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Witnesses: Cllr Guy Nicholson, Cllr Chris Roberts and Cllr Rabina Khan

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Members present

Lord Harris of Haringey (Chairman)
Lord Addington
Lord Bates
Lord Best
Baroness Billingham
Baroness King of Bow
Lord Stoneham of Droxford
Baroness Wheatcroft
Lord Wigley

Witnesses

Councillor Guy Nicholson, Cabinet Member for Regeneration, London Borough of Hackney, **Councillor Chris Roberts**, Leader, Royal Borough of Greenwich, and **Councillor Rabina Khan**, Cabinet Member for Housing, London Borough of Tower Hamlets

Q213 The Chairman: Can I welcome you all here this afternoon? I should inform you, in case you have not worked it out, that this is a public session. The event is being webcast and will be available online. We will also be placing the transcripts of evidence on the website. Initially, they will go up in uncorrected form. This is as an incentive to ensure that you put any corrections of fact forward as quickly as possible. They will appear as soon as they are available. We have a number of questions, which are either aimed at all three of you, or one or other of you, which I am sure will become apparent.

What I wanted to do was to start by asking about the aim of convergence. It is really to ask your views, each of you in turn, about how realistic you thought this is for the Olympic host boroughs, and to state briefly, if possible, what your individual authorities are doing to achieve the aim of convergence, and perhaps to comment on the extent to which you are reliant on other people, like the Legacy Development Corporation, the Government or

other partners in meeting the target. How much can you do on your own? Who wants to go first?

Cllr Roberts: When we were looking at what the legacy for the Olympics could and should be, we were taking to heart, and promoting across the host boroughs, very much the idea that this should be an opportunity to regenerate the eastern half of London. Within that, we started to look at a series of factors based upon employment, school attainment, public health, life expectancy, skills and so on. We started to look at how we could begin the process of closing the gap between East London and the rest of London, to get to the London average. We do not think that that is something that we will achieve solely on the back of the Olympics, but more generally on the promise of regeneration, which we think needs to encompass a legacy that includes the redevelopment and regeneration of the former industrial lands around our boroughs. It requires everything from river crossings to transport connections to ensure that that is maximised. It requires better schools and better use of public health money than we have perhaps had recently. There is a whole raft of issues that we want to see benefit. Can we do it ourselves? By no means can we do it ourselves entirely, but there are things we can do on our own and have been doing so.

Cllr Nicholson: Just to pick up from where Chris has led off and put it into a Hackney context and perspective, there was a very clear intent when we started off on the convergence process—I am looking to Chris now for a reminder here—probably in 2004 or 2005. What we saw then was a great coming-together of all levels of government—central, regional and local. There was a great determination and a great intent to bring about this socioeconomic change, to tackle poverty and to take away what in effect was certainly then the East End being a net consumer of public money and a consumer almost exclusively to do with the fact that it was dealing with the challenges of poverty, with all of the socio, environmental and cultural repercussions of that. Our intention was very clear: it was to

reverse that, and to try to do that around the Olympic project and, of course crucially, after the Olympic Games themselves.

As I say, we set off with a clear sense of purpose, a sense of purpose that was adopted and embraced by all levels of government. We now find ourselves—and I am jumping ahead perhaps a little here but, nevertheless, within the context of others involved in this—in a position where it is fairly safe to say that there is still a great deal of intent. That intent is captured within local government, within our local authorities, and it is indeed captured within the public institutions that are very active locally, whether it is in the Health Service for example, whether it is through our schools or whether it is through other organisations and institutions that make up that architecture of local service delivery. We have a Mayor of London who is committed to the delivery of convergence in the legacy, but we have no central Government at the table anymore. That is, I would suggest, a weakness that is going to hinder the delivery of convergence going forward. It has to be an approach taken by all levels of government, not just through the issuing and the release of resource, in terms of revenue or capital, as that may be appropriate, but just through the simple act of coming together as three different governmental institutions, at those different tiers, and coming together bringing with it a great deal of focus, energy and leadership to the fight against poverty, which is fundamentally what we set out to do. That fight against poverty was geared very much at looking to London's future, so the future of the East End of course, and everybody who is living and working within it, but London's future and London's ability to grow and to expand eastwards.

Q214 The Chairman: Could I just ask, before we move to Cllr Khan, how you would like Government to engage? Should this be a Government Minister? There is no longer a Government Office for London, but how should Government engage, if they were to engage in the way you want them to?

Cllr Nicholson: I would suggest two routes. It is absolutely right that there is some form of very clear, distinct and identified ministerial leadership. There is no question about that. I am not so sure that that is in play at the moment. The second aspect of that is that it does involve more than just one portfolio within Government; it involves every single service area, almost without exception. Those different areas have those roles and responsibilities for leading at a national level: the business of education, for example—further and higher, as well as secondary and primary—and the business of health, for example, in all of its various different levels of service. What one is really looking towards perhaps would be to have that kind of access that of course could be captured in a ministerial portfolio of some description, but it actually looks across Government, rather than it being specifically around, say, one role within one Cabinet Committee, which may just be looking at sport and its legacy. It is a far wider remit than that, which goes well beyond Culture, Media and Sport.

Cllr Khan: I think my colleagues have summed it up very well, but there are a couple of points that ought to be added taken from the previous supplementary that was asked, regarding what Government can do. We are here as a partnership with the GLA, the host boroughs and the Government as well but, at the moment, the policies that the Government is bringing forward may pose as a big risk to the convergence agenda. We only need to look at the affordable rent policies that are coming through, the way we ensure viability of some of the things and the planning processes that are taking place. I think it is important to understand that to deliver the agenda of a sustainable community on the Olympic Park, and also to ensure that the existing communities benefit from what is happening at the Olympic Park, we have to understand the needs and address various needs, such as education, life expectancy and employment as well.

If we look at it through a Tower Hamlets context, we know that, in order to meet some of those gaps, we need to deliver another 13,000 residents into employment. That is a huge

attainment to rise to. We would look to seek the support of the GLA, and to ensure that the Government understands how we deliver our housing programme, the way we deliver our schools programme and also the link between and connectivity between Tower Hamlets and the Olympic Park. We only need to look at the A12 as a risk as well. It is about making sure that we can develop that infrastructure that is taking place. For many people in Tower Hamlets and for many of the other host boroughs, when we speak to them, the Olympic promise is about the fact that we need to be a vision of regenerating an area that enhances and touches all people; if we are to deliver that, the convergence agenda is vital. The only way to do it is to be sure that we have a concrete partnership, with not just all the host boroughs, but a self-determination and commitment from the GLA and the Government as well.

Cllr Roberts: I have a slight dissent from what Guy was saying about the GLA. Whilst the Mayor gets it conceptually, I sit on the Mayor's Housing Board and on the London Enterprise Partnership, and you would not find the word "convergence" in any document they have ever produced, I suspect. I cannot say I have read every single document, but it does not feed through into what the GLA suffers from, which personally I think national Government suffers from, which is too many functional silos. This is about people; it is about regeneration; it is about social mobility and all of that. We struggle in these functional silos to address that. I do not think it is any coincidence that, when this part of London was really motoring and really given stimulus from a national Government perspective—and that is not to say it is not moving ahead now—it was when the two different Governments had Deputy Prime Ministers who were able to grasp portfolios across the breadth of Government and actually knock some heads together.

Q215 Baroness King of Bow: I wonder if you can tell us a bit about how the cuts that are coming through into your budgets are going to impact on the ability of East London to achieve convergence with other boroughs in London.

Cllr Khan: From Tower Hamlets's context, since June 2010, we have had to make £111 million worth of savings. That has a huge impact.

The Chairman: Out of what sort of budget are we talking?

Cllr Khan: That is a good point. It is a huge budget.

Baroness King of Bow: The total budget is about £800 million.

Cllr Khan: Going back to the point about how it impacts on it is the fact that, under all these savings, we have still managed to ensure that we are delivering some of the things that were taken away from us—like the Education Maintenance Allowance, like ensuring that we have a large pot of Decent Homes money. We bid for something a lot bigger, but we have had to ensure that we find the gap. The budget will have an enormous impact. With the Welfare Reform Act that takes place in August, we will have families moving out of the borough. It goes back to the point about the Olympic promise. The Olympics was about regenerating an area and ensuring that the existing communities benefited, and Tower Hamlets's vision was not a borough that was exporting families out and importing in just affluent people. The Olympics' legacy would be a place for all to benefit from.

Whilst we have made those savings, we have really attempted in Tower Hamlets to ensure that none of our frontline services were impacted, that we kept our libraries open and our children's centres open as much as possible. In the near future, with the loss of the New Homes Bonus, Tower Hamlets is on target for delivering 4,000 homes, and we are the recipient of a New Homes Bonus worth £16.5 million. In the last Comprehensive Spending Review, there was a risk that we would lose the New Homes Bonus, which we are using to get some of our services and capital programmes as well. In order for that convergence

agenda to go through, the cuts will have a huge impact. The savings we are expected to maintain in the future—another 20% on our education—would have an impact, because what we have done in the borough is to have taken, in the last decade, a generation of young people who have raised their aspirations, gone on to university and passed their A-levels. These cuts mean that a whole generation of people, our families, will be put back a whole generation, and it will dismantle the very good work that we have done within Tower Hamlets.

On the cuts again, if you go back to one very important aspect, it is to do with social housing and the fact that, if we are to build family-sized affordable housing, there is a huge possibility that, for some of the schemes that will come through, we will have to implement market rents. Tower Hamlets's planning is to ensure that we have 35% on-site housing and we have a preference for social targeted rent, so that our residents are able to pay for those rents and, at the same time, we are still able to produce products for those who are first-time buyers.

Cllr Roberts: I do not suppose I would be quite as pessimistic as that. I do not think that, as yet, the cuts that we have had have had that impact, which is not to say that they are not deep and hard. Some of this is about not tolerating failure in schools, so my biggest concern is actually the reduction in our role of trying to demand higher standards of leadership in schools, and the frustration that we might get from being unable to intervene in a failing academy, which is the poorest performing school in my borough. How do we access that when, in theory, it is not council-controlled? I would query whether any school is council-controlled when it is so difficult to improve leadership in some of the schools that we might have. Whilst we are getting the best results in our schools that we have ever have, I do not see that so much as a finance issue as an issue of having the right tools and levers to be able to pull at the local authority level.

The impact of the transfer of the welfare change is coming in. For people moving out of Central and West London, where they will go, if they want to stay in London, is likely to be in our boroughs, which will make it harder for us to meet the convergence targets. Housing is a crucial issue, not just in terms of affordability, but also in terms of the ability to create neighbourhoods and break down those 1960s awful monolithic estates. We are doing some of that in Greenwich in two areas, in Kidbrooke and in Woolwich. We have to think about the ability to do that and actually create neighbourhoods where people want to stay and remain—because actually in some neighbourhoods we are still talking about an aspiration to get out, and until you create a neighbourhood in which people want to stay, all you are doing is continually simply recycling property.

The issue of the New Homes Bonus has probably dropped off a lot of people's agenda. The changes of the New Homes Bonus going from local authorities to LEPs means, actually, a removal from the boroughs in London and a centralisation at City Hall into the LEP or into the Housing Board. I do not know, because they are split; the London LEP does not do housing. We will lose another tool there. For me, it is more about having the ability and the power to intervene, being able to promote change and improvement where it is necessary, and having those levers, than purely an issue about budgets.

Cllr Nicholson: It has had an undoubted effect of course on the organisation of the local authority. If you are going to take out something like a quarter to a third of its revenue budget, it is going to affect any organisation. Irrespective—with all due respect, Lord Harris—of the amount of money that one is talking about, it will have a profound structural impact on any business organisation, whether it be local government or whether it is some corporation selling widgets. We have had to respond because, certainly in Hackney, like in many authorities across the East End—there is no exception—we have risen to that challenge, because we recognise there is a great deal of need still within our communities.

In Hackney, we find ourselves in a very particular set of circumstances at the moment. We are experiencing the most extraordinary economic growth going on within the borough and the borough's economy. There is a very creative, dynamic set of sectors that are literally bursting out of the seams, economically speaking. That has brought with it a set of challenges, to which we have had to think very carefully about how we respond as a council. We do not have the cash resources to be able to finance the kind of advocacy, the kind of facilitators and the kind of managers that can engage with a growing community, such as the one we are experiencing in Hackney, and then begin to mould and shape that.

Q216 Baroness King of Bow: Sorry; are you talking about the Silicon Valley on Shoreditch Roundabout sort of thing, or something completely different?

Cllr Nicholson: I am talking about Shoreditch absolutely—Tech City, Silicon Roundabout, Shoreditch and Hoxton. They are the same places. The same thing is happening in Dalston; the same thing is happening in Hackney Central around the fashion industry and the entire fashion sector; the same thing is happening in Hackney Wick, and now increasingly in Stoke Newington exactly the same kind of economy is emerging and expanding. It is doing it at a most impressive rate.

This is really good; it is a very positive thing, but it can of course run the risk of becoming incredibly exclusive and very divisive. We still have high levels of unemployment. We still have high levels of social deprivation and social need, which need to be invested into and tackled. There are still those great issues within Hackney, and you have these two very distinct constituencies within the one community. Our challenge has been to try to ensure that, through the cuts, we have been able to navigate away, where we have shifted from a partnership model to a collaboration model. We have shifted from the partnership of, say, the 2000s, where we were talking about a transfer of capital and revenue, into a far more collaborative environment, which involves local businesses. It involves higher and further

education based locally. It involves the schools that we have within the borough. It involves the wider economy within the borough. That collaboration is very clearly focused on things such as apprenticeships, for example, and engaging this new economy, this creative tech economy, with the wider community, rather than excluding the community. Now, this work is in its infancy, but it is gaining more and more traction, and this is a good thing.

I have to say we are doing it in spite of central Government's policy on local government, at the moment, rather than with it. It is fantastic the way in which the wider community has responded and come in around these sets of objectives. That is a wonderful thing. I recognise that is very Hackney-specific. I recognise that you can go to other parts of the host borough cluster and the sub-region, and circumstances are not so fortunate there. The economy is not perhaps quite as dynamic, for example. We have a set of interesting challenges in play. The cuts have had an effect. We are responding to them, I hope, imaginatively and constructively. I hope that, as we progress through the next two to three years, we are going to see more and more substantial results coming out, which will benefit the wider community and move people out of poverty. This is not quite how we saw convergence when we first started, I have to say, but increasingly in Hackney we are finding we are into this very new space for everybody.

Q217 Lord Best: My question is about housing. You have already talked, two of you, very fully about some of the housing problems that you face. The issues that you were setting out that mean that getting the housing built that desperately needs to be built, like higher rents, welfare reforms, difficulties across the piece and cuts to the local authority budget, are not specific of course to the Olympic legacy. I just wanted to focus in on whether or not the fact of having the Olympics where you are, or very close to where you are, was good or bad for this particular issue of getting more homes built. Has it enhanced the reputation but also possibly the prices in the area? Has it brought the funds? Some of those other things

you have lost money for, but has this brought extra money, or is this just an irrelevance to the big issues that you have on the housing side? How does it fit together?

Cllr Roberts: I am not sure it has had a significant impact in Greenwich. I think we have seen rising house prices, but we would probably attribute that to our Royal Borough status six months before the Olympics or the general economy anyway.

The Chairman: Does that seriously make a difference? Do house prices go up because you are a Royal Borough?

Cllr Roberts: I think some people think they do, yes. I am not in that world, but it is more likely, I suspect, than the Olympics. It might be different around the Olympic Village and the Olympic Park specifically. I do not think it has had any specific impact. Our major problem is land-banking. We have granted planning permission for over 32,000 homes since 2002, and 12,900 of them have been built. From our perspective, it is not the planning system.

Lord Best: Since when was that?

Cllr Roberts: 2002, so we are waiting for 20,000 homes that have had planning permission, some for eight or nine years.

Cllr Khan: I would agree that it is far too early to say whether it has an impact on pricing and whether prices have gone up. In the future, it may have both a positive and negative impact. If you were a seller, it would have a huge impact if the prices went up but, if you were a first-time buyer, it would have a negative impact, because possibly you would not be able to afford one of those very lovely homes that could be built in the future. Some of the issues are again, as I said earlier, the fact that some of the rent levels, the allocation system and the nominations are still very unclear. Also the GLA, it seems, are still very unclear what kind of rent levels they would put upon certain zones. The fact that the zonal master plans will determine each site, as to how they would set their rent levels on social housing, comes through on there as well.

We as a borough are very committed to ensuring that we get the best value for the residents in our borough, and we would look to ensure that anything that came through that impacted on housing would look to include our policies of on-site 35%. The importance of it all is to ensure that we can divide some of that housing amongst our host boroughs accordingly as well. Whilst I understand that there is a need for social housing, I also believe—and some of this again is some of the planning that is coming through—that we need mixed sustainable communities. Whilst we still have social housing on each of the sites that come through, we still have intermediate housing and products that we can sell to local communities. Our Ocean regeneration project and our Blackwall regeneration project are just examples of them, and I would like to see some of that coming through from the Olympics as much as possible, because it would produce a far more inclusive community.

Cllr Nicholson: Chris was touching upon this business of rising values. Hackney is experiencing some great pressure on land values at the moment, and that has been reflected in the residential property market and the private rented sector, so there is a great deal of pressure at the moment and a great deal of demand for dwellings. Those dwellings bring with them a certain type of lifestyle, and this is proving very challenging to deliver an affordable housing programme, with the drawback of public subsidy and public investment to underwrite some of the risk associated with new homes development in quite a fertile market. Let us just put it that way. It is proving very difficult to respond to that. There is still a need for an affordable housing supply; there is no question about that, over and above improving what already is affordable housing.

If I look at it within the context of the Olympic Park, then for Hackney that is very much looking to the future—Hackney Wick and the development platforms in Hackney Wick—in that part of the Park, around the broadcast, press and media centre. At the moment, thinking is very much focused on delivering family-sized homes and we are advocating up to

a 40% affordable contribution through those outcomes. That remains to be realised and delivered. Our relationship with the London Legacy Development Corporation is very strong; it is very close from chief executives down, which is as it should be. Clearly the next few years are going to become quite telling as to what it is that will come out beyond that of the athletes' village and beyond that of Chobham Manor on the other side of the River Lee, which I realise is in the London Borough of Newham clearly, not the London Borough of Hackney. From the Hackney perspective, it is as much around the Hackney Wick section of the Park, around which we will see new homes come forward in due course.

Did it have an effect across the rest of the borough? In terms of housing delivery, no, it did not. The market was well on its way. The public sector, the local authority, the Homes and Communities Agency as was then, and so on and so forth, were very much part of that investment and those joint ventures. Some of that housing supply is still coming through as we speak. The Woodberry Down development, in association with Berkeley Homes, for example, is one of those very major developments, looking at 4,000 new homes and the delivery of that. Again, that was not to do with the 2012 project; that was something that was set up very much separately from that. In terms of that Park, we will wait and see, and we will continue to press for an affordable outcome in terms of the new homes development in that part of the Park where Hackney residents could have access to the allocation.

Lord Best: Just on a point of detail, you are not going to lose all of the New Homes Bonus to the LEP. It is a 25% top-slicing. Still, you do not want to lose any of it but, in earlier conversation, we sound as though we are going to lose it all, but you do keep three quarters of it.

Cllr Roberts: It will be fascinating in London, because that does not do housing. It will be interesting see how they work that through.

Q218 Lord Stoneham of Droxford: Can we just turn to jobs and really get your views on how successful the initiatives were in the construction of the Park and for the delivery of the Games, in terms of generating jobs in your areas? What sustainable additional employment benefits have come from the Olympics, going forward in the long term?

Cllr Nicholson: For Hackney, it was quite some journey actually, in a very positive way. Hackney went into the project, as we were saying, in the early 2000s from a very weak base, in terms of its capacity, its ability and indeed its experience in engaging with residents, engaging with prospective employers and engaging with the kinds of partnerships that could connect residents with any form of employment initiative, 2012 aside. That is why, rather unashamedly, I look towards my colleague, Cllr Roberts, in the London Borough of Greenwich—which was a London Borough then, now a Royal Borough—and their experience around the millennium and the entire millennium project on the Peninsula. What one was very aware of was that there was a great deal of experience and success, and that was a model that one was very keen to try and perhaps encourage the London Borough of Hackney to look at, understand how it works, what kinds of thing you need to learn to be able to do that and to, in effect, engage with residents, some of whom are extremely far from the workplace for all sorts of different reasons. That work set off and it set off at quite some pace.

The first time around, to do with the construction of the Park, a very interesting dynamic came into play, where the local authority engaged with residents who were very far indeed from the workplace. We ended up with large numbers of residents—in excess of 500 residents—going through training as a result of the Olympics acting as a motivator, shall we say, to inspire people to, perhaps for the first time, consider learning a skill that could perhaps take them into the workplace. It was perhaps to motivate an individual to recognise what the barrier in their life might be to working. It was being used in quite an intelligent

way, if I may suggest, which was to think quite laterally about how you could use an Olympic project to motivate and inspire beyond that of an Olympic Park.

What we were finding was that a lot of the training resources that came about through the Olympic Delivery Authority and its various activities with its various contractors, and with our encouragement—and I am sure Chris can speak more thoroughly about that aspect of things; he led for us on behalf of the host boroughs, throughout the entire skills and employment initiative—from a Hackney perspective, for the first time, meant that we had a network of opportunities that residents could be connected with that could teach them the skills of the modern construction sector, basically. When we moved into the summer of the Games themselves, I would like to suggest that perhaps the Hackney network had bedded in fully; it was fully operational; it was up and running. Through that experience, over 2,000 residents ended up in employment around the summer of the Games, doing various different roles and jobs and fulfilling those. That was extremely rewarding, but always we kept a very clear sight on the fact that this Olympics is a catalyst. It plays its part in the history of the East End of London and in the history of those individuals' lives, so we made sure that the network that we created internal to the local authority was in place post the summer. As those individuals came off those short-term contracts around the Games, they were being redirected into other opportunities that were being created locally.

I mentioned earlier the fashion hub in Hackney Central, and that is looking at retail, manufacture and design within the fashion sector. Already some major UK-based companies are moving into the area and bringing forward, with the local authority facilitating that, employment opportunities for local people. That is a good thing; that is a good place to be in. Exactly the same thing is happening around the Tech City proposition and what is going on within the creative tech sector. I would like to suggest that, actually, it was through the Olympic experience that, for Hackney, we have ended up in a position where we have very

able officers in place, who are making these connections, building these relationships and partnerships between employer and resident, and those third-sector organisations that can facilitate the route into work for those from 16 through to 50. There is a lot to look forward to in the future, so I would perhaps say that what has come out of that experience has been very valuable.

Q219 The Chairman: Cllr Khan?

Cllr Khan: What I will do is put this in the perspective of our experiences and what we have seen from Tower Hamlets. There was a really good partnership between LOCOG and the ODA and, through that partnership, we secured 4,000 jobs for our residents. It was absolutely important that we did that. Whilst we also secured employment, I do not think we should also devalue the concept of volunteering and work experience, which we also secured. It was very important because, for us, it was to ensure that every single person who we could find in Tower Hamlets could feel, within their family or the businesses, that impact from the Olympics.

In saying that, one of our key goals now for the future is for the LLDC to understand that, in order to reap these benefits for local people, the construction industry will be the key factor in the Olympic Park. I use the Decent Homes programme from Tower Hamlets. We secured £94.5 million. We needed £164 million. What we did was we found the gap, but that investment in Decent Homes means that those contracts, if they are broken down into smaller contracts, will enable local employers, local contractors and local people to reap the community benefits, using that tub of money. I would like to see that same method used by the LLDC as well, so that, when we go out with all these construction companies and they get these contracts, it ensures that, if they are broken down, local people from each of the host boroughs—local businesses and local catering firms as well—will benefit. That is what we did within Tower Hamlets. By doing that with the Decent Homes, we ensured that we

have an investment that benefits every community in Tower Hamlets. Looking at the Olympics construction industry, what we ought to do is set up in the future, if possible, some kind of steering group that will further enable the use of the construction industry to get these benefits, through employment, training, apprenticeships, volunteering or work experience, so that schools can also access that feeling and that experience, as much as possible.

What we did also is that the 4,000 people who accessed those jobs were put on a job brokerage system, through our Skillsmatch programme, so that eventually, if they were short-term contracts, they would be signposted on to further employment as well—further employment, further training or further education opportunities. It is very important that it is clear-cut, it is there and it is a system whereby all people from the host boroughs benefit as much as possible. It is not just a talking shop.

Cllr Roberts: Going into the Olympic bid and then beyond, Tower Hamlets and Greenwich probably had the two established job brokerage schemes amongst the host boroughs. As Guy was hinting at, there was a need for others to pick up speed around that. I think because we had an established scheme we were able to get slightly more people into work. We got 5,368 with LOCOG and 1,177 with the ODA. There will have been more who did not go through our job brokerage scheme, but just happened to have gone through Jobcentre Plus or whoever.

I wanted to pick up two things. We started our local labour scheme in advance of the Millennium Experience, because we saw the opportunity for that to generate jobs and we were able to generate 2,000 of the 5,000 in-year jobs being Greenwich residents. The critical thing is the ability to get close and have direct engagement with employers, and them with their subcontractors. We were not quite able to do that this time. Whilst it was okay—it was good—I suspect it could have been slightly better if we had been able to meet

directly with employers and subcontractors. Certainly we did better in catering, because we were able to meet with the catering contractors separately.

At the risk of raising G4S again, there is an interesting issue that Cllr Khan has raised about the signing of contracts. The catering contracts were different at each venue. The security contract was one company that had to recruit thousands of people. They started their recruitment before Christmas in 2011. The Olympics act, as the millennium did at the time, as an aspiration to say, "I want to be involved in this. I'll get a job in the Olympics." When it actually happened, you might end up with a job at Westfield; you might end with a job in a supermarket. In reality, you take that because it is sustainable and it is longer-term. It might be the Olympics that got you into the job brokerage scheme, which got you thinking about doing something. It might have been the initial aspiration. We certainly found this on the Greenwich Peninsula. We filled the supermarket; we filled the multiplex cinema with all of our residents and they had longer-term sustainable jobs going forward a lot more. What we found was that some of the people who might have been initially recruited by G4S six months out went off to Westfield, because it was more sustainable, so you would not turn up for G4S. There was a lesson in the way the contracts were constructed. In the catering industry, they were individual to each venue and we were all able to deal with the catering contractors in each of our venues, in each of our boroughs, and we had a lot more success doing that.

Q220 Baroness King of Bow: Just briefly, you mentioned the construction industry. I received a lot of complaints from local SMEs, particularly ethnic minority SMEs, saying that they were not able to access those contracts, even though they had retrained their workforces and were very aware of the specifications required. Is that just irritated people contacting me, because it is always the irritated people who do, or is that something you recognise?

Cllr Roberts: Some succeeded and some did not. I would not be able to say why somebody did or why somebody did not.

Baroness King of Bow: Sure. One group was linked to a brokerage, and they did have a very compelling presentation. I was trying to find it there, but I am afraid I have failed to find it, but it said that they were not able to bid because of some of the requirements. I forget the actual detail of it, but it was some of the very high-level requirements. Although bids in theory were broken down, actually they were not if you had fewer than 50 members of staff. There were some issues around that. Is that something that has ever cropped up or not at all?

Cllr Roberts: Not for me; not in Greenwich.

Cllr Nicholson: It would be fair to say that there was a lot of expectation from the wider business community and from very small businesses too that, one way or another, they could form part of the supply chain delivering one service, one set of goods or another. It would be fair to say that there was perhaps some disappointment across some parts of the local business community. I am talking about this from a Hackney perspective now, of course.

There were some great successes as well. The GREAT Britain campaign, for example, was designed and delivered by a Hackney-based company, Mother. There are about 240 people who were employed in their studios in Shoreditch. 70% of them were local residents. We are into a very interesting dynamic, where we are talking about quite advanced businesses doing one thing or another. The Olympic torch was designed by a Hackney company. The landscape architects were a Hackney company. Currently a number of architects and design teams have been employed by the London Legacy Development Corporation, which is actively engaged with delivering the legacy agenda, as far as the Park is concerned. There have been some great successes.

What one did begin to recognise was that there was perhaps a slight failing in terms of the construction project. In terms of the small businesses, it was about being more articulate and more focused around the supply chain and where the supply chain went through the business community, from those primary contractors. I am not sure what the answer to that is, I am afraid. It may be along the lines that Chris was describing, which is that a closer engagement with those primary contracts would perhaps have helped.

Cllr Roberts: Also, there was huge pressure, understandably, to celebrate the fact that the first contract for a business went to a firm in Bolton or somewhere. This was not all going to be based in London. We saw that in Greenwich with the millennium. I think the first contract went to Coventry or somewhere there. That was, actually, as far as the organisers were concerned, a selling point for the rest of the country—that this was not just going to be benefiting one quarter of London.

Q221 The Chairman: I am conscious that Lord Bates may want to pick up one or two more points about SMEs but, just before we move on to that, between the three of you I think you said that 13,000 jobs have been created for the Olympics itself, between the three boroughs. That is 2% of your collective population, compared to unemployment rates running at 20%-plus, slightly less in Greenwich maybe. I would be interested to know, first, whether this has made a real significant impact and, of those 13,000 people across the three boroughs, how many of them are still employed. They will not be in those roles. Do any of you have any information on that?

Cllr Khan: Tower Hamlets is still carrying on our ongoing survey as to where our residents have gone on forward to as well. As I said earlier, some of them have actually been signposted on to our Decent Homes programme as well. We are still collecting some of the information.

The Chairman: Do you have any data on what happened to the 4,000 in Tower Hamlets?

Cllr Khan: We do have some data.

The Chairman: It would be very useful for our deliberations if you could let us have something in terms of what happened.

Cllr Khan: We can submit that.

The Chairman: Similarly, the other boroughs could do that. Lord Bates, you were going to pursue SMEs as well.

Q222 Lord Bates: Mine can be fairly succinct, because it just follows on, but it is to get a concrete statement as to whether you believe the health of the business stock in your respective boroughs, or Royal Borough, is greater, lesser or the same as it was before the Games.

The Chairman: Sorry, can I just interrupt that? It is possible we are about to have a Division, in which case I am afraid we will just stop and adjourn for 10 minutes. Please answer until the bell rings.

Cllr Roberts: Being succinct, I do not think I could say that I have noticed a particular difference.

Cllr Nicholson: Within the Hackney economy, it is different. There is no question about that. I mentioned earlier on the growth rates. It is a small-and-medium-sized-business-led economy. That is what it is. It is made up of small and medium-sized businesses, and we use the Olympic project to create the inward investment for the small and medium-sized business community. We created the Hackney House brand, for want of a better way of describing it, and the world came to Hackney. We are talking about a very networked business community here. This business community is arts-led, but it embraces the sciences and the humanities. It is networked globally as well as locally, and it is part of this new economy, which is hopefully going to take the UK forward. There is no reason why it should not. It is monetising this digital world, so not unsurprisingly there is an immense

network. If you bring the world to our city, then many of them find their way into Hackney House. Over the course of last summer that is exactly what happened, and a number of very important outcomes have come about as a result of that activity.

Hackney is now linked through to Austin, Texas. The reason for that is because, in Austin, Texas, each year a digital festival is held. It is called South by Southwest. It is the world's largest festival. Over 250,000 people from around the world congregate in Austin for about a week or so. It is a major hothouse of enterprise, entrepreneurship and innovation that goes on. There is trading and contracting. 20 Hackney businesses went with the Hackney House. We established a Hackney House in Austin, and they came back with about £7.5 million worth of new contracts for 20 businesses, on top of securing some of their existing contracts, which are very high-value contracts indeed. It also spread the reputation of Hackney as a place of innovation and enterprise, and that was a great outcome, because what we found was that there was no UK Government presence at all. Indeed, UK Government chose to use Hackney House as an opportunity for them to have some form of presence there. We are going off to New York in the autumn, where exactly the same proposition will be going on, engaging these business communities.

These are financed—and this goes back to my point about collaboration rather than partnership—by our business community, not by the Council. The Council is there facilitating, enabling, being the champion, the advocate and connecting our elected Mayor with the elected mayor of Austin and New York, and so on and so forth, making these connections. I must stress, though, we are doing this with our businesses; we are not doing this because we are getting support from elsewhere. No one else is rolling their sleeves up and coming in alongside us. There are various civil servants who are very much committed to these projects, who give us support and help, not in terms of cash but in terms of advice, but that is it; that is as far as it goes.

Cllr Khan: For us, in July 2011, we had a “meet the buyer” event where local businesses could bid for second-hire contracts. What impacted in Tower Hamlets, and I think elsewhere as well, is that the local transfer special measures London-wide had an impact on local businesses, and there was a negative impact there. Subsequently, after the Games, the local businesses—and Tower Hamlets has a huge catering industry—were again able to sustain themselves. Now we need to look to the future. With the development of the Olympic Park, there will be potential opportunities for people to grow their businesses to be able to access some of those contracts.

Lord Bates: Would you say it has been roughly the same?

Cllr Khan: I would say roughly the same.

Q223 Lord Bates: Could I ask a follow-up, which may be impolite? It is that, if two boroughs are the same and one borough has done exceptionally well, is it because they have just happened to get lucky or did they actually do something that was different and more dynamic to grasp the opportunity to build business stock in their borough?

Cllr Roberts: We held a satellite of the British Business Club outside the O2 in our offices there. We had over 800 businesses come from the UK, but also from elsewhere. We had the Chinese over. I suppose I was responding to you less about what has been delivered in terms of inward investment into the borough, but more about whether the companies that failed to get the contract, as Baroness King was saying, have improved. Are they better?

Lord Bates: Hackney was indigenous growth.

Cllr Roberts: That has more to do with Tech City.

Cllr Nicholson: It is about local circumstances. We are all very different and we have very different economies. Cllr Khan has Canary Wharf sitting within the London Borough of Tower Hamlets, which clearly is a very different proposition from what, for example, we have in Shoreditch and the economy that we have in places like Dalston and Hackney

Central. They are very different communities. Perhaps a very gregarious Olympic project, which is what they are—bringing people together—probably thrives around a business community such as the one that you find in Shoreditch, and such as the one you find in Dalston or Hackney Central. I mentioned that they are absolute masters at social networking and how you use networks to change opinion, to develop markets, to raise business, to generate income and profit, and indeed generate opportunity and employment. That is a very different community, and—rather than an ability or an inability—it is more to do with the local nuance and the ability of local government to be able to reflect and understand these different dynamics and these different environments, rather than trying to categorise them all as the same.

Cllr Roberts: I suppose I would be able to identify growth, particularly in the tourism and hospitality industries. In Greenwich, we have what is now the second-largest brewery in London, which has taken place in the last couple of years. Bakeries and things like that have grown up perhaps more on the back of the Olympics, but also on the tourism industry. The number of our hotel rooms has gone up by 600% in the course of the last three years, so I suppose we can see some of that change and some growth in certain sectors, but I suppose I was initially thinking about some of the average businesses that perhaps were not successful in some of those sectors.

Cllr Khan: Can I just add that, actually, the Olympics brought benefits and it brought benefits to host boroughs in different ways? For example, we were able to secure a huge number of employments for 4,000 residents. We got into the Olympics and were able to secure those. There were a number of volunteers in there as well. As my councillor colleagues have said, each borough has its own identify, its own sense of dynamics and the kind of needs that they have. For example, for Tower Hamlets, Brick Lane, which is the curry industry and the curry capital, as it was labelled, we have kept that and are trying to

grow on that as well. With the launch of our Whitechapel Vision for the future, we will use that to enable our businesses to grow. Brick Lane is very special anyway, because it is the corridor that goes into Shoreditch. It is a very vibrant area; it is developing all the time. Businesses are doing very well there.

The Olympics is a factor. It was there; we want it to do more, but we also have our own inward investment within Brick Lane, which will reap up the SMEs there and the businesses that are out there as well, but we do this in our own creative way. As I said, the Whitechapel Vision is an example; what we have done in Altab Ali Park is another. It is bringing in people. Brick Lane at night-time is so alive, and it is there as evidence of how rich it is.

Q224 Lord Addington: I think this will be primarily for Cllr Khan and Cllr Nicholson. What is the nature of your relationship with the Legacy Development Corporation, and what is the impact of having an organisation like the LLDC, which has planning powers, within your local authority? Also, could you give a comment on the Lee Valley Regional Park Authority, and what is the appropriateness of having these two different authorities actually having control over the future of the Olympic Park?

Cllr Khan: Tower Hamlets Council has a very positive established relationship with the LLDC. We work together; we communicate on a regular basis. I think it is important that we are there. Our Mayor is represented on the LLDC and I, as the cabinet member of housing, am on the planning committee. It is very important that that relationship works well for both ourselves and for the LLDC. For us, it is the waste disposal and the education authority. It is very vital that our voices are heard there and that we are able to represent the interests of each of our boroughs.

It is too early to say what kind of impact the LLDC will have in the future, but I would say that I do not see why there could not be a positive relationship with the Lee Valley Regional

Park, the Council and the LLDC. It is important, as we have stated earlier, that the key to all of this is partnership and being willing to implement the vision for what the Olympics was set up to do in the first place.

Cllr Nicholson: The relationship is very strong, and the objective that we set out from the very beginning—so from the LLDC's inception—was to build that relationship up, anticipating that, as we have resources taken away from us in terms of our revenue budgets, clearly having a regeneration delivery authority could be of great advantage. That relies on some very close working relationships, and I mentioned earlier from the chief executive down, or words to that effect. That is exactly the approach that we have taken. That has already brought about some very positive outcomes. When we look at it locally, it means that the various reinstatement projects that were required, part of the famous Hackney Marshes—East Marsh—needed to be returned back to use for outdoor football and rugby. That is now well underway and nearing completion in time for the coming season. That reinstatement takes it from what was basically a coach transfer drop-off/pick-up point for the Games back to that use, but it is also delivering footbridges across canals; it is delivering a new primary school; it is delivering a new public open space, a public square, a set of activities within it. All of this sits within the Hackney relationship.

Hackney is also a freeholder of the Olympic Park, and it will be carrying a 22-acre freehold. The freehold is the North Park, and that will be returned to the people in Hackney. The 'i's are being dotted and the 't's are being crossed, as we speak, in terms of that final agreement. There is also an area of Hackney Wick adjacent but outside of the Olympic Park, and there we are proactively engaged with colleagues from Network Rail and the development corporation in redesigning to redevelop the station on the new Overground network in Hackney Wick, and also to take and make full use of the publicly owned freehold assets that we acquired under the previous development corporation, the London Thames Gateway

Development Corporation. That will be coming forward as a development project. Again, this relies upon some very close and frank working between the two organisations, the local authority and the development corporation. That is there.

So far, perhaps one of the most significant outcomes for the entire 2012 project has been the issuing and awarding of the contracts for the joint venture to bring forward the iCITY project in what was the broadcast, press and media centre. At the moment, British Telecom has already taken up residence and indeed is going live to broadcast their new sport Vision channel from part of that broadcast facility. The conversion work is being done and a programme is being put in play. That involves the local further education college and it will involve an apprenticeship initiative coming forward. Again, it is about connecting this creative tech activity and this media-led activity with a wider local community. The Development Corporation is very much involved in that process. The Development Corporation is also involved with the local authority in ensuring that, likewise, there are apprenticeship and training opportunities, as well as employment opportunities, coming forward for residents around the future management of the Park and all of the various skill sets that are required to keep that Park up to standard. I am sure we would all agree it is a fantastic piece of landscaped architecture, and long may that remain so. Certainly the arrangements that have been put in place have come about through a collaboration that has involved the Lee Valley Regional Park Authority, as well as the local authority and the development corporation.

The future looks quite good. There are some aspects of the relationship that remain to be tested. You mentioned planning powers. Hackney is certainly very familiar with a relationship with a development corporation, but there is one big difference with this development corporation as opposed to the London Thames Gateway Development Corporation, which was the precursor to the current one. That is that for this development

corporation, the Mayor of London has vested in him the powers to make policy as well as determine a planning application. To be quite frank, that relationship needs to be tested. We were a little uncertain about granting such powers to a development corporation. Powers of determination are fine; we can collaborate and we can work around that. There is a very effective planning delivery team in place, where those heads of planning services talk and engage, but there is still an untested area there around policy. That, I suspect, is more about an experience that all three institutions need to go through before anyone can start to pass judgment on whether or not the relationship is good or bad. The way it is going at the moment and what we are focused on is making sure that both organisations remain very close and very familiar with each other, both at an executive level as well as at a non-executive level. I have to say that, so far, the experience I have heard from colleagues is that the development corporation has reciprocated and that relationship is flourishing.

Lord Addington: In other words, you are both saying that it is a reasonably positive relationship. It has one or two problems to iron it, but it is going forward well, in both your opinions.

Cllr Nicholson: Yes.

Q225 Lord Addington: Interesting, and not universally reciprocated among your local authority colleagues. Why would that be, do you think?

Cllr Nicholson: I think each local government—we mentioned it previously around the business communities—is very different. It is different in its character. It is different in its outlook. It is different in its objectives and its ambitions. It represents very different communities, so I do not think you could categorise us all as being the same, and God forbid that should ever be the case. It is a far more exciting world, is it not?

Lord Addington: You think it is just basically the case that you are in tune with it. You have two local authorities here that are in tune with what is being done here, and two that clearly are not.

Cllr Nicholson: I am speaking for the London Borough of Hackney. I am not equipped to speak for colleagues from the London Borough of Newham or the London Borough of Waltham Forest. From the London Borough of Hackney's perspective, our ambitions are coterminous; they are aligned. That is our delivery opportunity to make that happen for our community. Therefore, we have put every effort into trying to ensure, and with some success so far, that that relationship is a positive one, a constructive one and one rooted in delivery. That is what the development corporation is.

Cllr Khan: From our part, we were strongly against the loss of our planning powers because, once the LLDC was set up, we would lose some of our planning powers, and that is why we ensured our Fish Island Area Action Plan was in process and our Bromley-by-Bow Master Plan was in process. What needs to be said is that, in order for delivery to happen, we must have that relationship with the LLDC. If we do not, we will not be able to deliver according to the needs of what we want to represent on behalf of Tower Hamlets and our residents. We ensured that the Bromley-by-Bow Master Plan was in place and the Fish Island Area Action Plan was in place, because the residents from Bow and Bromley-by-Bow in that particular area need to be able to access what is going to happen in the Olympic Park. Our concerns have always been to do with connectivity and the fact that we also have our aspirations to build homes on Fish Island, to make sure that we have a prime risk or to make sure that we enhance the community artistic hub that we already have there to ensure that it flourishes. In doing so, we still have to have that working relationship with the LLDC. Like any relationship, it has its ups and downs and it has its disagreements, but it is finding that middle ground with it, particularly on social housing and affordable housing, and the way

that we can ensure Section 106 and, in the future, when the levy comes in, how that is delivered and cemented.

Q226 The Chairman: Sir Robin Wales and Cllr Chris Robbins characterised or caricatured—they may well be the same—the Lee Valley Regional Park Authority as this sort of cash leech sucking resources out of London and redistributing them to Essex. Do you share that view?

Cllr Roberts: Certainly from south of the river, we do not quite understand why we pay for it.

Cllr Nicholson: North of the river, we think it is a fantastic idea that colleagues south of the river are supporting it. The Lee Valley Regional Park Authority is investing into North and North-East London. There is no question about it not doing that. It clearly has delivered on a number of commitments that it made, and investments that it also made, around the 2012 Games, all of which are proving to be extremely successful. There is every indication that what will happen around Eton Manor is going to end up being some fantastic resources for British cycling going forward, which will be well managed. Their experience in running things like the Athletics High Performance Centre, and what has clearly gone and happened and come about through the White Water Centre—these things are quite extraordinary achievements, and I do not think one should ever take that away from them, to be quite frank. They have been managing parts of the Valley in a very effective way.

Perhaps there is a discussion to be had about how we finance such a park authority going forward, but that is not quite the same thing as saying that the Lee Valley Park itself is an inaccessible space with little to offer and falling into disrepair through ineffective and inefficient services. What we have is something very strong indeed. It has a great deal of excellence intertwined with it at various different parts of the Valley itself, and our work in the lower Lee Valley, where we have been over the years trying to extend the reach of that

Lee Valley Park to the River Thames, has proven to be an interesting relationship. There is a very different form of park space coming forward there. Those collaborations and those joint ventures bode well for the future, so I do believe that there is perhaps a reason for the park authority, even if we may wish to somehow review some of the primary legislation that underpins it.

The Chairman: I am conscious of time and I am also conscious that we may still be about to have a Division. Could we have succinct answers?

Q227 Lord Stoneham of Droxford: Could I just take you back, because you did mention this before? I want to ask a question about how the approach to the legacy project compares with what was learned from the Docklands development in the 1980s and the North Greenwich Peninsula in the 1990s. What lessons were learned, and how have you benefited from that experience?

Cllr Roberts: I will leave Cllr Khan to talk about the Docklands perhaps. I am not sure that we have seen the development of the Greenwich Peninsula as fully as we would have liked. A number of the thousands of homes that have planning permission and have yet to have been built are amongst the 20,000 that I was referring to, but it has been a significant legacy around the O2, obviously, and what happened to the Millennium Dome.

We certainly felt in Greenwich that we needed to do our own legacy. We did not feel that we would see a great deal of legacy, for the very fact that the LLDC exists as it does. It is focused, I would argue, inwardly on a piece of land, which is why it cannot do some of the bigger convergence stuff. I understand that that is where the political pressure will come on Government. Why has this not got an end user? Why has that piece of park not been done? I understand that. Because we had seen the Millennium Experience in Greenwich, we had a sense of the rhythm of this. After the first initial rush of "This is great; let's go for this," we ended up with national Government or national politicians in Parliament arguing

about cost. The first thing you know that is going to go is the legacy. You have to build the arenas; you have to get the teams here; you have to pay the hotels; you have to make sure the transport is there; you have to pay for the food and the security. The one thing you can scrimp on is legacy, and so we established our own fund internally. We put £10 million aside. We added to it through other developments. There were various Government funding streams that we bent into this, such as Section 106 agreements. We ended up with around £20 million and planned a legacy ahead of it.

I suppose we were planning for the worst. There is probably nobody on the planet who has defended the Millennium Dome in interviews more than I have, having granted it, having chaired the planning committee and then been Leader of the Council for a number of years. We took the view that there would be a lot of questions after the Games—“Where is the legacy? Where is this? Where is that?”—so we built our legacy ahead of it. We took our Building Schools for the Future programme; we expanded the gymnasiums that would go with the Building Schools for the Future programme to create bespoke legacy county-standard, competition-standard facilities. I was just showing the Rugby World Cup team around one of them today, as a possible host for the World Cup. We created new sports facilities in a programme we called Playground to Podium, which went from housing estates through to parks through to big sports facilities that we have. We supported stuff on Blackheath. Do you want to cut me off?

The Chairman: I am very conscious of the time. I am cutting you off, yes. Cllr Khan.

Cllr Khan: Thank you. I do not have a detailed understanding of the Greenwich Peninsula, but I suppose I need to talk about the LLDC; I will be quite brief. When the LLDC happened, it was Michael Heseltine and the current Government then. The idea was that of regeneration and the idea that it would bring so much of a difference, and it would have a huge impact, particularly for the people on the Isle of Dogs and in Wapping. Yet there was

so much huge protest from the community, from local people, from local residents and from families who had worked in the East End docks for generations. That is well documented. The problem is—

The Chairman: Sorry; we are now going to have this Division. When we come back, we will let you finish the sentence and then we have about two or three more questions for you, but we have to be very succinct when we come back. Thank you.

Sitting suspended for a Division in the House.

Q228 The Chairman: If we can take our seats again, we just have one Member to retrieve. Cllr Khan, you were in mid-sentence; I am sorry about that. It allowed you time to think exactly how you want to answer. Can I ask the witnesses to be fairly succinct, because we are now of course running into injury time, as it were?

Cllr Khan: On the aspect of the Isle of Dogs, when the LLDC came in, it was a regeneration programme, but what it lacked was the connection to the local community. I would point out two very important aspects: the lack of consultation and the lack of understanding the needs of the local community there; and the fact that, whilst the LLDC had all its planning powers and ideas of how to regenerate, it was making planning decisions behind closed doors. Eventually, planning committees were becoming more and more open. I think it is very important that we realise that, in the future, when the LLDC now sits, it is a more open and transparent way of doing things. What happened was, with the lessons that we have learned in the past, there was this frustration amongst very ordinary people who had lived on the Isle of Dogs and Wapping for a very long time that they could not afford the homes that were being built or access the employment. If we fail to do that in the Olympics legacy and if we fail to do that through the LLDC, we would have failed the very promise that we were set up to do. It is very important that we realise that the people who sit on the planning committee are local representatives, local politicians from each of the host

boroughs, but I still think there are a lot more corporation nominees who sit there and are able to make decisions. Local politicians from each of the host boroughs, when they sit there, are best placed to represent their borough. I wonder whether or not that would become an issue in the future as well.

Take, for example, Fish Island. We ensured our Action Plan was in process and it became a statutory planning document. The Bromley-by-Bow Master Plan was a document as well, in order to protect the interests of Tower Hamlets. As a borough, we are actively doing so and our lesson would be that we will make sure that we represent our borough and our residents as well to ensure that what happens in the past does not repeat itself.

Q229 Baroness Wheatcroft: I will be very quick. We have talked a lot about Tech City and what a success that is. There is more development that is allied to tech going on in the Olympic Park, but I just wondered whether you could say—given the exciting things that, Cllr Nicholson, you have already said were going on in Hackney, all the energy and excitement—this might all have happened without the Olympics.

Cllr Nicholson: It would be perhaps worth just reflecting on where this so-called Tech City has come from. It has come from about 25, nearly 30, years' worth of evolution going on in the very neighbourhood where it currently is. At the beginning of the 1980s, Shoreditch and Hoxton was a most unloved place and one of those quite dead areas of Central London, but it became populated by a generation of art students coming out of places like Goldsmiths, Central Saint Martins and so on and so forth. Gradually that group began to form and coalesce around it. With them, over the years since then, an economy began to emerge and evolve. It was a cluster of creative-led industries that touched upon fashion and touched upon creative tech, but all of this is made up of a very rich mix of various different forms of economic activity. You create an ecosystem of activities, and they are quite reliant on each other. They are all contributing to the creative output and business starts to develop. We

are talking about printing and publishing. We are talking about graphics. We are talking about film and media, advertising and a number of activities around the fine arts, applied arts and visual arts. That is something very important to recognise: what we are talking about is quite a complex web of activities.

There have been a number of interventions into that area, and economic investments made, from the public sector. The previous Mayor of London was very supportive of what was an SRB, a Single Regeneration Budget initiative, into the area and indeed expanded it through the Regional Development Agency to continue. That was an investment made into small and medium-sized businesses recognising the various economic activities that were going on. It sat within a strategy called the City Growth Strategy, and that enabled a continued expansion and growth of the sector in the area, until we arrive at the present day and the current Government's wish to continue a form of investment. It has not been as useful as the kind of investment that was made historically into the small and medium-sized business landscape. It has been an investment made around bringing venture capital into that environment. That has a role and it is very useful, venture capital in that industry, but there are other objectives and aspirations held by that business community. It has had a bit of a long history to where it is that we have arrived at today. The Olympics undoubtedly acted as another catalyst in all of that. The Hackney House project that I mentioned earlier was a place, a hot house, where people were coming together where the local met the global. That worked extremely well. It worked incredibly well.

Q230 Baroness Wheatcroft: If I had restricted you to a yes or no answer—I am sorry, but I am conscious of the time—your answer would have been that no, it would not have happened without the Olympics, or yes, it would have done?

Cllr Nicholson: Tech City?

Baroness Wheatcroft: Yes.

Cllr Nicholson: Tech City was happening without the Olympics.

Cllr Khan: To add to that, even without the Olympics, we already have an emerging Tech City happening in Canary Wharf with the tech hubs that are emerging, and with the development of Wood Wharf as well. We ourselves are making an active innovation in terms of developing that as well. We want to see more apprenticeships. We want to make sure that more young people are being able to access training to go down that field of media. Also, in addition to that, our Whitechapel Vision encompasses another IT hub as well and the media world as much as possible. Without the Olympics, we as a borough would have done the same.

Cllr Roberts: The only thing I would say is that we think that you can see the property prices moving up in Shoreditch, and you can see them moving up in Hoxton. Around the O2 and in the offices that we have outside, we have Ravensbourne College, which is the future workforce for this industry. We are seeing a number of incubator businesses out of Ravensbourne starting there, so we are supporting about 40-odd incubator businesses, both in Ravensbourne and in our own offices next door, which are called Mitre Passage. We are starting to bring organisations there as well. We have seen two companies move from Soho into Greenwich, so we think of it less as a roundabout in Greenwich and more of an arc. If you look at the size of Silicon Valley, if the capital city in this country is, in any way, going to get anywhere near it, it has to be bigger than what the Prime Minister originally designated.

Q231 Lord Wigley: I want to turn to the Cultural Olympiad. I would like to preface what I am going to ask by picking up the words of Baroness Wheatcroft a moment ago: would all this have happened without the Olympics, which was a filter through which we are going to have to run everything that has been said today, quite frankly? I turn to you, Cllr Roberts, in particular. I am aware that the report “A 2012 Legacy for Royal Greenwich” states that “Greenwich has an extraordinary wealth of festivals.” Did the legacy benefits of

the Cultural Olympiad add to this? Will the cultural events that took place in or around the Games drive economic growth and business opportunities over and above those which were already happening?

Cllr Roberts: It needed the Olympics. We could have done it without but, once we knew we were getting the Olympics—and people were talking about a four-year build-up for a Cultural Olympiad—we started in 2008. We used some of the £20 million I was referring to partly to try to ratchet up the Olympics, so that by 2012 we had quite a strong cultural series of events in the borough. We have continued that. Our aspiration, I have to say, was that if we pump-prime it for four years, can we get it sponsored? We are not there, so we have continued—it is probably not as great this year as it was last year, but we are continuing to do that.

Some of the things that are coming out of our legacy development through tourism, and using our Cultural Olympiad for tourism, have also been about driving more visitors. We are bringing back a Tall Ship Regatta to London next year, which will come to Greenwich, so we will have anywhere between 50 and 100 tall ships based there. We are bidding for the Rugby World Cup. We move our festivals to wrap them around those events. We did that with the Olympics last year. We were probably spending £1 million a year up to 2012 on trying to pump-prime it and slightly more in 2012.

Q232 Lord Wigley: Can I intervene, Chair, to try to tease this out? Was it the facilities provided by the Olympic Games that may have helped develop this? Was it the money associated with the Cultural Olympiad or was it the whole ambience of the Olympics giving a boost to things?

Cllr Roberts: Initially, for the five host boroughs—it became six host boroughs—it was unusual for us not to have a physical project, really. Our venues, apart from the O2, or the North Greenwich Arena as we had to call it that year, were temporary, so we started to

look around to say, “What’s our contribution to this?” With the magnificent venues we have, the Cutty Sark, which we managed to get finished on time, the Queen’s House, the Maritime Museum and the whole area of the Park where we put a live site, we started to build the festivals around some of the splendid places that we have across the borough, and we used that to drive both cultural activity, in terms of employment and enjoyment, but also as a driver to tourism as well. We have continued it and, as we tried to bring more events as well, we will wrap the cultural festival around that also.

It was in part a reaction to what was going on in the other host boroughs. They have diggers and they have to move businesses out in order to build the stadium. Whilst they are doing that, what can we be doing? We thought, using our venues and using the historic buildings we have, we can get people to come and see. In part, it was a driver about understanding what we could do in terms of tourism, thinking that the real tourism legacy from the Olympics will be in Greenwich.

Cllr Nicholson: Can I just add that there is a cultural legacy in the East End of London, which has come out of 2012, the journey through the bid and then subsequent to that? It is called Create. We have spun it off as an arm’s length organisation. It is the only arts-led legacy to come out of 2012, and Create is doing some very interesting work around connecting the arts community with the wider community in the East End of London. It had the full support and backing of the Cultural Olympiad team and the National Cultural Committee. It had the full support of the Arts Council, and it is now part of a grouping that is coming together in East London around the Barbican and creating a cultural hub, rather like the Henley review propositions. This is a good legacy, and there is a very clear focus coming from the board about how the arts can create social prosperity, social change and economic development, and how you can connect those 12,000 artists who live and work in

East and South-East London with the other million or so who live there who are not part of that particular community. It has been a success.

Cllr Khan: For Tower Hamlets, we have a very rich cultural heritage. We have the Boishakhi Mela. We have lots of festivals happening but, undoubtedly in 2012, we probably had more cultural events in Victoria Park and other parts of the borough than ever before. Using that feeling and using that drive, what we have done, to ensure that we sustain that, is to develop our festival funds pot. We have ensured that we are putting more infrastructure within our arts organisations and to work with our artists as well. Recently, I went to visit the Oval, which is in Shoreditch, and looked at the master plan there, as to how we can use what we have learned from 2012 to encompass and develop a more artistic organisation and a vision for the Oval. In saying that, the development corporation has a very key role to play in this. With the Queen Elizabeth Park, they have made a commitment that they would ensure that a great deal more arts and cultural events happen. That is where, as host boroughs, we ought to be linking into that and using that as a key driver.

Q233 Baroness Billingham: Can we rewind and go back to 2005? Can we remind ourselves that this is an Olympic Games? It is a sporting activity. I am really very interested to know how your boroughs have responded to the challenges, because the success of the bid almost certainly came from the pledge to produce a new generation of sporting young people. It has been far more than that, because all sorts of things came out of it. We have had the volunteers and we have had Paralympics. It has grown and grown and grown, but I am interested to know your assessment of the success of the initiatives that have sought to increase grassroots participation in sports. Which organisations and agencies are best placed to deliver increases in that sporting participation, and which particular sports have sought to work with schools or community groups in your boroughs to increase participation in recent years?

Cllr Roberts: When we won the bid, we started something called the Sportathon, which was a week-long thing for our primary schools. We started with about 30. The only year we did not do it was the Olympic year, because we were very stretched and it actually takes place where the Olympic shooting and Paralympic archery was. We did not have the field that year, but it has come back this year. We now have all our primary schools engaged. It is very competitive. You have to turn up on Monday and, if you get knocked out, you go to school on Tuesday. If you get knocked out on Tuesday, you go back to school on Wednesday. By Friday, there are about five schools left. It is quite competitive with the children.

Baroness Billingham: That sounds wonderful but grossly unfair. We want participation, not people told to be competitive before they have the skills that will enable them to be competitive, so can we look at it slightly more broadly?

Cllr Roberts: As I was talking to you before in terms of legacy, we have put a significant amount of resources—we have spent a significant chunk of our £20 million—on what we have called this Playground to Podium route, which has put facilities into housing estates and into parks, everything from fitness and trim trails through to sports-related things. We have built these new sports facilities on the back of our Building Schools for the Future programme, so they did not end up with just the bog-standard school gym, but they were actually county-standard and competitive. We have secured legacies for every sport that we hosted in the borough. Primarily, we either financed it ourselves or we have worked with the Mayor's fund. We have secured a few hundred thousand from that.

We have also worked with Greenwich Leisure Limited, being the host borough for GLL, which has also taken on some of the Olympic legacy, which runs our leisure centres and runs probably about a quarter of London's leisure centres, as well of some of the Olympic venues. We are widening participation quite a lot through that, but also looking for what

the routes are for those children who are successful and can do more. We are trying to also graft on to the top of that a route to excellence, so that kids can be stretched as well, if they are found to have the talent. What we have demanded from the national governing bodies is coaching. What we actually need is coaches. We can resource this; what we need is them to give us the quality coaches.

Baroness Billingham: Who has given you the best? Which governing bodies have stepped up to the plate?

Cllr Roberts: Gymnastics, basketball and judo. We actually had a very good judo club and a medallist from the borough in judo, so we have worked with that club, simply because they have the quality of coaching as well. We have been doing that sort of thing. Swimming as well has finally come to the table and we have invested quite a lot in swimming facilities, and converted a 50-yard pool into a heated 50-metre outdoor lido.

Cllr Nicholson: Hackney ran a very successful Personal Bests programme in the primary schools and that then fed through into the secondary schools. It embraced young people of all abilities, including those with disabilities, all competing together. The Personal Bests programme, as I am sure you are aware, Baroness Billingham, is based on personal achievement. Therefore, you are always trying to improve on your time, your distance or your height, whatever it was that you managed to achieve last time. It is about self-improvement and doing it together as part of a team as well. There was indeed a champion team at the end of each summer term, but that was done as a compilation of their own personal best improvements over the course of 12 months' worth of physical activity. It took five Olympic sports as its core offer and then created that competition around it. This also linked through to the curriculum, so what was going on at the same time was physical activity within quite a structured environment and an introduction to many young people to some of these sports—field and track, for example. There was also a strand that

was around healthy eating, diet and the importance of a good diet. There was also a strand around geography and current affairs, which was describing to people the world, countries and how countries came together through the Olympics.

Q234 Baroness Billingham: Can we keep this to sport? I am talking about sport. I know there are other things around that are important, but I want to know how you are influencing in schools, particularly in primary schools—how the outcomes that we want to have are going to happen. How are you helping?

Cllr Nicholson: The abolition of the School Sports Partnerships did not help with that at all. That meant that the secondary schools that were also meeting for a week of focused sports activity—and this was going on year after year, including 2012—have now come to a halt. The collaboration between young people—those with disabilities, those with none, those who were students who were learning about sport and physical education, in higher and further education, who were coming along to be part of that, 5,000 secondary school students—all of that has unravelled over the course of the year since the Games, and that is very sad indeed. There is also a great challenge around Personal Bests in the primary schools, because this of course is around resourcing in a curriculum. The investment that has been made by a number of governing bodies, which includes football, rugby and cricket—football includes FIFA as well as the FA, the Marathon Trust—

Baroness Billingham: Pretty male, but go on.

Cllr Nicholson: Very male, except that I would say, Baroness Billingham, in defence of those organisations that the local authority was absolutely focused on widening out participation within those three sports on Hackney Marshes. You are absolutely right to say that, historically, it had been nothing other than young males involved. It was widened out to women's rugby, football and cricket, and that is exactly what has happened, and indeed around those young people's participation within those three sports as well. All of that was

based on outdoor grass—that was key—and there were new changing facilities and infrastructure to support that. There was great collaboration that involved London 2012 and the Olympic Delivery Authority contributing to that, alongside the Mayor of London, who was then Mayor Livingstone. That investment that the Council also made into the Marshes was one of the most substantive outdoor sports legacies to come out of the Games. Unfortunately, the legacy that engages with the schools is now being sorely tested and that is sad.

Cllr Khan: I would have to agree that football is a very male-dominated sport. In saying that, cricket and football have been some of the key sports that we have invested in to work with our young people in the borough. We have secured £2 million in funding since 2010, and part of that investment has been to ensure that we work with young people with disabilities and to ensure that we have more access for young women and girls to those sports.

Baroness Billingham: Good. How did you feel when the Prime Minister said that some schools were just participating in a bit of Indian dancing as part of their primary school curriculum?

Cllr Khan: I would ask him to come and see the schools in Tower Hamlets to see what we are actually doing. We are doing a lot more than Indian dancing, but Indian dancing is very good as well. It is a very good sport and it is very good for your health as well. I would ask him to come and see our cricket team and our football team, and how very good they are. They are being very centred on people with disabilities. Young women have been encouraged to go on to be able to further themselves and become football players in the future as well.

Baroness Billingham: Did you challenge the Prime Minister when he said that?

Cllr Khan: I think I will now. I think I will send him the women's football team.

Baroness Billingham: I think you should.

The Chairman: Can I thank the three of you for appearing? Can I apologise for our late running? That apology also goes to Cllr Gill for holding him here, although it has given him a chance to see what we are like. Thank you very much indeed.