



# Cabinet

5 DECEMBER 2011

**CABINET MEMBER  
FOR RESIDENTS  
SERVICES**

*Councillor Greg Smith*

**GLA OLYMPIC GRANT FUNDING – UPDATED  
OPERATIONAL PLAN**

**Wards:  
All**

In March 2011 the Council secured £100k grant funding from the Greater London Authority (GLA) as a contribution towards the cost of services which are additional to usual service operations and which are critical to operating a safe and effective Olympic and Paralympic Games in 2012.

An initial operational plan was submitted to the GLA in June 2011 outlining key areas of expenditure. In order to fulfil the funding agreement, and release the next payment, an updated operational plan has to be submitted by 31 December 2011.

Under the terms of the GLA finance agreement spending is restricted to 3 key areas: Waste & Street Cleansing; Regulatory Services and; Command, Control and Communications.

**Recommendation:**

**That approval be given to incur the expenditure outlined in the updated operational plan at a total cost of £100k (provided by GLA grant) as set out in appendix A of the report.**

**CONTRIBUTORS**

EDELRS  
ADSND  
ADFCG  
ADLDS  
EDFCG

**HAS A EIA BEEN  
COMPLETED?  
YES**

**HAS THE REPORT  
CONTENT BEEN  
RISK ASSESSED?  
YES**

## **1. BACKGROUND**

- 1.1. Since the summer the GLA, together with DCMS and CLG, have been in discussion with London boroughs and London Councils about the potential extra costs that may fall on boroughs where Olympic and Paralympic events are being staged to provide additional services or for other reasons related to the operational arrangements for staging the Games.
- 1.2. On 29 November 2010 the Mayor of London agreed the distribution of £21M of grant funding to 11 London local authorities (Mayoral Decision 720). A fixed maximum grant allocation for each authority was also agreed.
- 1.3. In recognition of "...some limited additional 2012 Games impact in Hammersmith and Fulham given its proximity to the Earls Court venue" LBHF has been allocated grant funding up to a maximum of £100k. LBHF has been awarded the smallest share of the £21M available; the largest share of £6.5M was allocated to LB Newham.
- 1.4. Under the terms of the finance agreement spending is restricted to 3 key areas: Waste & Street Cleansing; Regulatory Services and; Command, Control and Communications (C3).

## **2. OLYMPIC ACTIVITIES**

- 2.1. In Summer 2012 London will play host to the Olympic and Paralympic Games. Close to the borough border with Kensington & Chelsea, Earls Court Exhibition Centre will be transformed in to a world class sporting arena hosting a 16 day volleyball tournament from Saturday 28 July until Sunday 12 August. The arena at Earls Court will seat up to 12 000 spectators with 3 sessions of game play scheduled each day. Significant traffic management arrangements will be put in place to create a one way pedestrian route from the Earls Court Road exit of the Earls Court Underground Station to the entrance to Earls Court 2 at West Brompton. Seagrave Road is also expected to be closed to allow queuing of coaches.
- 2.2. On Saturday 28 and Sunday 29, the Olympic Cycle Road Races will travel from Central London, entering the borough from the East along Fulham Road and exiting the borough across Putney Bridge. The cyclists will make their way south to Box Hill in Surrey and then return along the same route. The length of the cycle route in the borough will be barriered with designated pedestrian crossing points. A trial road race took place on 14 August 2011 that provided no reason to revisit the initial cost estimates.
- 2.3. In the run up to and during the Olympic Games the A4 and A40 will be used as part of the Olympic Road Network (ORN) as they pass through the borough. Some turning restrictions will be put in place and Olympic Lanes will be created for the use of competitors and officials travelling to and between venues.
- 2.4. During the Paralympic Games the A4 will be used as part of the Paralympic Road Network (PRN) as it passes through the borough. The same restrictions will be in force as for the ORN.

### 3. OLYMPIC IMPACT

- 3.1. In the run up to and during games time it is anticipated that there will be an increased number of visitors travelling into and around the borough. All modes of transport are expected to experience much higher demand than normal and road travel will be slower.
- 3.2. Due to the increased number of visitors there is likely to be a boost for local business with higher than normal passing trade during the day, local accommodation providers operating at capacity and a lively night time economy. Local business is expected to respond to this increased demand while also experiencing transport difficulties that will affect staff travel and deliveries.
- 3.3. The London Organising Committee of the Olympic & Paralympic Games (LOCOG) is working with local businesses who employ more than 500 staff to help them understand and plan for the impact. In addition to this, the Council is engaging with local business leaders through the Economic Development Office to target employers with fewer than 500 staff.
- 3.4. In addition to the impact of transport difficulties described above, the knock on effects for the Council will be an increased draw on street cleansing and regulatory services. Due to the high profile of Olympic events in London there is also a reporting requirement to provide assurance to Central Government through C3 structures.

### 3. INITIAL AND UPDATED OPERATIONAL PLANS

- 3.1. In June 2011 the borough submitted an initial operational plan (IOP) to the GLA detailing broad areas of spend, releasing the first grant instalment. This formed the basis for discussions with the GLA on how the borough will support Olympic activity. Table 1 below, shows the costs submitted in IOP, how they differ from those in the estimated financial implications of the Olympics and an explanation of how costs have been revised.

<b>Area of Spend</b>	<b>IOP estimate</b>
Regulatory Services	£10k
Street Scene Enforcement	£4k
Street Cleansing	£28k
Waste Disposal	£35k
CCTV & C3	£23k
<b>TOTAL ESTIMATED SPEND</b>	<b>£100k</b>

- 3.2. It is expected that any additional spend from service areas not covered by the funding agreement will need to be met by corporate contingencies or absorbed by existing revenue budgets.
- 3.3. In order to fulfil the funding agreement and release further instalments the borough is required to submit an updated operational plan (UOP) to the GLA by 31 December 2011, Appendix A.

#### **4. RISK MANAGEMENT**

- 4.1. The impact of the Olympics on LBHF operations features as a sub-risk of Business Resilience on the Corporate Risk Register.
- 4.2 An Olympic Risk Register providing more detail on individual risks to the council is managed and maintained by the LBHF 2012 Operations Group, led by Residents' Services.

#### **5. EQUALITY IMPLICATIONS**

- 5.1 An EIA has been completed (available electronically).

#### **6. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

- 6.1 Although the Council has been awarded the lowest share of funding by the GLA (£100k), it is expected that this funding will be sufficient to cover all anticipated costs as set out in the Updated Operational Plan. The project team will need to closely and regularly monitor all expenditure to ensure that it is contained within the available funding and meets the eligibility requirements as set out in the grant agreement.
- 6.2 No additional funding has so far been identified for this project. If additional funding is required, it is expected that this will be met by corporate contingencies or by diverting resource away from existing council services.
- 6.3 It is expected that the resurfacing of the Cycle Road Race route will be funded by the London Organising Committee of the Olympic and Paralympic Games (LOCOG).

#### **7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 7.1. In accepting the grant, which is paid in instalments on the achievement of certain specified milestones, the Council undertakes to apply it solely for the purposes of meeting certain authorised types of expenditure on the defined "Project Objectives".
- 7.2. The grant can be clawed back, reduced or withheld by the GLA on the occurrence of such circumstances as breach by the Council or financial irregularity.
- 7.3. The Council must indemnify the GLA if the GLA suffers any loss, damage or third party claims as a result of the Councils breach or negligence.
- 7.4. The Council must liaise regularly with the GLA on the progress of the Project Objectives and must account for the use of the grant monies in accordance with proper accounting practices, including production of a detailed financial report on the completion of the Project Objectives.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	MD720 - GRANTS TO BOROUGHES FOR CITY OPERATIONS AND OLYMPIC RELATED ACTIVITIES	Graeme Findlay x2276	Residents' Services Department / Safer Neighbourhoods
2.	Olympic Risk & Assurance Register	Graeme Findlay x2276	Residents' Services Department / Safer Neighbourhoods
<b>CONTACT OFFICER:</b>		<b>NAME: Graeme Findlay</b> <b>EXT.2276</b>	