

# **London Assembly Economic Development, Culture, Sport and Tourism Committee**

## **Literature Review:**

## **Olympic Legacy Governance Arrangements**

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## Contents

Executive Summary .....	3
1.0 Introduction .....	9
2.0 Aims and Scope of the Literature Review .....	11
3.0 Explaining Legacy .....	13
4.0 What is Governance? .....	15
5.0 Discovering Best Practice .....	17
5.1 The Organisational Framework .....	17
5.2 Olympic Stadia: Costs, Construction and Legacy .....	19
5.3 The Construction of Other Stadia and Projects .....	21
5.4 Venue Ownership .....	25
6.0 Governance, Legacy Planning and Funding of Legacy Organisations .....	28
7.0 Positive and Negative Outcomes .....	33
Barcelona .....	33
Athens .....	33
Atlanta .....	34
Manchester .....	35
8.0 Governance Best Practice and ‘London 2012’ .....	38
The Olympic Park (Stratford) .....	38
9.0 London 2012 Governance: Summary and Conclusions .....	40
The Olympic Park Legacy Company .....	40
Wider Legacy Planning and Development Issues .....	40
Appendix 1: The Olympic Venues .....	42
References .....	45

# Executive Summary

## Introduction

- Olympic complexes have varied from the integrated or centralised Olympic Park (Munich 1972, Montreal 1976, Seoul 1988, Sydney 2000, Athens 2004) to the distributed or de-centralised (Barcelona 1992, Atlanta 1996);
- The centralised model of development ensures that the Olympic Park assumes a symbolic status in post-games evaluations of the catalytic impact of the event on urban development;
- London's bid commitment to transform the social and economic life of the east side of the city is the most ambitious legacy aim sought by an host city in the modern history of the Olympic and Paralympic Games;

## Aims and Scope

This literature review:

- Provides information on the governance arrangements for past Olympic host cities and other major sporting events that have useful lessons for 'London 2012';
- Presents a guide to 'best practice' arising from a review of the selected case studies;
- Analyses 'best practice' in relation to the framework currently designed for 'London 2012';

It should be noted that:

- Reviews of governance arrangements have typically taken place after the event via host city and International Olympic Committee (IOC) official reports;
- A review of the governance framework at key milestones in the preparatory phase and the establishment of a legacy organisation in the pre-games phase should be seen as 'London 2012' stakeholders providing examples of good practice for future host cities;

## Explaining Legacy

- Legacy refers to the economic, social, environmental and cultural development of a host city, its evaluation is, therefore, much broader than a 'snapshot' study of the economic 'impact' of the event;
- The International Olympic Committee requires host cities to systematically evaluate a number of legacy indicators as part of the city's post-games report, the range of topics and themes covered by the indicators has expanded over the past decade;

## What is Governance?

- Governance may be:
  - State centred (e.g. Montreal, Athens, Beijing)

- Public/private partnership (e.g. Atlanta)
- Networks of Stakeholders (e.g. Barcelona, Sydney, London)
- An effective governance framework is essential to the event and legacy. If divisions between stakeholders arise event preparations may be threatened (Athens);
- If commercial interests prevail in partnership arrangements, social legacy may not be achieved (Atlanta);
- Networks of stakeholders are complex, however, providing there is 'strong inter-institutional consensus' a balanced commercial and social legacy may be achieved (Barcelona).

The governance framework for London 2012 may be characterised as a network of stakeholders. Networks may attract criticism for their complexity but they can be very effective providing there is organisational flexibility over the lifetime of the project.

## **Discovering Best Practice**

### **The Organisational Framework**

- Governance frameworks in past host cities distinguished organisational responsibilities at the pre-event, event and legacy phases, no previous host city to London 2012 had established a legacy organisation prior to the event taking place;
- The post event framework adopted by host cities for their Olympic Parks typically involved a public agency (not for profit) undertaking overall responsibility for the Park's development (this agency was funded by and responsible to the city or state government (Sydney, Athens, Montreal, Barcelona);
- Leasing arrangements were agreed with private and/or public sector institutions for the legacy use of permanent facilities, most of these were agreed post-games with the exception of Atlanta whose Olympic stadium was majority financed by a private sector donor;

The most successful development of integrated or centralised Olympic Parks established a balance between commercial and social goals with the legacy company/institutions taking overall responsibility for the whole Park rather than quickly selling components of it for private development. London 2012 is well positioned to achieve this holistic approach.

### **Olympic Stadia: Costs, Construction and Legacy**

- Olympic stadium modification and use post-games has presented significant challenges to host cities;
- A post-games 'hiatus' may occur during which the stadium attracts public criticism for being a 'white elephant' (Sydney, Athens);
- Some cities have achieved effective legacy use through leasing the stadium to a major league sports team (Barcelona, Atlanta);
- Stadium modification has been costly to complete (Montreal, Atlanta);

- Leasing the stadium to a private enterprise not directly involved with sport has attracted public controversy (Beijing)

The four non-Olympic projects reviewed here are Stade de France, Wembley, Manchester (Eastlands) and the Millennium Dome. Whilst they differ – with one event location and three stadia (two of which are national stadia) – preliminary conclusions suggest:

- The public/private partnership approach to funding stadium development worked most effectively with Stade de France and least effectively with the English National Stadium (Wembley); the former was on time and on budget, the latter late and over budget;
- The funding model of initial public investment generating subsequent private sector funding was effective in the case of Stade de France and less successful with Wembley, with official reports suggesting that the latter's problems related in large part to weaknesses in business planning, stakeholder collaboration and overall project management and leadership at senior levels;
- Manchester (Eastlands) secured a balanced legacy of urban regeneration and effective stadium use post-games; with the associated development of SportCity achieving an annual income of £1.5-2 million from Manchester City FC and a £225,000 grant per annum from Sport England to provide community and elite sport facility use;
- The 'Dome' was a flagship regeneration project. Its construction was on-time and on-budget, extensive land remediation occurred and Peninsula-wide regeneration took place, catalysed by the millennium plan. Delivery of the whole development was delayed, not all housing construction occurred on time and as planned, transport infrastructure development lagged behind the main construction and the major stakeholders involved in the project lacked effective organisational coordination.

For London 2012, synchronising developments in transport infrastructure and east/west connections (bridges/footpaths) in the preparatory phase is essential so that the Olympic Park may move rapidly from a 'secure' space to an 'open place' for local community and visitor use post-2012. The future use of the Olympic stadium is a major issue. Past host cities that have successfully made the transition to legacy use have tended to lease stadia to major sports clubs. London 2012's main stadium would have to compete with other major venues in the capital if it is to emulate the Stade de France achievement; it is necessary, therefore, for detailed plans to be made to achieve a 'living stadium' whether it be downsized, used for the FIFA World Cup bid or deployed as an athletics venue.

### **Venue Ownership**

- The public/private partnership arrangement for stadia has a variable record of success;
- private sector consortia have faced difficulties in raising sufficient income to cover debt repayment (Sydney, Wembley);
- Of the stadia reviewed, perhaps the most successful public/private partnership example is the Stade de France;
- Atlanta may be considered as a special case since the key donor who part financed the construction of the stadium also assumed responsibility for the lease post-games

- Beijing's CITIC private sector consortium has had insufficient time to demonstrate the success or otherwise of its commercially driven approach.

## **Governance, Legacy Planning and Funding of Legacy Organisations**

- The 'leverage' model of public/private sector partnership tends to generate legacies that are favourable to private sector or commercial interests but which reinforce existing patterns of social disadvantage (Atlanta 1996);
- The state-centred approach may reflect the relative weakness of cross-institutional cooperation (Athens 2004) or the prevailing political and institutional arrangements within the host nation (Beijing 2008), while it may 'guarantee' the successful financing and completion of the event, it facilitates social transformation only in so far as legacy is a central component of longer term planning (Barcelona 1992; Beijing 2008);
- The social network model of governance may provide enhanced institutional flexibility but may also bring greater organizational complexity unless 'cross-institutional consensus' is effectively linked to successive stages of legacy planning and development (Barcelona 1992);
- Social network relationships may lose focus and momentum if agencies are mainly event -related rather than legacy-focused (Sydney 2000);
- Funding arrangements for legacy organisations have varied depending upon the centralised or de-centralised configuration of Olympic facilities; where an integrated Olympic Park remains after the games, an Olympic Park legacy organisation has been established by city-wide or national government. The remit of the organisation has typically been to develop mixed funding via public and private sector sources, with the latter focused upon commercial development opportunities in office, leisure, sport and housing sectors;
- Political accountability for legacy development has primarily rested with city-wide or national government in all the host city case studies.

The leverage model is not working for London 2012 in the pre-event phase. Outside of official sponsorship schemes, private finance has not been forthcoming to fund infrastructure development or the construction of event venues, including the Olympic Village. As the OPLC seeks private investment in the Park for the legacy phase, it must achieve a balanced approach to achieving a combination of commercial and social legacy goals in a resource environment where the private sector may seek to cherry-pick favoured sites.

## **Positive and Negative Outcomes**

The literature review of Olympic cities and other stadia/event venues enables the identification of a number of positives and negatives that should inform policy makers engaged with major regeneration programmes associated with mega events:

Positives

- The event is a stage in a longer term strategy aimed at regional/city-wide regeneration and economic development (Barcelona);
- The event provides an opportunity for infrastructure developments to strengthen the specific purpose and identity of districts (zoning) within the city (Barcelona);
- The event targets very specific locations for extensive regeneration rather than being loosely distributed across a city (Manchester, Sydney);
- The event site is woven into the existing fabric of the city through transport and infrastructure developments whose construction precedes the event itself (Barcelona, Sydney – eventually);
- Long term benefits arise from plans designed to sustain the regeneration ‘momentum’ – with each subsequent ‘new’ plan addressing previous omissions and negatives (Barcelona, Sydney) and introducing new dimensions, including inward investment and new industries (Barcelona);
- Effective regeneration programmes require cohesive and coordinated interventions at all stakeholder and governmental levels (Manchester, Barcelona, Sydney)
- Soft legacy may become hard – improved perceptions of the city attracts business network development, tourism and inward investment (Manchester, Barcelona, Sydney);
- Soft legacies – education, volunteering – require careful planning to secure a post-games legacy (Manchester)

#### Negatives

- There is a potential for hiatus following the event (Sydney, Athens) which can be effectively avoided if ‘legacy’ is a key component of the preparations for the games, otherwise iconic venues may become disconnected from the main life of the city and experience a period of disuse (Sydney), decline (Athens) or dispute over legacy ‘values’ (Beijing).
- Olympic and other national stadium development and use has incurred mixed outcomes arising from the debt-funding or leverage model (BOOT), the most successful have established the stadium as a major event venue (Stade de France) and/or leased the stadium long term to a sports club with a major league presence in a mainstream or popular national sport (Atlanta, Manchester, Barcelona);
- Wider programmes of regeneration may be delayed if there is a miss-match between social and commercial development ‘on-site’ and improvement in the surrounding infrastructure, particularly transportation (Dome/Greenwich Peninsula);
- Legacy planning of the Olympic Park has occurred post-games rather than being an integral part of the preparation for several Olympic cities (Athens, Sydney, Atlanta);
- The balance of legacy development between the ‘commercially viable’ and the ‘socially desirable’ has been the subject of considerable debate in host cities after the games/event; Atlanta took the former route, Barcelona, Sydney and Manchester have sought to achieve a ‘balance’ between social and commercial development while Athens has, to date, achieved neither.

#### London 2012 Governance: Summary and Conclusions

## The Olympic Park Legacy Company

There are several matters to be resolved through the clarification of the legacy company's role, these include:

- The funding model for the OPLC's development of the Park, including the conversion of the permanent buildings that will remain post-games;
- OPLC funding in the critical 2013-2019 period;
- How the authority to plan and design the development of the Park may be vested in the OPLC, given that the parkland covers four London boroughs;
- The specific dimensions of the park area to be designated for legacy use;
- How the Park's development will relate to other significant development projects within the 'Olympic Arc', including the major retail/housing/office and community development of Stratford City and the development of 'Crossrail' which will affirm Stratford as a key transport hub;
- The processes (timescale/stakeholders) by which proposals for the use of permanent venues will be finally agreed;
- The timescale and funding arrangements by which government and five borough promises, identified, in the regional regeneration framework, concerning the Park's legacy may be achieved;

## Wider Legacy Planning and Development Issues

- The network model of governance for London 2012 is operating effectively in its event-related functions but issues remain concerning legacy planning, especially the use(s) of several permanent facilities post-games;
- Legacy planning and development requires a lead agency to establish an overview of the Olympic Park development within a wider community and regional context, this remit is potentially beyond the scope of the OPLC but not yet owned by an appropriate city-wide or central government agency/department. The government department with the highest funding commitment to the London 2012 budget is Communities and Local Government (25%) though the 'lead' department, under the overall guidance of the Government's Olympic Executive (GOE), is the Department of Culture, Media and Sport (DCMS). The available evidence suggests that city and regional authorities have been the most appropriate vehicles for the oversight of legacy development in past host cities with central government performing a less direct role in the legacy phase compared to the bid and pre-event phases (Barcelona, Sydney and Manchester).
- For London 2012 legacy planning and development, it may be appropriate for the CLG and the Mayor (as joint funders) to be the institutions to which the OPLC is accountable, while operationally it works with other sub-regional partners, particularly the five host boroughs. This governance structure may ensure that Olympic legacy development integrates effectively with



other regional and city-wide projects (such as Crossrail) and London-wide policies reflected in the Mayor's London Plan.

- The relationships between the Olympic Park development and other major adjacent projects, such as Stratford City, are not clearly articulated;
- The four major instruments of economic growth and development across the Thames Gateway are the Olympic Park/Stratford City, Canary Wharf, London Gateway Tilbury, a major shipping infrastructure development, and Ebbsfleet, a Channel rail link station and location for housing expansion. The credit crunch and resulting recession has significantly slowed housing and other development in the Thames Gateway and employment has fallen in finance and related sectors. **The extent to which these 'drivers' of change may be able to assist in tackling worklessness, improve the skills base of the resident population and meet housing needs across the region requires urgent review.**

In summary, legacy planning is an important component of the London 2012 project; London is ahead of many other host cities in developing proposals for the legacy use of the Olympic Park. London's commitment to social transformation in East London exceeds the ambitions of many past host cities. The governance framework for 'London 2012' is likely to produce 'a successful games'. The capacity to achieve a 'transformative momentum' in legacy mode depends upon achieving an effective balance between commercial and social goals, addressing knowledge gaps relating to the role of the OPLC and specifying how this role and remit relates to the wider city/regional policy framework. Ownership, oversight and accountability for this integrative approach require the clear identification of lead agencies at city-wide and national level. If accountability and funding sources are to be aligned, the Mayor's office and the Department of Communities and Local Government are, currently, the appropriate bodies to assume these roles.

## 1.0 Introduction

### Key Points:

- *Olympic complexes have varied from the integrated or centralised Olympic Park (Munich 1972, Montreal 1976, Seoul 1988, Sydney 2000, Athens 2004) to the distributed or de-centralised (Barcelona 1992, Atlanta 1996);*
- *the centralised model of development ensures that the Olympic Park assumes a symbolic status in post-games evaluations of the catalytic impact of the event on urban development;*
- *London's bid commitment to transform the social and economic life of the east side of the city is the most ambitious legacy aim sought by an host city in the modern history of the Olympic and Paralympic Games;*

An Olympic complex, incorporating sports facilities and the athletes' housing or village, is but one model of the development of Olympic sites. Munich (1972), Montreal (1976) and Seoul (1988) had integrated sites typically located on the outskirts of the city. By contrast, Barcelona (1992) established four Olympic districts within close proximity of the city centre and connected

by new highway links and Atlanta (1996) had sixteen separate venues connected by a major ring road. Equally, the housing legacy of these games varied. The Munich, Montreal and Atlanta games provided combinations of high quality housing and student accommodation as their legacy, whilst Seoul and Barcelona provided models of high-quality housing development. The Sydney (2000) village was the first to be designed to meet the needs of its resident population, taking into account its demographic character and pre-games housing provision. Perhaps the underlying trend, however, in the post-1945 period has been for host cities to seek to integrate the construction and development of the Olympic facilities within a city or district-wide programme of urban development and/or renewal. London illustrates this trend.

The centre of Olympics-led regeneration is the five East London Olympic boroughs of Newham, Tower Hamlets, Hackney, Waltham Forest and Greenwich. They have rising populations, a high percentage of young people compared to the rest of England and relatively high levels of social deprivation. Since the nineteenth century, East London has provided the location for manufacturing industries and the city's docklands. It housed the city's working classes and remained, throughout the twentieth century, relatively poor compared to the rich west of London. When the docks closed in the 1970s, the area suffered major job losses in traditional manufacturing and processing industries from which many parts have not recovered. By the beginning of the twenty first century, the extensive regeneration of London Docklands and improvements in infrastructure had created an area that is socially polarized, containing pockets of relative affluence within a sub-region that has a high concentration of relative poverty and deprivation.

The hosting of the Olympic and Paralympic Games in 2012 is aimed at catalyzing a process of extensive social and economic renewal that addresses these underlying social and economic issues. In linking the games to the social transformation of East London, the government and the key stakeholders in 'London 2012', have embarked upon a new and highly ambitious interpretation of the games' contribution to the social legacy to be achieved by hosting the world's most prestigious sporting event. From its inception, the London bid was focused upon a specific area of the city; with the components of the Park being clearly designated as temporary or permanent sites, with each of the latter having a defined legacy use. It is this task of defining and shaping the Park post-Games that now falls to the Olympic Park Legacy Company (OPLC) established in May 2009.

In evaluations of the success or otherwise of the Olympic and Paralympic Games, the Olympic Park assumes a special status; it may become an integral part of the dynamic development of a city or it may become a symbol of 'waste', an under-utilised location for a range of permanent facilities. This literature review seeks to identify the factors that may contribute to the successful legacy use of the Olympic Park and to the achievement of the social transformation of East London.

## 2.0 Aims and Scope of the Literature Review

### Key Points

- *Reviews of governance arrangements have typically taken place after the event via host city and IOC official reports;*
- *A review of the governance framework at key milestones in the preparatory phase and the establishment of a legacy organisation in the pre-games phase should be seen as 'London 2012' stakeholders providing examples of good practice for future host cities;*

### Aims

The literature review seeks to:

- Provide information on the governance arrangements for past Olympic host cities and other major sporting events that have useful lessons for 'London 2012';
- Present a guide to 'best practice' arising from a review of the selected case studies;
- Analyse 'best practice' compared to the governance framework currently designed for 'London 2012';

### Scope

The main sources for the review are derived from:

- Official evaluations and reports of the host city organising or project management committees;
- Official reports/progress reviews undertaken by funding agencies, public authorities and auditors;
- Consultancy and 'think tank' reports, typically prepared for and published by key stakeholders engaged in the governance of the games;
- Independent evaluations from community groups and academic institutions;
- Press and media reports;

Whilst there is an extensive literature on host cities and major projects and sporting events, it is important to recognise that:

- Governance arrangements have rarely been extensively and critically reviewed, especially by the key participants/stakeholders;
- There is an expanding literature on governance and mega events but it tends to be 'ex post facto' rather than designed to inform policy makers and help review and revise existing governance arrangements;
- Governance and legacy outcomes are best evaluated over time via longitudinal studies;

- Data collection and analysis is not consistent across host cities, nations and major projects;
- Comparative analysis must recognise the diversity of host city visions and achievements and the specific social, economic and political conditions in which they arise.

## 3.0 Explaining Legacy

### Key Points

- *Legacy refers to the economic, social, environmental and cultural development of a host city, its evaluation is, therefore, much broader than a 'snapshot' study of the economic 'impact' of the event;*
- *The International Olympic Committee (IOC) requires host cities to systematically evaluate a number of legacy indicators as part of the city's post-games report, the range of topics and themes covered by the indicators has expanded over the past decade;*

Legacy has assumed a complex range of meanings in the discourse of the sports mega event and the evaluation of its implications for urban regeneration and economic development. It is not to be confused with the 'narrower' evaluation of socio-economic impact whose focus is primarily upon the costs and benefits of the sports event itself. Its focus combines the direct Games-related evaluation of income/costs with a broader evaluation of the additional or indirect contribution to infrastructural, environmental, cultural, economic and social development. In this sense 'hard' and 'soft', 'tangible' and 'intangible' legacies accrue over time. Indeed, the time span for evaluation should reflect the complexity of this process.

As Baim (2009, see Table 3.0.1) suggests, the IOC's commitment to legacy has expanded over recent years to include a wider range of social, economic, cultural and environmental indicators which must be included in candidate city bids. For example, the environment or sustainability was included in the IOC's criteria for evaluating the candidate city bids for the first time for the 1996 summer Olympic Games and, more recently, the IOC has introduced a requirement for host cities to undertake a comprehensive Olympics Global Impact (OGI) study that consists of a longitudinal evaluation of an extensive set of performance indicators. Trialled at Beijing (2008), London (2012) will be the first host city to undertake a comprehensive OGI study.

The IOC commitment has been reinforced by cities and nations themselves seeking to ally the IOC agenda with their own plans and proposals for urban development and renewal. Seoul (1988) and Barcelona (1992), in very different political and socio-economic contexts, provided a significant and successful impetus for this development which has subsequently been emulated by other host cities.

**Table 3.0.1 History of Urban Investment by Sector: Olympic Games 1896-2004**

Year	Host	Sports Facilities	Housing	Transport.	Urban Culture	Environment
1896	Athens					
1900	Paris					
1904	St. Louis					
1908	London					
1912	Stockholm					
1920	Antwerp					
1924	Paris		1			
1928	Amsterdam					
1932	Los Angeles					
1936	Berlin					
1948	London					
1952	Helsinki					
1956	Melbourne					
1960	Rome					
1964	Tokyo					
1968	Mexico City					
1972	Munich					
1976	Montréal			2		
1980	Moscow			3		
1984	Los Angeles	4		5		
1988	Seoul					
1992	Barcelona					
1996	Atlanta					
2000	Sydney					
2004	Athens					
Key to table: blocked cells =			= fully implemented		= partially implemented	

Source Baim D. 'Olympics Driven Urban Development' in Poynter G. and. I. MacRury eds.) (2009) *Olympic Cities: 2012 and the Remaking of London*, Ashgate Press

**Table Notes**

1. Temporary housing was built for athletes. The housing structures were destroyed after the Games.
2. Little done for Olympics since most infrastructure investment was completed for the 1967 World's Fair.
3. A new terminal was built in Moscow airport.
4. The 1984 Games renovated existing facilities but built no new facilities.
5. Airport had a second deck added to accommodate departing passengers.

## 4.0 What is Governance?

### Key Points

- *Governance may be:*
  - *State centred (e.g. Montreal, Athens, Beijing)*
  - *Public/private partnership (e.g. Atlanta)*
  - *Networks of Stakeholders (e.g. Barcelona, Sydney, London)*
- *An effective governance framework is essential to the event and legacy. If divisions between stakeholders arise event preparations may be threatened (Athens);*
- *If commercial interests prevail in partnership arrangements, social legacy may be not be achieved (Atlanta);*
- *Networks of stakeholders are complex, however, providing there is 'strong inter-institutional consensus' a balanced commercial and social legacy may be achieved (Barcelona).*

Governance is a relatively neglected theme in publications, reports and public discussions of the long term impact of major events such as the Olympic and Paralympic Games. A flexible, collaborative and representative organisational framework for a mega event is, however, integral to its success and is a major influence upon the achievement of legacy goals. For 'Olympic cities', as legacy outcomes have come to incorporate a wider range of social, cultural, economic and environmental policy themes, so governance has assumed an increased importance in determining their capacity to secure longer term benefits from hosting the Games.

Governance refers to ways of bringing institutions representing the state, communities and the market into forms of public/private partnership to deliver regeneration projects. The concept of governance is a fluid, contested term in the academic literature. Until the 1980s, governance in the UK was mainly undertaken by government, with national government determining policy and, through the mechanisms of local government, major housing and redevelopment programmes were undertaken. Since the 1980s, successive governments have separated policy-making from its delivery and have increasingly utilised quasi-state and non-state institutions to provide the services required to implement urban regeneration projects. The private sector, and in particular, private finance has been regarded as an important contributor with government funding being used initially to attract private investment into projects. In this sense, public funding provides the capacity for the state to 'lever in' additional private sector funding.

The partnerships arising from this leverage model may vary according to the levels of cooperation and interdependence of the public and private institutions engaged in specific projects. The form of institutional relations – national, local, public, private – may remain 'state-

centred', privilege the financial and commercial interests of the private sector, or seek to reflect a broader coalition or 'network' of all stakeholders, including, for example, local communities and voluntary groups. The patterns of institutional relations are, in turn, set by the political and legal frameworks that are introduced to facilitate the regeneration project or, in the case of the Olympic and Paralympic Games, to enable the hosting of the mega event.

In summary, governance is a complex matter, it may be helpful to analyse the form of institutional relations by reference to three approaches:

- State centred – where central government provides the policy framework and the role of non-state institutions is mainly confined to the (part) financing and delivery of the project;
- Public/private partnership - where the economic or commercial interests of the latter are privileged in the process of the projects development;
- Networks of Stakeholders – where the interests of all stakeholders (the state, private sector and local communities and civic groups) are represented in the governance framework and the vision and policy goals of the project

In practice, it is difficult to clearly distinguish between the approaches identified above for a variety of reasons. For example, governance frameworks may take the form of a network of stakeholders but in the process of a project's development, specific commercial interests may prevail (Atlanta 1996) or the proposed balance of private/public funding may be undermined by external economic conditions that impede the private sector's capacity to raise sufficient capital to fully engage with the project in the manner intended (London 2012).

Also, in the case of the Olympic and Paralympic Games, the IOC requires the host city and state/federal or national government to provide financial guarantees as an important component of the applicant city's bid; in this context, there exists significant pressures that tilt the governance model away from a partnership or wider network and toward a state-centred approach. Finally, a longitudinal study of a city's experience of hosting the Games may reveal that the influence exerted by specific stakeholders may vary over the whole period of the project from the pre-event to the event and post event phases. The governance framework is, therefore, not fixed as the typology above implies, it is a process susceptible to external social, political and cultural pressures that arise over the whole period of urban development/regeneration associated with the games (Seoul 1988).



## 5.0 Discovering Best Practice

### 5.1 The Organisational Framework

#### Key Points

- *Governance frameworks distinguished organisational responsibilities at the pre-event, event and legacy phases, no previous host city to London 2012 had established a legacy organisation prior to the event taking place;*
- *The post event framework adopted by host cities for their Olympic Parks typically involved a public agency (not for profit) undertaking overall responsibility for the Park's development (this agency was funded by and responsible to the city or state government- Sydney, Athens, Montreal);*
- *Leasing arrangements were agreed with private and/or public sector institutions for the legacy use of permanent facilities, most of these were agreed post-games with the exception of Atlanta whose Olympic stadium was majority financed by a private sector donor;*

Organisational responsibilities for the main Olympic stadium typically distinguish the pre- and event phases from the legacy use of the facility. In examining previous host cities, it is clear that national and city-wide governments' are at the centre of the organisation for the games, with specific construction functions delivered by government departments or special purpose agencies. None of the six cities reviewed established a separate 'legacy organisation' prior to the completion of the games.

The post-event framework varied by city, though the underlying trend was toward ownership remaining with the state/city while the stadium was leased for post-legacy use either, initially, to an 'umbrella' company with broad responsibility for Olympic Park development or to a private sector company or consortium with responsibility for the whole Park's development or specific permanent facilities that remained post-games. Montreal established an Olympic Park Division of the Department of Public Works to oversee completion of the stadium project and its conversion to legacy use. Sydney and Athens set up special purpose companies to develop plans for their respective Parks, including the main stadium, while Atlanta, having received a significant donation that part-funded the Centennial Stadium's construction, leased the facility to the donor's baseball team. The Centennial Stadium was subsequently renamed 'Turner Field'.

**Table 5.1.1 Olympic Host Cities: The Organisational Framework for the Olympic Park**

<b><u>Governance</u></b>	<b><u>Key Stakeholders</u></b>	<b><u>Ownership</u></b>	<b><u>Operation</u></b>
<b>Montreal Olympic Stadium (1976)</b>  <b>STATE-CENTRED</b>	Comité Organisateur des Jeux Olympiques, (COJO) Director General Construction & Technology  Olympic Park Division, Dept of Public Works, City of Montreal	Public Ownership  Government of Quebec	Leased to Canadian football club
<b>Barcelona Olympic Stadium (1992)</b>  <b>STATE-CENTRED TO NETWORK</b>	COOB'92  Barcelona Holding Olympic, SA (HOLSA)  Higher Council for Sport	Public Ownership  HOLSA	Leased: Spanish soccer club ( Espanyol) (to 2009)
<b>Atlanta Olympic Centennial Stadium (1996)</b>  <b>PARTNERSHIP</b>	ACOG  City of Atlanta and Fulton County	Public Ownership  City of Atlanta	Leased to Baseball team, renamed 'Turner Field' after donor of funds for construction
<b>Sydney Olympic Stadium (2000)</b>  <b>STATE-CENTRED TO PARTNERSHIP</b>	SOCOG  NSW Government/National Government  Stadium Australia Group	Public/Private Ownership  NSW Government (on completion of 30 year lease); lease to Stadium Australia Group	2002 Sydney Olympic Park Authority
<b>Athens Olympic Stadium (2004)</b>  <b>STATE-CENTRED</b>	Athens Committee for the Olympic Games  Greek National Government – ATHOC ceded responsibility for construction to the Greek government in 2004 following delays and 'yellow card' warning from IOC	Public Ownership	Hellenic Olympic Park Authority  Lease to soccer club AEK Athens
<b>Beijing Olympic Stadium (2008)</b>  <b>STATE CENTRED TO PARTNERSHIP</b>	BOCOG/National Government  Beijing Municipal Authority  CITIC	Public Ownership	Public Private Partnership – leasing: (Private partner CITIC Beijing Guoan – marketing and advertising company)

## 5.2 Olympic Stadia: Costs, Construction and Legacy

### Key Points

- *Olympic stadium modification and use post-games has presented significant challenges to host cities;*
- *A post-games 'hiatus' may occur during which the stadium attracts public criticism for being a 'white elephant' (Sydney, Athens);*
- *Some cities have achieved effective legacy use through leasing the stadium to a major league sports team (Barcelona, Atlanta);*
- *Stadium modification has been costly to complete (Montreal, Atlanta);*
- *Leasing the stadium to a private enterprise not directly involved with sport has attracted public controversy (Beijing)*

A review of Olympic Stadium development suggests four main themes. First, the stadium is often regarded as a centrepiece of the Olympic development. Cities have, therefore, commissioned architectural designs aimed at achieving 'landmark' status. In the case of Athens, for example, an existing stadium was extensively re-designed and a new roof was a central feature. Other stadia have incorporated high environmental standards, such as Sydney, or new technological features such as a retractable roof or stunning design features (Montreal, Beijing). Second, two cities experienced major difficulties in achieving the construction of their main stadium on time; these were Montreal and Athens. In the case of Montreal, the stadium took a further ten years to complete. Third, original designs, in three cases, were modified at the initial construction phase for financial reasons in an attempt to reduce cost-overruns (Montreal, Athens, Beijing) and, finally, legacy use was not clearly defined in the pre-event phase and initial plans. Development took place in the post-event period, with the stadium design modified (Beijing) or significantly changed (Montreal, Atlanta).

The legacy use of the stadia is an important issue for all host cities. The main legacy outcome for most host cities has involved leasing the stadium to a major football/baseball/soccer club. Barcelona City Council leased its stadium to Espanyol, the city's second most important premier league soccer team (an arrangement that ended in 2008-9); Atlanta leased to a major baseball team and Athens, after a period of uncertainty, leased to a leading Greek soccer club, AEK Athens. For Sydney, the main Olympic stadium is now being used for soccer, rugby and Australian rules football events though this outcome has taken some period to finalise.

Sydney's Olympic Park experienced a hiatus over two years during which all permanent facilities were under-utilised. It was not until 2002, when the Sydney Olympic Park Authority was established, that the whole area's use and development was extensively reviewed. It took until 2006/7 for the Olympic Park to become an integral and planned part of the city's overall development (see Case Study Box below). The 'Bird's Nest', the spectacular main stadium erected in Beijing, has generated considerable debate within China since the close of the games in 2008. Eventually, the stadium was leased to a private sector consortium, CITIC, that is

now involved in redeveloping the site to incorporate commercial as well as sporting and cultural event uses. This arrangement has been the subject of criticism from within China. On the one hand, critics have argued that the stadium should be used for communities and the promotion of internal tourism, in the Olympic-spirit, on the other, the CITIC consortium has sought to develop more commercial uses, including converting part of the stadium as a location for businesses and corporate events.

**Table 5.2.1 The Olympic Park: Costs, Construction and Legacy**

Event	Cost and Capacity	Legacy Phase	Outcomes
Montreal Olympics (1976)	\$264 million Canadian dollars, initial estimate \$134 million  58,500 – planned capacity not completed in time for the games	Olympic Park (Stadium Tower hotel, sports center and indoor parking lots) owned by the Government of Quebec; leased to Canadian football team (1976-1986, 1996-97); now play-off games and venue for other leisure/sporting events.	Stadium fully completed 10 yrs after games; poor spectator experience for football; several repair works over last 30 years; cost of stadium recouped finally by 2006
Barcelona Olympics (1992)	\$8.5 billion (pesetas) – a renovation cost, including Park infrastructure development  70,000 (stadium was re-built from original structure of 1929)	Became 'Estadi Olímpic Lluís Companys'  - owned by City Council and leased to soccer club Espanyol (1997-2009)	Stadium will host European Athletics Championships in 2010
Atlanta Olympics (1996)	\$207 million of which \$170 million funded by Ted Turner, owner of Atlanta Braves  85,000	Became home of Atlanta Braves, a baseball team; athletics track removed and capacity reduced to 49,000.	The Centennial Olympic Stadium was named 'Turner Field', a baseball stadium for Atlanta Braves; ownership remained with City of Atlanta and Fulton County.  Lease \$1.5/2 million annually
Sydney Olympics (2000)	\$715.6 million (Aus dollars) - \$584m Private Equity 131.6 million NSW government  110,000 for games, scaled back to 80,000 post-games	Renamed ANZ Stadium, formerly Stadium Australia and Telstra Stadium;	2000-2002 'hiatus'; 2002 Sydney Olympic Park Authority established and Masterplan for developing Park published May 2002.  Stadium tenants use for soccer, rugby and Australian rules football
Athens Olympics (2004)	265 million Euro – cost of renovation, original stadium constructed 1980-82.  Wholly government	Leased for use as soccer venue - Olympiacos (2007-8)	Event venue and major soccer matches;  2009-10 tenants AEK Athens

	funded renovation  72,000 but 56,000 seats only available to public during the games		
Beijing Olympics (2008)	1.5 billion yuan  Public Private Partnership for legacy use and maintenance by CITIC consortium  80,000, after Games 11,000 temporary seats removed	Proposal for Guoan soccer team to become tenant failed, as team decided to stay at smaller Workers Stadium in Beijing	CITIC consortium have 30 year lease on stadium – consortium income based on renting stadium for events and tourism; temporary seating removed and 35% of space to be leased for commercial purposes; some stadium ‘relics’ sold – prompting local criticism of commercial gain from Olympic legacy

### 5.3 The Construction of Other Stadia and Projects

#### Key Points

*The four projects reviewed here are Stade de France, Wembley, Manchester (Eastlands) and the Millennium Dome. Whilst, they differ – one event location and three stadia (two of which are national stadia) – preliminary conclusions suggest:*

- *The public/private partnership approach to funding stadium development worked most effectively with Stade de France and least effectively with the English National Stadium (Wembley); the former was on time and on budget, the latter late and over budget;*
- *The funding model of initial public investment generating subsequent private sector funding was effective in the case of Stade de France and less successful with Wembley, with official reports suggesting that the latter’s problems related in large part to weaknesses in business planning, stakeholder collaboration and overall project management and leadership at senior levels;*
- *Manchester (Eastlands) secured a balanced legacy of urban regeneration and effective stadium use post-games; with the associated development of SportCity achieving an annual income of £1.5-2 million from Manchester City FC and a £225,000 grant per annum from Sport England to provide community and elite sport facility use;*
- *The ‘Dome’ was a flagship regeneration project. Its construction was on-time and on-budget, extensive land remediation occurred and Peninsula-wide regeneration took place, catalysed by the millennium plan. Delivery of the whole development was delayed, not all housing construction occurred on time and as planned, transport infrastructure development lagged behind the main construction and the major stakeholders involved in the project lacked effective organisational coordination.*

Four other major stadia or event locations are examined in this literature review. All of these were associated with urban regeneration projects within the specific areas of their construction; though typically the regeneration projects were not on the same scale as those that occurred in Olympic host cities. The four examined are:

- Stade de France - constructed for the FIFA World Cup (1998) and a centre piece of extensive urban regeneration focused upon the St Denis area of Paris. The stadium was built in less than three years by a 47/53 public/private sector partnership. The private operators will secure the profits deriving from activities for 30 years, after which control will revert back to the city of Paris. The location for the stadium was a derelict gasworks, a brown field site; and its development included the completion of new roads, landscaping and the provision of two different branches of the RER express commuter network. The stations are located on opposite sides of the new stadium. Available evidence is that VINCI, a French company, has a long term investment plan that is realising annual increases in income and a reduction in net debt per annum, with the company set to secure a surplus within ten years of a thirty year lease arrangement.
- City of Manchester Stadium (Eastlands): the success of Manchester's bid to host the 17<sup>th</sup> Commonwealth Games was announced in 1995. New East Manchester Ltd, one of the UK's first Urban Regeneration Companies, was established in 1999 to oversee the regeneration programme associated with the Games. The Company had three main stakeholders responsible for policy and funding. Manchester City Council, the local authority for the area in which New East Manchester operates; the Northwest Regional Development Agency and English Partnerships. The Commonwealth Games Opportunities and Legacy Partnership Board was set up as a regional agency for managing the Legacy of the Games. The total public investment in the games and its infrastructure legacy was approximately £650 million, with £570 million concentrated upon the East Manchester area. The stadium became the home of a Premier League side, Manchester City (MCFC) in 2003-4 and around the stadium area a new development 'SportCity' took place. In December 2008, Manchester City Council reported that income from MCFC of £1.5-2 million per annum enabled Sportcity to succeed as a national centre of sports provision, attracting high numbers of visitors and a series of prestigious events in cycling and other sports:

'The City of Manchester Stadium Rental Agreement enables an extensive programme of sport and community activity to be delivered across the Sportcity venues for the benefit of local communities around these venues and the City as a whole. The agreement between the Council, Sport England and MCFC ensures that income received is reinvested into sporting facilities and programmes at Sportcity and in the surrounding areas. In addition to ticket sales, revenue is also generated from conferences, events, other sports events i.e. Rugby and car parking. This has provided between 1.25m and £2.5m of revenue per annum over the past five years, this has averaged at around £2m per annum.

The rental income is used to offset the running costs of the Sportcity facilities which in turn allows accessible prices for residents, this also includes the estate management function which is delivered in partnership with MCFC. In addition, grants from Sport England are accessed to cover the costs associated with the elite usage of the venues, this currently generates an additional £225,310 per annum and supports the operation of these facilities.

In addition, the rental income supports the delivery of an extensive programme of sports development activity and community events, and regional sports events. A comprehensive outreach programme is delivered to maximise engagement at Sportcity, this includes providing transport for schools throughout the city. This enables tens of thousands of residents each year to participate in sport'.

Source: Manchester City Council Resources and Overview Scrutiny Committee, [http://www.manchester.gov.uk/egov\\_downloads/Item\\_6\\_Sport\\_City\\_1\\_.pdf](http://www.manchester.gov.uk/egov_downloads/Item_6_Sport_City_1_.pdf), accessed November 2009.

- English National Stadium, Wembley: Sport England established a national stadium competition funded, in part, by the National Lottery which was set up in 1994. The funding arrangement was a mix of lottery funding and 'partnership funding'. Sport England chose Wembley as the site for the stadium in November 1998. By 2000, Wembley National Stadium Ltd (a subsidiary of the English Football Association) was unable to raise the financing needed for the project. After a review process lasting almost two years, a new funding arrangement was agreed involving an increase in public investment and significant financial support from a consortium of private investors. Extensive revisions to procurement and project management were eventually agreed with Multiplex, the main constructor. Infrastructure improvements, especially to rail connections were undertaken as a component of the project. During 2009, Wembley National Stadium Ltd, refinanced the business, though it still has debts of more than £320m. The agreement with its creditors cut its interest rate from 7.8% to 6.9% and extended the repayment deadline from 2018 to 2023. Revenue of £90 million per annum (2008), relies heavily on the sale of boxes and seats to corporates (59% of annual income). In 2008, Wembley hosted 1.7 million people at 27 events. It is not expected to achieve profitability until 2012.
- The Dome/02 Arena: a centrepiece of a £758 million regeneration of Greenwich Peninsula. The Dome was the location of Millennium celebrations. The specific structure cost £260 million and was delivered on time and to budget but the wider project was delayed in completion (72 rather than 53 months) and was over budget. The main criticism of the dome was the conceptualisation of its content for the millennium celebrations, rather than its design. Subsequent reports (CLG 1999; NAO 2005 and 2008) suggest that the Greenwich Peninsula has benefited from the wider regeneration project – 80 hectares of remediated land, 1377 mixed tenure homes and a further 1600 in the surrounding area, improved transport links and the 02 Arena is now a highly successful event venue. However, criticisms remain concerning the slower than expected progress in housing development, the resulting lower returns on the public investment made and the lack of a single forum for all stakeholders to coordinate development activity.

**Table 5.2.2 Other Major Stadia and Event Venues: Costs, Construction and Outcomes**

Event	<u>Development and/or Event Phases</u>	<u>Cost and Capacity</u>	<u>Legacy</u>	<u>Outcomes</u>
Stade de France FIFA World Cup	Public/Private Partnership (47:53)  City of Paris & Bouygues - GTM – Entrepouse	£260 million  80,000	30 year lease to VINCI  Consortium	40 major events and 1.75 million visitors pa
Manchester (2002)	New East Manchester Ltd (UDC);  Sport England	£110 Million (£70 million Sport England)  38,000 –enlarged to 48,000 to host Manchester City FC (2003-4)	Under agreement, given to Manchester City	'Under the agreement between the Council and Manchester City FC, 50% of the value of every seat over 32,000 and 60% of the value of every seat above 40,000 sold at MCFC matches will be reinvested into sporting facilities and projects in the East Manchester Area. The local community will be given access to the stadium facilities for 100 days each year'
English National Stadium Wembley	Sport England  Wembley National Stadium Ltd  Football Association  Public/Private Partnership  Constructor: Multiplex	£757 million  £161 m Sport England (£120 m. lottery fund)  £148 m. Football Association  £20 m. DCMS  £21 m. LDA  £433 million private commercial loans  Capacity 90,000	Wembley National Stadium Ltd owners, wholly owned subsidiary of Football Association.  Partnership model of funding; initial estimated cost increased by 40 %	Initial plan to host three sports – soccer, athletics and rugby; dropped athletics provision in construction phase;  IMG has role in selling premium seats;
The Dome/02 Arena	New Millennium Experience Company Ltd (2000-2002)	Part of a £758 million regeneration of Greenwich Peninsula; dome was location of Millennium celebrations  Dome cost £260 million – delivered on time and to budget; wider project was delayed in completion (72 rather than 53 months) and over budget	Dome failed as millennium exhibition centre (half estimated no of visitors in first year); closed and re-furbished	New Millennium Experience Company Ltd 2000-2002 - £204 million over initial budget set when lottery money allocated for the project.  Lease purchased by Meridian Delta and renamed 02 Arena:  22,000 seat event location; Meridian Delta lease purchased by Trinity College (Cam, 2009); site ownership AEGEurope



## 5.4 Venue Ownership

### Key Points

- *The public/private partnership arrangement for stadia has a variable record of success;*
- *Private sector consortia have faced difficulties in raising sufficient income to cover debt repayment (Sydney, Wembley);*
- *Of the stadia reviewed, perhaps the most successful public/private partnership example is the Stade de France;*
- *Atlanta may be considered as a special case since the key donor who part financed the construction of the stadium also assumed responsibility for the lease post-games*
- *Beijing's CITIC private sector consortium has had insufficient time to demonstrate the success or otherwise of its commercially driven approach.*

Olympic stadium ownership has varied depending upon the construction funding strategy adopted by the host nation/city governments. In summary:

- Barcelona, Montreal, Athens and Beijing were primarily funded by the national, federal, state and city governments; Barcelona and Athens leased their respective stadia to leading soccer teams; Beijing leased its stadium to CITIC, a private sector consortium;
- Atlanta received a significant donation from a private entrepreneur (Ted Turner, owner of the Atlanta Braves baseball team) and provided a smaller public fund for construction; in the legacy phase the Braves leased the stadium on a forty year deal;
- Sydney adopted a 'BOOT' scheme approach (Build, Own, Operate, Transfer) which involved Stadium Australia Group, a leisure and event services group. In turn, Stadium Australia Group was funded via a debt facility by a consortium led by two banks, ANZ and AMB Ambro. The public/private finance was innovative, however, Stadium Australia's debt in 2006 of over £200 million Australian dollars led to ANZ securing the naming rights for the stadium at the same time as Stadium Australia undertook an extensive restructuring of its business operations. Stadium ownership reverts back to the New South Wales government following a period of thirty years:

### ANZ Stadium Relationships and Contractual Arrangements

The OCA granted the Stadium Australia Trust the Trust Lease on the completion date of the stadium, being March 1999. The term of the Trust Lease expires on 31 January 2031.

#### Financing the Project

Financing of Stadium Australia has been as unique as the stadium itself. The approach broke a number of financing barriers because of a unique set of structures and an innovative approach. The Stadium Australia Group is a publicly funded group. According to a Senior Manager of Stadium Australia Management Limited "We are a publicly listed entity and we were founded on our ability to raise both debt and equity...of the initial A\$550 million investment, the public float raised A\$350 million. The float was unsuccessful in that it finished short, but from a stadium viewpoint, it didn't

make an enormous difference to us because the underwriters paid the shortfall.”

The project is stated to have a total development cost of A\$615.2 million. This cost includes: design and construction costs of Stadium Australia and the associated precinct area; fitout costs of the stadium (apart from the fitout of private suites leased to third parties); the cost of reconfiguring the stadium and precinct area after the Olympics; development costs including those incurred during the bid process, design fees, listing and legal fees, stamp duty, financial advisory fees, accounting taxation advice and those to achieve financial close including marketing; pre-opening costs incurred prior to the project completion date; and financing costs including equity underwriting fees, debt related fees and costs, funding for a debt service reserve account and capitalised interest on the construction loan facility (Stadium Australia Group 1996b).

‘Equity funding for the project was raised via gold and platinum investors, founders and commercial investors. The capital structure of the Trust and Stadium Australia Management was such that at financial close, investors would hold or be obliged or entitled to subscribe for approximately 97.3 million units in the Trust, and an identical number of shares in Stadium Australia Management. The time obligations for payment of these investments were different, with gold and platinum investors (or underwriters take-up) being paid before financial close, while most founders and commercial investors’ subscriptions were required to be made within 5 days of project completion (Stadium Australia Group 1996b).

The financing of Stadium Australia broke a number of financing barriers due to the innovative techniques employed. These included introducing the first Australian Stock Exchange (ASX)-listed lifestyle product. It was also the first triple-stapled listed product. Most shares on the ASX are simple products which involve straight ownership of equity. Stapled products involve add-ons which are designed to make the overall product more attractive or to suit the particular needs of the project. In the original float offerings, gold and platinum packages involved three things - Olympic tickets, membership entitlements and equity investment; thus the recognition of a triple-stapled product. Each unit in the Trust is stapled to a share in Stadium Australia Management’

Source: Jefferies M. et al (2001) ‘The Boot Approach for Stadium Australia’. CIB World Building Congress, Auckland New Zealand, Paper HP22, <http://www.irbdirekt.de/daten/iconda/CIB2892.pdf>, accessed October 30, 2009

**Table 5.4.1 Olympic Stadia: Ownership Types**

	Event Phase	Ownership Type	Legacy Phase
Montreal Olympics (1976)	Olympic Park Division, Dept of Public Works, City of Montreal	Publicly owned	Took until 2006 to repay loans for Park development
Barcelona Olympics(1992)	COOB' 92  Barcelona City Council	Publicly owned	Became 'Estadi Olímpic Lluís Companys'  - owned by City Council and leased to soccer club Espanyol (1997-2009)
Atlanta Olympics (1996)	ACOG  City of Atlanta and Fulton County  Donor Funding	Public Ownership  City of Atlanta	Leased to Baseball team 40 years, renamed 'Turner Field' after donor of funds for construction
Sydney Olympics (2000)	SOCOG  NSW Government and Stadium Australia Group	BOOT Scheme – Build, Own, Operate, Transfer Scheme;  Stadium Australia Trust (a subsidiary of Stadium Australia Group) raised equity via ANZ and AMB Ambro	Stadium Australia Trust has 30 year lease; in 2006 naming rights of stadium given to ANZ for \$10 million to assist with Trust debt estimated at \$200 million in 2006
Athens Olympics (2004)	Wholly government funded renovation	Leased for use as soccer venue - Olympiacos (2007-8)	Event venue and major soccer matches;  2009-10 tenants AEK Athens
Beijing Olympics (2008)	BOCOG  National government  Beijing Municipality	Public Private Partnership for legacy use and maintenance by CITIC consortium	CITIC consortium have 30 year lease on stadium – consortium income based on renting stadium for events and tourism; temporary seating removed and 35% of space to be leased for commercial purposes; some stadium 'relics' sold – prompting local criticism of commercial gain from Olympic legacy

## 6.0 Governance, Legacy Planning and Funding of Legacy Organisations

### Key Points

- *The 'leverage' model of public/private sector partnership tends to generate legacies that are favourable to private sector or commercial interests but which reinforce existing patterns of social disadvantage (Atlanta 1996);*
- *The state-centred approach may reflect the relative weakness of cross-institutional cooperation (Athens 2004) or the prevailing political and institutional arrangements within the host nation (Beijing 2008), while it may 'guarantee' the successful financing and completion of the event, it facilitates social transformation only in so far as legacy is a central component of longer term planning (Barcelona 1992; Beijing 2008);*
- *The social network model of governance may provide enhanced institutional flexibility but may also bring greater organizational complexity unless 'cross-institutional consensus' is effectively linked to successive stages of legacy planning and development (Barcelona 1992));*
- *Social network relationships may lose focus and momentum if agencies are mainly event-related rather than legacy-focused (Sydney 2000);*
- *Funding arrangements for legacy organisations have varied depending upon the centralised or de-centralised configuration of Olympic facilities; where an integrated Olympic Park remains after the games, an Olympic Park legacy organisation has been established by city-wide or national government. The remit of the organisation has typically been to develop mixed funding via public and private sector sources, with the latter focused upon commercial development opportunities in office, leisure, sport and housing sectors;*
- *Political accountability for legacy development has primarily rested with city-wide or national government in all the host city case studies.*

The discussion of governance has been largely influenced by the official reports prepared by cities after the games. These have mainly concentrated on the preparatory and event phases rather than extending to consider legacy in the context of urban development or renewal. This, perhaps, reflects the fact that Olympic Organising Committees (OCOGs) have a fixed lifespan, with their existence ending following the closure of the games and the completion of their immediate post-games tasks. OCOG resources are limited primarily to event-related income and expenditure, so while legacy may be a theme intrinsic to the games, responsibility for its achievement lies outside of the remit of the OCOG and with other stakeholders in the governance framework.

The capacity for this framework to flexibly persist beyond the games has varied. In seeking to identify best practice, the main consideration here is the extent to which governance structures

provided the capacity for a city to achieve longer term benefits -a qualitative (or transformative) change in the socio-economic development of the city or part thereof. Table 6.0.1 provides a brief summary of the governance model and the legacy outcomes achieved by five past host cities:

**Table 6.0.1 Governance Models and Legacy Outcomes of Host Cities 1992-2008**

City	Governance Type	Key Stakeholders	Evaluation
Barcelona 1992	Network	National/regional/city government; COOB'92 and Barcelona Holding Olympic, SA (HOLSA)	<ul style="list-style-type: none"> <li>• 'inter-institutional consensus';</li> <li>• Continued urban development programmes 1992-2012</li> <li>• Plans include Forum of Cultures (East) and Poblenou (West); redressing imbalances of previous phases of development</li> </ul>
Atlanta 1996	Public/Private Partnership	ACOG (Atlanta Olympic Organising Committee – private sector);  Olympic Authority (MAOGA – state agency)  City Hall	<ul style="list-style-type: none"> <li>• ACOG interests prevailed;</li> <li>• Venue-based management system led to weak integration for the event;</li> <li>• urban development 'legacy' programme commercially focused;</li> <li>• displacement/replacement of local poorer communities and little achieved in reducing socio-economic divides</li> </ul>
Sydney 2000	Network	Sydney Organising Committee of the Olympic Games (SOCOG), the Olympic Co-ordination Authority (OCA) and the Olympic Transport and Roads Authority (ORTA);  Minister for the Olympics also appointed as President of SOCOG;  Sydney Games Coordinating Group also established (1999) to oversee progress and mediate/resolve conflicts between stakeholders;  Voluntary and environmental groups involved in regular consultations, though their influence diminished in the period immediately before	<ul style="list-style-type: none"> <li>• Effective coordination between the event-related organizations and government at local, state and national levels;</li> <li>• Governance structure was modified and 'evolved' in pre-event phase;</li> <li>• Only following the games was 'legacy' addressed as a policy theme in a systematic way – Sydney Olympic Park Authority (SOPA) was established nine months after the games ended;</li> <li>• SOPA given responsibility for creating 'a vibrant and active centre' focused upon ensuring Olympic Park was integrated into Sydney's urban</li> </ul>

		<p>the event.</p> <p>Agencies with specific functional responsibilities for delivering the games brought together early in 2000 under a single umbrella as 'Sydney 2000'</p>	<p>development.</p>
Athens 2004	State-centred	<p>Athens 2004 Olympic Games Committee, and two high level bodies - Committee of Coordination of Olympic Preparation (DESOP) and the 'Project Monitoring Group' (OPE). These were overseen by the Ministry of Culture and the Secretary for the Games - they monitored progress of projects, resolved issues arising between policy makers and delivery agencies and worked with the Ministry of Finance to approve funding.</p> <p>Limited liability company established to provide Cultural Olympiad</p>	<ul style="list-style-type: none"> <li>• Cross-agency cooperation achieved by firm state intervention as games came closer;</li> <li>• Widespread public/media concern about preparations;</li> <li>• Event's success changed this image but governance framework was event focused with little attention to legacy;</li> <li>• City and region secured infrastructure improvements; after the Games a new company established to manage and lease out Olympic venues – the Olympic Real Estate SA with leasing designed to pay-off public debt. Olympic Village provided social housing but little progress with leasing other venues.</li> </ul>
Beijing 2008	State-centred	<p>Beijing Organising Committee for the Games (BOCOG); Beijing Municipal Authority/Congress; National government.</p>	<ul style="list-style-type: none"> <li>• Games integral part of Beijing Municipal Authority Plan all phases led by national government and state authority;</li> <li>• Event venues part of re-zoning of city's entrepreneurial, cultural and social activities;</li> <li>• Games one component of state-centred plans to develop Beijing's high value-added service industries;</li> <li>• Following the games, Beijing has further development plans extending into mid-21<sup>st</sup> century</li> </ul>

The relationship between the governance model and the achievement of legacy outcomes is complex and any provisional conclusions must acknowledge that the evidence available is not

consistently captured by host cities using comparable data sets over consistent periods of time. Second, legacy achievements are subject to wider economic, cultural and environmental conditions that vary considerably between host cities and nations. Finally, the governance model adopted by each host city reflects the type of institutional and political relations that prevail within the host nations at the time. Accepting these important caveats, it is possible to suggest that:

- The 'leverage' model of public/private sector partnership tends to generate legacies that are favourable to private sector or commercial interests but which reinforce existing patterns of social disadvantage through displacement/replacement and the process of 'gentrification'; subsequent phases of planning and development assume a similar character (Atlanta 1996);
- The state-centred approach may reflect the relative weakness of cross-institutional cooperation (Athens 2004) or the prevailing political and institutional arrangements within the host nation (Beijing 2008), while it may 'guarantee' the successful financing and completion of the event, it facilitates social transformation only in so far as legacy is a central component of longer term planning (Barcelona 1992; Beijing 2008);
- The social network model of governance may provide enhanced institutional flexibility but may also bring greater organizational complexity unless 'cross-institutional consensus' is effectively linked to successive stages of legacy planning and development (Barcelona 1992));
- Social network relationships may lose focus and momentum if agencies are mainly event-related rather than legacy-focused (Sydney 2000).

The funding of legacy organisations varies for a number of reasons. Focusing upon the Olympic Park development, the most relevant examples of good practice for London 2012 arise from those Olympic cities that have established an integrated approach or 'centralised model' for the games. Here, the majority of Olympic sports events take place in one location, adjacent to or within the same park as the Olympic Village (athletes' accommodation) and the Media Centre. Sydney, for example, had 14 of the 28 sports and located eight major venues in the Sydney Olympic Park. Overall responsibility for the direct costs of funding the games lays with the city, regional, government and national government and, typically, the indirect costs of infrastructure improvement and provision sit with the same bodies. In some cities, such as Atlanta and Sydney private finance has supported the construction of the main Olympic stadium.

Following the event, cities that pursued a centralised model of event provision have typically established special purpose publicly funded agencies to oversee the modification of the Park and its future development. Usually, these agencies have developed overall plans for the park and then entered into partnerships with public and private sector institutions to develop specific aspects of it. Sydney provides an interesting example of a Park for which there was a 'vision' for post-games use but no specific vehicle established prior to the event to ensure that the legacy was delivered. This problem was addressed by the New South Wales government when it created the Sydney Olympic Park Authority in 2002 (see box below).

#### Sydney Olympic Park; Case Study

The sports precinct for the Sydney Olympics was created between 1993 and 1999. There was a legacy vision but no specific vehicle for its delivery. Between the close of the games in 2000 and 2002, the park became a 'white elephant'. In 2002 the Sydney Olympic Park Authority (SOPA) was created by the New South Wales government. A legacy master plan (Sydney Olympic Park Master Plan 2030) was developed which led, according to the Sydney Daily Telegraph, to 'a second building boom' from 2006 to 2008. The plan involved the development of the park for a mix of commercial and public use, including:

- Ensuring on-site employment for a 10,000 daily workforce;
- Residential development of 685 apartments, centrepiece of a new town centre development;
- \$276 million development including two hotels, three commercial buildings, a further 208-unit residential development, a specialist hospital, a childcare centre and community leisure facility;
- The move of Commonwealth Bank to three seven storey towers, shifting 3,500 employees to 60,000 sq m of new office space (completed 2009) and the development of a retail area linked to the towers development
- The creation of three youth-oriented facilities, including a skate park and BMX park;
- Creation of an international centre for excellence in sports science management (Sport Knowledge Australia);
- Creation of elite sports facilities to house higher education institutions, including the Australian College of Physical Education

The master plan seeks to achieve by 2030 a daily population of 28,500 workers, 14,000 residents, 5,000 students and 15,000 annual visitors.

Source: Cashman R. (2008) 'The Sydney Olympic Park Model: Its Evolution and Realisation, Mega Event Cities, a publication for the 9<sup>th</sup> World Congress of Metropolis, [http://www.metropolis-server.com/metropolis/sites/default/files/reuniones/sydney\\_2008/publicaciones/MEGAEVENT\\_intro.pdf](http://www.metropolis-server.com/metropolis/sites/default/files/reuniones/sydney_2008/publicaciones/MEGAEVENT_intro.pdf); accessed November 1<sup>st</sup>, 2009

The governance framework for the Olympic cities and stadia projects reviewed have been characterised in this literature review as either state-centred, public/private partnership or as a social 'network' of stakeholder institutions. The available evidence suggests, however, that accountability for the overall project and its legacy has been retained by the city, state or national government. With centralised or integrated Olympic park developments, the responsibility for planning and legacy development and use has rested with a special purpose agency, a legacy authority or company. The oversight and accountability of that authority has been managed by a city-wide or regional political institution (Montreal 1976, Barcelona 1992, Atlanta 1996, Sydney 2000, Beijing 2008) or by national government (Athens 2004, National Stadium Wembley – the latter in collaboration with other stakeholders).



## 7.0 Positive and Negative Outcomes

This literature review, supported by other LERI publications,<sup>1</sup> suggests a number of positive and negative outcomes may arise for cities that have hosted the Olympic games over recent decades. In this brief review, positives may be exemplified via a more detailed look at Barcelona and Manchester whilst more mixed or negative outcomes may be drawn from Atlanta and Athens.

### Barcelona.

The cities that have achieved effective socio-economic transformation have conceived of the Olympics as one stage in a longer process of urban development and renewal. Barcelona is, perhaps, the most useful example. Its development has taken place over three planning phases with the first commencing 1986-92. The Olympics related investment phase focused upon coastal recovery, telecommunications and services, housing, office development, sports and cultural facilities and roads and transport. The second phase, 1992-2004, addressed the city environment, telecommunications and the continued improvement in transportation infrastructure through the opening of a high speed train service (AVE), the extension to the airport and the development of the regional train, tram and bus network. The current phase (2004-12) is centred upon further transport and environmental improvements and the creation of a high technology business park in the Poblenou district and the Forum 2004– a flexible open space for cultural and creative activities. Each development has addressed omissions from previous phases and has sought to overcome negative effects of the preceding cycle of urban development. For example, the current period of regeneration is designed to more effectively distribute commercial, cultural and leisure activity across the city, reducing the overcrowding effect that arose with the successful regeneration of the city centre. In this sense, Barcelona's regeneration has proceeded through three phases, achieving a '*legacy momentum*' that has outlived the immediate impact of hosting the 1992 event; providing a 'model' that other host cities have attempted to follow.

### Athens.

Barcelona's achievements depended upon a strong inter-institutional consensus at local, city-wide and regional levels. Where this has not occurred, the planning and delivery may become 'event-focused', a focus that arises from concerns about effective project management and the achievement of completion dates. Athens exemplified this problem. The Athens Olympics Organising Committee had difficulties in reconciling the interests of different stakeholder groups. The IOC issued 'yellow card' warnings concerning construction delays and the Greek national government was forced to intervene to secure the final stages of construction of Olympic venues. The preparatory and event phases exhausted the governance structure; the legacy for the city was mixed. Infrastructure and public realm improvements were achieved but the Olympic Park became a 'white elephant', largely disconnected from the life of the city.

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<sup>1</sup> LERI/GLA (2007) 'A Lasting Legacy?' and Poynter G. and I. MacRury Eds (2009) 'Olympic Cities; London 2012 and the remaking of London', London: Ashgate Press.

## **Atlanta.**

Atlanta also achieved mixed outcomes in relation to the legacy of the games. A tripartite structure was established to oversee the games – the private sector-led Atlanta Committee for the Olympic Games, the state-run Olympic Authority (MAOGA) and City Hall. In practice ACOG was the lead partner and commercial interests prevailed through the event itself to the legacy achieved.

Atlanta achieved its goal of securing the relocation of 18 major companies to the city following the completion of the Games and hosting the event was one of the key reasons for achieving the designation by the federal government as one of six ‘federal empowerment zones’. With the Olympic Games, Atlanta attempted to reposition itself as a leading business and global sports centre and indeed the sporting venues have been well utilised since the Games, the main venue hosting a Baseball team and other venues taken on by colleges and universities. This repositioning ran under the title “Operation Legacy”. Centennial Olympic Park Area (COPA) was set up by Central Atlanta Progress (CAP) and according to Paul Kelman, president of CAP, “the park was a catalyst, but we had to come on afterwards and help it”. The Atlanta Chamber of Commerce developed a marketing strategy to assist this, “Forward Atlanta”, and the Department of Industry, Trade and Tourism established a simultaneous marketing campaign “Georgia Global”.

Although there was success in attracting major corporate offices to Atlanta, it has been difficult to separate out the effect of the Olympic Games on this process. Atlanta experienced high levels of economic growth during the pre and post Olympic years, which makes the isolation of the effect of the Games difficult to measure. On the other hand, the Olympics left a legacy of ill-will amongst particular neighbourhoods that lost housing and experienced severe dislocation arising from the urban developments that accompanied the event.

The housing issue has dominated post-Games assessments of the Olympic legacy. The Centennial Olympic Park and its surrounding area have attracted considerable investment in the decade since the Games. The Park was designated as an entertainment area, attracting new facilities, and private sector developers, who took over much of the Park’s development on completion of the Games; creating new commercial and residential projects adjacent to it. Over the past decade, the Centennial Park has provided new entertainment venues, housing and green space, all located close to the inner city. The rebirth of the city’s centre also appears to be supported by population statistics which indicate a reversal of the decline experienced in the period between 1970 and 1990. Over 20,000 people moved into the city, increasing its population from a little under 400,000 to around 416,000 between 1990 and 2000. The re-birth of the city, however, has taken place via a process of what critics have called ‘gentrification’.

The net increase in population was not matched by a significant increase in housing units. In the period 1991 to 1996 seven ‘Olympic Ring Neighbourhoods’ witnessed the demolition of 1203 housing units, with a total overall of 7000 public and private sector housing units being demolished in preparation for hosting the Olympics. These were replaced by about 11,000 units, a net total increase of 4,000. The Olympic Ring Neighbourhoods housed largely poor African-Americans in the early 1990s, by 2000 five of these were ‘well on the way to be gentrified and

the other two had begun to gentrify'. The Games, according to its critics, provided a catalyst for a process of renewal that favoured the well-off and displaced the poor:

'The 1996 Olympic Games and the development plans surrounding the mega-event had provided the drama, the energy and the interest in long-held dreams of politicians and investors alike to propel Atlanta into the ranks of international cities. Today, ten years after the mega event that attracted developers and planners to try again to gain control of the city, downtown is exploding with expensive, high rise, inner-city loft and condominium construction'

(Source COHRE 2007: 47).

## **Manchester.**

Where cities have achieved more balanced legacy outcomes between commercial and social objectives, there is strong evidence that pre- to post event planning has focused upon a combination of 'hard' and 'soft' gains. For Manchester, hosting of the Games produced a number of longer term benefits according to several 'impact' reports. These included '*The Lessons Learned: Review of the 2002 Commonwealth Games in Manchester*' (DCMS, Sport England and Manchester City Council); '*The Business Benefits Associated with the Commonwealth Games Legacy Programme*' (NW2002), '*The Review of the 2002 Northwest Tourism Hub Team*' (Manchester City Council) and an extensive, '*Independent Cost/Benefit Analysis*' undertaken by Cambridge Policy Consultants (CPC).

Key business benefits and opportunities also included:

- Commercial developments in East Manchester including a regional retail centre, a four star hotel, offices and new housing developments supporting up to 3,800 jobs. The development of North Manchester Business Park will add a further 6,000 or more jobs;
- The new ASDA/Walmart superstore, which has created some 800 jobs, of which about 30% have been filled by East Manchester residents, with 90% of jobs filled by residents within a 15 minute drive time of the store;
- The Commonwealth Economic Benefits programme - under the auspices of SRB NW2002 and MIDAS - has engaged with and extended the benefits of the Games to businesses in the North West. Through trade development and supply chain initiatives approximately 250 companies should realise an additional increase of £22m - no change from our original estimate - in their turnover, as a result of the Games;
- The centrepiece of the Economic Benefits programme was the creation of the Commonwealth Business Club which now has more than 5,500 businesses registered from a wide range of countries. The Business Club also organised 56 events, including two major conferences, attended by over 4,000 business representatives;
- A network of 700 businesses in a new North West Trade directory;
- A business matching service provided by Chamber Business Enterprises under the umbrella of the Commonwealth Business Club. There have been over 8,000 company searches on its website, 75 new requests for assistance received and 150 detailed manual business matching exercises carried out; and

- Tourism spend from Games participants and visitors is now estimated at £29m - we previously estimated £28m - for Manchester

Source Cambridge Policy Consultants, <http://www.gameslegacy.co.uk/cgi-bin/index.cgi/346>

Manchester also achieved a significant legacy in volunteering, education and sport facilities provision for the local community. Volunteering initiatives began with a Pre-Volunteers Programme (PVP) focused upon deprived groups within the north west region. Those participating in this programme, provided by the Manchester Training and Enterprise Council, were drawn from 23 regeneration areas within the region with the focus upon the unemployed, ethnic minorities and disabled. Participants received accredited training and many went on to provide volunteer activities during the event itself. Over 22,000 volunteered to undertake approximately 10,000 roles during the Games. Since the games, regional organizations have reported that volunteers have continued to work with such organizations as Sport England, Millennium Volunteers and Timebank.

In summary, the four cities discussed here reveal 'positives' and 'negatives' in relation to the *balance* achieved between social and commercial outcomes or legacies. At the current time, following the 'hiatus' experienced between 2000 and 2002 (see Box above), it seems that Sydney is also achieving this balance through the recent development of its Olympic Park, overseen by the Sydney Olympic Park Authority (SOPA). Sydney is also achieving, in the post-games phase, the integration of the Park development into the existing life of the city through transport and infrastructure improvements as well as creating 'footfall' within the park via housing development, the provision of community sports facilities and the relocation of offices and educational institutions.

From these examples it is possible to identify a number of positives and negatives that should inform policy makers engaged with major project developments associated with mega events:

### **Positives**

- The event is a stage in a wider and longer term strategy aimed at regional/city-wide regeneration and economic development (Barcelona);
- The event provides an opportunity for infrastructure developments to strengthen the specific purpose and identity of districts (zoning) within the city (Barcelona);
- The event targets very specific locations for extensive regeneration rather than being loosely distributed across a city (Manchester, Sydney);
- The event site is woven into the existing fabric of the city through transport and infrastructure developments whose construction precedes the event itself (Barcelona, Sydney – eventually);
- Long term benefits arise from plans designed to sustain the regeneration 'momentum' – with each subsequent 'new' plan addressing previous omissions and negatives (Barcelona, Sydney) and introducing new dimensions, including inward investment and new industries (Barcelona);

- Effective regeneration programmes require cohesive and coordinated interventions at all stakeholder and governmental levels (Manchester, Barcelona, Sydney)
- Soft legacy may become hard – improved perceptions of the city attracts business network development, tourism and inward investment (Manchester, Barcelona, Sydney);
- Soft legacies – education, volunteering – require careful planning to secure a post-games legacy (Manchester)

## **Negatives**

- There is a potential for hiatus following the event (Sydney, Athens) which can be effectively avoided if 'legacy' is a key component of the preparations for the games, otherwise iconic venues may become disconnected from the main life of the city and experience a period of disuse (Sydney), decline (Athens) or dispute over legacy 'values' (Beijing).
- Olympic and other national stadium development and use has incurred mixed outcomes arising from the debt-funding or leverage model (BOOT), the most successful have established the stadium as a major event venue (Stade de France) and/or leased the stadium long term to a sports club with a major league presence in a mainstream or popular national sport (Atlanta, Manchester, Barcelona);
- Wider programmes of regeneration may be delayed if there is a miss-match between social and commercial development 'on-site' and improvement in the surrounding infrastructure, particularly transportation (Dome/Greenwich Peninsula);
- Legacy planning of the Olympic Park has occurred post-games rather than being an integral part of the preparation for several Olympic cities (Athens, Sydney, Atlanta);
- The balance of legacy development between the 'commercially viable' and the 'socially desirable' has been the subject of considerable debate in host cities after the games/event; Atlanta took the former route, Barcelona, Sydney and Manchester have sought to achieve a 'balance' between social and commercial development while Athens has, to date, achieved neither.

## 8.0 Governance Best Practice and ‘London 2012’

### The Wider Context

In its report published in February 2007, the National Audit Office (NAO) identified several risks arising from the complex governance structure developed to deliver the games. The risks arose, for example, from not having one person with overall responsibility for delivering the games, the lack of detailed procurement policies and from the need to coordinate effectively across a diverse range of organisations and agencies (NAO 2007:15). In a second report published in June 2008, the NAO's concerns were assuaged on many features of the event's delivery (including procurement arrangements) and moved toward more specific themes related to policing and security, private sector funding to support the development of the Olympic Village and the lack of detailed plans for the legacy uses of the permanent facilities that would remain after the games (NAO: 2008). With the use of contingency funds to finance a wholly-publicly funded Olympic village agreed in summer 2009, the other main foci of concern relating to security and legacy uses remain.

The main gap appears to be in legacy planning, a task now primarily in the hands of the recently created Olympic Park Legacy Company (OPLC). The NAO reports, however, have a relatively narrow focus, mainly upon risk management and finance. From a broader perspective it may be suggested that the ‘network’ model of governance that may characterise government and key stakeholder engagement in ‘London 2012’ is operating effectively in its event-related functions but issues remain in relation to the legacy usage of the Olympic Park and, perhaps, in the local and wider regional contexts where the role of local authorities and regional agencies are less clearly articulated.

In the regional context whilst the Stratford City and Olympic Park developments are perceived as one of four major instruments of economic growth and development across the Thames Gateway (the others are Canary Wharf, London Gateway Tilbury, a major shipping infrastructure development, and Ebbsfleet, a Channel rail link station and location for housing growth), the specific contributions of each and how these will address local deprivation issues across the whole Gateway remains unclear. Indeed, the capacity for these projects to generate significant improvements in the regional skills base, wage levels and employment rates has perhaps diminished in the wake of the credit crunch and subsequent recession since housing development has stalled and the growth potential of financial and business-related services diminished. Finally, at the local level, the funding sources to ensure the implementation of the Multi-Area Agreement of the five Olympic boroughs have not been fully explored.

### The Olympic Park (Stratford)

From its inception the London bid was focused upon a specific area of the city; with the components of the Park being clearly designated as temporary or permanent sites, with each of the latter having a defined legacy use. It is this task of defining and shaping the park post-Games that now falls to the Olympic Park Legacy Company (OPLC) established in June 2009. In August 2009, the *Architects Journal* provided a useful summary of the tasks facing the company (See Appendix 1).

The summary focuses upon the built environment of the park but does not address the conceptualization of the whole public space. Uncertainties exist in the period of transition from the LDA and ODA to the OPLC as to, for example, the arrangements for the transfer of freehold land from the LDA to the OPLC and where responsibility lies for the repayment of debts incurred by the LDA. OPLC funding will be underwritten via the transfer of LDA funds to meet all overhead costs and through the transfer of programme budgets where these have become the OPLC's responsibility. These transfers will underwrite OPLC corporate costs for the period 2010-13 and will also include a grant from the Department of Communities and Local Government (CLG) of £800,000 for 2009-10. These arrangements may cover OPLC costs until 2013 but funding sources beyond that date, for the period 2013-19, have not been identified. It is precisely during this period that the OPLC will be performing the key role in the development of the Olympic Park and overseeing its integration into the life of the city.

On the positive side, in its early months of operation, OPLC has identified a vision for the development of the Olympic Park which is designed to achieve a balance between social and commercial goals; it is also working closely with the Mayor's office and the five Olympic host boroughs and is committed to integrating its plans within the Strategic Regeneration Framework (SRF) and the sub-regional Multi Area Agreement of the five boroughs. These plans focus upon transformational goals, such as, addressing 'worklessness', skills development and housing for all; plans that seek to achieve parity between East London and the rest of the city (a policy referred to as 'convergence').

On the negative side, constraints imposed upon public spending by the condition of the wider economy and the funding uncertainties facing the OPLC beyond 2013, create a risk that the Park and the development of its surrounding area, will rely heavily upon securing private investment that may privilege commercial interests and marginalise social gain. Perhaps Atlanta provides the clearest example of this risk with the Park's development privileging the lifestyle interests of the professional classes and providing a site for the relocation of capital and types of employment that excluded the poorer resident population. As a leading figure in Atlanta's Olympic Committee argued, the Olympics 'were not a welfare programme, they are a business venture'. Whilst this perception is not shared by the OPLC, combinations of rising land values in the vicinity of Olympic developments and the pressure to reduce or contain public investment levels may, in the period 2013-2019, ensure that the balance between commercial and social legacies is tilted toward the former. Paradoxically, the 'network' model of governance may facilitate a development momentum that is more akin to the outcomes associated with the 'leverage' model that underpinned development in Atlanta and which characterised the development of Canary Wharf. Such a possible outcome is likely to reinforce social polarities rather than reduce them.

## **9.0 London 2012 Governance: Summary and Conclusions**

### **The Olympic Park Legacy Company**

There are several matters to be resolved through the clarification of the legacy company's role, these include:

- The funding model for the OPLC's development of the Park, including the conversion of the permanent buildings that will remain post-games;
- OPLC funding in the critical 2013-2019 period;
- How the authority to plan and design the development of the Park may be vested in the OPLC, given that the parkland covers four London boroughs;
- The specific dimensions of the park area to be designated for legacy use;
- How the Park's development will relate to other significant development projects within the 'Olympic Arc', including the major retail/housing/office and community development of Stratford City and the development of Crossrail which will affirm Stratford as a transport hub;
- The processes (timescale/stakeholders) by which proposals for the use of permanent venues will be finally agreed;
- The timescale and funding arrangements by which government and five borough promises, identified, in the regional regeneration framework, concerning the Park's legacy may be achieved;

### **Wider Legacy Planning and Development Issues**

- The network model of governance is operating effectively in its event-related functions but issues remain concerning legacy planning, especially the use(s) of several permanent facilities post-games;
- Legacy planning and development requires a lead agency to establish an overview of the Olympic Park development within a wider community and regional context, this remit is potentially beyond the scope of the OPLC but not yet owned by an appropriate city-wide or central government agency/department. The government department with the highest funding commitment to the London 2012 budget is Communities and Local Government (25%) though the 'lead' department, under the overall guidance of the Government's Olympic Executive (GOE), is the Department of Culture, Media and Sport (DCMS). Previous host cities/nations have vested overall responsibility for legacy and the legacy park organisation in the city authority (Atlanta), the state or regional



government (Barcelona: the city authority in partnership with the Generalitat de Catalunya – the regional government; Sydney: New South Wales Government established the Sydney Olympic Park Authority) or the national government (Athens). The available evidence suggests that city and regional authorities have been the most appropriate vehicles for the oversight of legacy development in past host cities with central government performing a less direct role in the legacy phase compared to the bid and pre-event phases (Barcelona, Sydney and Manchester).

For London 2012 legacy planning and development, it may be appropriate for the CLG and the Mayor (as joint funders) to be the institutions to which the OPLC is accountable, while operationally it works with other sub-regional partners, particularly the five host boroughs. This governance structure may ensure that Olympic legacy development integrates effectively with other regional and city-wide projects (such as Crossrail) and London-wide policies reflected in the Mayor's London Plan.

- The relationships between the Olympic Park development and other major adjacent projects, such as Stratford City, are not clearly articulated;
- The four major instruments of economic growth and development across the Thames Gateway are the Olympic Park/Stratford City, Canary Wharf, London Gateway Tilbury, a major shipping infrastructure development, and Ebbsfleet, a Channel rail link station and location for housing expansion. The credit crunch and resulting recession has significantly slowed housing and other development in the Thames Gateway and employment has fallen in finance and related sectors. The extent to which these 'drivers' of change may be able to assist in tackling worklessness, improve the skills base of the resident population and meet housing needs across the region requires urgent review.

In summary, legacy planning is an important component of the London 2012 project; London is ahead of many other host cities in developing proposals for the legacy use of the Olympic Park. London's commitment to social transformation in east London exceeds the ambitions of many past host cities. The governance framework for 'London 2012' is likely to produce 'a successful games'. The capacity to achieve a 'transformative momentum' in legacy mode depends upon achieving an effective balance between commercial and social goals, addressing knowledge gaps relating to the role of the OPLC and specifying how this role and remit relates to the wider city/regional policy framework. Ownership, oversight and accountability for this integrative approach require the clear identification of lead agencies at city-wide and national level. If accountability and funding sources are to be aligned, the Mayor's office and the Department of Communities and Local Government are, currently, the appropriate bodies to assume these roles.

# Appendix 1: The Olympic Venues

Source: [venueshttp://www.architectsjournal.co.uk/Journals/1/Files/2009/8/13/OlympicMap.jpg](http://www.architectsjournal.co.uk/Journals/1/Files/2009/8/13/OlympicMap.jpg)

1. Olympic Stadium	<p><b>Architect</b> Populous</p> <p><b>Games mode</b> Host venue with 80,000-seats for opening/closing ceremonies and track and field events</p> <p><b>Legacy</b> May become a smaller 25,000-seat venue, or remain at full size</p> <p><b>Issues</b> Baroness Ford has questioned the reasoning behind building a half-temporary stadium, especially since the UK is hosting the 2015 rugby World Cup and bidding for the 2018 football World Cup</p> <p><b>Certainty of plans</b> 20%</p>
2. Aquatics Centre	<p><b>Architect</b> Zaha Hadid</p> <p><b>Games mode</b> 17,500-capacity venue hosting swimming and diving events</p> <p><b>Legacy</b> Wings will be removed to reduce capacity to 2,500</p> <p><b>Issues</b> Spiralling costs, up to £300 million from £75 million, were brought under control by simplifying the design. A £40 million, post-Games, add-on leisure centre and public wave pool was ditched last November</p> <p><b>Certainty of plans</b> 90%</p>
3. Media Centre	<p><b>Architect</b> Allies and Morrison</p> <p><b>Games time</b> Host venue for 20,000-strong international press and broadcast media</p> <p><b>Legacy</b> Designed to be converted, in phases, into commercial spaces by being dismantled and rebuilt</p> <p><b>Issues</b> Essentially a gigantic metal warehouse. Innovative cladding and reworking of the facade has dispelled most fears that it will sit as an eyesore at the edge of the park. However, no tenants have been found post-2012</p> <p><b>Certainty of plans</b> 10%</p>
4. VeloPark	<p><b>Architect</b> Hopkins</p> <p><b>Games mode</b> Host to all cycling events. Includes the 6,000-seat Velodrome</p> <p><b>Legacy</b> The Velodrome and road circuit will remain intact. BMX and mountain bike courses will be redesigned</p> <p><b>Issues</b> Costs escalated early on because the site was used as a landfill in Victorian times, resulting in a huge clean-up operation</p> <p><b>Certainty of plans</b> 95%</p>

## 5. Eton Manor

**Architect** Stanton Williams  
**Games mode** Training venues  
Legacy Stanton Williams is responsible for turning these three areas into a 3,000-capacity hockey stadium, indoor and outdoor tennis courts and allotments  
**Issues** The last major venues to be designed in the park, but also the least challenging  
**Certainty of plans** 99%

## 6. Handball Arena

**Architect** Make  
**Games mode** 7,000-capacity venue hosting preliminary handball and Paralympic goal ball  
**Legacy** The first venue to be opened in legacy mode, the arena will be used as a multi-sports venue and will host cultural, entertainment and business events  
**Issues** Making the design as flexible as possible in legacy mode  
**Certainty of plans** 99%

## 7. Olympic Village

**Architects include** Allford Hall Monaghan Morris, CF Møller, Denton Corker Marshall, dRMM, DSDHA, Glenn Howells Architects, Ian Simpson Architects, Lifschutz Davidson Sandilands, Make, Niall McLaughlin Architects, Panter Hudspith Architects, Patel Taylor and Piercy Conner  
**Games mode** Home to 17,000 Olympic athletes in 11 residential blocks  
**Legacy** Will be converted into 2,818 apartments, with 1,379 taken on by Triathlon Homes as affordable housing. The rest will be sold to developers for private resale  
**Issues** The Olympic Village is currently owned by the taxpayer, so a value-for-money sale to future developers is essential. The conversion to apartments will take three years to complete  
**Certainty of plans** 50%

## 8. Basketball Arena

**Architects** Sinclair Knight Merz, Wilkinson Eyre and KSS Design Group  
**Games mode** 12,000-seat venue for basketball events  
**Legacy** The ODA plans to recycle the majority of the structure. Plans to reuse it as a market hall have been ditched  
**Issues** Designed as a temporary venue, it is likely to be pulled down

**Certainty of plans** 50%

**A-E. Other temporary  
venues and infrastructure**

Although the builders' merchant and training facilities (A) and the fuel farm and waste consolidation centre (E) will revert to parkland in legacy mode, the future of the concrete batching plants (B), the Olympic Park health centre (C) and the logistics and command offices (D) remains uncertain

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