

# Subject: New Year's Eve 2004 report

Report Number: 6

**Report to: Culture, Sport and Tourism Committee**

**Date: 10 March 2004**

**Report of: Director of Secretariat**

## **1. Recommendations**

- 1.1 The Committee agrees the report, *A step forward: The Mayor's contribution to New Year's Eve 2003*

## **2. Background**

- 2.1 The Culture Sport and Tourism Committee held meetings on the Mayor's contribution to New Year's Eve 2003 on 10 & 12 December and 7 January 2004.

## **3. Issues for Consideration**

- 3.1 The attached report summarises the Committee's research and suggests lessons for the preparations for celebrating New Year's Eve 2004. The report comments on the preparation, procurement and delivery of the fireworks spectacle, free all-night public transport and Visit London campaign.
- 3.2 Broadly, the report welcomes the Mayor's celebrations for New Year's Eve 2003. In particular, the report suggests that these should form the foundation for an enlarged celebration at the end of this year.

## **4. Strategy Implications**

- 4.1 The report has implications for the Mayor's draft Culture Strategy.

## **5. Legal Implications**

- 5.1 There are no legal implications arising directly from this report.

## **6. Financial Implications**

- 6.1 The report's recommendations suggest improvements but do not have financial implications over and above the Mayor's current commitments. As such, there are no financial implications arising directly from this report.

Background Papers: *A step forward: the Mayor's contribution to New Year's Eve 2003* (attached)

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**A step forward: The Mayor's contribution to New  
Year's Eve 2003**

Report of the Culture, Sport and Tourism Committee

March 2004

## 1. Background

- 1.1 The New Year's Eve fireworks launched at midnight from the London Eye not only celebrated the start of 2004. They also marked the first time that the Mayor has contributed to New Year's Eve celebrations since coming to office three and a half years ago.
- 1.2 The three-minute fireworks display, all-night running of public transport and New Year's tourism campaign by Visit London (formerly the London Tourist Board) are welcome. We agree with the Mayor that 'this year's celebrations were a big step forward.'<sup>1</sup>
- 1.3 However, our congratulations are tempered by frustration that it has taken so long to reach this point. Since 2001, the London Assembly has been calling on the Mayor to stage celebrations for New Year's Eve which complement the other activities in London, enhance the capital's reputation as a world city and allow Londoners to gather safely to celebrate the New Year.<sup>2</sup>
- 1.4 This short report examines the planning and delivery of New Year's Eve celebrations for 2003 and outlines the Mayor's commitments for 31 December 2004. It draws on the Culture Committee's discussions with the Greater London Authority's Culture Team on 10 December 2003 and its meeting with the Mayor, his Policy Directors and the Chief Executive of Visit London on 7 January 2004.
- 1.5 The report also contains information formally summoned from the Mayor's Office.<sup>3</sup> This step, which included the possibility of criminal proceedings if the request was not met, was only taken after several informal requests for information went unanswered. The Mayor has undertaken to consult the Committee on the development of this year's celebrations.<sup>4</sup> We hope that a more cooperative relationship will mean that we do not have to resort to this approach in the future.

## 2. GLA contribution to New Year's Eve 2003

- 2.1 The total contribution for the New Year's Eve 2003 celebrations in London from the GLA Group was roughly £4 million:
  - A three-minute firework display on the London Eye (cost: £1 million borne by Visit London and GLA)<sup>5</sup>
  - A free all-night tube service (after midnight) and a free enhanced night bus service and half-hourly overland rail services until 5 am (cost: £1.7 million borne by Transport for London (TfL))<sup>6</sup>
  - A Visit London promotion over the Christmas and New Year period, including the issuing of 5.7 million copies of a magazine promoting events and hotel offers in London over the New Year period within UK, France and

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<sup>1</sup> Mayor's Report to Assembly, January 2004

<sup>2</sup> See for example, *Future Major Events in London: Final report of the Major Events Investigative Committee, (March 2001)* and *A damp squib: the Mayor's plans for New Year's Eve (December 2002)*, Greater London Authority

<sup>3</sup> The Committee used its powers under s.61 of the *GLA Act 1999* to summon information. The maximum penalties for failing to comply with the request are a fine of £5000 and/or 3 months imprisonment.

<sup>4</sup> Culture Sport and Tourism Committee, 7 January 2004

<sup>5</sup> 'Mayor's Decision List', Mayor's Report to the Assembly, January 2004

<sup>6</sup> Mayor's Question Time, 15 October 2003

Germany (cost: £1.2 million borne by the London Development Agency (LDA))<sup>7</sup>

- 2.2 The fireworks display achieved its ambition of promoting London internationally on New Year's Eve<sup>8</sup> and the event happened safely. Increasing the options for getting home after midnight helped Londoners to enjoy the night and complemented Visit London's campaign to promote activities and events throughout the capital over New Year. The Mayor, GLA staff, Visit London, Live Ltd, the emergency services, local authorities and TfL should be commended for these initiatives.
- 2.3 Despite our concerns that Visit London left it until the first week of December to issue its promotional New Year's magazine, early signs are that there was a significant increase in travel to London, hotel occupancy and patronage in bars and restaurants across the capital compared to the previous year.<sup>9</sup>

**We commend the Mayor and those involved in delivering all-night public transport, a safe 'international spectacle' and a boost to London's tourist industry. As the Mayor has acknowledged, improvements need to be made to the timing of midnight celebrations in the future.**

- 2.4 The success of these initiatives should provide a platform for future celebrations but there is room for improvement. The Mayor has already acknowledged that changes ought to be made to the timing of the fireworks and television coverage. For an event designed to showcase London to an international television audience, the apparent failure of the fireworks to go off on the stroke of midnight was a problem.<sup>10</sup> Similarly, television coverage of the moment on Sky and BBC News was good but coverage on the free-to-air channels, BBC One and ITV, was patchy.
- 2.5 We believe that improvements should be made in two other areas – planning and budgeting and obtaining sponsorship.

### **Planning and setting realistic budgets**

- 2.6 Initially, £200,000 was allocated within the Greater London Authority's 2003/04 budget for a 'visual celebration' to mark New Year's Eve 2003.<sup>11</sup> We were told that detailed discussions about the nature of this celebration were held up until March 2003.<sup>12</sup>
- 2.7 Soon after inviting bids, GLA officers determined that this amount would be too small for the type of spectacle envisaged. Potential contractors were therefore

<sup>7</sup> Culture Sport and Tourism Committee, 7 January 2004

<sup>8</sup> Visit London told us that footage of the fireworks was featured on domestic and international television; images will be also used in future publications featuring London.

<sup>9</sup> This increase appears to be over and above the current trend. Compared with the October-December period a year earlier, visits to the UK by overseas residents were up 3%. 'Visits to UK up 7%', ONS, 6 February 2004. For initial evaluation of tourism over New Year, see 'All Eyes on London's New Year's Celebrations', GLA Press Release, 1 January 2004

<sup>10</sup> According to the Mayor's January report to the Assembly, 'a spectacular lighting and fireworks display [took] place at the London Eye at the stroke of midnight on the twelfth stroke of Big Ben.'

<sup>11</sup> 'Allocation of Programme Budgets 2003/04', Budget Committee report, 29 April 2003

<sup>12</sup> Culture Sport and Tourism Committee meeting, 7 January 2004

invited to tender for a celebration costing between half a million and one million pounds. The successful bidder, Live Ltd, undertook to provide a fireworks display from the London Eye at a total cost of £1 million.<sup>13</sup>

- 2.8 According to Redmond O'Neill, the Mayor's Policy Director in charge of this project, there 'was no change whatsoever in the basic concept [for the event]'.<sup>14</sup> However, within the £1 million contract, allocations were substantially changed. The cost of insurance cover for the event (revised from £25,000 to £131,000) and other safety costs appear to have affected the amount of money available for fireworks and lighting. Mr O'Neill noted that as 'all of these elements of the event increased substantially, other elements had to be reduced in order to keep it within the envelope of the broadly £1 million procurement.' The final cost of fireworks and lighting – approximately £273,000 – was roughly half the expenditure initially proposed on this item.
- 2.9 Contracts for cultural events like New Year's Eve often invite bidders to suggest a creative approach. As a result, the final look and cost of the event may be unclear at tender stage; this makes procuring these events tricky.
- 2.10 The GLA's *Contracts Code* has recently been revised, in part due to concerns raised by the Assembly about contracts for other cultural celebrations. This code, which applies from 1 April 2004, notes the complexity of procuring major events and emphasises the need to ensure that an insurance risk assessment is carried out early in the process.<sup>15</sup> We understand that changes will also be made to ensure closer working between officers and procurement lawyers, greater use of project management for significant contracts and re-examination of procurement strategies for major events.
- 2.11 We hope that these improvements, together with the experience gathered from New Year's Eve 2003 and other major events, will substantially minimise the likelihood of problems with organising future events.

**We welcome the revised GLA code of procurement. We emphasise again that the GLA's Major Events Planning Team must allocate a suitable lead time to each major event in order to minimise problems with procurement and achieve realistic budget estimates from the outset.**

**We also note the Committee's difficulties in obtaining information about the way in which £4 million of public money was being spent. Once contracts have been agreed, the Mayor should make future funding packages as open and transparent as possible.**

## **Sponsorship**

- 2.12 The London Assembly has stressed the importance of seeking commercial sponsorship to add to or offset public expenditure on major cultural events since 2001. We are very disappointed that no sponsorship was found to offset the

<sup>13</sup> The GLA contributed £200,000 and Visit London provided £800,000 (through a funding agreement with LDA). This expenditure does not cover the costs of Metropolitan Police Service policing this event.

<sup>14</sup> Culture Sport and Tourism Committee meeting, 7 January 2004

<sup>15</sup> *Contracts Code of Practice: a guide to buying goods and services*, GLA, February 2004. para 10.11

£1.7 million public funding for free all-night public transport on New Year's Eve 2003<sup>16</sup> or the £1 million spent on the fireworks event.

- 2.13 In previous years, free travel on the Tube and night buses on New Year's Eve has been sponsored by private companies.<sup>17</sup> The Mayor's Policy Director told us that 'London Underground [was] in a continuous process of discussion with potential sponsors [but] in the end none of those worked out.' We are seeking further information on the failure to secure sponsorship.
- 2.14 Under the terms of the contract, Live Ltd was responsible for securing sponsorship for the fireworks event. Live expected that it would be able to raise at least £150,000 in private sponsorship for the event. Some of this sponsorship would have helped to offset the contributions from the GLA and Visit London.
- 2.15 Ultimately, no sponsorship was obtained. On 7 January 2004, the Mayor told the Committee that, in addition to in-kind support from BA London Eye, Live Ltd and the BBC:
- we were on track to secure sponsorship of a quarter of a million pounds from two corporations who are both within the FTSE 100, and one was negotiating with us for £150,000 of sponsorship and the other for £100,000 of sponsorship, but both withdrew, citing the negative political coverage that had appeared once the BBC London programme aired [on 5 December] with all the political controversy and politicians.
- 2.16 We find it astonishing that, less than a month before New Year's Eve, sponsorship had not been secured. Indeed, a fortnight before the event, the Mayor told the Assembly that he was still 'trying to get sponsorship for [fireworks and free public transport].'<sup>18</sup> Visit London boss, David Campbell told us that sponsorship deals are 'always about to happen'<sup>19</sup> but this seems extremely late in the process. In our view, the failure to secure private funding raises questions about the GLA's monitoring of this aspect of the contract, the suitability of taking this approach in the future and whether the GLA's Sponsorship Team or Visit London provided any support to Live Ltd to obtain sponsorship.
- 2.17 As far back as December 2002, this Committee observed that the proposed visual celebration for New Year's Eve 2003 seemed 'too limited and did not match the aspirations of many Londoners for a safe event at which they could gather to celebrate the New Year.'<sup>20</sup>
- 2.18 The negative reaction to the Mayor's announcement that fireworks would be staged but few should turn up should not have come as a surprise to the Mayor or Visit London. Better handling of the announcement by the Mayor and Visit London and greater explanation about the purpose of the fireworks would have helped to manage the resulting criticism.

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<sup>16</sup> In 2001, Transport for London (TfL) told the Assembly's Major Events Investigative Committee that running a 24 hour service over Millennium Eve cost an additional £15 million – almost ten times that quoted by TfL for New Year's Eve 2003.

<sup>17</sup> For example, on New Year's Eve 2002, Smirnoff Ice sponsored free travel on the Tube after 11.45pm until the last Underground, Docklands Light Railway and Tramlink service, and until 4.30am on buses

<sup>18</sup> Mayor's Question Time, 17 December 2003

<sup>19</sup> Culture Sport and Tourism Committee, 7 January 2004

<sup>20</sup> *A damp squib: the Mayor's plans for New Year's Eve*, December 2002, Greater London Authority. p.5

- 2.19 In addition, the Mayor's refusal to provide answers to the Committee's legitimate questions about public expenditure on New Year's Eve unnecessarily escalated the situation.

**We recommend that more effort and planning be given to seeking private sponsorship as early as possible in order to offset the cost of future major events, particularly New Year's Eve 2004.**

### **3. Plans for New Year's Eve 2004**

- 3.1 The key thing that the Mayor seems to have learnt from the New Year's Eve 2003 celebrations is the one that the Assembly has been stressing for the last three years - Londoners look to him to organise celebrations which complement other New Year's Eve events.

- 3.2 In January, the Mayor commented that the successful delivery of public transport and the fireworks spectacle had:

laid the foundation for what will be a proper New Year's Eve event along the lines of what I know the committee has wanted to see for some time. As.. the Assembly investigation revealed two-and-a-half years' ago, it takes 18 months to put one of these on. We are already well into planning that..<sup>21</sup>

- 3.3 From his comments, it appears that free public transport and a midnight spectacle are likely to be retained for future New Year's Eve celebrations. However, the nature of any additional event, or events, is not as clear. On 17 December 2003, the Mayor told the Assembly that

We are already planning a major central London party for next year. It may be we will find that in safety terms it is never possible to deliver it, but we are working towards that. We have identified a site. We are talking to neighbours and the Functional Bodies about putting something on there.

My instinct would be that the event...would be open to all Londoners through applying to *The Londoner* for tickets in a ballot, as we did with the David Gray concert, because one would not want to exclude people on the basis of price..<sup>22</sup>

- 3.4 Under further questioning, it appeared that his concept was not just a single central event but:

a series of events around London. One will be in the centre, others will be in the suburbs where we would have very large television screens to be able to demonstrate that very dramatic fireworks display, but with other things happening through the day..<sup>23</sup>

- 3.5 The Mayor reiterated his support, first expressed in 2001, for New Year's Eve celebrations which involve young children and families. He suggested that his intention was for:

something that is on sufficiently early in the day that families can take children. It gets dark sufficiently early that you could have small fireworks displays that kids would really enjoy at a whole series of points around London.

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<sup>21</sup> Culture, Sport and Tourism Committee, 7 January 2004

<sup>22</sup> Mayor's Question Time, 17 December 2004

<sup>23</sup> Mayor's Question Time, 17 December 2004

- 3.6 We welcome the proposal for a combination of well-planned, safe celebrations in central London alongside a range of local and family-friendly events. It is true that the winter weather, the layout of central London and large (often intoxicated) crowds present challenges<sup>24</sup> to organising a celebration in central London. However, as both Assembly reports on New Year's Eve events have stressed, these problems are far from insurmountable with sufficient planning.
- 3.7 We do not expect the Mayor to be aware of every detail of the proposals for New Year's Eve 2004 nor to announce the final shape of celebrations at this stage. However, given that planning is 'well underway', we are surprised at the degree of uncertainty expressed in the statements above and quotes from the Mayor like:
- Over the months to come I would like us to involve the boroughs and local firms to get a lot of activities happening much earlier in the day right the way across London. However, this is going to take a lot of planning...<sup>25</sup>
- 3.8 With the GLA elections in early June, there is a risk that some of this essential planning may be overlooked. We welcome the suggestion that the current Mayor (and future Mayor) will consult the Culture Committee on the development of plans for New Year's Eve 2004.

**We welcome the Mayor's commitment to New Year's Eve celebrations for Londoners, rather than for the world's media.**

**We are concerned that the plans for this year's celebrations remain unclear. For the Mayor's ambitions to be realised and delivered safely, cooperation will be required from many organisations, including London boroughs, the emergency services and TfL. We will continue to monitor the preparations for New Year's Eve 2004.**

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<sup>24</sup> For example, the Metropolitan Police and Transport for London acknowledged that 'the public were at risk' during parts of the Millennium Eve celebrations. Major Events Investigative Committee meeting, 5 February 2001

<sup>25</sup> Mayor's Question Time, 17 December 2004