

# GLASGOW COMMONWEALTH GAMES BILL

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This paper considers the proposals contained in the Glasgow Commonwealth Games Bill (SP Bill 04) within the context of the consultation responses received on the draft consultation version of the Bill and on the proposals for financing the Games. Due to the short timescale between the consultation and publication of the Bill and the beginning of Parliamentary scrutiny, this paper does not offer a comprehensive overview of the Bill but rather highlights the main issues contained within it and those which were raised during the consultation process.

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## INTRODUCTION

The meeting of the Commonwealth Games Federation's General Assembly on 9 November 2007 in Colombo, Sri Lanka, announced that Glasgow had been selected as the host city for the 2014 Commonwealth Games. The 71 member nations and territories of the Commonwealth voted in favour of Glasgow over the Nigerian capital of Abuja by 47 votes to 24, to host the 20th Commonwealth Games. The Games will run for 12 days from July 23 to August 4, 2014. Table One details the cities which have previously hosted the Commonwealth Games and the number and type of medals which Scotland has won at each of these Games.

| <b>Table One – Previous Commonwealth Games</b>  |                                  |        |        |       |
|---|----------------------------------|--------|--------|-------|
| Host City   | Performance of the Scotland Team |        |        |       |
|   | Gold                             | Silver | Bronze | Total |
| 2006 – Melbourne, Australia   | 11                               | 7      | 11     | 29    |
| 2002 – Manchester, England  | 6                                | 8      | 16     | 30    |
| 1998 - Kuala Lumpur, Malaysia   | 3                                | 2      | 7      | 12    |
| 1994 - Victoria, Canada   | 6                                | 3      | 11     | 20    |
| 1990 - Auckland, New Zealand  | 5                                | 7      | 10     | 22    |
| 1986 - Edinburgh, Scotland  | 3                                | 12     | 18     | 33    |
| 1982 - Brisbane, Australia  | 8                                | 6      | 12     | 26    |
| 1978 - Edmonton, Canada   | 3                                | 6      | 5      | 14    |
| 1974 - Christchurch, New Zealand  | 3                                | 5      | 11     | 19    |
| 1970 – Edinburgh, Scotland  | 6                                | 8      | 11     | 25    |
| 1966 – Kingston, Jamaica  | 1                                | 4      | 4      | 9     |
| 1962 – Perth, Australia   | 4                                | 7      | 3      | 14    |
| 1958 – Cardiff, Wales   | 5                                | 5      | 3      | 13    |
| 1954 – Vancouver, Canada  | 6                                | 2      | 5      | 13    |
| 1950 – Auckland, New Zealand  | 5                                | 3      | 2      | 10    |
| 1938 – Sydney, Australia  | 0                                | 2      | 3      | 5     |
| 1934 – London, England  | 5                                | 4      | 17     | 26    |
| 1930 – Hamilton, Canada   | 2                                | 3      | 5      | 10    |
| Commonwealth Games Council for Scotland website:<br><a href="http://www.cgcs.org.uk/History/Scotlands%20Medals.htm">http://www.cgcs.org.uk/History/Scotlands%20Medals.htm</a> |                                  |        |        |       |

The Glasgow Commonwealth Games Bill was introduced in the Scottish Parliament on 9 November 2007. A draft version of the Bill was consulted upon by the Scottish Executive between June and September 2007. The consultation draft can be accessed at:  
<http://www.scotland.gov.uk/Publications/2007/06/25155213/0>

The results of the consultation exercise were published by the Scottish Government on 12 November 2007 and can be accessed at:  
<http://www.scotland.gov.uk/Publications/2007/11/08142254/0>

The Policy Memorandum which accompanies the Bill explains that this legislation is required in order to:

“...meet the Scottish Government's obligations under the Host City Contract and deliver the commitments given in the Candidate City File. The Bill provides the Scottish

Ministers and councils with the powers necessary to achieve this” (Policy Memorandum, 2007, p.1).

The Policy Memorandum also states that the Host City Contract requires new legislation:

“...to prohibit ambush marketing, eliminate street vending and control advertising space during the period of the Games no later than 30 June 2010” (Policy Memorandum, p.2).

The Bill contains a disparate range of measures which are all connected to the holding of the Commonwealth Games in 2014. The Host City Contract was signed by the Scottish Government, Glasgow City Council, the Commonwealth Games Federation for Scotland and the Organising Committee for Commonwealth Games. It has not been possible to obtain a copy of the Host City Contract to inform this briefing. The Bill seeks to:

- create new criminal offences prohibiting unauthorised advertising and outdoor trading within the vicinity of Games venues, with penalties on summary conviction of a fine not exceeding £20,000 or an unlimited fine on conviction on indictment
- create a new criminal offence to prohibit the unauthorised sale of Games tickets in public, in excess of face value or with a view to making a profit, with penalties, on summary conviction, of a fine not exceeding level 5 on the standard scale (currently £5,000)
- provide for the designation of enforcement officers empowered to enforce the Games advertising, street trading and ticket touting offences, and make it a criminal offence to obstruct them in their duties, with penalties, on summary conviction, of a fine not exceeding level 5 on the standard scale
- provide councils with the power to make Games traffic regulation orders
- provide the Scottish Ministers with the power to direct councils to make, vary or revoke any instrument which regulates road use in relation to the Transport Plan for the Games
- provide councils with the power to issue a compulsory purchase order for land within their area which they believe is required for Games purposes
- provide the Scottish Ministers with powers to pay grants and provide other forms of assistance to the Organising Committee of the Games and set conditions on such assistance, and
- provide the Scottish Ministers with the power to repeal the Act from the statute book once the Games have ended.

(Explanatory Notes, p.2)

Given the short timescale between the consultation and publication of the Bill and the beginning of Parliamentary scrutiny, this paper is able only to provide a fairly limited overview of the content of the Bill. This paper, therefore, seeks to highlight the main issues contained within the Bill and those which were raised during the consultation process. The paper also considers the proposals for financing the Games. Accordingly this paper should be read in conjunction with the Bill and accompanying documents.

## **CONTENT OF THE BILL**

The Bill consists of 51 sections. The main issues which are dealt with in the Bill are: street trading, advertising, ticket touting, enforcement, transport and funding. Section One of the Bill is an introductory section which establishes that:

- the Commonwealth Games will be held principally in Glasgow in 2014
- that a Games event refers to events (sporting or otherwise) which may or may not be held in Glasgow

- that the organising committee for the Games is a company limited by guarantee named 'Glasgow 2014 Limited'

The Financial Memorandum makes the following comments in relation to the role of the Organising Committee:

"It will be the Organising Committee who will be responsible for delivering the Games. The Organising Committee has been established as a Company Limited by Guarantee under the joint ownership of the three bid partners (the Scottish Government, Glasgow City Council and the Commonwealth Games Council for Scotland). Alongside the company will be a Strategic Group chaired by the Scottish Ministers whose role will be to consider and approve the Organising Committee's annual business plan and ensure that the strategic objectives the Scottish Government wishes to realise from the Games are being delivered". (Explanatory Notes, 2007, p.18)

## **STREET TRADING**

Sections 2 to 9 contain provisions regarding street trading. The Bill seeks to do the following in relation to street trading:

- Make it an offence to trade within the vicinity of a Games event at particular times. The offence would not pertain to indoor trading or trading conducted on behalf of the Games Organising Committee or the Commonwealth Games Federation
- Provide for regulations to be made which will determine what will constitute a trading offence and to authorise persons to trade
- Provide that it will not be a defence for a person with an existing trading licence to be exempt from the trading offence provisions
- Place a duty on local authorities to work with existing licensed street traders and market operators to try to identify alternative trading arrangements during the times when the trading offence applies
- Allow the Organising Committee to issue guidance about trading within the vicinity of the Games events

The Policy Memorandum states that the provisions regarding street trading are required to meet obligations which form part of the Host City Contract. In particular:

"The Commonwealth Federation make these requirements not only because of financial motivation, but also to restrict market clutter, prevent inappropriate marketing, and to protect the high standards associated with the Games. They also aim to protect the integrity of the Games and in order to address issues of amenity and public safety" (Policy Memorandum, p.4)

Many of the provisions in these sections allow for regulations to be brought forward at a later date. The Policy Memorandum provides the following rationale for this approach:

"The Commonwealth Games Federation may find it necessary to change the requirements which are placed on the Host City or the proposed sporting programme or venues may alter during the period leading up to the Games. For this reason, much of the detail of these restrictions, such as what will be defined as trading, the definition of vicinity and the time periods during which the restrictions will apply will be brought forward in secondary legislation in order to make a proper assessment of what is required closer to 2014. The regulations are likely to apply restrictions for different

periods and in a different way for different Games events. This would enable the characteristics of different venues and different events to be taken into account and ensure any restrictions are proportionate in their compliance with the Host City Contract". (Policy Memorandum, p.5).

Section 34 of the Bill provides for a person who has committed a trading offence to be tried either summarily or on indictment<sup>1</sup>. Section 35 of the Bill provides for a penalty, on conviction on indictment, of an unlimited fine or, on summary conviction, to a fine not exceeding £20,000. Section 44 of the Bill requires that Scottish Ministers must, when making trading regulations, consult with the local authorities to which the regulations apply, and to the Organising Committee and other persons which Ministers consider appropriate.

## **CONSULTATION RESPONSES – STREET TRADING**

Consultation respondents were fairly supportive of the provisions relating to street trading. However, a number of respondents did seek greater clarity on the scope of the provisions proposed. In particular, a number of respondents sought greater clarity on what was meant by "in the vicinity of the Games". For example, the Advertising Association sought the inclusion of a definition of 'vicinity' on the face of the Bill. However the Advertising Association went on to make the following comments on this issue:

"Alternatively, it is noteworthy that although the London Olympic Games and Paralympic Games Act 2006 contains no definition of "vicinity", during the Parliamentary passage of that statute, the Minister-in-charge – Rt Hon Richard Caborn MP - clarified the intention of the Government behind the term, stating: "When we talk about vicinity, we mean a few hundred metres." (Official Record, Commons, 18 October 2005, Column 78)

It would be helpful then, in the event that it is not possible to include a definition of "vicinity" on the face of the Bill, were Scottish Ministers to offer a similar clarification during the passage of any draft legislation through Holyrood, in the event of a successful Glasgow bid. The AA would argue that it would be difficult to justify a more generous definition of "vicinity" around any Commonwealth event than will apply in respect of an Olympic one, which has been defined as within 200-300m of a venue". (Advertising Association, p.5)

Similarly, organisations such as the Glasgow Chamber of Commerce sought greater clarity in relation to issues such as the definition of trading activities and the conditions which could be imposed on traders. The Policy Memorandum indicates that these issues will be dealt with at a later date, via regulations. Aberdeenshire Council also suggested that the provisions relating to outdoor trading (and indeed advertising) should be extended to include training camps for the Commonwealth Games.

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<sup>1</sup> A description of criminal procedure can be accessed in SPICe subject map 07/04 'The Scottish Criminal Justice System: The Criminal Courts' at: [http://www.scottish.parliament.uk/business/research/pdf\\_subj\\_maps/SMDA07-04.pdf](http://www.scottish.parliament.uk/business/research/pdf_subj_maps/SMDA07-04.pdf)

## ADVERTISING

Sections 10 to 16 of the Bill detail provisions proposed in relation to advertising at Commonwealth Games events. As with street trading, the inclusion of these sections is explained in the Policy Memorandum as being necessary in order to fulfil obligations under the Host City Contract. The Policy Memorandum states that:

“The Commonwealth Games Federation technical manual on Brand Protection, which forms part of the Host City Contract, also requires “that during the period of the Games the venues and their immediate precincts are free of any unauthorised branding, signage, advertising, commercial and/or other propaganda” and that “all structures, facilities and areas that are visible by spectators, accredited people and broadcast cameras at the Commonwealth Games, should be free of commercial advertising and other messages deemed inappropriate for the Commonwealth Games environment” (Policy Memorandum, p.6-7).

The main proposals contained in the sections on advertising are intended to address the form of ‘ambush marketing’ where an advertiser creates an association between themselves and the event so misleading the public into thinking that the ambush marketer is an authorised sponsor, or in some way officially connected with the event. In particular, the Bill contains the following measures in relation to advertising. It:

- Creates an offence to advertise in the vicinity of a Games event at particular times. Scottish Ministers are provided with a power to set regulations which will exempt particular types of advertising from this offence. The offence does not apply to advertising by the Organising Committee or the Commonwealth Games Federation
- Defines advertising as a communication to the public (or to a section of the public) for the purpose of promoting an item, service, trade, business or other concern
- Requires that a person who holds or is awarded an ordinary advertising licence will be required to obtain authorisation from the Organising Committee
- Requires the Organising Committee to issue guidance about advertising in the vicinity of Games events

In addition, the Policy Memorandum also highlights that the UK Government will introduce legislation to create an ‘association right’ dealing with ambush marketing relating to intellectual property.

The Bill makes the same provisions for advertising offences and for procedures for consultation on regulations as were previously set out under street trading.

## CONSULTATION RESPONSES - ADVERTISING

The three principal respondents to the consultation from the advertising industry – the Advertising Association (AA), the Institute of Practitioners in Advertising (IPA), and the Outdoor Advertising Association (OAA) raised a range of concerns regarding the advertising provisions in the Bill. The consultation responses of these organisations can be accessed at:

<http://www.scotland.gov.uk/Publications/2007/11/08142254/7>,

<http://www.scotland.gov.uk/Publications/2007/11/08142254/9>, and

<http://www.scotland.gov.uk/Publications/2007/11/08142254/27>

The AA and the IPA questioned, at length, the need for legislation covering intellectual property rights [which would be dealt with by the UK Government and not in this Bill]. On this issue, the AA said:

“Nevertheless, in order to address this risk and attract private investment, the AA considers that there may be a case for extending controls on the physical location of advertising in a proportionate manner (and on a strictly time-limited basis) in order to deter ambush marketing through the proximity of non-sponsors’ advertising and the like to Games venues. The AA accepts that this may involve preventing competitors of Commonwealth sponsors from engaging in unfair competition in the vicinity of Games venues through controlling advertising space and airspace to ensure no publicity appears there.

The AA, however, regards the existing body of law regulating the intellectual content of commercial communications as more than sufficient to ensure that any Commonwealth Games held in the UK could take place free of that form of ambush marketing”. (Advertising Association, p.3)

On the issue of the physical location of advertising the AA considered that the maximum duration of any advertising regulations should be placed on the face of the Bill in order to provide the maximum amount of certainty for the advertising industry. Respondents from the advertising industry also wished to see a duty, placed on the face of the Bill, for consultation with the advertising industry prior to introducing secondary legislation relating to advertising. The AA also expressed concern that certain forms of non-broadcast and broadcast advertising media could inadvertently fall foul of the proposed regulations and commented that such media forms had received a commitment to be exempted from the relevant regulations during the passage of the Bill for the London Olympics. The Scottish Daily Newspaper Society also raised this concern with regard to the newspaper industry:

“The non-broadcast media categories in question were newspapers and magazines containing print advertisements as well as mobile phones and other electronic communications devices upon which advertisements might be received. The broadcast media categories in question were television and radio sets, which happened to receive advertisements. (Advertising Association, p.6)

COSLA summarised the principal concern of a number of local authorities in relation to the advertising provisions:

“The proposed scope of the legislation, however, must acknowledge the wider context, particularly in relation to neighbouring councils to Glasgow. There is potential for ambush marketing within privately owned land including the green field space along the A737 and M8 corridors. Moreover, local authorities such as Renfrewshire Council are currently involved in advertising contracts for 10-15 years and ultimately will have no control over any sub-contracting. As such legislation should acknowledge these facts and incorporate accompanying measures”. (COSLA, p.1).

As was the case for street trading, the issue of how ‘vicinity of the Games’ would be defined, was also raised by a number of respondents in relation to advertising.

## TICKET TOUTING

Sections 17 to 20 of the Bill deal with the issue of 'ticket touting'. The Policy Memorandum provides the following rationale for the inclusion of ticket touting provisions:

"The policy intention is to prohibit the scalping or touting of Games tickets. The Commonwealth Games Manual: Ticketing, which forms part of the Host City Contract, states that "the unauthorised sale of tickets should not be allowed" and requires that "appropriate regulations should be put in place to prevent ticket scalping". Fairness and equity are also seen as the first principle of any ticketing strategy for the Commonwealth Games. Any ticket touting would undermine that principle, reducing equity of access and eroding public confidence in the Games". (Policy Memorandum, p.8)

In relation to ticket touting the Bill will:

- Make it an offence to 'tout' a Games ticket
- Define what constitutes 'touting' a Games ticket
- Give the Organising Committee and the Commonwealth Games Federation the power to sell or deal with tickets in ways which otherwise would be considered touting
- Provide that persons who engage in touting in places outwith Scotland (for instance via the internet) will commit an offence under Scots law
- Give Scottish Ministers the power to make regulations to determine circumstances in which use of the internet or other electronic media may or may not constitute a touting offence

Section 34 of the Bill provides that a person who has committed a ticket touting offence can be tried summarily only. Section 35 of the Bill provides for a penalty of a fine, not exceeding level 5 on the standard scale (currently £5,000), on summary conviction for ticket touting.

## CONSULTATION RESPONSES – TICKET TOUTING

There was a fairly limited number of comments regarding the ticket touting provisions in the Bill. The internet site company, Ebay, provided the most substantive comments in relation to this issue. As a result, the Bill (as introduced) will require the provisions relating to the internet to be introduced by Scottish Ministers via regulations. Ebay raised a number of concerns. Firstly, they questioned whether the Scottish Government had the right to prohibit the resale of tickets for more than face value when consumers were likely to have paid more than face value as a result of additional costs such as booking fees and delivery fees etc. In addition Ebay also questioned "...whether restrictions on the resale of tickets represent a restraint on trade under EU law" (Ebay, p.2). Ebay also considered that the draft version of the Bill was in contravention of the E-Commerce Directive and the Electronic Commerce Regulations 2002. Members may wish to ascertain whether these concerns have been addressed when Scottish Ministers introduce regulations under this section.<sup>2</sup>

In addition, Glasgow Chambers of Commerce suggested that a number of tickets would be offered as corporate hospitality and that this issue was not dealt with in the draft legislation. Lothian and Borders Police also made the following comments in relation to ticket touting:

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<sup>2</sup> The Ebay consultation response can be accessed at:  
<http://www.scotland.gov.uk/Publications/2007/11/08142254/16>

“The criminal offences relating to Ticket Touting and Enforcement appear to lack clarity. For example, the section on Ticket Touting does not state who will enforce this legislation. Presumably it is the Enforcement Officers mentioned in the next section. If that is the case how will acts done outwith Scotland be pursued?” (Lothian and Borders Police, 2007, p.1)

## **ENFORCEMENT**

Sections 21 to 33 of the Bill deal with enforcement. These sections provide for the Organising Committee to designate Trading Standards Officers, with the consent of the relevant local authority, as enforcement officers and also for Scottish Ministers to define, in regulations, the criteria for other persons to be designated as enforcement officers. In addition, the Bill provides enforcement officers with a range of powers (and restrictions on the use of those powers) including the power to:

- seize, conceal or destroy anything which the officer reasonable believes to be an infringing article
- enter and search any place they believe a Games offence has been, or is being committed
- use reasonable force to gain entry, although only when granted a warrant and accompanied by a police constable
- require any person to provide information, as the officer considers appropriate, for the purposes of enforcing a Games offence

The Bill makes it a criminal offence to obstruct an enforcement officer. A person convicted of this offence will be liable on summary conviction to a fine not exceeding level 5 on the standard scale (currently £5,000).

## **CONSULTATION RESPONSES - ENFORCEMENT**

As the Policy Memorandum indicates, there was a considerable number of comments from consultation respondents regarding the powers and accountability of enforcement officers in terms of the powers proposed in the draft consultation version of the Bill. For example the Scottish Police Federation commented:

“We have not compared the powers of Enforcement officers with the very extensive powers accorded to H.M. Revenue & Customs officers and Immigration officers. We consider that there is an important distinction to be drawn between those who act directly for emanations of the state or the community, such as those officers and police officers, and those who effectively act for a third party, albeit under legislative provisions, particularly when that third party is a commercial entity whose commercial interests are being protected.

In conclusion, I have grave reservations regarding the attainment and use of significant powers to non police actors and such reservations are amplified by a glaring lack of suitable accountabilities set out in the draft legislation”. (Scottish Police Federation, 2007, p.4-5).

The Scottish Police Authorities Convenors Forum also highlighted “real concern in regard to the enforcement powers being available to the enforcement officers” whilst the Association of Chief Police Officers in Scotland (ACPOS) stated that:

“This legislation will give enforcement officers considerable powers and it is therefore essential that they receive the appropriate levels of training to ensure they carry out their duties safely and effectively. The Police may, in due course, have a key role to play in the delivery of that training.

The matter of the reporting mechanism for games related offences to the Procurator Fiscal is also an area that will have to be carefully examined and a range of protocols agreed.

Although the enforcement of the offences will be, in the main, the responsibility of the designated enforcement officers, it is clear there will be an impact on the police across a range of issues”. (ACPOS, 2007, p.2).

A number of respondents, in particular local authorities, highlighted the potential financial costs to local authorities and of the need to provide training for local authority officials who are designated as enforcement officers. The Financial Memorandum to the Bill states that there will be no financial impact on local authorities as the costs of enforcement will be met from the Organising Committee’s budget for the ‘Games Workforce’ which totals £40.833m or 11% of the proposed expenditure on the Games.

The Policy Memorandum recognises that significant concerns were expressed in relation to the enforcement provisions in the consultation version of the Bill. Accordingly, a number of changes were made to the Bill before introduction. The Policy Memorandum summarises these as follows:

“The Organising Committee can still designate individuals as enforcement officers. However, section 22(2) now restricts who those individuals can be. The power to conceal or destroy an infringing article has now also been restricted under section 24(3) and (5) to an article being used in connection with an advertising offence. An enforcement officer’s powers to use reasonable force to gain entry to search a place have also been restricted by specifying that the officer must be accompanied by a police constable. The responsibility for deciding when such force can be used without a warrant where there is a real and substantial risk that delay in seeking a warrant would defeat or prejudice the purpose of taking action is, under section 26(1)(b), now the responsibility of the police constable accompanying the officer. This section also clarifies that the officer is not authorised to use force against an individual. Enforcement officers are no longer restricted to exercising all of their powers at reasonable times, however, under section 27(2)(a) they may enter a house only at reasonable times. Warrants to enter a house no longer expire after 72 hours and now, under section 27(5), expire when it is no longer required for the purpose it was granted or on a date set by the sheriff who grants it. The power to obtain information is now subject to an exception under section 28 which allows a person to refuse to provide information if the person would be entitled to refuse to provide the information in, or for the purpose of, court proceedings”. (Policy Memorandum, 2007, p.10-11).

## **TRANSPORT**

Sections 37 to 40 deal with the transport provisions for the Games. The Policy Memorandum states that these provisions are required to meet commitments which were made in the transport section of the Candidate City File. In respect of transport, the Bill:

- provides that the Organising Committee is responsible for producing a Games Transport Plan. In doing so the Organising Committee is required to consult with Scottish Ministers, every local authority in whose area a Games event is to take place and, any other person whom the Organising Committee considers appropriate
- allows a traffic authority for a road to make a temporary traffic regulation order for the purposes of implementing the Games transport plan
- allows a traffic authority for a road to restrict or prohibit temporarily the use of the road, or any part of it, by vehicles or pedestrians where the traffic authority believes such restrictions should come into force without delay
- allows Scottish Ministers, where they have been notified by the Organising Committee, to direct a local authority to implement a traffic regulation order and if a local authority fails to comply with such a direction, that Scottish Ministers may take action in place of the local authority and recover any costs from the local authority that arise from taking such action

The Policy Memorandum states that the Transport Plan will establish a 'Games Route Network' which will include a network of 'Games Lanes'. These Games Lanes will be supported by a combination of:

- "rigorous lane enforcement and temporary banning of all car parking along the core route network
  - diverting general traffic, where appropriate, to alternative routes
  - signal priority at key junctions
  - network of alternative contingency routes
  - extensive monitoring of the Games Route Network
  - proactive working with developers and utility companies to introduce a moratorium on non-emergency roadworks and street works on the local road network"
- (Policy Memorandum, 2007, p.12)

The transport provisions will apply to Scotland as a whole although the expectation is that the impact of the provisions will apply primarily to the Glasgow City Council area.

## **CONSULTATION RESPONSES - TRANSPORT**

A number of respondents, including COSLA, Renfrewshire Council, the Federation of Small Businesses (FSB) and Strathclyde Passenger Transport emphasised that that there was a need for them to be consulted in the development of the transport plan. For example the FSB commented that:

"It is vitally important for the smooth running of the Games that the correct transport infrastructure is in place and we support the production of a Games Transport Plan, but would urge that businesses in any potentially affected area be consulted in its preparation". (FSB, 2007, p.1)

The Bill allows the Organising Committee to consult with any organisation it considers appropriate in the development of the transport plan.

In addition, Strathclyde Fire, British Telecom and Scottish Power said that the needs of their organisations had to be taken in to consideration in the transport plan as it was essential for them to continue to provide services in the areas affected by the transport plan. For example British Telecom commented:

“We wish to ensure that any measures taken do not affect the ability of engineers to maintain access to crucial services such as 999 and care helpline numbers, as well as to service nearby businesses and residential customers that rely on telecommunications. As you will appreciate any loss of telephone service can have serious repercussions both to the individual – particularly the elderly and vulnerable and to the viability of businesses many of which simply cannot operate without telephone and internet access”. (BT Scotland, 2007, p.1)

Lastly, some local authorities considered that the resource implications of the transport provisions for the local authorities affected needed to be clarified. The Financial Memorandum allocates £13.58m, amounting to 3.6% of proposed expenditure, to transport.

## **OTHER PROVISIONS**

The Bill also seeks to:

- allow councils to issue a compulsory purchase order for land which is required in order to facilitate the holding of the Games (section 42)
- provide that the power of Scottish Ministers to make regulations will be conducted via statutory instrument and will be subject to the Scottish Parliament’s negative resolution procedure (section 43)
- provide that Ministers when making trading or advertising regulations will have regard to the Host City Contract, any requests or guidance from the Commonwealth Games Federation, and the impact of the regulations on the effective operation of the Games (section 45)
- require Scottish Ministers to give public notice of the general nature of the trading and advertising regulations 2 years before the Games begin and public notice of the detailed provisions of these regulations 6 months before the Games begin (section 46).

## **CONSULTATION RESPONSES – OTHER PROVISIONS**

The provisions outlined above generated no significant responses during the consultation. However, a range of miscellaneous issues, which have not been mentioned so far, were raised. These include that:

- consideration should be given to the impact on small firms arising from the Games and that experience from elsewhere be considered in doing so and considering how any negative impact could be addressed, for example, through establishing a single point of contact for opportunities for businesses (Federation of Small Businesses)
- there is a case for organising a promotional / information campaign to alert businesses to the opportunities and implications of breaching any emerging legislation (Dumfries and Galloway Council)
- the impact of the dates and venues should be considered as in relation to possible impact on the Edinburgh Festival (Edinburgh City Council)
- the corporate image for the Games should have a bilingual name through the inclusion of a Gaelic name for the Games (individual respondent)

## **FINANCING THE GAMES**

The financing of major events such as the Olympic Games and the Commonwealth Games, and the desire to leave a useful and lasting legacy, are frequently the most contested aspects of hosting large-scale sporting events. In part this is because the process for assessing the impact of such events is an ‘imperfect science’. For example, Ingerson (2001) comments that:

*providing research and information services to the Scottish Parliament*

“...much economic analysis research undertaken in the sports fields use...estimation mechanisms which arguably exaggerate benefits and ignore negative effects”  
(Ingerson, L (2001)

An evaluation of the abortive bid for the 2012 Commonwealth Games Bid by the Canadian city of Halifax reached the following conclusions on the benefits of hosting the Commonwealth Games:

“The legitimate benefits of these events are the legacy of the Games facilities and urban infrastructure built for them. As the revenues from the Commonwealth Games usually do not even pay for the cost of running the Games themselves, the public pays the cost of the infrastructure and for its long-term maintenance. In most cities, the infrastructure is expensive to build, costly to maintain, and inappropriate to local needs”. (Wildsmith, J and Bradfield, M, 2007, p.4).

Commenting on the 2002 Manchester Commonwealth Games, Wildsmith and Bradfield, comment that:

“For the 2002 Manchester Commonwealth Games the final price tag was four times the original bid estimate. The main reasons given for the escalation of the costs were: (1) an unforeseen need for a large security presence as a result of 9/11; (2) the 1998 Games in Kuala Lumpur raised expectations for the Games beyond that which Manchester planned for during the bidding phase; (3) not budgeting for many costs; and (4) the general inexperience of the organizing committee. Moreover, Manchester’s Games committee over-estimated private revenue streams from TV rights, sponsorships, ticketing, licensing, concessions and accommodations. These revenues did not even cover the operating costs of the Manchester Games”. (Wildsmith, J and Bradfield, M, 2007, p.8).

Alternatively, a cost benefit analysis of the 2002 Manchester Games by Cambridge Policy Consultants identified a range of benefits from hosting the 2002 Games. These were:

- “The creation of 6,300 jobs for the local area (the equivalent to 10 jobs for each £1million of public investment, compared to 9 jobs for every £1 million for other international sporting events).
- The construction of a number of new developments in East Manchester including a regional retail centre, a four star hotel, offices and new housing developments.
- An increase of £22 million in turnover for local companies relating to a mix of issues such as construction contracts through to an increase in visitors to the city.
- An increase of 300,000 new visitors per year, spending some £18 million within the local economy”. (ECOTEC, 2006, p.1)

The Candidate City Evaluation Report of Glasgow’s bid to host the 2012 Commonwealth Games made the following summary comments regarding the finance proposals contained in Glasgow’s bid:

“Generally, the level of detail at which the Organising Committee budget has been established is of high quality. Most programmes have been developed in considerable detail and pricing for many items verified in the local market. Benchmarking has been undertaken against Melbourne 2006 and Manchester 2002 (for local UK conditions) to add another level of verification. Contingencies have been established at programme

levels as well as overall budget levels. Areas of exposure and risk have also been identified and clear statements made where estimates rely on general assumptions....

There is a large expenditure outside the Organising Committee budget, primarily for infrastructure work, totalling £2.5 billion. The major component of expenditure is rail and road works. Only three new venues are required to house the Games sports for a total expenditure of £200 million (plus £11 million in the Organising Committee budget). Additions to existing venues and training venues total another £70 million, and expenditure on the Village is estimated at £229 million. Most of this expenditure will proceed regardless of the outcome of the bid and is incorporated into the planning for the City". (Commonwealth Games Federation, 2007, p.70)

Overall, the evaluation report reached the following conclusion with regard to the financial proposals in Glasgow's bid for the Games:

"The budget prepared by the Glasgow bid demonstrates detailed planning and evaluation. Much of the data has been verified in the local market and may special studies to resolve potential financial exposure have been undertaken to reduce risk. Subject to the qualification regarding sponsorship revenues, other revenue expectations are reasonable, and with 80% of funding to be provided from guaranteed Government sources, a shortfall of funding is a less likely event. Generally, the detailed costing of expenditure items is sound and contains appropriate contingencies where estimates have been used. A whole of Games contingency of 9% is also incorporated. This contingency is supplemented by an undertaking by the Scottish Government to meet any security cost overruns outside the bid budget. Reasonable confidence can be expressed that the Glasgow budget, including capital works allowances held outside of the Organising Committee budget, will deliver an appropriate service level for the hosting of the Games" (Commonwealth Games Federation, 2007, p.76).

Section 41 of the Bill allows Scottish Ministers to provide funding and other assistance to the Organising Committee. The assistance which can be provided could include financial assistance, goods or services, facilities or staff or acquiring land or other property. The Financial Memorandum to the Bill provides a breakdown of proposed revenue and expenditure for the Commonwealth Games. Scottish Ministers will be able to impose conditions on the funding which is provided. The Games are forecast to cost £372.977m. Of this, £238.269m, (63.9% of total funding), will be provided by the Scottish Government, £59.568m (16% of the total) by local authorities. The remaining £75.14m (21.1% of total costs) will be provided through a combination of monies from the Commonwealth Games Federation, local sponsorship, ticket sales and merchandising. The Financial Memorandum explains:

"The Games budget was developed by the Bid Team using a 'bottom-up' process of going through all the items that will be required to deliver the Games. They did this with the support of Glasgow City Council and Scottish Government officials and with advice from Price Waterhouse Coopers. As mentioned above, this has been subject to the external scrutiny of the Commonwealth Games Federation Evaluation Commission and we believe this is the best estimate of costs. The risk of cost overruns within the Games budget are limited by the nature of Glasgow's bid. Over 70% of the facilities needed for the Games are already in place and under 20% of the Games budget of £372.977 million is designated as capital expenditure". (Policy Memorandum, 2007, p.18)

## NEXT STEPS

The Local Government and Communities Committee will begin Stage One evidence taking on the Bill on 21 November 2007.

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