

# **THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA**

**CABINET - 12 OCTOBER 2005**

## **REPORT BY DEPUTY TOWN CLERK AND CHIEF EXECUTIVE**

### **THE 2012 OLYMPICS AND PARALYMPICS – WHAT NEXT?**

The Cabinet is asked to:

- Note the report and recommend that any comments and concerns about the Bill are fed in at the Committee stage of the Bill through Parliament
- Support the offer for a meeting between Members and representatives of the LSP and other interested bodies with the London Organising Committee of the Olympic Games (LOCOG) and members of the ALG cross-party working group on the Olympics. (Paragraph 6.2)

**FOR DECISION**

#### **1. Introduction**

On 6 July 2005 the International Olympic Committee (IOC) announced that London had been chosen to stage the 2012 Olympic and Paralympic Games. London is now a host city rather than a candidate city. Immediately following the announcement, the Host City Contract was signed at Singapore and entered into by the International Olympic Committee (IOC), the Mayor of London and the British Olympic Association. The Government are not a signatory. The Host City contract essentially covers the commitments made during the bidding process by London 2012 and the IOC requirements relating to the Games.

**1.1** In mid-July the London Olympics Bill was presented to Parliament and was given an unopposed second reading later in the month. It makes provision for the Games to take place and the arrangements to implement them. It now goes to a committee to be considered in the autumn. The Bill sets the framework for the Olympic Games to take place.

**1.2** We are now in a transition phase where activities are continuing pending parliamentary approval of the Act. Specifically the Mayor of

London, under his powers laid out in the Greater London Authority Act 1999, has issued directions to the London Development Agency and to Transport for London to do everything necessary to proceed with the early preparation for the London Games in 2012.

- 1.3** Councils throughout the Country have shown their support for the games, recognising the economic and sporting opportunities for their areas.
- 1.4** Earlier in the year the Royal Borough had given its full support to London's bid to host the Games and agreed to work to maximise the opportunities afforded to this borough and to London through a successful bid. The full Council resolution is attached as appendix A. It also supports a view that there should be limit on the amount of funding that will be raised through the GLA precept on the council tax to support the bid and the holding of the Games.

The main Games will take place from Friday 27 July to Saturday 12 August 2012 and the Paralympics from Wednesday 29 August to Sunday 9 September 2012.

## **2. Background**

- 2.1** Earlier in the year, the Council undertook a series of activities to engender a sense of strong community support leading up to the decision by the IOC in July. These included:
- The Leader of the Council attending a show of solidarity with the Leaders of London's other local authorities at Lords cricket ground
  - Banners hung from lamp columns on Kensington High Street during the visit of the IOC and in the fortnight leading up to the final decision.
  - Petitions placed in each of the libraries for people to support the bid. These were forwarded to London 2012 to add to their list of supporters gathered through the website.
  - A poetry competition in libraries.
  - School meals given an Olympic theme for the day.
  - Creation of Olympic displays at Park Walk Primary School and Ashburnham Community School.
  - A press release on former Olympic rower supporting Olympic bid.

- A link provided on the first page of the Council's website to the London 2012 website.
- Inclusion of the Exhibition Road improvements as part of the cultural offer for the games.
- Commissioning the Kensington and Chelsea Community History Group, HISTORY talk, to collect reminiscences about past Olympics from local residents. These will be available for use, such as in schools and work amongst young people.

**2.2** The Leader has appointed Councillor Miss Barbara Campbell to the ALG cross-party Olympic Working Group. Councillor Ruth Cadbury, from the London Borough of Hounslow, chairs this. It was set up to raise awareness across the majority of London boroughs who are not intimately involved with the bid, and to ensure they understand the opportunities that might flow from a successful bid.

**2.3** The Central London Partnership (CLP) coordinated meetings of the central London boroughs and representatives of London 2012 Forum, to encourage boroughs to undertake activities during the bidding process. The Forum was set up to galvanise and coordinate London-wide support for the bid. Their key role was to engage, stimulate and enthuse Londoners. Councillor Moylan has represented the Royal Borough at meetings with the CLP. The Forum has now had its sign off meeting and it is not clear at present whether it will formally exist in the same fashion.

**2.4** The ALG and the London Development Agency created a post for an Olympics and Paralympics Bid Programme Manager to work closely with London boroughs and London 2012 to keep them informed and to ensure they are fully involved. I understand that discussions will take place shortly within the ALG on how to support the Olympics during the next seven years.

### **3. The Olympic Bill and Delivery structures**

The key features of the London Olympics Bill are to:

- set up an Olympic Delivery Agency (ODA), which would manage the Government's interests including accounting for the public money to be spent on getting the venues and infrastructure prepared in time for the Games. The ODA would also ensure co-ordination of public transport
- ensure the GLA and the Mayor have sufficient powers to enable them to fulfil their commitment. I understand there is a doubt as

to whether the GLA could spend money on everything it would need to under the existing powers

- deal with commercial aspects, including protection of symbols and intellectual property, street trading and ticket touting

### 3.1 In terms of delivering the Games there will be three main staging structures:

- The **London Organising Committee of the Olympic Games (LOCOG)** is a private company limited by guarantee that has been established by the Government, the Mayor and the British Olympic Association (BOA) to organise, publicise and stage the Games working with the International Olympic Committee (IOC). It will oversee the operating budget for the Games that will be funded primarily through private funding streams such as sponsorship, sale of TV rights and ticket revenues. It will also oversee the organisation of the volunteer programme and the four-year cultural festival leading up to the Games and it will market the Games to the public. It is currently a dormant company with an interim board, Chair and Chief Executive. LOCOG has some interim staff. Sebastian Coe has been appointed as Chairman and Keith Mills as Deputy Chairman.
- The **Olympic Delivery Authority (ODA)** will be a statutory executive agency that will deliver the infrastructure and venues needed for the Games. It will be funded mainly by the lottery and London council tax precept that make up the agreed funding package for the Games. The ODA focus will be on the Olympic Park and the four boroughs and communities that the Park covers. The ODA will be established in primary legislation as part of the London Olympics Bill.
- The **Olympic Board (OB)** will be made up of the Mayor, Secretary of State for Culture, Media and Sport, the President of the Olympic Association and the Chair of LOCOG. It will co-ordinate the project. It will have a specific role to ensure a sustainable legacy and is likely to be supported in this role by a Legacy Board.

### 3.2 Until the Olympic Delivery Authority is established, the LDA and TfL have been issued with directions by the Mayor of London to deliver all the early work to prepare for the Games. The projects - which include the construction of tunnels to replace overhead power lines that currently cross the Lower Lea Valley, site clearance, demolition, land decontamination and rail improvements - will be delivered by the LDA and TfL under the supervision of an Olympic Delivery Group.

#### **4. Concerns for Local Authorities and Taxpayers**

Although there is cross party unity for the Bill, clearly there are many issues within the detail of the Bill that need to be ironed out during the Committee stages in the autumn. A number of concerns have been expressed; others are emerging. At this stage I would identify six things:

##### **4.1 Finances – Council Tax, Capital and Revenue expenditure**

The anticipated tax burden on London's Council Tax payers is an annual levy of £20 on a Band D property during the next 10 years. But the London Olympics Bill does not set any provision for, or limitations on, this supplement to London's Council Tax. Instead, the Greater London Authority will just set a larger levy on London council tax bills and collect the money that way. Some commentators have expressed a view that the money collected should be ring fenced to prevent it being used for purposes unconnected with the Games.

It is not clear at present who will represent the legitimate interests of the taxpayers in the plethora of Olympic delivery bodies, specifically the Olympic Delivery Authority with its responsibilities to deliver the infrastructure, funded by the lottery and London taxpayers. Such major capital projects are prone to final bills significantly greater than the original estimates. Furthermore, what happens if the lottery produces a shortfall in anticipated funds?

The Bill gives the Secretary of State the power to make financial assistance to the ODA if he thinks that other sources of financial assistance will, or may be, insufficient for a purpose. But, apparently, under current funding agreements between the Mayor and the Government, any cost over-runs for the Games will be 'shared' between the National Lottery and London taxpayers. This leaves London council tax-payers in an uncertain position, where they are unprotected from any enduring legacy of debt. There would be more certainty if the Bill set a date at which the surcharge would end and also made a commitment for any residual costs to be funded by the Government.

##### **4.2 Overall powers given to the Olympic Delivery Authority**

There are extensive powers being given to the ODA. The Bill is clear in stating the Authority 'may take any action that it thinks necessary or expedient' for preparing for the Olympics. This includes land acquisition, land disposal and entering in to contacts.

This could work to the advantage of the Council if we are successful in applying for money for projects, such as the Exhibition Road scheme, where external money might not otherwise be forthcoming.

However, the Bill can be seen as eroding existing local authority powers by creating a series of Olympic specific powers for the ODA which cut across local authority functions (see below). This could be seen as taking responsibility away from local communities, which are the most affected by the Olympics.

Whilst the powers given to the ODA are unlikely to have any significant effect in the Royal Borough, it would be more appropriate if they were reserve powers. In this respect, it would be preferable if there were a requirement on both the ODA and the Mayor of London to work with affected Councils, primarily through co-operation and legal agreements, delegating specific functions to individual boroughs. Local authorities have organisational experience and knowledge to carry out the complex processes, for example around planning, street cleansing and street trading.

#### **4.3 Powers of the GLA**

The Bill enables the GLA to do anything for the purpose of complying with the obligations set out in the Host City Contract. This includes land acquisition, land disposal and entering in to agreements. Many of the points raised above, under powers given to the ODA, also apply here.

This clause appears to have been inserted as a 'catch all' to cover areas on which the ODA might not have powers to act – but it is virtually unconditional and provides an opportunity for the Mayor of London to do anything – particularly if his actions are seen as maximising the benefits to be derived after the London Games are over.

#### **4.4 The Olympic Transport Plan – and requirements placed on Boroughs**

The ODA is required to prepare, and keep under review, an Olympic Transport Plan for addressing transport matters relating to the London Olympics. It will cover many aspects, including the construction of roads and railways, the provision of transport to and from the Games and the control of traffic just before, during and after the Games. The Transport Plan will also create an Olympic Route Network for the purpose of facilitating travel 'to and from London Olympic events or for other purposes connected with the London Olympics'. It should be noted that the term 'Olympic event' includes the non-sporting events, so the Olympic Route Network is

unlikely to be confined to those areas around the main sporting centres. In the Olympic Bid document there are maps showing the Olympic Main Route – which includes the A4 Cromwell Road – but it is not yet clear whether the Olympic Route Network will be more extensive than the Main Route proposals. Local Authorities will be consulted by the Secretary of State when determining the Olympic Route Network.

Furthermore, Local Authorities, in their capacities as Highway, Street and Traffic authorities, are required to co-operate with the ODA for the purpose of delivering the Olympic Transport Plan and providing or facilitating transport services in connection with the Games. As with the Red-Route legislation, local authorities can be directed to act or the ODA may undertake the work and recover the costs from the authority.

There seems to be no reason to establish an extensive Olympic Route network beyond the Red-Route network – except possibly in the Lea valley Park area - but, instead, to work co-operatively with Local Authorities who should retain their powers as highway and traffic authorities. This would ensure that the ODA consults and seeks co-operation of Local Authorities rather than takes over additional roads and implement measures without the sensitivity exercised by the local authority who understand the consequences of taking action in their area.

Some transport professionals in London have concerns that the powers to establish an Olympic Route Network could provide a springboard for further extension of the Greater London Route Network (otherwise known as the Red-Route network).

#### **4.5 Street lighting and cleaning**

The ODA may make arrangements for cleaning or lighting a highway - during the immediate lead up to the Olympics, during the Games and just afterwards - if they are satisfied that these services will be not carried out to a satisfactory standard or method, specified by them.

borough, and such powers should be limited to any routes carrying heavy volumes of Olympic traffic and pedestrians. It is clear that there are sometimes significant variations in service priorities for street cleansing, and methods of delivery and standards of performance do vary. Harmonisation of standards should be to a uniform minimum level but set at upper quartile levels. If only for the duration of the Olympics the minimum level should match the standards being achieved by the best-performing authorities.

## **4.6 Planning powers**

The Bill gives the ODA extensive planning powers as if they were an urban development corporation. The area over which the Authority will operate as Local Planning Authority is unspecified and would be subject to an Order made under section 149 of the Local Government, Planning and Land Act 1980. It is not clear how local authorities planning processes will feed in to the ODA's remit to grant planning permission – particularly if the ODA was minded to grant an application that would not normally be approved by the local authority.

The Secretary of State will be making regulations about advertising in the vicinity of London Olympic events. Apparently the Host City Contract requires that no advertising is placed outside Olympic venues so as to be within the view of television cameras covering, or spectators watching, Olympic events. It is not evident whether the restrictions, or requirements, on advertising will limit any aspirations by the Royal Borough to grant or refuse advertisements. For example, Westminster City Council consider that the special circumstances of the 2012 Olympics may provide sufficient justification for their Planning Committee to allow advertisements which would normally be resisted. Whatever happens, there need's to be tight controls on the size, appearance, materials and the level of sponsorship, and it is essential for the ODA to work with Local Authorities to ensure that local needs and character are respected.

## **5. The Royal Borough's continuing participation**

### **5.1 Community Leadership.**

The London 2012 Forum was keen to emphasise that the bid provides opportunities for the whole of London before, during and after the games. Whilst many of the activities are centred around the Lea Valley, the games will impact across the capital by, amongst other things, providing employment, supporting tourism, promoting cultural activities and giving opportunities for the public to be part of a 70,000 strong volunteer force.

*The Royal Borough's draft Community Plan states 'The 2012 Olympics and Paralympics provide tremendous potential for a variety of initiatives relating to community sports development, culture, public health, tourism, training and skills, community engagement and inclusion, volunteering and other aspects of life in the Royal Borough. The KCP Steering Group and the Council will work with the London Organising Committee of the Olympic Games, the Central London Partnership, the Association of London Government and other organisations, and with the local community,*

*to identify and exploit these opportunities for the benefit of all residents in the borough'.*

The LSP could play a useful role in exploiting the opportunities that the Olympics can bring to the local community.

## **5.2 Hotels and Tourism sector.**

During the games hotel spaces will be full and tourist facilities will be well used. But experience elsewhere has shown that tourist numbers increase in the seven years from the date of the announcement to the games themselves - and then remain high afterwards. In effect, the decision to stage the games in London provides an immense amount of free publicity for London and the UK during the next decade.

There is also the need to provide facilities and accommodation for the teams of those countries, which come to the UK in advance of the games to acclimatise and to train. There will be over 200 countries taking part in the 2012 games.

## **5.3 Cultural events and the Exhibition Road project.**

Last year, the Leader of the Council promoted the idea that the South Kensington area should be identified as a centre for cultural activities in the Olympic bid. This idea was adopted within the bid which focused cultural events in two locations – the Hyde Park to South Kensington area and in Victoria Park in east London. There are proposals for a month of Olympic Proms at the Albert Hall, to coincide with the games and a 'Five Rings Exhibition' of 'world art' and artefacts being organised by London's museums.

The Council has become a member of the Olympic Cultural Group, to which all the institutions of South Kensington belong, and which has been developing and promoting joint cultural activities in the Hyde Park to South Kensington corridor. The cultural group has been responding to proposals being developed by the Exhibition Road Project – a scheme promoted by this Council to improve the streetscape in the Exhibition Road area as well as the refurbishment and upgrading of the pedestrian tunnel which links South Kensington Station to the museums - to ensure that they support this objective.

The Royal Borough was keen to see this scheme as part of the 'offer' towards the Olympics anticipating more likelihood of receiving government and TfL funding following a successful Olympic bid.

During the bidding process Councillor Moylan suggested the theme of 'Public Space and Public life' intended as a statement of intent from the CLP and London boroughs to make significant improvements to the streetscene by 2012.

#### **5.4 Carnival.**

The bid referred to a 'Five Day Olympic Carnival' drawing on the success of the Notting Hill Carnival and which will maintain the celebratory momentum between the close of the Olympic Games and the start of the Paralympic Games. Clearly there will be involvement from the Royal Borough and the event could attract enormous crowds.

#### **5.5 Sport and Health.**

The announcement that London will host the games will encourage sporting excellence. There is every likelihood that Great Britain will gain more medals in the 2008 Beijing games than in recent times – then even more in 2012 and 2016. Participation in Sport will also increase.

London 2012 introduced the concept of previous Olympic participants as 'Sporting Ambassadors' and we will be able to link in with them to increase participation in sport and to support sporting events locally. Increased participation will contribute to our local targets and be in support of a healthy living agenda.

#### **5.7 Volunteers.**

The bid anticipates a 70,000 strong volunteer force during the games. This has the potential to involve many young people and other residents from the borough, providing a 'once in a lifetime' opportunity to be part of this international event, and the responsibility that goes with it. A draft strategy is currently being drawn up by the Volunteer Group set up by London 2012. I understand that they will recommend a centralised approach to delivering the required number of volunteers to be drawn from as many communities as possible across London.

### **6. What next?**

#### **6.1 Parliamentary timetable.**

The Bill's progress came to a halt because Parliament was in recess. It is due for its second reading once Parliament resumes in the week commencing 10<sup>th</sup> October 2005, with Royal assent planned for early

in 2006. The passage of the Bill through Committee stage provides the opportunity to lobby for changes.

## **6.2 The LSP and a visit from Olympic officials.**

The Local Strategic Partnership (LSP) could provide a link between the Council and the wider community as local opportunities emerge. Other Councils are making proactive arrangements in partnership with adjacent boroughs.

In January 2005, the London 2012 Forum made a presentation about the Olympic bid to Members of the Cabinet, Lead Members and Chairmen of the Overview and Scrutiny Committees. A second meeting is now offered following the success of the bid. This would involve representatives from the London Organising Committee of the Olympic Games (LOCOG) and members of the ALG cross-party working group on the Olympics. The aim would be to understand how boroughs can best engage with the process of delivering the Games.

I suggest that the offer of a meeting is accepted, attended by representatives of the Council, the LSP and other interested bodies. This should help us to understand more about the opportunities available and also the timescales.

## **6.3 Cultural Events.**

The Olympics Cultural Group has arranged a series of cultural forums in the autumn to explore the cultural offer and the cultural legacy set out in the Bid document. Amanda Smethurst, Arts Service Manager, has attended one of these events, but there has been such a high level of interest that only one person has been permitted to attend from each organisation. The intention has been to ensure the broadest levels of inclusion and engagement in the delivery of the proposals with the forums providing an opportunity for the exchange of ideas at this early stage.

## **6.4 Coordination within the Council.**

I will retain the coordinating role for the Council on behalf of the Management Board, with a series of people in the business groups accepting specific responsibility to take forward strands of the council's input over the coming years. In practice, I will chair a steering group meeting approximately three times a year where lead officers will report on their strands of responsibility.

Details of the topics and lead officers are as follows:

<b>Topic</b>	<b>Officer 1</b>	<b>Officer 2</b>
Link with Local Strategic Partnership	Rachel Smith	Eleanor Hobart
Hotels and Tourism	John Wade	tba
Cultural Events–excluding Exhibition Road	Amanda Smethurst	Hamish Pringle
Exhibition Road	Bill Mount	David McDonald
Public Space and public life	Bill Mount	Richard Craig & Neil Herbert
Carnival	Adrian Hodgson	Peter Ramage
Sport and Health	Hamish Pringle	Mary Mackle
Volunteers	tba	tba
Communications	Jon Weisgard	Martin Fitzpatrick
Children’s Services link officer	Brendan O’Keefe	Mary Mackle
Libraries link officer	tba	tba
Finance Advisor	Christine Jenkins	

## **6.5 Budget.**

Within the Royal Borough there is no specific budget for the Olympics and business groups have funded any costs relating to their involvement. Any extraordinary costs could be charged to the Better City Life reserve, subject to formally releasing the budget for this purpose.

It is worth mentioning that the volume of construction work being generated by the Games is likely to make it more difficult to procure construction works and will almost inevitably increase costs for carrying out capital works within the borough.

## **7. Recommendation**

The Cabinet is asked to:

- Note the report and recommend that any comments and concerns about the Bill are fed in at the Committee stage of the Bill through Parliament

- support the offer for a meeting between Members and representatives of the LSP and other interested bodies with the London Organising Committee of the Olympic Games (LOCOG) and members of the ALG cross-party working group on the Olympics. (Paragraph 6.2)

**Mike Stroud**  
**Deputy Town Clerk and Chief Executive**

## **Appendix A**

### **Resolution of the Council**

#### **This council notes:**

The London bid to host the 2012 Olympic and Paralympic games.

#### **This council believes:**

- 1) That these games would be a sporting celebration for the whole country and would bring a lasting sporting, economic, social, health and cultural legacy to the whole of Greater London;
- 2) A successful bid has the potential to benefit this borough through:
  - Encouraging sports development and healthy lifestyles.
  - The use of local training venues for pre-games acclimatisation for visiting athletes.
  - Participation in the cultural festival that would take place before and during the games.
  - Opportunities for members of our communities to take part as volunteers in the run-up and during the games.
  - The promotion of all of London as a business and tourist destination for UK and international visitors.
  - Opportunities for local businesses that operate in sectors relevant to the games.
  - The development of infrastructure across London
- 3) That the UK as a whole will reap the benefits of a London Olympic and Paralympic Games and therefore that the costs should, so far as possible, be shared by the entire country.

#### **This council therefore resolves:**

- 1) To give its full support to London's bid to stage the 2012 Olympic and Paralympic games and agrees to work to maximise the opportunities afforded to this borough and to London through a successful bid;
- 2) To support the ALG in seeking a clear limit on the amount of funding that will be raised through the GLA precept on the council tax to support the bid and the holding of the games. As the bid will bring huge benefits to the country as a whole, we believe that London Council Tax payers should not have to pay for the entire bill themselves without support from the rest of the country