

From East End to dividend

Ensuring a sustainable legacy from London 2012

With so many players involved in delivering the 2012 Olympics, who will be accountable for creating real dividends from the Games – and avoiding a legacy of failed venues and ‘assets’? [Neil Webster](#), a Director in the Management Consultancy team at Gleeds, considers this question, outlines some of the main lessons about facility management from previous Olympics, and introduces the Vision for sustainable Olympic legacy that Gleeds are developing with Locum, which sets out a definitive list of post-Games deliverables and who should be accountable for them.

In order to produce a truly sustainable community within and around the Olympic Park, it will be vital for central, regional and local government to rise to the challenge, break the habit of a lifetime, and work in close partnership with the private sector. So far, so good.

Much mileage has been made of the Sustainable Communities Plan and initiatives such as Thames Gateway and the Northern Way. All of these emanated from the former Office of the Deputy Prime Minister (now the Department of Communities and local Government), but in truth they have had limited visible impact to date. The delivery of the 2012 Olympic and Paralympic Games and their legacy, on the other hand, constitutes a genuine ‘once in a lifetime’ opportunity to regenerate east London.

The three key stakeholders in London 2012 – the Government, the Mayor of London and the British Olympic Association – share ultimate responsibility for delivering a successful Games. The Department for Culture, Media and Sport (DCMS) will be the lead government department. It will have to interface with many other government departments, agencies and non-departmental public bodies. Equally importantly, central government will need to engage the private sector in a process of collaborative working, to harness all the skills and expertise available and ensure a return on the significant public capital that will be invested.

Legacy lessons

Figure 1 sets out some of the key lessons from previous Games in relation to post-Games benefits. While the London Organising Committee of the Olympic Games (LOCOG) will be responsible for the preparation and staging of the 2012 Games, the Olympic Delivery Authority (ODA) is responsible for creating the infrastructure for the London Olympic and Paralympic Games. The ODA manages the interests of the Government and the Mayor of London, and its CEO, David Higgins, has spoken on numerous occasions about the ODA’s ‘determination to leave a lasting legacy for generations to come, improving lives and changing the face of London for ever’. This is a highly encouraging start.

“Central government will need to engage the private sector in a process of collaborative working.”

Figure 1: Key lessons from recent Games

Event	Lessons
Atlanta 1996	Ensure a balance between commercial interests, sporting celebration and community legacy
Sydney 2000	Create an integrated residential and leisure community, not two separate ones with minimal linkage
Manchester 2002 (Commonwealth)	Make sure central government can’t take your (crucial) train set away Create meaningful strategic links between all the sports assets
Athens 2004	Have a dividend delivery plan before, rather than after, the Games
Beijing 2008	Let’s wait and see

“Our Vision focuses on the key deliverables that we believe should emerge from the Games.”

Governance, accountability and deliverables

London has certainly done its homework on marketing. Now comes the task of creating dividends in the key areas, which have been broadly defined in the bid document. At Gleeds, we have mapped these key areas onto our own version of the Sustainable Skills wheel, as set out in the Egan Review of April 2004 ('Skills for Sustainable Communities') – see Figure 2. We have added a segment for financial affordability, and the mapping demonstrates how closely intertwined the Olympic regeneration dividends are with the Sustainable Communities plan.

As Figure 2 suggests, governance will be a key element in the delivery process. Clear governance rules and accountability will be essential before the dividend benefits can be defined, delivered and managed in operational mode. As well as the ODA, the Mayor of London has been granted Olympic-specific powers, which will enable his Greater London Authority to fulfil all its obligations in preparing for and staging the Games. The London Development Agency's role, meanwhile, is to realise the economic benefits of the Games for London before and after the Games, and is acquiring the land required to build the Olympic Park. Accountability for dividend delivery could be argued to lie with all of these bodies.

There are other players involved, too. The Lee Valley Regional Park Authority manages a significant area of open space and runs a portfolio of sports and leisure facilities. The London Thames Gateway Development Corporation is also a contributor and stakeholder, as the Olympic Park lies within its boundaries. Then there are the London Boroughs. And so the list goes on, and the accountability becomes less clear. As Figure 3 illustrates, the ODA could potentially find itself in the awkward position of being pulled in three or more directions by all these stakeholders.

The Mayor has committed £10 million to the operational costs of the permanent facilities after the Games, but other funding streams will be required if these venues are not to become a burden on public finances. With the embarrassment of the Millennium Dome still fresh in the mind, the Treasury cannot allow a lack of accountability for the public monies invested in the Olympic Park. So how can it avoid this and ensure a full return on investment?

Figure 2: Olympic dividends map

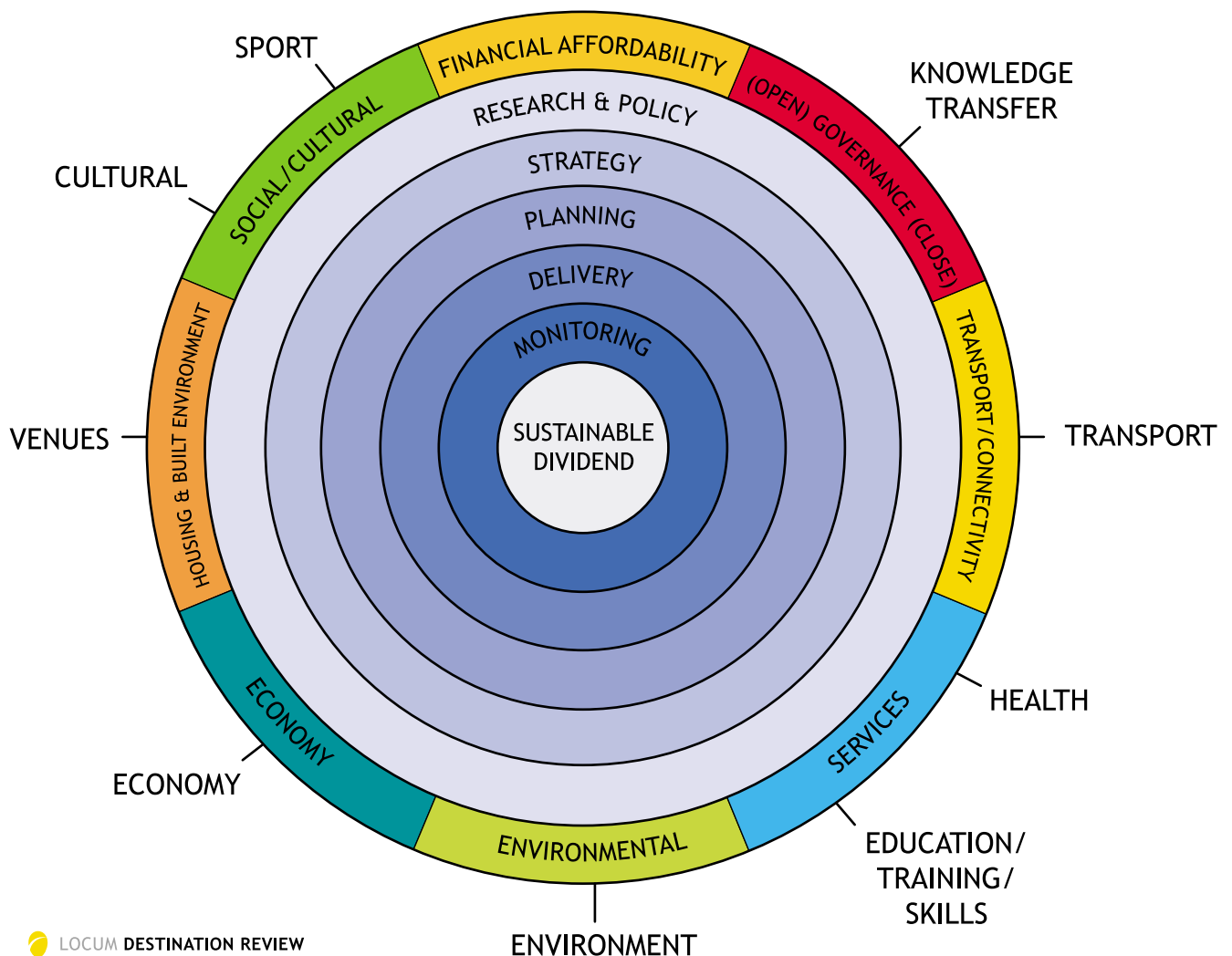
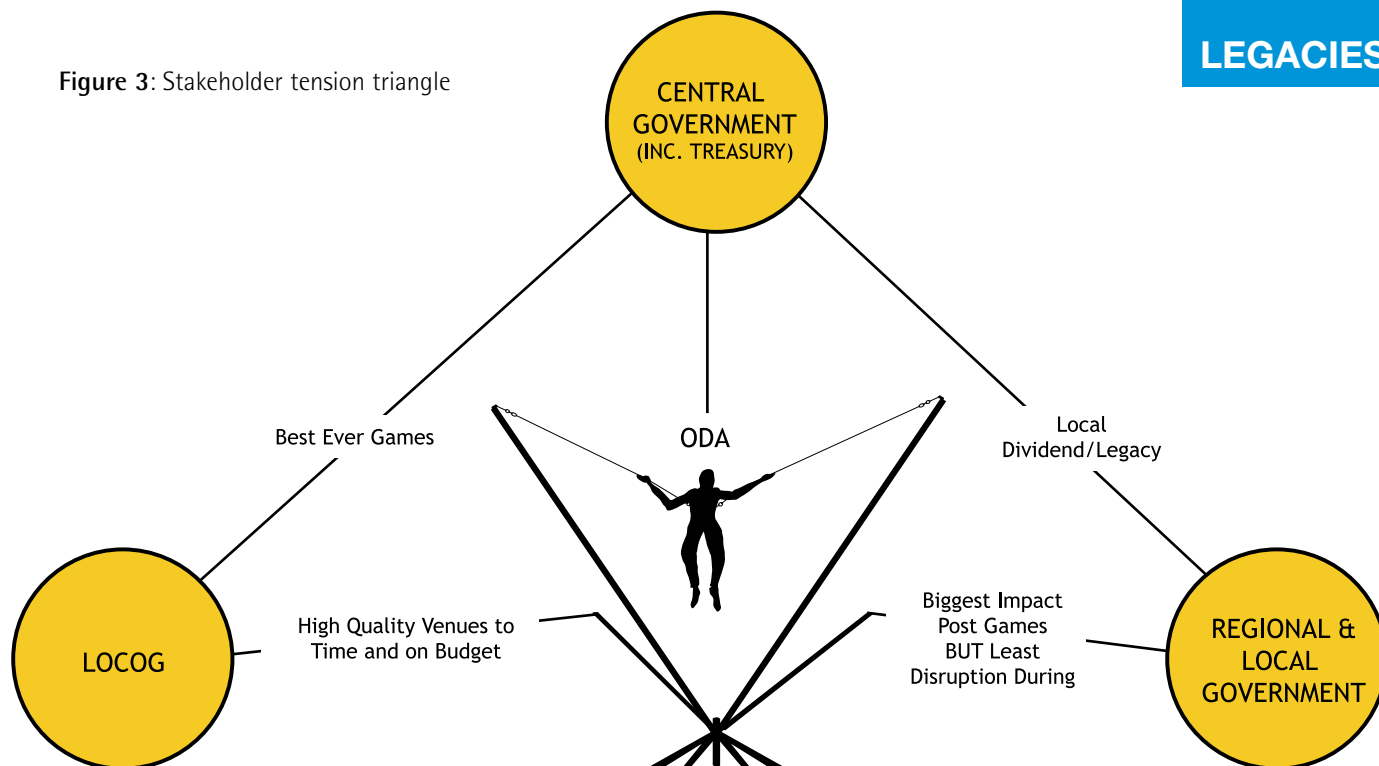


Figure 3: Stakeholder tension triangle



Vision for a sustainable legacy

In partnership with Locum, Gleeds has been addressing this question. We have brought together the objectives of all stakeholders (aligned and conflicting) in a Vision document, which builds on the current legacy thinking set out in the 2012 bid document and the DEMOS/IPPR report, 'After the Gold Rush: A sustainable Olympics for London'. Our Vision straddles the objectives of the three tiers of government and links into the embryonic idea of a London Olympic Institute.

Whereas the bid document talked about legacy under the broad headings of sport, community, environment and economy, our Vision focuses instead on the key deliverables that we believe should emerge from the Games, and who we think would be best placed to make them happen (see Figure 4).

There are commercial sensitivities around this Vision, and it is currently being worked up into a business plan, so no other details can be revealed at this stage. We are able to say, however, that it takes account of:

- the need to manage the Olympic Park as a holistic asset with a single caucus of customers, rather than a series of individual, not-for-profit subsidised sports facilities

- the need for robust post-Games business plans for venues
- the fear that the park will be a windswept, under-utilised wasteland
- the need to produce fully utilised sports facilities
- the benefits of a fully integrated community, which serves the local area and acts as a regional and national centre
- the desire to create a permanent London Olympic Institute
- the car-free status of the Olympic Park.

We look forward to a successful Games, but more importantly a regeneration dividend that becomes the blueprint for future Olympic cities. The early signs from the ODA and the Government are extremely positive in this regard. Now, we would like to see private sector expertise being factored into the equation, and we hope that our Vision will play a major role in defining the legacy of the Olympic Park.

Neil Webster, Gleeds

Figure 4: Key deliverables and accountabilities

Central government	Raise the profile of UK plc Contribute to the country's economy Bring in tourism revenues Provide national sporting facilities
GLA	Improve the economy in London, specifically east London Provide regional sporting facilities
Local Boroughs	Provide better sporting, educational, health and community facilities Deliver long-term local jobs Improve the local economy
Sports bodies	Provide better facilities for all sports Improve sporting achievement Increase sports participation