

## The costs and benefits of hosting an international event: the London 2012 Olympic Games and Paralympic Games

The London 2012 Olympic Games and Paralympic Games were considered to be a great success for various reasons. The Games attracted a worldwide audience and helped to regenerate one of London's poorest areas. The Games created some 12,000 new jobs, up to £17 billion was spent on upgrading infrastructure and 2,800 new homes were built. The Games were a major factor in a 1.2 per cent reduction in London's unemployment rate in early 2012. More than 46,000 people worked at the Olympic Park and Olympic Village, more than 10 per cent of whom were previously registered unemployed.

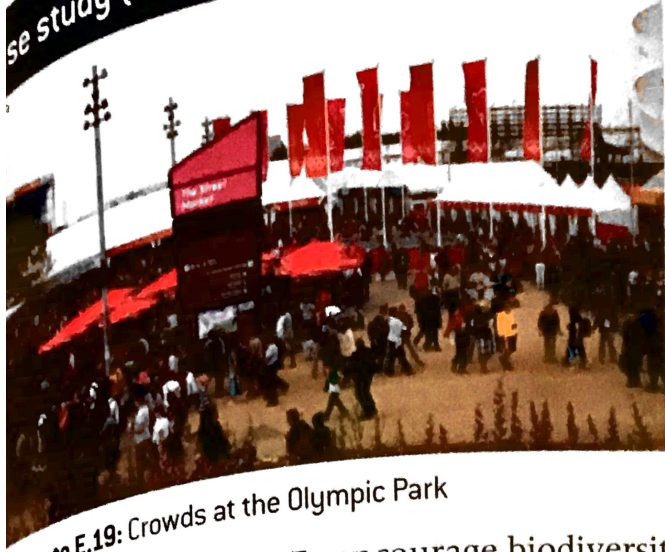
The Games encouraged developments in the East End of London, such as Westfield shopping centre employing the unemployed from the East End. In the run-up to the games, women and black, Asian and minority ethnic (BAME) people found employment in construction jobs connected with the Games. The "Women into Construction"

project funded by the London Development Agency and construction schools recruited and placed 266 women directly with Olympic Park contractors.

The UK government invested £30 million to transform the Olympic site into the "Queen Elizabeth Olympic Park" which includes housing, new schools, health centres, business space and sports venues. This involves converting the Olympic Village into more than 2,800 flats with additional new neighbourhoods containing 11,000 residences, a third of which will be affordable housing.

Transport for London invested £6.5 million in transport infrastructure in preparation for the 2012 games. Ten railway lines and 30 new bridges now connect London communities. There has been a £10 million investment to upgrade pedestrian cycling routes.

Sustainable efforts in this project were monitored by an independent commission that rated the global effort as "a great success". More than 90 per cent of demolition waste was recycled and 62 per cent of operational waste was reused.



▲ Photo E.19: Crowds at the Olympic Park

recycled or composted. To encourage biodiversity 300,000 plants were planted in the Olympic Park's wetlands area. In addition, over 1,000 new trees were planted in East London.

Nevertheless, there were many people who were not happy with the Games. They cost around £11 billion (plus the cost of infrastructure developments) and received lottery funding of £675 million, which could have gone elsewhere. Some people and businesses did not want to move but were forcibly relocated. There were regional development impacts too – London and the South East received the bulk of the funds, increasing inequalities between those areas and the rest of the country.

▼ Table E.10: Financial costs and benefits of the London Olympic Games, 2012

Costs	Benefits
Running the Games: £1.5 bn	<b>INCOME</b>
Olympic stadium: £560 m	Lottery £1.5 bn
Athletes' village and park: £650 m	TV and marketing £560 m
Security: £200 m	Sponsorship and official suppliers: £450 m
Redevelopment: £800 m	Ticket revenues: £300 m
Transport and infrastructure: £7 bn	Licensing: £50 m
	London Development Agency: £250 m
	Council tax levy: £625 m
<b>Total £10.710 billion</b>	<b>Total £3.735 billion</b>

The London 2012 Olympic Committee had four main aims for the Games:

- to regenerate and transform one of London's poorest areas
- to create a Games for the world, reflecting London's diversity
- to inspire young people into taking part in sport
- to create a legacy for east London which would last beyond 2012.

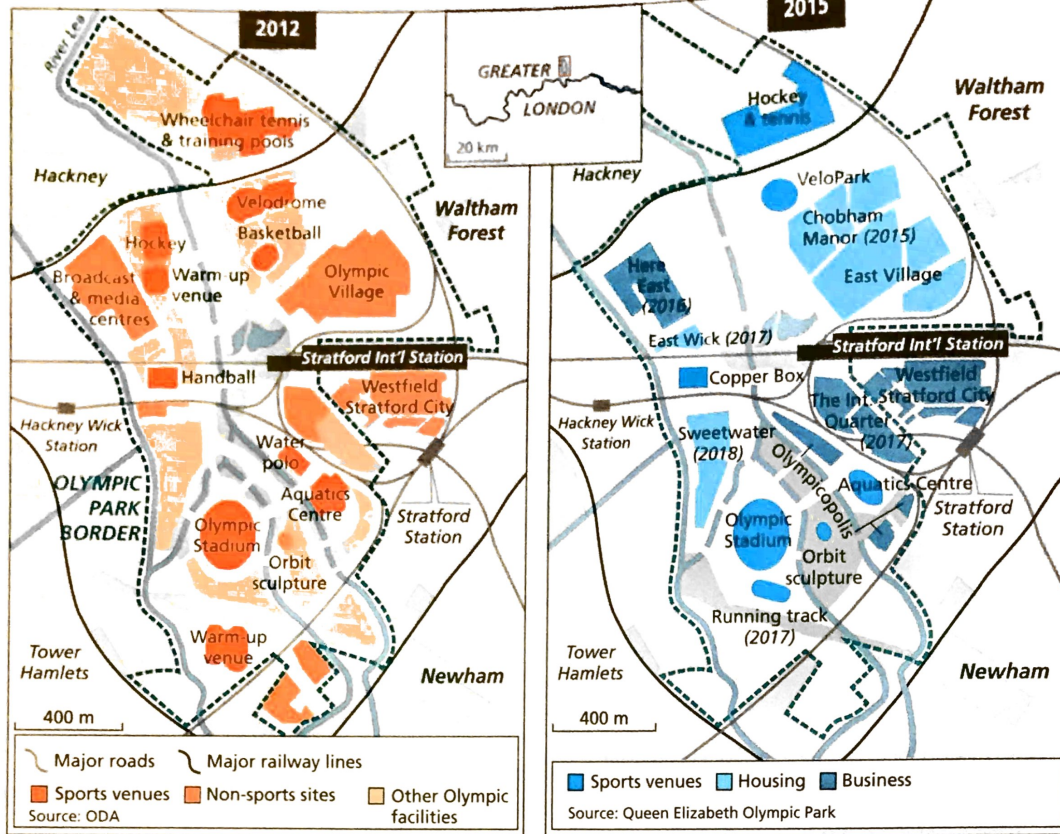
There were many changes that the Games brought about and continue to bring about. A new Olympic Park, the Queen Elizabeth Park, was opened on 1 January 2013 along the Lea river. Some 2,800 housing units were created from the Athletes Village and 50 per cent of these were affordable housing for local people. The first new residents moved into East Village in April 2013. In July 2013 the Copper Box opened as a local community leisure facility. In spring 2014 the Aquatic Centre opened as a local swimming pool. Transport infrastructure continues to be improved – in 2017 Crossrail will open at Stratford ready for the World Athletics Championships. Another 7,000 flats may be built by 2035. In 2016 the football club West Ham United moved into the Olympic Stadium, and in 2017 the media centre reopened as "Here East", a tech start-up hub.

### Assessing the legacy

The main aims of hosting the Games were to build new sporting facilities and infrastructure, to host a successful Games and to make the facilities available for use after the games. Another aim was to get more young people involved in sport.



▲ Photo E.20: Restored River Lea and Athletes' Village



◀ **Figure E.20:** During and after London's 2012 legacy  
 Source: *The Economist*. 2015. "What have the Olympics done for east London?"  
<http://www.economist.com/news/britain/21659766-what-have-olympics-done-east-london-going-bronze>

This aim has not been achieved: according to Sport England, the number of Britons exerting themselves at least once a week fell by 200,000 between 2012 and 2014. Partly this is down to government cuts to sports centres and the like.

After the 2012 Olympic Games the London 2012 organizers stated that they wanted an even better performance from British Athletes in the 2016 Olympic Games, and so the British government provided an extra £1 billion towards the development of elite sports, upgrading of existing infrastructure, the creation of new sports facilities and increased participation in sports, in particular sports related to the Olympic and Paralympic Games. The focus on elite athletes might not translate into local participation.

The industrial and tourism sectors are expected to continue to grow in the coming years. However, the East London area, when compared to the rich West

London area, is still very deprived. Much more long-term development is needed to change the relative inequalities in London. The waiting list for social housing in Tower Hamlets is around 22,000. Many of the housing developments are private – only 28 per cent are earmarked to be "affordable" (defined as 80 per cent of the market rent). Although the unemployment rate fell in Newham and Tower Hamlets, it is still higher than London's average.



▲ **Photo E.21:** Part of the Olympic Park