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Review of the Impacts of the London 2012 Olympic and Paralympic Games on the South East Region

South East of England Development Agency
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Locum Consulting
Rockwood House
9-17 Perrymount Road
Haywards Heath Rh16 3TW
United Kingdom

T: +44 (0) 1444 459449
F: +44 (0) 1444 458911
Info@locumconsulting.com
www.locumconsulting.com

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Executive Summary

Introduction & Overview

1 Commissioned by the South East England Development Agency (SEEDA), this preliminary review of potential impacts arising from the London 2012 Olympic Games and Paralympic Games is intended to guide and focus the South East's strategic planning process. As such, this report scopes out the potential benefits and negative effects that may arise, but at this stage makes no forecast about the scale of impact. In Locum's view, the South East is well positioned to attract and generate considerable benefit from London 2012 (and mitigate potential negative effects), as long as a South East *Olympics Strategy* is effectively developed and deployed, and the South East stakeholders continue to work in partnership.

National Perspectives

2 The London 2012 Olympic Games and Paralympic Games present significant opportunities for the UK as whole, but the extent to which individual nations and regions outside of London can benefit is indeterminate at this stage in the Olympic development and planning process. Organisational structures are currently being formed which plan for a co-ordinated and *'top-down'* approach for the distribution of benefits. While this enables clearer planning from London 2012's perspective, at the regional and community level, opportunities could be missed.

3 The forecasts (and implied forecasts) within the *Olympic Games Impact Study* (DCMS, Dec-05) need to be treated with caution because of the potential displacement of activity lying behind the figures presented and the underlying assumptions, most notably, that the regions and nations outside of London "*do nothing*". In summary the forecasts are as follows:

a Growth to the UK GDP (2005 to 2016) is forecast at £1.9 billion[1], of which £1,067m is realised in the year 2012 itself. In London there will be a larger impact on GDP, with £925m extra GDP in the Games year, £3,362 million in the years leading up to the Games and £1,613 after the Games. The implication of this is that for the rest of the UK (excluding London), London 2012 will have a negative impact on GDP of c.£4 billion caused by the displacement of resources and activities towards London. These figures are based on "place of work" rather than where people live – the impact is therefore going to be less severe for the South East given the extent of London commuters living in the region.

b The constituent parts of the UK GDP impact above have been separated:

The additional investment in infrastructure (from 2005 to 2016) is forecast at £196m to the UK and £623m London. This again implies significant negative effects to the rest of the UK (excluding London).

The report does note the potential for attracting inward investment but does not forecast a figure. It suggests that the main beneficiaries are likely to be to the East of London given the heightened awareness of the area.

Between 2005 and 2016, the gross value added to the tourism economy in the UK is forecast at £518m and in London at £244m. The benefit to the rest of the UK (excluding London) is forecast at £274m. For the UK as a whole, 87% of the forecast benefit will be realised in the 4 years following 2012 (i.e. from 2013 to 2016).

A change in the number of businesses created is also forecast and implies a considerable negative impact to the rest of the UK (excluding London) resulting from business closure or displacement towards the London economy.

c In terms of social impacts, it is estimated that an additional 8,164 FTE jobs will be created in the UK and 38,875 FTE jobs in London. Again this implies a huge negative effect on jobs in the rest of the UK (excluding London) – a reduction of c.30,711 FTE jobs.[2]

d A host of other social benefits may also arise such as empowering disadvantaged individuals, skills training and experience, and social integration. These effects may influence crime rates, education attainment and overall community cohesion and well-being. Caution is needed here as the social impacts are likely to be greater in and near to London.

e There is also potential for sporting legacy through the enhancement of sporting facilities, not only in the Olympic Park, but potentially throughout the UK.

[1] The Economic Impact of the London 2012 Olympics, Adam Blake, Nottingham University Business School (2005/5)

[2] These FTE estimates effectively double-count the GDP forecasts

Caution is required here however. Improved facilities may lead to increased participation levels but experience of recent lottery investment has had no measurable impact on participation levels.

f The environmental impacts are forecast as being positive overall with only slight negative impacts being seen before and during the games themselves. The longer term environmental impact (beyond 2020) will depend considerably on the legacy plans for the Olympic park and the links to the broader regeneration initiatives.

4 Key implications of this *Impact Assessment* for the nations and regions are noted as follows:

— Individual nations and regions may face a negative overall economic impact for the period 2005-2016.

— The scale of negative impact is unknown at this stage as regional economic modelling has not been undertaken.

— Nations and regions must concentrate on reducing the potential negative effect.

— A way of bringing Olympic related social impacts to people, communities and regeneration areas within the nations and regions is needed so that high expectations are not badly disappointed.

— The nations and regions must avoid the “hype” of London 2012 opportunities and concentrate on developing winning propositions to capitalise on opportunities, mitigate risks and focus resources effectively in an ‘Olympic’ market-place which will be extremely competitive.

London 2012 Organisation

5 LOCOG and the interim ODA are heavily focused on the immediate tasks in hand which relate to land assembly for the Olympic Park, immediate construction related contracts for site remediation, developing the overarching procurement strategy, organisational structure arrangements and the passing of the Olympic Bill. This work focuses on preparing the ground for delivering the games – failure to resolve these issues early exposes London 2012 to significant risks. This means that the focus for London 2012 in the short to medium term is likely to be heavily focused on the preparation and delivery of the event rather than on the wider distribution of regional benefits. Although there is a sense of urgency projected on SEEDA to act quickly, the London 2012 system is not yet in place and not yet capable of responding efficiently to immediate demands. Patience is required until the picture becomes clearer from say, mid-2006.

6 Both LOCOG and the ODA are in the early phases of operation, the ODA having received Royal assent in March 2006. Lord Coe is actively in post as Chair of LOCOG with Paul Deighton to assume responsibility as Chief Executive. Jack Lemley as

Chairman and David Higgins as Chief Executive will head the ODA. Until all of the senior positions are filled and operative however, agreement on the overarching procurement strategy and major contracts will take time. Resources will therefore be stretched during the early development phases and information on procurement timelines and strategy is likely to be scarce and variable.

South East Region – Areas of Competence, Opportunity and Threat

7 London 2012 clearly presents an opportunity to accelerate the achievement of the South East's Regional Economic Strategy (RES) objectives. The current RES identifies six sector priorities - *Media, Marine, Health Technologies, Environment, Built Environment and Aerospace*. In this study, Locum has identified a number of other sector competencies which relate specifically to the London 2012 Olympics - *Events Management, Tourism and Travel,* and *Culture*.

8 The South East has a number of key physical strengths which position it strongly in terms of maximising benefits and mitigating negative effects:

- Proximity to London and more specifically the London Olympic Park and the principal Games venues.
- The greatest concentration of international gateways of any UK region through which a large proportion of international visitors will pass.
- Large skilled resident workforce.
- Large resident London commuter workforce.
- Large concentration of high quality sports facilities.
- Large concentration of high quality visitor attractions and natural assets.

These physical strengths in no way guarantee that benefits will be realised in the South East.

9 The core areas of opportunity that have been identified for the South East, and which support the Regional Economic Strategy, are summarised below. It is important that these opportunities are clearly articulated and available resources deployed effectively.

- **Business and Foreign Direct Investment (Section 4):** Given the strength of the regional economy, the report identifies the awarding of contracts to South East businesses to successfully deliver the 2012 vision as the most direct area of opportunity. This is true for both SME's and major corporations. In addition, the proximity of the region to the Olympic Park is seen as an opportunity to harness and develop the role of international companies in the South East, whilst the preparation of regional facilities to supplement those in the capital should help to enhance UK investment. The collaborative essence of the Games, as reflected by the recently established Regional Olympic Co-ordinating Group (ROCG), presents an opportunity to increase partnership working across South East businesses.

- **Community and Participation (Section 5):** Regeneration, participation and community were the key messages of the London 2012 bid. On this basis, the report identifies major opportunities to enhance the quality of life for residents of the South East on a wholesale basis through, for example, increasing sports participation levels and improvements to health, employment, skills, access and inclusion.
- **Sports Sector Capacity (Section 6):** The report identifies a series of opportunities arising from the South East's wealth of elite facilities and supplementary University stock whilst noting the need for realism and an appreciation of legacy potential. The use of facilities for training and preparation camps (for Team GB and international teams) and sectoral benefits derived from increased participation are discussed.
- **Visitor Economy (Section 7):** Impacts on tourism and the visitor economy are likely to be the most pronounced and sustained of any sectoral group. The strength of the South East's tourism offer in conjunction with its proximity to the Olympic site presents major opportunities pre, during and post 2012. This includes benefits to the visitor economy generally, arising from additional visits and associated economic activity, and more specific and enduring potential for the events and conference markets and growing tourism groups such as the VFR, language studies and host / ambassadors sectors.
- **Transport Infrastructure and Gateways (Section 8):** It is argued in the report that given the long lead times and costs involved in transport and infrastructure projects, any new developments arising from London 2012 will occur on a local rather than regional level. Nonetheless, major opportunities exist to showcase the South East offer at the primary international gateways and, on an incremental basis, to develop and enhance links between the region and pre-Olympic training and preparation camps, satellite competition venues, accommodation dormitories and the Olympic park itself.

10 A considerable degree of prioritising across the South East region, both sectorally and geographically will be required. The existing sector support structures will need to be tuned-in to the Olympic opportunities.

11 There is a threat that the attention of South East stakeholders is diverted, albeit temporarily, away from core needs of the region.

12 Given the national economic impact forecasts above, a degree of caution needs to be employed by South East stakeholders and it should be recognised that the potential scale of impact will be significantly smaller than first anticipated (and potentially negative overall). The actual level of impact realised in the South East is also highly disproportionate to the perceived investment and resources that South East

stakeholders are keen to deploy. It is important that South East resources are mobilised early and effectively deployed.

South East Region - Initial Intervention Concepts and Ideas

13 The potential interventions and activities identified by this review are intended to provide stimulus material for each of the established sub-groups. This list is not exhaustive and should at this stage be considered as initial concepts and ideas which will feed into the South East's *Olympic Strategy*. They include:

Business and Foreign Direct Investment:

- Development of a South East Business Club – Website, Events, Publications
- Stage a Business and Stakeholder Conference (and ongoing programmes)
- Develop a National Skills Academy for the "Web Games"
- Capitalise upon the South East's competencies in environmental business
- Actively monitor and request procurement strategy information
- Pursue the development of an events industry cluster

Community and Participation:

- Develop sports celebration squares (public open spaces) in key towns and cities (begin with a demonstration project using a major sporting event such as the 2007 rugby world cup etc.)
- Initiate community engagement with Dorney Lake
- Engage with local and regional TV and radio stations
- Set up a "Challenge Fund" for creative Olympic ideas
- Associate 2012 with education and school schemes
- Develop the South East's volunteer base

Sports Sector Capacity

- Align the South East's facilities and universities with London 2012 technical requirements
- Build and deliver Paralympic sports programmes with Stoke Mandeville as the focus of this
- Exploit opportunities in sports not currently represented by Team GB
- Use major sporting events in the South East as 'test' events for 2012

- Develop the existing volunteer programme in the South East around major sports events
- Pursue Section 106 planning options for facility and infrastructure investment.

Visitor Economy

- Seek to play a major role in the development of a National Tourism Strategy for 2012
- Prepare a South East tourism strategy for 2012
- Develop the South East's Olympic 'brand'
- Capitalise on language course centres (for foreign students) in the South East
- Develop a major events strategy for the South East
- Develop South East 'Olympian trails'

Transport Infrastructure and Gateways

- Develop day-trip and short-stay travel incentives in and around the South East e.g. South East Olympic Travel Card or Passport etc.
- Forecast projected increases / decreases in transport demand
- Develop high quality pre-trip information
- Develop 'tourist friendly' travel environments.
- Develop joint – ticketing initiatives
- Encourage environmentally sustainable transport options
- Market key transport links and gateways appropriately to sell the South East 'offer'

Main Report

1. Introduction and Background

Locum Consulting has been commissioned by the South East of England Development Agency (SEEDA) to undertake a study to review the potential impacts to the South East arising from the London 2012 Olympic Games and Paralympic Games, and assist in the prioritisation of procedures and action planning.

Where reference is made only to the London 2012 Olympic Games, it is assumed that similar activities and impacts, albeit to a lesser extent, also apply to the London 2012 Paralympic Games. We have made specific reference where different effects will arise.

1.1 The Purpose Of This Paper

This paper has been drafted to provide a strategic framework for SEEDA and its partner organisations (represented on the Regional Olympic Co-ordinating Group – ROCG) in order to progress activities in relation to the realisation and management of South East Impacts arising from the London 2012 Summer Olympic and Paralympic Games.

1.2 Summary of Work Undertaken by Locum to Date

This paper has been informed by the following work undertaken by Locum to date:

- Inception meeting on 4th November with Paul Wheeler of SEEDA.
- Project progress meetings with Paul Wheeler and Stella Bellem of SEEDA on 16th November and 15th December and regular correspondence throughout the commission via email and telephone.
- An analysis to determine the *Strengths, Weaknesses, Opportunities* and *Threats* (SWOT Analysis) in the South East in relation to the London 2012 Olympic Games.
- A review of policies, strategies and plans relating to the South East Region to define the strategic context.
- A review of the Economic Impact Study for the London 2012 Games – published by DCMS in December 2005.
- A review of research literature relating to major sporting events and past Summer and Winter Olympic Games to identify typical effects and evidence in support of potential SEEDA and partner interventions.
- Initial consultations (meeting or telephone) with the following ROCG members:
  - Sean Holt, South East Regional Director, Sport England South East (SE)
  - Bob Collier, Chief Executive, Tourism South East (TSE)
  - Paul Bevan, Chief Executive, South East of England Regional Assembly (SEERA)

  - Felicity Harvest, Chief Executive, Arts Council England South East (ACESE)
  - David Lunn, Chief Executive, Royal Borough of Windsor and Maidenhead
  - Mary McAnally, SEEDA Board Member, Chair of Regional Sports Board, Sport England Board Member
  - David Smith, Deputy Director South East Learning and Skills Council (LSE)
- An interim presentation by Locum and partner discussion on the potential South East impacts at the ROCG meeting on 29th November.
- Meetings with the lead partner for each of the defined sub-groups in respect of the potential South East benefits (during w/c 12th December):
  - Business and Foreign Direct Investment sub-group: Paul Lovejoy (Director of Strategy and Sustainability, SEEDA)
  - Sporting Sector Capacity sub-group: Sean Holt (Regional Director, SE)
  - Visitor Economy sub-group: Bob Collier (Chief Executive, TSE)
  - Community and Participation sub-group: Andy Roberts (Thames Valley Director, GOSE)
  - Transport and Infrastructure sub-group: Paul Bevan (Chief Executive, SEERA)
- A strategic brief for each of the sub-groups (see sections 4, 5, 6, 7 & 8) to assist and guide their respective working session(s) to be scheduled in January/February 2006, prior to the next ROCG meeting.
- Advice in relation to the dissemination of information to South East stakeholders and a potential South East event(s) and/or activity(ies).

2. South East Region – Strategic Context

In this section we have sought to define the strategic context in the South East in relation to London 2012. To do this we have reviewed the current policies, strategies and plans and consulted with the relevant South East partners to identify recent updates and specific issues in relation to London 2012.

This section covers:

- Regional Economic Strategy (section 2.1)
- Arts Strategy (section 2.2)
- Cultural Strategy (section 2.3)
- Sports Strategy (section 2.4)
- Tourism Strategy (section 2.5)
- Learning and Skills Council Strategic Context (section 2.6)
- Transport Strategy (section 2.7)
- London 2012 – Olympic Impact Assessment (commissioned by DCMS) (section 2.8)

2.1 Regional Economic Strategy

The current Regional Economic Strategy for South East England 2002-2012 identifies fives objectives. These are subject to change when the new strategy is published in April 2006, though retain significance in the Olympic context.

Competitive Businesses: A vision is established for the South East to be one of the world's 15 most entrepreneurial, innovative and productive regions by 2012. The report foresees the acceleration of enterprise through a heightened business birth rate which encompasses a broader range of small companies, greater involvement of the university and corporate knowledge-base and the supply of flexible workspace.

Growth and innovation is identified as particularly important within the manufacturing sector – the South East achieves higher manufacturing value-added and exports than any other UK region and must continue to introduce differentiated products and services to maintain this status in the face of fierce international competition,

The report also highlights the need to increase foreign investment in the South East. Whilst the region currently exports more than any other, fewer than 10% of its companies are involved in this process. Foreign direct investment should be encouraged into priority areas for economic regeneration, such as the Thames Gateway and Ashford.

Successful People: The South East needs to improve its labour productivity, foreseen as achievable through the establishment of cluster development, management promotion and an enhanced regional role for the universities, particularly within the realm of graduate employment in smaller companies. There is also a need to address the region's high level of economic disparity and social exclusion and the report highlights the importance of a 'learning for all' programme and greater social dialogue.

Vibrant Communities: This section of the report relates clearly to the regenerative implications of London 2012 through its focus on encouraging social inclusion and fostering an urban and rural renaissance. The sighted objective is 'that by 2012, the gap between the most deprived parts of the region and the rest will have narrowed by at least 10%'. The ongoing significance of Thames Gateway, Ashford and Milton Keynes is therefore identified alongside more localised regeneration initiatives in East Kent, the Kent Channel Corridor, Coastal East Sussex, Brighton and Hove, Coastal West Sussex, Portsmouth and South East Hampshire, Southampton and the Isle of Wight. Significantly from the Olympic perspective this vision of sustainable urban development is perceived as mixed-use, encompassing creative, cultural and sporting initiatives as mechanisms to generate a sense of place and impact upon health, crime, employment and education in the most deprived areas.

Effective Infrastructure: If the South East is to operate efficiently as a base for London 2012, it must address problems in housing and transport highlighted by the strategy. The lack of affordable housing is an urgent issue potentially remedied via opportunities arising from Section 106 agreements, the precedent set by major developments such as Thames Gateway, maximum use of brownfield land and the identification of priority regeneration areas.

To exploit its position as the UK's principal international gateway, immediate modernisation of the transport infrastructure is necessary. Domestic use of the Channel Tunnel Rail Link should be effective by 2007, but the prospective expansion of Gatwick, Heathrow and cross-regional proposals such as the East-West rail link at Milton Keynes need development (see section 2.7).

Sustainable Use of Natural Resources: The report establishes that *'by 2012, the South East will be one of the world's leading environmental economies'*. Economic progress should not be accompanied by environmental degradation and development should encompass the provision of green spaces and wetland areas. Areas of higher environmental quality are identified as conducive to tourism and business interest and the South East must continue to exploit the appeal of its countryside.

2.1.1 **Review of the Regional Economic Strategy** (2006-2016)

The Review of the Regional Economic Strategy for South East England 2006-2016 was published for consultation in November 2005 and it is anticipated that the revised Regional Economic Strategy will be published in April 2006.

The review establishes a vision of the South East as a *'world class region achieving sustainable prosperity'* by 2016. This vision will be realised via the nurturing of an economy that builds on excellence, invests in potential and safeguards quality of life.

As the most prosperous and populous of the UK's regions outside London, the South East economy can look towards London 2012 with confidence, but must be alert to challenges. Three are identified:

- **The Global Challenge:** The Olympics offers the South East the opportunity to embrace radical shifts in the international economy expected to take place over the next decade. In particular, businesses must realign their focus prior to London 2012 to engage the emerging Asian market. China and India alone are forecast to account for over 50% of the world's manufacturing output by 2020 and as the region with the highest level of exported goods and manufacturing value-added, the South East is well positioned to benefit.
- **Smart Growth:** The South East enjoys a higher than average level of employment, but also has the widest range of social deprivation and economic disparity – women, people with disabilities and ethnic minorities are under-represented in the labour market. Building towards London 2012 must be focused on rectifying this imbalance and, in the nature of sporting events, encourage inclusion. A lack of affordable housing and rural community support are pressing concerns in this regard and the plan's reference to urban renaissance must be appreciated in the regenerative context of the Olympic movement (the Olympic site will regenerate communities in one of London's most deprived locations). Development of towns such as Ashford, Milton Keynes and those within the Thames Gateway must be focused on Olympic considerations given their proximity to the capital, transport infrastructure and associated facilities.

  Market opportunities arising from the Games should be exploited to encourage business start-up, particularly amongst potential high growth businesses in their infancy and to develop an environment within which small businesses can realise their potential. Existing businesses should also be provided with the scope to adapt, prosper and grow within the climate of innovation generated by London 2012.
- **Prosperity and Sustainability:** The strength of the South East within the fields of research and environmental technology should facilitate the pursuit of an economic policy that is sustainable and environmentally sound. London 2012 carries obvious implications for health initiatives and this should coincide with more efficient regulation of production and consumption.

2.2 Arts Strategy

There is no strategy relating specifically to arts in the South East, though **Ambitions for the Arts 2003-2006** and **Ambitions into Action** (2003) are national Arts Council England documents of relevance. The latter identifies six ambitions for the arts – supporting the artist, enabling organisations to thrive not just survive, championing cultural diversity, offering opportunities for young people, encouraging growth and living up to our values. In keeping with the context of London 2012, the document emphasises the role of the arts in engaging communities and promoting social inclusion, sentiments echoed by the new **International Policy for the Arts**, published June 2005. This establishes a framework that aims to empower the arts community to work internationally, contribute to internationalising the UK at a wider and deeper level and enable the UK to develop its own international knowledge and capacity. It argues that the Arts Council will *'use opportunities such as Liverpool European Capital of Culture 2008 and London 2012 to build international partnerships and contribute to the debate about the city, the arts, culture and heritage'*.

No capital funding will be allocated by the Arts Council until after the outcome of the current Lottery Review. The Arts Council will know by the time of the new licence agreement (approximately 2 years), whether it has retained its status as a Lottery good cause and distributor. In this context, Locum has recently been commissioned by the Arts Council South East to *'develop and recommend a prioritised scheduled list of potential and strategic arts capital projects over the next 20 years'*.

During Locum's consultations with the Arts Council England, South East, six benefit areas arising from London 2012 were identified:

- **Street Arts and Carnival:** An area in which the South East is particularly strong. Brighton is home to groups with international recognition such as Zap Arts and Strange Cargo, whilst the Isle of Wight offers the country's first NVQ in carnival. There is also a higher than average level of disabled and minority involvement in the arts.
- **The Olympics, the Thames Gateway and Ashford:** Arts programmes will feature prominently in the regeneration of the Thames Gateway and Ashford through schemes such as the Arts Plus Programme and Arts in the Centre. Given the scale and nature of these developments, similar involvement in Olympic related projects is possible.
- **Attracting People From London:** Arts events will make a key contribution to enticing Olympic related audiences away from London to partake in supplementary activities. Unlike other regions, which experience a high volume of outbound summer movement, the South East (in part due to its mild climate) is relatively vibrant. Major events such as Glyndebourne and the Chichester Festival through to smaller summer fetes should appeal to foreign and domestic visitors.
- **International Strategy:** The Arts Council has developed an international policy intended to exhibit British arts globally. The South East needs to identify how it fits into this picture and what distinguishes it from other regions. For example, it has unusually close ties with Zanzibar and similar links should be pursued.
- **Cultural Milestones:** Liverpool Capital of Culture 2008 is one of the most important artistic/cultural events in the UK prior to London 2012 and is national in scope. The South East is particularly well-positioned to embrace this celebratory atmosphere given that three of its cities (more than any other region) – Brighton, Oxford and Canterbury, have received awards through the Urban Cultural Programme. Experience

gained from this and other key cultural milestones will facilitate the development of the London 2012 cultural programme in the South East.

- **Legacy:** The South East must consider the lasting impact of the Games on the region from an artistic perspective and pursue projects that will leave a sustainable and substantial legacy. The Games provide the opportunity to strengthen and make the associations that exist between the arts, sport, health and education more transparent.

2.3 Cultural Strategy

Both the **Cultural Agenda** published by Culture South East (one of eight Regional Cultural Consortia under the auspices of the Department for Culture, Media and Sport) in 2002 and **Valuing Culture in the South East** published by democracy think-tank DEMOS in 2005 argue that sport is an integral component of 'culture' in its broadest sense. The latter identifies four instrumental benefits of culture to the community – themes common to London 2012:

- Employment and regeneration
- Engagement of socially excluded groups, particularly the young
- Identifying with the wider community and the creation of social space
- Education

The commonalities between sport and culture and their capacity to promote health, safety and wellbeing is echoed by the Cultural Agenda, which calls for the promotion of cultural activities in securing sustainable development, driving urban and rural renaissance, combating social exclusion, raising educational and achievement levels and developing the knowledge economy.

2.4 Sports Strategy

Sport England's **Mission Possible 2004-2008** plan for the South East is an ambitious document that should be bolstered, not hindered by, the impact of London 2012. The following seven overarching objectives are identified within the report, together with targets:

- **Increasing Participation in Sport:** This is the principal objective of the London 2012. The South East aims to raise participation levels to 50% by 2020 and the iconic status of the Olympics should drive this ambition. Existing facilities (of which the South East has many) and those developed specifically for London 2012 should be sustainable and where possible, mixed-use. London 2012 should also generate a greater demand for volunteers and Sport England is keen to encourage participation from under-represented groups. Development should reflect the regenerative, urban renaissance ethic of the Games and promote social inclusion, community cohesion, health and wellbeing.

- **Improving Levels of Performance:** Improved performance, ultimately reflected in a greater British medal tally, is the other key objective driving London 2012. Elite provision must be strengthened through the development of Centres of Excellence and Community Clubs, though these should also encompass wider non-elite participation. The plan to enhance integrated community use of Bisham Abbey should be considered a benchmark in this sense. A Regional Events Strategy for Sport will focus attention on the Olympics and enhance both elite and community participation.

- **Widening Access:** The Olympics should act as the catalyst to engage those groups on the fringes of sporting activity in the South East - notably women, ethnic minorities, low income families, the elderly and rural residents - and increase participation within disabled sports. The promotion of role models and free/low cost sports should be pursued.

- **Improving Health and Well-being:** The South East suffers from profound health inequalities, with illness and mortality levels markedly higher amongst poorer residents. Preparation for London 2012 must be encompassed into the process of rectifying this trend and addressing issues of national prevalence such as childhood obesity and workplace inactivity.

- **Creating Stronger and Safer Communities:** Olympic preparation must be as community centred as possible. Initiatives such as the Positive Futures Programme have demonstrated the role that sport can play in restoring community pride and reducing anti-social behaviour. The South East's three major growth areas – the Thames Gateway, Milton Keynes and Ashford - are at the heart of the ODPM's[3] Building Sustainable Communities for the Future plan and as key gateways for the Olympic site, should provide benchmarks for the role of sport in regeneration.

- **Improving Education:** A framework for sport in schools aimed at stimulating learning through activity should be developed in conjunction with Olympic plans. In particular, where feasible, new school sports facilities should be built to a standard that allows participation at community, pupil and competition level. The Further and Higher Education sectors should also seek to increase use of existing facilities. Universities in particular have the capacity to provide training and accommodation to athletes prior to the Games. Again, this should incorporate a community dimension where possible.

- **Benefiting the Economy:** Sport in the build-up to London 2012 has major implications for the economy and in particular the vision of 'vibrant communities' (see section 2.1).

[3] Office of the Deputy Prime Minister

Also of relevance to the London 2012 build-up is the **Major Sports Events Strategy** being developed by SEEDA, Tourism South East, Sport England South East and the South East Cultural Consortium, which aims to develop a framework for maximising the benefits major sporting events bring to a region. The Olympics has the potential to impact profoundly upon its plans for cluster development in marine and equestrian sports, sports tourism, place marketing (enhanced image perception through media coverage), marketing industrial advantage (the portrayal of a 'can-do' image), compounding its locational advantage as a European Gateway, regeneration, employment, volunteer development, sports legacy, subsidiary marketing and infrastructure development.

2.5 Tourism Strategy

The Tourism Strategy for the South East is set out in the 2004 document **Tourism ExSEllence.** Three objectives are highlighted:

- **Promoting a 'must visit' region:** It is established that the South East is now too big to be marketed as a single destination. Greater selectivity in marketing should focus upon internationally recognisable towns such as Brighton and Oxford whilst acknowledging scope for 'sub-brands'. Measures should also be taken to focus attention on the regions distinctive events such as Glyndebourne and Cowes Week alongside emerging areas such as the River Thames and the proposed South Downs National Park. It is important that the region identifies its 'themes', some of which are particularly salient in the Olympic context – cycling, walking, equestrian, tourism, maritime heritage, health/wellbeing.

  There is also a need for a broader tourism strategy encompassing established channels such as overseas tourism, VFR tourism and day trips as well as emerging fields such as niche markets and business/conference tourism. The latter may be particularly important pre-Games.

- **Providing an Unrivalled Experience for the Visitor:** The strategy identifies the importance of having 'good people' at the heart of its tourism infrastructure. This includes plugging skills and recruitment gaps and improving the quality of welcome facilities. Crucial to tapping the Olympic market is investment in accommodation, attractions, transportation and facilities. This should encompass the development of the countryside in a manner that preserves sensitive landscapes.

- **Establishing Effective Management and Organisation:** Enhanced private/public co-operation alongside more efficient use of resources is central to advancing tourism in the South East to its next stage of development.

The Countryside Agency's **Rural Tourism in the South East** (2004) echoes many of these points and is keen to exploit growing interests in healthy lifestyles, green issues and countryside activities. Identified priorities include the development of high quality activity packages based at country house hotels and major walking/cycling routes, water-based breaks on the major river areas, 'stress busting' short breaks for specific London market segments, the promotion of the South East as a premier walking and outdoor pursuits destination and the promotion of the South East as a premier destination for fishing and shooting. The Olympics should facilitate each of these priorities. The report also demands a re-branding of the South East that undermines the image of overcrowding and over-development. Proposals include improved transport management and accessibility, better accommodation and the fostering of rural tourism enterprises.

London 2012 carries major implications for South East tourism at all levels. In preparation, Tourism South East scheduled their first internal meeting relating to Olympic issues for the 13th December 2005 and foresee a year of plan development prior to action. Through Locum's consultations with Tourism South East, potential benefits have been framed in terms of pre Games (4 years), during (1 year i.e. 2012) and after (4 years):

- **Pre Games:** Business and conference tourism, particularly around the theme of sport can provide a major boost to cities such as Brighton, Milton Keynes and Reading. Bed provision for the international media looking for bases in the build-up to the Games and athletes at training camps should also be encouraged to the region's visitor destinations.
- **During 2012:**
    - **The Overseas Market:** The South East must aggressively market its internationally recognisable 'brands' such as Oxford and Brighton and iconic events (particularly those with sporting connections) such as Henley and Cowes week. If there is sufficient investment in affordable, quality accommodation the region will be a genuine alternative for Olympic visitors if London is literally full or seen to be too full. The quality of the region's countryside, coast and villages may be perceived as a more attractive base for prolonged stays and also as an 'escape' for day trips and short breaks from London. It is essential that the South East capitalises upon its position as the Gateway to the UK and that tourists are encouraged to visit its attractions en route to/from the major ports/airports (see section 2.7).
    - **The Domestic Market:** The South East should be alert to the probable stimulation of VFR tourism in 2012. Domestic Olympic visitors unfamiliar with the region should be drawn to the depth and sophistication of day-trip attractions (e.g. Blenheim, Wisley, Legoland) whilst London residents may seek tranquillity in the countryside.
- **Post 2012:** The South East must endeavour to establish a positive Olympic legacy and ensure that its 'overpriced and overcrowded' image is removed, not reinforced by the Games. Strategies should be developed to maximise leisure benefits immediately post 2012 alongside an understanding of how the region is restored to 'normality'.

2.6 Learning and Skills Council Strategic Context

The Learning and Skills Council is currently going through organisational change to implement an active regional tier – bridging its national and local operations. The timing of this is particularly pertinent given the regional approach adopted with respect to the Olympics. The projects and programmes associated with London 2012 are likely to involve a mix of national and regional plans.

Although the LSC has not formally begun addressing its role with respect to London 2012, there are three areas of activity within the South East which have been identified as having particular relevance to London 2012:

- **The 14yr-19yr agenda** – given the government's aspiration to create new "pathways" for people in this age group, there is an opportunity for the 5-year pathway to link into the Olympics development programme. A major demand within this category is for a new range of vocational skills "pathways". The challenge will be to create a new generation of people who are hooked onto the Olympic bandwagon. However, the skills development must have long-term use and relevance – pathways must be part of the permanent landscape. Expanding this concept, the London 2012 Games provides an attraction to re-engage 14-19 year olds who are not in employment or training, e.g. hard to reach people, those who have dropped out of formal education, etc.
- **Adult workforce skills** (rather than 14-19 skills) – developing the adult skills in a similar way to the 14-19 age-group described above. The focus will be on up-skilling the human resources and increasing productivity levels in the key industrial sectors in the South East.
- **Disengaged adults and young people** – using the "hook of the Olympics" to re-engage adults and young people in learning.
- **Infrastructure and capital development**. There is an LSC drive to radically improve the Further Education sector estate, e.g. quality and utilisation of buildings, accommodation etc. There is a 10-year programme planned to run from 2006 to 2016 to address this. Universities and schools are already recognised as community assets and generate existing use, but FE tends to be untapped. Fundamentally, there is a need to change community perceptions and realise the potential of FE colleges as cultural facilities within the community and regions.

2.7 Transport Strategy

The transport network in the South East suffers from the conflicting problems that whilst areas of high deprivation are usually poorly connected, more prosperous regions tend to suffer congested, unreliable and protracted journeys (particularly on the road and rail networks). Rectifying these problems is crucial to enhancing cross-regional movement pre 2012.

The Regional Transport Strategy published in 2004 as part of the **Regional Planning Guidance for the South East** establishes a vision of a '*regional transport system which progressively reaches the standards of the best in North West Europe'*. Eight of its priorities relate to the potential benefits of London 2012:

- **Management and Investment:** Increased investment and more active management is required to pursue transport improvements as a single strategy. Development should be sustainable and integral to urban renaissance. The regional economy is inextricably linked to movement within the region and to other regions, particularly London. Investment should focus upon greater reliability in the rail network, particularly Great Western Mainline and the Brighton mainline and management of traffic levels in key orbital hubs, notably the M25, M20, A34 and M4.

- **The Rural Dimension:** Over 20% of South East residents live in rural areas. Whilst car use will continue to be the principal mode of travel, public transportation should be proportionate. At present, public transport accessibility is generally poor and traffic growth high.

- **Regional Hubs:** The report highlights a need to identify larger urban areas where existing transport networks are built upon to achieve a higher level of accessibility by non-car modes. These new regional 'hubs' should be the focus for investment in order to secure a high level of accessibility through improvements in public transport and the quality of walking and cycling provision. Three developments are required to realise this ambition – improved quantity and quality of buses, the provision of safe walking routes and more effective co-location of rail and bus stations.

- **Airports:** Crucially for London 2012, the South East contains the nation's second busiest airport in Gatwick and has the busiest, Heathrow, at its border. The report identifies an '*urgent need for additional runway capacity in the South East'*, but Gatwick is unlikely to be developed further and additional runway/terminal capacity at Heathrow will not be met until post 2012. The expansion of other regional airports, such as Southampton, is an option if environmentally viable.

  The development of multi-modal airport access is identified as a priority and is again significant in the Olympic context. Heathrow aims to achieve a target of 40% of passengers to the airport using public transport by 2007 (compared to 35% in 2001) and additional investment in public transport, particularly coach and rail services, will be required with the opening of Terminal 5. This includes the proposed Heathrow-Staines Crossrail link and the west-facing connection onto the Great Western Main Line.

  Gatwick should seek to enhance its already extensive public transport system, with priorities identified as the Fastway network and improvements to Gatwick station and the Brighton mainline. It is forecast that 40% of passengers will be using public transport for routes to/from Gatwick by 2008 (compared to the 2004 level of 32%).

Southampton Airport also has development potential, particularly from a business perspective given its proximity to the Southampton-Waterloo rail corridor and the M27. The M27 Integrated Transport Study and the South Coast Multi-Modal Transport study have identified measures aimed to improve access to the airport and its railway station.

- **Water Transport:** Improvements to the region's ports should be focused upon rail access including a potential re-opening of the Port of Dover rail connection and enhancement of road access along the A2 corridor. The Olympics is relevant to the plan's intention to develop short sea-shipping services as genuine alternatives to land transport and promotion of the regions gateway ports as 'motorways of the sea' in the manner envisaged by the European Commission.
- **Public Transport:** The report identifies that *'critical to achieving urban renaissance is the need to give higher priority to providing a greatly enhanced and integrated network of public transport services'*. In particular, there is a need to improve local bus services through greater use of the Quality Bus Partnerships scheme. Commuter coach services such as those at Heathrow and Gatwick should be encouraged to service London from the hubs. Improvements to rail access should be a priority, concentrated on the international gateways and regional hubs and operated as a genuine alternative to orbital road movements. Park and ride schemes such as those currently used at Southampton Airport should be encouraged where appropriate to aid inter-urban travel.
- **Mobility Management:** It is necessary to break the link between economic growth and growth in car-based traffic. Where possible, people should be encouraged to undertake journeys on foot, cycle or public transport. London 2012 should provide impetus to this objective.
- **Priorities for Investment:** The report identifies 6 priority areas for investment in transport. The most important pre 2012 are the Thames Gateway (including the development of Ebbsfleet – Dartford International Rail Terminus), South Hampshire and the Isle of Wight, the Sussex Coast, East Kent and Ashford and Milton Keynes/Aylesbury.

2.8 London 2012 – Olympic Impact Assessment (commissioned by DCMS)

The *Olympic Games Impact Study* (DCMS, Dec-05) needs to be treated with caution at this stage because of the potential displacement of activity lying behind the figures presented. The forecasts presented are as follows:

- Growth to the UK GDP (2005 to 2016) is forecast at £1.936 billion[4], of which £1.067 billion is realised in the year 2012 itself. In London there will be a larger impact on GDP, with £925m extra GDP in the Games year, £3,362 million in the years leading up to the Games and £1.613 billion after the Games. The implication of this is that the rest of the UK (excluding London) will have a negative impact on GDP in the region of £4 billion caused by the displacement of resources and activities towards London. These figures are based on "place of work" rather than where people live – the impact is therefore going to be less severe for the South East given the extent of London commuters living in the region.
- The constituent parts of the GDP impact are established below:
  - The additional investment in infrastructure (from 2005 to 2016) is forecast at £196m to the UK and £623m London.
  - The report does note the potential for attracting inward investment but does not forecast a figure. It suggests that the main beneficiaries are likely to be in the East of London given the heightened awareness of the area.
  - Between 2005 and 2016, the gross value added to the tourism economy in the UK is forecast at £518m and in London at £244m. The benefit to the rest of the UK (excluding London) is forecast at £274m. For the UK as a whole, 87% of the forecast benefit will be realised in the 4 years following 2012 (i.e. from 2013 to 2016).
  - A change in the number of businesses created is also forecast and implies a considerable negative impact to the rest of the UK (excluding London) resulting from business closure or displacement towards the London economy.
- In terms of social impacts, it is estimated that an additional 8,164 FTE jobs will be created in the UK and 38,875 FTE jobs in London. Again this implies a huge negative effect on jobs in the rest of the UK (excluding London) – a reduction of c.30,711 FTE jobs. However, caution is required as these figures effectively double-count the GDP forecasts above.
- A host of other social benefits will also arise, such as empowering disadvantaged individuals, skills training and experience and social integration. These effects will influence crime rates, education attainment and overall community cohesion and well-being.
- There is also potential for sporting legacy through the enhancement of sporting facilities not only in the Olympic Park but potentially throughout the UK. However, caution is required in this regard. Improved facilities may lead to increased

[4] The Economic Impact of the London 2012 Olympics, Adam Blake, Nottingham University Business School (2005/5)

participation levels but experience of recent lottery investment has had no measurable impact on participation levels.

- The environmental impacts are forecast as being positive overall with only slight negative impacts being seen before and during the games themselves. The longer term environmental impact (beyond 2020) will depend upon the legacy plans for the Olympic park and the links to the broader regeneration initiatives.

3. A Strategic Framework for Delivering South East Impacts

In this section we have set out the organisational structure which is currently being formulated to ensure that the distribution of benefits throughout the UK, arising from London 2012, is managed in a co-ordinated fashion. The approach being employed is necessarily '*top down*' and is endorsed at the highest level by the International Olympic Committee (IOC).

3.1 London 2012 Organisational Strategy to Manage and Achieve Regional Distribution of Benefits

The London Organising Committee of the Olympic Games (LOCOG) has established a Nations and Regions Group through which it is intended that regional impacts be managed. This group is currently chaired by Charles Allen and regular meetings are planned. Since London won the bid to host the 2012 Olympic Games, the Nations and Regions Group has met twice on 4th November 2005 and 25th January 2006.

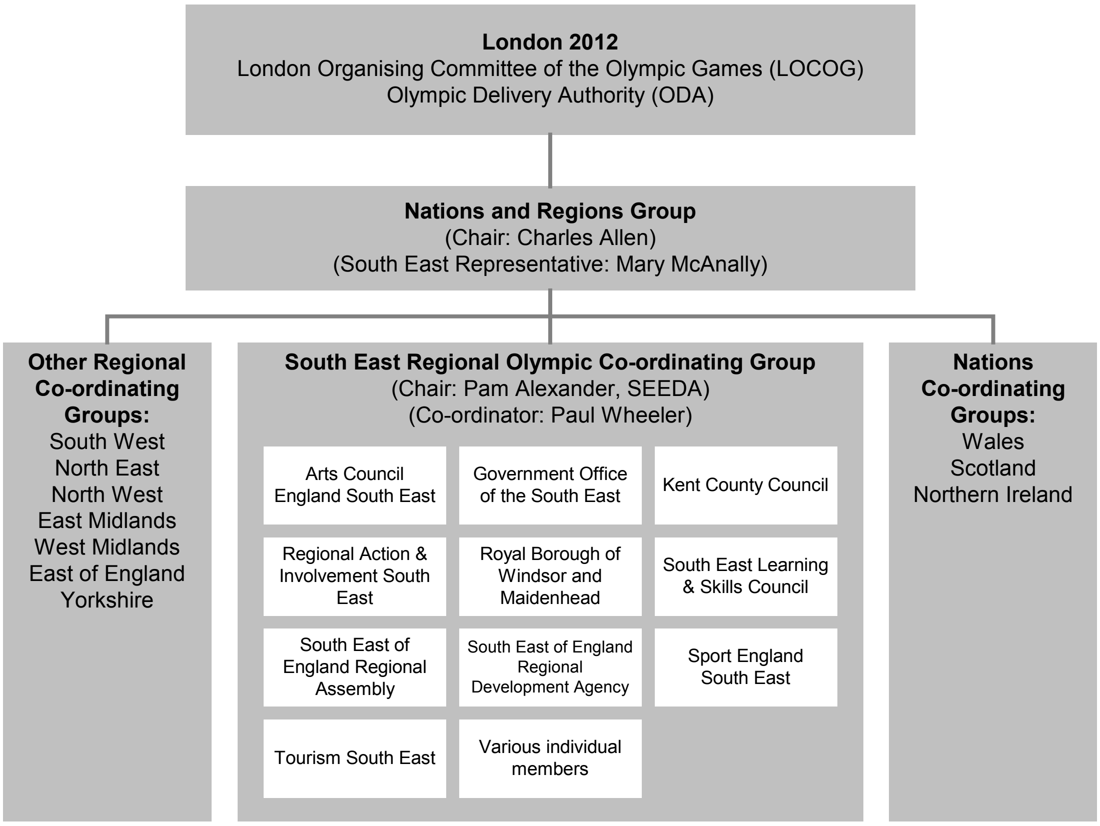
At the request of the Nations and Regions Group, a South East Regional Olympic Co-ordinating Group has now been established and is comprised of representatives from:

- Pam Alexander, Chief Executive, South East Regional Development Agency (SEEDA)
- Paul Bevan, Chief Executive, South East of England Regional Assembly (SEERA)
- Bob Collier, Chief Executive, Tourism South East (TSE)
- Felicity Harvest, Chief Executive, Arts Council England South East (ACESE)
- Chris Hespe, Head of Leisure Services, Kent County Council, (Representing the South East County Councils)
- Sean Holt, South East Regional Director, Sport England South East (SE)
- Catherine Johnston, Regional Action and Involvement South East (RAISE)
- David Lunn, Chief Executive, Royal Borough of Windsor and Maidenhead (Representing Unitary Authorities)
- Mary McAnally, SEEDA Board Member, Chair of Regional Sports Board, Sport England Board Member
- Andy Roberts (replacing Mark Bilsborough), Government Office of the South East (GOSE)
- David Smith, Deputy Director South East Learning and Skills Council (LSE)
- Derek Wyatt MP for Sittingbourne and Sheppey & Chair of the All-Party Olympic & Paralympic Group

A South East Regional Co-ordinator is planned to be appointed in 2006 whose role will be support the ROCG. In the meantime, Paul Wheeler (joint Sport England/SEEDA appointment) is acting as the interim Regional Co-ordinator.

London 2012's structure for involving the UK Nations and Regions is illustrated below with the South East stakeholders identified.

Exhibit 1. London 2012 Structure for Involving UK Nations and Regions



3.2 The South East's Organisational Structure – Five Sub-groups Established

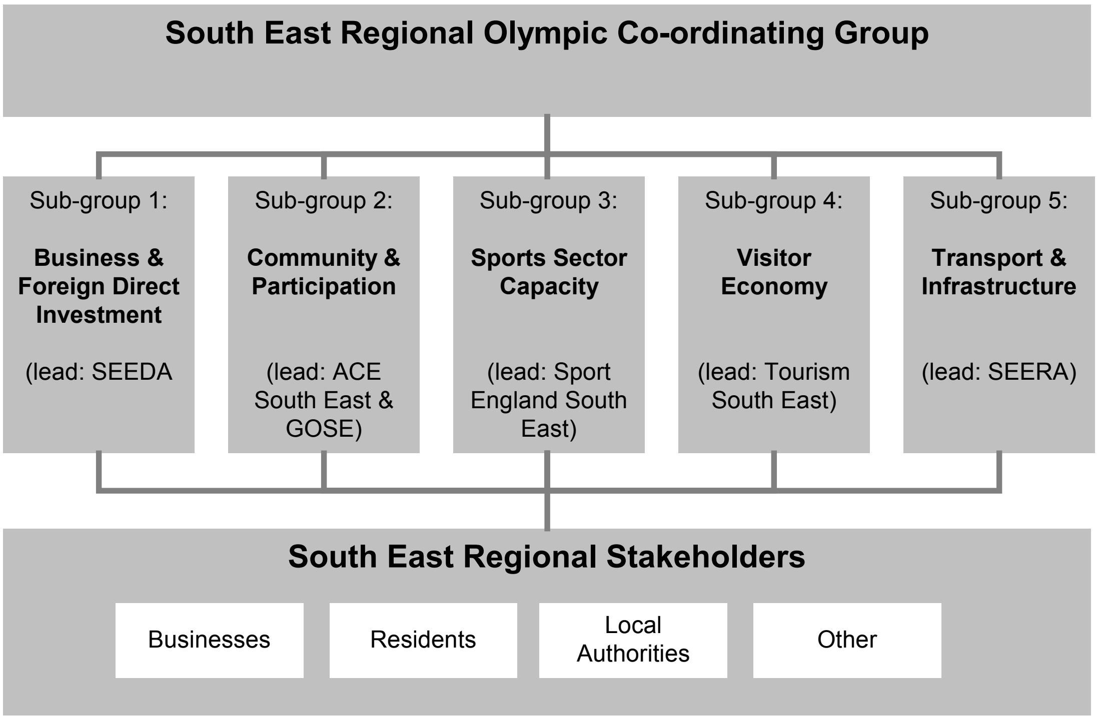
By far the most effective and straightforward way of categorising the potential impacts which may arise in the South East as a result of the London 2012 Olympics is to first identify the potential impact and then to describe which partners will need to be active in realising them, when the impact may accrue (before, during and after London 2012) and the type of impact that will result (i.e. economic, environmental, social, image, other).

By addressing the categorisation and research of potential South East impacts in this way Locum recommended that five sub-groups be established. These sub-groups represent the main recipients or physical assets in the South East which will be impacted by London 2012. This approach was endorsed by the South East Regional Olympic Co-ordinating Group on 29th November.

The five sub-groups are listed below and illustrated in the Exhibit 2.

- Sub-group 1: Business and Foreign Direct Investment (lead organisation: SEEDA)
- Sub-group 2: Community and Participation (lead organisation: GOSE)
- Sub-group 3: Sports Sector Capacity (lead organisation: Sport England)
- Sub-group 4: Visitor Economy (lead organisation: Tourism South East)
- Sub-group 5: Transport and Infrastructure (lead organisation: SEERA)

Exhibit 2. South East Sub-groups for Managing London 2012 Impacts



3.3 Introduction to the Potential Impacts and Sub-group Sections of this Paper

The next five sections of this paper (section 4 to section 8) identify the potential impacts (both benefits and negative effects) that may arise in the South East as a result of the London 2012 Olympic Games and the potential interventions and activities that could be employed to aid their delivery.

The impacts have been identified using research material associated with previous major sporting events (including past summer and winter Olympic games); consultations with practitioners involved in the development, delivery and legacy planning of major sporting events; and from consultations with the ROCG members.

The impacts identified are not exhaustive, but seek to represent those that present the greatest opportunity or threat to the South East region.

The process for ensuring that the South East realises the *benefits* and mitigates the risk of potential *negative effects* is relatively fluid and somewhat undefined at this stage. As a result of the formation of the London 2012 Nations and Regions Group and the request for all nations and regions to establish Regional Olympic Co-ordinating Groups, the competition for benefits will be fierce and is by no means guaranteed.

4. Sub-group 1: Business and Foreign Direct Investment

4.1 Introduction

It was agreed at the inaugural South East Regional Olympic Co-ordinating Group meeting on 29th November that the Business and Foreign Direct Investment sub-group would be led by SEEDA.

The core theme of this sub-group is to use the London 2012 Olympic and Paralympic Games to benefit the South East's businesses and attract inward investment with an overarching objective of increasing the size and resource capacity of the South East's economy.

This section is structured to set out the broad scope and evidence from research of the potential opportunities that exist, the South East's business related competencies and the potential benefits and negative effects that have been identified. Finally, we have identified an initial set of interventions to be led by SEEDA and its respective sub-group partners.

4.2 Background and General Evidence of Opportunities

4.2.1 Small and Medium Sized Businesses

London 2012 will require a myriad of services from SMEs, including, amongst others: construction, engineering, manufacturing, tourism, hospitality, food, retail, merchandising, business services, leisure, media and creative industries. It is expected that opportunities will arise primarily from supply chains surrounding the major contracts. These are broadly classified on the following basis:

- **People:** Core staff, supported by technical, professional and advisory consultants. Encompassing short and long term contracts.
- **Olympic Park:** Site-wide and zone-specific, including land assembly, land modelling and remediation, construction and infrastructure.
- **Venues:** Support facilities, transport infrastructure and other related facilities.
- **Legacy:** Dismantling of temporary Games infrastructure, conversion of infrastructure to long-term legacy use and delivery of the long-term legacy development.
- **Operations:** Procurement requirements are likely to cover goods and services such as sponsorship, sports equipment, venue seating, security, catering, uniforms and official merchandise.

4.2.2 Major Business and Contract Procurement

Generally speaking, the ODA will let the majority of contracts for the infrastructure, transport and construction of the Olympic Park and LOCOG will let most contracts for services to deliver and stage the Games.

The first major contract worth £70 million has been awarded to J Murphy & Sons Ltd to replace existing overhead power lines with 12 kilometres of tunnels in the Lower Lee Valley. It is expected that announcements will be made later this year regarding the consultancy design services for the Olympic Park and infrastructure (excluding venues), Delivery Partner for site-wide development, demolition and remediation contractors, a designer for the remediation and demolition work and venue designers. It is expected that the interim ODA will begin to search for a design team for the main stadium in 2006 and procure the associated major contracts after 2007. It is unlikely that LOCOG will begin its tendering processes before 2008.

4.2.3 Summary of London 2012 Budgets

The Olympic Games afford a limited window of opportunity to showcase the South East's best in terms of exportable products, technologies and intellectual property. The international connections made in the lead-up to the Games, during the event itself, and in its aftermath are an opportunity to establish markets and develop business in the UK and overseas.

The demand for works and services generated by the staging of the event provides a unique opportunity to raise the capabilities of UK firms, making them more competitive in an international context.

The exhibits below summarise the planned capital ($15.8bn) and operational ($2.46bn) investment in the London 2012 Olympics. The range and potential distribution of this spending is considerable. It is important to note that the South East's proximity to London provides no guarantee of benefits being achieved in the region.

Clearly, there is an opportunity for South East organisations to secure contracts related to the Olympics through the Olympic Delivery Authority (ODA) and the London Organising Committee of the Olympic Games (LOCOG), or by other means. In order to capitalise on this opportunity there is a need to actively bridge the information gap between the ODA/LOCOG and *industry*. The key data required by *industry* will include: programme information to confirm key milestones and activities, procurement strategies to explain how companies can tender for contracts, etc. This type of information could be disseminated in a number of ways including:

- Web-based information portals
- Regular news updates and flyers
- Industry forums and meetings

- The formation of a "business club" can provide the initial mechanism for engaging individual businesses.

The South East region has particular competencies in a number of industry sectors which have been summarised in sections 4.3.1 and 4.3.2 below. Some of these relate specifically to the planning, development, delivery and legacies arising from London 2012 (and therefore benefits can be more easily defined), while others have less direct and tangible links but nonetheless present significant opportunities given the additional activity stimulated by London 2012.

Exhibit 3. London 2012 – Capital Investment

Capital Budget	**$ (000)**
Roads and Railways	11,522,000
Competition Venues	896,000
Training Venues	21,000
IBC/MPC	215,000
Olympic Village	1,040,000
Olympic Park Infrastructure	2,100,000
Total	**15,794,000**

Source: London 2012 Bid Document

Exhibit 4. London 2012 – Operational Investment

Operational Budget	**$ (000)**
Sports Venues	417,000
Olympic Village and alternative accomodation	218,000
IBC/MPC	46,000
Games workforce	187,000
Information systems	327,000
Telecommunications & other technologies	101,000
Internet	20,000
Opening Ceremony	30,000
Closing Ceremony	20,000
Medal award ceremonies	2,000
Cultural programme	30,000
Torch relay	5,000
Other programmes	5,000
Medical services	19,000
Catering	21,000
Transport	198,000
Security	37,000
Paralympic Games	144,000
Advertising & promotion	92,000
Administration	255,000
Pre-Olympic events & coordination	20,000
Other - miscellaneous	163,000
Other-contingency	105,000
Total	**2,462,000**

Source: London 2012 Bid Document

4.2.4 Business Club Precedents

Summarised below are three examples of successful *Business Clubs* which have been set up to facilitate the engagement of business supply chains to aid the development and delivery of major events. In the first two cases the *Business Clubs* have continued to operate successfully after the staging of the event.

The North West Business Club

- **Established:** 2001, by the Manchester Investment Agency (MIDAS) which aims to offer advice and assistance to national and international companies considering setting-up, expanding in or re-locating to Manchester.
- **Objective:** To provide a platform at the 2002 Manchester Commonwealth Games for international businesses on-line, at business club events and through its publications. Today, more generally, it aims to connect North West companies with other national and international businesses utilising its own website and extensive database. It is particularly active in introducing and networking Business Club members within the Commonwealth and Western Europe.
- **Strategy:** Directory listings, matching services, e-bulletins, regular events and business support agencies.
- **Events:** Hosts a series of national events. Examples for 2005-2006 include the *Business Lunch* to celebrate the launch of the *Melbourne Commonwealth Games*, *The Kendal Mountain Festival* and the *Business Enterprise Exchange*.
- **Success:** Activity at the 2002 Manchester Commonwealth Games was a great success. Since then, the North West Business Club has re-branded and is now funded by the North West Regional Development Agency to expand the scope of its focus. It has already been involved in talks with London borough councils regarding London 2012 and anticipates a central role in the Olympic business strategy.

Business Club Australia

- **Established:** 2000 by *Austrade* (The Australian Government Trade Commission) and run in partnership with Invest Australia (Australia's national inward investment agency).
- **Objective:** To foster international business opportunities around major sporting events (the Sydney Olympics 2000, the 2003 Rugby World Cup and currently the Melbourne Commonwealth Games in March 2006).
- **Strategy:** Business matching, networking events, corporate hospitality, international business information and access to the club's networking centre during games times.
- **Events:** Organises 'networking events' in the build-up to major events. Five national events are planned for the period November 2005 to March 2006 including the *Commonwealth Games Australian Technology Showcase Exhibition*, the 13th *Commonwealth International Sport Conference – 'People, Participation and Performance*' and the *International Sport Facility Management Programme*. Two international events are planned for this period in India and Jamaica.
- **Success:** This Australian example set the precedent for sports associated Business Clubs and is considered the 'best practice' model. New South Wales companies were awarded £400 million worth of Olympic contracts and the club has facilitated over A$1.5 billion in business deals, with a further A$675 million expected before the end of 2005.

It should be noted however, that in the Games year in Sydney, the gains to Australia as a whole ($1,128 million) were lower than the gains to New South Wales ($1,237 million). This implies that the rest of Australia incurred a loss in GDP during the Games year (but not necessarily in other years).[5]

[5] www.businessclubaustralia.com

08 Business Connect (Liverpool Capital of Culture 2008 Business Support Structures)

To embrace the business opportunities afforded by the 2008 Capital of Culture Status, the Liverpool Culture Company and Business Liverpool have established a Business Club – 08 Business Connect intended to mirror the Sydney model and develop the best practice procedures and infrastructure of the North West Business Club. Free to join and essentially Mersey-focused, the body will operate in partnership with Business Liverpool, the Chamber of Commerce, the International Trade Centre, the NWDA and the Mersey Partnership. It will offer an online directory, events programme, international business activities, a school related programme to inspire future entrepreneurs and direct business interaction with 2008 preparations.

4.3 South East Competencies

The major industry clusters in the South East are discussed below and demonstrate the depth and sophistication of the region's enterprise and business infrastructure. London 2012 has the potential to facilitate growth and progress in each instance.

4.3.1 Independent Sector Consortia in the South East

It is established in *The Review of the Regional Economic Strategy* (2006 to 2016) that the South East will be one of the world's 15 most innovative regions by 2016. To drive this vision, the following six business-led, independent sector consortia are identified:

- South East **Media** Network (Digital Content)
- **Marine** Sector (marine technologies)
- Farnborough **Aerospace** Consortium (aerospace and defence)
- South East Centre for **Built Environment** (built environment)
- South East **Health Technologies** Alliance (health technologies)
- **Envirobusiness** South East (environmental technologies and services)

An overview of each of these consortia, considered within the context of London 2012, is provided below:

South East Media Network (Digital Content)

Sporting and high profile events drive substantial amounts of business for the digital content sector – as is currently being seen with the impact of the London marathon and the World Cup as drivers of content. By 2012 significant changes will have taken place; engagement with audiences will be on an interactive level never previously possible.

The current ITV local trails in Brighton and Hastings (ITVlocal.tv) show television over the internet, delivering to a local and global community. The current O_2 mobile television trials in Oxford which deliver 16 television channels to a mobile phone, have yielded some thought provoking results.

The South East is well positioned to benefit from the media impact of the London 2012 Games with the existing industry being significant both in terms of its size, quality and diversity throughout the supply chain (e.g. technical competencies, design, programming and software development, communication and delivery, distribution, games expertise, etc) and crucially, its growth potential.

Digital Content is one of the fastest growing sectors of the economy. The South East has a strong base, with both the offline multimedia and electronic games sectors outweighing those of London and playing host to over 30% of the national workforce[6].

Digital content represents well over 80% of the creative industries, which nationally accounted for 7.8% of Gross Value Added (GVA) in 2003. During the period 2000-2003, exports grew by more than 22%[7].

Significant regional strengths are observed in the presence of major mobile phone companies - Vodaphone HQ in Newbury, Nokia in Farnborough and O_2 in Slough and the cable industry with NTL/Telewest in Hampshire. Hewlett Packard, one of the world's major hardware and software companies, have a base in Bracknell.

The key business clusters within the media network grouping are:

- **Film and TV production**, centred at Pinewood and Shepperton Studios: AVID, Bentley Productions, Random Harvest, Anderson Entertainment.
- **Games Developers**, based in the Guildford area (Lionhead, European headquarters of Electronic Arts), along with research from the University of Surrey engaging with innovative software application companies.
- There is a focus for SME **Software** companies along the M4 corridor due to the presence of international corporate companies with UK headquarters such as Microsoft, Sun Microsystems, Oracle and Corel.

[6] Skillset, Sector Skills Council, Workforce Survey

[7] Dept of Culture Media and Sport, GVA Creative Industries Oct 2005

- **Publishing**, centred in Oxford and also incorporating journalism, factual programme makers and relevant software companies: Oxford University Press, Blackwell Publishing, Elsevier Science, Harcourt Education, Macmillan, Rebellion etc.
- **Digital media**, centred in Brighton and Hove[8] including web based services, animation companies, e-learning companies, games developers: Kuju, Epic, Spannerworks, Babel, Relentless etc.

There is also a good range of TV production and corporate media companies centred at Maidstone Studios, Kent and another cluster surrounding Southampton including ITV Meridian's headquarters and Topical Television.

The empowering nature of new technology and it's ongoing development will be at the forefront of the role played by digital content in the build-up to 2012. Likely impacts and considerations include:

- **Citizen engagement** and Web 2.0: using the technology to ensure that all UK citizens take part through 'blogs', discussion forums, competition voting, submitting material (audio visual archive, photos, films, music etc), tagging and tracking your favourite sports/celebrity stars etc.
- **Accessibility:** all material could be stored on a 'Video on Demand' basis building up an open accessible archive as the project develops.
- **Mobile Access:** What will be available for mobile?
- **Massive Multiplayer Online Games:** use sporting games to engage young people and let them take ownership of the Olympics whilst providing a powerful educational tool.
- **Archive:** providing access to automatic archiving and data retrieval systems; that is, a system to record and trace the rights owners of all relevant coverage from now to 2012 and beyond.
- **GPS and tracking systems:** geographic location based systems for providing information or for tracking athletes, guests etc.
- **Infrastructure:** there is an infrastructure 'Business Continuity' opportunity for the South East. That is, the provision of a highly secure site which could act as backup to all the electronic services being provided in London, without which the Games cannot function.
- **Infrastructure**: capacity building for the South East by stimulating a highly secure site which could act as backup to all the electronic services being provided in London, would put the region in a strong position for the future.
- **Media support:** the Olympics will require support for the media companies from around the world who come to cover the event. They will need assistance with

[8] SEEDA's report, *Media Clusters and Supply Chains in the South East*

production capacity and facilities, post production facilities, accommodation, permissions and so on. To maximise the benefits for the region the sector group South East Media Network is assisting Screen South, the regional screen agency, to expand their support network and online database to include all of the relevant areas of information. This work is vital to providing useful information from now, throughout the lead up to the Games in 2012, and beyond; it must be accurate and up to date at all times.

The concentration and advanced nature of the digital content in the South East should allow the region to play a lead role in the first 'digital Olympics' by proving a focus for innovation, combining cutting edge technologies with world class creativity.

Marine Industry

The South East is home to over 2,500 marine industry companies, estimated to be worth £5 billion and contributing almost 5% of the region's GDP[9]. Particular strengths exist in leisure marine and ocean racing with a diverse range of companies manufacturing leisure craft from dinghy to super-yachts and a comprehensive supply chain producing high value equipment for global markets. A vibrant manufacturing industry is well supported by several major research centres offering world-leading technology development and testing for yacht design. There are also several specialist training centres to up-skill personnel in latest technologies and production practices.

The region possesses particular strengths in materials technology, with a new purpose-built marine/aero composites centre on the Isle of Wight. Current developments include exploration of possible nanotechnology applications to marine composites and fabrics.

Marine South East, the regional marine initiative of SEEDA, was developed to address the needs of the marine sector in the South East. A website is currently being developed to provide details of marine networking events, a database of marine companies, a library of marine information and news and information on the marine sector in the South East.

Significantly, the South East marine sector is dominated by small firms – 95% of marine companies in the region are SMEs and 50% have 5 employees or less[10].

The Solent is not only the focus of marine activity in the South East, but is also internationally recognised as the centre of the UK industry. Smaller geographic clusters exist around the coast at Chichester, Medway , Brighton and the port towns in Kent, whilst notable inland centres for leisure marine businesses operate from the Thames Valley.

Clearly, there is a significant opportunity not only to involve this sector in the development and delivery of the Olympic sailing events in Weymouth, but more importantly to showcase the South East marine competencies to the international

[9] SEEDA Marine Information Hub

[10] ibid.

competing teams and audiences in order to win longer-term contracts and business and attract inward investment.

Farnborough Aerospace Sector and Consortium (aerospace and defence)

The South East of England has the second largest concentration of aerospace and defence companies in the UK. This is made up of over 1,000 firms employing in excess of 40,000 people. There are no absolute geographical concentrations of firms within the South East but there are many global primes such as BAE Systems, QinetiQ, Thales, Smiths and Meggitt, concentrated in Hampshire and Farnborough in particular.

The Farnborough Aerospace Consortium (FAC) operates as a central point of focus for over 700 aerospace and defence companies in the South East, enabling them to 'become more competitive through improved marketing, sharing of best practice, access to current research and collective action'. Five priorities have been identified :

1 to deliver improved access to market to its members

2 to promote competitiveness of members to meet current and future market requirements

3 to facilitate technology development and exploitation

4 to act as a forum to interact with and influence public and private sector organisations

5 to act jointly or in co-operation with other bodies both nationally and internationally in furtherance of the objectives of the FAC.

Through the organisation of major events, focus groups and marketing activities, the FAC essentially operates as a sector-specific business club, demonstrating best practice procedures to other sectors and may provide the blueprint for the overarching "South East Business Club" which Locum foresees as central to maximising regional gain in business and foreign direct investment arising from London 2012.

South East Centre for Built Environment (built environment)

The Built Environment Sector generates £18 billion per annum in the South East. The SECBE exists to facilitate consultation between business and policy makers.

The scale of building demands in the South East generated by 2012 remains to be seen and will depend upon the extent to which planning in the capital necessitates supplementary change in neighbouring regions, as well as the extent of region specific development. It is anticipated by the SECBE that the Olympics will constitute a standing component (perhaps 10%) of their work programmes in the years prior to 2012, although demand may require flexibility in this commitment, particularly in the key 2008 – 2012 period.

It is estimated by the LDA that 70, 000 construction workers will be required to complete the 2012 vision. Given its available labour, proximity and the experience of other major construction projects (particularly Heathrow Terminal 5 and the Channel Tunnel Rail Link), it is likely that the South East will contribute a significant proportion of this workforce. The sustained capital investment necessary to meet this heightened demand should also facilitate extensions to training programmes and provide the basis for a lasting skills legacy.

There is, however, concern within the Built Environment sector that the demands of developing the Olympic infrastructure will burden an already pressured management, technical and craft skills base. This potential over-heating of the construction industry must be considered within the context of unrelated regional demand and prospective detrimental impact upon the quality of life, housing issues and the like in the South East.

South East Health Technologies Alliance (health technologies)

2012 will significantly increase the demand for sports science and health technologies prior to and during the Games (medical devices, diagnostic tests, pharmaceuticals and therapeutics).

As the region with the largest concentration of medical technology companies in the UK, the South East will be in high demand in this regard. Key clusters of large pharmaceutical companies exist in Kent as well as medical device companies in Surrey and the Thames Valley. Oxford is one of Europe's focal points for biotechnology activity.

SEHTA exists to enhance collaboration between these industries and to encourage innovation within them. It is anticipated that an Olympic task force will be developed to assist with procurement and preparation for 2012.

Envirobusiness South East (environmental technologies and services)

Environmental technologies businesses in the South East have the opportunity to embrace London 2012's commitment to being the first ever sustainable Games. At the centre of this pledge is the *One Planet Olympics* concept, endorsed by WWF-UK and BioRegional and including specific plans to address carbon emissions, climate change, waste disposal and water management. The South East has particular strengths in environmental technology including the new, flagship sewage treatment works at Reading, the Isle of Wight Centre for the Coastal Environment and pioneering biomass projects around the Thames Valley. Ongoing development of this nature will present major opportunities for involvement in delivering London 2012's ambitious environmental vision.

4.3.2 Other Sectoral Competencies in the South East which are relevant to London 2012

In addition to the six identified priority consortia, there are a number of other sectoral competencies in the South East which have particular relevance to the development and execution of the London 2012 Olympic and Paralympic Games before, during and after 2012. Information on these competencies is described below:

- **Arts and Cultural Organisations**
- **Tourism and Travel Organisations**
- **Event Management Organisations**

Arts and Cultural Organisations

The South East has a particular strength in *street arts* and *carnival*. Brighton is home to a number of organisations such as Zap Arts and Strange Cargo with international recognition and the potential to win contracts and provide consultancy and implementation services in support of the cultural programming aspects of London 2012. While the opportunities for this start with the Beijing closing ceremony in 2008, the London 2012 cultural programme will really take shape in the 2 years leading up to the Games with the emphasis focused on the London 2012 opening and closing ceremonies. In addition, there is an opportunity for the South East to develop its own programme of events to complement and supplement the London 2012 programme and thereby assisting to raise the profile of the South East and generate additional visits and spend in the economy.

The nature of these types of businesses means that they may not respond proactively to the Business Club approach. An intermediary function may be required to facilitate engagement with these business (e.g. through the Arts Council England).

Tourism and Travel Organisations

There are a number of important travel operators located in the South East which are well positioned to deal with the huge influx of inbound tourism from 2010 (during the build-up and preparation) and most importantly during 2012. Sports World Group, based in Abingdon is accredited by the National Olympic Committees in Great Britain, Australia, Switzerland, New Zealand, Denmark and Liechtenstein. First Choice Holidays and Flights Limited based in Crawley will serve large numbers of international inbound tourist markets.

Unlike previous Olympic Games and Beijing 2008, these types of organisations will need to reconsider their business development strategy for London 2012 given that they will be dealing with inbound rather than outbound tourism. Links with international markets, foreign accreditation and so on, will be important. To aid their success, it will be important for them to have a clear understanding of *"how"* and *"when"* action is required.

South East Events Management Organisations

The South East is host to a significant concentration of major events outside of London. Many of these generate benefits in both London and the South East, e.g. Royal Ascot, Henley Royal Regatta, Cowes Week, etc. Other events generate benefits focused mainly in the South East, e.g. Brighton Festival, Royal International Horse Show Hickstead, Glyndebourne, Glorious Goodwood and the Festival of Speed, etc.

While there is a clear opportunity to use these events to attract additional day-trip and staying visitors into the region before, during and after the Olympics, much of the event management infrastructure and organisations responsible for their delivery and execution are headquartered in the South East and are of national and international repute.

An opportunity therefore exists to export this concentration of skills and expertise, both within the South East and also to London and other UK regions.

4.3.3 Foreign Direct Investment in the South East

SEEDA's existing International Business team provides free and confidential advice and support to international organisations looking to establish operations in the UK. The team manages a number of concurrent programmes and initiatives, as described below. These provide an important platform from which to address and capitalise upon the London 2012 opportunities for inward investment.

In conjunction with the **International Trade Sector Advisors** (a programme run by SEEDA and UK Trade & Investment), SEEDA's inward investment teams actively try to match partnering requests from ambitious high-tech companies who are looking to open a dialogue with suitable South East England companies. This service is open to international companies who are looking for a regional company or service provider to license and commercialise technology, undertake joint product discovery and development (including clinical trials).

SEEDA offers through its **Investor Developer Programme** comprehensive 'aftercare' advice to strategic investors[11] to help them fulfil their business potential. Seven Investor Development Managers work with strategic investors to grow their businesses, as well as flagging up potential difficulties and ensuring that investors' views are heard by policymakers at regional and national government level.

Through the **Global Regions Initiative**, SEEDA has identified a number of regions throughout the world with similar economic/business profiles to the South East of England with whom to form a mutually beneficial two-way business promotion alliance. The regions include: *Greater Washington; USA Fairfax County, USA; Los Angeles County and San Diego, USA; Massachusetts, USA; Kanagawa Prefecture, Japan; Nordrhein-Westfalen, Germany; Seoul, Korea; Shanghai, People's Republic of China; Sydney, Australia.* The programme seeks to build relationships to support and extend traditional inward investment and trade promotion activities. The initiative ranges from raising basic awareness to more definable

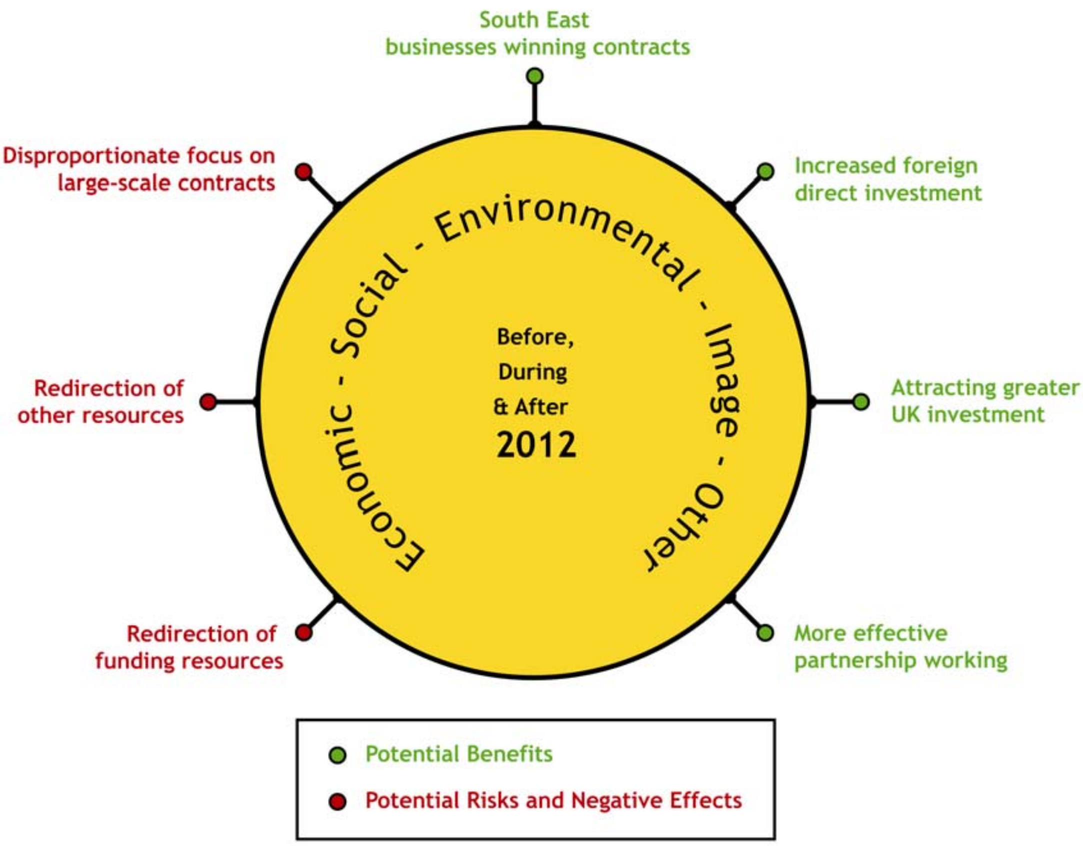
[11] Strategic Investor: active in an important location or industry sector, has a group HQ in the South East or is otherwise locally-prominent

and measurable activities, links to defined sectors and businesses, aligning universities with common interests in collaborations and exchanges, business incubation, tourism and government support.

4.4 Potential Benefits

Summarised below are the potential Business and Foreign Direct Investment benefits which could be realised by the South East. The diagram also notes the potential negative effects which are described in section 4.5.

Exhibit 5. Summary of Business and Foreign Direct Investment Impacts



4.4.1 South East Businesses Winning Contracts with London 2012

South East businesses will need to bid competitively for contracts with LOCOG, the ODA and London 2012 partner organisations with purchasing responsibilities. For companies to be in the strongest position to do this information of *what*, *when* and *how* contracts will be led is crucial.

It is accepted that greater transparency surrounding the London 2012 procurement strategy and procedures is required. The South East, through its Nations and Regions Group representation has already requested information on procurement timelines from London 2012 but to date has not received this information. Although some of this information regularly becomes publicly available through various sources (web-sites, press releases national press etc) there is currently no single portal for its dissemination and the consistency of information varies considerably.

Focusing on the identified sector competencies, the South East must use existing business support mechanisms to reach and engage audiences and capitalise on the opportunities.

4.4.2 Foreign Direct Investment in the South East (short & longer term)

There are likely to be a considerable number of overseas businesses involved in the development phase leading up to 2012. Some of these will already have UK headquarters, others might not. Those without existing headquarters or links in the UK may require some form of temporary base. Given the South East's proximity to the Olympic Park, primary UK gateways (Gatwick, Heathrow, Ashford International, Port of Dover, etc) and the quality of life for residents, it is ideally placed to capitalise on this opportunity.

Furthermore, while London 2012 provides the rationale for international businesses to develop a temporary base in the UK, it is likely that a proportion of these will remain longer-term.

Depending on the approach adopted by LOCOG, there is an opportunity for the South East to expand its current *inward investment initiatives* and focus attention on securing opportunities which arise from the Games but could have longer lasting benefit to the region.

4.4.3 Attracting UK Investment

The demand for preparation and training camp facilities, the increased cultural programme requirements, increased sports participation levels and so on, will require investment in the facilities and infrastructure in the South East. Where all of this investment will be sourced from is uncertain, but it is important that the South East presents the optimum "case for support" without displacing investment from elsewhere in the region.

4.4.4 More Effective Partnership Working

London 2012 provides focus and a strategic lead for the South East region and its respective partners through the Regional Olympic Co-ordinating Group (ROCG). The establishment of a Regional Olympic Co-ordinating Group will bring together organisations to work together for mutual gain. This necessary partnership working could lead to longer term partner benefits being realised in the form of better working relations, clearer and more focused working practices, increased networking and collaboration, clearer understanding of partner organisations roles and responsibilities, and so on.

4.5 Potential Risks and Negative Effects

4.5.1 Redirection of Funding Resources

There is a risk that the focus generated by London 2012 draws funding away from other worthy projects and programmes. There are a number of ways that this could manifest itself:

- The sports sector in general attracts funding away from other sectors.
- Projects and programmes which demonstrate a connection with London 2012, draw funding away from those that do not.
- A disproportionate distribution of funding geographically which focuses on London and the East End specifically, its neighbouring regions and the UK's largest cities and gateways.

The creation of the Nations and Regions Group and the supporting regional co-ordinating groups should provide a mechanism for raising concern and ensuring that this potential displacement of funding does not occur.

The *Olympic Games Impact Study* recently published by DCMS clearly intimates that there could be a significant displacement of resources from the UK regions to London (see section 2.8).

4.5.2 Redirection of Other Resources

Similar to the risk of funding being drawn away from non-London 2012 related projects and programmes, there is an additional risk that human resources focus towards 2012 and neglect their individual commitments. There is already anecdotal evidence within some of the ROCG organisations in the South East that staff resources are being distracted from their day-to-day commitments caused by the general buzz and excitement of the Olympics. This was particularly evident immediately after the IOC announcement in July 2005 and is likely to mount again at major milestones and in the lead-up to 2012.

Much of this excitement can be controlled by the provision of information to ensure that individuals and organisations are knowledge-rich in terms of the London 2012 programmes and activities, and importantly when and how their roles are required. One does not want to dampen enthusiasm, but rather manage resources and expectations effectively.

4.5.3 Focus on Large - Scale Contracts

There is concern that the procurement strategy for London 2012 will favour large-scale organisations that can demonstrate experience and track record of an international and Olympic nature. This could prevent SMEs and UK firms from competing effectively for contracts.

4.6 SEEDA and Partner Interventions

Summarised in the table below are some possible interventions, which would be employed, together with a view of the South East partners who would be involved and broadly speaking, when action should be taken.

Exhibit 6. Initial Summary of SEEDA and Partner Interventions

No	*Possible Intervention*	*Partners*	*Timescale*
1a	Organise a South East London 2012 **Business and Stakeholder conference** to present strategy for realising benefits and mitigating risks.	SEEDA Sector representatives and consortia	Short-term Mar-06 to Jul-06
1b	Establish a **South East 2012 Business Club or Forum** to provide direction and guidance to regional businesses seeking procurement opportunities and to facilitate the development of networking forums and events. This is likely to include: • Website • Events programme • Regular publications Existing sector groups identified by the Regional Economic Strategy provide the starting point and platform upon which to build and re-focus towards London 2012 issues. Endorsement and recognition from London 2012 should be sought.	SEEDA Priority sector representatives	Initiate immediately (Jan-06 to Jul-06)
1c	Establish a **National Skills Academy for the 'Web Games'**. This could be a virtual or physical base, exploiting the regions strengths in digital media, possibly with a physical location around the M4 corridor. While this could be a sub-set of the overarching South East Business Club there is an opportunity for the South East to run and manage a National initiative. For this initiative, engagement with London 2012 is important.	SEEDA Media sector partners (e.g. IBM, Microsoft, Electronic Arts etc).	Initiate Immediately (Jan-06 to Jul-06)

No	*Possible Intervention*	*Partners*	*Timescale*
1d	Seek to address and support London 2012's aspiration to be low carbon impact, capitalising on the South East's **Environmental Business** competencies. The South East could take the national lead on pursing this agenda and objective.	SEEDA	Develop initial concept in short-term (Jan-06 to Jul-06)
1e	Continue to request **procurement strategy information** from London 2012 and monitor procurement publications and events.	SEEDA (Mary McAnally through Nations and Regions Group and Jon Armstrong, London 2012)	Continuous (Jan-06 onwards)
1f	Pursue development of **Events Industry cluster** development through existing South East supply chain competencies e.g. venues, event management, delivery, logistics and planning, security etc.	SEEDA	Mar-06 to Jul-06

5. Sub-group 2: Community and Participation

5.1 Introduction

It was agreed at the inaugural South East Regional Olympic Co-ordinating Group meeting on 29th November that the Community and Participation sub-group would be led by the Government Office of the South East (GOSE).

The core theme of this sub-group is to use the London 2012 Olympic and Paralympic Games as a stimulus for developing the overall resource capacity and skills in the South East region and increasing participation in sport at all levels.

This section is structured to set out the broad scope and evidence from research of the potential opportunities that exist, the South East business related competencies, and the potential benefits and negative effects that have been identified. Finally, we have identified an initial set of interventions to be led by SEEDA and its respective sub-group partners.

5.2 Background and General Evidence of Opportunities

The prestige of the Olympics provides an opportunity to generate wholesale change in community and participation, particularly within those deprived and minority sectors identified by the 2012 campaign as priority sectors.

Encouragingly for London 2012, the ***Manchester*** Commonwealth Games is heralded as a benchmark event in terms of holistic multi-use regeneration, successfully combining sports facilities with city development plans and focusing its Volunteer Programme on the most disadvantaged communities. Barcelona, Athens, Atlanta and Sydney were also successful in using the 'mega-event' status of the Games as a catalyst for accelerating capital, infrastructure and participatory projects and securing a permanent social legacy.

In ***Sydney***, over A$12 million was made available for vocational training, with approximately 20,000 people improving their skills under the Industry Training 2000 Initiative.

Atlanta experienced phenomenal acceleration in employment prior to the Games, with over 90,000 new jobs created between 1993 and 1996, a significant number in the construction industry – establishing it as the lead in US job creation and the fastest growth area from 1997-2001[12].

[12] *Olympic Impacts: International Best Practice:* Loucm Report October 2004

Barcelona was particularly successful in stimulating participation at grassroots level, combining the creation of new world-class facilities with municipal recreation programmes.

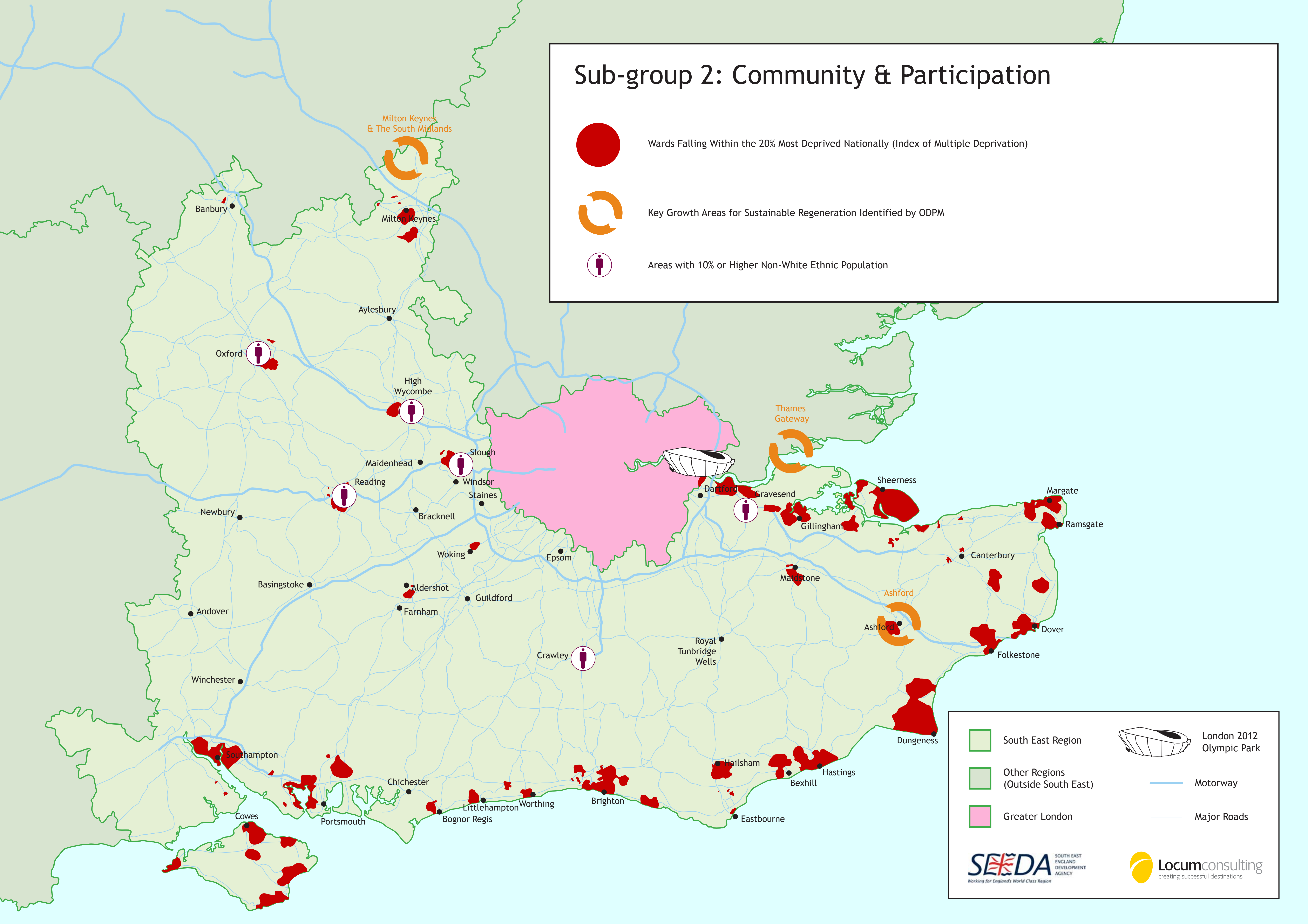
The Volunteer Programme in ***Athens***, 2004 has been praised for its scope and for 'transforming traditional volunteering programmes by promoting citizen involvement'[13]. London is well placed to benefit from this trend towards volunteering, with Sport England (and partners) citing 2005 as the 'Year of the Volunteer', with nearly 6 million volunteers contributing over 1.2 billion hours[14].

5.3 South East Competencies

The map overleaf provides a social demographic for the South East on the basis of areas of concentrated deprivation (derived from measures of income, employment, health and disability, education, skills and training deprivation, barriers to housing and services, living environment deprivation and crime), ethnicity and regeneration.

[13] Kikou, Olga: *The Athens 2004 Volunteer Programme and its Implications for Citizen Mobilization,* in *The Legacy of the Olympic Games,* The International Olympic Committee , 2002

[14] *Sport England Highlights Volunteers' Roles,* The Sports Management Report, December 2005


Sub-group 2: Community & Participation
Wards Falling Within the 20% Most Deprived Nationally (Index of Multiple Deprivation)
Key Growth Areas for Sustainable Regeneration Identified by ODPM
Areas with 10% or Higher Non-White Ethnic Population
Milton Keynes & The South Midlands
Thames Gateway
Ashford
Banbury
Milton Keynes
Aylesbury
Oxford
High Wycombe
Maidenhead
Slough
Windsor
Staines
Reading
Bracknell
Newbury
Woking
Epsom
Basingstoke
Aldershot
Guildford
Farnham
Andover
Crawley
Winchester
Southampton
Chichester
Portsmouth
Cowes
Bognor Regis
Littlehampton
Worthing
Brighton
Hailsham
Eastbourne
Bexhill
Hastings
Royal Tunbridge Wells
Dartford
Gravesend
Gillingham
Sheerness
Margate
Ramsgate
Canterbury
Maidstone
Dover
Folkestone
Dungeness
South East Region
Other Regions (Outside South East)
Greater London
London 2012 Olympic Park
Motorway
Major Roads
SEEDA
SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region
Locumconsulting
creating successful destinations

5.3.1 Summary of Social Demographics in the South East

The South East is a populous region, with a huge potential workforce for London 2012 projects and volunteer initiatives. It has a higher than average level of employment.

The South East is also ethnically diverse, with 6 towns comprising a non-white ethnic population of 10% or above. It suffers, however, from the widest range of social and economic disparities in the UK, with severe pockets of deprivation along the Kent and Sussex coastline and around major residential areas such as Portsmouth and Reading. Women, people with disabilities and ethnic minorities are under-represented in the labour market.

The three growth areas for sustainable development identified on the map (in particular the Thames Gateway) are of national significance and should form a focus for Olympic projects intended to encourage inclusion and participation. The current lack of affordable housing and rural community support are also pressing concerns.

5.3.2 Current "Skills Development Programmes" in the South East

There a number of Skills Development Programmes operating in the South East relevant to London 2012:

- The ***Regional Skills for Productivity Alliance*** (RSPA) provides a broad skills framework and involves partners such as the *Regional Development Agency, the Learning and Skills Council, Job Centre Plus, Government Office of the South East, South East Regional TUC, Higher Education Funding Council for England, Sector Skills Development Agency, the Further Education Sector, Business Link* and employer representatives set up to ensure a demand-led approach to skills development. *Culture South East Learning and Skills Task Group* has recently taken on the Olympic Skills agenda and will be feeding into both the RSPA and the ROCG. It covers *Sector Skills Councils* (SSCs) that represent key workforce sectors of relevance to delivering the Games e.g. Sport, Hospitality, Tourism, Media inc. Digital media, Creative and Cultural Industries, Construction and Built Environment.
- ***Construction Industry Academy*** in the Thames Gateway is a set of programmes that will develop into a physical base. This concept is replicated in other parts of the country and its primary purpose is to ensure that key skills are available in the Thames Gateway – the Main Constructor Group will liase with key skills providers to create the training offer to support the Thames Gateway development.
- ***Skills Active*** is a national sector skills council for sport and recreation as an industry, part-funded by Skills Active, Sport England and the Learning and Skills Council, and therefore reaches across many agendas.

5.4 Potential Benefits

The opportunities for South East residents are broad and varied. On the one hand, individuals could benefit from direct involvement in the planning, development and execution of the London 2012 Games – either as employees or volunteers. On the other hand, investment in the physical facilities (e.g. cultural and sporting facilities, transport infrastructure etc.) and the cultural programme could generate significant improvements to the quality of life and sense of place.

Summarised below are the potential Community and Participation benefits which could be realised by the South East. The diagram also notes the potential negative effects which are described in section 5.5.

Exhibit 7. Summary of Community and Participation Impacts

5.4.1 Increased Participation and Associated Health Benefits

One of the key drivers of London 2012 is to generate increased participation levels in sport at all levels. Not only does this have important social benefits, but it will also have important knock-on effects to health and therefore the level of associated public spending in this area. The impetus of the 2012 programme should provide crucial support for developing the Sport for All Programme throughout the South East.

5.4.2 Employment Opportunities

Arising from the London 2012 employment demand – before, during and after. The areas of opportunity are broad and relate to the London 2012 budget expenditure set out in section 4.2.3.

5.4.3 Increase in Skills Levels

Increase in skills levels and capacity building will be generated via training and development programmes initiated as a result of the London 2012 demand for skills. This will cover the construction and development related skills as well as the operational requirements to service and execute the Games in 2012, e.g. security, hospitality, event services, etc. The Learning and Skills Council will play an important role here. The LSC plans to focus attention on two groups – the 14 to 19 age bracket and adults and young people disengaged from learning – and utilise the “hook of the Olympics” to draw people into the training and skills development programmes.

5.4.4 Broader Access and Social Inclusion

The Olympic and Paralympic Games provide an excellent opportunity to act as a catalyst for the upgrading of facilities in the South East and to promote equality in access and opportunity for all.

5.4.5 Volunteering

The adjacency of the South East to London presents an opportunity to supply a significant proportion of the London 2012 volunteer workforce (estimated to number 70,000). In addition to this, demand for volunteers, increased participation levels in sport, the increasing cultural offer and programmes associated with the Olympics will generate the South East’s own demand for volunteers. Volunteering benefits the individual not only in terms of the skills developed, but also in terms of the experience and community cohesion and enduring social legacy effects (as demonstrated by Manchester’s Commonwealth Games). The work of RAISE (Regional Action and Involvement South East) is of particular relevance here.

5.4.6 Quality of Life

Increased participation levels, skills development, volunteer experience, physical improvements to the South East's transport infrastructure and sporting facilities, enhanced cultural offer in the South East, and so on, all provide for a superior overall quality of life (for work, living and play in the South East).

5.4.7 Olympic Athletes and Participants

The success of Kelly Holmes winning 2 gold medals for Great Britain at the 2004 Olympics Games in Athens resulted in a surge of pride and reputational benefits within the South East and Tonbridge in Kent where she grew up (the homecoming parade organised for her return attracted in the region of 30,000 spectators). There is an opportunity for South East residents to support and get behind its "home grown" athletes in order to generate significant pride and reputational benefits for the region.

5.5 Potential Risks and Negative Effects

5.5.1 Failure to Reduce Social Divides

Given the nature of the economic disparities and sporting strengths of the South East (sailing, riding, shooting), 2012 may serve to exaggerate social divides and cynicism unless a message is delivered that speaks as loudly about social and cultural legacy as it does about sport. If plans are delayed or protracted and seen to cause relocation, an escalation in housing prices and congestion, this will be difficult to achieve.

5.5.2 Failure to Increase Participation in Sport

The South East should also be wary of making the assumption that major sporting events necessarily increase participation at a grassroots level. Historically, the legacy effect in encouraging 'Sport for All' has been mixed – whilst Calgary, Los Angeles and Toronto were broadly successful in this regard, Sydney and Manchester were less so – a MORI poll of 2004 indicates that participation in sport actually fell from 52 to 50% in the year after the Manchester Commonwealth Games[15].

Although Manchester is an exception here, it is reasonable to conclude that community participation is likely to be higher where Olympic schemes are focused on areas of the greatest need and where they are in line with the needs and desires of the residents of

[15] Conn, David: *London 2012 Must Learn From Manchester's Mistakes,* The Guardian, November 2005

that area[16]. If the South East fails in this regard, it is hard to envisage a wholesale engagement of its residents.

5.6 SEEDA and Partner Interventions and Activities

Summarised in the table below are some possible interventions which would be employed, together with a view on the South East partners who wouldl be involved and broadly speaking, when action should be taken.

Exhibit 8. Initial Summary of SEEDA and Partner Interventions

No	*Possible Intervention*	*Partners*	*Timescale*
2a	Development of **sports celebratory squares** in key towns and cities within the South East. In doing this: • Influence planning and design of public open spaces. • Involve South East media companies. • Negotiate with LOCOG to have them endorsed and recognised as London 2012 "official". • Seek local partners for sponsorship and delivery support. • Create demonstration projects in advance of 2012. This could target the 2007 Rugby World Cup, 2010 Commonwealth Games, 2010 Football World Cup, other regular major events etc.	GOSE Other ROCG partners	Initiate immediately Develop demonstration projects in advance of 2012 Roll out full suite of projects during 2012 games. Continue projects as legacy.
2b	Stimulate **community engagement with Dorney Lake** and its events – e.g. "visit Dorney days", "Open weekends at Dorney" , "Try Rowing" etc.	GOSE Other ROCG partners	From mid-2006
2c	**Engage and communicate with communities** generally. In doing this: • Develop community focused South East website • Develop Community events (e.g. as for Dorney above) • Regular publications	GOSE Other ROCG partners	From mid-2006
2d	**Engage with local and regional radio and TV** news and press to keep public engaged.	GOSE Other ROCG partners	From mid-2006

[16] McCloy, Cora: *Facilities 'Sport for All and the 2008 Olympic Bid'*, in *The Legacy of the Olympic Games,* The International Olympic Committee , 2002

No	*Possible Intervention*	*Partners*	*Timescale*
2e	**Set up a "Challenge Fund"** for creative Olympic related ideas.	GOSE Other ROCG partners	From mid-2006
2f	**Engage with education** through schools, colleges and universities through existing and newly created Olympic programmes and activities.	GOSE Other ROCG partners	From mid-2006
2g	Continue to grow and develop the South East London 2012 **volunteer base**.	GOSE Other ROCG partners	Immediate

6. Sub-group 3: Sports Sector Capacity

6.1 Introduction

It was agreed at the inaugural South East Regional Olympic Co-ordinating Group meeting on 29th November that the Sports Sector Capacity sub-group would be led by Sport England South East.

The core theme of this sub-group is to use the London 2012 Olympic and Paralympic Games as a catalyst for building capacity within the sports sector throughout the South East region. This will include improving the provision of physical facilities at all levels, as well as increasing the numbers of sports coaches, managers, volunteers, sports scientists and so on, to cater for the potential increase in sports participation.

This section is structured to set out the broad scope and evidence from research of the potential opportunities that exist, the South East's major competition and training facilities and allied campus universities, and the potential benefits and negative effects that have been identified. Finally, we have identified an initial set of interventions to be led by Sport England South East and its respective sub-group partners.

6.2 Background and General Evidence of Opportunities

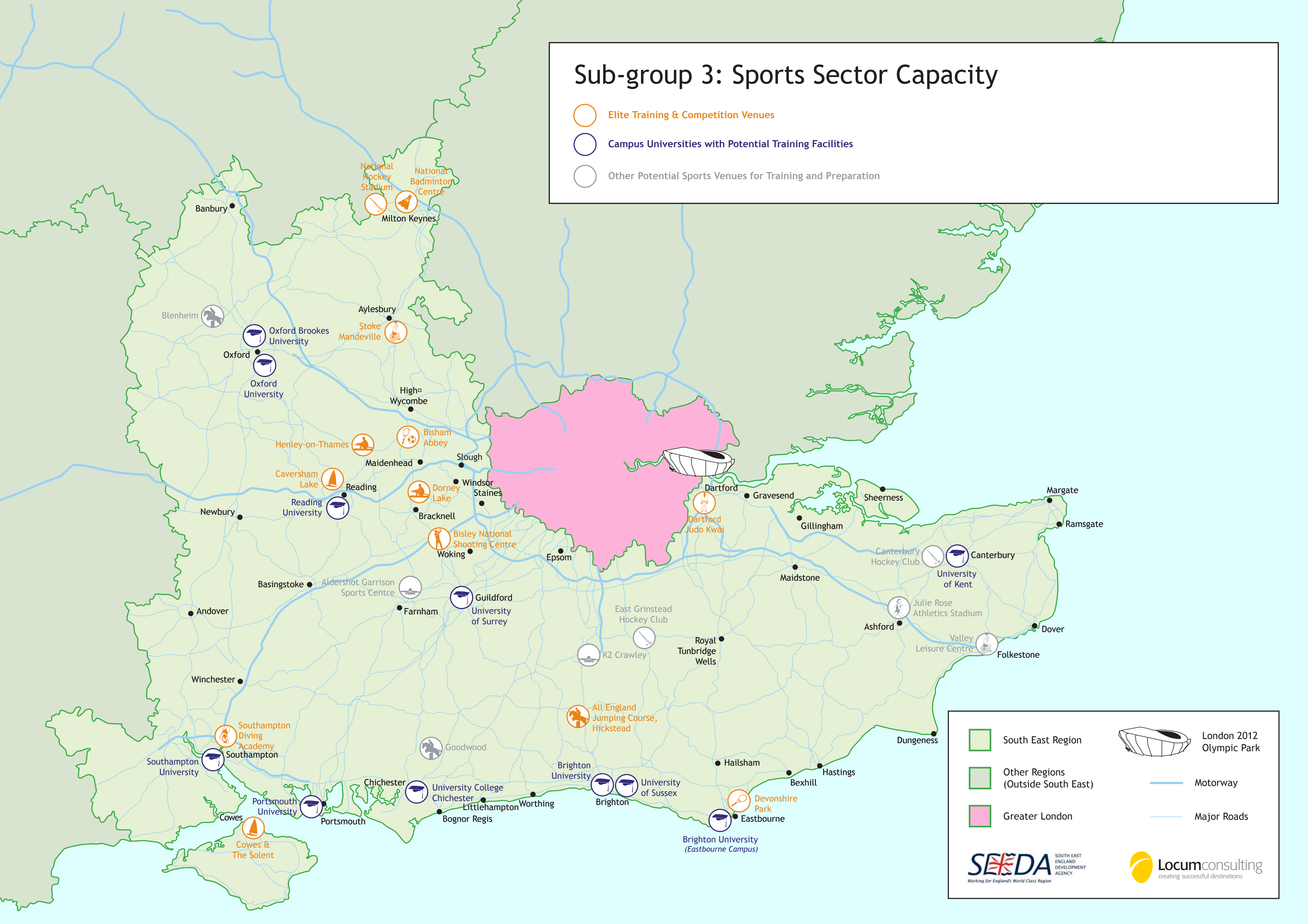
The most enduring success of sports facilities developed for major events have been those completed with a pre-conceived legacy in mind. The Manchester Commonwealth Games were a success in this regard, the athletics stadium becoming the new home of Manchester City Football Club and the aquatics centre transformed into a popular community facility. This procedure has also been successfully implemented in North America - in Atlanta, for example, a major franchise was agreed with the Atlanta Braves prior to the construction of the main stadium.

In general however, major new developments for the Olympics struggle to maintain economic profitability post-games due to the logistics involved in downsizing and retaining mass participation. Many facilities are wrongly targeted for elite use post games. Sydney, generally seen to one of the most successful Games of all time, is a case in point here – its main arena continues to lose money as a multi-use facility whilst the shooting venue, constructed as a permanent fixture, is greatly under-used.

As such, the major opportunities for South East sports facilities will arise through the increased use and profile of its existing facilities as training camps and bases for community engagement. Literature relating to the impact upon peripheral facilities in this sense is limited. Any new developments for the Olympics must be able to retain interest in the post 2012 period.

6.3 South East Competencies

The South East's major sports competition and training facilities are illustrated in the map overleaf and described in the following paragraphs.


Sub-group 3: Sports Sector Capacity
Elite Training & Competition Venues
Campus Universities with Potential Training Facilities
Other Potential Sports Venues for Training and Preparation
National Hockey Stadium
National Badminton Centre
Milton Keynes
Banbury
Blenheim
Oxford Brookes University
Oxford
Oxford University
Aylesbury
Stoke Mandeville
High Wycombe
Henley-on-Thames
Bisham Abbey
Maidenhead
Slough
Caversham Lake
Reading
Reading University
Dorney Lake
Windsor
Staines
Bracknell
Newbury
Bisley National Shooting Centre
Woking
Epsom
Basingstoke
Aldershot Garrison Sports Centre
Farnham
Guildford
University of Surrey
Andover
Winchester
Southampton Diving Academy
Southampton
Southampton University
Goodwood
Chichester
University College Chichester
Littlehampton
Worthing
Bognor Regis
Portsmouth University
Portsmouth
Cowes
Cowes & The Solent
Brighton University
University of Sussex
Brighton
All England Jumping Course, Hickstead
East Grinstead Hockey Club
K2 Crawley
Royal Tunbridge Wells
Dartford
Dartford Judo Kwai
Gravesend
Gillingham
Sheerness
Margate
Ramsgate
Canterbury Hockey Club
Canterbury
University of Kent
Maidstone
Julie Rose Athletics Stadium
Ashford
Dover
Valley Leisure Centre
Folkestone
Dungeness
Hailsham
Hastings
Bexhill
Devonshire Park
Eastbourne
Brighton University (Eastbourne Campus)
South East Region
Other Regions (Outside South East)
Greater London
London 2012 Olympic Park
Motorway
Major Roads
SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region
Locumconsulting
creating successful destinations

6.3.1 Sports Competition and Training Facilities in the South East

As highlighted on the map, the South East offers a wealth of world-class sports facilities capable of operating as elite training and competition venues prior to 2012 with particular strengths in equestrian, sailing and rowing. These include:

- Cowes and the Solent (sailing)
- All England Jumping Course, Hickstead (show jumping)
- National Shooting Centre, Bisley
- Devonshire Park, Eastbourne (tennis)
- Caversham Lakes (rowing)
- Henley-on-Thames (rowing)
- Dorney Lake, Windsor (rowing)
- Bisham Abbey National Sport Centre (tennis, squash, hockey, football, rugby, gym, sailing)
- National Badminton Centre, Milton Keynes
- National Hockey Stadium, Milton Keynes
- Southampton Diving Academy
- Dartford Judo Kwai
- Stoke Mandeville (Paralympic sports)

There is a particularly concentrated cluster around Reading, Windsor and Maidenhead encompassing Dorney, Caversham, Henley, Bisham Abbey and Bisley. Stoke Mandeville is one of the most significant and comprehensive disabled sports venues in the country and will be a central focus for the Paralympic Games.

A potential support role exists for other non-elite sports facilities of outstanding quality and at the major universities with both suitable facilities and extensive accommodation stock. These include:

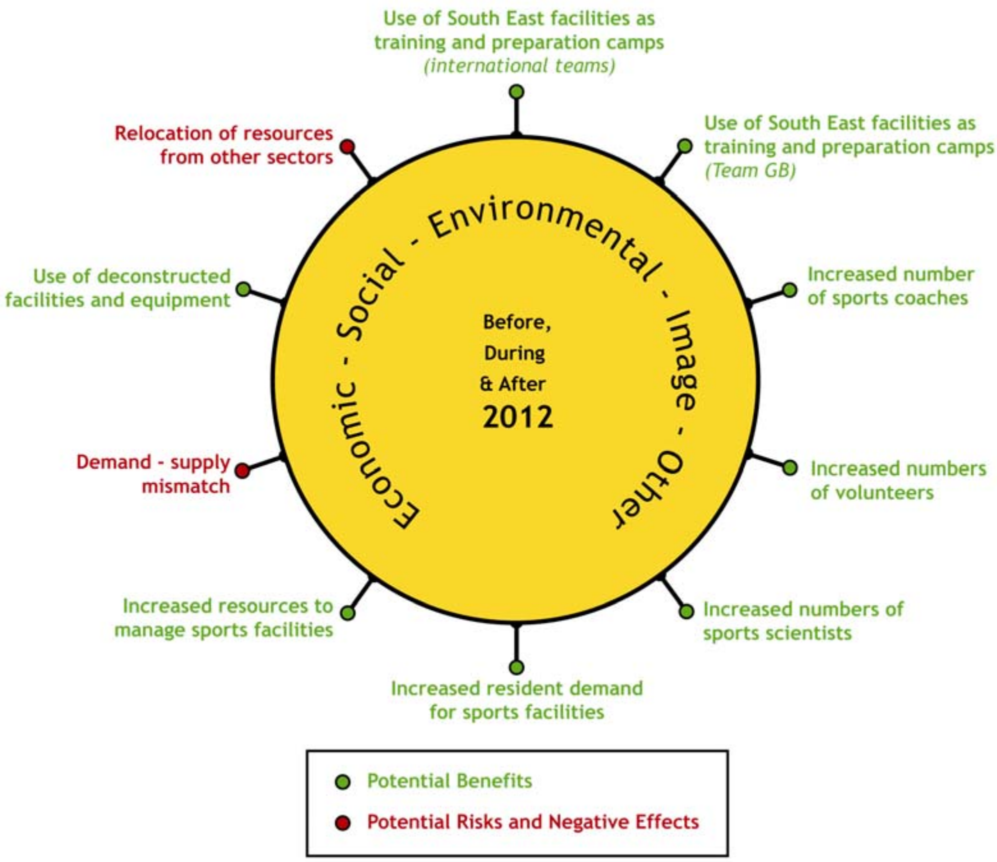
- Blenheim (equestrian)
- Goodwood (equestrian)
- East Grinstead Hockey Club
- Valley Leisure Centre (paralympic sport)
- Julie Rose Athletics Stadium (athletics)
- Canterbury Hockey Club

- 50m Swimming Pools at Crawley and Aldershot.
- Major Universities: De Montford University, University of Buckingham, University of Portsmouth, University of Southampton, University of Kent, Oxford Brookes University, Oxford University, University of Surrey, University of Sussex, Brighton University, University of Chichester.

6.4 Potential Benefits

Summarised below are the potential Sports Sector Capacity benefits which could be realised by the South East. The diagram also notes the potential negative effects which are described in section 6.5.

Exhibit 9. Summary of Sports Sector Capacity Impacts



6.4.1 Use of Sports Facilities for Training and Preparation Camps for International Teams

Attracting international teams to the South East is an enticing proposition, but one that should be approached rationally. Direct economic gain associated with the use of facilities and the activity of athletes and press is likely to be minimal and potentially negated by additional costs arising from security, limitations to community use etc. Nonetheless, a well-managed offer to international teams may generate the following benefits:

- Kudos of hosting international teams within the region and utilising facilities.
- Ability to capitalise on visiting international teams by staging associated events, engage international athletes in community and school programmes, increase interest in sport, raising awareness of the facilities and the Olympics etc.
- Marginal economic benefit resulting from the visitor international teams – although this is likely to be negligible, there could be greater knock-on economic effects resulting from stimulated events etc.

To capitalise on this opportunity each facility must comply with a set of technical specifications (currently being developed by Sport England) and be accredited by LOCOG. The support infrastructure linked to these facilities will also be important, e.g. accommodation provision and supporting services, transport and proximity to UK gateways, etc.

It is important to note that the decision to be made by international Olympic teams to base themselves in the South East could well be influenced by additional factors such as:

- Existing cultural links between the South East and overseas countries, e.g. the Isle of Wight and its international links through the Island Games, twinned towns and regions; Kent through its Zanzibar links.
- Quality of the tourism products and experience offered in the South East which will support visits. For example, the iconic visitor attractions, the exceptional coastline and landscapes, the history and heritage of towns and cities, the cultural event programmes, and so on.

While the short-term use of these types of facilities is important to reinforce the credibility and competencies of South East in a reputational sense, the physical improvements will provide tangible assets upon which to attract longer-term use for elite and non-elite training and competitions. Care should be taken not to plan capacity (for facilities, accommodation, transport, etc.) on the basis of the sudden increase in demand generated by the Games – which is necessarily temporary and, in almost all cases, short-lived.

Other UK regions, Scotland, Wales, Northern Ireland, Ireland and France are thought to be positioning themselves strongly to compete to host international teams.

6.4.2 Use of Sports Facilities for Team GB Training and Preparation

Clearly the GB Olympic team are likely to utilise the best sports training facilities within the UK for its own training and preparation. Given that the South East is home to a large proportion of the UK's elite venues it is likely that GB athletes will be regularly training within the region.

Although GB athletes will be squarely focused on their training, there is perhaps a more realistic opportunity to engage Team GB athletes in community related activities in the lead up to London 2012 than international athletes e.g. involving them in allied events, launches, school and community visits, and so on. This could have a positive effect on increasing the utilisation of local sports facilities by stimulating short-term increases in participation, and assist in attracting greater levels of investment.

6.4.3 Increased Sports Participation Leading to Sector Capacity Benefits

One of the primary objectives of staging the 2012 Olympics in London is to increase participation in sport at all levels in the UK. Interestingly, recently published research illustrates that participation levels in sport have remained relatively unchanged in the last 10 years despite increased investment from the UK lottery.

If this objective is achieved, the South East could see a marked increase in participation levels in the build up to 2012, during 2012, and in subsequent years. Local sport and recreation facilities and private membership clubs will be the main beneficiaries.

This benefit will materialise through the increased level of participation and result in greater levels of spend and jobs within the sports sector. Importantly however, the additional economic benefit to the South East may well be negligible given that the effects will have been displaced from other sectors in the region.

To capitalise on these effects, the South East's capacity to support the increased demand needs to be increased in the following areas:

- Physical capacity of sports facilities
- Number and quality of coaches, training staff, volunteers, sports scientists etc. within the sector
- Resources to manage sporting facilities and programmes

Additionally, there could well be an increase in the demand for sports related undergraduate and post-graduate courses in the South East as more people are drawn towards the sector for long-term careers.

6.4.4 Deconstructed Olympic Facilities and Sports Equipment

Depending on the way in which venues and facilities in the Olympic Park are planned and developed, there may be an opportunity for some of the competition venues (e.g. temporary arenas) and sports equipment to be distributed throughout the country. The way in which these are distributed has not yet been confirmed but the South East may decide to bid for some moveable facilities to fill current gaps in provision.

6.5 Potential Risks and Negative Effects

6.5.1 Failure to Match Longer-Term Demand for Sports Facilities with Supply

There is a danger that London 2012 will generate sporadic investment in sports facilities aimed at catering for relatively short-term demand, and that the facilities will be under-utilised and become a significant drain on public sector resources over the longer term, if participation levels do not increase.

It is vital that the longer term demand for facilities is well rehearsed and understood and that a co-ordinated and strategic approach to investment is taken.

6.5.2 Sports Facilities Investment Draws Resources From Other ectors

There is a further threat that investment is drawn away from existing development plans and towards sports facilities development.

6.6 SEEDA and Partner Interventions

Summarised in the table below are some possible interventions which would be employed together with a view on the South East partners who will be involved and broadly speaking, when action should be taken.

Exhibit 10. Initial Summary of SEEDA and Partner Interventions

No	*Intervention and activity*	*Partners*	*Timescale*
3a	**Review of South East facilities and universities** and response to London 2012 technical requirements for international training and competition venues.	Sport England South East Other ROCG partners	TBC
3b	Build and deliver **Paralympic sports programmes** in lead up to London 2012, capitalising on Stoke Mandeville, Buckinghamshire.	Sport England	Continuous
3c	Explore ways in which to celebrate the Olympic dimension within **local sports centres**.	Sport England South East	
3d	Identify and capitalise on **major sporting events** in the South East in the lead up to London 2012 which provide a stepping stone for sector capacity building e.g. 2006 World Rowing Championships.	Sport England, SEEDA, Tourism South East, Culture South East	Continuous (Jan-06 onwards)
3e	In support of this, an **assessment of the impacts** (economic, social and environmental) resulting from the **2006 Rowing Championships** should be undertaken to measure effects, assist future forecasting and guide future investment decisions.	Sport England, SEEDA	Prepare and undertake study (Mar-06 to Aug-06)
3f	Build **volunteer programme** and capacity within the sports sector – to increase normal capacity levels and support one-off demand for local, regional and national sporting events.	Sport England	Continuous
3g	Pursue **Section 106 planning** gain for sport facility and infrastructure investment.	Sport England SEEDA GOSE	Continuous
3h	**Review opportunities for capitalising on sports which are not currently represented by Team GB.** Identify sports, develop facilities and programmes.	Sport England South East Other ROCG partners	TBC

7. Sub-group 4: Visitor Economy

7.1 Introduction

It was agreed at the inaugural South East Regional Olympic Co-ordinating Group meeting on 29th November that the Visitor Economy sub-group would be led by Tourism South East.

The core theme of this sub-group is to use the London 2012 Olympic and Paralympic Games as a catalyst for growing the South East's tourism and visitor economy capacity and to generate a step change in the scale of tourism business primarily during and after the Olympic games in 2012.

This section is structured to set out the broad scope and evidence from research of the potential opportunities that exist, the South East's major tourism assets, and the potential benefits and negative effects that have been identified. Finally, we have identified an initial set of interventions to be led by Tourism South East and its respective sub-group partners.

7.2 Background and General Evidence of Opportunities

Tourism revenue generated by the London 2012 Games is the most apparent of all the longer-term potential benefits. In a report published by Price Waterhouse Coopers in December 2005, it is estimated that the overall increase in gross value added for tourism to London between 2005 and 2016 will be in the region of £244 million for London and £518 million for the UK as a whole[17]. Given its geography and attributes, the South East is well positioned to receive a significant proportion of this.

That said, the notion of establishing a tourism legacy through the Olympics is relatively new and inconsistent in its longevity. On the whole, it is likely that increases in the visitor economy will be short-term unless investment in infrastructure serves to unlock capacity and is focused on those areas that are in themselves competitive as major tourist destinations (irrespective of the Games). Having concentrated its tourism investment on the waterfront at Port Vell and key destinations like Las Ramblas, **Barcelona** was hugely successful in this regard and the Games are credited as a key factor in establishing Barcelona as a top five European city destination.

Moreover, and perhaps out of SEEDA's control, a prolonged tourism boom is only likely if the Games are seen internationally as a 'success'. This is particularly significant to the events and conferences sector - the only tourism market that remains at consistently high levels after the Games. For example, whilst **Montreal** was a financial disaster, it was largely seen as a sporting success - resulting in a sustained increase in conferencing and

[17] *Olympic Games Impact Study*, Price Waterhouse Coopers, December 2005

events business for the city. **Atlanta** on the other hand was criticised on grounds of logistics and security and failed to harness such an impact.

The hotel market is likely to receive the greatest boost – in Barcelona room supply doubled whilst Atlanta, Seoul and Sydney witnessed an average increase of 35% alongside an average daily rate charge increase of 22.6%[18].

In terms of leveraging long-term international attention pre, during and post Games, **Sydney** provides the best practice model for SEEDA. Initiatives included a Visiting Journalists Programme, an Olympic Media Programme, a Sponsor Relations Programme and an Industry Relations Programme, which broadened the scope of the visitor market and focused attention on the nation as a whole rather than Sydney alone.

Sydney 2000 was also successful in negating aversion effects. Whilst **Los Angeles** suffered a 'stay away' impact caused by visitor perceptions of overcrowding, Australia launched a campaign in 1999 to mitigate a similar phenomenon – adopting a slogan of 'Australia: Fun and Games' to portray an image of excitement and festivity rather than congestion during Olympic year. During 2000, arrivals into Australia, with Sydney as the number one destination increased by 11.1%[19]. In a survey conducted by the SOCOG in 2000, 28% of Olympic visitors stated that they would 'definitely' return within three years, whilst a further 32% said they would 'probably return'[20].

In terms of pre and post Games touring, opportunities for the South East are somewhat limited. Olympic travellers visit host nations first and foremost to watch the Games; everything else is incidental. Moreover, the majority are not free and independent travellers and are constrained by time. However, Australia has been successful in ensuring that a positive image is translated to potential future and return visitors through an active 'follow up' campaign incorporating a brand audit to survey how the Olympics has impacted upon the visitor economy and a renewed advertising push to retain focus on the nation.

[18] *Reaching Beyond the Gold,* Report by Jones Lang Lasalle, 2001.

[19] *Reaching Beyond the Gold,* Report by Jones Lang Lasalle, 2001.

[20] Brown, Graham, *The Impact of Olympic Sponsor Hospitality on Tourism and Business to Business Relationships,* in *The Legacy of the Olympic Games,* The International Olympic Committee , 2002

7.3 South East Competencies

The map overleaf highlights the competencies of the South East on the basis of visitor attractions (the top ten paying attractions in terms of visitor numbers), major cultural and historic centres, areas of natural significance and major sporting and cultural events.

Sub-group 4: Visitor Economy
Top Performing Visitor Attractions (paying)
Major Cultural Events
Major Cultural/Historic Centres
Stadiums with Major Event Capacity
Major Sporting Events
AREAS OF PARTICULAR NATURAL SIGNIFICANCE
South East Region
Other Regions (Outside South East)
Greater London
London 2012 Olympic Park
Motorway
Major Roads
SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region
Locum consulting
creating successful destinations
COTSWOLDS
CHILTERNS
SURREY HILLS
KENT DOWNS
WHITE CLIFFS
SOUTH DOWNS
NEW FOREST
Milton Keynes Bowl
Milton Keynes
Banbury
Aylesbury
Blenheim Horse Trials
Oxford
High Wycombe
Legoland
Windsor Castle
Henley Regatta
Maidenhead
Slough
Reading Music Festival
Reading
Madejski Stadium
Newbury
Royal Ascot
Windsor
Staines
Thorpe Park
Bracknell
Wentworth Golf
Sandown Races
Chessington World of Adventures
Sunningdale Golf
Woking
Wisley Garden
Epsom
Epsom Races
Basingstoke
Aldershot
Guildford
Farnham
Andover
Dartford
Gravesend
Sheerness
Margate
Ramsgate
Gillingham
Brands Hatch
Leeds Castle
Maidstone
Canterbury
Canterbury Cathedral
Royal St. George's Open Golf
Hop Farm Country Park
Ashford
Dover
Folkestone
Tulley's Farm
Royal Tunbridge Wells
Wakehurst Place, Ardingly
Hickstead Show-jumping
Winchester
Paulton's Park
International Cricket
Rose Bowl
Southampton
St Mary's Stadium
Royal Victoria Country Park
Cowes
Cowes Week
Isle of Wight Music Festival
Great South Run
Portsmouth
Goodwood Festival of Speed
Chichester
Chichester Festival
Arundel
Littlehampton
Bognor Regis
Worthing
Brighton Festival
Brighton
Falmer Stadium (2008 completion)
Lewes
Glyndebourne
Hailsham
Bexhill
Hastings
International Tennis
Eastbourne
Dungeness

7.3.1 Visitor Attractions

The South East possesses a wealth of exceptional visitor attractions, a number of which are of international repute (Windsor Castle, Canterbury Cathedral, Legoland etc). Significantly, the majority are summer focused and outdoor-orientated and therefore offer an appeal beyond the museums, galleries and churches of London. Most are also within 1 / 1.5 hours of the Olympic site and as such well positioned to attract international Olympic visitors on a limited time–scale (as is usually the case) but a desire to see beyond London, as well as London residents looking to 'escape' the capital. Domestic and international tour operators may seek to incorporate several such day trips into Olympic itineraries and the attractions should seek to present themselves as desirable options in this regard. Marketing at the major gateways will be crucial and for those with appropriate facilities, hosting Olympic events and conferences pre 2012 is an option.

7.3.2 Major Cultural / Historic Centres

Brighton, Canterbury and Oxford are the South East's premier cultural and historic centres. They are vibrant cities of established and marketable tourism pedigree and offer attractions across a range of sectors.

7.3.3 Major Events

Concentrated in the summer, the South East offers an events programme of greater depth than any region outside of London. International sports events take place annually in non-Olympic activities at venues such as Wentworth, the Rosebowl and Brand's Hatch and in Olympic sports at, for example, Cowes, Blenheim and Henley. The Isle of Wight and Reading festivals attract over 100,000 visitors annually and the Brighton Festival is the largest of its kind in the UK after Edinburgh.

7.3.4 Areas of Particular Natural Significance

The South East boasts a higher proportion of nationally protected landscape designations than any other part of the country – 27% of the region's total area, including the Cotswolds, the Kent Downs, the Chilterns, the South Downs, the White Cliffs of Dover and the New Forest.

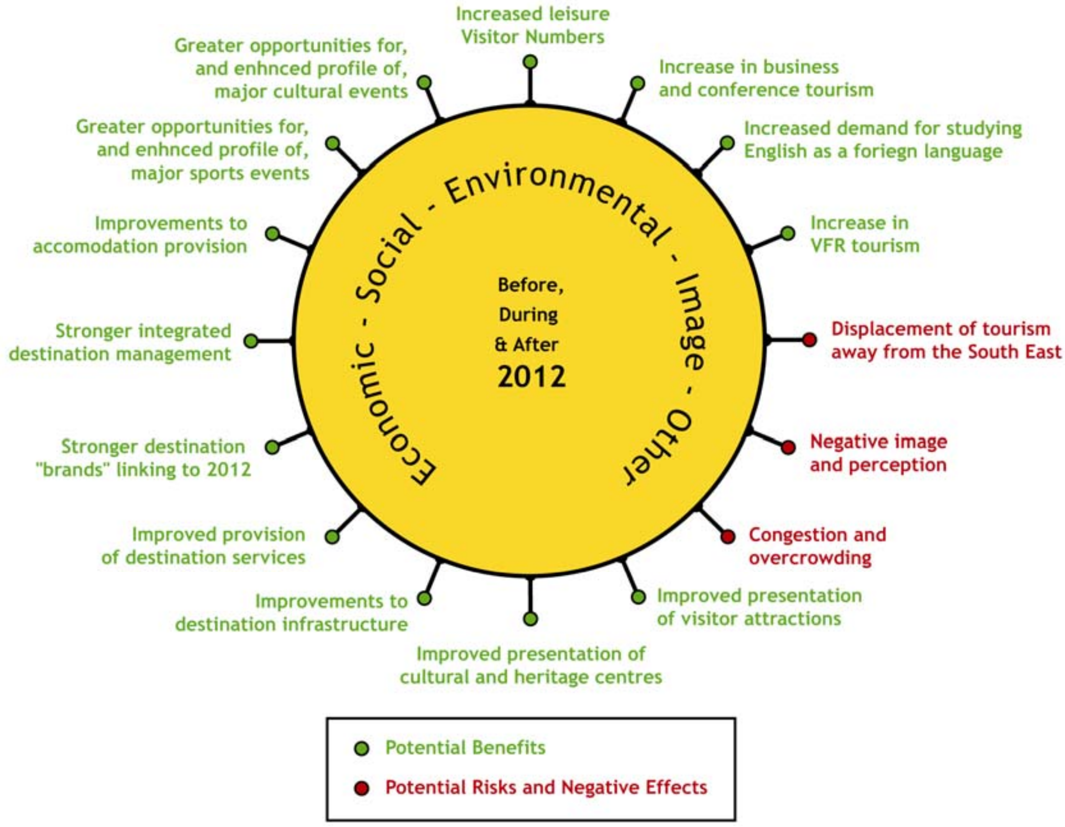
7.3.5 Stadiums with Major Events Capacity

The South East has a number of stadiums capable of hosting major events (sport, concerts, exhibitions etc). The majority are modern and state of the art - St Mary's Stadium, Southampton; The Madejski Stadium, Reading and the Rose Bowl, Southampton were all completed post 2001. The 22,000 capacity Falmer Stadium at Brighton is due for completion in 2008.

7.4 Potential Benefits

Summarised below are the potential Visitor Economy benefits which could be realised by the South East. The diagram also notes the potential negative effects which are described in section 7.5.

Exhibit 11. Summary of Visitor Economy Impacts



7.4.1 Benefits to the South East Visitor Economy Generally

The potential increase in visitors (day trips and staying) to the South East before, during and after 2012, could generate a significant additional economic impact. This will cover direct, indirect and induced economic effects which result from *additional* visits being attracted into the region and the associated *additional* economic activity. This will have the knock on effect of attracting greater investment into the quality and overall provision of tourism products in the South East.

These economic benefits are likely to be accentuated during the year of the Games. However, by capitalising on the global exposure associated with the Games, potential exists to perpetuate these benefits by developing and marketing a comprehensive post-Games tourism offer (building on existing assets within the South East). The long-term tourism legacy for the region will tend to focus on the image and branding benefits that come as a result, a lasting increase in the meetings / incentives / conferencing market, and an improved capacity to host future events.

The priorities within this sector will be derived from the overarching Tourism Strategy for the region and the work currently being undertaken by Tourism South East.

At Locum, we believe that there are five key components which make up a successful destination and critically if one of these is absent or insufficiently developed, the long-term success and sustainability of the destination is put at risk. These components are illustrated and discussed below to draw out the main beneficiaries within the visitor economy sector.

Exhibit 12. Locum Destination Theory ©

- ***Attractors –*** which help to create awareness of the destination and attract market interest. In terms of London 2012, the actual Games themselves are arguably the biggest *attractor*. But in addition to the Games, there is a huge programme of other *sporting* and *cultural* events and projects in the build-up to the Games, as well as during and after. These will also provide significant market interest and attraction. One of the key issues to be addressed is how these *attractors* can develop and morph into viable propositions at different stages in the lifecycle of the Games.
    - **Visitor attractions** the top performing attractions in the South East are: *Legoland, Windsor; Canterbury Cathedral; Windsor Castle; Wisley Garden, Surrey; Paultons Park, Hampshire; Tulleys Farm, West Sussex; Hop Farm Country*

Park, Paddock Wood, Kent; Wakehurst Place, Ardingly, West Sussex; Royal Victoria Country Park, Netley Abbey, Southampton; Leeds Castle, Maidstone, Kent.

- **Heritage and culture** as presented in the prominent cities and rural areas in the South East, e.g. Oxford, Canterbury, Brighton, internationally recognised natural heritage – the South Downs, White Cliffs, Chilterns, etc.

- ***Infrastructure*** – which helps create a sense of place and ensure the smooth operation of the destination. This includes transport, parking, signage, interpretation, public realm, public spaces, user amenities and so on. Importantly, the *infrastructure*, in a similar way to the *attractors*, needs to be able to service the needs of varying audiences and markets during the complex stages before, during and after the Games.

- ***Services*** – which cater to the needs of all stakeholders (visitors, businesses, residents, etc) and help in the creation of activity and ultimately increase revenues. These will include hotels, restaurants, cafes, bars, shops, as well as the day-to-day servicing of the *attractors* and *infrastructure* such as security and maintenance.

- ***Destination Brand*** – which captures all of these elements of the destination experience, the 'perception of place', to present it to its markets. A successful destination brand articulates ambition, raises perceptions and expectations, and delivers on this promise. The value of *London 2012* as a brand significantly diminishes after the Games has been staged, after which a new brand (or set of brands) will be required to support the subsequent legacy propositions and the South East tourism legacy will need to rely on existing and newly inspired brand propositions.

- ***Integrated Destination Management*** – continued success and-long-term sustainability of a destination demands an holistic management approach to planning, development, operations, brand management, marketing, customer care, etc. In terms of delivering the Games itself, the integrated management is relatively straightforward with LOCOG and the ODA leading. However, the management of the post-Games legacies is altogether more complex and unsettled. The organisation and governance arrangements for post-Games legacies which was set out in the bid documentation and which has been further articulated since, needs to be seriously questioned.

7.4.2 Accommodation Providers

The South East is in a good position, particularly given its proximity to London, to benefit significantly as an accommodation dormitory for the London Olympics. The key audiences before, during and after are listed below. The hotel market is likely to receive the greatest boost, as evidenced in Barcelona, Atlanta, Seoul and Sydney. It is reasonable to assume that hotel providers in the South East in key centres, within close proximity of Olympics facilities and within a 30-minute to 1-hour travel-time of London can expect a similar boost. Maintaining this trend will depend upon the success of the tourism legacy.

During the build up to London 2012, the key audiences will be:

- **International media** on scouting missions to the UK.
- **International Olympic teams** on preparation and acclimatisation trips to the UK.
- Additional **domestic and international leisure tourists** attracted as a result of increased marketing, the developing of cultural programmes and so on.
- Additional **domestic and international business tourists** attracted as a result of the London 2012 business opportunities.

In the immediate build-up to, and during the London 2012 Olympic Games themselves, the key audiences will be:

- **International media preparation teams** (proximity to the Olympic Park will be vital). Therefore, well connected towns in North Kent and areas lying within say, 30 minutes travel distance to the Olympic Park.
- **Support teams** for competing countries who are either not able, or decide not to, stay in Greater London.
- **Domestic and overseas leisure tourists as spectators.**
- **Domestic and overseas business tourists** attracted to events programme alongside the 2012 Olympics.

After the London 2012 Olympics, the key audiences will be:

- Additional **domestic and overseas tourists** (leisure and business) which result from the significant additional marketing and awareness raised by the 2012 Olympics.

7.4.3 Business and Conference Tourism

Of all potential tourism sectors, business and conference tourism has the greatest durability both pre and post Games. Tourism South East foresee this as being initiated as early as mid 2006 lasting until mid 2012. If the region is successful in nurturing international links around a Business Club and website, there is potential for an even longer legacy effect, as has been the case in Sydney.

7.4.4 Benefiting from Students Studying English as a Foreign Language

The South East is one of the UK's leading areas for students studying English as a Foreign Language (Brighton, Eastbourne, Hastings, Oxford). London 2012 and its associated international profile offers the opportunity to enhance this base, perhaps as early as 2007, and may, for example, incorporate potential athletes wishing to combine studies with training. Major competing Asian nations (Japan, China, Korea) are significant potential markets.

7.4.5 VFR (Visiting Friends and Relatives) Markets

Already an expanding sector, it is important to note that the number of VFR tourists is likely to increase sharply immediately prior to and during 2012. The support structure therefore needs to be in place (e.g. marketing, tourist information, linking to London 2012 etc.) to ensure optimum benefit from this visitor type.

7.4.6 South East Hosts or Ambassadors for International Visitors

There is an opportunity for residents in the South East to host international leisure visitors or individuals competing as part of international teams. Existing links between areas in the South East and overseas countries could provide the initial hook to attract these potential visitors, e.g. the South East has arts-related links with Zanzibar. However, support will be required to build these relations and ensure compliance of standards etc. LOCOG is likely to have some form of accreditation scheme to address this.

7.4.7 Major Events Programming

The London 2012 Olympics provides a stimulus for growing the South East major events programme - particularly in respect of sporting and cultural events.

Major Sports Events

The South East's experience of attracting major footloose events and growing indigenous events is strong, e.g. International Rowing Championships, Royal Ascot, International Horse Shows, Great South Run, to name but a few.

The existing sports infrastructure and the likelihood of potential enhancements as a result of the Olympics will provide greater opportunities to continue to attract national and international events to the region. In turn, this can have significant knock-on effects in terms of image and reputation, associated and allied business events and so on.

The competition from other regions to host major footloose sporting events in the lead up to London 2012 will grow – although there will be test events occurring at Dorney Lake and potentially Bisley, as prerequisites to London 2012.

Major Cultural Events

There is a particularly strong opportunity to expand and develop the cultural event programme in the South East, building on the notable current programme, e.g. Glyndebourne opera season, Brighton festival, Chichester Festival, etc.

Experience demonstrates that cultural legacy from staging the Olympics has been more powerful where the Games itself or its allied events programme has been given a 'theme' of local relevance that is not necessarily based on sport. If derived locally, these messages and themes can outlast the Games and form the basis of much longer term cultural programming downstream.

Major event "milestones" in the lead up to 2012, during Olympic year and post-2012 provide an opportunity and "hook" for the South East to develop its own programme of cultural events. These may be existing events within the South East or major international events which the South East can tap into.

For example, in 2008 Liverpool becomes the European Capital of Culture. Brighton, Canterbury and Oxford in the South East (candidates for the 2008 award) are three out of nineteen urban areas across the UK which will share in the Millennium Commission's £19.5m funding allocation for the Urban Cultural Programme. This major milestone (coinciding with Beijing 2008) provides a significant opportunity to promote these cities to international audiences. Other major milestones in the lead up to 2012 provide similar opportunities and assist in influencing international markets.

The benefits associated with major cultural events are wide-ranging and they are often hard to quantify, e.g. quality of life, image, perception and reputation, etc.

7.5 Potential Risks and Negative Effects

7.5.1 Displacement of Tourism

In addition to the raft of potential benefits to accommodation-providers, the South East may well experience a decrease in tourism as a result of displacement or the negative effects of staging the 2012 Olympics. Significant numbers of international tourists are likely to choose not to visit the host city during the year of the Olympics because of the perceived overcrowding and other off-putting factors.

The South East could use this to its advantage and seek to encourage visitors who might have planned to stay in London, to stay in the South East region and day-trip into London using the fast-link public transport services.

7.5.2 Negative Image and Perception

The branding and image benefits of the Games can be relatively limited in a city like London that is already a well-recognised 'World City'. That is not to say that the South East cannot benefit significantly in this regard. It is of particular importance, however, to avoid projecting negative images, for example through logistical and transport problems, security scares and, critically, lack of resident support for the Games. Atlanta and

Barcelona provide contrasting examples of how a city's image can be damaged or enhanced by the Games.

7.5.3 Congestion and Overcrowding

The scale and concentration of the Olympic Games presents a potential threat of overcrowding and congestion, which in turn can have negative image and perception effects and negative effects on businesses operating in the South East (e.g. haulage, etc). This will be particularly prevalent during the 4-week Games itself and is recognised widely as the "crowding out" phenomenon. The South East already has an image of being overcrowded and expensive. It is essential that measures are pursued to mitigate this view and to negate the 'stay away' effect – felt particularly strongly by Los Angeles.

7.6 SEEDA and Partner Interventions

Summarised in the table below are some possible interventions which would be employed together with a view on the South East partners who will be involved and broadly speaking, when action should be taken.

Exhibit 13. Initial Summary of SEEDA and Partner Interventions

No	*Possible Intervention*	*Partners*	*Timescale*
4a	Seek to **play a major role in the development of the National Tourism Strategy for 2012**. The South East should seek representation into the process as this currently appears to be heavily focused on London.	Tourism South East Other ROCG partners	Immediate
4d	Prepare **South East Tourism Strategy for 2012**	Tourism South East Other ROCG partners	Immediate
4e	Review and **track research** and assessment about markets before, during and after 2012.	Tourism South East Other ROCG partners	Ongoing
4f	Develop programmes and activities to engage and capitalise on **Language Course centres** (for foreign students) in the South East i.e. Brighton, Hastings etc.	Tourism South East Other ROCG partners	Immediate
4g	Initiate development of **"Olympic packages"** for the South East	Tourism South East	Medium term – say, post 2008
4h	Review opportunity to develop **Olympic related attraction** in South East.	Tourism South East	Mar-06 onwards
4i	Review South East Olympians and consider development of **South East Olympian trails** or integrating into facilities / infrastructure design and development e.g. sports infrastructure, transport infrastructure etc.	Tourism South East	Mar-06 onwards
4j	Develop **Major Events Strategy for the South East** to cover all sectors – sport, business, culture., arts, media etc. This will embrace the current sector strategies e.g. Major Sport Events Strategy	Tourism South East SEEDA & Sector representatives	Mar-06 to Dec-06

8. Sub-group 5: Transport Infrastructure and Gateways

8.1 Introduction

It was agreed at the inaugural South East Regional Olympic Co-ordinating Group meeting on 29th November that the Transport Infrastructure and Gateways sub-group would be led by the South East Regional Assembly.

The core theme of this sub-group is that the London 2012 Olympic and Paralympic Games can provide a means of facilitating transport and infrastructure improvements within the South East region. Unlike the other sub-groups, future plans for Transport Infrastructure and Gateways within the South East will be largely unaffected by London 2012 given the long lead times required to develop and deliver such projects. It is therefore more likely that local infrastructure improvements will be facilitated.

This section is structured to set out the broad scope and evidence from research of the potential opportunities that exist, the South East's major Transport Infrastructure and Gateways, and the potential benefits and negative effects that have been identified. Finally, we have identified an initial set of interventions to be led by the Regional Assembly and its respective sub-group partners.

8.2 Background and General Evidence of Opportunities

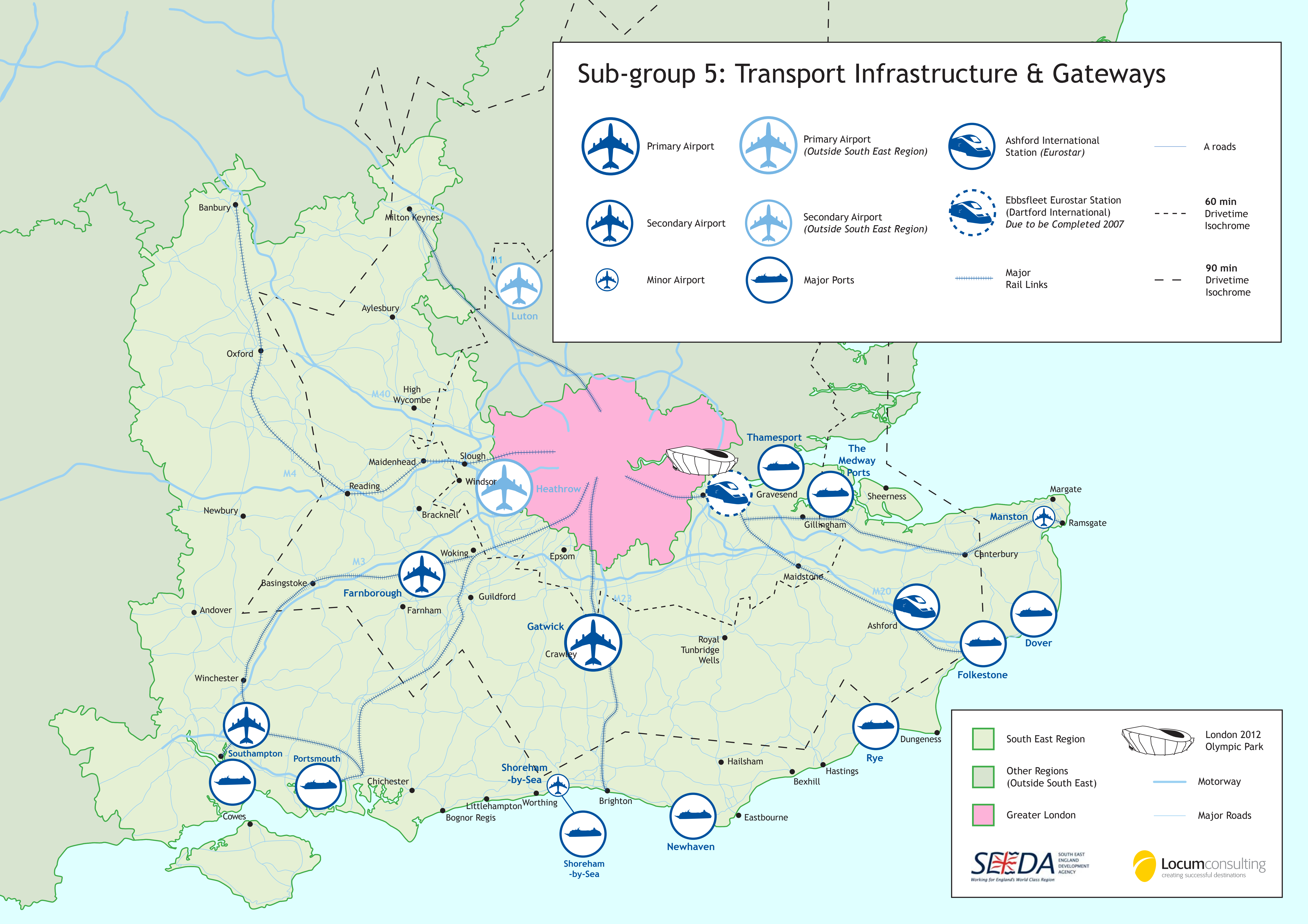
The extent to which transport infrastructure is effected by the staging of an Olympic Games is well known, but heavily focused in and around the Olympic competition venues, competitors village and the media centres. The capital budgets for infrastructure development (set out in 4.2.3) will be spent in this focused way. One of the critical factors to be considered by the South East is the fact that the infrastructure development will draw resources away from the UK regions towards London – thus potentially creating a negative net impact to areas outside of London.

The *Economic Impact of the London 2012 Olympics* study states that the additional investment in infrastructure (from 2005 to 2016) is forecast at £196m to the UK and £623m London. This implies (although this calculation needs to be treated with caution), that a negative impact on infrastructure investment will be experienced in the rest of the UK (excluding London) – as resources are drawn towards the Olympic development programme.

It is also important to recognise that the time-span from winning the bid to host the Olympics to staging the Games (say, 7 years maximum) is so short in major infrastructure development terms that it affords limited change to infrastructure plans beyond those affected by the Olympic related capital budgets. It is more likely that localised infrastructure developments can be initiated in the South East and that the Olympics can be used to further support and confirm already planned infrastructure development.

8.3 South East Competencies

The South East's major transport infrastructure and gateways in relation to London 2012 are illustrated in the map overleaf and described in the following paragraphs.


Sub-group 5: Transport Infrastructure & Gateways
Primary Airport
Primary Airport (Outside South East Region)
Ashford International Station (Eurostar)
A roads
Secondary Airport
Secondary Airport (Outside South East Region)
Ebbsfleet Eurostar Station (Dartford International) Due to be Completed 2007
60 min Drivetime Isochrome
Minor Airport
Major Ports
Major Rail Links
90 min Drivetime Isochrome
South East Region
London 2012 Olympic Park
Other Regions (Outside South East)
Motorway
Greater London
Major Roads
SEEDA SOUTH EAST ENGLAND DEVELOPMENT AGENCY
Working for England's World Class Region
Locumconsulting
creating successful destinations
Banbury
Milton Keynes
M1
Luton
Aylesbury
Oxford
M40
High Wycombe
Maidenhead
Slough
Windsor
Heathrow
M4
Reading
Newbury
Bracknell
Woking
Epsom
M3
Basingstoke
Farnborough
Farnham
Guildford
Andover
Gatwick
Crawley
M23
Winchester
Southampton
Portsmouth
Cowes
Chichester
Bognor Regis
Littlehampton
Worthing
Shoreham -by-Sea
Brighton
Newhaven
Eastbourne
Hailsham
Bexhill
Hastings
Rye
Dungeness
Royal Tunbridge Wells
Thamesport
The Medway Ports
Gravesend
Sheerness
Gillingham
Maidstone
M20
Ashford
Folkestone
Dover
Canterbury
Manston
Margate
Ramsgate

8.3.1 Overview of Transport Infrastructure

Both the competencies and failings of the South East's physical infrastructure are strikingly apparent. The region has excellent road and rail links to London and between the major towns. It suffers, however, from congestion and overcrowding and public transport, particularly in rural areas, is viewed as unreliable and slow.

8.3.2 Drive Times

60 and 90 minute drive times (for average speeds and time of day) have been highlighted on the map and clearly indicate the proximity of the South East's major towns to the Olympic Park. Key centres within an hour of the Olympic Park include Slough, Windsor, Maidstone and Gillingham whilst Oxford, Milton Keynes, Ashford, Guildford and Canterbury are all within 1.5 hours. Brighton, Portsmouth and Southampton lie narrowly outside this drive time. The major routes to access the Olympic Park from the South East by road are likely to be the M40, the M4, the M3, the M23, the M20, the M25 and to a lesser extent, the M1. The Channel Tunnel terminus at Folkestone is a unique attribute of the region for receiving road and freight traffic from the continent.

8.3.3 Rail

The South East benefits from an extensive rail network. Locum's map identifies the key direct routes as: the line connecting the Kent coast to London through Canterbury and Gillingham and from Folkestone via Ashford and Maidstone; the London-Brighton mainline; the Portsmouth-London route through Guildford; the Southampton line via Winchester and Basingstoke; the line connecting Oxford, Reading, Maidenhead and Slough and the route from Milton Keynes into North London. Ashford International provides major opportunities for connectivity from the Kent coast and the continent and will be bolstered further with the completion of the fast-link connection at Ebbsfleet (Dartford International) in 2007. However, the possible removal of the Gatwick Express as a dedicated shuttle airport service is a concern.

8.3.4 Major Ports

The Medway Ports, Dover, Folkestone, Newhaven, Portsmouth and Southampton are identified as the region's major ports for passengers and cargo.

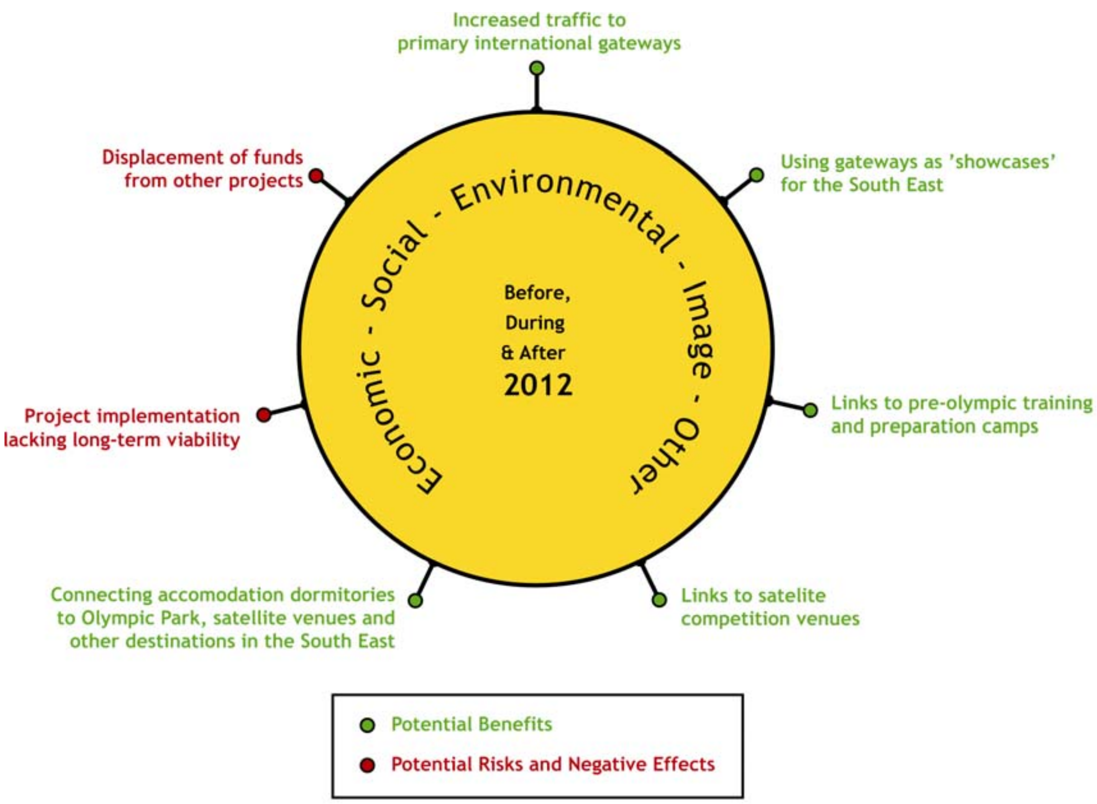
8.3.5 Airports

Gatwick will be a crucial gateway for Olympic tourists. Southampton is in the ascendant as a secondary gateway and Manston and Lydd in Kent have potential for handling Olympic traffic depending on development plans between now and 2012. Heathrow lies outside the South East but its proximity should bring large volumes of passengers into the region. Luton, (also outside of the South East) is a little further afield, but has excellent links with the South Coast.

8.4 Potential Benefits

Summarised below are the potential Transport Infrastructure and Gateway benefits which could be realised by the South East. The diagram also notes the potential negative effects which are described in section 8.5.

Exhibit 14. Summary of Transport Infrastructure and Gateway Impacts



London 2012 could have positive effects on improving transportation infrastructure within the South East and its connectivity with London. However, this will almost certainly focus only on specific routes and corridors pertinent to the development and staging of the Olympics.

In addition to capital improvements, there is also an opportunity to upgrade the design and presentational aspects of the transport infrastructure and gateways. Good recent examples, which have taken design and public art seriously, include Gatwick Airport, Sustrans and the planned Ryde Interchange.

The key elements of infrastructure which could benefit are considered in turn below.

8.4.1 Primary International Gateways

The UK gateways located within the South East will almost certainly receive the second largest number of international Olympic visitors (after London).

It is important that a clear understanding of the demand for these gateways is gained and that appropriate intervention can be employed. These major gateways provide a significant platform from which to showcase the "best of the South East", before and during the London 2012 Olympics, and emphasise the ease of entering and exiting the UK through these gateways and the quality, culture and diversity of the South East.

8.4.2 Links to Pre-Olympic Training and Preparation Camps

The infrastructure which connects the pre-Olympic training and preparation camps in the South East with the primary international gateways could receive enhancements – although these are only likely to be temporary given the limited demand. It is unlikely that this will generate substantial infrastructure change, but could well assist in improving "local access" to specific venues.

8.4.3 Links to Satellite Competition Venues

The infrastructure to connect the Olympic Park in East London to the satellite competition venues at Dorney Lakes (rowing) and Weymouth (sailing) could receive enhancement - although it should be recognised that a significant accommodation dormitory in the vicinity of Weymouth is likely to service a large proportion of the international sailing visitors. In addition, the existing infrastructure is already relatively competent.

Again, much of the physical enhancements to these facilities are likely to relate to "local access" improvements rather than substantial infrastructure change.

8.4.4 Connecting Accommodation Dormitories to Olympic Park, Satellite Venues and Other Destinations in the South East

Enhanced infrastructure will be required to connect the primary resident markets (including 2012 volunteers) and visitor accommodation dormitories located in the South East with the Olympic Park, the satellite competition venues and other key destinations within the South East - and *vice versa* – to connect London-based visitor accommodation dormitories with key destinations in the South East for tourist and leisure activities.

8.5 Potential Risks and Negative Effects

Developments in transport infrastructure undertaken specifically for the Olympics run the risk of failing to appreciate legacy potential and of implementing schemes that serve an immediate function, but not once 2012 has passed. Any schemes initiated for London 2012 must therefore be carried out in the specific knowledge that they can be translated to a community level in the long term.

Similarly, Olympic transportation schemes may displace funds from other projects if they are given priority and monies are limited. This runs the concurrent risk of amplifying public cynicism.

8.6 SEEDA and Partner Interventions

Summarised in the table below are some possible interventions which would be employed together with a view on the South East partners who will be involved and broadly speaking, when action should be taken.

Exhibit 15. Initial Summary of SEEDA and Partner Interventions

No	*Possible Intervention*	*Partners*	*Timescale*
5a	**Forecast projected increases / decreases in transport demand** as a result of the Olympics and investigate ways to mitigate poor experiences from congestion, overcrowding and confusion.	TBC	Forecasting can begin early
5b	**Consult with transport providers** and other relevant bodies.	TBC	Mid-2006
5c	**Track existing and new transport developments** which might effect the potential benefits arising from London 2012.	TBC	From Mid-2006
5d	Intervene to ensure that Olympic transport-related construction does not hinder other developments and the economy.	TBC	From Mid-2006

No	*Possible Intervention*	*Partners*	*Timescale*
5e	To **maximise the benefits resulting from day-trip demand** during 2012 the following could be employed: • Provision of **high quality pre-trip information** and encouragement to move around, e.g. easy info to make trips, attractive trip packages, easy to carry out trip by car, easy to carry out trip by public transport, easy / attractive to do a trip by environmentally-friendly modes, etc. • **South East "Olympic" travel card** • **South East "Passport"** valid for the duration of their stay, providing discounts on transport and at restaurants, 2-4-1 entrance to attractions, etc. • **Special or themed transport** to access key venues, sites and destinations, etc. • **Tourist friendly environments** with personal assistance in journey making, e.g. personal hosts and guides on-the-ground to deal with confused tourists, language barriers, disabled visitors, etc. • **Develop joint ticketing opportunities** – with key attractions, sports-related attractions, activity bases (e.g. 'try sailing' etc.). • **Environmentally sustainable transport** options, e.g. cycle hire, energy efficient fuels, etc. • **Special transport systems for volunteer** forces located in the South East.	TBC	Developed from 2008 onwards Implemented from say, 2010 – perhaps implemented during test events and linked to cultural programme Fully active during 2012 Becomes a legacy initiative
5f	**Branding of key transportation links** and connections.	TBC	TBC
5g	Focus on **improving Olympic related journey times and experiences**, to assist promotion of South East.	TBC	TBC