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<b>Subject:</b>	<b>OLYMPIC CELEBRATIONS BUDGET</b>
<b>Meeting and Date:</b>	<b>Cabinet – 3 December 2012</b> <b>Council – 12 December 2012</b>
<b>Report of:</b>	<b>David Randall, Director of Governance</b>
<b>Portfolio Holder:</b>	<b>Councillor Sue Chandler, Portfolio Holder for Community, Housing and Youth</b>
<b>Decision Type:</b>	<b>Non-Key</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**Purpose of the report:** To seek approval for the use of either in year funds or additional funds from the Special Projects Reserve to meet the expenditure for the Dover District Olympic celebrations.

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**Recommendation:** Cabinet to consider whether in-year savings from the 2012/13 budget can be utilised to fund the overspend.

If this isn't achievable

Council approve the transfer of £68,900 from the Special Projects Reserve to meet the expenditure on the Olympic celebrations

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## 1. Summary

1.1 The costs for the Dover District Olympic celebrations held on 18 and 19 July have been reviewed and this report provides information about this expenditure together with the associated benefits of holding this event in the Dover District. Managing dynamic events such as these highly successful Olympic events do by their very nature carry a large amount of risk and uncertainty.

1.2 The actual net costs of hosting the Olympic Torch were in excess the amount budgeted due to two main factors, a loss of Park and Ride Car Park income due to the adverse weather in Dover on the 18<sup>th</sup> July 2012 and LOCOG's last minute decision to not allow us to charge for the Olympic torch relay event programme which, reduced the anticipated income and together with a number of relatively small infrastructure costs requires additional funds to be allocated

## 2. Introduction and Background

### The Event

2.1 The Olympic flame visited the Dover District on 18 and 19 July and an evening celebration was held on the Dover seafront. The evening event was produced in partnership with KCC, The Arts Council, Vista Leisure and The World Famous. As well as receiving the Olympic Flame and hosting the LOCOG stage show a number of local community acts were invited to take part

- 2.2 The evening event attracted a crowd of 18,000 and was televised on a local BBC news channel. In addition Radio Kent broadcasted from the seafront during the day of the event.
- 2.3 Dover community were engaged through the Song for Dover and Pass the Passion choirs plus a range of Dover Arts Development workshops. The Council also recruited and trained over 300 volunteer stewards for the Dover, Sandwich and Deal legs of the Olympic torch relay and the evening event. Dover Town Hall was used for training sessions before the event, coinciding with choirs' rehearsals, thus bringing different parts of the community together.
- 2.4 Lots of plaudits have been received for the torch relays and evening event despite the adverse weather late on Wednesday afternoon at Dover, which eventually cleared towards the end of the fireshow

#### Costs

- 2.5 The approved original net budget was £92,000 and approval for an additional budget of £90,000 was given in May 2012 which gave a total budget of £182,000: in addition, £6,700 from the Corporate Communications budget has been allocated to cover certain printing and communication costs. However, the final 2012/13 costs have now been calculated as £257,597 as shown in appendix A which are in excess of the budget by £68,897.
- 2.6 There are number of significant factors which contributed to the expenditure increasing beyond the approved budget:
- 2.7 Hosting an event of such magnitude does require specific expenditure to ensure the safety of spectators, performers and the security of the Olympic Torch. In the run up to the event, despite detailed event planning, it was necessary to incur additional costs to meet the anticipated large crowd numbers and the strict requirements of LOCOG.
- 2.8 The poor weather on the afternoon and evening of 18 July resulted in a shortfall in the crowd numbers, with 18,000 people attending the seafront event when the anticipated numbers were around 30,000. In the final planning for the event, based on information received from LOCOG regarding other Torch Relay Celebrations, our own intelligence and the experience of the Production Manager and Artistic Director, it was estimated that a crowd of up to 30,000 was expected on the seafront on the 18<sup>th</sup> July with a further 10,000 following the torch around the town. As a result, additional park and ride facilities were procured at a late stage. However the poor weather resulted in less people using the park and ride facility than anticipated, which collected around £25,000 less than anticipated
- 2.9 Despite obtaining assurances to the contrary, LOCOG at a very late stage changed their mind and did not permit the programme to be sold and we were therefore forced to give them away in return for a voluntary donation towards an Olympic Legacy event to be held by Vista Leisure next year. An amount of £25,000 in programme sales was anticipated if they were all sold.
- 2.10 Other increases in infrastructure costs, which were required to be implemented to ensure the success of the event, such as the need to have an audio system for the repeater screen, marshal's welfare and some additional ground works costs, which together account for the remainder of the shortfall.

- 2.11 Included within the costs is an internal charge of £8,000 for a DDC licensing fee for staging the event.
- 2.12 External funding of £100,000 was obtained from the Arts Council and £50,000 from KCC towards the cost of holding the event. The increased expenditure of £68,900 will be met either from in year savings or from the Special Projects Reserve.

### Benefits

- 2.13 Local people joined in one of the biggest events to be held in the District since the 1948 Olympic Torch arrived when 50,000 people saw the Flame arrive by boat. There was a real sense of pride in the District and the Council showed that it could plan and successfully co-ordinate and manage such an event which was enjoyed by residents, potential investors and tourists alike.
- 2.14 Visit Kent's initial findings from its Games time consumer research are that 88% of respondents reported that they now had a greater sense of pride in their own community, and 80% reported that they perceived a greater sense of community across Kent.
- 2.15 The publicity for the Dover District was significant in terms of local radio and television and National Press coverage which led to increased volumes for local business during the event and for an indefinite period afterwards. The original estimate was that the economic benefit to the District was around £600,000 during the event but no actual figures have been published at this stage. There was a great deal of interest from potential inward investors who saw Dover in its best possible light. These cannot really be measured but will materialize over the next few years as the regeneration agenda is delivered.
- 2.16 The event involved a significant amount of partnership working with other Local Authorities, emergency services and local organisations which has in general improved relationships and increased awareness of roles and responsibilities if future events are held.
- 2.17 The Inward Investment event held alongside the Olympic celebrations also proved to be a great success. It allowed the Council to engage with potential investors and to positively showcase the district – even in the rain. Building on this event, will provide positive economic benefit for the district going forward.
- 2.18 The Pass the Passion project was an integral part of Dover District's 2012 Olympic programme which involved all fifty two schools working together for a five year period leading up to the Games to raise awareness of young people of the cultural, community and sporting significance of London hosting the Olympic Games in their lifetime. This work continues through the Pass the Passion Steering Group which is committed to developing an achievable and measurable legacy that continues to deliver and further develop a range of activities and services which enhance aspirations and support learning.

### **3. Identification of Options**

- 3.1 Option 1 – Cabinet to consider whether in-year savings from the 2012/13 budget can be utilised to fund the overspend.
- 3.2 Option 2 – Council approves the transfer of £68,900 from the Special Projects Reserve to meet the £50,000 reduced income from parking and programme sales,

£9,500 additional expenditure on repeater screen and additional car parks, £8,000 recharge for the DDC event licence and £1,400 increase in expenditure on the Olympics celebrations.

#### **4. Evaluation of Options**

- 4.1 It proved to be extremely difficult, despite detailed event planning and budgetary management to control the overall expenditure of the events. Dynamic factors as identified in this report impacted on the event, often very late in the process, which without agreement would have impacted on the event itself. Cabinet are requested to first consider whether the overspend can be funded from virements in existing budgets or curtailing expenditure which has not been committed. If this isn't achievable, then, Cabinet will need to request Council to provide the additional funds from the Special Projects Reserve.

#### **5. Resource Implications**

- 5.1 £68,900 transfer from the Special Projects Reserve or in-year savings from other services.

#### **6. Corporate Implications**

- 6.1 Comment from the Section 151 Officer: Budgeting for major one-off projects such as the Olympic Torch event faces a number of challenges, in particular:

- the dynamic nature of the event means that requirements will change during the planning process, and this has an impact on the costs;
- working with partners such as LOCOG, who are able to impose their own decisions at short notice, with adverse impacts on the budget;
- the requirement to cater for significant variables such as crowd numbers and adverse weather; and
- the unique one-off nature of the event means that there is generally no prior experience upon which the organisers can draw.

- 6.2 If the additional £68,900 cannot be financed from in-year funds, then it is proposed to transfer this sum from the Special Projects Reserve (established to finance the costs of one-off projects). The reserve is currently projected to hold £605k at the end of 2012/13, so this will now be reduced to £536k. (MD)

- 6.3 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

- 6.4 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.

#### **7. Appendices**

Schedule of Costs and Income

#### **8. Background Papers**

None.

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