

The Government is working with the Mayor of London, the London 2012 Organising Committee (LOCOG) and the British Olympic Association to host the Olympic Games and Paralympic Games in 2012 and leave a sustainable legacy for London and the United Kingdom.

In March 2007, the Government announced a £9.325 billion budget for the 2012 Olympic Games and Paralympics Games, funded through central government (£5.975 billion), the National Lottery (£2.175 billion) and the Mayor of London (£1.175 billion). **As part of this funding package, the 2007 Comprehensive Spending Review (2007 CSR) makes full budgetary provision for central government's contribution of £3.623 billion over the next three years which, alongside contributions from the National Lottery and London, put preparations for 2012 on a sound financial footing far earlier than any previous host city.**

Following the successful outcome of the bid to host the 2012 Games, work has progressed on the delivery of the Olympic Park and other venues, planning for the event itself and for the delivery of a lasting legacy. Progress on delivery will be captured in the cross-governmental Public Service Agreement to deliver a successful Olympic Games and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport.

DELIVERING THE 2012 GAMES

DI4.1 The Olympic Delivery Authority (ODA) has a challenging task to deliver the Olympic Park and venues within budget and to the absolute deadline. LOCOG is preparing for the celebration of the Games, with London becoming the focus of attention after the Beijing Games in the summer of 2008. The ODA and LOCOG have met all their key milestones to this point, including:

- securing ownership of the Olympic Park land;
- securing planning permission for the development of the Olympic Park for the Games and for its transformation to legacy uses after the Games; and
- delivering significant sponsorship deals for LOCOG.

DI4.2 All the partners are determined that effective planning and budgetary discipline should be at the heart of the development of the 2012 Games.

Responding to challenges ahead

DI4.3 Over the 2007 CSR period the ODA and LOCOG – supported by the Government, the Mayor of London, the British Olympic Association, the local boroughs and many other partners – will need to deliver the foundations for successful 2012 Games. This includes:

- completion of the Olympic Park site platform in preparation for the start of venue construction in summer 2008, including decontaminating land, restoring waterways and constructing bridges and utilities networks;
- substantial progress on the five permanent venues, press and media centres, Olympic village and the temporary venues;
- delivery of the required additional transport infrastructure and finalisation of the operational plans; and
- agreement of a sustainable legacy framework for the Olympic Park and permanent venues by 2009.

DI4.4 In addition, the Government will develop and implement ambitious plans to deliver a wider social, economic, health and environmental legacy for London and the UK yielding benefits for tourism, skills and employment, and British businesses. Progress on this will be captured in the cross-governmental Public Service Agreement to deliver a successful Olympic and Paralympic Games with a sustainable legacy and get more children and young people taking part in high quality PE and sport.

DI4.5 Following the successful bid, the Government initiated a thorough review of the costs of construction and related elements. Building on the previous agreement, a revised £9.325 billion funding package was announced in March 2007, with additional contributions of £2.175 billion proposed from the National Lottery, £1.175 billion from the Mayor of London and £5.975 billion from central government. The funding package covers the construction, athlete preparation and security aspects of the Games.

DI4.6 As part of this funding package, the 2007 CSR confirms the central government funding of £3.623 billion that falls due in the next three years. Further provision will be confirmed in subsequent Spending Reviews to fulfil the Government's full £5.975 billion funding responsibility. This investment in the construction of Olympic facilities and supporting infrastructure will be funded through a single central government Olympics budget, provided by the Department for Culture, Media and Sport, Communities and Local Government and the Department for Transport from within their budgets over the CSR07 period.

Table D21: Central government funding for the 2012 Olympics and Paralympic Games in the CSR07 period¹

	£ million		
	2008-09	2009-10	2010-11
Culture, Media and Sport	848	222	385
Communities and Local Government	571	552	425
Transport	140	240	240
Total central government Olympic capital DEL²	1,559	1,014	1,050

¹ The £9.325 billion budget for the Olympic and Paralympic Games is funded through central government, the National Lottery and London.

² Central government funding is made up from ring-fenced contributions from three departments brought together in a single Olympics capital DEL. The figures presented here are also included in the settlements of these contributing departments.