attended a Games event as part of an overnight stay; and
- Sample of 147 visitors⁵⁸ from the Great Britain Day Visits Survey (GBDVS) who attended a Games event on a day visit.

The GBTS and GBDVS provide estimates of the number of domestic visitors who attended other (non-ticketed) Games-related events including the Olympic torch relay and the Cultural Olympiad between January and October 2012. These data sources were used to estimate that a further £149 million was spent by domestic overnight visitors attending non-ticketed events and further £353 million was spent by domestic day visitors attending non-ticketed events.

Figure 6-7 summarises the calculations and assumptions made to estimate the additional expenditure in the expenditure due to domestic visitors attending Olympic or Paralympic events. Additionality questions were included in the visitor survey and the results used to estimate additionality of all domestic visitors (including those who did not attend ticketed events). The results of the visitor survey were also extrapolated, using various assumptions described in the full tourism impact assessment report, to estimate the impacts of events held outside of London.

⁵⁷ In 2011, about 100,000 interviews were undertaken for the GBTS of which about 10-20% reported going on an overnight trip with the UK and Ireland over the previous four weeks.

⁵⁸ The GBDVS measures tourism day trips and 3+ hour trips. The London 2012 Tourism Impact Assessment includes Games-related tourism day trips only and not the wider definition of 3+ hour trips as these do not necessarily involve a trip outside of the respondent's place of residence.

Figure 6-7: Summary of tourism impact assessment – domestic visitors

Source: London 2012 Tourism Impact Assessment (see Annex B)

As shown in the chart above, additional visitor expenditure is estimated to be £260 million (£184 million excluding ticket sales) from overnight visitors and £325 million (£179 million excluding ticket sales) from day visitors. It was assumed that crowding out effects were minimal, as there was no drop in occupancy rates in London and elsewhere in the UK in August 2012 according to VisitEngland statistics. The following table shows that most of the economic impact was in London, although the rest of the UK also experienced a net positive benefit.

Figure 6-8: Additional expenditure from domestic visitors by region (excluding ticket sales)

Region	Day visitors	Overnight visitors	All domestic visitors
London	£196m	£108m	£304m
Rest of UK	-£17m	£76m	£60m
UK total	£179m	£184m	£363m

Source: London 2012 Tourism Impact Assessment (see Annex B)

Research for the London Chamber of Commerce and Industry (LCCI)⁵⁹ includes qualitative and quantitative evidence on the effects of the Games on visitor numbers at Games-time. It reported that businesses in retail and hospitality that rely on UK consumer spending also had mixed experiences. Figures from the British Retail Consortium showed a boost to sales of party food and drink but that was offset by weak non-food sales (women's clothing, furniture, flooring and home-related items were hit the hardest) and online purchases also dipped as people watched the sport.

However, in terms of location, LCCI report that businesses in Central London experienced a decline at the outset but recovered later. This was attributed to Londoners and visitors treating the first week with caution. LCCI reported data from research group Experian

⁵⁹ London Chamber of Commerce and Industry (2012) *The Final Hurdle: securing a business legacy*

which showed West London had a 2.9% decrease in shop visits in week one of the Olympic Games but a 0.94% increase in week two (in comparison to the same weeks last year).

Nevertheless, LCCI report that international visitors in London did not seem to have refrained from spending. For the Olympic period between 23 July and 12 August 2012, VISA reported £1.35 billion spent on its cards by international visitors, with the retail and entertainment sectors the main beneficiaries of visitor spending, increasing on average 14.4% and 7.3%, respectively. According to VISA, the second half of the Olympics brought increased spending in restaurants by 20%, bars and nightclubs by 21% and attractions and exhibitions by 12% year on year.

FSB members raised concern throughout the Games about a lack of footfall in pockets of London, particularly in Greenwich and Waltham Forest, with sales falling by as much as 75% in certain pockets of East Greenwich.⁶⁰

Longer Term Impacts

A number of research studies completed before the Games predicted that the majority of tourism benefits would come in the post-Games period through the raised profile of the UK. Research by Oxford Economics estimated that the net tourism gain to the UK economy of the Games could be £1.24 billion (at 2011 prices) for the period 2007-2017 with 79% of this impact accruing from 2013 onwards.⁶¹ A strong benefit was clearly expected for the years 2013-17 in the immediate 'legacy' period as London and the UK as a whole benefit from increased visitor numbers due to their increased exposure in international markets, and especially emerging markets.

The Oxford Economics research examined the experience of previous mega-events and concluded that some potential 'regular' tourists will postpone or cancel visits to London or the rest of the UK, while the Games participants and spectators replacing some of them will typically spend less per visit. Campaigns such as Holidays at Home are GREAT and Limited Edition London were put in place to help mitigate such displacement effects.

Evaluations of Games-related marketing campaigns

You're Invited campaign

Evaluation of VisitBritain's work in the Financial Year 2011/12 published in October 2012 reports on the outcomes and impacts of the first year of the four-year £100 million You're Invited public/ private marketing programme designed to capitalise on the Games and the other major events that took place in 2012.

VisitBritain (VB) reported to the meta-evaluation team that to a large extent all of the agency's activity is part of the four-year programme. The impact figures presented below therefore reflect the impact of all VB activities in 2011/12, of which the You're Invited campaign was a major component. As noted above, stakeholders reported that without the Games similar promotional activity to You're Invited would have gone ahead; however, it is likely that it would have taken place on a much smaller scale.

The evaluation reports on the impacts of a number of key campaign activities which took place in 2011/12:

- An advertising campaign featuring UK-based celebrities – VisitBritain's evaluation report notes that qualitative research in India, the Netherlands and USA demonstrated the effectiveness of this work;

⁶⁰ Federation of Small Businesses London Region (2013) *Passing the Baton: How small businesses have been affected by the London 2012 Games*.

⁶¹ Oxford Economics (2011) *'The Value of the Olympic and Paralympic Games to UK tourism – updated estimates'*

- Development of strategic partnerships with British Airways, easyjet, Expedia, P&O Ferries, DFDS Seaways, Hilton and Radisson Blu Edwardian, who all committed in principle to invest more than £1m over the four years of the campaign and to provide an equivalent value in marketing in kind. This included access to their consumer databases, exposure on their websites and the provision of flights, accommodation and tours for visiting journalists and trade partners. VisitBritain reports that the potential amount of visitor spend associated with bookings generated by this activity was £89m, of which at least £6.6m is incremental (or net additional) visitor spend;
- VisitBritain's overall PR activities generated more than 28,000 individual pieces of TV, radio, print and online coverage – almost 5,000 more than in 2010/11. The evaluation reports that the advertising value equivalent of this coverage was £3.7 billion – more than twice the £1.5 billion generated in 2010/11. It is further reported that the VisitBritain exceeded its target for Opportunities to See (OTS meaning the number of times someone is likely to see a marketing message), generating more than 41 billion OTS during the year; and
- The overall impact of VisitBritain's marketing activity on additional spend by consumers in 2011/12 was £307 million. This figure highlights the increasing importance of BRIC markets, which accounted for 15% of incremental spend (£46 million). Most trips were spent in England including 40% in London and 41% in the rest of England. VisitBritain's methodology for assessing the impact of its work on incremental spend takes into account how far contact with VisitBritain influenced the trip to the UK. The evaluation was based on 11,865 survey responses with the fieldwork completed between May and August 2012. Most respondents had multiple forms of contact with VisitBritain although the website and e-newsletters were the most prominent forms of contact. The evaluation noted that 10% of those who made contact with VisitBritain had joined its Facebook campaign 'Love UK'.

Evaluation of VisitBritain's 'GREAT' image Campaign

The first wave of advertising for the VisitBritain GREAT Image Campaign ran in Spring 2012. The evaluation of the Campaign was conducted through four waves of survey research.⁶² A pre-campaign wave of research took place in January 2012 to establish a baseline of responses in respect of intention to visit and perceptions. The three stages of post-wave research followed the same methodology used in the pre-wave research to allow a consistent comparison over time. The respondents were recent international travellers and representative of the online population which covers the vast majority of international travellers (in terms of age and gender).

Respondents were recruited via online panels and completed the survey online. Post-wave respondents matched the demographic profile achieved in the pre-wave research (to ensure that any changes were not due to a different respondent profile). The same panels were used to ensure reliability and consistency between waves but respondents to previous waves were excluded at each new wave. The average interview length was approximately 30 minutes. In each wave there have been 300 interviews per city. Across all waves and all cities a total of 11,700 responses were achieved.

Respondents were initially asked to record any country they could recall seeing travel advertising for recently (typing into an open box with no prompts) and were then also asked specifically if they recalled advertising for Great Britain and four major competitor countries in the last 3 months. The evaluation showed that recall of the advertising continued to build with each wave of research on both measures, with Great Britain moving up the rankings from last place behind the other four competitor destinations that were compared with (in

⁶² Ipsos-Mori (2013) *GREAT Image Campaign* (Draft). Final Report to VisitBritain

the pre-wave) to second (behind only the US) for both spontaneous and prompted recall in the most recent wave of the research (March 2013). When actually shown images of the campaign materials, 72% of respondents in March 2013 reported they recalled seeing at least one image, again this has grown in each wave of research. The survey agency that conducted the research highlighted this level of recall is above industry norms. A point made in the evaluation is that tourism agencies in competitor destinations are all spending heavily on advertising particularly Tourism Australia and BrandUSA. The evaluation noted that GREAT is operating in a highly competitive environment and these results should therefore be interpreted in this context.

The GREAT evaluation reported on the 'funnel' of consideration from long term intention to visit to short term intention to visit and then booking, all of which continued to improve over three stages of post-wave research. At the time of the third wave research 23% of respondents who recalled the advertising said that they were highly likely to visit in the next year (9 or 10 out of a scale of 1-10) compared to 11% who could not recall the advertising. Critically, those who recall the campaign are more than twice as likely as those who did not recall to say they strongly intend to visit Britain in the next three to five years, or indeed to have booked already.

The evaluation modelled potential impacts by taking the estimated number of leisure visits from each city in 2011 as a baseline, then tracking the increase in intention to visit in the next year amongst recent international travellers who recalled the campaign. The uplift in intention to visit in the next year was applied to the 2011 baseline to provide the potential extra number of visits generated. Each extra visit was multiplied by the average leisure spend per visit (appropriate to the city). The measurement of uplift in intention was based on an index change which was derived from a comparison between the pre wave and post wave responses. As there were several waves of research the results have been scaled, not simply added.

The evaluation estimates that if the index change in stated strong intention to visit in the next year between the pre wave respondents and the post wave respondents in each wave who recalled the campaign (127%, 141%, 125% index change in post waves 1, 2 and 3, respectively) is translated into extra visits then this could potentially generate extra spend of £200.25m from the cities targeted by the GREAT campaign or 422,000 additional visits. This potential return from visits to Britain from the GREAT cities will be accrued over almost two years up to March 2014. Setting this against an investment of £25 million indicates a Return on Investment of 8:1 over the 2 year period

The evaluation noted that the strongest uplifts overall were in Berlin, Los Angeles, Sydney and Toronto. However in the post Olympics period (post-waves 2-3), New York and Paris also saw very strong returns. Reactions in emerging markets (Delhi, Mumbai, Shanghai, Beijing, Rio and Sao Paulo) were also very positive.

Modelling was also run to estimate the potential downturn in visits Britain might have seen without the campaign. Whilst this is indicative and should be used with caution, if the downturn in intention from those who did not recall the campaign was the case amongst all (if there was no uplift from recallers, and all showed the downturn in intention seen amongst non-recallers), this would equate to a potential loss of £463.9 million (over almost two years to March 2014), and a potential downturn of 903,000 visits.

The campaign also has wider, longer term aims not reflected in the shorter term return, especially in the emerging markets. Perceptions of Britain's strengths (heritage and culture) have improved in general and likelihood to visit in the longer term has grown for those who recalled the advertising (an index change of 120% in those likely to visit in the next three years comparing the pre-wave to post-wave responses). Encouragingly people were as likely to say the advertising made them want to visit Britain outside London as well as London itself.

The evaluation concluded that the timing of campaign and its association with the Games appeared to have boosted the campaign's impacts. Less than half the amount spent in the pre-Games phase (February 2012-July 2012) of the campaign was spent in the post-Games phase (September 2012-March 2013) but as the evaluation reported, levels of recall continued to grow, as did intention to visit, and positive perceptions have seen a step change. The evaluation noted that these were maintained over a relatively long period (over a year), when a dip may have been expected.

Holidays at Home are GREAT Evaluation

VisitEngland completed a rigorous evaluation of the impact of the Holidays at Home are GREAT campaign. The 581 businesses that provided offers to the great2012offers.com website were interviewed between October and November 2012 using a mixture of online and telephone interviews. Businesses were asked to provide information about offer redemptions, either exact figures if these were available, or estimates where they were unable to precisely track take-up. The results from those businesses who responded were used to estimate redemptions across the whole population of participating businesses, taking into account differences in performance by size and sector. Using this approach, VisitEngland estimate that the offers website generated direct redemptions worth £1.6 million during its lifetime.

Online interviews were conducted in November 2012 with 466 visitors to the great2012offers.com website in 2012 and 677 individuals who had used the visitengland.com site during this period. All respondents had either signed up to receive a VisitEngland e-newsletter or answered a pop-up questionnaire during their visit to the respective website. Those who had taken an overnight trip in England since visiting the respective website were asked to describe the degree to which the site had influenced them to take that trip, or had influenced qualitative aspects of the holiday or length of stay. Results were grossed up using figures for unique, quality website visitors to the sites (unique visitors having spent at least one minute on the website and visited at least two pages). To avoid any possibility of double counting, the results recorded for the visitengland.com site were discounted by 39%, a factor based on the total number of visitors to the great2012offers.com site over the period. The results indicate that the two websites together generated £63.7 million in incremental spend during the eight month period (£20.7 million from the great2012offers.com website and £43m for the visitengland.com website).

Between March and October 2012, the VisitEngland's England Brand, Communications and Satisfaction tracker interviewed some 3,000 respondents who had taken a holiday in England during the campaign period. These individuals were asked whether they had seen the GREAT advertising before taking the trip, and if so, whether the advertising had influenced them, and the nature of that influence (identifying whether this was a trip which otherwise would not have taken place). Omnibus data was additionally used to adjust the level of claimed advertising recognition. Further questions identified the degree of duplication, i.e. whether respondents were also influenced by other VisitEngland marketing activity including the two websites, and down weights were applied to account for this. Using these questions and other information about the trips taken, VisitEngland were able to calculate for their sample the share of domestic tourism spending over the March – October 2012 period which was influenced by the advertising – 3.19%. Final spending data for spending by English residents on domestic holidays in the March - October 2012 period was not available at the time of the evaluation, but in 2011, £7.6 billion was spent in the equivalent period. Applying the 3.19% share calculated to the £7.6 billion estimated holiday spending for the equivalent period results gives a figure of £240 million – i.e. the estimated impact of the GREAT advertising excluding the direct impact on website visitors (which was the £63.7 million measured in the separate website surveys).

In summary, in the eight month period from early March to the end of October 2012, it is estimated that the “Holidays at Home are GREAT” campaign and other related VisitEngland activity generated incremental spend just over £300m:

- £1.6 million in direct redemptions for businesses providing offers to the site;
- £20.7 million incremental spend by visitors to the great2012offers.com website;
- A significant proportion of the £43 million in incremental spend generated by the main visitengland.com website over the period; and
- An estimated further circa £240 million in incremental spend among those who viewed the campaign, over and above the spend generated by the website.

In addition, based on average spending of £66 per night on English holidays, this means that the campaign and other VisitEngland activity over the period generated some 4.5 million additional domestic holiday nights during 2012.

London Media Centre

London and Partners planned, organised and ran the London Media Centre during the Games, a dedicated centre located in Westminster and online resource for journalists who did not have an accredited press for the Olympic Park. London and Partners’s evaluation of the Centre recorded the following outputs and outcomes:⁶³

- 8,000 journalists supported from 102 countries;
- 600 events, press conferences, films and interviews promoted or hosted;
- More than 12,000 video downloads and 38,000 visitors to the website; and
- Secured media coverage for London valued at more than £10 million.

On Your Marks (South East 2012 campaigns)

This section summarises an evaluation of Tourism South East's *On Your Marks....Get Set....Go!* 2012 project for the period 2011/2012. The 2012 project was created to provide a structured and co-ordinated approach to maximising the tourism-related opportunities the Games could offer for the visitor economy in the South East. The main measures of success identified in the 2011/12 evaluation report are the scale of media exposure and AVE (Advertising Value Equivalent) directly associated with Tourism South East activities. The PR monitoring agency Metrica was commissioned to identify the number of articles in the international media mentioning the South East or one of its tracked destinations or attractions and to establish the total AVE associated with those articles. The monitoring of exposure in the domestic media and its associated AVE is yet to take place and will be reported on separately. Metrica's findings reveal that:

- During the period April 2011 to January 2012 there were 2,086 articles mentioning the South East or one of its tracked destinations or attractions in 1,927 different media outlets from printed press (national, regional and local), websites (travel, trade, news, lifestyle and blogs), consumer, travel and trade magazines (print), TV and radio;
- A breakdown of all the countries where articles have appeared indicate that exposure has travelled beyond traditional markets in Europe (Germany, France, Spain), in the English-speaking nations (USA, Canada, Australia and New Zealand), as well as

⁶³ London & Partners (2013) *One Remarkable Year for London: London and Partners 2012/13 Review*

developing markets in China and India, to new markets such as Russia, with one or two features also appearing in countries such as Czech Republic, Jordan, and Ukraine;

- The total AVE achieved by these articles is estimated to be £90,369,684. As this total AVE includes articles on the South East which were generated outside any influenced exerted by Tourism South East, the marketing team have meticulously recorded all the articles and features which have been written or mentioned (e.g. on the radio) by journalists attending media events as well as features from journalists who have directly approached Tourism South East for additional information and images of destinations in the region. Based on Metrica's own records they estimate that Tourism South East generated AVE during the period April 2011 to March 2012 was £3,090,936; and
- The overall target for the project over the previous two years of delivery 2010/11 to 2011/12 was £5 million. Tourism South East generated AVE during the period April 2010 to March 2011 of £1.88 million. This provides a total AVE of £4.97 million.

Impact on perceptions of the UK as a place to visit

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 Nation Brands Index (NBI) 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 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 most likely explanation.⁶⁴

Research undertaken by VisitBritain indicates the 2012 Games had a positive effect on the UK's nation brand.⁶⁵ The research was based on the NBI which is an online survey, run by GfK in partnership with Simon Anholt. VisitBritain reports that the brand index uses up-to-date online population parameters, to achieve a weighted sample in each country that reflects key demographic characteristics such as age, gender and education of the online population in that country. In the standard annual NBI waves (and in the Pre Games wave discussed here), views are collected from 1,000 respondents per country across 20 countries with an overall sample size of 20,000. In the findings presented below the pre-Games data refers to the standard 2012 annual NBI wave in July 2012 and the post-Games data to specially commissioned research in October/ November 2012. Due to costs the number of panel countries (from which views are collected) in the Post Games wave was reduced from the standard 20 to 13. To allow fair comparison the Pre Games data therefore also only includes data collected from these 13 markets (although more data is available). The sample size for the Pre Games wave was 13,000 (1,000 per panel country) and in the additional Post Games wave was 3,900 (300 per panel country). The July pre Games research ended just before the Games began and the post Games research began around two months after the Games ended so the findings give us a good indication of the short-term impact of the Games on perceptions.

⁶⁴ Wolfgang Maennig (July 2007) *One Year Later: A Re-Appraisal of the Economics of the 2006 Soccer World Cup*

⁶⁵ Visit Britain (2013) *Foresight Issue 111*, January 2013

The survey findings indicate that between the Pre Games and Post Games surveys Britain moved up one place to be ranked fourth out of 50 major countries around the world. The report indicates that as nation brands are very stable and no dramatic changes were expected, even a small change can be regarded as a positive effect. Britain was ranked higher for culture (especially for sport) than it had been pre Games, but there were also improvements for welcome and natural scenic beauty indicating that Games coverage had influenced perceptions of Britain and the British people more widely.

The highlights for Britain's image were:

- Overall nation brand has moved up one place to 4th;
- For Culture UK has also moved up one place to 4th;
- For Tourism the UK has held at 4th, and held at 7th for aspiration to visit; and
- For Welcome the UK moved up three places to 9th.

The NBI research shows that those who confirmed they had seen coverage of Britain hosting the Games were more positive about Britain when awarding scores on all attributes relating to tourism, culture or welcome (Figure 6-9).

Figure 6-9: Post-Games scores on perceptions of Britain

Mean score out of 7 (1 = strongly disagree 7 = strongly agree)	Post Games – saw coverage	Post Games – did not see coverage
Tourism		
Would like to visit if money was no object	5.7	4.9
Is rich in natural beauty	5.1	4.7
Is rich in historic buildings and monuments	5.5	4.9
Has a vibrant city life and urban attractions	5.4	4.8
Culture		
Excels at sport	5.1	4.4
Has a rich cultural heritage	5.4	4.8
Is an interesting and exciting place for contemporary culture	5.2	4.6
People		
If I visited, the people would make me feel welcome	4.9	4.5

Source: VisitBritain nation brand research

VisitBritain's NBI research also showed that 63% of those who saw coverage of Britain hosting the Games agreed it had increased their interest in visiting for a holiday (and this was notably higher in emerging markets including the BRICs).

Other VisitBritain research found that visitors during Games time felt very welcome in Britain:

- 99% of departing overseas visitors during July-September 2012 said they had felt welcome in Britain, with five out of six visitors 'very or 'extremely' welcome. This compares to 79% in Q3 2011; and
- 98% of departing overseas visitors during July-September 2012 said they would be likely to recommend a holiday in Britain to friends and family.

These findings are from questions VisitBritain sponsors on the Civil Aviation Authority (CAA) survey of departing passengers at five of the main UK airports (Heathrow, Gatwick,

Luton, Stansted and Manchester). The findings are based on interviews with 2,088 departing overseas residents during July, August and September 2012.

In September 2012 VisitBritain completed a review of the impact of the 2012 Games on perceptions of Britain overseas. The review was based on the feedback of VisitBritain's staff who were monitoring the media and national sentiment in overseas markets. The major themes to emerge from the analysis were as follows:

- The pattern for nearly all markets was initial scepticism about the preparedness and security, quickly giving way to delight at the Opening Ceremony, which was universally well-received in almost every market;
- There was a warm response to the friendliness, humour and welcome of the British people, highlighted by the volunteers, soldiers and British crowds cheering athletes from all countries;
- Praise for Britain and London's diversity and vibrancy – London 2012 portrayed as a cultural melting pot;
- The inclusiveness of the Games – for everybody not just for sport fans;
- Venues with tourist attractions as backdrops helped show Britain at its best;
- Acclaim for facilities, organisation and planning of Olympic events;
- Enhanced perceptions of Britain's food, weather, culture and music; and
- The Paralympic Games received less international media coverage, but focused on the engaging ceremonies, lively atmosphere and excellent organisation.

An Olympics Impact Media Study, commissioned by the meta evaluation team, was conducted by experts at Lancaster University⁶⁶. The study used a content analysis methodology and linguistic investigation techniques to explore very large collections of news reportage in order to discover whether hosting the Games had any reputational implications for the UK. The study covered approximately 13 billion words of general English from 2008 and 2012, 93 million words of UK national newspaper reporting and 35 million words of global press reporting. Amongst other issues, the study explored the impact the Games had on business and tourism for the UK, London and the East-end. The conclusions drawn by the authors can be accepted with a high degree of confidence based on a very large base of evidence with results tested at a high degree of statistical significance well beyond the 99.9% confidence level. This helps to strengthen confidence in the findings – they were highly unlikely to be due either to chance or to distorting effects produced by a handful of atypical examples. The key findings of the research with respect to potential impacts on perceptions of the UK as a place to visit are as follows:

- London has experienced both a sustained and positive association with the Games over the period from 2005, with the association intensifying in 2012. However, in terms of coverage of the UK in the global press there has been little change, indicating it is the host city rather than the host country which experiences this positive association;
- Looking at word association with UK, England and London in the Global media, the UK is still associated with traditional references such as its university system over the Olympics. However, for London there has been a clear impact as it becomes associated with the Games, legacy and regeneration. Two examples in Australia and Japan are given which highlight the change in sentiment globally of London and the East-end from a run-down area to one that has been transformed for the better;

⁶⁶ Tony McEnery, Amanda Potts and Richard Xiao (2013) *London 2012 Games Media Impact Study*

- There is a markedly increased prominence of reporting on East London in general and Stratford in particular in the context of regeneration; and
- In the Chinese language press, the Games seem to switch the discussion of the UK away from a wholly negative discussion focussing upon a faltering economy and difficult military engagements overseas to a more positive discussion of positive economic activity, the Games and tourism.

In late 2012 Ipsos MORI carried out research for the British Council consisting of 9,003 online interviews with adults in 11 key overseas economies (Brazil, China, India, Poland, Russia, Saudi Arabia, South Africa, Spain, Thailand, Turkey and the USA). Weighting was employed to balance demographics and ensure that the sample's composition reflected the adult population according to the most recent country census data.

The key findings of the survey were as follows:

- 34% said that the Olympics had improved their view of the UK; and
- More than one person in three said the 2012 Games have made them more likely to visit the UK.

Perceptions of visitors to the Games

The London 2012 Olympic and Paralympic Visitor Survey (see Annex C) of visitors to Olympic and Paralympics Games ticketed events provides evidence on how the Games impacted on the perceptions of overseas visitors who attended the Games. This was a small survey of public ticket holders attending events at the Olympics and the Paralympics, covering the Olympic Park, ExCeL London Centre and Wimbledon. The results are based on a sample of 1,264 respondents (897 Olympics and 367 Paralympics), including 168 overseas visitors.

Respondents were asked how the visit to the Games impacted on their opinion of London as a tourist destination. For each aspect, respondents were asked if their opinion was 'better than before', 'same as before' or 'worse than before'. The results for overseas respondents are presented in Figure 6-10 below.

Figure 6-10: Impacts of Games visit on perceptions of London (overseas visitors)

	Better than before	Same as before	Worse	Don't know
Overall as a place to visit	77%	15%	0%	9%
Activities including attractions, museums and park	60%	24%	0%	17%
Quality of services and customer services	73%	20%	1%	6%
Accessibility and transport	78%	16%	1%	5%
Security	72%	20%	1%	7%
Environment	72%	22%	0%	6%

Source: London 2012 Olympic and Paralympic Visitor Survey

Note: n = 168

The results indicate that in the vast majority of cases visitors had a positive impression of London. The respondents were also asked if their experience of visiting the Games had made them more or less likely to want to visit London for a leisure trip in the future. Over half (56%) of the overseas visitors said that the trip had made it 'much more likely' that they would want to visit London again in the future.

Stakeholder views

Strategic added value of campaign approaches

There is a clear consensus amongst the stakeholders that the Games have helped to elevate the strategic importance of tourism. As one stakeholder commented, “*tourism is now considered an important export industry across Government*”. Stakeholders pointed out that the Games have driven a new growth strategy for inbound tourism to Britain from 2012 to 2020⁶⁷, as highlighted above.

Interviews with key stakeholders also highlighted that the GREAT campaign and related promotional efforts have had longer-lasting impacts on government approaches to international marketing. Stakeholders reported that the GREAT campaign has encouraged VisitBritain to work more collaboratively with other Government departments and agencies including the FCO, UKTI and British Council not only on the campaign itself but also on wider tactical approaches.

Accessible tourism

‘Destination London’ is an online leaflet and training pack for staff in the hospitality sector that aimed to improve attitudes and awareness of disabled tourists’ needs. Stakeholders reported the uptake of the pack was not as good as they had wished, partly because the packs were not available early enough – and took longer to develop than planned. In the end they were ready six months before the Games which did not offer a long enough lead in time to really embed them. However, the pack will be available afterwards to the tourism industry and is still being offered free of charge. The guide was being amended at the time of writing to make sense post-Games. The Greater London Authority (GLA) reported that once revised they will promote it again to the tourism sector. Stakeholders reported this pack wouldn’t have happened without the Games. Other stakeholders reported that hotel chains and other major players had improved their staff training around disability awareness during Games-time.

Stakeholders believe that there had been an improvement in how seriously hospitality stakeholders take disabled customers. They reported a “general feeling of a difference” in shops, stations, etc. and it was noted that things were generally much better than they were five years ago. Stakeholders felt some, but certainly not all, of this was due to the Games. They felt the Games probably accelerated some of the change and that before businesses “*paid lip service*” to disabled customers and now they are taking it much more seriously.

Tourism for All suggested that as a result of the Games the level of interest from businesses (unsolicited) in their membership scheme which offers customer awareness training on supporting disabled customers has risen (though there was no evaluation of this available at the time of writing). This training was intended to have a knock on effect on staff attitudes towards disabled tourists, but again no evidence was available to measure the extent or effect of any change. These policy interventions should nonetheless have made the existing accommodation offer more accessible and appealing to disabled tourists, and thus improved disabled people's experiences of tourism in the capital.

Significant additional public investment was not made in boosting the number of accessible hotel rooms as a result of the 2012 Games, according to the evidence available to the meta-evaluation team via consultations and desk research; and no tracking data of the number of accessible hotel rooms had been collected since 2009. Stakeholder engagement work was however on-going in the build up to the Games to encourage leisure and tourism sector stakeholders to boost the accessibility of their hotel rooms and some stakeholders reported they were aware of hotel chains or pub chains making extra efforts during Games time to

⁶⁷ Visit Britain (2013) *Delivering a Golden Legacy: A growth strategy for inbound tourism to Britain from 2012 to 2020*

support disabled visitors. There was no audit of these developments and no evidence yet of these efforts being sustained post-Games.

The Inclusive London website was commissioned and funded by the GLA. The website offered a searchable function for visitors to search accessibility information about 35,000 tourism businesses including hotel rooms and tourist facilities in the capital. Direct Enquiries was commissioned to develop and run the website during the Games and the site remains available post-Games as part of the legacy. The GLA funded the site initially and GLA stakeholders reported the commitment to the site remains and they will continue to support it in future (subject to new contractual arrangements). Stakeholders reported this site was developed entirely due to the Games; it would not have happened otherwise. Stakeholders also discussed whether information on the accessibility of tourist facilities should be contained in a separate site such as this or whether more work should be done to try to embed the information and mainstream it in other sites like Trip Advisor.

Another major commitment, funded by the GLA for the 2012 Games was a £4 million investment in a high profile public realm improvement to the London Southbank. This was intended to echo the accessibility developments put in place at previous Games, such as the lift improvements that were added into the Great Wall of China at the Beijing Games and the work to make the Athens Parthenon more accessible. The project made some of the colonnaded areas by the Oxo Tower more accessible (widened out pathways and resurfaced pavements); resurfaced the old cobbled Clink Street; and put a lift up into Tower Bridge to replace the old Victorian service stair down to the Southbank walkway. Stakeholders reported this public realm improvement happened because of the Games and that it would not have happened otherwise with the funding leveraged as a result of the Games. Wider stakeholders reported this development to be “*visionary*” and one that will last forever. The GLA have commissioned a report by Mandy Lane on the public realm improvements but it was not available at the time of writing.

6.4 Conclusions

Figure 6-11 shows the estimated net additional impacts of the Games on Games-time visitor expenditure, based on analysis conducted for the tourism impact assessment.

Figure 6-11: Net additional expenditure from Games-time visitors

Region	Including ticket sales	Excluding ticket sales
Overseas visitors	£305m	£235m
UK overnight visitors	£260m	£184m
UK day visitors	£325m	£179m
All visitors	£890m	£598m

Source: London 2012 Tourism Impact Assessment (see Annex B)

Drawing on robust evaluations of the three major national campaigns, it can be concluded that Games-inspired marketing has generated some significant benefits for the UK’s visitor economy. Evaluations indicate that the campaigns may have generated additional visitor expenditure in the region of £800 million in the periods covered by the evaluations. This does not take into account the impact of the VisitBritain You’re Invited campaign in the post 2011/12 period where impacts can be expected through the enhanced PR activity of VisitBritain. Moreover, this figure only includes interim findings for the GREAT image campaign with again more significant impacts expected in the future. Given that the assessment of Games-time visitor expenditure focuses on Q3 2012, benefits from the Games-related campaigns are generally considered to be additional to the benefits from the events themselves.

A diverse range of evidence is available on the impact of the Games on perceptions of London and the UK as places to visit. The most comprehensive piece of research on the impact of the Games on perceptions of the UK was undertaken by VisitBritain, based on the

Nations Brand Index (NBI), an online survey run by GfK in partnership with Simon Anholt. Generally the evidence indicates that the Games have had a positive impact on London and the UK's reputation abroad. The NBI survey findings indicate that between the Pre-Games and Post-Games surveys Britain moved up one place to be ranked fourth out of 50 major countries around the world. For Culture UK has also moved up one place to 4th and for Welcome the UK moved up three places to 9th. Generally, it is too early to determine whether impacts on the perceptions of the UK as a place to visit are either transitory or enduring.

There is very limited evaluation evidence on the impact of the Games on increasing standards and accessibility for disabled tourists so it is difficult to draw firm conclusions on the role and influence of the Games in this area. The evidence is largely based on the views of stakeholders interviewed for the meta-evaluation. Tourism stakeholders generally reported that qualitatively there has been some improvement in stakeholder attitudes and services for disabled tourists. Stakeholders felt some, but certainly not all, of this was due to the Games. They also felt the Games probably accelerated some of the change.

7 Employability and Skills Development

7.1 Legacy programmes and initiatives

The preparation and staging of the Games provided an opportunity to help people into sustainable employment or higher-skilled jobs (particularly those that are unemployed or inactive) through effective training provision and employment brokerage. It was anticipated that the 2012 Games would help to address skill gaps and shortages both directly (i.e. by ensuring that the skill demands of preparing for and staging the Games are met) and indirectly (i.e. using the Games to inspire and encourage skills development and employment).

A large number of employment and skills initiatives with a connection to the 2012 Games are being taken forward across the UK's nations and regions. The employment and skills legacy is being delivered through a partnership approach involving the Department for Business, Innovation and Skills (BIS), Skills Funding Agency (SFA), Job Centre Plus and regional bodies working together to deliver the initiatives. The SFA has contributed significant levels of match funding to a number of the key legacy initiatives including Personal Best, as detailed below. Initiatives in London, including those supported by the London Development Agency (LDA) and the Greater London Authority (GLA) were brought together and evaluated through the London Employment and Skills Taskforce 2012.

London Employment and Skills Taskforce 2012

The London Employment and Skills Taskforce (LEST) 2012 programme was a major focus of London's efforts to use the Games as a hook to promote employability and skills development.

LEST 2012 had an aspirational target to reduce worklessness in London by 70,000 by the end of 2012, of which 20,000 would be from the host boroughs. The programme delivered three 'pillars' of activity across London: employer leadership; linking people, work and training more effectively; and engagement and communications. The LDA and the GLA supported a range of employment and job brokerage projects focused on supporting workless people into Games time jobs and other jobs. The main projects are described below.

- **Employer leadership**
 - **The Employer and Construction Accords** – The Accords are a private/public partnership arrangement whereby employers commit to posting job vacancies and skills opportunities for both local people and the employers' existing workforce, while the public sector commits to ensuring these employers are provided with 'employment ready' candidates and employer-focused training.
- **Linking people, work and training more effectively**
 - **Local Employment and Training Framework (LETf)** – The LDA/ODA, as developer of the Olympic Park, was required to deliver a local employment and training framework (LETf) as a pre-commencement planning condition for developing the Olympic Park. The LETf was designed to co-ordinate local labour activities in the host boroughs to ensure the benefits of the 2012 Games could be maximised by workless

individuals from the most disadvantaged priority groups (i.e. Black, Asian and Minority Ethnic (BAME), women and disabled people).

- **Personal Best (initially known as the Pre-Volunteering Programme)** – Two pilots and a pan-London roll-out were supported by the LDA to use volunteering, and the excitement generated by the opportunity to become a 2012 Games-time volunteer, to improve the level of employability of London's workless population. The Learning and Skills Council funded the delivery of a new Personal Best qualification whilst the LDA supported the provision of Personal Best Advisers and reimbursement of travel and childcare costs. Phase 3 of the project (full roll-out across London) completed in December 2010. From 2008 onwards this project was rolled out across the UK nations and regions.
 - **Thames Gateway Job Brokerage** – This project involved the coordination of job-brokerage provision across the Thames Gateway to raise the standard of service delivery. However, while originally envisaged to include seven East London boroughs (including three of the host boroughs - Greenwich, Newham and Tower Hamlets), these three boroughs were removed from the project's remit once it became clear that provision for these areas would be delivered through the LETF and other 2012 Games focused activities.
 - **Jobnet** – This project co-ordinates job brokerage services across the five Thames Gateway boroughs of Redbridge, Bexley, Lewisham, Barking and Dagenham and Havering. The aim of the project was to increase the standard of service delivery in job brokerage; to provide greater opportunities for local people; and to provide an improved recruitment service for local businesses.
 - **2012 Games-related Sector Training** – This project involved the provision of training relevant to 2012 Games-related activities, with a particular focus on: customer service, media and communications, language and cultural awareness, and green skills and land-based industries.
 - **The Employment and Skills Brokerage** – This project was a partnership between the Host Borough Unit, LOCOG, Jobcentre Plus and major 2012 contractors to provide workless host borough residents and wider London workless residents with a pathway towards sustainable employment, supporting the host borough's commitment to economic and social convergence. Their work was focused on maximising the local employment benefits of Games-time jobs.
- **Engagement and communications**
 - **LDA Opportunities Fund, Engagement in London 2012** – This project sought to ensure London's diverse communities contributed to and shared in the benefits of London hosting the 2012 Games in the areas of employment, skills development, local business involvement and as an opportunity to increase health and attitudes to sport.
 - **Employment and skills legacy**
 - **GLA Employment and Skills Legacy Programme** – This Programme began in March 2012 and comprised: Six Boroughs Project, a London-wide 2012 Employment Legacy Project and the continuation of the Construction Accord.

Other Sector Skills Council and Regional Initiatives

In addition to the support provided to help workless London residents move into work a range of other skills and employment initiatives were supported throughout the UK including:

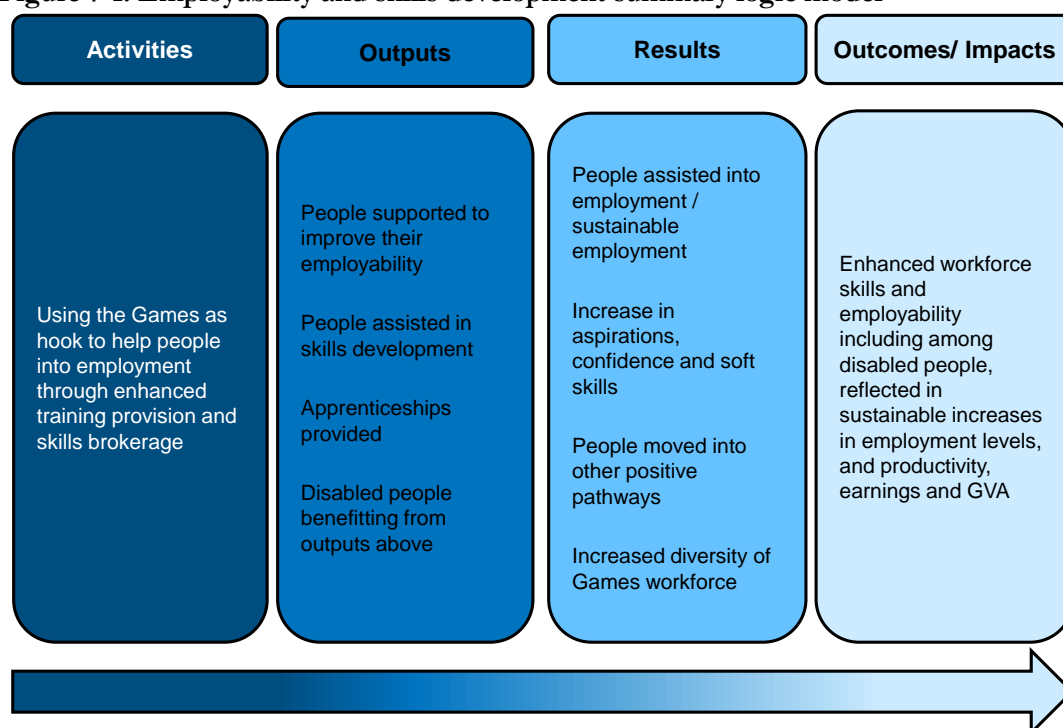
- **London Coaching Bursary Model (SkillsActive SSC)** – The London Coaching Bursary subsidised coaching qualifications for coaches delivering coaching in London. The project addressed the need for more and higher qualified sports coaches, especially those qualified to levels 1 and 2;
- **The East-links - Leading the Field** – Focusing on the East of England this project offered fully funded training courses for individuals employed or regularly volunteering in the sport and active leisure sector;
- **Personal Best Programmes** – Personal Best was gradually rolled out throughout the English regions and Scotland after the initial pilot in London (described above);
- **Team East for Skills: Volunteering into Employment programme** – which was funded by the European Social Fund (ESF) and Legacy Trust UK and operated in the East of England. The programme started in February 2009 and the delivery of courses ended in December 2011;
- **Bridging the Gap** – This programme supported 4,000 students and unemployed people to complete stewarding and/ or door supervision qualifications;
- **Sustained engagement in education, employment or training for young people aged 14-19 years** (ESF project, host boroughs) – This European Social Fund (ESF) provided opportunities for participants to access jobs resulting from the 2012 Olympics and Paralympics and will continue to 2014. Newham College was awarded the contract. Their programme offers support to young people within the host boroughs aged 14-19 years who have been identified as being 'at risk' of becoming NEET (Not in Education, Employment or Training);
- **Skills Support for the Unemployed - Olympics (ESF project)** – As many of the employment opportunities created by the Games were short-term (some in the region of eight to 12 weeks in length), this project provided skills support which focused on sectors where longer-term employment opportunities may be created (26 weeks or more), either with or in support of the Games and working either with established LOCOG contractors or within the local economy where capacity was needed. At the end of the recruitment part of the programme, 2,276 individuals had started the programme and began a skills programme; and
- **Skills Support for the Unemployed – Westfield Skills Place (ESF Project)** – The aim of this project was to ensure adults (aged 18 years and over) were given the right level of skills and employability support they needed to gain employment/ start new apprenticeships with employers who were located within Westfield Stratford City. Individuals who successfully completed the pre-employment training offer could apply for and gain an interview with employers located in Westfield Stratford City. The provider worked with the Westfield Stratford City Skills and Employment team and Seetec (appointed as the preferred supplier for the National Skills Academy facility in Westfield Stratford City) in all aspects of planning, funding, curriculum development and core and specialist bespoke delivery. Newham College has started 1,137 individuals on a pre-employment programme of which 50 to date have secured employment although the full impact of the training intervention will not be known until its full evaluation is completed later in 2013.
- **'Creativity in Sport' (Body Rocks) project** – Based in Reading this project involved socially excluded young people in sport, using the inspiration of the Olympic and Paralympic values. The programme enabled them to acquire fitness training skills as

Body Rock instructors, building their self-confidence and supporting behaviour challenges which the aim of helping individuals return to education, employment or training.

- **ARK project** – Based in Cornwall, this project delivered street dancing classes to school age young people. As well as promoting community engagement the project aimed to improve confidence and learning that could be applied when the young people enter employment.

The logic model below provides a summary of the activities, outputs, results, outcomes/impacts for the employability and skills development sub-theme. Key outputs generally relate to the number of people that have been supported to improve their skills and employability through Games-related initiatives. It was expected that this in turn would lead to wider benefits for the economy through higher productivity.

Figure 7-1: Employability and skills development summary logic model



7.2 Expenditure

LEST 2012 is the largest suite of projects under this theme. Of the original suite of LEST projects, the LDA Opportunities Fund had received the largest share of LEST 2012 expenditure at just over £10.4 million with other large projects including the Local Employment and Training Framework (£9.9 million) and Personal Best (£6.9 million). More recently the Host Boroughs Employment and Skills project attracted investment of £10m.

Figure 7-2: Public expenditure on employability and skills development

Legacy programme/ initiative	Lead organisation	Budget (£m)	Actual (£m)	Time period
LEST 2012 - GLA				
Construction Accord	GLA	1.2	1	April 2010-April 2013
Host Borough Employment and Skills Project	GLA	12	10	April 2010-April 2013
2012 Employment Legacy	GLA	2	0.8	April 2011-April 2013
LEST 2012 - LDA				
Hospitality and catering Excellence	LDA	NA	0.84	April 2006-March 2009
LEST Engagement and Communications	LDA	NA	0.58	August 2009-March 2011
Joblink Employability	LDA	NA	0.4	January 2007 – June 2009
Sprint Project	LDA	NA	0.44	June 2007 – March 2009
Future train	LDA	NA	0.17	April 2007-June 2009
Olympic Engagement large scale events	LDA	NA	3.1	December 2006- May 2009
The Employer Accord	LDA	NA	1.2	April 2007 – March 2011
Construction Accord	LDA	NA.	3.1	March 2007 – March 2011
Transport Accord	LDA	NA	1.3	September 2007 – March 2011
Local Employment and Training Framework (LETF)	LDA	NA	9.9	September 2005 – December 2009
Five Boroughs Employment and Skills project	LDA	NA	2.4	April 2010 – March 2011
Employment and Skills Legacy Project	GLA	NA	0.8	April 2011-December 2012
Thames Gateway Job Brokerage	LDA	NA	3.7	April 2006 – March 2009
Jobnet	LDA	NA	0.9	May 2009 – March 2012
Relay Jobs London	LDA	NA	1.2	June 2007-March 2010
Olympics forecasting function	LDA	NA	0.45	June 2007 – July 2010
2012 Games-related sector training	LDA	NA	2.1	October 2007 – March 2010

Legacy programme/ initiative	Lead organisation	Budget (£m)	Actual (£m)	Time period
Opportunities Fund, Engagement in London 2012	LDA	10.4	10.4	April 2007– March 2010
Olympic Park National Skills Academy for Construction (NSAfC)	ODA	0.6	NA	November 2008
Other Key Initiatives				
East Links	Skills Funding Agency	1.3	1.3	April 2009 – March 2011
Team East for Skills	Skills Active and Partners	2	2	February 2009 – December 2011
Personal Best	Skills Active	£6.8m across the UK (including £3.5m in London)	£6.8 across the UK (including £3.5m in London)	2006/07 – December 2010

Source: GLA monitoring data, April 2013, London Development Agency (2011) *Interim Evaluation of LEST*, Skills Active (2011) *Final Evaluation of Personal Best*

7.3 Evidence

Assessment of evidence

The LEST 2012 programme was evaluated in two stages. The first evaluation examined activity up to 2010/11 and the final evaluation assessed activity from April 2010 to the end of 2012. The Meta-Evaluation has also been able to draw on the evaluation of the Personal Best programme. The End of Games report produced by the Nations and Reports Group provides information on some other employment and skills initiatives although there is limited evaluated evidence available relating to initiatives outside London.

Additionality

Analysis of the policy counterfactual in the Interim Evaluation of LEST is based on consultations with the LDA and relevant stakeholders. The evaluation concludes that in the absence of the Games it is highly unlikely that the LEST 2012 platform would have been developed to its size and structure with the same strategic focus. Consultations with key LDA staff and stakeholders undertaken for the LDA evaluation indicate that the decision to award the Games to London provided a one-off opportunity to secure a step change in the coordination and quality of London's employment and training services. The evaluation indicates that the Games made it easier to secure joint strategic commitment and ownership.

Whilst the evaluation acknowledges that a large number of projects funded under the LEST 2012 programme were using the 2012 Games as a hook to enhance activity rather than input directly into the 2012 Games, its analysis suggests that eight LDA projects (out of 21) would not have gone ahead in their current form if London had not bid for and been awarded the Games. These projects are listed below:

- Personal Best;
- The Local Employment and Training Framework and Host Borough Employment and Skills project (specifically the construction employment brokerage component which formed the original focus for the former);
- Olympic Engagement Large Scale Events;
- Relay London Jobs;
- Olympic Forecasting Function;

- Olympic Opportunities Fund (Theme 3 only: opportunities for engagement in 2012); and
- Construction Accord (Olympic Site Based Coordinators contract only).

The Local Employment and Training Framework, the LDA Opportunities Fund and Personal Best are three of the programme's largest projects totalling over £25 million of spend.

With respect to the non-LDA funded projects, the evaluation concluded that two (out of four) inputted directly into the 2012 Games. As a result, it was concluded that they would not have existed in name or current form if London had not bid for and won the right to host the 2012 Games. These projects are the National Skills Academy for Construction – Olympic site and the Jobcentre Plus Joint Coordination Team.

For the remaining LEST 2012 projects the LEST evaluation indicates that analysis of a 'no bid' scenario is less straightforward, although it is considered that to greater and lesser extents the form of all projects has been influenced by the hosting of the 2012 Games.

Evidence from stakeholders relating to Personal Best outside London points to this initiative being additional and it is reasonable to assume that the follow-up GLA Employment and Skills Legacy Programme from 2010/11 was also additional.

Achievements

Figure 7-3 below presents monitoring related to the employment and skills programmes that have been evaluated.

Figure 7-3: Employability and skills development outputs achieved

Legacy programme / initiative	Lead organisation	Total outputs/KPI achieved	Units ⁶⁸	Time period ⁶⁹
LEST 2012	LDA/GLA	Business Support	1,748	2007-2011
		Employability Support	64,726	2007- March 2013
		Job entry	4,445	2007-March 2013
		Jobs generated or safeguarded	5 ⁷⁰	2007-2011
		Skills general	24,739	2007-2011
		Skills development	2,797	2007-2011
		Skills level 2	2,209	2007-2011
		Sustained business start-up	211	2007-2011
		Sustained employment for 26 weeks	1,299	2007-March 2013
		Sustained employment for 52 weeks	1,341	2007-March 2013
Personal Best	SkillsActive	People enrolled on programme	8,577	2006/07 – Dec 2010
		Skills level 1	4,462	2006/07 – Dec 2010
		People progressing to employment	240	2006/07 – Dec 2010
		People progressing to education/training	736	2006/07 – Dec 2010
		People progressing to further volunteering	181	2006/07 – Dec 2010
Team East for Skills	SkillsActive & Partners	Employability Support	1,546	Feb 2009 – Dec 2011

Source: Analysis based on GLA Olympic Jobs Evaluation, LEST Interim Evaluation, Final Evaluation of Personal Best and End of Games Report, Nations and Regions Group

The table shows that large numbers of people in London received employability support through the LEST programme (64,726). To the end of March 2013, the LEST LDA/ GLA-funded programmes had achieved 4,445 job entries, which evaluations confirm is good performance against targets. Sustainable employment outcomes (26 weeks) were achieved by 1,299 people and 1,341 achieved sustainable employment outcomes for 52 weeks.⁷¹ The GLA's Olympics Jobs Evaluation⁷² has reported underachievement against expectations with regard to sustained employment outcomes, which it attributes to a mixture of insufficient capacity to support employment sustainability, the need for a cultural shift away from a focus on securing job entry and under-reporting of relevant outputs. This evaluation notes that it would be anticipated that a further proportion of beneficiaries would have moved into active labour market participation (i.e. job seeking, training and/ or shorter periods of employment). Although only reported for projects running up to March 2011, a total of 27,537 beneficiaries received general skills or skills development training and 2,209 received training at Level 2.

⁶⁸ The units for the employability and skills outputs refer to numbers of individuals.

⁶⁹ *Source: Analysis based on GLA Olympic Jobs Evaluation, LEST Interim Evaluation, Final Evaluation of Personal Best and End of Games Report, Nations and Regions Group.* Only job-related outputs were reported in the latter.

⁷⁰ This is in line with the target – the LEST programme was focused on moving people into jobs rather than directly creating jobs.

⁷¹ The evaluation reports note that there may be underreporting of these outputs.

⁷² SQW (2013) *Olympics Jobs Evaluation*. Final Report to Greater London Authority.

The LDA LEST 2012 projects and GLA Employment and Skills Legacy Programme were targeted at workless individuals and the programme effectively supported labour market reengagement amongst the economically inactive and longer term unemployed.⁷³ The GLA Jobs evaluation concludes that “a good proportion of the survey respondents had been out-of-work for some considerable time”.

The GLA Olympic Jobs Evaluation drew together evidence to assess the gross number of workless London residents securing Games-related employment. The estimates are presented in Figure 7-4. These estimates include the outputs of the LEST programme, the employment generated during the Games and jobs created indirectly in developments catalysed by the Games (e.g. Westfield).

Figure 7-4: Estimated workless people into work from GLA Olympic Jobs Evaluation

Project and time period	Lower bound estimate	Upper bound estimate
LEST end 2010/11	26,341	36,355
LEST 2011/12 – end 2012	10,328	10,328
GLA Employment & Skills Legacy projects from 2011	2,836	2,836
LOCOG/LOCOG Contractor workforce	20,150	20,150
Indirect employment in 2012	1,810	5,600
Indirect employment, Foreign Direct Investment	284	781
Total	61,749	76,050

Source: SQW (2013) *Olympic Jobs Evaluation, Final Report to Greater London Authority*.

The estimates above do not take account of deadweight or substitution or displacement from outside London. A high proportion of job placements achieved will involve significant displacement and substitution effects. Beneficiary surveys carried out for the LDA and GLA evaluations led to an additionality estimate of 34% for the Employment and Skills Legacy Programme and 32% for the earlier LDA-supported LEST projects. The GLA Olympic Jobs Evaluation reports that this is positive with reference to benchmarks for interventions to ‘match people to jobs’.⁷⁴

It should also be noted that many of the gross jobs/ job placements estimated through the GLA Olympic Jobs Evaluation will correspond with the employment impacts identified

⁷³ To be eligible for the programme, beneficiaries aged over 25 years had to have been out of work for 12 months or more and not in receipt of any active benefits. For those aged under 25 years, this period was reduced to six months. For the Construction Accord, economically inactive people were permitted to receive support regardless of length of being workless, whilst a capped number of those aged over 25 years could be out of work for 6 to 12 months. A further capped number were permitted to receive support whilst in receipt of active benefits. The GLA Olympic Jobs Evaluation beneficiary survey found that not all surveyed beneficiaries fell into the category eligible for support although it is noted that this evidence is not conclusive regarding the employment status of the beneficiaries of the programme.

⁷⁴ SQW (2013) *Olympic Jobs Evaluation, Final Report to Greater London Authority*.

through the modelling of ODA and LOCOG expenditure so these two areas of impact should not be considered wholly separate.

There are likely to be substantial on-going benefits from reengaging those furthest removed from the labour market so that they are actively seeking employment. The scale of labour market reengagement associated with these initiatives is not quantified comprehensively (i.e. the extent to which participants have stayed in the job they secured or moved into another job or education/ training). A beneficiary survey of 500 participants found that 60% of those who had gained employment were still in employment. Of those that had left their job, 23% were in the job for at least six months.

The evaluation report highlighted the nature of the on-going legacy with improvements in the way the public sector works to support workless residents in London. The Six Boroughs and Construction Accord projects will continue to be funded until 2014. The evaluation stressed the importance of continued improvements in post-employment support to help workless London residents secure sustained employment outcomes.

Personal Best (outside London)

'Personal Best' was a national pre-employment programme which sought to lift the aspirations of unemployed and economically inactive people. It provided training to volunteers who could gain an accredited qualification and support in their volunteering experience. All participants who completed the programme were guaranteed an interview as an official London 2012 Games Maker volunteer which was used as a motivating factor to get people enrolled onto the project. SkillsActive, the sector skills council for the sport and leisure sector, worked as project manager for Personal Best, overseeing the regional coordination of delivery of the programme since March 2010, under the direction of the Personal Best National Delivery Board. Skills Active has produced a report on the Personal Best programme across the UK. The report focuses on outputs and intermediate outcomes. Below are some of the key findings:

- 8,577 individuals have been enrolled onto the Personal Best programme across the UK;
- 5,053 Personal Best learners have completed the programme;
- 4,462 Personal Best learners have achieved the Level 1 qualification in 'preparation for event volunteering (Personal Best)' and received their certificates;
- Personal Best learners have delivered over 101,060 hours of volunteering in the last three years across the UK at various sporting events and voluntary work for the community;
- Personal Best has attracted over 44.6% of its participants from BAME communities;
- 23.5% of participants have a long term disability/ health or learning difficulty;
- 976 achievers have found employment or gone into further training or employment after completing the Personal Best programme;
- 54 centres of training offer Personal Best programme in England and Scotland, including FE colleges, national organisations and private training providers;
- All providers have shown interest in continuing to deliver the qualification; and
- 1,107 Personal Best achievers applied to become a Games Makers and volunteer at London 2012 Olympic and Paralympic Games.

Box 7.1 below provides an illustrative example of a Personal Best pilot.

Box 7.1: Scottish Personal Best Pilot

The Scottish Personal Best pilot was launched in Glasgow in August 2010 to test whether the Personal Best programme could be rolled out across Scotland to help achieve a greater legacy from the 2014 Glasgow Commonwealth Games. The evaluation of the Scottish Personal Best Pilot found that the pilot has been very effective at engaging the traditionally hard to reach long-term unemployed, male client group. Three-quarters of participants had been unemployed for at least one year and many have additional barriers.

Given the challenging nature of the client group, the evaluation concluded that the pilot's outcomes are impressive:

- 84% of starters completed the ten week course;
- 47% of completers entered employment;
- 53% of completers entered further education or training;
- 85% of completers engaged in further volunteering;
- 96% of Personal Best participants surveyed were either very satisfied or satisfied with the pilot; and
- 82% felt it would help them to get a job.

National Construction College Training

In support of the ODA's commitment to provide training, skills and employment opportunities for local people, the National Construction College (NCC) developed a training programme for construction skills at dedicated National Skills Academy for Construction (NSAFC) training sites around the Olympic Park. Around 1,500 people who had been out of work for some time developed skills through a general introduction to specialist construction operations such as health and safety and plant machinery. The programme also supported job entry by offering support with letter writing for example. Around 500 people found employment following their involvement in this scheme.

London Coaching Bursary Model (SkillsActive SSC)

The following conclusions are drawn from evaluations on the Pilot Phase and Phase 2 of the London Coaching and Bursary Model although these are based on output data only:

- Overall the pilot phase of the project has proved to be a success, exceeding original targets set by the funding partners (i.e. 400 beneficiaries) and enabling around 560 individuals to obtain some form of coaching qualification;
- As with the pilot phase of the programme, Phase 2 of the London Coaching Bursary has proved to be a success, exceeding original targets set by the funding partners (800 beneficiaries) and enabling over 1,200 individuals to obtain access to funding to undertake a coaching qualification. Teamed with the allocations for the pilot phase, the Coaching Bursary programme has provided support for 2,090 participants in London to gain a coaching qualification. The additional funding strands for Phase 2 of the scheme will ensure that even more qualifications are delivered in the capital.

Team East for Skills

In the East of England, the Team East for Skills Programme was created to help local people get into employment or enterprise by using the inspiration of London 2012. Through it, they improved their skills, got involved with volunteering, or found jobs. It was funded with £1 million from the Legacy Trust, which matched a £1 million European Social Fund grant through the East of England Development Agency (EEDA). Between February 2011

and February 2012, the programme supported seven groups of people: the unemployed, the economically inactive, those with disabilities, those with health conditions, lone parents, those from black and minority ethnic backgrounds, and women.

Other Sector-focused Skills Development Projects

The boxes below highlight examples of other sector focused skills projects.

Box 7.2: South East Tourism Skills Project

The aspiration has been to use the Games to encourage visitor facing businesses to embrace the ethos of great customer service and by doing so enabling people to acquire skills which will last well beyond the Games and contribute to the human capital of the region. Over the course of the 2012 project the training department of South East Tourism has organised, and delivered, tailor-made and accredited (City and Guilds) Welcome Host and Welcome Host Gold suite of courses. The team worked closely with local authorities, Local Enterprise Partnerships, Destination Marketing Organisations and others to drive participation, particularly in the Gateway Areas.

In total 2,471 individuals received the Welcome Host Gold training overall for the year against a target of 2,500.

Source: Tourism South East On Your Marks 2012 Evaluation Report

Box 7.3: East Links Leading the Field

During 2009/2010 the roll out of a new £1.3 million European Social Skills project provided investment in to Sporting skills in the region. The Inspire Marked project sought to provide relevant training to individuals employed and working or volunteering in the sport sector. The project offered a range of training including sports coaching, health and fitness qualifications, officiating courses and management and leadership support. The project targeted to reach a total of 1275 participants as follows: 750 coaching qualifications, 200 officiating qualifications, 25 coach tutor qualifications, 100 health and fitness qualifications, 100 leisure facilities/operator qualifications, 100 community sport qualifications such as mentoring and 100 organisations were to receive management development support and advice. The project worked in collaboration with the Team East for Skills and Personal Best programmes operating in the Region. The programme was completed by August 2010 with a total of 1,638 people receiving support, with all of the above targets being exceeded.

Employment opportunities for diversity groups

One of the five objectives of the London 2012 Equality and Diversity Forum was to ensure that disabled people benefited from the jobs available through the Games. Both the ODA and LOCOG established targets for ensuring that disabled people had access to employment opportunities associated with the preparation and staging of the Games.

From the outset the ODA had processes in place to drive equality and inclusion, with prospective contractors required to demonstrate the diversity of their workforce, the steps they have taken to promote equality in the workforce and the extent to which regular training is available to their staff. The ODA's Equality, Diversity and Inclusion Board, which formally integrated employment and skills early in 2010, was chaired by the Chief Executive. It was responsible for overseeing the delivery of the ODA's integrated equality scheme 2009-2012, Everyone programme and Jobs Skills Futures strategy.⁷⁵ It reported that the ODA's approach to positive action set a standard for the construction industry with the ODA offering work experience and providing disability awareness training. However, performance against targets for the inclusion of disabled people in the workforce is reported to be below target.

⁷⁵ London Equality and Diversity Forum (2011) *Third Annual Report: Working towards an Inclusive Games*

The ODA has provided cumulative figures up to December 2011 on the total number of people employed on the Olympic Park from the three equality groups, as follows in Figure 7-5.⁷⁶

Figure 7-5: Characteristics of the ODA Workforce

	Total Olympic Park contractor workforce %	Athletes' Village %	Olympic Park contractor workforce %	ODA benchmark %
Women	4%	2.7%	3.7%	11%
BAME*	15%	13.3%	14.1%	15%
Disabled people*	1.1%	0.5%	1%	3%

Source: Olympic Delivery Authority

The data shows that:

- The proportion of the workforce that were women is above the UK manual construction benchmark of 1.2% but below the ODA benchmark percentage of 11%;
- The percentage of the total Olympic Park workforce who were disabled (1%) is below the ODA benchmark of 3%; and
- The percentage of the total Olympic Park workforce that were of black, Asian or minority ethnic origin (BAME) was 14%, which was below the ODA benchmark of 15% but well above the UK manual construction benchmark of 3%.

The ODA Job Brokerage, which helped local residents access jobs, performed well against its equality targets. The diversity of those people placed into work by the ODA's Jobs Brokerage is as follows (with benchmark targets in brackets):⁷⁷

- Women - 17% (11%);
- Disabled People - 6% (3%); and
- BAME - 60% (15%).

LOCOG's approach to recruiting its own workforce and contractor workforce was considered to be best practice. For example, it required prospective contractors to carry out a Diversity Works Assessment. According to monitoring data LOCOG exceeded targets for having disabled people as part of the Games-time contractor and direct workforce.

Data relating to the LOCOG workforce reveals that performance against equalities targets is as follows (targets in brackets):

- Women – 46% (46-54%);
- LGBT – 5% (5-7%);
- Disability – 9% (3-6%); and
- BAME – 40% (18-29%).

⁷⁶ Olympic Delivery Authority (2012) *Employment and Skills Cumulative Statistics*, April 2008-December 2011

⁷⁷ Olympic Delivery Authority (July 2011) *Job Bulletin*

Output data from evaluations of individual LEST projects indicate some strong achievements regarding engagement with disabled people, and, where data is available, for individuals from Black and Minority Ethnic Groups and women:

- The Relay London Jobs project overachieved against its output target for assisting disabled people into employment with 49 skills outputs achieved in this category;
- Performance against targets for participation by disabled people in the Games Related Sector Training Projects was generally strong with 42 disabled people participating in the projects (9.4% of participants against a target of 10%);
- Beneficiaries of the LETF project who reported being disabled accounted for 8% of the overall number; and
- The Six Boroughs Project (part of the GLA Employment and Skills Legacy Programme) is on track to meet targets for BAME and women beneficiaries, with half the beneficiaries coming from these groups.⁷⁸

The overall performance of employment initiatives in ensuring that employment opportunities associated with the Games were available to different diversity groups is mainly positive, based on available data. Generally, targets relating to diversity groups have been met and although the ODA workforce fell short of its targets it still outperformed construction industry benchmarks where these are available.

Value for money

The GLA Olympic Jobs Evaluation⁷⁹ provides a benefit cost ratio (BCR) of 1.65, which it compares favourably with the DWP Work Programme. This estimate is derived from an overall GVA benefit of £12.8 million and expenditure of £7.8 million.

Stakeholder views

A range of stakeholders who were involved in funding, planning or delivery of employment and skills initiatives were interviewed to capture their views on the achievements during the preparation for the Games and in the legacy period.

Stakeholders stressed the strongly strategic approach that was adopted to organise employment and skills initiatives, including engaging the private sector and Games contractors. The role of LEST 2012 and the Nations and Regions Group in mobilising expertise and funding to meet the employment aspirations of the Games was viewed positively. It is notable that from the outset the focus of employment support initiatives was on supporting individuals furthest removed from the labour market to access employment opportunities and to avoid duplication with mainstream employment support provision. Stakeholders reported that this ambition was largely achieved.

A number of stakeholders reported that the legacy of work to plan for the Games is a cultural shift in the approach to local skills and employability initiatives – reflecting an increased degree of multi-agency working and a higher profile for sports and arts as a way to engage young people in education, training and work experience. Consultations have also highlighted a range of local initiatives that were inspired by the Games that will continue to provide opportunities.

7.4 Conclusions

The LEST 2012 initiatives and those supporting employability and skills development outside London, including Personal Best, have contributed to the aspiration to ensure that the Games benefited those farthest removed from the labour market. The estimation of

⁷⁸ SQW (2013) *Olympic Jobs Evaluation* Final Report to Greater London Authority.

⁷⁹ SQW (2013) *Olympic Jobs Evaluation* Final Report to Greater London Authority.

benefits arising from these investments is complicated by the diverse nature of support provided to individuals as well as limitations in data availability. The GLA Jobs Impact Evaluation estimated that between 61,749 and 76,050 workless London residents were moved into employment through the LEST 2012 programme. This is a gross estimate of employment creation. It is difficult to assess how many of these are now in sustained employment but even those who are not will now be better engaged with the labour market because they have participated in initiatives and have been encouraged to seek employment. This will generate increased earnings and a lower welfare bill, and potentially lead to an overall economic benefit. LEST 2012 also supported skills development which will generate further benefits. The return on investment will be highest for the 2,200 people supported to achieve Level 2 qualifications (up to 15% increase in wages can be expected for those with qualifications up to Level 2⁸⁰), although all those supported with lower level skills development will have potential to progress to higher level skills in time, potentially leading to longer term economic benefits.

⁸⁰ Department for Communities and Local Government (2010) *Valuing the Benefits of Regeneration*

8 Promoting Sustainable Development

8.1 Legacy programmes and initiatives

The global profile of the 2012 Games and the scale of the Olympic Park development created significant potential for learning and good practice in the area of sustainability. The planning, design, construction, procurement and staging of the Games all had the potential to contribute to the creation of a sustainability legacy. Sustainable procurement practices were expected to generate a range of environmental benefits and through the introduction of such policies the intention was that these would be used as a lever to encourage wider adoption of good practice within the supply chain thereby generating further benefits. The embodiment of principles of sustainable development in the staging of the Games would also provide significant environmental benefits (compared to benchmark figures), more so if good practice is shared and adopted more widely.

Key questions relating to sustainability under the economic theme relate to the environmental impacts of the preparation of the Games (i.e. the construction of venues and its infrastructure) and the staging of the Games, and the wider demonstration effects and benefits for green business.

The broader sustainability standards achieved in the building and running of the Games also presented 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) all pursued initiatives to this effect. The aim was 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. Ultimately the growth of the green business sector itself could be boosted, as the profile of UK businesses in this area was raised which in turn it was hoped would facilitate access to new contracts at home and abroad.

LOCOG and the ODA committed to a number of carbon reduction measures as set out in the ODA Sustainable Development Strategy (2007) and London 2012 Sustainability Plan.

The ODA sought to deliver sustainable developments through the advancement of the following environmental objectives:⁸¹

- Carbon – To minimise the carbon emissions associated with the Olympic Park and venues;
- Water – To optimise the opportunities for efficient water use, reuse and recycling;
- Waste – To optimise the reduction of waste through design, and to maximise the reuse and recycling of material arising during demolition, remediation and construction;
- Materials – To identify, source, and use environmentally and socially responsible materials;
- Biodiversity and ecology – To protect and enhance the biodiversity and ecology of the Lower Lea Valley, and other venue locations;

⁸¹ Olympic Delivery Authority (2007) *Sustainable Development Strategy*

- Land, water, noise, air – To optimise positive and minimise adverse impacts on land, water, noise, and air quality; and
- Transport and mobility – To prioritise walking, cycling and the use of public transport to and within the Olympic Park and venues.

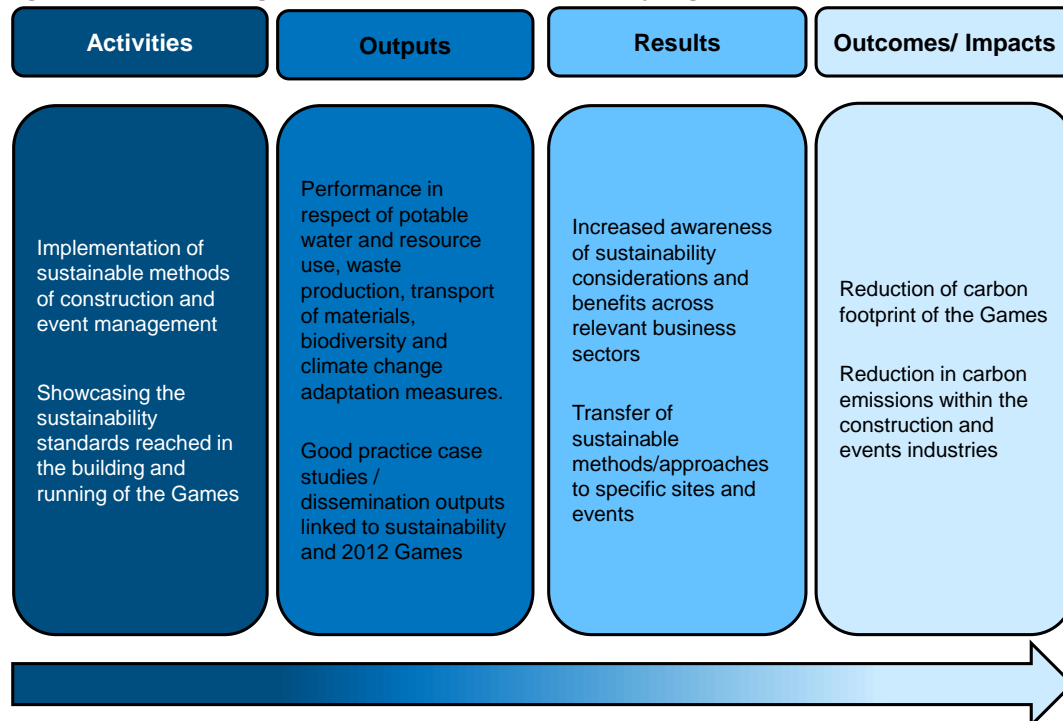
The key Games-time commitments from the London 2012 Sustainability Plan were as follows:

- Use a low emission vehicle fleet;
- Ensure that no waste arising during the 77-day Games period will be sent directly to landfill;
- Treat all waste as a potential resource and ensure that at least 70% of Games-time waste will be reused, recycled or composted;
- Logistics managed goods to be delivered to Games venues by more sustainable modes or methods such as water, non-idling policy, night time deliveries, telematics and electric vehicles; and
- Green travel plans' for ticketed spectators and workforce.

Through the Learning Legacy project, the ODA and LOCOG also aimed to share the knowledge and the lessons learnt from the construction of the Olympic Park and staging of the Games to help disseminate and improve the take-up of good practice in sustainable approaches to construction and the management of large-scale events.

The logic model below provides a summary of the activities, outputs, results, outcomes/impacts for the promoting sustainable business sub-theme.

Figure 8-1: Promoting sustainable business summary logic model



8.2 Expenditure

There is no expenditure data available on the ODA and LOCOG sustainability programmes.

8.3 Evidence

(i) Achievements

Assessment of the evidence

The Commission for a Sustainable London (CSL) 2012 (referred to in this report as ‘CSL’), was an independent body which monitored and assured the sustainability of the 2012 Games. When London bid to host the Games it promised to have independent monitoring of the sustainability of the programme. The Commission was set up in January 2007. This was the first time such a Commission has been established to provide an assurance function on sustainability for an Olympic Games. CSL has produced a series of reviews on the sustainability practices of the ODA and LOCOG. Through these reviews CSL made recommendations at various stages of the Olympic Park development and Games preparation on how to improve the delivery of sustainability objectives. Many of the Commission’s recommendations were acted upon by the ODA and LOCOG which means CSL contributed to the practices and outcomes that were the subject of their assessments. The CSL reviews provide a comprehensive and objective source of evidence on the effectiveness of the ODA and LOCOG in delivering against the Games’ sustainability objectives.

The sections below will examine evidence for each of the following topics:

- Integration of sustainability into planning, design and governance;
- Construction and infrastructure;
- Procurement approaches;
- Staging of the Games; and
- Take-up of good practice.

Integration of sustainability into planning, design and governance

The use of sustainable design approaches and planning for sustainability more generally were important pre-requisites for generating environmental benefits both during the Games through the use of the venues and in the long-term development of the Olympic Park through their reuse.

During 2010, the IOC commissioned an independent review of sustainability arrangements for London 2012, as reported in the CSL Annual Review (2010).⁸² The IOC report provided an extremely positive assessment on the integration of sustainability into the planning process: *the high level assessment from this review is that London 2012 is on track to deliver exemplary performance on integrating environmental management into construction and sustainability into procurement and sourcing as well as many other areas of operations*”.

The IOC also provided positive comment on CSL, concluding: *“The Commission is obviously highly regarded by diverse interests and, from all accounts, provides the public and NGOs with a more open and approachable interface with the sustainability objectives of the Games than could realistically be provided by LOCOG given the other demands on its time and resources”*.

⁸² Commission for a Sustainable London (2011) *Game Changing: Annual Review 2010*

Role of Commission for a Sustainable London

Post-Games an evaluation of CSL was commissioned "*to ensure that there is clarity about the successes, learnings and any potential failings of this particular experiment in public policy*".⁸³ The overarching question set for the evaluation was whether CSL added any value to the 2012 programme that could not have been obtained through other available means. The evaluation involved the following research elements:

- A desk review of key material, e.g. the Commission's publications;
- Annual reviews, post-games report and commentary by external agencies;
- In-depth stakeholder interviews with the CSL secretariat, commissioners, key stakeholders;
- Interviews with CSL's Chair, two members of the secretariat and two external stakeholders were carried out face-to-face, with the remainder carried out by telephone; and
- An online survey, to allow a wider group of stakeholders to be engaged; and attendance at and observation of a Commission roundtable event to gain insights into working practices;

In total 39 interviews were conducted and 34 survey responses received.

The authors highlight a number of limitations of the evaluation:

- As a summative evaluation it has inherent limitations brought about by the reliance on reports and stakeholder accounts of processes and impacts going back as far as 6-7 years, rather than any on-going observation over time;
- The fieldwork was conducted over a six week period which limited the level of detail which the analysis could go into and, to some extent, the number and spread of stakeholders interviewed. The evaluation was commissioned in the final week of LOCOG's existence and after the ODA had closed which meant that many key stakeholders were either moving posts or had already done so; and
- The evaluation was also based on a relatively limited review of written sources. It did not, for example, investigate 'audit trails' relating to CSL's recommendations to see how they were followed through and the impact they had. Neither was there any quantitative analysis of cost-benefit or cost-effectiveness due to the time and budgetary constraints.

The evaluation is, therefore, a synthesis of and reflection on the views of the internal and external stakeholders contacted. A degree of caution is therefore necessary in drawing firm conclusions from the evaluation. Its key conclusions were as follows:

- The level of additionality provided by CSL is uncertain. However, amongst the delivery body stakeholders interviewed by the evaluators the vast majority felt that CSL added significant value to the sustainability of the London 2012 programme;
- In the early period of CSL, as set out in the assurance framework, the focus was on ensuring that sustainability was embedded within the overall governance arrangements and strategy for London 2012. The impact of this 'embedding' activity is extremely difficult to quantify, particularly retrospectively, but in helping to build understanding of sustainability and establishing a direction of travel, it may well have been significant;

⁸³ CAG Consultants (2013) *Independent Evaluation of the Commission for a Sustainable London 2012, A Report to CSL*

- The evidence suggests that CSL provided leverage within the delivery bodies to influence senior managers and decision makers on sustainability issues; and
- It was not within the scope of this evaluation to analyse the precise role of CSL's recommendations, along with other CSL activity, in securing sustainability outcomes. However, some of the language used by CSL in reporting on these recommendations suggests that in some cases it is likely that action would not have been taken without their intervention.

In addition, the interviews and survey highlight a number of examples of sustainability outcomes which stakeholders attributed – “at least in part” - to the actions of CSL. These include:

- The development by LOCOG of a suite of specific sustainability targets for key areas including venues, technology, logistics, air quality, ceremonies, catering, cleaning and waste;
- The Olympic Board agreed a policy on the use of hydrofluorocarbons (HFCs²). This had a presumption against the use of HFCs unless there were environmental, technical or economic reasons for their use. This led, for example, to a decision not to cool the Aquatics Centre with HFCs, but to employ ammonium cooling instead;
- London 2012 published a 'materials policy statement', for mitigating the impacts of the manufacture, use and disposal of temporary materials and for dealing with environmentally sensitive materials such as PVC through the design and supply chain process. Stakeholders reported knock-on effects in the supply chain from the implementation of these policies;
- A commitment was made to ‘take reasonable endeavours to reuse or recycle at least 90%, by weight, of the material arising from the installation and deconstruction of its temporary venues and overlay’;
- A full Games reference carbon footprint was developed, including the embodied emissions in the construction process; and
- LOCOG adopted CSL's definition of a sustainable job in its employment and skills strategies. In addition, the LDA acknowledged the definition by shifting their use of ‘sustainable’ to ‘sustained’ jobs when referring to jobs lasting more than six months.

Planning and design

CSL reviews of the ODA's approach to planning and design were consistently positive. The CSL Design Review undertaken in 2009 concluded that the ODA took a broadly effective process-led approach to sustainability which has led to high standards of sustainability being specified. CSL further concluded that the London 2012 Sustainability Plan, published in November 2007, was central to the vision for 2012. It noted that the plan had a programme-wide commitment to sustainability across all venues and Games-related activities and made it clear that design will play an important role in delivering this: *“The plan identified architecture and urban design as an area requiring cross cutting action on sustainability. This includes environmentally efficient and climate -proofed design, creating new habitat on and around buildings and using design to create inclusive places that boost cohesion and regeneration.”*⁸⁴

The CSL Design Review (2009) noted that sustainability issues were being addressed through:

⁸⁴ Commission for a Sustainable London (2009) *Design Review*

- A requirement for the legacy performance of venues to meet a BREEAM⁸⁵ 'Excellent' rating;
- A requirement for the Olympic Village to achieve Code for Sustainable Homes 'Level 4';
- Civil engineering works being assessed against CEEQUAL⁸⁶;
- Implementation Guidance for Project Teams which covers the following areas:
 - Environmental impacts;
 - Energy use;
 - Water;
 - Materials;
 - Biodiversity; and
 - Waste.
- Project Specific Notifications for the following areas:
 - Water demand reduction; and
 - Energy use.

CSL also noted that the designs were reviewed by the CABE/Design for London design review panel for London 2012 which consisted of expert advisors drawn from England's architectural, built environment and creative communities.

CSL reviews have also highlighted the following as good practice planning and design elements:

- The aspiration of all permanent venues to achieve a BREEAM 'excellent' rating in legacy: "ODA and BRE worked together to develop a bespoke version of BREEAM to be applied to sport venues and the Park itself. This provides a legacy for future construction of sport venues. Throughout the programme ODA applied their management processes effectively to these objectives and we are currently confident that "Excellent" ratings will be achieved for all venues on the Olympic Park where the legacy use is defined;"⁸⁷
- Environment and Sustainability Management System (ESMS) developed with the ODA Delivery Partner. This has been certified to ISO 14001:⁸⁸ *"Where the ODA has set clear targets, these have followed through into designs, which have then followed through into contracts and are being implemented on site. This is monitored through a programme of assurance and site audits,"*⁸⁹
- The London 2012 carbon footprint study that took into account embodied and operational emissions from bid win to closing ceremony;

⁸⁵ Building Research Establishment Environmental Assessment Method

⁸⁶ Scheme which provides a rigorous and comprehensive sustainability rating system for project and contract teams, celebrating the commitment – and demonstration – of the civil engineering industry to achieving high environmental, economic and social performance.

⁸⁷ Commission for a Sustainable London (2012) *Pre-Games Review 'Breaking the Tape*

⁸⁸ ISO 14001 is the internationally recognised standard for the environmental management of businesses. It prescribes controls for those activities that have an effect on the environment. These include the use of natural resources, handling and treatment of waste, and energy consumption.

⁸⁹ Commission for a Sustainable London (2012) *Pre-Games Review 'Breaking the Tape*

- The ODA Sustainable Development Strategy and LOCOG's Sustainable Sourcing Code which set out four sustainability considerations when sourcing materials. These were: responsible sourcing; use of secondary materials; minimising embodied impact and healthy materials; and
- Biodiversity Action Plan for the Olympic Park which set out the commitment to 45 hectares of ecologically managed habitat and what habitats this will be made up of and the production of a proposed ten year management plan for the park.

Governance

The CSL Pre-Games review indicates that the London 2012 Sustainability Group played a key role in ensuring that sustainability was integrated into the governance of the Games. The Group was co-chaired by the GLA Executive Director of Environment and Development and Defra's Director for Sustainable Development. It was attended by Heads of Sustainability for the Key Stakeholders and contributors from significant wider stakeholders such as DCLG, Defra and NHS London. The CSL Pre-Games report concludes that the London 2012 Sustainability Group provided clear leadership over all aspects of sustainability. CSL indicated that the London 2012 Sustainability Group was instrumental in the publication of the ODA's learning legacy website and dissemination activities.

The CSL report highlights the following other features as positive aspects of the governance of sustainability in the preparation and staging of the Games:

- LOCOG's effective engagement with partner organisations with significant sustainability impacts and the delivery of an effective engagement programme to ensure consistency;
- LOCOG's Pre-Games Sustainability Report⁹⁰ was prepared in accordance with the new Global Reporting Standards (GRS) for major events and was independently certified with an A rating. CSL note that LOCOG contributed substantially to the development of this standard;⁹¹
- LOCOG's management system complied with BS 8901 which requires organisations to understand the sustainability issues relevant to their event(s) and to put in place measures to control and minimise these impacts; and
- During the Games, the LOCOG sustainability team was assigned to compliance monitoring across all venues or roles supporting the LOCOG communications team.

The March 2012 CSL review of legacy acknowledges the substantial strides made by OPLC (now the LLDC) towards a comprehensive approach to governance for sustainability after the CSL had been critical in earlier reports. CSL acknowledge that the new governance structures should ensure that environmental sustainability is considered in a cross-cutting manner across the organisation.

CSL also welcomes LLDC's commitment to establishing an external Design Quality Panel to peer review the organisation's spatial approach. It is argued that this could be further strengthened by ensuring that the LLDC Board includes a position with dedicated sustainability responsibilities, and by considering how its work can be externally assured as well as broadening its external advice beyond design/ spatially related matters.

⁹⁰ LOCOG (2012) *Pre-Games Sustainability Report*

⁹¹ Commission for a Sustainable London (2012) *Pre-Games Review 'Breaking the Tape'*

CSL's legacy review⁹² made two key recommendations on the governance of the legacy of the Olympic Park. The table below shows the recommendations and CSL's report on progress against these recommendations in its Pre-Games report.

CSL Legacy Review Recommendations	CSL Report on Progress (Pre-Games Report)
"That key East London organisations including LVRPA, LLDC, Host Boroughs, Westfield, Triathlon Homes, Natural England, British Waterways, the Environment Agency, and third sector bodies come together to formulate a community of practice and a critical path for meeting wider legacy aspirations and initiatives and to ensure these remain on-task, coordinated and deliver optimum benefit"	"It is too early to report progress against this objective but we are pleased to report that the majority of stakeholders are supportive of the recommendation and we hope to see a more collaborative approach to legacy going forward."
"That LLDC builds on its good work by demonstrating publicly how it is embedding, resourcing and reporting on environmental and socio-economic sustainability throughout its core business by the end of April 2012."	"We urged LLDC to further action to develop sustainability policies in our last report and were pleased to report that LLDC has made a significant effort and plans to publish a comprehensive sustainability policy. The LLDC has published its environmental sustainability strategy and has committed to recruit a senior dedicated resource to manage sustainability and innovation streams within the organisation."

Source: Commission for Sustainable London (2012) *Annual Review Pre-Games Review 'Breaking the Tape'*

Construction and infrastructure

In the 2012 annual review⁹³ CSL asserts that throughout the demolition, design and build phase of the development of the Olympic Park, the ODA demonstrated exemplary standards of construction sustainability. The report highlights that there is clear evidence that standards were applied and enforced through the procurement, risk management, and contract management processes, and in everyday construction on site, as confirmed by the Environment Agency and other statutory bodies such as the Health and Safety Executive and Natural England. CSL has generally been highly positive in its assessments of the ODA's approach to sustainable construction, for example:

The ground-breaking work to decontaminate the land, remove the invasive species whilst keeping most of the material on site and reusing or recycling over 90 per cent of the demolition materials has set new standards for the construction industry and should be an example for other projects in the UK and worldwide. We understand there is some evidence to suggest that the process of on-site remediation demonstrated substantial cost savings over traditional methods and we look forward to this evidence becoming public as part of the learning legacy programme.

The report indicates that almost all the commitments in the ODA's Sustainable Development Strategy were achieved or exceeded, or were on target to do so at the time the report was drafted. Notable achievements include:

- The Games achieving well over the 90% waste targets;
- The Velodrome being over 30% more energy efficient than 2006 building regulations and reducing potable water demand by 75%; (see box 8.1)
- The stadium having over 30% recycled content; and
- The aquatics centre reducing potable water demand by over 30% through reuse of filter backwashing water for non-potable requirements.

⁹² Commission for a Sustainable London (2012) *Assuring a Legacy – promises, progress and potential*

⁹³ Commission for a Sustainable London (2012) *Pre-Games Review 'Breaking the Tape'*

Box 8.1: The Velodrome

CSL identified the Velodrome as the most energy-efficient venue on the Olympic Park, achieving a 31% improvement over 2006 Building Regulations Part L requirements. It was built with 100% legally and sustainably sourced timber. The energy efficiency performance has been achieved by a compact design which optimises natural lighting and minimises the heated volume of air in the main cycling arena, using natural ventilation for passive cooling. 70% reductions in potable water demand were achieved by installing a rainwater harvesting and supply system alongside water efficient fittings and sanitary ware, including waterless urinals. The design team reduced the size and depth of the foundations and developed a lightweight cable net system, saving 1,000 tonnes of steelwork.

CSL's Waste Review⁹⁴ concluded that the target for use of secondary materials was comfortably exceeded. The report stated *"The targets around recycled content have required more persistent work with designers and contractors with the result that the ODA is currently achieving 34 per cent recycled materials by value"*.

CSL's 2010 Waste Review confirmed that *"The ODA has been resolute at achieving and exceeding its 90 per cent reuse and recycling target for demolition waste. Both its performance and experience have now become a construction industry benchmark"* and also concluded that: *"the ODA is now meeting its construction waste target, which is to divert 90 per cent from landfill through reuse, recycling and recovery. Though the Commission has some specific concerns around incineration and the destination of waste wood, the overall finding is very positive for such a complex and time-sensitive project"*. It should be noted that these concerns about waste wood were subsequently resolved.

The CSL reviews also highlight other notable achievements of the ODA⁹⁵:

- The ODA has been successful in providing a Combined Cooling Heating and Power (CCHP) solution and heating infrastructure. This system combines with a similar system developed for the Westfield shopping centre and has the potential to act as a catalyst for efficient energy generation and distribution in the Lower Lea Valley;
- The ODA has exceeded expectations in the area of non-potable water. By implementing Park-wide non-potable water infrastructure and working with Thames Water to introduce the UK's first large scale membrane bio-reactor, the Park is able to recycle black water for a wide range of non-drinking uses, including providing the water supply to the district heating system. However, it should be noted that this is an energy-intensive process and that the additional energy burden was a contributory factor to the ODA needing to seek solutions outside of the Olympic Park to meet the carbon target;
- The ODA's innovative site-wide contracts for a number of key commodities and services. An example of this was for concrete. In 2010 CSL reported that approximately 1.3 million tonnes of ready-mix concrete had been used for the Olympic Park and the Athletes' Village. By using concrete with a high recycled content and maximising the use of rail to transport raw materials to site, it was estimated that nearly 80,000 tonnes of carbon emissions were avoided, which accounts for a 42% reduction against the UK industry average for concrete;⁹⁶

⁹⁴ Commission for a Sustainable London (2010) *No time to waste: A review of Waste and Resource Management across the London 2012 programme*

⁹⁵ Commission for a Sustainable London (2012) *Pre-Games Review 'Breaking the Tape'*

⁹⁶ Commission for a Sustainable London (2010) *No time to waste: A review of Waste and Resource Management across the London 2012 programme*

- ODA and BRE worked together to develop a bespoke version of BREEAM⁹⁷ to be applied to sport venues and the Park itself. This provides a legacy for future construction of sport venues. Throughout its activity, the ODA applied their management processes effectively to these objectives with the result that at the time the report was undertaken there was confidence that “Excellent” ratings will be achieved for all venues on the Olympic Park where the legacy use is defined;
- Route maps to meet BREEAM “Excellent” ratings have been provided for the Main Stadium and Media Centre but these are dependent on their legacy uses and the LLDC. The building at the White Water Canoe Centre has not achieved an “Excellent” rating, only receiving a “Very Good” rating. CSL noted this as a challenge for the legacy owner, the LVRPA, to upgrade the building in future. Whilst it has not met the BREEAM target, the building does exceed the targets for energy efficiency and recycled content. It also has 21% of its predicted energy requirements from renewables, utilising a ground source heat pump and solar PV; and
- The Athletes’ Village is the UK’s first major housing development to be built to Code for Sustainable Homes Level 4. This has proved to be a significant challenge but CSL is confident that this will be achieved. This objective will need to be finally confirmed by post-occupancy reviews by the legacy owners.

Box 8.2: Timber

The ODA was committed to using 100% sustainably sourced timber, using timber certified by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC). This had never been done before on a project of this scale. Timber would be used extensively across the site, in many different forms by multiple agencies and organisations. This made it difficult to implement controls on supply. To do address this the ODA established a timber panel of approved suppliers to control the supply of all timber for construction on the Olympic Park. All tier one contractors used the panel to source their timber. The timber arriving on site was subject to a range of controls and assurance processes to ensure that it was certified and had appropriate audit trails, known as ‘chain of custody’. According to CSL, this was a fairly resource intensive process. However, it was successful in identifying a small number of deliveries of unverified timber and action being taken to resolve this.

CSL commended the ODA for putting this range of measures in place to ensure that the timber being used in construction comes from certified sustainable sources. The mechanisms for achieving this are part of the learning legacy developed by the ODA and provide the opportunity for other projects to follow them.

Procurement practices

The CSL 2010 Annual Report⁹⁸ reported that during 2010, the IOC commissioned an independent review of sustainability arrangements for London 2012 which was very positive concerning London 2012’s approach to sustainability procurement. It concluded: *“The high level assessment from this review is that London 2012 is on track to deliver exemplary performance on integrating environmental management into construction and sustainability into procurement and sourcing as well as many other areas of operations”*.

⁹⁷ Building Research Establishment Environmental Assessment Method

⁹⁸ Commission for a Sustainable London (2011) *Game changing? Annual Review 2010*

CSL also completed a review of the ODA's sustainable procurement practices in 2009.⁹⁹ CSL's review highlighted a number of key attributes of the ODA's procurement process:

- The ODA's Invitation to Tender (ITT) documents included a range of sustainability criteria covering issues such as carbon, waste and materials; and
- Tenders were evaluated using a balanced scorecard approach. Sustainability was incorporated in the following ways, depending on the nature of the contract and its sustainability impact:
 - Sustainability standards and objectives included in specifications and evaluated for compliance;
 - Sustainability impacts evaluated as part of the competitive process; and
 - A sustainability section in the balanced scorecard which recognises other features in the suppliers tender.

In terms of resources, CSL noted that the ODA had a central procurement team and an identified procurement lead for each main contract. Procurement leads liaised with the venue project managers and with relevant sustainability staff. When the balanced scorecard assessments were carried out as part of the procurement process, this was done by professionals from each area of assessment, e.g. sustainability, supported by procurement staff.

The ODA's sustainable procurement practices are identified as good practice in the ODA's Learning Legacy:

The Olympic Delivery Authority (ODA) used procurement to enable delivery of its policy objectives and ambitions such as sustainability, equality and inclusion, and health and safety. These were defined in a balanced scorecard against which all bidders were tested throughout the procurement process, and policy objectives and reporting regimes were built into the resulting contracts. To support this activity, specialist resources were required in each policy area, as well as an eProcurement system and methodology, particularly an evaluation system.

According to the CSL review of ODA procurement, where the ODA set clear environmental targets, these were followed through into designs, which were followed through into contracts and implemented on site. The ODA adopted an Environment and Sustainability Management System (ESMS) developed with a Delivery Partner and involved a programme of assurance and site audits. As noted, this has been certified to ISO 14001. The ODA ESMS tracks performance against these issues and from investigation during the waste review it was clear to CSL that performance on sustainability objectives such as recycled content and recycled aggregate are being tracked down the supply chain to ensure standards are being met.

The key findings from CSL's assessment of the ODA's sustainable procurement practices were as follows:

- The processes used by the ODA were largely successful in ensuring that the relevant sustainability issues from the design briefs and the ODA Sustainable Development Strategy are being brought forward into the ITT and subsequent contracts;

⁹⁹ Commission for a Sustainable London (2009) *Procuring a legacy: A review of the Olympic Delivery Authority's procurement specification, management and contract administration - delivery of sustainability objectives*

- CSL were pleased to see that where a successful company had submitted a tender that goes above and beyond the sustainability requirements set out in the ITT, the sustainability criteria they indicated they will achieve was included in the final contract. An example of this is found in the site-wide aggregates contract. Here the supplier offered to deliver 99% of the materials by rail or water (against a requirement of 50%) and 70% recycled content by weight (against a requirement of 25%) and specified where the materials would be sourced from. This information was then put into the contract to ensure that this would be delivered. CSL recognised this as good practice in sustainable procurement and expected this to continue throughout the project life alongside monitoring the delivery of the sustainability objectives;
- The ODA was successful in its approach to forward commitment through working with industry in order to ensure that their requirements can be delivered. This included industry days addressing some of the key requirements and sending clear early signals to the marketplace on their sustainability requirements. This led to sections of the industry being ready to respond to the requirements when the ITTs were issued. The aggregates and concrete contracts provide good examples of this, with the industry now exceeding the ODA's original sustainability requirements;
- The venue contracts observed by CSL showed how the majority of relevant sustainability issues from the design briefs and the ODA Sustainable Development Strategy were being turned into contractual requirements; and
- The London 2012 Sustainability Plan states that "permanent venues will achieve 15% carbon dioxide reductions beyond 2006 Building Regulations and will achieve a BREEAM rating of excellent". The 15% carbon reduction was observed in contracts viewed by CSL.

In its review of the ODA's procurement practices CSL had significant concerns over the incorporation of the BREEAM¹⁰⁰ standards into contracts. However, ODA had not specified the achievement of BREEAM Excellent in permanent venue contracts if they considered that it was not deliverable. ODA's response was that the achievement of a BREEAM Excellent rating will be dependent on legacy transformation which will be the responsibility of the legacy owner. CSL noted that the ODA ESMS is tracking and driving progress towards the achievement of a BREEAM Excellent rating, including scoping all the measures that will be required to achieve this and creating route maps to achieve it, which will be provided to the legacy owner where needed.

The CSL report *Procuring the Games: A Review of LOCOG's procurement* published in 2010 primarily focuses on the procurement of goods and services, including bringing partners and licensees on board. The report highlighted the value of LOCOG's Sustainable Sourcing Code (the Code). The first edition of the code was published in November 2008, following 18 months of development and discussion with a wide range of partners. Preliminary versions and interim arrangements were utilised in procurement prior to this.

The Code sets out the main sustainability principles to be addressed through procurement which are:

- Responsible sourcing;
- Use of secondary materials;
- Minimising embodied impacts; and
- Healthy materials.

¹⁰⁰ Building Research Establishment Environmental Assessment Method

It then sets out the approach to sourcing sustainable products based on the following five key questions:

- Where does it come from?
- Who made it?
- What is it made of?
- What is it wrapped in?
- What will happen to it after the Games?

The Code is supported by guidelines on measuring the carbon emissions of products and services and by guidelines on packaging.

CSL reported that the scope of the Code is comprehensive and represents good practice. CSL reported the following positive attributes of the code:

- It outlines where suppliers should be meeting compliance with national legislation and also meeting requirements beyond legislative requirements;
- The five simple questions posed by the Code made “a complex document very clear, even for small companies”; and
- CSL made a number of recommendations regarding improvements which could be made to the code, which were addressed in later editions of the Code i.e. that future iterations of the Sustainable Sourcing Code emphasise that sustainability has the same status as other business requirements and makes it clear which requirements are mandatory and incorporate key sustainability issues, including water and air quality, and have a more explicit carbon section.

In 2008, CSL recommended that “*All users of the London 2012 Brand should be required to demonstrate how they will contribute to the London 2012 Sustainability Plan and relevant objectives*”. In its latest Annual Review CSL indicated that this is happening through the procurement and commercial processes, through functional sustainability targets and with partners such as existing venue operators. The review also highlighted the good progress the Cultural Olympiad programme has shown and evidence that sponsors and commercial partners are making increasing contributions to the sustainability agenda. Examples of this are support for the food vision and sustainable sourcing code, Cultural Olympiad events addressing sustainability and provision of low emissions vehicles.

In February 2012 LOCOG established an agreement with the TUC and the Playfair 2012 Campaign which set out a package of measures to introduce fairer working conditions at its production locations. According to LOCOG’s pre-Games report this will create a valuable learning legacy for future Games.¹⁰¹

In its Legacy review CSL recommended “*That Government, through appropriate interdepartmental mechanisms, agree a way to ensure that sustainable procurement principles and mechanisms are considered as part of government buying guidance and other relevant frameworks*”. This followed a finding in its Pre-Games Report that “*Despite a commitment by government in late 2010 to explore how the ODA standards of sustainability might be embedded in government procurement we have seen much worthy effort but little evidence of it actually happening, with the notable exception of the Crossrail project. We will follow this up in our final review after the Games.*”

¹⁰¹ London Organising Committee of the Olympic and Paralympic Games (2012) *Pre-Games Sustainability Report*

Staging of the Games

A key independent evidence source on the sustainability of the staging of the Games is the CSL Post-Games Report “London 2012 – From vision to reality”. The report is based on evidence gathered through an assurance approach carried out by CSL during Games-time, to assess the delivery of key Games-time sustainability objectives, targets and aspirations. The Commission’s Games-time assurance objective was to conduct process assurance (also known as ‘workflow’ assurance) of key processes/ themes that span the London 2012 programme during the Games. During Games-time, the Commission placed emphasis on the strategic decisions in the workflow process, and the way in which the process worked (or did not work) to deliver outcomes rather than on assuring specific outputs or outcomes themselves. Given the resources available, the extent of data gathering is necessarily limited: on average 14 individuals were interviewed and 12 venues examined per theme. CSL’s assurance approach was applied to the key thematic areas of: food, waste, energy, logistics, environmentally sensitive materials, look and feel/public perceptions, transport and accessibility, last mile, and Games-times communications.

In addition to the Commission’s role, London 2012 (LOCOG) carried out its own compliance monitoring in relation to its objectives and targets. The results of this are set out in LOCOG’s London 2012 Post-Games Sustainability Report: A Legacy of Change. It primarily focuses on six key themes reflecting the key themes of the London 2012 Sustainability Plan of Climate Change.

A good practice aspect of LOCOG’s approach was its Sustainability Management System (SMS) which evolved as the organisation matured and increased significantly in size. The system was ultimately independently certified to the new British Standard BS 8901:2009 – specification for a sustainability management system for events – which had been inspired by the Games and upgraded to its international successor (BS ISO 20121:2012) as soon as it was published in June 2012. This new standard is designed to *“support the organisers of events of all types – sporting, business, cultural, political – in integrating sustainability with their activities”*. LOCOG was the first Games Organising Committee and the first major event organiser to be certified to both these standards. This was highlighted by CSL as a significant achievement for an Olympic and Paralympic Games. CSL noted that the application of BS 8901 formed the cornerstone of LOCOG’s approach to managing sustainability within the organisation and has brought in another level of sustainability auditing, with an accredited body auditing LOCOG to certify that they meet the standard.¹⁰²

Food

The main focus of the review was how far the London 2012 ‘Food Vision’ was followed, how it was implemented and what impact it had on the food supply-chain. The Food Vision is a framework for contractual requirements, such as sourcing products that are fair-trade or from certified sources. Through this the aim was for the delivery of “great British food” at affordable prices. (

The report concluded that:

- All LOCOG official venues were Food Vision compliant with one exception - one cluster of caterers at the top of Greenwich Park were found not to be compliant;
- It was the first Games to provide free water to all which should help change people’s perceptions and behaviour around using tap water instead of bottled water;
- Fresh, healthy and diverse food was on offer; and
- To deal with supply-side issues officials effectively orchestrated a ‘swap-shop’ between caterers, helping to smooth the supply of food.

¹⁰² Commission for a Sustainable London (2012) *In Sight of the Finishing Line, A Review of the Preparations to Stage a Sustainable Games*

The report did however note that following the successful establishment of the Food Vision, it would have been better if LOCOG had gone on to promote the idea further to ensure take-up by other providers such as local councils, and made it compulsory for its food providers to ensure adherence.

Waste

London 2012 had ambitious targets of zero waste to landfill and that 70% of waste should be reused, recycled or composted. These were to be achieved through decisions on the processing, segregation, packaging and communication around waste.

Although no data was available at the time of the CSL post-Games review, the report found¹⁰³:

- The three bin system was successful in making many people stop and think about where to put their rubbish, raising awareness;
- Lots of contamination of bins occurred due to sponsor logos making it unclear which bins were for what type of waste, and general public confusion over which items went in which bin. A lack of residual water bins also increased contamination of bins;
- LOGOG imposed tough waste minimisation targets back-of house that firms met generally except in the case of one contractor, partly due to stringent contractual agreements;
- There were a few instances of in-date food dumping;
- The report proposed that by working with partners early over the waste logistics workstream LOCOG was able to reduce waste, although this could not be confirmed;
- Working under a collaborative framework ensured the waste contractor stayed on top of waste collection through revised practices;
- LOCOG was able to use a systems-based approach that incorporated the waste, food, packaging and materials policies, thereby most likely reducing the amount of residual waste. CSL considered that this method can be brought to other large events;
- The zero-waste to landfill acted as a powerful incentive to contractors to find new supply chains in the UK to deal with reusable products e.g. the development of new carpet and temporary flooring supply chains; CSL was confident that LOCOG would meet its target of diverting 100% from landfill; and
- At the time of writing CSL were awaiting the final waste figures to determine whether LOCOG has been able to meet its target of 70% of waste to be reused or recycled.

Energy

The key energy target was a 20% reduction in carbon emissions to be met through reducing Games-time energy use. CSL were confident that this would be exceeded. However, CSL reported that LOCOG was very late in developing an energy conservation plan and in recruiting people with responsibility for this during the Games. CSL considered that much more could have been done had planning started earlier and staff had the opportunity to build relationships with venue teams and influence their plans.

During 2011 CSL expressed concern at the absence of an energy conservation plan. In its report published February 2012 CSL recommended *“That LOCOG produce an energy management and conservation plan demonstrating how it will reduce carbon emissions by at least the amount that would have been avoided through the renewable energy target, in sufficient time for its recommendations to be implemented”*. A satisfactory plan was finalised in May 2012.

¹⁰³ Commission for a Sustainable London (2012) *Post-Games Report: London 2012 – From vision to reality*

At the time of reporting, CSL were confident that the 20% target should be achievable as approximately 15% of the savings were achieved through design and technical solutions leaving only 5% to be saved in operation.¹⁰⁴ However, CSL reported that more ambitious targets could have been set if the energy plan had been developed earlier.

CSL reported that while LOCOG did not appoint a centralised energy team, the work of the sustainability team, the BP/ EDF contract manager and the manager of energy supply resulted in an effective approach which should pay back many times in financial savings assuming the 5% target is achieved. However, CSL considered that it could have been much more cost effective if resources had been deployed earlier. This is evidenced by interviews with the team and CSL's own observations:

- The application of the energy plan was not consistent, 40% of venues observed were not fully implementing the plan; and
- CSL observed visible wastage of energy at 80% of the venues it visited (generally through lights being on during the day or vehicles idling when stationary).

Logistics

The focus of this sub-section was the measures taken to deliver the logistics sustainability strategy, including carbon, waste and environmentally sensitive materials.¹⁰⁵ The following targets were set for logistics:

- 100% of LOCOG Logistics managed goods to be delivered to Games venues by more sustainable modes or methods such as water, non-idling policy, night time deliveries, telematics and electric vehicles;
- Reduce LOCOG owned carbon emissions and minimise carbon footprint;
- 100% of Fixtures Fittings & Equipment (FF&E) to be sourced in accordance with the LOCOG Sustainable Sourcing Code. The hierarchy to sustainably utilise assets is: reduce scope, hire assets, lease assets then lastly buy assets;
- 100% timber derived FF&E holds Forest Stewardship Council (FSC) certification;
- Reduce the quantity of assets and packaging to the minimum required; and
- Reuse or recycle at least 90% of LOCOG owned assets and any packaging handled.

At the time it reported, CSL were confident that LOCOG would meet its logistics related targets. However, insufficient data meant that CSL focused on findings from observations and interviews. The key findings were as follows:¹⁰⁶

- Observed evidence of freight telematics system in use, and biodiesel trucks as well two types of electric vehicle used on the Park. In addition, CSL were briefed on the two water barge trials LOCOG have managed;
- CSL were told of the ways in which LOCOG had planned freight journeys from factory gate to ultimate end-user, avoiding unnecessary handling in warehouses, or double freighting (i.e. from a venue back to a warehouse and then from a warehouse to the end point). For example, Ramler furniture, in addition to being onsold to Glasgow, will have spent less than 200 miles in transit via road-freight and several thousand miles being shipped;
- CSL were told that electric vehicles on the Park became an increasingly popular choice for distributing small parcels and material around the Village because they

¹⁰⁴ Commission for a Sustainable London (2012) *Post-Games Report: London 2012 – From vision to reality*

¹⁰⁵ *Ibid*

¹⁰⁶ *Ibid*

could be used at night due to the lack of engine noise, providing a safer and less congested time to operate;

- LOCOG also advised of ways in which freight vehicles were used in 'reverse-logistics' where vehicles which would otherwise be empty were used to carry others' freight back towards base; and
- CSL concluded that the London 2012 logistics experience appears to have been very comprehensive and is likely to have resulted in significant savings in avoided waste, carbon emissions, materials, as well as providing a series of benefits to the wider industry.

A key area where the LOCOG report adds to CSL's analysis in terms of achievements against key targets is waste.¹⁰⁷ LOCOG reported that the initial figure for reuse, recycling and composting amounted to 82%, significantly exceeding the 70% target. LOCOG were able to dig deeper into these figures as they had exclusive use of SITA UK's Materials Recovery Centre (MRF) in Barking for 78 days from 1 July 2012 and a contractual requirement to track all waste to its end processes – which as LOCOG noted, many businesses in the UK do not do. 93% of all waste collected from London 2012 venues was taken to this site. LOCOG's tracking showed the true reuse, recycling and composting rate was 62%.

The LOCOG Pre-Games Sustainability Report provides more detailed analysis on LOCOG's approach to achieving a sustainable logistics operation. The key points from the report are:

- The majority of the fleet will be Euro 5 emissions standard. In addition UPS have invested in five electric vehicles and ten biomethane tractor units. Telematics will be used in 133 vehicles (the majority of vehicles UPS will deploy) to ensure most safe and fuel efficient routes; and
- The logistics contractor is making extensive use of truck and drawbar combinations for the furniture operation. This allows two demountable containers to be carried on one vehicle, increasing delivery flexibility and thereby efficiency. To support this operation they have also invested in 28 demountable boxes which are 8% more efficient than an articulated lorry on a single journey.

Environmentally sensitive materials

LOGOG aimed to use 100% Forest Stewardship Council (FSC)¹⁰⁸ certified timber and timber products; not use HFCs¹⁰⁹ where better alternatives were available; and work with the hire-market to try and adhere to the PVC policy that London 2012 had in place. The Commission's Games-time assurance focussed primarily on HFC use in HVAC (heating, ventilation, and air conditioning), fridges and cold stores.¹¹⁰

The key findings of the CSL review were as follows:¹¹¹

- The LOCOG Logistics team were tracking FSC documentation and certification for all timber products procured through its processes, including all furniture, fixtures and equipment (FFE). The only circumstances where the Logistics team had not been able to track documentation were where there had been last minute purchases by individual functional areas and products were sourced quickly from within the UK. This was expected to be less than 10% of the total FFE procured;

¹⁰⁷ London Organising Committee of the Olympic and Paralympic Games (2012) *London 2012 Post Games Sustainability Report: A Legacy of Change*

¹⁰⁸ The Forest Stewardship Council (FSC) promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

¹⁰⁹ HFC, short for hydro-fluorocarbon, is a family of liquids commonly found in refrigerators.

¹¹⁰ Commission for Sustainable London (2012) *Post-Games Report: London 2012 – From vision to reality*

¹¹¹ *Ibid*

- CSL were unable to verify that there was any active tracking or on-site assurance processes for HFC use in catering fridges and cold stores, other than Coca Cola ensuring that all its equipment was HFC-free. Of the observed temporary outlets at venues, all of them were found to be using HFCs, and only Coca-cola appeared to be using non-HFC gases. HFC results were mixed and therefore unlikely to have met their target. This is partly due to the lack of capacity in the non-HFC refrigerant hire-market; and
- The development of a comprehensive tracking system for environmentally sensitive materials means that it can be replicated for other large events.

Transport and accessibility

This sub-section considers how people made it to and from the Games, with the overall aim of making this the ‘people’s games’ and the world’s first ‘public transport Games’.

Key London 2012 targets and commitments were as follows:

- 100% of spectators to attend the Games using Public Transport (except where they hold a blue badge parking permit);
- Provide a Games-time Mobility Service;
- Active Spectator Programme to encourage and facilitate walking and cycling during the Games; and
- London 2012 will work with transport delivery partners to create a new network, promoted using a map highlighting the accessible elements of mainstream transport services such as local buses, light and heavy rail, Underground services and other modes such as Dial-a-Ride.

The key conclusions of the CSL review were:

- The transport plan included a comprehensive set of measures to reroute, retime and remode background demand in London, while enabling spectators to get to their events easily and efficiently by public transport, walking and cycling;
- Strategies adopted to support these objectives included physical upgrades to stations, walking and cycling routes and signage, comprehensive publicity campaigns, the extensive deployment of volunteers (called travel ambassadors), temporary redesign of some station access and exits to avoid congestion hotspots, provision of information online via the London 2012 website and via TfL’s own ‘Get Ahead of The Games’ website, provision of hard copy walking and cycling maps at train stations, and the provision of mobility and accessibility services;
- There were insufficient rest facilities in the park and walkways;
- There were no substantial capacity issues with the transport system as a whole; and
- This was the first Games with a Mobility Strategy, and assistance was available at all observed venues.

Impact on sustainability good practice

The Commission for a Sustainable London 2012 completed research which aimed to understand what evidence there is of a “London 2012 impact” on more sustainable practices in the sectors that the Games was expected to influence.¹¹² To do this, CSL conducted desk based research into various sectors using information in the public domain and feedback from its Commissioners and wider stakeholders. The report states that where possible CSL sought verification of findings from future major event organisers. The findings also drew

¹¹² Commission for a Sustainable London (2013) *Making a Difference, Post-Games Report*

on “Beyond 2012 Round Tables” facilitated by CSL which brought together interested parties to work through the key impacts, performance of London 2012, evidence of behavioural change and recommendations to instigate or continue improved practices.

The report provides some detailed analysis of the influence of the Games on sustainable practices in the staging of other major global events.

In terms of the influence of the Olympic Park construction project on the sustainable practices of other projects, the report drew the following conclusions:

- Disappointing in relation to other major sport events: CSL found little evidence of comprehensive or challenging construction sustainability objectives matching those of the ODA from the Olympics and Paralympics in Rio or Sochi or the Commonwealth Games in Glasgow or the Gold Coast, Australia. The Commonwealth Games Glasgow are specifying BREEAM Excellent ratings for buildings but have not specified outcomes in the way the ODA did. CSL concluded that the event industry is not going forwards in this respect but there are some examples of improving practice;
- Positive developments on other major projects (beyond events): The CSL report highlights a number of project examples that built on the benchmarks set in the Olympic Park construction project but without identifying specific evidence on how far these examples were influenced by the Olympic Park. Examples cited in the CSL report include Skanska’s new head office in Sweden, Hollywood House in Woking, PWC office in London, the London School of Economics and Brent Civic Centre. CSL notes that all of these buildings were specified to BREEAM Outstanding or LEED¹¹³ Platinum. Numerous other projects are specifying BREEAM Excellent, LEED Gold or Code for Sustainable Homes Level 4, including the Glasgow 2014 Commonwealth Games. Residential developments in London such as Elephant & Castle and Kings Cross have specified Code Level 4. Projects such as Crossrail in London, Toronto Waterfront in Canada and Barangaroo in Sydney have adopted the ODA’s practice of specifying environmental, social and economic outcomes as measurable objectives; and
- The ODA helped to inspire a step change in performance in diverting waste from landfill. For example, most Transport for London (TfL) projects, Crossrail and other building projects regularly specify 90- 95% diversion from landfill. Major contractors such as Skanska, Balfour Beatty, Willmott Dixon, Sir Robert MacAlpine, Lend Lease and others regularly report their overall waste performance and regularly exceed 90%. Again, the CSL analysis does not specify the causality between the Olympic Park project and the take-up of good practice by these projects.

However, CSL reported that the view of delegates in the Beyond 2012 round table events was that high profile projects are the exception rather than the norm and more needs to be done to raise overall standards. Suggestions from delegates as to why this may be the case were:

- Lack of leadership from the Government and industry bodies;
- Government procurement not setting consistent or high enough standards;
- Inconsistency in planning policy from local authorities;
- Perception that sustainability adds cost; and
- Lack of competence in the construction supply chain.

CSL highlighted as disappointing that there was no evidence of substantive action by the Government about how to utilise sustainable procurement principles and a commitment to

¹¹³ Leadership in Energy and Environmental Design

procure sustainably through embedding buying standards into centralised and departmental contracts, as well as supply chain monitoring. However it did also note Defra's work with BRE to produce a short toolkit in relation to sustainable construction, which is to be published in July. It sets out the key principles from the approach used by the ODA in order to pass on the lessons learned to those involved in the public sector. In addition, Government advises that it has made a firm commitment to procure sustainably using buying standards and seeking to minimise supply chain impacts, through the Greening Government Commitments. This is supported by training modules, guidance such as the Flexible Framework, and collaboration across Whitehall, including the Government Procurement Service, to embed sustainable procurement principles into mainstream procurement practice.

In terms of take-up of good practice in the staging of events CSL focused its review on three future major events: Glasgow 2014 Commonwealth Games, the 34th America's Cup in San Francisco and the Rio 2016 summer Olympics and Paralympics. CSL found that Glasgow has a focus on sustainability but generally has set lower or less specific standards than LOCOG, Rio is intelligently applying the lessons from London and applying them to their own very different context, the 34th America's Cup has clearly learned from every aspect of sustainable London 2012 and is applying the lessons well, in some cases exceeding the standards set by LOCOG.

The CSL review provides some detailed evidence on the take-up of the BS8901/ ISO 20121 standards by other major events:

- CSL found that Glasgow 2014 will "look to" implement all phases of BS 8901 for the Games but did not provide confirmation that this has happened;
- The policy of the organisers of the 34th Americas Cup is to "Implement ISO 20121 for the 34th America's Cup events in San Francisco". The current head of sustainability for this event is a CSL Co-opted Expert and has been instrumental in implementing this standard;
- Rio is implementing ISO 20121 with the intention to be certified to the standard in Mid-2013 and then hold the certification through to the Games; and
- The report identifies a limited number of examples of different types of venues with BS 8901 or IS20121.

The meta-evaluation team has undertaken additional primary research to explore the influence of the Games on the development of sustainability practice. The meta-evaluation research was designed to complement the CSL research by examining, through stakeholder consultations, the specific influence of the Games on the development of good practice, the effectiveness of learning legacy dissemination approaches and to provide more specific and detailed case studies of the influence of London 2012 on good practice take up across industry.

Interviews with stakeholders identified specific elements of good practice which were seen as innovative for a construction project of this scale. These included: Sustainability strategy and planning; the ODA's balanced scorecard approach that addressed compliance with sustainability objectives; the ODA's use of 100% sustainably sourced timber that was certified by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) - stakeholders were of the view that 100% sourced timber had never been achieved on a construction project of this scale before; and the ODA approach to the use of concrete where concrete was produced on site, using recycled content and with the raw materials being supplied to the site by rail. The Velodrome was recognised as "by far the 'greenest' building on the site" and stakeholders believe the design approach particularly the cable net roof and extensive use of sustainable timber has significant potential to inspire more sustainable solutions in comparable developments.

Despite the intellectual capital generated by the ODA's learning legacy materials on construction, stakeholders believe that an opportunity may have been missed in terms of using the pull of the Games to maximise learning and sharing of information. Stakeholders were of the view that the Government could have perhaps played a stronger role in the dissemination of learning, taking advantage of the unique opportunity that the profile of the Games brought to promote and showcase good practice. The UK Green Building Council masterclasses learning series which took place in 2012 are recognised as an exception to this. A high proportion of delegates who attended the UK-GBC masterclasses reported that knowledge and skills learnt at the classes will be useful for their jobs. This provides an initial measure of potential take-up of lessons learned. UK-GBC are planning to hold a one year on event looking at how industry has taken lessons learned from working on the London 2012 project and integrated these into their business or from attending the UK-GBC learning events. The Government and industry supported Green Construction Board has also promoted case studies from the Olympics to illustrate the benefits of the approaches taken, including at Ecobuild in March 2013, as has the Government supported Green Infrastructure Partnership.

Box 8.3: UK Green Building Council Materials Masterclass

UK-GBC held a Materials Masterclass in June 2012. The masterclass was attended by 40 delegates. This Masterclass focused on the detailed technical lessons learned from the London 2012 Olympic Park strategy on materials. Presentations looked at how the selection of materials for the construction of the Olympic Park made a significant contribution to meeting the Olympic Delivery Authority's ambitious sustainability targets. Delegates also gained an understanding of procurement and delivery of responsibly sourced and sustainable materials and learned how to encourage innovation from the supply chain.

The masterclass allowed learners to have an understanding of applying materials targets to a large scale construction project. One of the presentations focused on delivering sustainable concrete. This included: understanding the procurement and delivery of sustainable concrete; mitigating risks associated with integrating sustainable concrete; evaluating options and making informed decisions around specifying sustainable concrete. Another focused on delivering 100% sustainable timber on a construction project. This covered: understanding the procurement and successful delivery of 100% sustainable timber on a project; mitigating risks associated with delivering against a target of 100% sustainable timber. The presentations demonstrated how the ODA's performance compared against industry averages. For example, the concrete presentation highlighted that less than 6% of materials for concrete mixing were transported by road for the Olympic Park, compared to an average of 91% across industry.

87% of those who completed feedback forms agreed that "the knowledge and skills I learnt will be useful for my job".

Box 8.4: Marks and Spencer

The CSL 'Making a Difference' report included as a case study the new M&S store at Cheshire Oaks. Amongst the innovative aspects of design were a 100% FSC-certified glulam roof structure which has much lower embodied carbon than an equivalent steel or concrete design and use of 2,600 m² of hemp clad panels for the walls for the first time, which has brought down the embodied carbon by around 360 tonnes. Marks and Spencer attended all of the UK-GBC learning events and attended several tours of the Olympic Park to learn lessons directly from the ODA. A representative of M&S who was interviewed for the meta-evaluation research said it was difficult to calculate the precise influence of the Games on M&S practices (the design phase for the store at Cheshire Oaks began in 2004); however the interviewee reported that there was much synergy between the Olympic Park development and the development of M&S' thinking on sustainability. The interviewee said that

dissemination of lessons from the Olympic Park development has left the company feeling “inspired”. It was further claimed that “the Olympic Park tours helped to guide us and provided reassurance that our developments were achieving the best practice industry standard.” M&S has used the content of the UK-GBC masterclasses to communicate the benefits of sustainable approaches to its supply chain: “we have used the masterclass tools to cascade best practice through our supply chain”.

Stakeholders reported some specific examples of large-scale infrastructure projects and transport authorities who have taken on board the key features of the ODA’s strategic approach. The following examples were highlighted:

- Crossrail: Although it pre-dated initiation of the Olympic Park project, Crossrail has learnt from the ODA on particular aspects of sustainability management and planning. For example, clear targets have been set for sustainability.
- HS2: High Speed 2: This major rail project is learning from the Games in terms of the early planning and setting of sustainability targets.

Staging of Events

There is clear evidence that lessons from the Games are being taken up in the events industry. Areas in which the Games have provided particular benefits for the events industry include the approaches to waste resource planning and the sustainability management system.

Stakeholders interviewed for the research believe that many of the waste management elements used in the staging of London 2012 have significant potential to be taken up by industry and to improve the sustainability performance of the events industry. Resource planning and the use of packaging and recycling on site were highlighted as particular aspects where there is scope for lessons to be learned. A range of case studies on use of the Resource Management Plan (RMP) tool for waste management at events demonstrate the significant potential for learning across the events industry. There was also a consensus amongst stakeholders interviewed for this research that the Games has helped to deliver a cultural change within the events industry around waste segregation and the use of multiple bins to collect different materials.

LOCOG’s Sustainability Management System (SMS) is widely regarded as a key innovative aspect of LOCOG’s approach to sustainability. Stakeholders interviewed for the meta-evaluation research confirmed that the standard was developed as a direct consequence of winning the bid and that it has significant potential to improve the sustainability approaches of businesses in the events industry. LOCOG’s system was independently certified to the new British Standard BS 8901:2009 – ‘specification for a sustainability management system for events’ – which was upgraded to an international standard (ISO 20121) in June 2012.

Although no specific data on take-up of the BS and ISO standards is available, stakeholders interviewed for the research believe that BS8901/ ISO20121 has been widely adopted by venues and venue contractors. It was also reported that in many cases venues have not yet paid for accreditation but have been encouraged by the Games to use the processes and principles of the standard. Examples of organisations benefitting from the management standards are shown in the Boxes 8.5-8.7.

Box 8.5: Goodwood Event Operation Team

In May 2012 Goodwood became one of the first organisations worldwide to gain certification to ISO 20121. There have been a number of improvements since the implementation of a sustainable event management system. These include:

- 40% increase in use of public transport to events; and

- 50% reduction in paper consumption for printing since introduction of best practice processes.

Source: British Standards Institute (BSI) website

Box 8.6: Weymouth and Portland National Sailing Academy (WPNSA)

WPNSA has experienced a number of tangible commercial benefits from certification to ISO 20121 including a reduction in costs of approximately 15% due to better waste management and electricity. Improved measurement of resources used has led to a better understanding of utilities usage which drives cost savings.

Source: BSI website

Box 8.7: ExCeL Centre

In December 2012 ExCeL London gained certification for ISO20121. A representative of ExCeL who was interviewed for the meta-evaluation research said that this was inspired by the Games. ExCeL were already implementing many of the sustainable processes used in the Games (e.g. waste, energy use), however, the standard brought together structures and processes under one umbrella and enabled the Centre to engage more effectively with suppliers on targets for sustainable practices.

Source: London 2012 Sustainability Research (see Annex D)

8.4 Conclusions

The available evidence generally provides an extremely positive assessment of the integration of sustainability into the planning, design and governance of the Games. Reviews undertaken by CSL, the Games assurance body for sustainability, conclude that the London 2012 Sustainability Plan was central to the vision for 2012.

CSL reviews conclude that almost all the commitments in the ODA's Sustainable Development Strategy relating to the construction process were achieved or exceeded. Notable achievements include:

- the project achieving well over the 90% waste targets;
- the Velodrome being over 30% more energy efficient than 2006 building regulations;
- reducing potable water demand by 75% and the aquatic centre reducing potable water demand by over 30% through reuse of filter backwashing water for non-potable requirements;
- the stadium having over 30% recycled content; and
- the ODA putting in place a range of measures in place to ensure that the timber being used in construction comes from certified sustainable sources.

CSL reviews indicate that almost all the London 2012 Sustainability Plan targets for delivering a sustainable Games were achieved or exceeded. Notable achievements include:

- 20% reduction in carbon emissions met through reducing Games-time energy use; and
- 100% of LOCOG Logistics managed goods delivered to Games venues by more sustainable modes or methods such as water, non-idling policy, night time deliveries, telematics and electric vehicles.

Stakeholders have highlighted the significant potential for learning that the profile of the Games provides and the available evidence reveals a range of examples of organisations integrating learning from the Games into their business practices. There is clear evidence that the ODA's Olympic Park construction project set new benchmarks in the context of

large-scale infrastructure projects. Stakeholders reported some specific examples of large-scale infrastructure projects and transport authorities who have taken on board the key features of the ODA's strategy and procurement approach on sustainability. These include Crossrail, High Speed Rail 2, and key transport agencies including Network Rail and the Highways Agency.

There is clear evidence that there has been a wide take-up of lessons from the Games in the events industry. Areas in which the Games have provided particular benefits for the event industry include the approaches to waste resource planning and sustainability management systems.

9 Opportunities for Disabled People in Business and Disabled Access to Transport

9.1 Legacy programmes and initiatives

(i) Disabled people in business

The key way in which disabled led businesses were intended to access Games related opportunities was through the CompeteFor portal which enabled small and medium sized enterprises to gain access to and apply to deliver Games contracts. This portal captured background data on businesses which enabled tracking of uptake of business opportunities by disabled led companies.

One of the objectives in the Olympic Delivery Authority's (ODA's) Integrated Equality Scheme was to increase the number of underrepresented talented people in the workforce. In addition LOCOG operated a staff recruitment policy which adopted best practices in terms of recruitment of staff from equality groups, specifically including people with disabilities.

(ii) Disabled access to transport

The Greater London Authority (GLA), Transport for London (TfL) and the ODA undertook accessible transport improvements linked to the Games to enable disabled people to access the venues. The work focussed on three strands: physical infrastructure, staff helpfulness/ staff training and access to information. Some of the improvements taking place were planned anyway and were accelerated or enhanced due to the Games (for example improvements to Stratford station) and some would not have happened without the Games.

London's tube network had a on-going programme of tube station upgrades (for example 250 wider aisle gates were installed). As a result 24% of tube stations had step free routes. By the time of the Games, 66 tube stations were step free including important interchanges at Green Park, Blackfriars, Farringdon and Kings Cross/ St Pancras; plus stations serving Games-time venues (Earls Court, Southfields and Stratford for the Olympic Park). All Jubilee line stations from Green Park to Stratford were step-free from street to train. Step free access in Southfields station took place due to the Games and its need to serve the tennis venue at Wimbledon, and would not have happened without the Games. Manual boarding humps were used at 16 tube stations and these proved popular and have been retained post Games as a legacy benefit.

On the Docklands Light Railway (DLR) lift upgrades funded by ODA helped increase capacity for disabled users of the line.¹¹⁴

9.2 Expenditure

(i) Disabled people in business

No data was available at the time of writing on any costs associated with LOCOG's equal opportunities recruitment procedures. Expenditure data on the CompeteFor portal is provided in section 3.

¹¹⁴ Transport for London (2012) *Travel in London Report 5*

(ii) Disabled access to transport

Overall, approaching £6.5 billion was invested by TfL in the period from 2006-12 to improve the transport network and ensure the smooth running of the Games.¹¹⁵ TfL publications state this includes ‘record levels’ of investment in transport accessibility, delivered in time for the Games.¹¹⁶ In addition to core funding, the ODA contributed £4 million to TfL for accessibility enhancements, such as Docklands Light Railway lift refurbishments and platform train interface improvements (humps) at a number of London Underground stations.

9.3 Evidence

(i) Disabled people in business

Quantitative or historical baseline information was not available to track the level of involvement of disabled led businesses in previous Games. CompeteFor monitoring data indicates that 1.4% of all businesses registered on the system were disabled-owned businesses. However this data only provides an understanding of the opportunities created for small and medium sized enterprises and does not provide any evidence of the numbers or value of opportunities provided to publicly owned companies, large and multi-national companies and how far disabled people/ staff/ shareholders might have benefitted. In the context of the Games this therefore excludes some of the largest contracts which potentially would have had the most economic impact.

The ODA and LOCOG both made efforts to procure staff and contracts in a way that met equality of opportunity best practice. ODA's procurement approach was designed to be inclusive and used a ‘balanced scorecard’ approach, that took equal opportunities and social inclusion into account. Companies bidding for contracts had to ensure they had a diverse workforce and had to monitor recruitment. Stakeholder perceptions were that this did have an effect on outcomes, but no hard data was available. For instance, the ODA ensured that G4S the Olympics’ security contractor used a range of initiatives to ensure people who traditionally did not apply for security roles were included in their recruitment processes for London 2012 work including disabled people.¹¹⁷ This included job fairs and peer work involving security staff from under-represented groups who helped promote the opportunities and attract disabled people to apply. Disabled candidates were invited to attend specific information sessions and flexible work patterns and shifts were made available. Case studies of this work demonstrate that: “The response rate to these initiatives by women and disabled candidates was very positive, with an outcome that saw a greater representation among the Tier One contractor’s workforce from these ...historically underrepresented groups.”¹¹⁸ However a lot of the work in this respect was for Games time only and contracts ended post-Games.

(ii) Disabled access to transport

Though all buses have been accessible since 2005 the proportion of accessible bus stops has more than doubled since 2008 to more than 68%.¹¹⁹ This was predominantly an acceleration of existing investment commitments. This figure is up from 50% in March 2010¹²⁰ and 52% by June 2011¹²¹ and has shown the greatest increase of any transport type.¹²² These improvements will leave a legacy of improvements to some bus stops that were made

¹¹⁵ Transport for London (20 September 2012) *London 2012 Games Transport – Performance, Funding and Legacy*

¹¹⁶ Transport for London (2012) *Travel in London*. Report 5, 2012Pp.100.

¹¹⁷ Source: Olympic Delivery Authority (2011) *Learning Legacy*.

<http://learninglegacy.london2012.com/documents/pdfs/equality-inclusion-employment-and-skills/285-attracting-historically-underrepresented-talent-cies.pdf>. Accessed April 2013.

¹¹⁸ *Ibid*

¹¹⁹ Transport for London (2012) *Travel in London Report 5*

¹²⁰ *Ibid*

¹²¹ *Ibid*

¹²² *Ibid*

accessible, via dropped kerbs, rubble strips, and tactile pavements. One stakeholder reported that pre-Games there was already a trend to increase the number of accessible bus stops and the Games boosted or sped-up that process. In February 2013, the Mayor set aside an 'additional £18 million' to reach a target to get 95% of bus stops accessible to be achieved by 2016.¹²³ Stakeholders felt that the goodwill generated by the Games, alongside campaigning by organisations like London TravelWatch, had contributed towards this and in this respect the Games has "raised the ambition level".

Sixty six tube stations were made 'step free' by the time of the 2012 Games, and lifts across the fully-accessible DLR network were refurbished. A London Overground upgrade included replacing ageing rolling stock with new, completely-accessible trains.¹²⁴ In addition, 90% of platforms served by London Underground services had tactile paving (or platform edge doors) to flag the platform edge – this was above the 65% planned within the London 2012 Accessible Transport Strategy.¹²⁵

On the rail network in London, 37% of all London's rail stations are step-free from street to platform. Additionally, there has been investment in train improvements and new trains since 2010.¹²⁶

Customer feedback was collected by TfL to monitor disabled users' views of the services:

TfL monitored disabled peoples' journey experience during the Games, both via social media and through other customer research methods including individual video logs completed by disabled people throughout Games time. On the whole, the data from this research demonstrated that disabled customers found that the range of accessible transport options and information available meant that travelling during the Games was easier than they had expected it to be.... Comments around the physical access of vehicles and stations increased during the Games and the sentiment was greatly improved. Other areas that saw an improvement in sentiment included staff helpfulness and availability, awareness of network changes, and signage.¹²⁷

Specifically, bus travel received the most consistently positive feedback however there were comments that perceived drivers as rude or about drivers that failed to enforce regulations on wheelchair space e.g. moving prams. Perceptions of the tube improved greatly when compared with a similar 'business as usual' period. Manual boarding ramps were generally well received and many hoped they would stay on post-Games. Staff attitudes were also perceived as having improved. Perceptions of national rail were in comparison fairly negative.

For the Games, travel information was also improved. The London Journey Planner was improved in terms of its information on accessibility and disabled travellers could book assistance for Games related journeys. Feedback indicated this was an improvement; the new planner could tell disabled travellers exactly how many steps there were, what escalators there were etc. This was evidently better than the usual TfL Journey Planner which was reportedly not always reliable on accessible transport information. The website improvements will remain as a legacy.

Signage was also enhanced during Games time using a magenta colour scheme and the feedback was that this made journeys easier for disabled travellers such as those with visual impairments, rather than the usual blue signage.

¹²³ Transport for London (2013) *Better bus stop access*

<http://www.tfl.gov.uk/corporate/media/newscentre/metro/27170.aspx>. Accessed April 2013.

¹²⁴ Transport for London (September 2012) *London 2012 Games Transport – Performance, Funding and Legacy*

¹²⁵ *Ibid*

¹²⁶ Transport for London (2010) *Travel in London Report 3*

¹²⁷ Transport for London (2012) *Travel in London Report 5*

During Games time additional support was provided for disabled travellers via an enhanced level of assistance (through re-deploying staff through the Travel Ambassadors scheme, and through volunteers). Staff were available to operate the manual ramps and to help disabled people board trains. They were instantly recognisable in their magenta uniforms matching the magenta signage mentioned above.

In terms of staff attitudes, stakeholders reported they had received feedback that staff in the main stations (e.g. Stratford and Westminster) were well trained but that was not always the case everywhere throughout the network. Stakeholders generally said travellers reported that the Games time volunteers were more approachable, more helpful, and better trained than the usual transport staff. The general view was that Games time volunteers provided a better level of service than was normal.

In terms of the legacy of the above developments, the boarding ramps at 16 stations will be retained as part of the legacy, and customer feedback is being used to highlight and prioritise future actions and improve signage and websites. There are plans to develop an 'app' to share such information with disabled users. TfL is also exploring how the Travel Ambassadors scheme or something similar can be sustained in the future to enhance customer service for events or during 'business as usual'.¹²⁸

The overall perception of stakeholders was broadly that disabled access to transport during Games time had been a success. Stakeholders from inside and outside government reported that due to the improvements made, disabled people were able to use transport more than usual. This was described as a *"golden halo effect"* and passenger ratings during Games time were the highest recorded. Stakeholders reported that some disabled users were able to use the tube in Games time who would not have done so before and this may lead to them being more likely to use public transport in future.¹²⁹ There was some evidence of displacement of resources to offer a successful Games-time accessible transport system. One charity reported some diversion of bus assistance during Games time to help Games volunteers. For example, the dial a ride/ community transport systems normally offers disabled users one return journey a week on average, however, during games time charities received a handful of complaints that disabled users could not access these services because they were diverted to supporting Paralympic volunteers.

There was also a concern that while in Games time access to travel was successful, since the Games finished the general perception was that *"we have gone back to where we were before"*. This perception was based on calls to one transport charity's helpline and their own staff's personal experiences (their staff all have various impairments). The perception was that the level of complaints received about public transport access are now rising again, however, hard figures were not available. This was felt to be because the level of investment in support for disabled travellers during Games time (particularly through the various volunteer programmes) was not able to be sustained beyond the life of the Games. It was also because many of the improvements were Games time only and were dismantled post-Games (e.g. Games-time Travel Ambassadors giving advice to travellers, extra bus services).

Stakeholders also reported that before and during the Games there was a clear rationale and joined up approach to working together among all key transport stakeholders. The working groups established were high level so that key decision makers could commit to actions. This created a very joined up transport system which worked together in Games time. There was however, a feeling that this co-operation had fallen back post Games as staff went back to business as usual and that some of the positive momentum for disabled travellers had been lost.

¹²⁸ Transport for London (September 2012) *London 2012 Games Transport – Performance, Funding and Legacy*

¹²⁹ Source: Stakeholder feedback

9.4 Conclusions

Overall there is currently limited evidence to suggest the Games had a significant effect in leaving a legacy of improved disabled people's access to business opportunities. While comprehensive evaluation evidence on the impact of the Games on transport accessibility is not available, evidence on the role of the Games can be pieced together from various sources of data and interviews with stakeholders undertaken for the meta-evaluation. Generally there is positive evidence on the role that the Games has played in driving forward accessibility improvements and encouraging greater disabled usage.

Annex A: London 2012 Olympic and Paralympic Games – Economic Modelling

London 2012 Olympic and Paralympic Games – Economic Modelling

Final Report to Department for Culture, Media & Sport

For:
Department for Culture, Media & Sport

Prepared by:
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July 2013

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1 Introduction

(i) Structure of the report

This short annex provides an analysis of the economic impact of the 2012 Games. Using a range of data sources, existing evaluations and work in progress reports Oxford Economics attempt to quantify a number of possible economic benefits. In some instances a lack of information means that a range of potential benefits have had to be provided.

The paper considers:

- 1 **The impact of Public Sector Funding Package (PSFP):** in this section the £8.9 billion of PSFP spending is looked at in isolation with direct, indirect and induced impact estimates provided. The analysis covers the period 2004 to 2014. Given the detailed information provided by Government, it is possible to be reasonably confident about the results of the analysis;
- 2 **The impact of LOCOG spending:** this section focuses on the additional privately raised LOCOG spending of just over £2 billion. The analysis covers the period 2006 to 2012 and like the PSFP analysis above, it is based on detailed data which gives a relatively high level of confidence about the results of the modelling;
- 3 **Tourism:** this section draws on existing literature to identify net additional tourism spend in 2012 that arose due to the Olympics. Using Tourism Satellite Accounts (TSAs) it is possible to map spend to sectors of the economy before using input-output tables to estimate the likely direct, indirect and induced impacts. Oxford Economics have a reasonable degree of confidence about the impact of foreign visitor spend, however there are doubts over the scale of displacement associated with UK domestic visitor spending. As such a range of estimates is provided. The data is taken from published reports and standard approaches to estimate the likely impacts have been used;
- 4 **Catalysed investments:** there has been, and still is, a considerable amount of investment and development in East London by the public and private sector. In this section Oxford Economics consider how much of that development is additional to what would have happened in the absence of the Olympic Games. The analysis has had to include some assumptions, and there is a doubt around displacement effects. Consequently a range of potential economic benefits are provided;
- 5 **Trade and investment:** UKTI used the Olympic Games to leverage and secure trade and inward investment. Although the data provided reflects deals and additional sales that have already been secured much of the impact does not occur until further into the future and as such there are inherent uncertainties about the impact. In addition there is only limited information on the nature of the deals and additional sales secured available at this time so the analysis that can be undertaken is restricted. As such a range of potential outputs is again provided. The results are based on prudent assumptions and available data. The accuracy of the analysis could be improved if it were possible to know more about the types of trade and investment involved and when it was likely to take place, however the estimates provided in this section are useful nonetheless; and
- 6 **Employability and skills development:** again published data is used to provide an estimate of the number of people taken out of worklessness in London as a result of the Olympics. However, the lack of information means that it has not been possible to undertake accurate impact analysis. Instead the modelling is intended to provide indicative results based on a number of prudent assumptions. These assumptions, lack of information and absence of a concrete number of people off worklessness does however mean that the analysis should be seen as illustrative only. The benefits from this source of Olympic related activity are also likely to be included in the analysis covered by sections 1 to 3.

(ii) Modelling approach

Oxford Economics built a bespoke input-output impact model to estimate the benefits of Olympic construction spend. The approach uses standard industry techniques and lessons from the current academic literature on estimating regional (or sub-national) impacts¹³⁰.

This model estimates the direct, indirect and induced:

- Output;
- GVA;
- Employment; and
- Wages.

All impact estimates are available by region, sector and year. This analysis builds on the work undertaken in mid to late 2012.

Direct impacts

Direct impacts were calculated using spend figures for the Public Sector Spending package, LOCOG, tourism and trade deals. For catalysed investments and inward investment deals direct employment figures were used. Using ratios of output to GVA the spend data was converted to GVA. Industrial productivity figures for each year and region were then used to estimate direct employment. Average sectoral wages provided an estimate of direct wages. All spending figures were converted to 2009 prices in the analysis.

The estimates are based on average sectoral and regional productivity assumptions. Actual productivity could be above or below these averages.

The location of spend has been determined by postcodes in ODA's financial records or by guidance from DCMS. Again it is worth noting that ODA postcodes relate to the location of payment and not necessarily the location where the activity has taken place.

Indirect impacts

The indirect impacts are defined as the economic activity and employment supported in the supply chains of those who received the direct spend. Using the latest UK input-output tables and data on the employment structure across regions (along with sectoral productivity and wages) Oxford Economics can estimate the indirect benefits that arise from the direct spending above.

Induced impacts

The induced impact is defined as economic activity and employment supported by those directly or indirectly employed spending their income on goods and services. This helps to support jobs in the industries that supply these purchases, and includes jobs in retail and leisure outlets, companies producing consumer goods and in a range of service industries.

Counterfactual

The modelling compares the impact of the Olympics with the counterfactual assumption that the Olympics weren't awarded to London and therefore there was no construction or operational spending. There is no counterfactual assumption related to spending the public money on anything else. It would be too difficult to second guess what this money would have been earmarked for. The macroeconomic environment is particularly uncertain and has been since the bulk of the Olympics related spending took place. Economic pressures have had a significant impact on public finances with Government aiming to cut national debt. Consequently the analysis does not provide comparisons against alternative investments.

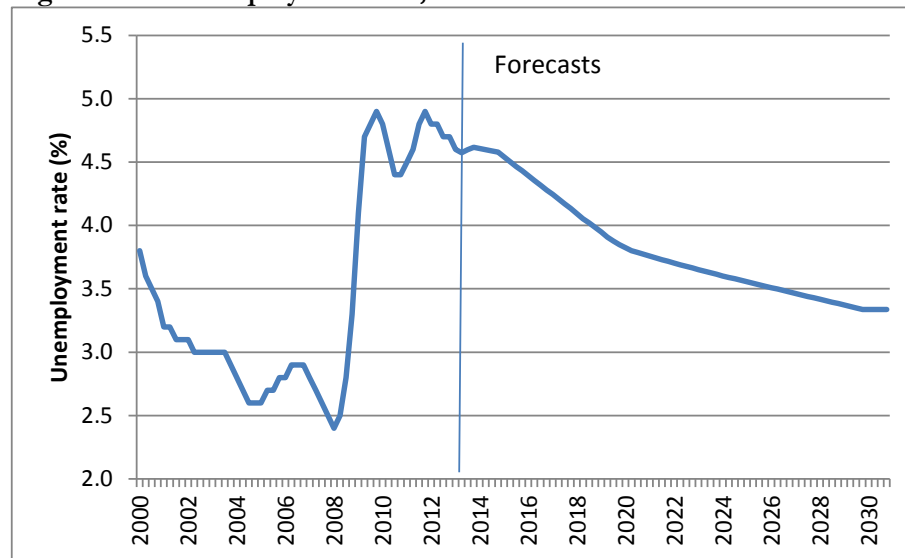
¹³⁰ For example see Flegg and Tohmo (2010) *Regional Input–Output Tables and the FLQ Formula: A Case Study of Finland*. Paper prepared for a presentation at the Regional Studies Association Annual International Conference.

Similarly, trade and investment deals are those that have been secured because of the Games and the promotional programmes that were put alongside them. No attempt has been made to construct a counterfactual to represent alternative promotional programmes that might have existed in the absence of the Games and what they might have achieved.

Displacement: Is spare capacity here to stay?

Figure 1 shows the unemployment rate in the UK from 2000 to 2030. The initial impact of the recession is easily identified by a significant increase in unemployment rates in 2008 / 2009. The scale of the increase would suggest that there was, and currently is, spare capacity in the economy. Oxford Economics expect the recession to have a legacy of higher unemployment. Unemployment rates are estimated to be above those enjoyed pre-recession. This is due to skills mismatch and slower job growth over the forecast period.

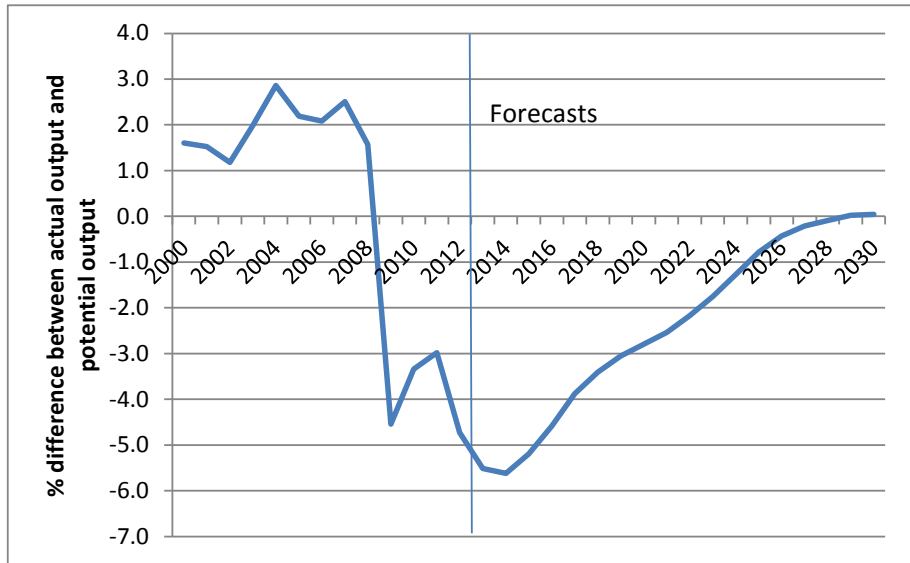
Figure 1: UK unemployment rate, 2000 to 2030



Source: Oxford Economics

An analysis of the output gap in the UK (i.e. the current level of GDP versus the potential level of GDP) shows that the UK economy has had spare capacity since the last quarter of 2008 (see Figure 2). Persistent macroeconomic challenges and uncertainty have widened the output gap since the financial crisis. Looking forward, the subdued recovery will gradually erode the gap, but Oxford Economics estimate that it will take until the second half of 2028 for economic output to return to its potential level. As such the 2012 displacement assumptions have been fixed and assumed that they don't change over the forecast period (i.e. out to 2020).

Figure 2: Oxford Economics' estimate of the UK output gap (% of potential GDP), 2000 to 2030



Source: Oxford Economics

The scale of displacement is very difficult to isolate. The output gap for example is not a standard variable. Instead it is defined by the forecaster. This adds to the complexity of setting displacement assumptions across sectors and regions of the economy. The displacement assumptions used in this analysis are consistent with previous work for DCMS.

Oxford Economics would recommend that future work is undertaken to identify the scale of displacement associated with the Olympic based benefits.

(iii) Future research

Throughout the report areas where the analysis could be strengthened are identified. Many of the legacy impacts of the Olympic Games are still to happen or be measured and therefore a repeat of this exercise in 12 months or 24 months would provide an opportunity to refine and expand the analysis.

2 The Impact of Public Sector Funding Package

This section isolates the impacts that arise from the Public Sector Funding Package (PSFP). The PSFP modelled in this analysis totalled just over £8.9 billion, the bulk of which is due to the £6.7 billion of ODA spend. The information in Figure 3 covers the period 2004 to 2014 and was used to estimate the direct impacts:

- ODA financial databases provided information on how this level of spend split across region (and within London) and year. Grant Thornton assigned sectors to the top 117 companies / organisations that received the most funding (accounting for 96.7% of spend), allowing Oxford Economics to split this ODA spend by location, sector and year. The data was then scaled each year to hit the overall £6.5 billion and converted to 2009 prices;
- DCMS provided Q2 2012 ODA spending. Unfortunately it is not possible to break this out by sector and location. As such the same spending shares that were experienced in Q1 2012 have been assumed; and
- The remainder of public spend was split by year, region and sector by DCMS based on the type of spend and intelligence on where activities took place.

Figure 3: Overview of PSFP data used in this analysis

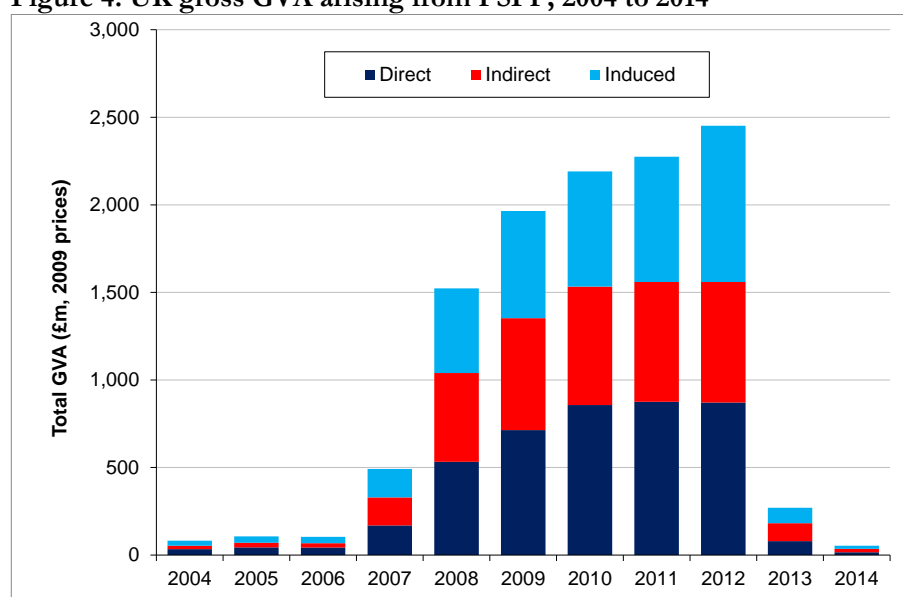
Description		Amount (nominal £m)
Public sector funding package	ODA spend	£6,714
	Policing + security	£969
	Elite and community sports	£290
	Park transformation	£296
	Funding available to LOCOG	£254
	Operational provisions	£137
	Paralympic Games	£111
	LOCOG Park Operations	£78
	Look of London and wider UK	£32
	City Operations	£23
	GLA Olympic and Paralympic programmes	£13
	Domestic and international tourism campaigns	£4
Total PSFP		£8,921

Source: DCMS London 2012 Olympic and Paralympic Games Quarterly Report October 2012¹³¹

(iv) Gross impacts

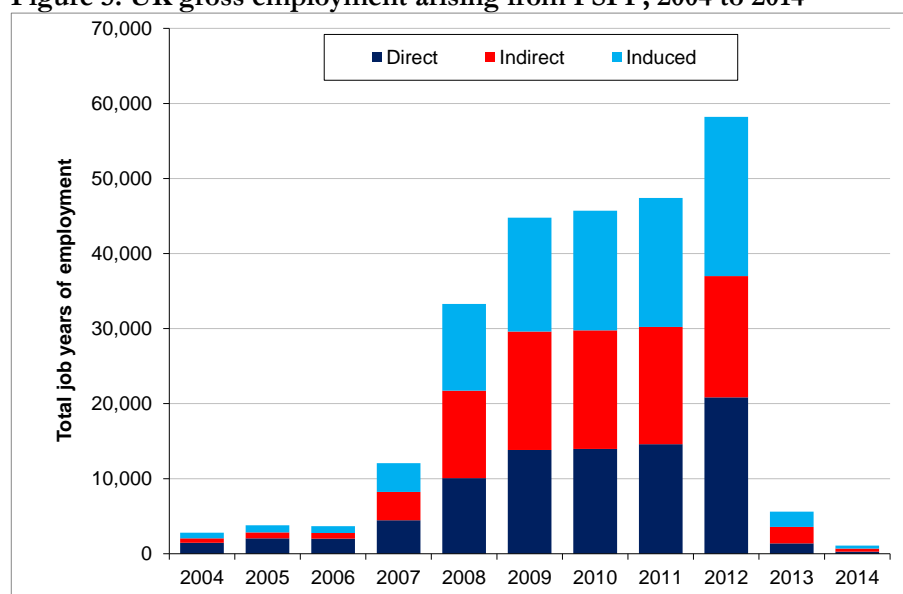
The timing of gross impacts mirror those shown in the section above. The bulk of the spending and therefore GVA occurs over the period 2007 to 2012. Total direct gross GVA is estimated at £4.2 billion over the period. When indirect (£3.5 billion) and induced (£3.7 billion) impacts are included the total gross GVA impact across the UK of PSFP spending equates to £11.5 billion over the period. Figure 4 plots the annual direct, indirect and induced impacts.

¹³¹ Note that there will be an update to the Public Sector Funding Package position in July 2013.

Figure 4: UK gross GVA arising from PSFP, 2004 to 2014

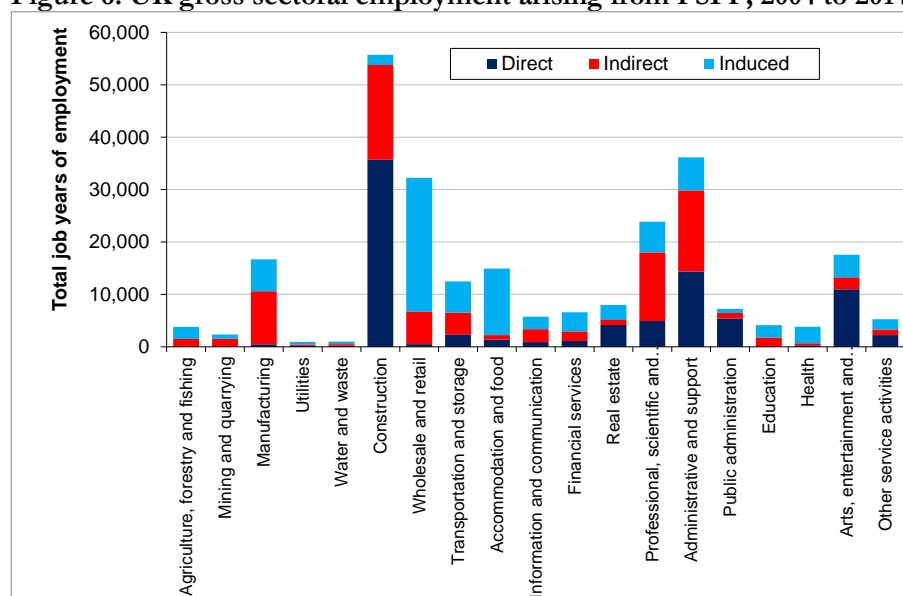
Source: Oxford Economics

As expected the gross annual GVA estimates are reflected in the gross employment estimates. Overall the £11.5 billion of gross GVA is estimated to result in 258,500 gross job years of employment across the UK economy. The jobs impact peaks in 2012 at 58,200 (see Figure 5).

Figure 5: UK gross employment arising from PSFP, 2004 to 2014

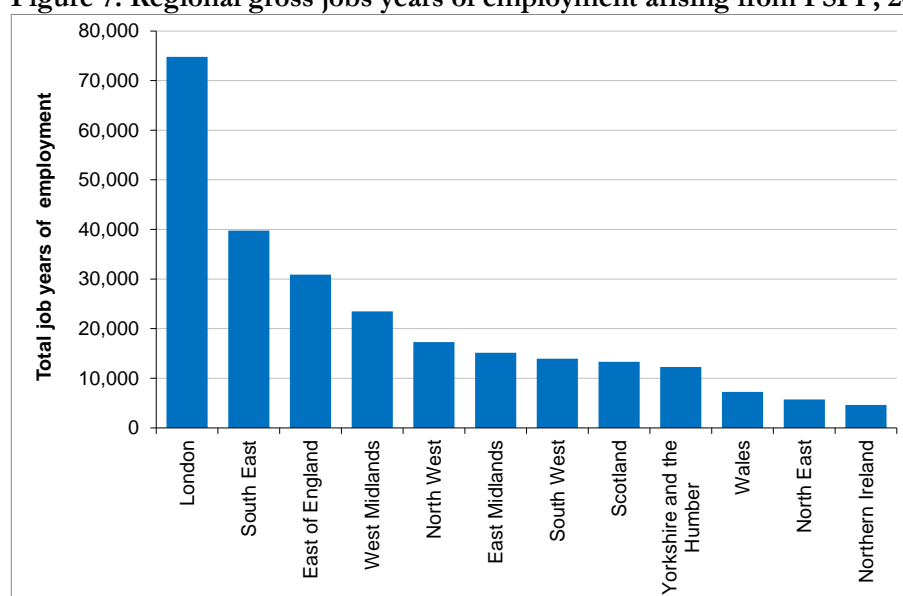
Source: Oxford Economics

The sectoral impacts are displayed in Figure 6. The scale of investment in infrastructure means that the construction sector benefits most from the PSFP. Though benefits are spread across all sectors of the UK economy with retail and hospitality enjoying a boost through the induced effects of consumption by those employed directly or indirectly.

Figure 6: UK gross sectoral employment arising from PSFP, 2004 to 2014

Source: Oxford Economics

Unsurprisingly, at regional level London enjoys the largest share of the gross impacts from PSFP, while neighbouring regions benefit more than those further north or in peripheral parts of the UK. Figure 7 plots the combined gross direct, indirect and induced job years by region while Figure 8 presents the estimates of total gross regional output, GVA, job years and wages.

Figure 7: Regional gross jobs years of employment arising from PSFP, 2004 to 2014

Source: Oxford Economics

Figure 8: Regional gross impacts arising from PSFP

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£8,900	£4,800	74,800	£2,100
South East	£3,500	£1,700	39,800	£900
East of England	£2,700	£1,200	30,900	£700
West Midlands	£1,800	£800	23,500	£400
East Midlands	£1,300	£600	15,100	£300
North West	£1,200	£600	17,300	£300

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
Scotland	£1,000	£500	13,300	£300
South West	£1,000	£500	13,900	£300
Yorkshire and the Humber	£900	£400	12,300	£200
Wales	£400	£200	7,300	£100
North East	£400	£200	5,700	£100
Northern Ireland	£300	£100	4,600	£100
Total	£23,400	£11,500	258,500	£5,800

Source: Oxford Economics

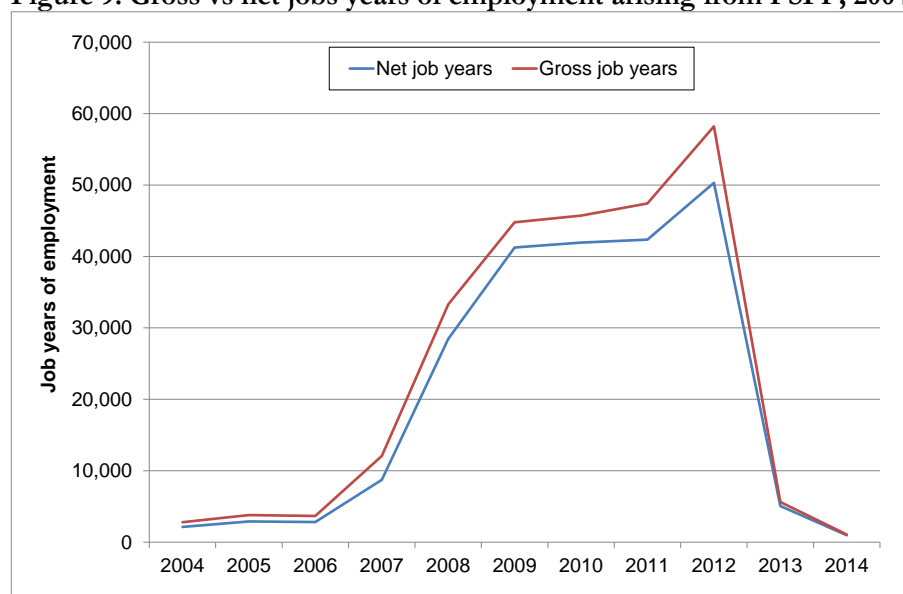
Note: figures have been rounded to the nearest hundred million for output, GVA and wages, and rounded to the nearest hundred for job years of employment

(v) Net impacts

As noted earlier, the unemployment and output gap analysis would suggest that the UK economy has had plenty of spare capacity since 2008. Consequently it is prudent to assume displacement rates have been relatively stable since 2008. It is however acknowledged that pre-2008 the economy had notably less capacity and therefore the displacement rate assumptions are higher. In all of the displacement assumptions regional and sectoral differences have been taken account of. To summarise:

- Displacement is higher in those years pre-2008, than those starting in 2008;
- London is subject to higher displacement rates than the remaining regions of the UK. The South East, East of England and South West are also slightly higher than the northern and peripheral regions;
- Services sector activity like professional and technical activities have higher displacement than production areas of the economy such as manufacturing; and
- Public services have the highest rates of displacements across all regions.

Once displacement is taken account of, the estimated GVA impacts fall by 12.9% to £10 billion. The estimate of net job years of employment falls by a similar level (12.2%) to 227,000 over the period. Figure 9 below shows the difference between the gross and net estimates over time.

Figure 9: Gross vs net jobs years of employment arising from PSFP, 2004 to 2014

Source: Oxford Economics

Figure 10 below provides the estimates of the net impact of PSFP at a regional level. Given the sectoral displacement and regional displacement assumptions, London experiences the largest displacement effects at over 15%. All regions of the UK enjoy net economic benefits from the PSFP spending over the period 2004 to 2014.

Figure 10: Regional net impacts arising from PSFP

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£7,500	£4,000	63,400	£1,800
South East	£3,100	£1,500	34,900	£800
East of England	£2,500	£1,100	28,500	£600
West Midlands	£1,600	£700	21,500	£400
East Midlands	£1,100	£500	13,500	£300
North West	£1,100	£500	15,300	£300
Scotland	£900	£400	11,500	£200
South West	£800	£400	12,100	£200
Yorkshire and the Humber	£800	£400	10,800	£200
Wales	£400	£200	6,400	£100
North East	£400	£200	5,000	£100
Northern Ireland	£300	£100	4,000	£100
Total	£20,500	£10,000	227,000	£5,000

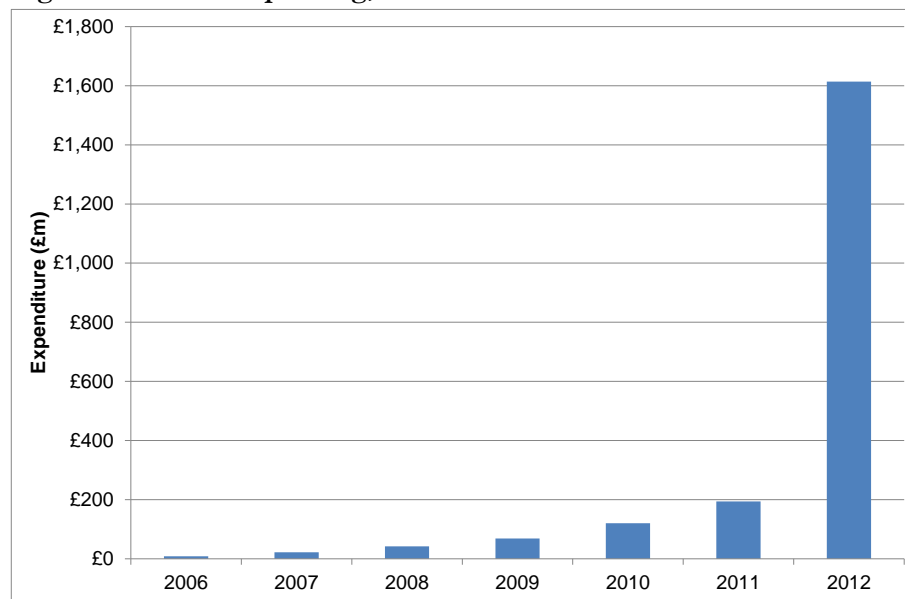
Source: Oxford Economics

Note: figures have been rounded to the nearest hundred million for output, GVA and wages, and rounded to the nearest hundred for job years of employment

3 The Impact of LOCOG Spending

LOCOG spending which was privately raised and outside of the Public Sector Funding Package amounted to £2,069 million (in nominal terms) and took place from 2006 to 2012¹³². LOCOG spend was split by year, region and sector based on procurement data provided by LOCOG and analysis of annual reports. Figure 11 below shows the spend profile of this source of expenditure. Nearly 80% of LOCOG spending took place in 2012.

Figure 11: LOCOG spending, 2006 to 2012



Source: Department for Culture, Media & Sport

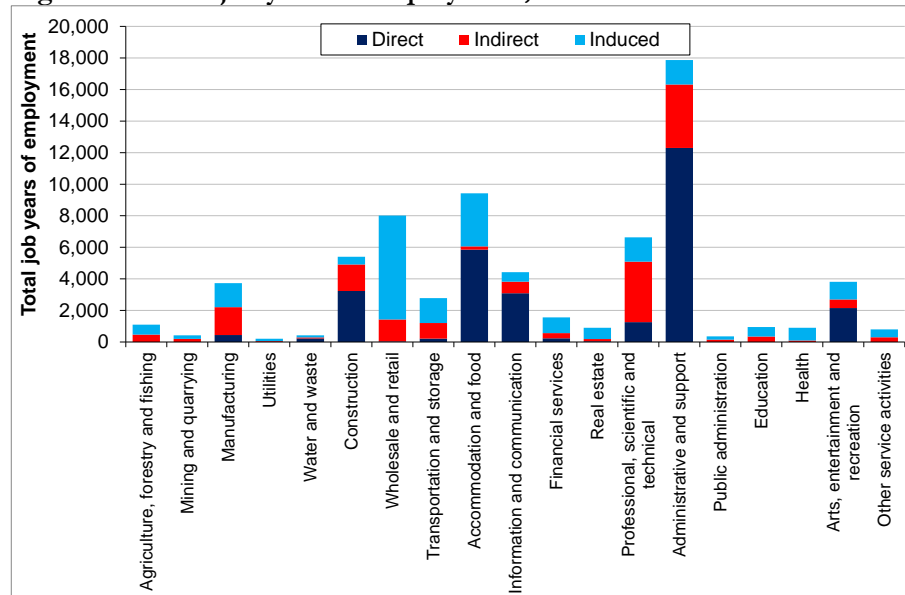
The same modelling approach has been followed and the same assumption used as those in the previous section. The sub-sections below discuss the estimated gross and net impacts at a national and regional level.

(vi) Gross impacts

It is estimated that LOCOG spending resulted in just over £1 billion of direct gross GVA and nearly £2.7 billion of gross GVA when indirect and induced effects are taken into account (over the period 2006 to 2012). Given average sectoral productivity in each of the 12 regions of the UK, it is estimated that this could have supported over 29,000 direct job years of employment and some 69,700 total job years of employment (when the supply chain and induced impacts are included).

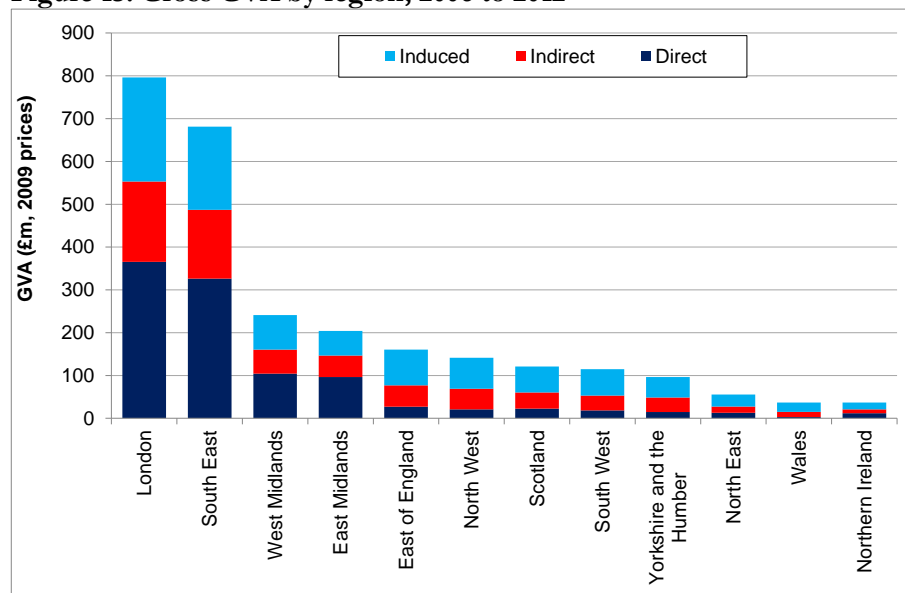
Figure 12 presents the estimates of gross job years by sector. The data provided by DCMS suggests that ‘Administration and support’ enjoyed the largest direct jobs impact, followed by ‘accommodation and food’.

¹³² Note that some funding from the Public Sector Funding Package was spent by LOCOG to deliver certain activities specified by the Government. These are included in the PSFP analysis and have not been included here.

Figure 12: Gross job years of employment, 2006 to 2012

Source: Oxford Economics

As noted above London and the South East benefited most from LOCOG spending. Figure 13 plots the estimated gross GVA impacts at a regional level. London and the South East account for over half the gross GVA impacts in the UK that arose from LOCOG spending. At nearly £800 million of gross GVA, London accounts for 30% while the South East accounted for a further 25% over the period.

Figure 13: Gross GVA by region, 2006 to 2012

Source: Oxford Economics

Figure 14 below provides further detail on the regional and national impacts of LOCOG spend.

Figure 14: LOCOG spending impacts by region

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£1,500	£800	16,100	£400
South East	£1,300	£700	17,600	£400
East of England	£300	£200	4,100	£100
West Midlands	£500	£200	7,200	£100
East Midlands	£400	£200	6,200	£100
North West	£300	£100	4,200	£100
Scotland	£200	£100	3,300	£100
South West	£200	£100	3,700	£100
Yorkshire and the Humber	£200	£100	3,000	£100
Wales	£100	£0	1,500	£0
North East	£100	£100	1,600	£0
Northern Ireland	£100	£0	1,300	£0
Total	£5,300	£2,700	69,700	£1,400

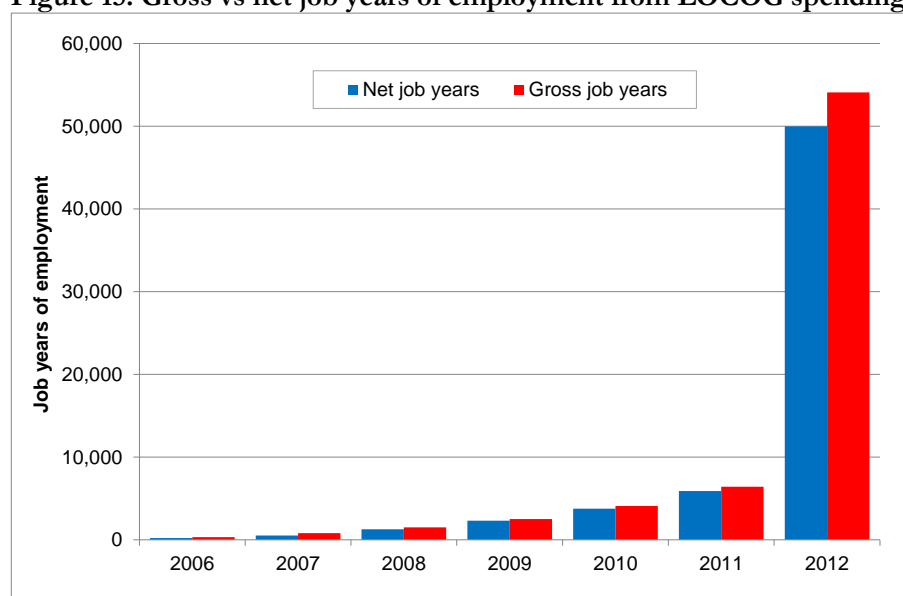
Source: Oxford Economics

Note: figures have been rounded to the nearest hundred million for output, GVA and wages, and rounded to the nearest hundred for job years of employment

(vii) Net impacts

When displacement is taken into account, the gross impacts fall by 8.9% in terms of real GVA and 8.3% in terms of job years of employment. Figure 15 plots both the gross and net job year estimates. LOCOG spending resulted in net impacts of over £2.4 billion in GVA and 63,900 job years of employment.

Figure 15: Gross vs net job years of employment from LOCOG spending, 2006 to 2012



Source: Oxford Economics

Figure 16 below provides further detail on the net impacts of LOCOG spending at a regional and national level.

Figure 16: Net impacts of LOCOG spending by region

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£1,300	£700	14,100	£300
South East	£1,200	£600	16,300	£300
East of England	£300	£200	3,800	£100
West Midlands	£500	£200	6,800	£100
East Midlands	£400	£200	5,900	£100
North West	£300	£100	3,900	£100
Scotland	£200	£100	3,000	£100
South West	£200	£100	3,400	£100
Yorkshire and the Humber	£200	£100	2,700	£100
Wales	£100	£0	1,400	£0
North East	£100	£100	1,500	£0
Northern Ireland	£100	£0	1,200	£0
Total	£4,800	£2,400	63,900	£1,300

Source: Oxford Economics

Note: figures have been rounded to the nearest hundred million for output, GVA and wages, and rounded to the nearest hundred for job years of employment

4 Tourism

The Tourism Impact Assessment – Impact of London 2012 on Visitor Numbers and Expenditure in 2012 (Annex B) provides estimates of the net additional tourism spend that the UK enjoyed during the year. Figure 17 sets out their gross, additional and net additional tourism expenditure. ECORYS estimate that the net additional expenditure by all visitors (excluding ticket sales) was £598 million in 2012. The bulk of the spending was by overseas visitors with some £235 million (excluding ticket sales). UK overnight visitors and UK day visitors spend similar amounts with £184 million and £179 million respectively.

Figure 17: Published estimates of Olympics induced tourism spend in 2012

	Gross expenditure (£m)		Additional expenditure (£m)		Net additional expenditure (£m)	
	Including ticket sales	Excluding ticket sales	Including ticket sales	Excluding ticket sales	Including ticket sales	Excluding ticket sales
Overseas visitors	1,090	975	674	604	305	235
UK overnight visitors	383	271	260	184	260	184
UK day visitors	974	542	325	179	325	179
All visitors	2,447	1,788	1,259	967	890	598

Source: London 2012 Tourism Impact Assessment (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex B)

The report also provides a regional breakdown of gross tourism expenditure. It does not however take account of crowding out (see Figure 18).

Figure 18: Total additional visitors by region (before crowding out or displacement effects)

Region	Additional visitors ('000s)	Additional spending net of ticket sales (£m)	Share of total
London	331	426	85%
North East	4	2	0%
North West	8	2	0%
Yorkshire	3	2	0%
West Midlands	12	4	1%
East Midlands	3	2	0%
East of England	20	10	2%
South West	15	9	2%
South East	55	37	7%
Scotland	12	5	1%
Wales	9	4	1%
Total	472	503	100%

Source: London 2012 Tourism Impact Assessment (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex B)

Using the estimates of net additional expenditure in Figure 17 and using Figure 18 as a guide to regional impacts, it is possible to model the likely sectoral and labour market impacts. The three types of visitors have differing spend profiles. The 2009 UK Tourism Satellite Accounts breaks down spending by category for all three types which provides insight into how the £580 million

of net additional tourism was likely to have been spent¹³³. These spend profiles were mapped to the broad sectors of the economy. Figure 19 below presents the spend profile assumptions. Interestingly, although UK day visitors do not have any spend on accommodation, they spend some 41% on food.

Figure 19: Visitor spending profiles

Sector	Overseas visitors	UK overnight visitors	UK day visitors
Wholesale and retail trade	40%	27%	34%
Transportation and storage	19%	9%	9%
Accommodation and food	38%	57%	41%
Administrative and support	0%	1%	1%
Arts, entertainment and recreation	2%	7%	14%
Total	100%	100%	100%

Source: TSA and Oxford Economics

The £235 million from overseas visitors (see Figure 17 above) is likely to be 100% additional demand to the economy in 2012 and therefore it should be included in any impact analysis undertaken. On the other hand there is some doubt over how much of the domestic visitor spend is additional. It could be argued that these UK visitor estimates will incorporate in part displaced spending (from other parts of the UK and from other sectors). Consequently two sets of tourism related economic benefits are provided below. The first is the economic impact of the overseas visitor spend which Oxford Economics is confident is additional. The UK visitor spend is also included and this is presented as a potential upper range whilst noting that there will be some unknown level of displacement.

(i) Impact of overseas visitor spending

Using input-output tables and sectoral productivity, this level of net additional overseas tourism expenditure (excluding spend on tickets) noted above could create or sustain approximately 3,610 direct jobs in the UK economy (see Figure 20). A further 1,740 would be generated in the supply chain and nearly 2,680 supported by the wages of those directly or indirectly employed. As a result there could be an estimated 8,030 jobs created or supported in the UK economy through the net additional overseas visitor spend during the Olympics.

¹³³ Up to date spend profiles by region would have made this analysis more accurate.

Figure 20: Estimated job years of employment arising from net additional overseas visitor spend

Employment	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	90	80	170
Mining and quarrying	0	20	30	40
Manufacturing	0	220	180	390
Utilities	0	10	20	30
Water and waste	0	10	20	20
Construction	0	40	60	90
Wholesale and retail	1,390	190	760	2,340
Transportation and storage	380	300	180	860
Accommodation and food	1,730	40	380	2,140
Information and communication	0	90	70	160
Financial services	0	40	110	150
Real estate	0	30	80	120
Professional, scientific and technical	0	280	180	450
Administrative and support	20	270	180	470
Public administration	0	20	20	40
Education	0	30	70	100
Health	0	10	90	100
Arts, entertainment and recreation	90	40	130	260
Other service activities	0	30	60	80
Total	3,610	1,740	2,680	8,030

Source: Oxford Economics

Figure 21 below presents the associated GVA generated by the direct, indirect and induced employment. In total the GVA impacts are estimated to be £300 million.

Figure 21: Estimated GVA impacts arising from net additional tourism spend

GVA (£m)	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0.0	0.0	0.0	0.0
Mining and quarrying	0.0	0.0	0.0	0.0
Manufacturing	0.0	10.0	10.0	20.0
Utilities	0.0	0.0	0.0	0.0
Water and waste	0.0	0.0	0.0	0.0
Construction	0.0	0.0	0.0	0.0
Wholesale and retail	50.0	10.0	20.0	80.0
Transportation and storage	20.0	10.0	10.0	40.0
Accommodation and food	40.0	0.0	10.0	50.0
Information and communication	0.0	10.0	10.0	10.0
Financial services	0.0	0.0	10.0	10.0
Real estate	0.0	10.0	20.0	30.0
Professional, scientific and technical	0.0	10.0	10.0	20.0
Administrative and support	0.0	10.0	0.0	10.0
Public administration	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0
Health	0.0	0.0	0.0	0.0
Arts, entertainment and recreation	0.0	0.0	0.0	10.0
Other service activities	0.0	0.0	0.0	0.0
Total	110.0	80.0	110.0	300.0

Source: Oxford Economics

(ii) Upper range

Under the upper range the UK domestic visitor spend estimates are included. Oxford Economics acknowledge however that some of the domestic visitor spending will be displaced spending from elsewhere. Without primary research findings (e.g. surveys) it is impossible to isolate how much is additional and how much is displaced. Consequently all of the UK visitor spending has been added to the overseas visitor spend and this is presented as an upper range.

It is estimated that under this scenario the job years of employment impact could total 20,830 with 9,720 direct job years of employment (see Figure 22). This is more than double the impact of overseas visitors (shown in Figure 20).

Figure 22: Potential upper limit of tourism related job years of employment in 2012

Employment	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	270	200	470
Mining and quarrying	0	40	70	110
Manufacturing	0	570	440	1,020
Utilities	0	20	40	60
Water and waste	0	20	40	60
Construction	0	80	140	230
Wholesale and retail	3,010	480	1,910	5,400
Transportation and storage	660	650	450	1,760
Accommodation and food	5,180	90	950	6,220
Information and communication	0	210	170	380
Financial services	0	100	270	370
Real estate	0	70	210	290
Professional, scientific and technical	0	710	440	1,150
Administrative and support	80	660	440	1,180
Public administration	0	50	60	100
Education	0	80	180	260
Health	0	30	230	260
Arts, entertainment and recreation	800	170	320	1,290
Other service activities	0	90	140	230
Total	9,720	4,400	6,720	20,830

Source: Oxford Economics

This level of estimated job years of employment would generate some £760 million of GVA (see Figure 23). Again retail and hospitality would benefit most of overseas and domestic visitor spending.

Figure 23: Potential upper limit of tourism related GVA benefits in 2012

GVA (£m)	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0.0	0.0	0.0	0.0
Mining and quarrying	0.0	0.0	0.0	10.0
Manufacturing	0.0	30.0	20.0	50.0
Utilities	0.0	0.0	0.0	10.0
Water and waste	0.0	0.0	0.0	0.0
Construction	0.0	0.0	10.0	10.0
Wholesale and retail	100.0	10.0	50.0	170.0
Transportation and storage	30.0	30.0	20.0	80.0
Accommodation and food	120.0	0.0	20.0	140.0
Information and communication	0.0	20.0	10.0	30.0
Financial services	0.0	10.0	30.0	40.0
Real estate	0.0	20.0	50.0	70.0
Professional, scientific and technical	0.0	30.0	20.0	50.0
Administrative and support	0.0	20.0	10.0	30.0
Public administration	0.0	0.0	0.0	0.0
Education	0.0	0.0	10.0	10.0
Health	0.0	0.0	10.0	10.0
Arts, entertainment and recreation	20.0	0.0	10.0	40.0
Other service activities	0.0	0.0	0.0	10.0
Total	280.0	190.0	280.0	760.0

Source: Oxford Economics

(iii) Future analysis

The above estimates focus solely on the 2012 impact and do not take into account the impact of media coverage in overseas markets. The event showcased the UK over the course of the Olympic and Paralympic Games with a host of iconic locations used to stage events. In addition there has been intensive overseas marketing of Britain to capitalise on this opportunity. There is a real possibility therefore that this coverage and increased intensity of overseas marketing could attract future visitors to the UK who otherwise may have gone elsewhere. No attempt has been made to estimate the legacy impacts on tourism. This could be an area that is revisited in the future, though it would require primary research being undertaken over the course of the intervening period.

5 Catalysed Investments

The regeneration of the six Host Boroughs has been kick started by the construction and delivery of the Games infrastructure. There is now a considerable amount of investment on-going and planned in East London. Private sector investment had been brought forward to take advantage of the crowds (e.g. Westfield), while legacy projects like iCITY should maintain the momentum of development and encourage the private sector to continue to invest going forward.

Oxford Economics recently modelled the impacts of the various private and public sector developments planned for the six Host Boroughs. They range from office blocks, to retail, to housing. For the purposes of this current study the list of major developments has been reviewed and those that could be wholly or partly additional to the economy have been identified. Figure 24 below lists the public and private sector developments identified as having the potential to offer additional benefits to the economy.

Figure 24: Selected East London developments

Development name	Borough	Gross direct jobs (total), 2030	Sectors	Amount additional
Stratford	Newham	26,215	Wholesale & retail, info & comms, finance, professional, admin & support, arts / entertainment,	5 years
Sugar House Lane	Tower Hamlets	1,572	Wholesale & retail, info & comms, finance, professional, admin & support	5 years
iCITY	Hackney	3,600	Wholesale & retail, transport, accommodation, info & comms, finance, real estate, professional, admin & support, education, health, arts / entertainment, other services	All additional
QE Olympic Park	Newham	4,421	Wholesale & retail, transport, accommodation & food, info & comms, admin & support, arts / entertainment, other services	All additional
Westfield	Newham	10,000	Wholesale & retail, accommodation & food	5 years

Source: Oxford Economics

The developers of Westfield have publicly said that the Olympic Games encouraged them to bring forward the development by 5 years. The consultations undertaken by Grant Thornton suggested that both Stratford and Sugar House Lane were also influenced by the staging of the Olympic although it was not possible to quantify the extent of this influence. This is discussed in more detail in the main report. Therefore, in the absence of similar information for Stratford and Sugar House Lane the same 5 year assumption for Westfield has been applied. For iCITY and Queen Elizabeth Olympic Park it has been assumed that they would not have happened in the absence of the Games.

There is however some ambiguity over the scale of displacement / additionality with these five developments. Although the private sector developments have been brought forward it could be argued that they have displaced consumer spending from elsewhere. Likewise it could be argued that the companies would have located in London or elsewhere in the UK in the

absence of office space. The net impact to the UK would therefore be much lower or close to zero.

The modelling below however, accounts for displacement by using the same assumptions as those in the earlier modelling. This analysis focuses on operational or on-going costs as the construction costs for iCITY and Queen Elizabeth Olympic Park are already captured in the analysis of public sector construction spending.

In total 5 years of employment in Westfield, Stratford and Sugar House Lane have been modelled, with the first 7 years of iCITY and the first 8 years of QE Olympic Park which takes this analysis up to the end of the 2020 timeframe. Figure 25 below provides an overview of the gross impacts. It is estimated that this would result in over 77,000 direct job years of employment generating nearly £3.3 billion of GVA. Once indirect and induced impacts are included these rise to over 185,000 job years of employment and £8.2 billion of GVA.

Figure 25: Estimated gross impacts of catalysed investments

	Direct	Indirect	Induced	Total
Output (£m 2009)	£5,940	£3,740	£5,760	£15,440
GVA (£m 2009)	£3,290	£3,290	£2,990	£8,240
Job years of employment	77,620	41,250	66,300	185,160
Wages (£m 2009)	£1,780	£1,020	£1,310	£3,600

Source: Oxford Economics

Note: may not add due to rounding

Once displacement (the displacement assumptions are consistent with those used throughout the study) has been taken account of, the impacts fall by approximately 12%. Figure 26 provides an overview of impacts. Direct job years of employment are estimated at 68,550 rising to 163,070 when indirect and induced impacts are included.

Figure 26: Estimated net impacts of catalysed investments

	Direct	Indirect	Induced	Total
Output (£m 2009)	£5,230	£3,290	£5,050	£13,570
GVA (£m 2009)	£2,890	£2,890	£2,630	£7,240
Job years of employment	68,550	36,270	58,250	163,070
Wages (£m 2009)	£1,560	£890	£1,150	£3,150

Source: Oxford Economics

Note: may not add due to rounding

Figure 27 provides a sectoral analysis. Given the types of developments being modelled it is not surprising that 'retail', 'professional, scientific and technical' and 'administrative and support services' enjoy the largest increase in net job years of employment.

Figure 27: Estimated net impacts by sector

Employment	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	500	1,730	2,230
Mining and quarrying	0	260	690	950
Manufacturing	0	2,260	3,650	5,910
Utilities	0	130	380	510
Water and waste	0	160	330	490
Construction	0	750	1,250	2,000
Wholesale and retail	31,460	2,490	16,440	50,390
Transportation and storage	480	4,600	3,940	9,020
Accommodation and food	2,190	740	8,130	11,070
Information and communication	1,770	1,890	1,450	5,110
Financial services	640	800	2,180	3,620
Real estate	160	690	1,990	2,830
Professional, scientific and technical	11,480	8,970	3,940	24,390
Administrative and support	10,450	7,960	4,000	22,410
Public administration	0	590	510	1,100
Education	580	1,150	1,570	3,300
Health	170	290	2,040	2,490
Arts, entertainment and recreation	4,890	1,260	2,780	8,930
Other service activities	4,300	780	1,260	6,340
Total	68,550	36,270	58,250	163,070

Source: Oxford Economics

Note: may not add due to rounding

At a regional level London unsurprisingly enjoys the bulk of the benefits. All regions experience at least some benefits due to indirect / supply chain spending and subsequent induced consumption. Figure 28 provides an overview of regional impacts.

Figure 28: Estimated net impacts by region

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£8,890	£4,930	102,810	£2,460
South East	£840	£440	9,360	£210
North West	£590	£290	7,930	£140
East of England	£580	£310	6,940	£130
West Midlands	£500	£240	6,200	£110
South West	£450	£220	6,680	£110
Scotland	£430	£220	5,490	£130
Yorkshire and the Humber	£410	£190	5,400	£100
East Midlands	£390	£180	4,840	£90
North East	£190	£100	2,430	£40
Wales	£180	£80	3,280	£50
Northern Ireland	£110	£50	1,710	£30
Total	£13,560	£7,250	163,070	£3,600

Source: Oxford Economics

Note: may not add due to rounding

It is acknowledged that there is an argument that most of the gross benefits from these public and private sector developments will be displacement of activity from elsewhere. As a result the net benefits at a UK level could be significantly lower than the gross impacts. In the absence of any concrete information it has been assumed that these developments will provide some level of additionality. Consequently the displacement assumptions that used in the previous analysis have been applied.

6 Trade and Investment

UKTI used the Olympic Games as an opportunity to showcase UK business and the UK economy. The objective was to attract and secure foreign trade and investment. The main report provides more detail on their activities. At the time of writing, only limited information on the size and type of investment was available. Similarly, the additional sales figures resulting from export promotion activity did not allow for the detailed breakdown that is ideally required for the model.

To date UKTI have secured the following as a result of the Games and associated business activity:

- £2.5 billion of inward investment;
- £1.5 billion of contracts won from High Value Opportunities (HVOs); and
- £5.9 billion in additional sales from the British Business Embassy (BBE) and other Games related business activity.

There is limited information available on the sectoral and regional breakdown of the additional sales figures so these have been estimated for DCMS¹³⁴ using a range of techniques from analysing the sectors that individual events targeted to using regional industrial averages. Assuming the additional sales figures are essentially the same as output or turnover it is possible to begin to estimate the direct, indirect and induced impacts using the same modelling approach as that used in the first two sections of the paper.

For the inward investment deals the broad sector, region and the planned employment impacts are available. As such it is possible to estimate direct, indirect and induced impacts using industry averages. In reality, these investments could be above or below industry averages and therefore the economic impact could differ from the estimates below. It should be noted that inward investment deals in particular can have a long lead time and some deals are not included in this analysis because it is likely that the bulk of their impacts will fall outside of its 2020 timeframe. However, for those that are included the jobs created are assumed to be phased in over a number of years and then become persistent, delivering a stream of impacts into the future.

Some of the impacts attributed to trade and investment may not materialise until further into the future. There is only limited information available at this time on the nature of the deals secured and when the benefits are likely to be realised so the analysis that can be undertaken is restricted. Phasing of impacts is particularly difficult as in reality a contract agreed in 2013 could involve work over a number of years thereafter. Because of the limited data and various uncertainties a range of potential outputs based on prudent assumptions and available data are provided.

(i) Economic impacts of trade and lower bound inward investment deals

Using additional sales data and a lower bound estimate of the scale of inward investment it is possible to estimate a level of direct output (£13 billion) which could result in gross indirect

¹³⁴ The analysis and results presented in this section are based on the bespoke input-output impact model built for DCMS by Oxford Economics. The analysis takes the data by UKTI and uses a range of techniques and assumptions developed by Oxford Economics to derive estimates of GVA and jobs years of employment. The results therefore need to be viewed in this context.

and induced output impacts of £11.3 billion and £10.6 billion respectively (see Figure 29). The overall gross output would therefore be an estimated £34.9 billion.

Figure 29: Estimated gross impacts of trade and lower bound inward investments, 2012 to 2020

UK	Direct	Indirect	Induced	Total
Output (£m, 2009)	£13,000	£11,300	10,600	£34,900
GVA (£m, 2009)	£5,600	£5,500	5,500	£16,600
Job years of employment	109,300	112,100	127,500	348,900
Wages (£m, 2009)	£2,700	£3,200	2,400	£8,300

Source: Oxford Economics

Given the sectoral distribution of these contracts GVA is estimated to be nearly half that of output. Gross direct GVA impacts are £5.6 billion with the overall gross GVA rising to £16.6 billion when indirect and induced impacts are included. An associated 109,300 gross direct job years of employment would be supported by this level of GVA. This rises to 348,900 job years when indirect and induced job years are estimates. These estimates are indicative only given the lack of detailed information.

If the same displacement assumptions as those used earlier are applied it is possible to estimate the likely level of net impacts for this lower bound. Again the net impacts are approximately 8.2% below the gross estimates above. Figure 30 provides an overview of the net direct, indirect and induced impacts. By way of summary, gross GVA impacts fall from £16.6 billion to £15.1 billion while gross employment impacts fall from 348,900 to 319,700.

Figure 30: Estimated net impacts of trade and lower bound inward investments, 2012 to 2020

UK	Direct	Indirect	Induced	Total
Output (£m, 2009)	£11,900	£10,400	9,600	£31,900
GVA (£m, 2009)	£5,100	£5,000	5,000	£15,100
Job years of employment	100,100	102,900	116,700	319,700
Wages (£m, 2009)	£2,500	£2,900	2,200	£7,600

Source: Oxford Economics

(ii) Upper range: economic impact of trade and investment

The analysis below includes an upper bound of inward investment (along with the additional sales figures provided) to form an upper range of benefits. It is worth noting however that inward investment will create permanent jobs and therefore economic benefits will be enjoyed beyond 2020.

Figure 31 presents the gross impacts over the period 2012 to 2020. Total gross GVA is estimated to rise from £16.6 billion to £22.4 billion. Gross jobs years of employment rise from 348,900 to 468,600.

Figure 31: Upper range - estimated gross impacts of trade and investment, 2012 to 2020

UK	Direct	Indirect	Induced	Total
Output (£m, 2009)	£17,900	£14,700	14,700	£47,300
GVA (£m, 2009)	£7,600	£7,100	7,700	£22,400
Job years of employment	143,400	148,500	176,800	468,600
Wages (£m, 2009)	£3,600	£4,100	3,400	£11,000

Source: Oxford Economics

Figure 32 provides the upper range of net impacts. Once displacement is accounted for (using the assumptions from sections 1 to 3) net GVA is estimated at £20.6 billion and net job years at 432,200.

Figure 32: Upper range - estimated net impacts of trade and investment in 2012 to 2020

UK	Direct	Indirect	Induced	Total
Output (£m, 2009)	£16,400	£13,600	13,600	£43,600
GVA (£m, 2009)	£7,000	£6,500	7,100	£20,600
Job years of employment	132,100	137,200	162,900	432,200
Wages (£m, 2009)	£3,300	£3,700	3,100	£10,100

Source: Oxford Economics

(iii) Future analysis

Again the analysis in this section is based on the data available to the team at the time of writing. The analysis should be revisited when the data is updated and when more is known about each contract. Displacement assumptions may need to be changed depending on the nature of the contracts (i.e. specific activity, sectoral and regional location).

7 Employability and Skills Development

There is a rich body of literature on the returns to education. On average the higher the level of education an individual has, the higher the likelihood they will be in employment and the lower their likelihood to be unemployed or inactive. Figure 33 below shows the likelihood of being employed in a selection of Host Boroughs, London and the UK by skills level.

Figure 33: Likelihood of being employed in selected geographies

	% likelihood of being in employment					
	Hackney	Newham	Tower Hamlets	Waltham Forest	London	UK
NVQ 4+	82%	78%	86%	80%	82%	83%
NVQ 3	61%	47%	50%	69%	63%	72%
NVQ 2	51%	59%	42%	60%	59%	67%
NVQ 1	46%	38%	29%	47%	54%	63%
No qualifications	24%	35%	28%	52%	39%	40%

Source: Annual Population Survey

Likewise there is a strong evidence base that the longer a person is out of work, the more difficult it is to secure employment. Consequently there is a strong rationale for Government policy to tackle worklessness and upskill individuals who have trouble securing employment.

In 2006 the London Employment and Skills Taskforce was formed with the aim of “maximising the employment and skills benefits of the 2012 Games for workless Londoners” (SQW). The overarching target was to reduce worklessness in London by 70,000 by 2012 (20,000 in the Host Boroughs), supporting the Government’s target to achieve an overall employment rate of 80% by 2020 and help close the gap between London and the rest of the country.

SQW’s report “Olympics job evaluation” concluded that when all of the sources of monitoring and evaluation are brought together they estimated a lower and upper bound gross estimate of 61,749 and 76,050 previously workless Londoners secured Games related employment. Although these figures were themselves subject to ranges, and they did not consider the effects of additionality, deadweight or substitution they were consistent with the target.

There is limited data on what these individuals are currently doing (working, in which sector, full-time or part-time, salary, etc). For illustrative purposes the potential impact of reengaging this level of previously workless people with the labour market has been modelled. Although the caveat applies that the true impact could be significantly different. In addition these people could have simply displaced others from being employed. In the modelling it has been assumed that each person:

- Receives the minimum wage;
- Works a full-time contract of 37.5 hours per week;
- No longer receives unemployment benefit (taking account of the age profile of the unemployed in London to estimate the average unemployment benefit); and
- Is subject the standard income tax payments.

Given these assumptions the model estimates suggest gross salaries at between £725 million and £893 million per annum. Once the estimate of annual unemployment benefits has been included the net additional income would range from £613m to £756m. From a fiscal point of view, HM Treasury would expect benefits of between £170 million and £209 million per annum (note the modelling does not take account of benefit savings outside jobseekers allowance) (see Figure 34). It should be noted that these estimates cannot simply be added to the estimates of economic impacts from Government spending in the first section. In reality a proportion of the 70,000 will be included in the earlier analysis and therefore the impacts from this section are not included in the totals in the final summary.

Figure 34: The impacts of tackling worklessness in London

No. of Jobs	Total salaries (£m p.a.)	Net additional salaries (£m p.a.)	Fiscal Benefit (£m p.a.)
76,050	893	756	209
70,000	822	695	193
61,749	725	613	170

Source: Oxford Economics

Using the UK input-output tables how household consumption splits across sectors of the economy can be identified. Consequently it is possible to work through to the employment impacts that this level of spend would suggest. The model estimates that gross induced employment could range from 6,340 to 7,780 jobs per annum. As to be expected, 'retail' and the 'accommodation and food services' enjoy the highest employment impacts. Also notable is the significant level of induced jobs in arts, entertainment and recreation (see Figure 35).

Figure 35: Estimated gross induced jobs

	Number of workless people in employment		
	76,050	70,000	61,749
Agriculture, Forestry and Fishing	60	50	50
Mining and Quarrying	0	0	0
Manufacturing	330	300	270
Electricity, Gas, Steam and Air Conditioning Supply	20	20	20
Water Supply; Sewerage, Waste Management	30	30	20
Construction	60	50	50
Wholesale and Retail Trade; Repair of Motor Vehicles	3,030	2,790	2,460
Transportation and Storage	240	220	200
Accommodation and Food Service Activities	1,430	1,320	1,160
Information and Communication	130	120	110
Financial and Insurance Activities	230	210	190
Real Estate Activities	640	590	520
Professional, Scientific and Technical Activities	20	10	10
Administrative and Support Service Activities	30	30	30
Public Administration and Defence; Compulsory Social Security	30	30	30
Education	180	170	150
Human Health and Social Work Activities	390	360	320
Arts, Entertainment and Recreation	580	530	470
Other Service Activities	350	320	280
Total	7,780	7,150	6,340

(i) Future analysis

The above modelling is illustrative and is meant to show the reader the broad magnitudes of benefits that could be expected from this number of workless individuals entering sustained employment. Displacement effects would clearly reduce the above estimates. On the other hand if any of the c.70,000 up-skilled the effects could be greater.

A more accurate modelling exercise could be undertaken in the future if these individuals are monitored until the end of 2013. Only then would it be possible to know how sustainable their employment is, if they were able to secure full-time employment and in which sectors and occupations.

8 Summary

(i) Coverage

The analysis set out in this short paper is based on the available data at the time of writing. The public and private sector expenditure on preparing for, and hosting, the games is relatively detailed and has allowed analysis of the direct, indirect and induced impacts at a UK and regional level to be undertaken. Although the bespoke model developed for this study enabled an assessment of the 'within London' impacts, the expenditure information did not. Further survey work would be required before it would be possible to provide this level of detail and be confident of the results.

In addition to the expenditure analysis above, it was possible to provide estimates of the impact from tourism, public and private sector investments in East London, inward investment, trade deals, and getting 70,000 people off worklessness in London. The benefit estimates in relation to reducing worklessness in London are illustrative only. The benefits for 2012 should be included within the other analysis, however if there are any further benefits beyond 2012 they could be additional to the estimates presented here.

(ii) Findings

Figure 36 below summarises the analysis. Given the available data and time periods used it is estimated that the Olympic related benefits could total between £28 billion and £41 billion of net GVA over the period 2004 to 2020. In terms of job years of employment, it is estimated that the impacts range from 618,000 to 893,000 over the period.

Figure 3632: Olympic-related net benefits, 2004 to 2020

	Baseline	Upper range
Output (£m 2009)	57,700	82,960
GVA (£m 2009)	27,900	40,540
Job years of employment	617,780	893,340
Wages (£m 2009)	13,980	20,090

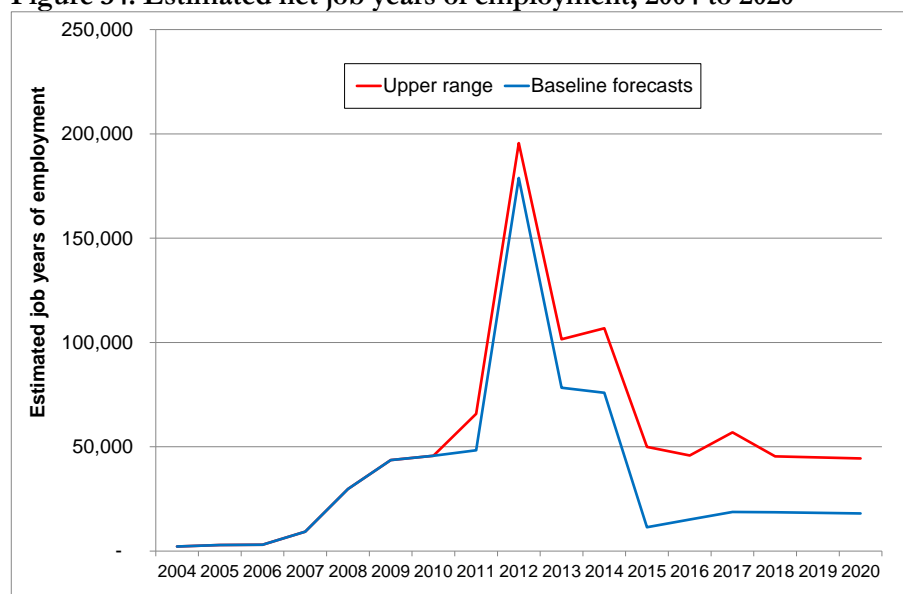
Source: Oxford Economics

Under the baseline analysis the majority of benefits are enjoyed over the period 2004 to 2012 (see Figure 37). However under the upper range, the majority of benefits are found in the later period from 2013 to 2020.

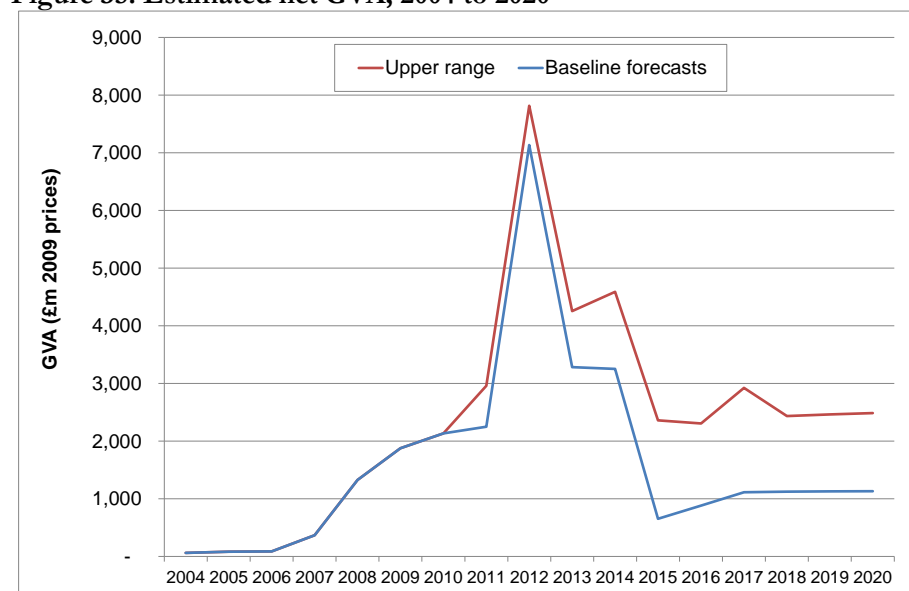
Figure 33: Olympic-related net benefits over selected time periods

	Baseline		Upper range	
	2004 to 2012	2013 to 2020	2004 to 2012	2013 to 2020
Output (£m 2009)	30,810	26,890	33,460	49,500
GVA (£m 2009)	15,330	12,570	16,720	23,820
Job years of employment	363,430	254,350	397,710	495,630
Wages (£m 2009)	7,730	6,250	8,400	11,690

Figure 37 plots the estimates of job years over time under both the baseline and upper ranges. Figure 38 provides a plot of the estimated net GVA benefits over the same period.

Figure 34: Estimated net job years of employment, 2004 to 2020

Source: Oxford Economics

Figure 35: Estimated net GVA, 2004 to 2020

Source: Oxford Economics

At a regional level London enjoys the largest share of the benefits. Figure 40 provides a summary of the baseline benefits while Figure 39 splits out the upper range.

Figure 36: Baseline Olympic related net benefits by region, 2004 to 2020

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£19,140	£9,430	138,720	£4,070
South East	£7,970	£3,920	92,260	£2,040
East of England	£5,220	£2,540	61,000	£1,260
West Midlands	£4,660	£2,140	57,720	£1,080
Scotland	£4,540	£2,290	51,160	£1,500
North West	£3,730	£1,770	49,690	£910
Yorkshire and the Humber	£3,090	£1,410	38,630	£760
East Midlands	£3,090	£1,410	37,990	£740
South West	£2,910	£1,390	41,370	£750
North East	£1,280	£640	16,650	£330
Wales	£1,270	£570	20,310	£350
Northern Ireland	£790	£380	12,270	£210
Total	£57,700	£27,900	617,780	£13,980

Source: Oxford Economics

In the upper range Yorkshire and the Humber enjoys a significant boost in GVA and labour market benefits moving it from the 7th to the 3rd largest beneficiary in output terms.

Figure 37: Upper range of Olympic related net benefits by region, 2004 to 2020

	Total output (£m, 2009 prices)	Total GVA (£m, 2009 prices)	Total job years of employment	Total earnings (£m, 2009 prices)
London	£29,410	£15,140	251,900	£6,850
South East	£10,030	£5,010	112,820	£2,540
Yorkshire and the Humber	£6,940	£2,970	72,610	£1,450
West Midlands	£6,840	£3,040	78,500	£1,500
East of England	£6,310	£3,110	73,640	£1,490
Scotland	£5,450	£2,750	62,360	£1,800
North West	£5,150	£2,460	66,610	£1,220
South West	£4,210	£2,020	59,400	£1,080
East Midlands	£3,910	£1,770	47,310	£920
Wales	£2,050	£950	31,370	£560
North East	£1,660	£830	21,200	£410
Northern Ireland	£1,010	£480	15,600	£260
Total	£82,960	£40,540	893,340	£20,090

Source: Oxford Economics

All sectors should benefit from the Olympic related impacts covered in this report. Retail is estimated to experience the largest labour market benefits with baseline estimates of 86,110 job years of employment created or supported over the period (Figure 41). ‘Professional, scientific and technical’ (a key export and growth sector for the UK going forward) is also estimated to experience significant benefits as will the ‘Administrative and support’ services.

Figure 38: Baseline net job years of employment by sector, 2004 to 2020

Total employment (job years) 2004 - 2020	UK			
	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	4,690	5,840	10,530
Mining and quarrying	0	17,030	2,250	19,280
Manufacturing	11,630	20,580	13,970	46,180
Utilities	3,860	3,100	1,330	8,290
Water and waste	350	670	1,200	2,220
Construction	47,520	25,060	4,650	77,220
Wholesale and retail	9,200	14,930	61,970	86,110
Transportation and storage	2,860	11,400	14,710	28,980
Accommodation and food	8,480	2,130	31,300	41,900
Information and communication	9,810	6,620	5,580	22,010
Financial services	6,210	4,300	8,950	19,460
Real estate	3,500	1,900	6,890	12,280
Professional, scientific and technical	36,050	33,540	14,450	84,050
Administrative and support	27,050	33,000	14,920	74,970
Public administration	3,880	2,270	1,930	8,080
Education	5,810	4,660	5,750	16,220
Health	15,400	1,770	7,640	24,820
Arts, entertainment and recreation	11,220	4,090	10,640	25,950
Other service activities	2,140	2,280	4,830	9,240
Total	204,970	194,000	218,810	617,780

Source: Oxford Economics

Figure 39: Upper range of net job years of employment by sector, 2004 to 2020

Total employment (job years) 2004 - 2020	UK			
	Direct	Indirect	Induced	Total
Agriculture, forestry and fishing	0	7,810	8,780	16,590
Mining and quarrying	0	18,710	3,500	22,220
Manufacturing	29,440	28,550	20,250	78,240
Utilities	4,070	3,600	2,000	9,660
Water and waste	350	1,000	1,770	3,120
Construction	47,520	26,410	6,860	80,790
Wholesale and retail	40,660	22,680	91,450	154,790
Transportation and storage	5,620	19,140	21,780	46,540
Accommodation and food	10,670	3,260	46,190	60,120
Information and communication	17,080	9,810	8,150	35,050
Financial services	8,270	5,980	12,970	27,220
Real estate	3,660	2,830	10,320	16,810
Professional, scientific and technical	48,830	48,010	21,490	118,340
Administrative and support	37,490	45,140	22,070	104,700
Public administration	3,880	3,140	2,850	9,860
Education	6,390	6,470	8,550	21,420
Health	19,000	2,460	11,340	32,800
Arts, entertainment and recreation	16,110	6,160	15,780	38,060
Other service activities	6,440	3,390	7,180	17,010
Total	305,480	264,560	323,290	893,340

Source: Oxford Economics

Further benefits are likely if those taken off worklessness in London remain in employment or seek to upskill. In addition tourism related impacts that could arise from the Games showcasing the UK or any further trade or investment deals that may be secured as a result of the Games have not been included.

(iii) Future research

Looking forward, there are number of areas where the analysis could be strengthen and expanded to improve the economic impact estimates:

- **Tourism:** primary research would be required to understand the legacy impact of the Olympics Games. In addition primary research would be require to test how much of domestic visitor spend was additional;
- **Catalysed investments:** further work would be required on the scale of displacement. This is easier to do in the case of office space than retail. It would be interesting to monitor how much of the office space is taken by existing firms in London relocating, or by new firms who would have set up in London or the rest of the UK regardless of these new developments;
- **Trade and investment:** further data will become available over time on the timing of trade and investment contracts. There is also a need to understand the types of activity in both trade and investment deals. High or lower than average productivity levels will impact on indirect and induced benefits. In addition planned job creation may be different to actual job creation in the inward investment plans. Finally it would be useful to understand how permanent inward investment job creation will be; and
- **Employability and skills development:** the analysis associated with this theme was a point in time estimate of benefits. There is considerable potential for employability and skills development schemes to generate additional benefits. It would be useful to monitor the c.70,000 individuals that were taken off worklessness to see if they remain in employment, progress into higher positions and enter training.

A Appendix: Displacement assumptions

South East	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	10%	5%	5%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	30%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	40%	25%	10%	10%
E : Water supply; sewerage, waste management and remediation activities	50%	40%	30%	15%
F : Construction	25%	15%	10%	10%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	30%	10%	5%	5%
H : Transportation and storage	30%	10%	5%	5%
I : Accommodation and food service activities	30%	10%	5%	5%
J : Information and communication	50%	30%	15%	15%
K : Financial and insurance activities	30%	10%	5%	5%
L : Real estate activities	30%	10%	5%	5%
M : Professional, scientific and technical activities	30%	10%	5%	5%
N : Administrative and support service activities	30%	10%	5%	5%
O : Public administration and defence; compulsory social security	70%	60%	40%	30%
P : Education	70%	60%	40%	30%
Q : Human health and social work activities	70%	60%	40%	30%
R : Arts, entertainment and recreation	30%	10%	5%	5%
S : Other service activities	30%	10%	5%	5%

London	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	10%	5%	5%
B : Mining and quarrying	40%	25%	5%	5%
C : Manufacturing	30%	20%	15%	10%
D : Electricity, gas, steam and air conditioning supply	50%	30%	15%	10%
E : Water supply; sewerage, waste management and remediation activities	50%	40%	30%	15%
F : Construction	30%	15%	10%	10%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	30%	25%	10%	10%
H : Transportation and storage	40%	30%	10%	10%
I : Accommodation and food service activities	50%	25%	15%	15%
J : Information and communication	50%	30%	15%	15%
K : Financial and insurance activities	50%	30%	15%	15%
L : Real estate activities	50%	30%	15%	15%
M : Professional, scientific and technical activities	50%	30%	15%	15%
N : Administrative and support service activities	50%	30%	15%	15%
O : Public administration and defence; compulsory social security	70%	60%	40%	30%
P : Education	70%	60%	40%	30%
Q : Human health and social work activities	70%	60%	40%	30%
R : Arts, entertainment and recreation	30%	20%	10%	5%
S : Other service activities	30%	20%	10%	5%

East of England	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	30%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	40%	25%	10%	10%
E : Water supply; sewerage, waste management and remediation activities	50%	40%	30%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	30%	5%	3%	3%
J : Information and communication	50%	5%	3%	3%
K : Financial and insurance activities	30%	5%	3%	3%
L : Real estate activities	30%	5%	3%	3%
M : Professional, scientific and technical activities	30%	5%	3%	3%
N : Administrative and support service activities	30%	5%	3%	3%
O : Public administration and defence; compulsory social security	70%	50%	30%	15%
P : Education	70%	50%	30%	15%
Q : Human health and social work activities	70%	50%	30%	15%
R : Arts, entertainment and recreation	30%	5%	3%	3%
S : Other service activities	30%	5%	3%	3%

South West	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	30%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	40%	25%	10%	10%
E : Water supply; sewerage, waste management and remediation activities	50%	40%	30%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	30%	5%	3%	3%
J : Information and communication	50%	5%	3%	3%
K : Financial and insurance activities	30%	5%	3%	3%
L : Real estate activities	30%	5%	3%	3%
M : Professional, scientific and technical activities	30%	5%	3%	3%
N : Administrative and support service activities	30%	5%	3%	3%
O : Public administration and defence; compulsory social security	70%	50%	30%	15%
P : Education	70%	50%	30%	15%
Q : Human health and social work activities	70%	50%	30%	15%
R : Arts, entertainment and recreation	30%	5%	3%	3%
S : Other service activities	30%	5%	3%	3%

West Midlands	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

East Midlands	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	30%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	40%	25%	10%	10%
E : Water supply; sewerage, waste management and remediation activities	50%	40%	30%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	30%	5%	3%	3%
J : Information and communication	50%	5%	3%	3%
K : Financial and insurance activities	30%	5%	3%	3%
L : Real estate activities	30%	5%	3%	3%
M : Professional, scientific and technical activities	30%	5%	3%	3%
N : Administrative and support service activities	30%	5%	3%	3%
O : Public administration and defence; compulsory social security	70%	50%	30%	15%
P : Education	70%	50%	30%	15%
Q : Human health and social work activities	70%	50%	30%	15%
R : Arts, entertainment and recreation	30%	5%	3%	3%
S : Other service activities	30%	5%	3%	3%

Yorkshire and The Humber	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

North West	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

North East	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

Wales	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

Scotland	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

Northern Ireland	2000 to 2007	2008	2009	2010 to 2020
A : Agriculture, forestry and fishing	10%	5%	3%	3%
B : Mining and quarrying	30%	10%	5%	5%
C : Manufacturing	15%	10%	5%	5%
D : Electricity, gas, steam and air conditioning supply	30%	15%	5%	5%
E : Water supply; sewerage, waste management and remediation activities	40%	25%	15%	15%
F : Construction	20%	5%	3%	3%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	20%	5%	3%	3%
H : Transportation and storage	20%	5%	3%	3%
I : Accommodation and food service activities	20%	5%	3%	3%
J : Information and communication	20%	5%	3%	3%
K : Financial and insurance activities	20%	5%	3%	3%
L : Real estate activities	20%	5%	3%	3%
M : Professional, scientific and technical activities	20%	5%	3%	3%
N : Administrative and support service activities	20%	5%	3%	3%
O : Public administration and defence; compulsory social security	50%	40%	20%	10%
P : Education	50%	40%	20%	10%
Q : Human health and social work activities	50%	40%	20%	10%
R : Arts, entertainment and recreation	20%	5%	3%	3%
S : Other service activities	20%	5%	3%	3%

Annex B: Tourism Impact Assessment

London 2012 Tourism Impact Assessment:

Impact of London 2012 on Visitor Numbers and Expenditure in 2012

Final Report to Department for Culture, Media & Sport

For:
Department for Culture, Media & Sport

Prepared by:
Grant Thornton UK LLP
Ecorys
Loughborough University
Oxford Economics
Future Inclusion

July 2013

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1 Introduction

A key research objective under the tourism theme of the Meta-evaluation of the Olympics and Paralympic Games is to estimate the net impact of the Games on UK visitor expenditure in 2012. This includes both overseas tourism to London and the UK regions, and inter-regional flows of domestic (day and overnight) tourism. The modelling of visitor impacts was based on the following sources:

- International Passenger Survey (IPS) - questions were added in 2012 on whether overseas visitors attended Games events and how far the Games influenced their visit to the UK. The IPS is based on a very large sample with 304,000 interviews undertaken in 2011, conducted with passengers travelling both into and out of the UK.
- Great Britain Tourism Survey (GBTS) (overnight stays) - results are based on a sample of 129 respondents¹³⁵ who answered positively to questions which were added in 2012 on whether domestic visitors attended Games events.
- GB Day Visits Survey (GBDVS) – results are based on a sample of 147 respondents¹³⁶ who answered positively to questions which were added in 2012 on whether domestic visitors attended Games events.
- Survey of Games-time visitors – small survey of public ticket holders attending events at the Olympics and the Paralympics, covering the Olympic Park, Excel Arena and Wimbledon venues. The results are based on a sample of 1,264 respondents (897 Olympics and 367 Paralympics).
- Ticket sales – LOCOG’s report on tickets sales provides data on numbers of tickets sold to the public by event, split by UK public sales (80%) and “client groups” (20% - which includes overseas public but also sponsors, the IOC, media, competitors and their families). LOCOG has advised that ticket data is not fully broken down by international and domestic markets as there is no split of the client groups and any tickets sold within the EU could have been bought by any EU citizen¹³⁷. LOCOG estimates that overall international ticket sales were between 15 and 20% of the total tickets sold and 17.5% has been taken as a best estimate for this analysis.

¹³⁵ In 2011, about 100,000 interviews were undertaken for the GBTS of which about 10-20% reported going on an overnight trip with the UK and Ireland over the previous four weeks.

¹³⁶ Over 2012 as a whole, the GBDVS recorded a sample of 33,788 tourism day visits lasting three hours or more

¹³⁷ i.e. a portion of the 80% sold through the UK public sale could have been bought by non-UK EU citizens, and a portion of the non-UK EU ticket sales could have been bought by the UK public

2 Analytical Framework

In this section, we describe the general approach to assessing the impact of the Olympics and Paralympics on the visitor economy of London and the rest of the UK. Estimates of net additional visitor expenditure are given separately for overseas visitors, UK-based overnight staying visitors and UK-based day visitors.

2.1 Gross visitor expenditure

Estimates of gross visitor expenditure include the total expenditure of all visitors to the Games. For overseas visitors, this includes all those who, according to the IPS, attended an Olympic/Paralympic related event (including ticketed and non-ticketed sporting events and London 2012 Festival events) as well as those who did not attend an event but stated that the Games was the main reason for coming to the UK. For domestic visitors, the estimate includes all those who attended a ticketed event, based on LOCOG data, as well as other Olympic/Paralympic related events, including the torch relay (from the GBTS and GBDVS).

2.2 Additional visitor expenditure

Additional visitor expenditure refers to the expenditure that is estimated to be attributable to the Games directly. Some overseas visitors who attended Olympic/Paralympic events would have visited the UK anyway, so their expenditure cannot be deemed additional in the analysis. Similarly, many domestic visitors would have otherwise visited London, or elsewhere in the UK, even if it were not for the Games, so their expenditure is not additional. For domestic visitors, estimates are given for additional expenditure in London and additional expenditure in the rest of the UK. Much of the additional expenditure in London due to the Games was effectively displaced from the rest of the UK, as many visitors came to London as an alternative to taking a holiday elsewhere in the UK.

Where visits were not additional (e.g. the visitor would have come to the UK or London anyway), visitors may have extended their stay due to the Games. Estimated expenditure as a result of extra nights (also accounting for visitors who cut short their stay due to the Games) is also included in the overall estimate for additional expenditure.

2.3 Net additional visitor expenditure (taking into account crowding out)

While many people chose to visit the UK in 2012 due to the Olympics/Paralympics taking place, other people may have chosen to stay away from the UK (e.g. due to perceptions about prices and congestion) as a result of the Games. This effect is known as crowding out. It is difficult to measure this crowding out accurately as we did not have survey data to identify the potential visitors who would have come to the UK in 2012 were it not for the Olympics/Paralympics. However, by examining overall trends in visitor numbers coming to the UK, and associated expenditure, in 2012 compared to 2011, we made an estimate of the magnitude of this crowding out effect, deducting this from additional expenditure to calculate net additional visitor expenditure. It is assumed that crowding out primarily affected overseas visitors rather than domestic visitors.

2.4 Summary of impact calculations

The general approach to the estimation of net impacts on visitor expenditure is summarised in the table below.

Figure 2-1

Calculation Steps	
1. Gross expenditure	A
2. Additionality factor (based on analysis of whether would have attended London/UK or not) between zero and one	B
3. Additional visitor expenditure	$C = A \times B$
4. Extra bed expenditure due to extended stays (Overseas and Domestic overnight only)	D
5. Crowding out	E
6. Net additional expenditure	$F = C + D - E$

3 Overseas Visitors

3.1 Gross visitor expenditure

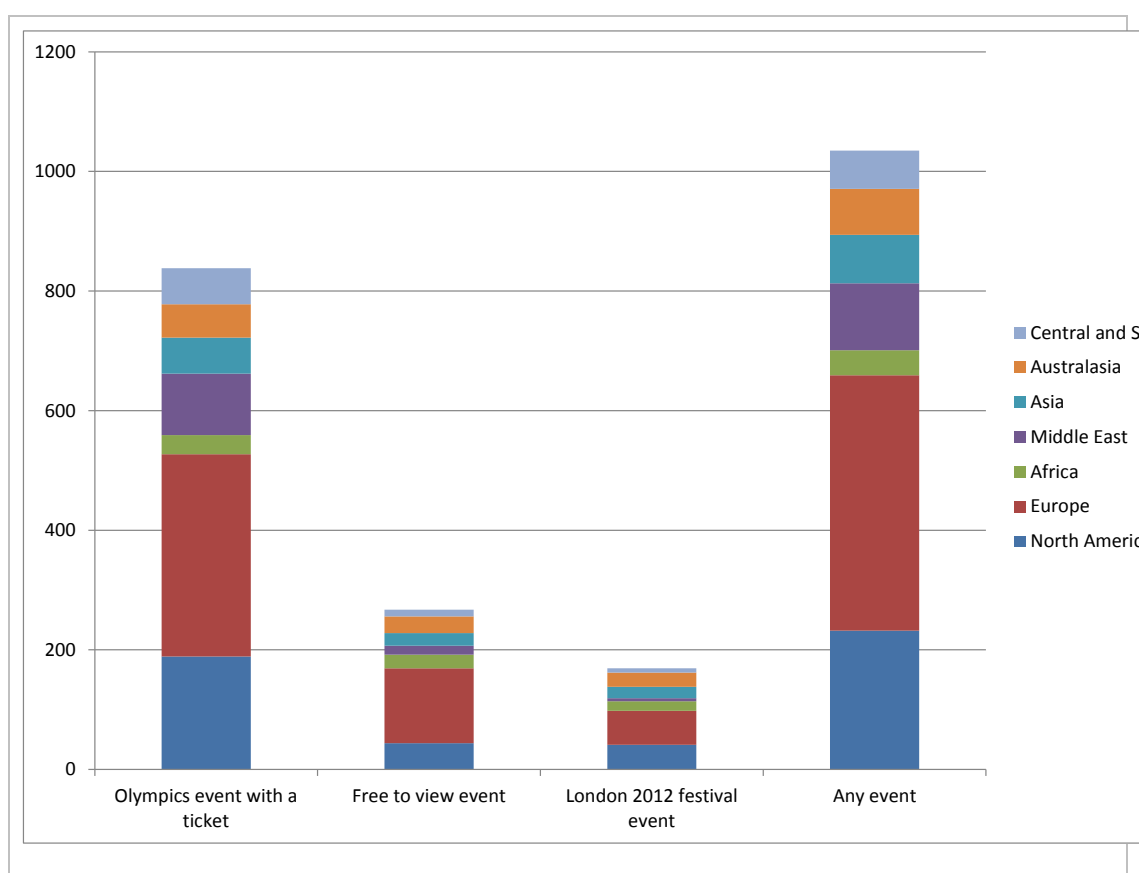
The IPS 2012 provides data on the total gross number of visitors and expenditure for each of the Games-related categories below:

- any official event with a ticket;
- live, free-to-view sports event (e.g. marathon/big screen – not watching on television); and
- cultural shows or exhibitions relating to London 2012 Festival

We used this data to estimate the number of visitors and associated expenditure of those that attended at least one of the events.

Expenditure relates to overseas-sourced money spent by travellers (and earned by the UK) in relation to the visit and therefore any tickets bought for London 2012 are included in the IPS estimates for July, August or September 2012 (i.e. the month when the visit was completed) regardless of when the tickets were bought. We provide estimates of visitor expenditure both including and excluding expenditure on tickets.

Data from the IPS estimates that 830,000 overseas visitors coming to the UK between July and September 2012 attended one or more of the Olympic-related events listed above. In total, these visitors spent over £1.03 billion in the UK during their stay. Visitors attending ticketed events spent £840 million, while visitors attending London 2012 festival events spent £170 million. The following chart shows that over half of the total expenditure was accounted for by visitors from Europe and North America.

Figure 3-1 Overseas visitor expenditure (million pounds) by type of event and country of origin, 2012 Q3

Source: IPS

The IPS also asked visitors whether the main purpose of their trip to the UK was Olympics or Paralympics related. As shown in the following table, just over half of visitors attending an event reported that the main purpose of their visit was Olympics/Paralympics related although they accounted for nearly two-thirds of the expenditure of those attending an event. (Note that people who came to the UK for a different reason were more likely to have attended a free to view or festival event.) A further 40,000 visitors (£56 million of spending) did not attend an event but did say that the main purpose of their visit was Olympics/Paralympics related. Therefore, we also include this group in our estimates for gross expenditure, as it is assumed that their visit was also inspired by the Games even though they didn't attend an event. Total gross expenditure from overseas visitors is therefore estimated to be about £1,090 million.¹³⁸

Figure 3-2: Gross overseas visitors and expenditure by type of event attended, and whether or not the main purpose of their visit was Olympic/Paralympic related

	Main purpose of visit was Olympics/Paralympics related		Main purpose of visit was NOT Olympics/Paralympics related	
	Visits ('000s)	Spending (£millions)	Visits ('000s)	Spending (£millions)
Attended any event	429	653	401	381
Attended a ticketed event	389	624	215	216

¹³⁸ 653 + 381 +56

	Main purpose of visit was Olympics/Paralympics related		Main purpose of visit was NOT Olympics/Paralympics related	
Attended a free to view event	103	126	154	137
Attended a London 2012 festival event	38	70	87	99
Didn't attend any event	40	56	8,032	5,324
Total visits	470	709	8,433	5,705

Source: IPS

A significant proportion of the expenditure by international visitors was spent on Olympic/Paralympic tickets. Total revenue from ticket sales was £659 million¹³⁹. To estimate the gross expenditure in the UK economy excluding ticket purchases, we assume the proportion of ticket sales sold to international visitors was 17.5% (based on the estimate from LOCOG above). On this basis, gross expenditure from overseas visitors net of ticket sales is estimated to be £975 million¹⁴⁰. This is summarised in the table below.

Figure 3-3: Summary of estimated gross additional visitor expenditure for overseas visitors

	£million
Gross expenditure of those who attended any event and whose main purpose of visit was Olympics/Paralympics related	653
Gross expenditure of those who attended any event and whose main purpose of visit was not Olympics/Paralympics related	381
Gross expenditure of those who did not attend any event but whose main purpose of visit was Olympics/Paralympics related	56
Total gross expenditure of overseas visitors, including ticket sales	1,090
Total revenue from ticket sales to overseas visitors	115
Total gross expenditure of overseas visitors, excluding ticket sales	975

Source: Ecorys analysis

3.2 Additional visitor expenditure

In this section, we provide an estimate of the overseas visitor expenditure that can be deemed additional to the Games insofar as it would not have occurred were it on for the Olympics/Paralympics.

Influence of the Games on visit

Our estimates also take into account the extent to which the Games influenced trips to the UK using responses to the IPS question 'Was your decision to visit the UK influenced by the Games?' The following additionality factors were applied:

Yes – definitely	-	1.00
Yes – probably	-	0.75

¹³⁹ Source: LOCOG

¹⁴⁰ Sum of: $653 - 659 \times 17.5\% \times 653 / (653 + 381) = £580$ million for visitors attending any event whose main purpose was Olympics/Paralympics related; $381 - 659 \times 17.5\% \times 381 / (653 + 381) = £339$ million for visitors attending any event whose main purpose was not Olympics/Paralympics related; and £56 million (no deduction for ticket sales required) for visitors not attending any event but whose main purpose for visiting was Olympics/Paralympics related.

No – probably not - 0

No – definitely not - 0

The following table shows that the vast majority (97%) of visitors whose main purpose was Olympics/Paralympics related said that their decision to visit the UK was ‘definitely’ influenced by the Games, while the responses from those whose main purpose was not Olympics/Paralympics related were more mixed.

Figure 3-4: Additionality of visit: Whether visitor would have visited the UK if it were not for the Olympics/Paralympics

Assumed additionality		Attending any event	
		Main purpose of visit was Olympics/Paralympics related	Main purpose of visit was NOT Olympics/Paralympics related
Was decision to visit the UK influenced by Olympics/Paralympics?			
Yes, definitely	1	97.4%	33.1%
Yes, probably	0.75	1.1%	9.6%
No, probably not	0	0.5%	16.2%
No, definitely not	0	1.1%	41.1%
Average additionality		0.98	0.40
Average additionality (“Yes definitely” and “Yes probably” only) ¹⁴¹		1.00	0.94

Those respondents who said that the Games definitely or probably influenced their decision to visit the UK were subsequently asked the following question to ascertain what visitors would have otherwise done had the Games not been taking place in the UK in 2012:

In which, if any, of these ways did the Olympic or Paralympic Games influence your visit?
(code all that apply)

- a) I would not have visited the UK otherwise
- b) I visited the UK earlier
- c) I visited the UK later

¹⁴¹ As all those responding “No probably not” and “No definitely not” are assumed to have zero additionality and are hence excluded from the next stage of the analysis, this further additionality figure is used to weight responses between “Yes definitely” and “Yes probably” at a later stage in the analysis.

- d) I stayed in the UK longer
- e) I stayed for less time
- f) I visited different parts of the UK
- g) Other (please specify)

We applied the following additionality factors:

- If respondents would not have visited the UK otherwise the visit and associated spend is considered to be 100% additional (a factor of 1 is applied to number of trips and expenditure)
- If respondents visited earlier or later this can be considered inter-temporal displacement and an additionality factor of zero is applied.

Staying for longer or less time in the UK, as a result of attending a Games event, would also impact on the additionality of spend. Data on length of stay was generated using answers to the IPS questions '*by how many nights did you extend / reduce your trip? (Number of nights)*' and an estimate was made of the net extra bed nights and associated spend due to extended stays affected by the Games.

The following table shows the additionality of visits, based on whether they would have visited anyway and, if so, whether they stayed for more or less time than they would have done otherwise. The majority (85%) of visitors whose main purpose was Olympics/Paralympics related would not have visited the UK otherwise. However, only 16% of visitors who attended an event but whose main purpose was not Olympics/Paralympics related would not have visited otherwise.

Figure 3-5: Additionality of visit: whether visitor would have visited the UK if it were not for the Olympics/Paralympics

	Attending any event	
	Main purpose of visit was Olympics/Paralympics related	Main purpose of visit was NOT Olympics/Paralympics related
Visit probably or definitely not influenced by the Games	1.5%	57.3%
Visit probably or definitely influenced by the Games and wouldn't have visited otherwise	85.3%	16.4%
Visit probably or definitely influenced by the Games and would have visited anyway (including earlier or later in the year)	13.2%	26.2%
If would have visited anyway....		
Stayed for longer than would have done otherwise	11.6%	20.6%
Stayed for less time that would have done otherwise	5.8%	1.9%
Would have visited for same amount of time otherwise	82.6%	77.6%

Source: IPS

Where respondents reported that they would have visited the UK anyway but stayed for a different period of time than what they would have done otherwise, they were asked to estimate how many more or less days that they stayed because of the Olympics or Paralympics. As shown in the following table, it is estimated that visitors who extended their stay did so by about 34% while visitors who cut short their stay did so by about 19-20%.

Figure 3-6: Impact on duration of stay

	Main purpose of visit was Olympics/Paralympics related		Main purpose of visit was NOT Olympics/Paralympics related	
	Number of days	% of total trip	Number of days	% of total trip
Average duration of stay (all visits to the UK in Q3)	25.84	100%	25.84	100%
Average number of extra days	8.66	33.5%	8.91	34.5%
Average number of fewer days	4.86	18.8%	5.27	20.4%

Source: IPS

The table below shows how additional expenditure was estimated based on the results from the above tables. It shows that additional expenditure of overseas visitors due to the Games was estimated to be £674 million, or £604 million excluding ticket sales.

Figure 3-7: Summary of additional visitor expenditure from overseas visitors

	Including ticket sales (£million)			Excluding ticket sales (£million)		
	Main purpose of visit was Olympics/Paralympics related	Main purpose of visit was NOT Olympics/Paralympics related	Total	Main purpose of visit was Olympics/Paralympics related	Main purpose of visit was NOT Olympics/Paralympics related	Total
Gross expenditure	709	381	1,090	636	339	975
Percentage who would not have visited otherwise	85.3%	16.4%		85.3%	16.4%	
Expenditure of those who would not have visited otherwise ^(A)	605	63	667	543	56	598
Percentage who would have visited otherwise but extended their stay ^(B)	1.5%	5.4%		1.5%	5.4%	
Average extension as percentage of stay	33.5%	34.5%		33.5%	34.5%	
Expenditure of those who visited for longer ^(C)	4	7	11	3	6	10
Average additionality of visit (those whose visit was	1.00	0.94		1.00	0.94	

	Including ticket sales (£million)			Excluding ticket sales (£million)		
definitely or probably influenced by the Games only)						
Increased expenditure due to Games ^(D)	607	66	672	544	58	603
Percentage who would have visited otherwise but cut short their stay ^(E)	0.8%	0.5%		0.8%	0.5%	
Average reduction as percentage of stay	18.8%	20.4%		18.8%	20.4%	
Expenditure of those who visited for less time ^(F)	-1	0	-1	-1	0	-1
Total additional expenditure ^(G)	608	66	674	545	59	604

Source: Ecorys analysis

^(A) Gross expenditure x Percentage who would not have visited otherwise

^(B) Percentage who would not have visited otherwise x percentage who visited for longer

^(C) Gross expenditure x Percentage who would have visited otherwise but extended their stay x Average extension as a percentage of stay

^(D) (Expenditure of those who would not have visited otherwise + Expenditure of those who visited for longer) x Average additionality of visit

^(E) Percentage who would not have visited otherwise x percentage who visited for less time

^(F) Gross expenditure x Percentage who would have visited otherwise but visited for less time x Average reduction as a percentage of stay

^(G) Increase expenditure due to Games – Expenditure of those who visited for less time

3.3 Net additional visitor expenditure

The calculation of net additional visitor expenditure should allow for crowding out effects on other overseas visitor numbers. Crowding out is defined here in terms of the extent to which tourists that would have come without the Olympics and Paralympics stay away in response to changes in prices and perceived disruption or congestion.

The issue of crowding out was considered via analysis of changes in non-Olympics visits although the influence of the weather on visitor trends in 2012 and other factors such as the Jubilee celebrations provide further layers of complexity. One way of considering potential crowding out effects is by estimating the expected number of non-Olympics visits in July, August and September. An assumption was calculated on the basis of visitor numbers in the same months in 2011 and the difference in visitor numbers between 2011 and 2012 for the first six months of the year (i.e. the overall trend in visitor numbers for the start of the year). We assume that, in the absence of the Games, overseas visitor expenditure in the months of the Games would have been:

- Overseas expenditure in July, August, September 2011 X Overseas expenditure in preceding months in 2012 / Overseas expenditure in preceding months in 2011 = Expected overseas expenditure

Crowding out over the months of the Olympics and Paralympics can therefore be estimated as:

- Expected overseas expenditure – [Actual overseas expenditure (IPS) – Additional expenditure of overseas Olympic visitors (IPS)]

We also take into account visitors who came in the first two quarters of 2012 and said that the Games influenced them to visit earlier than they would have done otherwise. These are netted off the 2012 Q1-Q2 figures as they are considered displacement in time.

Using this methodology, it is estimated that crowding out accounted for about 826,000 fewer non-Olympic/Paralympic visitors in Q3 of 2012 than would have been expected normally, with £367 million lost to the visitor economy. This is summarised in the following table:

Figure 3-8: Crowding Out

	Number of visitors (thousands)	Expenditure (£m)
All visitors in Q3 2011 (A)	9,172	5,965
All visitors in Q1-2 2011 (B)	14,421	7,637
All visitors in Q1-2 2012 (C)	14,695	7,931
Visitors in Q1-2 2012 who came earlier to avoid the Games (D)	124	111
Expected number of non-Olympics visits ($E = A \times (C-D) / B$)	9,268	6,108
Actual number of non-Olympic visits ¹⁴² (F)	8,442	5,742
Crowding out (E-F)	826	367

Source: IPS and Ecorys Analysis

The following table shows the total additional overseas visitor numbers and expenditure associated with the Olympics and Paralympics. It is estimated that an additional £235 million (£305 million if expenditure on tickets is included) was generated in the UK visitor economy from overseas visitors due to the Games.

Figure 3-9: Net additional visitors and expenditures

	All visitors (including ticket sales)		All visitors (excluding ticket sales)	
	Additional visitors ('000s)	Additional spending (£m)	Additional visitors ('000s)	Additional spending (£m)
Total additional visitors	461	674	461	604
Minus visitors who stayed away (crowding out)	-826	-367	-826	-367
Net additional visitors and expenditure	-365	305	-365	235

Source: IPS

The table above shows that, in terms of visitor numbers, the crowding out effects outweigh the positive impact of the Games. It is estimated that the Games led to there being about 365,000 fewer visitors to the UK than we would have expected otherwise. However, due to the fact that the visitors who did come in Q3 of 2012 spent more in the visitor economy than visitors who came outside of the Olympics / Paralympics period, the net impact on expenditure is positive

¹⁴² All visits / visitor expenditure in Q3 2012 minus the additional Games-related visitors / visitor expenditure (including ticket sales) estimated in Table 6 above

(£235 million excluding ticket sales). ONS analysis of the IPS¹⁴³ (using a slightly different definition of a Games visitor) shows that spend per visit of Games visitors was £1,533, double that of people who visited at that time of the year for other purposes.

This is illustrated in the following table, based on IPS data. It shows that, while visitor numbers fell by nearly 3% in 2012 Q3 (compared to 2011 Q3) despite rising visitor numbers in the first half of 2012, expenditure increased by 7.5% in 2012 Q3 (higher than the increase between 2011 Q1-Q2 and 2012 Q1-Q2).

Moreover, results from Visit England's England Occupancy Survey¹⁴⁴ suggest that occupancy rates in London (and the rest of England) were similar in August 2012 as they were in August 2011 and previous years, suggesting a minimal net impact on staying visitors. It is possible that many lower spending overseas visitors, who might ordinarily visit London and the UK during the summer months, were effectively crowded out by the increased demand for accommodation from domestic tourists due to the Games.

Figure 3-10: Total overseas visitors, 2011 and 2012

	Visitors		Expenditure	
	Thousands	% change 2011-12	£million	% change 2011-12
2011 Q1 - Q2	14,421		7,637	
2011 Q3	9,172		5,965	
2012 Q1 - Q2	14,695	1.9%	7,931	3.8%
2012 Q3	8,902	-2.9%	6,414	7.5%

Source: IPS

Analysis of the IPS also allows us to estimate the impact by region. As expected, the majority of overseas visitors attending an Olympic/Paralympic event stayed in London. Many other visitors that attended events stayed in other parts of the UK but these visitors were much less likely to have said that their main reason for visiting was Olympics/Paralympics, compared to those who stayed in London, as shown in the following table.

Figure 3-11: Gross visitors by region and main purpose (attending events only)

	Main purpose of visit was Olympics/Paralympics related		Main purpose of visit was NOT Olympics/Paralympics related	
	Visits ('000s)	Spending (£millions)	Visits ('000s)	Spending (£millions)
London	341	522	262	218
North East	4	2	6	4
North West	6	2	20	6
Yorkshire	1	1	15	6
West Midlands	11	4	15	8
East Midlands	2	1	11	7

¹⁴³ ONS (2013) Visits to the UK for the London Olympic Games and Paralympics, Travel Trends, April 2013

¹⁴⁴ Visit England, *England Occupancy Survey: August 2012 Regional Results*

	Main purpose of visit was Olympics/Paralympics related		Main purpose of visit was NOT Olympics/Paralympics related	
East of England	18	11	30	13
South West	11	6	38	27
South East	47	37	95	63
Scotland	9	3	27	15
Wales	7	3	17	10

Source: IPS

Under the assumption that additionality for each region is similar to that of the UK as a whole (controlling for whether or not the main purpose of the visit was Olympics/Paralympics related), the following table shows estimated additional visitor numbers and expenditure for each region. Note that this does not take into account crowding out or displacement of visitors between regions.

Figure 3-12: Total additional visitors by region (before crowding out or displacement effects)

Region	Additional visitors ('000s)	Additional spending net of ticket sales (£m)
London	331	426
North East	4	2
North West	8	2
Yorkshire	3	2
West Midlands	12	4
East Midlands	3	2
East of England	20	10
South West	15	9
South East	55	37
Scotland	12	5
Wales	9	4

Source: IPS

4 Overnight Visitors (UK)

In this section, we provide an estimate of the net additional impact of the Games on visitor expenditure among UK residents who attended an Olympic or Paralympic event as part of an overnight stay.

4.1 Gross visitor expenditure

The gross number of overnight visitors and expenditure considers all spending by UK residents who attended an Olympic/Paralympic event as part of an overnight stay.

The Meta-Evaluation Survey of Games-time Visitors results provide an estimate of total expenditure per ticket sale for those who stayed overnight which was then applied to the total number of tickets sold to the general public across the events / venues covered by the survey using the LOCOG data on ticket sales. As noted above, ticket data is not fully broken down by international and domestic and an estimate of 17.5% international sales has been taken as a best estimate for this analysis. Data was also available from LOCOG on the total revenue earned from ticket sales so this was deducted from estimates of overall visitor expenditure to provide an estimate of expenditure net of ticket purchases.

From the Meta-evaluation visitor survey, we can estimate that about 21% of UK visitors to London venues stayed overnight.

The calculation for gross expenditure is as follows:

- Gross expenditure of those attending ticketed events = Expenditure per ticket held (using survey evidence) x number of tickets sold to the UK public (using data from LOCOG) x Percentage of UK ticketholders staying overnight (21%)

The scope of the survey (i.e. focused on London venues only, in ticketed locations) raises a number of issues which require further consideration:

- Types of visitors: The survey did not cover any visitors with VIP access to the Olympic Park (media, Olympic family etc). We have made the assumption that average spending and levels of additionality are the same for VIP visitors as for ticket-holders accessing the venues through the main public entrances.
- Geographical scope: As the survey only covered visitors to London venues, we would need to extend findings from the survey to ticketed events at non London venues (these could potentially have higher proportions of UK visitors). For simplicity, we have assumed that all visitors behaved in similar ways to those with tickets in London venues to compute an estimate of total expenditure effects¹⁴⁵, and that 2.14 million out of the total 10.99 million tickets sold were for events outside of London¹⁴⁶.

¹⁴⁵ This approach presents particular challenges when estimating the extent to which spending is displaced between regions in the UK. For London venues, the survey estimates the percentage of visitors that would have otherwise visited other parts of the UK if they had not come for the Games (thus reflecting displacement from the visitor economies of the rest of the UK to the visitor economy of London). To extrapolate this data to non-London venues, we assume that that same percentage would have otherwise visited London, reflecting the same average displacement in the other direction. This is likely to overestimate displacement away from London, as fewer people would generally visit London than the rest of the UK combined, but is not likely to have a major impact on the overall results.

¹⁴⁶ Source LOCOG / DCMS analysis

The following table shows that total gross expenditure of overnight visitors from the UK purchasing tickets for Olympic or Paralympic events is estimated to be £234 million, or £122 million excluding expenditure on tickets.

Figure 4-1: Gross expenditure of UK overnight visitors with tickets to Olympic / Paralympic events

	London venues	Non-London venues	Total
Expenditure per ticket (£)	125.22	125.22	125.22
Total expenditure including ticket sales (£m) ^(A)	189	46	234
Total expenditure on tickets (£m) ^(B)	90	22	112
Total expenditure excluding ticket sales (£m) ^(C)	98	24	122

Source: London 2012 Olympic and Paralympic Games Visitor Survey (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

^(A) Number of tickets sold x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK visitors staying overnight (20.6%) x Expenditure per ticket

^(B) Total revenue from ticket sales (£659m) x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK customers staying overnight (20.6%)

^(C) Total expenditure including ticket sales – Total expenditure on tickets

Despite small sample sizes the GB Tourism Survey (GBTS) (overnight visitors) data appears to provide the best source on overall number of trips which did not involve a ticketed event.

In 2012, questions in the GBTS asked about activities undertaken during trips were amended to include five options related to the 2012 Games

- Attended a 2012 Olympics/Paralympics sports event
- Attended the 2012 Olympic Torch relay
- Attended an Inspire mark Olympic event
- Attended a Cultural Olympiad event, the 2012 Festival, or any other "official" Olympic-related event
- Visited the Olympic Park in London (without attending a 'ticketed' sporting event)

Using the GBTS data on attendance at events which involved an overnight stay (which Visit England has provided to Ecorys) we estimated the overall number of trips which did not involve a ticketed event i.e.:

- Overall number of trips which did not involve a ticketed event = number attending a 2012 Olympics / Paralympics sports event – number of tickets sold to the UK public (from the LOCOG data) x average number of ticketed events attended per visit

The gross expenditure of visitors to non-ticketed events and other Games-related events listed in the box above can therefore be estimated using the GBTS expenditure data.

Given the small sample sizes involved it has only been possible for Visit England to provide a breakdown of number of visitors and spend at the level of London and the rest of Great Britain. The following table shows that, once ticket holders are removed from the analysis, a further 760,000 overnight visitors attended a non-ticketed event between January and October 2012, spending a total of £149 million, nearly two-thirds of which was spent outside of London.

Figure 4-2: Gross expenditure of UK overnight visitors attending events without tickets

	London events	Non-London events	Total
Total number of visits - millions	0.67	0.68	1.35
Total number of visits net of visits to ticketed events – millions ^(A)	0.26	0.50	0.76
Total expenditure £m	218	184	402
Total expenditure net of ticket sales £m ^(B)	128	162	290
Total expenditure of non-ticket holders only £m ^(C)	55	94	149

Source: GBTS

^(A) Total number of visits – Number of tickets sold / Average tickets per visit (1.3), apportioned according to share of visits between London and rest of GB and between overnight and day visitors

^(B) Total expenditure – Total revenue from ticket sales (£659m) x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK customers staying overnight (20.6%)

^(C) Total expenditure net of ticket sales x (Total number of visits net of ticketed events / Total number of visits), apportioned according to share of visits between London and rest of GB and between overnight and day visitors

The following table shows that total gross expenditure of UK overnight visitors is estimated to be £383 million including ticket sales, or £271 million excluding ticket sales.

Figure 4-3 Gross expenditure of all UK overnight visitors

	Including ticket sales (£million)			Excluding ticket sales (£million)		
	London events	Non-London events	Total	London events	Non-London events	Total
Gross expenditure of ticket holders	189	46	234	98	24	122
Gross expenditure of non-ticket holders	55	94	149	55	94	149
Total gross expenditure of UK overnight visitors	244	139	383	153	118	271

Source: Ecorys analysis

4.2 Additional visitor expenditure

Using responses to the question below the Meta-evaluation visitor survey allows us to examine what UK visitors who stayed overnight would otherwise have done and thus the extent of inter-regional displacement.

Q6 Which of these statements best describes the influence of the Olympics or Paralympics on your visit? Code one only

If the Olympic or Paralympic games were not taking place ...

I would not have had a trip involving a stay away from home in 2012

I would have come to London in 2012 anyway

I would have made a trip to a destination in the UK in 2012 anyway, but not visited London

I would have made a trip to a destination outside the UK instead

We applied the following additionality factors:

- If respondents would not have had a trip involving a stay away from home in 2012 or made a trip to a destination outside the UK in 2012, the visit and associated visitor spend is considered to be 100% additional (a factor of 1 is applied to number of trips and expenditure). (Unless there is evidence to the contrary the presumption is that expenditure in terms of the wider economy represents inter-regional displacement)
- If respondents would have come to London in 2012 anyway this can be considered inter-temporal displacement and an additionality factor of zero will be applied.
- If respondents would have made a trip to a destination in the UK in 2012 anyway, but not visited London, spending can be regarded as 100% additional for London but zero for the rest of the UK.

This analysis would allow us to examine how far the Games encouraged a re-distribution of trips from the rest of the country to London (see table below.)

Figure 4-4

What respondent would have done if they hadn't visited the Games				
Where they live	I would not have had a trip involving a stay away from home in 2012	Come to London anyway	Would have gone somewhere else in UK	Would have visited somewhere outside UK
London	Additional	Deadweight	Geographical displacement:	Wholly additional
		If extended trip – extra nights additional	Additional in London	
		If shortened trip – less nights a disbenefit	Deadweight in UK	
Rest of UK	Additional	Deadweight.	Geographical displacement:	Wholly additional
		If extended trip – extra nights additional	Additional in London	
		If shortened trip – less nights a disbenefit	Deadweight in UK	

The following table shows that nearly 39% of overnight visitors to London venues would have otherwise stayed at home while a further 33% would have visited London anyway. Relatively smaller proportions would have otherwise visited elsewhere in the UK or gone overseas.

Figure 4-5: Additionality - what overnight visitors would have done otherwise

If the Olympics / Paralympics were not taking place...	Percentage
Would have visited London anyway	32.9%
Would have visited elsewhere in UK anyway	15.9%
Would have otherwise stayed at home	38.6%
Would have otherwise gone overseas	12.6%

Source: London 2012 Visitor Survey (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

Staying for longer or less time in London or the UK, as a result of attending a Games event, would also impact on the additionality of spend. Data on length of stay was generated using answers to the questions 'How many extra/fewer nights did you/will you spend in London or the rest of the UK as a result of the Olympic or Paralympic Games? (Q7)' and an estimate was made of the net extra bed nights and associated spend due to extended stays affected by the Games. As shown in the table below, visitors on average spent over two extra nights in London and over one extra night in the rest of the UK due to visiting the Games with fewer visitors reducing their stay due to the Games taking place.

Figure 4-6: Additionality – extended or reduced stays due to visiting the Games

	London	Rest of UK
Average number of nights of visit	4.52	1.32
Average extra nights due to Games	2.39	1.09
Average extended stay (%)	53%	83%
Average fewer nights due to Games	0.45	0.05
Average reduced stay (%)	10%	4%

Source: London 2012 Visitor Survey (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

In the absence of any alternative sources we assumed that impacts on additional trips and length of stay for the London ticketed events also applies to ticketed events in the rest of the country and other non-ticketed events. The following table shows that additional expenditure on the visitor economy from UK overnight visitors was estimated to be £166 million from London events (£104 million excluding ticket sales) and £95 million from non-London events (£80 million excluding ticket sales). These estimates take into account inter-regional displacement due to people visiting London who would otherwise have visited somewhere else in the UK, and vice versa.

Figure 4-7: Additional expenditure of overnight visitors

	Ticket holders		Non-ticket holders		Total		
	London events	Non-London events	London events	Non-London events	London events	Non-London events	All events
Gross expenditure including ticket sales (£m)	189	46	55	94	244	139	383
Percentage additional visits to	67.1%	-15.9%	67.1%	-15.9%	67.1%	-15.9%	

	Ticket holders		Non-ticket holders		Total		
London ^(A)							
Percentage additional visits to rest of UK ^(B)	-15.9%	67.1%	-15.9%	67.1%	-15.9%	67.1%	
Additional expenditure due to additional visits to London (£m) ^(C)	127	-7	37	-15	164	-22	141
Additional expenditure due to additional visits to rest of UK (£m) ^(D)	-30	31	-9	63	-39	94	55
Additional expenditure due to all additional visits (£m) ^(E)	97	23	28	48	125	71	196
Additional expenditure due to extra nights spent in London (£m) ^(F)	25	3	7	6	33	9	41
Additional expenditure due to extra nights spent in rest of UK (£m) ^(G)	12	6	3	13	15	19	34
Additional expenditure due to all extra nights (£m) ^(H)	37	9	11	18	48	27	75
Less expenditure due to fewer nights spent in London (£m) ^(I)	-5	0	-1	0	-6	0	-7
Additional expenditure due to fewer nights spent in rest of UK (£m) ^(J)	-1	-1	0	-2	-1	-4	-4
Less expenditure due to all fewer nights (£m) ^(K)	-5	-1	-2	-3	-7	-4	-11
Total additional expenditure including ticket sales (£m) ^(L)	128	31	38	64	166	95	260
Total additional expenditure net of ticket sales (£m) ^(M)	67	16	38	64	104	80	184

Source: London 2012 Visitor Survey (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

^(A) 100% - Percentage who would have visited London anyway (32.9%) for London events; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 15.9% of visitors attending non-London events would have otherwise visited London.

^(B) Percentage who would have visited elsewhere in the UK anyway (15.9%) for London events – this is negative additionality for the rest of the UK as visitor expenditure is displaced from other regions of the UK to London; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 32.9% of visitors attending non-London events would not have visited the rest of the UK anyway

^(C) Gross expenditure x Percentage additional visits to London

^(D) Gross expenditure x Percentage additional visits to rest of UK

^(E) Additional expenditure due to additional visits to London + Additional expenditure due to additional visits to rest of UK

^(F) Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average extra nights in UK / Average total number of nights in UK) x (Average extra nights in London / Average extra nights in UK) for London events; Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average extra nights in UK / Average total number of nights in UK) x (Average extra nights in rest of UK / Average extra nights in UK) for non-London events

^(G) Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average extra nights in UK / Average total number of nights in UK) x (Average extra nights in rest of UK / Average extra nights in UK) for London events; Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average extra nights in UK / Average total number of nights in UK) x (Average extra nights in London / Average extra nights in UK) for non-London events

^(H) Additional expenditure due to extra nights in London + Additional expenditure due to extra nights in rest of UK

^(I) Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average fewer nights in UK / Average total number of nights in UK) x (Average fewer nights in London / Average fewer nights in UK) for London events; Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average fewer nights in UK / Average total number of nights in UK) x (Average fewer nights in rest of UK / Average fewer nights in UK) for non-London events

^(J) Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average fewer nights in UK / Average total number of nights in UK) x (Average fewer nights in rest of UK / Average fewer nights in UK) for London events; Gross expenditure x Percentage who would have visited London anyway (32.9%) x (Average fewer nights in UK / Average total number of nights in UK) x (Average fewer nights in London / Average fewer nights in UK) for non-London events

^(K) Less expenditure due to fewer nights in London + Less expenditure due to fewer nights in rest of UK

^(L) Additional expenditure due to additional visits + Additional expenditure due to extra nights + Less expenditure due to fewer nights

^(M) This repeats the above analysis but based on gross expenditure excluding ticket sales

4.3 Net additional visitor expenditure

There are questions again about the extent to which the domestic tourism market was affected by crowding out. Evidence from the IPS, shown in the table below, suggests that some crowding out may have occurred. Between 2011 Q3 and 2012 Q3, there was a small increase in the number of UK residents going abroad, despite a fall in the first half of 2012. Expenditure by UK residents abroad also increased by a higher amount in Q3 than in Q1-2, while the number of nights fell but less than would be expected based on the first half of the year.

Figure 4-8: Total visits abroad by UK residents, 2011 and 2012

	Visitors		Nights		Expenditure	
	Thousands	% change 2011-12	Thousands	% change 2011-12	£million	% change 2011-12
2011 Q1 - Q2	25,946		260,390		14,092	
2011 Q3	19,262		225,791		11,245	
2012 Q1 - Q2	25,752	-0.8%	254,743	-2.2%	14,524	3.1%
2012 Q3	19,327	0.3%	222,881	-1.3%	11,705	4.1%

Source: IPS

It would be difficult to determine the extent to which these trends were as a result of the Games, or whether those who travelled abroad would have otherwise spent money in the UK visitor economy. For example, the relatively poor weather conditions in the summer of 2012 may have been a factor in the observed increase in overseas trips. The occupancy statistics from Visit England (as discussed above) suggest that overall overnight stays were not negatively impacted by the Games. However, if there were any crowding out of domestic visitors, we can assume that this would have mainly affected London and that the effects of crowding out on the rest of the UK were minimal.

5 Day Visitors (UK)

The approach to estimating net impacts on day visits employed a similar approach to that adopted for the estimation on net impacts on overnight stays.

5.1 Gross visitor expenditure

The following table shows that total gross expenditure of day visitors from the UK purchasing tickets for Olympic or Paralympic events is estimated to be £621 million, or £189 million excluding expenditure on tickets.

Figure 5-1: Gross expenditure of UK day visitors with tickets to Olympic / Paralympic events

	London venues	Non-London venues	Total
Expenditure per ticket (£)	86.23	86.23	86.23
Total gross expenditure including ticket sales (£m) (A)	500	121	621
Total expenditure on tickets (£m) ^(B)	347	84	432
Total expenditure excluding ticket sales (£m) (C)	152	37	189

Source: London 2012 Visitor Survey (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

(A) Number of tickets sold x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK visitors not staying overnight (79.4%) x Expenditure per ticket

(B) Total revenue from ticket sales (£659m) x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK customers not staying overnight (79.4%)

(C) Total expenditure including ticket sales – Total expenditure on tickets, apportioned according to share of visits between London and rest of GB

The following table shows that, once ticket holders are removed from the analysis, a further 8.17 million day visitors attended a non-ticketed event (including the torch relay) between January and October 2012, spending a total of £353 million.

Figure 5-2: Gross expenditure of UK day visitors attending events without tickets

	London events	Non-London events	Total
Total number of visits - millions	10.46	5.65	16.11
Total number of visits net of visits to ticketed events – millions ^(A)	4.01	4.17	8.17

	London events	Non-London events	Total
Total expenditure £m	1,073	159	1,232
Total expenditure net of ticket sales £m ^(B)	726	75	801
Total expenditure of non-ticket holders only £m ^(C)	272	81	353

Source: GB Day Visits Survey

Note: The figures for day visitors reflect only tourism day trips and not all 3+ hour trips.

^(A) Total number of visits – Number of tickets sold / Average tickets per visit (1.3), apportioned according to share of visits between London and rest of GB and between overnight and day visitors

^(B) Total expenditure – Total revenue from ticket sales (£659m) x Percentage of tickets sold to UK customers (82.5%) x Percentage of UK customers not staying overnight (79.4%)

^(C) Total expenditure net of ticket sales x (Total number of visits net of ticketed events / Total number of visits), apportioned according to share of visits between London and rest of GB and between overnight and day visitors

The following table shows that total gross expenditure of UK day visitors is estimated to be £974 million including ticket sales, or £542 million excluding ticket sales.

Figure 5-3: Gross expenditure of all UK day visitors

	Including ticket sales (£million)			Excluding ticket sales (£million)		
	London events	Non-London events	Total	London events	Non-London events	Total
Gross expenditure of ticket holders	500	121	621	152	37	189
Gross expenditure of non-ticket holders	272	81	353	272	81	353
Total gross expenditure of UK overnight visitors	772	202	974	424	118	542

5.2 Additional visitor expenditure

We used a slightly different method used to estimate additionality of day trips than was used for overnight visits. The main difference is that visitors living in London who would otherwise have stayed at home are assumed to be deadweight, as it is assumed that they spent the same amount in the London visitor economy as they would have done had they not made a day trip to the Games. The survey finds that 37% of UK day visitors to ticketed events in London were from London. In the absence of survey data from non-London venues, it is assumed that 13% of UK day visitors to non-London venues were from London, based on London's share of the UK population according to the 2011 Census. Additionality assumptions for day visitors are as shown in the table below.

Figure 5-4

What respondent would have done if they hadn't visited the Games				
Where they live	Stayed at home / gone to work	Come to London anyway	Would have gone somewhere else in UK	Would visited somewhere outside UK
London	Deadweight	Deadweight	Geographical displacement: Additional in London Deadweight in UK	Wholly additional
Rest of UK	Additional to London Deadweight in UK	Deadweight.	Geographical displacement: Additional in London Deadweight in UK	Wholly additional

The following table shows that nearly 60% of day visitors to London venues would have otherwise stayed at home while a further 32% would have visited London anyway. Relatively smaller proportions would have otherwise visited elsewhere in the UK or gone overseas. The table also shows that there were significant differences in additionality between day visitors from London and day visitors from the rest of the UK.

Figure 5-5: Additionality - what day visitors would have done otherwise

If the Olympics / Paralympics were not taking place...	Day visitors from London	Day visitors from rest of UK	All day visitors
Would have visited London anyway	42.6%	26.4%	32.4%
Would have visited elsewhere in UK anyway	1.6%	10.2%	7.0%
Would have otherwise stayed at home	55.4%	62.4%	59.8%

Would have otherwise gone overseas	0.3%	0.9%	0.7%
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Source: London 2012 Visitor Survey Report (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C)

The following table shows that additional expenditure on the visitor economy from UK day visitors was estimated to be £357 million for London. However, there was a negative impact of -£32 million for the rest of the due to UK residents travelling to London when they would have otherwise visited elsewhere in the UK. However, the overall impact on the UK economy is positive with additional expenditure estimated to be £325 million, or £179 million if ticket sales are excluded.

Figure 5-6: Additional expenditure of day visitors

	Ticket holders		Non-ticket holders		Total		
	London events	Non-London events	London events	Non-London events	London events	Non-London events	All events
Gross expenditure including ticket sales (£m)	500	121	272	81	772	202	974
Gross expenditure including ticket sales by London residents (£m) (A)	186	16	101	10	287	26	313
Gross expenditure including ticket sales by rest of UK residents (£m) ^(B)	314	105	171	71	484	176	660
Percentage additional visits to London by London residents ^(C)	1.9%	-10.2%	1.9%	-10.2%	1.9%	-10.2%	
Percentage additional visits to London by rest of UK residents ^(D)	73.6%	-1.6%	73.6%	-1.6%	73.6%	-1.6%	
Percentage additional visits to rest of UK by London residents ^(E)	-1.6%	73.6%	-1.6%	73.6%	-1.6%	73.6%	

	Ticket holders		Non-ticket holders		Total		
Percentage additional visits to rest of UK by rest of UK residents ^(B)	-10.2%	1.9%	-10.2%	1.9%	-10.2%	1.9%	
Additional expenditure for London (£m) ^(C)	235	-3	128	-2	362	-5	357
Additional expenditure for rest of UK (£m) ^(D)	-35	14	-19	9	-54	23	-32
Total additional expenditure due to all additional visits (£m)	199	10	109	7	308	17	325
Total additional expenditure net of ticket sales (£m) ^(E)	61	3	109	7	169	10	179

Source: London 2012 Visitor Survey Report (see Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic Games and Paralympic Games Economy Evidence Base Annex C) and GB Day Visits Survey

^(A) Gross expenditure x Percentage of UK day visitors from London (37%) for London events; Gross expenditure x Percentage of UK population living in London (13%) for non-London events

^(B) Gross expenditure x Percentage of UK day visitors from rest of UK (63%) for London events; Gross expenditure x Percentage of UK population living outside London (87%) for non-London events

^(C) Percentage from London who would have visited elsewhere in the UK anyway (1.6%) plus percentage from London who would have otherwise gone overseas (0.3%) for London events; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 10.2% of visitors from London attending non-London events would have otherwise visited London.

^(D) 100% - percentage of visitors from rest of UK who would have visited London anyway (26.4%) for London events; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 1.6% of visitors from the rest of the UK attending non-London events would not have otherwise visited London ^(E) Additional expenditure due to additional visits to London + Additional expenditure due to additional visits to rest of UK

^(E) Percentage of visitors from London who would have otherwise visited elsewhere in the UK (1.6%) for London events - this is negative additionality for the rest of the UK as visitor expenditure is displaced from other regions of the UK to London; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 73.6% of visitors from the rest of the UK attending non-London events would not have otherwise visited the rest of the UK.

^(F) Percentage of visitors from the rest of the UK who would have visited elsewhere in the UK anyway (10.2%) for London events – this is negative additionality for the rest of the UK as visitor expenditure is displaced from other regions of the UK to London; for non-London events, it is assumed that the additionalities are reversed – in this case, we assume that 1.9% of visitors from the rest of the UK attending non-London events would have otherwise visited London or gone overseas

^(G) Gross expenditure of London residents attending London events x Percentage additional visits to London by London residents attending London events (1.9%) + Gross expenditure of rest of UK residents attending London events x Percentage additional visits to London by rest of UK residents attending London events (73.6%) for London events; Gross expenditure of London residents attending non-London events x Percentage additional visits to London by London residents attending non-London events (-10.2%) + Gross expenditure of rest of UK residents attending non-London events x Percentage additional visits to London by rest of UK residents attending non-London events (-1.6%) for non-London events

^(H) Gross expenditure of London residents attending London events x Percentage additional visits to rest of UK by London residents attending London events (-1.6%) + Gross expenditure of rest of UK residents attending London events x Percentage additional visits to rest of UK by rest of UK residents attending London events (-10.2%) for London events; Gross expenditure of

London residents attending non-London events x Percentage additional visits to rest of UK by London residents attending non-London events (73.6%) + Gross expenditure of rest of UK residents attending non-London events x Percentage additional visits to rest of UK by rest of UK residents attending non-London events 1.9%) for non-London events

⁽¹⁾ This repeats the above analysis but based on gross expenditure excluding ticket sales

5.3 Net additional visitor expenditure

Similarly to overnight visitors, we have assumed that there are no crowding out effects limiting the number of day visits taken by UK residents. It is possible that some day visitors may have been put off visiting London but there is unlikely to be any overall negative impact across the UK.

However, these estimates cannot allow for the likelihood of substantial diversion of expenditure from other domestically produced goods and services or for changes in expenditure patterns by those who did not attend events; for example, the Games may have influenced many UK residents to stay at home and watch television rather than spend money in the visitor economy. It is not possible to estimate these potential negative impacts quantitatively but it is likely that they will have reduced the net impact of the Games on domestic tourism.

6 Impacts of Games-inspired Marketing Campaigns

As set out in the main body of the evidence base, evaluation work has been undertaken by Visit Britain and others to assess the impact of Games-inspired marketing campaigns on the UK tourism industry. These marketing campaigns, some of which would not have been undertaken at such a scale or would not have had the desired effectiveness if it were not for the Games, represent an alternative mechanism by which the Games have had an impact on tourism in the UK. The evaluations show that these campaigns attracted visitors to the UK in 2012 over and above those who actually attended events, and hence much of this impact is additional to the impacts reported in this tourism impact assessment. Moreover, unlike the Games themselves, the marketing campaigns have the potential to continue generating impacts in the future thanks to the enhanced profile of London and the UK as a place to visit. However, there is also a substantial overlap between visitors coming to experience the Games and those visiting the UK in response to Games-related marketing, so it is difficult to assess what the added impacts of the marketing campaigns might be.

6.1 Long term impacts of the Games

Reporting only on the visitor numbers and expenditure experienced in the third quarter of 2012 is likely to underestimate the full impact of the Games on the UK tourism sector. It is expected that the Games will leave a significant 'legacy' for UK tourism, inspiring people to plan to visit the UK in future years who may not have considered doing so otherwise. As stated in the main body of the evidence base, research by Oxford Economics suggests that the post-Games legacy period may account for 78% of all net tourism gains to the UK.

The latest estimates from the IPS show that visitor numbers in 2012 Q4 were over 5% higher than 2011 Q4. A small proportion of these visitors (about 24,000) said that the Games had definitely or probably influenced their decision to visit the UK. This could be early evidence of a legacy effect although it is more likely that these people had attended Olympic or Paralympic events in Q3 and stayed on or had delayed their visit to the UK to avoid the Games, thus mitigating some of the crowding out effect observed in the tourism impact assessment.

6.2 Summary

The following table shows a summary of the estimated net visitor expenditure in 2012 attributable to the Olympics and Paralympics from overseas visitors, UK overnight visitors and UK day visitors. Based on the methodology and assumptions described in this report, it is estimated that the total net benefit to the UK visitor economy was about £890 million, or about £598 million if ticket sales are excluded.

Figure 6-1: Total additional visitor expenditure due to the Games by type of visitor

	Gross expenditure (£m)		Additional expenditure (£m)		Net additional expenditure (£m)	
	Including ticket sales	Excluding ticket sales	Including ticket sales	Excluding ticket sales	Including ticket sales	Excluding ticket sales
Overseas visitors	1,090	975	674	604	305	235
UK overnight visitors	383	271	260	184	260	184
UK day visitors	974	542	325	179	325	179
All visitors	2,447	1,788	1,259	967	890	598

Source: Ecorys analysis

It should be noted that these estimates do not account for possible negative impacts of potential domestic tourists staying at home to watch the Games but also do not take into account the wider and longer term impacts due to UK and overseas residents choosing to visit the UK in response to Games-inspired marketing campaigns and the enhanced profile of the UK as a tourist destination.

Annex C: Visitor Survey Report

London 2012 Olympic and Paralympic Games – Visitor Survey Report

Final Report to Department for Culture, Media & Sport

DRAFT

For:
Department for Culture, Media & Sport

Prepared by:
Grant Thornton UK LLP
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Future Inclusion

June 2013

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1 Introduction

This report presents the results of a survey of visitors attending ticketed events at the London 2012 Olympic and Paralympic Games in August and September 2012. The survey was carried out at a number of locations near to the three main London venues: Olympic Park, the Excel Arena and Wimbledon.

The survey was commissioned by the Department for Communities, Media and Sport as part of the Meta Evaluation of the London 2012 Olympic and Paralympic Games. Specifically, it was commissioned to fill an expected gap in available evidence regarding expenditure by domestic (UK) visitors to the Games. The survey also gathered evidence of whether opinions of London held by visitors had changed as a result of their experience of visiting the Games.

At least one interviewer attended on each day of both Games and a total of 1264 visitors were interviewed, 897 at the Olympic Games and 367 at the Paralympic Games.

2 Screening Question

2.1 Q1a What best describes the purpose of your visit here today?

Close to 90% of the respondents went to the Games with tickets to watch a sporting event. Another 10% visited the Olympic Park without seeing any events. The small proportion attending the Opening or Closing Ceremonies simply reflects that fewer interviews were conducted on those days.

Table 1 Purpose of the visit

	%
Leisure visit to watch a sporting event and I have a ticket	88
Leisure visit to the Olympic Park and I have a ticket but not for the competition venues	10
Leisure visit and I have a ticket for the Opening ceremony	2
Leisure visit and I have a ticket for the Closing ceremony	<1

n=1264

2.2 Q1b For which of today's events do you have a ticket or tickets?

The visitors held tickets to a range of different events with athletics being most common at both the Olympic and Paralympic Games (14.6% and 12% of all tickets, respectively). Hockey during the Olympic Games was also popular at 12.1%, followed by swimming at 7.7%. For a complete list held of tickets see Annex A.

2.3 Q2a How many adults, children under 16 and young people aged 16 or 17 did you come with today?

In addition to the respondent, on average there were two adults per group. Only 6% of the groups included young people aged 16 or 17 but children under 16 were present in 25% of parties visiting the Games.

2.4 Q2b Including yourself how many people in your group are your family?

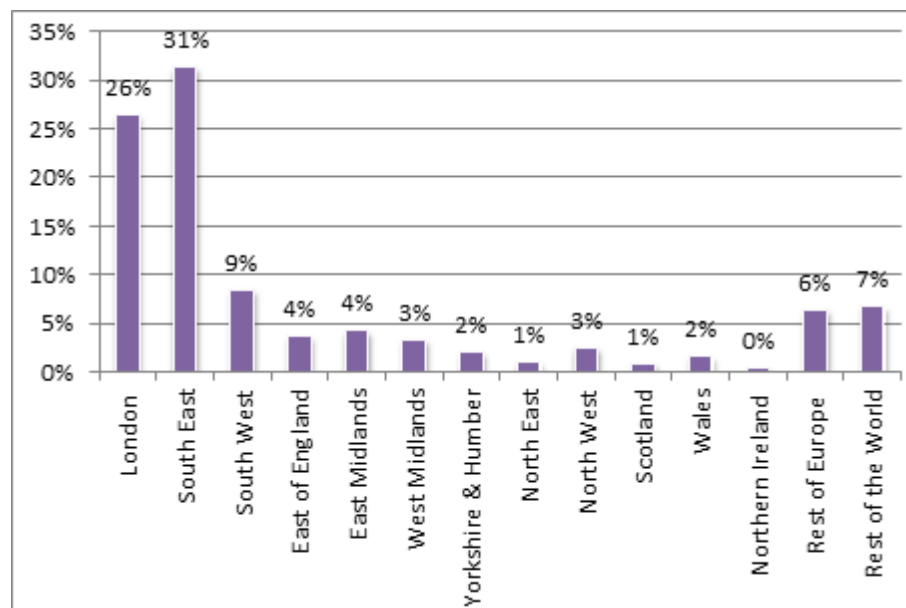
The number of family members in one group was as high as ten, though overall there were very few groups where the number was larger than five. It was most common – 48% of all those interviewed – that respondents were visiting the Games in the company of one other family member.

3 Showcard A

3.1 Q3 Where is your home town/country?

At 57%, the majority of the respondents came from London and the South East, with much smaller proportions from other parts of the UK. Visitors from Europe or elsewhere in the world were 13% of the sample.

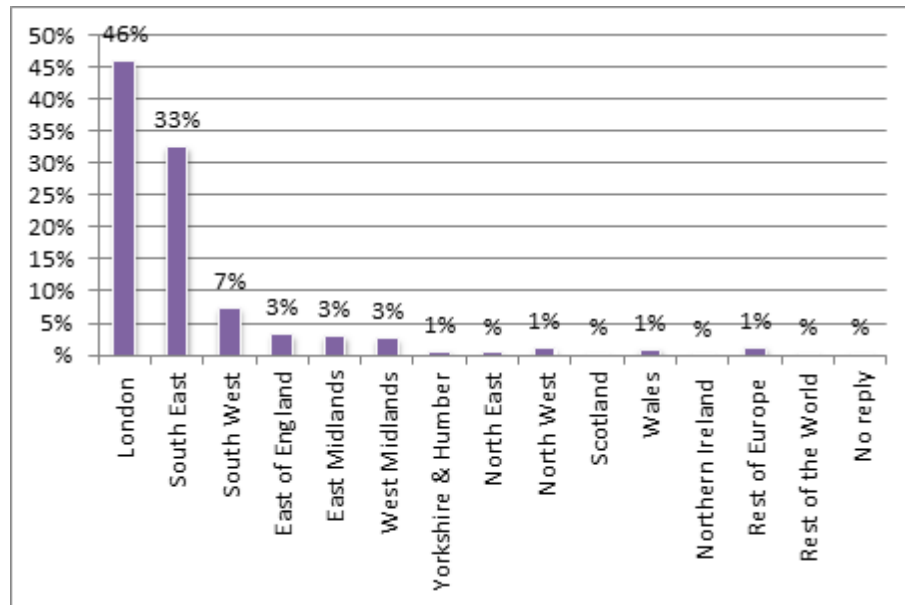
Figure 1 Home town/country



n=1264

3.2 Q4 Where did you travel from today?

A higher proportion (79%) of visitors had travelled from either London or the South East on that particular day than anywhere else. London was the most popular place for overnight visitors to stay. 61% of overnight visitors had travelled from there on the day, compared with only 40% of day visitors. This was particularly true for International visitors with three out of four staying in London.

Figure 2 Travel from town/country

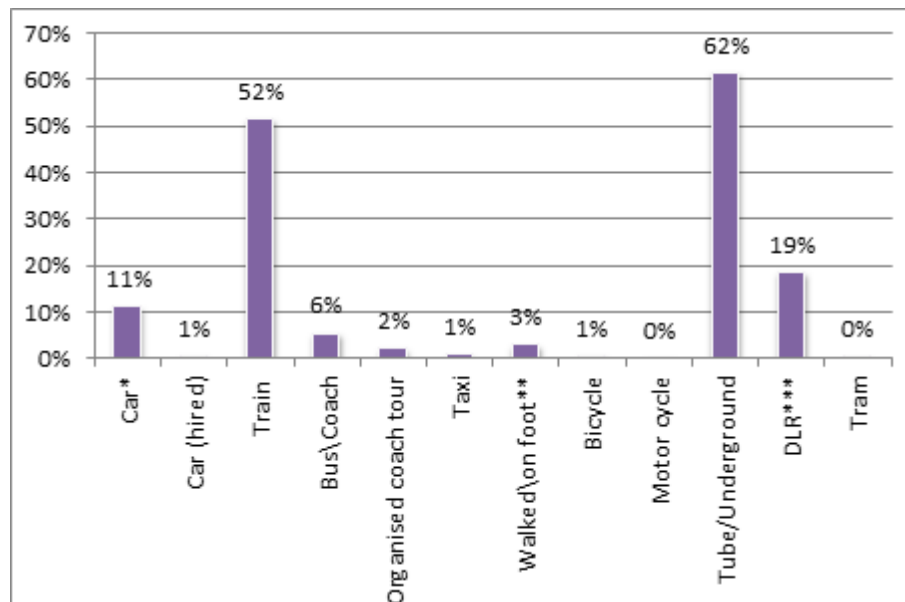
n=1264

3.3 Q5a How did you travel to the event today?

Train and tube/underground were by far the most popular means of travel to the Games. They are followed by the DLR, which was used by close to 19% of the respondents. The use of private means of transport was low.

Figure 3 Means of transport

Note: Respondents may have used more than one mode of transport; hence the total is over 100%.



n=1264

*own or owned by friends/family

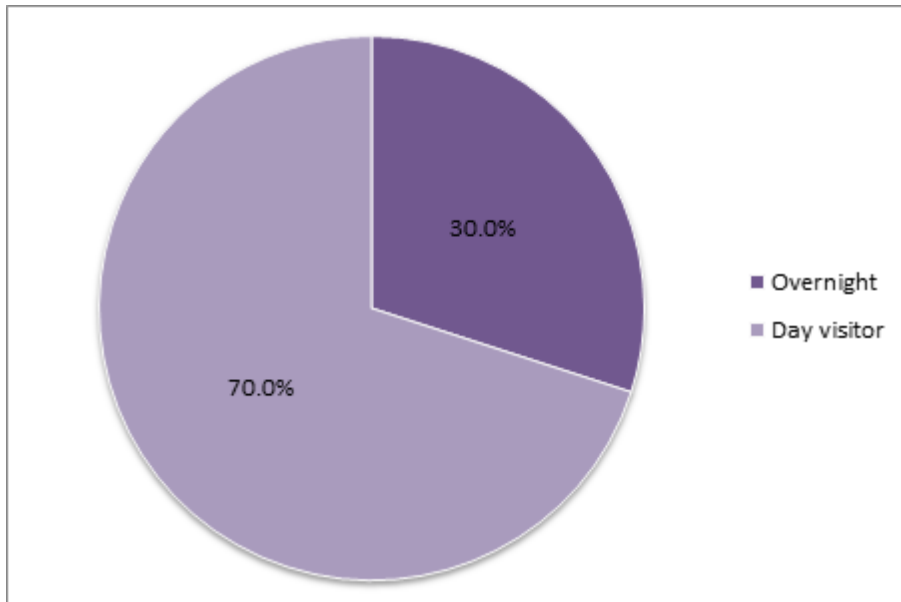
*** Docklands Light Railway

**Excluding walk from nearest station etc.

3.4 Q5b Is your visit to the Olympic or Paralympic Games event part of a stay away from home?

A clear majority (70%) of the respondents were day visitors to the Games. Unsurprisingly, most (91%) international visitors did stay overnight. The corresponding number of UK visitors was close to 21% and more specifically the number of London visitors was 3%.

Figure 4 Overnight/day visitor



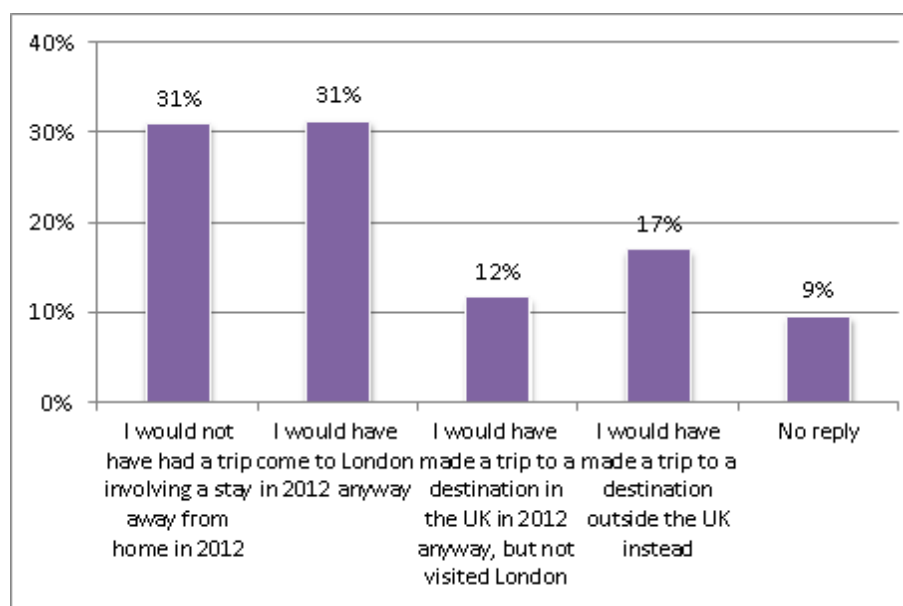
n=1264

3.5 Q5c How many nights will you spend away from home on this trip in each of these areas? (London, Rest of England, Scotland, Wales, Northern Ireland) (Overnight visitors)

Over 90% of the respondents stayed at least one night in London, with an average of five nights. Around 12% would stay somewhere in the rest of England, with an average of eight nights. Small numbers of visitors also intended to stay in Scotland (3%), Wales (0.5%) and Northern Ireland (0.5%).

3.6 Q6 Which of these statements best describes the influence of the Olympics or Paralympics on your visit? (Overnight visitors)

The Games clearly had an influence on attracting people to London and to the UK. Whilst over 30% of the overnight visitors stated they would have made a trip to London in 2012 anyway, regardless of the Games, there were 17% who would not have visited the UK at all. A further 12% who would not have had London in their itinerary and another 30% would not have made a trip involving a stay away from home, generating further 'tourist' income.

Figure 5 If the Olympics 2012 would not have been held in London.

n=1264

3.7 Q8 What do you think you might have done today, had you not visited the Olympics? (Day visitors)

If they had not visited the Games on the day in question the alternative for almost 60% of day visitors would have been to stay at home. Just over 30% would have spent the day in London anyway and a further 8% would have visited somewhere outside London.

3.8 Q9a Did you purchase a travel package of any kind?

About 9% bought a travel package. This was almost as likely amongst UK visitors (9%) as those from overseas (10%).

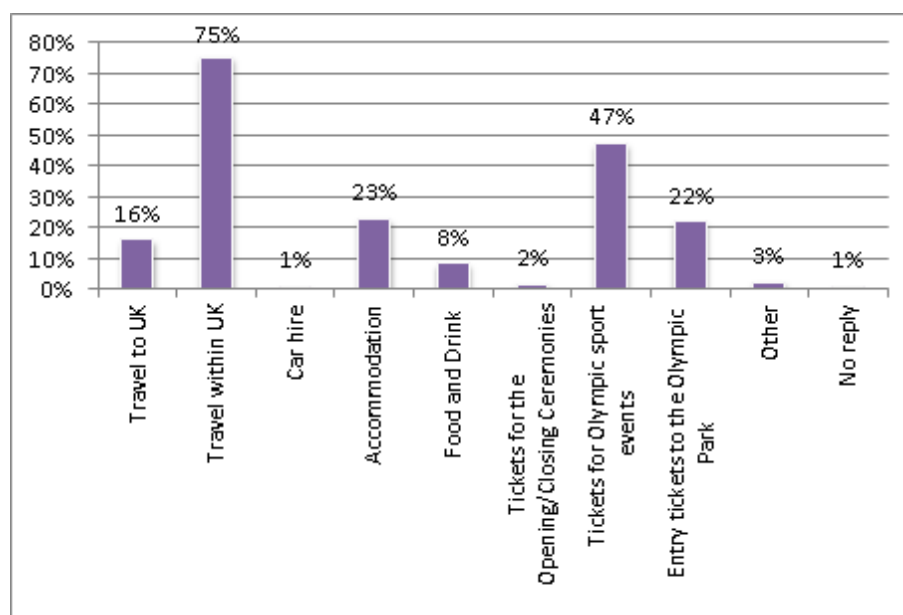
3.9 Q9b How much did the package cost in total?¹⁴⁷

The total amount spent on a package varied between £30 and £19,268, although the latter figure does relate to a party of twenty people. If the cost of the package related to the number of tickets then the average cost of a package, per ticket, was £181.76. This varies significantly between UK visitors, for whom it was £60.30, and those from overseas, for whom it was £596.50. If broken down the Olympic and the Paralympic Games the average costs are lower for visitors to the Paralympics.

3.10 Q9c What was included in the package?

Travel within the UK was included in 75% of the packages and tickets to sporting events were included in almost half. This probably reflects that the majority of these packages were bought by UK residents and were straightforward 'travel and tickets' offers. It was only overnight visitors who mentioned accommodation and food within their packages and this was more likely for international visitors.

¹⁴⁷ Where packages had been purchased in a currency other than sterling, calculations to allow for comparison were undertaken based on the exchange rates in Annex B.

Figure 6 Included in package

n=1264

3.11 Q9d Please estimate your total expenditure on the following items during your entire visit. (tickets, travel, accommodation, food and drink, car hire, shopping and attractions)

The average level of expenditure, per ticket bought, excluding packages, was £165.76.

Taking all expenditure, including packages, into account, the average expenditure per ticket, for UK visitors to the Games was £99.86.¹⁴⁸ If broken down, domestic overnight visitors spent £125.22 on average whereas the domestic day visitors spent £86.23. This calculation has not been made for overseas visitors as it is unclear what proportion of their expenditure relates to the UK and what might relate to other destinations.

¹⁴⁸ Expenditure can include tickets, accommodation, food and drink, car hire, shopping and attractions.

4 Showcard B

4.1 Q10 We would like to know how many tickets for Olympics and Paralympics events you have for today if you are a day visitor or how many tickets for Olympic events held across the UK for the duration of your visit if you are having an overnight stay. How many tickets do/did you have in total for these venues? If you are with other members of your family please give the total number for you and your family.

The 1,208 visitors with tickets for events who answered the question held an average of four tickets each and a total of 4,308 tickets. The visitor who held most tickets had bought 52 in total.

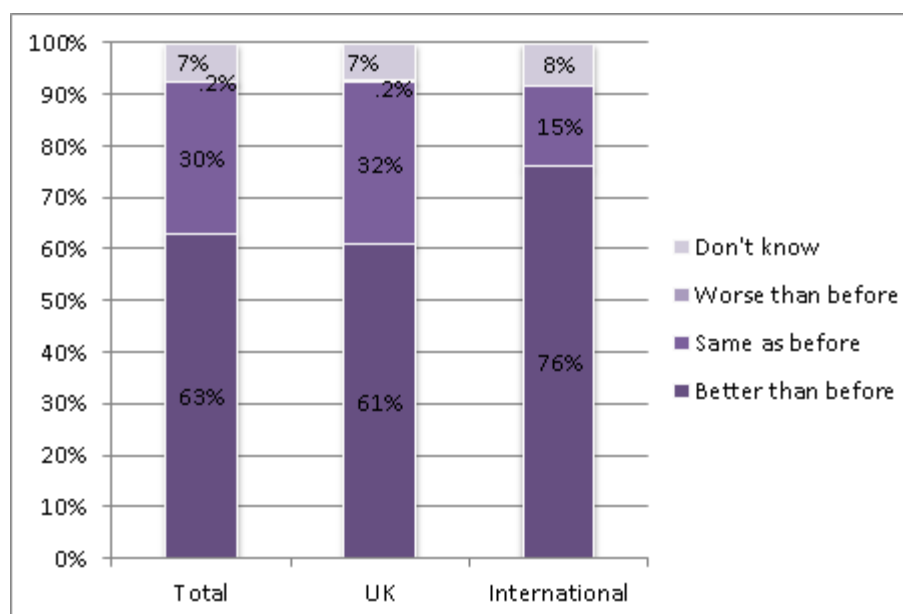
Comparing overnight and day visitors the former bought an average of six tickets while the latter bought three.

4.2 Q11 How has this visit impacted on your opinion of London as a tourist destination?

Q11a Overall as a place to visit

As a result of visiting the Games, two out of three people say they now have a better impression of London as a place to visit. International visitors are more positive about this than UK visitors. Only 2 visitors (0.2%), both from the UK, think their opinion of London has worsened.

Figure 7 Impression of London as a place to visit after the Games.



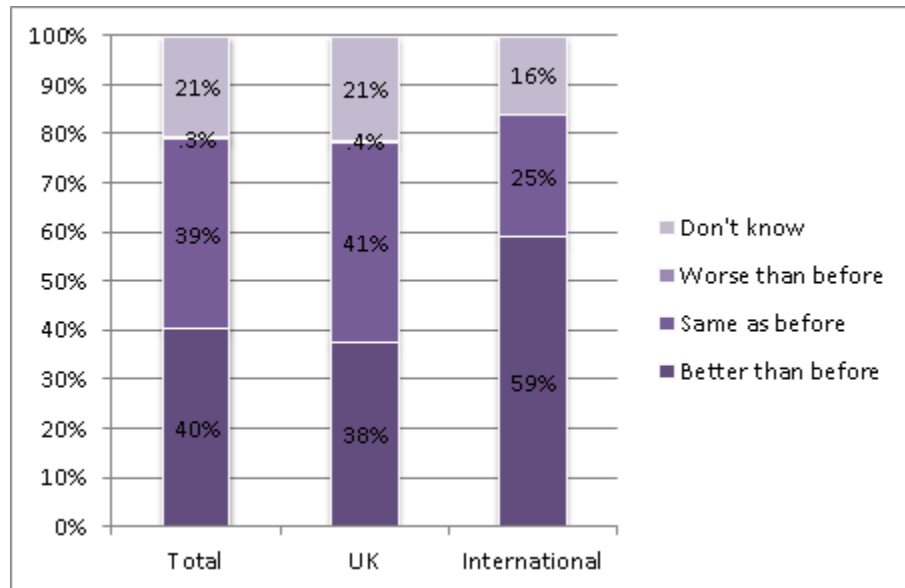
n=1264 UK=1096 International=168

Q11b Activities including attractions, museums and parks

Respondents were asked a similar question about specific aspects of London as a tourist destination and were positive about each. 40% of the visitors found they had a better opinion of attractions and activities than they had before. A similar number had not changed their

opinion but very few held a negative view. The improvement were particularly high amongst international visitors, 59% found activities and attractions better than before.

Figure 8 Impression of activities and attractions in London after the Games

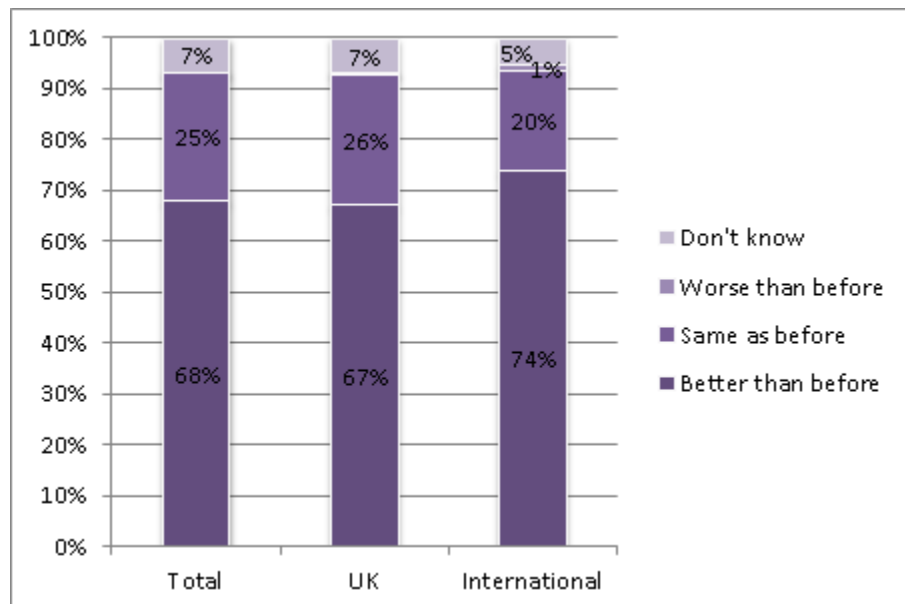


n=1264 UK=1096 International=168

Q11c Quality of services and customer service

Two out of three UK visitors and three out of four international visitors now hold a better opinion of the quality of services and customer service in general. Again there is hardly any negative comment.

Figure 9 Impression of services and customer services after the Games.



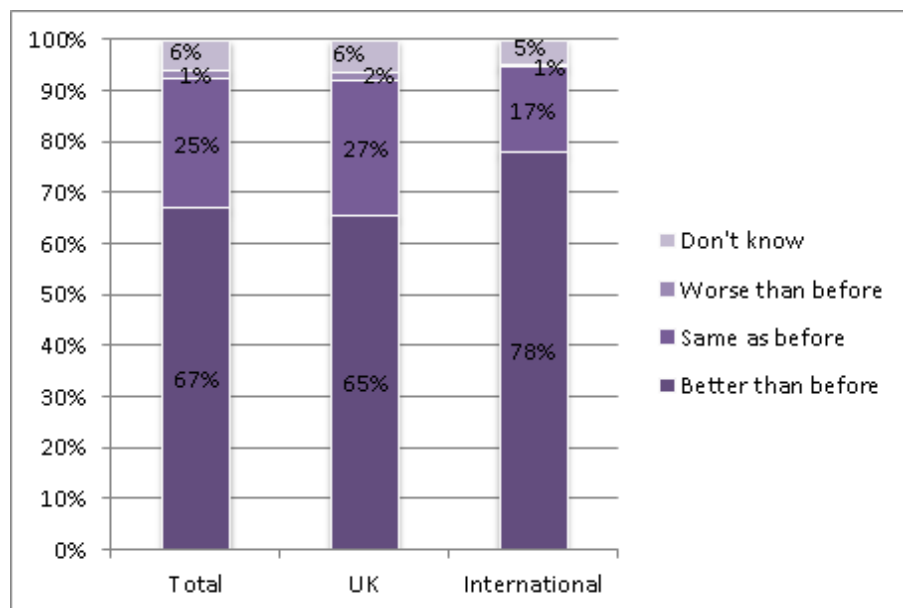
n=1264 UK=1096 International=168

Q11d Accessibility and transport

Recalling that a very high percentage of visitors used public transport to travel to the Games, 67% now feel they have a better opinion than previously. The improvements in opinions are higher for international visitors as 78% found accessibility and transport better than before.

Those who now hold a worse opinion of transport and accessibility remain a very small proportion of the total.

Figure 10 Impression of accessibility and transport compared to previous to the Games

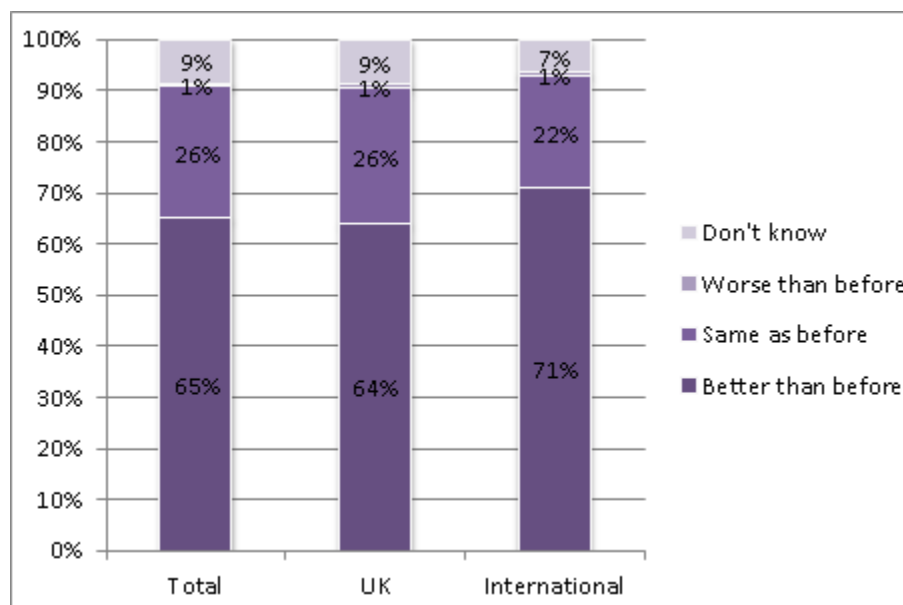


n=1264 UK=1096 International=168

Q11e Security

With the exception of activities including attractions, museums and parks opinions of the level of security have also improved by similar margins. As with all these aspects, the improvements in opinions are greater for international visitors.

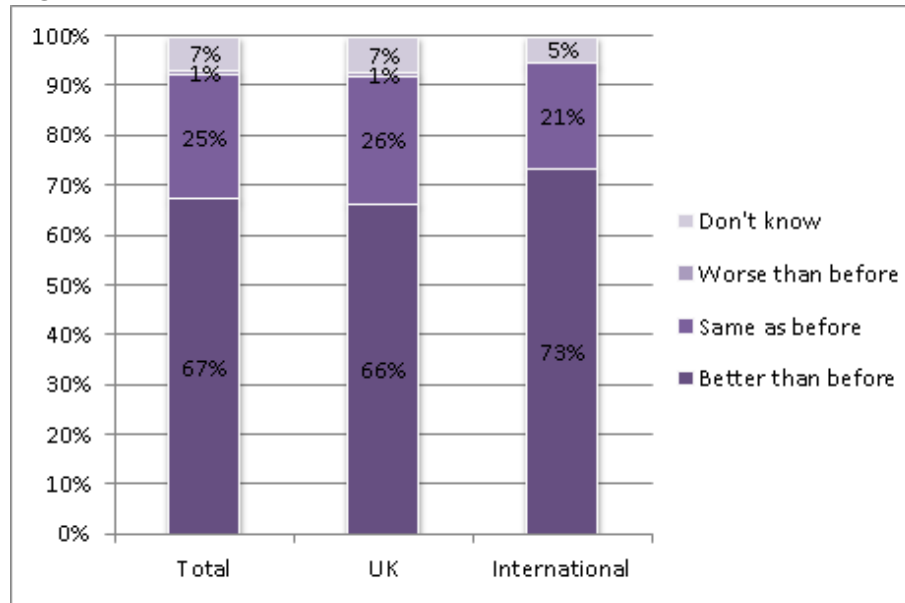
Figure 11 Impression of security compared to previous to the games



n=1264 UK=1096 International=168

Q11f Environment

There is a marked improvement in opinions regarding the environment result of visiting the Games.

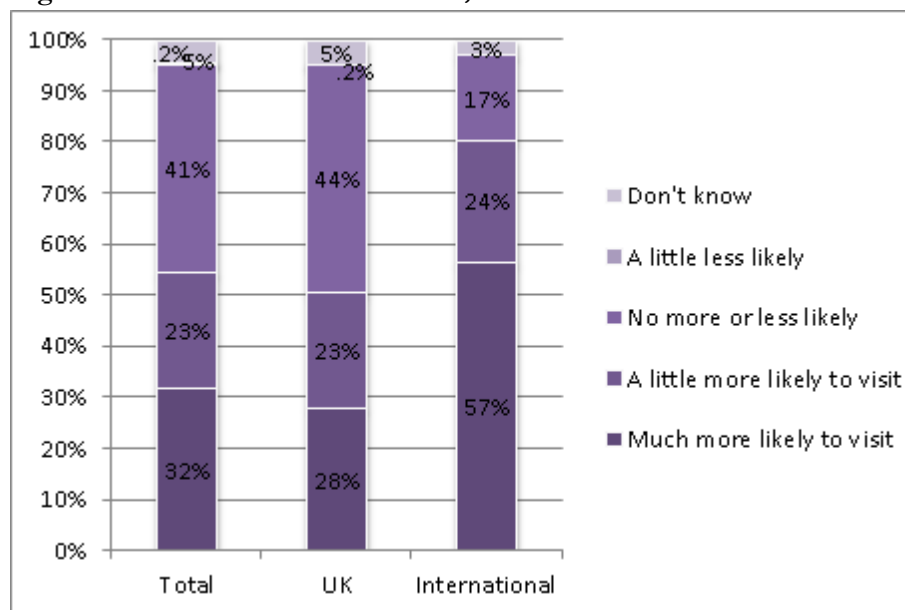
Figure 12 Impression of the environment compared to previous to the Games.

n=1264 UK=1096 International=168

In general, all these results show positive views from the respondents. As noted under Q11a visiting London for the Olympic and Paralympic Games has provided benefits in greatly improving impressions of the city as a tourist destination.

4.3 Q12 Thinking about your experience of visiting the London 2012 Olympic and Paralympic Games, does it make you any more or less likely to want to visit London for a leisure trip in the future?

More than 80% of international visitors are more likely to visit London in the future as a result of their experiences during the Games and this includes 57% who are 'much more likely' to visit. Just over half of UK visitors are more likely to return in the future, although most of the remainder say there has been no influence on their future intentions. Very few felt they were any less likely to visit.

Figure 13 Likelihood to visit London, as a result of the Games

N=1264 UK=1096 International=168

4.4 Q13 Gender

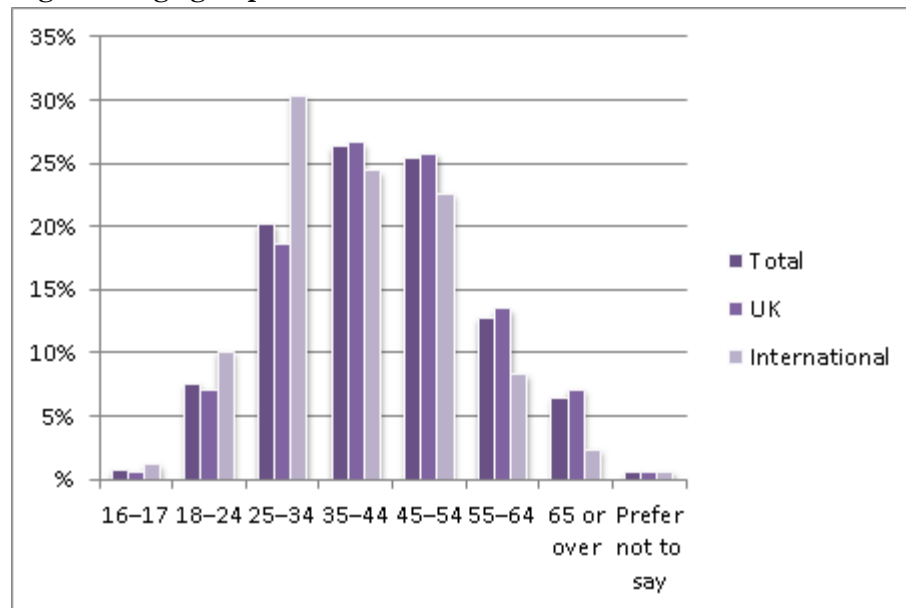
Out of the 1,264 respondents 51% were female and 49% male.

5 Showcard C

5.1 Q14 To which of these age groups do you belong?

Just over half of the respondents were in the age range 35 to 54 but there is a good spread of ages overall. There are some differences when comparing overseas to UK visitors, for example, the group “65 or over” represented 7.1% of UK visitors and only 2.4% of international visitors.

Figure 14 Age groups



n=1264 UK=1096 International=168

6 Showcard D

6.1 Q15 What is your ethnic background?

Close to three quarters (74.1%) described their ethnic background as “white British”, followed by “other white” at 14.5% and “Irish” at 2.8%. The remaining groups are all represented by less than 2%. Annex C contains a full breakdown.

6.2 Q16 Do you regard yourself as having a disability or a long term limiting illness?

Only 2.3% of the respondents considered themselves to have a disability or a long term illness. The percentage for the part of the sample obtained at the Paralympics is slightly higher at 4.4%. There are no substantial differences between UK and international visitors.

Annex A: Tickets

Venue	Event	Percentage with tickets
Olympic Park	Swimming	7.7%
Olympic Park	Athletics	14.6%
Olympic Park	Hockey	12.1%
Olympic Park	Athletics (Paralympics)	12.0%
ExCeL	Fencing	5.8%
Olympic Park	Handball	5.0%
ExCeL	Wrestling	4.5%
Wimbledon	Tennis	4.1%
Olympic Park	Basketball	4.0%
ExCeL	Weightlifting	3.7%
ExCeL	Table Tennis	3.6%
ExCeL	Table Tennis (Paralympics)	3.4%
Olympic Park	Swimming (Paralympic)	3.3%
Olympic Park	Diving	3.2%
ExCeL	Wheelchair Fencing (Paralympics)	3.1%
ExCeL	Volleyball sitting (Paralympics)	2.7%
Olympic Park	Cycling	2.3%
ExCeL	Powerlifting	2.3%
Olympic Park	Football 7-a-side (Paralympics)	2.1%
ExCeL	Judo (Paralympics)	1.9%
Olympic Park	Water Polo	1.8%
ExCeL	Boccia	1.7%
ExCeL Arena	Boxing	1.6%
Olympic Park	Wheelchair basketball	1.6%
Olympic Park	Goalball	1.5%
Olympic Park	Wheelchair tennis	.9%
ExCeL	Judo	.8%
Other		.7%
Olympic Park	Wheelchair rugby	.6%
Olympic park	Cycling track (Paralympics)	.6%
ExCeL	Taekwondo	.4%
Olympic Park	Football 5-a-side (Paralympics)	.3%
Olympic Park	Handball (Paralympics)	.1%

Annex B: Exchange rates

XE Currency Table: GBP – British pound			
Mid-market rates as of 2012-11-20 13:00 UTC			
Country Code	Currency Name	Units per GBO	GBP per Unit
EUR	Euro	1.2432013619	0.8043749232
USD	US Dollar	1.5915824999	0.6283054759
GBP	British Pound	1.0000000000	1.0000000000
INR	Indian Rupee	87.6896111017	0.0114038594
AUD	Australian Dollar	1.5331268581	0.6522617451
CAD	Canadian Dollar	1.5865891760	0.6302828830
AED	Emirati Dirham	5.8459263412	0.1710592884
CHF	Swiss Franc	1.4976883702	0.6676956434
CNY	Chinese Yuan Renminbi	9.9268699498	0.1007366879
MYR	Malaysian Ringgit	4.8684192903	0.2054054798
THB	Thai Baht	48.8446761818	0.0204730603
NZD	New Zealand Dollar	1.9499516203	0.5128332363
JPY	Japanese Yen	129.7471534962	0.0077072982
PHP	Philippine Peso	65.5043055900	0.0152661721
SAR	Saudi Arabian Riyal	5.9690278304	0.1675314688
MXN	Mexican Peso	20.8259978069	0.0480169070
SGD	Singapore Dollar	1.9496868925	0.5129028686
ZAR	South African Rand	14.1076702173	0.0708834262
HKD	Hong Kong Dollar	12.3374353631	0.0810541227
SEK	Swedish Krona	10.7471187759	0.0930481947
HUF	Hungarian Forint	350.3330473530	0.0028544267
TRY	Turkish Lira	2.8605991596	0.3495771145
BRL	Brazilian Real	3.3127087961	0.3018677649
IDR	Indonesian Rupiah	15358.7711243761	0.0000651094
NOK	Norwegian Krone	9.1244420232	0.1095957427
DKK	Danish Krone	9.2719414597	0.1078522771
PKR	Pakistani Rupee	152.6800844007	0.0065496427
QAR	Qatari Riyal	5.7950722019	0.1725604039
KWD	Kuwaiti Dinar	0.4492218734	2.2260714785
KRW	South Korean Won	1724.6350979147	0.0005798328
EGP	Egyptian Pound	9.7169527255	0.1029129222
OMR	Omani Rial	0.6128385121	1.6317512367
COP	Columbian Peso	2903.8171917140	0.0003443743
ARS	Argentine Peso	7.6459458671	0.1307882658
PLN	Polish Zloty	5.1412833568	0.1945039654

www.xe.com

Annex C: Ethnic background

Ethnic background	Total	UK	International
White British	74.1%	84.4%	6.5%
Irish	2.8%	2.2%	6.5%
Other White	14.5%	6.2%	68.5%
Mixed White & Black Caribbean	.7%	.8%	.0%
Mixed White & Black African	.2%	.3%	.0%
Mixed White & Asian	.3%	.4%	.0%
Other Mixed	.3%	.4%	.0%
Indian	1.6%	1.5%	2.4%
Pakistani	.5%	.5%	.6%
Bangladeshi	.2%	.2%	.0%
Other Asian	1.3%	1.0%	3.0%
Black Caribbean	.3%	.3%	.6%
Black African	1.3%	1.0%	3.0%
Other Black	.5%	.3%	1.8%
Chinese	.6%	.4%	2.4%
Other (write in)	.6%	.1%	4.2%
Prefer not to say	.3%	.3%	.6%

Annex D: Fieldwork detail

The interviews were conducted face to face by trained and experienced members of the Ecorys local field force. At least one interviewer attended on each day of both the Olympic and Paralympic Games. The schedule for attendance to conduct surveys was worked out according to the events taking place and the expected volume of visitors. Interviewers attended at various times of day, according to the start and finish times of events at the different venues.

The precise locations at venues for interviewing visitors were agreed in close consultation with LOCOG and the local stewarding teams. The locations were chosen to be outside the 'last mile'¹⁴⁹ but in busy places where there would be significant movement of people towards and away from the venues. Interviews were occasionally asked to move locations. The weather conditions were very largely favourable and are not considered to have had any influence on the sample or the responses given. The general mood was positive and relaxed and those approached were generally very happy to take part in the survey.

Interviewers were instructed to take a random sample of the people they encountered at their designated location. It was not possible to set any sort of quotas as there was no advance information on the profile of visitors but the instruction was to obtain a good spread by gender, age and ethnic group. There was no arrangement for interviews to be carried out in languages other than English. The interviews were spread across the time period that the interviewer attended which was typically either a day or half-day session. The schedule was designed generally to match the profile of expected visitors.

The quality assurance approach had two elements:

- 7 Spot checks during the interviewing: These were undertaken on three separate days, chosen when there were the highest numbers of interviewers. Supervisors located the interviewers, observed and checked a selection of questionnaires and signed them. One supervisor had difficulty locating one interviewer but based on previous evidence of satisfactory work, the Supervisor determined the interviews were completed to the expected standard.
- 8 Back checking from the questionnaires: Ecorys follows industry guidelines by making follow-up calls to at least 5% of respondents. This was done by telephone from the firm's Computer Aided Technology Interviewing unit, on 15th and 16th August and 14th September, 2012. 81 were checked, equivalent to approximately 6%. The project lead was satisfied with the outcomes.

¹⁴⁹ The 'last mile' was a zone around each venue. It was the zone outside the ticketed area of the venue and subject to crowd control measures.

Annex E: Topic guide; 2012 Olympic and Paralympic Games – Visitor Survey

Good am/pm/evening. My name is and I work for a company called Ecorys. We are conducting a survey here today amongst people visiting the Olympic/Paralympic Games. Could you spare a few minutes to answer some questions about your visit please?

Date

Time

Location

Olympic Park	1	Excel Centre	2	Wimbledon	3
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SCREENING QUESTION

Q1a What best describes the purpose of your visit here today ?

I live here	1	Close
I am working	2	Close
I am competing in the Olympic or Paralympic Games	3	Close
Volunteering	4	Close
Leisure visit to watch the Opening Ceremony and I have a ticket_(only relevant on the day of the Opening Ceremony)	5	Q2a
Leisure visit to watch the Closing Ceremony and I have a ticket (only relevant on the day of the Closing Ceremony)	6	Q2a
Leisure visit to watch a sporting competition event and I have a ticket(s)	7	Q1b
On a leisure visit to the Olympic Park and I have a ticket to enter the Olympic Park but not the competition venues	8	Q2a
On a leisure visit and I don't have a ticket to enter the Olympic Park /ExCeL / Wimbledon (including just going to look but I am not going into the venues etc)	9	Q2a
Other (Please write in)	10	Close

Q1b For which of today's events do you have a ticket or tickets?

Olympic Park – Swimming	1
Olympic Park – Diving	2
Olympic Park – Water Polo	3
Olympic Park – Athletics	4
Olympic Park – Cycling	5
Olympic Park – Basketball	6
Olympic Park – Handball	7
Olympic Park – Hockey	8
Olympic Park – Modern Pentathlon	9
ExCeL Arena – Boxing	10
ExCeL– Fencing	11
ExCeL– Judo	12
ExCeL– Table Tennis	13
ExCeL– Taekwondo	14
ExCeL– Weightlifting	15
ExCeL – Wrestling	16
Wimbledon – Tennis	17

Q2a How many adults, children under 16 and young people aged 16 or 17 did you come with today? **Enter number, 0 if no children/ young people**

Adults
Young people aged 16/17
Children under 16

Ask Q2b if more than one person at Q2a, otherwise Q3

Q2b Including yourself how many people in your group are your family?

Number who are family

SHOWCARD A

Q3 Where is your home town/country ?

Q4 Where did you travel from today?

	Q3 Home	Q4 Travel
London	1	1
South East	2	2
South West	3	3
East of England	4	4
East Midlands	5	5
West Midlands	6	6
Yorkshire & Humber	7	7
North East	8	8
North West	9	9
Scotland	10	10
Wales	11	11
Northern Ireland	12	12
Rest of Europe	13	13
Rest of the World	14	14

Q5a How did you travel to the event today? Record all modes used

Car - own\friend's\family	1
Car - hired	2
Train	3
A regular bus\coach	4
Organised coach tour	5
Taxi	6
Walked\on foot (excluding journey from nearest station)	7
Bicycle	8
Minibus	9
Motor cycle	10
Tube / Underground	11
Docklands Light Railway (DLR)	12
Tram	13
Motorised caravan\camper\dormobile	14
Plane	15
Boat\ship\ferry	16
Lorry\truck\van	17
Other (please write in)	

Q5b Is your visit to the Olympic or Paralympic Games event part of a stay away from home?

Yes	1	Q5c
No	2	Q8

Q5c How many nights will you spend away from home on this trip in each of these areas?
Write in number of nights, enter 0 for none.

London
Rest of England
Scotland
Wales
Northern Ireland

Q6 Which of these statements best describes the influence of the Olympics or Paralympics on your visit? Code one only

If the Olympic or Paralympic games were not taking place ...

I would not have had a trip involving a stay away from home in 2012	1
I would have come to London in 2012 anyway	2
I would have made a trip to a destination in the UK in 2012 anyway, but not visited London	3
I would have made a trip to a destination outside the UK instead	4

Q7 How many extra/fewer nights did you/will you spend in London or the rest of the UK as a result of the Olympic or Paralympic Games?

	Extra nights	No influence	Fewer nights
Rest of the UK			
London			

INTERVIEWER – now go to Q9a

Q8 What do you think you might have done today, had you not visited the Olympics? Code one only

Stayed at home	1
Visited London on a leisure trip or holiday or for work	2
Visited somewhere outside London on a leisure trip or holiday or for work	3
Visited somewhere outside the UK on a leisure trip or holiday or for work	4
Don't know	6

READ OUT AND ASK ALL We would like to know how much you (and if applicable the family members with you today) expect to spend in total during your visit. If you are staying

away from home then we would like you to estimate how much you (and your family) will spend during the whole period of your visit away from home, not just today.

Q9a Firstly, did you purchase a travel package of any kind?

Yes	1	Q9b
No	2	Q9d

Q9b How much did the package cost in total?

Currency eg £/\$/ Euros	Amount

Q9c What was included in the package? Code all that apply

Tickets for the Opening and Closing Ceremonies	1
Tickets for Olympic sport competition events	2
Tickets for entry to the Olympic Park	3
Travel to UK	4
Travel within UK	5
Accommodation	6
Food and Drink	7
Car hire	8
Other [write in]	

Q9d ASK ALL Please estimate your total expenditure on the following items during your entire visit.

INTERVIEWER - Where package has been bought, these items are in addition to the package

	Included in package	Currency	Amount
a) Shopping and attractions			
b) Tickets for the Opening and Closing Ceremonies			
c) Tickets for sporting events			
d) Tickets for entry to the Olympic Park			
e) Travel to UK			

f) Travel within UK		
g) Accommodation		
h) Food and Drink		
i) Car hire		
Other [specify]		
Total (only if breakdown not available)		

INTERVIEWER If the respondent is unable to provide a breakdown then ask for an estimate of the total (excluding anything covered by the package) and write in Currency and amount

SHOWCARD B

Q10 We would like to know how many tickets for Olympics and Paralympics events you have for today if you are a day visitor or how many tickets for Olympic events held across the UK for the duration of your visit if you are having an overnight stay. How many tickets do/did you have in total for these venues? If you are with other members of your family please give the total number for you and your family.

INTERVIEWER For those answering no at Q5a (not staying overnight) we want information on the number of tickets held for that day only, even if they do have tickets for other days/events.

EVENTS IN LONDON		EVENTS IN LONDON	
1) Olympic Park – Swimming		23) Earls Court – Volleyball	
2) Olympic Park – Diving		24) Lord's Cricket Ground – Archery	
3) Olympic Park – Water Polo		25) Wembley Arena – Gymnastics	
4) Olympic Park – Athletics		26) Wembley Stadium – Football	
5) Olympic Park – Cycling		27) Greenwich Park – Equestrian	
6) Olympic Park – Basketball		28) Royal Artillery Barracks – Shooting	
7) Olympic Park – Handball		29) Road events – Cycling	
8) Olympic Park – Hockey		30) Road events – Marathon	
9) Olympic Park – Modern Pentathlon		31) Road events – Athletics race walk	
10) ExCeL Arena – Boxing		32) Olympic Park day tickets which do not include access to the competition venues	
11) ExCeL– Fencing			
12) ExCeL– Judo		EVENTS OUTSIDE LONDON	
13) ExCeL– Table Tennis		33) Eton Dorney – Canoe sprint and rowing	
14) ExCeL– Taekwondo		34) Hadleigh Farm – Mountain biking	
15) ExCeL– Weightlifting		35) Lee Valley White Water Venue – Canoe slalom	
16) ExCeL – Wrestling		36) Weymouth and Portland – Sailing	
17) Wimbledon – Tennis		37) Hampden Park – Football	
18) North Greenwich Arena – Gymnastics		38) Coventry Stadium – football	
19) Horse Guards Parade – Beach Volleyball		39) Millennium Stadium – football	
20) Royal Artillery Barracks – Shooting		40) Old Trafford – football	
21) Hampton Court Palace		41) St James Park - football	
22) Hyde Park – Marathon Swim		Other (write in)	

Q 10b INTERVIEWER – if respondent cannot give a breakdown by venue, please record the total number of tickets they have

For the family group		OR	For themselves only	
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Q11 ASK ALL How has this visit impacted on your opinion of London as a tourist destination.
For each of these things, would you say your opinion is 'better than before', 'same as before' or 'worse than before'

	Better than before	Same as before	Worse than before	Don't know
a) Overall as a place to visit	1	2	3	4
b) Activities including attractions, museums and parks	1	2	3	4
c) Quality of services and customer service	1	2	3	4
d) Accessibility and transport	1	2	3	4
e) Security	1	2	3	4
f) Environment	1	2	3	4

Q12 Thinking about your experience of visiting the London 2012 Olympic and Paralympic Games does it make you any *more* or *less* likely to want to visit London for a leisure trip in the future?

Much more likely to visit	1
A little more likely to visit	2
No more or less likely	3
A little less likely	4
Much less likely	5
Don't know	6

Finally, I would like to ask a few details about you, just to make sure we get a representative sample of people.

Q13 Gender

Male	1
Female	2

SHOWCARD C

Q14 To which of these age groups do you belong?

16–17	1	45–54	5
18–24	2	55–64	6
25–34	3	65 or over	7
35–44	4	Prefer not to say	8

SHOWCARD D

Q15 What is your ethnic background?

White British	1	Pakistani	9
Irish	2	Bangladeshi	10
Other White	3	Other Asian	11
Mixed White & Black Caribbean	4	Black Caribbean	12
Mixed White & Black African	5	Black African	13
Mixed White & Asian	6	Other Black	14
Other Mixed	7	Chinese	15
Indian	8	Other (write in)	16
		Prefer not to say	17

Q16 Do you regard yourself as having a disability or a long term limiting illness?

Yes	1
No	2
Prefer not to say	3

Could I please record your name **(explain that this is for checking purposes)**

Name

Tel No.

Address

THANK RESPONDENT AND CLOSE

Interviewer name (block capitals)

Date

Interviewer signature

Annex D: Sustainability Research

London 2012 Sustainability Research

Final Report to Department for Culture, Media & Sport

For:
Department for Culture, Media & Sport

Prepared by:
Grant Thornton UK LLP
Ecorys
Loughborough University
Oxford Economics
Future Inclusion

July 2013

Contents

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4	Sustainable events management	246
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1 Introduction

1.1 Background

As part of the Meta-Evaluation of the Impacts and Legacy of the London 2012 Olympic and Paralympic Games, Ecorys was commissioned by the Department for Culture, Media & Sport to undertake additional primary research to explore the influence of the Games on the development of sustainability practice. The research was largely based on interviews with strategic stakeholders and businesses.

1.2 Purpose of the research

The purpose of the research has been to provide qualitative evidence to help answer the following research question posed by the meta-evaluation: *To what extent did the sustainability practices used in delivering the Games influence and benefit the wider construction sector, public and private sector procurement, and the staging of events more generally?*

The research builds on and complements the learning legacy materials produced by the Olympic Delivery Authority (ODA) and London Organising Committee of the Olympic and Paralympic Games (LOCOG) and assurance reports completed by the London 2012 assurance body, the Commission for a Sustainable London 2012 (referred to in this report as 'CSL'). The ODA was responsible for the preparation of the venues and infrastructure while LOCOG organised the staging of the Games. The research was designed to address a research gap identified by a review of available information, data and evidence relevant to answering questions on sustainability in the meta-evaluation. It particularly examines the influence of the Games on the development of good practice, the influence of the Games on good practice take-up across industry and the effectiveness of learning legacy dissemination approaches.

1.3 Methodology

The research consisted of qualitative interviews with a selection of industry bodies and large companies to explore the dissemination and take-up of good practice approaches adopted in preparation for and staging of the Games. The list of interviewees is included in Annex 1. The interviews followed a structured approach and focused on the following:

- Aspects of the ODA's and LOCOG's approaches to sustainability that have worked particularly well and have helped or should help to set new benchmarks or standards for industry or government with regard to sustainability practice;
- Aspects of the ODA's and LOCOG's approaches that are regarded as being innovative;
- The extent to which the sustainability practices improved on existing practice in the industry;
- Roles and responsibilities in the dissemination of sustainability good practice;
- Effectiveness of plans in place aiming to ensure the effective dissemination of good practice;
- The extent to which good practice approaches are being taken-up in industry and by government;
- Practices which have become the new standard in construction and development and event management and the extent to which these can be attributed to the Games;
- Constraints on good practice take-up; and
- Future actions to encourage good practice take-up.

Additional desk research was undertaken in relation to sources identified by interviewees to supplement the qualitative interviews.

1.4 Scope of the research

The fieldwork (i.e. interviews) was conducted over a tight timeframe and relied on a limited number of stakeholder accounts. This limited the level of detail which could be collected and restricted the focus to four key aspects of the preparation and staging of the Games - construction, waste management for events, management of events and food. The analysis is presented in this report as a synthesis of and reflection on the views of the stakeholders interviewed. Where possible, the validity of the assertions made by stakeholders has been explored through desk research but again this has been limited by time and a degree of caution is needed in drawing firm conclusions from this research.

1.5 Structure of the report

The remainder of the report is structured around the four key aspects of the preparation and staging of the Games and each is examined with respect to stakeholder views of good practice, dissemination of good practice and take-up of good practice.

The final section brings the analysis together, drawing out key conclusions and lessons for the London 2012 Olympic and Paralympic Games sustainability legacy.

2 Sustainable Construction

2.1 Introduction

This section of the report focuses on approaches to sustainability adopted in the construction of the Olympic Park.

2.2 Stakeholder views on good practice

The opinions of stakeholders interviewed for this research on the impact of the Olympic Park construction project on the development of sustainability good practice tended to confirm the reviews completed by the London 2012 assurance body, the Commission for a Sustainable London 2012 (referred to in this report as ‘CSL’). However stakeholders were able to provide additional perspectives on how far the ODA approaches reflected or improved on industry norms. Generally, stakeholders believe that approaches adopted by the Authority reflected the continuing development of good practice in the wider industry and that it was difficult to identify the direction of causation between the development of industry-wide good practice and the approaches adopted in the Olympic Park development. However, stakeholders were clear that construction of the Olympic Park led to the development of new benchmarks in sustainable construction in the context of large-scale infrastructure projects i.e. over £500 million. Stakeholders also identified a number of specific innovations.

A further view was that the Olympic Park construction project provided a unique opportunity to showcase best practice sustainability benchmarks and raise the general performance of the construction industry on sustainability issues.

The remainder of this section identifies specific elements of good practice highlighted by stakeholders and their views on how far the approaches improved on existing practices in the industry. The key elements identified in the interviews were as follows:

- **Sustainability strategy and planning:** There was a consensus amongst stakeholders that the London 2012 Sustainability Plan set new standards for sustainability strategies in the context of large-scale infrastructure projects.
- **Embedding targets early on:** A further feature of the ODA’s approach which stakeholders highlighted as providing an important lesson for wider industry is the focus on embedding sustainability targets at an early stage of project planning. Stakeholders were impressed with ODA’s approach to engaging suppliers early on and bringing contractors on board as soon as possible. Stakeholders reported that the ODA’s approach to the planning and management of sustainability was a significant improvement on large-scale infrastructure projects that pre-dated London 2012.
- **Using a balanced scorecard:** The ODA’s evaluation of tenders used a ‘balanced scorecard approach’, a performance management tool used in the evaluation of tenders to review compliance with sustainability objectives. Stakeholders reported that the use of the balanced scorecard approach in the construction industry pre-dated the London 2012 Games and its use by the ODA; however, stakeholders reported that the ODA improved the robustness of sustainability scoring in the tender process and used the scorecard to improve transparency on how sustainability is addressed in tender decision-making.
- **The ODA’s Timber Supplier Panel:** The ODA’s use of 100% sustainably sourced timber that was certified by either the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC) reflected existing good practice in the industry. However stakeholders were of the view that 100% sourced timber had never been achieved on a construction project of this scale before. The ODA’s Timber Supplier Panel was regarded as highly innovative (this was noted by a number of stakeholders). Stakeholders believe that the rigour showed by the ODA’s contractors to ensure that the

timber was certified and had appropriate audit trails represented a major improvement on existing practice. Stakeholders also commented that although the use of timber cladding in venues is not innovative in itself there is a significant potential to use the Olympic Park to showcase the use of timber cladding in projects of a similar scope to the Velodrome and to enhance the sustainability of projects in the future.

- **Production of concrete:** Concrete was produced on the Olympic Park site, using recycled content and with the raw materials being supplied to the site by rail. According to CSL, this approach to production contributed to a 42% reduction in carbon emissions compared to the average concrete used in the UK. Stakeholders confirmed that the carbon savings represented a significant improvement on general practice in the construction industry and could be regarded as innovative in terms of large-scale infrastructure projects. However, it was recognised that in many cases it will be difficult to replicate the ODA's approach because of the unique nature of the Olympic Park project, in particular the concentration of construction activity on one large site which allows economies in production.

2.3 Dissemination of good practice

There was a consensus amongst stakeholders interviewed for the research that the global profile of the Games has provided a major platform to showcase best practice and learning in sustainable construction. Stakeholders commended the suite of learning legacy material produced by ODA and LOCOG as providing a comprehensive and detailed account of the key elements of sustainability good practice.

The UK Green Building Council (UK-GBC)¹⁵⁰ were chosen to support the ODA's Learning Legacy programme on the topic of construction sustainability. The UK-GBC has generally played a central role in the dissemination of lessons learned from the Games regarding construction. UK-GBC's London 2012 Sustainability Lessons Learned series held in the first half of 2012 consisted of two streams of events running in tandem - breakfast sessions on the construction of the venues and eight masterclasses on sustainability learning from the ODA's construction programme. All of the courses were well attended and feedback from delegates was generally positive. In total over 700 delegates from across the construction industry attended the events. Stakeholders were generally positive in their assessment of the UK-GBC series and its industry reach. An example of a masterclass is described in Box 1 below.

Although the UK-GBC series was well regarded, stakeholders identified the limited funding available for dissemination of good practice and the lack of a clear strategy or action plan as key constraints in disseminating good practice. Despite the significant intellectual capital created by the Olympic Park project, some stakeholders felt that the approach to dissemination of that learning has been too fragmented. Stakeholders were of the view that to date the Government could have perhaps played a stronger role in the dissemination of learning, taking advantage of the unique opportunity that the profile of the Games brought to promote and showcase good practice. Stakeholders have highlighted that industry bodies such as Constructing Excellence which have a limited membership base, do not have an incentive to promote good practice across the industry. However according to stakeholders, this does not mean that it is now too late to develop a comprehensive dissemination plan.

Box 1: UK-GBC Materials Masterclass

UK-GBC held a Materials Masterclass in June 2012. The masterclass was attended by 40 delegates.

The masterclass focused on the detailed technical lessons learned from the London 2012 Olympic Park strategy on materials. Presentations looked at how the selection of materials for the construction of the Olympic Park made a significant contribution to meeting the Olympic

¹⁵⁰ UK-GBC is a charity and membership organisation that aims to facilitate dialogue between industry and Government to promote greener approaches in the construction sector.

Delivery Authority's ambitious sustainability targets. Delegates also gained an understanding of procurement and delivery of responsibly sourced and sustainable materials and learned how to encourage innovation from the supply chain from the London 2012 Games experience.

The masterclass aimed to enhance understanding of applying materials targets to a large scale construction project. One of the presentations focused on delivering sustainable concrete. This included: procurement and delivery of sustainable concrete; mitigating risks associated with integrating sustainable concrete; evaluating options and making informed decisions around specifying sustainable concrete. Another presentation focused on delivering 100% sustainable timber on a construction project. This covered: procurement and successful delivery of 100% sustainable timber on a project; mitigating risks associated with delivering against a target of 100% sustainable timber. The presentations demonstrated how the ODA's performance compared against industry averages. For example, the concrete presentation highlighted that less than 6% of materials for concrete mixing were transported by road for the Olympic Park, compared to an average of 91% across industry.

87% of those who completed feedback forms from the masterclass agreed that "the knowledge and skills I learnt will be useful for my job".

In terms of specific lessons on the dissemination of good practice, one stakeholder highlighted that dissemination could have been helped by improved availability of data on the impact of more sustainable approaches on cost savings. For example, it was reported that the transport of materials to the Olympic Park site through a good practice logistics approach enabled the project to achieve a 50% reduction in costs. It was thought that a focus on cost savings would have been an effective "hook" in encouraging greater interest from industry in the legacy material.

2.4 Take-up of good practice

Stakeholders who were interviewed for the research were not aware of specific research which has examined how far good practice from the Games is being taken-up across industry. However, they reported some specific examples of large-scale infrastructure projects which have learned from the Games. These include:

- **Crossrail:** While it pre-dated initiation of the Olympic Park project, Crossrail has learnt from the ODA on particular aspects of sustainability management and planning. For example, lessons from the Olympic Park encouraged Crossrail to set clear targets for sustainability.
- **HS2: High Speed Rail 2:** This major rail project is learning from the Games in terms of the early planning and setting of sustainability targets.

As noted in Box 1 above, a high proportion of delegates who attended the UK-GBC masterclasses reported that knowledge and skills learnt at the classes will be useful for their jobs. This provides an initial measure of potential take-up of lessons learned. UK-GBC are planning to hold a one year on event looking at how industry has taken lessons learned from working on the London 2012 project and/ or from attending the UK-GBC learning events and integrated these into their business. Box 2 below provides a case example of a private sector organisation that is continuing to benefit from the Olympic Park project and the dissemination of lessons learned through the UK-GBC series.

Box 2: Marks and Spencer

Marks and Spencer attended all of the UK-GBC learning events and attended several tours of the Olympic Park to learn lessons directly from the ODA. An representative of M&S interviewed for this research said it was difficult to calculate the precise influence of the Games on M&S practices (the design phase for the store at Cheshire Oaks began in 2004); however, the interviewee reported that there was much synergy between the Olympic Park project and M&S' thinking on sustainability. The CSL 'Making a Difference' report included as a case study the new M&S store at Cheshire Oaks. Amongst the innovative aspects of design were a 100% FSC-certified glulam roof structure which has much lower embodied carbon than an equivalent steel or concrete design and use of 2,600 m² of hemp clad panels for the walls for the first time, which has brought down the embodied carbon by around 360 tonnes. M&S said that dissemination of lessons from the Olympic Park development has left the company feeling "inspired" – "the Olympic Park tours helped to guide us and provided reassurance that our developments were achieving the best practice industry standard." M&S has used the content of the masterclasses to communicate the benefits of sustainable approaches to its supply chain: "we have used tools from the masterclasses to cascade best practice through our supply chain".

3 Waste Management

3.1 Introduction

This section of the report focuses on lessons learnt and good practice in the events industry in respect of LOCOG's approach to waste management. It focuses particularly on lessons learnt from practices adopted to enhance the sustainability of waste management in the staging of the Games.

3.2 Stakeholder views on good practice

Stakeholders interviewed for the research believe that many of the waste management practices used in the staging of the Games have significant potential to be taken up industry and improve the sustainability performance of the events industry. Resource planning, use of packaging and recycling on site are considered below.

(i) Resource planning

Stakeholders interviewed for the research believed that a key element of good practice in LOCOG's approach was the emphasis placed on waste management at the event planning stage. Working with LOCOG, the Waste & Resources Action Programme (WRAP)¹⁵¹ developed a Resource Management Plan (RMP) which is a practical tool designed for event organisers, venues and suppliers to help reduce the amount of waste created by an event. The tool, which was awarded the Inspire Mark¹⁵², provides detailed guidance on where opportunities exist for reducing waste in preparation for, during and after an event.

According to stakeholders, the tool was designed to support the Games-time target to divert 80% of waste away from landfill, and promote the waste hierarchy of reduce, reuse, recycle¹⁵³ to facilitate long-term behavioural change across industry. It was reported that LOCOG's requirements for waste were challenging, particularly due to the scale of the Games including the number of people attending and the number of venues involved. It was therefore especially important to work out at the planning stage how much waste was going to be generated (and the proportion of this which was recyclable/ compostable/ residual¹⁵⁴). Stakeholders believe that while the RMP tool would have probably been developed anyway, the Games was a key driver leading to it being developed sooner than would have been expected otherwise.

(ii) Packaging

Packaging played an important role in LOCOG aim to meet the waste management target to ensure that at least 70% of waste is reused, recycled or composted (62% was achieved in practice). A particular element of good practice highlighted by stakeholders in the area of packaging was that all food packaging used by venue caterers to be compostable, an aspiration which was close to being achieved. LOCOG believed that the 70% target for re-use, recycling and composting could only be achieved by introducing compostable packaging. When referring to compostable material, this meant that it had to be certified to EN13432, The European Standard EN13432 "Requirements for packaging recoverable through composting and biodegradation - Testing scheme and evaluation criteria for the final acceptance of packaging", defines the characteristics that a material must have, in order to be defined as "compostable".

¹⁵¹ WRAP is a non-profit organisation which campaigns to minimise resource use and divert priority materials from landfill.

¹⁵² Logo awarded to non-commercial organisations delivering projects and events genuinely inspired by the London 2012 Games.

¹⁵³ Reduce – methods of generating less waste; reuse – using elements of the discarded items again; recycle – separating discarded items into materials that may be incorporated into new products.

¹⁵⁴ The term Residual Waste refers to the waste that cannot be or is not separated for recycling or composting.

In support of the waste management goals set by LOCOG for the Olympic and Paralympic Games, a packaging guidelines manual was developed to ensure the optimum packaging was used by LOCOG suppliers and partners. The guidelines manual has been used by WRAP for the purpose of disseminating good practice and learning. The purpose of the guidance was to ensure that any packaging used at Games venues was in-line with the waste management infrastructure used, it was important that suppliers met certain criteria when it came to the use of packaging. The Packaging Guidelines included guidance on how to package products to optimise recycling, the design of the packaging, which materials were permitted to be used, the level of recycled content required within those materials, and the requirements for compostable packaging. The guidance included a matrix to help suppliers choose their packaging in line with those which are considered widely recycled in the UK.

3.3 Dissemination of good practice

(i) Resource planning

WRAP is taking a lead role in the dissemination of good practice on resource planning from the Games. WRAP has recently launched a zero waste to landfill roadmap and a web portal for the event industry¹⁵⁵ which features the RMP Tool and links to the London 2012 learning legacy. The guidance and best practice website is designed “to help all events (no matter size, type or location) to move towards achieving zero waste to landfill by 2020”. The page guides venues and event organisers through the event experience with tips and practical advice on each stage of an event (called the event roadmap) - pre-event, in-event and post-event. A launch event for the web portal and roadmap was held on 5th March 2013.

The roadmap and portal will continue to be promoted. Information received from WRAP indicates that the roadmap has been downloaded 275 times. The portal has been viewed 2248 times with 2248 unique page views. These figures suggest the website is working very effectively as a dissemination tool and that there is significant interest in the portal and roadmap.

(ii) Packaging

In order to support the waste management goals set by LOCOG for the Olympic and Paralympic Games, a Packaging Guidelines manual was developed to ensure the optimum packaging was used by suppliers and partners of the Games. The guidelines manual has been used by WRAP for dissemination purposes and has been shared with the organising committees of Glasgow 2014 and the 2014 Ryder Cup.

(iii) General Lessons

CSL has indicated that the Games acted as a giant experiment in waste source separation for the event industry and one which has achieved a degree of success.¹⁵⁶ Generally stakeholders believed that LOCOG could have done more to promote its achievements on waste management although its limited lifespan meant it faced inevitable time and resource constraints. Stakeholders noted that there a lot of effort went into transferring knowledge and learning to the Rio Olympics and despite the efforts made by organisations such as WRAP, as described above, this meant that less effort went into disseminating learning within the UK.

3.4 Take up of good practice

(i) Planning

Stakeholders indicated that contractors were prepared to accept increasing demands on waste management in agreeing Games contracts because of the opportunity to be involved with such a high profile event; however, contractors learned that a sustainable approach can also lead to cost savings and economic benefits. One stakeholder was confident that the contractors would continue to use sustainable waste management approaches.

¹⁵⁵ <http://www.wrap.org.uk/content/zero-waste-events>

¹⁵⁶ Commission for a Sustainable London (2012) *Post-Games review*

Case studies have been developed on use of the RMP tool and feedback has been collected from industry. The following are examples of events which have used the tool to help divert waste from landfill and reduce the amount of waste generated:¹⁵⁷

- BMW PGA (Golf) Tour, 2012 – The RMP tool enabled the tour event to engage suppliers in conversations about waste reduction and sustainable waste management. This will continue into next year's planning for the Tour and for the Golf Ryder Cup in 2014.
- Goodwood Festival of Speed, 2012 - The online tool was useful to understand the waste facilities available on site; and identify actions to reduce waste at the next event,
- Scottish Grand National 2012 – Overall, the RMP tool helped divert 92% of waste from landfill in the first year and cut waste disposal costs.
- VisitScotland Expo, 2012 – The RMP tool supported planning waste facilities around the venue, collecting benchmarking data for future use and identifying actions to reduce waste. The main achievements supported by the tool were: recycling more than 750kg and implemented measures to re-use 400kg of packaging.

A more detailed example of an events organisation benefitting from the RMP tool is provided in Box 3.1

Box 3.1: Reducing Waste at the Farnborough Airshow

In 2012, the Airshow diverted 81% of its waste from landfill and reduced its overall waste arisings by 26% (365 tonnes) compared to the 2010 event. This was achieved through waste reduction measures and by increasing recycling, meaning less waste went to landfill or refuse-derived fuel.¹⁵⁸

The largest waste stream was wood from the build and set up – all 370 tonnes were recycled. This comprises only a small proportion of the wood used at the Airshow as the majority of wooden structures are stored on site for re-use at future events. This includes the following parts used MDF walling panels, timber stud walls and plywood sheeting used for terraces and platforms.

The Airshow has highlighted a number of benefits of using the RMP tool:

- The tool provided a forum for the Airshow team to engage with suppliers and identify and share current supplier actions to minimise waste.
- The team was able to generate a bigger picture of waste generated on site and to see what happened to it. Importantly, this included waste removed from the site by suppliers.
- The tool provided a good estimate of the total percentage of waste that was recycled or recovered, creating a helpful benchmark for future targets to be set to improve recycling or re-use.

Source: WRAP website

(ii) Packaging

The London 2012 Legacy Transfer Report on Packaging (by LOCOG) reports that Coca-Cola made some changes to its packaging to comply with the LOCOG/ WRAP packaging guidelines. Some additives used by Coca-Cola were not ideal as they lowered the quality of materials for recycling, particularly the UV glue for the Powerade label and the Oxygen Scavenger layer from the Glaceau Vitaminwater. According to the report, Coca-Cola made a business decision resulting from the Games to invest in removing these layers in order to

¹⁵⁷ WRAP (no date) *Events Resource Management Plan Tool: Case Studies*

¹⁵⁸ Refuse-derived fuel (RDF) is a fuel produced by shredding and dehydrating solid waste. RDF consists largely of combustible components of municipal waste such as plastics and biodegradable waste.

improve recyclability of the packaging, making it 100% recyclable. This packaging format has been permanently adopted by Coca-Cola and continues to be used after the Games.

(iii) Multiple Bins

There was a consensus amongst stakeholders that the Games has helped to deliver a culture change within the events industry around waste segregation and the use of multiple bins to collect different materials. Stakeholders observed that many venues are now considering this when putting in place waste contracts. Stakeholders were of the opinion that LOCOG encouraged a range of London 2012 venues outside the Olympic Park to adopt a multiple bin policy for the events they post-Games. For example, one stakeholder commented that football stadiums where there had previously been a culture of putting rubbish on the floor and cleaning up afterwards are improving their approach to waste recycling because of the Games. Another stakeholder mentioned that Birmingham's National Exhibition Centre was inspired by the Games to bring its waste segregation approach up to good practice standards.

4 Sustainable events management

4.1 Introduction

This section of the report focuses on lessons learned and good practice in respect of LOCOG's approach to sustainable events management. It focuses particularly on the role of the Games in influencing the development of sustainable events management standards and their take-up across the events industry.

4.2 Stakeholder views on good practice

Stakeholders confirmed that new BSO and ISO standards for the sustainable management of events were developed as a direct consequence of winning the bid. There was a commitment in the bid document to ensuring that the Games would be the 'greenest' ever. Accordingly, there was a need to develop an appropriate management system for sustainability to demonstrate the use of sustainable processes and monitor outcomes/ outputs to ensure certification to the new standards. At the time of the awarding of the London 2012 Games, there was in place BS8900 as a generic standard for developing an approach to sustainable development. However BSI¹⁵⁹ were approached by London 2012 to develop a customised standard for sustainable events management. This led to an industry-wide stakeholder group being set up in collaboration with BSI to develop the new standard.

The new British Standard BS 8901:2009 – 'specification for a sustainability management system for events' – was upgraded to an international standard (ISO 20121) in June 2012. The ISO 20121 standard follows the same approach as BS 8901 – an organisation is asked to establish its sustainable development principles, identify related issues/ targets with stakeholder engagement and assess achievements against targets (and progress against the overarching principles). In terms of identifying issues, no issues are compulsory but organisations are advised to consider and encompass a list of environmental, social and economic issues where applicable (e.g. materials choice, local community impact and stakeholder value). This new standard is designed to "support the organisers of events of all types – sporting, business, cultural, political – in integrating sustainability with their activities".

LOCOG's Sustainability Management System (SMS) provided the 'prototype' for the ISO standard. LOCOG role in creation of ISO 20121 is generally thought of as a significant contribution of the Games, as the standard provides an international standard to guide the event industry; however, it is not regarded as transformational because it generally complements and builds on existing processes. Stakeholders reported that the events sector was aware of the need to be more sustainable and had been working towards this for some time (since before the successful bid to host the Games). The Sustainable Exhibitions Industry Project Report 2002 produced by the Association of Event Venues highlighted the poor performance of the Events Industry in terms of energy consumption and waste generation and acted as driver for the industry to improve sustainability performance. In light of this report, Earls Court and Olympia, for example, started to radically improve its waste management and recycling programmes by removing paper, cardboard, metal, plastics, paint, cotton fabric, glass and wood from the waste sent to landfill. There are also a range of Government initiatives that have encouraged better practice in the events industry. Nevertheless, stakeholders were of the opinion that the Games helped to bring the industry together to develop a cohesive approach to sustainable events management and encourage the events industry to adopt existing good practice. As one stakeholder commented, "*Events were heading in a more sustainable direction but London 2012 has proved that sustainability is realistic and achievable.*"

¹⁵⁹ British Standards Institution (or BSI), is a multinational business services provider whose principal activity is the production of standards and the supply of standards-related services

4.3 Dissemination of good practice

It was not clear from the interviews if there are any specific Government plans to promote the take-up of the international standard by the UK's events industry. However, stakeholders from the events industry were of the view that LOCOG was very open in terms of sharing information on the implementation of its Sustainable Management System and the application of the BS 8901 standard. One representative of the events industry commented that LOCOG was very proactive in sharing its plans at various conferences and seminars prior to the Games and continued to be in the post-Games period. The interviewees indicated that a number of events were held to promote the take-up of the BS 8901 standard which involved LOCOG (an example is provided in Box 4.1 below). . BSI has also published a number of case studies which demonstrate lessons in the take up of BS8901 and ISO 20121.

Box 4.1: Dissemination Event (BS 8901)

Positive Impact, a not-for-profit education project set up to educate the event industry about sustainability, held the 'Understanding BS 8901' educational series of workshops to explain the sustainable event management system BS 8901 'Specification for a sustainable event management system with guidance for use'. The events were supported by BSI and awarded the Inspire Mark¹⁶⁰. The workshop in London was an interactive event for event organisers, venues and suppliers to the event management industry and was free to attend.

The event took place on the 24th June 2009 at the Olympia Conference Centre, London, UK and was attended by 100 delegates from within the event industry. The main aims for the workshop were for attendees to have a strong understanding of BS 8901, have the chance to take a starting step with BS 8901 or advance further and leave motivated to continue their journey with sustainability.

The event format included guest speakers and a panel which included: Head of Sustainability, LOCOG; Head of Market Development, Sustainability, BSI; Sustainability Project Manager, VisitEngland; Sustainability Advisor, Earls Court & Olympia; and the Chair of BS 8901 Panel.

4.4 Take up of good practice

Although no specific data on take-up the BS and ISO standards is available¹⁶¹, stakeholders believe that BS 8901/ ISO 20121 has been widely adopted by venues and venue contractors. A number of specific examples are set out below:

Goodwood Event Operation Team: In May 2012 the Goodwood horse racing course became one of the first organisations worldwide to gain certification to ISO 20121. There have been a number of improvements since the implementation of a sustainable event management system being used to support continued certification to the standard. These include:

- 40% increase in use of public transport to events; and
- 50% reduction in paper consumption for printing.

Weymouth and Portland National Sailing Academy (WPNSA): WPNSA has experienced a number of tangible commercial benefits from certification including a reduction in costs of approximately 15% due to better waste management and reduction in the use of electricity. Improved measurement of resources used has led to a better understanding of utilities usage which drives cost savings.

ExCeL London Exhibition and Convention Centre: Inspired by the Games, ExCeL London gained certification for ISO20121 in December 2012. ExCeL were already implementing many of the sustainable processes used in the Games (e.g. waste, energy use); however the standard brought together structures and processes under one umbrella and

¹⁶⁰ Logo awarded to non-commercial organisations delivering projects and events genuinely inspired by the London 2012 Games.

¹⁶¹ BSI could not provide figures on take-up of the standard as this is commercially sensitive information.

enabled the Centre to engage more effectively with suppliers on targets for sustainable practices.

It was also reported by stakeholders that in many cases venues have not yet paid for accreditation but have been encouraged by the Games to use the processes and principles of the standard.

5 Food

5.1 Introduction

This section of the report focuses on lessons learned and good practice in respect of LOCOG's Food Vision.

5.2 Stakeholder views on good practice

The London 2012 Food Vision was regarded by stakeholders as a major innovation of the Games. Since summer 2009, the Greater London Authority (GLA) food programme and London Food Board¹⁶² worked with Sustain¹⁶³ and others to influence the healthiness and sustainability of the food to be served at the Games. The London 2012 Food Advisory Group was convened by LOCOG to undertake consultation, provide expert advice, review standards, provide training and support communications work. The work of the Group resulted in publication of the London 2012 Food Vision in December 2009, which set out the health and sustainability standards to be achieved for food to be served at the Games and represented the first such commitment for any major international sporting event.

5.3 Dissemination of good practice

Evidence gathered from the interviews suggests that there has been a strong and co-ordinated effort to disseminate the learning from LOCOG's approach to sustainable food practices. The London 2012 Food Advisory Group set out ambitions for an Olympic Food Charter to build on the London 2012 food commitments and stimulate the adoption of similar ambitious standards by the wider catering and hospitality sectors. This developed into a proposal for the Food Legacy Programme which was part funded by the GLA (for phase 1 which ran to end March 2012).

The objectives of the food legacy project before and during the Games can be summarised as follows:

- Promote the uptake of the London 2012 Food Vision standards with the support of LOCOG, the London Mayor, Greater London Authority food programme, London Food Board and others. The Food Legacy programme will also seek the backing of a consortium of sustainability organisations and catering trade associations, including the food sustainability certification bodies named in the London 2012 Food Vision standards, and related support organisations;
- Promote opportunities for small and medium-sized food businesses and social enterprises to take part in events and activities associated with London 2012, and which fall outside the direct responsibility and remit of LOCOG (e.g. the Live Sites);
- Provide a portal for information on food opportunities surrounding the Games;
- Promote online free-to-use food finders to enable organisations to find growers and producers of food and catering services that meet London 2012 Food Vision criteria;
- Target caterers and their clients to adopt the London 2012 Food Vision standards and to direct them to the organisations and services that can help them do so; and

¹⁶² The London Food Board is an advisory group of independent food policy organisations and experts which oversees the implementation of The Mayor's Food Strategy.

¹⁶³ Sustain is the alliance for better food and farming. It advocates more sustainable practices in the food industry. Sustain represents around 100 national public interest organisations working at international, national, regional and local level.

- Provide links to coordinating groups in other parts of the country if they wish to implement similar promotional activities in and for their region's involvement in the Games.

To build a sustainable food legacy beyond the Games the objectives of the food legacy project were to:

- Engage with the catering, hospitality, restaurant and events sectors, through individual catering, events, restaurant and hospitality companies, their trade associations and catering consultants, – to embed the London 2012 Food Vision standards in procurement policy;
- Connect caterers with the information and services that can help them to achieve the healthy and sustainable food commitments they make; and
- Consider and accept equivalence of other catering standards, and their promotional bodies, where these standards can be shown to meet the same or similar standards as the London 2012 Food Vision, and help to promote these as appropriate.

The report on activity in phase 1 indicated that all objectives and milestones have been met, this includes the establishment of a Food Legacy steering group, preparation of a Food Legacy website and Food Legacy pledge. The Food Legacy website provides information and advice aimed at caterers and suppliers. The website aims to see “the commitments in the London 2012 Food Vision adopted by lots more caterers, restaurants, hospitality and event's organisers for the benefit of people, food producers and the planet.”

Guidelines for the events industry produced by Sustain were inspired by the London 2012 Food Vision, including Good Food for Festivals Guide and The Good Food Guide for Festival and Street-food Caterers.

5.4 Take-up of good practice

Stakeholders interviewed for the research believe that the Games marked a useful and high-profile "waypoint" in the development of organisations promoting sustainable food practices. Stakeholders believe that the true legacy of the London 2012 Food Vision will be the success of campaign organisations in meeting their objectives on sustainability who have been inspired by the Games. These include:

- Sustainable Fish City;
- Sustainable Restaurant Association;
- Food for Life Partnership and Catering Mark standards;
- Ethical Eats,;
- Fairtrade in catering; and
- Marine Stewardship Council.

One stakeholder believes that London 2012 helped to create a momentum for change which the organisations above now need to deliver upon. Further research would be required to understand in more detail how the Games has helped the organisations above to develop their sustainability objectives. However, Box 5.1 provides one example of how a campaign organisation has been inspired by LOCOG's approach.

Box 5.1: Sustainable Fish Campaign

The Sustainable Fish City campaign was launched in January 2011 was inspired by the London 2012 Food Vision. It has received pledges to serve sustainable fish from organisations together serving well over 100 million meals per year, including the GLA, 19 leading London universities and many restaurants and blue chip businesses (including British Airways and John Lewis).

Inspired by the Games, ExCeL London Exhibition and Conference Centre reported that they are currently developing a strategy in partnership with key suppliers to address some of the good practice developed by the Games including increasing use of local sourcing of food.

Stakeholders also reported that there has been interest in the Food Vision from the Rio Olympics organisers; however a similar vision has not been published as yet.

6 Conclusions

6.1 Development of good practice

The research has examined the 2012 Games' influence on good practice in four key areas relating to the preparation and staging of the Games – construction, waste management during Games-time, sustainable management systems for events and sustainable food practices. The interviews with stakeholders were able to provide perspectives on how far approaches to sustainability implemented for the Games improved on existing good practice in the construction and events industries.

In terms of construction the interviews indicate that the ODA's Olympic Park project set new benchmarks in the context of large-scale infrastructure projects. In particular, there was consensus that the Olympic Park project provided a unique opportunity to showcase sustainability benchmarks and help to raise the general performance of the construction industry on sustainability issues. Particular areas highlighted by the interviewees include sustainability planning and target setting; the balanced scorecard approach to procurement; and the use of timber and concrete.

Stakeholders interviewed for the research believe that many waste management initiatives have significant potential to be taken up by industry and to improve the sustainability performance of the events industry. Resource planning, use of packaging and recycling on site were highlighted as particular aspects where there is scope for lessons to be learnt.

LOCOG's Sustainability Management System (SMS) is widely regarded as a key innovative aspect of the organisation's approach to sustainability. Stakeholders confirmed that the BSI and ISO standards, which were driven by LOCOG's SMS and developed as a direct consequence of winning the bid, have significant potential to improve the sustainability approaches of businesses in the events industry. LOCOG's system was independently certified to the new British Standard BS 8901:2009 – 'specification for a sustainability management system for events' – which was upgraded to an international standard (ISO 20121) in June 2012.

A further innovation highlighted by stakeholders was the London 2012 Food Vision which set out the health and sustainability standards to be achieved for food to be served at the Games and represented the first such commitment for any major international sporting event.

6.2 Dissemination

As early as 2008, CSL recommended that a learning legacy be established to enable London 2012 to make a difference to the sustainability agenda. The ODA and LOCOG have both produced a comprehensive suite of learning legacy material that provides a detailed account of the key elements of sustainability good practice. The UK Green Building Council (UK-GBC) were chosen to support the ODA's Learning Legacy programme on the topic of construction sustainability and played a key role in the dissemination of good practice in this area. Stakeholders were generally positive in their assessment of the UK-GBC series and its industry reach as one example of positive dissemination.

Despite the success of the UK – GBC series, stakeholders were of the view that the Government could have perhaps played a stronger role in the dissemination of learning in relation to construction, taking advantage of the unique opportunity that the profile of the Games brought to promote and showcase good practice. This appeared to be particularly the case in respect of construction although the UK Green Building Council learning series was seen as the exception to this and was highly valued.

The events industry appears to have strong mechanisms for ensuring the spread of good practice and it is recognised that the Games has been instrumental in encouraging strong management systems for sustainability. Stakeholders from the events industry were of the view

that LOCOG was very open in terms of sharing information on the implementation of its Sustainable Management System and the application of the BS 8901 standard although less effort went into promoting its waste management approaches.

6.3 Take-up of good practice

Stakeholders were not aware of specific research which has examined how far good practice from the Games is being taken-up across industry. Generally stakeholders feel that it is probably too early to be assessing the impact of the Games on take-up of good practice; however, interviewees highlighted a range of examples of organisations integrating learning from the Games into their business and organisational practices.

Stakeholders reported some specific examples of large-scale infrastructure projects and transport authorities taking on board the key features of the ODA's planning and management approach. These include the Crossrail and High Speed 2 projects.

There is clear evidence that lessons from the Games are being taken up in the events industry. The Games have had particular benefits for the events industry, including introducing new approaches to sustainability management and waste resource planning.

A number of case studies have been developed on use of the Resource Management Plan (RMP) tool for waste management at events which demonstrate the significant potential for learning across the events industry. There was also a consensus amongst stakeholders that the Games has helped to deliver a cultural change within the events industry around waste segregation and the use of multiple bins to collect different materials.

Although no specific data on take-up of the BS and ISO sustainable management standards is available, stakeholders believe that BS8901/ ISO20121 have been widely adopted by venues and venue contractors. BSI has also published a number of case studies which demonstrate the take up of BS8901 and ISO 20121 by some key industry players.

There is evidence that the Games is inspiring the campaigns on major sustainable food groups and there are early signs that some of the larger events venues are developing similar approaches to London 2012 on sustainable food sourcing.

Annex 1: Acknowledgments

Association of Event Venues

British Standards Institute

Chartered Institution of Waste Management

Chartered Institution of Waste Management

Constructing Excellence

Crossrail

ExCeL London Exhibition and Conference Centre

Glasgow 2014

SITA

Sustain

UK Green Building Council

Marks & Spencer

Waste and Resourcing Action Programme (WRAP)

EC&O Venues