

Regional rewards

How Olympic benefits can be felt beyond London



Much has already been written about the ways in which London stands to gain by hosting the 2012 Olympic Games, but what about the rest of the UK? [Adam Walker](#), a Senior Research Consultant at Locum Consulting looks for pointers from previous Olympics, explains the regional structures that have been put in place by the Government, identifies the nature and scope of opportunities, and urges the key players throughout the regions to retain a clear sense of perspective.

If the vision that endeared itself so effectively to the IOC in July 2005 is realised, the London 2012 Olympics will be the most geographically concentrated major sporting event of all time: 21 of the 26 sports are scheduled to take place exclusively in the capital, with three venues located in neighbouring counties and only two events (football and sailing) to be hosted elsewhere in the UK. Landmarks such as Greenwich World Heritage Site, Hyde Park and Horseguards Parade will provide iconic backdrops synonymous with London's international destination pedigree, and the Olympic Park at Stratford will be accessible by train from the city centre in seven minutes.

This level of concentration is an exciting prospect for London, both as a spectacle and, more broadly, an ambitious venture in regeneration, inclusion, opportunity and participation. But what does it mean for the rest of the UK? Is there substance to LOCOG's promise that 'London 2012 will be a sporting celebration for the whole country', and is it realistic to assume that the nations and regions outside London can benefit from such a singular vision?

Government activity

Conscious that focus on the capital will stimulate a displacement of resources and activity away from the regions prior to and during the Games, DCMS published a study in December 2005 forecasting the economic, social and environmental impacts of 2012. Predictably, the conclusions at which it arrived provide more pleasant reading for the LDA than they do for the rest of the country. It is forecast, for example, that whilst London's GDP will grow by £5.9 billion between 2005

and 2016 as a result of its hosting of the 2012 Games, growth to the UK as a whole during that time will be in the region of £1.9 billion. It is also forecast that 39,000 full-time equivalent (FTE) jobs will be created in London against 9,000 in the UK. This suggests huge negative impacts to the rest of the UK of circa £4 billion and 30,000 FTE jobs respectively.

Such estimates may provide cause for concern, but should be interpreted with caution. The report is, after all, making predictions six years in advance of the event, an ambitious attempt at foresight, perhaps, but one that cannot account for changes in economic and social policy generally, and Olympic policy specifically. Furthermore, it has been produced on the basis of a 'do nothing' scenario - an assumption that the regions will not actively seek out opportunities arising from the Games. Nonetheless, they are consistent with past experience: during the year of the Sydney Olympics, for example, gains to Australia as a whole (\$A1.13 billion) were lower than gains to the rest of New South Wales (\$A1.24 billion) - and exist as a timely reminder that the regions must be proactive in aligning themselves with Olympic developments.

Encouragingly, this process is already underway. Chaired by bid Vice-Chairman Charles Allen, and comprising 12 representatives from the nine English regions and Scotland, Northern Ireland and Wales, the Nations and Regions Group met for the first time in May 2005 and several times thereafter, to begin the process of 'maximising UK-wide opportunities'. These representatives are responsible for presiding over their own local task forces, each of which has convened and begun to identify sectoral partners, actions and interventions.

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Regional opportunities

In November 2005, Locum Consulting was commissioned by the South East England Development Agency to produce a review of the potential impacts of the 2012 Olympics on the South East region. This has been used to guide planning strategy, and to inform the structure and actions of the Regional Olympic Coordinating Group. Our work here and in associated projects has been insightful, and suggests substantial benefit potential both in the South East and across the regions. Increased tourism revenue should be the singularly most important of all such impacts and should be experienced nation-wide, most noticeably during Olympic year, but with the potential to create a legacy effect of far greater longevity and value if delivery of the visitor experience and projection of the UK's image are positive.

The focus of leisure tourism in 2012 will, of course, vary. Those regions immediately accessible from Stratford will operate as accommodation dormitories if London is literally full, or seen to be too full, and can expect substantial increases in visitor numbers in the form of Olympic tourists on day-trips and domestic residents looking to 'escape' London. A wealth of visitor attractions and areas of cultural, natural and historical significance such as Windsor Castle, Cambridge and the South Downs, lie within one to two hours of the Olympic Park.

Regions further afield, on the other hand, should seek to attract international visitors incorporating the Olympics as part of a broader British tour - a minority sector perhaps, but one of traditionally high-spend value. Scotland, Wales, Northern Ireland, Yorkshire and Humber, the South West and the North East, celebrated for their rural offer and quality of place, all provide enticing offers for those seeking a multi-destination experience.

As evidenced by Sydney, Barcelona and the Manchester Commonwealth Games, business tourism based at the key sports and conference centres is a major national opportunity, likely to be operative for a number of years pre- and post-Games. Sectors such as VFR and 'language tourism' should also experience growth in 2012.

Regional delivery

Additionally, the delivery of the Olympics will require myriad services from SMEs and major corporations across the UK, and provide a platform for showcasing competencies and consolidating domestic and international profiles. The ODA has now become formally operative. Close monitoring of the Olympic procurement process, along with a full appreciation of sectoral strengths and cross-regional cooperation, will enable destination managers to identify the most significant opportunities for increasing foreign investment and business activity around the Games. Sydney, as in so many components of Olympic planning, provides the best practice model here. Its Business Club operated as the central mechanism in generating \$A3 billion in business outcomes in the year of the Games alone, including \$A600 million in new business investment, \$A288 million in new business under the Australian Technology Showcase and almost \$A2 billion in post-Games sports infrastructure and service contracts (PwC, Business and Economic Benefits of the Sydney 2000 Games: A Collation of Evidence, 2001).

The UK should have confidence in its capacity to replicate such success. The legacy of the Commonwealth Games and preparation for Liverpool's 2008 Capital of Culture status mean that the North West is already in an advanced position, and the North West Business Club and Business Liverpool can expect prominent roles in coordinating corporate activity.



Whilst appropriate foresight and innovation should allow economic strategies to follow a logical and determinable path, however, realising the bid's social vision is an altogether more daunting, and in the grand scheme of things, important challenge. Clear opportunities exist for developing volunteer and skills initiatives as part of regional preparation events, but there is no evidence to suggest an association between hosting the Olympics and sustained improvements in participation levels. Generally speaking - though the Manchester Commonwealth Games were a noteworthy exception - participation is most likely to increase when investment and activity are focused upon areas of greatest need, and where existing opportunities for participation in sport are limited. 2012 provides a unique focus for school and community programmes around the inclusive ethic of the Olympics, but must seek to engage with all sections of society if a lasting social legacy is to be achieved.

The need for perspective

The opportunities to derive benefits from the 2012 Games are genuine and realisable, but will not be spread equally throughout the UK. Differences in proximity, social demographics, existing infrastructure and economic circumstance will all effect the capacity of the individual regions to reap Olympic reward. As such, it is essential that they retain a realistic appreciation of what is feasible, and do not pursue gain beyond the sum of their parts. Take training camps, for example. Attracting international athletes to regional facilities is an enticing proposition, but one with the potential to disguise true demand. Factors such as the UK's limited acclimatisation requirements, the negligible economic activity of athletes as a visitor group and security logistics all indicate that these camps will be of lasting value only to key venues such as Weymouth, Dorney, Loughborough, Sheffield and Manchester.

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Even Sydney, for all its success, was guilty of exaggerating the sustainability of facilities built specifically for 2000. The main stadium continues to lose money as a multi-sports arena, whilst the shooting venue, constructed as a permanent fixture, is greatly under-used. The temptation to indulge in major facility investment may seem prudent amidst the pre-Games fervour, but must translate to the broader social ambitions of the Games in the long term.

This sense of perspective should underlie every action taken in readiness for the Olympics. Essentially, London 2012 will be London's Games, and will be judged and remembered on this basis. If the vision is realised, a social legacy will be provided, and an image of the host city projected, that surpasses anything achieved by a comparable event hitherto. Nonetheless, at every stage of the process, the impacts of the Games will resonate nationally.

The threat of displacement is real, but the early signs – and they are very early – are encouraging. Preparatory initiatives are in motion across the regions and already the overriding assumption of the DCMS report has been discredited, and the 'do nothing' scenario displaced by the 'will do' reality. Much, of course, can change over the next six years, but 2012 should be approached as a genuine cause for excitement throughout the UK. A capital's Games perhaps, but a national opportunity.

Adam Walker, Locum Consulting

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