

## The Olympic investment in East London has barely scratched the surface of the area's needs

*Anne Power argues that the incredible amount of London 2012 money injected into one of the capital's poorest neighbourhoods has largely bypassed the residents themselves. Much more besides new infrastructure needs to be done to improve Newham and other East London communities.*



The Olympics brought over £9 billion of investment to the East End of London, by far London's poorest area. It was a huge prize for Newham, the actual site and main host of most of the Games; the sports facilities and venue; the Olympic Village; the international high-speed rail link between Europe and King's Cross. For the second most deprived local authority in the country, it must seem like manna from heaven. In fact the investment is so vast and the impact so visible that it is out of all scale to the fragile local communities surrounding the Olympic site itself. The big money largely bypasses the neighbourhoods where Newham residents live and even most of the residents themselves. Only a small minority of the thousands of construction jobs since 2005 went to local residents, in spite of an unemployment rate three times the national average. Newham's unemployment rose between 2005 and 2010 faster than the London average.

The supply of subsidised social housing has declined over the same period, in spite of a population boom after 2000, five times the rate of increase of London as a whole. Long-run regeneration schemes have removed thousands of homes, invariably failing to deliver the promised benefits to existing communities. Key decisions are made far from the communities directly affected.

The Olympic regeneration is different. The heavy infrastructure cost falls mainly on the government and tax payer, bringing supposedly large benefits to the host community. The high speed train to King's Cross radically changes Stratford's connections to central London, coming on top of extensions to the London Overground, the Dockland's Light Railway, the Jubilee Line and a big increase in London's super-modern bus fleet, all centred on the Stratford interchange. Soon German and French trains will speed into London via Stratford. Meanwhile, City Airport, a few minutes away in the nearby docks, is expanding. All this makes Stratford in Newham, one of the most concentrated hubs of London's complex public transport system.

However the new services of the legacy cost far more than the inferior services they replace. Fares for the fast lines are far above London's older lines, thereby excluding most local residents. On the other hand, the impressive increase in night buses travelling East helps East End workers get home from restaurants and other service jobs with late hours. The 'affordable rents' for the 2800 new homes that will be converted from the Athlete's Village will be unaffordable to Newham's poorest households. As one third of all children in the borough live in workless households, their families will almost certainly be excluded. Running a mixed social and private renting area as an integrated 'village' requires that conditions are more or less equal. At least half the social rented units must go to people in work and many social units are for families with children. Even places at the new academy school in the Olympic village are going to bypass most of Newham's residents, because the catchment area is very large. The new tenants in the post-Olympic village, for whom the new academy is partly designed, will lose out because the homes will not be occupied until months after the school opens.

The conspicuous and much publicised Westfield Shopping Centre at Stratford provides an upmarket 'all-inclusive' consumer paradise, definitely not designed for local bargain hunters. Meanwhile the 1960s shopping centre, opposite the Westfield Centre, has enjoyed a facelift to retain its local customers and continue to attract low-cost business. Summer jackets were on sale there last week at £1 each.

The Olympic swimming pool, when it opens to the public in 2013, will be costly to run, but will provide a

unique London-wide facility, and therefore not operate only as a local resource – far from it. This seems fair, but it's hard to get the balance right since Newham has so much catching up to do.

The difficulties facing the Olympic Legacy are inevitable for numerous reasons. Newham not only has double the national unemployment rate, but since 2005, worklessness has risen by 42 per cent, twice as fast as London. Thousands of jobs were created on and around the Olympic site between 2005-2012, but these mainly bypassed the local population. However in recent months, a major push has helped recruit locals into the short-term, six-week job of the actual Games. These time-limited jobs offer training, personal development and a big confidence boost, as well as cash. But someone needs to sort out the follow-through into apprenticeships and follow-on work, converting the Olympic Village, venues and park into useable local assets.

Newham in 2010 had 50 per cent more crime than the London average, with violent crime still three times the national average, but falling, like most crime except drug offences, which rose threefold since 2005. The Qataris who invested heavily in the Olympic village will impose strict rules on the shared courtyards of the new village to avert problems.

The Olympic investments have not created a house price explosion, as feared. Renting and buying property in Newham are still far cheaper than the London average. Adjacent Olympic boroughs have seen much steeper price rises since then. This is potentially good news. It makes housing more affordable – a huge bonus in today's climate of uncertainty. It makes social and ethnic integration more possible. It makes renting more attractive for low-income people. Disused sites and buildings, of which there are many in Newham, become more attractive as cash dries up. Renovation of structurally sound tower blocks, standing empty only a stone's throw from the Olympic site, could provide much needed high quality homes at less than half the cost of expensive new build that simply won't happen in the current climate.

Meanwhile Newham's previously poor school performance has overtaken the national average. Half its existing secondary schools were rebuilt under the 'Building Schools for the Future' programme. The council guarantees three years' free music tuition for every Newham school child as a way of leveraging up expectations and exciting children about education. Their reading guarantee programme aims to help every child to read, one to one if necessary. Free school meals accelerate children's learning. This progress should pay off if the big barriers to work shrink.

Newham has serious social and economic problems to overcome, but also a lot going for it. The Olympics are spawning a giant party, with around 4000 local community events happening in the borough alongside the Games, to make sure all feel included and trouble does not brew. But neither these events, nor the Olympic development itself will scratch the surface – a long haul face Newham and the rest of East London.

**Note: LSE Housing and Communities is carrying out research into the long term impact of the London Olympics on deprivation in the London Borough of Newham.**

*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.*

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