



Town Hall, Castle Circus,  
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Tuesday, 17 September 2013

## Meeting of the Council

Dear Member

I am pleased to invite you to attend a meeting of Torbay Council which will be held in **Rosetor Room, Riviera International Conference Centre, Chestnut Avenue, Torquay, TQ2 5LZ** on **Thursday, 26 September 2013** commencing at **5.30 pm**

The items to be discussed at this meeting are attached.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Steve Parrock".

Steve Parrock  
Executive Director of Finance and Operations

(All members are summoned to attend the meeting of the Council in accordance with the requirements of the Local Government Act 1972 and Standing Orders A5.)

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**Working for a healthy, prosperous and happy Bay**

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For information relating to this meeting or to request a copy in another format or language please contact:

**June Gurry, Town Hall, Castle Circus, Torquay, TQ1 3DR**  
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(i)  
**THE MJ**  
2010  
Achievement Awards  
COMMENDED

# Meeting of the Council Agenda

1. **Opening of meeting**

2. **Apologies for absence**

3. **Minutes**

To confirm as a correct record the minutes of the meetings of the Council held on 18 July 2013.

(Pages 1 - 18)

4. **Declarations of interests**

- (a) To receive declarations of non pecuniary interests in respect of items on this agenda

**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

- (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

**(Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)

5. **Communications**

To receive any communications or announcements from the Chairman, the Mayor, the Overview and Scrutiny Co-ordinator or the Chief Operating Officer.

6. **Petitions**

To receive petitions and any oral representations from the public in accordance with Standing Order A12 as set out below.

- (a) Petition - Tree outside 91 Broadpark Road, Torquay  
Approximately 39 signatures.

- (b) Petition - Requesting Traffic Calming in Maidenway Road

Approximately 138 signatures, this petition has been referred direct to the decision maker (Transportation Working Party).

- (c) Petition - To reinstate the licence for the mobile refreshment van at Cary Park, Torquay

Approximately 50 signatures, this petition has been referred direct to the decision maker (Executive Head for Residents and Visitor Services in consultation with the Executive Member for Tourism and Harbours).

**7. Public question time**

To hear and respond to any written questions or statements from members of the public in accordance with Standing Order A24 as set out below:-

- (a) Public Question - Access to Redgate Beach (Page 19)

- (b) Public Question - Torbay Art Centre (Pages 20 - 23)

**8. Members' questions** (Pages 24 - 26)

To answer the attached questions asked under Standing Order A13:-

**9. Notice of motions**

To consider the attached motions, notice of which has been given in accordance with Standing Order A14 by the members indicated:

- (a) Notice of Motion - High Speed 2 (Mayoral) (Pages 27 - 28)

- (b) Notice of Motion - Legal Highs (Mayoral) (Page 29)

- (c) Notice of Motion - Traffic Flow Torquay Town Centre (Mayoral) (Page 30)

- (d) Notice of Motion - Democracy Week (Council) (Page 31)

**10. Youth Trust (Mayoral Decision)** (Pages 32 - 71)

To consider a report on the creation of a Youth Trust.

**11. Land within Maidencombe as a Village Green (Mayoral and Council Decision)** (Pages 72 - 86)

To consider a report on the above.

**12. Geopark Global Conference 2016** (Pages 87 - 213)

To consider a report seeking approval to bid to host the Geopark Global Conference in 2016.

**13. Local Enterprise Partnership EU Structural & Investment Strategy (Mayoral Decision)** (Pages 214 - 219)

To consider a report on the EU funding strategy currently being developed by the LEP.

- 14. Plymouth City Deal (Mayoral Decision)** (Pages 220 - 225)  
To consider a report on the development of the Plymouth City Deal.
- 15. Revenue Budget Monitoring (1st Quarter)** (Pages 226 - 240)  
To note the submitted report.
- 16. Capital Budget Monitoring (1st Quarter)** (Pages 241 - 256)  
To consider a report setting out information on capital expenditure and funding for the year compared with the latest budget position as reported to Council in February and July 2013.
- (a) Capital Budget Monitoring (Quarter 1) report of the Overview and Scrutiny Board** (Page 257)  
To receive the views of the Overview and Scrutiny Board on the above.

**An audio recording of this meeting will normally be available on the Council's website within 48 hours.**

[Audio recording.](#)





## Minutes of the Extraordinary meeting of the Council

18 July 2013

-: Present :-

**Chairman of the Council (Councillor Parrott) (In the Chair)**  
**Vice-Chairman of the Council (Councillor Barnby)**

The Mayor of Torbay (Mayor Oliver)

Councillors Addis, Amil, Bent, Brooksbank, Davies, Darling, Doggett, Excell, Faulkner (A), Faulkner (J), Hill, Hytche, Kingscote, Lewis, McPhail, Pritchard, Richards, Stockman and Thomas (D)

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### 33 Opening of meeting

The meeting was opened with a prayer.

### 34 Apologies for absence

Apologies for absence were received from Councillors Baldrey, Butt, Cowell, Ellery, Hernandez, James, Mills, Morey, Pentney, Pountney, Scouler, Stocks, Stringer, Thomas (J) and Tyerman.

### 35 Nomination for Honorary Freeman of the Borough of Torbay

The Council received a recommendation, as set out in the minutes of the Civic Committee meeting held on 24 April 2013, in relation to a nomination for Honorary Freeman.

It was proposed by Councillor Stockman and seconded by Councillor McPhail:

- i) that, in accordance with the minutes of the Civic Committee of 24 April 2013, in exercise of the powers conferred by Section 249 of the Local Government Act 1972, Mr Hamish Turner be admitted as Honorary Freeman of the Borough of Torbay in recognition and appreciation of his eminent services to the Borough for many years and his unceasing work for local charities and organisations."

On being put to the vote, the motion was declared **carried** (unanimous).

The Chairman presented Mr Turner with a commemorative scroll and badge of office. Mr Turner took the declaration before the Chief Operating Officer and signed the Honorary Freeman's Roll and thanked the Council for the honour bestowed upon him.

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Chairman

## Minutes of the Council

18 July 2013

-: Present :-

**Chairman of the Council (Councillor Parrott) (In the Chair)**  
**Vice-Chairman of the Council (Councillor Barnby)**

The Mayor of Torbay (Mayor Oliver)

Councillors Addis, Amil, Baldrey, Brooksbank, Cowell, Darling, Davies, Doggett, Ellery, Excell, Faulkner (A), Faulkner (J), Hernandez, Hill, Hytche, James, Kingscote, Lewis, McPhail, Mills, Morey, Pentney, Pountney, Pritchard, Richards, Scouler, Stockman, Stocks, Thomas (D) and Tyerman

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### 33 Opening of meeting

The meeting was opened with a prayer.

### 34 Apologies for absence

Apologies for absence were received from Councillors Bent, Butt, Stringer and Thomas (J).

### 35 Minutes

The Minutes of the Annual Council and Adjourned Annual Council meetings held on 14 and 15 of May 2013 were confirmed as a correct record and signed by the Chairman.

### 36 Communications

The Chairman updated members on his recent meeting at Wyvern Barracks with Major Don Jellard MBE (Secretary to the Rifles), on the disposition of the seven battalions which make up the Rifles (who have Freedom of the Borough). Greater reliance was now placed on reservists which had a particular impact on small businesses within Devon in respect of providing time off for reservists. The Chairman also advised on the Rifles battalions' withdrawal from Afghanistan and that to date 62 service personnel had been killed with 250 wounded. On behalf of the Council and residents of Torbay, the Chairman advised that he had expressed to Major Jellard the great pride taken in all service men and women and in the work of the Rifles in particular.

The Mayor:

1. referred to the tragic events at Haytor and Paignton which happened on Friday 12 July 2013 and stated that the Council's thoughts were with the family and friends of Katherine, Joshua and Samuel. The Mayor advised that the Council was offering all the support it could to those affected by these sad deaths. He added that a police investigation was now underway and the process of starting a serious case review was in place; and
2. advised that he had written a letter of condolence on behalf of the Council to Manchester Fire Brigade following the tragic death of fire-fighter Stephen Hunt whilst tackling a fire at Paul's Hair World in Manchester on Saturday afternoon.

### 37 Declarations of interests

The following non-pecuniary interests were declared:

Councillor	Minute Number	Nature of interest
Councillor Doggett	41	Long term member of the RSPB
Councillor Doggett	44	Lay member of the Clinical Commissioning Group – Medicines Management Committee
Councillor McPhail	44 and 47	Husband in receipt of health care
Councillor Scouler	44	Governor of Torbay Care Trust

Councillors Richards and Thomas (D) declared pecuniary interests in respect of Minute 48.

### 38 Members' questions

Members received the questions, as attached to the agenda, notice of which had been given in accordance with Standing Order A13. The Chairman also reported that he had accepted an urgent question under Standing Order A13.2(ii) which was circulated on 17 July 2013.

Councillor Darling presented question 1 in the absence of Councillor Stringer. Verbal responses were provided at the meeting. Supplementary questions were then asked and answered in respect of questions 2 to 13 and the urgent question.

**39 Notice of Motion - Supermarket Levy**

Members considered a motion, as attached to the agenda, in relation to a proposed supermarket levy, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor Darling and seconded by Councillor Pountney:

This Council submits the following proposition under the Sustainable Communities Act:

That the Secretary of State gives Local Authorities the power to introduce a local levy of 8.5% of the rate on large retail outlets in their area with a rateable annual value not less than £500,000 and requires that the revenue from this levy be retained by the Local Authority in order to be used to improve local communities in their areas by promoting local economic activity, local services and facilities, social and community wellbeing and environmental protection.'

The Council notes that if this power was acquired it would present the opportunity to raise further revenue, and if such a levy was provided in Torbay it would result in the impact set out in the table below (see page 30 of the agenda pack).

The Council resolves to submit the proposal to the government under the Sustainable Communities Act and to work together with Local Works in order to gain support for the proposal from other councils in the region and across the country.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor advised that he would refer the motion to the Chief Executive of Torbay Development Agency to ensure the wording did not encompass other businesses.

**40 Notice of Motion - Financial Transactions Tax**

Members considered a motion, as attached to the agenda, in relation to supporting the financial transactions tax, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor James and seconded by Councillor Morey:

This Council notes that:

- local government will see real term cuts in central grant of 30% over the 2010 Comprehensive Spending Review period, meaning a cut of £6bn in annual grant by 2015;
- extending the current FTT on shares to other asset classes such as bonds and derivatives could raise £20bn of additional revenue in the UK a year; and

- At least 11 European nations including France, Germany, Italy and Spain are moving ahead with FTTs on shares, bonds and derivatives estimated to raise £30bn a year, and the policy is supported by nobel prize winning economists like Paul Krugman and Joseph Stiglitz.

Council believes that:

- revenues from the FTT could help repair the damage caused by cuts in public services since 2010 and would be a way to reduce the impact of austerity on hard pressed Torbay taxpayers and our most vulnerable residents.
- local government deserves to receive a significant proportion of FTT revenues, making an important contribution to both capital and revenue expenditure such as reversing cuts to council tax benefits; and that
- whilst an FTT might have a negligible effect on jobs in the City of London, investing FTT revenues in a smart and progressive way would see a significant increase in employment levels in other sectors.

Council resolves that:

- the UK government should extend the current FTT on shares to other asset classes, such as bonds and derivatives.

Council further resolves to:

- write to the Prime Minister, Deputy Prime Minister, Leader of the Opposition, Chancellor and Shadow Chancellor of the Exchequer, and Secretary of State for Communities and Local Government stating this council's support for extending FTTs; and
- write to all local MPs outlining the Council's position.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor considered that the financial transactions tax could potentially damage growth to Torbay's economy and therefore rejected the motion.

#### **41 Notice of Motion - More Sustainable Torbay**

Members considered a motion, as attached to the agenda, in relation to making a more sustainable Torbay, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor Baldrey and seconded by Councillor Doggett:

This Council notes that in the RSPB State of Nature Report 2013.

- 60% of 3,148 UK species have declined over the last 50 years, with 31% declining strongly;
- Conservation Priority Species have declined overall by 77% in the last 40 years.
- Evidence shows that climate change is having an increasingly harmful impact.

In light of the above this Council instructs officers to develop policies that will promote more sustainable management of our horticultural environment, particularly promoting wildlife (including our bee population) and promoting council parks and gardens for the production of food by local communities.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor advised that although he supported the motion's intentions, he rejected the motion as he considered it needed a wider approach from our partners and community groups.

(Note: During consideration of Minute 41, Councillor Doggett declared a his non-pecuniary interest.)

#### **42 Notice of Motion - TOR2 Consultation**

Members considered a motion, as attached to the agenda, in relation to TOR2 consultation, notice of which was given in accordance with Standing Order A14.

It was proposed by Councillor Cowell and seconded by Councillor Morey:

Following the £500,000 cut to the Tor2 budget and the resulting impact on frontline services such as reductions in toilet opening times, a reduced number of dog and litter bins, an adverse effect on street cleansing and less frequent car park cleansing, council notes that residents, businesses and members were not consulted on the detailed options.

Council recognises that there can be alternative options available to cutting services and these can only emerge through the widest possible engagement.

Therefore, this council requests that the Mayor ensures partner organisations are able to engage directly with residents, businesses, the Community Development Trust and ward members in the lead up to the forthcoming budget round.

In accordance with Standing Order A14.3(a), the motion stood referred to the Mayor. The Mayor referred the motion to the Executive Head Business Services.

#### **43 Home to School Transport Policy - Mayoral Decision**

The Council made the following recommendation to the Mayor:

It was proposed by Councillor Pritchard and seconded by Councillor Kingscote:

That all discretionary home to school/college transport assistance be phased out over a period of three years as detailed in section 5.2 a) - f) of the submitted report.

An amendment was proposed by Councillor Cowell and seconded by Councillor James:

That all discretionary home to school/college transport assistance be phased out over a period of three years as detailed in section 5.2 a) - c) only (ie. excluding d), e) and f).

On being put to the vote, the amendment was declared lost.

The original motion was then put to the vote and was declared carried.

The Mayor considered the recommendation of the Council as set out above at the meeting and the record of his decision, together with further information, is attached to these Minutes.

#### **44 Acquisition of Torbay and Southern Devon Health and Care NHS Trust and the Commissioning contract for Adult Social Care**

Members considered the submitted report which provided details on how the Council would deliver adult social care as a result of the National Health Service (NHS) reforms and their impact on the NHS organisations within Torbay. The Chairman reported a revised officer recommendation was circulated on 17 July 2013.

It was proposed by Councillor Scouler and seconded by Councillor Darling:

- (i) That, subject to the following conditions, Torbay Council supports the acquisition of Torbay and Southern Devon Health and Care NHS by South Devon Healthcare NHS Foundation on the basis of the evaluation of the business case put forward by the Foundation Trust and, as such, adult social care provision should form part of the single Integrated Care Organisation:
  - (1) Over the next 18 months Torbay Council and the South Devon and Torbay Clinical Commissioning Group expect there to be a full review of the Board (executive and non-executive) to reflect the evolutionary approach to the integration agenda.
  - (2) A Health and Social Care Transformation Board to be created which reports to Torbay's Health and Wellbeing Board (as well as into other organisations in the health and social care community) with the Health and Wellbeing Board agreeing the co-produced annual work plan.
  - (3) The new Integrated Care Organisation must commit to operate within the financial requirements of the commissioners' finance plans and the new constraints placed upon health and care bodies in the recent spending review, noting that Torbay Council's requirement is currently for a 3% year-on-year real terms reduction (as set out within its commissioning intentions within the Pre-Qualification Questionnaire) for initial planning purposes.



- (4) The Integrated Care Organisation must commit to an unequivocal risk share arrangement which must be made clear to each commissioner and a tripartite agreement signed as part of the Business Transfer Agreement; and
- (ii) That the Council seek to share and align resources with the NHS locally where it benefits our community.

On being put to the vote the motion was declared carried (unanimous).

(Note: During consideration of Minute 44, Councillor Ellery declared a non-pecuniary interest as his charity had a contract with the Care Trust and Councillor Scouler declared a non-pecuniary interest as a Governor on Torbay Care Trust.)

#### **45 Torbay Economic Strategy**

Members considered the submitted report and the views of the Overview and Scrutiny Board in respect of the Torbay Economic Strategy. The strategy set out a plan to deliver jobs and sustainable economic growth in Torbay and provided a framework for shaping other policies and services which impact on the local economy.

It was proposed by the Mayor and seconded by Councillor Thomas (D):

- (i) that Council approves adoption of the Torbay Economic Strategy 2013-18 and its core objective:
  - To create more full time and sustainable employment by encouraging the growth of existing businesses and the creation of new businesses and social enterprises;
- (ii) that Council endorses delivery of this objective through the four key priorities of the strategy and their associated action plans. These priorities are:
  - Driving business growth
  - Sustaining the core economy
  - Raising skill levels and promoting opportunities for all
  - Nurturing the knowledge economy
- (iii) that the Council supports delivery of the strategy through the delivery of its corporate plan and the use of relevant powers, the work of the Torbay Development Agency and by identifying and securing investment; and
- (iv) that the strategy be reviewed annually by the Council through the Overview and Scrutiny Board.

An amendment was proposed by Councillor Morey and seconded by Councillor Cowell:

- (iv) It is recommended that the strategy is reviewed annually by the Council through a partnership forum such as the Community Development Trust and Business Forum.

On being put to the vote, the amendment was declared lost.

An amendment was proposed by Councillor James and seconded by Councillor Ellery:

- (v) That the Torbay Development Agency be instructed to produce a report within six months on policies that will be used to increase the ability of consumers and businesses to buy more goods and services in the economy of Torbay (in economic terminology - aggregate demand), to complement the supply side policies outlined in this strategy.

On being put to the vote, the amendment was declared lost.

The original motion was then put to the vote and was declared carried (unanimous).

#### **46 Meadfoot Beach Chalets Development**

The Council considered the submitted report setting out proposals for a beach chalet development at Meadfoot following condition surveys identifying the need for urgent and extensive repairs with some recommended for demolition.

It was proposed by Councillor Richards and seconded by Councillor Hernandez:

- (i) that, subject to planning approval, the existing beach chalets at Meadfoot Beach be replaced with new purpose built facilities identified in Option 1;
- (ii) that the Council makes available £1.55million in prudential borrowing to allow the redevelopment of the Meadfoot Beach Chalets which will be repaid over 25 years from income as identified in the Business Plan in Appendix 2 to the submitted report;
- (iii) that a planning application be submitted for the redevelopment of Meadfoot Beach Chalets; and
- (iv) that, subject to Planning, the project to redevelop the chalets at Meadfoot commences in the Winter of 2013 unless the works cannot be completed by Summer 2014 in which case the project will be delayed until Winter 2014.

On being put to the vote the motion was declared carried (unanimous).

**47 Adult Social Care - Local Account**

Members considered the submitted report setting out the second Local Account for Adult Social Care. The Local Account highlighted what had been achieved for local people in relation to adult social care, details of the multi agency approach to adult safeguarding, the level of performance for the last financial year and commitment to future service delivery.

It was proposed by Councillor Scouler and seconded by Councillor Lewis:

that, the Local Account in Appendix 1 of the submitted report, which sets out performance for 2012-13 and sets out intentions for the Annual Strategic Agreement for services for 2014-15, be approved and that the multi agency safeguarding report, set out in Appendix 2, to the submitted report, be approved.

On being put to the vote the motion was declared carried.

**48 Commercial Team Service Plan**

The Council considered the submitted report which included the Commercial Team Service Plan, the Food Safety Service Plan and the Policy on the Protection of Children in relation to Tobacco Sales and Other Age Restricted Goods. Members also received the views of the Overview and Scrutiny Board which were circulated on 17 July 2013.

It was proposed by Councillor Excell and seconded by Councillor Amil:

- (i) that the Statutory Food Safety Service Plan as set out in Appendix 2 of the submitted report be approved;
- (ii) that the Policy on the Protection of Children in relation to Tobacco Sales and Other Age Restricted Goods as set out in Appendix 4 of the submitted report be approved; and
- (iii) that the overall work plan of the Commercial Team for 2013/14 set out in Appendix 8 of the submitted report be noted.

An amendment was proposed by Councillor Pentney and seconded by Councillor Darling:

- (iv) That, in light of the concerns raised at the Overview and Scrutiny Board on 10 July 2013, the Mayor and the Executive Lead be requested to develop and identify the necessary resources within the next three months to ensure that the concerns raised within the agreed recovery plan (identified by the Food Standards Agency) are addressed by the end of this financial year.

In accordance with Standing Order A19.4, a recorded vote was taken on the amendment. The voting was taken by roll call as follows: For: Addis, Baldrey, Cowell, Darling, Davies, Doggett, Ellery, Faulkner (A), Faulkner (J), James, Morey, Pentney, Pountney, Stocks and Stockman (15); Against: the Mayor, Amil, Barnby, Brooksbank, Excell, Hernandez, Hill, Hytche, Kingscote, Lewis, McPhail, Mills, Pritchard, Scouler and Tyerman (15); Abstain: Councillor Parrott (1); and Absent: Councillors Bent, Butt, Richards, Stringer Thomas (D) and Thomas (J) (6). Therefore, in accordance with Standing Order A19.2, the Chairman used his casting vote, voted against the amendment and declared the amendment lost.

The original motion was then put to the vote and was declared carried.

(Note: Prior to consideration of Minute 48, Councillors Richards and Thomas (D) declared their pecuniary interests and withdrew from the meeting room.)

#### **49 Appointment of the New Executive Director of Operations and Finance**

Members considered the recommendations of the Employment Committee on the appointment of the new Executive Director of Operations and Finance (as set out in the submitted report). The Chairman, on behalf of the Council, expressed thanks to Caroline Taylor for all her work in supporting the Council as Interim Chief Operating Officer over the past year.

It was proposed by Councillor Mills and seconded by Councillor Morey:

- (i) that Mr Steve Parrock be appointed permanently as Executive Director Operations and Finance, on the basis of 29.6 hours per week and an actual salary of £99,634 per annum;
- (ii) that Caroline Taylor complete her acting position of Interim Chief Operating Officer on 31 July and Steve Parrock begin his post on 1 August 2013;
- (iii) that under the terms and conditions of employment, full Council grant permission for Mr Steve Parrock to maintain other employment with the Torbay Economic Development Agency Ltd (TEDC) on a part time basis equivalent to 11 hours per week. (Agreement has already been sought by Mr Parrock from the TEDC Board in this respect);
- (iv) that the Monitoring Officer be requested to develop, in consultation with the Mayor and Group Leaders, a protocol to address and mitigate any conflict of interest issues that may arise from Mr Parrock's employment with the Council and the TEDC;
- (v) that Mr Parrock be given flexibility to change the title of the post, in conjunction and agreement with the elected Mayor and Group Leaders.

On being put to the vote the motion was declared carried (unanimous).

**50 Provisional Revenue Outturn 2012/13**

The Council considered the submitted report on the provisional revenue outturn for 2012/2013 which provided a summary of the Council's expenditure throughout the financial year and recommendations on the use of any uncommitted resources. Members also received the report of the Overview and Scrutiny Board following its meeting held on 19 June 2013.

It was proposed by the Mayor and seconded by Councillor Addis:

- (i) that a sum of £0.4m be earmarked to be transferred to the Council's General Fund Balance (paragraph 4.6 of the submitted report);
- (ii) that a sum of £0.7m be transferred to the Growth Fund (paragraph 4.12 of the submitted report) be approved;
- (iii) that £0.7m of capital resources earmarked to fund the Growth Fund be released and made available to support the existing capital plan (paragraph 4.12 of the submitted report);
- (iv) that a sum of £0.200m be transferred to support the Community Development Trust (paragraph 4.14 of the submitted report);
- (v) that a sum of £0.150m be approved as carry forwards into 2013/14 (paragraph A23 of the submitted report); and
- (vi) Members noted that the transfers above (i) to (v) are subject to the final audit of the Council's accounts.

An amendment was proposed by Councillor Darling and seconded by Councillor Pentney:

- (iii) £0.7m of capital resources earmarked to fund the Growth Fund is released and made available to support the existing capital plan and to be used to fund highways structural maintenance capital expenditure (in line with the Overview and Scrutiny Board recommendation);

On being put to the vote, the amendment was declared lost.

An amendment (additional wording) was proposed by Councillor Stocks and seconded by Councillor Faulkner (J):

- (ii) a sum of £500,000 be transferred to the Growth Fund, with a further £200,000 to be allocated to Children Safeguarding due to the ongoing pressures within the service;

During the debate, the Chairman adjourned the meeting to seek advice from the Monitoring Officer and the Section 151 Officer in respect of the amendment and its impact on a previous decision of the Council on the Growth Fund allocation. The Monitoring Officer advised that, in accordance with Standing Order A18, as the amendment conflicted with a previous decision of the Council it could not be accepted at this time.

The Chairman then put the original motion to the vote and it was declared carried.

#### **51 Treasury Management Outturn 2012/13**

The Council considered the submitted report on the performance of the Treasury Management function, as recommended by the Audit Committee. It was noted that the Treasury Management function supported the provision of Council services in 2012/13 through management of cash flow, debt and investment operations and the effective control of associated risks.

It was proposed by Councillor Tyerman and seconded by the Mayor:

- (i) that the Treasury Management decisions made during 2012/13, as detailed in the submitted report be endorsed; and
- (ii) that the Prudential and Treasury Indicators as set out in Annex 1 to the submitted report be approved.

On being put to the vote the motion was declared carried.

#### **52 Capital Investment Plan Update - (Outturn 2012/13)**

Members considered the submitted reports which provided information on capital expenditure and income for 2012/2013 and the recommendations of the Overview and Scrutiny Board.

It was proposed by the Mayor and seconded by Councillor Addis:

- (i) that Council note the outturn position for the Council's Capital expenditure and income for 2012/13;
- (ii) that Council note the action taken by the Chief Finance Officer, under the Officer Scheme of Delegation, to carry forward the unspent budgets for expenditure or work in progress (together with their funding) from 2012/13 to 2013/14; and
- (iii) that Council approves the funding of the capital investment plan for 2012/13 as outlined in paragraph 7.1 of the submitted report.

On being put to the vote the motion was declared carried.

**53 Adoption Agency Activity Report**

Members noted the submitted report in respect of adoption agency activity.

**54 Composition of the Executive**

Members noted the submitted report which provided details of a change made by the Mayor to his Executive.

Chairman

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## Record of Decisions

### Home to School Transport Policy

#### Decision Taker

Mayor on 18 July 2013

#### Decision

That all discretionary home to school/college transport assistance be phased out over a period of three years as detailed in section 5.2 a) - f) of the submitted report.

#### Reason for the Decision

To reduce expenditure on home to school/college transport by removing non-statutory elements of support. The present home to school transport spend is not sustainable. The main impact of these changes will be an increase in the cost of transport for parents of some post-16 students, also for parents of a small number of pupils attending faith or selective schools.

#### Implementation

This decision will come into force and may be implemented on Wednesday, 31 July 2013 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny).

#### Information

The Council has reviewed its policy on home to school transport as it currently spends approximately £113,000 per year in providing discretionary travel support to pupils across Torbay. This funding could be saved if the Council were only to provide statutory home to school/college transport. The current policy only provides discretionary help to pupils for transport to some secondary schools and not others so removing this discretionary transport would provide a 'level playing field' for home to school/college transport across schools.

The submitted report sought a decision on proposals to phase out concessionary home to school/college transport assistance. Initial proposals to remove all concessionary transport support from September 2013 have been replaced with a proposal to phase their removal over three years. A consultation has been undertaken on these revised proposals.

The Mayor supported the recommendations of the Council made on 18 July 2013, as set out in his decision above.

#### Alternative Options considered and rejected at the time of the decision

None – an amendment was proposed during the Council debate but was lost (please refer to the minutes of the Council meeting held on 18 July 2013 for further details).

#### Is this a Key Decision?

Yes – Reference Number: I013557

**Does the call-in procedure apply?**

Yes

**Declarations of interest** (including details of any relevant dispensations issued by the Standards Committee)

None

**Published**

23 July 2013

Signed: \_\_\_\_\_  
Mayor of Torbay

Date: 23 July 2013

# Agenda Item 7a

'Following an email to the Place & Resources dept. of the Council recently enquiring whether it would be possible to re-open Redgate Beach I was informed that the area was still un-stable and that it would cost far too much to make it safe for the public to use.

Following on from that if Redgate beach remains out of bounds to the people of Torquay could the following suggestion be considered:

A visit to Anstey's Cove in the glorious weather we had last summer revealed one of the hidden jewels of Torquay being vastly underused. The large car-park at the top is ideal for access, it's in a lovely countrified setting. The cafe on Anstey's slipway was being well used with many people sitting at the tables there. While the sea was clear and inviting it was inaccessible from the shore as Anstey's beach is just a mass of jagged rocks, and access around to the very inviting Redgate Beach has been cut off. If the opening of Redgate Beach is absolutely out of the question could the boulders blocking Anstey's 'beach' be towed away and that small cove be made more user friendly to swimmers?'

Submitted by Mr Alan Griffey  
Co-ordinator Torbay Friends of The Earth

# Agenda Item 7b

## Torbay Art Centre

Torbay Council's publication "On the crest of a wave" A Strategy for the Arts and Creative Industries in Torbay 2006-2016 page 19, states "*Develop a multi-purpose centre with particular emphasis on the visual arts for permanent and temporary exhibitions*" ( This ambition was also in the Councils earlier strategies ).

To address this and other cultural questions, the Council together with the Arts Council called a meeting at the Riviera International Centre on the 17th Oct. 2012 "What could Torbay's cultural future look like? "

The wish of the majority of attendees was to facilitate the Councils stated aim of an Arts Centre.

To that aim a group was formed "Torbay Action for Art -TAA "and formally constituted.

This group has identified Parkfield House as being a highly suitable Council owned property that would meet the Councils stated objectives.

The TAA committee have been in discussion with Steve Parrock, Adrian Sheen, Marissa Wakefield, Cllr Dave Butt, Cllr Darren Cowell, and have had valuable assistance from Brian Roberts of Number One Consulting .

Cllr Dave Butt Executive Lead for Culture and the Arts referred to the possibility of an arts centre in his article in the Herald dated 24th April 2013.

As the project develops we would look for ongoing advice and support from the above as well as those we have had informal contact with:-

Carolyn Custerson English Riviera Tourism Company, Tracey Cabache Community Development Trust: Anna Gilroy Torbay Council Arts Officer, Mischa Eligoloff Cultural Partnerships Officer, et al.

TAA's committee sees the Council's stated aim as admirable and of benefit to all ages and groups in Torbay and tourists alike and have submitted our suggestions to be included in the three towns Neighbourhood Plans.

The added benefit of providing this cultural facility is that Torbay could earn the reputation of " Coast, Countryside and Culture" , thus raising the nature and number of its visitors.

It is recognised that thriving economies in the towns and cities of the UK invariably also have a thriving art scene.

Bodies such as the Arts Council and the United Kingdom Arts and Design Institutions Association (Ukadia) have acknowledged this in several publications by highlighting the £60bn the creative industries contribute to the economy and demonstrate why sustaining that contribution with continued investment, will become increasingly important to economic recovery.

The TDA have addressed aspects of the situation with their Innovation Centres, they are also giving guidance on writing a business plan (currently at draft stage) for the use of Parkfield House as Torbay's Art Centre.

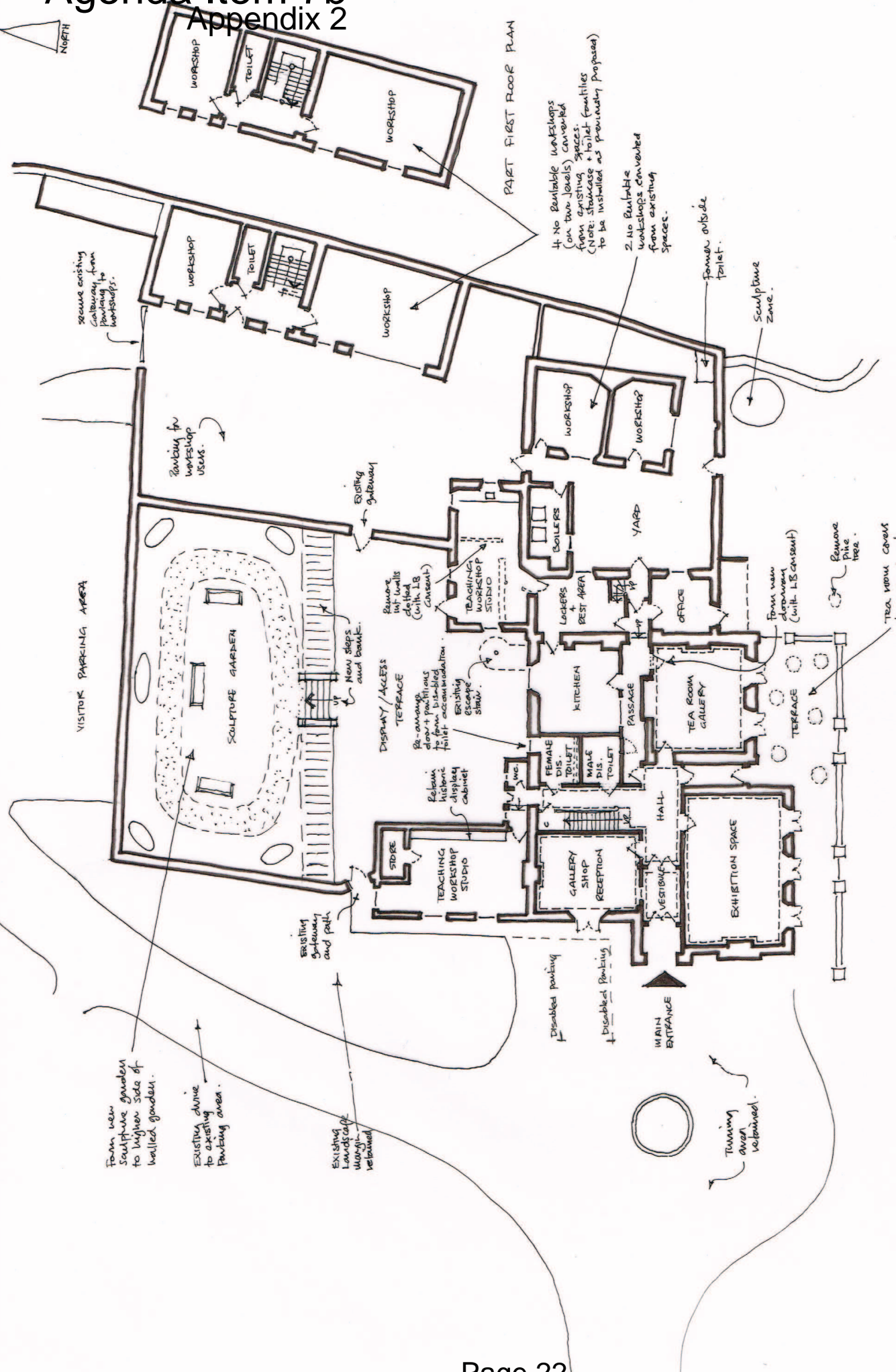
Peter Stride

Good afternoon, my name is Julie Brandon, I am Vice Chair of Torquay Neighbourhood Forum and also a member of Torbay Action for Art, I would like to fully endorse what Peter has just read out to members and now draw your attention to the drawings TAA have also submitted. These are initial ideas of what we could have at Parkfield House and I hope that members will also see what a fabulous opportunity we have here. These drawings show the ground floor and grounds being used which could dovetail with those currently using the building on the upper floors. The link below to a news article more fully explains the economic advantage to be had by promoting art and we believe a central arts space to co-ordinate, support, signpost etc would play an essential part .

<http://www.thestage.co.uk/news/2013/05/arts-worth-5-9bn-to-uk-economy-report/>

# Agenda Item 7b

## Appendix 2

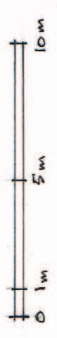


PARKFIELD HOUSE, PAIGNTON.

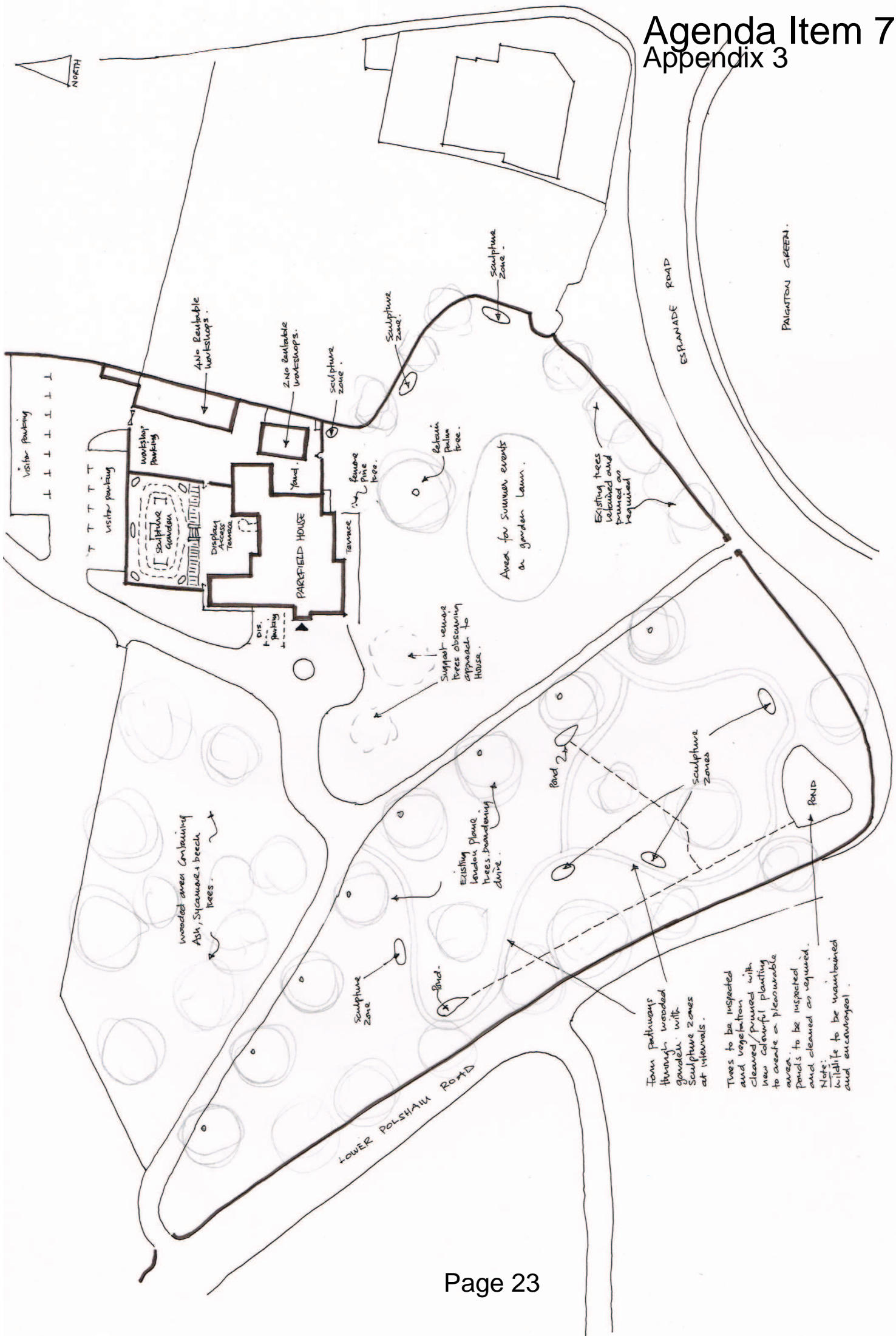
ART CENTRE PROPOSALS BY T. A. A.

GROUND FLOOR PLAN.

SCALE: APPROX 1:200







# Agenda Item 8

Meeting of the Council

Thursday, 26 September 2013

Questions Under Standing Order A13

<b>Question (1) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</b>	<b>Recently a decision was taken by the Council SCOPE committee not to provide funding for a new building to replace the threshers building in Brixham as was originally set out in the local transport plan. Private finance is being sought through a sale at auction. If this is unsuccessful, will you give a reassurance to Brixham Town Council and the residents of Brixham that you will provide council finance for a new building to be built and sold in its place so that there is no risk that we are left with an empty building site as the entrance to Brixham.</b>
<b>Question (2) by Councillor James to the Executive Lead for Strategic Planning, Housing and Energy (Councillor D Thomas)</b>	<b>Statements have consistently been made that the work to build a Tesco superstore in Brixham will start in Autumn 2013. To reassure local businesses and allow them to make advance plans, place orders and schedule deliveries can you give a date for when you expect the work to commence?</b>
<b>Question (3) by Councillor Darling to the Executive Lead for Highways, Transport and Environment (Councillor Hill)</b>	<b>With the reduction in Litter and dog bins in Torbay, why has the Council not considered increasing enforcement activity against those who allow their dogs to fouling public spaces?</b>
<b>Question (4) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</b>	<b>What stance is the Council taking on the LGA Rewiring Public Services campaign?</b>
<b>Question (5) by Councillor James to the Mayor and</b>	<b>Of the Torbay residents who have had some of their council tax benefit removed as a result of the governments benefit changes in April, has anyone missed a payment, been warned by Torbay Council about failure</b>



<p><b>Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</b></p>	<p>to pay or been prosecuted for being unable to pay their council tax bill? If so, how many people has this affected?</p>
<p><b>Question (6) by Councillor Darling to the Executive Lead for Business Planning and Governance (Councillor Mills)</b></p>	<p>At our O &amp; S briefing meeting in August it was requested there be all member briefings on matters the O &amp; S did not have time to debate due to an already busy schedule. These included Clennon Valley Sports Facilities Procurement, Plymouth City Deal and Housing Strategy. To date there has been no response from the Authority to this request. I would welcome an explanation?</p>
<p><b>Question (7) by Councillor James to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</b></p>	<p>During the planned Tesco development in Brixham town centre, what are the Council's plans to sustain parking provision in the town during the building period and what will be the net gain or loss in parking spaces resulting from the Council efforts to reduce the impact during this period.</p>
<p><b>Question (8) by Councillor Darling to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</b></p>	<p>In the Councils financial outturn for 2012-13 it stated that the Council had £21 Million of unallocated borrowing. This is costing the Council hundreds of thousands of pounds in interest. What plans do you have to use this finance to either generate income for the council or assist in delivering priorities for our local communities?</p>
<p><b>Question (9) by Councillor Baldrey to the Executive Lead Highways, Transport and Environment (Councillor Hill)</b></p>	<p>An article in 'The Observer' on the 18<sup>th</sup> August entitled 'March of incinerators threatens recycling' states that in the UK "39 incineration plants have either been built, are under construction or are the planning stage, and there are concerns about overcapacity".</p> <p>Given the likely overcapacity in the UK of incineration plants, can the Executive Lead confirm that Torbay Council will prioritise recycling of waste over incineration, for although as a Council we are committed to sending our residual waste to the incinerator under construction currently at Devonport, we need to be assured that we will always give greater weight to the need for us to recycle?</p>
<p><b>Question (10) by Councillor Darling</b></p>	<p>Since October 2012 the credit union Plough &amp; Share have engaged in the</p>

<p>to the Mayor and Executive Lead for Employment and Regeneration, Finance and Audit (Mayor Oliver)</p>	<p>following activity in the TQ2 area of Torquay</p> <p>Loans- Total Successful Loans for TQ2 = 52  Total loaned = £45,170  Average loan = £868.65  If one presume that loans were over one year and at 26.8% (total interest £10,788), compared with a doorstep lender with an APR of 272% (total interest £109,571) that is an interest saving of £98,783 for the TQ2 post code!  Savers- 23 regular savers with total deposits £1849 held Oct 2012 to date.  In light of the above figures what plans does the Council have to further promote Plough &amp; Share and will the Council consider banning pay day loan lenders from advertising on council advertising space?</p>
<p>Question (11) by Councillor J Faulkner to the Executive Lead Safer Communities, Parking and Sport (Councillor Excell)</p>	<p>I have been contacted by a number of local residents on Torre Marine, Torquay about issues with parking.  When will the Council be taking over responsibility for the roads on that estate from the developer?</p>
<p>Question (12) by Councillor Darling to the Executive Lead for Safer Communities, Parking and Sport (Councillor Excell)</p>	<p>I was shocked to learn that the provision of a Women's refuge in Torbay is out to consultation, with a view to ending this service in its current form? Surely at a time of increasing tight finances the Council is wrong to put these people more in harms way by potentially ceasing this Service?</p>

## Council Meeting

26 September 2013

### Council Motion – High Speed 2

This Council notes that the estimated costs for High Speed 2 have increased from £32 Billion to between £50 Billion and as high as £80 Billion.

In comparison, spending per head on transport infrastructure lags in the South West has significantly fallen behind compared to national rail spend.

This Council further notes that there has been unprecedented passenger growth in the South West, for example:

Patronage growth 2002-2012

Exeter/Paignton/Plymouth lines	108% increase
Plymouth/Penzance lines	184% increase
Truro lines	208% increase
Exeter/Barnstaple lines	159% increase

Torbay Council is also concerned to note that there are no plans at present to provide sufficient train capacity despite a sustained and high increase in passenger growth.

In this environment the Council feels that two key areas of concern need to be addressed.

Firstly, Modernisation:

There are currently no plans to electrify any track beyond Bristol. Electrification should be rolled out across the South West peninsular. Improved Rolling stock should accompany this work.

Secondly, Improved resilience

The South west suffers from a number of weak points, in its rail network, which can have a catastrophic impact on the network in poor weather conditions. The vulnerable points that need addressing include: Cowley Bridge Exeter, Dawlish Sea wall and Flooding on the Somerset levels.

Enhanced capacity for the Exeter to Waterloo line capacity to be enhanced to reinstate the line as a diversionary route in the event of disruption to London main line services.

In light of the above, this Council resolves to instruct the Executive Director of Operations and Finance to register our opposition to HS2 to the Secretary of State for Transport. The Government should cancel this scheme and spend a significant proportion of the monies allocated to this project to improve Rail infrastructure across the whole of England, but particularly addressing the South West of England that appears to have been left behind compared to other parts of the UK.

The Executive Director is also requested to write to Councils across Devon, Cornwall Somerset and Dorset who have a responsibility for transport advising them of this Councils actions on this matter.

Proposed by Councillor Doggett

Seconded by Councillor Darling

## Council Meeting

26<sup>th</sup> September 2013

### Council Motion

The Council notes that:

- A recent report, 'No Quick Fix', from the Centre for Social Justice (CSJ) dated September 2013 reported a rise in the use of new drugs, including new psychoactive substances (NPS), sometimes called 'legal highs'. They report that these are doing increasing harm to a growing number of people.
- The report highlights that that 52 people died from 'Legal Highs' in 2012, this being an increase from 28 the previous year. The report goes on to say the numbers of young people in the UK aged 15-24 who have taken a 'legal high' is estimated to be 670,000 (or 8.2 percent) – the highest in Europe.
- The report advises that these are sold in 'head shops' on the high street and over the internet, these new drugs are often chemically similar to banned drugs and have the same effects. The slight molecular differences mean they can be sold as bath salts or research chemicals, provided they carry a caution against consumption. The result of this slight chemical difference means that new drugs are not covered under the A, B, C system of the Misuse of Drugs Act and therefore legal to produce, supply and possess.
- The report states that there are 234 controlled substances that have a classification, but another 251 uncontrolled substances that don't.

The Council resolves that:

- The government should speedily draw up and implement legislation to make 'legal highs' and any similar derivatives illegal. Furthermore to give new or amended powers to The Police and Local Authorities to enforce the new or amended legislation.

Council further resolves to:

- Write to the Home Secretary
- Write to the Police and Crime Commissioner, and
- Write to the two local MPs outlining the Council's position.

Proposed by Councillor Thomas (D)

Seconded by Councillor Excell

# Agenda Item 9c

## **Council Meeting**

**26 September 2013**

### **Council Motion – Traffic Flow Torquay Town Centre**

This council requests that the Mayor identifies the necessary financing to reverse traffic flow in to Torquay town centre through Torre.

Council notes that recommendations from Princes Foundation, who advised Torquay Neighbourhood Forum, identified the access to the town as one that needed improving.

Council further notes that the recent Local Transport Board rejected an application for funding from the recent process and therefore alternative funding needs to be identified as a priority.

Council recognises that improving direct access in to the town will help encourage potential investors to develop sites identified within the emerging Torquay Neighbourhood Plan and in so doing stimulate regeneration.

Proposed by Councillor Cowell

Seconded by Councillor Morey

## **Council Meeting**

**26 September 2013**

### **Council Motion – Democracy Week**

As part of Democracy Week (October 14 – 18 2013) Torbay Council will make every effort to pilot a webcast of our October 17 Council meeting. In so doing the council will widen the possible audience and help promote democracy.

This action will demonstrate the Mayor's objectives of being open, inclusive and democratic.

This Council resolves, in light of tight budgetary conditions, the Executive Member for Business Planning and Governance and the Executive Head for Commercial Services, in consultation with the Chairman and Councillor Cowell, investigate and consider the provision of the free services of a broadcaster (possibly local schools/colleges) who can be engaged and assist in streaming the live webcast through both the Council and Herald Express websites.

Proposed by Councillor Cowell

Seconded by Councillor Ellery

# Agenda Item 10



**Meeting:** Council Meeting

**Date:** 26 September 2013

**Wards Affected:** All

**Report Title:** Torbay Youth Trust

**Executive Lead Contact Details:** Ken Pritchard, Executive Lead for Children, phone number and email

**Supporting Officer Contact Details:** Gail Rogers, Service Manager for Integrated Youth Services, [gail.rogers@torbay.gov.uk](mailto:gail.rogers@torbay.gov.uk)

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## 1. Purpose and Introduction

- 1.1 Our vision for Torbay young people is, like theirs, ambitious. Our support services for young people are based on the principles that young people feel part of their community, are welcomed and involved in services, have access to quality provision relevant to their needs and with demonstrable benefits, and find the solutions they need and positive ways forward.
- 1.2 Sustaining services for young people within the current financial environment is increasingly challenging. The Local Authority needs to think and act differently in order to meet its statutory responsibilities and achieve best value.
- 1.3 This report, endorsed by Officers from the council and representatives from the voluntary and community sector across Torbay, sets out a proposal to deliver sustainable change in the way services for young people are delivered.
- 1.4 The proposal will shift the current thinking and delivery model away from the local authority by investing in the Voluntary and Community Sector with Young People being at heart of shaping the future of services. This builds on the success that has been achieved with the Neighbourhood Youth Grant scheme.
- 1.5 The new delivery model will enable alternative funding solutions to be used that are inaccessible by the Local Authority.

## 2. Proposed Decision

That the Mayor be recommended:

- 2.1 That Council supports the creation of a Torbay Youth Trust;
- 2.2 Agreement for a full business case to be developed that considers what services and assets will be transferred to the Youth Trust within the first 2 years of operation as part of the 2014/15 budget setting; and
- 2.3 The council provides Officer support towards the development of the Youth Trust and explores options for contracting with the Youth Trust to deliver appropriate youth services.



### **3 Reason for Decision**

- 3.1 The proposal is that the Local Authority supports the vision for youth services to be delivered and developed through an alternative structure that would bring cohesion to the youth sector as a whole. This would build on the progress we have seen through two years of implementing the neighbourhood youth grant funding, providing a tangible reason for collaboration within the sector. Experience with the grant fund process to date has evidenced strong innovation, co-operation and capability within the sector when there is a shared opportunity. We seek to offer further opportunity within the sector, and also with commercial partnerships by creating a separately constituted organisation through which the Local Authority can deliver key and critical priority services.
- 3.2 The reason for progressing this proposal is that there are some key priorities that need to be seen to fruition for children and young people if Torbay is to develop a next generation of residents who are fit and skilled to contribute positively to the social and economic landscape. In spite of these critical priorities, central funding pressures are reducing the capacity of the Local Authority to commit resources to achieve them, and we need to look now at how we can sustain and develop youth provision through a different operating model, achieving best value with diminishing funds.
- 3.3 The proposal would sustain and develop services for young people, thereby providing the supportive, educational, diversionary and targeted provision needed for them to achieve their full potential. We hope to increasingly see a culture of aspiration, critical to preventing poor outcomes and lifestyle choices, and for this to have a positive impact on the whole community, reducing inter-generational fear and improving the quality of life. Without this proposal, there is likely to be a steady year on year reduction in youth services that is typically mirrored by growing alienation of young people within their communities and the consequent problems that this brings.

### **Supporting Information**

#### **4. Position**

- 4.1. A grant funding process was set up for the year 2012 to encourage community and voluntary sector providers to establish and deliver youth services within their neighbourhoods. A large number of stakeholders were consulted in this process, and the service specification and the bidding and allocation processes were co-written to encourage broad engagement and trust. A panel of decision makers was drawn from across sectors and was facilitated by Torbay Children's Services including the consistent support of the Lead Member for Children. A youth panel ran parallel to the adult panel in Year One, but in Year Two, was integrated so that there was shared decision making following dialogue.
- 4.2. There were 21 successful bids in Year One, providing 24 projects; in Year Two there were 16 successful applications providing 20 projects of which 11 were Year One projects re-applying to sustain their provision but requesting less funding than in the previous year. The applications have all evidenced local need and a contribution from other funding sources or in kind through donated work hours. This process has enabled good coverage of provision across Torbay with services particularly strong within areas of deprivation and where there is a high density of young people resident. (A map is appended to the document to illustrate the youth provision coverage, and full details of funding allocations and services are published on the Family Information website, Appendix 1.)

- 4.3. A key strength in this model of delivery has been the alliances formed within the community and voluntary sector in order to maximise youth provision and to support one another in developing their capabilities and capacity. The result has been partnerships based around areas, such as the Young Brixham Partnership which is a fully constituted group of 3 organisations; also the Big Mix, a Foxhole/QED partnership comprising a Faith based group 3 community groups and a voluntary group plus support from Sanctuary Housing and Children's Services. In addition, a completely grass roots group was recently funded in Chelston that was supported in doing this by one of the above partnerships using an asset based community development model (abcd). This is evidence of real community capacity building given the right opportunities and support.
- 4.4. The organisations delivering to young people now have a stake in those communities and are generally from those communities. The support and monitoring of the projects comes from within Children's Services, with a Communities Youth Worker retained in order to ensure safe, quality provision and to support development including a range of training opportunities co-delivered with partners from across all of the sectors. In addition, resources are made available, events information and a central directory of youth services is collated and published on the Family Information website and via a link to all partner services.
- 4.5. Outcomes data is required from the services, but the reporting requirements are as minimal as possible while still assuring the accountability of public funds. We currently have a good understanding of the numbers of young people using provision, whether they fall within particular risk groups, their perception of feeling safe and supported in their community, and how involved they feel in the running of their services. In addition, a survey in June 2013 of 155 young people strongly indicates satisfaction with and good access to services (Appendix 2).
- 4.6. The lessons learned from this process have been valuable for all involved, and particularly in developing a strong sense of equal partnership across the sector where there is respect and trust and equal measures of challenge. In enabling this partnership, we have seen real innovation and determination from within the community in how it supports its own youth population in a way that is profiled uniquely to its area. In many areas, young people are volunteering within their own provision and are voicing their opinions about their neighbourhoods to those who live and work alongside them. The mutual support of organisations within the sector took place with very little intervention from the Local Authority and was largely the result of a new landscape of service delivery that they felt they could really influence. While this is still the beginning of a new way of delivering youth services, it is sufficiently convincing from this early stage to view as a model that could be developed and expanded. A natural progression to this would be the development of a Youth Trust wherein a broader range of services for young people could see the same transformation, guided by but not designed or delivered necessarily by the Local Authority
- 4.7. The benefit to the Local Authority will be an organisation managed externally with a strong sense of business rather than purely service. Where all costs are now borne by the Local Authority, the assumption within an alternative delivery model is that it will access funding streams not available to the Local Authority to add value and contribute to its infrastructure and service costs.

## 5. **Possibilities and Options**

- 5.1 Consultation events with the voluntary and community sector have considered a wide range of possibilities and options with three in particular being explored in more detail through a full

options appraisal. These models were: Phased Out-Sourcing, Big Ban Out-Sourcing, and the creation of a Youth Trust (see full report at Appendix 3).

- 5.2 The appraisal points to both the phased outsourcing model and the Youth Trust model being feasible for the LA to consider for the future development of youth services. However, taking into account the current and future landscape (drive towards partnerships and more local provision, user involvement in delivery, reductions in available funding from the LA) the development of a Trust seems more likely to provide a sustainable mechanism through which we can confidently shape services around the needs of our local young people

## 6. **Fair Decision Making**

- 6.1 We consulted with a full range of stakeholders (ranging from staff to providers and Officers and Councillors) in February 2013 when we set up a Visioning Day for the future of youth services and for a Youth Offer. Over 60 attendees from the community and voluntary sector and across youth associated sectors attended the day. This contained not only local information, but was supported by the consultant for BIG who had overseen the My Place centres including Parkfield. In addition, a national youth delivery charity, Catch 22 attended to put Torbay's situation into a national context. At the end of the Visioning Day, all attendees had contributed to an overall vision, and over twenty people stated their desire to remain engaged in progressing a Youth Offer in Torbay.
- 6.2 In March 2013, a further consultation took place with 17 of the attendees from the first Visioning Day. This day reviewed the information and ideas from the day in February and went through some options for a different model of delivery for youth services. The group on this day was supported again by the consultant from BIG and also by the advisor from the Regional Youth Work Unit. This group explored seven models of youth work delivery and chose three of these for a full options appraisal to be completed. The group also agreed a framework by which to measure these three options.
- 6.3 The Options Appraisal was completed in May and sent to all stakeholders for feedback. We received full written feedback from six stakeholders, and verbal feedback in support of the process and the preferred model from others. Feedback was generally supportive of the recommended option of a Youth Trust, but offered guidance and suggestions for how this might work, and for some of the barriers as well.
- 6.4 A small reference group was set up with cross party members who agreed to support the progression of the preferred model for delivery, which was the establishment of a Youth Trust. This group has met twice, predominantly looking at where to access funding in support of establishing a new delivery organisation.
- 6.5 Young people were consulted outside the above events. The consultation focused on access to provision and what type of provision was wanted rather than what type of organisation should deliver this. We received responses from 155 young people via focus groups, paper questionnaires and e-questionnaires. The general response indicated a high satisfaction with youth provision and a good rate of access taking account of geography, finance and diversity.

## 7. **Public Services (Social Value) Act 2012**

The report is not recommending any direct commissioning of services at this stage and therefore it does not have a direct impact on the Public Services (Social Value) Act 2012 The report seeks

the endorsement of work with the community and voluntary sector which is already in progress

7.1 The business plan that will be developed as part of the budget setting for 2014/15 will need to consider the Public Services (Social Value) Act 2012 in more detail

7.2 However, social value can be described as the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes. By endorsing the direction of travel proposed, the council is supporting the principles of social value, but exploring the additional community benefits of a thriving voluntary and community sector locally.

## 8. Risks

8.1 The risk if this proposal is not adopted is that potential opportunities to bring money in to youth services through currently unavailable funding streams will be missed. In addition, the opportunity to collaborate more effectively and adopt a more diverse model of governance and delivery may fall by the way, losing much of the momentum that has been gained to date.

8.2 Risks associated with adopting the proposal lie in the model itself and in the failure to establish a set of governance arrangements that will both free the Trust to grow and develop while ensuring there is sufficient influence initially from the Local Authority. This risk will be mitigated through establishing a Shadow Board for the new organisation and through ensuring that the Local Authority retains a key role on the Board.

8.3 An Equality Impact Assessment is included at Appendix 4.

## Appendices

Appendix 1	Youth Provision Map
Appendix 2	Young people survey and findings
Appendix 3	Options Appraisal
Appendix 4	Equality Impact Assessment

## Additional Information

Family Information website listing funding allocations

<http://www.torbay.gov.uk/index/yourservices/fis/torbayyouthservice/youthactivities/youthactivities1314.htm>

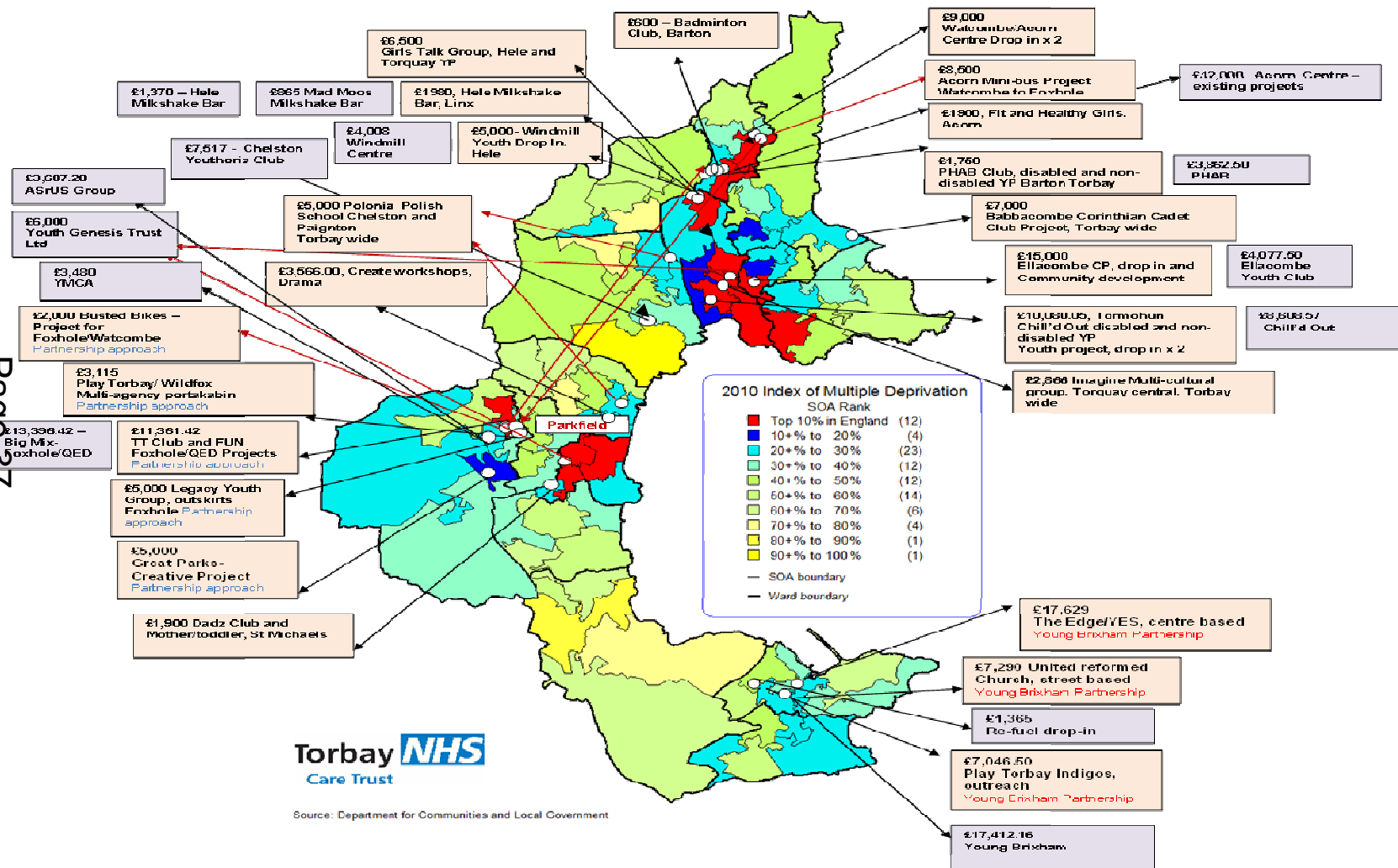
# Appendix 1

2013/  
2014

2012/  
2013

## THE ENGLISH INDICES OF DEPRIVATION 2010 RANK OF INDEX OF MULTIPLE DEPRIVATION

Page 37





# **Torbay Youth Offer Survey Feedback**

## **June 2013**

**This consultation was open between 2 May and 18 June**

<b>Method</b>	<b>Number of questionnaires returned</b>	<b>Percent of questionnaires returned</b>
Paper	137	88.4%
Online	18	11.6%
<b>Total</b>	<b>155</b>	<b>100.0%</b>

## **Introduction**

Torbay Youth Service wanted to capture the views of 8 to 25 year olds on how they could develop a full Youth Offer in Torbay, including a range of support, advice and guidance opportunities. The consultation will be used as part of developing a future vision for Youth Services from April 2014.

## **Methodology**

Torbay Youth Service designed, produced and distributed paper questionnaires to a variety of youth service providers asking them to circulate copies amongst the young people who attend.

An online version of this survey was produced by the Performance, Policy and Review Team. This was also circulated by Torbay Youth Service.

Tables were constructed and percentages calculated using the overall number of questionnaires received (155) as the denominator unless otherwise stated.

## **Quality Assurance**

To ensure the quality of data provided, all information received through both the online and paper surveys were verified and moderated. This provides reassurance that the results presented overleaf are a true representation of respondent's views.

## **Summary of results**

- 74.8% of the young people have Youth Groups or activities in their area.
- 53% attend a Youth Group or activity at least once a week.
- The most common opportunities offered are making friends, a safe and enjoyable place to go and someone to talk to.
- The least common opportunities are spiritual development, accreditations or youth awards and informal learning activities.
- Nearly half of the young people heard about the club / activity they attend from friends.
- Friends and Facebook were the preferred method of communications.
- Most of the respondents (49.7%) walked to the group / activity.
- 40.6% of the young people think that the range of activities and facilities in Torbay is very good.
- When asked what makes a good club / activity the most common answers were the people / friends (23.9%), activities (15.5%) and the youth workers (15.5%).
- 61.3% were happy with the days and times the various provisions are open.
- Bullying (20.6%) was the most likely reason people would stop attending.
- To have fun (37.4%) and see friends (21.3%) were the most common reasons for going to the clubs and groups.

## Results

### Q1 What age are you?

The majority of respondents were aged 14 (15.5%). 78.1% were aged under 16 (8 to 15 years) and 21.3% aged 16 to 25.

Age	Number	Percent
8	4	2.6
9	7	4.5
10	14	9.0
11	17	11.0
12	17	11.0
13	21	13.5
14	24	15.5
15	17	11.0
16	14	9.0
17	7	4.5
18	5	3.2
19	4	2.6
21	1	0.6
22	1	0.6
25	1	0.6
Total respondents	154	99.4
No response	1	0.6

### Q2 What gender are you?

The majority of respondents to the survey were Female (52.9%).

Gender	Number	Percent
Male	71	45.8
Female	82	52.9
Total respondents	153	98.7
No response	2	1.3

### Q3 What is the name of the area where you live?



Nearly half (46.5%) of the respondents live in Paignton. Torquay and Brixham were the next most popular answers with 23.9% and 16.1% respectively. From outside of the Bay the most frequent response was Kingsteignton (3.9%).

Area	Number	Percent
Brixham	25	16.1
Paignton	72	46.5
Torquay	37	23.9
Torbay	2	1.3
Devon	12	7.7
Other	2	1.3
Total respondents	150	96.8
No response	5	3.2

**Q4a Are there any Youth Groups or Youth Activities in your area?**

Just under three quarters of the young people answered that there are Youth Groups or Youth Activities in their area.

	Number	Percent
Yes	116	74.8
No	27	17.4
Total respondents	155	92.3
No response	12	7.7

**Q4b Or, are there any Youth Groups or Youth Activities that you go to in another area or town?**

23.2% of respondents answered that there was a Youth Group or Youth Activity that they attended in another area or town.

	Number	Percent
Yes	36	23.2
No	45	29.0
Total respondents	81	52.3
No response	74	47.7

**Q5a If yes, (Q4a or Q4b) how often do you attend?**

Over half (61.3%) of the young people who completed a survey regularly attend a Youth Group or Youth Activity.

	Number	Percent
Regularly	95	61.3
Quite often	15	9.7
Not much	15	9.7
Total respondents	125	80.6
No response	30	19.4

**Q5b If regularly, how many times a week?**

50.5% of those young people who stated they attend regularly go once a week, this equates to 30.9% of the total respondents who submitted a survey.

	Number	Percent
Once a week	48	50.5
Twice a week	11	11.6
3 times a week	11	11.6
4 times a week	3	3.2
5 times a week	9	9.5
Total respondents	82	86.3
No response	13	

**Q6 What does/do your youth club / centre / group(s) offer?**

The most frequently selected opportunities were making friends (81.9%), a safe and enjoyable place (74.8%), and someone to talk to (72.9%).

The services selected by the fewest proportion of respondents were spiritual development (27.1%), accreditations or youth awards (31.6%) and informal learning activities (31.6%).

The sum of the responses to this question is more than the total number of young people as respondents could choose more than one answer.

	Number	Percent
Making friends	127	81.9
A place that is safe and enjoyable to spend your time	116	74.8
Someone to talk to	113	72.9
The opportunity to have your say	107	69.0
Leisure and sports	100	64.5
Cultural activities, such as arts, theatre, drama, dance and music	93	60.0
Information and support	87	56.1
Volunteering/young leading	79	51.0
The opportunity to decide on how your group/club is run	74	47.7
Trips and off site activities	72	46.5
Anti-bullying awareness/policy	62	40.0
Informal learning activities such as relationships and health awareness etc	49	31.6
Accreditations or youth awards	49	31.6
Spiritual development	42	27.1

**Q7 How did you hear about the Youth Clubs / Activities etc. that you attend?**

Nearly half of the young people (49%) heard about the Youth Club/Activities that they attend from friends. Other frequent answers were school (30.3%) and family (24.5%).

Answers given in the "Other" category included youth worker, church, internet and social worker.

	Number	Percent
Friends	76	49.0
At school	47	30.3
Family	38	24.5
Other	38	24.5
Posters/flyers	32	20.6
Parkfield website	15	9.7

Social media	12	7.7
Group's website	10	6.5

**Q8 How would you want to hear about clubs / groups / youth provision?**

The most popular sources of information were friends (11.0%) and Facebook (8.4%).

	Number	Percent
Friends	17	11.0
Facebook	13	8.4
Flyer/Poster	9	5.8
Internet	9	5.8
In person	9	5.8
Letter/Newsletter/Leaflet	7	4.5
School	7	4.5
Family	6	3.9
Youth worker	6	3.9
Club/Group	3	1.9
Social media	3	1.9
Email	2	1.3

**Q9 How did you get there / here?**

Most of the young people (49.7%) walked to the Youth Group/Activity they were attending.

	Number	Percent
Walked	77	49.7
Bus	11	7.1
Other:		
Bike	6	4.2
Car	27	18.9
Train	1	0.7
Ticked other but no response	21	14.7
Total respondents	143	92.3
No response	12	7.7

**Q10 What do you think of the range of youth activities / facilities in Torbay?**

40.6% of respondents feel that the range of youth activities / facilities in Torbay is very good. 17.4% answered that they could be better.

Answers in the "Other" category included "don't know" and "rubbish".

	Number	Percent
Very good	63	40.6
OK	42	27.1
Could be better	27	17.4
Other	9	5.8
Total respondents	141	91.0
No response	14	9.0

**Q11 What do you think makes a good club / centre / group / youth provision?**

The most frequently mentioned answer, by 23.9% of respondents, was **people / friends**. Other popular responses included **activities** (15.5%), the **youth workers** (15.5%) and **having fun** (11.6%).

	Comments made by respondents
<b>The people / friends</b>	<p><i>"Friendly people and good friends."</i></p> <p><i>"...having friendly people around..."</i></p> <p><i>"Meet more friends."</i></p>
<b>Activities</b>	<p><i>"... You need to give us good stuff to do so we don't look to do other stuff."</i></p> <p><i>"Things to do - laptops, cooking project, playing pool..."</i></p> <p><i>"A range of activities for all ages."</i></p>
<b>Youth workers</b>	<p><i>"Brilliant staff."</i></p> <p><i>"Workers that will understand us and treat us as adults and not like little kids."</i></p> <p><i>"Leaders that are kind and understanding."</i></p>
<b>Having fun</b>	<p><i>"To have fun."</i></p> <p><i>"Fun."</i></p>
<b>Computers</b>	<p><i>"Having computers."</i></p> <p><i>"Computers."</i></p>
<b>Safe place</b>	<p><i>"Being safe."</i></p> <p><i>"Somewhere you can feel safe."</i></p>
<b>Support / advice</b>	<p><i>"Place to go that u can get support and speak about stuff without being criticised and where u feel u are listened to and that u will be supported for just being who u r".</i></p> <p><i>"Somewhere you can go if you are upset or need advice."</i></p>
<b>No bullying</b>	<p><i>"No bullying..."</i></p> <p><i>"Nice staff and no mean kids are the best places."</i></p>

**Q12 What do you think of the days and times the youth club / centre / groups are open?**

61.3% of the young people had positive comments and 15.5% were negative in their response about the days and times. 13.6% of respondents suggested other times that they could be open.

	Comments made by respondents
<b>Positive</b>	<p><i>"Brilliant."</i></p> <p><i>"It's good because there are many on different days."</i></p> <p><i>"Perfect times to have them, especially at Parkfield. The night is usually for teens and the daytime is usually for the younger ones to come to like the BMX track or Youth Club."</i></p>
<b>Negative</b>	<p><i>"It's not open for long enough, we lose nearly an hour for lunch to be eat."</i></p> <p><i>"Not good."</i></p> <p><i>"Too late to get bus home."</i></p>
<b>Other suggestions</b>	<p><i>"Should be open 7 days a week and later at weekends."</i></p> <p><i>"It should be open on Sunday and Monday."</i></p> <p><i>"Saturday, Wednesday, Monday."</i></p>

**Q13 What would stop you from going to a youth club / centre or group?**

**Bullies and people not being nice** was the most likely reason the respondents would stop going to a youth club / centre or group (20.6%). 14.8% stated that **nothing** would stop them from going and 9.0% if they were **unable to get there**.

	Comments made by respondents
<b>Bullies / People not being nice</b>	<p><i>"Being bullied."</i></p> <p><i>"If there was bullying."</i></p> <p><i>"People who go there bullying other people."</i></p> <p><i>"Mean people and horrible staff. Simple as that."</i></p>
<b>Nothing</b>	<p><i>"Nothing"</i></p> <p><i>"Nothing, I like everything about the YC."</i></p>
<b>Unable to get there / home</b>	<p><i>"Getting here."</i></p> <p><i>"If I couldn't get there."</i></p> <p><i>"Transport / getting home."</i></p>
<b>No longer fun</b>	<p><i>"Getting bored if there is nothing to do or anything I like to do."</i></p> <p><i>"If there was nothing to do."</i></p>
<b>Other commitments</b>	<p><i>"When I'm busy or spending time with my family."</i></p> <p><i>"Being involved with something else / exams / commitments."</i></p>
<b>Not on / closed</b>	<p><i>"If it was closed."</i></p> <p><i>"If it is not on."</i></p>



**Q14 Why do you go to your youth club / centre / group?**

The most common response given for why young people go to their youth club, centre or group was because it is **fun** (37.4%). The second most frequent answer was to **see friends** (21.3%), followed by **something to do** (11.6%) and to **make new friends** (6.5%).

	Comments made by respondents
<b>Fun</b>	<p><i>"Because I enjoy it..."</i></p> <p><i>"Because you can have fun..."</i></p> <p><i>"Coz I enjoy it – I think it's great."</i></p> <p><i>"To have fun."</i></p>
<b>See friends</b>	<p><i>"To hang out with my friends more often out of school."</i></p> <p><i>"To spend time with my friends."</i></p> <p><i>"To be with friends..."</i></p>
<b>Something to do</b>	<p><i>"It's something to do on a Saturday."</i></p> <p><i>"Nothing else to do."</i></p> <p><i>"Something to do."</i></p>
<b>Make new friends</b>	<p><i>"...I can make new friends."</i></p> <p><i>"...meeting new people."</i></p>
<b>Chill</b>	<p><i>"To chill with my mates..."</i></p> <p><i>"Getting out of house...relaxing..."</i></p>
<b>Music</b>	<p><i>"For the recording studio."</i></p> <p><i>"To participate in the music."</i></p>
<b>Sport / Fitness</b>	<p><i>"Fitness / strength building."</i></p> <p><i>"Get fit – football."</i></p>
<b>Advice / Support</b>	<p><i>"I go to speak to someone about my life and they give me support and help with all the s*** in my life that were f***** up by people not accepting me for who I am. Parkfield is a place where I feel safe and the one of the staff helps me to feel good about myself and my life".</i></p> <p><i>"Somewhere to go where kids are accepted and never get judged It's fun and they support you on any issue."</i></p>

**Q15 Any general comments about youth club / centre / groups in Torbay.**

A selection of these comments has been copied into the table below.

Comments made by respondents
<ul style="list-style-type: none"><li>• <i>Better advertisement needed, more activities for older youths up to 21</i></li><li>• <i>Could we cut down the brambles in Indigo and need more swings like the swings with handles</i></li><li>• <i>Fun but should do different things each week and cut down the brambles and have the swings back with the handles</i></li><li>• <i>Get someone who knows what young people are about to run the clubs. Get someone who knows how to organise really cool stuff to run the clubs like a business so it has money for things. Parkfield is such a letdown and we got promised so much stuff there.</i></li><li>• <i>How come we haven't no youth worker in our school anymore? they helped me at pcsc when I was feeling s***</i></li><li>• <i>I am happy with the youth clubs I attend that are available in the bay.</i></li><li>• <i>I go to Parkfield. It is the best!!!!!!!!!!!!!!</i></li><li>• <i>I hope no clubs have to be get rid of only because Parkfield is an amazing OPTION. THE OTHERS ARE GOOD BUT THIS ONE IS THE BEST!! The youth clubs are amazing and brings so much fun after school. No wonder they are busy. Great fun!!</i></li><li>• <i>I hope they don't stop running the club.</i></li><li>• <i>I really want to do the duke of Edinburgh award but don't want to do it in my school. Brixham YES used to do it but not anymore. If it still goes on can it be advertised at Parkfield I'm in there a lot.</i></li><li>• <i>Keeps me happy, safe and away from trouble</i></li><li>• <i>More could be done to help youth clubs/centres/groups in Torbay financially</i></li><li>• <i>Nana Kaff is awesome</i></li><li>• <i>Nana Kaff rocks she is wicked</i></li><li>• <i>Need more advertising/involvement with leading them from available adults</i></li><li>• <i>need more of them and not the ones that try to convert u into being a zombie worshiper but ones that allow u to be who u r and make things safe for u to be a kid and get information about sex and stuff</i></li><li>• <i>Some of them need to stop bullying</i></li><li>• <i>There needs to be more people to talk to. I used to have someone in school but then they left and now there is no one in school any more. The staff at the youth centre place have basically saved my life!!!!</i></li><li>• <i>They are poorly funded, lack inspiration and do not encourage creativity. I feel as though that youth provisions are being squeezed to breaking point.</i></li></ul>

## Appendix 3: Options Appraisal

### Introduction

'Positive for Youth' a briefing document was presented to and passed by the Policy Development Group in December 2012. The paper sets out Torbay's ambition for its young people, taking account of government policy guidance (Positive for Youth 2011) and the re-stated duty (June 2012) under the Education and Inspection Act 2006 to deliver services for young people informed by and co-produced by young people. The policy briefing identified consultation and delivery model options to be presented by June 2013 in order that a new set of delivery arrangements could be implemented by April 2014 for Torbay (appendix 1).

This paper follows a series of consultation events with the Community and Voluntary Sector, and with young people across Torbay. The events have been:

**Visioning Day February 2013 – appendix 2**

**Partner consultation event March 2013 – appendix 3**

**Young people consultation events – appendix 4**

The consultation event in March 2013 presented a number of delivery options that may be chosen for the future Youth Offer. An early decision was taken not to appraise the current model of delivery as a policy decision has already been taken to move service delivery away from direct Local Authority control and to develop more diversity within youth services. The group selected three of the models presented during the consultation event to explore further in an options appraisal. The three models chosen were

**Phased Out-sourcing**

**Big Bang**

**Youth Trust**

### Options Appraisal Framework

The following framework for appraisal was agreed by the group that met in March 2013, to test the options against some key requirements of delivery. The 6 elements within the framework were recommended by a consultant from BIG (Lottery) who attended the Visioning Day and the consultation event in March, and these were supported and supplemented by the group on the day. A fuller explanation of this framework can be found within the document at appendix 3.

- 1. Maximising outcomes for young people .**
- 2. Improving synergy between local authority, voluntary sector and volunteer run services, including localness.**
- 3. Accounting for difference**
- 4. Leadership and direction**
- 5. A learning and improvement culture, including quality of provision.**
- 6. Financial flexibility & sustainability and value for money**

## **Model One: Phased Out-sourcing**

This model proposes moving all, or the majority of services gradually from in-house delivery to delivery by an external provider which may be not-for-profit or private sector.

### **Maximising outcomes for young people**

This model allows for those areas of service that are more established, and/or where there is a clearer sense of specification in terms of required outcomes to be tabled for delivery by external partners. Alternatively, using an outcomes-based commissioning framework, the service could be redesigned, benefitting from a complete refresh with young people and potential delivery partners establishing all but the overarching outcomes, and finding innovative ways of maximizing and adding value to outcomes.

Services initially outsourced may be those with a lower risk, and sitting within a lower level of need, with the LA then maintaining the delivery for services with a higher level of complexity and need. For the Local Authority this may protect the gateway to high cost, acute services while building the skills base within lower risk commissioned services. For young people, a varied landscape of provider blended with the assured safety net for critical circumstances should provide a strong set of outcomes.

### **Improving synergy between local authority, voluntary sector and volunteer run services, including localness**

The process of gradual out-sourcing establishes a working partnership that enables mutual support, understanding and development. The approach requires a strong and prolonged partnership commitment that is not simply that of commissioner and provider as both are testing their way forward. With predominantly small and local organisations prevalent within Torbay, this may be an opportunity for growth from within the VCS, or it may also be that a larger organization may sponsor the smaller ones, creating a pipeline of providers supported by the experience and resources of a national, established body. However the constituent parts form, a phased approach to commissioning is likely to generate a mutual appreciation of the sectors and their separate benefits and challenges, and is likely to forge ways of maximizing the benefits and reducing the challenges.

While adopting a phased approach, however, concurrent models of delivery may not necessarily create warm and trusting partnerships without a strongly stated vision or commissioning strategy and without strong and constant leadership. There is the potential for the sectors to continue to view each other with some suspicion as phased out-sourcing will inevitably lead to a period of differential resourcing, terms and conditions and specifications that could be mitigated by a clear focus on outcomes and impact. In addition, the challenges of funding do create some risk for smaller organisations, and then to their ability to sustain agreed services.

Localness is the concept of recognizing and valuing the very particular profile and cultures of people and organisations within Torbay itself. The phased model may provide more time to enable diverse types of delivery either matching an area, an issue or a population; it may also enable creative ideas from locally rooted organisations to gain support and momentum within the development process. With the implied innate knowledge of localness, a phased approach may provide more time and evidence to commission truly targeted services that meet outcomes through understanding that a more adaptable method is sought. The risk, however, is that such options do not connect with broader delivery models, or that they are expensive as unilateral pieces of work.

## **Accounting for Difference**

Different groups within different areas may require differentiated services that account for their specific profiles and needs. Moving services incrementally may allow better analysis of this and may also enable organisations to respond to 'gaps' in required delivery. Differentiated, tailored services are, though, more expensive in general, and may be hard to manage and measure alongside similar commissioned services. Also, the phases of outsourcing may see continued reductions in funding that will leave few resources for small and local services and that are relatively expensive to commission.

## **Leadership and Direction**

Phased out-sourcing will require strong and constant leadership and direction to maintain. For this model to be effective, a commissioning strategy outlining what is meant by 'phased' needs to be in place and agreed by all the constituent parts. The journey and the vision needs to be spelled out in timescales and in outcomes sought, and must receive sign-up at the most senior level within the Local Authority otherwise it risks being diluted or fast-tracked prematurely. By the nature of a phased approach, timescales are longer and the process is therefore vulnerable to changes in priority through changes to the funding envelope, to political determination and issue steer, and simply through changes in personnel.

## **A Learning and Improvement Culture, including Quality of Provision**

An iterative process enables learning along the way for all parties who will not only absorb elements of good, dynamic and progressive practice, but will begin to shape a collectively understood set of standards that is calibrated from within the group. This could be actively built into the process of phased commissioning by evaluating and reviewing services commissioned in the early stages, and learning from successes and set-backs. For the Local Authority, this maintains a focus on quality and, as time goes by, minimises costly mistakes and decisions that impact negatively on outcomes; and for other players, this drives up standards and reduces wasteful processes and resource allocation. Ultimately, service users and recipients will benefit greatly from a process that fosters a measured and considered understanding of what does and doesn't work, and that recognises quality. This process does imply a great deal more focus and resource on monitoring and supporting improvement, however, and may lead to complaints of excessive scrutiny and management from the first providers

## **Financial flexibility and sustainability and value for money**

The challenges facing public services funding are significant, bringing not only caution but inability to predict budgets for many services. Without a statutory banner to wave, youth services will be highly vulnerable to further cost savings. In addition, there will be a temptation to out-source to save first and foremost, rather than to meet a stated outcome and strategy. Phasing the out-sourcing allows the Local Authority to allocate funding to elements of the service without committing a long-term budget to the whole parcel, and that it spreads the risk. For organisations, this gives little security and does not provide sustainable funding and may suit smaller organisations with less infrastructure and smaller overheads. Those smaller organisations are often those adept at responding quickly to changes in specifications, and may be more flexible in their ability to scale up and down depending on circumstances. Conversely, phased out-sourcing creates more complex tiers of commissioning, so is intensive in its set up and management; also that smaller bundles of work are also smaller in value and may not support organisations in their sustainability. Opportunities for growth and attracting funding are limited by the low value and short-terms basis of the commissioning.

## **Model Two: Big Bang Out-sourcing**

This model would see a major piece of commissioning that specified all or most of the services within the Youth Offer and put them out to tender. Whether one organisation took this on, whether there was a pipeline of deliver, or whether sections of work were 'bundled', a commitment would be made by the Local Authority to out-source the whole area of work.

### **Maximising outcomes for Young People & quality of provision**

This model may provide a single framework and specification that is clearer to measure and monitor. There is scope for outcomes based commissioning and for co-scripting of the specification with partners, and a larger scale commissioning commitment is more likely to embed quality of provision within the whole.

### **Improving synergy between local authority, voluntary sector and volunteer run services, including localness**

If there is involvement with the community and voluntary sector leading up to the commissioning and procurement process and specifications are jointly written, then deeper understanding between the organisations will develop. However, a model that out-sources services in one procurement arrangement, whether this is as a bundle or in lots does give less scope to learn and develop in recognition of the unique values of delivery on both sides. In addition, there is the potential for deepening any divisions rather than creating synergy, because the delivery of youth services passes from one sector to another without sharing practice, experience and strategies.

### **Accounting for Difference**

Big bang means a single process that procures all services simultaneously. It is possible that contracts can account for difference in population or geography if this is understood and written into the specification and the scoring of the bids. This model is, however, more likely to illicit a single provider whose ability to differentiate services is likely to be of lower priority than the infrastructure and economies of scale that it could bring, unless it were to consider sub-contracting in a pipeline of local delivery partners.

### **Leadership and Direction**

The implication with this model is that leadership and direction will be clear, with a policy decision and commitment to out-source services on a given date. With this process taking place at a determined pace, there should be less risk that it will be diverted by political or economic pressure, or that a change in personnel within the Local Authority will delay or overturn the policy.

### **A Learning and Improvement Culture, including Quality of Provision**

This model does not enable incremental learning because it will require a single process of out-sourcing with determined service specifications. The provider or providers will commence delivery within the specification and 'learn' within the cycle of delivery and through direct experience of what is and is not effective. However, if the contract monitoring expectation is to include routine evaluation, and mature discussions around adaptation according to evidence, then a learning and improvement culture is possible, albeit one that needs to be led by the Commissioner. Quality of provision is, again, a requisite of the service specification, and will be assured through contract monitoring. A single provider, or one that sponsors smaller providers as sub-contractors, should have the capacity and infrastructure to implement and develop quality standards, and these are likely to be consistent, whereas if the process enables delivery in lots to a number of organisations, there will be less consistency.



## **Financial flexibility and sustainability and value for money**

A single commissioning process will require an agreed funding envelope over an agreed period of time. This may be difficult in the current economic climate where the budget for youth services is not statutory and is therefore vulnerable to ongoing cuts in funding. If a single process attracts a single provider, then they are likely to have less ability to scale up and down because of the wider infrastructure requirements for both delivery and back office staff and buildings.

## **Model Three: A Youth Trust**

A Youth Trust would be set up as a Non Profit Distributing Organisation (NPDO) under a range of legal formats, with its objectives defined to deliver services to young people within an agreed geographical area. The Trust could hold the commissioning role for youth services and the funding, operating as an independent organisation.

## **Maximising Outcomes for Young People**

A Trust would essentially be set up to maximise outcomes for young people through its stated objectives. In this sense, the Youth Trust model establishes a core operating purpose with usually high quality standards that are assured through the partner members of the Trust. Acting in an umbrella function, the Trust could work to raise standards across the sector, developing a shared knowledge and skills base, thereby raising standards and maximising outcomes. In addition, its ability to pool knowledge and resources through its membership and Board of Trustees would enable it to pursue funding streams available to non-statutory organisations and to then increase its outcomes potential, including potentially through the development of new areas of work either identified by young people locally or through national or regional networks.

## **Improving synergy between local authority, voluntary sector and volunteer run services, including localness**

There is the potential for this model to either increase synergy or to create a sense of separation. If the Trust maintains Local Authority representatives alongside other partners on its operating Board, then it will set its members on a journey of delivery through cross-sector collaboration that will bring deeper understanding to all parties. Conversely, if there is no Local Authority membership of the Trust, then it operates at arm's length and is likely to widen the gap in understanding between sectors, leaving the new Trust and the youth portfolio to operate parallel to other strategic areas of local priority .

The potential to develop partnerships within a Youth Trust is strong where there has been partnership engagement in the development process and where this is specified in the business plan and driven through the recruitment of Trustees. The focus on localism too would be engineered through the same routes, and this model will encourage localism where the Trustees represent their users and the communities in which they live, and use this knowledge to seek new opportunities to develop services.

## **Accounting for Difference**

A Youth Trust can build a representative knowledge and understanding of communities and or populations. It may be that this set -up encourages responsiveness and creativity because it can mobilise smaller organisations under its umbrella, enabling a high level of diversity. Additionally, in its ability to raise income, it is theoretically able to bid for funding for fairly niche types of work, perhaps in collaboration with regional or national organisations, potentially benefitting small areas or small populations that may not otherwise have their needs met. As in the former section, the selection of Trustees and processes for communicating with stakeholders is the key to ensuring that difference is

accounted for, and a Trust model could agenda issues of diversity and effect change more swiftly and with less barriers than a model of separately commissioned and accountable providers.

### **Leadership and Direction**

In establishing this type of organisation, there needs to be a shared vision for youth services with political sign up and a strategy for implementation of the new set up. The leadership and direction for this needs to be clear and constant both on the part of the Local Authority and then on the part of the Youth Trust once it is established, with clear contracting agreements and operating functions to maintain its focus and clear structures to report progress and development. Where this is in place, the potential for strong leadership is good, with the added dimensions of a Trust forging additional priorities through the skills and knowledge of its Trustees and stakeholders. This element of leadership and direction may deliver added value back to the Local Authority, potentially influencing a broader agenda than Youth alone. The central holding function of a Trust additionally prevents fragmentation and maintains a strategic oversight of services that aids clarity of direction.

A disadvantage to this model may be that once the Trust is established, it is not fully supported and held to task because of a lack of sufficient commissioning resource within the Local Authority, and because the leadership and direction for youth provision is diluted and devolved to the Trust. This may then see delivery change in a direction away from key local strategic priorities, or may also see the funding relationship between the Trust and the Local Authority lose confidence and integrity.

### **A Learning and Improvement Culture, including Quality of Provision**

A Youth Trust operating with a delegated commissioning function could introduce a level of quality standards for its members. The organisation could deliver training and source support either as an internal arrangement or also externally to drive up standards. If the Local Authority has a place on the Trust Board, then there is good opportunity to share learning and resources; if this is not the case, then a strong mechanism for communication may enable this to take place, but is likely to be less effective.

### **Financial flexibility and sustainability and value for money**

It is likely that services that continue to be delivered through the organisational mechanism of the Local Authority will continue to be challenged to offer efficiency savings and to cut costs to deliver an overall budget deficit – this is particularly relevant where services are non-statutory. Over time, the quality of services would be severely compromised, and decisions about ceasing some services will need to be made. The ability of a Youth Trust to secure other sources of revenue via grant-funders, or through income generation is greater than that of smaller commissioned organisations, and far greater than that of the Local Authority, potentially mitigating the impact of reduced Local Authority funding. The advantage of this option is that, as an independent organisation, the Trust can attract its own funding, adding value and developing sustainability. With a target for the Trust of income generation through funding, the Local Authority could either create greater investment in youth provision, or reduce its funding to an agreed target rate, thereby creating real value for money. The Trust can additionally cut its cloth according to its available net income through the introduction in new areas of work of its own employment terms and conditions or through commissioning arrangements with smaller organisations giving scope to scale up and down.

A single procurement process of services could achieve the same thing in the short to medium term, but will always operate for the benefit of the overall organisation, potentially requiring significant management and infrastructure costs that do not deliver back in to local services. In addition, the overall objectives of an organisation commissioned to deliver will never be wholly in tune with that of the Trust, set up specifically to achieve objectives for youth locally. Savings and value for money where services are out-sourced in a phased way will be harder to achieve because of the lack of



economies of scale and the impact of a set of individual reductions. For the same reason, lack of co-ordination will reduce the possibility of attracting additional funding sources, and those that are achieved may have less impact on overall outcomes for young people.

### Conclusion and next steps

The following page provides a very brief overview of the three options in table format. The subsequent pages recommend the Youth Trust option, giving a slightly broader understanding in terms of process for this model.

The options and supporting documents will first be sent to the stakeholders who have been involved in the consultation, with a request for feedback with overall in principle agreement, or not. Torbay Children's Services will then consider the feedback with the options and a decision will be taken on whether or not this or another proposal will be progressed. This decision and the resulting plan of action will be communicated as early as possible to the stakeholders.

## Appendix 4

### Equality Impact Assessment (EIA): Children's Services Youth Trust

<b>Name (Key Officer/Author):</b>	Gail Rogers	<b>Business Unit:</b>	Children's Services
<b>Position:</b>	Integrated Youth Service Manager	<b>Tel:</b>	207073
<b>Date:</b>	11/09/13	<b>Email:</b>	Gail.rogers@torbay.gov.uk

Since the Equality Act 2010 came into force the council has continued to be committed to ensuring we provide services that meet the diverse needs of our community as well as ensure we are an organisation that is sensitive to the needs of individuals within our workforce. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of proposed decisions on the community.

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This EIA will evidence that you have fully considered the impact of your proposal / strategy and carried out appropriate consultation with key stakeholders. The EIA will allow Councillors and Senior Officers to make informed decisions as part of the council's decision-making process.

#### Executive Lead / Head Sign off:

<b>Executive Lead(s)</b>		<b>Executive Head:</b>	
<b>Date:</b>		<b>Date:</b>	

## Relevance Test – ‘A Proportionate Approach’

Not all of the proposals or strategies we put forward will be ‘relevant’ in terms of the actual or potential impact on the community in relation to equality and vulnerable groups. For instance, a report on changing a supplier of copier paper may not require an EIA to be completed whereas a report outlining a proposal for a new community swimming pool or a report proposing a closure of a service would.

Therefore before completing the EIA please answer the following questions. If you answer ‘yes’ to any of the questions below you must complete a full EIA.

1)	<b>Does this report relate to a key decision?</b>	Y <input type="checkbox"/>	N <input type="checkbox"/>
2)	<b>Will the decision have an impact (i.e. a positive or negative effect/change) on any of the following:</b> <ul style="list-style-type: none"> <li>• <b>The Community (including specific impacts upon the vulnerable or equality groups)</b></li> <li>• <b>Our Partners</b></li> <li>• <b>The Council (including our structure, ‘knock-on’ effects for other business units, our reputation, finances, legal obligations or service provision)</b></li> </ul>	Y <input type="checkbox"/> Y <input type="checkbox"/> Y <input type="checkbox"/>	N <input type="checkbox"/> N <input type="checkbox"/> N <input type="checkbox"/>

**Section 1: Purpose of the proposal/strategy/decision**

No	Question	Details
1.	<p><b>Clearly set out the proposal and what is the intended outcome?</b></p>	<p>The proposal is that the Local Authority considers the vision for youth services to be delivered and developed through an alternative structure, a Youth Trust. This proposal would bring cohesion to the youth sector as a whole, offering opportunities for joint working with community and voluntary groups and also with commercial partnerships such as Brixham YES, The Children’s Society or local businesses towards greater youth training and employment for example. The proposal would create a separately constituted organisation through which the Local Authority and Partners can deliver key and critical priority services such as those for young people at risk of teenage pregnancy or risk of youth unemployment and through which it can develop a youth strategy (Youth Offer) led by an independent, sector-based organisation.</p> <p>The changes would be in the governance arrangements for youth services planning and delivery, and in the capacity of a new organisation to access funding streams currently unavailable to the Local Authority. In addition, in-house services that continue to provide for our young people in Torbay will be managed through the new delivery organisation, with staff being transferred across through TUPE arrangements where appropriate.</p> <p>Key objectives of the Youth Trust will be to:</p> <ul style="list-style-type: none"> <li>• Sustain and develop services for young people that are critical to ensuring they reach their potential. This means that they are healthy, happy, informed and skilled and can contribute positively to their social and economic landscape.</li> <li>• Enable greater involvement by young people and their communities in the design and delivery of services that they will use.</li> <li>• Enable a more flexible and diverse sector capable of adding value to services for young people.</li> </ul>

No	Question	Details
2.	<b>Who is intended to benefit / who will be affected?</b>	<p>Young people receiving services will be affected in the longer term through an improvement in the range of partners involved in the delivery of their services. Although there is the potential that initially they may see existing services changes causing interruption.</p> <p>It is anticipated that the potential increase in funding opportunities may also extend the range of services, and will support the sustainability of services for youth that may be vulnerable within future budget setting exercises. However, there is a risk that services will diminish if the Youth Trust cannot source additional funding.</p> <p>Staff delivering on-going services will be impacted in that they will be directly employed by a Youth Trust rather than the Local Authority. Under the TUPE regulations, terms and conditions for these staff will be protected on transfer.</p> <p>The Community and Voluntary Sector will benefit in having a more formal profile in which to operate where they become members of the Youth Trust. Opportunities will be more readily available for co-operative working and to consolidate services and to develop new areas of service delivery within the Trust.</p>



## Section 2: Equalities, consultation and engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **equalities, consultation and engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions / proposals on the Torbay community.

### Evidence, consultation and engagement

No	Question	Details
3.	Have you considered the available evidence?	<p>In Torbay, according to the Census 2011 (ONS) there were 27,630 young people aged 0-19, accounting for 21.1% of the whole population.</p> <p>Issues particularly relevant for young people in Torbay include:</p> <ul style="list-style-type: none"> <li>• Employment opportunities and low paid work with 3% of people aged under 25 claiming state benefits compared to 2.3% nationally and 1.9% for the South West (<i>source: Nomis, ONS</i>)</li> <li>• Health and lifestyle issues such as the relatively high teenage conception rate – in 2011 for Torbay the rate of teenage conceptions per 1,000 women under 18 was 53.1, compared to 30.7 for England (<i>source ONS</i>)</li> </ul> <p>In spite of this, most of our young people have good school attainment, there is a comparatively low rate of those not in education, employment or training, at below 6% yearly, and the highest participation rate in the region (NEET).</p> <p>In reducing funding in 2011, a new method of delivery was applied for youth provision that enabled the community and voluntary sector to bid to provide the youth services that their neighbourhoods needed. Two years of grant funding has been completed, and the impact of this change appears to have been positive for all involved: see appendix 1 and 2 highlighting a good spread of delivery partners within all target areas, and satisfaction by young people with access and sufficiency.. The youth sector has developed its capacity and become more cohesive, and young people tell us that they have good access to suitable provision.</p>

No	Question	Details
4.	<b>How have you consulted on the proposal?</b>	<p>We consulted with a full range of stakeholders (ranging from staff to providers and Officers and Councillors) in February 2013 when we set up a Visioning Day for the future of youth services and for a Youth Offer. Over 60 attendees from the community and voluntary sector and across youth associated sectors attended the day. This contained not only local information, but was supported by the consultant for the National Lottery who had overseen the My Place centres including Parkfield. In addition, a national youth delivery charity, Catch 22 attended to put Torbay's situation into a national context. At the end of the Visioning Day, all attendees had contributed to an overall vision, and over twenty people stated their desire to remain engaged in progressing a Youth Offer in Torbay.</p> <p>In March 2013, a further consultation took place with 17 of the attendees from the first Visioning Day. This day reviewed the information and ideas from the day in February and went through some options for a different model of delivery for youth services. The group on this day was supported again by the consultant and also by the advisor from the Regional Youth Work Unit. This group explored seven models of youth work delivery and chose three of these for a full options appraisal to be completed. The group also agreed a framework by which to measure these three options.</p> <p>The Options Appraisal was completed in May and sent to all stakeholders for feedback. We received full written feedback from six stakeholders, and verbal feedback in support of the process and the preferred model from others. Feedback was generally supportive of the recommended option of a Youth Trust, but offered guidance and suggestions for how this might work, and for some of the barriers as well.</p> <p>A small reference group was set up with members of the Liberal Democrats, the Conservative Party and the non-Coalition party who agreed to support the progression of the preferred model for delivery, which was the establishment of a Youth Trust. This group has met twice, predominantly looking at where to access funding in support of establishing a new delivery organisation.</p> <p>Young people were consulted outside the above events. The consultation focused on access to provision and what type of provision was wanted rather than what type of organisation should deliver this. We received responses from 155 young people via focus groups, paper questionnaires and e-questionnaires. The general response indicated a high satisfaction with youth provision and a good rate of access taking account of geography, finance and diversity.</p>



No	Question	Details
5.	<b>Outline the key findings</b>	<p>This information is included in section 4 above</p> <p>Report at Appendix 2 of the Youth Offer Paper</p>
6.	<b>What amendments may be required as a result of the consultation?</b>	<p>The consultation process described above led to amendments as the process developed. A summary of these are:</p> <ul style="list-style-type: none"> <li>• The choice of delivery vehicle options for appraisal</li> <li>• A framework by which the options appraisal was measured</li> <li>• The consideration of including play within a future delivery organisation</li> </ul> <p>There remains consultation and collaboration once a model of alternative delivery is identified.</p>

## Positive and negative equality impacts

No	Question	Details		
7.	<b>Identify the potential positive and negative impacts on specific groups</b>			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Page 66	Older or younger people	<p>Older people- No direct Impact</p> <p>Younger people may see more diverse services which meet their needs and may be more engaged in design and delivery. Services for young people may be more sustainable in the longer term.</p>	<p>Older people No direct Impact</p> <p>Younger people may see existing services change causing interruption.</p> <p>There is a risk that services will diminish if the Trust cannot attract funding.</p>	
	People with caring Responsibilities	<p>Services for Young Carers may be included within the Trust arrangements, although this has not yet been determined. If this is the case, provision may increase through the availability of other funding streams and through alliances within the Trust.</p>	<p>Funding may reduce if the Service cannot attract additional funding. There needs to be a fuller exploration of the Young carer's service, reviewing potential income to fund this through new joint commissioning arrangements and seeking to reclaim some costs from services such as schools.</p>	
	People with a disability			No differential impact
	Women or men			No differential impact

No	Question	Details	
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>		No differential impact
	Religion or belief (including lack of belief)		No differential impact
	People who are lesbian, gay or bisexual		No differential impact
	People who are transgendered		No differential impact
	People who are in a marriage or civil partnership		No differential impact
	Women who are pregnant / on maternity leave		No differential impact

No	Question	Details	
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	The ability to access external funding unavailable to the Local Authority will enable the Trust to develop areas of work that will positively affect deprivation.	If services are reduced then there is a potential impact on child poverty if those young people most in need of support cannot access this, resulting in poorer health, social and education outcomes. The Trust needs to be clear as to which services most critically address deprivation and to be tasked to build this into core business, using the same young people to help design services.
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	The ability to access external funding currently unavailable to the Local Authority will enable the Trust to develop areas of work that will support healthy lifestyles, thereby having a positive impact on general health. There is a good opportunity to combine commissioning arrangements within the Trust benefiting health outcomes in general.	If services are reduced then there is a potential impact on the ability to support young people in developing and maintaining healthy styles i.e. physical activity, teenage conceptions.
8.	<b>Cumulative Impacts – Council wide</b>	If services are reduced in the event that the Youth Trust is unable to attract funding, then there is a risk that other areas within Children’s Services will see an increase in demand.	
8b	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts)	At this time, other sectors and internal services are being challenged in their ability to deliver early intervention services, and services required by children and youth are intrinsically linked to the social and economic health and wellbeing of their parents and communities. A decline in opportunities and support for parents and communities may put youth services under increased pressure, although the proposal for a Youth Trust is more likely to build resilience for young people by its ability to grow and develop through	

No	Question	Details
	identified above)	additional funding and through smarter collaboration.

### Section 3: Mitigating action

No	Action	Details
9.	<b>Summarise any negative impacts and how these will be managed?</b>	A summary of negative impact is that there may be some service interruption and that a new delivery organisation will need to source additional funding to sustain the current level of provision over subsequent funding years. The LA will seek to organise current services so that there is continuity of service while a new Trust is being formed. A shadow Board will be set up and a firm business plan developed that includes potential sources of funding and projected budget trends. The LA will remain involved in the management of the Trust, bringing some internal resources, and through its funding of the Community Development Trust, will enable sector support for funding and growth.

### Section 4: Monitoring

No	Action	Details
10.	<b>Outline plans to monitor the actual impact of your proposals</b>	<p>There are plans to repeat the youth provision questionnaire and to discuss sufficiency of provision with young people 6-monthly.</p> <p>Areas of unmet need and priority need will be prioritised through the quarterly consultation meetings with young people</p> <p>The shadow Youth Trust Board will complete a full business plan outlining budget forecast and identifying key funding streams and relevant partners.</p> <p>The new organisation will develop a constitution and purpose in agreement with the LA ensuring that provision is designed to meet the needs of potentially disadvantaged groups and individuals.</p>

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**Section 5: Recommended course of action** *TO BE COMPLETED WHEN ALL SECTIONS COMPLETE AND EIA FINALISED*

No	Action	Outcome	Tick ✓	Reasons/justification for recommended action
<p>11.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 70</p>	<p><b>State a recommended course of action</b></p> <p>Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes and justify the reasons for your decision</p>	<p><i>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken</i></p>	✓	<p><i>Through the consultation the options appraisal have been considered, a wide variety of organisations and agencies have been involved in developing the proposal to ensure the Youth Trust is viable and sustainable.</i></p>
		<p><i>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality</i></p>		
		<p><i>Outcome 3: Continue with proposal - Despite having identified some <u>potential</u> for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty to have ‘due regard’.</i></p>		
		<p><i>Outcome 4: Stop and rethink – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified</i></p>		



# Agenda Item 11



**Meeting:** Council

**Date:** 26 September 2013

**Wards Affected:** St Marychurch

**Report Title:** **Voluntary** Registration of Land in Maidencombe as a Village Green

**Executive Lead Contact Details:** The Mayor, 01803 207001, Mayor@torbay.gov.uk

**Supporting Officer Contact Details:** Chris Bouchard, Head of Asset Management, Torbay Development Agency. 01803 207920. Chris.Bouchard@tedcltd.com

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## **1. Purpose and Introduction**

- 1.1 Residents from Maidencombe have asked for the land shown edged red on the plan numbered EM2295 ('the Land') and attached to this report to be registered as a Town or Village Green ('TVG'). The land is situated in Maidencombe village.
- 1.2 It is intended that immediately prior to the registration of the land as a TVG the land will be transferred to the residents, either by transferring the land to a company set up by the residents or to a properly constituted trust with two or more residents acting as trustees
- 1.3 As landowner the Council is able to apply to itself as Commons Registration Authority for Torbay to register land as a TVG. The decisions to transfer the land and to make the application to register the land are both executive decisions and therefore decisions for the Mayor. The decision as to whether to register the land as a TVG is a Council decision.
- 1.4 As separate decisions are required (two from the Mayor and one from full Council acting as Commons Registration Authority) the recommendation is split into two parts with the second part being subject to the Mayor first agreeing to the application to register the land as Town or Village Green.

## **2. Proposed Decision**

### **Decision of the Mayor**

- 2.1 **That subject to the Council agreeing to the application to register the Land as Town or Village Green the land be transferred for no consideration to a company set up by the residents of Maidencombe or a properly constituted trust set up for the benefit of the residents of Maidencombe**
- 2.2 **That an application be made to Torbay Council in its separate capacity as Common Registration Authority for Torbay for the Land to be registered as**



**Town or Village Green subject to the Council agreeing that registration will only be completed simultaneously with the completion of the transfer of the Land, proposed at paragraph 2.1**

### **Decision of Full Council**

**2.3 That the application to register the Land be accepted and the Land be entered in the Council's Register of Town or Village Greens by the Council's Land Charges Manager such registration to be completed simultaneously with the completion of the transfer of the Land proposed at paragraph 2.1 and not before**

### **3. Reason for Decision**

- 3.1 If the residents were to make an application to register the Land as TVG under the Commons Act 2006 then, if it so wished, there are sufficient grounds for the Council (acting as landowner) to successfully object to the application.
- 3.2 Landowners have the ability under s15(8) of the Commons Act 2006 to voluntarily apply to the relevant Commons Registration authority for their land to be registered as a TVG. It is considered that, due to the nature of the land and the fact that the majority of local residents are in support, it is appropriate for an application to be made for land to be registered as TVG and for that application to be accepted.
- 3.3 The registration is to be subject to the completion of the transfer so that if the transfer to the residents is not agreed the land is not registered as TVG and left in the Council's ownership.
- 3.3 There is a covenant preventing any buildings being erected on the land without the consent of the adjacent landowner. As such (and particularly in light of the planning considerations outlined below) it is considered to be very unlikely that the site could be developed and therefore were the land to be sold it the capital receipt would be very small.
- 3.4 In order to avoid the Council being burdened with the responsibility of maintaining the Land once it has been registered as TVG it is intended that the Land be transferred to the residents who will be responsible for the upkeep of the Land. The Land is presently maintained by TCCT and is used by TCCT use the Land for overflow parking. Once registered as TVG such use would be subject to legal challenge therefore the benefits TCCT currently derive from the Land would be lost. The transfer of the land to the residents will also mean that they control the future use of the Land so far as it is consistent with its status as TVG.

### **Supporting Information**

#### **4. Position**

- 4.1 The land is shown edged red on plan EM2295. It is managed by the Torbay Coast & Countryside Trust (TCCT) notwithstanding the fact that the 60-year lease for the larger

area around Maidencombe has not yet been completed. It is currently used as an open space and as an occasional overflow car park by the TCCT.

4.2 The Maidencombe Residents Association have indicated that the land has for many years been used for purposes consistent with those of a Village Green including sports such as recreational football & cricket; picnics, bird-watching, berry picking and other recreational pastimes - there have been village sports such as throwing the wellie, archery, sack races etc. There have been stalls for flowers and produce from villagers and for the past two years the green has been used for the 'Barn Dance on the Green', supported by villagers and other nearby residents.

4.3 The land is included within the Council title DN516755. A conveyance of the land (and other land) dated 13 September 1934 made between (1) William Coysh and (2) The Council of the Borough of Torbay contained the following covenant:

"For the benefit of the house at present occupied by the Vendor on the opposite side of the road the Corporation hereby covenant with the Vendor and his successors in title that the Corporation and their successors in title will not erect or permit to be erected on the land forming Ordnance Number 618 any building without the consent of the Vendor or his successors in title".

Note – The land forming Ordnance Number 618 includes the land edged red on plan EM2295.

4.4 The Planning Department have indicated that, given the constraints on this site, there is unlikely to be a development that they would find acceptable in planning terms. The only likely exceptions would be community backed projects that delivered community benefits (e.g. a small development on this site to pay for a community development elsewhere). However, it is considered that even this seems unlikely given the clear feeling of the community here and the constraints in the existing Local Plan. Other than that a development would have to be so exceptional in terms of design that it is worth making an exception for (rural exceptions policy) but again this would be difficult to achieve here.

4.3 The TCCT have confirmed that they support the MRA's proposal for the Council to voluntarily apply for the land to be registered as a Village Green.

4.4 Before agreeing to the land being registered as a town or village green members must bear in mind the following considerations:-

4.6.1 Once registered the land will likely remain registered in perpetuity unless an alternative site can be identified and that site is accepted by the Secretary of State taking into account consideration laid down in the Commons Act 2006. It is not considered likely that such an application would be successful as there is no suitable alternative site. Members must note that the deregistration of a town or village green is not a decision in the gift of the Council.

4.6.2 There are relatively few activities that can be carried out on land registered as town or village green. Essentially, should the land be registered, its future use shall be limited to the type of recreational activities that have been listed in paragraph 4.2

above. No development of the land would be able to take place and other proposed uses may be unlawful (including the parking of cars). Whether an activity is unlawful is always a matter of fact and degree. However, if a significant proportion of a town or village green is fenced off or otherwise enclosed, so that the public cannot access that part freely, it is likely to be unlawful and therefore susceptible to legal challenge. Due to the nature of the land and the limited uses that the land has been put to to date, it is not envisaged its registration as a town or village green will have a significant impact however there is always the chance that objections will be received, particularly if access to the land, or part of it, is obstructed for any reason. When considering objections the court is not entitled to consider any benefits that the activity objected to is bring to the area, however significant those benefits may be.

- 4.7 Consideration will need to be given as to who maintains the land in the future. As mentioned above the TCCT currently maintain the land. If the Council does agree to voluntarily register it as a Village Green then the Council could request that the Villagers maintain it. The Residents Association's understanding is that the TCCT will continue to be responsible for its maintenance.
- 4.8 Due to the existing restrictions on the use of the Land the value of the land is small (although no formal valuation has been carried out). The Land's registration as TVG reduces any value further. The Council is obliged to obtain the best consideration reasonable obtainable in respect of any disposal that it enters into. However, where the disposal is considered to be for the improvement of the economic, social or environmental wellbeing of all or any parts of its area or all or any persons presents in its area a Council is entitled to dispose of the Land for an undervalue of up to £2million. Clearly the disposal does not amount to a disposal at an undervalue greater than £2million and it is considered that the disposal is for the social and environmental wellbeing of Maidencombe, its residents and all persons visiting the area.

## **5. Possibilities and Options**

- 5.1 If the recommendation is not approved and the Council, as land owner, does nothing then the alternative options are as follows:

5.1.1 The Council, as Commons Registration Authority, considers any application from local residents to register the land as a Village Green. As stated above officers believe there are sufficient grounds for the Council acting as landowner to successfully object to any such application.

5.1.2 The Council excludes the land from the lease to the TCCT, declares it surplus and seek to sell it on the open market. The Council will need to follow its Community Asset Transfer policy with the likelihood that the Residents Association will put in an application.

5.1.3 The Council (as with Paignton Green) provides a unilateral covenant not to allow any permanent structure to be erected on the site for a period of 100 years from the date of the covenant being made.

## **6. Equal Opportunities**

6.1 An Equalities Impact Assessment has been carried out and is attached to this report as Appendix 2.

## **7. Public Services (Social Value) Act 2012**

7.1 The proposals do not require the procurement of services etc or the carrying out of works.

## **8. Consultation**

8.1 The Maidencombe Residents Association (MRA) has carried out consultation with the village. All residents were invited to a meeting on 15 May 2013 to discuss this matter, which was apparently well attended. The MRA have informed the Council that there was a unanimous show of hands in support of the proposal and no hands were raised in objection.

8.2 The Local Access Forum was contacted by the Council with the one comment being in support of the proposal.

## **9. Risks**

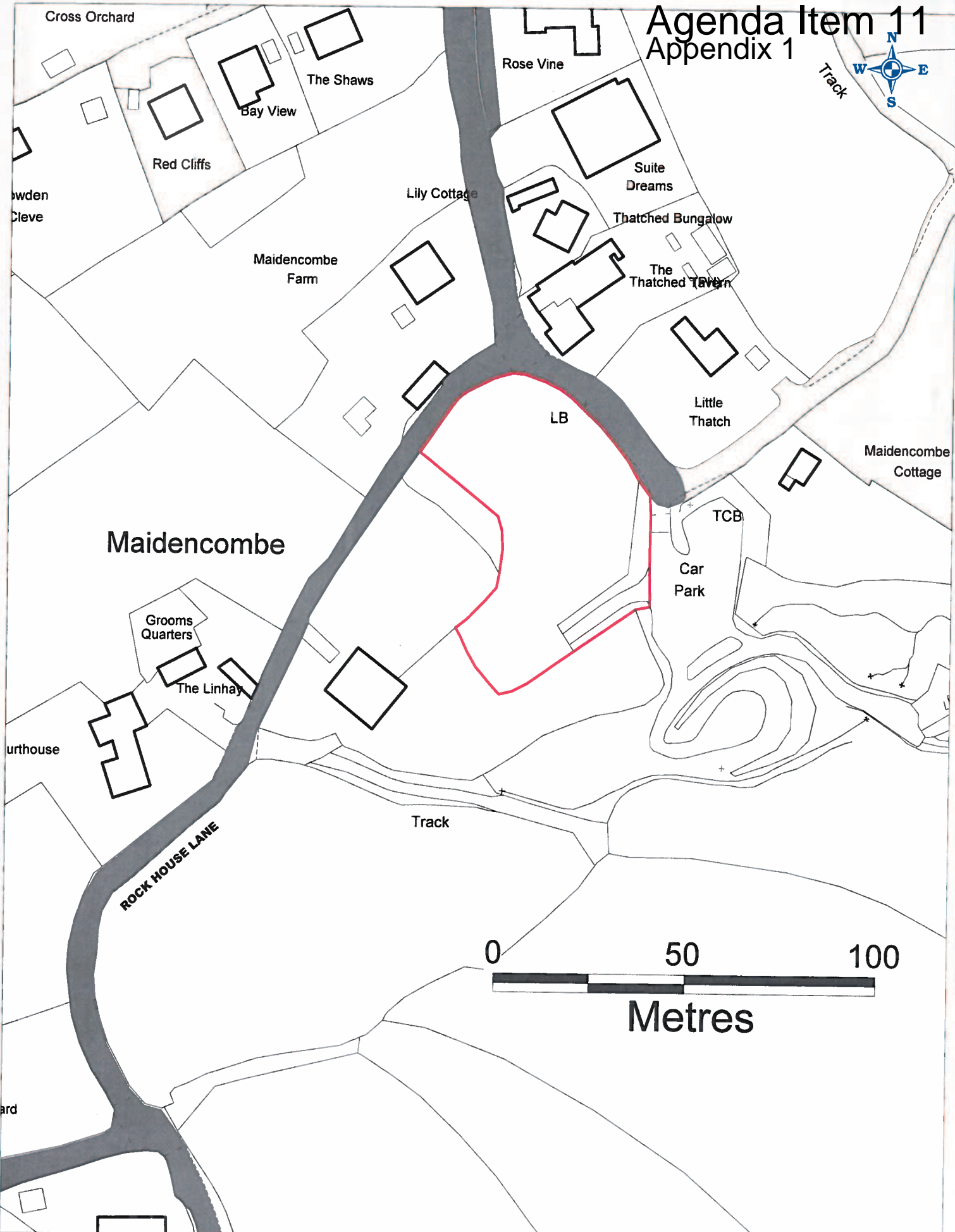
9.1 The risks for offering the land for registration and accepting such offer is that a future use that the Council seek to use the land for may not be possible. Any monetary value that the land may presently have will be lost.

## **Appendices**

Appendix 1	EM2295
Appendix 2	Equalities Impact Assessment

## **Additional Information**

None



Title: Land at Maidencombe, Torquay.

EM Plan No: EM2295  
Asset No: T0023ZZ  
Date: 25th January 2013



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## Equality Impact Assessment (EIA):

Name of Report/Proposal/Strategy:	Voluntary Registration of Land in Maidencombe as a Village Green		
Name (Key Officer/Author):	Chris Bouchard	Business Unit:	TDA
Position:	Head of Asset Management	Tel:	01803 207920
Date:	19 July 2013	Email:	Chris.Bouchard@tedcld.com

Since the Equality Act 2010 came into force the council has continued to be committed to ensuring we provide services that meet the diverse needs of our community as well as ensure we are an organisation that is sensitive to the needs of individuals within our workforce. This Equality Impact Assessment (EIA) has been developed as a tool to enable business units to fully consider the impact of proposed decisions on the community.

This EIA will evidence that you have fully considered the impact of your proposal / strategy and carried out appropriate consultation with key stakeholders. The EIA will allow Councillors and Senior Officers to make informed decisions as part of the council's decision-making process.

### Relevance Test – ‘A Proportionate Approach’

Not all of the proposals or strategies we put forward will be ‘relevant’ in terms of the actual or potential impact on the community in relation to equality and vulnerable groups. For instance, a report on changing a supplier of copier paper may not require an EIA to be completed whereas a report outlining a proposal for a new community swimming pool or a report proposing a closure of a service would.

Therefore before completing the EIA please answer the following questions. If you answer ‘yes’ to any of the questions below you must complete a full EIA.

1)	Does this report relate to a key decision?		N
2)	Will the decision have an impact (i.e. a positive or negative effect/change) on any of the following: <ul style="list-style-type: none"> <li>• The Community (including specific impacts upon the vulnerable or equality groups)</li> <li>• Our Partners</li> <li>• The Council (including our structure, ‘knock-on’ effects for other business units, our reputation, finances, legal obligations or service provision)</li> </ul>	Y Y	N

**Section 1: Purpose of the proposal/strategy/decision**

No	Question	Details
1.	Clearly set out the purpose of the proposal	<p><i>Outline exactly what the proposal is / whether there is any change including reasons for the change. List the key objectives of the proposal/strategy.</i></p> <p>That the Council's Head of Commercial Services be authorised to apply to the Commons Registration Authority to register the land within Maidencombe Village as a Village Green.</p>
2.	Who is intended to benefit / who will be affected?	<p><i>Who are the key stakeholders / which individuals / specific groups may benefit from the proposal or who will be most affected?</i></p> <p>The residents within the locality or neighbourhood of Maidencombe Village.</p>
3.	What is the intended outcome?	<p><i>It is important to identify the specific outcomes that this proposal intends to deliver.</i></p> <p>If the Council's application mentioned in section 1 above is successful then the land will be registered as a Village Green.</p>

No	Question	Details



## Section 2: Equalities, consultation and engagement

Torbay Council has a moral obligation as well as a duty under the Equality Act 2010 to eliminate discrimination, promote good relations and advance equality of opportunity between people who share a protected characteristic and people who do not.

The **equalities, consultation and engagement** section ensures that, as a council, we take into account the Public Sector Equality Duty at an early stage and provide evidence to ensure that we fully consider the impact of our decisions / proposals on the Torbay community.

### Evidence, consultation and engagement

No	Question	Details
4.	Have you considered the available evidence?	<p>Consider data and research already available locally and nationally. Your assessment should be under-pinned by up-to-date and reliable information about the different groups the proposal is likely to affect. For instance, population profile, satisfaction data, deprivation statistics and how this helps to build a picture around your proposal.</p> <p>Not applicable.</p>
5.	How have you consulted on the proposal?	<p>Have you carried out any consultation on your proposal and if so how? Focus groups / survey / events? Remember that it may be important to also consult on any alternative options. Also include who you have consulted with and if applicable which specific groups you have consulted with (i.e. groups who may be specifically affected by your proposal, specific equality or hard to reach groups).</p> <p>The Maidencombe Residents Association (MRA) has carried out consultation within the village. All residents were invited to a meeting on 15 May 2013 to discuss this matter, which was apparently well attended. The MRA have informed the Council that there was a unanimous show of hands in support of the proposal and no hands were raised in objection.</p>
6.	Outline the key findings	<p>Include feedback on your proposal including where you have consulted on any alternative options. Also include response rates, number of attendees to events / focus groups, outline of specific interest groups consulted. Use bullet points to summarise the key conclusions.</p> <p>See section 5 above.</p>

No	Question	Details
7.	What amendments may be required as a result of the consultation?	<p><i>Has feedback from the consultation and engagement process identified any changes required to the proposal? Have you had to alter your decision and look at alternative options?</i></p> <p>No</p>

**Positive and negative equality impacts**

No	Question	Details		
8.	Identify the potential positive and negative impacts on specific groups	<i>It is not enough to state that a proposal will affect everyone equally. There should be more in-depth consideration of available evidence to see if particular groups are more likely to be affected than others – use the table below. You should also consider workforce issues. If you consider there to be no positive or negative impacts use the 'neutral' column to explain why.</i>		
		Positive Impact	Negative Impact	Neutral Impact
	All groups in society generally	The proposal will regularise the current informal use by the community as a Village Green thus safe guarding its use as such for future generations.		
	Older or younger people	Ditto		
	People with caring responsibilities	Ditto		
	People with a disability	Ditto. However, whilst the proposal itself won't have an impact on this group, some people with a disability may not currently be able to access the site.		
	Women or men	The proposal will regularise the current informal use by the community as a Village Green thus safe guarding its use as such for future generations.		

No	Question	Details
	People who are black or from a minority ethnic background (BME)	(please note Gypsies / Roma are within this community) Ditto
	Religion or belief (including lack of belief)	Ditto
	People who are lesbian, gay or bisexual	Ditto
	People who are transgendered	Ditto
	People who are in a marriage or civil partnership	Ditto
	Women who are pregnant / on maternity leave	Ditto
	Socio-economic impacts (including impact on child poverty issues and deprivation)	The proposal may encourage even greater community integration through shared use of the land with physical and mental health benefits from any physical activities and social interaction.
9.	<b>Is there scope for your proposal to eliminate discrimination, promote equality of opportunity and / or foster good relations?</b>	<p><i>The council is committed to ensuring that we meet the diverse needs of our community. As part of the Equality Act there is a general duty as well as our moral obligation where we are required to have 'due regard' to eliminating unlawful discrimination, advancing equality of opportunity and foster good relations between people who share a protected characteristic and people who do not. Outline how your proposal meets the general duty.</i></p> <p>Not applicable</p>

### Section 3: Steps required to manage the potential impacts identified

No	Action	Details
10.	Summarise any positive impacts and how they will be realised most effectively?	<p>Outline any positive impacts that you have identified relating to equalities and how these impacts will be realised most effectively. What ways can the positive impacts be maximised? Use the action plan (after section 5) to outline actions, responsible officers and timescales.</p> <p>The proposal will regularise the current informal use by the community as a Village Green thus safe guarding its use as such for future generations. The impact will be maximised by the Council successfully applying for the land to be registered as a Village Green.</p>
11.	Summarise any negative impacts and how these will be managed?	<p>Outline any negative impacts that you have identified relating to equalities and how these impacts will be managed / monitored so that they are reduced / eliminated or mitigated. What ways can the negative impact be minimised? Use the action plan (after section 5) to outline actions, responsible officers and timescales.</p> <p>None identified</p>

Page 5

### Section 4: Recommended course of action

No	Action	Details
12.	<p>State a recommended course of action</p> <p>[please refer to action after section 5]</p>	<p>Clearly identify an option and justify reasons for this decision. The following four outcomes are possible from an assessment (and more than one may apply to a single proposal). Please select from the 4 outcomes below and justify reasons for your decision - If '3' please provide full justification :</p> <p><b>Where: -</b></p> <p><b>Outcome 1: No major change required - EIA has not identified any potential for adverse impact in relation to equalities and all opportunities to promote equality have been taken.</b></p> <p><b>Outcome 2: Adjustments to remove barriers – Action to remove the barriers identified in relation to equalities have been taken or actions identified to better promote equality.</b></p> <p><b>Outcome 3: Continue with proposal - Despite having identified some potential for adverse impact / missed opportunities in relation to equalities or to promote equality. Full justification required, especially in relation to equalities, in line with the duty</b></p>

	to have 'due regard'. <b>Outcome 4: Stop and rethink</b> – EIA has identified actual or potential unlawful discrimination in relation to equalities or adverse impact has been identified.  Outcome 1: No major change required
--	--

**Section 5: Monitoring and action plan**

No	Action	Details
13.	Outline plans to monitor the actual impact of your proposals	<i>The full impact of decisions will only be known once it is introduced. Identify arrangements for reviewing the actual impact of proposals once they have been implemented. Please also use the action plan below.</i>  Not applicable as the land will be used in the same way as before – the only difference will be its designation as a Village Green.

*Please use the action plan below to summarise all of the key actions, responsible officers and timescales as a result of this impact assessment*

**Action plan**

Please detail below any actions you need to take:

No.	Action	Reason for action / contingency	Resources	Responsibility	Deadline date
1	<i>This should include actions highlighted from the sections 3, 4 &amp; 5</i>				
2	For the Council to apply to the Commons Registration Authority to register the land as a Village Green	To implement the Council's decision	Head of Commercial Services	Head of Commercial Services	N/A



**Meeting:** Council

**Date:** 26 September 2013

**Wards Affected:** All

**Report Title:** Geopark Global Conference 2016

**Executive Lead Contact Details:** Councillor Ray Hill

**Supporting Officer Contact Details:** Sue Cheriton, Executive Head of Resident and Visitor Services, Phone: 01803 207972. Email: sue.cheriton@torbay.gov.uk

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## **1. Purpose and Introduction**

- 1.1 The administrative area of Torbay was designated a Global Geopark in 2007, part of the Geopark Global Network endorsed by UNESCO.
- 1.2 Global Geopark status is awarded to areas with internationally important geology and outstanding heritage, archaeological, ecological and cultural value, where heritage is used for the benefit of the local community and sustainable economic regeneration.
- 1.3 The Global Geopark model is a driver for education, community benefits, expansion of the tourism offer and sympathetic regeneration.
- 1.4 Every 2 years a member of the Geopark Global Network hosts a Geopark Global Conference. A host is chosen through a bid process and there is an opportunity for Torbay to submit a bid for the 2016 conference which will increase international visitor numbers and raise Torbay's profile internationally.

## **2. Proposed Decision**

- 2.1 It is recommended that Council give its approval for Torbay Council, in partnership with the English Riviera Geopark Organisation (ERGO) and the TDA, to bid to host the Geopark Global Conference in 2016.
- 2.2 It is recommended that the Council commits to underwriting any shortfall in costs of hosting. It is expected that the costs will be covered by fees from delegates and with private sector sponsors.

## **3. Reason for Decision**

- 3.1 The decision needs to be made as the Global network will call for bids in Autumn 2013, with bids to be prepared and submitted in Spring 2014.

- 3.2 Geopark linked projects have made significant contributions towards improving facilities for the local community and visitors. The conference presents a valuable opportunity for Torbay to capture a range of benefits from:
- Attracting new international visitors.
  - Supporting the expansion of the conference market.
  - Improving the local economy where the forecast gain to the local economy is £602,800.
  - Creating future opportunities to be exploited by the tourism and hospitality sector.
- 3.3 The Geopark and the conference entirely support the Council's desire to attract prestigious events to Torbay to support the tourism sector.
- 3.4 The Geopark Global conference will help position the English Riviera on the 'world stage' creating opportunities to develop international partnerships such as has already developed with the Hong Kong Global Geopark. It will also lead to a greater awareness of the Geopark on a local, national and international level, which will ultimately generate benefits to the local community, through access to funding, improving local facilities, raised heritage profile, a successful tourism industry and improved civic pride.
- 3.5 The Geopark Global conference will increase temporary employment opportunities, along with the possibility of generating potential long term employment for volunteers by providing training leading up to hosting the conference (Appendix 4: OECD Report)

## **Supporting Information**

### **4. Position**

- 4.1 Torbay has been part of the Global Geopark Network since 2007, in that time we have built up significant influence on the European Geopark Network, with Melanie Border who is current Chair of the UK Geopark Forum, now sitting on the European Geopark Network Advisory Board, and both Melanie and Nick Powe (Chair of ERGO) are qualified evaluators for the GGN, carrying out Geopark evaluations and revalidation missions around the world (fully funded by the host Geopark).
- 4.2 Since designation the Geopark has helped to attract over £6million (Appendix 3) in funding into the bay. It has developed relationships with local, national and international partners, including our 'sister' Geopark in Hong Kong.
- 4.3 The 2014 Geopark Global Conference will be held in Stonehammer, Canada, the previous conference was held in Japan; therefore it is considered highly likely that they will look for a European country to host 2016. This will strengthen our bid, along with our current Geopark status, the expertise we bring to the network, the natural habitat, heritage and tourism offering, our close links with UNESCO and our good reputation with the European and Global Geopark networks.



4.4 The forecast costs, set out below, are based on 600 delegates attending the conference and 120 partners/spouses coming accompanying delegates, but not attending the conference. The 600 reflects the attendees at Japan's conference. However, with the growth of the Geopark network, the delegate number is expected to be much higher for the 2016 conference. The approximate costs and income are as follows:

- Hosting the Conference for 600 delegates +120 Partners - £336,820
- Delegate +Partners fees for the conference - £237,000
- Shortfall - £99,820
- Corporate sponsorship to be sought to cover the shortfall
- Estimated value of conference to local economy at 600 delegates + 120 partners - £602,800

A detailed breakdown of the costs is found in appendix 2.

4.5 Due to the scale of the Conference, the need for the initial costs to be underwritten by the Council and the resource implications for taking forward Council support to proceed with the bid is now sought.

## **5. Possibilities and Options**

5.1 Council could decide not to bid to host the conference and the project would finish. This would mean that only staff costs have been incurred to get the project to this stage and there is no risk of having to underwrite the project or find any short fall. However, in not bidding for the conference, any opportunity of positively impacting our local economy that would have come from the delegates or any future tourism opportunities that could be realised off the back of the conference, are removed. It could also impact our standing with UNESCO and the Geopark Networks.

5.2 Council could approve the bid to host the conference, but decide to only give support in principle. This would mean an increase in project costs to get us to bid stage, but could also be seen as a negative aspect to the bid, especially if we win, then have to pull out because we haven't committed funds to the project. This would have a detrimental effect on our standing and integrity with UNESCO and the Geopark Networks, along with current and potential partners, that have been lined up to aid in hosting the conference as part of the bid. It would also mean losing the potential income that would be coming into the local economy from the conference and future tourism opportunities that can grow off the back of the conference.

5.3 Council could choose not to bid for the conference and decide instead to send larger delegations from Torbay to future Geopark Conferences and use our standing and status with UNESCO and the Geopark Networks as a spring board to connecting with other countries and organisations with a view to encourage investment in Torbay, along with setting up smaller tourism opportunities to encourage visitors from across the globe and link in with Geoparks across the UK.

5.4 While all the above options could be considered in the current financial climate, they are sub optimal in view of the longer term rewards for bidding for the conference and potentially winning the bid, if there is sufficient backing and funding. The benefits to the local economy, businesses, tourism and community cannot be undervalued, not just leading up to and during the conference, but also the legacy that is established internationally.

## **6. Fair Decision Making**

6.1 We have current brought together key stakeholders to discuss the possibility of bidding for the conference:

- The Mayor
- Torbay Councillors
- Torbay Council Officers
- Torbay Development Agency
- English Riviera Geopark Organisation
- English Riviera Tourism Company
- Torbay Coast and Countryside Trust
- Riviera International Conference Centre

Following an approval to bid for the Conference, we will continue to meet with stakeholders and also engage with community groups, education organisations and businesses.

## **7. Public Services (Social Value) Act 2012**

7.1 The requirements of the bid wouldn't necessarily require procurement services, however, should the bid be successful. Their services will be required, but have yet to be scoped.

## **8. Consultation**

8.1 As detailed in 6.1, we have at this stage engaged with stakeholders to look at the possibility of bidding for the conference. Once a decision has been made we can then look to consult with community and voluntary groups, education organisations and businesses, along with UNESCO, UK Geoparks, South West UNESCO sites, Natural England, British Geological Society, National History Museum, Geoparks Scientific Panel, Visit England and the Geological Society. We have also been offered support from the Stonehammer host team and our 'sister' Geopark in Hong Kong.

## **9. Risks**

9.1 There are a number of risks that we would face if the decision were not implemented. Most will revolve around missed opportunities for the bay in terms of potential tourism

benefits, inward investment, regeneration, loss to local economy and jobs. It could also significantly affect our standing with the Geopark Network and UNESCO, if they feel that we should have at least put a bid in to host the conference.

- 9.2 There are some associated risks if we go ahead with the project to bid and hopefully host the Conference in 2016.
- The funds are not realised from delegates, then the cost of the project impact the council. To mitigate this we will look to keep control of costs, look for value for money in all areas of the bid and hosting and negotiate the fixed costs down based on volume of business.
  - We do not win the bid for the conference. To reduce this risk, we will ensure that we cover everything we need to in the bid, along with seeking support from other Geopark, UNESCO and the Networks. We will also ensure we have the best and most prominent speakers and look for a Royal endorsement, with potential of a Royal visit to open the conference.
  - The number of delegates is significantly lower than expected. We will monitor numbers for Stonehammer and adjust accordingly the resources as required.
  - Number of delegates is significantly higher than expected. We will monitor and keep track of bookings, adjusting resources as required.

## **Appendices**

**Appendix 1:** Stonehammer Bid

**Appendix 2:** Costs

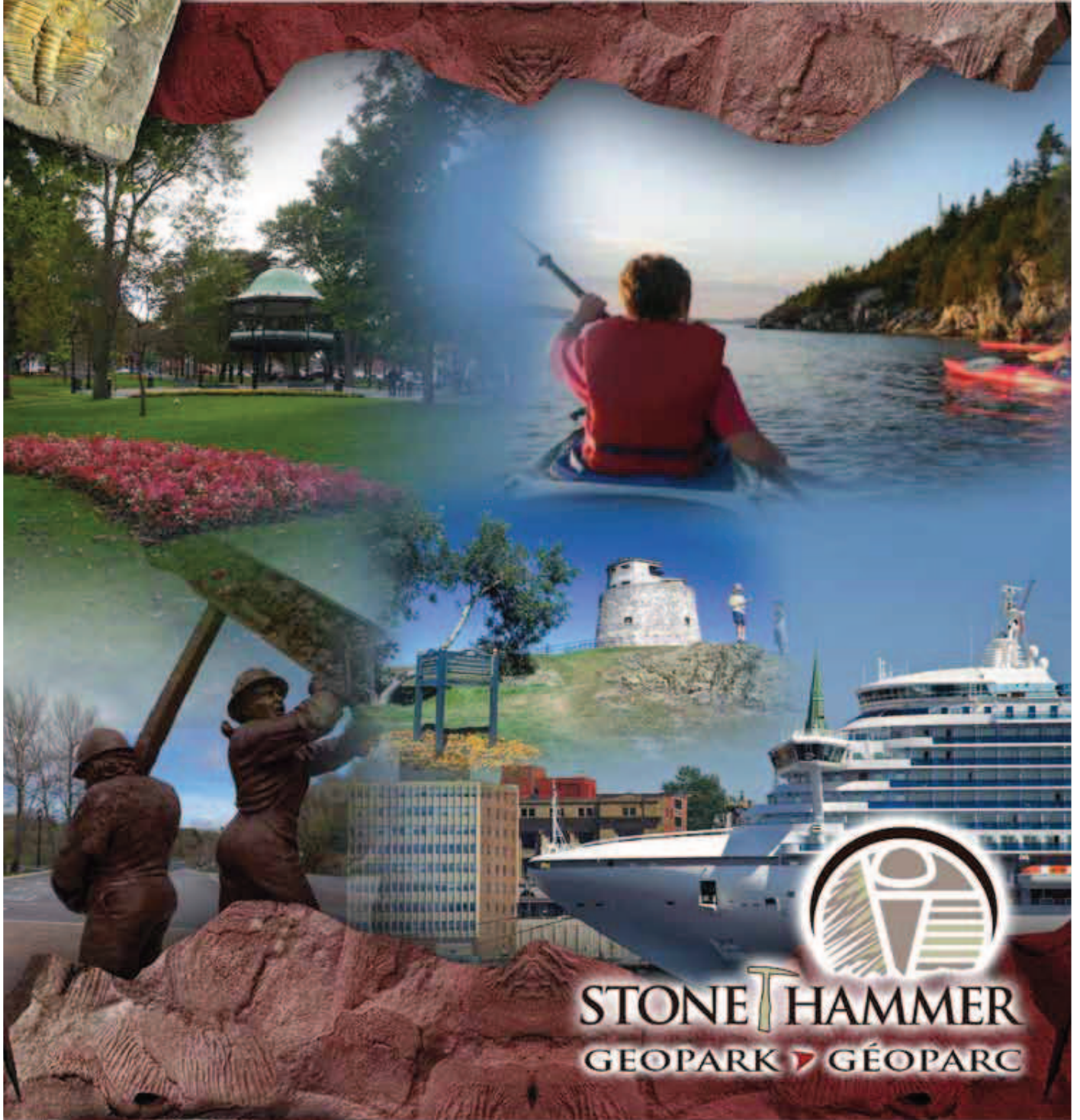
**Appendix 3:** Capital Projects linked to English Riviera Geopark

**Appendix 4:** Local Development Benefits from Staging Global Events: Achieving the Local Development Legacy from 2012. OECD LEED Report, Secondary benefits (iii), page 13.

# Agenda Item 12

Appendix 1

## BID TO HOST 6TH INTERNATIONAL UNESCO CONFERENCE ON GLOBAL GEOPARKS 2014 IN SAINT JOHN, NEW BRUNSWICK, CANADA



**STONE HAMMER**  
GEOPARK ▶ GÉOPARC

NORTH AMERICA'S  
FIRST GLOBAL  
GEOPARK



PREMIER SITE  
NORD-AMÉRICAIN  
DU RÉSEAU  
MONDIAL DES  
GÉOPARCS

A BILLION YEARS OF STORIES ▶ UN MILLIARD D'ANNÉES D'HISTOIRE



# WELCOME

*March 29th, 2012*

*On behalf of Stonehammer Geopark it is with great excitement we submit our response to the request for proposals to host the 6th International UNESCO Conference on Global Geoparks in 2014.*

*As you are aware, Stonehammer is the first geopark in North America and we would also like to be the first to host the bi-annual conference in North America. We worked diligently to achieve our designation and assure you we will put the same passion, knowledge, effort and community support into hosting the conference should we be the successful proponent.*

*I trust the following information will outline our ability to host the conference and welcome you to ask any additional questions or contact me for clarification. We look forward to the decision and hopefully welcoming our geopark colleagues to the Stonehammer region in 2014.*

*Sincerely,*

*Bill*

*Bill Merrifield  
Chair, Stonehammer Geopark*

*Supplemental video and images can  
be found at the domain in the footer  
of this page*

NORTH  
AMERICA'S  
FIRST GLOBAL  
GEOPARK



PREMIER SITE  
NORD-AMÉRICAIN  
DU RÉSEAU  
MONDIAL DES  
GÉOPARCS

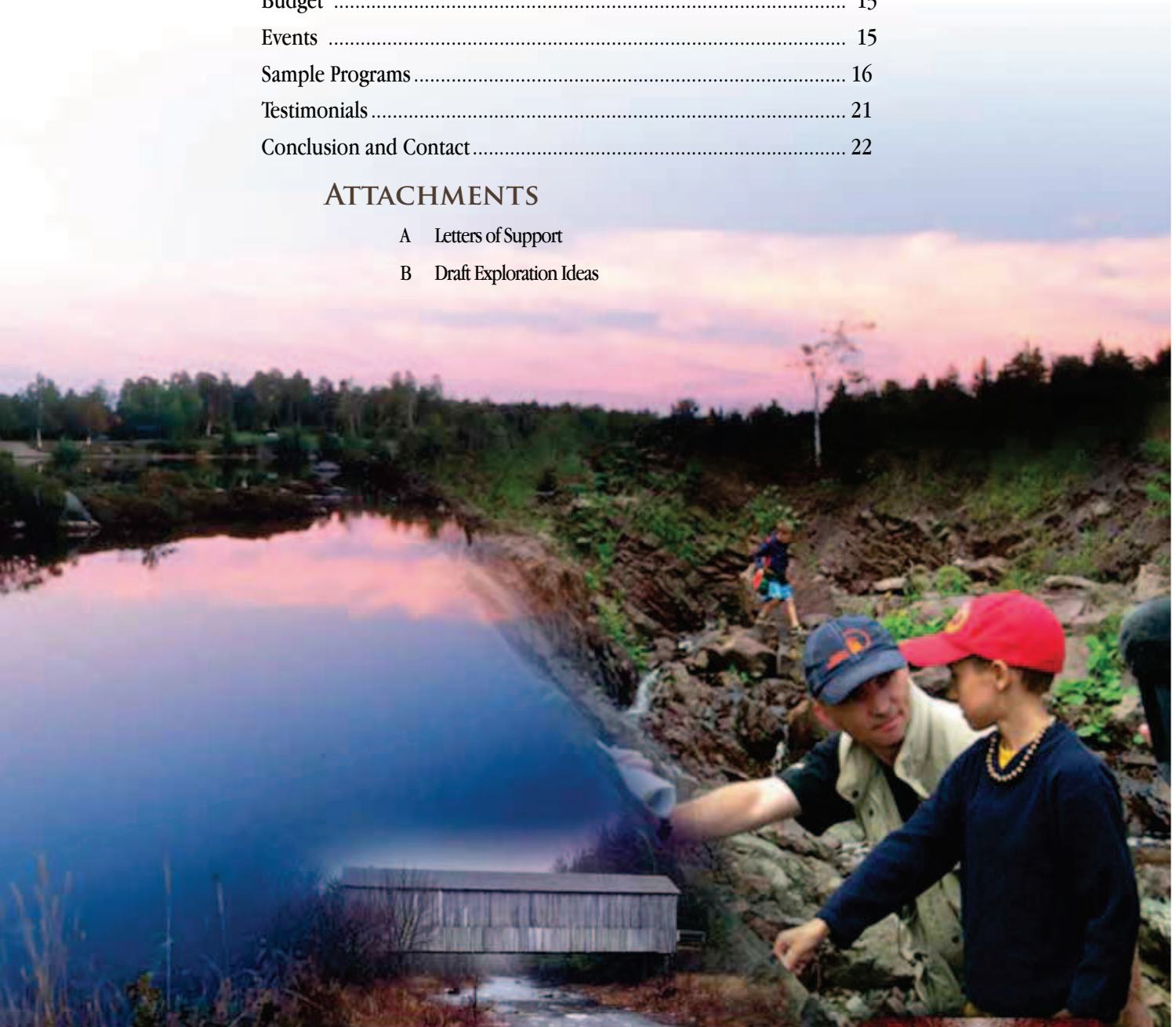
<http://stonehammergeopark.com/conference2014.html>

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## ATTACHMENTS

- A Letters of Support
- B Draft Exploration Ideas



[www.stonehammergeopark.com](http://www.stonehammergeopark.com)

NORTH AMERICA'S FIRST GLOBAL GEOPARK



PREMIER SITE NORD-AMÉRICAIN DU RÉSEAU MONDIAL DES GÉOPARCS

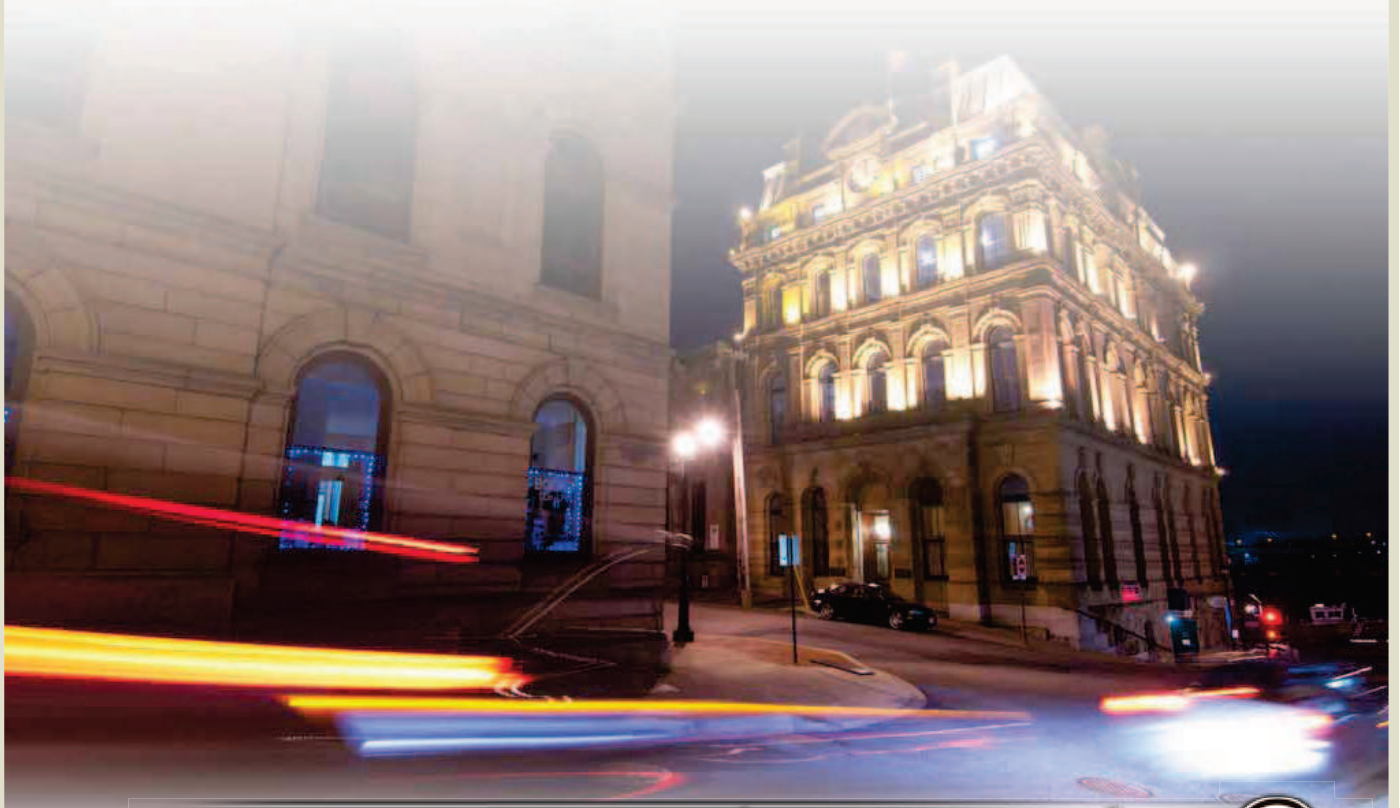




## SAINT JOHN ROCKS

*With a billion years of geological history, fascinating rock formations, and fossil finds referenced by Charles Darwin, Saint John has been named the first UNESCO supported Geopark in North America. From the site where two continents collided, to the Reversing Rapids, the new Stonehammer Geopark includes sites such as the Irving Nature Park and New Brunswick Museum, becoming part of a system of protection, education and sustainable development resulting in major economic and tourism impacts to the region.*

*Saint John sets itself apart through its distinctive culture. Saint John was named the Cultural Capital of Canada in 2010 and in 2011 it was named one of the world's Top7 Intelligent Communities. A mix of geographic, historic and social aspects have created what is truly a unique place. You will never find another city quite like it.*



## ABOUT STONEHAMMER



**Stonehammer Geopark** is the first North American member of the Global Geoparks Network joining the network in 2010. Stonehammer Geopark developed as a grassroots community-led project supported by partner organizations, corporate donors, local and provincial governments. The ultimate success of the Geopark, as acknowledged by the Global Geoparks Network, was the overwhelming broad based community support witnessed by the Global Geoparks Network /UNESCO evaluation team.

Stonehammer Geopark is a geological park where you can experience a billion years of Earth's history. The landscape of the Stonehammer Geopark has been created by the collision of continents, the closing and opening of oceans, volcanoes, earthquakes, ice ages and climate change. The rocks of our geopark have been witness to the evolution of life, from the first discovery of Precambrian stromatolite fossils, to the 'Cambrian Explosion' of life, to the evolution of vertebrates and the emergence of life on land. The geopark includes geological stories from late Precambrian time a billion years ago to the most recent Ice Age, and almost everything between.

Stonehammer Geopark incorporates more than 60 significant geological and fossil locales, including more than 12 publicly accessible sites. Stonehammer is a community-supported organization comprised of site owners, tourism operators, members of the community and other stakeholders. The geopark encompasses 2500 square kilometres and extends from Lepreau Falls to Norton and from the Fundy Trail to the Kingston Peninsula.



[www.stonehammergeopark.com](http://www.stonehammergeopark.com)





## ABOUT STONEHAMMER

WELCOME TO STONEHAMMER GEOPARK  
WHERE YOU CAN EXPERIENCE A BILLION YEARS OF EARTH'S HISTORY.

Southern New Brunswick,  
Stonehammer Geopark;  
2,500 Sq Km  
over a billion years of earth history

STONEHAMMER  
GEOPARK

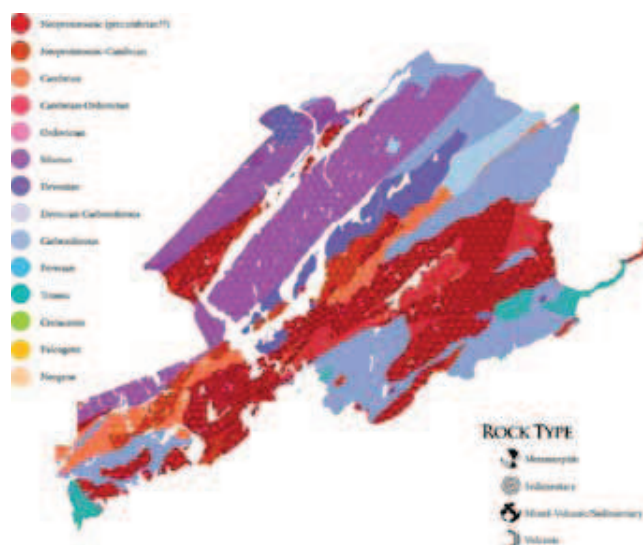
1. EASTERN OUTDOORS 2. IRVING NATURE PARK 3. GO FUNDY EVENTS  
4. LILY'S CAFE 5. DAYTRIPPING OUTDOOR ADVENTURES  
6. REVERSING FALLS IFT BOAT RIDES 7. SAINT JOHN ADVENTURES  
8. NEW BRUNSWICK MUSEUM 9. RIVER BAY ADVENTURES 10. FUNDY TRAIL PARKWAY

www.stonehammergeopark.com  
1.888.268.9595

Have fun every step of the way!  
*see back for more details*

NORTH AMERICA'S FIRST GLOBAL GEOPARK

Stakeholders are primarily comprised of Site Owners (5) who own the geosite locations. Site owners are either a municipality, the province or private land owners. Direct Operators (10) who provide fun and engaging experiences themed around the geology of their geosite. Indirect Operators (6) who operate a tourism business within the geopark. Sponsors (13), both public and private entities who provide funding to the geopark. As well as the communities within the geopark. Public engagement has been key to success and will continue to be a key component. The overall goal of the geopark is to integrate the preservation of significant examples of geological heritage within a strategy for regional sustainable social, economic and cultural development, while safeguarding the environment.



## TOP STONEHAMMER ATTRACTIONS



### ► *Eastern Outdoors*

Whether on foot or by kayak, witness the effects of erosion of carboniferous age rocks at one of the most amazing waterfalls in the geopark! Located on the Fundy Coast your memories will include the sound of rushing water, the cry of an eagle, the sight of the blue heron touching down and the playful seals. Experiences for the novice or experienced with half, full or multi-day guided excursions.



### ► *Irving Nature Park*

Some of the park's natural charms are its long sandy beaches and well-groomed woodlands, great for back packing and hiking. See where glaciers met the sea 15,000 years ago. You can also view the Bay of Fundy's ecosystem and get to see harbour porpoises, fish, mussels, whelks, periwinkles, sea urchins, harbour seals, starfish, and much more!



### ► *Go Fundy Events*

Situated comfortably in your double kayak hear the echoes of "River Relics" as you paddle an Ice Age river where 15,000 years ago the last glacier forced the river to find a new route. Glide your kayak up to the first documented Precambrian fossils (stromatolites) described in scientific literature and touch one! Photo and memory opportunities abound as you pause to view a historic lighthouse, local wildlife including an active bald eagles nest.



### ► *Lily's Café*

Seated on the patio with a breeze and laughter embracing you or inside the café with the fire roaring you will fuel your body and mind. The Stonehammer Geopark menu is sure to satisfy all of your senses, most importantly your taste buds! Cambrian Crustacean Chowder, Hot Rocks and fresh rolls, Caledonia Fault Melt Sandwich, and the piece de resistance, The Continental Collide is a solid crowd pleaser for all ages.



### ► *Daytripping Outdoor Adventures*

As you search for the next foot hold on 554 million year old lava rock, belayed to a trained guide looking to reach the top of your first or millionth rock climbing experience pause, look back and source the starting point of your interpretive hike next on your list. This could easily become your snow shoe path after the first snow fall too!



### ► *Reversing Falls Jet Boat & Harbour Tour*

Want to tell your friends that you saw Africa, South America where the continents collided! As well as experience the highest tides in the World while in the geopark? Thought so! Step aboard your harbour cruise and view the outcrop with the change of color and orientation of the rocks from a close perspective on the water. Feel the tug of the mighty tides of Bay of Fundy and listen to the stories of how all of these events occurred and have impacted life on the Bay.





## TOP STONEHAMMER ATTRACTIONS



### ► *Saint John Adventures*

As you fly through the air on one of 5 zip lines, look down (if you dare) and ask yourself why are the highest tides in the world found here? For the less faint of heart, take this look at one of the six towers and then check your answer with one of the zip team members. Hint: If you think zipping is thrilling imagine continents colliding and oceans expanding!



### ► *New Brunswick Museum*

What is a geopark? What is Stonehammer? What is the geology of the area? Where does our Stonehammer adventure begin? Who explored and discovered the geology of the area? These are typical questions we are asked and all can be answered here. Whether self guided, interpretive, static gallery or one of the hands on Stonehammer experiences you will find the answers!



### ► *River Bay Adventures*

Erosion causes caves and caves are fun to play in, especially in a kayak! Before you are swallowed by a cave you can soak up coastal vistas, soaring birds and the interpretation of your guide about life in a rural community while playing on the Bay of Fundy. You'll be surprised to learn that the geology of the area played an integral role in determining how folks settled there.



### ► *Fundy Trail Parkway*

Hugging cliff tops above the world's highest tides experience the Fundy Trail Parkway. Triassic rocks, where the Atlantic Ocean was born! Listen...the sound of the waterfalls. Look...a flower-pot rock. Taste...the salt of the sea. Smell...mossy ground. Touch...the age-old rock outcrop. Here you discover a peaceful, serene calm that feeds the soul. Hike it! Bike it! Drive it! See it!



### ► *Saint John City Market*

Experience Canada's oldest continuing farmers' market, where the roof, built like a ship's inverted hull, reflects our shipbuilding past! Visit merchants at colourful stalls proudly displaying local produce, meat, fresh seafood and handcrafted items. See artists at work or have a bite to eat in one of the many eateries featuring local and ethnic foods.



## ▶ INSIDE CONNECTION

The Inside Connection pedway features 450 guestrooms, over 52,000 square feet of convention space, plus 2 shopping malls, the New Brunswick Museum, Canada Games Aquatic Centre, Old City Market and an array of restaurants all in very close proximity.

## ▶ UPTOWN SAINT JOHN

With over 650 businesses in the Uptown's 20-block radius just steps from the conference centre, delegates are sure to find the perfect restaurant, pub or shopping outlet.

## ▶ VENUE

Host Venue: **Hilton Saint John & The Saint John Convention Centre**  
Guest Room Rate: \$169 per room per night single double occupancy

**Hilton Saint John** boasts a spectacular location overlooking the historic harbourfront. All 197 spacious guestrooms and suites provide our guests with amenities and services that exemplify our Canada Select 4 & 1/2 star rating. The Saint John Trade and Convention Center, connected to the hotel by an underground walkway, features 23,500 square feet of unobstructed space and nine separate meeting rooms, complimenting the over 4,000 square feet of hotel meeting space.

## ▶ OTHER ACCOMMODATION PROVIDERS

**Delta Brunswick Hotel** Connected by the inside pedway system to the Convention Centre this 4 star facility is an ideal location for delegates to stay.

**Bed & Breakfast Accommodation** providers will be available within walking distance of the Convention Centre for delegate choice.

**Alternate hotels** within walking distance (15 minute) will also be provided for delegate choice.

*Transportation to and from these hotels will not be provided.*

## ▶ BUDGET

The budget is comprised of \$435,050 Canadian dollars. See Page 13.

## ▶ PROPOSED DATES

Currently space is being held for the following dates:

September 10-16, 2014

September 17-23, 2014

Our preferred dates are 17-23.



## DESTINATION INFORMATION

### ► ACCESS

Saint John is a two-hour flight from Toronto, a one-hour flight from Montreal and 30 minutes from Halifax. All three hubs have numerous international flight options and Air Canada provides several daily direct flights to Toronto, Montreal and Halifax. The Saint John Airport is located 22 KM from the centre of the city. The Tourism industry in Saint John has a close working relationship with Air Canada and works with the airline to provide additional air lift to our area when conferences are confirmed.

18 JUNE 2011 — 31 OCTOBER 2011



ARRIVALS				
FLIGHT	TIME	FROM	FREQUENCY	AIRCRAFT
ACA8792	23:23	(YUL) Montreal	daily	DH8C
ACA8968	23:45	(YYZ) Toronto	daily	CRJ
ACA7487	00:14	(YHZ) Halifax	daily	B190
			<i>Departures Start Here &gt;</i>	CRJ
				DH8A
<i>Arrivals Start Here &gt;</i>				B190
ACA7481	09:14	(YHZ) Halifax	daily	B190
ACA8788	10:38	(YUL) Montreal	daily-exclude Sat	DH8C
ACA8946	11:33	(YYZ) Toronto	daily	CRJ
ACA7483	14:29	(YHZ) Halifax	daily	B190
ACA 8948	15:23	(YYZ) Toronto	daily	CRJ
ACA8790	17:28	(YUL) Montreal	daily	DH8A
ACA7485	18:54	(YHZ) Halifax	daily	B190
ACA8950	19:25	(YYZ) Toronto	daily	CRJ

DEPARTURES				
FLIGHT	TIME	TO	FREQUENCY	AIRCRAFT
			<i>Terminates</i>	
			<i>Terminates</i>	
			<i>Terminates</i>	
ACA8945	05:30	(YYZ) Toronto	daily	CRJ
ACA8791	06:00	(YUL) Montreal	daily	DH8A
ACA7482	06:30	(YHZ) Halifax	daily	B190
ACA7484	09:35	(YHZ) Halifax	daily	B190
ACA8789	11:20	(YUL) Montreal	daily-exclude Sat	DH8C
ACA8947	12:00	(YYZ) Toronto	daily	CRJ
ACA7486	14:50	(YHZ) Halifax	daily	B190
ACA8949	15:50	(YYZ) Toronto	daily	CRJ
ACA8793	18:10	(YUL) Montreal	daily	DH8A
ACA7488	19:15	(YHZ) Halifax	daily	B190
ACA8951	20:00	(YYZ) Toronto	daily	CRJ



### AIRLINES AT GMIA

A number of major airlines serve the Greater Moncton International Airport (GMIA). This airport is one hour & forty-five minute drive to Saint John.

#### *Scheduled Airlines*

CODE	AIRLINE	RESERVATION	BAGGAGE
AC	Air Canada	1-888-247-2262	1-888-689-2247
COAIR	Continental	1-800-523-3273	
PD	Porter Airlines	1-888-619-8622	1-416-619-8584
WJ	WestJet	1-800-538-5696	1-866-666-6224



## BID COMMITTEE



**Gail Bremner, Executive Director, Stonehammer Geopark**

For over 20 years, Gail Bremner has been a prominent figure in Atlantic Canada's tourism industry. After beginning her career in hotel group sales and servicing, Gail joined Aquila Tours, where her various roles saw her implementing and managing partnerships, leading teams, surpassing sales targets,

providing customer service that generated loyal repeat business, and learning how to run a successful business. Recently, Gail led the facilitation and consultation process, and ultimately wrote the recommendation for the new Destination Marketing Organization for greater Saint John, which was approved by Saint John Common Council. During this contract, Gail discovered her passion for helping organizations grow, which led her to form her own company, Bremner & Associates.



**Jane Fullerton, Stonehammer Board Member; CEO, New Brunswick Museum**

Jane Fullerton has been Director and CEO of the New Brunswick Museum (NBM) since July, 2001. As CEO, Ms. Fullerton leads a staff of approximately 100 full-time, part-time, casual and seasonal staff to fulfill the NBM's

mandate of collecting, researching, preserving and interpreting the natural and human heritage of the province of New Brunswick and related regions.

Ms. Fullerton is a member of the several local, provincial and national museum, cultural heritage and tourism organizations. She currently serves on the Board of the Tourism Association of New Brunswick, the Saint John Destination Marketing Organization, the Bay of Fundy Partnership, the Saint John River Heritage Corridor, the Peninsula Heritage Association and the Stonehammer Geopark.

Ms. Fullerton lives in a heritage area of Saint John with her husband and daughter.



**Shawna Dickie Garnhum, Discover Saint John**

A native New Brunswicker, Shawna has over 20 years experience in the hotel industry. She started in front office operations at the Hilton and then enjoyed corporate sales positions at both the Delta and then back at the Hilton. Most recently, she was responsible for the association sales market. In 2010, Shawna was awarded the

prestigious Hilton Worldwide "Circle of Excellence" for being part of the top producing sales team in 2009 within Hilton Americas. When not touting the benefits of the Inside Connection, Shawna keeps busy as a passionate participant of the NB Arthritis Society's Joints in Motion program. She has raised over \$15,000.00 for arthritis research participating in events in China and Italy.



**Cathy Taylor Stonehammer Board Member; General Manager, Lily's Cafe**

Cathy Taylor has spent her entire career in the hospitality industry in various roles and positions. As the Director of Finance for the Grannan Hospitality Group, Cathy helped grow the small family owned business from one stand alone

restaurant to several acclaimed restaurants and business holdings. In 2006 Cathy took on the position of General Manager of the Lily Lake Pavilion in Rockwood Park, working with a volunteer Board of Directors to help revitalize this much loved community facility. She is a member of the Board of Trade, a Board Member of the Stonehammer Geopark, a Board member of Hospitality Saint John, and volunteers with numerous committees and organizations. Cathy lives in Quispamsis with her husband and two children."



**Terry Cunningham Stonehammer Board Member; New Brunswick Tourism**

Terry is a native of Saint John and has been with the Provincial Government for over ten years. He is responsible for a territory that starts in The Bay of Fundy with the FUNDY Isles and winds along the Fundy Coast to the world renowned Hopewell

Rocks. Terry is very involved in his community and is or has been involved with the Stonehammer Geopark Board, Hospitality Saint John, Cruise Saint John, Westfield Golf and Country Club, as well as the Lancaster Minor Hockey and North End Little League. He just completed committee work on the building of the new Fundy Discovery Centre at Huntsmen Marine Center in St. Andrews, NB and is involved in projects throughout Southern NB.

Before working with the Province, Terry travelled Atlantic Canada in the Insurance Industry and is quick to say it does not get any better than on the Fundy Coast. Terry and his wife Carol live in Saint John and have two children.



## ORGANIZING COMMITTEE

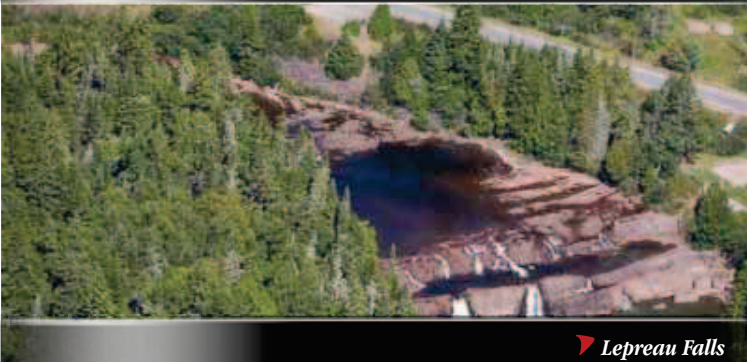
The Stonehammer region has hosted numerous conferences with a volunteer local organizing committee and thus individuals to Chair the following portfolios have been identified and will be secured upon awarding of the bid.



▶ Lily's Cafe



▶ Hampton River Centre



▶ Lepreau Falls

**Chair of Finance:** Responsible for sponsorship procurement & fulfillment, management of finances for the event

**Chair of Programming/Scheduling:** Responsible for the overall program and schedule

**Chair of Events:** Responsible for social events

**Chair of Scientific:** Responsible for academic information and tracks

**Chair of Community Relations & Education:** Responsible for media, community and public education engagement

**Chair of Marketing & Promotions:** Responsible for external marketing and promotion of the event to potential delegates

**Chair of Volunteers:** Responsible for recruitment, training and scheduling of volunteers leading up to and including the event

**Conference Management:** Coordination of the conference including but not limited to; registration, transportation, logistics, liaising with each committee, etc.

# BUDGET



REVENUE	2012	2013	2014	TOTAL
Federal	\$5,000	\$50,000	\$50,000	\$105,000
Provincial		\$25,000	\$50,000	\$50,000
NB Translation		\$5,000	\$10,000	\$10,000
USA		\$5,000	\$5,000	\$10,000
Private/Corporate	\$10,000	\$12,000	\$35,000	\$57,000
Registration		\$50,000	\$155,000	\$205,000

<b>TOTAL</b>	<b>\$15,000</b>	<b>\$147,000</b>	<b>\$275,000</b>	<b>\$437,000</b>
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EXPENSES	2012	2013	2014	TOTAL
Marketing		\$2,500	\$5,000	\$5,000
Website	\$5,000	\$500	\$500	\$6,000
Transportation			\$15,000	\$15,000
Management & Staff	\$7,500	\$30,000	\$30,000	\$67,500
Accommodation			\$5,000	\$5,000
Air Travel			\$20,000	\$20,000
Room Rental				\$0
Food & Beverage			\$150,000	\$150,000
Audio Visual			\$55,000	\$55,000
Translation*		\$5,000	\$5,000	\$10,000
Signage			\$10,000	\$10,000
Speakers			\$2,000	\$2,000
Promotional			\$10,000	\$10,000
Printing			\$8,000	\$8,000
Cultural Experiences			\$12,000	\$12,000
Tours			\$20,000	\$20,000
Miscellaneous	\$1,250	\$3,800	\$34,500	\$39,550
<b>Total</b>	<b>\$13,750</b>	<b>\$41,800</b>	<b>\$379,500</b>	<b>\$435,050</b>
<b>PROFIT/LOSS</b>	<b>\$1,250</b>	<b>\$105,200</b>	<b>-\$104,500</b>	<b>\$1,950</b>

\*Translation is dependent on programming requirements





## BUDGET NOTES

### ► REVENUE

Federal	Application approved
Provincial	Application submitted with pending approval May 2012
NB Translation	Provincial government grant for translation of materials with an economic impact
USA	Informal dialogue has indicated an interest to sponsor a component. Formal request will be sent upon being awarded conference
Private/Corporate Registration	Based on previous corporate support of the Stonehammer Geopark Based on 300 delegates at Early Registration Fee of \$475 and 100 delegates at later fee of \$625 per delegate. Please note the fee includes 8 breaks, 5 breakfasts (new), 3 lunches, 1 dinner, 1 reception as well as two days of excursions including two lunches.

### ► EXPENSES

Marketing Website	Minimal printed materials will be produced to market the event Conference website to be part of current <a href="http://www.stonehammergeopark.com">www.stonehammergeopark.com</a> site OR <a href="http://www.geopark2014.com">www.geopark2014.com</a> depending on GGN's protocol
Transportation Management & Staff	On the ground transportation of delegates for Geopark Experiences Event Management Company who will lead conference details such as registration, logistics, supplier liaison, conference committee management, etc.
Accommodation	Host Hotel is providing 8 complimentary rooms for GGN board; however, 12 members could attend
Air Travel	Air fare for 12 GGN board members
Room Rental	Based on anticipated food and beverage requirements at host venue, there will be no room rental
Food & Beverage	Includes 8 nutrition breaks, 5 breakfasts, 5 lunches, 1 formal dinner, 1 reception
Audio Visual	Based on requirements observed at previous conference
Translation	Translation is dependent on programming requirements
Signage	Conference signage including directional, information and sponsor
Speakers	Experts and/or officials not attending conference
Printing	Onsite conference materials. It is anticipated in an effort to green the conference abstract books will not be produced for all delegates
Cultural Experiences	Conference cultural entertainment
Tours	Conference geopark experiences
Miscellaneous	10% of overall budget



► **BELOW IS A DESCRIPTION OF EACH EVENT FOUND IN THE SAMPLE PROGRAMS ON THE FOLLOWING PAGE**

***Geopark Fair***

Exchange of ideas through exhibits for geopark stakeholders, delegates and the Stonehammer Geopark community. There will be a separate fee for delegates. Attendance free.

***Public Programming***

Stonehammer Geopark will offer scheduled programmes for the local community and schools to visit the Geopark Fair engaging all exhibitors. Admission Free.

***Mini Tours***

1-2 hour tours that are within walking distance of the conference centre will be offered. Additional Cost.

***Community Event***

The Geopark Fair will conclude with a community event. Admission Free.

***Continental Breakfast & Geopark Updates***

Each morning a light breakfast will be included and each geopark in attendance will have 5 minutes to provide an update. It will be suggested they have 3 slides; 1 update, 1 concern, 1 wow.

***Opening Ceremony***

Dignitaries and delegates are officially welcomed to the 6th Annual Conference.

***Lunch & Keynote***

Each day a lunch will be included with a guest speaker/keynote address ensuring time for networking.

***Presentations***

Delegates will be afforded the opportunity to submit abstracts to present best practices on pre-determined topics.

***Ice Breaker Reception***

Delegates will be afforded the opportunity to network and be welcomed to the Stonehammer region with warm hospitality.

***Exploration Day***

Touring within the geopark - full day.

***Exploration 1/2 Day***

Touring within the geopark - 1/2 day.

***Facilitated Panels***

3-5 Speakers on a pre determined topic for approx 10 minutes with facilitated Q&A. Sample topic "How Can We Help You Succeed?".

***Dinner & Awards***

Formal dinner with awards and entertainment.

***Poster Session***

Dedicated place in high traffic area for posters with a dedicated time during the program for author explanations at the location.

***Closing Ceremony***

Official closing of the conference and handing over to next host.

***The following sample programs on page 16 are meant to be suggestions. Stonehammer Geopark will work with the GGN to ensure the final program satisfies all stakeholder needs.***

► **THE CONTENT**

While the bid committee and eventual host committee would work in conjunction with the GGN to finalize conference topics we would like to suggest the following as topics for consideration:

- Geotourism & Sustainable Development  
~ Cruise Industry
- Community Engagement
- Geological Interpretation & Exhibition
- Geoparks Going Green



# SAMPLE PROGRAMS

**Sample 1** Maintains the traditional core elements of the conference while adding a regional flavour to the event by scheduling the events differently. The geography of Stonehammer allows for 1/2 day touring and thus permits the schedule to break up classroom style learning with in the field learning. It is the desire of Stonehammer and the bid committee for Sample 1 to be chosen.

	<i>Wednesday</i> <i>Set Up</i>	<i>Thursday</i> <i>Day 1</i>	<i>Friday</i> <i>Day 2</i>	<i>Saturday</i> <i>Day 3</i>	<i>Sunday</i> <i>Day 4</i>	<i>Monday</i> <i>Day 5</i>	<i>Tuesday</i> <i>Day 6</i>
AM	SET UP DAY SET UP DAY SET UP DAY	Geopark Fair Public Programming Registration Available	CB & Geopark Updates Registration Opening Ceremony	CB & Geopark Updates Exploration Day "East, West, City"	CB & Geopark Updates Facilitated Panels Facilitated Panels	CB & Geopark Updates Exploration Day "East, West, City"	CB & Geopark Updates Poster Session Presentations - Tracks 7-9
PM	SET UP DAY SET UP DAY SET UP DAY	Mini tours	Lunch & Keynote Presentations - Tracks 1-3 Presentations - Tracks 1-3	Lunch & Keynote Presentations - Tracks 1-3	Lunch & Keynote Presentations - Tracks 4-6 Presentations - Tracks 4-6	Lunch on tours Presentations - Tracks 7-9	Lunch & Keynote Presentations - Tracks 7-9 Facilitated Panel Closing Ceremony
Evening	SET UP DAY SET UP DAY	Community Event	Icebreaker Reception	On Own	On Own	Dinner & Awards	Departure
TBD	GGN Bureau	GGN Bureau					

**Sample 2** Is a duplicate of previous conference schedules.

	<i>Wednesday</i> <i>Set Up</i>	<i>Thursday</i> <i>Day 1</i>	<i>Friday</i> <i>Day 2</i>	<i>Saturday</i> <i>Day 3</i>	<i>Sunday</i> <i>Day 4</i>	<i>Monday</i> <i>Day 5</i>	<i>Tuesday</i> <i>Day 6</i>
AM	Geopark Fair SET UP DAY SET UP DAY	Geopark Fair Public Programming Registration Available	CB & Geopark Updates Registration Opening Ceremony	CB & Geopark Updates Presentations - Tracks 1-3 Presentations - Tracks 1-3	CB & Geopark Updates Facilitated Panels Facilitated Panels	CB & Geopark Updates 1/2 Day Exploration City	CB & Geopark Updates Poster Session Presentations - Tracks 7-9
PM	SET UP DAY SET UP DAY SET UP DAY	Mini tours	Lunch & Keynote 1/2 Day of Exploration City	Lunch & Keynote 1/2 Day of Exploration "East, West, City"	Lunch & Keynote Presentations - Tracks 4-6 Presentations - Tracks 4-6	Lunch on tours Presentations - Tracks 7-9	Lunch & Closing Ceremony 1/2 Day Exploration "East, West, City"
Evening	SET UP DAY SET UP DAY	Community Event	Icebreaker Reception	On Own	On Own	Dinner & Awards	Departure
TBD	GGN Bureau	GGN Bureau					



# HILTON SAINT JOHN



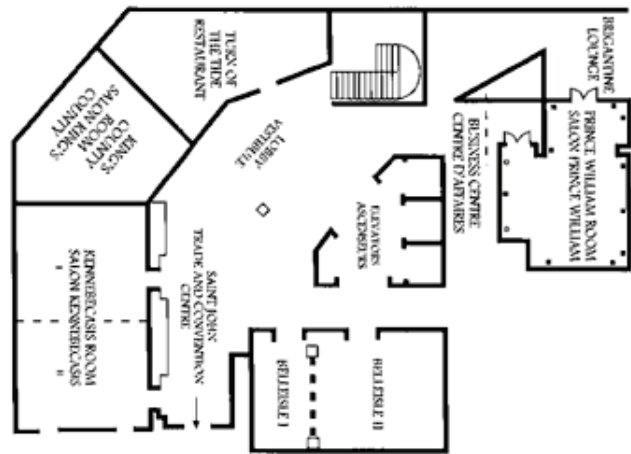
The Hilton Saint John Hotel on the harbour features 197 guestrooms, 4,381 square feet of meeting space, 7 meeting rooms; largest seats 150 theatre-style, 80 for banquets. In addition to a variety of club floor rooms and suites, the Hilton is fully equipped with a modern health club, business centre, 24-hour room service, wheelchair accessibility and direct access via the "Inside Connection" pedway system to the Saint John Trade and Convention Centre, Market Square and Brunswick Square Shopping Centres, the New Brunswick Museum, the Canada Games Aquatic Centre, City Market and many other local attractions.

**Dining and Lounges** The Turn of the Tide Restaurant offers fine dining in an elegant and relaxed atmosphere overlooking the Saint John Harbour. "The Admiral's Landing" private dining room is perfect for dinner or luncheon presentations. The Brigantine Lounge and seasonal outdoor patio, with a fabulous harbour view, features cocktails, all-day menu and large screen TV.

## CONTACT INFORMATION



**Hilton Saint John**  
 One Market Square, Saint John,  
 New Brunswick E2L 4Z6  
 Tel: (506) 693-8484 Fax: (506) 657-6610  
 Toll free: (800) 561-8282  
 E-mail: stjhi\_ds@hilton.com  
 www.hiltonsaintjohn.com



	CLASSROOM	RECEPTION	BANQUET	THEATRE	DIMENSIONS (l) x (w) ft
Kennebecasis I, II	62	120	80	150	50 x 29 x 10
Kennebecasis I	27	60	40	72	25 x 29 x 10
Kennebecasis II	27	60	40	72	25 x 29 x 10
Belleisle I, II	48	60	56	89	37.6 x 25 x 10
Belleisle I	18	25	16	25	12.6 x 25 x 10
Belleisle II	30	40	40	54	25 x 25 x 10
Prince William Room	40	60	56	70	40 x 19 x 8.5
King's County Room	27	50	32	54	23 x 30 x 10



## HOST VENUE

# SAINT JOHN TRADE AND CONVENTION CENTRE



The Saint John Trade and Convention Centre is managed by Hilton Saint John for the City of Saint John. It features 22,674 square feet of meeting space including the foyer, nine meeting rooms; largest seats 2,300 theatre style and 1,450 banquet style. Audio visual, high speed internet, portable stage and dance floor are available. There is underground parking for 500, street level access to the Great Hall, wheelchair accessibility, and a Welcome Registration Centre with adjoining boardroom for efficient registration. The Saint John Trade and Convention Centre is an integral component of the "Inside Connection" pedway system.

**Dining and Lounges** There is direct access to numerous restaurants and lounges located in Market Square and Brunswick Square complexes, Hilton and Delta Hotels.

### CONTACT INFORMATION

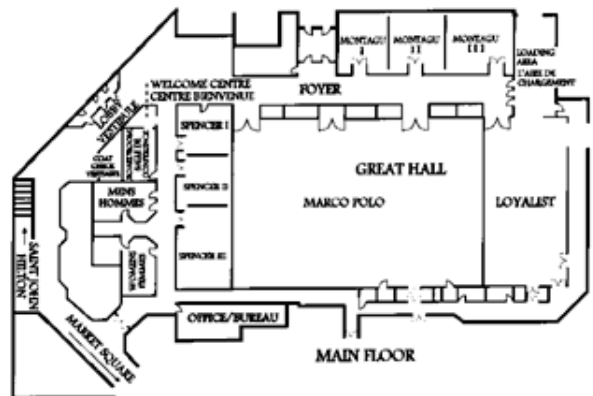
#### Saint John Trade and Convention Centre

One Market Square, Saint John,  
New Brunswick E2L 4Z6

Tel: (506) 693-1327 Fax: (506) 658-0783

E-mail: stjhi\_ds@hilton.com

www.hiltonsaintjohn.com



	CLASSROOM	RECEPTION	BANQUET ROUNDS	THEATRE	DIMENSIONS (l) x (w) ft
Great Hall	800	2000	1300	2200	176 x 86 x 20
Loyalist Room	320	500	300	500	60 x 86 x 20
Marco Polo	600	1200	800	1500	116 x 86 x 20
Spencer I, II, III	120	170	140	200	90 x 25 x 10
Spencer I	18	30	30	30	21 x 25 x 10
Spencer II	18	40	40	40	25 x 25 x 10
Spencer III	63	80	60	95	44 x 25 x 10
Great Hall & Spencer Rooms	920	2670	1450	2300	201 x 86 x 20
Montagu I, II, III	144	220	180	240	94 x 28 x 10
Montagu I	50	60	50	80	33 x 28 x 10
Montagu II	50	60	60	80	33 x 28 x 10
Montagu III	36	50	50	60	28 x 28 x 10
Trade Centre Boardroom	12	30	20	30	24 x 14 x 8.5





## CONNECTED HOTEL



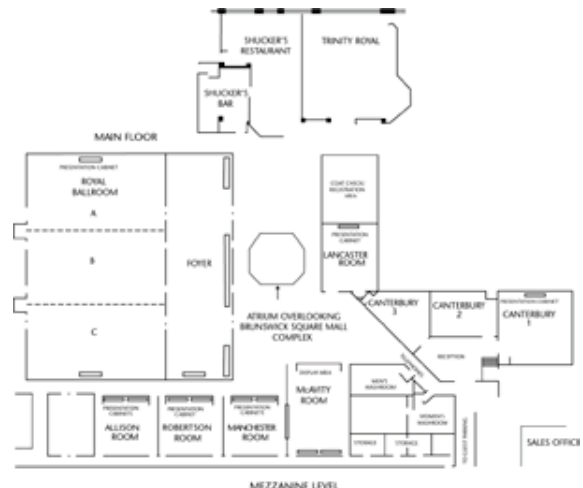
# DELTA BRUNSWICK HOTEL

The Delta Brunswick Hotel features 254 rooms with 18,000 square feet of meeting space, 14 meeting rooms; largest seats 800 theatre-style, 720 for banquets. Atop the Brunswick Square Shopping Complex, the Delta Brunswick is a 4-star facility and the city's largest hotel. The space is ideal for meetings, exhibits and catering for functions up to 1,000 people and is fully wheelchair accessible. Dining and Lounges Shuckers Restaurant specializes in fresh "Atlantic Seafood" and indigenous New Brunswick Products. Or enjoy a leisurely drink and light snack in the lounge.

### CONTACT INFORMATION



**Delta Brunswick**  
39 King Street, Saint John,  
New Brunswick E2L 4W3  
Tel: (506) 648-1981  
Toll free: (800) 268-1133



	CLASS-ROOM	RECEPTION	BANQUET	THEATRE	BOARD-ROOM	DINNER DANCE	U-SHAPE	HOLLOW SQ.	DIMENSIONS (ft)	DIMENSIONS (M)
Royal Ballroom Total	400	750	720	800	-	552	-	-	90 x 100	27.4 x 30.4
Royal Ballroom Total (Excluding Foyer)	300	500	480	700	-	416	-	-	60x100	18.2 x 30.4
Royal Ballroom A,B, or C	80	165	136	200	30	96	37	50	60 x 33	18.2 x 10
Foyer	-	-	-	-	-	-	-	-	30 x 100	9.1 x 30.4
Trinity Royal	120	250	200	300	-	150	50	60	52 x 58	15.8 x 17.7
McAvity Room	60	80	56	90	34	-	35	42	34 x 28	10.3 x 8.5
Manchester Room	24	60	32	50	22	-	25	25	22 x 28	6.7 x 8.5
Robertson Room	24	60	32	50	22	-	25	25	22 x 28	6.7 x 8.5
Allison Room	24	60	32	50	22	-	25	25	22 x 28	6.7 x 8.5
Canterbury Room 1	-	-	-	-	12	-	-	-	18 x 18	-
Canterbury Room 2	-	-	-	-	4	-	-	-	14 x 12	-
Canterbury Room 3	-	-	-	-	6	-	-	-	13 x 10 x 18	-
Lancaster Room	-	-	-	-	8	-	-	-	17 x 14	-



## ICE BREAKER VENUE



# NEW BRUNSWICK MUSEUM

The New Brunswick Museum, located at Market Square, is a 62,000 square foot facility featuring three levels of history, natural sciences, decorative and fine art exhibitions. Conference groups can relive the province's lumbering and shipbuilding past, or learn about the highest tides in the world, one of the Bay of Fundy's marine wonders.

For meetings and events, the Museum offers several meeting rooms; largest seats 114 theatre style with an adjacent spacious foyer suitable for receptions. The Hall of Great Whales serves as a spectacular backdrop for an event with a capacity to hold 240 for stand-up receptions and 100 for sit-down dinners.

Museum is ideally located within the pedway system that connects hundred of shops, services and restaurants, with convenient indoor heated parking available.

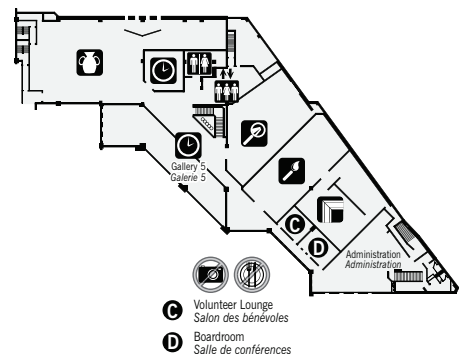
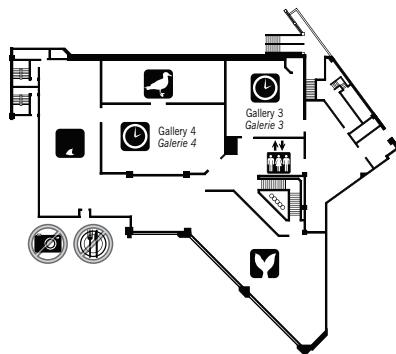
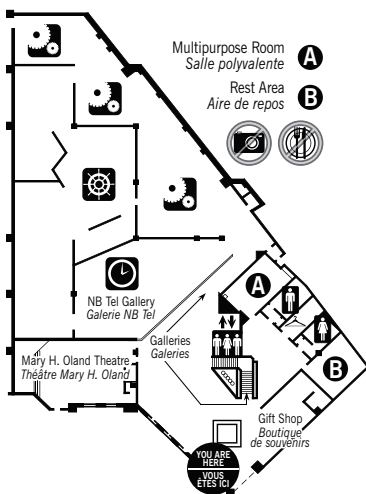
Catering can be arranged by the client.



### CONTACT INFORMATION

**New Brunswick Museum**  
 One Market Square, Saint John, New Brunswick  
 E2L 4Z6  
 Tel: (506) 643-2300  
 Fax: (506) 643-2360  
 E-mail: [nbmuseum@nbm-mnb.ca](mailto:nbmuseum@nbm-mnb.ca)  
[www.nbm-mnb.ca](http://www.nbm-mnb.ca)

	RECEPTION	DINNER	MEETINGS
Foyer	250	150	–
Mary H. Oland Theatre	–	–	114
Gallery 3	60	50	50
Hall of Great Whales	240	100	–
Boardroom, 2 Meeting Rooms	–	–	20





► TESTIMONIALS:

***TD Bank AGM, March 27-April 5, 2009, 700 delegates -  
Delta/Saint John Trade & Convention Centre***

“From complex and large scale venue requirements, to creating unique and memorable experiences as part of our employee reward and recognition program, we found everything we needed and more in Saint John. The fine dining and breathtaking sights in and around the city are what drew us to Saint John, but the warmth of its people and world class hospitality are what will keep many of us coming back!”

John Shelly Manager TD Bank Financial Group  
[John.Shelly@td.com](mailto:John.Shelly@td.com)

***Canadian Comedy Awards and Festival Sept. 30-Oct. 5, 2009, 600 delegates -  
Hilton Saint John, Delta Brunswick, Imperial Theatre***

Our experience in Saint John was well beyond our expectations. The downtown offered our delegates so much variety for dining and evening activities. The hotels (we worked with Hilton and Delta) were first-class with excellent accommodations and the service was superb. Being right on the waterfront makes Saint John unique and provides a continuously glorious view. But we were most amazed by the people. From the market, to the restaurants to the Mayor himself, everyone was charming, hospitable and could not be more helpful. They love welcoming visitors and they have every right to be proud of their city. Next time I hope to have a few extra days to explore the region and get more of that east coast hospitality!

Cass Bayley, CMP, CMM  
Bayley Group Conference & Event Management  
[www.bayleygroup.com](http://www.bayleygroup.com) • 519.263.5050 • [cass@bayleygroup.com](mailto:cass@bayleygroup.com)







## CONCLUSION AND CONTACT

### ► CONCLUSION

Stonehammer Geopark is well positioned to host the first North American International UNESCO Conference on Geoparks and we are committed to planning a world class event and welcoming our fellow geoparks to our corner of the world.

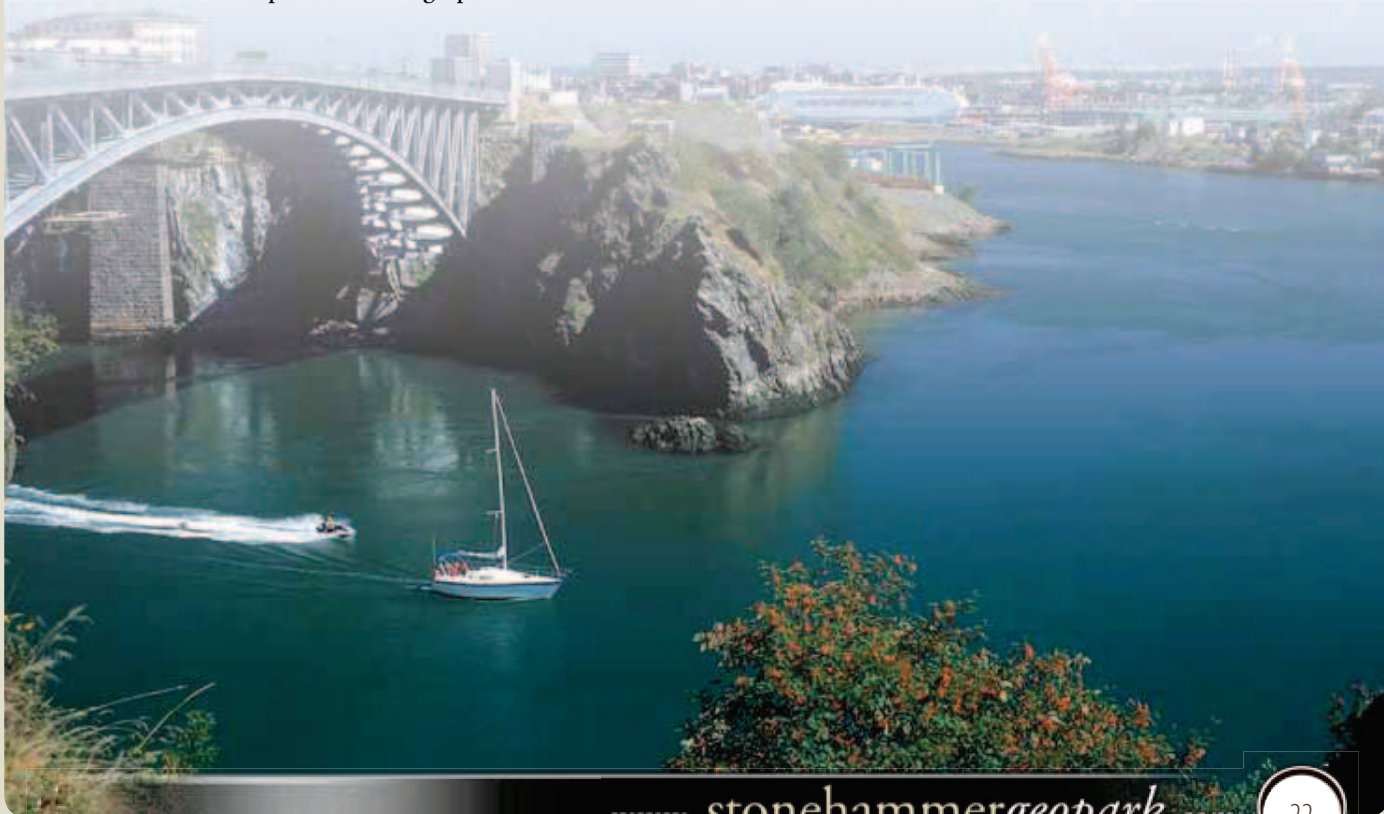
Should additional information become available or clarification required please do not hesitate to contact to discuss.

We look forward to the decision.

### ► CONTACT INFORMATION

Gail Bremner  
Stonehammer Geopark  
c: 506-333-9690  
t: 506-214-1317  
gail@stonehammergeopark.com  
www.stonehammergeopark.com

Supplemental video and images can be found at the following domain:  
<http://stonehammergeopark.com/conference2014.html>



## APPENDIX A : LOCAL SUPPORT



January 20, 2012

Dr. Margarete Patzak  
UNESCO - Division of Ecological and Earth Sciences  
1, rue Miollis  
75732 Paris (Cedex 15)  
France

Dear Dr. Patzak:

On behalf of the Province of New Brunswick, I would like to express my support to the Stonehammer Geopark committee in their efforts to host the 6<sup>th</sup> International UNESCO Conference on Global Geoparks.

As Premier of New Brunswick, I am very proud of the fact that Stonehammer Geopark is North America's first Global Geopark. Recently, the Stonehammer Geopark received the national award of "*Innovator of the Year*" from the Tourism Industry Association of Canada. It is also noteworthy that the geopark is located along another world-renowned natural wonder, the Bay of Fundy.

I am confident that visitors to this great province would have a truly memorable experience.

In closing, I would like to wish you all the best in the selection process.

Sincerely,

Honourable David Alward  
Premier

c.c.: Honourable Trevor Holder, Minister of Tourism and Parks  
Bill Merrifield, Chair of Stonehammer Geopark  
Gail Bremner, Executive Director of Stonehammer Geopark





## APPENDIX A : LOCAL SUPPORT



January 12, 2012

Dr. Margarete Patzak  
UNESCO - Division of Ecological and Earth Sciences  
1 rue Miollis  
75732 Paris (Cedex 15)  
France

Dr. Patzak:

As Minister for the New Brunswick Department of Tourism and Parks, the New Brunswick Department of Wellness, Culture and Sports, and as an elected official from the city of Saint John, it is an honor to express my support to the Stonehammer Geopark committee in their submission to host the 6<sup>th</sup> International UNESCO Conference on Global Geoparks in Saint John, New Brunswick.

I have had the pleasure to meet with the members of the Stonehammer Geopark committee on several occasions and can attest to the professionalism and the dedication of the group towards the geopark. You can be confident the same professionalism and dedication will be applied to making the 6<sup>th</sup> International UNESCO Conference a success.

This hard work recently resulted in the Stonehammer Geopark receiving the national award for "Innovator of the Year" from the Tourism Industry Association of Canada.

I would like to thank you for this opportunity and hope to have the pleasure to meet you in Saint John in 2014.

Please accept my warmest regards and best wishes from New Brunswick.

Sincerely,

Trevor A. Holder  
Minister

C. Bill Merrifield, Chair of Stonehammer Geopark  
Gail Bremner, Executive Director of Stonehammer Geopark

Minister/Ministre  
Tourism and Parks/Tourisme et Parcs

P.O. Box/C.P. 6000 Fredericton New Brunswick/Nouveau-Brunswick E3B 5H1 Canada Tel./Tél. (506) 453-3009 Fax/Télé. (506) 457-4984

[www.gnb.ca](http://www.gnb.ca)



[www.stonehammergeopark.com](http://www.stonehammergeopark.com)

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## APPENDIX A : LOCAL SUPPORT



The City of Saint John

Mayor Ivan Court  
Mayor's Office  
Bureau du maire

November 28, 2011

Dr. Margarete Patzak  
UNESCO  
Division of Ecological and Earth Sciences  
1 rue Miollis  
75732 PARIS Cedex 15  
France

On behalf of the members of the Common Council and citizens of Saint John, we welcome the opportunity to host the 6<sup>th</sup> International UNESCO Conference on Global Geoparks. As you are aware the Saint John area has been designated as North America's "First Geopark". Over this past weekend our Stonehammer GeoPark was recognized as the winner of the Tourism Industry Association's Deloitte Innovator of the Year Award. New Brunswick is Canada's only officially bilingual province and we are well situated to host your conference. Saint John has successfully hosted international, national and regional conferences. We recently were the host city for the Canadian Association of Police Boards and the venue of choice for the following conferences:

International Association of Hospital Textile Management  
AAMVA (American Association of Motor Vehicles Administrators)  
Canadian Association of Fire Chiefs  
Canadian Child Care Federation  
Canadian Public Relations Society  
Funeral Services Association of Canada  
Canadian University & College Conference Organizers Annual Conference

Saint John offers a blend of urban sophistication with a flavour of "East Coast Charm". Our colourful streetscapes, beautiful accessible waterfront, and modern convention facilities are ideal for hosting a conference such as yours. In 2010 Saint John celebrated its 225 anniversary as Canada's first incorporated city and a Cultural Capital of Canada. There is much excitement in the city with the opportunity to host the UNESCO Conference. First class accommodations, restaurants, shops, recreational and cultural facilities are linked by a climate-controlled pedway system, the "Inside Connection," ensuring your comfort and convenience in any season. Step outside and you are moments away from breathtaking views of the Bay of Fundy, pristine natural parks, and history-lined streets bustling with art, dining and entertainment inspired by our Maritime hospitality.

Saint John is experiencing a Renaissance with a charming blend of the best of the past and everything the present has to offer. We wish the committee every success as they finalize their bid to host the 6<sup>th</sup> International UNESCO Conference on Global Geoparks.

Sincerely,

Ivan Court



SAINT JOHN

P.O. Box 1971 Saint John, NB Canada E2L 4L1 | [www.saintjohn.ca](http://www.saintjohn.ca) | C.P. 1971 Saint John, N.-B. Canada E2L 4L1



## APPENDIX A : LOCAL SUPPORT

November 17, 2011

Dr. Margarete Patzak

UNESCO

Division of Ecological and Earth Sciences

1 rue Miollis

75732 PARIS Cedex 15

France



Dear Dr. Patzak:

**Discover Saint John** is thrilled to support the Local Bid Committee to host the **6th International UNESCO Conference on Geoparks** in September 2014!

Saint John has a history of delivering high-caliber conferences and cultural events at our first-class facilities, and we have a community of enthusiastic volunteers ready to serve.

The community will ensure that delegates experience our warm Saint John hospitality whether they are exploring the historic sites of Uptown Saint John, taking in the thrills of Reversing Rapids or sampling delicious menus in our fine restaurants.

We love our historic City (Saint John is the first incorporated city in Canada) and we have been strong and loyal supporters of many national & international conferences and events over the years. The 2010 American Association of Motor Vehicle Administrators Annual Conference was a huge success in Saint John. Our community would be thrilled to have the opportunity to host the **International UNESCO Conference on Geoparks** in 2014.

Sincerely,

Tammy LeBlanc

Chair, Saint John Destination Marketing Inc.

## APPENDIX A : LOCAL SUPPORT



November 15, 2011



**Ms. Gail Bremner**

Chair – Local Bid Committee  
11 Loyalist Lane  
Saint John, NB  
E2M 4B3  
Canada

Ms. Bremner:

When you consider **Saint John** for the **6<sup>th</sup> International Global Conference on GeoParks** scheduled for **2014**, choose Air Canada as your preferred airline. We work very closely with our partners at Discover Saint John to manage conferences such as yours and to anticipate greater volumes in passenger traffic over a select period. Air Canada is Canada's largest airline and is recognized as a leader in global air transportation, technical excellence and passenger safety.

Air Canada knows what it takes to make your event an organizational success. Let me introduce you to our world and I am confident that our services will exceed your needs.

- A recently revamped and enhanced Meetings and Conventions program.
- Air Canada is the largest provider of scheduled flights in the Canada-US market
- We are the 15th largest airline in the world serving over 178 destination on five continents
- We have a fleet of 332 aircraft including 18 new ultra-modern fuel efficient B777
- One of the highest On Time Performance records within North America.
- Your participants can reach top tier status quicker by redeeming from various Star Alliance Frequent Flyer Programs
- Your delegates may be able to save between **10-20%** on air fares (conditions apply)

For 2011, Air Canada was named **Best International Airline in North America** in the World Airline Awards. In December of 2010 Air Canada was voted **Best Airline in North America** in the Global Traveler Reader Survey Awards and won five top honors in Business Traveler's "Best in Business Travel" award program including **Best Flight Attendants in North America**. Star Alliance, of which Air Canada is a founding member, was ranked as **Best Airline Alliance for 2009** by Skytrax.

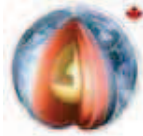
I welcome the opportunity to work with your organization as a preferred carrier for the **2014 6<sup>th</sup> International Global Conference on GeoParks**. Please feel free to contact me at 416-352-3957 or at [stefano.mastrantonio@aircanada.ca](mailto:stefano.mastrantonio@aircanada.ca).

Sincerely,

Stefano Mastrantonio  
Conventions and Redemption Manager  
Air Canada



## APPENDIX A : LOCAL SUPPORT



Canadian Federation of Earth Sciences | Fédération canadienne des Sciences de la terre

Canadian National Committee for Geoparks  
Geological Survey of Canada, 3303 – 33<sup>rd</sup> St. NW, Calgary, Alberta, Canada T2L 2A7

16 March 2012

Dr. Margarete Patzak  
UNESCO - Division of Ecological and Earth Sciences  
1, rue Miollis  
75732 Paris (Cedex 15)  
France

Dear Margarete:

On behalf of the Canadian National Committee for Geoparks, I am pleased to offer our support of Stonehammer Geopark's bid to host the 6th International Conference on Geoparks in September 2014.

I was personally involved in their application process and was delighted to see their efforts rewarded with the first designation in North America in 2010. I am certain the stakeholders of Stonehammer will invest their outstanding energy, passion and know-how in hosting the 6th Annual Conference. They are a tremendous team and I am certain they would build a conference of which UNESCO will be proud.

Having attended the International Conference in Malaysia and having visited Stonehammer Geopark, I can attest to the region's ability to host a conference of this magnitude. They have the infrastructure, the people, the experience and the geology worthy of this important conference.

The Canadian National Committee will be working closely with Stonehammer in order to ensure a highly successful event in Canada, should that be the choice of the Global Geoparks community.

Sincerely,

Godfrey Nowlan  
Chair, Canadian National Committee for Geoparks



March 19, 2012

Dr. Margarete Patzak  
UNESCO - Division of Ecological and Earth Sciences  
1, rue Miollis  
75732 Paris (Cedex 15)  
France

Dear. Dr. Patzak:

As the first corporate supporter of the Stonehammer Geopark, I am pleased to offer my support of their bid to host the 6th International Conference on Geoparks in September 2014.

The Stonehammer organization exemplifies the qualities needed to mobilize a community, spark sustainable economic development, bring an idea to reality and garner financial support from both private and public entities. Their success to-date has been due to hard working, passionate and knowledgeable people who want to grow their respective communities in a sustainable manner.

Being the first to host the International Conference in North America will be a task this organization will embrace.

Our communities look forward to your decision in May.

Sincerely,

A handwritten signature in black ink, appearing to read "John Irving".

John Irving  
President  
Commercial Properties





## APPENDIX B : EXPLORATION IDEAS

*If Stonehammer Geopark is the successful proponent to host the 6th International UNESCO Conference on Geoparks in September of 2014 there will be no shortage of excursions to offer our colleagues from around the world. September is one of the most beautiful times to visit our region due to the leaves starting to change colours, the harvests from our fields and the fresh catches from our Bay.*

*Many of the Stonehammer Geopark experiences and geologically significant locales are within a 15 minute drive of the conference centre which will ensure delegates are able to partake in a variety of fun and engaging outings and witness a diverse sample of our geological heritage in either half day or full day excursions during the conference. Those that are a longer drive (one hour) are worth the trip and are sure to amaze all of the senses.*

### SAMPLE THEMES:

#### **Ride, Zip and Taste the world renowned**

**Fundy Reversing Rapids** Includes Harbour Cruise with interpretation of the colliding continents, zip line tour including interpretation of the highest tides in the world, and delicious family style picnic at the Fundy Reversing Rapids

**Hike, Paddle and Crack** Includes interpretive hike at Irving Nature Park depicting the ice age story followed by a kayak adventure on the mighty St. John river with interpretation of stromatolites followed by a beach side lobster cook-out.

**Climb, Trek and Relax** Includes rock climbing and interpretive geological trek at Rockwood park followed by a delicious Stonehammer themed lunch at the lake side Lily's Café.

**Bike it. Hike it. Drive it.** A visit to the Fundy Trail Parkway will provide participants an opportunity to experience it the way they want to. Interpretive hike, bike and drive will be offered with all groups convening for a picnic lunch hosted by the local community.

**History in Stone Stroll** Includes interpretive walk along Uptown Saint John streets where you will marvel at the decorative work fashioned for some of the buildings, along with the use of rock in columns and monuments. Concludes with a visit to Happinez Wine Bar, located in one of the heritage buildings on the tour, where you will be treated to a delicious glass of wine and your own copy of "Rebuilt in Stone."

**Multi Day Excursions** For pre and post multi day tours conference delegates can leave the urban setting of Saint John and drink in the countryside of St. Martins at a local Inn located on the Bay of Fundy. Or they can partake in an in-depth geological two day tour with Dr. Randall Miller. Pre and post multi day tours will be offered at an extra fee to the delegate.

*The options are endless and we will package experiences that will suit all delegates interests and abilities upon being awarded the conference.*

# Agenda Item 12

## Appendix 2

### Appendix 2 Costs

<b>Fixed Costs</b>	<b>Costs</b>
Preparation of bid, documents, images and presentation	£10,000
Project management 125 days at £160 per day	£20,000
Delegation at 2014 GGN conference Stonehammer, Canada to make presentation	£5,000
RICC Conference facility for week – <i>if we are charged a fee.</i>	£30,000
Transport for conference -12 coaches at £100 per day for 5 days	£6,000
Airport collection and return (Newton Abbot, Bristol and Exeter only)	£2,500
Sound and visual – ESW	£20,000
Key note speaker fees & GGN Board Costs	£25,000
Entertainers	£7,500
Decorations around town	£5,000
Contingency	£15,000
Host pre-conference Geopark Coordination Committee meetings	£20,000
<b>Total</b>	<b>£166,000</b>

<b>Variable Costs</b>	<b>Frequenc y</b>	<b>Cost per item</b>	<b>Cost per delegat e</b>
Teas and Coffees	7	£1.50	£10.50
Lunches	3	£12.00	£36.00
Gala Dinner	1	£35.00	£35.00
Field Lunch	1	£20.00	£20.00
Torre Abbey/Occombe Beer Festival Barn Dance	1	£35.00	£35.00
Kents Cavern (including Marquee)	1	£35.00	£35.00
Voucher Scheme dinner in Torquay	1	£15.00	£15.00
Ferry Boat service	1	£15.00	£15.00
Delegate registration admin and goodies	1	£30.00	£30.00
Contingency	1	£18.50	£18.50
<b>Variable costs per delegate</b>			<b>£250.0 0</b>
<b>Variable costs per Partner - incl dinners, Barn Dance, Ferry, field lunch.</b>			<b>£173.5 0</b>

<b>Delegates</b>		<b>600</b>
<b>Conference costs</b>		
Variable costs		£150,000

Fixed Costs		£166,000
Variable Partners Costs @ 120 partners		£20,820
<b>Total Conference costs</b>		<b>£336,820</b>

<b>Delegate numbers and rates</b>		
EGN members	£250	110
Student rates	£100	25
GGN and Other delegates	£400	465
Delegates Partners Rate	£175	120
<b>Total Delegates</b>		<b>600+120</b>

<b>Delegate fee income</b>		
EGN members		£27,500
Student rates		£2,500
GGN and Other delegates		£186,000
Delegates Partners Package – £175 for 120 partners (20% of delegates).		£21,000
(av of early bird v normal)		<b>£237,000</b>
<b>Funding shortfall</b>		<b>-£99,820</b>

<b>Delegates Revenue to local economy – 600+120</b>			<b>720</b>
Hotels - 4 nights	£90	£360	£259,200
Voucher scheme dinner in Torquay		£20	£14,400
Taxis and others spending - 4days	£15	£60	£43,200
Local fixed and variable income.			£286,000
<b>Value to local economy</b>			<b>£602,800</b>
Percentage return from shortfall to Value to local economy			<b>603.89%</b>

**Delegates & Partners ranges of Cost, Income and Revenue to local economy**

<b>Delegates &amp; Partners</b>					
EGN	92	127	147	165	183
Student	20	30	33	37	42
GGN/Other	388	543	620	698	775

<b>Total</b>	<b>500</b>	<b>700</b>	<b>800</b>	<b>900</b>	<b>1000</b>
Partners	100	140	160	180	200
<b>Total</b>	<b>600</b>	<b>840</b>	<b>960</b>	<b>1080</b>	<b>1200</b>

<b>Costs</b>					
Fixed	£166,000	£166,000	£166,000	£166,000	£166,000
Variable	£125,000	£175,000	£200,000	£225,000	£250,000
Partners	£17,350	£24,290	£27,760	£31,230	£34,700
<b>Total</b>	<b>£308,350</b>	<b>£365,290</b>	<b>£393,760</b>	<b>£422,230</b>	<b>£450,700</b>

<b>Income</b>					
Delegates	£180,200	£251,950	£288,050	£324,150	£359,950
Partners	£17,500	£24,500	£28,000	£31,500	£35,000
<b>Total</b>	<b>£197,700</b>	<b>£276,450</b>	<b>£316,050</b>	<b>£355,650</b>	<b>£394,950</b>

<b>Shortfall</b>	<b>-£110,650</b>	<b>-£88,840</b>	<b>-£77,710</b>	<b>-£66,580</b>	<b>-£55,750</b>
------------------	------------------	-----------------	-----------------	-----------------	-----------------

<b>Revenue</b>	<b>£550,000</b>	<b>£655,600</b>	<b>£708,400</b>	<b>£761,200</b>	<b>£814,000</b>
<b>% of Shortfall</b>	<b>497.06%</b>	<b>737.96%</b>	<b>911.59%</b>	<b>1143.29%</b>	<b>1460.09%</b>

### Appendix 3: Capital Projects linked to English Riviera Geopark.

Project	Year	Value (£)
Berry Head on the Edge	2008-2010	1,800,000
Cockington Court Sea Change	2009/10	2,700,000
Royal Terrace Gardens restoration interpretation	2009/10	200,000
Seashore Centre Exhibition	2009/10	45,000
Geopark Digital Information Project	2009/10	30,000
Geoquest	2009-2011	15,000
Torbay Connected	2009-2011	50,000
Paignton Play Park	2010/11	500,000
National Centre for the Stone Age	2011/12	20,000
Victoria Parade Art Commission	2011/12	30,000
Art Council Community Project	2012	10,000
Geopark Festival Funding (pending)	2013	15,000
Geopark Cycling Trail	2013-14	600,000
<b>Total</b>		<b>6,015,000</b>



## **Local Development Benefits from Staging Global Events: Achieving the Local Development Legacy from 2012**

A peer review of the Olympic and Paralympic legacy for East London proposed by the Department of Communities and Local Government, United Kingdom





LOCAL DEVELOPMENT BENEFITS FROM STAGING GLOBAL EVENTS: ACHIEVING THE  
LOCAL DEVELOPMENT LEGACY FROM 2012

A PEER REVIEW OF THE OLYMPIC AND PARALYMPIC LEGACY FOR EAST LONDON  
PROPOSED BY THE DEPARTMENT OF COMMUNITIES AND LOCAL GOVERNMENT,  
UNITED KINGDOM





**About the OECD**

The Organisation for Economic Co-operation and Development (OECD) is a unique forum where the governments of 30 market democracies work together to address the economic, social and governance challenges of globalisation as well as to exploit its opportunities. The OECD's way of working consists of a highly effective process that begins with data collection and analysis and moves on to collective discussion of policy, then decision-making and implementation. Mutual examination by governments, multilateral surveillance and peer pressure to conform or reform are at the heart of OECD effectiveness.

Much of the material collected and analysed at the OECD is published on paper or online; from press releases and regular compilations of data and projections to one-time publications or monographs on particular issues; from economic surveys of each member country to regular reviews of education systems, science and technology policies or environmental performance. For more information on the OECD, please visit [www.oecd.org/about](http://www.oecd.org/about).

**About LEED**

The OECD Programme on Local Economic and Employment Development (LEED) has advised government and communities since 1982 on how to respond to economic change and tackle complex problems in a fast-changing world. It draws on a comparative analysis of experience from some 50 countries in the Americas, Asia, Australasia and Europe in fostering economic growth, employment and inclusion. For more information on the LEED Programme, please visit [www.oecd.org/cfe/leed](http://www.oecd.org/cfe/leed).

## ACKNOWLEDGEMENTS

This report was prepared under the authority of the OECD LEED (Local Economic and Employment Development) Programme and its' Directing Committee. The project was led by Debra Mountford, Senior Policy Analyst and the advisory group and authors were: Emma Clarence, Policy Analyst, OECD; Greg Clark, Chair, OECD LEED Forum on Development Agencies and Investment Strategies; Lael Bethlehem, CEO Johannesburg Development Agency, South Africa; Mateu Hernandez, Executive Director of Economic Promotion, Barcelona, Spain; Stuart Patrick, CEO Glasgow Chamber of Commerce, Scotland. Helen Easton, OECD and Joe Huxley contributed to the preparation of this report.



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## EXECUTIVE SUMMARY

This is a peer review carried out by the OECD Local Employment and Economic Development Programme (LEED). It is not an exhaustive analysis of all legacy arrangements proposed by Government and its stakeholders but an opportunity to enhance existing capacity and arrangements in London and internationally. The Review took place between December 2009 and May 2010.

London 2012 is set to be one the most ambitious Olympic Games ever to have taken place. Already a successful global city London has set itself a unique challenge – not simply to deliver a successful Olympic Games but to regenerate its most socio-economically challenged area of the city. The boroughs which will host 2012 are amongst the most deprived areas in the United Kingdom. The aim from the preparation of the bid was to address this long term challenge. Everyone involved in the delivery of 2012 and the economic development of London is under no illusion that simply by hosting the Olympics a century of deprivation will be eradicated. But accelerating 30-50 years of regeneration and infrastructure investment can create new economic opportunity.

London's continued economic competitiveness is directly linked to delivering the socio-economic legacy for East London. East London is both London's available and spare economic capacity and asset base, and also the place with the most severe socio-economic challenges. London wants to retain global strengths and celebrate its economic diversity more substantially, at the same time as becoming a greener and more inclusive city. East London can help London with economic diversification, with the growth of new clean tech industries and the emergence of other strengths in creative industries, media, logistics, aerospace, and tourism. At the same time, East London is critical to London becoming a greener and more inclusive city; it has the biggest concentrations of polluted land and disadvantaged populations.

Substantial and significant progress has been made in London both to prepare for hosting the 2012 Olympic Games and to secure from them a lasting legacy and wider local benefits. However, it is important to recognise at the outset the complexity of the task facing London and UK authorities in crafting a multi-party legacy and benefits programme. London and UK government have put in place some special arrangements to capture the benefits of hosting the Olympic Games well in advance of the Games themselves. This is a notable and important dimension of the UK arrangements. Although many cities have achieved a significant legacy, and several have planned actively in advance to achieve it, few cities will have prepared for it as directly and consciously as London has. The London Games are being substantially staged and organised in order to derive such benefits and arrangements to optimise outcomes have been in place for some time, and are in continuous evolution.

Thus, London has already set in place an impressive legacy of urban regeneration, infrastructure and environmental enhancements, most specifically:

- The orientation of the Games towards regeneration, growth management, and sustainability and tackling the problems of the poorest part of London, which is also one of the poorest places in Europe.

- The early creation of the Olympic Park Legacy Company to take forwards the legacy of the Olympic Park after the Games.
- The work of the ODA in creating a lasting environmental legacy, world class standards in sustainable construction, and high calibre amenity.
- The role of public transport investment in creating a socially and environmentally sustainable Olympics, and a long term connectivity legacy.
- The creation of Legacy Masterplans and a Strategic Regeneration Framework for the whole area.
- The CompeteFor programme which is improving the competitiveness of SMEs and supply chains in response to Olympic related opportunities.

These good practices will be of interest to other OECD countries, and countries that are hosting their own major events, and should be widely disseminated.

Timing is now critical for London 2012. Overall, London is taking the legacy objective very seriously and is marshalling resources and initiative around its achievement. The legacy planning activities are highly developed and specified, aided by a confident approach to staging the Games **but** it is time to broaden the focus of the regeneration of East London from the physical, environmental, place making, and infrastructure improvements to which the Games have catalysed to include wider and longer term economic development, enterprise, and employment, and corporate investment, as well as overall positioning of East London for market led investment.

Increased strategic leadership and aggregation of efforts around the key longer term legacy priorities is now required. At the same time, where there is ambitious thinking (*e.g.* the Convergence agenda) there is a need for a programme of shorter term actions to make steady progress and learn lessons from the outcomes achieved. With just under two years to go until the Games begin there are opportunities to attract external investment and stimulate job creation in East London if a clear vision is presented and practical arrangements to facilitate investment and expansion are undertaken. This demands a dedicated economic strategy which at present does not exist.

Finally, to realise the legacy of London 2012 it will also be important to "**Tell the Story of East London**" very much better. The area has a rich history as a centre for trade, logistics, and production, for hardworking people of exceptional character, for immigration and asylum, for surviving wars, and setting great voyages to sea, and for making lives worth living in ways they would not have been lived otherwise. London 2012 has the potential to set a new international standard in local development benefits achieved through staging global events.



**PART ONE**

**THE OECD LEED PROGRAMME'S CONCEPTUAL FRAMEWORK: HOW CITIES AND  
NATIONS CAN CAPTURE LOCAL BENEFITS FROM GLOBAL EVENTS**

## OECD and investigation of international events

The OECD LEED Programme has advised governments and communities since 1982 on how to adapt to global trends and tackle complex problems in a fast-changing world. It combines global expertise into pragmatic task forces that provide rapid responses and targeted advice on specific issues of interest to governments. Drawing on comparative analysis of experience from some 50 countries in fostering economic growth, employment and inclusion LEED has played a major part in establishing and gaining acceptance that local action, local policy flexibility and new forms of governance for local economic development are both desirable and essential.

As local economies have adapted to changing global dynamics, the hosting of international events has become more commonplace, and can play a significant role in local development, acting as catalysts for job creation, business growth, infrastructure improvement and community development. However, capturing local benefits from such events does not happen automatically or by accident. The most successful host countries and cities have a long term development plan that the event helps them to implement, and a dedicated management effort aimed at securing the benefits and the legacy for some time before the event is staged, and for several years afterwards. Put simply, when international events are hosted well, they become a catalyst for local development and global reach.

### What are the local benefits of hosting global events?

The OECD LEED programme has been assessing the local benefits of hosting international events for several years. *Local Development Benefits from Staging Global Events (2008)* set out the OECD Conceptual Framework through analysis based on experience from over 30 cities and nations. In broad terms, the following are benefits that might reasonably be expected but, of course, are not guaranteed, to result from the hosting of global events. Benefits may be characterised as "primary" and "secondary" to indicate the time frame within which they occur, rather than overall significance. Primary benefits may well overlap temporally with secondary benefits if they are longer-term in nature.

#### *Primary benefits*

- i) Alignment of the event with sector and business growth strategies in the city or nation.

The requirements of the event can be used to catalyse existing development and growth strategies, either at sector, business or city level. Effective management of the event in this manner yields significant benefits for cities looking to prioritise and accelerate their development goals.

- ii) Private-public investment partnerships.

Increased co-operation, in the form of partnerships, between the private and public sector are increasingly seen as a key means by which to achieve development goals. The costs and benefits often associated with global events present ideal opportunities for public-private investment partnerships that can serve wider urban development goals.

- iii) Image and identity impacts attracting increased population, investment, or trade.

The media exposure associated with a global event provides an ideal opportunity for the promotion of a city brand or identity. In an increasingly urban world, the need to differentiate is ever-greater and opportunities to embed a city's unique assets in the "international imagination" are valuable.

- iv) Structural expansion of visitor economy and supply chain development and expansion.  
Visitors coming to the city for the event will contribute to a more buoyant visitor economy; with money they spend causing a multiplier effect on incomes throughout related supply chains. Well managed events can attempt to focus this multiplier effect to local businesses and supply chains can therefore develop and expand to take advantage of increased business.
- v) Environmental impacts, both in built and natural environments.  
Both the built and the natural environment can greatly benefit from the investment and strategic planning involved in hosting a global event. With global attention turning on a city with the arrival of the event, city authorities can justify using funds to carry out much-needed, but perhaps not previously top priority; work on the built environment to give it a good facelift. Increasingly, ensuring the event is managed in an environmentally conscious manner is becoming a higher priority in terms of city branding as well. Not only can this reduce the environmental impact of the event itself, but it can have wider benefits in changing business and social practices throughout the city and its region which last far beyond the event itself.

### *Secondary benefits*

- i) Post event usages of improved land and buildings.  
Events may require land and buildings for specific purposes, but their use after the event is only restricted by practicalities and the imagination of the designers and planners. Cityscapes can be transformed by new buildings or land reclamations that subsequently serve local communities and contribute to urban development strategies.
- ii) Connectivity and infrastructure legacies.  
Transport links and other infrastructures constructed for the event are one of the most visible lasting legacies for a host city and can have real impacts on social inclusion if targeted at previously excluded groups.
- iii) Labour market impacts and social/economic inclusion.  
Hosting a global event stimulates significant temporary employment to prepare for such a large undertaking but can also generate long term employment if the event is used to expand business sectors and implement structural change to the local economy. Specific efforts can be made to use the temporary employment created to provide qualifications for low-skilled workers who can then go on to find better employment, thus contributing to social and economic inclusion through processes of cyclical uplift.
- iv) Secondary impacts in the property market.  
Property prices are very likely to be affected in parts of a city where construction is focussed for a particular event. While this can lead to the gentrification of a district, attracting further investment and leading to the development of an area, it can also force existing, lower-income communities out. A strategic balance must be sought to optimise the local benefits.
- v) Global positioning, events strategy going forwards, and project management capability.  
Hosting, or even bidding for, an event dramatically increases the capabilities of the city authorities to manage similar projects in the future and makes vital steps towards furthering an events strategy and achieving development goals. Improvements in collaborative

governance and co-ordination are fundamental elements of this process. A city with experience of hosting events is naturally held in higher esteem if there are any doubts about a competing candidate city. In an increasingly competitive urban world, having such experience can make all the difference.

### **How cities and nations can capture local benefits from global events**

There are many different dimensions in how a locality can benefit from hosting a global event, so the host faces a multiplicity of dimensions when considering how best to capture such benefits. The concepts involved are, however, all mutually reinforcing and interrelated.

#### *The nature of the benefits of the event itself*

- i) **Whilst many benefits and impacts can be felt in the physical and economic realms, there will also be substantial scope for environmental, social and cultural benefits if plans are developed well.** The FIFA Soccer World Cup in Germany 2006 produced substantial environmental improvements through a Green Games Programme, the Athens Olympics 2004 brought an enormous cultural heritage legacy in the restoration of ancient sites and buildings and Manchester's Commonwealth Games 2002 have revitalised several poor neighbourhoods and expanded entry level employment for marginalised people.
- ii) **Major events must have a national as well as local or regional impact. There must be good links between the key hubs and nodes that host and the wider diffusion of visitors and trade links.** This is especially true in a small (population) country like New Zealand. If the Rugby World Cup 2011 is to be a catalyst for New Zealand it will need to command investment resources and ingenious efforts not usually mobilised. There will be a national cost and there needs to be a national benefit. This is a good discipline, because events are an excellent means to demonstrate that regions within the same nation are rarely in any real competition for external investment. More explicit inter-regional flows and benefits can occur through hosting an event. This was clear from the linkages between Lille's Capital of Culture Programme and Manchester's Commonwealth Games in 2004.
- iii) **Major events offer exceptional opportunities to define the identity, values, unique assets, and long term contribution of a nation to the global realm (in economy, society, and environment).** It is important to have a clear and compelling story about the nation and its future to communicate. Because such events bring a "global audience" to a nation or city for a period of time, there is a unique opportunity to brand and communicate. However, the presence (both real and virtual) of such an audience, and of the world's media, will also uncover and highlight weaknesses or contradictions in the identity of the hosting national/locality. Therefore, getting the message clear and distilling the values and identity is an essential task. It could be argued that both Athens and Rio de Janeiro suffered because some of their weaknesses were exposed by the hosting of a global event, whereas both Montreal and Brisbane clearly gained from doing so. You have to be ready for the global spotlight and use it well.
- iv) **Major events do not all attract mass participation: media coverage, and other virtual methods, is a critical channel for accruing benefits. Shaping and influencing media coverage is key.** An important part of any legacy programme is the communication, branding, and marketing activities which reach beyond the visiting audience and the event participants to the (many millions of) long-distance viewers of

the event. Shaping and influencing these channels is critical for success. This was a major success of Sydney 2000 and of Turin 2006 for example.

- v) **The disciplines and opportunities associated with hosting a major event provide a unique and compelling reason to achieve other goals simultaneously. Hosting an event does not prevent other things from getting done, but rather proffers the possibility to leverage the staging of an event to take a bigger step forwards on other agendas.** The best legacies result from good planning and design of legacy activities so that they work with the grain of the event, but are also rooted in the goals and aspirations of the place. The two things must come together. This is why Barcelona 1992 and Montreal in 1967 were so successful. The two cities wanted a new global identity and a new economic reach. The Olympics and the EXPO provided a key catalyst for both aspirations.
- vi) **In Europe and in Asia the hosting of major sporting and other events is now seen as part of the process of long term development of the city or region that hosts it.** Famous examples such as the Barcelona Olympics have led to recognition that hosting events is a means to secure wider benefits. The term "Legacy", "Impact", and "Benefit Capture" are all used to describe this process.

#### *The importance of the event in legacy formation*

Whilst the hosting of major international events can be seen as an end in itself, it also provides an unrivalled opportunity for a nation or a city to achieve other goals. It is not a reason for putting them off. Events bring:

- Fixed Deadlines which foster pace and discipline and provide confidence to investors.
- A global audience that can see a place in a fresh light.
- Additional leveraged investment from public and private sectors.
- Increased visitors.
- Intensified local engagement from citizens and stakeholders.
- A chance to celebrate human skills and endeavour.

The costs of hosting a major event are also considerable and cannot often be justified in terms of the event alone; it is the success of the event plus the value of the legacy that justify the costs. It is well understood that investment is a driver of growth, but available investment capital is often short in supply. An event with limited legacy is too costly to justify. A well planned event with a well planned legacy will attract higher levels of internal and external investment. Hosting events provides a short term boost from visitors and participants, that offers an opportunity to make improvements which would not otherwise be easily justifiable

#### *Events as catalysts for legacy and accelerators of change*

Put together, this provides the means to take a bigger step forwards in other areas of public life. This does not mean that the event is subservient to the legacy, it is a catalyst for it. A well run event is likely to produce a better legacy than a poorly run one, although a poorly run event can still produce a good legacy, if the legacy programme is well run.

The legacy potential provides an additional spur to make the event a major success, to provide sufficient investment for the event to be exceptional, and to ensure that the legacy programme is well defined and executed. The legacy is a key justification for the event itself, for the investment and the effort made. There is no tension between a great event and a great legacy, each will support the other, but both must be led and managed well and be organised to integrate and interface well.

Hosting major events is an important means of accelerating existing plans and policies and delivering enhanced investment. Event legacies can well be framed in these terms and contexts. Major events are a tool or catalyst to implement existing priorities, not an alternative to doing so. Major events can contribute substantially to growth and innovation, environmental sustainability, and family wellbeing or other public policy priorities, but they must be deliberately designed and executed in ways which do so.

It is for these reasons that awarding bodies of international events have laid ever increasing stress on the importance of a durable legacy from the events. It is bad business to encourage cities, regions, nations to host such events but to leave them impoverished by the process of doing so. That is why the ICC (International Cricket Council), FIFA (International Federation of Association Football), IOC (International Olympic Committee), BIE (Bureau International des Expositions), and many others now insist upon active legacy plans for all candidates and why the scope of the legacy and the sustainability of the event is seen as key to the attractiveness of any bid or candidature.

#### *The importance of vision and leadership*

Legacy planning has to be vision led and should span a series of events and opportunities, of benchmark moments and catalysts, rather than a single major event. Cities, regions, and nations that used international events to successfully promote themselves (*e.g.* Vancouver, Barcelona, Montreal, Brisbane, Turin and Seoul) have in fact delivered several events. Hosting international events should not be seen as a "one off" but as a "programme" of activity that increases investment and innovation.

The term "legacy" may, however, be misleading because many benefits can be accrued before the event is staged, during its staging, or simply by bidding well, but not securing the right to host/stage. The focus here is in making engagement with such events work locally. As subsequent analysis will show, different groups of benefits fall at different times and also at different spatial scales.

A legacy programme should include both short term projects as well as longer term initiatives; it should focus upon both the direct and indirect impacts of the events, and also address wider institutional and co-ordination benefits. For example, short term projects might include improved sports infrastructure or better transport and hospitality facilities. But longer term benefits could include an expansion of trade with certain nations, the growth of specialist related tradable economic niches (in areas such as sport science, media, nutrition, stadia management, and many others). The longer term benefits can also include wider leadership roles on global issues (as Barcelona has achieved on urban issues, or Turin on international labour issues, or Vancouver on native communities, or Milan plans to achieve on global hunger and nutrition).

A legacy programme should be driven by robust leadership and implemented with dedicated resources and skills which are distinct from the efforts required to host the event, but co-ordinated effectively with them. Much evidence suggests that:

- The effort required to stage an event is all consuming and the resources allocated to it cannot be expected to deliver on all of the legacy activities and wider benefits as well.



- The skills needed to secure lasting benefits are different from those required to stage an event.
- The best legacy and leverage impacts come from defined and specific programmes that are well managed.
- The hosting of the event is a major project management task; the legacy programme involves a longer term development strategy and specific non-event projects.

The Barbados Cricket World Cup 2007 is a good example of a legacy programme which has been more successful than the event itself. Vancouver 2010 has been highlighted as an approach which put "legacy first" and has led the way.

A key focus of the legacy and leverage impact should be the **local population, local business base**, and other **local stakeholders**. Firstly, it is right that local benefits and local people must be engaged with what is happening. Commentators have given warnings about elite events and gentrification processes that do not touch local people, and do not command their confidence. Elite events miss the opportunity to engage locally and accrue local benefits, a process which will often not be costly and is a means of avoiding unhelpful tensions or opposition as the staging of the event draws near. The Lille City of Culture Programme and the Sydney Olympics both achieved high levels of local participation that enabled people to own and be proud of the event, rather than be disaffected bystanders.

Similarly, improvements to local and regional environments and infrastructure should be implemented in ways which support local quality of life as well as long term goals. It is important, for example, that infrastructure improvements do not just help tourists and international business people, or that new amenities are not restricted to prestigious universities or elite sport teams (important though these all are). A major feature of the German FIFA 2006 World Cup was the improvements it made to city centres for all users through enhanced public realms, signage, and amenities. Cardiff's development of the Millennium Stadium for the Rugby World Cup 1999 was part of a much larger process of regeneration that improved local shopping and other amenities.

#### *The role of the event in the host's own "vision"*

A successful event is one that is a success as an event, in itself, (a good sports competition, an excellent trade show) and one that is successful in terms of what it does for the place which hosts it. A successful event leaves its host location better off than it was before. These are complementary but different tasks and one does not follow automatically from the other. Both need to be planned and managed if they are to occur. Too many events have left places worse off, with expensive facilities that have no use, and a big bill to pay into the future (*e.g.* the Sheffield World Student Games or Montreal Olympics).

Cities and regions that host events usually have a long term strategic development plan which they are seeking to implement. The event provides an opportunity to accelerate the implementation and delivery of the plans, increasing the momentum behind existing projects and providing deadlines and additional funding to make more progress faster. Cities and regions that do not have a robust long term development plan find it harder to plan for a legacy, and find that one of the legacies is often such a plan in itself. Legacy design and planning is about aligning the scope and dimensions of the event with the longer term development plans so as to identify key long term goals that the event can help to accelerate progress towards (as happened with the Turin 2006 Winter Olympics).

### **London 2012 Olympic Games: peer review assessment of legacy progress in East London.**

The UK Government, through its department for Communities and Local Government (CLG), invited the OECD LEED Programme to carry out a peer review of the legacy arrangements put in place by the Department and local/London stakeholders. The review process was intended to provide insights from international experience and expertise to contribute to the delivery of a strong socio-economic legacy for the Host Boroughs (the OECD was asked to consider the five boroughs of Hackney, Newham, Tower Hamlets, Greenwich and Waltham Forest as the Host Boroughs). The review has taken place within a context of fast moving political change and thus is part of an ongoing dialogue between the UK government and the OECD. Indeed, as the review has progressed CLG, the Olympic Park Legacy Company (OPLC), the Host Boroughs Unit, the boroughs, Greater London Authority (GLA) and London Development Agency (LDA) have made significant progress in advancing legacy planning.

The OECD was not invited to carry out an exhaustive review of all legacy arrangements proposed across government but simply to bring international learning to local benefits in the East London areas where London 2012 is being hosted; to highlight the strengths and weakness evident through current arrangements and to communicate to OECD member and non-member countries the best practice emerging from the UK approach.

A background report, "London's Olympic Legacy" was commissioned by CLG and prepared by Dr Iain MacRury and Professor Gavin Poynter of the London East Research Institute at the University of East London for use by the OECD.

The review study missions took place between December 2009 and April 2010, involving international experts engaging with a wide ranging group of stakeholders involved in "legacy" delivery in London. In May 2010 a General Election led to a new coalition government. The new government arrived with a clear agenda on localism and decentralisation. This agenda is still evolving and proposals for a Mayoral Development Corporation, a strengthened role for the Greater London Authority (GLA), Local Economic Partnerships (LEPs) may all impact upon the arrangements for legacy in the years to come. The recommendations of this Review explore how the imperatives of legacy delivery can be addressed within this evolving framework.

The review is underpinned by the following factors:

- The wider benefits of hosting an Olympics Games begin before the Games have taken place and can last for many years afterwards in different phases.
- Some of the benefits and wider legacy will only occur if the Games themselves are perceived to have been a success, thus building the confidence and momentum requires securing wider legacy and attracting external investment.
- Investing in the future legacy and both before, and after, the Games is essential to secure the legacy, it will not simply happen as a matter of course.
- Achieving an optimum legacy will require dedicated arrangements that are not distracted by the needs of hosting the Games themselves.
- The legacy will occur in different ways in different places with distinctive processes producing benefits. Some of those process will be associated with land and property markets and be concentrated in inner East London, others will be part of processes for labour market



development and strengthening of supply chains and be more diffused, others will, involve city positioning activities for London and its wider surrounding areas.

It is important to recognise that London 2012 will be delivered during an era of economic austerity and public sector restructuring – the implications of which will make legacy more challenging to deliver but more important in the longer term. London has set itself up as a global leader in terms of hosting major events by making legacy such an explicit outcome of 2012 and setting in place a delivery infrastructure to "make legacy happen".

### **Peer review by national governments at OECD LEED Directing Committee**

The OECD's Local Economic and Employment Development Programme Directing Committee, which includes representatives of 30 national governments and several inter-governmental organisations, met with senior officials from the Greater London Authority and the UK government Department for Communities and Local Government on May 21<sup>st</sup> 2010 to review the work of the London 2012 Olympic Games and their intended impact on local development in London. The Directing Committee produced ten key conclusions that were inspired by the London 2012 experience and the lessons from other Members States.

#### *i. The relevance of global events to local economic development*

There was a clear confirmation of the role that global events can play in fostering local economic development, both short term and long term. This was identified through considerations on the impact of events on:

- Tourism
- Employment & skills (especially deepening labour markets)
- SMEs and enterprise (especially through supply chain and procurement activities)
- FDI
- Trade
- Fiscal growth
- Cultural development and link to creative industries
- Capacity building

#### *ii. The role of national government*

Whilst regional and local governments will often take the lead role in delivering events it is essential to have engagement by national governments to shape legacy. National governments may have to invest differently and apply new forms of co-ordination and flexibility if legacy is to work. The role of national governments was seen to include ensuring long term benefits.

**iii. *Different phases – different benefits***

The different phases of an event were considered, bidding, preparing, hosting, leveraging opportunities after the event. Different kinds of benefits are expected at different points. Attention was paid to ensuring early benefits from bidding and preparing to host and to longer term leverage of benefits well after the event.

**iv. *Different geographies - different benefits***

The different geographies of benefit were noted and discussed. The importance of achieving strong concentrated benefits in the central event zone was confirmed and the importance of using labour market and supply chain geographies to spread benefits more widely noted. Many governments commented that they had paid insufficient attention to securing the legacy in the core hosting zone.

**v. *Employment and skills***

Most areas that host event have unemployment and low skills problems. The Directing Committee recognised the importance of addressing this issue directly both with flexible programmes and with greater connectivity of poor neighbourhoods to regional labour markets. It was emphasised that it is essential to deepen labour markets and increase employer commitment to employing the low skilled.

It was also stressed that it is essential to have a "future vision" for the economy of the hosting zone and to align labour market interventions with future economy. It is essential to understand the future sources of job creation and to organise around them.

**vi. *Unique catalysts***

Global events were recognised to have some unique features that mark them out as different from any other catalysts that might support economic development. They offer a unique combination of inputs that include:

- Deadlines which are unmovable and create tension, discipline, and commitment.
- Bringing the world to a place creates a powerful driver for optimising performance.
- Engaging citizens in activities which celebrate human endeavour is a rare opportunity to change behaviour.
- Media attention is intensive and provides extraordinary opportunities for positioning.
- National attention and pride means that a single place becomes a national priority for a window of time.
- Brand alignment between the host place and the event provides opportunities to achieve "brand spill over" between the two emphasising excellence, winning, globalism, innovation, courage, endeavour, fair play, and other key values.
- Events offer an unparalleled opportunity to simultaneously change perceptions of a place in a big way for multiple audiences through a (near) comprehensive channel of communication.

These unique features combined provide an opportunity to stimulate and trigger market development and to shape and investment market and economic development for many years ahead.

**vii. *Businesses and investors like events***

Events provide some key drivers that businesses and investors want from a location.

- Improvement and new amenity.
- Deadlines – certainty in decision making.
- Scale of development and growth provides large opportunities.
- Pace of development means returns can come quickly.
- Value added of the brand alignment and low value starts means that companies can experience exceptional growth and value creation from a low base and lower cost start.

For these reasons events can really help build the private sector composition within a low performing economy

**viii. *Capacity matters***

Legacies and impacts are optimised by the organisers that learn how to do it well, they do not come automatically. Skills and knowledge on how to get benefits really count. The key variable is capacity and know how. It is essential to learn how to optimise outcomes and benefits.

**ix. *Measurement challenge***

There is a major challenge to measure the relationships between events and legacies or benefits better. There is a need to get better at defining and counting the different ways in which an event supports certain outcomes and to define attribution with greater subtlety. The problem of attribution is significant. How to count impacts that are direct, indirect, assisted, or facilitated by the event effectively remains a challenge.

An important additional measurement challenge is where and who benefits? Some people and places benefit more than others. How these can more thoroughly understood?

**x. *Governance: Collaboration and reform***

Most places that host events begin with the same co-ordination failures and governance challenges. Many learn that the event requires that they overcome these rigidities with intensive inter-institutional collaboration. Most realise, through this, that the original pattern of responsibilities was not fit for purpose. Whether such collaboration then leads to long term reforms determines the excellence of the governance dividend of hosting events.



**PART TWO:**  
**LONDON 2012 OLYMPICS LEGACY PLANNING IN EAST LONDON - KEY FINDINGS  
AND OBSERVATIONS**

Substantial and significant progress has been made in London both to prepare for hosting the 2012 Olympic Games and to secure from them a lasting legacy and wider local benefits. However, it is important to recognise at the outset the complexity of the task facing London and UK authorities in crafting a multi-party legacy and benefits programme. It is within this context that this review has taken place. The task of the London Olympic benefits programme is not a straight forward exercise. As was stated above, this review is not an exhaustive analysis of all legacy arrangements proposed by Government and its stakeholders. It serves as a "peer" review seeking to enhance existing capacity and arrangements in London and internationally. London and the UK are in a position to set a new global standard for hosting events and capturing legacy. Meeting that goal will require sustained efforts beyond 2012.

### **Arrangements**

There is observable and substantial progress on many of the key drivers of local benefit and legacy preparation in London in advance of the London 2012 Olympic Games. The Review looked mainly at issues of physical regeneration, place making, and economic and social development in the East London context.

The first and obvious point to make is that London and UK government have put in place some special arrangements to capture the benefits of hosting the Olympic Games well in advance of the Games themselves. This is a notable and important dimension of the UK arrangements. Although many cities have achieved a significant legacy, and several have planned actively in advance to achieve it, few cities will have prepared for it as directly and consciously as London has. The London Games are being substantially staged and organised in order to derive such benefits and arrangements to optimise outcomes have been in place for some time, and are in continuous evolution. These arrangements include, but are not limited to:

- i) The **East London Legacy Board** which is one of four legacy boards established by the UK Government to oversee and co-ordinate legacy planning and management. The other Legacy Boards cover Economic, Sport, and legacies which come together through the **Olympic and Paralympic Legacy Board**.
- ii) The **Olympic Delivery Authority** (ODA) which is a special body created to prepare the Olympic Park and all of the facilities that go within it.
- iii) The **Olympic Park Legacy Company** (OPLC), established in 2009, to take ownership of the Park prior to the Games and manage it for the long term to achieve the intended legacy outcomes.
- iv) The **Olympic Park Regeneration Steering Group**, established to give political oversight to the regeneration of the park and surrounding areas.
- v) The **Host Borough Unit** which is a co-ordination group of the main boroughs in East London with Olympic activities happening in their areas.
- vi) The **City Operations Group, led by the GLA** is a joint group of local, regional and national authorities that are working together to plan and manage the "Games time" experience of London by athletes, spectators, media, and others.

The London Organising Committee for the Olympic and Paralympic Games (LOCOG) also has as substantial interest in legacy arrangements, especially in the sporting legacy, but their primary task is to organise the Games themselves.

These Olympic specific legacy arrangements are matched by extensive co-ordination arrangements within Central Government and at an inter-regional level involving other parts of the country. The focus of this review is on the legacy within East London. In East London there are also many other bodies that have developed special programmes of work to secure Olympic legacy outcomes. These include, but are not limited to:

- The various Thames Gateway arrangements, that include:
  - London Thames Gateway Development Corporation (LTGDC)
  - Gateway to London
  - Thames Gateway London Partnership
  - Invest Thames Gateway
- A number of key London organisations including:
  - The Mayor’s Office and Mayor’s Agencies such as the London Development Agency, Transport for London, and the London Skills and Employment Board, and agencies funded by the Mayor such as Think London, Visit London, Study London, and Film London.
- The Lee Valley Regional Park Authority.
- Local organisations including the London boroughs (with their local programmes of work) and other institutions such as Universities, Colleges, and others.
- Other local and sub-regional organisations led by business and civic groups such as The East London Business Alliance (ELBA).

### ***Legacy planning***

Between them, these organisations have been actively involved in a wide range of legacy planning activities. These legacy plans include:

**The Legacy Masterplan Framework.** This plan was developed by the LDA and handed over to the OPLC for review. It sets out how the London Olympic Park should develop in the future. OPLC are also developing a wide range of other plans that focus on socio-economic development issues related to the Olympic Park.

**The Fringe Masterplans and the Strategic Regeneration Framework.** These documents set out the wider development of the area around the Olympic Park to fulfil the growth and regeneration ambitions in East London (lower Lee Valley) more broadly. The Strategic Regeneration Framework, produced by the five Olympic boroughs, includes their shared ambition to achieve social and economic convergence between East London and Greater London averages on a wide range of measures of health, quality of life, equality, and economic measures including employment.



### **Observations**

The OECD undertook to review through interviews and discussion how the preparation of the Olympic legacy in East London is progressing. The main observations are as follows:

**Infrastructure:** The infrastructure required to deliver the Games is emerging and appears on track. Several important infrastructure projects have been, or are being, completed. The infrastructure required for longer term legacy is also emerging rapidly. For example, London Overground has already been launched, the DLR service to Stratford International will open in late 2010 and the Jubilee Line Extension has been upgraded to increase capacity. In addition, the Crossrail scheme is the largest of these, a major fast speed cross city train that will link Stratford to London Docklands, Central London and Heathrow Airport (significantly increasing its connectivity to London's main economic hubs), is now being built and will be ready by 2017.

Some local infrastructure issues remain, including local connectivity to the post games Olympic Park and, more precisely, the issue of the A12 trunk road, which is a barrier to integrating significant parts of inner East London with the Park. LTGDC are planning to bridge the A12 which will make an important contribution to improving access to the Olympic Park.

**Physical development:** The physical build out for the Games is ahead of schedule and is impressive in many dimensions. There is substantial progress of all of the main facilities, the Olympic Village, the Broadcast and Media Centres, and stadia.

The physical re-engineering required on the Olympic Park after the Games for legacy is now being planned and requires both further work and a confirmed investment envelope. At the time of the review it was uncertain what the costed plan for re-configuration of the Park would include, and whether sources of investment could be identified. There are perceived tensions between optimising capital receipts in the short term through sales of land and facilities against taking a long term approach that might produce a better outcome overall. These tensions remain to be resolved in the context of very tight public finances.

**Environmental and sustainable development:** The land remediation and clean up of the River Lee have been significant achievements in east London and addressed over a century of industrial blight and pollution. The build out for the Games has been undertaken in a manner which is impressive environmentally, and has achieved the highest standards of sustainable construction. Furthermore, the Games have been also the trigger for the removal of environmental blight, including many pylon power lines from East London, which were perceived to be major detractor on quality of life and development potential of the area. These factors alone will be an enduring legacy of the Games and ones which could set new standards nationally and globally.

**Place making:** The place making agenda on the Olympic Park and in the Stratford area is in train, though the OECD team met with some considerable concern about the level of investment available to achieve this. Equally, there appear to be only limited considerations so far of how the new "Olympic district/new Stratford" will be identified and promoted and where it will sit within other place brands such as "Lower Lee Valley", "East London", "Thames Gateway". Some clarification of intended usage of different designations may be useful (see below)

**Economic development:** There are a range of economic development measures being undertaken to leverage employment and business development opportunities from the activities associated with preparing for the Olympic Games and hosting the Games. These are impressive and diverse. For example, the Olympic procurement and supply chain initiative CompeteFor is widely seen

to have been successful in enabling local and regional firms to access opportunities associated with the Olympics and the Games preparation.

However, there is less planning underway for the future economic development of The Lower Lee Valley or for the wider economic development of East London as a whole. There appears to be an opportunity and a need to develop longer term economic development thinking beyond intentions to develop and implement an Olympic-related inward investment programme and support procurement and supply chain.

Whilst the individual boroughs have made significant advances in planning their economic futures and there is a great deal of activity on urban development there is no clear framework for the future economy of East London or future oriented vision of the new sources of jobs and businesses. This is needed to guide other work programmes and investment and could logically be brought forward by the Mayor of the London and the boroughs concerned now that the Mayor has published the London-wide Economic Development Strategy.

### *Employment*

Due the very high levels of worklessness, and low skills, in the five boroughs, significant attention is being paid to these issues. There is a wide range of employment and skills related initiatives, many of them focussed on the immediate opportunities of the employment induced by staging and hosting the Games themselves and the numerous associated developments taking place in the boroughs. The boroughs, the Host Boroughs Unit and other stakeholders on the ELLB have prioritised addressing these challenges and are working closely with JobCentre Plus and the Department for Work and Pensions. Work will need to continue on the future demand for skills in East London and Greater London as part of a broader economic development agenda.

The Olympics will provide only a temporary employment boost in employment and stakeholders are rightly focussing on how to develop a longer-term set of interventions which increase employment participation rates overall beyond what is already being done.

### *Social development*

The Olympic boroughs have produced a far-reaching Strategic Regeneration Framework focussed on the concept of "convergence" between the boroughs and Greater London areas in a range of social development measures. The document is well argued and impressive. The level of ambition is appropriate and long term. The Host Boroughs Unit is also ensuring that the third sector plays a relevant role in taking the strategy forward.

There will be a need for a "whole of government" (across and between national and local governments) approach to underpin the "convergence" agenda given that its objectives are dependent upon the radical transformation of housing patterns across London, exceptional improvements in school performance in the poorest boroughs, and a significant increase in labour market participation rates by residents of the area. Each of these requires a sophisticated understanding of the processes at play and interventions which may also need to address other policies and goals which may have some tensions with these aims.

It is important to note that the boroughs are making considerable progress on improving educational attainment levels but ensuring the longevity of the advances remains a "whole of government" challenge. One example is labour market participation rates. There are low levels of

employment in many of the East London boroughs involved. The low employment levels are a function of many different factors:

- The skills-sets of the local labour force relative to demand-side requirements.
- The challenges associated with making low paid work pay enough to create an incentive for employment participation.
- The competition for low-paid jobs from students, "double jobbers", and other people is a "reserve labour force" in London. Younger people from elsewhere in Europe are keen to take low-paid work to have a period of living and working there, learning English and enjoying life in the metropolis.
- The social and health conditions of some of the local population making it more difficult to sustain regular employment.

These are just some of the factors, a complex mix of which will explain distinctive situations. London has a very open labour market and is place where people want to be. That means that there is increased competition for low paid jobs and it is very difficult for low skilled people to get into work

### **Defining legacy appropriately**

There are also some dangers in defining such long term goals primarily as Olympic "legacy". It is important to articulate clearly whether or how hosting the Olympics would induce such radical changes in policy impact and performance, housing patterns, in school performance, or labour market participation. It is not clear that the Olympics can be accurately seen as a key driver of such changes, but rather that such changes would be the impact of improved and better implemented policies resulting from a desire to optimise the benefits of the Olympic Games. The Games are the opportunity, but not the driver.

It may be important to stress that such goals are inspired by the Olympics but are not the direct consequences of hosting the Olympics. The Olympics provides a potential accelerator for achieving social development goals by galvanising communities, improving the quality of place in East London, and strengthening the labour market. Whether this can be translated into important social development achievements depends upon the ability of the public, private and community sectors to leverage the Olympic opportunity to make improvements in service performance. At the same time, recognition of the extensive needs and disadvantages of some parts of the East London population is going to be needed to ensure that the right flexibilities are available to local authorities to address such challenges,

### *Governance*

All major cities have complex governance arrangements. A national and international project within a major city is bound to be subject to complex arrangements itself. The governance arrangements in London are extremely complex and difficult to navigate, with multiple and overlapping authorities and agencies, mitigating against clarity of purpose and confidence in mandate and priorities. Overall, the staff and working arrangements within each entity are skilful and robust but the overall pattern of organisations tends to lack clarity and effective leadership.

The Olympic Games are not only a very large-scale project, they also have added additional complexity. At the same time they have been catalytic in forging new working relationships that are essential for Olympic and legacy success. The work of the Host Boroughs Unit, the collaboration

between national, regional and local government to create the OPLC, and the working relationships between LTGDC and the boroughs are all good examples of enhanced collaboration to make the most of the Olympics.

However, there were opportunities for Governance reform to make the arrangements more simple, to create a smaller number of large and more competent and integrated organisations. One example is the current proposal to establish a single Mayoral Development Corporation centred on the Olympic Park. This proposal was not on the table at the time of the OECD Review visit. However, it appears to fulfil part of the need to streamline organisations. There are other important areas such as the attraction of foreign investment and the support to local small firms where stronger arrangements are needed.

#### *Additional future drivers*

An important additional driver for the legacy in East London and the Thames Gateway will be the impact of major projects and developments such as Crossrail, Ebbsfleet, the expansion of Canary Wharf, Excel and ICC, and London Gateway (amongst others) which will also be catalysts for development and investment. It would be worthwhile building these into legacy thinking and planning much more directly.

#### *External investment*

Many of the legacy plans include assumptions about external investment into East London from corporate, institutional, and other sources. Work is being done by the LDA, LTGDC, the OPLC and the boroughs, but there does not seem to be a fully developed programme of work to facilitate such investment proactively. On the FDI side there are a multiplicity of players and activities, but a lack of a shared and detailed action plan. On the institutional investment side there are numerous activities to market and showcase opportunities and to package investment projects, but no overall plan of action. On the issue of attracting wider forms of institutional investment (*e.g.* major education, cultural, or inter-governmental bodies) there is a lack of clarity about what might be useful and who should lead.

#### **In summary**

Overall, the observation is that London is taking the legacy objective very seriously and is marshalling resources and initiative around its achievement. The legacy planning activities are highly developed and specified, aided by a confident approach to staging and the Games.

Many good initiatives are underway and it is time to broaden the focus of East London's regeneration from the physical, environmental, place making, and infrastructure that the Games are catalysing to include wider and longer term economic development, enterprise, and employment, and corporate investment, as well as overall positioning of East London for market led investment.

Increased strategic leadership and aggregation of efforts around the key longer term legacy priorities is now required. At the same time, where there is ambitious thinking (*e.g.* the Convergence agenda) there is a need for a programme of shorter term actions to make steady progress and learn lessons from the outcomes achieved.

Timing is now critical for London 2012. With just under two years to go until the Games begin there are opportunities to attract external investment and stimulate job creation in East London if a clear vision is presented and practical arrangements to facilitate investment and expansion are undertaken. Two divergent strands appear in the planning documents as they exist at present. One set

focussed on defining the socio economic challenges facing East London and its disadvantaged populations, and seeks policy change and investment to redress low achievement. The other articulates opportunity for investment and job creation based on the nascent advantages and assets of the East London area. Both strands are important and are relevant. From the review of these documents there is limited integration of these agendas into a combined vision.

### ***Geographical perspectives***

There are different geographies in which legacy and benefits are being pursued.

#### *Olympic Park*

On the Olympic Park, the key issues are the development of the optimum overall vision for the Park in the future and its contribution to London and East London's success. Addressing the investment package required for the re-configuration of the Park after the Games is a critical issue. Defining the post Olympic usages of facilities and marketing them effectively is of course critical, and much progress was reported during the OECD visits.

The investment required to transform the Olympic park from Games venue to a new urban district will be substantial. The most important impact of the London Olympics will be the post games developmental and usage of the Olympic Park. Investment provision will be required to help finance the transformation and should be planned on an ongoing basis.

#### *Other Olympic venues*

There are also important Olympic venues in other parts of East London that are not on the Park. These include the Excel Centre, O2 Arena, and the wider Royal Docks and Greenwich waterfronts. The contribution of these activities to legacy has been less visible than the work on the Olympic Park and it would be important to develop the legacy planning here, especially as many of these venues offer scope for business and employment development in ways that the Park may not in the short term.

#### *Inner East London*

The presence of the ODA and the establishment of the OPLC are important drivers of Olympic legacy and benefits in inner East London and on the Olympic Park. These appear to be substantially in train.

The wider Olympic Zone, outside the Park but within inner East London is the major area for concentrated social and economic development, where the poorest communities in London could benefit from the Games. Greater priority needs to be given to establishing a common agenda amongst all stakeholders and mechanisms for delivery that have adequate authority, decision making and implementation capacity to co-ordinate and achieve a clear programme of benefits.

The relationship between the Park and wider East London regeneration is a critical issue for development now that the first level of planning is complete. At the time of this review there are separate organisations involved in the future development on the Park and in the areas around the Park. The observation is that it is clearly desirable for there to be equivalent treatment of both sets of development challenges, and substantial interplay between the two programmes of work. The more recent proposal for a Mayoral Development Corporation covering both areas would appear to meet this very effectively.



### *Thames Gateway*

The Thames Gateway is a major growth development programme dating from 1980 to the present day, covering East London and the wider Thames Estuary in the Counties of Essex and Kent. This development has evolved from its origins in the London Docklands Redevelopment to be the major "growth corridor/triangle" in which London and the Greater South East of England can expand both in terms of housing and human amenity and in terms of business capacity. Indeed, London and the South East of England usually suffer from acute congestion and over-heating problems during economic upswings, with profound implications in the housing market and stress upon the infrastructure. The Thames Gateway is the major potential source of additional physical capacity and the UK Government's approach is to unlock that capacity for growth management purposes through infrastructure provision in response to locally determined development plans. Within that framework, the 2012 Olympic Games is an important additional driver of growth and development that can help to accelerate the Thames Gateway programme.

### *London*

The OECD was not tasked with evaluating London wide thinking or plans to use the Olympic Games to achieve the effective promotion or positioning of London as a whole, or to attract status, investment, and wider benefits through the Games. Thus, no comment is made on this, but it is important that there is a detailed programme of work on these issues at a London-wide level.

The GLA and Mayor's office provided detailed assessment of how the Games are being used to take forwards the key redevelopment and growth priorities in East London as part of the overall strategy for accommodating growth and achieving sustainability across London. The Mayor's London Plan fully articulates both this strategy and the extent of the Mayor's ambition and priorities.

Detailed planning is also underway for the hosting period through the City Operations Group that is co-ordinated by the Mayor's Office. This brings together the key public bodies involved in the hosting of the Games.

To conclude, **CLG and the numerous stakeholders participating in the ELLB are in a position to set a new international standard for delivering local development benefits from hosting major events and large-scale regeneration activities.** The scale of the challenges cannot be underestimated at any point and will require coherent but nimble governance and a clear delivery framework. The future role of the Board, its ability to accelerate decision making process and outputs need to be reflected upon. There may be a role that goes beyond 2012 given the scale of social, economic and physical regeneration required.

### **Recommendations**

The London 2012 Olympics has a strong programme of legacy and benefits planned and an extraordinary range of activities in train. There are notable strengths in this programme of work that could be useful for other cities and nations to be aware of. These elements of London good practice include:

- i) The orientation of the Games towards regeneration, growth management, and sustainability and tackling the problems of the poorest part of London, which is also one of the poorest places in Europe.
- ii) The role of the East London Legacy Board to oversee and co-ordinate activity.

- iii) The early creation of the Olympic Park Legacy Company to take forwards the legacy of the Olympic Park after the Games.
- iv) The work of the ODA in creating a lasting environmental legacy, world class standards in sustainable construction, and high calibre amenity.
- v) The role of public transport investment in creating a socially and environmentally sustainable Olympics, and a long term connectivity legacy.
- vi) The Host Borough Unit and its work to secure a joint approach between the five local governments in the Olympic area.
- vii) The creation of both Legacy Masterplans and a Strategic Regeneration Framework for the whole area.
- viii) The CompeteFor programme which is improving the competitiveness of SMEs and supply chains in response to Olympic related opportunities.

These good practices will be of interest to other OECD countries, and countries that are hosting their own major events, and should be widely disseminated.

At the same time, there are several areas where the London Olympic legacy preparations should be strengthened if they are to promote greater clarity and confidence, optimise impact, and achieve a better value for money set of outcomes. These are set out below.

#### *Clarity in Olympic legacy planning*

Greater clarity is needed about Olympic impacts, Olympic influences, and the Olympics as a catalyst for wider developments and impacts. At this point all the possible consequences of the Olympics are described as "legacy" even though many of them bear little resemblance to each other in terms of Olympic linkage, certainty of outcome, or conditionality of processes involved.

There were many examples of confusion about what an Olympic games can achieve directly versus what it can influence. This has some dangers because it can lead to over-estimating direct benefits and assuming they will come as a matter of course, and under-estimating indirect benefits and not working hard enough to secure and shape them.

For example, tasking the OPLC to achieve traditional socio-economic and regeneration programme outcomes, may not be the best way to achieve "legacy" when its' clear task should be to focus on building the Olympic Park that will have the best indirect benefit for the future of East London.

Equally the ambitious "Convergence" agenda set out by the five boroughs is clearly an important guiding framework for the evolution of East London over the next 25 years, but the role of the Olympics in this regard should be seen as catalytic rather than direct. Attaining convergence would be an achievement of the East London boroughs and their partners in raising the impact of their policies and services for the populations of East London, inspired by the Olympics to do more and better, not a direct consequence of the Games themselves.

### *Aggregation of otherwise fragmented efforts*

In the arena of business and economic development a much greater aggregation of effort and activity is needed. There are too many small organisations and programmes operating with limited budgets and subtle differences in mandates which would be likely to achieve both better outcomes and leadership from integration. In the fields of foreign direct investment, trade and tourism promotion, enterprise and small business development there are a number of organisations and programmes that appear to be duplicative and fragmented. More focussed programming for business and economic development is required if important Olympic legacy opportunities are not to be squandered.

### *A business plan for East London*

Greater clarity is needed on the future economic framework or plan for East London, setting out the anticipated future range of infrastructure, amenities, business clusters, sources of jobs and business development opportunities. It appears to be the case that no "body" has responsibility for producing such an East London Business Plan, despite the fact that many are trying to implement a project or programme that would logically fit within it. Such a plan would usefully articulate:

- Future role of East London in the growth and success of the London, SE and UK Economies.
- The business climate and infrastructure advantages offered in East London.
- The key sectors, business clusters, and assets for the future.
- The business growth and enterprise development activities anticipated.
- The sources of long term job creation.
- The critical opportunities and projects for the next phase after the Olympic Games.
- The role of the Olympics in helping to build the local economies of East London for the next two years.

Elements of such a plan appear to exist in many of the documents and yet no organisation felt it had the mandate or the authority to bring together such a document that could guide programming and investment decisions across and between organisations. Overall, there appears to be no leadership role around the economic development of East London that is able to create and own such a plan, it is not in the job description of any organisation. This might best be a role for the Mayor of London, working with the East London boroughs.

### *Investing in legacy*

There appears to be only a partial awareness and acceptance of the need to continue investment in Olympic amenities and facilities after the Games in order to reconfigure them for post-Games usage. This will be especially true of infrastructure and public spaces as well as amenities such as stadia, media centres, the Athletes' Village etc. This Review did not undertake a detailed assessment of the requirements for continual investment in order to secure optimum outcomes. However, a detailed consideration of this is clearly required. Within the constraints of the current public finance envelope in the UK, this will be challenging to achieve. However, the scale of the re-configuration investment available will substantially shape the scale, pace, and character of the legacy that is achieved. This may need to involve a wider consideration of potential sources of further long term investment such as



the role of the European Investment Bank and the use of other financial tools such as Tax Increment Financing, Business Improvement Districts, Infrastructure Levies, and joint venture investment funds. The use of tax incentives may also appeal in conjunction with other such tools. This Review cannot offer a detailed proposal here but would suggest that a stock take be undertaken on the different arrangements that would yield greatest leverage of external investment.

#### *Post Games usage of Olympic sites and facilities*

Exceptional efforts are already underway to secure long term usages of Olympic venues and amenities after the Games and there is a "no white elephants" policy in place. This is an important imperative, but it also needs to proceed within a framework for achieving an optimum outcome for the Olympic Park and East London overall.

It is essential to both optimise agreements for post games usage, and also to be clear about the longer term framework for development of the Park and to seek "legacy" usage that fits within a longer term and larger framework of planning.

For example, the discussion about the future use of the Olympic stadium is an important issue that will be the subject of global media reporting during the Games themselves. The Stadium is the subject of competing pressures between a sports legacy (its retention as an Athletics facility) and an investment legacy (its adoption by a Premier League English Football Club). Processes are underway to resolve these issues as it is widely understood that any uncertainty about the future use of the stadium can also have a detrimental effect on the future use of other sites and amenities and therefore needs to be considered in this respect also.

The danger of failing to clarify such longer term usages of amenities ranges from poor public attitudes to more difficult investor promotion and project packaging and needs to be viewed in this light.

#### *Outside the Park: The longer term development of the Lower Lee Valley*

There is pressing need to have coherent arrangements for the area outside the Olympic Park in the wider East London area in addition to the Park itself. The development opportunities and the scale of job creation potential are greater outside the Park. Although the work of the LTGDC in some of the areas around the Park and the wider LLV are impressive it is important to provide greater scope and time frame to such arrangement.

Most importantly, the whole of the Inner East London and Lower Lee Valley area needs to be the subject of combined efforts in:

- Social development
- Economic development
- Development planning
- Investment facilitation

As stressed in the forgoing section the danger of asymmetric arrangements is an unbalanced development programme that leads to internal competition or significant skewing of opportunities and resources towards one place rather than another. Capacity for development planning and investment

facilitation, as well as for skilful economic development planning, are in short supply and it is essential to retain capacity over the long term in order to compete the current cycle of development. The new proposal for a Mayoral Development Corporation to combine the areas inside and outside the Park will help to address this imperative.

#### *Clarity about brands and marketing*

Another area where the current arrangements could be strengthened is around the name used for different geographies and the purpose of such naming and identification building. A substantial focus for the future will be the attraction of private investment into East London and this will need to be supported by a clear process of market building and the branding of investment opportunities. In the context the myriad of different names used to describe the same areas seemed to be overly complex and unhelpful in developing a clear investment proposition. The names used include:

- The East End
- East London
- Inner East London
- Lower Lee Valley
- Thames Gateway
- Thames Gateway London

And these are also complemented by the names of the boroughs involved and by areas within boroughs (*e.g.* Hackney and Hackney Wick, Greenwich and Greenwich Peninsular, Newham and East Ham and West Ham, Tower Hamlets and Bow, Waltham Forest and Leytonstone, etc.). At the same time there are names that have evolved as a result of previous development processes such London Docklands.

It is clearly necessary to both preserve historical names, and names of local government units for administrative purposes. However for investment purposes it will be necessary to have some clear agreement about the outward facing names to be used and the brand platform to build around them.

#### *Positioning London*

The Olympic Games is an opportunity to position London as a whole, not just East London. Coming after the recent banking and economic crisis, the Games are an opportunity for London's wider economic positioning. Yet, there was no clear picture of how this is being developed or considered and what is planned before and after the games to position London as a whole

This is important for East London and also for other parts of the city. If East London is to be the place where central London grows next (literally in the cases of Stratford, Royal Docks, and Canary Wharf and Greenwich Expansions) then it is important for there to be a clear picture of London's future growth, so that the role of East London can be fully articulated within that wider framework, The Mayor's London Plan and Economic Development Strategies set out the Mayor's intentions to do this.

### Box 2.1. The Mayor's economic development strategy for London

The Mayor will take full advantage of the opportunity of the 2012 Olympic and Paralympic Games to promote London to the world, working with LOCOG and other key partners.

The 2012 Olympic and Paralympic Games provide a once in a generation promotional opportunity, with potential global audiences of half the planet's population. Before, during and after the 2012 Olympic and Paralympic Games, London's fantastic array of artistic, cultural and sporting assets and events must be showcased. Meanwhile, a huge effort is required so that during the 2012 Games the visitor experience is world class, welcoming, accessible and affordable, with great hospitality, entertainment and attractions, and improved visitor information, as well as excellent logistics, especially in moving visitors and Londoners around.

What the Mayor will do: The Mayor will use the 2012 opportunity to promote London as the business capital of the world, a thriving centre for firms to locate, with a rich pool of talent. Achieving all this requires a strong, strategic, co-ordinated approach, which the PLC will help provide. LOCOG and the city's promotional agencies will work with businesses and boroughs to support this. The Mayor is leading the co-ordination of city operations at the 2012 Games, working with government, LOCOG, the boroughs and London's private sector to ensure the best possible experience for visitors and spectators, and to maximise long-term legacy benefits.

The recommendation here is to pursue this goal as rapidly as possible so as not to miss important opportunities in the run up to the Games.

At the same time, East London's working relationship with central London will become more critical both during the games and in the years that follow, utilising greater connectivity and integration. A clear articulation of the intended Olympic legacy in central London may be essential to help build this working relationship.

#### *Future accelerators*

Many other major projects in East London and the Thames Gateway will be critical to taking forwards and indeed augmenting the Olympic legacy. These include the continued growth of the Canary Wharf estate and its corporate facilities, the Crossrail Project, Ebbsfleet, the London Gateway deep water port development, the London International Convention Centre, expansions in the airport capacity at London City Airport and the growth of the major creative and entertainment initiatives on the Greenwich Peninsular. The Olympics is major project, but combined with these other developments the package of development projects is extraordinary. Given the scale and size of these projects some detailed work on the phasing and sequencing of the various projects is desirable. At the same time some packaging of the projects for external investment purposes is clearly desirable.

#### *Governance dividend and governance reform*

This Review was not seeking to analyse governance arrangements in London but one conclusion was inescapable: there appear to be far too many organisations working with narrow mandates and limited resource bases creating a fragmented picture of East London governance that leads to a lack of leadership and highly visible co-ordination failures. This can lead to significant unnecessary costs in terms of duplication, lack of critical mass, and opportunity costs as more difficult agendas are not adequately pursued.

These ten points are offered a means to strengthen the existing efforts, not as an alternative to them. It will also be important to **"Tell the Story of East London"** very much better. Too many of the organisations involved in the Olympic legacy have partial geographical or sectoral responsibilities

which limit their ability to communicate fully, and with confidence, "the big picture" and "the whole story" of the opportunities and promise of East London. The area has a rich history as a centre for trade, logistics, and production, for hardworking people of exceptional character, for immigration and asylum, for surviving wars, and setting great voyages to sea, and for making lives worth living in ways they would not have been lived otherwise.

It is an extraordinary place by any standards in any city in the world. Intense and rich diversity and energy come together with under-utilised assets and the great catalyst of the Olympic Games. Yet, there are very few examples of the big story of East London's past, present, and future being told in ways which makes sense of the Olympics and place the current moment in a full historical cycle. The absence of this vision leaves a vacuum in which fragmented institutional arrangements lack coherence, and in which leaders with only limited formal competences cannot grasp the full opportunity that is at hand.

It is worth returning at this point to the OECD conclusions from the publication *Local Development Benefits from Staging Global Events*:

*...international events can play a significant role local development and act as a catalyst for local jobs, business growth, infrastructure improvement and community development. Equally, such events do offer exceptional means to connect globally. However, the overriding conclusion is that local benefits only accrue if the event is both well run in its own terms, and if it has a clear local benefit plan which is followed with skill and conviction. This is not easy to do, especially as the preparation for, and hosting of, the event is always a considerable task that distracts from the effort to win local benefits.*

*It should also be observed that hosting international events is only one means to achieve local benefits, and not the primary one. ... Events are expensive and there may be better ways to use the resources. Because events tend to leverage investment from national governments and from private sponsors they can be especially attractive to cities that lack their own investment tools. Events provide a pretext for external investment that might not otherwise exist. But this does not mean that the investment comes free or without opportunity costs.*



**PART THREE:**

**THE ROLE OF EVENTS IN STIMULATING JOB CREATION AND ENTERPRISE  
GROWTH – WHAT LESSONS FOR LONDON?**

## **Introduction**

Hosting international events is already acknowledged to be one way in which cities and nations can attract investment into their infrastructure and land development/urban regeneration programmes. It is also widely acknowledged that events can promote participation in sport and active citizens through volunteering and other civic engagement. Thus, whilst international events such as Olympics, World Cups, and EXPOs are now well known for their urban regeneration and redevelopment effects, can they also be a stimulus for long term enterprise development and job creation? Can they contribute to economic development as well as physical development?

## **The London challenge**

The London Olympic Games in 2012 will have had a profound effect on the regeneration of East London by the time that Games begin in July 2012 (two years from now) but it is not clear whether there is a clear economic purpose in terms of long term job creation and enterprise development. Are there lessons that can be learned from other cities that have hosted the Games on this subject?

In the preceding section of this report, the need for a clearer economic development vision for the London 2012 Olympic Games to provide better co-ordination and shared purpose amongst the organisations involved was a key recommendation. Few of the other Olympic cities have attempted a similar exercise, but many of them have had a more fundamental economic purpose, primary diversification or early stage internationalisation. London's challenges are more complex. London is established as one of the world's leading cities for business but faces greater competitive threats and is recovering from a crisis that it played part in creating (at least by association). East London is both London's available and spare economic capacity and asset base, and also the place with the most severe socio-economic challenges. London wants to retain global strengths and celebrate its economic diversity more substantially, at the same time as becoming a greener and more inclusive city. East London can help London with economic diversification, with the growth of new clean tech industries and the emergence of other strengths in creative industries, media, logistics, aerospace, and tourism. At the same time, East London is critical to London becoming a greener and more inclusive city; it has the biggest concentrations of polluted land and disadvantaged populations. How could learning from other cities help London with that challenge?

## ***Olympic Games, world cities, and economic development***

How far do these events actually contribute to local economic development and job creation? To explore this, the experiences of several events that have been hosted in cities are reviewed, and have looked at the experience with regard to:

- Enterprise and job creation in small businesses.
- Knowledge economy.
- Tourism, entertainment, and hospitality.
- Foreign direct investment and corporate locations.
- Trade development and internationalisation of business base.
- International positioning and branding that supports the growth of markets for the host region and its business base.



- Infrastructure development that supports economic development and job creation.
- Construction jobs and supply chains.

### *Events and economic development - what are the links?*

The approach is designed to assess the links between the event hosting and job creation. Overall the observation is that the critical contribution to local economic development comes because events grow the capacity of local economies, expand their base of customers, investors, and range of markets, and trigger new sectors to grow or emerge. This happens because international events:

- induce infrastructure and construction investment which boosts jobs and supply chains for the short to medium term;
- boost visitor economies which cause short and longer term expansions in logistics, retail, entertainment, hospitality and food/drinks sectors;
- modernise land uses and infrastructures which can enable new sectors and firms to locate and grow, changing the sector mix in local economies;
- create new amenities which attract companies in key sectors (*e.g.* media and broadcast facilities, or science and medicine facilities, or digital capabilities, or event hosting facilities and amenities) and they create amenities which attract new populations to areas that would otherwise not support residential mixed income communities;
- change the image of a location and increase information and understanding of its assets which can contribute to attracting external corporate investment and job creation;
- can also raise aspirations and confidence amongst local citizens and contribute to increased skills amongst local labour forces and their competitiveness in labour markets;
- involve extensive procurement of supplies and services which can boost local entrepreneurship and small business growth if they are successful in accessing contracts;
- attract private sector co-investment (institutional and corporate investment) because they provide rapid value creation opportunities combined with pace and certainty of outcome in an environment of faster decision making.

The following table summarises how such processes have played out in a group of cities that have hosted international events. They are:

Barcelona Olympics, 1992

Atlanta Olympics, 1996

Sydney Olympics, 2000

Turin Olympics, 2006

Beijing Olympics, 2008

Vancouver Winter Olympics, 2010

FIFA World Cup, Cape Town, 2010

Table 3.1. Cities that have hosted international events

Event	FDI	Enterprise & Knowledge Based Industries	Trade	Construction	Infrastructure	Branding	Tourism
<b>Barcelona Olympics, 1992</b>	11 <sup>th</sup> (1990) in ranking of FDI in European centres, rising to 6 <sup>th</sup> (2001) (OECD, 2008) 4 <sup>th</sup> most attractive EU city for corporate investment in 2010.	New Olympic legacy beach front enabled growth of digital district: 22@Barcelona. This has enabled establishment of 1 441 new firms and institutions, including university campuses and hi-tech firms. <sup>1</sup> Major expansion of higher education sector including growth in international students.	Opening up Port and improving El Prat Airport – increased international trade, Barcelona became gateway to Spanish market (OECD, 2008). In 2009, capital of Mediterranean Union conferred.	Major beach front redevelopment. Cultural rejuvenation projects, improvement of town squares. Poblenou residential area. Regeneration of seafront in 1987 (OECD, 2008).	1989 to 1992 - number of roads increased by 15%. Port Opened up city to the sea. El Prat Airport expanded. Railway network reorganised (OECD, 2008). Continuous cycles of improvement since then with further Port, Airport, and fast Train expansion.	Olympics provided Barcelona Brand with global appeal and reach. Became known as an innovative and creative city. City became synonymous with high tech industry.	Olympics expanded visitor economy rapidly. By 2000, number of foreign visitors to city doubled from 1992, 3.5 million per year (OECD, 2008). Tourism plays key role in bringing talent to Barcelona.
<b>Atlanta Olympics, 1996</b>	New role for Atlanta as southern business hub began Pre-Olympics, metro Atlanta - less than 1 000 internationally based companies, now (2010) it has 2 400. Operation Legacy, sponsored by private investment, exposed 400 executives to Atlanta, resulting in USD 400 million in investment.	Georgia Universities rapidly expanded their scientific and business related fields of research and study. International student recruitment increased.	Pre- Olympics, metro Atlanta had only 10 international. Now Hartsfield-Jackson Atlanta International Airport is the second most internationally connected airport in the U.S.	USD 75 million invested in rejuvenation of downtown Atlanta. Centennial Olympic Park development transformed derelict brownfield land into a vibrant new community.	Olympics catalysed the redevelopment of Hartsfield Atlanta International Airport. It gained a USD 300 million international air terminal, a USD 24 million atrium and overall improvements exceeding USD 250 million.	Worldwide Lou Harris Poll - positive perceptions of Atlanta among corporate decision makers nearly doubled after the Olympic Games.	Games put Atlanta on the international map, attracting more visitors than any other Olympic Games. Visitors spent a record USD 14.7 billion in Georgia in 1996, mostly outside the Olympic time period.
<b>Sydney Olympics, 2000</b>	PWC Report (2001) - AUD 288 million new business generated by Australian Technology Showcase & AUD 203 million new business events committed since end of Games	2002 Masterplan - development of Olympic Park – 110 000 m <sup>2</sup> of floor space for commercial development. Increased in 2030 Masterplan. <sup>2</sup> Corporate relocations to the Park underway.	Games resulted in AUD 6.1 billion of international exposure for the business profile of Sydney, NSW and Australia (OECD, 2008).	Extensive land reclamation and decontamination took place to enable the construction of the Olympic Park.	AUD 6 billion of investment was made into infrastructure for the Games and a further AUD 2 billion was invested in upgrading Sydney airport (OECD, 2008).	Sydney Olympics was a very well orchestrated marketing exercise which positioned the city as modern, diverse, open and vibrant.	Much of the AUD 6.1 billion added to the Australian economy came through tourism (OECD, 2008).

<p><b>Turin Olympics, 2006</b></p>	<p>ITP agency established in early 1990s are first FDI agency in Italy. Recruits technology and design companies to fit with diversification of automobile supply chain.</p>	<p>Universities and politecnico seek to promote enterprise and innovation more explicitly and develop multiple initiatives. 2003 – Foundation of Torino Wireless District – targeted development of an internationally renowned ICT cluster.<sup>3</sup></p>	<p>Torino expands trade in design based products and switches modes to include household appliances and wider industrial design based trade.</p>	<p>New focus on Turin as city of film. Museum of Film and Cinema created. City centre renovation and expansion of cultural and entertainment facilities.(OECD, 2008) Gastronomy, wine, chocolate, all developed.</p>	<p>USD 1.023 billion spent on infrastructure improvements, including undergrounding railway lines and high speed train links to European cities (OECD, 2008).</p>	<p>Olympics a chance to rebrand the city from Italy's automotive city to design knowledge based city. A city of Know How.</p>	<p>Build niche urban tourist market based on culture and gastronomy. Change in profile of tourists to "city breakers." (OEC D, 2008) 100 000 – 150 000 tourists in city in year after Games.<sup>4</sup></p>
<p><b>Beijing Olympics, 2008</b></p>	<p>Olympics ensure that Beijing also benefits from China's massive FDI expansion. June 2008 Ernst &amp; Young survey: China now world's most attractive destination for FDI, 47% of votes.</p>	<p>Expansion of Universities and digital infrastructure as part of Olympic preparations. USD 3.6 billion budgeted to transform Beijing into a "digital" city: including broadband and smart cards.</p>	<p>China's trade surplus at record levels. No substantive Olympic impact.</p>	<p>Spending on Olympics added 2.5% annually to Beijing's overall economic growth since 2002. New green spaces three times the size of New York City's Central Park. 37 venues, 22 of which were new with 15 refurbished. More than USD 200 million spent demolishing dilapidated housing and urban buildings, refurbishing 25 historic areas, including Forbidden City.</p>	<p>USD 14 billion of improvements: 5 additional metro lines, contributing over 50 new stations, subway system, light rail system, and constructing and refurbishing more than 318 km of city streets. New airport terminal at Beijing Capital International Airport and extended the toll road to the airport.</p>	<p>Combination of Olympics in 2008 and EXPO in 2010 were designed to position China to the World. Olympics were China's "coming out" party – showcasing China's maturation into an economic and political power.</p>	<p>Major development of tourism to Capital city by Chinese citizens. 2008: 4.4 million overseas and 150 million domestic tourists.</p>

<p><b>Vancouver Winter Olympics, 2010</b></p>	<p>January 2010: Foreign investors poured CAD 11.8 billion into Canadian securities, bringing 12 month total to CAD 111 billion, 7% of GDP.</p>	<p>Commerce Centre hosted 46 business to business programs. 3 197 business people attended and BC firms made 2 072 new business connections. Disney Pixar, Warner Brothers, Sony and Paramount all invited to Metro Vancouver's 2010 Business Program, paired with 160 host companies to give a real perspective of operating in Vancouver.</p>	<p>Estimated additional CAD 10 billion of economic activity as a result of the Games. Just 60 days after the Games, CAD 60 million of business investment realised, 16 months ahead of schedule.</p>	<p>Three 15 000+ stadia upgraded and five new venues constructed. 600 000 square foot Olympic Village to become permanent mixed-use neighbourhood.</p>	<p>Construction of new "Canada Line" connecting Vancouver, airport and Olympic Village. CAD 600 million upgrade of Sea-Sky highway.</p>	<p>Brand positioning: "A vibrant city with a stunning natural environment, and a country shaped by both ancient spirits and the exciting call of tomorrow's possibilities." 1 162 079 followed Games on Facebook. 1.8 million visits to HelloBC.com in February.</p>	<p>Over 1.5 million visitors to Robson Square since opening day.</p>
<p><b>FIFA World Cup Cape Town, 2010</b></p>	<p>South Africa identified as a key emerging market for global investors. 4<sup>th</sup> in survey conducted by the Economist Intelligence Unit for UK Trade &amp; Investment.</p>	<p>Over 1 000 creative industries are already based in the central city of Cape Town with efforts to attract further investment.</p>	<p>The World Cup expected to add 0.5% to South Africa's GDP.</p>	<p>Five of South Africa's football stadiums will undergo major renovations, 5 new stadiums.</p>	<p>R 5 billion building and renovating 10 stadiums, R 5.2 billion on upgrades to country's airports, R 3.5 billion on improvements to country's road and rail network. High-speed rail link between Johannesburg, Pretoria and Johannesburg International Airport.</p>	<p>Exponential growth of the tourist industry is expected as a result of the exposure of the World Cup.</p>	<p>300 000 to 500 000 people expected to visit Cape Town during the World Cup.</p>

***Critical ingredients: How can London build longer term job creation for the 2012 Olympics?***

Ensuring that the hosting of an event is a contributor to longer term job creation and enterprise development will require some ingredients that are different from those required to achieve job and employment outcomes in the short term.

Short term initiatives that boost job creation in construction and event preparation, visitor economy and hospitality, merchandising and supplies for the events itself, can have longer term ongoing benefits if there are sustained additional catalytic projects such as the hosting of other events in a longer sequence, or other major development projects. In the case of London 2012 there are a multiplicity of other initiatives that should contribute:

- London 2012 begins a "decade of sport" for the UK which it is intended will involve the Olympic and Commonwealth Games, several world cups, and a wide range of other international competitions.
- East London will also be the focus of other major developments such as: Crossrail, London Gateway, the International Convention Centre, expansion of Canary Wharf, Greenwich Peninsular, City Airport, and the evolution of the Sustainable Industries Park and Green Enterprise District. There is also the proposal from the Mayor to consider locating a new International Airport to the East of London in Thames Gateway.
- The re-engineering of the Olympic Park for post games usages and the continued redevelopment of inner East London will provide extensive new facilities and amenities to support business development and job creation as well as providing the platform for population growth and income diversification.

These opportunities suggest that there are some important actions that can be taken now to ensure that East London achieves some sustainable job creation from the 2012 Olympics. A clear 10-20 year economic vision of East London is needed in order to make some assessment of the:

- Sector potential of East London and the links with the catalysts (including 2012) that are already planned.
- Potential locations for job growth and enterprise development. A vision of the future spatial economy of East London will help to make critical judgements about the relationships between different business districts and zones. These are rapidly emerging at the moment and there is opportunity to start to provide a detailed distinctive character to the different clusters and agglomerations as they develop and mature.
- A clearer picture of the skills and employability requirements for long term improvement in the rate of employment of East London Residents from local job sources, which will complement local and regional employment opportunities.
- Longer term economic development planning and programming which focus on East London's future in the context of London and the UK, defining East London's contribution to London's success.

As was discussed in the previous chapter, there are many organisations in East London which undertake important elements of the economic development activities, there is no organisation that is

taking a lead on the strategy for economic development and future employment in the area. The Mayor's Economic Development Strategy for London, which has recently been published, provides a good framework for this. It would be important for the Mayor of London, in conjunction with the boroughs and business, to develop a more detailed proposition here. This might logically be done by the GLA in the immediate future and eventually by the proposed Mayoral Development Corporation.

### **Case studies**

The case studies present below demonstrate that longer term job creation and enterprise development can be achieved by international events if there are certain ingredients in place:

- i) A medium to long term economic vision for the area concerned.
- ii) A clear alignment between the various dimensions of event hosting and the sector potential of the area itself, with decisions about "legacy uses" of amenities being influenced by sector opportunities.
- iii) Continued investment in economic development activities and interventions before during and after the Games.
- iv) Continued work to strengthen supply chains and improve competitiveness of the local labour force.
- v) A clear programme of pro-active investment facilitation to attract external investment.
- vi) Continued work after the event itself to animate and "brand" new locations and amenities.

The case studies illustrate several of these ingredients in varying ways.

### **Barcelona and the 1992 Summer Olympic Games**

#### ***Overview***

"Not only did Barcelona react well to the Games, it succeeded in maintaining the growth generated, on a scale never seen before."(Brunet, 2005)

The case of Barcelona represents an example of how a city can redefine itself within a generation. According to a range of established city indexes such as the European Cities Monitor, the Anholt-GfK Roper City Brands Index<sup>SM</sup> and the Mercer Global Quality of Life Index, the city is one of the most improved in Europe over the past 30 years. Most commentators point to the award of 1992 Olympic Games to the City of Barcelona in 1986 as the turning point in the history of the city. A decision was taken by city leaders to use the Games to make a series of cosmetic and more profound changes to the city and establish an economic legacy that transformed the Barcelona from a declining industrial metropolis to a modern and thriving knowledge hub.

#### ***The Barcelona story***

The Barcelona story represents perhaps the most remarkable example of how a city can redefine itself within the space of a generation. Commentators and practitioners worldwide now look to the city for inspiration, best-practice and leadership.



In the 1980s, though, Barcelona was not on the map. It was seen as a declining city that was suffering from the impacts of acute de-industrialisation. By 1986, unemployment stood at 22% and the city's budget was tending towards the red. The end of the Franco regime in 1975 and the first direct election of a Barcelona Mayor in 1979, however, raised the expectations of the city for a brighter, more positive future. In planning and strategy terms, the platform provided by the 1976 General Metropolitan Plan, was critical. It laid out Barcelona's international ambition for hosting events and functions that could generate the type of infrastructural investment required for enhanced competitiveness (Cundy *et al.*, 2004).

In 1986, many of these ambitions were realised when the city was successful in its bid to host the 1992 Olympic Games. The Olympic Games were used to make a series of both cosmetic and more profound changes to the city that would transform Barcelona into the vibrant place it is today. The city's infrastructure and image were modernised, its landscape beautified and its global connectivity enhanced. More recent years have seen the city pursue an ambitious phase of development with confidence, leveraging its high quality of life offer to support a process of positioning as a key European knowledge hub.

### ***Building an economic legacy: Key phases and events***

The delivery of the economic legacy of the Barcelona Olympics occurred in three broad phases which are detailed in the following table. The table illustrates that building a robust post-Games economic legacy in Barcelona was closely associated with the delivery of a robust physical or urban development legacy.

Table 3.2. Three phases of building Barcelona's economic legacy

Phase	Timing	Overview	Detail
Physical or Urban (re)-development	Pre-Games (c. 1986-1992)	The planning and delivery of a new urban platform and expansion of the physical capacity of the city to deliver the Olympic Games successfully and build a strong, knowledge-based post-Games socio-economic legacy.	A total of 61.5% of total Olympic spending was allocated for building work <sup>5</sup> 30% of the city's telecommunications system digitised (Brunet, 1995) 40 000 kilometre fibre optic network completed <sup>6</sup> Sewerage system was extended by 17% Transport network saw a 15% increase in total number of roads. Avinguda de la Diagonal extended to the seafront El Prat Airport enhanced to increased international trade. Beaches and green spaces grew in area by 78% Numbers of ponds and fountains increased by 268%. (Brunet, 1995)
Games delivery and brand building	Games (July, 1992)	The delivery of a successful Olympic Games to a global audience to enhance the city's image and brand and build a post-Games tourism and knowledge-based economy	Games considered a "total success in organisational and sporting terms". <sup>7</sup> The organising committee closed its account in 1993 with a surplus of USD 3 million (COOB, 1992) Main Press Centre 248% largest than Los Angeles 1984 and 64% larger than Seoul 1988 Estimate television audience of 3.5 billion compared to 2.5 billion during Los Angeles 1984 Games (Brunet, 1995). <sup>8</sup>
Socio-economic or social and corporate development	Post-Games (1992 onwards)	The leveraging of the new capacities and capabilities to develop a skills and knowledge-based economy. Innovation and entrepreneurship through targeted initiatives. Upgrade of infrastructures in designated areas.	Designation and development of 22@ Innovation District "Special Infrastructure Plan" delivery in the 22@ Innovation District. Continued support for Barcelona Activa programmes and projects such as Porta22.

### *Economic development legacy impacts: The evidence*

The city's transformation is mirrored by impressive performances across a range of indicators.

#### *Employment*

Since 1986, when unemployment rates stood at 22%, the economy of the City of Barcelona has become robust and is characterised by a dynamic and diversified economic structure. Once an economy built around industries the Barcelona of today is strongly specialised in the service sector, which employs around 84% of the city's workers. Today, industry only employs 10% the workers in the city.

In the short-term, the Olympic Games significantly reduced unemployment. According to Brunet (1995), "the numbers unemployed fell from an all-time high of 127 774, in November 1986, to as low as 60 885, by July 1992, during the Games themselves". Brunet adds that "between October 1986 and August 1992, Barcelona's general unemployment rate fell from 18.4% to 9.6%, while the Spanish figures were 20.9% and 15.5%, respectively".

Over the longer-term, employment rates in Barcelona are strong. Despite a small rise in unemployment during the global recession, in total, there are approximately more than 1 000 000 jobs registered in Barcelona today. The employment rate is close to 75% (the Lisbon goal is 70%); the female employment rate is close to 70% (the Lisbon goal is 60%); and the employment rate for people over 55 is above 55% (the Lisbon goal is 50%). These rates are better than the averages for Cataluña and for the rest of Spain as a whole.<sup>9</sup>

### *Business attractiveness*

Barcelona has performed exceptionally well to rise up the ranks of the European Cities Monitor, which assesses business location attractiveness. Its record high performance of 4<sup>th</sup> in 2009 represents a remarkable rise from 1990 – the first year of Cushman & Wakefield's Monitor – when it was ranked 11<sup>th</sup>. The city first entered the top 10 in 1993, where it has remained ever since, entering the top 5 in 2005 and the top 4 in 2009 after overtaking Brussels.<sup>10</sup> The city's business location ranking rise in the last two decades is the second highest in Europe, after only Madrid (up 11 places to 6<sup>th</sup>).<sup>11</sup> The 2009 study found that the European business community considers Barcelona the city that is doing the most to improve itself and to develop, while the city has also been rated the highest quality living environment for the last two years. (Cushman & Wakefield, 2009)<sup>12</sup> Perhaps related to Barcelona's burgeoning business reputation, the IESE Business School is now rated in the top 12 in the world by the Financial Times, having been ranked 25<sup>th</sup> in 2000.<sup>13</sup>

### *City branding*

Branding is an area where Barcelona has widely-accepted world-class strength. The city's Gaudi architecture, sense of place, fun and culture are all factors in the city performing so well in brand assessments. In the 2009 Anholt-GfK Roper City Brands Index<sup>SM</sup> Ranking, Barcelona was ranked 6<sup>th</sup> in the world, up from 9<sup>th</sup> in its ranking in 2006 (Anholt, 2009). The Saffron European Branding Barometer also identifies Barcelona's strong brand, placing it joint 3<sup>rd</sup> in Europe with Munich out of 72 cities, behind just Paris and London. Saffron also praises Barcelona's brand utilisation rate of 112%, indicating that the city's brand exceeds its real assets. As Saffron states, "Barcelona is the leading example of a city that has got its leaders together and focused on what it wants to be known for by improving its assets and exploiting what it already had" (Saffron, 2009).

### *City wealth*

In a 2007 PwC study of urban GDP, Barcelona is ranked the 31<sup>st</sup> wealthiest city in the world with a GDP of USD 140 billion. The city is projected to fall slightly in relative GDP terms to 42<sup>nd</sup> globally by 2020, but is still expected to exceed the USD 200 billion GDP barrier by then.<sup>14</sup>

### *Tourism*

Barcelona has witnessed an exceptional rise in visitors over the past three decades as it has become a destination of worldwide calibre. In 1981, six years after the end of the Franco regime, tourism numbers remained low at almost 700 000. In 1991, numbers grew steadily to 1.7 million. By 1993, a year after the Barcelona Olympic Games, 2.5 million tourists visited the city. Between 1991 and 2003, the average number of tourists visiting the city doubled. These figures were matched, between 1996 and 2003, by a 4.3% growth in hotel accommodation. From 1998 to 2002 alone, there was an increase of more than 40% in the number of cruise ship visits to the Port of Barcelona.<sup>15</sup>

Growth in air passengers has also been impressive. In 1977, the city's main airport handled 5 million passengers, with that figure reaching almost 33 million in 2007, amounting to an exponential

650% increase.<sup>16</sup> This compares to a 330% increase over the same time period at London Heathrow.<sup>17</sup> In 1990, Barcelona recorded 1.7 million visitors, placing the city only 13<sup>th</sup> in Europe. By 2005, that figure had more than tripled to 5.5 million, placing the city fourth in Europe.<sup>18</sup>

#### *FDI attraction*

Barcelona came 38<sup>th</sup> globally for attracting greenfield FDI projects between 2003 and 2006, a strong performance, ahead of the likes of Amsterdam, Toronto and Frankfurt (Loco Monitor, 2007).

#### *Affordability*

Despite its high rankings across a range of indicators, Barcelona is not one of the most costly cities to live in. Mercer's Cost of Living studies have placed the city 31<sup>st</sup> in both 2007 and 2008, alongside Rio de Janeiro and Stockholm, but well behind comparable cities such as Milan (10<sup>th</sup>), Paris (12<sup>th</sup>), Sydney (15<sup>th</sup>), Rome (16<sup>th</sup>), Vienna (19<sup>th</sup>) and Madrid (28<sup>th</sup>) (Mercer, 2008). Similarly, in UBS' 2009 Prices and Earnings Survey, Barcelona is only the 25<sup>th</sup> most costly city when rent is factored in.<sup>19</sup>

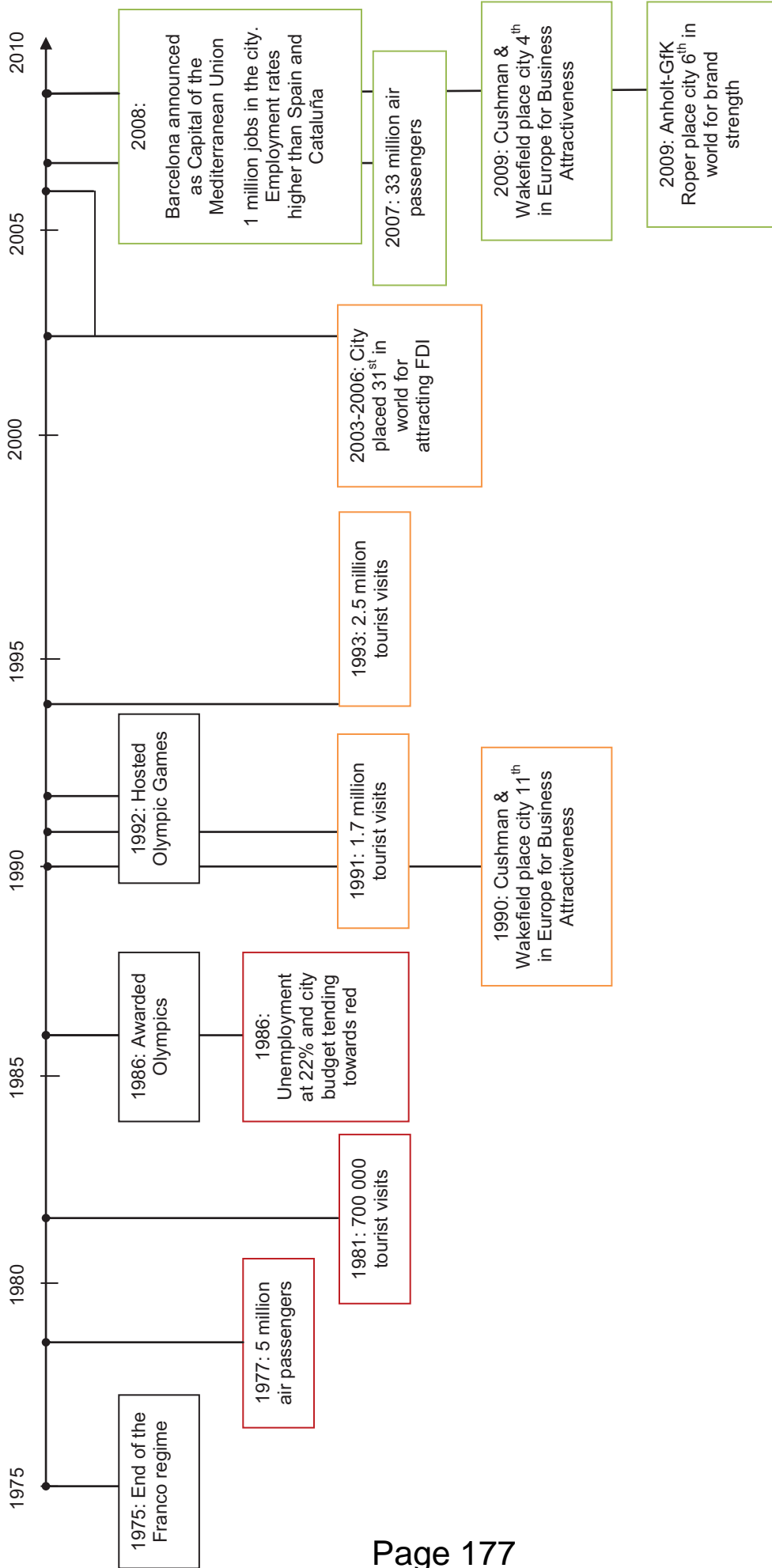
#### *Quality of life*

In the Mercer Global Quality of Life Index 2008 and 2009 Barcelona was placed 42<sup>nd</sup> in position. It is one of only two Spanish cities in the top 50, and is considered to have a higher quality of life than Madrid, New York and Seattle.<sup>20</sup>

#### **Conclusions**

Very intentionally, Barcelona's leaders were able position the Olympics Games as a city project, but also a *citizen's* project. Since then, this philosophy of a city by the people and for the people has underpinned Barcelona's development efforts. It is a key component of the city's post-Games economic legacy success. Indeed, as the local development agency 22@ Barcelona suggests, the Olympic Games catalysed urban innovation in the city, which gave way to corporate innovation which is giving way to social innovation. This mirrors quite neatly the three phased approach to Barcelona's economic development legacy as outlined earlier in this section. The city's current Mayor, Jordi Hereu, is also clear on how Olympic Games can induce a deep and beneficial form of local economic development if it is approached in a smart and people-centred fashion. "I believe", he suggests, "that every Olympic city should look beyond the sports event itself and use it as a springboard to design forward-looking development strategies. It is therefore vital to engage with the public and with all the sectors involved in the city's economy in order to ensure that the project is successful".<sup>21</sup>

Figure 3.1. The Barcelona economic development timeline



## Turin and the 2006 Winter Olympic Games

### *Overview*

"Today, investing resources and human capital in Torino, in its metropolitan area, in Piemonte, means betting on a territory that has always known how to take advantage of difficult moments and periods of crisis, and that each time has improved its position on the world's map and redefined its role." (Urban Centre Metropolitan, 2010).

The transformation of Turin from the declining industrial powerhouse of Italy to a thriving European metropolis represents one of the continent's most impressive examples of urban regeneration and rebranding at the city scale. The 2006 Winter Olympic Games undoubtedly marked a turning point for the city. By accelerating the physical development of Turin, the Olympics created a platform for the city to promote itself as a cultural hub and a city of design and technology, creative businesses, engineering and science. As well as supporting a change in the city's image, new transport infrastructures made Turin much closer to the centre of Europe and much more attractive to new firms and talented workers. The result was profound and it was felt by the people of Turin as well as the Turin economy. Steadily the economy diversified and deepened, aligning it much more closely to a knowledge hub than the manufacturing city it had always been perceived as.

### *The Turin story*

Though the 2006 Games undoubtedly marked the turning point, the Turin story began much earlier.

Traditionally the industrial jewel of Italy, the city suffered acutely when its factories began to close in the late 1970s. As unemployment rose and the urban landscape degraded, the region's self perception also began to change. The people of Piedmont convinced themselves that they had lost their identity. Far from challenging this perception, the evidence supported it. Research showed that the city was seen as "grey", "automotive-focussed" and "dry" by outsiders - all visions which were at odds with attracting investment and bolstering civic pride, which are cornerstones of urban competitiveness.

From the early 1990s, when unemployment stood at 12-13%, Turin's leaders were forced into action. As a result, the city began "a process of deliberation about its identity, new directions of growth, and a vision for the future. It was hoped to reposition the city both nationally and internationally, and to present it as a European regional capital."<sup>22</sup> The inauguration of Turin's first directly elected Mayor in 1993 gave the city the necessary political stability to plan for the longer-term, balance its books and begin to deliver a comprehensive transformation from "one company town" status to knowledge city. As Paolo Verri, Director of Torino Internazionale puts it; however, "the most important transformation for the people of Turin was about their identity" (OECD, 2008).

Spurred on by the award of the Winter Olympics in 1999, and guided by the city's Strategic Plan of 2000, the first of its kind in Italy, the city began to make a series of symbolic and practical adjustments. As well as taking steps to internationalise and reposition itself as a regional hub and focus for investment; the city also spent USD 1.02 billion enhancing its infrastructure compared to USD 523 million constructing sporting facilities for the Olympic Games itself (Bondonio *et al.*, 2006).

This consolidation and enhancement of the physical platform of the city, together with the work undertaken to strengthen and promote the city's brand supported Turin's next phase of development in a very effective way. Though the Winter Olympics was essential to building and launching Turin's new brand, the city authorities saw the event as the starting point of a much wider and more long-term economic strategy to bring about positive change. Beyond 2006, the city worked strategically to maximise the socio-economic legacy benefits of the Olympics. For instance, it continued to reinforce



its new international brand, emerging business sectors and growing visitor economy with a) the hosting of a number of international events (such as Euroscience Open Forum and the XXIII World Congress of Architecture; b) the enhancement of its international connectivity (opening of the new Porta Susa Rail Station and high speed connection to Milan in 2009);<sup>23</sup> and c) the consolidation of its cultural infrastructures and amenities (the new museum and exhibition area of the ReggiadiVenariaReale is opened in 2007, the Automobile Museum re-opened in 2008 and the Spina 2 area for cultural amenities is set to open in 2011).

Even given the global financial crisis, by the early part of 2010, Turin's development trajectory is positive. The city is emerging as a genuine European metropolis with strengths in a number of sectors but is perhaps now best seen as a centre for culture, design, creativity and visitors.

### ***Building an economic legacy: Key phases and events***

Similar to Barcelona, the Olympics played a key role in the economic transformation of Turin. Much like Barcelona, though perhaps less distinct, development can be seen to have been phased. Three phases can be identified, which are illustrated and evidenced below. Whereas the award and hosting of the Games in Barcelona initiated and accelerated urban change in the city, the Olympics catalysed many a transformation that was already underway. This is not to downplay the role the Winter Games in 2006 played in the economic development in Turin. Indeed, it is recognised by commentators within and outside Turin to have been fundamental, particularly for the international projection of the city's new brand. It is more accurate to see the Olympics as the pinnacle of a wider and more long-term process of economic development guided by the 2000 Strategic Plan for Turin. Once again, it is important to note the absolute requirement that is the delivery of the necessary infrastructures to support the post-Games economy. For Turin, perhaps more than Barcelona, this hard urban development phase is ongoing, with major projects such as the delivery of high speed rail connectivity to Milan and Lyon.

**Table 3.3. Three phases of building Turin's economic legacy**

<b>Phase</b>	<b>Timing</b>	<b>Overview</b>	<b>Detail</b>
Physical or Urban (re)-development	Pre-Games (1999-2006)	The planning and delivery of a new urban platform and expansion of the physical capacity of the city to deliver the Olympic Games successfully. Cultural infrastructures also developed to support the evolution of a strong, culture, technology and tourism-based post-Games socio-economic legacy.	Turin Strategic Plan launched in 2000 USD 1.02 billion enhancing its infrastructure compared to USD 523 million constructing sporting facilities (Bondonio <i>et al.</i> , 2006). Attraction of European School of Business to the city in 2004 Line 1 of the Subway opens connecting two main stations in the city
Games delivery and brand building	Games (February 2006)	The delivery of a successful Olympic Games to a global audience to enhance the city's image and brand and build a post-Games tourism and knowledge-based economy	3 billion TV audiences during the Olympics (compared to 3.5 billion Barcelona 1992 Summer Olympic Games). A record 2 508 athletes from 80 National Olympic Committees (NOCs). <sup>24</sup>
Socio-economic or social and corporate development	Post-Games (2006 onwards)	The leveraging of the new capacities and capabilities to develop a culture, visitor and knowledge-based economy. Degree of continued upgrading of major infrastructures at the city-wide scale.	Torino Olympic Park incorporated to manage the post-Olympic patrimony and valorise the venues and structures 3 million visitors to museums (2006; +170% 2000-2006) 4.75 million tourists in Torino and mountain valleys (2006; +65% 1997-2007) Torino is the first World Design Capital in 2008 Urban Centre Metropolitan (2010)



## *Economic development legacy impacts: The evidence*

### *Economic productivity*

A report published shortly after the Games ended suggested that the "Olympic Games effect" would boost regional GDP. It foresees the Games stimulating an "average annual increase in GDP of just under 3% for the Piedmont and 0.2% for Italy" which are "particularly significant given the low rate of growth in Italy's economy over the past few years" (Bondonio *et al.*, 2006).

### *Jobs and employment*

In broad terms, employment in Turin has vastly improved since the mid 1980s. In 1991, the unemployment rate stood at 12.4%. In 2008, the unemployment rate was measured at 12.4%.

Despite the strength of the city's development trajectory before 2006, it is undeniable that the Olympic Games contributed towards these encouraging statistics. In 2009, PricewaterhouseCoopers reported the preparation for Games created a significant number of jobs. Between 2001 and 2004, between 4 000 and 5 000 jobs were created year which approximates to 18 000 new jobs during this period alone (PWC, 2009). At its peak, the Turin Olympic Games Organising Committee (TOROC) reported 1 828 employees. A post Games analysis of the economic impact of the Olympics by Bondonio and Campaniello reported that: "For every million Euros spent, approximately 21 full time jobs should be created in the Piedmont each year, projecting an approximate average total of 54 000 new jobs per year and an increase in employment of 2.8%." The sectors to experience the greatest number of new jobs (in descending order) include the construction, commerce, and hotel and restaurant sectors (Bondonio and Campaniello, 2006). These statistics highlight the emergence of Turin as a visitor centre in its post-Olympic Games development phase.

### *Skills agenda*

The skills agenda in Turin centres on the city's growing higher education (HE) offer. To a large extent this growth reflects the broader shift of the city's economy from manufacturing towards knowledge which is accompanied by a decline in the demand for "manual skills" and a rise in the demand for "softer skills". In line with its strategy to enhance its HE offer, the city succeeded in encouraging the European School of Business to Turin in 2004. After months of lobbying, the Business School selected Turin as its new fourth campus, joining existing campuses in Madrid, London and Paris. As well as reinforcing the Turin's brand as a high quality education provider galvanise public and private sector relationships in Turin, this coup has ensured the steady production of skilled labour to the city and support its burgeoning tertiary sector.

According to Roberto Quaglia, the Managing Director of the Turin Campus, it has focussed aim of "delivering knowledge" to Turin its businesses by attracting and retaining high quality students, and by producing knowledge workers. Indeed, through the complete portfolio of its management programmes, the School has already trained around 2 000 managers of which 50% return to Italy after three years should they in fact choose to leave. In addition, the European School of Management has a very effective means of ensuring a good balance between the supply of talent and the demand of employers. The School's Corporate Committee, for instance, continually redesigns the curricula in a demand driven way to reflect the skills firms require. The School's Placement Office works with HR departments to place students effectively – 95% of the School's students sign a contract for employment before leaving.

There are also other ways in which the HE sector has grown in the post-Olympic era in Turin. Indeed, the Olympic infrastructure itself has been recalibrated to support the skills agenda in Turin. For instance, villages built to accommodate the 10 000 reporters resident in the Piedmont area during the Games have "almost all been converted into university campuses for students living outside Turin".<sup>25</sup> Perhaps the other most significant factor in the growth of the HE sector is the broader

increase in attractiveness of the city as a result of the Games. According to Quaglia, the "Olympics had a very positive effect on the city and therefore on the attractiveness of the Turin Campus to current and prospective students" (Quaglia, 2010). The Olympic investment in infrastructures; housing, offices and commercial sites; sports facilities; and environmental infrastructures came to a total of USD 2.208 billion (Bondonio and Campaniello, 2006). This investment constructed a physical platform on which a constructive socio-economic legacy and skills agenda could be built.

### *Innovation and entrepreneurship*

There are a number of factors which combine to promote innovation and a growing spirit of entrepreneurialism in Turin. Taking into account the city's renewed sense of identity and pride (an intangible often seen as necessary catalyst for enterprise), the Olympic Games also delivered the necessary physical platform for the growth of SME businesses. As already highlighted, Turin spent USD 1.02 billion enhancing its infrastructure compared in preparation for the Games outside the capital spent on its sporting infrastructures. So, in essence, over USD 1 billion was spent to enhance Turin's post-Games prospects (Bondonio and Campaniello, 2006).

Given the footloose nature of entrepreneurship, quality of life is essential to attract and retain the talent which drive the ideas, innovation and energy required to develop a strong entrepreneurial spirit in a city. In this way, Turin's focus on cultural infrastructure, combined with the environmental improvements which were made to the city as part of the Olympic investment programme, has been essential. Building on this, Turin also addressed the specific infrastructure requirements for innovation and entrepreneurship. For instance, in 2003, the Torino Wireless District was formed as the city sought to develop an internationally renowned ICT cluster.<sup>26</sup> Indeed, Universities in the Torino Wireless district work with over 1 500 companies to facilitate SME growth.<sup>27</sup> The preparation of the Games also galvanised the delivery of a high-speed rail link with Milan and an optical-fibre network linking all of Turin's urban and provincial areas, both of which help to foster a healthy environment in the city for business and entrepreneurship.

### *Visitor economy*

Amongst others, Turin's visitor economy has been a significant beneficiary of the 2006 Winter Olympic Games. According to Deputy Vice President of the Turin Olympic Organising Committee (TOROC) Evelina Christillin, since the Games, "conference tourism is continually increasing and tourism linked to sport, culture and free time activities has witnessed a steady and positive trend in growth".<sup>28</sup> Specifically, this growth is driven by an increase in particular of "city-breakers". In the lead up to the Games the "realistic scenario" for hotel bed night increase in the city by Tourism Torino was 1.6 million in 2001 to 2.2 million in 2006 to 3.0 in 2011.<sup>29</sup> According to Piemonte Tourism in June 2009: "From the year 2000 to the present day Piemonte has seen an increase of 43% of stable tourists and over 37% of arrivals, showing a trend well above the national average... 2008 has again confirmed this trend, bringing us – with 11.5 million overnight stays – to exceed the Olympic year record and become a case history at the international level."<sup>30</sup>

To support this growth various investments were made throughout the city and beyond from enhancements to ski resorts, public transport improvements and marketing. As well as supporting the marketing effort, the Games catalysed the construction of hotel space. Between 2000 and 2005, the region's accommodation capacity increased by approximately 15%. These 162 000 beds comprised of increases of 16% in one- or two-star establishments; 36% in four-star hotels; 217% in five-star hotels, and as many as 820% in bed and breakfast accommodation (B&B). In the same time period, the number of five-star hotels increased from four to seven and the number of B&Bs from 239 to 3 126 (Bondonio and Campaniello, 2006).

### *Cultural infrastructures*

The cultural sector is perhaps where the legacy of the Games has been exploited to nearest its maximum potential. Since the mid-1990s and accelerated by the award and hosting of the Olympic

Games the city's already impressive cultural endowment has been deepened and made more diverse. An ambitious programme of renovation, rebuilding and construction has seen Turin's cultural sector strengthen considerably over the past 15 years. The renovation and re-opening of five theatres and eight museums kick started the city's cultural resurgence.<sup>31</sup> In 2006, a total of 3 million visited the city's museums, a figure up 170% compared to the 2000-2006 average. Momentum behind the cultural resurgence of the city, which supports its growing visitor economy and reinforces its brand continued to build years post-Games. The next landmark cultural project, the Spina 2 area for cultural amenities, is set to open in 2011.

### *Branding*

In an interview with the International Olympic Committee in the month following the Winter Olympics, Elda Tessore, the City Council representative responsible for the Games, said "before, no one in the world knew where Turin was. We had to say: think of Europe... northern Italy... close to Milan... But now we can just say: Torino!"<sup>32</sup> In another post-Torino 2006 study, 93% of respondents from within Turin described the event as "very positive" for the city's international profile. This compared to a figure of 80% recorded before the Games, showing that the perceived boost to the Turin brand was even bigger than expected (Bondonio and Campaniello, 2006).<sup>33</sup> The International Olympic Committee publication summed up the situation well stating that its President Jacques Rogge praised the Games as "truly magnificent" and "perhaps the most remarkable in Winter Games history".<sup>34</sup> Of the closing ceremony, it commented that "the athletes were cheering and dancing and thousands of spectators in the Stadium, as well as over a billion TV spectators around the world, enjoyed a truly spectacular show".<sup>35</sup>

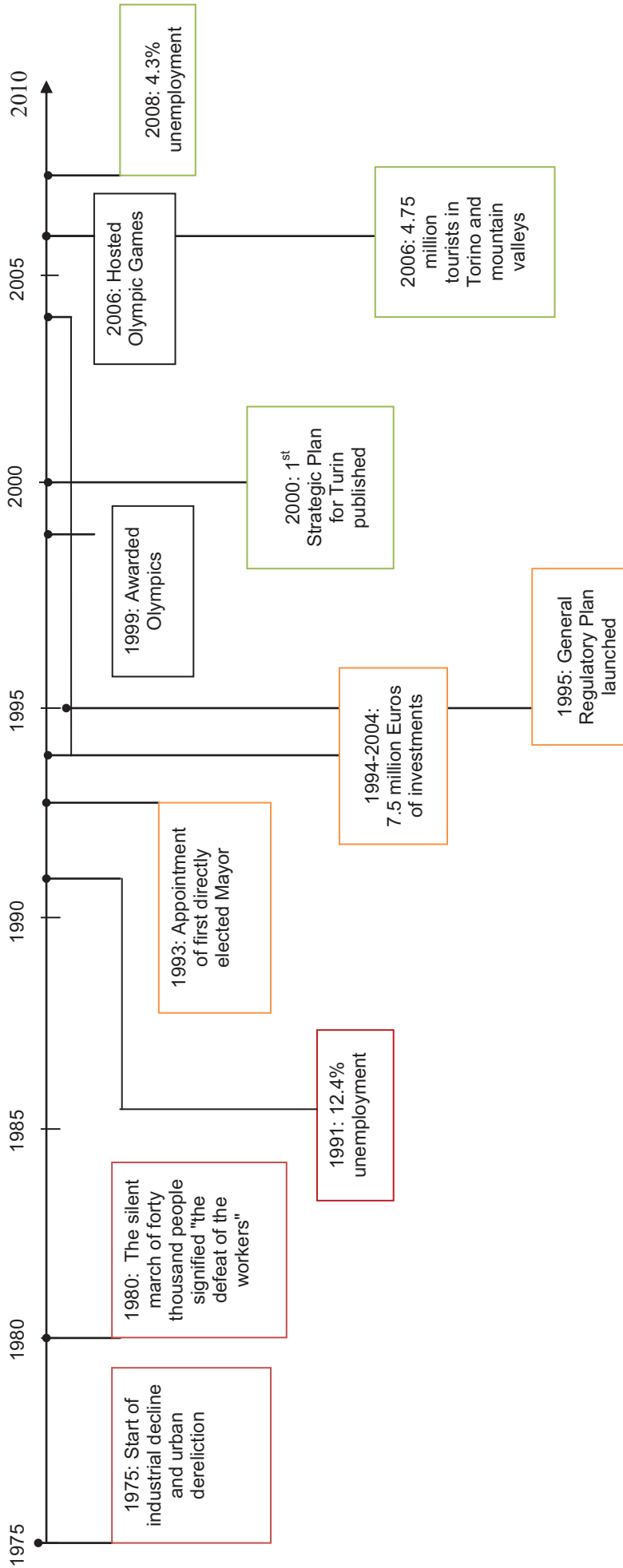
### *Conclusions*

Without doubt, the Olympics facilitated the transformation of Turin from one company town to a knowledge city where "the ideas, skills, and creativity inherited from its industrial past form the new locomotives of sustainable economic growth".<sup>36</sup> Many commentators of the Games see the Turin Winter Olympics as beginning "its renaissance" allowing the city to reclaim its position "among the marvels of Italy" (UCM, 2010). In fact, this transformation, as has been discussed, began much earlier than the award of the Games in 1999. Never the less, the Games did provide city planners, policy makers and practitioners with the necessary focus to craft and deliver comprehensive change in Turin. In short, the Games acted as a catalyst for transformation, the pinnacle of it and the opportunity to announce to the world Turin's resurgence.

Specifically, and in line with the keynote 2000 Strategic Plan, the Olympics accelerated the implementation of the physical platform required to build a successful socio-economic legacy. Its physical and virtual connectivity with the rest of Europe and beyond was enhanced with fibre-optic cabling and new high speed rail links. Its cultural offer has been improved with new museums, open spaces and investment in the tourism industry. Finally, the city has been rebranded as an emerging knowledge hub, an image which is supported by the growth of the HE sector. As Turin's Urban Centre Metropolitan concludes "the Olympic Games were the chance to change its perception from an industrial city to a vibrant centre of contemporary art, music, cinema, fashion and design".<sup>37</sup>

So successful has the global event strategy been in Turin that it has reinforced the success associated with the Olympics with other events such as the XXIII World Congress of Architecture in 2008 and the EuroscienceOpen Forum in 2010. In 2011 the city will celebrate the 150th anniversary of the Reunification of Italy.<sup>38</sup> As Paolo Verri, Director of Torino Internazionale puts it "hosting these attractive large events will confirm and reinforce Torino's capacity to organise and to look ahead, a capacity that unites and renews the city's industrial tradition without denying its past".(OECD, 2008)

Figure 3.2. The Turin economic development timeline



## Sydney and the 2000 Summer Olympic Games

### *Overview*

"The direct impact of investment and visitation is clear if short-term, but the broader benefits would be proven in the longer term, providing a platform for the nation's corporations to excel and provide a showcase for a city region to attract inward investors." (Tibbot, 2001)

The Sydney Olympic Games of 2000 were described by the International Olympic Committee (IOC) as an "exceptionally well-organised" and a "true celebration of Olympic values and sporting excellence".<sup>39</sup> It is around precisely these conclusions that the economic legacy of the Games for the City of Sydney has been built. The combination of the world class standard to which the Games and associated projects were delivered together with the global audience in front of which the event took place has expanded economic capacity of the city considerably. Specifically, according to Tibbot, "the Olympics help[ed] to create a more competitive economic attitude in Australia, and it is the benefits that are being generated by this that will outweigh and outlast other factors" (Tibbot, 2001).

### *The Sydney story*

Situated in one of the world's most impressive natural harbours, the City of Sydney is "Australia's iconic face to the world – its international flag bearer."<sup>40</sup> After years of successful development planning and delivery, together with the positive impact of the 2000 Olympics, the city is now classified as an Alpha+ city and sits in the same peer groups as Tokyo, Beijing and Shanghai.<sup>41</sup>

Unlike many global event hosting cities, Sydney had little requirement to use its Olympics Games to fundamentally transform its future. It was already reasonably globally successful, home to a growing Financial Services hub, a strong Higher Education cluster, as well as a high quality of life offering with its beaches, annual average of seven hours of sunshine a day and dynamic, outdoor-orientated culture. None-the-less, the Games was still designed to deliver an effective economic legacy which would catapult the city towards international competitiveness and success.

Though there are others, the central theme of the legacy left by the Sydney Olympics was the way in which the private sector was engaged to support its delivery. In the short-term, the delivery of the Games generated outstanding practical know-how around efficiency, project planning and implementation. The 20 to 30 companies such as Lend Lease and Westfield which collaborated with the public sector in the run up to the Games helped to establish Sydney as world famous for the near-perfect staging of Olympic Games. Over the longer-term, Sydney and its companies were able to leverage this new reputation to enhance the city's international trade performance, generate new job opportunities and strengthen Sydney's position in the global economy.

Even before the Olympics were awarded to Sydney in September 1993, legacy opportunities were being considered. The bid for the 2000 Games was orchestrated by the Sydney Olympic Bid Committee (SOBC), a "powerful consortium of some of Sydney's most influential private and public sector actors".(Owen, 2001) This established the private sector as central to the delivery of the Games and its legacy. This entrepreneurialism continued after the award of the Games. The Olympic organising authorities, namely SOCOG, OCA, SPOC and ORTA, were "all statutory corporations with representatives from both the private and public sectors" (Owen, 2001). As Owen concludes, "the influence of the private sector and their entrepreneurial, capitalist principles was thus very strong in the organisation of the Sydney Games".

The innovative, entrepreneurial and professionalism ethos that private sector involvement brought to the Games pervaded the entire Sydney approach to its delivery, and explains to a large extent why the Olympics was described as "exceptionally well-organised" following the closing



ceremony by the IOC.<sup>42</sup> The public private collaboration in the delivery and operation of Olympic infrastructure in Sydney provides an excellent example of the effectiveness of this arrangement. For instance, the Mirvac Lend Lease Consortium built and operated the Athletes' Village, with the State Government providing AUD 63.8 million as a construction contribution (Owen, 2001). With the successful delivery of this project on the Lend Lease corporate CV, the company has won many more contracts, including that of building the London 2012 Athletes' Village in Stratford.

The successful delivery of the Games to a global audience through this highly effective public-private approach is a story which has resonated globally. When combined with established advantages of the city such as its connectivity, quality of life and relative lack of continental competition, the Sydney offer has been an attractive prospect for multi-national companies, tourists and talented individuals alike. According to the City of Sydney, as well as being home to "almost half of the regional headquarters of multi-national corporations in Australia", Sydney has become a positive model of openness with half of all international visitors and two-thirds of international business visitors to Australia spending time in the city.<sup>43</sup> In addition, Sydney is a net receiver of migrants from other cities across Australia and more than 40% of the city's workforce was born overseas.<sup>44, 45, 46, 47</sup>

In conclusion, the hosting of the Sydney Olympic Games reinforced the city's strong development progress by generating and exporting expertise around the excellent delivery of mega events whilst projecting the other advantages of the city to a global audience. The Sydney of today is the economic heartbeat of its metropolitan area and nation as a whole, estimated to have generated USD 80 million in 2007-2008, which represented over 30% of the GDP of the metropolitan area and 8% of national GDP.<sup>48</sup> Though particularly well-known for its world renowned tourist attractions which support a healthy visitor economy, Sydney's economy as a whole is diverse, productive and successful at a global level. Its near 20 000 businesses which provide jobs to 1 in 12 Australians make up 20% of Australia's finance sector, 13% of its Information, Media and technology firms and 11% of its Creative and Performing Arts capacity.<sup>49</sup>

### *Economic development legacy impacts: The evidence*

#### *Economic productivity and employment*

In a report published by the New South Wales Treasury prior to the Games, a number of scenarios were presented for the impact of the Olympics on the New South Wales economy. During the Games construction period of 1994 to 2000, gross state product (GSP) is projected to rise by over 0.5% per year in an average year during this period.<sup>50</sup> In the Games year an AUD 1.7 billion boost to the GSP was expected.<sup>51</sup> Over the longer-term, as the table below confirms, the annual impact of the Games to the State economy was predicted to measure AUD 400 million each year between 2001 and 2006.<sup>52</sup> The table also shows how the impact of the Olympics was predicted to resonate beyond the State to the National level.

**Table 3.4. Economy wide impact of the Sydney Olympics - central scenario, annual average by period**

		Gross Domestic Product (AUD 95/96 million)	Real Household Consumption (AUD 95/96 million)	Employment (annual jobs)
Pre-Games (1994/95-1999/00)	NSW	750	350	10 100
	Australia	775	275	11 100
Games year (2000/01)	NSW	1 700	350	24 000
	Australia	1 550	525	29 400
Post Games (2001/02-2005/06)	NSW	400	375	3 000
	Australia	425	750	400

The table also gives an insight to the State Government's predictions of the impact of the Games on the labour market. With most jobs created in the construction sector in the pre-Games period of

1994 to 2000, it was expected that 11 100 jobs would be created per year. This increased to 24 000 during the year of the Games and fell to 3 000 during the post-Games period of 2001 to 2006.<sup>53</sup>

#### *Foreign direct investment and trade*

As has been explained, one of the strongest impacts of the Olympic Games has been reputational enhancement of the businesses involved in its delivery. The quality with which they operated put Australian business and Sydney as a city of business on the map. The New South Wales Government predicted that pre-Games, Games and post-Games investment into the State would increase by 1.35%, 0.09% and 0.1% per annum respectively.<sup>54</sup> At the same times, exports would increase by 0.71%, 5.76% and 0.22% respectively.<sup>55</sup> In reality, the State received a Games-related injection of over AUD 1.2 billion worth of convention business between 1993 and 2007 with AUD 203 million of new business events committed since the Games. A 2001 PricewaterhouseCoopers report measured the total business investment related to the Games at AUD 600 million in new business investment (OECD, 2008). As has already been stated, the city's private sector environment is becoming increasingly internationalised. According to the City of Sydney, as well as being home to "almost half of the regional headquarters of multi-national corporations in Australia", Sydney has become a positive model of openness with half of all international visitors and two-thirds of international business visitors to Australia spending time in the city.<sup>56</sup>

**Table 3.5. Impact of the Sydney Olympics - central scenario, annual average by period**

(Percentage change above base)		Investment	Exports	Consumer Price Index
Pre-Games (1994/95-1999/00)	NSW	1.35	0.71	0.04
	Australia	0.51	0.14	0.04
Games year (2000/01)	NSW	0.09	5.76	0.53
	Australia	0.02	1.43	0.33
Post Games (2001/02-2005/06)	NSW	0.10	0.22	0.29
	Australia	0.25	-0.27	0.30

#### *Branding and exposure*

Given the city's exceptional assets, Games related or not, the role of the Olympics to clarify and project the Sydney brand to a global audience had a major impact on the city post-2000. In fact, Sydney 2000 set a number of records in relation to international exposure. The Olympics was broadcasted to 3.7 billion viewers in 200 countries (600 million more than Atlanta 1996) by more than "12 000 television network personnel from around the world were headquartered in the 70 000 square-metre International Broadcast Centre".<sup>57</sup> In addition, the Games were attended by "more than 24 000 members of the media, double that of Barcelona 1992".<sup>58</sup> At the same time, "the official site handled unprecedented Internet traffic of more than 11.3 billion hits", peaking at 1.2 million per minute.<sup>59</sup> The excerpt from *El Pais* shown below is illustrative of the positive nature of the coverage.

In 2001 PricewaterhouseCoopers claimed the Games resulted in AUD 6.1 billion of international exposure for the business profile of Sydney, New South Wales and Australia (OECD, 2008). Influenced by the success of the Games, by 2009, the Sydney brand was described as one of the strongest internationally. According to the 2009 Anholt-GfK Roper City Brands Index<sup>SM</sup> Sydney's brand is ranked the 2<sup>nd</sup> most powerful in the world.<sup>60</sup>

#### *Visitor economy*

On the back of the success of the Games and the projection of the Sydney brand worldwide, the visitor economy in the city experienced a post-Games boost. PricewaterhouseCoopers measured the over AUD 6 billion in inbound tourism spending during 2001.(PWC, 2001) On the Olympic Park itself, which has been rebranded and recalibrated into a business hub and green space, tourist visits have grown steadily from 4.7 million in 2000 to over 8 million in 2006. This has been supported by



the use of the Telstra Stadium to host large-scale events. In 2006, nearly 1.2 million attended events at the stadium (SOPA, 2007).

### *Quality of life and environmental quality*

To support the growth of the post-Games economy by making the city more attractive to domestic and foreign knowledge workers, AUD 320 million was spent improving Sydney's CBD through the widening of footpaths, improving lighting and enhancing cultural infrastructure. For the same reason, a number of other improvements were made to raise the environmental quality of the city. At Newington for instance, a new estate built to house athletes during the Games, was converted into homes for 5 000 residents, comprising of 930 apartments and 1 100 houses.<sup>61</sup> Sydney's standing for quality of life across a range of indexes is now impressive. The city is rated in the top ten in the world by the 2008 PNYC/PwC Cities of Opportunity - Lifestyle Assets index, the 2009 Mercer Human Resource Consulting "Quality of Living Survey" and the 2009, Forbes - Top 10 Happiest Cities in the World index<sup>62, 63, 64</sup>

### *Business infrastructure and environment*

To deliver the Games, AUD 8 billion of investment was made into a broad set of Olympic infrastructures. For instance, AUD 2 billion was invested in upgrading Sydney airport to expand its capacity.(OECD, 2008) One of the most poignant illustrations of how Sydney used the Olympics to create an environment with the necessary infrastructure and hygiene advantages to attract and retain businesses is that of the Olympic Park itself.

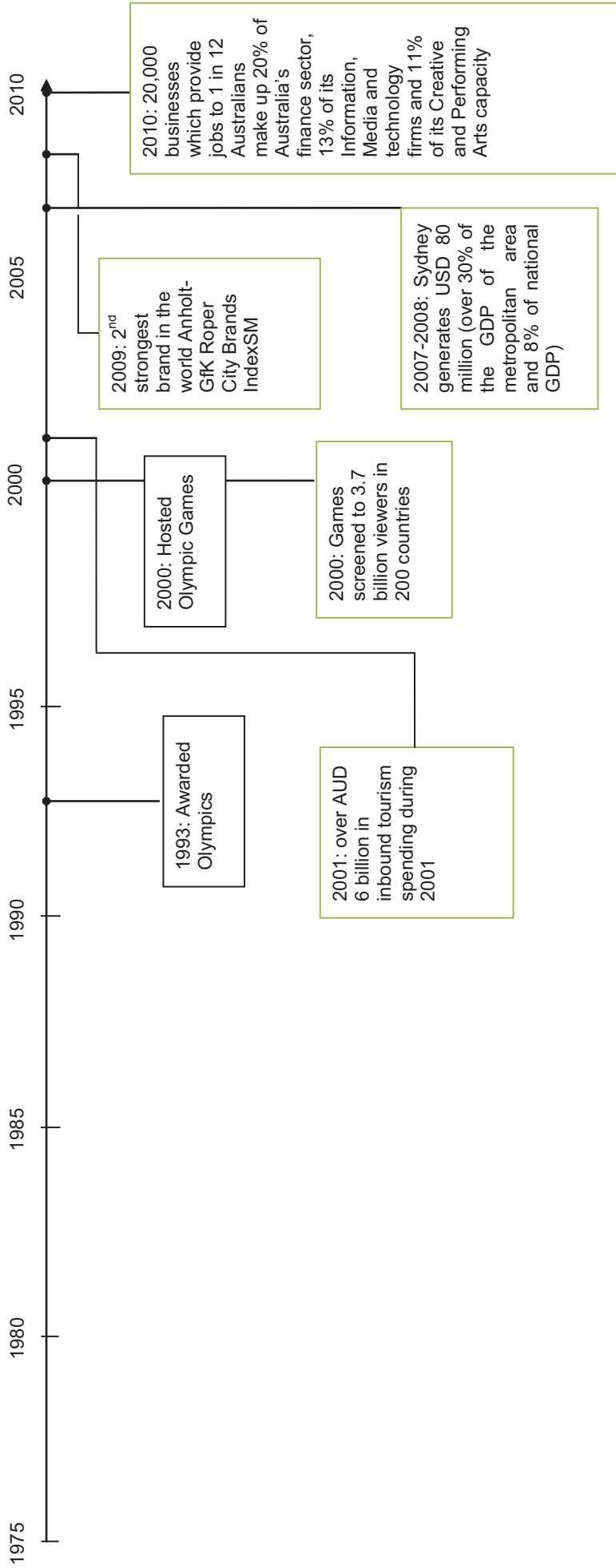
In the ten years since the 2000 Olympic Games, Sydney Olympic Park has been developed into a "wonderful asset to the people of New South Wales and Australia, offering more than 425 hectares of picturesque parklands, state-of-the-art infrastructure and world-class sporting facilities". According to the Sydney Olympic Park Authority, since 2002, the Park has as a result witnessed "strong and consistent growth in private investment, visitation and events" (SOPA, 2007).

Because of its attractiveness to firms, particularly those employing knowledge workers who enjoy its campus-like atmosphere and high quality environment and amenities, the Olympic Park has proven a popular new commercial hub in the city. By 2007, some 80 organisations and 6 000 employees had relocated to the site.(SOPA, 2007) Amongst its new tenants are a number of international brands including Samsung, Acer Computer, Brown-Forman and BP Solar as well as leading Australian companies such as Ben-Q, Energiser, Dairy Farmers, QBE Insurance and NSW Lotteries.<sup>65</sup> The area is now known as a "Special Economic Centre" by the New South Wales Government to recognise the role it plays. Using sustainable construction methods to complement its high quality environment, the "green campus" brand which is emerging is set to underpin the success of the Park into the future.<sup>66</sup>

### **Conclusions**

The economic development legacy benefits of the 2000 Olympic Games to Sydney are undeniable. Though the event was not required or indeed used to transform the city's economy and international image, the magnitude of the Games was leveraged to showcase the excellence of Australia's businesses and of the business environment of Sydney itself. Specifically, the near-perfect delivery of the event by companies such as Lend Lease and Westfield, operating in an innovative and intensive way with public bodies, was a significant benefit to these companies which gained future contracts as a result as well as Sydney which attracted high levels of talent, business and tourist in the years which followed. In other words, the Games accelerated the internationalisation and increased the global competitiveness of Sydney. Tibbott provides a succinct but comprehensive summary of the Games suggesting that "the enormous success of the Sydney 2000 Olympic Games can be measured not only in terms of the quality of the festival of spirit, culture and celebration of the Games itself, but also in the sense that the process of bidding, preparing and staging the Games represents a significant catalyst for economic, cultural and social change"(Tibbot, 2001).

Figure 3.3. The Sydney economic development timeline <sup>67 68 69</sup>



## APPENDIX – OBSERVATIONS FROM THE PEER REVIEW CITIES

Three peer review senior economic development experts/practitioners from cities engaged in event legacy provide the following insights. Taken together they examine the current progress made towards the delivery of a successful London 2012 Olympic Games. At the same time, discussion focuses on the legacy that the Games will leave for East London and the constraints and opportunities that lie ahead. The three cities include:

- London's lasting legacy: The 2012 Olympic Games, East London and lessons from Glasgow;
- reflections on the economic development impact of the FIFA 2010 Soccer World Cup on Johannesburg, and the regeneration potential of the London Olympics; and
- The Barcelona 1992 Olympic Games, a long-term legacy.

### **London's lasting legacy: The 2012 Olympic Games, East London and lessons from Glasgow**

Despite the fact that much of the work for the 2014 Glasgow Commonwealth Games is yet to be delivered, the Glasgow experience of major events and economic development over the past 20 years may contain useful insights to support the planning and delivery of the London 2012 Games and its legacy. This is for two main reasons. First, Glasgow shares one striking common feature with London. Both East London and Glasgow East share a history of lost industry and of poor or dislocated communities. And so the roles that the Commonwealth Games will play for Glasgow and the role that the Olympic Games will play for East London will be similar. Second, since the late 1980s Glasgow has used major events as a pacing device to tackle the challenge of a former heavy engineering centre forging for itself a new economic role.

In reflecting on the progress for East London this review piece will keep some key principles in mind. Is there a coherent medium to long-term economic development strategy in place for East London? Do the legacy proposals draw upon and invest in the core assets that East London will depend upon in the developing its economic performance? And are the proposals fully exploiting the immovable deadline?

### ***The impact of the 2014 Glasgow Commonwealth Games and major events in Glasgow***

#### *Major events as pacing devices in Glasgow*

The use of major events as pacing devices is a familiar part of the Glasgow economic development strategy. This approach began with the hosting of the Glasgow Garden Festival in a disused dock area in 1988. This was taken a step further with the European Capital of Culture title in 1990 and was deployed again in 1999 under the banner of City of Architecture & Design 1999. In each case, whilst the focal issue – horticulture/tourism, arts and design – was important to the process, it was rather less important than the impact of the event or celebration as a deadline date for completing a whole range of investments that developed the city's economic development product. The key point for London is that, from an economic development perspective, the success of these

events depended on the relationship they had with a genuine asset base of the city and the degree to which the asset base had been exploited previously. The legacy of the Garden Festival, for instance, is regarded as perhaps less effective than that of the Capital of Culture year because Glasgow could claim a depth in its cultural asset base that it could not in its horticulture offer. And because Glasgow's cultural assets such as the headquarters of the National Opera Company, the National Orchestra and the National School of Ballet as well the presence of national press, television and radio companies had not been fully recognised, the Capital of Culture Year could promote them, accelerate the delivery of the new economic development strategy and add to the existing stock in a way which the Garden Festival could not.

#### *The 2014 Glasgow Commonwealth Games*

For Glasgow, the Commonwealth Games is an opportunity to build on some core assets in sports whilst forming an immovable deadline for the development of new assets that will expand the stock Glasgow can draw on for its future economic development. Because of the scale of the Games compared to previous pacing devices a much wider range of investments is being delivered than previously:

- a new concert arena at the Scottish Exhibition and Conference Centre;
- a new national sports arena; and
- new transport assets, notably including the final completion of the M74 motorway that will relieve chronic traffic congestion on the primary bridge across the River Clyde in the heart of the city.

The Games will also give the city the opportunity to deliver a full range of initiatives relevant to business development, skills and training. Glasgow City Council, for example, launched a Commonwealth Games Apprenticeship initiative to help deliver on the commitment that every child leaving school over the two years from 2009/2011 who qualified would be guaranteed a Modern Apprenticeship place.

#### *The impact of the London 2012 Olympic Games on the East End of London*

There are five very positive points which underline the impressive progress London has made so far. In particular, it appears that many of the vehicles and the tools for the task are in place and that there is no shortage of vision for the impact that the Games should have on East London.

#### *Progress on the Olympic Park and the Olympic Delivery Authority*

The sheer scale of the challenge of building the Olympic Park is genuinely breath-taking. The clarity of the focus which the Olympic Delivery Authority (ODA) appears to be showing in its role as the deliverer of the Park is quite evident in the physical progress on the site and in the style and character of the organisation. It appeared that London could be confident that the facilities would be ready in time and that indeed they may well be ready one year in advance. This surely proves right the decision to place the development of the site in the hands of the ODA and the insistence that it had all the powers and funds required to deliver effectively. And it would appear that the ODA has also been free to experiment with innovation around sustainable energy planning, land decontamination and with built-in legacy components in the design of the Park.

### *The Strategic Regeneration Framework*

The development of the Olympic Host Borough Unit (HBU) and the progress being made with the Strategic Regeneration Framework (SRF) is also to be lauded. There was a real sense that the difficulties in harnessing the energies of the five host boroughs were being tackled even if there may be some doubts about the long-term solidity of the progress made. The very existence of the SRF at this stage of the Games delivery schedule and the impression that all levels of government were giving - at the very least - in principle support to the concepts embedded in the document is notable.

### *The aim of convergence*

Another impressive feature was the height of the ambition expressed in convergence. Making an explicit statement that the five host boroughs would match the average London performance in 20 years is no small statement of intent. Glasgow does not at this point have anything like this level of targeted geographic ambition for its Games. A new urban regeneration company has been established which does concentrate on Glasgow East (Clyde Gateway) but the proposition that Glasgow East might achieve convergence using the catalytic effect of the Commonwealth Games is not currently being considered.

### *The Olympic Park Legacy Company*

The reinforcement of the focus on legacy with the formation of the Olympic Park Legacy Company as a clear delivery body is also impressive, particularly as it is in place three years before the end of the event. This means that there should be enough time and capacity to reconcile the conflicting objectives that there may be in securing the legacy for the Park and for wider East London.

### *Legacy engagement*

The breadth and sophistication of the institutional infrastructure tackling legacy was extraordinary. The first natural instinct may be to worry about the confusions there must be around the roles, responsibilities, powers, capabilities and marshalling of such a wide array of organisations. The very fact, however, that London is so complex must surely be reflected in the range of interests that must have a say in how the Olympic Games benefits both East London and the rest of the city. It could therefore be regarded as healthy that there is not just one, two or even a handful of organisations engaged in legacy development. Instead, there are dozens. And it was clear that there was a solid effort at co-ordination through the East London Legacy Board, again already clearly in place and with legacy as its primary focus.

Glasgow has recognised and nurtured the concept of "Team Glasgow" behind the long-term transformation of the city's socio-economic fortunes. There is, however, no formal board or committee that is called "Team Glasgow". It is instead essentially an understanding amongst the business, political and civic leaders of the city that it is to everyone's mutual benefit to work together for the improvement of the city and to be flexible in the working arrangements that make that happen.

### ***The challenges and opportunities of the London 2012 Olympic Games that lie ahead***

Needless to say there are also a number of issues that ask important questions that may need to be addressed to maximise the impact of the Games on East London and beyond. A total of six points are raised below for further discussion.

### *Legacy leadership*

It was difficult to be absolutely clear where exactly the true leadership for securing legacy lies. Although the SRF looks like the beginnings of the strategy for genuine legacy for the five host boroughs it was not clear where the championing of that document really sits. Of course, the underlying assumption is that the SRF is indeed the key document. If indeed it is, it would seem important that the relationship between the key document and the leadership vehicles be crystal clear so that conflict between different vehicles and differing agendas does not develop over time.

From a Glasgow perspective, the core vehicle for long-term development of the city's economic vision and its achievement has been difficult to develop. The most relevant at present is the Glasgow Economic Partnership which brings all public agencies and representatives of the various key sectors and private business bodies together to champion the city's long-term economic strategy and the action plans behind it. The associated accountability "State of the City Economy" event each year, which is led by the City Council Leader, has been successful for 12 years and regularly assembles nearly 500 players.

### *Leveraging the business community*

It was quite striking that the main vehicles for tackling legacy were predominantly public sector populated. There is absolutely no doubt that most of the critical planning and delivery tasks are in the hands of the public sector but there is a leadership contribution to be made by the business community that didn't appear to be that prominent. There was no business representation on the East London Legacy Board for example and there were signs of tension between the aims and actions of the Olympic Park Legacy Company (OPLC) and the wider business community. Indeed, discussions with London First and with the East London Business Alliance gave the impression that there was an opportunity to bring in expertise more regularly to solve some of the problems of legacy.

In Glasgow too, the effort that goes into engaging all the public agencies in co-ordinating public investment and delivery does not often extend into similar effort in mobilising the skills, expertise and resources of the business community. Glasgow has, however, had two strong business-led vehicles in its history that were much more central to the economic development of the city than has so far been clear in East London. In the 1980s, Glasgow Action was established with funding support from public agencies to support the city's efforts to refocus on exportable services, the core asset of the city centre as Glasgow's commercial heart, on tourism and on inward investment. With the re-organisation of Scotland's national economic development agency, though, that local component was abolished. Glasgow Council Leader responded with the establishment of the Glasgow Economic Partnership and a much stronger agenda of business friendly policies developed in association with the city's Chamber of Commerce. It is evident that throughout Glasgow's transformation the city's business leaders have consistently played a strong and active role and East London would benefit from the same level of engagement.

### *Convergence and the local economy*

Greater clarity is required around the precise role that the East London economy is expected to play in the future of London. Should for instance the SRF prescribe that East London's growth be driven by its own employment base or should East Londoners have better access to jobs across the city? Should there be greater attention placed on attracting development that would house employment that most suited the community? Or is East London building on its creative industry base and what is the role of Stratford given the development of Westfield and Stratford International? It is highly likely that the business community has a strong contribution to make to this debate.



For Glasgow, the early McKinsey study provided an initial steer in the debate about Glasgow's future economic role and the need to diversify the economy away from its excessively heavy reliance on the traditional heavy engineering businesses. This then focused the attention of the city behind the development of a number of key sectors such as tourism and exportable services such as Engineering. Consequent growth and maturing of the city's economy has seen the development of further sectors in financial and business services, creative industries, life sciences and more recently in education and renewable energy. In each case, the growth of the sector has been accompanied with sensible spatial positioning and carefully taken strategic development decisions. The creative industries, for instance, are positioned on the former site of the Glasgow Garden Festival, opposite the Scottish Exhibition and Conference Centre and includes BBC Scotland's headquarters, Scottish Television's headquarters and as well as the Glasgow School of Art's highly advanced Digital Design Studio. Is there scope for similar relevant developments in East London?

### *Convergence and housing*

Housing has a fundamental impact on the scope for community transformation. If East London continues to accommodate disproportionate volumes social housing, it is difficult to see how the five host boroughs can be expected to see sufficient change in their wealth and wellbeing indicators, even over a 20 year time span.

The Crown Street Regeneration project in the Gorbals district of Glasgow only made a difference to its socio-economic performance when a much higher proportion of owner occupied property was planned than had been the previous pattern.

### *Policy and project innovation*

There is no doubt that the SRF very usefully captured the broad aims, the indicators, the targets and the existing policy challenges involved in securing legacy for East London. Despite elements such as volunteering, it does not appear that the opportunity to use the Games as a catalyst to solve challenges that do not obviously link to the Games is being fully leveraged. There were perhaps rather fewer obvious examples of completely new experiments with policy and practice in labour markets, economic development or housing and community development than might have been anticipated.

Glasgow City Council is using the Commonwealth Games as further impetus to tackle emerging issues in the labour market through its Commonwealth Games Apprenticeship Initiative. But this builds on a long history of work in intermediate labour markets and more recently in the co-ordination of both local and national labour market interventions at a local level through a partnership board called Glasgow Works.

### **Conclusions**

Whilst there are clearly parallels to be drawn between the Glasgow Commonwealth Games and the impact of the Olympic Games on East London, of much more significance is Glasgow's wider track record in tackling the impact that the wholesale collapse of heavy engineering has had on its economy. Much of that track record has been based on some key principles that appear important to the legacy of the Olympics on East London:

- The understanding and shaping over time of Glasgow's new economic role as Scotland's largest city dependent on a wider range of increasingly exportable services (in tourism, in creative industries, in education and in financial services) and on the creation of new economic activity on the back of its universities (in life sciences and in renewables).



- The forging of relationships within the public sector and between business and the public sector under the "Team Glasgow" umbrella that exploit tacit understandings of the overall challenge to grow the city's economy and a willingness to perform roles flexibly and creatively.
- The ability to experiment with central aspects of economic development in pursuit of the shared economic strategy whether in combining place assets with sectoral development, in innovating around labour markets to reduce welfare dependency or in using major events as pacing devices to accelerate the timeframe for the longer term economic strategy.

**Box A.1. Key learning points from the Glasgow experience of major events**

- Major events should accelerate and bring a sense of scale to an existing economic development strategy for the city or area in which they are situated. Major events should not re-invent the wheel.
- From an economic development perspective, the legacy success of a major event depends on the relationship the legacy plan has with the genuine asset base of the city or area which it aims to enhance.
- Engaging with private sector firms and integrating talented individuals from the business community into major event managements structures can bring fresh insight and inject a culture of innovation and efficiency to legacy planning and delivery.
- Governance of the leadership agenda should find a careful balance between broad stakeholder engagement, simplicity and clarity.
- As well as bringing scale and pace to the development agenda, major events should provide impetus to policy and project innovation. Major events create the space for completely new experiments.

**Reflections on the economic development impact of the FIFA 2010 Soccer World Cup on Johannesburg, and the regeneration potential of the London Olympics**

*The impact of the FIFA 2010 Soccer World Cup in Johannesburg*

The economic development impact of the FIFA 2010 Soccer World Cup on South Africa will only become clear after the event has been held. However, it is possible to reflect on some elements of the economic impact of the event, which can be divided into four elements:

- urban regeneration and infrastructure;
- transport systems;
- sporting infrastructure; and
- city image and branding.

### *Urban regeneration and infrastructure*

One of the main benefits of hosting a large international event is that it mobilises the will, funding and urgency required to drive major infrastructure development projects. This has certainly happened in Johannesburg. Not only has funding been mobilised for the stadia and sporting infrastructures themselves, but a significant amount of money has become available for improvements to the precincts in which the main events will be held.

#### The Ellis Park precinct

Ellis Park is an old mixed-use area. Despite being a key sports precinct for many years and an important node for low and medium cost housing, there has been little investment in the greater Ellis Park area over the last two decades. As a result, large parts of the Ellis Park precinct became blighted. The regeneration of this area has been an express objective of the Johannesburg's participation in the World Cup. Amongst others, and directly as a result of the World Cup, the Ellis Park precinct has enjoyed investment in:

- A new public square, the renewal of four existing parks and the creation of one new park.
- The revamp of the commuter railway station and a new minibus taxi and coach facility.
- Several new large scale outdoor art works.
- The creation of a new Cricket oval and club and the construction of two five-a-side Soccer fields specifically for children.

The release of public land for housing investment has meant that Ellis Park area has also enjoyed increased attention from private sector investors, particularly those involved in provision of low cost rental accommodation. Research conducted in 2009 found that investments by the City, through the Johannesburg Development Agency, in the public realm very effectively created a platform for sustainable investment in buildings, and especially in the renovation of old or dysfunctional buildings. This public investment creates a catalyst to turn the property cycle. Over the period 2001-2008, for instance, the City invested ZAR 106 million in the Greater Ellis Park area, while private investment in the renovation of buildings alone reached ZAR 382 million, illustrating the large leveraging effect of the public investment

#### The Nasrec precinct

The Nasrec precinct hosts nationally significant facilities including the country's largest expo centre as well as South Africa's largest stadium, Soccer City, which will host the opening and final of the World Cup. As well as having a good deal of vacant land, the area is located at the traditional boundary between Soweto and Johannesburg, and was undoubtedly used as a buffer in apartheid planning. The City's aim in relation to Nasrec has been to use the World Cup to overcome this buffer effect and help unlock new investment in the area. Amongst other things, Nasrec has enjoyed investment in the following as a direct result of the World Cup:

- a large new minibus and coach station and a revamp of the railway station;
- a large new pedestrian bridge linking across a railway line that has been a dividing factor in the area;

- the extensive replacement of sidewalks and streetlights; and
- a new road linkage, which creates the basis for new housing development.

There is also extensive public land holding which will be released for housing investment after the World Cup.

### *Transport systems*

In Johannesburg the World Cup has served as a catalyst for the development of two ambitious public transport projects: Bus Rapid Transit system and Gautrain. These public transport facilities will not only provide a direct service to communities, but will also provide a strong signal to property markets and stimulate private property investment.

#### Bus Rapid Transit system

Johannesburg's Bus Rapid Transit system, which runs from Soweto into the inner city, directly past the Soccer City stadium and on to Ellis Park, is unlikely to have been achieved without the pressure of the 2010 FIFA World Cup. Certainly the speed with which it has been funded and developed is directly related to the hosting of the event. Had it not been for the World Cup, both the Nasrec (Soccer City) area as well as Ellis Park may have been omitted. The inclusion of these areas is a huge boost for residential and business investment in these areas, both of which are home to low-income communities.

#### Gautrain

The World Cup also provided a catalyst for the early completion of the Gautrain – South Africa's first fast commuter train which will run between Johannesburg, Pretoria and the OR Tambo Airport. Gautrain opened a week before the World Cup.

### *Sporting infrastructure*

In Johannesburg, though no new stadia have been built, several Soccer stadia have been redeveloped. The largest stadium, Soccer City, will host the FIFA World Cup Final as well as several other matches and events. The stadium has been entirely redeveloped, both from a functional and aesthetic point of view. The capital costs have been high but are seen as absolutely necessary to the hosting of a successful World Cup. In addition to the large capital cost, there is the ongoing cost of maintaining and programming the stadium. Beyond the event, the City and its agents will bear the ongoing costs of running the stadium and its associated facilities. Although this stadium will continue to be used for major soccer games, the size of the stadium will exceed requirements on all but rare occasions. It is easy to reach the conclusion that the economic development impact of stadia and similar structures are less beneficial in the long term than the other infrastructure. However, the renovation of Soccer City has been a matter of immense pride in South Africa, and especially to the people of Soweto. The design of the stadium, with its expressly African feel, is a clear statement of Johannesburg's aspiration to be a world class African City.

### *City image and branding*

Johannesburg has a real challenge in relation to the international perception of the City as crime-ridden and unsafe. The World Cup is a major opportunity to change perceptions for the better, and the City Council is certainly aware of this. City authorities addressed the issue by hosting an exciting and

safe event and by encouraging people to experience the city first-hand. The quality of infrastructure is part of this, but so too is the culture of the city and in particular its ability to offer a warm, safe and exciting set of experiences.

### ***The impact of the London 2012 Olympic Games on the East End of London***

The purpose of this section is to comment on the prospects of the London Olympic Games as a regeneration project in the East End of London. Discussion is set against experiences from the current preparations for the FIFA 2010 Soccer World Cup and recent socio-economic development experience in Johannesburg, which have been translated into the London landscape.

### ***The regeneration context of the East End and the London 2012 Olympic Games***

The East End in general, and the five host boroughs in particular, are poor and under-developed when compared with the rest of London. They serve as a disquieting reminder of spatial, class and racial inequalities in one of the world's richest cities. But this is not a static picture. Major efforts have been made in recent years by the local authorities, the city leadership and the national government to address these conditions.

There have been several major regeneration projects such as the London Docklands regeneration, the subsequent development of Canary Wharf, The O<sub>2</sub> and a number of initiatives related to the Thames Gateway project. These projects have had national significance as well as offering many benefits to the East End from new transport infrastructure, the creation of thousands of low and middle-skilled jobs and the improvement of schools.

Despite these initiatives, conditions continue to be challenging in the area. It is against this backdrop that the United Kingdom government bid for the Olympic Games. The bid was explicitly framed as an once-in-a-lifetime opportunity to help regenerate the East End.

### ***The achievements of the London 2012 Olympic Games so far***

In many respects the regeneration story of the London Olympics is already a success. So far, London has realised a number of important achievements and some of which do not appear to be widely appreciated. It is important to highlight these –inter alia in the media- so that they are properly understood.

### ***The design and construction of the Olympic facilities***

The design, innovation and speed associated with the construction of the Olympic Park deserve to be highlighted. The focus and speed which the Olympic Development Agency has brought to the project is inspiring. The land assembly and subsequent relocation of people has been successfully completed and the building of the facilities themselves is well ahead of schedule. On top of this, the design of several of the buildings is iconic and there are a number of important innovations in the approach to developing the facilities. These are tremendous achievements that suggest an Olympic infrastructure of the highest order for the London 2012 Games.

### ***The decontamination and environmental clean-up of the Olympic Park***

The Olympic Park is being built on a large land parcel that was off-limits prior to the Olympic effort. The land was not only heavily contaminated by nineteenth and early twentieth century heavy industry, it was also subject to action during World War Two. This created a land mass that was near

impossible to develop and which acted as a major barrier within the built environment between the communities of the East End and between the East End and the rest of London. The assembly of the land, its decontamination and the subsequent improvement in water quality are historic achievements. Given global interest in environmental matters, the story of the clean-up and the effective recycling of the land should be told from the rooftops. It is clear that this could not have been achieved without the Olympic Games.

### *The challenges and opportunities of the London 2012 Olympic Games that lie ahead*

The "Olympic family" has accepted an ambitious objective to achieve convergence between the East End and the remainder of London with regard to social and economic indicators. It is clear that the Olympic events themselves will not shift the fundamental facts of the East End. This part of the London will require long-term, sustained intervention, which goes beyond the built environment. The question that now faces London is the extent to which the Olympic Games can be used to create a sustained impact on the lives of people in the East End, and to create a new property cycle. There are a number of issues which need to be raised in this regard, in light of the Johannesburg experience.

#### *The challenge of convergence in the light of a dominant land-use of low cost housing*

The built environment of the East End is dominated by low-cost housing, including social housing. By some reports, social housing accounts for the majority of the built environment in the five host boroughs. This gives the area a very particular character and implies that a large number of poor people, recent migrants and asylum seekers live in these boroughs. It also implies that to some extent the East End plays a dormitory role in the city of London as a whole. If the East End is to become a more typical part of London, it will be important to diversify the built environment of some of five boroughs. This may include both higher-end housing as well as encouraging non-housing uses.

The post-apartheid experience of townships in Johannesburg suggests that areas that have traditionally served as low-income dormitory housing are not likely to change their character without direct intervention. This intervention is required to both diversify land use away from housing and to encourage non-housing investments. Much of the same logic is likely to apply to parts of the East End.

#### *The ongoing cost and maintenance of Olympic infrastructure*

The Olympic project faces a key risk with regard to the post-Games maintenance of the infrastructure and facilities in the Olympic Park. It is understood that the costs of maintaining the infrastructure is to be borne by income from post-Games property developments to take place within the Park. In principle this is sound. In addition, if the Olympic Park Company is under pressure to raise revenues quickly in order to cover the maintenance and operating costs, then it will have to pursue projects that maximise return over the short-term. This may, in time, work against the regeneration agenda. Without urgent attention over the next 12 months, it could affect the credibility of the Olympic project as a whole.

#### *Accessibility and integration of the Olympic Park with the rest of East London*

The Olympic Park site is somewhat cut-off from the surrounding communities in a physical sense. The A12 trunk road represents a formidable barrier as do a number of other physical features. This creates the possibility that the Olympic Park will be difficult for the surrounding communities to access and that it may be perceived as an island of privilege. Where possible, mechanisms should be created to maximise access to the site. This is particularly important with regard to the movement of

pedestrians, as many of the members of the local communities will need to access the area on foot. If the area is only accessible by vehicle, a further sense of exclusion may occur.

### **Conclusions**

Urban regeneration has both economic and spatial elements. The FIFA 2010 World Cup in Johannesburg and the Olympic Games in London represent interventions in the built environment as well as direct economic intervention. The infrastructure elements are spatial interventions and represent the best opportunity for long-term impact on urban regeneration. In addition, the events themselves are very significant and represent direct economic activity, albeit for a limited period.

The major challenge for both London and Johannesburg is to use both the spatial or physical intervention, as well as the event itself, to catalyse economic development, and to impact on the lives of the people in low income areas. In both cases, the impact is not automatic, and the cities' authorities need to continue to give a great deal of thought into how to optimise the impact of these large events.

#### **Box A.2. Key learning points from the Johannesburg experience of major events**

- Investment in public realm and the renovation of dilapidated buildings are highly effective at leveraging sustainable private sector investment.
- Major events can be used to lay transport infrastructure in such a way that it unlocks land parcels for private sector investment and development.
- The socio-economic impact of sporting infrastructure is traditionally less powerful than the impact of other interventions. Budgets should reflect this and the renovation of existing venues, rather than the construction of new venues should be considered.
- The "pride effect" of a successful major event is intangible but also powerful, enduring and can be leveraged in a number of ways. Efforts should be made to maximise the sense of confidence that successful hosting can bring.
- To regenerate poor areas, the diversification of the built environment away from (social) housing is critical. Non-housing investments should be sustainable and calibrated to build a coherent place.

### **The Barcelona 1992 Olympic Games, a long-term legacy**

The 1992 Barcelona Olympic Games is seen as one of the most successful examples of how a city can leverage a major event to completely transform itself and stimulate a new era of growth and success. Despite this time lapse, and though the sizes, international roles and global ambitions of the two cities are so different, it is possible to look back and extract from the Barcelona Olympic experience a number of relevant insights that may be useful for the London 2012 Olympic Games and its legacy. Indeed, because the Barcelona Olympics were so long ago, it provides London with one of the clearest illustrations of what successful major event legacy planning and delivery looks like in practice and over the long-term. Throughout the piece, there is evidence of not only how to plan for legacy, but how to maintain momentum for more than a decade.

What follows is a summary of the long-term impact of the 1992 Olympic Games on Barcelona. Though there are others, it will identify and illustrate five major legacy outcomes for the city, which include:



- the branding impact;
- the tourism impact;
- the infrastructure, land use and economic development platform impact;
- the civic pride impact; and
- the public-private partnership impact.

Before exploring the legacy outcomes above and how they might support the design of London's legacy agenda, this paper will briefly describe the socio-economic conditions in Barcelona before the Olympics was awarded in 1986.

### *The impact of the 1992 Barcelona Olympic Games*

The Olympics were the foundation for Barcelona's transformation. They gave the city the opportunity to execute a plan for its modernisation. The scale of the Olympic project and the immovable nature of its associated deadlines allowed Barcelona to deliver what ordinarily would have taken several phases of development to achieve. The Olympic project also delivered five major outcomes which have supported the internationalisation and increased quality of life and competitiveness of the city for nearly 20 years. They were:

#### *The branding impact*

For many years before the Games of 1992, positive images of Barcelona on the world stage were predominantly absent. And because the city was not a national capital the task of building a globally recognisable brand had been difficult. The Olympics offered to the city the opportunity to show Barcelona as a place with a great past as well as a future full of potential. During the event itself a number of "soft" tools were used to show that Barcelona was a special place. Each of these devices, which are detailed below, were designed to project the city's Mediterranean spirit, optimism, quality of life, lifestyle, and world class architecture to a global audience. They include:

- The opening and closing ceremonies: Each ceremony was carefully designed and executed by local teams of creative designers and actors to catch the attention of the world.
- The opening ceremony presented a huge and optimistic "HOLA" together with an introduction to the Mediterranean story.
- The Barcelona mascot: The design of the mascot for the Games mixed cubist Picasso with modern cartoons and differed completely to past Olympic mascots.
- Venues: The venue for the trampoline competition was situated in such a way that it symbolised that Barcelona warmly welcomed the athletes. In essence, it said that "for the 15 days of the competition, Barcelona would be their city".
- The music of the Games: Music was performed by a Catalan soprano Monserrat Cabellé and the rock star Freddy Mercury.



- Souvenirs and merchandise: Official souvenirs and merchandise were created by local designers to express the flavour of the city.
- Apolitical messages: The Barcelona Olympic Games were the first in many years from which strong political messages were absent.

Following the Olympic Games, there was a realisation that the Olympic branding effect would eventually fade. One of the ways in which the city reinforced the positive messages created by the Olympic Games was to pursue a strategy of major event hosting. Having very successfully hosted the Formula One Grand Prix, Football, Tennis Championships, the Tour de France, the Swimming World Championship and Athletics competitions since the Olympic Games, Barcelona has remained firmly in the minds of the global sporting community.

Barcelona has also invented new events to create momentum and attract investment and attention to the city. Though "Forum 2004" did not have the same impact as the Olympic Games, it began the transformation of East Barcelona, an area which shared many characteristics with East London such as under-utilised land and some of the worst socio-economic conditions in the city. "Forum 2004" also catalysed the development of one of the largest conference venues in Europe, a number of hotels, a leisure port, a new university campus focussed on energy, new housing units and the completion of the one of Barcelona's main streets, la Diagonal. The way in which this event accelerated the development and integration of a city neighbourhood with the rest of the city shares many similarities with the ambitions of the London 2012 Olympics.

At the same time, the city has also maintained its Olympic association. It remains an active member of the Olympic community, supports one of the only Olympic Museums and continues to attract more global sporting events. In support of this strategy, Barcelona has announced its intention to bid for another Olympic Games – the 2022 Winter Olympics.

#### *The tourism impact*

Behind Paris, London and Rome, Barcelona is now one of the most popular urban visitor destinations in Europe. With 18 million visitors and 11 million overnight stays per year, it is hard to imagine that the city ever had anything other than a thriving visitor economy. But before the 1992 Games, the City of Barcelona had tourism infrastructure which was uncompetitive, small and ageing cultural facilities, had not modernised its trade fair and had no coherent strategy for the promotion or development of its visitor offer. In 1991, the contribution of tourism to the city economy stood at 4% of GDP. Today it stands at 14% of GDP. By sheer numbers, it is ranked one of the top five cities in the world for hosting congresses, its trade fair hosts some of the largest and most successful fairs in the world and its port is now one of the foremost cruise liner destinations in Europe. Though some can be attributed to growth of the low cost airline industry, much of this success is linked to the use of the Games to promote Barcelona as one of the most attractive destinations in Europe to visit.

Many of the key lessons of this transformation are not found with the modification of the tourism infrastructure, the importance of destination marketing or the beautification of the city. Instead, it is with the challenges and controversies that surrounded the Olympic preparations that provide some of the key insights lie. Many in the city argued that rather than modernise the city's visitor infrastructure, the wider region and cruise liners moored in the city's port should provide the majority of the additional bed space required to cope with the influx of visitors to the Games. Despite this pressure, the City Council and Mayor fought strongly for land use change to allow investors to build new hotels. Because of this decision, Barcelona now has one of the most modern and competitive hotel facility

offers in Europe. Another challenge was the implementation of an ambitious strategy to modernise Barcelona's cultural infrastructure. Plans were made to build a new Contemporary Art Museum in the heart of the city, a new National Theatre, a National Auditorium and a Contemporary Centre for Arts as well as renovate the National Museum. Although the Olympic budget did not allow for these plans to be realised at the time, during the decade after the Games each project was diligently completed. Barcelona now offers outstanding cultural facilities which are visited by locals as well as international visitors.

To maintain momentum after the Games, Barcelona continually promotes itself through a public-private consortium created after the Olympics called Barcelona Tourism. Care is also taken to calibrate messages using powerful local stories, attractive concepts such as gastronomy and shopping as well as internationally renowned local figures such as Gaudi, Picasso, Dali and Miro.

#### *The infrastructure, land use and economic development platform impact*

The infrastructure legacy of the Olympic Games has perhaps been of greater importance to Barcelona than to any other recent Olympic city. Barcelona used the Olympics to accelerate the fulfilment of an urgent and perpetual need for significant infrastructure investment. Almost the entire infrastructure required for the delivery of the Games also delivered a long-term dividend for the city. Though there are others, the four principal interventions are detailed below.

The Olympics catalysed the construction of two new telecommunication towers in Barcelona, one designed by Norman Foster and the other by Santiago Calatrava. Though both were used intensively during the event itself to broadcast the Olympics worldwide, and were indeed a requirement for the successful hosting of the Games, they were essentially designed to support the growth of the city's post-Games economy. Today, the telecommunications installed during the Olympics is a fundamental support to the city's knowledge-based businesses.

To ensure the rapid movement of athletes and Olympic officials between venues and facilities during the Games, Barcelona needed to build new ring roads. In this way, the Olympics accelerated the construction of infrastructure which would ease traffic congestion in the city over the long-term. Today, the ring roads re-route traffic away from the city centre. As a result, traffic congestion has eased and the retail sector has benefitted from an increase in footfall and a decrease in air and noise pollution.

The Olympics also required that Barcelona's small, congested airport was renovated to cope with the increase in Games-related traffic. The new Olympic terminals were a significant support to the delivery of the event but have also been critical to the growth of Barcelona's post-Games economy. Until 2009, when they were replaced, they formed an important link to new markets and talent. The new terminal will see capacity jump from 30 million to the potential of 70 million passengers per year.

The decision to locate the Athletes' Village near to the city centre rather than a cheaper location in Metropolitan Barcelona has proven decisive. By constructing this piece of essential Olympic infrastructure in an area of old rail infrastructure and factory buildings, the city was able to reconnect itself to its seafront and begin the development of a new neighbourhood adjacent to the city centre. The displacement of the railway lines did two things. First, it kick-started the development of the city's seafront. The delivery of a new Leisure Port (which was the Olympic Port during the Games) and the creation of five kilometres of urban beaches produced the right environment to support the pos-Games growth of the local neighbourhood which is now emerging as high quality, middle class residential location. Second, the displacement of the railway lines opened 1 000 000 square kilometres of under-utilised and dilapidated land near the city centre known as Poblenou. Following the Games,

city planners and economists decided the best use for this land was for it to remain designated as industrial but to add to it the necessary infrastructure to support the growth of knowledge-based firms. In 2000, the area was designated as the 22@ Innovation District and by 2009 1 502 knowledge-based firms had relocated to the area which now supports 44 600 new jobs. Though now considered a significant success, the process can be traced back to the Olympics Games.

The creation of infrastructure with the dual purpose of both delivering a successful Olympics and supporting the growth of the city after the Games kick-started the most profound transformation that Barcelona has experienced for many years. Each of the infrastructural improvements and the decisions taken to leverage the impact of the positioning of them, built a platform for a successful phase of economic growth and development in Barcelona that has only recently ended. As a result, from a de-industrialised, declining city in the early 1980s, the Barcelona of today has a diversified and dynamic knowledge-based economy which delivers a high quality of life for its residents.

#### *The civic pride impact*

From the beginning of the Olympic project, Barcelona counted on the enthusiasm of its citizens to deliver a successful Olympic campaign. Before the Olympics were awarded in 1986, the volunteer movement committed to the delivery of a successful Barcelona Games was already significant. The enrolment of thousands of local people of all ages and backgrounds to the volunteer movement was one of the factors behind the city's eventual successful bid, the hosting of a very successful Olympic Games, and even post-Games events which required popular support.

Civic support also had other benefits. Given the sheer volume of construction work in the city between 1987 and 1992 and the inconveniences and disruptions caused, civic pride towards the Olympic project was a tremendous asset. At every stage, organisers ensured that they communicated effectively with the public. The key message to the people of Barcelona was that the Olympics was a city project but also a citizens' project. A number of the interventions were small public space upgrades but they had a strong impact on the daily lives of local people and generated trust and good will. As a result of this process, most of the development and investment in the city post-Games has proceeded smoothly.

The overall success of the Games in sporting, logistical, branding and organisational terms, provides to Barcelonans a great sense of pride about what Barcelona was able to do and to show to the world. Today there is a strong sense of Barcelonans being proud of their city and though intangible this remains one of the most important legacies of the Olympic Games.

#### *The public-private partnership impact*

The 1992 Olympic Games represented Barcelona's first significant experience of public-private partnerships. Given the need to draw on the full range of talent available to deliver a world class Games and the recognition that the Olympic project was not a government project but a citizens' project, as soon as the Olympic Games were awarded to Barcelona, the Mayor called for the adoption of an intensive public-private co-operation model. As a result, the management of the Games involved co-operation between senior representatives of civil society and the business community. For instance, the Barcelona Olympic organising committee was created as a private company led by an independent team with its own structure and with the mandate to act independently from political will. Public bodies did lose some power, but the assurance of operational independence for the organising team was critical to the project's success.

There are many other examples of how strong leadership by the public sector was enhanced by the involvement talented individuals and successful firms from the private sector. On the back of this

success, public-private partnership has now become a central element of the planning and implementation of strategic policies and projects in Barcelona. Generally speaking, these arrangements are able to raise more funds, introduce innovation in public policy-making, build consensus and create clear management structures for medium and long-term projects. One illustration of this continued commitment to the public-private model is the creation of Barcelona Tourism, the agency to promote tourism in Barcelona, which is now privately run and partly funded by the City and the business community.

### ***Conclusions***

Barcelona used the legacy of the Games to transform the city, create jobs, build social cohesion and become an attractive and aspirational European city. It also concentrated on "soft" legacies such as civic pride alongside "hard" legacies such as infrastructure. Both are necessary to maintain momentum in the post-Games phase.

Barcelona used the 1992 Olympic Games to accelerate much needed investment in its physical and digital platforms to create a foundation for future growth and investment. But the legacy goes beyond infrastructural improvements. Barcelona also used the Games as a means to show the world its potential. The results are clear. Today, Barcelona's brand is one of the strongest in the world, the city has transformed from a secondary touristic destination to become one of the leading visitor centres in Europe; and has seen its economy modernise and mature.

On first impression, it may be difficult to compare London Olympics and Barcelona Olympics, particularly because by the time the London 2012 Games arrive, 20 years will separate the two events. But in many ways, this is precisely why the Barcelona experience is so useful to London. Like almost no other, it provides an insight to a very successful Olympic legacy in its entirety.

#### **Box A.3. Key learning points from the Barcelona experience of major events**

- The smart positioning of venues and event-related facilities can unlock "hidden" land parcels within the city, which may be developed to maintain the impact of the event legacy over time.
- A major event offers the opportunity to deliver infrastructure that has the dual function of both delivering a world class event and supporting the growth of the expected post-event economy.
- A major event may not leverage the finance to deliver all of the plans made. The major event impetus can be maintained beyond the event, however, if authorities commit to realising unfulfilled plans within a reasonable timescale.
- The impact that a renewed sense of civic pride and confidence can bring should not be underestimated. Every effort should be made to communicate to the people of the city or area in which the event is hosted that it is for them.
- The intensification of activities creates a critical mass for success by providing high levels of accessibility, clustering benefits and proximity to markets. The spatial sharing of the benefits of major events is obviously desirable, but it is more effectively delivered through the rippling outward of positive effects from a central hub or a number of hubs of activity.

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# Agenda Item 13



**Meeting:** Council

**Date:** 26 September 2013

**Wards Affected:** All

**Report Title:** 2014-20 European Structural & Investment Fund Strategy

**Executive Lead Contact Details:** Mayor, Gordon Oliver

**Supporting Officer Contact Details:** Alan Denby, Director of Economic Strategy & Performance, [alan.denby@tedcltd.com](mailto:alan.denby@tedcltd.com)

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## 1. Purpose and Introduction

- 1.1 Government is devolving much of the administration of EU funding for 2014-20 to Local Enterprise Partnerships (LEPs). As part of this LEPs are being allocated funding which they must decide how to spend. The Heart of the South West LEP has been allocated €118m over the 7 years of the programme.
- 1.2 To receive this funding LEPs must create a Structural and Investment Fund (SIF) strategy which supports LEP, UK Government and EU priorities. A draft strategy must be submitted to Government by 7<sup>th</sup> October 2013.
- 1.3 LEP partners, in particular local authorities, are being asked to endorse the developing strategy to demonstrate to Government that it is supported and will meet local need.

## 2. Proposed Decision

That the Mayor be recommended:

- 2.1 That the EU funding strategy currently being developed by the LEP and the thematic priorities within this are endorsed.

## 3. Reason for Decision

- 3.1 The 2014-20 EU programme will provide an important source of potential investment for Torbay and support implementation of the economic strategy and delivery of economic growth. Endorsing the emerging SIF strategy will demonstrate to Government and the LEP that Torbay is supportive of the priorities included within it.
- 3.2 After submission of the draft strategy there will be a period of discussion with Government. Failing to endorse the strategy may result in Torbay having less influence over development of the final document and the priorities included within it.



This could in turn reduce the amount of funding available for activities within the Torbay area.

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## Supporting Information

### 4. Position

- 4.1 In July Government released further guidance on the future European programmes and development of EU Structural and Investment Fund (SIF) strategies by Local Enterprise Partnerships.
- 4.2 Government has set out that funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF) will be allocated to LEPs along with an element of European Agriculture Fund for Rural Development (EAFRD), although the amount from this fund is to be confirmed. The LEP needs to demonstrate to Government how it will use this funding to promote economic growth across the Heart of the South West and support the UK in delivering the national outcomes requires by the EU.
- 4.3 The Heart of the South West LEP has been allocated €118m for the 2014-20 period. Devon (including Plymouth and Torbay) has been designated as a transition area whereas Somerset is classed as a more developed area meaning the funding allocated to the Heart of the SW LEP is split. Of the €118m allocated across the LEP area €78.4m is currently allocated for the Devon transition area.
- 4.4 Eligible activity under the next programme is defined under a number of core themes. Both the EU and Government require LEPs to spend a minimum percentage of their structural funds on specific themes set out in the table below and the strategy priorities reflect this.<sup>1</sup>

Theme	Requirements	Minimum allocation
Innovation	At least 60% of ERDF must be spent on these 4, min 15% total ERDF on low carbon	€28.2m
ICT		
SME Competitiveness		
Low Carbon		
Climate Change Adaption		
Environmental Protection		
Sustainable Transport		
Employment	At least 70% of ESF on these 3 priorities	€22m
Social Inclusion		
Skills		
Total		€50.2m

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<sup>1</sup> Further information on these themes is available here - <https://www.gov.uk/government/publications/european-structural-and-investment-funds-strategies-supplementary-guidance-to-local-enterprise-partnerships>

## The Strategy

- 4.3 The strategy is not yet finalised but is beginning to take shape and a vision, based on the LEP business plan set out.
- 4.4 Over the past year partners across the LEP have formed a funding group which has been collating evidence to support the strategy. Torbay, through the TDA, has been at the heart of this work and has contributed heavily to the early development of the LEPs approach. This work has now been analysed by the newly appointed LEP strategy manager and a draft set of issues/barriers to growth and strengths/opportunities pulled together under 5 headings:
- Business
  - People
  - Transport & connectivity
  - Other 'place infrastructure'
  - Environment
- 4.5 The challenges which EU funding will need to address broadly reflect those of the Bay and from these a number of potential thematic priorities have been developed under which applications will need to be submitted for funding. It should be noted that the list set out below is currently being finalised and not all the priorities may be reflected in the strategy submitted to Government.
- 4.6 Business
- Broadening and developing supply chains around higher value opportunities and developing higher value products and services
  - Encouraging enterprise that builds on our innovation base and our peoples creativity
  - Securing key investment and infrastructure opportunities that catalyse higher value growth
  - Supporting businesses to compete outside the SW and internationally
  - Raise the profile of our businesses and our strengths in emerging technologies / sectors to generate new orders, new businesses, new investment
  - Supporting our people and businesses with the skills they need
- 4.7 People
- Address unemployment (especially long term and youth unemployment) by aiding access to jobs
  - Improve workforce and employability skills
  - Improve higher level skills
  - Attract and retain higher level skills
  - Address local deprivation
- 4.8 Transport and Connectivity
- Improve digital infrastructure

- Improve *strategic* transport infrastructure (roads, rail & ports)
- Improve *local* transport infrastructure relating to growth opportunities
- Improve area's resilience to flooding

#### 4.9 Other 'place infrastructure'

- Improve supply of new housing (especially affordable)
- Improve availability of employment sites and premises
- Improve energy supply through renewables
- Improve electricity grid connectivity
- Improve urban environment through local regeneration

#### 4.10 Environment

- Making the most of the area's environmental assets
- Improving resource efficiency of areas homes and businesses

4.11 It is suggested that under the priority themes set out above the following activity identified within the Torbay economic strategy could potentially be part European funded:

- Development of a fish processing park
- Business support services
- Attracting and retaining higher level skills
- Investment in innovation to support the development of the hi tech sector – for example a virtual electronics/photonics catapult centre or a creative centre
- A knowledge transfer programme designed to support innovation in key sectors such as healthcare
- Torbay Works programme
- Support for strategic transport infrastructure (potential for the proposed Edginswell station)

4.11 The case is also being made by the TDA that a lack of suitable premises is hampering business growth locally, this is also an issue across other parts of the LEP and therefore there should be flexibility to allow investment in "gap funding" grow on space as well as managed/start up workspace.

#### **'Opt in' Services**

4.14 Government has put forward a number of 'opt in' prospectuses which LEPs can use part of their EU funding allocation to buy into. These are services provided by Government departments or national organisations which could be used to match EU funding centrally if LEPs wish to do so. Currently the Heart of the South West is proposing to buy into the following opt ins which form an integral part of the Plymouth City Deal:

- Manufacturing Advisory Service
- UK Trade & Investment

- Growth Accelerator
- The Skills Funding Agency

4.15 Government have not yet made clear how much of the funding allocation these services will take up.

### **Links to Other Strategies**

4.11 The Plymouth City Deal, also due to be submitted to Government in October will play a role in shaping the EU funding strategy. The business support offer across the LEP area in particular will be influenced by the emerging City Deal proposal. The LEP is also required to develop a complementary growth strategy by December 2013. Work on this is being done in parallel to the EU funding strategy and there will be a high degree of alignment between the City Deal, the EU Structural and Investment Fund and the Single Local Growth Fund.

## **5. Possibilities and Options**

5.1 Endorsing the LEPs emerging EU strategy will demonstrate Torbay's agreement on the priorities outlined within it. This is important if Torbay is to continue to influence the strategy development to meet the objectives set out in the economic strategy and potentially benefit from the funding made available through it.

5.2 The alternative is to not endorse the strategy which carries the risk of Torbay priorities not being represented and in the worst case the amount of funding secured by the Bay reduced.

5.1 It is recommended that the strategy is endorsed to ensure Torbay maintains the best possible chance of influencing its future development and accessing funding. The strategy will be endorsed in draft form, meaning it will be further developed following feedback from Government and further opportunities for comment made available at that stage.

## **6. Fair Decision Making**

6.1 The EU strategy will determine what EU funding can be spend on from 2014-20. This has the potential to have a positive impact on all areas of Torbay if funds can be accessed for projects locally and if investment is made in LEP wide services such as business support. EU funded projects must demonstrate they will promote both environmental sustainability and equal opportunities, therefore projects funded through the strategy will have a positive impact.

## **7. Public Services (Social Value) Act 2012**

- 7.1 Any procurement needed to further develop the strategy will be carried out by the LEP. This will be governed by Somerset County Council's procurement regulations as Somerset has agreed to act for the LEP in procurement.

## **8. Consultation**

- 8.1 The EU strategy has been developed to date by a sub group of the LEP which includes representatives from the top tier local authorities, education and business. Consultation on the strategy has been, and continues to be carried out by the LEP. This has been used to shape the priorities set out earlier in this document. Over the past 12 months there have been two rounds of consultation both of which included workshops in Paignton which saw in excess of 40 Torbay businesses and organisations attend. An additional online consultation is due to go live shortly. The TDA's contribution to the development of the strategy has been based heavily on the views from business as expressed through its Business Barometer survey, company visit programme and through other meetings with businesses in Torbay.

## **9. Risks**

- 9.1 The LEP EU funding strategy is still being developed, and not all the priorities set out in section 4 will be included in the final document. However, it is clear that the strategy supports the aims of Torbay to create jobs, reduce unemployment and deprivation and improve infrastructure.
- 9.2 A draft strategy must be submitted on 7<sup>th</sup> October, after this there will be a period of dialogue with Government. Failing to endorse the strategy may result in less of input for Torbay at this stage. Given the strategy is still being developed it is felt it would be more of a risk not to endorse the emerging priorities, particularly as these mirror local needs and will support delivery of the economic strategy.

# Agenda Item 14



**Meeting:** Council

**Date:** 26 September 2013

**Wards Affected:** All

**Report Title:** Plymouth City Deal

**Executive Lead Contact Details:** Mayor, Gordon Oliver

**Supporting Officer Contact Details:** Charles Uzzell, Director of Place and Resources,  
[Charles.uzzell@torbay.gov.uk](mailto:Charles.uzzell@torbay.gov.uk)

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## 1. Purpose and Introduction

- 1.1 Government is changing the way it seeks to deliver economic growth and offering local partners a chance to shape how growth is generated in their areas. As part of this Plymouth has been asked to submit a proposal for a City Deal which if accepted by Government will see development of a bespoke package of support for the area covered by the deal.
- 1.2 The City Deal is being developed to encompass two local enterprise partnership areas those of the Heart of the South West LEP (including Torbay) and Cornwall & Isles of Scilly LEP. The proposition being developed centres on a vision of Plymouth and the Peninsula as a world leader in the marine sector and names Brixham as one of the key strategic sites. The deal also includes an export readiness programme and skills provision, all of which offer opportunities for Torbay and fit well with local priorities to create jobs and generate economic growth. The inclusion of Brixham as a strategic site offers a real opportunity to grow the marine sector in the Bay.
- 1.3 Torbay has been engaged in the development of the City Deal to date, and the purpose of this paper is to seek endorsement of the proposals which will be presented to an ad hoc ministerial committee on 9<sup>th</sup> October and continued involvement should this be successful.

## 2. Proposed Decision

The Mayor be recommended to:

- 2.1 It is recommended that Council approves the continued participation of Torbay in the development of the Plymouth City Deal.
- 2.2 It is recommended that Council approves the direction and negotiating position of the Plymouth City Deal to be presented to the Local Growth Board on 9<sup>th</sup> October.

### **3. Reason for Decision**

- 3.1 Since being invited develop a negotiating document in February 2013 Plymouth City Council and partners across the LEP have been working to create a proposition specifically tailored to generating economic growth across the City Deal area. There needs to be clear evidence of support from partners if the City Deal is to be successful. As a signatory of the original expression of interest it is important that Torbay Council endorses the deal before it is presented to the Local Growth Board.
- 3.2 The City Deal has potential to bring investment into Torbay and the priorities set out in the negotiating document largely reflect those of the Bay. The deal will support implementation of the Economic Strategy recently approved by Council.
- 3.3 The City Deal is important as it will also influence a number of other strategies and funding opportunities at LEP level including the Growth Plan and future European funding strategy. The implementation of these strategies will determine a significant amount of investment in the LEP area and the City Deal document will help ensure priorities such as inward investment and marine sector development are included within these.
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### **Supporting Information**

#### **4. Position**

- 4.1 In February 2013 Government invited Plymouth, along with 19 other city areas, to begin negotiating the second wave of City Deals. The process has been ongoing over the course of this year and the final proposal is due to be presented to the Local Growth Board on 9<sup>th</sup> October.
- 4.2 City Deals are agreements between government and a city (and surrounding area) that give the city control to:
- take charge and responsibility of decisions that affect their area
  - do what they think is best to help businesses grow
  - create economic growth
  - decide how public money should be spent
- 4.3 City Deals must set out the opportunities available for economic growth and the challenges faced by an area, as well as how these can be addressed through bespoke local activities. As part of the City Deal process each area must negotiate with Government for additional powers and funding, in return for taking on responsibility for economic growth.
- 4.4 The proposed City Deal area includes not only Plymouth, but also the areas covered by both Cornwall & Isles of Scilly and the Heart of the South West LEPs. It is centred on the vision that Plymouth and the Peninsula have the potential to be a world leader in the marine sector.



- 4.5 The Plymouth City Deal area faces a number of economic challenges and these largely mirror the challenges faced by Torbay. GVA levels across both LEP areas are the lowest in southern England and unemployment levels are high among young people. The area also has a poor track record in attracting inward investment.

### **City Deal Proposals**

- 4.6 The City Deal seeks to address these challenges and capitalise on opportunities for growth in the marine and advanced manufacturing sectors through a number of activities which are summarised below.
- 4.7 Establishment of a peninsula-wide Marine Industries Production Campus (MIPC), including an 'anchor' flagship development at South Yard, Plymouth to provide:
- To establish a peninsula-wide Marine Industries Production Campus (MIPC), including an 'anchor' flagship development at South Yard, Plymouth. This will incorporate 30 supply chain businesses to support existing marine businesses and provide waterside access for leading marine renewable businesses such as Tocardo, TGL and SeaRoc to trial and build tidal and wave energy devices. These businesses need deep water to allow large ships to load and unload their products.
  - Creating a network of five strategic marine sites (Falmouth, Hayle, Brixham, Noss and Appledore) across the City Deal area, linked to existing physical assets and opportunities, to act as catalysts for wider clusters and collaborative networks.
- 4.8 Linked to the campus a Growth Hub that coordinates and provides effective business support to SMEs and provides £5m of grant funding. Support measures include:
- Development of a seamless business support platform and network (building on the Growth Acceleration and Investment Network (GAIN)) - a robust innovation 'eco-system' to drive productivity growth
  - Business web portal to coordinate business support activity
  - Development of a more flexible innovation voucher scheme
  - A marine focused knowledge transfer programme providing more flexible routes for businesses to access academic expertise
  - Flexing of national programme such as Manufacturing Advisory Service and Growth Accelerator to provide more tailored support for local businesses
  - Delivering a step change in export readiness to enable businesses to trade on line
  - Inward investment, culminating in a global expo showcasing local and UK excellence alongside the Mayflower 2020 celebrations.
  - The Growth Hub will support 22,000 businesses and create over 1400 jobs
- 4.9 Trialling a new approach to supporting young people back to work which will involve
- a new intensive support programme targeting unemployed young people to gain sustainable employment and reduce their reliance on in work benefit payments
  - Development of an employer led apprenticeship and skills hub that meets the requirements of the growing marine sector by creating a central point for low cost, high quality marine sector training and development
  - Ensuring people have the right skills to access employment in growing sectors by aligning SME skills demands to local provision

- 4.10 Establishing an innovative city deal governance structure based on joint committee to enable bi-LEP, local authority, public, private and third sector shared ownership of and clear accountability for delivery, outcomes and performance management
- 4.11 Through this the City Deal is expected to deliver:
- £268m uplift in GVA (based on South Yard and Growth Hub only)
  - Generate 6000 jobs
  - Generate a further 2500 indirect jobs
  - Create 86, 0000 sq m of workspace
  - Support over 800 young people into sustainable employment
  - Attract 100 new businesses to peninsula
- 4.12 Torbay stands to benefit from the majority of actions set out above and the activities match local priorities for growth. The needs of the advanced manufacturing sector within the Bay in particular have been set out as part of the City Deal development process. The inclusion of Brixham as a key strategic site is significant and the proximity of Noss Marina will help further develop the marine sector and supply chain locally.

## **Investment**

- 4.13 In order to generate these results the City Deal proposal requires Government investment totalling £10m<sup>1</sup>, including £7m to redesign business support and £3m to design an employment hub for young people. It is expected approx £55m will be leveraged in from the public and private sectors locally.

## **Governance**

- 4.14 The City Deal proposal covers the economic geography of two LEPs and includes four unitary, two county and twelve district council areas. As such the governance is expected to be complex and as a minimum include partners involved at the expression of interest stage. This would include Torbay.
- 4.15 The governance structure is currently being developed and will be discussed with partners, however the local authorities involved in the EOI share a track record of delivery through the 'joint committee' model that exists in the sub-region and evidenced through the Devon Waste Partnership.
- 4.16 Whilst joint committee arrangements can demonstrate a strong track record in delivery, strategic decision making and pooled resources, so far there has been limited scope for private sector involvement other than through indirect contract arrangements. The governance proposal builds on modifications to local government legislation in the Health and Social Care Act 2012, which allow full representation on Health and Wellbeing Boards other than by Members of local authorities. The partnership is currently working with INLOGOV to develop the governance model and

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<sup>1</sup> An additional £47m capital is being sought from the cabinet office

by October a deliverable model will have been defined and a commitment by partners to its implementation secured.

## **Next Steps**

- 4.17 The City Deal proposition will be presented to the Local Growth Board on 9<sup>th</sup> October by a group of six representatives from across Plymouth, Cornwall and Isles of Scilly LEP and Heart of the South West LEP. If the proposal is accepted work will begin on finalising the detail over the following six to eight months.
- 4.18 Torbay has committed significant staff resource to the City Deal to date which has ensured local priorities are recognised. As the deal develops there will continue to be a call on resources to finalise the details of the proposition and as part of the governance structure. By endorsing the City Deal Council will be committing itself to investing this time to securing the benefits for the Bay.

## **5. Possibilities and Options**

- 5.1 This paper proposes that Torbay Council endorse the Plymouth City Deal and continued participation in its development. The only other option available is not to endorse the City Deal and to end participation in it.
- 5.2 There are a number of reasons to endorse the City Deal including strengthening the negotiating position with Government by making clear Torbay's support. The deal will secure additional investment which will benefit Torbay and also feed into additional LEP strategies.
- 5.2 The actions set out within the City Deal reflect those of Torbay including promotion of the marine and advanced manufacturing sectors and creating employment. Continuing to support the deal will be important to ensure Torbay can continue to influence development of these proposals to meet our needs.
- 5.3 The City Deal has potential to bring investment into Torbay and to help deliver economic regeneration. Identification of Brixham as a strategic site reflects the commitment of the deal to include Torbay and as such it is important that it is endorsed by Council.

## **6. Fair Decision Making**

- 6.1 The City Deal will have a positive impact on the Torbay economy in that it will secure investment and support for economic regeneration and business growth. Senior representatives from the Council and TDA have been involved in development of the Plymouth City Deal and have ensured the needs of Torbay are reflected.

## **7. Public Services (Social Value) Act 2012**

7.1 Endorsement of the City Deal does not require the procurement of service or works. However, should the deal be approved projects within it will require procurement. Torbay will work with City Deal partners to ensure this is fair and offers maximum benefits to the local area.

## **8. Consultation**

8.1 Consultation on the City Deal proposals was carried out within the Bay (and the rest of the LEP area) as part of a wider consultation exercise including the future European programme. An event was held in Paignton in June during which businesses were invited to give their views on the emerging City Deal.

8.2 Consultation has also taken place within the Council in the form of briefings for elected members.

## **9. Risks**

9.1 There is a need to evidence the support of local partners for the City Deal. If Council does not endorse the deal this could pose a risk to its approval by Government.

9.2 If Council chooses not to endorse the City Deal there is a risk that Torbay will play no further part in its development. Should this be the case the needs of Torbay may not be taken into account as the deal is finalised.

9.3 The Plymouth City Deal offers an opportunity to secure bespoke support for economic development and potentially investment for Torbay. Its priorities reflect those of the Bay and the risks to endorsing it are minimal.

# Agenda Item 15



**Meeting:** Priorities and Resources Review Panel **Date:** 21 August 2013  
Council 26 September 2013

**Wards Affected:** All

**Report Title:** Revenue Budget Monitoring 2013/2014 – Quarter 1

**Executive Lead Contact Details:** Gordon Oliver, Mayor and Executive Lead for  
Finance  
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**Supporting Officer Contact Details:** Paul Looby, Executive Head - Finance  
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## 1. Key Points and Summary

- 1.1 With the continuation of the Government's austerity measures, Members were advised of the financial challenges that would be faced when the 2013/14 budget was set in February 2013. The inherent risks the Council faced when the budget proposals were approved were set out in the budget report and these risks were accepted by Members.
- 1.2 Despite a robust budget process for 2013/14 the Council is subject to ongoing demands outside of its control, particularly within Children's Safeguarding and Wellbeing and as a result of these pressures there is a projected overspend for the financial year of £2.415m based upon the latest information available to finance officers as at the end of the first quarter.
- 1.3 The significance of this projected overspend at such an early part of the financial year should not be underestimated during this period of ongoing financial challenges. The Senior Leadership Team and Executive Lead Members will be working hard to address the pressures and take corrective action to address the position. In addition to the pressures identified within Safeguarding and Wellbeing there are other pressures within other Business Units which need to be monitored closely over the next quarter.
- 1.4 As is best practice within the Council, the significant overspend identified within Children's Services will be monitored by their management team and a recovery plan put in place to reduce spend. If the recovery plan cannot reduce the overspend the Senior Leadership Team and Executive Leads will be considering all options for addressing the projected overspend including strict controls on the recruitment to any vacant posts and curtailment of expenditure budgets that have not yet been committed.

- 1.5 As the Council is preparing to find at least £20m of budget reductions over the next 2 years, where possible Executive Head's will take measures to bring forward any proposed budget savings required in 2014/15 to deliver in-year savings which will reduce the current projected overspend. This has already happened in some services.
- 1.6 Members will be aware that the Council must achieve a balanced budget at year end. This will be achieved by either:
- a) those services overspending producing in-year recovery plans which reduces or removes the projected overspend;
  - b) all other services deliver in year savings resulting in an underspend at year end;
  - c) if insufficient savings can be made there is a risk that, as a last resort, uncommitted reserves or uncommitted budgets will be required to ensure a balanced budget can be achieved at the end of the year.
- 1.7 Whilst the council does hold reserves, this can only be used for one off purposes and are not a solution to ongoing financial commitments.
- 1.8 The key variations within services projected at the end of the year are:
- Children's Services: £2.5m overspend, after the expected impact of a recovery plan, due primarily to pressures within Safeguarding and Wellbeing service due to the number and costs for looking after Children and the costs for the continued use of agency social workers.
  - Finance: £0.250m projected underspend due to treasury management savings and staff and administration savings within the division.
  - Residents and Visitors: projected overspend of £0.165m due to pressures within the Tor2 contract, Torre Abbey, Car Parking and the Events budget.
- 1.9 A summary of the projected overspend is shown in table 1 below and how it must be managed:

**Table 1**

	£'m	£'m
<b>Overspend before savings &amp; recovery plans</b>		<b>3.965</b>
Managed by:		
In Year savings identified to date by services	0.250	
Savings to be identified through children's services recovery plan	1.300	
		<b>1.550</b>
Balance remaining		2.415
Further options to balance budget:		
Uncommitted budgets	to be confirmed	
Uncommitted reserves (if required)	to be confirmed	
Balance		<b>0</b>

### Strategy for in Year Budget Management

- 1.10 The Director of Children's Services has identified the main spending pressures and has in place an action plan to reduce the projected overspend. Members will recall that an additional £2m was added to the base budget for Safeguarding and Wellbeing in 2013/14 (in addition to the use of one of reserves to fund pressures last year) but significant pressures still exist. In addition the Council has a number of volatile income budgets which need to be monitored closely over the next quarter.
- 1.11 It is recognised that the demands within Children's Safeguarding will be difficult to reduce however, the service will be expected to continue to address the key issues through the implementation of their recovery plans and where possible identify further savings during the year.
- 1.12 The Council has adopted an ongoing Strategy is to address the financial challenges faced now and in the future. The fundamental issue is the implementation of continued strict financial management and control by the Senior Leadership Team and Executive Lead Members. Other measures that may be introduced as the year progresses includes:



- a moratorium on all non essential expenditure and a reduction in all other expenditure with an assessment of the services consequences.
- a freeze on all non essential recruitment.
- a review of budgeted expenditure that could be ceased and an assessment of the services consequences including reshaping of services where possible.
- bringing forward any savings proposals for 2014/15 and implementing these to derive in-year savings.
- Redeployment of staff directly affected by any restructuring proposals where vacancies exist.
- identification of any invest to save schemes that will have immediate cost savings in 2013/14 and beyond.

**Paul Looby**  
**Executive Head of Finance and Chief Finance Officer**

### **Appendices**

Appendix 1 Summary of Main Variations

Appendix 2 Pooled Budget with Torbay and Southern Devon Health Care Trust

Appendix 3 Budget Monitoring of Council Subsidiaries and Associates

### **Documents available in Members' rooms**

None.

### **Background Papers:**

The following documents/files were used to compile this report:

None.

### Summary of Main Variations

#### A.1 Report Overview

A1.1 The purpose of this report is to provide Members with a summary of the projections of income and expenditure for all Business Units within the Council and to set out how the Council will maintain expenditure within its approved budget of £126.8m.

A1.2 The revenue monitoring statement shows the expenditure and projected outturn position based upon the latest information available to finance officers in consultation with service departments. Where possible, the implications or consequences arising from the variations are reflected in the key performance indicators for that service.

A1.3. Ongoing financial monitoring will be provided to Members quarterly and performance reporting will be provided to Members on a 6 monthly basis.

#### A.2 Financial Performance

A2.1 Table 2 overleaf provides a summary of the projected outturn position for Council services.

**Table 2**  
**Projected Outturn Position – Quarter 1**

<b>Business Unit/Service</b>	<b>2013/14 Budget</b>	<b>Spend to Date</b>	<b>Projected Out-turn</b>	<b>Variation at Out-turn</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adults &amp; Resources</b>				
- Adult Social Care	43,756	10,935	43,756	0
- Commercial Services	3,559	938	3,559	0
- Information Services	3,486	1,354	3,486	0
- Supporting People	4,418	1,473	4,418	0
	<b>55,219</b>	<b>14,700</b>	<b>55,219</b>	<b>0</b>
<b>Children, Schools &amp; Families</b>	<b>28,455</b>	<b>14,421</b>	<b>30,955</b>	<b>2,500</b>
<b>Public Health</b>				
Community Safety	1,917	(205)	1,917	0
Public Health	0	4,340	0	0
	<b>1,917</b>	<b>4,135</b>	<b>1,917</b>	<b>0</b>
<b>Place &amp; Resources</b>				
- Business Services	1,604	247	1,604	0
- Finance	10,188	(3,847)	9,938	(250)
- Residents & Visitors	7,771	4,679	7,936	165
- Spatial Planning	5,700	1,345	5,700	0
- TDA - Clientside	2,409	1,769	2,409	0
- TDA - TEDC	1,677	107	1,677	0
- Torbay Harbour Authority	0	241	0	0
- Waste & Cleaning	11,826	8,865	11,826	0
	<b>41,175</b>	<b>13,406</b>	<b>41,090</b>	<b>(85)</b>
<b>Total</b>	<b>126,766</b>	<b>46,662</b>	<b>129,181</b>	<b>2,415</b>

## Main Variations

A2.2 A summary of the main variances and the principal reasons for any underspends or overspends and any emerging issues within each directorate are explained below.

### Place and Resources

A2.3 There is a projected underspend of £0.085m. A summary of the main variations are identified below:

**Residents and Visitor Services** is projecting an overspend of £0.165m at the end of quarter 1. This is due primarily to:

- spending pressures within the Tor2 contract due to the timing of the implementation of 2013/14 savings.
- operational costs at Torre Abbey expected to be greater than the approved budget.
- additional costs within the Events budget.
- Staffing numbers within the decriminalised parking enforcement team impacting upon income received.

At this early stage of the financial year a balanced position is projected for off street and on street car parking income. However this is one of the council's volatile income budgets and subject to seasonal factors including the weather and number of visitors to the Bay. Early indications in the first quarter show there is a shortfall for car parking income and if this early trend continues for the year this could lead to an income shortfall of £0.400m. Income levels will be monitored closely over the peak summer period where the vast majority of income is collected and an accurate indication of where income levels are likely to be will be available at the end of season in September.

**Waste and Cleaning** is projecting to remain within its approved budget. Members will recall that underspends have been achieved within this budget over the last few years due to TOR2's introduction of various waste reduction and diversions initiatives and a fall in the tonnages of waste. Early indications are that tonnages are slightly above forecast levels and these will be monitored closely over the next quarter.

**Spatial Planning** – is projected to spend within its approved budget. There are a number of volatile income budgets i.e. planning, building control, as well as the Concessionary Fares Budget which is dependant upon the number of passenger journeys.

**Economic Development Company (Client side) and Business Services** are projecting to spend within budget as at the end of quarter 1.

**Finance** – is projected to underspend by £0.250m due to:

- savings within treasury management primarily due to savings on interest payments due to the repayment of loans at the end of 2012/13.
- staff savings arising from a restructure and administrative savings within the department.
- additional receipt of housing benefit administration grant.
- lower than budgeted for external audit fees.

#### A2.4 Public Health

All services within Public health are projected to spend within their approved budget.

#### A2.5 Children, Schools & Families

Children's are projecting a net overspend of £2.5m after the application of savings proposals from their recovery plan and underspends reported within Family Services for Children's Centres and Youth and Family Solutions.

The projected overspend is primarily due to budget pressures within Safeguarding and Wellbeing where, based upon current commitments the budget is overspending by £3.8m. Despite a reduction in the number of children in care the overspend is accounted for due to the costs for children in care and placements within the independent sector costs and continued use of agency social workers primarily as a result of cover for maternity leave.

The headline overspend represents 13% of the net budget for Children's Services. This has increased by £1.3m since the outturn position for 2012/13.

The number of looked after children at the end of June 2013 is 284, a decrease of 21 since the end of March 2013. The number of children on Child Protection Plans at the end of June was 157, a decrease of 23 since the end of March 2013.

##### **Children's Services Response to the projected overspend**

The latest forecast spend indicates the challenges faced by Children's Services. As reported previously the service is continuing to be remodelled to reduce the number of Looked After Children and the amount of time they spend in care. It will also reduce the number of children subject to a Child Protection Plan, thus reducing budget pressures in relation to statutory activity and placement costs. However, the changes are based on a long term sustainable strategy e.g. the process of developing a more robust and assertive Fostering Strategy, which is designed to increase the number of in-house foster carers and move Children from ISP placements without affecting outcomes.

As previously reported Members will have been advised of the Children's Services dependence upon Agency staff for social workers. This dependence was reduced by the successful Make an Impression Campaign and the approved Recruitment and Retention Strategy. However, due to a number of social workers taking maternity leave it has been necessary to increase expenditure on agency staff to maintain caseloads at acceptable levels.

The reliance upon ISP residential placements in the past has put considerable strain upon the budget. Children's have introduced a robust placement review and approval process via the Access to Resources and Permanency Panels, however whilst there has been some success the increased demand has negatively skewed any gains.

The Children's Services Management team are fully aware of the financial challenges faced by the Council and importance of strict financial management and control. The management team have already started to implement a number of changes which will retain the projected overspend within £2.5m These measures include:

- undertaking a restructure of the Children's Services Management team;
- a comprehensive review of all budgets across the service to deliver savings and efficiencies;
- implementation of a residential migration project as a cost effective alternative to residential care. An experienced organisation will be used to support officers in moving children in to foster placements from residential care by using a comprehensive matching process and targeted support to enable children to live in a family environment;
- development and implementation of a new strategic approach for Foster carers by increasing the number of in-house foster carers and reduce the reliance upon the costly independent sector;
- review and analysis of services and costs with disabilities service;
- initiate a new brokerage system with Devon County Council to reduce the costs of residential care.

These changes are part of an ongoing plan to manage the budget to ensure expenditure is contained within the approved budget and runs alongside existing business plan which will be continually developed and reviewed. They are an integral part of a two year budget reduction plan for Children's Services.

## **Adults and Resources**

A2.6 This portfolio covers a range of services and is projecting to spend within its approved budget.

### **Adult Social Care**

Adult Social Care provides services to some of the most vulnerable adults within the Bay. A balanced budget is projected at the end of the first quarter which was been helped by a reduction in care home placements for residential care and

nursing care numbers. This continues a recent trend which started at the end of the last financial year. However, Members are reminded of the volatility of placements and increased costs for Ordinary Residency which could put pressure on the Council's largest area of expenditure.

Appendix 2 shows the pooled budget for the partnership as managed by the Torbay and Southern Devon Health and Care NHS Trust.

All other services within this portfolio are projected to spend within their budget allocation as at the end of quarter 1.

### **A3. Reserves**

A3.1 The Comprehensive Spending Review (CSR) reserve is the Council's uncommitted reserve which was set up to meet the financial challenges it faces over the next few years. These challenges include:

- any unforeseen events or pressures that emerge during the year;
- invest to save initiatives where demonstrable savings can be delivered in future years;
- making provision for any costs of restructuring Council services.

The Chief Finance Officer has advised that where possible reserves should only be used to support one off initiatives as it is not sustainable to use reserves to support ongoing commitments. As identified within the 2012/13 outturn report the balance for the CSR reserve was £3.1m.

A3.2 The Council is faced with a number of other cost pressures which will further reduce the level of reserves it holds. These include redundancy costs which will arise from the 2014/15 budget round (£1.6m last year) and will be a cost in 2013/14. In addition, if the Council is unable to declare a balanced budget at year end after the application of other uncommitted budgets and savings any overspend will have to be funded from reserves. This will reduce the Council's uncommitted reserves and impact upon how the Council manages further reductions in government grant in 2014/15 and 2015/16.

A3.4 A summary of the Council's uncommitted reserve and monies approved by the Mayor to be released from the CSR reserve in 2013/14 are shown overleaf in table 3.



**Table 3 - Uncommitted Reserves**

Comprehensive Spending Review Reserve	Working Balance £'m
<b>Balance as at 1 April</b>	<b>3.100</b>
£0.050m for Arboriculture Services for the maintenance of trees	<b>0.050</b>
£0.1m for an invest to save scheme for reducing water usage at all council toilets.	<b>0.100</b>
<b>Balance as at 30 June</b>	<b>2.950</b>
Potential Calls on CSR Reserve	
Redundancy Costs arising from 2014/15 budget	1.5m (estimated)
Budget Pressures	tbc

A3.5 The Council also has its General Fund balance. Since Torbay became a Unitary authority in 1998 there has not been a call on the general fund balances. The current balance is £4.4m and represents 3.5% of the Council's net budget.

A3.6 There has been significant media attention as to the level of reserves held by Council's. It should be recognised that the general fund balance is uncommitted (unlike other earmarked reserves) and provides funds that would only be used for any unforeseen or unexpected expenditure that could not be managed within service budgets or earmarked reserves. With this in mind and in light of the difficult financial climate faced by the Council and reduction to the Council's net budget, the Chief Finance Officer believes that a cash balance of £4.4m is a prudent and sustainable level to protect the Council from the increased risks it faces with respect to the ongoing grant reductions from Government and increased demand for some services. In addition the Council's external auditors will have a view as to the level of the Council's General Fund Balance.

#### **A.4 Dedicated Schools Grant (DSG)**

A.4.1 DSG funded activities is currently reporting an underspend of £0.928m. This is primarily due to receipt of additional DSG after the budgets were approved. The DSG is a ring fenced grant and can only be used to fund schools related activities.

#### **A.5 Debtors**

A5.1 This section of the report provides Members with an update for the first quarter in 2013/14 in respect of council tax and business rate collection.

## Council Tax

A5.2 The targets for the collection of Council Tax in 2013/14 are:

- (i) collect 96.5% of the Council Tax due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.3 The Council is due to collect £64.5m after the granting of statutory exemptions and reductions and Council Tax Support in the period April 2013 to March 2014. To date the Council has collected £17.9m which is 27.83% of the Council Tax due in year. The collection level is lower than last year when 28.71% was collected.

Following the introduction of the Local Council Tax Support Scheme the Council is monitoring closely the impact of the changes upon collection rates. The collection rate for accounts where last year there was no Council Tax liability in 2012/13 is 13.5%. The collection rate where the account was not entitled to maximum Council Tax Benefit in 2012/13 is 17.4% compared to 18.7% for last year.

A5.4 The total arrears outstanding at 31 March 2013 were £3.67m and this has been reduced by £0.713m which is about 19.3% of the total arrears due. At the equivalent time last year the Council had collected £0.680m off arrears of £3.97m, which equates to around 17.1%.

A5.5 There are no Council Tax write-offs over £5,000 to report. 279 council tax accounts with a value of £0.069m have been written off in the first quarter.

## Non-Domestic Rates

A5.6 The targets for the collection of NNDR (business rates) re:

- (i) collect 97% of the business rates due within the 12 months of the financial year (i.e. April to March); and
- (ii) collect 50% of the arrears brought forward from previous years.

A5.7 The Council is due to collect £36.9m after the granting of mandatory relief in the period April 2013 to March 2014. To date the Council has collected £12.1m which is 33.0% of the business rates due in year. In the equivalent period last year the Council had collected £12.5m which equates to 33.4%.

A5.8 The total arrears outstanding were £1.55m and this has been reduced by £0.387m which is about 24.1% of the total arrears due. Last year the Council had collected £0.323m off arrears of £1.49m which equates to around 21.6%

A5.9 There are nine write offs above £5,000 which have been circulated to Members of the Overview and Scrutiny Board and are available to all Members upon request.

A5.10 The Council has written off 42 accounts in quarter one with a value of £0.133m.

A5.11 There no write off's over £5,000 for Benefits or Sundry debts. The total amount written off in quarter one is £0.096m and £0.029m respectively for these debtors.

#### **A.6 Financial Performance of External Companies**

A6.1 For completeness a summary of the financial performance of the companies that Torbay Council has an interest in is included. Attached as appendix 3 is a list of those companies which summarises their projected outturn position.

Appendix 2 Torbay and Southern Devon Health Care Trust 2013/14 Budget as at June 2013

EXPENDITURE BUDGETS BY SERVICE LINE	Cum I&E - prior period £000	Monthly income and expenditure performance							Cumulative Income & Expenditure £000	Plan to date £000	Favourable/ (Adverse) Performance £000	Forecast Favourable/ (Adverse) Performance £000	Plan £000	Forecast £000	Underlying financial position £000
		April £000	May £000	June £000	July £000	August £000	September £000								
<b>Health</b>															
Hospital Services		1,908	1,886	1,865				5,659	5,666				22,751	22,751	0
Community Services - Southern Devon		758	744	756				2,258	2,261				9,157	9,157	0
Community Services - Torbay		1,351	1,335	1,355				4,041	4,061				16,337	16,337	0
HQ & Corporate		1,206	1,117	1,002				3,325	3,329				13,553	13,553	0
Professional Practice & Public Health		772	794	780				2,346	2,342				9,515	9,515	0
Medical Directorate		87	138	115				341	342				1,407	1,407	0
<b>sub-total</b>	<b>0</b>	<b>6,082</b>	<b>6,014</b>	<b>5,873</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,970</b>	<b>18,001</b>				<b>72,720</b>	<b>72,720</b>	<b>0</b>
Continuing healthcare		1,079	1,051	1,052				3,182	3,182				13,154	12,654	(500)
Reserves		0	0	0				0	188				478	478	0
<b>Sub-total Health</b>	<b>0</b>	<b>7,161</b>	<b>7,065</b>	<b>6,925</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,152</b>	<b>21,371</b>				<b>86,352</b>	<b>85,852</b>	<b>(500)</b>
<b>Adult Social Care (ASC)</b>															
Independent Sector (net of client income)		2,601	2,609	2,598				7,808	7,808				31,174	31,174	0
In house services - Learning Disability		203	208	206				617	617				2,467	2,467	0
<b>Sub-total ASC</b>	<b>0</b>	<b>2,804</b>	<b>2,817</b>	<b>2,804</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,425</b>	<b>8,425</b>				<b>33,641</b>	<b>33,641</b>	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>9,965</b>	<b>9,882</b>	<b>9,729</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,577</b>	<b>29,796</b>				<b>119,993</b>	<b>119,493</b>	<b>(500)</b>
<b>INCOME FROM COMMISSIONERS</b>															
CCG/NCB - Block contract income		7,082	5,359	6,236				18,677	19,570				74,836	74,836	0
CCG/NCB - Variable contract income		2,922	4,676	3,783				11,381	10,488				500	0	500
Torbay Council								0	0				45,398	45,398	0
Devon County Council								0	0				120,734	120,234	500
<b>NET SURPLUS/ (DEFICIT)</b>	<b>0</b>	<b>39</b>	<b>153</b>	<b>290</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,058</b>	<b>30,058</b>				<b>741</b>	<b>741</b>	<b>0</b>
<b>memoranda health expenditure analysis</b>															
Employee related costs <sup>1</sup>		4,877	4,755	4,781				14,413	14,425				58,305	58,305	0
Operating costs		1,205	1,284	1,101				3,590	3,790				14,893	14,893	0
<b>TOTAL</b>	<b>0</b>	<b>6,082</b>	<b>6,039</b>	<b>5,882</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,003</b>	<b>18,215</b>				<b>73,198</b>	<b>73,198</b>	<b>0</b>
<b>Monthly expenditure budget</b>															
<b>(Over)/underspend</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,003</b>	<b>18,215</b>				<b>73,198</b>	<b>73,198</b>	<b>0</b>

Budget Monitoring of Council Subsidiaries & Associates

Budget Monitoring of Council Subsidiaries & Associates 2012/13 - Quarter One	Council Ownership	Gross Income to Date £m	Gross Spend to Date £m	Surplus or (Deficit) to date £m	Projected Outturn £m
<b>Subsidiaries</b>					
Torbay Economic Development Company	100%	(1.6)	0.8	(0.8)	0
English Riviera Tourism Company	100%	(0.6)	0.2	(0.4)	0
<b>Associates</b>					
TOR2	19.99%	(4.9)	4.9	0	(0.5)
South West Careers	25%	(3.3)	(3.4)	0.1	0
PLUSS	25%	(6.9)	6.8	(0.1)	(0.1)



**Meeting:** Priorities and Resources Review Panel **Date:** 21 August 2013  
Council 26 September 2013

**Wards Affected:** All

**Report Title:** Capital Investment Plan Update - 2013/14 Quarter 1

**Executive Lead Contact Details:** Gordon Oliver, Mayor and Executive Lead for Finance  
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## **1 Purpose**

- 1.1 The Council's capital investment plan with its investment in new and existing assets is a key part of delivering the Council's outcomes. This is the first Capital Monitoring report for 2013/14 under the Authority's agreed budget monitoring procedures. It provides high-level information on capital expenditure and funding for the year compared with the latest budget position as reported to Council in February and July 2013.

## **2 Proposed Decision**

### Overview & Scrutiny Board

- 2.1 **That Members note the latest position for the Council's Capital expenditure and income for 2013/14 and make any recommendations to Council.**

### Council

- 2.2 **That Council note the latest position for the Council's Capital expenditure and funding for 2013/14.**

## **3 Reasons for Decision**

- 3.1 Quarterly reporting to both the Overview and Scrutiny Board and to Council is part of the Council's financial management process.
- 3.2 The Capital Investment Plan forms part of the Council's financial management process.

## **4 Summary**

- 4.1 Members of the Overview and Scrutiny Board and Council receive regular budget monitoring reports on the Council's Capital Investment Plan throughout the year. The Council's four year Capital Investment Plan is updated each

quarter through the year. This report is the monitoring report for the first quarter 2013/14 and includes variations arising in this quarter.

- 4.2 The overall funding position of the 4-year Capital Investment Plan Budget of £59.9 million, covering the period 2013/14 – 2016/17, is in balance but still relies upon the generation of a further £7.4m of Capital income from capital receipts and capital contributions over the life of the Capital Investment Plan.
- 4.3 Of this £7.4m, £4.9 million is required from capital receipts before the end of the current Plan period. Of this sum £0.1 million has been received in the first quarter, leaving a balance of £4.8 million still to be realised. It is only after this target has been reached that any capital receipts can be applied to new schemes.
- 4.4 The Plan also requires a total of £2.5m from capital contributions including community infrastructure levy and s106 developer contributions. In addition to the £2.5m, £2.1m is due to be generated from S106 contributions to part fund the South Devon Link Road. If the South Devon Link Road contributions are not generated then the Council's prudential borrowing requirement for this scheme is £20m. The Council's revenue budget includes provision to meet the costs of £6m of borrowing, leaving £14m to be funded from other (currently unidentified) capital income. If this other capital income is not achieved then repayment costs for the balance of £14m will be a future year revenue budget pressure.
- 4.5 As the target income for capital receipts and capital contributions are required to meet existing Council commitments, it is important that any capital income raised is allocated to existing commitments and not used to support additional expenditure on new schemes.

## **5 Supporting Information**

- 5.1 The original capital budget approved by Council in February 2013 was £25.4 million. That has been subsequently revised for re profiling of expenditure from 2012/13, new schemes and re profiling expenditure to future years. All changes with reasons have either been included in previous monitoring reports, or are detailed in this report. The Capital Investment Plan Update report – outturn 12/13 was presented to Council in July 2013 and provided information on a number of schemes which, for completeness, are included in the table of budget movements.
- 5.2 Capital budgets of £5.9m have been carried forward to 2013/14 to enable schemes not completed or progressed in 2012/13 to be continued in the current year along with the funding sources for the scheme. It should also be noted that re profiling budgets often result from valid project management reasons such as scheme re engineering, further consultations and clarification with users or detailed tendering.
- 5.3 Of the total £59.9 million of the 4 year programme, £27.3 million is currently scheduled to be spent in 2013/14.

## 6 Movements in 2013/14 Estimated expenditure

6.1 The movements in the estimate of expenditure in 2013/14 on the Capital Investment Plan between the estimate at February 2013 of £25.4m and the current approved budget for 2013/14 of £27.3m, split by the categories of funding, are as follows:

Scheme	Variation in 2013/14	Change £m	Reason
<b>Estimate as at Budget Setting – February 2013</b>		<b>25.4</b>	Capital Investment Plan 2013/14 (Report 13 Feb 2013)
Budget changes reported after budget set in February 2013:			
Devolved Formula Capital	Additional ring fenced Grant for schools	0.1	Reported in July 2013 – 7.3
Riviera Renaissance	Notification of grant	0.6	Reported in July 2013 – 6.27
Harbour Pontoons	Approved scheme	0.8	Reported in July 2013 – 6.33
Riviera Centre	Allocation of funds	0.9	Reported in July 2013 – 6.17
<b>Sub Total</b>		<b>27.8</b>	
Schemes brought forward from 2012/13 to 2013/14	Re profile from 2012/13	5.9	See 2012/13 Capital Outturn Report (Council 18 <sup>th</sup> July 2013) updated
		<b>33.7</b>	
<b>“Old” Funding Regime”</b>			
New Growth Points: Land Acquisitions	Re profiling to 2014/15	(0.6)	Scheme re profiled to 2014/15
	Funding released to support existing capital plan	(0.7)	Per Revenue Budget 12/13 outturn report - recommendation 2.3 (iii)
White Rock Innovation Centre	Re profiling to 2014/15	(0.2)	External funding for scheme at White Rock not yet confirmed
Great Parks	Budget removed	(0.4)	Reported in July 2013 – 6.24
Childrens’ projects		(0.3)	Uncommitted budgets on Torquay Community College and unallocated review project funds allocated to other projects
Childrens’ Centres		(0.3)	Childrens Centre funds under review so re profiled to 2014/15
St Margaret Clitherow School		0.3	Reported in July 2013 – 6.23 – (note cost now £0.3m)
Barton Infrastructure	Budget moved to 2014/15	(0.1)	Unlikely to be used in 2013/14
Babbacombe Beach Road	Budget moved to 2014/15	(0.1)	Match funding to developer works not yet required
Development Sites	Budget part moved to 2014/15	(0.1)	Budget now in line with estimated spend
Torbay Enterprise Project	Re profiling to 2014/15	(0.2)	Council contribution to ROOUTE project now 2014/15
B&Q	Re profiling to 2014/15	(0.6)	Scheme re profiled to 2014/15. Reported in July 2013 – 6.2
Affordable Housing at Hayes/Housing Funds	Re profiling to 2014/15	(0.3)	Council contribution to project now 2014/15
		<b>(3.6)</b>	



<b>“New” Funding Regime</b>			
Oldway Estate Public Works	Rephased to 2014/15	(0.4)	Review of likely spend profile in 2014/15
Whiterock Primary School expansion	Budget Provision for 2013/14	1.0	Initial phase of expansion part funded from Education allocation
Ellacombe Primary School	Budget reallocated to White Rock Primary	(0.6)	
Affordable Housing	Re profiling to 2014/15	(0.1)	Unallocated housing funds unlikely to be spent in 2013/14
Livermead Sea wall	Increase in costs following storm damage	0.3	Funding to be offset by grant from Environment Agency
Flood Defence Schemes	Works approved for Goodington Cliff and Fairy Cove	0.3	Reported in July 2013 – 6.19
Torre Abbey Phase 2	Additional funds allocated to project	0.2	Additional works required at Abbey funded from central repairs & maintenance budget
Cockington School	Part of scheme re profiling to 2014/15	(0.6)	Delays on one aspect of the scheme now re profiled to 2014/15
Unallocated un ring fenced grants		(0.3)	Grant now allocated to new scheme for 2 year old nursery places (see below)
		<b>(0.2)</b>	
<b>“New” Ring fenced funding</b>			
Toilets – Water Efficiency	Invest to save scheme	0.1	Reported in July 2013 – 6.30
Ferry Service	Budget increased to reflect S106 funds	0.1	S106 receipts have been allocated to this scheme.
Brixham Harbour – Major Repairs	New budget for 2013/14	0.2	Progress outstanding major repairs at Harbour funded from harbour reserves.
Childrens – 2 Year Olds Provision	New funding stream for 2 year olds	0.2	Reported in July 2013 – 6.20
		<b>0.6</b>	
<b>Prudential Borrowing</b>			
Council Vehicles	Part budget moved to 14/15	(0.2)	Provision for the replacement of Council vehicles
Office Rationalisation Project	Re profile to 2014/15	(0.5)	Next phase of scheme unlikely to exceed budget provision.
Beach Chalets Meadfoot	New budget for 13/14	1.6	Provision of new chalets – due to approved by Council in July 2013
Paignton Velodrome	New budget for 13/14	1.6	Reported in July 2013 – 6.34
South Devon Link Road	Re profile to 2014/15	(4.8)	DfT to fund 2013/14 expenditure so Torbay’s contribution delayed
		<b>(2.3)</b>	
<b>General Capital Contingency</b>			
General Contingency	Re profile to later years	(0.9)	Review of likely requirements
<b>Estimate – Quarter One 2013/14</b>		<b>27.3</b>	

## 7 Expenditure

7.1 The Council approved the original 4-year Capital Investment Plan Budget for the period 2012/13 – 2015/16 in February 2012. This plan has been subsequently updated for any further revision to both projects and timing, resulting in the latest revision attached to Annex 1. The Plan now totals £59.9 million over the 4 year

period of which £27.3 million relates to 2013/14 and £18.4 million relates to 2014/15.

- 7.2 The purpose of this report and the Monitoring statement attached is to highlight any existing or potential issues which may affect the delivery of the major projects included in the Plan and to consider any potential effect on corporate resources.
- 7.3 Expenditure to the end of this first quarter was £4 million with a further £2 million of commitments on the Council's finance system. The expenditure of £4 million is 15% of the latest budget for 2013/14. This compares with £2 million (or 11% of outturn) for the first quarter last year.

	2009/10 £m - (%)	2010/11 £m - (%)	2011/12 £m - (%)	2012/13 £m - (%)	2013/14 £m (%)
Quarter One	8 – (16%)	10 – (23%)	3 – (14%)	2 – (11%)	<b>4 (15%)</b>
Quarter Two	11 – (22%)	13 – (30%)	7- (32%)	4 – (21%)	-
Quarter Three	13 – (27%)	9 – (21%)	5 – (22%)	5 – (26%)	-
Quarter Four	17 – (35%)	11 – (26%)	7- (32%)	8 – (42%)	-
<b>Total In Year</b>	<b>49</b>	<b>43</b>	<b>22</b>	<b>19</b>	<b>27</b>

## Main Variations & Management Action

### 8 "New Funding Regime"

- 8.1 An estimate of funds was identified in the Capital Investment Plan (February 2012) for the four years of the Plan, which was provisionally allocated to a number of "priority" areas. In a number of services, requests have now been submitted for funding which has been approved in line with the Council delegated approval. Subsequent to the initial approval funding and expenditure adjustments have been made to the four year estimate of funding.
- 8.2 A summary of allocations to date over the four years of the Plan from this estimate of funds over four years is shown in the table below:

Scheme	Allocation Council Feb 2012 £m	Allocated to Q4 2012/13 £m	Allocated In Q1 2013/14 £m	Total Un allocated £m
	(Revised)			
Employment Schemes – such as Riviera Centre investment	2.0	1.0	0	1.0
Torre Abbey – Council maximum funding pending English Heritage Grant and other income.	2.0	2.0	0	0
Princess Pier Structural Repairs – Council match funding to a bid for to the Environment Agency	1.4	1.4	0	0
Grants for both Disabled Facilities and Childrens Adaptations	3.2	0.8	0	2.4
Provision for Infrastructure Works	2.0	1.7	0	0.3
Improving Leisure Facilities	1.7	0.9	0	0.8
Schools – Basic Need (including school places) and capital repairs	9.6	9.4	0.4	(0.2)
Transport – Structural Repairs and Integrated Transport	6.2	6.1	0	0.1
Adult Social Care	1.0	0.1	0	0.9

Affordable Housing	0.1	0.1	0	0
<b>Total Schemes</b>	<b>29.2</b>	<b>23.5</b>	<b>0.4</b>	<b>5.3</b>

- 8.3 The Capital Investment Plan as at 2013/14 Quarter One shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped. However if funding is not realised, such as lower than anticipated grant funding, then the Capital Investment Plan will have to be reduced accordingly or alternative sources of funding allocated such as prudential borrowing.
- 8.4 Details of schemes approved by the Chief Operating Officer from the four year capital allocation in Quarter One 2013/14 are as follows:

<b>Scheme</b>	<b>Budget Approved £m</b>	<b>Details</b>
Whiterock Primary School	1.0	Initial funding for phased expansion scheme to increase PAN from 60 to 90 pupils from Sept 2014.
Ellacombe Primary School	(0.6)	Budget reallocated to White Rock Primary School
Total Quarter One	0.4	

The allocation of £0.4m to the White Rock Primary scheme exceeds the provisional allocation for Schools – Basic Need works by £0.2m. Childrens' Services will review existing resources to cover this shortfall over the life of the Plan. As previously reported the allocation of Basic Need grant for 2013/14 and 2014/15 to the Council was lower than anticipated. A wider scheme at White Rock Primary School, a total 3.5m scheme, is being considered that could be developed at the school to meet forecast changes in pupil numbers.

8.5 Scheme Updates:

Cockington Primary School: The expansion of Cockington Primary School is in progress but some delays have been encountered in relation to the playing field so £0.6 million has been rephased to 2014/15.

Oldway Mansion – Public Works: The agreed £0.4 million payment in relation to public works at Oldway is expected to be in 2014/15.

Livermead Sea Wall: The costs of the repairs to the sea wall at Livermead are now estimated to be £0.7m, however Environment Agency grant funding to a maximum of £0.368 million has now been confirmed, which will fund the additional costs which had not been previously budgeted for.

Torre Abbey: The project is nearing practical completion. There have been a few additional elements of work undertaken to finish the project, £0.2m, and these have been funded from the Council's central repairs and maintenance budget.

## 9 "Old Funding Regime"

This section relates to the schemes in the Capital Investment Plan that were allocated to services from capital funding that originated in 2011/12 and earlier financial years.

### 9.1 Children's Services:

Childrens Centres: There are no definite plans for the use of this funding therefore the expenditure has been re profiled to future years.

St Margaret Clitherow Primary School: A scheme to increase capacity at St Margaret Clitherow Primary School in Brixham costing £0.3 million has been approved utilising savings from other schemes (Torquay Community College) and unallocated resources (Education review funds).

### 9.2 Affordable Housing: Some new schemes have been identified to be funded from the budget for unallocated housing schemes where Council resources have been used to support developments by Registered Social Landlords. These involve schemes at Langridge Road and Preston Down Road in Paignton, and at Beechfield Avenue Torquay.

In addition, the Council's share of Right to Buy Clawback receipts for 2012/13 from Sanctuary Housing Association amounted to £0.1 million and this sum has been added to the 2014/15 future years Affordable Housing budget, in accordance with Council policy, to be allocated to appropriate schemes in due course.

Three other schemes have been re profiled: £0.2m for the Council's contribution to the ROOUTE project which is not likely to be requested in 2013/14, £0.6m for the proposed scheme on the old B&Q site in Torre and £0.3m on an affordable housing scheme at Hayes Road and the unallocated housing budget.

### 9.3 New Growth Points: Proposed schemes for Innovation Centre Phase 3 (£0.2m) and Land Acquisition schemes (£0.6m) including a potential scheme at Grange Road are still being reviewed and/or developed so parts of these budgets have been moved to 2014/15 when they are more likely to be required. As per 2012/13 revenue budget to Council – recommendation 2.3 (iii) £0.7m of capital resources earmarked to fund the Growth Fund is released and made available to support the existing capital plan. The funds will be applied to initially reduce the target for s106 developer contributions such as for the South Devon Link Road. If contributions are generated in excess of the targeted levels the funding can be used to reduce the overall level of prudential borrowing.

### 9.4 Other Schemes: Expenditure has been re profiled on a number of smaller schemes where no expenditure is likely to take place during 2013/14 – these include Development Sites (part), Babbacombe Beach Road contribution and Barton infrastructure works.

## 10 "New" Ring fenced funding

### 10.1 Local Sustainable Transport Fund – additional S106 contributions have been identified to provide match funding in support of the Ferry Scheme.

- 10.2 Children's – 2 year old provision. - New Government funding stream to facilitate early year's education for 2 year olds. Whilst this is not a ring fenced grant it has been agreed to use these resources for the indicated purpose. The capital grant allocation was £0.3 million
- 10.3 Marine Services: Under a previous Council minute ( Minute No 839/01/06) it was agreed that major repairs at the Harbours were allowed to progress as and when the balances in the Harbours Reserves provided sufficient headroom to fund the required works. A number of outstanding major repair projects at Brixham Harbour including enhancement of fender system, are now being undertaken with an estimated overall cost of £0.240 million.
- 10.4 Local Transport Board: The Heart of the South West Local Enterprise Partnership (LEP) as a Local Transport Board is to be awarded funds from 2015 to prioritise and allocate on a regional basis to major transport schemes. The Council has submitted bids to this Board for transport works in relation to Western Corridor and a new train station at Edginswell. Confirmation of accepted bids will not be made until the LEP has confirmation of the value of funds it will be awarded. Both bids require a level of match funding from the council which will have to be funded, potentially by re directing funds that could be used to support other capital projects.

## **11 Schemes funded from Prudential Borrowing**

- 11.1 South Devon Link Road: The Department for Transport have advised that, for a second year, they wish to accelerate their funding of the South Devon Link Road which will mean that £4.8m of Torbay's funding contribution to this project is delayed until later in the development. The project is still on schedule and this change does not represent 'slippage'.
- 11.2 Meadfoot Beach Chalets - reported to Council 18 July 2013 for replacement of existing chalets with improved facilities and increased chalet numbers to improve visitor services to area. The scheme will cost £1.6 million from prudential borrowing the costs of which will be funded from chalet rentals. The scheme is expected to be completed in 2013/14.
- 11.3 Paignton Velodrome Cyclopark – Council on 15 May 2013 approved the creation of this cycling facility on Clennon Valley utilising £0.8m funding from British Cycling with match funding from the Council of £0.8m by means of prudential borrowing. The scheme has been included in the Capital Investment Plan with spend in 2013/14.
- 11.4 Innovation Centre: Council has previously approved "in principle" £2m of prudential borrowing to support a £5m innovation centre at White Rock. The external grant has still not yet been confirmed so has not yet been included in the capital investment plan.
- 11.5 Office Rationalisation Project: The phase of the project to vacate Oldway Mansion, Union House and Roebuck is now complete. The next phase of works are being planned in order to vacate Pearl Assurance House and Commerce House. As a result £0.5m has been re profiled to 2014/15. It is possible that the total budget will not be required for this scheme which will reduce the costs that were due to be funded from prudential borrowing.

11.6 Replacement Fleet Vehicles: Of the £0.250m earmarked for the replacement of vehicles in 2013/14, only £0.1m is likely to be required in this year.

## 12 Contingency

12.1 The Council approved a capital contingency of £1.1 million. This contingency is still in place to provide for unforeseen emergencies or shortfall in projected income over the 4-year Plan period and represents almost 2% of the total Capital Investment Plan budget. Currently it is not anticipated that the contingency will be required this financial year so the bulk of the contingency has been moved to future years.

## 13 Receipts & Funding

13.1 The funding identified for the latest Capital Investment Plan budget is shown in Annex 1. This is based on the latest prediction of capital resources available to fund the budgeted expenditure over the next 4 years. A summary of the funding of the Capital Investment Plan is shown in the Table below:

	2013/14	2014/15	2015/16	2016/17	Total @ Q1 13/14	Potential Funds	Total Funds 4 yrs
	A	B	C	D	E	F	G
Funding	£m	£m	£m	£m	£m	£m	£m
Supported Borrowing	1	0	0	0	1	0	1
Unsupported Borrowing	10	8	9	5	32	(9)	23
Grants	14	7	0	0	21	7	28
Contributions	1	0	0	0	1	4	5
Reserves	0	1	0	0	1	0	1
Revenue	0	1	0	0	1	0	1
Capital Receipts	1	2	0	0	3	3	6
<b>Total</b>	<b>27</b>	<b>19</b>	<b>9</b>	<b>5</b>	<b>60</b>	<b>5</b>	<b>65</b>

Notes to Table:

Column E –reflects the Capital Investment Plan as at Quarter One 2013/14 and shows the approved schemes to the extent that funding has been received or confirmed. Where the value of the approved schemes exceeds the known funding, temporary prudential borrowing has been used pending the future receipt of funds, at which point the funding will be swapped.

Column F – reflects the balance on the four year Capital Investment Plan that has not yet been allocated and the expected funding sources that have not yet been confirmed. When funding is confirmed the use of temporary prudential borrowing will be reversed.

### Grants

13.2 Capital Grants continue to be the major funding stream (69% in 12/13) for the Council to progress its investment plans. An element of these grants result from “bid” processes from other public sector bodies. With potential significant reductions on public sector expenditure expected, this funding stream could be significantly reduced for future capital projects. The Council used £12.7 million of

grants in 2012/213 and is currently estimating to use £14.2m of grants in 2013/14.

- 13.3 Since the last Capital update (Outturn 2012/13) to Council in July 2013 the Council has been notified of a grant for 2013/14 as follows:

Environment Agency – Livermead Sea Wall      £0.368m

- 13.4 The Council has been notified that it has been unsuccessful in its bid for additional targeted basic need grant from the Department for Education. Childrens' services will review its future capital plans particularly in relation to the potential expansion at White Rock Primary School.

#### **Capital Receipts –**

- 13.5 Capital receipts in the year to date are £0.1 million. At the start of 2013/14 the Council held a balance of £0.7 million capital receipts which have not yet been used to fund capital expenditure.
- 13.6 The target for securing capital receipts from asset sales to fund the 4-year Capital Investment Plan after 2012/13 was £6.2 million (required by March 2016).
- 13.7 This means that the approved Plan as at 1 April 2013 relies upon the generation of a total of £4.9 million capital receipts from asset sales by the end of 2015/16. These targets are expected to be achieved provided that -
- approved disposals currently “in the pipeline” are completed
  - the Council continues with its disposal policy for surplus and underused assets and,
  - no new (or amended) schemes are brought forward that rely on the use of capital receipts for funding.
- 13.8 Of the receipts expected £0.8 million is in relation to the Tesco development at Brixham, £1m from the Oldway Development and a significant sum is expected for the disposal of the old Paignton Library site. All capital receipts up to the target of £6.2m are required to fund capital schemes already approved.
- 13.9 There is an ongoing risk over the value of receipts. However the current approved plan has taken a prudent approach on the value of potential receipts and number of assets to be disposed. Assets approved for disposal are reported to Council for approval, with the latest report at Council in May 2013.

#### **Capital Contributions – S106 & Community Infrastructure Levy**

- 13.10 The general target for securing capital contributions to fund the 4-year Capital Investment Plan, following review of the Budget in February 2013 was £2.5 million (required by March 2016). In addition the South Devon Link Road business case estimated external contributions including s106 payments of £2.1m to help fund the scheme.
- 13.11 The intention is that capital contributions are applied to support schemes **already approved** as part of Capital Investment Plan and not allocated to new

schemes unless the agreement with the developer is specific to a particular scheme outside the Capital Investment Plan.

- 13.12 Income from s106's capital contributions so far in 2013/14 is only around £0.1 million and of this £20,000 is assigned to help finance the South Devon Link Road.
- 13.13 The Council is expected to agree a charging schedule for its Community Infrastructure Levy to be applicable from April 2014 which will, in part, replace S106 contributions from developers. The later than anticipated start of the Levy, combined with a lack of development within the area linked to economic conditions has resulted in a high risk that the targeted level of income will not be achieved by March 2016. The Council will continue to keep this issue under review and will have to make future adjustments to the capital plan if required.

## 14 **Borrowing and Prudential Indicators**

- 14.1 The Council set its Prudential Indicators and monitoring arrangements for affordable borrowing in February 2013. The Authorised Limit for External Debt including long term liabilities (the maximum borrowing the Council can legally undertake) and the Operational Boundary (the day-to-day limit for cash management purpose) are monitored on a daily basis by the Executive Head of Finance and reported to Members quarterly.

The limits are as follows

- **Authorised Limit**                    £192 million
- **Operational Boundary**            £173 million

External Debt, and long term liabilities, such as the PFI liability, as at end of June 2013 was £157.4 million. The current level of debt is within the Operational Boundary and the Authorised Limit set for the year. No management action has been required during the quarter.

- 14.2 The Council's capital expenditure has an overall positive impact on the Council's Balance Sheet. The majority of expenditure in the Capital Investment Plan is on the Council's own assets which will therefore increase the value attached to the Council's fixed assets. This also applies to investment in assets funded from borrowing where the increase in asset value will exceed any increase in the Council's long term liabilities. As at 31 March 2013 the Council's "Non Current Assets" were valued at £286 million
- 14.3 In the last quarter the Council's treasury management strategy has been reviewed. The Council is no longer considering loans to housing associations, which was previously reported as an option within its approved 2013/14 Treasury Management Strategy. The Mayor has asked officers to actively consider alternative options for loans or investments within Torbay. Pending the outcome of this process and pending any options being presented to Council for approval in the future, officers will now not seek to repay any borrowing during 2013/14, subject to any significant movements in PWLB repayment rates.
- 14.4 HM Treasury have announced their intentions to seek interest in selling part (39%) of the government's stake in the Lloyds TSB group. Although no change in legal ownership is imminent the Chief Financial Officer will continue to monitor



the situation and any impact on counterparty limits and continue to review all options.

## **15 Possibilities and Options**

- 15.1 Council could consider reducing the Capital Investment Plan to reflect any potential reduction in capital receipts or other capital resources.

## **16 Consultation**

- 16.1 Where appropriate individual capital schemes have public consultation and negotiation with stakeholders.

## **17 Risks**

- 17.1 That capital receipts, other capital contributions such as S106 and Community Infrastructure Levy and future year grant allocations will be not be received to support the plan.
- 17.2 The contingency is approximately 1.8% of total planned expenditure on a total programme of £61 million. There could be inflationary cost pressures on the programme thus increasing expenditure.

## Appendix

Capital Investment Plan Budget 2013/14 – 2016/17 (as at July 2013)

**Annex 1**

**CAPITAL INVESTMENT PLAN - QUARTER 1 2013/14- EXPENDITURE**

	Expend in Prior Years (active schemes only)	Actuals & Commitments 2013/14 Qtr 1	Original 2013/14	2012/13 Adjs and Slippage b/f	2013/14 Adjustments	New Schemes 2013/14	Revised 4-year Plan July 2013				Total for Plan Period	
							£'000	£'000	£'000	£'000		£'000
<b>Old Funding Regime (pre 12/13)</b>												
<b>Adults &amp; Resources</b>												
Adult Personal Social Services	-		0				0		0	0	0	0
Mental Health Care Initiatives	-		0	22			22	0	0	0	0	22
Various ICT Improvements	-	6	0	23			23	0	0	0	0	23
	0	6	0	45	0	0	45	0	0	0	0	45
<b>Childrens, Schools &amp; Families</b>												
Asbestos Removal	-		0	9			9	0	0	0	0	9
Barton Primary Cap Project	1,908	788	2,050	352			2,402	140	50	0	0	2,592
Capital Repairs & Maintenance 2010/11	-	4	0				0	0	0	0	0	0
Capital Repairs & Maintenance 2011/12	-	8	0	202			202	0	0	0	0	202
Childrens Centres	462	1	350	31	(300)		81	300	0	0	0	381
Curledge St - Remodelling	2,612	2	30	(35)	32	(100)	27	0	0	0	0	27
Education Review Projects	-		300	20			220	0	0	0	0	220
Eliacombe - Remodelling	716		0				0	0	0	0	0	0
EOTAS Halswell House	48		0	2			2	0	0	0	0	2
Foxhole Community Multi Use Games Area	190		0	0			0	0	0	0	0	0
Foxhole Schools - Amalgamation	9,122		0	36			36	0	0	0	0	36
Minor Adaptations Chitcare	-		0	5			5	0	0	0	0	5
My Place Parkfield	5,264	112	0	88			98	0	0	0	0	98
Oldway Primary Disabled Changing Rooms	117		0	(5)	18		13	0	0	0	0	13
Paignton Community Sports College - Astroturf pitch	1,778		0	0			0	0	0	0	0	0
Paignton Community Sports College Mobile Replace 14-19 Project	898		0	64			64	0	0	0	0	64
Preston Primary - ASD Unit	1,476	4	16	7			23	0	0	0	0	23
Primary Places 2011/12	-		0	61	(50)		11	0	0	0	0	11
School Security	-		0	7			7	0	0	0	0	7
Short Breaks for Disabled Children	-		0	17			17	0	0	0	0	17
Special Education Needs - reactive works	-	(2)	0	24			24	0	0	0	0	24
St Margaret Clithrow Primary Bxm - Expansion	28,669	75	0	376		300	300	0	0	0	0	300
Torquay Community College Re-build (Building Schools for the Future)	692	1	0	59	(200)		176	0	0	0	0	176
Westlands 14-19 Project	-		0	51			51	0	0	0	0	51
Youth Modular Projects	-		0	0			0	0	0	0	0	0
	53,952	999	2,746	1,381	(300)	0	3,827	440	50	0	0	4,317
<b>Place &amp; Resources</b>												
Babbacombe Beach Road	-		70		(70)		0	70	0	0	0	70
Barton Infrastructure	33		105		(105)		0	105	0	0	0	105
Barton Playing Fields	60		0	0			0	0	0	0	0	0
Enhancement of Development sites	12	9	140	4	(94)		50	153	0	0	0	203
Former B&O site Torre (24 units)	-		858		(558)		300	279	279	0	0	858
Haldon Pier - Structural repair Phase 1/2	2,163	15	250	659			909	0	0	0	0	909

**CAPITAL INVESTMENT PLAN - QUARTER 1 2013/14- EXPENDITURE**

**Annex 1**

	Expend in Priv Years (active schemes only)	Actuals & Commitments 2013/14 Qtr 1	Original 2013/14	2012/13 Adjs and Slippage b/f	2013/14 Adjustments	New Schemes 2013/14	Revised 4-year Plan July 2013				Total for Plan Period	
							Total 2013/14 Revised	2014/15	2015/16	2016/17		
Harbour Development Phase 1&2 (Quay & Buildings)	20,088	(53)					0	0	0	0	0	0
Highway Capital Maintenance annual programme	-						0	0	0	0	0	0
Integrated Transport programme	-						0	0	0	0	0	0
Housing – Advances Budget to be allocated	-						0	0	0	0	0	0
NGP - Great Parks Access	84	6	90	22	(91)	(21)	0	94	0	0	0	94
NGP - HCA Match Land Acquisitions	702	14	421	(5)	(416)		0	0	0	0	0	0
NGP - Strategic Cycleway	412	3	721	566	(1,287)		0	565	0	0	0	565
NGP - Torbay Innovation Centre Ph. 3	69		498	4	(200)		4	0	0	0	0	4
NGP - Windy Corner Junction	10			1	(250)		298	200	0	0	0	498
Sanctuary HA – Hayes Road	250	3	250				0	250	0	0	0	250
Sanctuary HA – Langridge Road, Pgrn (4 units adapt)	-		15			46	46	0	0	0	0	46
Hele's Angels scheme	3,188	18	140	25	60		15	0	0	0	0	15
Sea Change - Cockington Court	144		250		11		85	0	0	0	0	85
Sovereign HA – Beechfield (102 units + adapt 3 units)	500		25		(250)		151	0	0	0	0	151
Torbay Enterprise Project	-		25				0	250	0	0	0	250
Westcountry HA – Preston Down Road (12 units)	-		25				0	11	0	0	0	11
<b>Public Health</b>	27,715	15	3,833	1,276	-3,250	0	1,859	1,977	279	0	0	4,115
Insulation Scheme	-		20	(3)			17	0	0	0	0	17
Private Sector Renewal	-		28	39			67	0	0	0	0	67
	0	0	48	36	0	0	84	0	0	0	0	84
	81,667	1,020	6,627	2,738	(3,550)	0	5,815	2,417	329	0	0	8,561
<b>New Funding Regime (12/13 onwards)</b>												
<b>Childrens, Schools &amp; Families</b>												
Capital Repairs & Maintenance 2012/13	-	16	150	152			302	100	100	0	0	502
Cockington Primary expansion	-	195	2,240	87	(600)		1,727	1,600	45	0	0	3,372
Ellacombe Primary expansion	-						0	0	0	0	0	0
Mayfield expansion	987	237	20	414			434	0	0	0	0	434
Roselands Primary expansion	-	20	425	31			456	6	0	0	0	462
Schools Access	-	15	42	42			42	0	0	0	0	42
Torre CoE Primary expansion	-	64	800	(10)			790	550	15	0	0	1,355
Waberry CoE Primary expansion	-		1,290	156			1,446	21	0	0	0	1,467
Whitlock Primary expansion	-	4				400	400	600	0	0	0	1,000
	987	1,333	4,925	872	(600)	400	5,597	2,877	160	0	0	8,634
<b>Place &amp; Resources</b>												
Affordable Housing	-		145		(145)		0	251	0	0	0	251
Flood Defence schemes (with Env Agency)	-	118	90	23		285	378	155	0	0	0	533
Livermead Sea Wall structural repair	34	409	318	318	368		686	0	0	0	0	686
Oldway Estate works	-		400		(400)		0	400	0	0	0	400

**CAPITAL INVESTMENT PLAN - QUARTER 1 2013/14- EXPENDITURE**

**Annex 1**

	Expensed in Prior Years (active schemes only)	Actuals & Commitments 2013/14 Qtr 1	Original 2013/14	2012/13 Adjs and Slippage b/f	2013/14 Adjustments	New Schemes 2013/14	Revised 4-year Plan July 2013				Total for Plan Period	
							Total 2013/14 Revised	2014/15	2015/16	2016/17		
Princess Pier - Structural repair (with Env Agency)	-	30	100	(11)			0	1,850	0	0	0	1,850
Princess Promenade Phase 3	-		862				89	0	0	0	0	89
Riviera Centre renewal	-	60	29	60			891	0	0	0	0	891
Social Care - Hollacombe CRC	-	5	580	7			60	0	0	0	0	60
SWIM Torquay - Improve facilities	-	931	1,314	(61)	168		587	0	0	0	0	587
Torre Abbey Renovation - Phase 2	3,648						1,421	0	0	0	0	1,421
Transport Gateway Enhancement	-	29	0	45			45	0	0	0	0	45
Transport Integrated Transport Schemes	-	365	472	79	80		631	575	620	0	0	1,826
Transport Structural Maintenance	-	53	840	64	(60)		824	840	840	0	0	2,504
Transport Western Corridor	-	12	150	95			245	0	0	0	0	245
<b>Public Health</b>	3,682	2,012	4,953	648	(9)	265	5,857	4,071	1,460	0	0	11,388
Disabled Facilities Grants	-	72	425	172			597	0	0	0	0	597
Govt Dept Non-tingled grants to be allocated to Projects	0	72	425	172	0	0	597	0	0	0	0	597
	0		253			(253)	0	0	0	0	0	0
	4,669	3,417	10,586	1,692	(609)	412	12,051	6,948	1,620	0	0	20,619
<b>New Ring Fenced or Specific Funding (12/13)</b>												
<b>Adults &amp; Resources</b>												
Corporate Telephony System	0	0	0	168			168	0	0	0	0	168
	0	0	0	168	0	0	168	0	0	0	0	168
<b>Childrens, Schools &amp; Families</b>												
2 Year Olds Provision						253	253	0	0	0	0	253
Devolved Formula Capital		8	623	(195)			428	0	0	0	0	428
	0	8	623	(195)	0	253	667	0	0	0	0	667
<b>Place &amp; Resources</b>												
Brixham Harbour - Major repairs	45	107	450	20		240	240	0	0	0	0	240
DfT Better Bus Areas	608	398	595	(6)	63		470	0	0	0	0	470
DfT Local Sustainable Transport Fund (Ferry/Cycle)							650	295	0	0	0	945
Env Agency - Colin Road Culvert Replacement							4	0	0	0	0	4
Riviera Renaissance (Coastal Communities Fund)	433	111	600	48	(7)		641	7	0	0	0	648
Torbay Leisure Centre - structural repairs			0	111		100	111	0	0	0	0	111
Public Toilets - Utilities saving measures							100	0	0	0	0	100
<b>Public Health</b>												
Green Deal Fuel Poverty	167	167	0	357	(36)		321	0	0	0	0	321
	1,253	784	1,645	532	20	340	2,537	302	0	0	0	2,839
	1,253	792	2,268	505	20	593	3,366	302	0	0	0	3,668

**CAPITAL INVESTMENT PLAN - QUARTER 1 2013/14- EXPENDITURE**

**Annex 1**

	Expend in Prior Years (active schemes only)	Actuals & Commitments 2013/14 Qtr 1	Original 2013/14	2012/13 Adjs and Slippage b/f	2013/14 Adjustments	New Schemes 2013/14	Revised 4-year Plan July 2013				Total for Plan Period	
							Total 2013/14 Revised	2014/15	2015/16	2016/17		
<b>Prudential Borrowing Schemes</b>												
<b>Place &amp; Resources</b>												
Beach Hut Acquisition (Roadsands, Meadfoot)	14	118		86		1,556	1,642	0	0	0	1,642	
Council Fleet Vehicles	213		250	0	(150)		100	150	0	0	250	
Empty Homes Scheme	0		75		(500)		75	200	225	0	500	
Office Rationalisation Project Ph 2 - Project Remainder	8,372	46	500	283			293	500	0	0	793	
On Street Parking meters	650	22	182	25			207	0	0	0	207	
Princess Promenade ( Westem Section) Repairs	2,592	586	600	576	(4,806)		1,176	0	0	0	1,176	
South Devon Link Road - Council contribution	1,247	63	4,822	(16)			0	6,953	7,324	4,699	18,976	
Torre Abbey Pathway	25	13	800	25			25	0	0	0	25	
Torquay Inner Harbour Pontoons						1,560	800	0	0	0	800	
Paignton Velodrome Cyclopaik						1,560	1,560	0	0	0	1,560	
	13,113	848	7,229	989	(5,456)	3,116	5,678	7,803	7,549	4,699	25,929	
	13,113	848	7,229	989	(5,456)	3,116	5,678	7,803	7,549	4,699	25,929	
<b>Contingency</b>												
General Capital Contingency	0		1,080		(600)		180	951	0	0	1,131	
	0	0	1,080	0	(600)	0	180	951	0	0	1,131	
<b>TOTALS</b>	<b>100,702</b>	<b>6,077</b>	<b>27,760</b>	<b>5,924</b>	<b>(10,495)</b>	<b>4,121</b>	<b>27,310</b>	<b>18,421</b>	<b>9,498</b>	<b>4,699</b>	<b>59,928</b>	
<b>CAPITAL INVESTMENT PLAN - QUARTER 1 2013/14- FUNDING</b>												
Supported Borrowing			207	583			800	0	0	0	800	
Unsupported Borrowing			10,556	1,914	(5,356)	3,001	10,115	8,748	8,899	4,699	32,461	
Grants			13,588	2,461	(2,650)	780	14,199	6,730	95	0	21,024	
Contributions			700	67	85		852	63	0	0	915	
Reserves			789	182	(609)	340	702	661	0	0	1,363	
Revenue			152	(70)	168		250	200	225	0	675	
Capital Receipts			1,788	757	(2,133)		392	2,019	279	0	2,690	
<b>Total</b>			<b>27,760</b>	<b>5,924</b>	<b>(10,495)</b>	<b>4,121</b>	<b>27,310</b>	<b>18,421</b>	<b>9,498</b>	<b>4,699</b>	<b>59,928</b>	

## Overview & Scrutiny *Confidence in your Council*



### Capital Investment Plan Update – Quarter 1 2013/2014

#### Report of the Overview and Scrutiny Board

At its meeting on 21 August 2013, the Priorities and Resources Review Panel considered the first Capital Investment Plan monitoring report for the 2013/2014 financial year. It provided high level information on capital expenditure and funding for the year compared with the previous budget position which had been reported in Council in February and July 2013.

In considering the report the Panel noted that the Council was no longer considering loans to housing associations, which had previously been reported as an option within its approved Treasury Management Strategy. There were also underspends reported on a range of affordable housing schemes within the Capital Investment Plan.

Members of the Panel highlighted that the Treasury Management Outturn report (considered at the meeting of the Council held in July 2013) had indicated that the Council had £21.4 million of “borrowing in excess of the Capital Financing Requirement”.

Given the other discussions by the Priorities and Resources Review Panel in relation to Children’s Services and the need to give children the best start in life, views were raised that decent, affordable housing would have a positive impact on children and families in Torbay.

Therefore the Panel recommended that:

**The Council should ensure that the allocated spend for affordable housing is effectively utilised to achieve short and longer term outcomes for Torbay and that the Council develop a Plan B as soon as possible to put to good use the money that the Council has borrowed but is in excess of its current requirements.**

This recommendation will be considered by the Overview and Scrutiny Board at its meeting on 18 September.

