WESPORT
WEST OF ENGLAND SPORT TRUST
The Sport and Physical Activity Network
TRY IT LOVE IT LIVE IT
Reg. Charity No. 1114495

ECONOMIC VALUE OF THE SPORT SECTOR

IN THE WEST OF ENGLAND

Contents

1. Introduction

1.1 The West of England Sport Trust (Wesport)[1] wishes to assess the economic impact of the sports sector in the West of England[2]. This work has been undertaken by the Department of Accounting, Economics and Finance, within the Faculty of Business and Law, at the University of the West of England (UWE, Bristol). Zeta Economics was commissioned to undertake some of this work and this has been summarised in the report.

1.2 The sports sector contributes to the economy in many ways: by supporting employment and adding to the economic output due to commercial activities, by contributing towards increasing expected life span of the population, by facilitating better lifestyles that can also lead to increased income levels, by helping to avoid healthcare costs, as well as a number of other social benefits. The economic value of the sports sector is therefore comprised of a number of monetary and non-monetary elements, which require different approaches for their estimation.

1.3 This report provides an assessment of the value of sport sector activities in the West of England in 2012, as well as the total value that accrues to the whole UK economy. It also projects the expected future value of the sports sector in the next ten years.

[1] The West of England Sport Trust (Wesport) has been a Company Limited by Guarantee and registered charity since 2006. Wesport is also a member of the County Sport Partnership Network and is one of the 46 County Sport Partnerships across England established with the support of Sport England to be the strategic lead for sport in the West of England.

[2] The West of England covers the Local Authority areas of Bristol, Bath and North East Somerset (BANES), North Somerset and South Gloucestershire.

Executive Summary

E1.1 Sport is at the heart of the West of England region. With an active participation rate of 38.5% for 16+ people, the region is one of the most active in England. Additionally, there is a large latent demand for more sport. This participation is spread across a number of sports, both team and individual, and mass and niche. The highest participation rates are in gym, swimming and cycling. Sport participation occurs across all age groups, with some evidence that typical trends of reduced participation by older people may be redressed. The region boasts very good facilities, although lower than some with a similar profile. These facilities are dominated by grass pitches, although the region is well provided-for in terms of sports halls and fitness suites. Within the region, these excellent facilities and a strong voluntary and semi-professional network allow both Olympic champions and enthusiastic amateurs to thrive.

E1.2 This study, commissioned by Wesport, aims to estimate the economic value and impact of sport on the West of England region. Our research has deployed Sport England's Economic Value of Sport - Local Model. This divides the economic impact of sports into 3 main sectors: participation, non-participation and wider impacts. Participation includes such things as sports services, equipment and education. Non-participation includes spectator sports and their associated broadcasting and gambling activities. Wider impacts include the value of health benefits of sport, the contribution of volunteers and the wider spending of sports spectators and participants. The model is able to provide estimates of all of these impacts. Overall, our estimate of the combined value of impact of sport on the West of England regional economy is shown in Table E1.

Table E1: The total impact of sport on the economy of the West of England

SOURCE OF IMPACT	TYPE OF IMPACT	EMPLOYMENT	GROSS VALUE ADDED (£m)
Sports businesses and organisations	Direct impact through own activities	8,901	328.9
Sports businesses and organisations	Indirect impact from the supply chain	1,024	48.0
Sports businesses and organisations	Induced impact from employee spending	1,534	34.1
Volunteers	Value of services provided		52.0
Public sector	Activities associated with sport	1,210	35.1
Spectators visiting WoE to see sport	Spending in the West of England	1,696	85.6
Health impact of sport activity	Saving in NHS costs		17.9
Health impact of sport activity	Benefits of living healthier for longer		260.9
Health impact of sport activity	Higher productivity of healthy people		14.2
TOTAL IMPACT		**14,365**	**876.7**

E1.3 To put the figures quoted above in proportion, the employment in sports in the West of England is some 50% greater than employment in the combined water, gas, electricity and waste management sectors in the region. The gross value added was around double that generated by the arts and entertainments sector and well over 50% of that generated by the entire food and accommodation sectors of the local economy. Health benefits offset some 25% of total health and social work spending.

E1.4 On the basis of the findings above, a very strong case can be made for ongoing and enhanced support for sport in the West of England. The essence of this case is the powerful impact of sport on the local economy and the substantial social benefits that result. To illustrate this, sponsorship or other support that results in £1m of additional sports activity (in terms of Gross Value Added) will bring the following additional benefits:

- £291,000 additional GVA spillover local economic activity
- £184,000 of value from volunteering
- £304,000 of wider benefit from visitors attending sports events
- £990,000 of health benefits
- £50,000 of additional income to healthy people

E1.5 **The original £1m leads to a total benefit of £2.82m to the local economy.** Few, if any, other sectors can demonstrate such an impressive rate of return on support expenditure.

DIRECT IMPACT

E1.6 The study estimates that in 2012 the direct economic value of private sector sport to the West of England was £328.9m, which supported 8,901 jobs.

INDIRECT IMPACT

E1.7 We have also estimated spillover impacts on the local economy. Spillovers arise in two ways. Firstly, the businesses in other sectors supplying goods and services to the sports sector use the income earned to buy goods and services and pay employees. The businesses supplying these goods and services in turn use this income to buy further goods and services and pay their employees and so on. If all these additional rounds of income and expenditure are added up the total is called *indirect* expenditure. We estimate that this impact adds up to £48m, supporting 1,024 jobs.

INDUCED IMPACT

E1.8 There are further spillover effects associated with sports sector employees pay. This personal income is spent on such things as food, entertainment, housing, holidays and durable goods and thus finds its way to other business sectors. Firms in these sectors spend part of this money on employees pay and these employees spend this income and so on. Adding up all this additional income and expenditure gives *induced* expenditure. We estimate that this impact adds up to £34.1m, supporting 1,534 jobs.

E1.9 Adding together direct, indirect and induced income, we estimate that the private sport sector will generate £595.4m and 16,342 jobs. Similarly, the public sector added a further 1,210 jobs and £35.3m gross value added.

E1.10 Taking into account that some of the people employed in the local economy may live outside it, we have further estimated that of that gross total, we estimate that £385.41m (and an associated 11,084 jobs) are additional to the local economy.

VOLUNTEERS

E1.11 However, a specific feature of sport is the importance of volunteers, the value of which must be taken into account. Accordingly we estimate 59,541 volunteers in total contributing many millions of hours of work. The value to the sport sector of volunteering amounted to £52m, and wider impacts totalled £65.9m. We tentatively estimate that the extra benefits of improved life satisfaction associated with volunteering are worth another £233m.

VISITOR EXPENDITURE

E1.12 Two other sources of economic value are important to mention. We estimate wider economic benefits arising from visitors to the region associated with sporting events to be £126.14m in gross value added, supporting 2,628 jobs. Taking into account leakages, these wider benefits add £85.56m to the local economy and net 1,696 jobs.

CAPITAL PROJECTS

E1.13 A second key consideration is the economic value of sport sector capital projects. The region is currently seeing several large scale developments, such as a rebuild of Ashton Gate, a new Bristol Arena and the proposal for a new stadium for Bristol Rovers. We estimate that 75 jobs per annum will be supported in the West of England's construction sector. This will generate further employment through indirect and induced impacts bringing the total to 109 jobs. Approximately 82 jobs are expected to be completely new to the West of England economy adding £5.5 million of GVA annually during the next 10 years.

HEALTH BENEFITS

E1.14 Sport may have positive social effects such as improved health, reduced crime, greater prestige and higher productivity. Of these we are able to reliably estimate likely health benefits. The Sport England Local Model provides an estimate of cost savings to the NHS as a result of avoiding different types of illness at £17.9 million, the quality adjusted life years saved is 8,696 and the health benefits based on life years saved is £260.87 million. Health benefits offset some 25% of total health and social work spending. Additionally, regular exercise has both short and long-term impact on the level of an individual's income. This premium gives rise to additional income of £14.19 million gained by active people.

INTANGIBLES

E1.15 It is outside the scope of this study to estimate the likely benefits of sport to the local economy arising from intangibles, for example that major sporting achievements are associated with productivity gains, or in greater optimism. It is possible, too, that the prestige achieved by sporting success might make an area more attractive to investors and workers. It has also been claimed that opportunities for sport participation may reduce other anti-social activities such as crime[3]. It may also be that preserving and carefully managing sport grounds will have environmental benefits[4]. Maintaining green spaces may facilitate walking and running, while clearly football, rugby, cricket et al all require dedicated pitches. Clifton and Durdham Downs in Bristol all host football, softball, frisbee, and fitness training.Given the likely positive effects of sport on crime rates, on the reputation and attractiveness of the region, and on productivity levels, this final estimate is likely to be conservative.

RECOMMENDATIONS

E1.16 Based on these findings we offer some recommendations for local economic policy. It is clear that sport is highly beneficial and should be encouraged. This has implications beyond the scope of local economic policy makers, into education, for example. However, it would seem that a precondition for sporting success is the existence of physical and social infrastructure; specifically, facilities and volunteer networks. It is essential therefore that existing facilities are preserved. Because the region supports a variety of sports, and because this is likely to help maintain participation rates, the most useful facilities are those which are flexible and support multiple sports. Clearly as well, these facilities must be accessible widely, again to encourage participation and reduce barriers to those whose latent demand is currently thwarted. Existing professional organisations can play a crucial role here, in offering facilities and expertise.

RECOMMENDATIONS

E1.17 Three of the four Unitary Authorities in the West of England (BANES, Bristol and South Gloucestershire) are in the process of developing new strategic documents for built sports facilities and playing pitches, currently at various stages of development and adoption by council elected council officials (May 2015). These strategies will be key in setting a context within which sport facilities can be maintained and developed to meet future demand, taking account of housing and population growth predicted for individual council areas and the West of England as a whole.

[3] See http://www.sportengland.org/media/91502/creating-safer-communities.pdf for a summary of evidence. Accessed 11:25 5 March 2015.

[4] See http://www.stma.org/sites/stma/files/STMA_Bulletins/NaturalGrassFields.pdf. Accessed 11:25 5 March 2015.

2. The sport sector in the West of England region

2.1 Sport is at the heart of the West of England region. Bristol is a Core City[5]; and the Bath Sports Training Village is a world-class facility which attracts elite athletes and others to the region. North Somerset and South Gloucestershire have recently invested in inclusive sport initiatives, to develop a legacy from the 2012 London Paralympics.

2.2 The Sport sector touches the lives of most people, either as spectators, or more broadly, as direct participants, or indirect participants, for example parents who support their children in their sporting endeavour. Current data suggests that at least 38.5% of people in the West of England region are active in sport once per week[6]. This makes the West of England the fifth most active in the country. Also, that estimate excludes those under 16, so will not capture school sports or organised sport like junior football. It also excludes some minority sports. So, total participation is more likely over 50%[7]. The region has relatively low levels of childhood obesity (16.5% compared to England 19.2%, although this masks significant differences between the most and least affluent areas in the West of England. Each Unitary Authority Joint Strategic Needs Assessment[8] identify the current and future health and wellbeing needs, highlight theses variances: There is also a clear geographical correlation between sport participation and lower rates of obesity[9]. In addition, data consistently report that people would like to participate more.

2.3 Football is the dominant sport, being the most watched: our survey (Wesport survey) estimates around half a million spectators in 2013/14, and this underestimates the numbers at lower levels of the pyramid and junior matches. This result is consistent with the available data, which also suggests that football is the sport in which people most often express an interest[10]. In the West of England, rugby union is also very popular as a spectator sport. Bath Rugby and Bristol Rugby in particular attract economic activity to the region. Both of these sports are also commonly played. However, as shown below, individual, fitness-oriented sports are the leaders in participation. This shows the importance of leisure centres, fitness clubs and other tailored facilities.

2.4 Though City of Bristol has an inferior number of sport facilities (388) overall when compared to other cities such as Sheffield (540)[11], overall the West of England has many excellent sports facilities. Bristol and Bath have a number of sports clubs, which are successful and popular at national and international levels. These include Bath Rugby playing in Aviva Premiership league, Bristol Rugby playing in the second tier RFU Championship, Bristol City Football club in League One (third tier), Bristol Rovers in the Football Conference (fifth tier), Bath City Football Club, Gloucestershire Cricket Club, Bristol Academy Women's Football Club, Bristol Flyers Basketball Team, and other smaller clubs and teams. Four universities in Bristol and Bath have numerous student sports clubs with some athletes performing at the Olympic level. One example of excellent facilities is the Bath University Sports Training Village (see Box 1).

[5] The Core Cities are economically the largest areas outside of London in England, Wales and Scotland. Current Core Cities are Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield. The Core Cities Group work directly on shared priorities, and through officer working groups and regular meetings, help share and develop best practice and delivery.

[6] Active People Survey 7 2012/13. A time series of participation rates shows little recent variation.

[7] Based on population figures from the Sport England Local Sport Profile tool and based on 38.7% of adults participating, including everyone age 0 -15 as participating would give a participation rate of 51.8%. So 50% is a reasonable estimate.

[8] Joint Strategic Needs Assessments are available via each unitary authority's website.

[9] See BANES Mini LSP 2014 http://tinyurl.com/neh6czc; and the Bristol Mini LSP 2014 http://tinyurl.com/n84ow65 Accessed 11:25 5 March 2015.

[10] https://www.ipsos-ori.com/researchpublications/researcharchive/928/Rugby-Union-Britains-Second-Most-Popular-Sport.aspx Accessed 11:25 5 March 2015.

[11] See the Sport England Local Sports Profile Tool.

2.5 Consequently the region also hosts elite level players in, for example netball, baseball, and softball. The current World number 1 ranked squash player, Mohamed el Shobarghy, is based in Bristol, training at UWE. The Bath Sports Training Village has hosted many British Olympians (for instance skeleton bob gold medallist Lizzie Yarnold). These elite athletes are important in generating prestige for the area, which may have some economic effect. Further, the existence of elite training facilities such as those at Bath attract participants and economic activity to the area, for instance by attracting students to the area, or international teams: next year Bath will host the Australia Rugby Union World Cup squad.

2.6 These facilities are maintained by a huge variety of organisations: our survey went out to 459 of them. Again, this is likely an underestimate of the total number. Grass pitches account for 53% of sports facilities, followed by sports halls (14%) and health & fitness suites (8%) as shown in the table below:

Table 1: Sports facilities in the West of England

SPORTS FACILITIES	% SHARE	SPORTS FACILITIES	% SHARE
Grass Pitches	53	Tennis Courts	4
Sports Hall	14	Golf	4
Health & Fitness Suites	8	Squash Courts	3
Artificial Grass Pitch	6	Table Tennis Centre	1
Swimming Pool	6	Indoor Bowls	1

Box 1: CASE STUDY: UNIVERSITY OF BATH SPORTS TRAINING VILLAGE - INSPIRING FOR HEALTH AND SUCCESS

University of Bath Sports Training Village is an excellent sports centre that has been a training ground for many world class athletes, both British and international. A large array of sports facilities at the Village is complemented by a physio and medical treatment centre, physiology lab, and a video analysis suite.

Each sport represented in the Village has one club that uses the facilities with the exception of swimming, which has a number of local swimming clubs that come to use the 50m pool on a regular occasion. There are also various student clubs run via the university itself. Approximately 15 clubs and 20 student clubs make use of the sports centre.

In all, 25 athletes that trained at Bath University's facilities went on to compete in the London 2012 Olympic games; 6 of these were for track and field athletics, 6 were for rhythmic gymnastics, 5 were swimmers, 4 were modern pentathletes, 2 were beach volleyball players and there was also a badminton player and a judo player (although these athletes represented Egypt and Ghana respectively).

Lizzie Yarnold won gold for the individual skeleton bobsleigh at the 2014 Sochi Winter Olympics. Amy Williams, a multiple world champion in the skeleton also used the facility. Both 4-man bobsleigh teams that competed at Sochi trained at Bath University, with the team of Stuart Benson, Joel Fearon, John Jackson and Bruce Tasker finishing in fifth. All of these athletes are still training at Bath University in some form, mostly through their respective national governing bodies (e.g. British Athletics) that use the facilities on a regular basis. Previously, sprint relay gold medalist Jason Gardiner and sprint swimming World Champion Mark Foster have trained there.

Facilities at Bath University are some of the best in the country, lending themselves to high performance training at the highest national and international level. This level is consistent and has been sustained for many years. The Training Village currently operates at full capacity and room for expansion is very limited. The centre does not keep track of how many individual people use their facilities on a regular basis, rather they keep a tally of the number of clubs with a rough approximation of individual participation figures. However, the university has seen quite a large increase in people taking part in athletics since the 2012 Olympics. The waiting list for juniors wishing to join has dramatically increased. There has also been a large increase in the number of those attending trials for the bobsleigh and skeleton teams since the 2010 Winter Olympics.

2.7 Overall, however, the sector is difficult to capture. The sports sector is varied comprising purely commercial organisations, e.g. manufacturers, retailers, privately funded sports clubs, privately owned and run sports facilities and venues as well as public sector owned facilities, public sector supported organisations, and numerous volunteering inputs. That fact reflects another, that the sector is characterised by a great diversity across a number of dimensions. Within the West of England, we can see that sport varies in terms of:

- **Types of sport:** the region hosts a vast variety of sports, in many different venues. These include mass and niche team and individual sports
- **Levels of achievement:** the region is host to Olympic champions, those representing their country in niche sports and many thousands of committed amateurs, participating as individuals and in teams
- **Age distribution:** people of all ages participate in sport in this region. As one might expect, participation falls with age, but demographic and cultural changes may affect this trend
- **Economic status:** the region has a large number of professional athletes making a living at sport, but a considerable number of people get paid a nominal fee for playing, or provide services voluntarily. Football provides a good example of the range of activities undertaken (see Appendix 4)
- **Benefits:** the full economic benefits of sport must include those from health and other social outcomes

SPORT PARTICIPATION

2.8 According to Wesport data, the region is host to at least 50 sports, but because Sport England does not recognise all sports, this number is likely to be an underestimate. These include mass participation traditional team sports such as rugby, and non-traditional niche team sports like korfball. Similarly, the region is home to mass individual sports such as fitness training, but also niche sports such as frisbee, capoeira and petanque. Many of these are based in non-sports leisure establishments, such as pool or darts. There are a significant number of people who also spectate on sport in these recreational environments, either by going to the pub or sports bar to watch football, or by watching sport at a sport or leisure facility.

2.9 Tables 2 to 4 show sports participation data for the region. Table 2 shows the sports with the highest participation. In the region most sport is done by individuals for fitness.

Table 2: Participation rates for different types of sport

SPORT	PARTICIPATION RATE = >1 PER WEEK
Gym	9.57%
Swimming	8.07%
Cycling	5.42%
Athletics	5.19%
Fitness & Conditioning	4.59%
Football	3.95%
Golf	1.80%
Keep fit, Yoga & Pilates	1.44%

Source: Active People Survey 7 2012/13

2.10 Table 3 displays participation figures by category and age. It shows that according to our survey, the organisations with the most sports participation were sports centres (55,830 participants), health & fitness centres (35,889 participants) and golf (22,480 participants). Within the sports centre category, most participants (59%) were adults aged 25-65, followed by young people aged 16-24 (22%)[12].

[12] Despite some concerns about our sample (see Appendix 2), these findings are likely to be reasonable, albeit an underestimate.

Table 3: Number of sports participants by age group

ORGANISATION	CHILDREN (0-15)	YOUNG PEOPLE (16-24)	ADULTS (25-65)	OLDER PEOPLE (OVER 65)	TOTAL PARTICIPANTS
School	250	530	975	100	1,855
Running	4	4	30	6	44
Community Sports	470	1,875	2,655	65	5,065
Sports Centre	5,225	12,050	32,950	5,605	55,830
Rowing	500	20	100	20	640
Hockey	250	200	150	0	600
Health & Fitness	9,771	2,856	20,203	3,059	35,889
Golf	5,030	7,030	7,235	3,185	22,480
Cricket	5,475	302	612	114	6,503
Archery	70	20	120	8	218
TOTAL	**27,045**	**24,887**	**65,030**	**12,162**	

Source: Wesport survey

2.11 Table 3 also reports on a key factor affecting the social value of sport: age distribution. The table shows sport participation falls with age, although even younger people may only play at school, whereas others may play football and/or rugby many times per week. As seen below in Table 4, in the West of England, (for ages 16+) the main age group for participation is, as expected, 16-19 year olds[13].

Table 4: Participation rates for different age groups

AGE GROUP	PARTICIPATION RATE = >1 PER WEEK
16 - 19	70.80%
20 - 25	49.40%
16 - 25	57.70%
26 - 34	42.90%
35 - 44	43.00%
45 - 54	43.60%
55 - 64	31.40%
65 and over	17.00%

Source: APS7 2012/13

2.12 However recent trends in retirement ages, sports available to play, and cultural norms mean that this age effect may diminish[14]. New opportunities for doing sport, plus other initiatives to change values, means that sport participation in older age groups has increased. This is partly because increased gym membership and the emergence of opportunities to practise yoga or pilates (which are relatively popular amongst what Sport England calls 'retirement home couples'), which supplement swimming or walking as popular sports. Consequently the downward trend in participation by age is counteracted by increased participation by 'comfortable mid-life males' and 'early retired couples'[15]. Given that these groups tend to be wealthy, their contribution to the income going into sport may be disproportionately high. A factor which might mitigate this increase in participation is that female participation is consistently lower than male participation[16]. However, again, there has been a trend to increased participation in women 55-64[17] which may increase participation rates in older groups, through so-called 'sports literacy' effects: for people who do sport, it becomes part of what they regularly do.

2.13 Further, we see a lot of age variation between sports. Whereas intensive competitive sports are dominated by the youngest age groups, swimming has a wider spread of participants, badminton is played much more by the middle-aged, and sports like bowls are dominated by older age groups. Crucially, Sport England data shows that there is a more even demand across age groups for swimming[18]. Again this underlines the importance of having good facilities available.

[13] Active People Survey 7 2012/13.
[14] See Active People Survey. Participation profiles for these older age groups fluctuate but suggest a slight upward trend. With sports literacy effects it is reasonable to assume that participation rate for the older group will increase as the previous group feeds into it.
[15] See Sport England Market Segmentation: http://tinyurl.com/ogatqsy Accessed 11:25 5 March 2015.
[16] See Active People Survey.
[17] See Active People Survey.
[18] See Sport England Market Segmentation: http://tinyurl.com/mofctp7 Accessed 11:25 5 March 2015.

3. Methodology

3.1 This research has incorporated estimates for the regional and national economic impact of the sports sector from bodies such as the Sport Industry Research Centre (SIRC), Sport England and Office for National Statistics (ONS). These estimates calculate the value of sports activities by examining income (consumer expenditure) and production (output by businesses and organisations) and further details are available in Appendix 1.

3.2 The sports sector encompasses a wide number of organisations including commercial businesses (e.g. manufacturers and sports clubs), the public sector and volunteering bodies. As detailed in Appendix 1, the valuation of the sports sector is further complicated due to the ambiguity of public sector spending and the possibility of double counting of economic impact.

3.3 The approach in this report follows the structure given below adapted from Sport England's analysis.

Table 5: Elements of the economic value of sport

PRIVATE AND PUBLIC SECTOR ACTIVITIES	WIDER IMPACTS
• Sports facilities and clubs • Sportswear and equipment • Public sector expenditure and sport education • Sports broadcasting and gambling	• Health • Volunteering • Wider spending (spectators & participants) • Other benefits

3.4 Assessing the economic impact of sports activities in the West of England is complex and this research has used Sport England's Economic Value of Sport - Local Model. This is referred to below as the Local Model. This divides the economic impact of sports into 3 main sectors: participation, non-participation and wider impacts as shown in the table below. The calculation of these sectors, and various sub-sectors, has been further discussed in Appendix 1.

Table 6: Sport England's Economic Model Theoretical Framework

PARTICIPATION	WIDER IMPACTS	NON-PARTICIPATION
• Sports services • Sportswear and equipment • Sport education	• Health • Volunteering • Wider spending (spectators & participants)	• Spectator sports • Sportswear and equipment • Sports broadcasting and gambling

3.4 Assessing the economic impact of sports activities in the West of England is complex and this research has used Sport England's Economic Value of Sport - Local Model. This is referred to below as the Local Model. This divides the economic impact of sports into 3 main sectors: participation, non-participation and wider impacts as shown in the table below. The calculation of these sectors, and various sub-sectors, has been further discussed in Appendix 1.

IMPACTS NOT EVALUATED IN THIS REPORT

3.5 *Intangibles* are those things which may well result from sport participation or spectating, but are hard to capture and therefore hard to measure. They may have effects which initially appear non-economic. It has been claimed, for instance, that major sporting achievements are associated with *productivity* gains, or in *greater optimism*. For example, some attribute a General Election result in 1966 to England winning the World Cup. It is possible, too, that the *prestige* achieved by sporting success might make an area more attractive to investors and workers. It seems likely that success in football has enhanced Manchester's image and increased its ability to attract economic activity. In a previous study we discussed the possible impact on Bristol's image of the Banksy art exhibition in 2009 (Mearman and Plumridge, 2012)[19]. Taking into account such prestige enhancing impacts would increase the estimated value of sport to local economy even further.

3.6 Sport England's research into Creating Safer Communities; Reducing anti-social behaviour and the fear of crime through sport highlights how sport participation may reduce anti-social activities such as crime[20]. It may also be that preserving and carefully managing sport grounds will have environmental benefits[21]. Maintaining green spaces facilitates walking and running, while clearly football, rugby, cricket et al all require dedicated pitches. Clifton and Durdham Downs in Bristol all host football, softball, frisbee, and fitness training.

3.7 Productivity effects: Lechner and Downward (2013)[22] claim that there is a clear link between labour market outcomes and sport participation. This may partly result from signalling higher productivity. Pfeifer and Cornelissen (2010)[23] argue that sport might be considered a 'good' leisure activity that builds character, good habits and self-esteem and hence add to the productivity of the individual in contrast to a 'bad' leisure activity such as TV watching. However, evidence for this is weak. These effects are plausible, however, and would mean the value of sport estimated in this report is significantly understated.

[19] Mearman,A. and Plumridge, A. (2012). Banksy-the economic impact. In: Gough, P., ed. Banksy: The Bristol Legacy. Bristol: Sansom and Company.

[20] See http://www.sportengland.org/media/91502/creating-safer-communities.pdf for a summary of evidence. Accessed 11:30 5 March 2015.

[21] See http://www.stma.org/sites/stma/files/STMA_Bulletins/NaturalGrassFields.pdf Accessed 11:30 5 March 2015.

[22] Lechner, M & Downward, P, Heterogeneous Sports Participation and Labour Market Outcomes in England, IZA Discussion Paper No. 7690 October 2013, see http://ftp.iza.org/dp7690.pdf

[23] Pfeifer, C., and T. Cornelissen (2010). The impact of participation in sports on educational attainment – New evidence from Germany, The Economics of Education Review, 29 , 94–103.

4. Economic value of sports activities in the West of England

4.1 EMPLOYMENT IN SPORT SECTOR BUSINESSES AND ORGANISATIONS

4.1.1 Data from the Office for National Statistics can be used to estimate employment in sports businesses and organisations. Employment is broken down by sectors based on the Standard Industrial Classification (SIC) system. This is not perfect for working out sports sector employment, e.g. sports broadcasting is bundled together with nature and wildlife programming. This is allowed for in the table below and the adjustment is explained in Appendix 1.

4.1.2 In 2013 there were 8,438 people directly employed in the sport sector in the West of England, as shown in the table below. Operation of sports facilities accounted for the largest sub-sector of employment (40%), followed by the activities of sports clubs (18%) and the retail sale of sporting equipment in specialized stores (17%).

Table 7: Employment in sport sub-sectors in the West of England in 2012

INDUSTRY	2011	2012	2013
32300 : Manufacture of sports goods	45	48	29
47640 : Retail sale of sporting equipment in specialised stores	1,140	1,578	1,411
77210 : Renting and leasing of recreational and sports goods	205	124	193
85510 : Sports and recreation	256	251	276
93110 : Operation of sports facilities	3,610	3,512	3,366
93120 : Activities of sport clubs	1,194	1,316	1,483
93130 : Fitness facilities	568	584	615
93191 : Activities of racehorse owners	6	14	8
93199 : Other sports activities (not including activities of racehorse owners) nec	311	286	485
60200 : Television programming and broadcasting activities	49	20	10
92000 : Gambling and betting activities	591	630	562
TOTAL DIRECT SPORT SECTOR EMPLOYMENT	**7,975**	**8,363**	**8,438**

Source: BRES/Authors' calculations

4.1.2 The Sport England Local Model has been based on a more detailed analysis of the ONS employment data above and gives a somewhat higher figure for the total direct employment for 2012. This is broken down by activities associated with participation in sport (participation) and activities associated with spectator events (non-participation) and shown in the table below. This shows that a total of 8,901 jobs are generated through sport in the West of England, including participation and non-participation sectors:

Table 8: Sport England Economic Local Model results for the West of England LEP area for employment in 2012

SECTOR OF EMPLOYMENT IN THE WEST OF ENGLAND LEP AREA	NUMBER OF JOBS
Participation	
Sports services	4,776
Sportswear and equipment	638
Sport education	1,091
TOTAL PARTICIPATION	**6,505**
Non-participation	
Spectator sports	900
Sportswear and equipment	946
Sports broadcasting and gambling	550
TOTAL NON-PARTICIPATION	**2,396**
TOTAL JOBS	**8,901**

Source: Sport England Local Economic Model, 2014

4.2 ECONOMIC VALUE OF THE SPORTS SECTOR: TURNOVER AND VALUE ADDED OF BUSINESSES AND ORGANISATIONS

PRIVATE / COMMERCIAL SPORT AND SPORT RELATED ACTIVITIES

4.2.1 Using the Sport England Local Economic Model the total direct gross value added has been calculated in the table below for each sector of employment. This shows that the total gross value added is £328.9m with £240.4m generated through participation and £88.5m through non-participation activities.

Table 9: Sport England Local Model results for the West of England LEP area for Gross Value Added in 2012

SECTOR OF EMPLOYMENT IN THE WEST OF ENGLAND LEP AREA	GROSS VALUE ADDED (£M)	GROSS VALUE ADDED PER JOB (£)
Participation		
Sports services	119.8	25,079
Sportswear and equipment	34.1	53,518
Sport education	86.5	79,265
TOTAL PARTICIPATION	**240.4**	
Non-participation		
Spectator sports	22.8	25,307
Sportswear and equipment	50.7	53,576
Sports broadcasting and gambling	15.0	27,277
Total non-participation	88.5	
TOTAL JOBS	**328.9**	

Source: Sport England Local Economic Model, 2014

4.2.2 The gross value added per job was highest for the sport education activities where gross value added per job totaled £79,265. This was followed by sportswear and equipment sector where participation and non-participation activities produced gross value added per job of £53,518 and £53,576 respectively.

4.3 Spillover impact on the rest of the economy

Box 2: SPILLOVER IMPACT
(DIRECT, INDIRECT AND INDUCED EXPENDITURE AND MULTIPLIER EFFECTS)

When expenditure occurs in one sector of the economy it has spillover effects. In the case of the sports sector, the initial income of sports organisations is partly used to pay employees and partly to pay for a range of goods and services provided by outside businesses in other sectors. The total of income spent in this way is called direct expenditure. However, further spillover effects arise in two ways. Firstly, the businesses in other sectors supplying goods and services to the sports sector use the income earned to buy goods and services and pay employees. The businesses supplying these goods and services in turn use this income to buy further goods and services and their employees and so on and so on…..If all these additional rounds of income and expenditure are added up the total is called indirect expenditure.

There are further spillover effects associated with sports sector employees pay. This personal income is spent on such things as food, entertainment, housing, holidays and durable goods and thus finds its way to other business sectors. Firms in these sectors spend part of this money on employees pay and these employees spend this income and so on and so on….. Adding up all this additional income and expenditure gives induced expenditure.

The original initial sports sector expenditure is called direct income. If we consider the impact of additional indirect and induced expenditure on a relatively small geographical area such as the West of England, much of this additional impact will be lost through what is called leakage. This occurs as a proportion of West of England sports sector employees and a proportion of businesses supplying the sector will be located outside the region. Thus some additional income and expenditure will not benefit the West of England. The proportion of direct expenditure represented by additional indirect and/or induced expenditure remaining in the region gives rise to a multiplier effect. The indirect multiplier has been calculated as 0.46 (for every pound spent within the sport sector £0.46 was generated as turnover for its local suppliers). The induced expenditure multiplier is 0.20.

4.3.1 Based on the survey undertaken for this study, the indirect multiplier of the sector was 0.46. This is applied to direct employment to produce an estimate of the supply chain value and employment attributable to the spending by sport sector organisations. However, it must be emphasised that the survey produced a low response rate and this estimate is based on a relatively low number of respondents. However, an alternative methodology is applied in Appendix 1 and this yields broadly similar results for both value and employment.

4.3.2 Induced employment and gross value added are estimated by applying a set of more generic assumptions: average weighted salary in the West of England; weekly household expenditure in the South West and average GVA in the South West in sectors of expenditure. Using ONS earnings data, the total remuneration estimate from both direct and indirect employment is £200.35 m, which supports a further 4,094 jobs in the UK economy.

Table 10: Economic value of the sports sector in the West of England showing spillover impacts (2012)

TYPE OF ECONOMIC IMPACT	EMPLOYMENT	GVA (£m)	EMPLOYMENT MINUS LEAKAGE OUTSIDE WEST OF ENGLAND	GVA MINUS LEAKAGE OUTSIDE WEST OF ENGLAND (£m)
Direct	8,901	328.9	7,628	281.8
Indirect	4,094	192.2	1,024	48.0
Induced	3,347	74.3	1,534	34.1
TOTAL	**16,342**	**595.4**	**10,186**	**363.9**

Source: BRES, ONS, authors calculations

4.3.3 As shown in the table above the total employment supported by West of England sport sector organisations in the UK amounts to 16,342 jobs, which creates £595.4 m of GVA.

4.3.4 In the table above, it has been necessary to calculate 'leakage' for employment and GVA. There are various reasons for this including the fact that some sports sector employees will live outside the area, some materials will be purchased from outside of the West of England and the sector will not therefore fully benefit from the economic value generated. Further detail on the calculation of leakage may be found in Appendix 1.

4.4 VALUE OF VOLUNTEERING IN SPORTS

4.4.1 The Local Model estimates 59,541 volunteers in the West of England in 2012 and values their contribution at £52m, based on the cost of employing staff to provide equivalent services. Alternative estimates are discussed in Appendix 1.

4.4.2 For comparison, the Sport England Local Model gives the following estimates for the other LEPs: Swindon and Wilts £46.3m, Stoke on Trent and Staffs £58.8, Tees Valley £35.1, Thames Valley and Berkshire £60.6m, The Marches £37.8m, Worcestershire £41.5m, York, North Yorkshire and the East Riding £54.2m

4.4.3 Besides providing an economic benefit to society in terms of free services, frequent volunteers (29%[24]) derived additional benefits in terms of increase in life satisfaction. These were valued at £13,500 per person[25]. If this proportion applied to the West of England, then these benefits would amount to a further £233m. However this valuation is somewhat tenuous and not included in our overall estimates.

4.5 PUBLIC SECTOR EMPLOYMENT

4.5.1 Sports activities in schools and sports regulating bodies are financed by public funds: the Education Funding Agency, Sport England grants and other public sector financed programmes and projects. Primary schools also receive the PE and Sport Premium in addition to the usual funds and grants to improve sport participation.

4.5.2 The sport education (primary and secondary) economic impact has been estimated based on the South West regional study (SIRC, 2010) figure for local government expenditure on sport education.

4.5.3 The Sport England provided grants and funding of £2.3 million in West of England in 2012/2013. The spillover impacts have been estimated using the same methods and multipliers as applied to sports businesses and organisations in the preceding section.

[24] Foster, R., 2013. Household Satellite Accounts – Valuing Voluntary Activity in the UK. Office for National Statistics.
[25] Fujiwara, D., Oroyemi, P. and McKinnon, E. (2013). Wellbeing and civil society: Estimating the value of volunteering using subjective wellbeing data, UK Government DWP WP 112. Available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221227/WP112.pdf Accessed 11.45 5 March 2015.

4.5.4 The estimates of public and education sector impact are included in the table below. Further information on the estimates made in these figures may be viewed in Appendix 1.

Table 11: Public sector sport funding impacts

PUBLIC SECTOR	EMPLOYMENT	GVA (£m)	EMPLOYMENT IN WEST OF ENGLAND	GVA IN WEST OF ENGLAND (£m)
Direct	37	0.48	5	0.07
Indirect	18	0.80	9	0.40
Induced	18	0.37	3	0.07
TOTAL	**73**	**1.65**	**18**	**0.53**
EDUCATION				
Direct	917	13.59	786	11.65
Indirect	219	12.23	94	5.24
Induced	372	7.66	198	4.09
Total Education	1,137	33.48	880	20.97
TOTAL OF PUBLIC SECTOR AND EDUCATION	**1,210**	**35.13**	**898**	**21.51**

Source: authors calculations

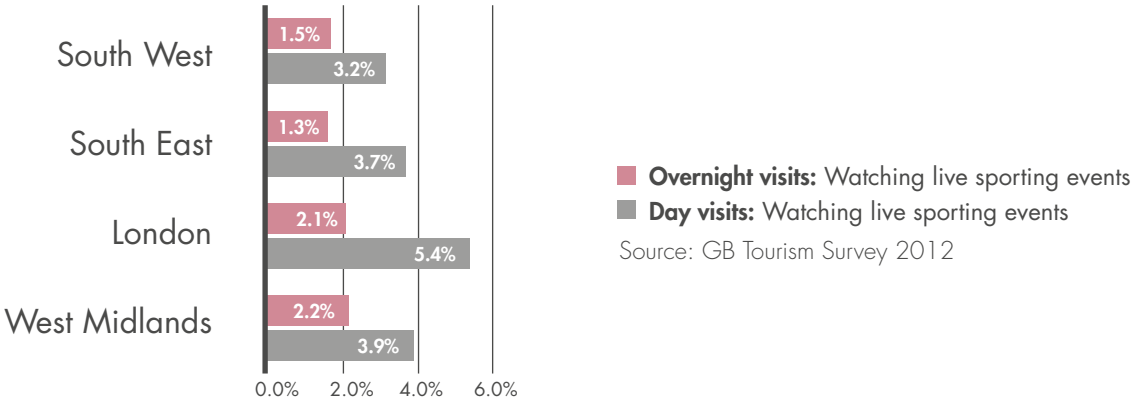
4.6 WIDER IMPACTS

SPECTATOR AND PARTICIPATION SPORTS VISITS

4.6.1 Data on sports visits is only available for regions such as the South West. Figure 2 below compares day and night visits with live sports attendance for the South West and other neighbouring regions (GB Tourism Survey 2012). The day visits to watch live sport events were undertaken to a proportionately lesser extent in the South West region compared to other neighbouring regions (Figure 3.3), whilst overnight staying visits were slightly above among those visiting in the South East.

A recommendation from this report is for the lead tourism organisations (Bath Tourism Plus; Destination Bristol) to capture data on bed nights /visitors for sporting events/activities in future years to gain a better understanding and insight into the impacts this activity has on the local economy.

Figure 1: Day and overnight visits with live Sports attendance 2012



Source: GB Tourism Survey 2012

4.6.2 In order to estimate the wider impacts resulting from expenditure by spectating and participating visitors to the West of England area, Visit England statistical data was used to model visitor expenditure and jobs and GVA generated by it.

4.6.3 This expenditure supported 1,482 jobs in the UK economy overall with 1,270 jobs in the West of England after taking account of leakages. Indirect and induced spillover impacts further enhanced employment and GVA. The total number of jobs in the West of England was 1,696 in 2012 generating £85.6 million of Gross Value Added, as shown in the table overleaf.

Table 12: Spectator and sport participation impacts in the West of England (2012)

IMPACT	EMPLOYMENT	GVA (£m)	EMPLOYMENT IN THE WEST OF ENGLAND	GVA IN THE WEST OF ENGLAND (£m)
Direct	1,482	82.66	1,270	70.83
Indirect	472	26.30	118	6.58
Induced	674	17.78	309	8.15
TOTAL IMPACTS	**2,628**	**126.74**	**1,696**	**85.56**

Source: West of England LEP data, GB Tourism Survey 2012, authors' calculations

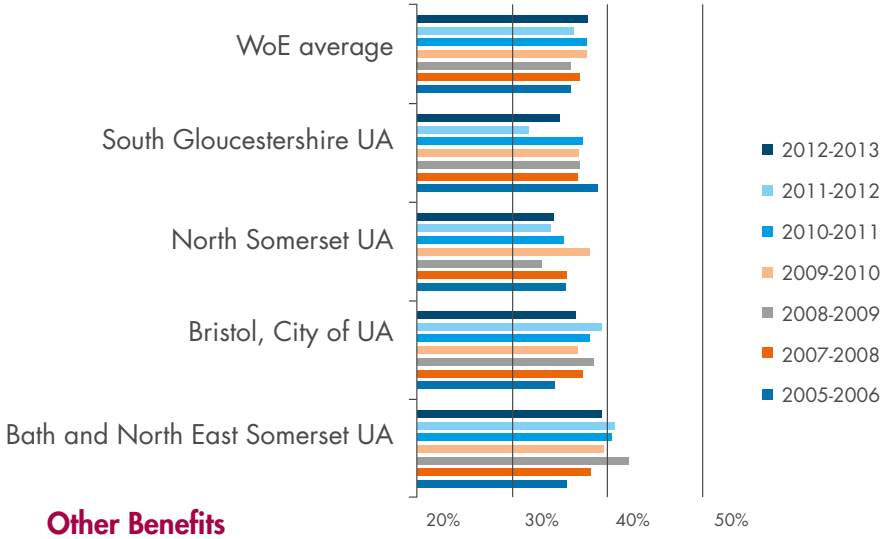
4.7 Health benefits

4.7.1 Participation in sports activities varies each year and is influenced by social and economic factors. In the West of England average sport participation rate has risen in 2012-2013 to the level of 2009-2010 (Active People Survey, Sport England, 2014). This may be due to the Olympic Games 2012 in London as well as an increase in funding to promote sport participation among children and older people. Lower participation rates during years prior to that might have been influenced by the recession. For example, Nuffield Health reported a decline in membership rates attributable to the worsened economic conditions. Participation rates during the years prior to that might have been influenced by the recession.

4.7.2 Participation in sports is highest among the residents of Bath and North East Somerset.

4.7.3 The Sport England Local Model provides an estimate of cost savings to the NHS as a result of avoiding different types of illness at £17.9 million, the quality adjusted life years saved is 8,696 and the health benefits based on life years saved is £260.87 million.

Figure 2: Sport participation rates in WoE since 2005 (30 mins moderate exercise at least once a week)



4.8 Other Benefits

4.8.1 In addition to health benefits, regular exercise has both short and long-term impact on the level of an individual's income. For children and young people this translates into better educational attainment and therefore into higher earning power in later years. There have been a number of research studies addressing the question of impact of physical activity on earnings[26] and suggesting that an individual exercising at least once a week earns a premium of between 5.2% and 17% in terms of higher income compared to a sedentary person. It seems reasonable to assume a 5.9% premium to model the value of additional earnings among West of England residents engaged in sporting activities (Hyytinen, and Lahtonen, 2013).

4.8.2 This premium gives rise to additional income of £14.19 million gained by active people. This has been estimated on the basis of Active People Survey data and mean weekly pay differential for West of England local authorities.

[26] Hyytinen, A. and Lahtonen, J. (2013). The effect of physical activity on long-term income. Social Science & Medicine, Volume 96, pp 129-137.; Kosteas, V., 2011. The Effect of Exercise on Earnings: Evidence from the NLSY. Journal of Labor Research, 33 (2), pp 225-250.

5. Sport Sector Development in the West of England

SPORT SECTOR CAPITAL PROJECTS

5.1 The West of England is certainly getting a huge boost towards growing its sports sector and increasing sports participation due to investment and development in large sports venues and facilities during the next several years. The total capital invested will be more than £145 million excluding the Bristol Arena, which will cost a further £91 million[27].

5.2 Bristol's Ashton Gate Stadium is expected to be delivered by 2016 and will have a 27,000 capacity. The University of Bath Training Village sports centre has a capital investment programme in place worth £19.5 million over the next 10 years, which includes a completely new Olympic size pool and enhanced annual maintenance programme. In addition, South Gloucestershire will soon have an artificial lake for surfing, The Wave, and the area will benefit from new health and fitness facilities during the next 5 years.

5.3 Economic impacts of the largest construction projects are shown in the table below. 75 jobs (on an annual basis) will be supported in the West of England's construction sector. This will generate further employment through indirect and induced impacts bringing the total to 109 jobs. Approximately 82 jobs are expected to be completely new to the West of England economy adding £5.5 million of GVA annually during the next 10 years.

Table 13: Construction impacts of new sport sector capital projects over 10 years

TYPE OF IMPACTS	EMPLOYMENT IN FTE-YEARS	FTE JOBS – ANNUALLY OVER 10 YRS	TOTAL GVA (£m)	FTE-YEARS IN THE WEST OF ENGLAND ECONOMY	GVA IN THE WEST OF ENGLAND ECONOMY (£m)
Direct impacts	870	87.0	59.86	745	51.29
Indirect (supply chain effects)	696	69.6	47.89	174	41.03
Induced effects (spending by employees)	339	33.9	20.35	170	17.44
Total gross impacts	1,904	190.4	128.10	1089	109.77
NET ADDITIONAL IMPACTS (AFTER SUBTRACTING LEAKAGE AND DEADWEIGHT)**	**816**	**81.6**	**54.92**	**816**	**54.92**

*All numbers are rounded and may not add up

**The rate of leakage (outside the West of England area) is assumed 14.3% for direct, 75% for indirect, and 50% for induced employment. The assumed deadweight rate is 25%.

Source: Benefic© model, author's calculations

[27] Bristol Arena is a proposed indoor performance centre, specifically for music concerts and exhibitions, however it will also be available for indoor sports exhibitions.

6. Projected sport sector growth in the West of England

PRIVATE / COMMERCIAL SPORT AND SPORT RELATED ACTIVITIES

6.1 Employment in sports and related sectors has been projected on the basis of Oxford Economics forecasts for the West of England published by the West of England LEP. Figures for the value of the sector in the West of England are presented below:

Table 14: Projected impact of sport employment in the West of England

SPORT EMPLOYMENT	2012		2013		2014	
	Jobs	GVA £m	Jobs	GVA £m	Jobs	GVA £m
Direct employment in West of England	8,901	328.9	9,717	354	9,885	41.03
Total from capital spend in West of England	82	54.9	82	55	82	55
TOTAL IN WEST OF ENGLAND	**8,983**	383.8	9,799	479.05	9,967	581

Source: Oxford Economics, Author's calculations

Volunteering in sports

6.2 Volunteer numbers and contribution by volunteers have been forecast to increase by the same proportion as employment in the table above.

Table 15: Projected impact of volunteering in sports in the West of England

IMPACT OF VOLUNTEERING	2012	2017 FORECAST	2023 FORECAST
Number of volunteers	59,541	64,935	66,047
Economic value	£52.0m	£57.0m	£58.0m
Well-being benefits	£9.6m	£10.5m	£10.7m

Source: Author's calculations

Spectator and participation sports visits

6.3 Visitors from outside of the West of England region coming to watch live sports events and visitors who participate in sport have been forecast on the basis of Tourism Economics expenditure growth rate forecasts.

Table 16: Projected sports visitor impacts in the West of England

SPORTS VISITORS	2012		2013		2014	
	FTE Jobs	GVA £m	FTE Jobs	GVA £m	FTE Jobs	GVA £m
Direct in West of England	1,270	70.83	1,495	103.99	2,146	142.88
Indirect and induced in West of England	427	14.73	547	44.59	673	61.27
TOTAL IN WEST OF ENGLAND	**1,696**	**85.56**	**2,043**	**148.57**	**2,819**	**204.15**

Source: Tourism Economics, Authors calculations

Health benefits

6.4 Future health benefits from participating in sports in the West of England have also been projected on the basis of Sub-National Population Projections (ONS, 2014) to 2023. Health benefits and cost savings to the NHS is forecast at approximately £381.3 million during that year.

Table 17: Projected health benefits of sports in the West of England

HEALTH	2012	2017	2023
Cost savings to NHS	£17.9m	£21m	£23m
Quality adjusted life years saved	8,696	10,315	11,934
Health benefits (based on life years saved)	£260.87m	£321m	£358m
Total cost savings and benefits	£278.77m	£342m	£381m

Source: Author's calculations

6.5 Participation in sport may increase in the next ten years due to concerted effort by local stakeholders and sports clubs to inspire young people to take part in sports and exercise on a regular basis.

Other benefits

6.6 Additional earnings due to active lifestyle and regular exercise are estimated to reach £18.45 million in 2023 (on the basis of Sub-National Population Projections) as shown in the table below:

Table 18: Projected other benefits of sports in the West of England

OTHER BENEFITS	2012	2017	2023
Additional income by active people	£14.19m	£16.32m	£18.45m

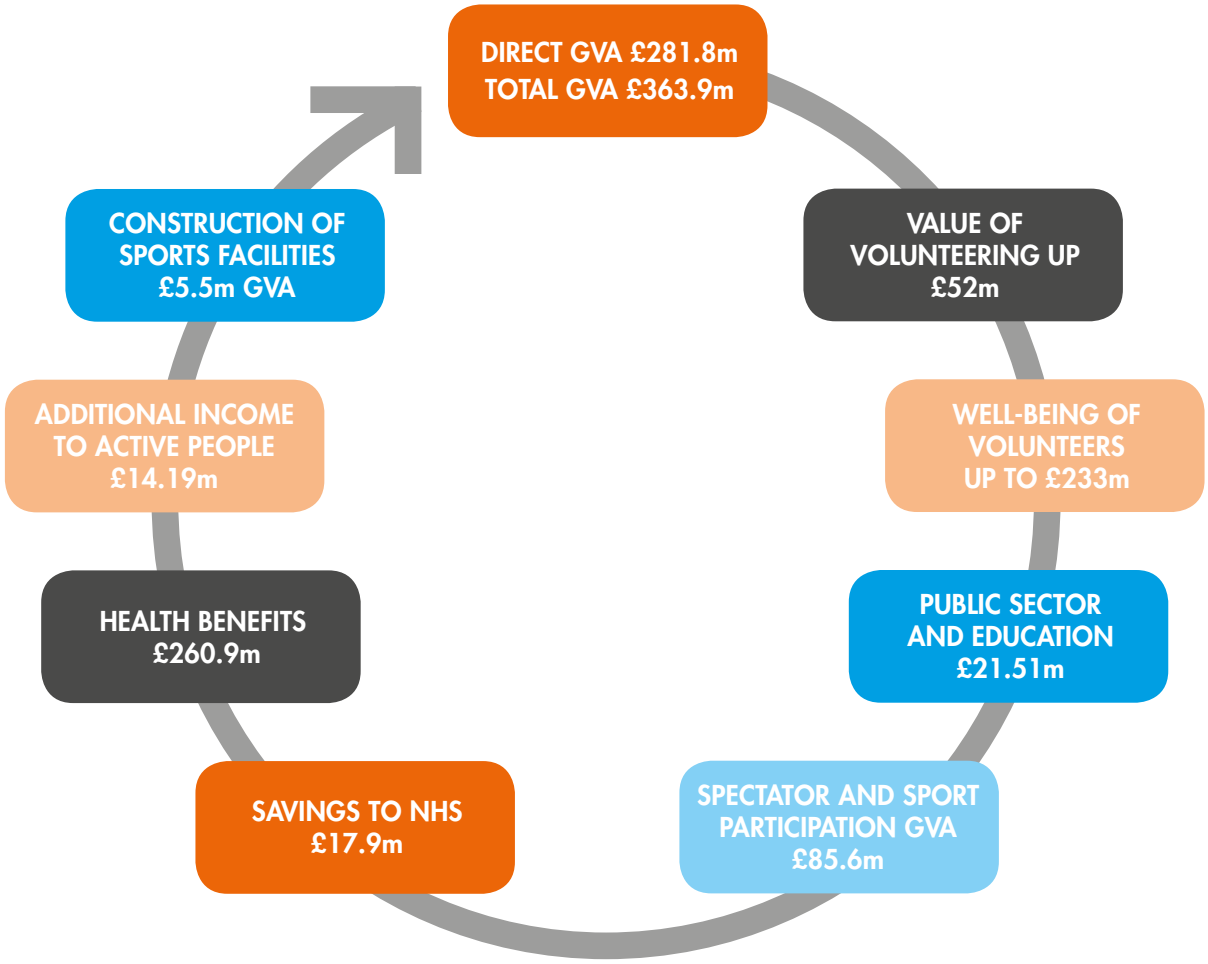
Source: Author's calculations

6.7 These benefits are underwritten by ongoing initiatives in the West of England. For example, Wesport and local sports clubs and organisations, e.g. Gloucestershire County Cricket Board, have recently been increasing their activities in facilitating growth in sports participation with various programmes targeting children and young people. Wesport runs Sportivate, a national programme for promoting sport to young people aged 11- 25 following the 2012 Olympic and Paralympic Games. The programme funds various projects at local sports clubs and community organisations to attract young people to a variety of sports activities. Besides health, educational attainment, and future earning power benefits, many projects impact on social cohesion and reduction in youth crime.

6.8 Gloucestershire Country Cricket Board engages boys and girls aged 10 to 17 covering most of the schools in the West of England area in order to increase participation and diversity, and contribute towards health outcomes. Its programmes, Kwik Cricket and Chance to Shine, are very popular as well as other community based projects.

7. Summary and conclusion

7.1 The flow chart below shows summary of all benefits that sport sector brings to the West of England.



7.2 The forecast estimates of the sport sector employment and value in the West of England have shown that there will be a consistent growth in the sector based on underlying assumptions for economic growth as well as increase in sports participation.

7.3 On the basis of the findings above, a very strong case can be made for ongoing and enhanced support for sport in the West of England. The essence of this case is the powerful impact of sport on the local economy and the substantial social benefits that result. To illustrate this, sponsorship or other support that results in £1m of sports activity will bring the following additional benefits:

- £291,000 additional GVA spillover local economic activity
- £184,000 of value from volunteering
- £304,000 of wider benefit from visitors attending sports events
- £990,000 of health benefits
- £50,000 of additional income to healthy people

The original £1m leads to a total benefit of £2.82m to the local economy. Few, if any, other sectors can demonstrate such an impressive rate of return on support expenditure.

Appendix 1 – Methodology

A1.1 A discussion of the Sport England *Economic Value of Sport - Local Model* Tool below provides further details concerning the methodology used.

A1.2 The public sector contribution is shown by estimated employment generated by expenditure funded by this income – i.e. supply chain (or indirect) effects only. For example, upgrade and renovation of sports facilities and purchase of sports equipment such as table tennis tables, gym equipment and lights for sports courts. The rationale for including these indirect effects is that it all goes into the private sector and supports additional employment.

Sport England Economic Value of Sport Local Model Tool

A1.3 Sport England published the Economic Value of Sport Local Model (Sport England Tool) in 2014 and has made it available online for use by sport sector organisations. The tool is comprised of a quantitative model in Excel and an accompanying guide. It divides the sport sector into participatory and non-participatory activities, as shown in Table 19. The tool also produces estimates of wider impacts: volunteering, health, and wider spending by sports spectators.

Table 19: Sport England economic impact tool theoretical framework

PARTICIPATION	NON-PARTICIPATION	WIDER IMPACTS
• Sports services • Sportswear and equipment • Sport education	• Spectator sports • Sportswear and equipment • Sports broadcasting and gambling	• Health • Volunteering • Wider spending (spectators and participants)

A1.4 Both the Excel spreadsheet and the accompanying guidance states that employment numbers have been derived from BRES[28] based on the following SIC[29] codes:

32.70: Manufacture of sports goods

47.64: Retail sale of sporting equipment in specialised stores

93.11: Operation of sports facilities

93.12: Activities of sport clubs

93.13: Fitness facilities

93.19: Other sports activities

60.20: Television programming and broadcasting activities

92.00: Gambling and betting activities

A1.5 The table below shows the direct economic value of sport in the West of England using the Sport England Local Economic Modeland includes the way each activity has been calculated.

[28] BRES - Business Register and Employment Survey: UK Office for National Statistics (ONS).
[29] SIC – Standard Industrial Classification.

Table 20: Sport England economic impact tool results for West of England LEP area without any adjustments

TOTAL DIRECT ECONOMIC VALUE OF SPORT IN THE WEST OF ENGLAND LEP AREA	GROSS VALUE ADDED: £328.9m	JOBS: 8901

	How it is calculated?	Gross Value Added	Jobs	Gross Value Added per job
Sports services	Local area jobs in sports activities (SIC 93.1) multiplied by national expenditure per job. Includes all front-line staff (e.g. leisure centre receptionists) but not senior level managers.	**£119.8m**	**4776**	£25,079
Sportswear and equipment	Local area jobs in retail sale of sporting equipment in specialised stores (SIC 47.64) and manufacture of sports goods (SIC 32.3) multiplied by national expenditure per job multiplied by the national share of sportswear & equipment for participation	**£34.1m**	**638**	£53,518
Sport education	Local area school age population multiplied by England expenditure per school age person plus user specified FE students in sports related course multiplied by England expenditure per student. Includes teachers and support staff.	**£86.5m**	**1091**	£79,265
Total participation		**£240.4m**	**6505**	

		Gross Value Added	Jobs	Gross Value Added per job
Spectator sports	Local area jobs in sports activities (SIC 93.1) multiplied by national expenditure per job. Includes revenue from tickets and all employment associated with hosting events.	**£22.8m**	**900**	£25,307
Sportswear and equipment	Local area jobs in retail sale of sporting equipment in specialised stores (SIC 47.64) and manufacture of sports goods(SIC 32.3) multiplied by national expenditure per job multiplied by the national share of sportswear & equipment for non- participation.	**£50.7m**	**946**	£53,576
Sports broadcasting and gambling	Local area jobs in gambling and betting (SIC 92) and television programming and broadcasting activities (SIC 60.2) multiplied by national expenditure per job plus user input of online betting jobs. Includes betting shop staff and on-site bookmakers.	**£15.0m**	**550**	£27,277
Total non-participation		**£88.5m**	**2396**	

Wider impacts			Wider value	
Health	Participants in any sport by age group multiplied by national per participant value.		**£458.4m**	
Volunteering	Number of volunteers multiplied by average annual replacement cost.		**£52.0m**	
Wider spending	Number of sports visits (based on regional sports visits as percentage of all visits data and LA total tourist visits) multiplied by LA average spend per visit. Includes all non- entry fee spending during trip.		**£65.9m**	

Source: Sport England Local Economic Impact Tool, 2014

Spillover impact on the rest of the economy

A1.6 Calculations on leakages were made in table 10 (Section 4) in order to arrive at a value within the West of England. For direct employment, it was assumed that 14.3% of West of England sports sector employees live outside of the West of England and therefore a corresponding impact of employment generation is lost. This is based on the origin-destination data for West of England area (Census 2011). The figures on indirect and induced employment assumed 75% and 50% leakage rates respectively and this is based on English Partnerships Additionality Guide to indirect and induced employment. The latter is based on an accepted approach for economic impact assessments due to high cost of obtaining the real data. Induced employment has been estimated using statistical data on weekly household expenditure in the South West (ONS, 2014).

A1.7 The table below gives a comparison between spillover impacts between the West of England and the UK.

Table 22: Spillover impacts on employment comparison between the West of England and the UK

EMPLOYMENT	DIRECT (%)	INDIRECT (%)	INDUCED (%)
UK	51	24	25
West of England	72	10	18

Source: Local Model and Authors' calculations

A1.8 The multiplier value used in the estimates in # 4.3 was partly derived from the Wesport survey responses. Given the low response rate in the survey and the resulting lack of reliability, another approach to calculating spillover effects was used to check these estimates. Previous work carried out by the authors in the West of England[30] estimated spillover effects in the tourism sector (which includes sports and recreation) using Econ-i, an economic model originally commissioned by the South West Regional Development Agency. Inputting the Direct GVA of £328.9m from Table 10 gives total employment impact of 17,108, slightly greater than the 16,342 estimated in #4.3. This suggests the spillover estimates given in this report are realistic.

Value of volunteering (see report section 4.4)

A1.9 The model estimates the value of sports volunteering in the West of England LEP by multiplying 59,541 volunteers by a replacement cost. The number of volunteers in the tool is therefore very high. This may be based on a very broad definition of volunteering whereby any participation in community sports clubs, i.e. including simply playing sports, is covered within the meaning of the term.

A1.10 Other sources on volunteering include the following: The CASE programme reports sports volunteering at 5% of total adult population[31]. This was 43,742 persons in 2012 in the West of England area (Census 2011). These volunteers in total contributed 1.88 million of hours of work valued at £27.95 million. The well-being benefits for this number of volunteers were £171.25 million. The Economic Value of Sport 2003-2008 report for the South West region provides an estimate of 5,700 engaged in 'voluntary' sports organisations in the region in total. Wesport's database of volunteers has 1,550 registered individuals, and our survey identified only 664 volunteers working with 28 of respondents. An estimate of volunteer numbers based on the survey data results in 2,460 volunteers connected to sports clubs (SIC 93.12: Activities of sport clubs).

[30] Plumridge, A. et al, (2010), Key Business Sectors: An appraisal of opportunities for enhancing competitiveness and growth through public action in the West of England, West of England Partnership

[31] CASE (2011). Understanding the drivers of volunteering in culture and sport: analysis of the Taking Part Survey, London: CASE

A1.11 A paper by Davies (2004)[32] re-valued the voluntary sector in Sheffield on the basis of a detailed survey of various sports clubs in the city showing that the SIRC model at the time considerably over-valued the voluntary activity. The model estimated it at 15.5% of total value added in sports whereas the 'real-life' numbers showed the voluntary sector in sports accounted for just 1.8%. This report provided a clear account of how the voluntary sector/activities can be exaggerated in some models.

Public sector employment (see report section 4.5)

A1.12 Figures in Section 4 showing the impact of public sector sport funding impacts (Table 10) may be an under-estimate of the public sector spending due to limited statistical data available for the local level and high cost of obtaining it. The estimates of GVA are based on the survey results, but may be lower in reality due to the small sample size. Therefore, these estimates may not be valid. The regional study (SIRC, 2010) shows local public sector expenditure on sports facilities. This is not included in the estimates for Table 10 because a lot of these are contracted out to private sector operators and this employment is therefore reflected in BRES figures, therefore, making the valuation of sports sector more complicated.

Wider impacts (see report section 4.6)

A1.13 As outlined in Table 19, the Sport England tool provides estimates of health, volunteering, and 'wider spending' impacts of the sport sector. The latter is based on spending by spectators attending sports events as well as spending by visitors who participate in different sports activities during their visits to the area. Calculations for these wider impacts are shown in the table below:

Table 23: Sport England tool results for wider impacts in the West of England area

WIDER IMPACTS	HOW IS IT CALCULATED?	WIDER VALUE
Health	Participants in any sport by age group multiplied by national per participant value.	**£458.4m**
Volunteering	Number of volunteers multiplied by average annual replacement cost.	**£52.0m**
Wider spending	Number of sports visits (based on regional sports visits as percentage of all visits data and LA total tourist visits) multiplied by LA average spend per visit. Includes all non- entry fee spending during trip.	**£65.9m**

Source: Sport England Local Economic Model

Spectating and participating visitor expenditure

A1.14 The original assumptions from the Sport England Tool for the West of England are as follows:

- Day Visits
  - o Spectator sports visits: 1,745,040
  - o Participation sports visits: 1,269,120
- Overnight visits
  - o Spectator sports visits: 10,813
  - o Participation sports visits: 53,770

[32] Davies, L. E. (2004). Valuing the voluntary sector: rethinking economic analysis. Leisure studies, 23 (4), 347-364.

A1.15 Actual figures for day visits to Bristol and Bath and NE Somerset and South Gloucestershire area were 27.26 million visits in 2012[33], of this 32% can be assumed as being made by visitors from outside of the area on the basis of survey results for the South West region as a whole. The spectator sports visits were only 3% of the total visits to the South West, and we increased this by 1% to adjust for the fact that both Bristol and Bath attract considerably more spectators from outside for watching live sports events like football and rugby compared to the rest of the region. The resulting estimate is 363,297 additional day visits to watch live sports events in the West of England area. Given that Bristol and Bath football and rugby clubs as well as the Gloucestershire County Cricket Ground attracted approximately 0.9 million spectators in 2012/2013 the aforementioned estimate looks reasonable.

A1.16 Overnight visits related to sports events have been estimated at 30,450 trips on the basis of a total 290,000 trips in the South West region[34], of which 70% were from outside of the region, and 18% were assumed to be in the West of England area[35].

A1.17 Other assumptions for the model for the West of England area, including those for visits involving participation in sports activities have been estimated in a similar way as described above to arrive at numbers, which represent additional visits to the West of England, with all figures therefore differing from the Sport England tool model.

Health benefits (see report section 4.7)

A1.18 The Sport England Local Model health benefit estimates are calculated by estimating costs to the NHS and by estimating quality adjusted life year (QALY) gains. Specifically, the health benefit values used are lifetime discounted values divided by life expectancy. The benefits in terms of years of life gained are estimated for each type of sport and age. The total estimated value is £458 million. However, this figure must be viewed with some caution, not least because the calculation and valuation of QALYs is subject to considerable debate. More particularly, the Sport England estimate implies a monetary valuation of a QALY of £53,000. This is considerably higher than earlier NICE guidelines, which offer lower and upper bounds for the monetary value of a QALY of £20,000 and £30,000 respectively. A DCMS commissioned report by CASE[36] used the NICE lower bound for their monetary value of a QALY. However, we regard this lower bound as too low for our purposes. Nominal increases since the publication of the NICE guidelines; differences in methodology between the Sport England and CASE studies; and regional differences all justify using a higher figure. Thus we have used the NICE upper bound of £30,000 per QALY. This generates an estimate of total health benefits of £260.87m. We must stress that this conservative figure should be taken as a minimum.

[33] VisitEngland, Visit Scotland, and VisitWales, 2013. GB Day Visitor 2012.
[34] GB Tourism Survey 2012, VisitEngland. Available at http://www.visitengland.org/insight-statistics/major- tourism-surveys/overnightvisitors/GBTS_2012/Activities_2012.aspx. Accessed 11:56 5 March 2015
[35] This assumption is based on day visitor figures, as data were not available in the overnight stay statistics.
[36] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/88450/CASE-Value-technical-report-July10.pdf Accessed 11:59 5 March 2015

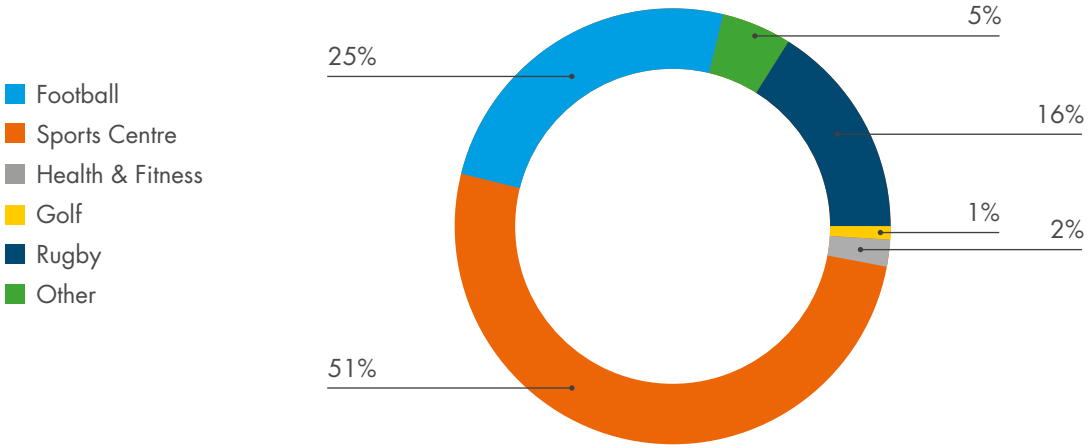
Appendix 2 – Survey Results

A2.1 The survey of West of England sports organisations was based on a questionnaire administered through Survey Monkey. Westport e-mailed some 459 organisations explaining the purpose of the survey including a link to Survey Monkey. This resulted in 81 responses in total with 46 responses having most of data submitted. The response level was relatively low in spite of follow-up by email and telephone. Most of the completed responses were received by telephone.

A2.2 In total the survey respondents had turnover of £55.8 million in 2012-2013 (39 respondents), purchases of £24.8 million (32 respondents), and 1,250 full-time equivalent (FTE) employees (1,765 full-time and part-time employees).

A2.3 Based on the number of employees in the organisations surveyed, a significant number were employed in a sports centre (51%), followed by football (25%) and rugby (16%) as shown in the chart below. In the survey, lower levels of employment were apparent in health & fitness (2%), golf (1%) and others (5%) including archery, cricket, gymnastics, hockey, rowing, community sports, horse races and running.

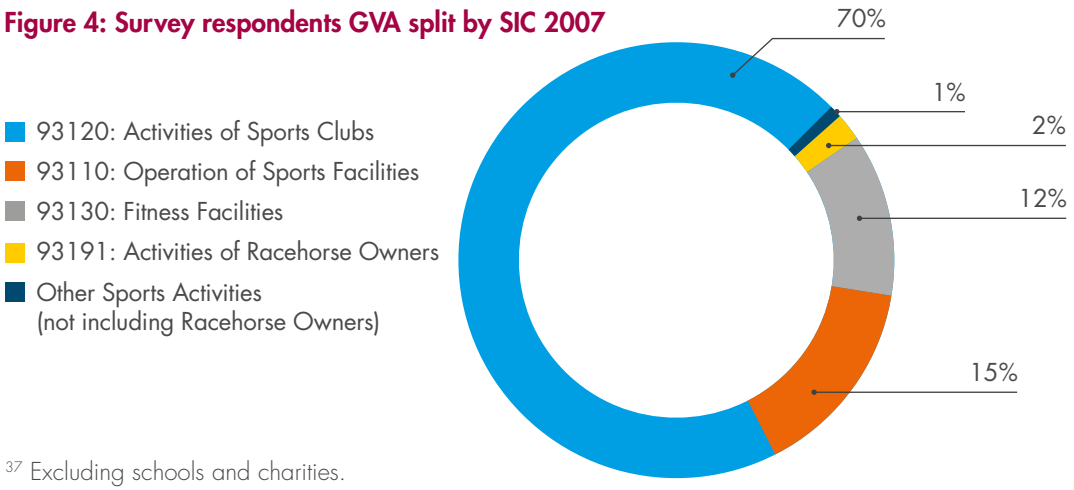
Figure 3: Share of employment by type of main sport activity



A2.4 The total estimated GVA of survey respondents amounted to £42 million with estimated £41,765[37] GVA per FTE job (with £53,725 sales per job). Their purchases were at £24.46 million, which represents an indirect multiplier of 0.46.

A2.5 The mix of organisations falls within the 93.1 SIC 2007 classification with 70% of respondents engaged in Activities of Sport Clubs as illustrated below:

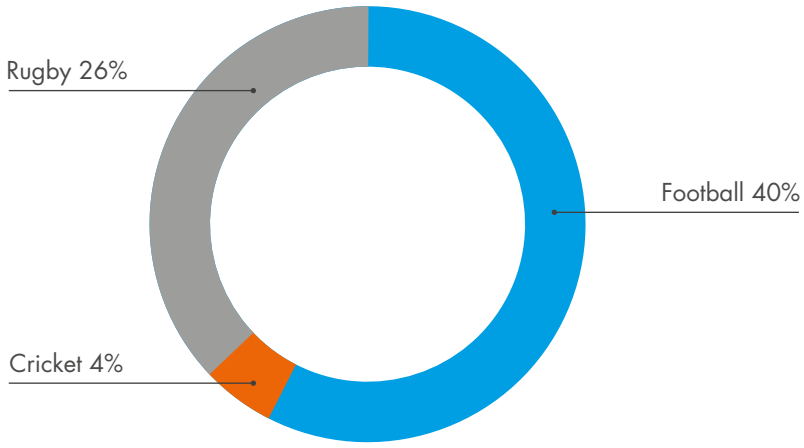
Figure 4: Survey respondents GVA split by SIC 2007



[37] Excluding schools and charities.

A2.6 The category 93120: Activities of Sports Clubs represents 70% of survey respondents and within this total, the majority were engaged in football (40%) followed by rugby (26%) and cricket (4%), as shown in the chart below:

Figure 5: Type of sports by survey respondents in SIC code 93120 Activities of Sports Clubs



Note: The total for the pie chart above is 70% as it represents the survey respondents in the category 93120: Activities of Sports Clubs shown in Figure 5.1

Volunteers

A2.7 The survey respondents had 664 volunteers working with them during 2012/2013 contributing 28,330 hours in total. The estimated hours per volunteer were 43 annually. Breakdown of volunteers by type of main sports activity is shown below in Table 24. The rate of volunteers per FTE job was 1.87.

Table 24: Reported numbers of volunteers and provided hours of work

SPORTS ACTIVITY	NUMBER OF VOLUNTEERS RECRUITED IN 2012	NUMBER OF HOURS WORKED BY VOLUNTEERS IN 2012
Archery	16	400
Cricket	26	2,470
Football	20	4,800
Golf	15	0
Health & fitness	3	2,000
Hockey	80	240
Rowing	0	500
Sports Centre	399	8,060
Community Sports	82	9,060
Running	10	300
School	13	500
TOTAL	**664**	**28,330**

Sport participation

A2.8 Organisations with the most sports participation were sports centres (55,830 participants), health & fitness centres (35,889 participants) and golf (22,480 participants) as shown in the table below:

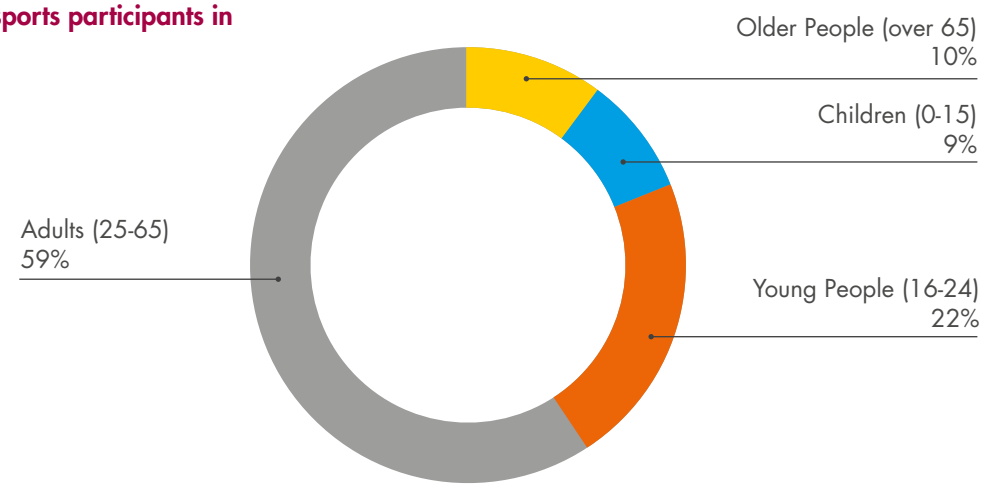
Table 25: Number of sports participants by age group

ORGANISATION	CHILDREN (0-15)	YOUNG PEOPLE (16-24)	ADULTS (25-65)	OLDER PEOPLE (OVER 65)	TOTAL PARTICIPANTS
School	250	530	975	100	1,855
Running	4	4	30	6	44
Community Sports	470	1,875	2,655	65	5,065
Sports Centre	5,225	12,050	32,950	5,605	55,830
Rowing	500	20	100	20	640
Hockey	250	200	150	0	600
Health & Fitness	9,771	2,856	20,203	3,059	35,889
Golf	5,030	7,030	7,235	3,185	22,480
Cricket	5,475	302	612	114	6,503
Archery	70	20	120	8	218
TOTAL	**27,045**	**24,887**	**65,030**	**12,162**	

Source: Wesport survey

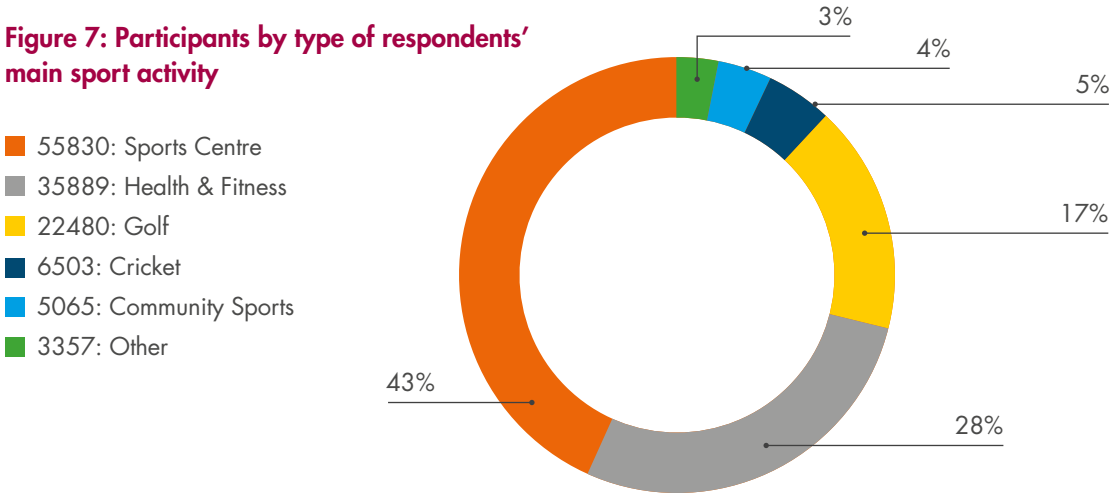
A2.9 Within the sports centre category, most participants (59%) were adults aged 25-65, followed by young people aged 16-24 (22%), as illustrated in the chart below:

Figure 6: Age of sports participants in sports centres



A2.10 Sports activities at sports centres accounted for 43% of participants' main sports activity, followed by health & fitness (28%) and golf (17%), as shown in the chart below:

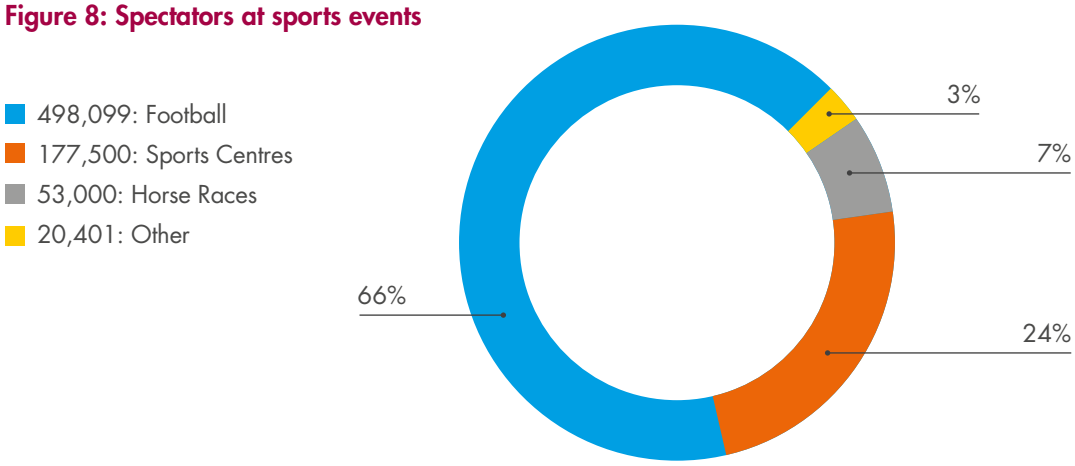
Figure 7: Participants by type of respondents' main sport activity



Spectators at sport events

A2.11 The total number of spectators at respondents' events was 749,000 with 66% of these attending football matches and 24% attending various events organised at different sports centres (including indoor sports events). Racecourse events attracted 7% of spectators from the total survey sample. The remaining 'other' category (3%) includes school, running, rugby, community sports, rowing, hockey, health & fitness, golf, cricket and archery.

Figure 8: Spectators at sports events



Representativeness of the survey results

A2.12 Any survey which is undertaken at a given place and time may suffer from being unrepresentative, i.e. not reflecting the reality. One way in which this may occur is if the time that the survey is done is somehow misleading. Given that our study is based on 2012, the year of the London Olympics, our figures may be inflated relative to a typical year. However, though this is possible, other data available, for example on sports participation, does not suggest an upward blip. So we are largely discounting the Olympics factor. However, surveys can be unrepresentative in other ways, particularly if those invited to participate do not do so.

A2.13 The survey attempted to capture the entire population of sport organisations in the region, based on a database supplied by Wesport. Online surveys have notoriously poor response rates. However, in this case we hoped for a good response rate, because the invited subjects have some direct interest in participating, or where they may feel some obligation to do so, through association with Wesport. The outturn response rate was 17%, with only 10% offering significantly usable data. This is disappointing but inevitable given the time constraints particularly on smaller organisations.

A2.14 The problem with this response rate is in generating population estimates (in this case of economic value and impact) which may be biased and misleading. Further, the response rate probably reflects factors relevant to the findings. For example, the low response rate may reflect the extent to which smaller organisations rely on voluntary effort: indeed, this is a significant feature of the sector. Thus the response rate is an artefact of the nature of the sector rather than a flaw in the process of data collection. Note that the initial survey approach was followed up by telephone and email correspondence.

A2.15 Several remedies for low response rates are possible. One is collect more data; however, this was impractical. Beyond this, various statistical techniques can be deployed, which attempt to address bias in the sample. Among simple alternatives include weighting the data according to known population benchmarks. Statistical data analysis software often include missing data imputation algorithms, which estimate what a response would have been given other available data.

A2.16 A further option is simply to make a judgement on how well the data may have captured the population, simply by looking at the composition of the sample. This method allows us to assess whether the estimates generated from the survey are, if not completely accurate, reasonable given the nature of the sector. Of particular relevance is the size distribution of the population, and whether this is reflected in the survey data. Size distribution alters our view on the survey response rate: a response rate of 17% sounds low, but in terms of economic activity, it captures a much larger proportion. Hence if we view our population as stratified in size, it is likely that our response rate at the top of the distribution is very high, and low towards the bottom of the distribution.

A2.17 We know from Sport England data that in terms of participation in sport, the vast majority takes place in sports centres. Similarly direct employment in the sector is concentrated in larger organisations such as sports centres, and the professional clubs in football, rugby and cricket. Clearly, also, the vast majority of spectator sport takes place at these professional clubs. Further, these clubs will contribute most in the region to construction projects (the Ashton Gate modernisation being the best example) and visitor numbers. Hence in terms of capturing the economic value of the sector, it was most important to collect data from these organisations. Additionally, we have data on another large economic value activity: horse racing. Given that these sectors dominate the sector in terms of revenue and employment, we can have some confidence that the dominant elements of the sector have been captured. Therefore we have quite high confidence in our estimates of economic impact.

A2.18 However, as a caveat, our survey has most likely underestimated the contribution of smaller players in the sector. Although large providers, such as sports centres, did respond, our data from smaller participants is patchier. This may mean that significant value has been missed. As Appendix 4 discusses, in football the broad-based pyramid structure means that clubs lower down do have broad economic value and ought to be captured. Our survey has not benefitted from response from any small football clubs. Having said that, many football clubs are based on sports centres, as is much football participation. Overall, then our survey suggests a small undercounting of football-related activity. This is likely to be reproduced across other sports.

A2.19 The results from the original survey are shown above in Table 25. These are useful in that they provide an estimate for participation of children. People aged under 14 are not captured in the Active People Survey at all, and the participation figures above are for 16+. However, there are some question marks about the other findings. The participation rates in ASP7 12/13 suggests a much higher figure for the group 65+ (17%): this group appears underrepresented although this may simply reflect the changed proportions from including children. In terms of the sports and venues cited, we have no figures for schools. The figures for archery in particular need seem high: in APS8 (2013/14) there is no data for archery for Wesport (suggesting too small a sample size)[38]. Nationally archery reports a figure of 0.09%[39].

A2.20 Overall, in terms of likely economic impact, it seems that the big players - football, rugby and cricket clubs, sports centres and horse racing have been captured - so we are relatively confident about how the survey captures direct, indirect and induced income, income from construction, and income from visitor spending. However, our survey has most likely underestimated the contribution of smaller players. Hence our estimates of economic value may well be under-estimates.

[38] http://activepeople.sportengland.org/Result#Id=45626&OutputType=1 Accessed 12:00 5 March 2015
[39] http://tinyurl.com/pacfhh6 Accessed 12:00 5 March 2015

Appendix 3 – Standard Industrial Classification 2007 definitions of sports' activities

32.30 Manufacture of sports goods

This class includes the manufacture of sporting and athletic goods (except apparel and footwear).

This class includes:

- hard, soft and inflatable balls
- rackets, bats and clubs
- skis, bindings and poles
- ski-boots
- sailboards and surfboards
- requisites for sport fishing, including landing nets
- requisites for hunting, mountain climbing etc.
- leather sports gloves and sports headgear
- basins for swimming and padding pools etc.
- ice skates, roller skates etc.
- bows and crossbows
- gymnasium, fitness centre or athletic equipment

This class excludes:

— manufacture of boat sails, see 13.92
— manufacture of sports apparel, see 14.19
— manufacture of saddlery and harness, see 15.12
— manufacture of whips and riding crops, see 15.12
— manufacture of sports footwear, see 15.20
— manufacture of sporting weapons and ammunition, see 25.40
— manufacture of metal weights as used for weightlifting, see 25.99
— manufacture of sports vehicles other than toboggans and the like, see divisions 29 and 30
— manufacture of boats, see 30.12
— manufacture of billiard tables, see 32.40
— manufacture of ear and noise plugs (e.g. for swimming and noise protection), see 32.99
— repair of sporting goods, see 95.29

47.64 Retail sale of sporting equipment in specialised stores

This class includes:

— retail sale of sports goods, fishing gear, camping goods, boats and bicycles

77.21 Renting and leasing of recreational and sports goods

This class includes renting of recreational and sports equipment:

— pleasure boats, canoes, sailboats

— bicycles

— beach chairs and umbrellas

— other sports equipment

— skis

This class excludes:

— renting of pleasure boats and sailing boats with crew, see 50.10, 50.30

— renting of video tapes and disks, see 77.22

— renting of other personal and household goods not elsewhere classified (n.e.c.), see 77.29

— renting of leisure and pleasure equipment as an integral part of recreational facilities, see 93.29

85.51 Sports and recreation education

This class includes the provision of instruction in athletic activities to groups of individuals, such as by camps and schools.

Overnight and day sports instruction camps are also included. It does not include academic schools, colleges and universities. Instruction may be provided in diverse settings, such as the unit's or client's training facilities, educational institutions or by other means. Instruction provided in this class is formally organised.

This class includes:

— sports instruction (baseball, basketball, cricket, football, etc.)

— camps, sports instruction

— gymnastics instruction

— riding instruction, academies or schools

— swimming instruction

— professional sports instructors, teachers, coaches

— martial arts instruction

— card game instruction (such as bridge)

— yoga instruction

This class excludes:

— cultural education, see 85.52

93.11 Operation of sports facilities

This class includes:

— the operation of facilities for indoor or outdoor sports events (open, closed or covered, with or without spectator seating):

- football, hockey, cricket, rugby stadiums
- racetracks for car, dog, horse races
- swimming pools and stadiums
- track and field stadiums
- winter sports arenas and stadiums
- ice-hockey arenas
- boxing arenas
- golf courses
- bowling lanes

— organisation and operation of outdoor or indoor sports events for professionals or amateurs by organisations with own facilities

This class includes managing and providing the staff to operate these facilities.

This class excludes:

— operation of ski lifts, see 49.39

— renting of recreation and sports equipment, see 77.21

— activities of fitness facilities, see 93.13

— park and beach activities, see 93.29

93.12 Activities of sport clubs

This class includes the activities of sports clubs, which, whether professional, semi- professional or amateur clubs, give their members the opportunity to engage in sporting activities.

This class includes:

— the operation of sports clubs:

- football clubs
- bowling clubs
- swimming clubs
- golf clubs
- boxing clubs
- winter sports clubs
- chess clubs
- track and field clubs
- shooting clubs, etc.

This class excludes:

— sports instruction by individual teachers, trainers, see 85.51

— operation of sports facilities, see 93.11

— organisation and operation of outdoor or indoor sports events for professionals or amateurs by sports clubs with their own facilities, see 93.11

93.13 Fitness facilities

This class includes:

— fitness and body-building clubs and facilities

This class excludes:

— sports instruction by individual teachers, trainers, see 85.51

93.19 Other sports activities

93.19/1 Activities of racehorse owners

This subclass includes:

— the seeking of sponsorship, appearance money and prize money

This subclass excludes:

— activities of racing stables, see 93.19/9

— activities of riding academies, see 85.51

93.19/9 Other sports activities (not including activities of racehorse owners) n.e.c.

This subclass includes:

— activities of producers or promoters of sports events, with or without facilities

— activities of individual own-account sportsmen and athletes, referees, judges, timekeepers etc.

— activities of sports leagues and regulating bodies

— activities related to promotion of sporting events

— activities of racing stables, kennels and garages

— operation of sport fishing and hunting preserves

— support activities for sport or recreational hunting and fishing

— activities of mountain guides

This subclass excludes:

— activities of racehorse owners, see 93.19/1

— renting of sports equipment, see 77.21

— activities of sport and game schools, see 85.51

— activities of sports instructors, teachers, coaches, see 85.51

— activities of riding academies, see 85.51

— organisation and operation of outdoor or indoor sports events for professionals or amateurs by sports clubs with/without own facilities, see 93.11, 93.12

— park and beach activities, see 93.29

Appendix 4 – Professionalism in football

A4.1 Football provides an example of the range of economic statuses in the region. As mentioned, the region homes two large men's football clubs. There is one Football League club (Bristol City), and one Football Conference club (Bristol Rovers). Bristol's Women's team competes in the Women's Super League and in 2014/15 competed in the European Champions League. These clubs have three key economic impacts. First, they attract spectators in large numbers to the region. Second, their players are professional. They make their living from playing and may also attract personal sponsorship. Third, they attract large amounts of commercial revenue, including sponsorship and crucially television money.

A4.2 However, in football (as in most mass team sports) there is a pyramid structure, in which, as its name suggests, those at the top are relatively few, and are underpinned by a vast number of smaller clubs. Most of the time these clubs do not compete against each other; however in theory they could, in the FA Cup. The clubs at the top of the pyramid are few but relatively hugely powerful. In addition to their match day impact, they are also complex structures which support a lot of activity beneath their core first-team activities. For instance, as evidenced by Bristol Academy, these clubs train and provide competitive football for elite youth players at a number of age groups. Significantly, all of these types of club may have a role in current sport development strategy: under Wesport's Satellite Club initiative[40], 'hub clubs' offer specialist training and access of specialist facilities to young people from the local community. They therefore play a crucial role in sustaining football in the region.

A4.3 In addition, the region is home to a large number of clubs lower down the pyramid. These clubs differ in terms of their economic impact, again via numbers of spectators, commercial revenue and payment of players. Some of these are semi-professional clubs in which players are paid, but at much lower rates than at Bristol City (for example). The region hosts four others in the next two tiers (Bath City, Weston Super-Mare, Yate Town, and Mangotsfield United). These clubs pay their players to play. With their facilities costs and their sponsorship levels, it is difficult for these clubs to generate a surplus and hence their direct economic impact is reduced.

A4.4 Below this level though there is much greater variety. For example, Thornbury Town's first team is in the Gloucestershire County League, which is a Step 7 League, i.e. the lowest level of the National League System (Step 1 being the Vanarama Conference, in which Bristol Rovers play). At this level all matches are required to have three officials, and other standard facilities. Thornbury Town do not pay their players appearance fees. However, other clubs in their division do[41]. Clubs which have benefactor owners may be more generous. Further, even at this level, players may attract sponsors. Above this level all players will expect to paid appearance fees, although these may be as small as £20. Below this level no one would expect to be paid, and may even pay to train. These clubs are entirely voluntary. Even slightly further up the pyramid, clubs will rely on volunteers, as consistent with Sport England data which shows that 13% of people are volunteering in sport, and the vast majority are simply helping out, as opposed to being officials or coaches[42].

A4.5 The complexity of this one important sport illustrates the challenge of accurately estimating the economic value of sport to the region. At the 'top' of the sport, the value and impact of football is relatively clear, although the outreach initiatives made by clubs plus any psychological benefit they bring are harder to capture. At the 'lower' end of the sport, though, because of the variety in approach taken, the smaller amounts of income generated, and the prevalence of volunteering found there, accurate calculations are difficult to reach with confidence. This fact also applies to rugby and cricket, which have similar broad-based pyramid structures.

[40] http://tinyurl.com/kzsb3oe Accessed 14:49 6 February 2015.
[41] http://www.thornburytownfc.co.uk/year_groups/year_group.php?year=&sx=%25&?#Adu1 Accessed 14:21 5 March 2015.
[42] http://tinyurl.com/qf8jsfn Accessed 14:22 5 March 2015.

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