



London Olympic Games and Paralympic Games (Amendment) Bill: Committee Stage Report

Bill 165 of 2010-12

RESEARCH PAPER 11/61 22 August 2011

This is an account of the House of Commons Committee Stage of the *London Olympic Games and Paralympic Games (Amendment) Bill* and has been prepared for the Report and Third Reading of the Bill, scheduled for 8 September 2011. It supplements Research Paper 11/34, prepared for the Second Reading of the Bill in the Commons on 28 April 2011.

This Government Bill makes a number of technical amendments to the *London Olympic and Paralympic Games Act 2006*, with the aim of ensuring the provisions relating to advertising and trading, ticket touting and traffic management are given full effect. Specifically, the Bill's amendments cover the seizure of articles which contravene advertising and trading regulations; the Parliamentary procedure and notice periods required when new advertising and trading regulations are introduced; the penalty for unauthorised sale of Olympic tickets; and traffic regulation and enforcement during the Games.

The Bill Committee met twice on 17 May 2011 when it took oral evidence. The Committee had a third sitting on 19 May 2011 when it considered clauses 1 to 9 of the Bill. Clause 1 and clauses 3 to 9 were agreed to; clause 2 was agreed to as amended. The Bill was ordered to be reported.

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Contents

	Summary	1
1	Introduction	2
2	Second Reading	3
	2.1 Overview	3
	2.2 Advertising and street trading	4
	2.3 Traffic management and control provisions	4
	2.4 Ticket touting	5
3	Committee Stage Debates	5
	3.1 Parliamentary procedure and public notice	5
	3.2 Ticket touting	6
	3.3 Traffic controls	7
4	Territorial extent	7
	Appendix 1 – Membership of the Committee	8
	Appendix 2 – Oral evidence, 17 May 2011	9

Summary

The *London Olympic Games and Paralympic Games (Amendment) Bill* was introduced in the House of Commons on 16 March 2011. This Government Bill had its Second Reading on 28 April 2011 and is scheduled to have its Report and Third Reading on 8 September 2011.

The Bill amends the *London Olympic and Paralympic Games Act 2006* (the 2006 Act) which makes various provisions relating to the London 2012 Olympic and Paralympic Games. In particular, the Act enables Ministers to make regulations about advertising and trading in the vicinity of Olympic venues, about ticket touting in connection with Olympic events, and the management of traffic. The Bill makes a small number of technical amendments to ensure these provisions are given full effect, covering:

- the seizure of articles which contravene advertising and trading regulations
- the parliamentary procedure and notice periods required when new advertising and trading regulations are introduced
- the penalty for unauthorised sales of Games tickets and
- traffic regulation and enforcement during the Games

The Bill Committee met twice on 17 May 2011 when it took oral evidence. During a third sitting on 19 May 2011 amendments were tabled in respect of just three clauses: clause 2, 3 and 5.

Clause 2 was agreed to as amended. This was purely a technical amendment, moved by Hugh Robertson, Minister for Sport and the Olympics, to take account of changes to the procedure for making Scottish statutory instruments. The amendment was necessary because part 2 of the *Interpretation and Legislative Reform (Scotland) Act 2010* came into force on 6 April 2011.

A probing amendment to clause 3 of the Bill was tabled by the Opposition Spokesperson Tessa Jowell. This amendment, which would have raised the maximum fine for ticket touting from £20,000 to £50,000, was withdrawn.

A number of amendments, all to clause 5 of the Bill, were also put down by Tessa Jowell. Clause 5 deals with enforcement of traffic regulation orders (TROs) and notices. One group of linked amendments would have made the Mayor of London responsible for setting penalty charges (rather than the Secretary of State for Communities and Local Government). Hugh Robertson indicated that the Government would give some thought to this proposal and would return to the issue on Report. Another amendment sought to place a statutory duty on the Olympic Delivery Authority (ODA) to consult with 'relevant' authorities outside London in relation to the Olympic route network. The Minister indicated that the Secretary of State could give the ODA a binding direction under the existing provisions of the 2006 Act to consult with authorities outside London on various matters. All amendments to clause 5 were subsequently withdrawn.

The Bill was ordered to be reported.

1 Introduction

The *London Olympic Paralympic Games (Amendment) Bill* was introduced in the House of Commons on 16 March 2011 as Bill 165 of 2010-12. It had its Second Reading on 28 April 2011. Information on the Bill and its progress is available from the *London Olympic Games and Paralympic Games (Amendment) Bill* page of the Parliament website.

The current Government Bill amends the [London Olympic and Paralympic Games Act 2006](#) (the 2006 Act) which makes various provisions relating to the London 2012 Olympic and Paralympic Games. The 2006 Act also set up the ODA, a public body responsible for developing and building the infrastructure for the Games.¹ The 2006 Act enables Ministers to make regulations about advertising and trading in the vicinity of Olympic venues ('advertising and trading regulations'), about ticket touting for Olympic events, and about transport needs, including the management of traffic. Detailed information about the 2006 Act can be found in [Library Research Paper 05/55, The London Olympic Bill](#).

According to the Department for Culture, Media and Sport (DCMS), preparations for the Games have revealed a number of issues where the existing powers under the 2006 Act are 'insufficient or do not achieve the intended effect'.² The Bill therefore makes a small number of technical amendments to the advertising and trading, ticket touting and traffic management provisions, to ensure that provisions of the 2006 Act are given full effect. In brief, the Bill allows for:

- articles that breach the advertising and trading regulations to be held by the ODA instead of the police, allowing the police to focus on matters of security
- amendments to advertising and trading regulations to be subject only to the negative resolution procedure, therefore not needing to be approved by both Houses
- an increase in the maximum penalty for illegal selling of Games tickets (touting) from £5,000 to £20,000
- the ODA and local traffic authorities to make temporary traffic regulation orders at short notice for Olympics purposes only
- traffic authorities to use special event traffic powers for Olympics purposes and
- the ODA to set the penalty charge levels for moving traffic contraventions of Games-related traffic orders (for example, driving in an Olympic lane), subject to the Secretary of State's approval.

Detailed information on the provisions in the Bill and the background to them can be found in [Library Research Paper 11/34](#), prepared for Second Reading in the Commons.

The DCMS has also published individual [impact assessments](#) for the advertising and trading and traffic management policy areas.³ An assessment has not been produced for the ticket touting provisions, as these do not present a cost or saving to legitimate businesses.

The Bill Committee met twice on the 17 May 2011 and had a third sitting on 19 May 2011. Appendix 1 provides a full list of the Members of the Committee. The Committee took oral evidence during the two sittings on Tuesday 17 May. Appendix 2 provides a full list of the witnesses who gave evidence. Transcripts from these evidence sessions can be found [online](#).

¹ The London Organising Committee for the Olympic Games (LOCOG), a company limited by guarantee is responsible for staging and delivering the Games. Most of the funding for LOCOG is from the private sector.

² DCMS, Letter from Hugh Robertson (Minister for Sport and the Olympics) to Members of Parliament on the *London Olympic Games and Paralympic Games (Amendment) Bill*, 16 March 2011

³ DCMS, Impact Assessment for the London Olympic Games and Paralympic Games (Amendment) Bill, January 2011

There was one written submission to the Committee from Transport for London (TfL); this is also available [online](#).

2 Second Reading

2.1 Overview

The [Second Reading](#) of the Bill in the House of Commons was on 28 April 2011. Hugh Robertson, Minister for Sport and the Olympics, highlighted the fact that the Games continue to enjoy broad cross-party support from all parts of the House.⁴ Hugh Robertson, Don Foster (speaking for the Liberal Democrats) and Tessa Jowell (speaking for Labour) maintained this all-party consensus on the subject.

In setting out the background to the Bill, Hugh Robertson explained the importance of amending the 2006 Act and said that the Bill raised “no new issues”:

The 2006 Act sets the legal framework within which organisations such as LOCOG [the London Organising Committee of the Olympic Games], the ODA and the Mayor’s office are empowered to deliver the games. It also provides the legislative means through which we will meet Government commitments given to the International Olympic Committee on how the games and the games environment will be managed. The Act includes powers to regulate advertising and trading in the vicinity of Olympic and Paralympic venues, and to manage traffic on the Olympic route network and around games venues. It also makes the touting of Olympic and Paralympic tickets an offence.

As we move into the operational phase of preparations, building on the excellent work of LOCOG, the ODA, the Government Olympic Executive and others, the Bill brings forward amendments to ensure that the original intention of the legislation can be effectively delivered in practice. This is entirely normal as the delivery of an Olympic games moves through its cycle, and the amendments are small in comparison to those made before previous games. The Bill is limited in scope: it is confined simply to amending sections of the original Act and contains no new issues.⁵

Considering the impact of the Bill as a whole, and the nature of the agreement with the International Olympic Committee (IOC), Mark Field (Conservative) raised concerns as to whether there was a risk of ‘a state within a state’ in the vicinity of the Olympic park during August 2012. Mr Field asked whether commercial interests had used their strength to ensure the draconian measures in the Bill. The Minister stressed the importance of commercial sponsors to the London Olympics but denied that the measures were draconian:

There is no sense at all that the requirements of the London Olympics are any more draconian than has been the case in immediately preceding games. The starting point for that train of events was the 1996 Atlanta Olympics, which were an advertising free-for-all. One sponsor paid a huge amount to the organising committee to be a tier 1 sponsor, or whatever the equivalent of that was, and then its immediate commercial competitor took one of the teams out for a press conference and emblazoned it with the company’s logos. Those Olympics, with all the ambush marketing around them, led to some of the regulations that now exist.

I am personally very comfortable with the regulations, because the great success of the London Olympics has been in raising more than £700 million from commercial sponsors. That is a remarkable effort in the teeth of the type of recession that we are

⁴ HC Deb 28 April 2011 c363

⁵ HC Deb 28 April 2011 c366

hopefully just coming out of. To get that amount of money from big multinationals, we have to give them some confidence that their brand is being protected. That is why they have invested the money.

Such regulations are not a particularly Olympic phenomenon. Exactly the same things happen at almost every other major sports event, including a host of events that we are trying to attract to this country. They happen at cricket world cups, and I am pretty sure that they happen even at highly commercial events such as the Indian premier league. Exactly the same regulations apply at football World cups. They are standard, and they are in place to protect the vast amounts of sponsorship income for such events.⁶

2.2 Advertising and street trading

In London's bid to host the 2012 Games, the Government gave a commitment to the IOC to ensure that the Games would not be over-commercialised (the focus to remain on sport) and to prevent 'ambush marketing' in areas around Games events. During Second Reading, the body of opinion across the House was that advertising and trading regulations needed to be applied sensibly and proportionately and that communication of what would be required of businesses and spectators was absolutely key to making them work.

Referring specifically to the draft version of the first set of advertising and trading regulations (currently subject to public consultation), various Members emphasised the need for a 'light touch' in their enforcement - the aim being to deter illegal activity while avoiding the heavy-handed approach that had marred some previous Games. The Minister, Hugh Robertson, assured Members that measures would be used 'sensitively' and 'proportionately'.⁷ He also confirmed that the regulations on ambush advertising would make express provision to exclude those spectators who inadvertently wear logos to events.⁸

There was general support for the view that it would not be sensible for the 2006 Act to require the police, with their myriad of other concerns, to be responsible for dealing with goods confiscated from illegal street traders and that responsibility should instead be transferred to ODA officials. However, there were many interventions about who the ODA officials would be. The Bill is silent on this point: it only provides rules about the forfeiture of infringing articles and when they should be handed back. It was assumed that ODA officers would be largely drawn from local authority staff employed by the host authorities – such as trading standards officers - who are already familiar with street trading and advertising offences, but concerns were raised about the funding of this work.

2.3 Traffic management and control provisions

The Minister, Hugh Robertson, sought to assure Members that the traffic management and control provisions of the Bill would be for the benefit of athletes and officials involved in events, not members of the IOC or 'plutocrats'.⁹ The Minister also indicated that no decision had yet been reached on the maximum fine that would apply for contravening any of the Olympic traffic restrictions. He indicated that he was conscious of not wanting to unfairly penalise motorists who unintentionally stray into an Olympic lane by imposing an 'enormous' fine.¹⁰

⁶ HC Deb 28 April 2011 c367

⁷ HC Deb 28 April 2011 c369

⁸ HC Deb 28 April 2011 c414

⁹ HC Deb 28 April 2011 c374

¹⁰ HC Deb 28 April 2011 c375

2.4 Ticket touting

The Minister, Hugh Robinson, emphasised that there was nothing in the present law or the Bill that would prevent those who legitimately acquired Games tickets from selling them on at face value to family and friends. He confirmed that LOCOG would operate an official ticket exchange to enable those who could no longer use their tickets to dispose of them and gave assurances that the firm managing ticket sales would protect applicants' personal data.¹¹

More controversial was the increase in the fine level and how effective it would be in discouraging touting and the sale of non-existent tickets through bogus websites. The Minister restated his belief that the increased fine would be effective.¹² It did meet with general approval from Members – Lyn Brown, for example, described it as “pragmatic and sensible”¹³ – although some questioned whether it would be a sufficient deterrent. In his winding-up speech, the Minister said that the fine was set at £20,000 on the advice of the Metropolitan police: “if that advice changes we will be prepared to alter the fine”.¹⁴

Other Members, though, questioned why this protection should be offered only to the Olympics. Don Foster asked why similar protection could not be offered to other sporting events, such as the Wimbledon tennis championship,¹⁵ and Sharon Hodgson repeated the calls she had made by way of a Private Member's Bill¹⁶ for wider controls on ticket touting. In response, the Minister pointed to a particular threat to the Olympics from organised crime. He had yet to see evidence of a generalised threat to sporting fixtures, but the police had intelligence of a “specific threat towards certain high-profile events, of which the Olympics are one”, hence the present measure.¹⁷

3 Committee Stage Debates

The Bill had three Committee sittings; two sittings on 17 May 2011 and a third sitting on 19 May 2011.

The Committee took oral evidence on 17 May 2011. During the third sitting on 19 May 2011, amendments were tabled in respect of just three clauses:

- clause 2, which deals with parliamentary procedure and public notice
- clause 3, which deals with the maximum fine in respect of ticket touting and
- clause 5, which deals with the enforcement of traffic regulation orders and notices.

3.1 Parliamentary procedure and public notice

Amendment 1, in clause 2 of the Bill, was moved by Hugh Robertson. This was a technical amendment. Part 2 of the *Interpretation and Legislative Reform (Scotland) Act 2010*, which is a Scottish Parliamentary Act, came into force on 6 April 2011. The Act includes provisions on the making of Scottish statutory instruments and, as a direct consequence of those

¹¹ HC Deb 28 April 2011 cc371-2

¹² HC Deb 28 April 2011 c372

¹³ HC Deb 28 April 2011 c386

¹⁴ HC Deb 28 April 2011 c414

¹⁵ HC Deb 28 April 2011 c393

¹⁶ [Sale of Tickets \(Sporting and Cultural Events\) Bill 2010-12](#) [first reading 30 June 2010; second reading 21 January 2011, adjourned to be resumed on 21 October 2011].

¹⁷ HC Deb 28 April 2011 c396

changes, Westminster Acts passed after that date have to make specific provision, where appropriate, for the new measures.

Since the 2006 Act gives Scottish Ministers the power to make advertising and trading regulations, amendment 1 is necessary to amend the Parliamentary procedure for making these regulations. Amendment 1 was agreed to.

3.2 Ticket touting

In respect of ticket touting, the Committee took oral evidence from Chris Allison (Assistant Commissioner, Metropolitan Police and national Olympic security co-ordinator) and from the Minister, Hugh Robertson.

Mr Allison reported on the successes of Operation Podium, the Metropolitan Police operation which had been targeting ticket touts and had already made arrests. He said that the police were supportive of the increased fine and there was anecdotal evidence that the proposed increase was already having a deterrent effect.¹⁸ Operation Podium was monitoring the internet and working with internet service providers to take down websites offering ticket scams.¹⁹ In response to questioning from Mrs Hodgson, he reiterated that the main threat to Olympic ticketing came from “organised criminal networks”. He confirmed that similar threats existed for other major sporting and cultural events but would not be drawn on details or on the merits of extending anti-touting legislation to other events.²⁰ Mr Allison saw no need to have reference to the *Proceeds of Crime Act 2002* on the face of the Bill, since the police could already use the 2002 Act to pursue unlawful proceeds through the courts.²¹ In reply to a question from Don Foster he said that he saw no reason to set the fine higher than £20,000.²²

When Mr Robertson gave evidence, Mrs Hodgson asked him about the private individual who unknowingly breaks the law by selling the ticket on to a friend for profit. The Minister responded that the ticket-owner should know what restrictions apply to the resale of an Olympics ticket, first because there is “awareness in the market” of the uniqueness of the event, second because it was in the “small print” on the ticketing website.²³

The Committee debated a probing amendment to clause 3 tabled by the Opposition which would have raised the maximum fine for ticket touting to £50,000. For the Opposition, Tessa Jowell said that she was now reassured by the Assistant Commissioner’s evidence that £20,000 was the appropriate level and withdrew the amendment.²⁴ Following their earlier exchanges, Mrs Hodgson urged the Minister to ensure that LOCOG publicised the resale restrictions as widely as possible and he undertook to write to LOCOG’s chief executive²⁵

¹⁸ PBC Deb 17 May 2011 cc44-5

¹⁹ PBC Deb 17 May 2011 c47

²⁰ PBC Deb 17 May 2011 cc49-50

²¹ PBC Deb 17 May 2011 c51. This was the intention behind amendment 4 to clause 3, tabled by the Opposition. The amendment provided that, where someone was found guilty of the ticket-touting offence by the magistrates’ court, the defendant could be committed to the Crown Court with a view to their assets being confiscated under the *Proceeds of Crime Act 2002*.

²² PBC Deb 17 May 2011 c53

²³ PBC Deb 17 May 2011 c58

²⁴ PBC Deb 19 May 2011 cc64,68

²⁵ PBC Deb 19 May 2011 c67

3.3 Traffic controls

As already mentioned, the Committee received written evidence from TfL and took oral evidence from Hugh Sumner, Director of Transport at the ODA and Garrett Emmerson from TfL.

Mr Sumner explained the scope of the traffic measures in the Bill, emphasising their technical nature. He also gave evidence as to the sufficiency of the traffic management powers during the Games and the wider traffic issues that the ODA would face during their duration.²⁶ Mr Emmerson outlined some of the possible logistical issues in relation to traffic and the Games and the importance for TfL of having enough flexibility to manage 'pinch points' and unexpected problems. He spoke more generally about the public transport issues surrounding the Games, but this does not relate directly to the Bill.²⁷

The Committee debated a number of amendments put down by Opposition spokesperson Tessa Jowell, all to clause 5 of the Bill on the enforcement of traffic regulation orders (TROs) and notices. One group of linked amendments was intended to make the Mayor of London responsible for setting penalty charges, rather than the Secretary of State for Communities and Local Government. The other amendment was intended to place a duty on the ODA to consult with 'relevant authorities' outside London, particularly in relation to the Olympic route network. The Minister responded positively to both proposals. He indicated that the Government would look at whether it might be possible to make the Mayor of London responsible for setting penalty charges in London and would return to the issue on Report and indicated that the Secretary of State could give the ODA a binding direction under the existing provisions of the 2006 Act to consult with authorities outside London on various matters.²⁸

4 Territorial extent

The provisions of the Bill relating to advertising and trading (clauses 1 and 2) extend to England, Wales and Scotland. The provision which increases the maximum fine for the illegal sale of tickets (clause 3) extends to the whole of the UK. The provisions of the Bill relating to traffic (clauses 4 to 8) extend to England and Wales but, as these concern traffic in London, they apply 'only to places in England and things done in or in respect of England'.²⁹

²⁶ PBC Deb 17 May 2011 cc3-16

²⁷ PBC Deb 17 May 2011 cc33-44

²⁸ PBC Deb 19 May 2011 cc68-70

²⁹ Clause 9(7) and 9(9)

Appendix 1 – Membership of the Committee

Chairs: Mr David Amess and Katy Clark

Clerk: Sarah Thatcher

The Committee consisted of the following 18 Members:

- Gavin Barwell (Croydon Central) (Con)
- Bob Blackman (Harrow East) (Con)
- John Cryer (Leyton and Wanstead) (Lab)
- Mr Jeffrey M. Donaldson (Lagan Valley) (DUP)
- Mr Don Foster (Bath) (LD)
- Mike Freer (Finchley and Golders Green) (Con)
- Duncan Hames (Chippenham) (LD)
- Mrs Sharon Hodgson (Washington and Sunderland West) (Lab)
- Joseph Johnson (Orpington) (Con)
- Tessa Jowell (Dulwich and West Norwood) (Lab)
- Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab)
- Mary Macleod (Brentford and Isleworth) (Con)
- Lisa Nandy (Wigan) (Lab)
- Hugh Robertson (Minister for Sport and the Olympics)
- Angela Watkinson (Lord Commissioner of Her Majesty's Treasury)
- Malcolm Wicks (Croydon North) (Lab)
- Phil Wilson (Sedgefield) (Lab)
- Mr Rob Wilson (Reading East) (Con)

Appendix 2 – Oral evidence, 17 May 2011

During the first evidence session, the Committee took oral evidence from the following witnesses:

- Hugh Sumner, Director of Transport, Olympic Delivery Authority
- Hannah Holdroyd, London Development Manager, Federation of Small Businesses
- Alice Nugent, Programme Manager (Advertising and Street Trading) Olympic Delivery Authority
- Bill Bilon, Chair, London Trading Standards Association
- Mike Baker, Chief Executive, Outdoor Media Centre
- Bill Wilson, Operations Director, Outdoor Media Centre
- Guy Pratt, Assistant Director Community Protection, Trading Standards Institute

During the second evidence session, the Committee took oral evidence from the following witnesses:

- Garrett Emmerson, Chief Operating Officer, London Streets, Surface Transport, Transport for London
- Chris Allison, Assistant Commissioner, Metropolitan Police
- Hugh Robertson MP, Minister for Sport and the Olympics, Department for Culture, Media and Sport