

<b>Title:</b> <b>The London Olympic Games and Paralympic Games (Advertising and Trading) Regulations 2011</b>  <b>Lead department or agency:</b> DCMS <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>
	IA No: DCMS011
	Date: 01/09/2011
	Stage: Final
	Source of intervention: Domestic
	Type of measure: Secondary legislation
<b>Contact for enquiries:</b> Helen Anderson	

## Summary: Intervention and Options

### What is the problem under consideration? Why is government intervention necessary?

High profile events attract companies who want to associate themselves with the event or promote their products to the masses of people attending or watching the event on television. The Olympic and Paralympic Games are sponsored by companies who pay for that association right and therefore it is a requirement of the International Olympic Committee (IOC) that the Government put in place legislation to prevent other businesses promoting themselves within the proximity of Games venues without permission. Moreover we want to ensure spectators can get to events easily and that they enjoy their experience of a London Games. The London Olympic Games and Paralympic Games Act 2006 set out the broad framework for these temporary advertising and trading regulations which have been consulted upon.

### What are the policy objectives and the intended effects?

The policy objectives behind these temporary regulations are:

- To ensure all Olympic and Paralympic events have a consistent celebratory look and feel to them;
- To prevent ambush marketing within the vicinity of venues ; and
- To ensure people can easily access the venues.

### What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 1: Do nothing and rely on existing legislation. Option 2: Do what is proportionate and limit the scope of the restrictions. Option 3: Gold plate our requirements to cover wide spaces for long periods.

Our preferred option is 2, to produce regulations which build on existing law to achieve our aims and to be reasonable and proportionate in line with the Host City Contract and commitments made in Parliament. We have consulted on our regulations to seek wider views on this approach

**Will the policy be reviewed?** It will not be reviewed. **If applicable, set review date:** n/a

**What is the basis for this review?** n/a. **If applicable, set sunset clause date:** 9/2012

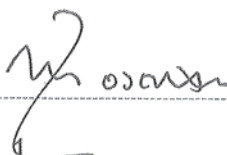
**Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?**

No

**SELECT SIGNATORY Sign-off** For final proposal stage Impact Assessments:

*I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.*

**Signed by the responsible Minister:**



**Date:** 31 Aug 11

# Summary: Analysis and Evidence

# Policy Option 1

Description:

Price Base Year 2010	PV Base Year 2012	Time Period Years 1	Net Benefit (Present Value (PV)) (£m)		
			Low: 0.99	High: 1.3	Best Estimate: 1.1
<b>COSTS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Cost (Present Value)</b>
Low	1.0		N/A		1.0
High	1.4		N/A		1.4
Best Estimate	1.2		N/A		1.2
<b>Description and scale of key monetised costs by 'main affected groups'</b>					
Traders prohibited by the regulations will be those who trade in open public places, who are not exempt or authorised. Loss of revenue has been estimated using earnings data (Annual Survey of Hourly Earnings) and turnover of business (National Associate of British Markets Authorities) data. For advertisers we can estimate the total revenue of sites within the area and the potential for losses. Cost also include enforcement costs of £868,000 and cost of assistance.					
<b>Other key non-monetised costs by 'main affected groups'</b>					
A tightening of the laws on advertising and street trading (even for a small period) may be unpalatable to the general public.					
<b>BENEFITS (£m)</b>	<b>Total Transition (Constant Price) Years</b>		<b>Average Annual (excl. Transition) (Constant Price)</b>		<b>Total Benefit (Present Value)</b>
Low	0.034		N/A		0.034
High	0.169		N/A		0.169
Best Estimate	0.113		N/A		0.113
<b>Description and scale of key monetised benefits by 'main affected groups'</b>					
Eligible traders will receive £200 a day assistance. It is estimated that this will be 40% of those denied authorisation. Our base case represents 50% of traders being disallowed, high and low represents 75% and 15%.					
<b>Other key non-monetised benefits by 'main affected groups'</b>					
Putting in place reasonable restrictions on advertising and street trading will mean that we fail to meet commitments given to the IOC (which could have financial consequences). Authorised street traders will be able to trade and should make significant revenue during a time of heightened visitors. Sellers of advertising space are likely to be able to sell all their space during the Games period. These regulations will ensure that revenues from official sponsors are maximised.					
<b>Key assumptions/sensitivities/risks</b>					<b>Discount rate (%)</b>
As the impact occurs over a short period, discounted and undiscounted numbers are the same.					3.5
<b>Direct impact on business (Equivalent Annual) £m):</b>			<b>In scope of OIOO?</b>	<b>Measure qualifies as</b>	
Costs: 0.253	Benefits: 0.113	Net: 0.141	No	NA	



## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	Great Britain				
From what date will the policy be implemented?	01/11/2011				
Which organisation(s) will enforce the policy?	ODA				
What is the annual change in enforcement cost (£m)?	0.868 (2012 only)				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	N/A				
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	Traded: n/a		Non-traded: n/a		
Does the proposal have an impact on competition?	Yes				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: n/a		Benefits: n/a		
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties<sup>1</sup></b> <a href="#">Statutory Equality Duties Impact Test guidance</a>	Yes	22
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	Yes	15
Small firms <a href="#">Small Firms Impact Test guidance</a>	Yes	16
<b>Environmental impacts</b>		
Greenhouse gas assessment <a href="#">Greenhouse Gas Assessment Impact Test guidance</a>	No	
Wider environmental issues <a href="#">Wider Environmental Issues Impact Test guidance</a>	No	
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	
Human rights <a href="#">Human Rights Impact Test guidance</a>	Yes	17
Justice system <a href="#">Justice Impact Test guidance</a>	Yes	21
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	<a href="http://www.statutelaw.gov.uk/content.aspx?activeTextDocId=2321128">http://www.statutelaw.gov.uk/content.aspx?activeTextDocId=2321128</a>
2	ODA publication on Advertising and Street Trading June 2009 <a href="http://www.london2012.com/publications/advertising-and-street-trading-regulations-detailed-docu.php">http://www.london2012.com/publications/advertising-and-street-trading-regulations-detailed-docu.php</a>
3	DCMS consultation March to May 2011: <a href="http://www.culture.gov.uk/consultations/7759.aspx">http://www.culture.gov.uk/consultations/7759.aspx</a>
4	DCMS consultation showing the event zones as of May 2011: <a href="http://www.culture.gov.uk/consultations/7760.aspx">http://www.culture.gov.uk/consultations/7760.aspx</a>

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
Transition costs	£1.2m									
Annual recurring cost	0									
Total annual costs	£1.2m									
Transition benefits	£0.113									
Annual recurring benefits										
Total annual benefits	£0.113									

\* For non-monetised benefits please see summary pages and main evidence base section



# Evidence Base (for summary sheets)

## Problem under consideration and rationale for intervention

The Olympic and Paralympic Games will draw international attention to London and the UK and the way we stage the Games could have a lasting impact on the UK's international reputation. An event as important as the Games needs legal and practical measures in place to manage the area in the vicinity of events effectively and proportionately so London can showcase itself.

In our bid for the Olympic and Paralympic Games we stated 'London will become a Host City with an unmistakable air of celebration and excitement' and that this feeling will be taken to all venues. We want to create 'a backdrop fit for celebration on a truly global scale'. Moreover Games sponsors provide a vital source of funding for the Olympic and Paralympic Games, without which the UK would not be able to host the Games. In return for this funding, sponsors have exclusive rights to associate their brands with the Olympic and Paralympic Games. Intentional unauthorised advertising on streets in the immediate vicinity of Olympic venues is a form of ambush marketing by people attempting to create an association with the Games and/or seeking to exploit the interest in the event by exposing their brands to spectators. Such promotion not only undermines the value of Games sponsorship, it also threatens the aesthetic values of London at a time when the city will be subject to unprecedented international scrutiny. Finally, to ensure a free flow of spectators to venues we need to limit the number of additional people taking up space on the pavements. For these reasons we need to regulate to limit advertising and street trading within the proximity of Games events.

## Policy objectives

Our primary policy objective is to comply with the commitments made to the IOC and during the passage of the London Olympics Games and Paralympic Games Act 2006. The 2006 Act provided the framework for the regulations. It requires Ministers to make regulations about advertising and trading in the vicinity of London Olympic Events.

We are regulating advertising and trading for three reasons:

- To ensure all Olympic and Paralympic events have a consistent celebratory look and feel to them;
- To prevent ambush marketing within the vicinity of venues<sup>1</sup>; and
- To ensure people can easily access the venues.

During the passage of the 2006 Act through Parliament, Ministers committed that, in making the regulations, they would take a reasonable and proportionate approach. Accordingly, we have applied the regulations to relatively small event zones and for limited event periods. In most cases, the event zone is limited to the venue and the area a few hundred metres around the perimeter of the venue (for road events, such as the marathon and road cycling, the event zone extends only a few metres either side of the road). However each event zone is tailored to take account of the diversity of venues. A link to the event zones as of May 2011 is included on page 4 above.

There are three agencies involved in delivering the regulations. DCMS is responsible for formulating the policy and regulations. The Olympic Delivery Authority (ODA) is responsible for authorising traders and enforcing the regulations (in respect of both advertising and trading). LOCOG's role is to authorise advertising.

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<sup>1</sup> Ambush marketing describes activities undertaken by businesses not sponsoring an event which nevertheless suggest they or their products are associated with the event or which seek to exploit the interest in the event by exposing their brands to spectators at the event and/or watching the event on TV around the world.

To enforce the regulations on its behalf, the ODA is looking to designate enforcement officers from local authorities, who are familiar in dealing with street trading and advertising offences (i.e. Trading Standards Officers, Street Trading Enforcement Officers). Officers from local authorities will be familiar with the local traders, will know the local area and will be able to use their existing powers if necessary to deal with other offences.

ODA have committed to adopting a risk-based approach to enforcement in line with existing better regulation strategies. A light touch approach will be adopted for minor infringements that can easily be rectified. Persistent offenders could face having offending items seized, removed or destroyed. More serious deliberate ambush offences will be dealt with using the full enforcement powers conferred on designated officers to secure compliance, these serious offences could also potentially be reported for prosecution.

### Description of options considered

#### **Option 1**

We could do nothing and rely on existing legislation. We could utilise existing legislation and accept that it was not crafted with such a large and time critical event in mind.

#### **Option 2**

We could adopt proportionate and limited restrictions. In the technical manual the IOC requests that advertising and concessions be controlled by the organising committee between main access points (train/bus stations, airports) and the venues. The IOC does not state how far this extends to but advises that: 'no publicity, or branding of any kind appears on or from the field of play or field of performance at any Olympic venue or other Olympic site, not appears within the sightlines of viewing spectators, nor within view of the television cameras'. We could aim to cover only the nearest transport hubs and identify key sites which could be used to promote brands within 200m of a venue perimeter.

#### **Option 3**

We could "gold plate" the regulations preventing any and every advertiser and trader from conducting business within a wide space around venues and for a long period. The IOC are keen to ensure that no major access points leading to Olympic venues shall be encumbered during the period of the Games by any franchise, concession or any other commercial agreement that would conflict with or cause a breach of any agreement entered into by the IOC or the organising committee (LOCOG). Previous host nations have brought in stringent laws to regularise advertising and trading to comply with this. In 2000 Sydney law makers restricted advertising within a 1km perimeter of the main Games venues. In 2004 the Athens Olympic and Paralympic organising committee cut the number of billboards around the city, clearing 10,000 from buildings and city rooftops. In 2008 the Beijing organisers ensured that all advertising was strictly controlled not just on billboards but on all public transport, at airports and city streets.

### Costs and benefits of each option

**Option 1:** Do nothing and rely on existing legislation.

#### *Benefits*

- Preserve status quo.
- Free market for companies and individuals to derive commercial benefit from Olympic and Paralympic Games.
- No additional expenditure incurred in authorising and enforcing.

#### *Costs*



- The IOC could take legal action against the Government and other parties for failing to deliver on commitments made in the bidding process and contained in the Host City Contract.
- Companies and individuals may not comply with the existing regulations (may act illegally) where the penalty for doing so is lower than the potential commercial gain, or where enforcement is weak.
- Enforcement officers are unable or unavailable (due to lack of existing enforcement budgets) to respond to illegal advertising and trading within the strict timeframes of the Olympic or Paralympic.
- The UK's inability to deal with ambush marketing means it is too high a risk to be allowed to host major events thus denying a significant future income.
- Sponsors may feel their sponsorship rights have been undermined and withhold payment of their rights fees to LOCOG or even claim damages. As the ultimate guarantor of the Games, if LOCOG fails to secure revenue for the Games privately, government would have to pick up the shortfall.
- Current legislation does not effectively meet our three principal policy objectives.

**Option 2:** Adopt proportionate and limited restrictions.

*Benefits*

- Government and other bid stakeholders able to deliver the commitments made as part of the bidding process (in the Candidature File and associated guarantees as well as by signing the Host City Contract).
- The UK is considered a good option for future major events.
- Sponsors will be satisfied that their sponsorship rights have been respected.

*Costs*

- Limiting advertising and street trading has a financial impact of around £250k depending on numbers of authorisations.
- Cost to the ODA to enforce the regulations.
- That a tightening of the laws on advertising and street trading even for a small period is unpalatable to the general public
- Cost to the ODA to provide financial assistance

**Option 3:** Gold plate our requirements to cover wide spaces for long periods.

*Benefits*

- Government and other bid stakeholders able to deliver the commitments made as part of the bidding process (in the Candidature File and associated guarantees as well as by signing the Host City Contract).
- High satisfaction from the IOC and sponsors leading to the UK being considered for future major events.

*Costs*

- High outlay as enforcement would need to cover large distances for significant periods.
- That such stringent control on advertising and street trading would be unpalatable to the general public.

**Preferred option**

Taking into account the responses to the 12 week public consultation our chosen option is option 2.

In framing the draft regulations the Government's aim was to strike a balance between fully meeting commitments made to the International Olympic Committee in the Host City Contract and enabling businesses to continue to trade and advertise in event zones with minimal disruption.

The consultation sought to canvass opinion as to whether the draft regulations met this aim. Responding bodies broadly agreed that we had defined advertising and trading appropriately to meet the objectives of the regulations. 66% of respondents felt that we have got the balance right or partially right between protecting sponsors and allowing business to operate as usual.

Responding bodies broadly agreed that by introducing temporary regulations that are only in force when an event is taking place and only apply in the event zones was proportionate and reasonable.

Whilst the consultation endorsed our approach to the regulations respondents noted that businesses operating in event zones will need clear advice and information. The Department is working with ODA on a range of communication products.

### **Explanation of costs calculation**

Costs have been identified for option 2 and within that 3 potential scenarios of impact are assessed. Financial impact is measured by the losses which UK businesses might incur as a result of new regulations on advertising and trading before and during the Olympic and Paralympic Games. The losses which are being measured are from existing trading not the losses which might arise from the extra revenues because of higher visitor numbers during the Games. Extra revenues generated as a result of the Games would be neutralised by losses as a result of the laws that come with the Games.

### **Advertising methodology**

Any market consists of buyers and sellers who will both obtain benefits from buying and selling. The regulation of a market may have consequences for either of these groups and potentially other related markets.

For sellers we can estimate the total revenue of sites within the area and the potential for losses. For the regulation under consideration it is assumed that the sellers of advertising space will be able to sell their existing outdoor media space generally to sponsors of the Games if not generally to other buyers. In some cases the advertising space may be at a higher price and there may be some gains for sellers. These are not estimated but are likely to be a few high prestige sites where sponsors might wish to compete for these locations. The majority of existing (and some new/bespoke) outdoor media sites in areas covered by the regulations (as well as other sites in London and other venue cities) were offered to Games sponsors via an auction process, initiated by LOCOG, which closed in May. Although at the end of the auction a high proportion of sites were not sold in the zones covered by the Regulations, the owners of the space are still free to sell this to Games sponsors and LOCOG is having initial discussions with the Outdoor Media Centre (the trade body of the owners of the space), in relation to authorising the remaining unsold space to be sold to some advertisers which do not conflict with the London 2012 sponsor's products and services and whose adverts will not undermine the purposes of the regulations. This is likely to include advertising by governmental bodies and agencies, tourist attractions, theatre companies, museums, music, books and films. In practice therefore it is reasonable to expect any losses, if any to sellers, to be mitigated largely by sales to sponsors and/or these other companies. Some scenarios are estimated with less take up of advertising space as a result of the outcome of the auction than those estimated prior to the consultation.

For buyers there are potential losses but these are less tangible. The costs therefore will potentially lie with the buyers of advertising space who have a preference for a local site who are displaced by the sponsors (whose business is more international). Many buyers may be content to use other space or find substitute advertising media. It is not practical to estimate precisely the numbers of



advertisers who benefit from a particular location but given the scale of the regulation perimeter the numbers are expected to be few. For these reasons it was concluded any potential loss to buyers should be excluded from the base advertising costs and scenarios.

Advertising sites are identified using the Postar database which lists advertising spaces in public areas such as roadside billboards, posters on kiosks etc. For each venue sites within the regulation perimeter were identified. For each of the advertising sites a price per day was established taking account of the type of road and size of the advertisement. For sellers this provides the potential revenue per site. Also the number of days the regulations were expected to apply to each venue has been taken into account.

Multiplying the price per day and number of affected days (Olympics and Paralympics) provides the potential revenue per site. This is then adjusted by an assumption that 15% of that space will not be taken up by advertisers. Two further scenarios are used to provide the low scenario (5%) and high scenario (25%). These scenarios are estimated based on the recent LOCOG auction process.

- Base scenario: 15 % advertising space not taken 49.8k
- Scenario 1: High cost scenario: 25% advertising space not taken up 83k
- Scenario 2: Low cost scenario: 5% advertising space not taken up 16.6k

### Trading methodology

Traders prohibited by the regulations will be those trading in open public places in the vicinity of Olympic and Paralympic events. Some traders may be exempt or be able to move to a suitable alternative site but the estimates provided are based on the assumption that any traders subject to these regulations will have to cease trading for the appropriate period.

DCMS and ODA sought the assistance of Local Authorities to identify existing licensed street traders within or near to the zones. This information informed the total identified traders affected. The income foregone is estimated in two ways:

Earnings can be based on the customer sales group using the Annual Survey of Hourly Earnings (ASHE) data. The ASHE database is a highly regarded and a widely used data source. This is a survey of earnings across the UK and provided incomes for broad ranges of occupations. Customer sales include street traders but other sales occupational groups. This earnings figure may not represent all the labour input into a small business. It is expected that an individual street trading unit might employ more than one person not necessarily in direct selling but including other activities such as deliveries or other assistance. The evidence of incomes using the earnings data is used here as a proxy for profits of traders where there are few barriers to entry and where risks are limited. An estimate of 2 persons per site is used based on National Association of Business and Market Authorities (NABMA). These estimates suggest a national annual average of around £44,000 per business. These estimates are adjusted by a regional earnings index.

The profitability of business is an alternative approach to measuring the impact and arguably is better adjusted to the particular occupational group. The main disadvantage of this approach is the lack of any direct measure. Using sources that work with street traders we can estimate the turnover in the retail market to be around £3.5 bn (2009 estimates). These estimates indicate that there are 95,000 people working in 45,700 retail trading businesses and therefore suggest a turnover per business of around £75,000. The same source estimates gross profits of about 50% of turnover. A further question is whether turnover data might be fully reported by traders so any realistic level of profitability might underestimate incomes but net profit rates would be less than 50%. An estimate of 50% of turnover is used as the estimate for profitability taking these two factors into account.

These two estimates are quite close and an average of the two has been preferred as the final measure. The average of these estimates has been updated to 2010 values using RPI to make them consistent with advertising values, which are already in 2010 values.

Over 29 locations 233 traders will be affected, which will mean a total of 332 days of trading over the Olympics and Paralympics could be affected. The following process is used to calculate the loss to traders.

Number of traders at a location x no of days the traders will be affected (both Olympics and Paralympics) x average earnings/profit per day (adjusted for the location) = earnings/profit at each location.

To estimate the loss to traders this estimation is adjusted based on the assumption from the ODA that 50% of traders will be prevented from trading, which provides the final estimate for loss to traders. This represents the base case. The factor is varied by 25% and 75% representing the low and high estimates respectively.

- Base scenario: 50% street trading disallowed (loss of £203k).



- Scenario 1: 75%street trading disallowed (loss of £306k).
- Scenario 2: 25 % street trading disallowed (loss of £102).

### Advertising and Street Trading Combined

Three costs are identified based on 3 scenarios (the estimates produced are based on 2010 values):

- Base scenario: 15 % advertising space not taken up and 50% street trading disallowed (£253.5k).
- Scenario 1: High cost scenario: 25% advertising space not taken up and 75%street trading disallowed (£388.6k).
- Scenario 2: Low cost scenario: 5% advertising space not taken up and 25 % street trading disallowed (£118.5).

All three scenarios are based on estimates of the impact of the regulations on existing habitual trading.

We anticipate that our best estimate of costs lie with our base scenario.

### Risks and assumptions

The UK has not hosted an Olympic Games since 1948, so it is difficult to calculate the extent of unauthorised advertising and trading that might occur during a London Games. However, the experience of previous host cities is that non-sponsors make sustained and creative attempts to benefit commercially from the Games. The regulations must be designed to counter such attempts.

However it is also recognised that the Olympic and Paralympic Games represents an opportunity for local business to benefit commercially and in these austere times it should not be the role of Government to prevent that. Consequently the risk of ambush marketing must be weighed against the opportunities for local businesses to exploit the influx of potential trade.

In developing the policy two major assumptions have been made:

- That despite efforts a number of local businesses will not be aware of these restrictions and will, in ignorance, breach the regulations;
- That some companies will know about the regulations but will be prepared to risk the penalties to market their products.

The enforcement of the regulations will take into account these two extremes and deal appropriately and sensitively to the range of breaches that may occur (see p13).

### Wider impacts

The Games will be the largest special event ever hosted by the country and will attract an unprecedented level of commercial activity in public spaces in the proximity of the Games venues, unless it is carefully regulated. Street trading and commercial advertising at the street level, through distribution of pamphlets, flyers, and product samples, can cause congestion and litter adversely affecting the enjoyment of the Games by residents and visitors alike. The regulations strengthen our ability to regulate activities on the streets in the vicinity of Games sites.

### Public Consultation



In developing option 2 the department presented the proposed regulations in a 12 week public consultation from 7 March to 30 May. Over 600 stakeholders were alerted to the consultation through a variety of methods including letter, email, leaflet drop, and utilising the communication methods of trading, business and advertising associations. In total DCMS received 50 responses to the consultation. The bulk of respondents can be broadly broken down as follows; 18 responses from local authorities and local authority groups, 8 from the advertising and press industry, and 3 from the sporting industry, with the remaining responses coming from a range of individual businesses, traders and residents.

Few respondents questioned the need for the regulations, understanding the requirement to protect sponsors and enhance the UK's reputation as a host of an international event. Most respondents were broadly positive of the policy direction the Department has taken. The responses on the whole addressed technical detail in specific areas rather than stating that the approach was fundamentally wrong. Almost all respondents considered that the Department had got the timings for the regulations right and a few suggested amendments to the breadth of the zones, expanding or narrowing depending on the specific concerns. The comments on whether the department had got the definition of advertising and trading right and the views expressed on the exceptions are considered and very helpful to the department. DCMS has made some changes to the regulations as a result of these comments. The consultation has contributed significantly and positively to the way the regulations have now been framed and drafted.

Amongst other things, the department was keen to hear how people felt the regulations would impact upon certain groups of people. Three key points were made in terms of how the regulations would have a financial impact on people:

- Unsurprisingly the majority of respondents felt that traders in the regulated zones could be disadvantaged by the regulations. If habitual traders fail to get authorisation from the ODA and they are not found an alternative trading venue then clearly their revenues would be reduced.
- One respondent from the advertising industry felt sellers of advertising space should be compensated if advertising hoardings remained unsold at Games time.
- One respondent noted that venues which regularly host large scale events will already have business arrangements with a variety of traders, some of these traders will only come in to support specific events. If they are not authorised by ODA then this will have an adverse effect on both the venue's and traders' earnings.

These points are addressed as part of the development of the implementation plan.

### **Summary and Implementation Plan**

In order to adopt a proportionate approach the department has considered that restrictions should be in place according to the environment and event that is being hosted. This could mean that the regulations only apply to an area for one day, in other areas they apply for 35 days. Similarly the coverage of the restrictions will depend on the local environment but in most cases we have gone no further than 200m from a venue perimeter. This equates to less than 0.01% of the land mass of Great Britain, 1.2% of London. As a consequence of these strict spatial and temporal restrictions, a permanent impact on competition in the affected markets is very unlikely.

In the regulated zones (during the relevant event periods) the regulations will override any existing advertising and street trading authorisations and licences. That means that advertisers and traders will need to be authorised by or under the regulations (in addition to holding current authorisations and licences under the general law).

Existing and usual outdoor trading and advertising within the zones has been identified as part of the consideration of the impact of the regulations. In drafting the regulations we have considered whether the business in its current format would breach the three objectives of the regulations.



Where it is clear that a breach of the objectives would not occur, an exception has been drafted into the regulations. However where the business has the potential to undermine the objectives, the policy is to rely on the authorisation process to allow a case by case consideration. This allows for a filter process.

### Authorisation

In addition to exemptions on the face of the regulations, there will be an authorisation process whereby advertisers and existing street traders can apply to advertise and trade during the Olympic /Paralympic period. The London Organising Committee of the Olympic Games and Paralympic Games Ltd (LOCOG), which is identified by the draft regulations as the designated body to authorise advertising will permit advertising which does not conflict with the aims of the regulations, including advertising by London 2012 sponsors on existing outdoor advertising sites in the vicinity of venues.

LOCOG has indicated that it proposes to authorise advertising activity which is consistent with the aims of the regulations and has identified the following types of activity which it therefore anticipates authorising:

advertising activity undertaken by London 2012 sponsors for products within their sponsor product category, including displaying advertisements on outdoor advertising spaces in the vicinity of venues in respect of which LOCOG has entered into option agreements;

the display of London 2012 "Look" (ie decorative Games-related street dressing) displayed by local authorities and other organisations, with LOCOG's agreement;

advertising activity undertaken by non-commercial partners (including the Greater London Authority, local authorities and government departments) which is non-commercial in nature; and

permanent or customary advertising which is not specifically excepted by the regulations but which does not suggest that the brand advertised is associated with the Games and does not seek to gain advantage for the brand advertised by reason of its proximity to a Games venue (examples may include some large illuminated signage on the forecourt of petrol stations or films advertised outside a cinema).

In response to the fact that a high proportion of outdoor media sites in the zones covered by the Regulations were not purchased by Games sponsors during the initial auction of those sites LOCOG is also now having initial discussions with the Outdoor Media Centre (the trade body of the owners of the space), in relation to authorising the remaining unsold space to be sold to some advertisers which do not conflict with the London 2012 sponsor's products and services and whose adverts will not undermine the purposes of the regulations. This is likely to include advertising by governmental bodies and agencies, tourist attractions, theatre companies, museums, music, books and films. LOCOG will continue to monitor the advertising space sold and will work with the industry to maximise sales.

In the case of trading the Olympic Delivery Authority (ODA) is responsible for issuing authorisations. The ODA will look to the three main policy objectives when considering authorisation. The focus will be ensuring that existing business can continue to operate, or operate with conditions attached, without compromising the main objectives.

### Financial Assistance

The ODA is *required* under s29(1)(b) of the 2006 Act 2006 to work with persons likely to be prevented by the Regulations from carrying out their habitual trading activities in attempting to identify acceptable alternatives. The ODA is *permitted* under s29(3)(b) to give assistance (which may include financial assistance) in complying with or avoiding breaches of the Regulations



however the ODA has taken the position of considering itself *bound* by the wording of s29(1)(b). Therefore the financial assistance will be provided to assist traders in complying with or avoiding breaches of the Regulations by making payments to help the trader identify acceptable alternatives (i.e. an alternative location).

While the ODA notes the discretionary powers contained in s29(3)(b) to give assistance (which may include financial assistance) to those affected by the advertising regulations it does not have a duty to work with them to identify acceptable alternatives and therefore will not consider the provision of financial assistance in respect of advertisers or owners of advertising space. The rationale for this is that most outdoor traders have some capacity to relocate i.e. the equipment they use is constructed to be mobile. Consequently there is the practical possibility of relocation even if there are difficulties in doing this. An advertising space has some level of permanency to it and relocation, and therefore financial assistance to relocate, is not viable. In addition in the most part companies that own advertising space have it as a part of a wider business model and are not reliant on advertising, or on a small proportion of advertising space, to generate its sole income. That is not to say that ODA will not give assistance in complying with or avoiding breaches of the Regulations if space remains unsold through the authorisation process. ODA will not provide financial assistance to the owner of the advertising space but will work with them to avoid breaches of the Regulations.

Any financial assistance provided to traders is likely to be up to a maximum of £200 per day. This figure has been calculated taking into account:-

- The pro-rata refund of the trader's annual licence (consent/permission) fee.
- Possible additional licence (consent/permission) fee
- Storage charges for stock and stall
- Van Hire.

The ODA estimate that of the 50% denied authorisation, 40% (2 in 5 of those denied) will be offered financial assistance to relocate. This means assistance could be around £112,840 in the base case.

Assistance to street traders is calculated by estimating the number of traders and days of trading affected in the 29 locations (as above). This is adjusted by number of street traders that will be disallowed, following the same scenarios set out in the calculation for the loss to street traders (25%, 50% and 75%). Each of these scenarios is also adjusted by the assumption that only 40% of the disallowed traders will receive assistance. This calculation provides the number of days eligible for assistance which is the multiplied by the level of assistance (£200) to provide the total level of assistance for three scenarios.



- Base scenario: 50% street trading disallowed, 40% get assistance £113k
- Scenario High: 75% street trading disallowed, 40% get assistance £169k
- Scenario Low: 25% street trading disallowed, 40% get assistance £34k

### Enforcement

The regulations may be enforced by the police or by enforcement officers designated by the ODA. It is only right that the police focus on safety and security matters at Games time and therefore the ODA will take the lead on enforcement. It is looking to designate enforcement officers from local authorities, who are experienced in dealing with street trading and advertising offences (for example Trading Standards Officers, Street Trading Enforcement Officers, Planning Enforcement Officers). ODA will take a light touch approach to minor infringements that can easily be rectified by giving advice but persistent offenders could face having offending items seized, removed or destroyed. Serious and deliberate ambush marketing attempts will be dealt with using the full enforcement powers conferred on designated officers, and may result in prosecution through the criminal courts.

The ODA's approach is to fund small teams of designated enforcement officers from local authorities attached to local venues who will prioritise dealing with more serious breaches of the regulations. They estimate that the cost of enforcement of the regulations at the 28 venues and events involving 33 Local authorities and a total of 342 enforcement days will be £868,000 (which includes the storage of seized items, payment for officers and specialist equipment).

### Sunsetting

Given that the objective of Games legislation is to allow the UK to host a successful Games in line with IOC requirements, the regulations are designed to apply to advertising and trading from the week before the Opening Ceremony of the Olympic Games. The regulations will cease to take effect on 11 September 2012

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];
<b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]
<b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]
<b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured]
<b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]
<b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]
<b>Reasons for not planning a review:</b> [If there is no plan to do a PIR please provide reasons here] The success of the Olympic and Paralympic Games will be evaluated and the consideration of the laws that support that success will be part of that evaluation. Therefore, these specific amendments will not be reviewed separately.



## ANNEX 2

### Competition Assessment

The Office of Fair Trading published revised guidelines for departments on the consideration of competition assessments in 2007. The guidelines state that, in relation to competition assessments, the following four key questions should be considered:

1. Does it directly limit number or range of suppliers?

This is likely to be the case if the proposal involves:

- the award of exclusive rights to supply, or
- procurement from a single supplier or restricted group of suppliers, or
- the creation of a form of licensing scheme, or
- a fixed limit (quota) on the number of suppliers.

DCMS position: No. There is no exclusivity over supplying products to traders or advertisers. Wherever possible we are looking to authorise traders to continue to trade in the vicinity of Olympic venues and advertising space will be utilised. We are restricting any potential for new trade, illegal advertising and trading but for those legitimate traders we will make every effort to ensure they can continue to trade. For those we do restrict this will be for a short time and in a limited geographical space. We are not making a permanent change to business in the relevant areas.

2. Does it indirectly limit the number or range of suppliers?

This is likely to be the case if the proposal significantly raises the costs:

- of new suppliers relative to existing suppliers,
- of some existing suppliers relative to others, or
- of entering or exiting an affected market.

DCMS position: No. Supplier costs are not expected to be affected through the legislative change.

3. Does it limit the ability of suppliers to compete?

This is likely to be the case if the proposal:

- controls or substantially influences the price(s) a supplier may charge, or the characteristics of the product(s) supplied, for example by setting minimum quality standards
- limits the scope for innovation to introduce new products or supply existing products in new ways,
- limits the sales channels a supplier can use, or the geographic area in which a supplier can operate,
- substantially restricts the ability of suppliers to advertise their products, or
- limits the suppliers' freedoms to organise their own production processes or their choice of organisational form.

DCMS position: Yes. Both advertising and trading will be limited in terms of what product they can promote however this limitation will only be in place within a restricted area and for a limited time.

4. Does it reduce suppliers' incentives to compete vigorously?

This may be the case where a proposal:

- exempts suppliers from general competition law,
- introduces or amends intellectual property regime,
- requires or encourages the exchange between suppliers, or publication, of information on prices, costs, sales or outputs, or

- increases the costs to customers of switching between suppliers.

DCMS position: Yes.

We are restricting who may advertise or trade in specific areas so there will inevitably be an impact on competition. In addition we are limiting both the number/range of suppliers and their ability to compete. However, the restrictions are not substantial or long lasting enough to have a significant impact as they will only be applied to a tightly defined area for a limited period. The Games will generate a significant influx of new trade to the wider area and arguably there is scope for exploiting the market outside these areas.

We therefore consider that this policy is unlikely to raise substantive competition concerns.

### Small Firms Impact Test

The main impact here will be due to the restrictions on traders, although restrictions on advertisement might also impact small businesses e.g. who maintain small billboards, want to undertake sales promotions during the Games. Again we do not believe that the restrictions are substantial or long lasting enough to warrant a detailed assessment. For example, whilst we will prevent some traders from trading, this will only be for a limited period in less than 0.01% of the land mass of Great Britain, 1.2% of London. In addition we have worked hard to identify licensed street traders within the vicinity area and wherever possible we will seek to ensure they can continue to trade, in some circumstances with additional conditions applied to their business. Moreover the enforcement of these regulations will deal with any rogue traders who may tempt business away from legitimate traders.

### Micro-business moratorium

Due to the temporary nature of the regulations it has been advised by the Better Regulation Executive that these regulations are out of scope of the micro-business moratorium.

### Human Rights Assessment

#### **Introduction**

1. Sections 19 and 25 of the London Olympic Games and Paralympic Games Act 2006 ("2006 Act") require Ministers to make regulations about advertising and trading in the vicinity of London 2012 Games events.
2. Ministers have prepared draft Regulations which were the subject of a public consultation exercise in early 2011.
3. This paper assesses the impact of the Regulations on the rights and fundamental freedoms affirmed by the European Convention on Human Rights ("ECHR") and given further effect in UK law by the Human Right Act 1998.

#### **Freedom of Expression and Protection of Possessions**

##### **Impact of Regulations**

4. Article 10 of the ECHR affirms the right to freedom of expression. During the London 2012 Games, the Regulations will restrict a person's ability to engage in advertising activity as well as some forms of trading that may include an element of "expression" in small areas around London 2012 events. By doing so, the Regulations will interfere with the Article 10 rights of people who wish to engage in those activities.
5. Article 1 to the First Protocol to the ECHR ("A1P1") protects a person's "possessions" from unjustified appropriation or interference by the State. The benefit of a licence, permit, certificate or



consent (a "licence") to carry on a profitable activity can amount to a "possession" for A1P1 purposes. The Regulations will apply despite any licence granted before or after the Regulations come into force and will restrict a person's ability to engage in advertising and trading activity in accordance with an existing licence (in the small areas where the Regulations apply, during the Games period). Accordingly, the Regulations will arguably interfere with the A1P1 rights of current licensees.

6. Further, the Regulations will limit the uses to which land and other property (again, within the small areas where the Regulations apply) may be put during the Games period. They will prevent, for example, a land owner from using his or her land (or allowing his or her land to be used) for advertising or trading activities. This may also amount to an interference with land or other property owners' A1P1 rights.

#### Justification

7. Interferences with the rights to freedom of expression and protection of one's possessions may be justified on related grounds.

8. An interference with freedom of expression will be justified under Article 10(2) of the ECHR where it is prescribed by law, where it furthers a "legitimate aim" referred to in Article 10(2), and where it is necessary in a democratic society. States are accorded a broad margin of appreciation under Article 10 for restrictions on commercial expression.

9. Likewise, an interference with possessions will be justified under A1P1 where it is "lawful" (that is, imposed by sufficiently accessible, precise and foreseeable law), where it pursues a legitimate aim which is in the general interest, and where it is proportionate to that aim (that is, it strikes a "fair balance" between the general interests of the community and the individual's fundamental rights).

10. The interferences in the Regulations with Article 10 and A1P1 rights will be prescribed by law that is accessible, precise and foreseeable. As we have noted, sections 19 and 25 of the 2006 Act set out Ministers' powers to make regulations about advertising and trading in the vicinity of London 2012 Games events (indeed, those sections require Ministers to make such regulations). The Regulations specify:

- the areas to which the restrictions apply;
- the periods during which they will apply; and
- the types of advertising and trading activities that are covered by the regulations.

11. The Regulations were the subject of a consultation process that both informed the public about their proposed content and invited responses. The Regulations have been amended in light of responses to the consultation. They will be debated in draft in Parliament and will be made by the Minister only if the draft is approved by both Houses. The Regulations will be publicly available and the Olympic Delivery Authority will make arrangements to have their effect brought to the attention of persons likely to be affected or interested.

12. The Regulations are intended to meet commitments given by the UK Government to the International Olympic Committee in London's bid to host the 2012 Games. The main aims are:

- to ensure all Olympic and Paralympic events have a consistent celebratory look and feel to them;
- to prevent ambush marketing within the vicinity of venues ; and
- to ensure people can easily access the venues.



13. These aims are consistent with legitimate aims that justify an interference with Article 10 and A1P1 rights. The Games are a once-in-a-lifetime occasion and it is reasonable for the Government to enact measures to facilitate the staging of the Games, even where those measures necessitate a limited and temporary interference with individuals' rights.

14. Moreover, the Regulations further the interests of public safety at Games time by ensuring that competitors, officials, spectators and other people attending events are able smoothly to enter and exit venues. They also protect the rights of those that have made a commercial contribution to the staging of the Games (without which the Games could not take place) by preventing advertising and trading activities that amount to ambush marketing. It is legitimate in a democratic society to take steps to protect commercial investments which have a public interest element to them. In this case, the social benefits of the Games could not be achieved without such commercial investments.

15. The Regulations are reasonable and proportionate. They strike a fair balance between the community's general interests (as reflected in the objectives underlying the Regulations) and individuals' rights to freedom of expression and protection of possessions. They interfere with those rights to the minimum extent necessary to meet the underlying objectives described above.

16. For example, the Regulations apply only to small, individually drawn areas around each Games venue. In most cases, these areas extend only a few hundred metres from a venue's perimeter. Where an area does not pose a risk to the objectives underlying the Regulations, it has been excluded from the Regulations, even if it is situated close to a Games venue. In aggregate, the area covered by the Regulations represents a very small proportion of the total land area of the United Kingdom.

17. Further, the Regulations are a temporary measure – they only apply for short periods tailored for each venue by reference to the times when Games events are to take place. The longest period that the Regulations apply to any one place is 35 days (in the area around the main Olympic Park). This period is made up of two phases (one of 22 days for the Olympic Games, and another of 13 days for the Paralympic Games) separated by a period of two weeks during which the Regulations will not apply. For many venues, the Regulations will apply only for a few days. The Regulations cease to have any effect on the day after the closing ceremony of the Paralympic Games.

18. The Regulations contain a number of exceptions which exempt advertising and trading activity that does not undermine the objectives underlying the Regulations. For example, there is an exception for demonstrations and related activity. This exempts acts that are intended to demonstrate support for or opposition to the views or actions of a person or body. It also exempts acts that are intended to publicise a belief, cause or campaign or mark or commemorate an event. The exception would cover (for example) carrying a placard during a protest march, displaying a poster promoting a particular religious belief, or distributing flyers in support of a political party. The exception does not apply to any commercial activity – activity that promotes or advertises a good, service or supplier of a good or service (unless that supplier is a not-for-profit body).

19. There are a number of detailed exceptions for advertisements that do not require express consent from local planning authorities under the current law. These exceptions have the effect (for example) of exempting certain types of advertisements on business premises (such as standard shop signs) and advertisements on vehicles not principally used to display advertisements.

20. Likewise, there are a number of detailed exceptions for trading activity, which exempt (for example) operating as a newsvendor, providing various motor vehicle-related services on private land (such as, running a car sale yard), and trading on private land adjacent to shops, cafés and related premises, and petrol stations.

21. In addition to specific exceptions, the Regulations provide for advertising and trading activity to be authorised by the London Organising Committee of the Olympic Games and Paralympic Games Limited ("LOCOG") and the Olympic Delivery Authority ("ODA") respectively. LOCOG and ODA will



publish documents setting out their approach to authorisation and, in general, will authorise advertising and trading that is not inconsistent with the objectives underlying the Regulations.

22. The combined effect of the exceptions set out in the Regulations and LOCOG's and the ODA's authorisation functions is that only those forms of advertising and trading activity that are inconsistent with the legitimate aims of the Regulations will be prohibited.

## **Right to be Presumed Innocent**

### Impact of Regulations

23. Article 6(2) of the ECHR affirms the right to be presumed innocent until proven guilty according to law. The Regulations provide that a person who has an interest in or is responsible for a business, good or service, will be liable for a contravention of the regulations by the business or if the contravention relates to the good or service. Similarly, a person who owns or occupies land will be responsible for any contravention of the Regulations that takes place on the land. In both cases a person can escape liability if they prove that the contravention took place without their knowledge or despite them haven taken all reasonable steps to prevent a contravention from occurring, continuing or recurring. By requiring an accused person to prove the elements of the defence the usual onus is reversed and the Regulations could be said to interfere with the right to be presumed innocent affirmed by Article 6(2).

### Justification

24. An interference with the right to be presumed innocent will be justified where it is confined "within reasonable limits which take into account the importance of what is at stake and maintain the rights of the defence." Putting this another way, an interference will be justified where it furthers a legitimate aim and is reasonably proportionate to that aim.

25. In paragraph 12 above, we have set out the three general objectives of the Regulations. The reverse onus provision is intended to contribute to the achievement of those objectives. In addition, it is specifically intended to ensure that people who are responsible for businesses that contravene the Regulations, or goods or services in relation to which a contravention occurs, or land on which a contravention takes place, are held accountable for the contravention or, at least, take reasonable steps to prevent a contravention occurring.

26. The reversal of onus is reasonably proportionate to those objectives. The onus (to prove a lack of knowledge or reasonable preventative steps) will only transfer to an accused once the prosecution has proven that a contravention of the regulations has occurred (that is, that there has been advertising or trading activity in contravention of the regulations). The prosecution would also have to prove that the contravention was undertaken by a business for which the defendant was responsible, or that it related to a good or service for which the person was responsible, or that it occurred on land which the person owned or occupied. Accordingly, the prosecution will be required to make out the main elements of an offence before the onus shifts to the defendant.

27. In addition, once the onus is reversed, the matters that a person is required to prove in order to benefit from the defence are peculiarly within the knowledge of the person – that they did not know about the trading or advertising or that they took reasonable steps to prevent the trading or advertising from occurring. The burden on the accused person would, accordingly, not be difficult for a person to discharge if they have no knowledge of the advertising or trading at issue or have taken steps to prevent it.

### Conclusion

28. In light of the above analysis, we have concluded that any interference with a person's Article 6, 10 or A1P1 rights by the Regulations is justified.

Justice Impact Test

It was agreed with the Ministry of Justice that there will be an impact on the justice system but it will be minimal.



## **ANNEX 3: Equality Impact Assessment**

### **Summary of evidence on the impact (adverse and positive) on the community and demographic groups**

#### ***Will the policy have an impact on national or local people/staff?***

The temporary restrictions on advertising and street trading within a few hundred metres of an Olympic and Paralympic venue perimeter will have a temporary impact on the local population. It will mean that local street vendors and those wishing to advertise will need to be authorised before they can promote and/or sell their produce. It will also have an impact on the local community that buy or are affected by traders and advertisements. However we are looking to limit the impact on the local population by exempting or authorising a proportion of legitimate business.

#### ***Are particular communities or groups likely to have different needs, experiences and/or attitudes in relation to the policy?***

Street traders are static traders and usually operate in a specific location with a stall selling fruit, clothes, etc. They will have a Local Authority issued license for the location and the products they sell. Many street traders operate in street markets. Mobile traders operate by moving around to customers for example pedlars. There are approximately 4000 pedlars in the UK. Pedlars apply and are issued with a certificate from the police which allows them to travel and trade on foot to sell or expose for sale goods or services.

Street traders and mobile traders will be used to trading around big events. However these specific restrictions will mean that these traders will need authorisation from the ODA to trade at Games time around Games venues. Permission to trade will be considered against risks of ambush marketing and ensuring a smooth Games experience. Only authorised traders will be allowed to trade within specific zones on specific days. Trading outside of those zones and days will be subject to existing law.

The impact of having the Olympic Park in an area unused to hosting major events will attract a number of opportunist traders at Games time. However only traders authorised under the existing law and by the ODA will be allowed to continue to trade.

#### ***Are there any aspects of the policy that contribute to narrowing future inequalities?***

According to the Office of National Statistics the local demographics for the five host boroughs are:

- In the five host boroughs, 58% of the population are of white origin, 20% are of Asian origin and 15% of black origin. In London overall the comparable shares are 70%, 13% and 11% respectively. Bangladeshi and Pakistani communities, make up a significant proportion of the population within the boroughs, particularly in Tower Hamlets.
- Ethnic diversity is particularly high among young people. In Tower Hamlets around 67% of children are from Black, Asian and Minority Ethnic (BAME) communities, similarly the figure is around 70% in Newham, and roughly half in Waltham Forest and Hackney, with BAME children in Greenwich numbering approximately a third.
- According to the 2001 census 21% of the population in the five host boroughs recorded that they are disabled compared to 17% in London and 18% for the whole of the UK.
- The East London area contains a high representation of Muslim residents. Muslims constituted 19% of the population at the census in 2001. There is a slightly lower than the London average representation of Christians in the host boroughs, though this is still high at 50%. There are also significant Buddhist, Hindu, Jewish and Sikh populations resident in the host boroughs. There is an equivalent ratio of women to men in the host boroughs, as in London more widely.
- Estimates show that the Lesbian, Gay, Bisexual and Transgender (LGBT) population of London ranges from 6-15%.

Whilst there is no information on the demographics of street traders or advertisers surrounding the Olympic Park, it can be presumed that the demographics of East London are reflected in the local



business community and in the specific businesses of advertising and street trading with which we are restricting. Similarly the same conclusions can be drawn from other host boroughs. Specific demographic breakdown for each of the Olympic and Paralympic venues have not been extracted outside of East London however a question relating to the impact of the regulations on specific communities has been asked in the consultation and this may assist in identifying particular affected groups.

***Can the adverse impacts be justified and the policy implemented without making adjustments?  
Please explain:***

We have endeavoured to limit the impact on the local population by keeping the restricted zone tight and by looking to authorise a good proportion of legitimate business. The proposed location of the restrictions will not change unless there is a convincing argument that they should.

***What action will be taken to mitigate the adverse impacts?***

We are consulting widely on the Regulations and will make changes to our plans where it is reasonable to do so.

#### **Stakeholders/Customers and consultation**

We have consulted numerous stakeholders including London Organising Committee of the Olympic Games and Paralympic Games Ltd, Olympic Delivery Authority, Greater London Authority, International Olympic Committee, International Paralympic Committee, Local Authorities, Host Boroughs Unit, Street Trade Associations (National Market Traders Federation, National Association of British Market Authorities, London Market Associations), Pedlars.admin, Outdoor Advertising Association, Incorporated Society of British Advertisers, The Royal Parks, Olympic & Paralympic Security Programme, the Metropolitan police, Home Office, Ministry of Justice, Department for Communities and Local Government, Department for Business Innovation and Skills, Scottish Government, Welsh Assembly Government, London Chamber of Commerce, Confederation of British Industry London, Civil Aviation Authority, Marine Policing Unit, Olympic Specialist Response, Liberty, Local Authorities Coordinators of Regulatory Services (LACORS), Joint Local Authority Regulatory Services (JLARS), London Trading Standards Association (LOTSAs), London Councils, London Street Trading Benchmarking group, Office of Fair Trading, Transport for London, Association of Train Operating Companies (ATOC), Port of London Authority.

There have been a series of meetings and discussions on the Regulations. ODA provided a general notice in June 2009 alerting the public to the Regulations, and this will be followed up with a specific detailed notice 6 months prior to the Regulations coming into force.

***Are you going to abandon the policy?***

No. The policy is part of our commitment to the IOC in staging the Games. Its fundamental aim is to prevent ambush marketing and ensure we can stage an effective and clean Games.

#### **Monitoring and Reviewing**

The equality impact assessment will be reviewed following the consultation to consider any further identified impacts. In addition equality issues will be monitored through the monthly Project board which oversees the development of this work.