Chapter 19

London 2012

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The London 2012 Summer Olympics were born out of failure. First came the failure of preceding English cities, Birmingham (1992) and Manchester (1996 and 2000), to bid successfully for this mega-event. The accumulating support for London was therefore fuelled by the realization that only the capital had the capacity, capability and cachet to compete on a world stage. Secondly, a more domestic failure also stalked London 2012: the ill-fated Millennium Dome on London’s Greenwich peninsula, which was perceived to be a failure in terms of confused purpose and content, high cost, lower-than-predicted visitor numbers, and critically, the legacy of the iconic building itself (Evans, 1996a). Could London do it better this time – in spectator numbers, experience, media opinion, cost and legacy uses? On Wednesday 6 July 2005, the International Olympic Committee’s meeting in Singapore voted to award the 2012 Summer Olympics to London. The decision represented a combination of Eurovision-style partisanship, tactical voting, global schmoozing, and notably the failure of its direct competitors and the long-term favourites.1 London’s coup de théâtre was a multicultural-faced group of excited East End children in contrast to the sombre-suited Parisian messieurs. These failures have therefore informed the strategy for the London 2012 Games and shaped the narratives which accompanied it across changing political regimes.

However, as celebrations began the next day in Stratford, the heart of the prospective Olympic Park, four suicide bombers killed fifty-six people including themselves in attacks on underground trains and a bus in central London. The 2012 award celebration party was cut short and thinking inevitably started to focus on the size of the task ahead, with all its attendant problems. These began with the security concerns, the need to face the renewed terror threat, and the woefully underestimated capital budget used in the successful bid. This not only excluded the extra security costs, but also VAT and other taxes on construction that together added £1.5 billion to the original £4 billion bid estimate. By March 2007 the publicly-funded Olympic infrastructure budget stood at £9.375bn, excluding the costs of staging the event, land acquisition and wider regeneration and transport investment, including the legacy conversion of Olympic facilities themselves.

This chapter provides a critique of the London 2012 Olympic project from the bid period to the post-award development, delivery and ‘post-event’ legacy phase. Earlier editions of this chapter on London 2012 (Evans, 2007, 2010) focused in particular on the bidding, build up and aspirations of the 2012 Games, while we have also written in depth elsewhere on how London ‘Dressed Up’ for the Games (Edizel et al., 2013) and the design and master planning process (Evans, 2015). London 2012 has also spawned a healthy attention to evaluation, including official meta-evaluation studies (see Chapter 2), and a wide range of academic perspectives which provide a rich source of material, including many doctoral theses. This chapter will therefore not attempt to synthesize or select but will offer a particular reflection on the event process, its legacy and future planning of the Olympic site, including perspectives from resident surveys.

Regeneration Games

In discussing the rationale for the hosting of hallmark events – whether site, area or sub-regional in scale – Hall (1992, p. 29) developed a chronology which identified the period from the early 1960s and one characterized by the ‘city of Renewal’. Over 50 years on, it is surprising to note that a review of literature on the Olympics found only one out of over 2,000 entries specifically on ‘re-generation’ or ‘renewal’ (Vcal and Tooney, 2012). Articles and reports, and a growing number of edited collections, are dominated by ‘impacts’ – economic, physical, political (urban regimes and globalization) and tourism – and themes of marketing, image and place-making. By contrast, analyses of long-term regeneration effects were notable by their absence, despite Barcelona’s status as an exemplar in this respect. However, London 2012 marked a turning point (preceded perhaps by the urban Beijing Olympics), with regeneration and legacy dominating the Olympic rationale and literature. Although Olympic effects tend to be subsumed into wider redevelopment and competitive city narratives, this makes it problematic to measure the true impact and cost of the Games (and similar large-scale, event-based regeneration impacts).

In the case of London, this event phase also represents the ‘unfinished business’ of, first, the precursor London Docklands Development Corporation which had presided over the development of Canary Wharf and other inner docklands areas between 1979 and 1993, and, secondly, the London Thames Gateway Development Corporation that had taken over planning powers from incumbent local authorities in 2005 until it was wound up in 2012 in the spirit of ‘localism’. In the decade before London’s Olympics bid, successive schemes of area-based regeneration had continued in this area while strategically the Lower Lea Valley, within which the Olympic site is situated, had been designated as a key sub-regional regeneration area in successive London Plans crossing borough boundaries. The Mayor’s new Olympic legacy authority, the London Legacy Development Corporation (LLDC) – also with extended land-use planning powers – now operates within these designated areas of the London Boroughs (LBs) of Hackney, Newham, Tower Hamlets and Waltham Forest (figure 19.1).
In London's bid the greatest emphasis was placed on the legacy and after-effects of the Olympic leverage opportunity, rather than the event, its content and purpose. As Allen (2006, p. 3) indicated early on: "Talk of the "Olympic Legacy" is so common that it has started to sound like a cliche: shorthand for the perceived wisdom that the Olympics has everything to do with urban regeneration and only a passing concern with patriotism, athleticism or public spectacle." This presents a fundamental problem to the national Olympic and city regeneration delivery agencies. The financial, land ownership and usage, construction, and related infrastructural and promotional efforts are of necessity dominated by the event delivery objectives and cost pressures and targets. National performance in the competition itself, i.e. in the final medal league table, is the test of sporting success. It is here that compromises in community benefits (social, local economy and procurement) design quality and after-use, are most likely to be made:

It's now becoming clear that the idea is something of a smokescreen. In practice, it's becoming apparent that this legacy involves putting the narrowly technical demands of the (270 days of the games) above everything else, and then trying to adapt the site for long-term use afterwards. (Sutcliffe, 2006)

The visionary master plans, artists' impressions and promises at the bidding and consultation stage are just that – promises. Barcelona's Olympic Village housing, for example, was privately sold but not 'affordably' as promised (Nl-k, 1997), as was also the case in London. The final form and function of the Olympic site is therefore dictated by budget and contractual realities, political truman and consensus, as it was in other regenerating Olympic cities.

Following the host city award in 2005, the Olympic Delivery Authority (ODA) and the Mayor's London Development Agency (LDA) hastily took over compulsory land purchase and strategic planning powers in place of the locally-elected authorities. The LDA's initial responsibility for land acquisition and preparation was only a transitory role, however, since another unselected body, the Olympic Park Legacy Company (OLPC) was formed in 2009 by the Mayor with national government Communities (DCLG) and Olympics (DCMS) ministers, to further develop and dispose of land and facilities post-event. This new body was itself wound up to be replaced by a Mayoral development corporation, the London Legacy Development Corporation (LLDC) in April 2012 under the central government's 2011 Localism Act. This also transferred land-use planning powers previously held by the London Thames Gateway Development Corporation and ODA to the LLDC, including local authority land within the Olympic zone (figure 19.1).

This fragmented and temporal governance structure contrasts with inner-city regeneration organizations in other countries where a long-term agency is established to see through phased redevelopment, such as in La Défense (EPAD) Paris, Giudecca/Maremagnum, German IHAs (Internationale Bauausstellung) e.g. Enache Perk (Ruh) and Bilbao's waterfront. This international experience and the lessons from London Docklands in terms of governance, distribution of efforts and gentrification (Butler, 2007) do not appear to feature in London 2012 Olympic planning, organizational structures and evaluation efforts. Rather, the current approach can be seen to mirror this earlier regeneration trajectory to which London 2012 is in many senses an extension both spatially and chronologically, with the Olympic opportunity the new first-mover required to remove the barriers to the exceptional levels of public-sector investment and top-down land-use development. Historically this also represents the goal of redressing convergence strategies to tackle the imbalance between west and east London through successive waves of regeneration and the creation of a new 'destination'. This has echoes of earlier London Olympics and World's Fairs centred on White City in west London (e.g. 1908) where the promotion of electrified railway and underground routes gave access to and from the newly developed outer London suburbs. The reassessment of London via Olympic branding and massive public regeneration investment – inevitably diverting funding from the regions and regional cities - was enabled, again, by an erstwhile national event.

Olympic Visions

The preceding 'national' public project with sub-regional regeneration goals was the Millennium Dome across the river from Canary Wharf on the Greenwich peninsula. The Greenwich site had been selected as the location for the national Millennium celebration, first conceived in 1995, from a shortlist of four sites. These included two other British Gas-owned derelict sites in Newham and in the
Table 19.1 London 2012 Olympic and legacy visions.

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<td>A successful and accessible Park with world-class sports venues, leisure space for local people</td>
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<td>Cultural Legacy, Olympic Festival, Creative Hub</td>
<td>Culture; Tourism and Business</td>
<td>Tourism and Business opportunities: Exploring to the full the opportunities for economic growth offered by hosting the Games</td>
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<td>A new heart for East London securing investments, nurturiing talent to create, design and make world-leading 21st century goods and services</td>
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<td>Participation in Sport and Culture</td>
<td>Sports participation (including Healthy &amp; Active Workplace)</td>
<td>Harnessing the UK's passion for sport to increase grass roots participation particularly by young people</td>
<td>Increasing opportunities for Londoners to become involved in sport</td>
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<td>Park offering leisure space for local people, arenas for dazzling sport, exciting visitor entertainment and a busy programme of sporting, cultural and community events to attract visitors</td>
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<td>Leisure and transport improvements, Olympic Institute and Media Centre</td>
<td>Tourism &amp; Business; London Employment &amp; Skills Taskforce</td>
<td>Ensuring the Olympic Park can be developed after the Games as one of the principal drivers of regeneration in East London</td>
<td>Ensuring Londoners benefit from new jobs, businesses and volunteering opportunities; transforming the heart of East London</td>
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<td>Opportunities and transformative changes for local people, opening up access to education and jobs, connecting communities and bridging the gap between East London and the rest of the capital</td>
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Source: Evans, 2010 and 2015.

**Financing London 2012**

The design and development of the London 2012 Olympic project took place during an economic cycle of recession, boom and bust. The bid and core estimates were produced in an unprecedented environment of consumption and development, and estimates of the total cost of the project were made in May 2004. The bid cost of £4.5 billion was widely accepted as a high price. The Olympic budget had a special status, with the Olympic Delivery Authority acting as the special project delivery authority. The £4.5 billion was spent on four main areas: the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), and the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village). The bid cost of £4.5 billion was widely accepted as a high price. The Olympic budget had a special status, with the Olympic Delivery Authority acting as the special project delivery authority. The £4.5 billion was spent on four main areas: the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village), and the Olympic Park (including the Olympic Park, Aquatics Centre, Velodrome, and the Olympic Village).
at £81, but there were considerable variations, for example, the prices for the Opening Ceremony varied between two symbolic low and high figures – £20.12 and £2,012 respectively. The diversion of National Lottery funds to the Olympics was controversial in terms of the negative impact on other UK regions and the established beneficiaries of the UK state lottery (including the arts, heritage, sports, community, charity, education, science and technology). However, this was also expedient as it comprised a ‘soft’ source of ‘off-balance sheet’ funding for the government technically not public funding or spending. The Lottery had been established by the previous Conservative government in 1994 to provide funding for good causes which were to be ‘additional’ to government’s own spending on public services and provision (Evans, 1996a). It was not designed to meet either a shortfall in public sector spending projects or programmes, or to be directed by government, but to respond to applicants based on need. Lottery funded projects are also required to meet a public accessibility test. It is doubtful, however, if either additional or public benefit tests were adhered to in the Lottery contributions to the Olympics development costs or whether any of the contribution will be repaid from subsequent post-event asset sales, given the ongoing capital spend on the Olympic Park.

The British public, of course, had a choice whether to buy lottery tickets or to attend the Olympics. By contrast, London rate payers had no choice. A £20 per annum extra tax was levied on each household to raise a further £625 million towards the Games. The then Labour London Mayor, Ken Livingstone, pledged that Londoners would pay no more than £240 each towards the Games, despite the rising costs. Overspent by the Mayor’s development agency (LDA) on land acquisition and other unfunded commitments inevitably had to be recovered via Londoners – whether through direct tax receipts, or reductions in London services (for instance on culture, transport and regeneration). So it is no surprise that in a 2006 BBC London poll of the public’s attitude towards the London Olympics, nearly 80 per cent believed that the Games would end up costing Londoners more than this levy.

With the history of cost overruns and unrealistic and unrealised budget and visitor forecasts, the modern Olympics have a major credibility problem. The firm of consultants used to prepare the visitor forecasts and impact assessment for the Millennium Dome 10 years earlier (Price Waterhouse, 1994) was again used for London 2012 in both impact (Price Waterhouse Coopers, 2005) and evaluation exercises (Price Waterhouse Coopers, 2009). Distancing and distilling the project from its precursors also allows the promoters to ignore warnings and claim immunity when history repeats itself. The past also reviews that governments tend to commission are more about attributing blame and non-compliance than implementing a real change in organisational behaviour and assessment regimes. Experience with the Dome, major public facilities such as the Scottish Parliament building (Sadju, 2005), the Jubilee Line Extension, and recent sporting stadia – for example, the rebuilt Wembly Stadium – suggests that the cost of publicly procured mega-event facilities are very hard to control and almost guaranteed to degenerate into contractual disputes and political controversy. Ironically the UK had been undergoing a massive public facility building programme under the New Labour administration (1997-2010), notably in transport, public health care (the largest hospital rebuilding programme in the world), and education (‘Building Schools for the Future’). This investment was substantially funded outside the public spending balance sheet, under the government’s private finance initiative (PFI). The PFI, however, was not used to finance Olympic capital projects. This is an indication of the poor viability of such facilities, since PFI contractors earn their considerable returns on facility management and leaseback to the public sector, in return for risk capital investment in the development phase.

Only one bidder emerged for the main London 2012 stadium development and the ODA had difficulty in generating competitive bids for the other venues, as a lack of free market competition drove up prices and placed contractors in an unhealthily strong position (Raco, 2014). When combined with major transport and regeneration projects, the capital risk multiplies. In the case of the Olympics, this risk ultimately is underwritten by the state and municipal authorities, with the most direct and acute impacts falling on local communities and businesses.

Attempting to apply a cost-benefit analysis to an Olympic Games impact assessment initially requires estimating capital and revenue costs, but, like the bidding and national campaigning processes, this aspect is also confused and fluid. Short (2008, p. 332) also noted that ‘objective cost-benefit analysis of hosting the Games remains at a rudimentary stage, with few accurate or comprehensive studies and few comparative data’. In the first place, the income and costs of the event from bidding to staging, are distributed between international, national and city-regional organisations and sponsors, and budgeting is not transparent. Whether state-led or privately sponsored, much investment and expenditure is ‘off-balance sheet’, understating the true resource cost and impacts. Secondly, there is the challenge of attributing expenditure to the Olympic event itself. Strictly, commitments made prior to the decision to bid for the Games for, say, transport and other environmental improvements, as well as in sporting, hospitality and media facilities and any benefits arising, such as jobs, should be discounted. Stratford, the main transport and retail hub for the development, was already the subject of town centre and urban design schemes, including new housing. The Westfield shopping centre (figure 19.2), a £2 billion commercial development, received planning approval in 2002, 3 years prior to the Olympic bid. In addition, over £80 million had been invested in public-realm projects around the fringes of the Park prior to the 2012 Games with more than £300 million in regeneration funding being received by the London Borough of Newham between 1996 and 2004. Governments, however, often anticipate bidding for future mega-events as part of place-making and regeneration strategies, and investment is also planned, but not necessarily implemented, as part of the competitive bidding process, as putative hosts talk up their capacity to host the future Games.
London's £4 billion capital budget and £1.5 billion operating budget included in the Candidate File submitted to the IOC in 2005 (LOCOG, 2004) was supplemented by the additional financing of site infrastructure (£300 million), and investment in sport at community and elite levels (£900 million). Post-award, the messy process of procurement and the vagaries of construction and materials costs (e.g. steel) driven up by a global building boom, not least in China (including the Beijing Olympics) had been fuelled by 'oversights' in costing, which included (as already mentioned) omitting Value Added Tax on construction and not allowing for adequate inflation. London was also spending £7 billion on rail infrastructure including the Channel Tunnel Rail Link (CTRL) and East London line, as well as £1.5 billion on regeneration programmes in the Lower Lea Valley. These were largely over and above the Olympic budget: 75 percent of every pound we spend is for long-term regeneration' according to an ODA spokesman (BBC Sport, 2008).

The Olympic budget quickly increased from the bid stage, with the £1.5 billion operating budget re-estimated at £2 billion; compulsory land purchases and compensation rising from £178 million to over £1 billion; and with construction inflation that was running at 7 per cent (versus 3 per cent in the original budget). The £2.375 billion capital cost of the sports venues alone was forecast by late-2006 to have risen by £900 million to £3.3 billion. In March 2007 the government announced its revised budget of £9.235 billion for the construction and security costs £5.3bn higher than at the bid stage – which excludes the event staging costs (LOCOG), land acquisition (LDA) and other government Olympic-related programmes (sports and culture programmes) and wider transport and infrastructure investment in and around the Olympic catchment area (Gold and Gold, 2009). The cost of individual facility budgets such as the main stadium increased by 20 per cent; the aquatics centre originally budgeted at £75 million was forecast to cost £244 million, even after design changes (e.g. roof span) imposed early on to reduce costs; while the Athletes’ Village increased in cost by over 60 per cent, and with private sector financing unable to be delivered by Land Lease as the credit crunch hit, government also had to put in an additional £324m of public funding (Evans, 2010).

Frustratingly, a line by line comparison between the budget estimates is difficult to undertake for London 2012 as the UK government’s Public Accounts Committee observed: despite the £5.9 billion increase in the public funding for the Games, the Department has not specified what will be delivered in return for this expenditure and the current budget cannot be reconciled to the commitments in the original bid’ (HCCPA, 2008, p. 5). This opaque reporting of public spending continues with the ‘final’ outturn figures, grouping expenditure in different headings from those used in the bid and revised capital budgets (Grant Thornton et al., 2013) making variance analysis impossible. So that while claims of the Olympics being ‘delivered on time and on budget’ are made by lead contractors and government, this is only based on a ‘final’ budget which had already been increased by over 100 per cent, and included substantial contingency in order that
this higher budget would not be breached. Even so, venues, operations, the media centre, Athletes’ Village and ODA programmes were all overspent.

An 82 per cent ticket yield was forecast but in reality in total 11 million tickets (97 per cent) were sold out of a total 11.3 million available. Of these, 8.21 million were Olympic Games tickets and 2.78 million were for the Paralympics. A total of £650 million was raised for LOCOG’s operating budget to stage the Games. 319,000 tickets (263,000 Olympic and 55,000 Paralympic) were unsold, the majority of these being early rounds for Olympic Football. However, empty seats were a feature of several events, with a significant proportion of tickets allocated to members of the so-called ‘Olympic family’ and sponsors, who did not take up their seats. On the sailing finals day, of 851 tickets only one was available to the public, the rest went to sponsors whilst for Danny Boyle’s iconic Opening Ceremony – one of the most in-demand tickets of the fortnight – only 44 per cent of the tickets were available to the public while 66 per cent went to the ‘Olympic family’. On the day in the velodrome when Sir Chris Hoy, Jason Kenny, Phillip Hindes won the men’s sprint final, only 43 per cent of tickets were available to the public.

In addition to sports related events, the IOC-designated Cultural Olympiad, an ambitious 4-year national cultural programme was held (García, 2013a). This included the World Shakespeare Festival, a museums project ‘Stories of the World’, ‘Unlimited’ a festival of deaf and disabled artists, and Artists Taking the Lead which commissioned regional projects. In the case of London, this included ‘Bus Tops’ – video screens on the top of bus shelters on which artists and the public could create messages and images to be viewed by passengers on the top of double-decker buses. The culminating of the Cultural Olympiad was the London 2012 Festival held from 21 June to 9 September, with a curated programme of ‘high quality artistic animations, events, installations and interventions across live performance, film and visual arts’ (LOCOG, 2013a). It took place in town centres, squares and parks across the thirty-three London boroughs and throughout the UK. The London 2012 Festival series of branded events engaged more than 25,000 artists creating 33,631 different cultural activities. There were 11.3 million public attendances at free events and 4.8 million at events which charged (García, 2013b, pp. 17, 68).

**Legacy Costs**

Public investment does not cease at the event stage. Capital and revenue spending continues in the legacy phase with an estimated spend of over £500 million for the planning, development and post-Games transformation of the Olympic Park between 2012 and 2016. Most of this was to fall in the 3 years 2014–2017 after the reopening of the Park, with spending on LLDC Park Operations and Corporate services totalling £80 million (LLDC, 2014). A large element in this ongoing capital spend is the conversion of the main stadium to a football ground for West Ham Football Club, costing an additional £272 million, which was not foreseen when the stadium was first designed and built. This £4,000 seat stadium will eventually have cost over £700 million, far more than if it had been designed for this purpose in the first place. Despite the large as available to a premier league football club, West Ham FC will pay only £15 million of these conversion costs and remarkably only £2.5 million p.a. to lease the stadium for 99 years (this sum is reduced if the club is relegated from the Premier League). Further retrofitting has also been carried out at the Aquatic Centre has meant that its internal design and operation is less than ideal (and no substitute for traditional municipal pools, several of which have closed in Newham and other host boroughs). User access to this centre – best viewed from a distance – is also awkward and illegible. A blue-coloured film has had to be retrofitted to the external windows in order to reduce the glare which meant that lifeguards could not see swimmers underwater (Evans, 2015).

**Local Impacts**

London and, more so, the outside world never expected the city to win the 2012 bid. Land acquisition and relocations had, not surprisingly, been taken less than seriously. The planning, IOC review visit and press support built up a momentum in the last few months, as credibility and confidence grew – but second place was regarded as the ‘best’ outcome. The regeneration legacy was not reliant on the Olympics; this would be the icing on the cake and provide the international cachet, even for an established world city and cultural capital. London’s bid therefore rested pragmatically on both broader regeneration and legacy plans, including explicit ‘with’ and ‘without’ games scenarios. This formed the consultation roadshow that was rolled out to the East London communities who would be most affected by the regeneration games. The master-planning team, led by the US firm of AECOM (formerly EDWAR), with stadium architects Populous (formerly HOK) and urban designers Allies and Morrison, also employed a firm of community architects, Fluid, to undertake the community consultation on the Olympic and Legacy plans (Fluid, 2003). Community engagement included over thirty public events, the distribution of 400,000 public information leaflets to incumbent households and the requisite (temporary) website.

LOCOG also organized several community meetings and drop-in sessions in the London 2012 host boroughs. Parking restrictions, security issues and additional signage were to be in place during the Games were introduced during these meetings. An estimated 5,000 people participated in the event programme held in various community venues in the five Olympic boroughs. Local businesses (around 300 firms) and ‘hard to reach’ groups were also targeted to ensure their
voice was at least heard. The firm undertaking the consultation also worked with the Lea Valley Matrix Group, but this group had been established and led by the London Development Agency itself, comprising businesses, boroughs and local regeneration partnerships. It was not a representative or independent community organization (Harkamp, 2006). Closer to the Games, the DCMS undertook a Host Borough Survey – a one-off, area-specific survey – that covered the six Olympic host boroughs of Barking and Dagenham, Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest, in addition to the annual DCMS Taking Home Survey® which covered the whole of England. We have also incorporated survey data based on focus group meetings held by the authors with local residents living in the four host boroughs immediately bordering the Olympic Park – Hackney, Newham, Tower Hamlets and Waltham Forest (Fidziel, 2014).

Although the importance of local engagement in decision-making through government initiatives had been highlighted (ODPM, 2004) – in order to have strong, empowered and active communities – locals complained that the meetings organized by the Olympic organizations and local authorities were more informative than participative and felt that they were not involved in the decision-making. More than half of the respondents of the Host Borough Survey said that they were not informed about any action or meeting regarding community consultation and the ones that were engaged with these meetings mentioned that the plans were already set and the officials were not genuinely asking for the residents’ ideas. During a Tower Hamlets focus group, a resident observed: ‘they have been holding meetings, but whether the meetings are effective is a different thing … they are holding meetings to tick the boxes, obviously, I don’t think they actually impart any information to us’, whilst a Hackney resident said: ‘having a meeting is one thing, having people actively participating in the decisions being made is something totally different. I mean, anybody can hold a meeting, but are they really involving groups locally?’.

There were two main reasons for locating the Olympic Park in this area of East London. The first, which needs little emphasis, was the availability of so-called brownfield, or previously developed, land and existing transport extensions to rail and underground systems, including Eurostar and the Jubilee Line Extension (Evans and Shaw, 2001). Given that the Olympic zone, located in the Lower Lee Valley, had been the site for industry, waterways, marsh and farm land for several centuries, this ignored the reality that much of the land developed for the Olympics was open and green space, albeit with neglected canals and a legacy of polluted land and water. While the ‘new park is promoted as the key additional amenity for this part of London, in fact the Olympic development has produced much new hard space, but reduced the amount of open and green space (figure 19.3).

The other rationale for this location was the disadvantaged profile of incumbent communities in Newham and the adjoining riparian ‘Olympic’ boroughs. Relative ‘deprivation’ is measured in England by a number of economic, environmental and social (including education) factors, weighted by government towards employment and economic participation, as opposed to factors such as housing, crime and safety. These include individual domains such as income, education and skills, health, and housing and environment together producing a composite standard by which local areas are ranked in a national ‘Index of Multiple Deprivation’ (IMD). This provides a national league table which is used as the prime criteria for regional and other publicly-funded regeneration assistance programmes. Comparing the Olympic zone neighbourhoods with Olympic sub-regions, and with London and England as a whole, this showed that 83 per cent of the Olympic communities (and 39 per cent of the five boroughs) were ranked in the top ten most income-deprived areas in England, and 47 per cent in the worst five (figure 19.4). This income ranking had worsened for the Olympic area since the bid was submitted (ODPM, 2004) and represents the baseline against which
progress and improvement is measured. Therefore the changes in deprivation may well start to reflect displacement, as well as the failure of regeneration, at least in the short term, to reach those on lower incomes. However, as higher income residents move in, this ranking may well change. The literature often claims that hosting mega-events can increase community cohesion and a tendency to engage in voluntary work (Smith, 2012; Misener and Mason, 2006). Similarly, tackling deprivation and increasing community cohesion through the Games were of great importance to the London 2012 host boroughs. One of the visions of the Olympic host boroughs has therefore been to tackle deprivation through preventing the cycle of gentrification whereby residents who prosper and move out of the area are replaced by higher income newcomers, but this is hampered by the housing market and lack of social housing within the legacy developments themselves.

Housing

Housing development was already under way in Stratford and in a number of canalside developments prior to the Games, so the Athletes’ Village (now renamed East Village) represents the first non-sports legacy, providing 2,818 new homes, including 1,371 affordable residences, for sale and rent, along with an academy school and polyclinic. However, the catchment for these new community facilities was much wider than the local area. Cost and timing has meant that compromises to the original master plan had to be made from the planned four- to eight-
The idea behind Olympicopolis is simple and draws on the extraordinary foresight of our Victorian ancestors. We want to use Queen Elizabeth Olympic Park as a catalyst for the industries and technologies in which London now leads the world in order to create thousands of new jobs' (LIOC, 2013). Johnson’s rationale for this is also that it would lead to more homes being built in the future in the surrounding area.

The attraction of the Olympic zone served by new transport links to central London, Canary Wharf and the suburbs had already seen the borough of Newham produce the highest increases in average house prices in the UK between 1999 and 2009, up 150 per cent compared with the national average of 117 per cent. At the same time there have been above average rises in the neighbouring Olympic host boroughs of Hackney (143 per cent) and Tower Hamlets (146 per cent). This has occurred despite the house price and credit crunch since the banking crisis first hit during 2007. Gentrification was already underway in this area prior to any Olympic effects and was even identified in annual government surveys of legacy impacts as a perceived benefit of London 2012. While improved transport and sports venues were seen as the long-term benefits with most potential by those surveyed nationally, regeneration of the area scored highest amongst Londoners — particularly amongst higher socio-economic groups who were twice as likely to mention this factor than lower groups (DCMS, 2008, p. 31).

The Olympics therefore has provided an investment leverage opportunity to accelerate development, with 25 per cent of London’s entire housing growth predicted on developments within the Olympic zone. Those respondents who lived in Newham generally agreed that the Games has increased numbers of people moving (63 per cent), while a Hackney resident noted the new accommodation in the Park, saying: ‘If they’re gonna regenerate the flats into super-duper flats, we’re not gonna get the same sort of atmosphere that we have if they’re ordinary people living in them. They’re gonna send us away since normal people won’t be able to afford them’. As a result of improvements in facilities and infrastructure, the area has become more attractive for middle- and high-income groups, and social division remains a challenge. As experienced in other Olympic cities, residents, environmentalists, businesses, creatives and others were anxious about the negative impacts, spiralling costs, and displacement arising from the development. Reopening of the Park, arrival of new communities and new housing developments in the Park and new schools were not surprisingly expected to impact property prices significantly.

Community Cohesion

Of those host borough residents surveyed, 72 per cent believed that they belong to their local area and 41 per cent that people from different backgrounds get on well in their neighbourhood. However, the views differed when questioned about the effect of the Games on feelings of belonging and community cohesion. It is fair to say that residents did not believe that hosting the Games contributed to community spirit. As a Hackney resident noted: ‘I can’t see any community spirit generated from hosting the Olympic Games’. Against that, a respondent from Tower Hamlets believed that the Games would strengthen community spirit: ‘I think the Olympics have brought the positive side to the East End of London, because it’s once in a lifetime event that is happening in the East End of London. So I don’t want to knock the Olympics down in that sense, and I think yes, it will encourage community spirit’.

One of the most significant findings of the Host Borough Survey was that Newham respondents were more supportive and positive about the Games compared with Tower Hamlets, Hackney and Waltham Forest residents. Almost half (47 per cent) of Hackney and Waltham Forest residents believed that the regeneration resulting from the Games was ‘important’ in their decision to move into the area and more than half of them mentioned that their area has been regenerated positively through the Games. Moreover, Newham residents tended to agree that the Olympics increased the job opportunities for locals. In addition, more Newham residents had seen the plans compared to other host boroughs. This may be because Newham owns a significant part of the Olympic Park and some important facilities such as the Aquatic Centre, with Stratford International Train Station and Westfield Shopping Centre are also located in the borough. Being close to all these facilities and potential opportunities has obviously made these Newham residents more supportive of the Games and legacy. The main weakness however was that the majority of the participants had not seen the plans to improve the Olympic Park area. Housing plans had the lowest degree of satisfaction, while increases in housing prices were a big concern and locals thought that the new houses were not for them. Those who lived in Newham generally agreed that the Games had increased pressures on housing in the local area. In terms of positive expectations from the Games, over half of the respondents believed that the long-term impacts of the 2012 Games would improve the image of the local area, improve sports facilities; and improve local retail and shopping facilities.

Opposition to the Olympics was evident locally, particularly from local housing interests, business and artist groups in the face of displacement (Powell and Marrero-Guillamón, 2012). Ideological resistance was also apparent (Cohen, 2013), but the Olympic good news story and the outsider status of the London bid lessened the negative press. Most observers did not expect the city to win so opposition was not coordinated. Following the award in July 2005, organized resistance focused on monitoring the development process and legacy promises and on campaigning against land and premises relocation as the pace of issuing compulsory purchase orders intensified. Three years after the 2004 bid feasibility plan the Olympic Park Masterplan was approved by central and local government. With construction commencing, an infamous and impervious blue wall was erected around the Olympic site cutting off access to and through the area for local people, which intensified local dissatisfaction and exclusion. Despite the Olympic
Park development and new access routes, bridges and pathways, the east–west divide (Stratford, Newham–Hackney Wick) which was master planned to be "stitched together" still persists and communities are still largely territorial in their horizons (Evans, 2015).

**Employment**

When designated, the area presented a wholly different picture on the ground. Criss-crossed by a maze of river channels and canals, the area contained a mosaic of undeveloped flood plain and industrial land. Some of the latter was long derelict, but other sites involved manufacturing facilities and other employment activity which needed to be relocated. Within months of the award to London, Compulsory Purchase Orders were sent to nearly 300 businesses within the Olympic Park zone. These employed over 5,000 in the Marshgate Lane industrial area and several hundred in other sites. Compensation offered to firms who had benefited from cheap and scarce industrial premises in proximity to central London and national transport access was reported to be 20 to 50 per cent less than the original prices paid by owners: 'the Marshgate Lane Business Group argued that the LDA had allocated £450 million to relocate all the businesses when professional advisers to the businesses estimated that the real cost will be more than £1.5 billion' (COHIRE, 2007b, p. 14). The LDA spent £1.3 billion on this exercise, leaving an excess debt of £500 million after intermediate land sales. Over the course of the land acquisition and clearance of the Lower Lea Valley area, businesses employing nearly 15,000 workers were reportedly forced to move with some firms offered alternative locations over 50 miles (80 km) away. Reluctantly most firms settled or had their appeals turned down at Inquiry. There has been surprisingly little follow up or monitoring of the impact of the enforced relocation of businesses by the LDA or other local authorities, and the direct and indirect loss of employment arising is again not reflected in the headline employment figures predicted for the new leisure-retail economy.

The loss of firms through relocation or cessation obviously has an impact on local employment and multiplier effects on the local economy, but the nature of production also suffers. This included artists and designer-makers located in Acme Studios on Carpenters Road, premises housing 140 studios that are now demolished. New studios have been incorporated in mixed-use developments in Stratford, but these have only replaced a fraction of this provision and the studio community will never be replaced at the previous scale and concentration. It is estimated that over 25 per cent of the UK's total artist studio provision (6,000 artists in 135 buildings) were located in the Olympic host boroughs, occupying genuinely affordable and supportive studio premises. This cultural asset has therefore been under threat, and the gentrification effect continues in the years following the Games with further development of the Hackney Wick and Fish Island industrial buildings for housing. As Millington (2009) observed: 'The irony is that, while London's vibrant, diverse and influential culture has been promoted as a significant aspect of London 2012, the very studio complexes that have contributed to that vitality, along with other supporting businesses such as materials suppliers are under threat and some have disappeared altogether'.

**Conclusion**

The Olympic Park and associated environmental improvements are thus the main physical features of the Olympic legacy, with new and converted housing literally populating what was a low-density group of urban neighbourhoods. However, it is the economic regeneration and consequent social benefits – given the association of poor housing, health, education and crime with poverty and lack of work – that have been used to justify the sustainability of London 2012, and ultimately the longer term benefits to offset the explicitly stated and indeterminate direct and indirect costs.

How the Olympics are assessed now and in the future will itself form part of the narratives and history surrounding this latest episode in mega-event regeneration. In narrower evaluation and appraisal terms required by public bodies dispersing taxpayers' money, official impact studies seek to measure change and cause-and-effect attributable to Olympic and other investment programmes. The Olympic Games Impact Study (OGIS) is now a requirement for all host cities, with London undertaking this exercise based on a collection of indicators. A disconnected range of impact studies are also being commissioned by government departments – Culture (DCMS), Communities (DCLG) and Business (BERR), including a meta-evaluation study by the DCMS seeking to synthesise all the studies. These are driven by government evaluation frameworks and imperatives and are unlikely to reflect the full experience of, or impact on communities, stakeholders, or longer-term distributive effects. The government's official Pre-Games OGIS report (UEL/TGIS, 2010, p. 25) using some sixty indicator sets, however, had found 'below average performance for the environmental outcomes indicators', as well as social outcomes indicators, with gains yet to be measured from Olympic facility lifecycle and energy consumption analysis. As Bernstock (2014, p. 202) concluded: 'the real risk is that the area will be regenerated, but with very little benefit to those existing communities'. From the survey of host borough residents carried out just prior to the Games, only a minority thought that preparations had a positive impact on improved housing (28 per cent), education, health and community facilities (26 per cent), with more agreeing that parks and green spaces (39 per cent) and the image of area (49 per cent) had improved. Respondents also thought that crime, pollution, pressures on local amenities, as well as 'churn' would increase over the longer term – hardly an endorsement of the legacy of a "sustainable community" that the project had promised (see table 19.1). The counterfactual – what would have happened without the Olympics in terms of regeneration and what were the opportunity costs from the public
investment – can never be fully answered. Yet these are the most important questions underlyung the Olympic regeneration’s rationale, on which the London bid rested. As Hall (1992, p. 83) suggested:

It should be recognised that social impact evaluation will ask the difficult question of who benefits? A question which goes to the very heart of why cities host hallmark events in order to improve or rejuvenate their image and attract tourism and investment.

Getz (2009, p. 76) optimistically argued that in answering this question: “the effect would be to ensure that the usual claims of economic benefits are not accepted at face value, and that social, cultural and environmental measures of value would be equal to the economic”. In reality the inability, politically, to embrace the full impacts and decision-making rationales honestly and transparently, is in part a reflection of the fragmented governance and delivery structure; the stop-go regeneration regimes imposed over a 30 to 50 year period; and also the limitations of political and budget horizons as agencies are unable to commit to programmes beyond their likely shelf lives. In some respects this is likely to let the Olympic machine ‘off the hook’ in terms of full blown evaluation and attribution, but this is not a reason for failing to try to capture as full an analysis and assessment of ‘impact’ and ‘legacy’ as is possible – particularly with the benefit of renewed academic and public interest in the phenomenon, and a wider range of available data and tools to analyse this than has previously been the case.

Notes
1. A misplaced vote might have helped London win the 2012 Olympics. Moscow and New York were eliminated in the first two rounds. An IOC committee member (President of the Greek Olympic Committee) had then mistakenly voted for Paris rather than Madrid in the third round. Paris received 53 votes to Madrid’s 31 in that round, eliminating the Spanish capital. Had Madrid received the vote rather than Paris, the cities would have tied with 30 each, seven fewer than London, and entered a tiebreaker. London beat Paris 54–50 in the final round. In the run up to the IOC vote in Singapore, London was still ranked third after Paris, the clear favourite, and Madrid. No city had hosted the Games more than twice (London and Paris) and London had never won by competition, only hosting by default in 1908 and 1948.

2. According to the Chief Executive of the British Olympic Association, Simon Clegg: “The sole measurement of the Games won’t be on how efficient the organizing committee is, or how beautifully architected the design of the stadiums are – it’ll be decided on how many British athletes stand on the podium and collect medals” (http://www.olympics.org.uk). The official target was to improve the place in the Olympic medal table from tenth in 2004 to fourth in 2012 and the results went beyond expectations. Great Britain moved to third place in the Summer Olympics Medal Table 2012 (http://www.olympic.org).

3. The Olympic site located in this part of East London had traditionally been the dumping ground for toxic waste, including mustard gas stored during World War I, as well as engineering and manufacturing that produced pollutants resulting in polluted soil and water.

4. The main criticisms of the Millennium project were the escalating cost and unclear purpose and consent, as well as the problem of promoting the event as a national celebration in a non-central London location (Evans, 1998b, 1999). Despite this, the experience of visitors was generally positive with 86% per cent saying that they had a ‘fun day’ (BBC ‘Vote on the Dome’). The final cost of the Dome was £790 million, of which £600 million was funded by the National Lottery and the balance from ticket sales. This was £200 million or 25 per cent over the original budget estimate, due to a shortfall in visitor numbers – around 6.5 million people came, compared with 12.12 million in the original business plan (Price Waterhouse, 1994; Evans, 1996). The situation was exacerbated by the failure to secure its after-use and disposal. By 2005 the costs of annual insurance and security costs for the vacent facility were put at £1 million. The site had been sold following the year-long ‘Millennium Experience’ exhibition in December 2001 to Meridian Delta Ltd, a subsidiary of Guantam Estates & Development and Land Lease (backed by Philip Anschutz, American billionaire, oil, sport and telecommunications entrepreneur) with plans for a 20,000 seat sports and entertainment venue, and a housing and office development on the surrounding developer of the Olympic Village, housing athletes and providing a mix of social and private housing. Anschutz retired as CEO of the Dome to CIG, a mobile phone company. The refurbished Dome rebranded the O2 was reopened to the public on 24 June 2007. A bid for the O2 to host the UK’s first Super Olympics, the Dome and adjoining temporary arenas were designated for use as a venue for the artistic gymnastics, trampolining and basketball finals. Due to IOC sponsorship regulations, however, it was to be officially known as ‘North Greenwich Arena’ during the Games.

5. Massively over budget and facing to complete to agreed timescales, Wembley Stadium left the Australian Multiplex developer a decade later.

6. Government claims for ‘transparency’ in decision-making and financing of the Olympics are able to be side-stripped under the ‘uncertainties of government’ in the procurement process and as speciaal advise contracts.

7. The Cultural Olympiad is an IOC-branded event, encompassing the opening, medal and closing ceremonies, torch relay and a national event programme delivered for London 2012 promoted by the Greater London Authority, local and regional authorities. The Olympic Park Legacy Corporation is also responsible for public art, installations and related events as well as other cultural aspects of the Park design and heritage.

8. Taking Part is a survey undertaken by DCMS which collects data on every aspect of leisure, culture and sport participation in England, as well as an in-depth range of socio-demographic information on respondents. The Host Borough Survey was a one-off, area-specific survey information on the views, behavours and attitudes of the residents in the six Olympic host boroughs. The raw data from Host Borough Survey has been analysed together with the focus thought about London 2012 related regeneration and their involvement in the decision-making processes. These two data sets were collected around the same time periods and targeted to understand similar issues; therefore they were easily integrated in this analysis, using a mixed method to gain an understanding of the community approach (Edvar, 2014).