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# **The Economic Impact of Major Sports Events: A Case Study of Sheffield**

Nigel Dobson

A thesis submitted in partial fulfilment of the requirements of  
Sheffield Hallam University  
For the degree of Doctor of Philosophy

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## ABSTRACT

In the mid-to-late 1980's, so called 'rust belt' cities in the UK began to respond to their industrial decline with local economic development strategies aimed at boosting employment. The strategies involved efforts to diversify traditional manufacturing heartlands into new service sector economies. One feature of the approach was the often rather implausible looking project of creating, out of unpromising material, a new urban sport and tourism industry (Roche 1992b).

Faced with economic and industrial decline in the 1980's, Sheffield, traditionally a manufacturing and steel producing city, forged sport and tourism together as an alternative solution to regenerate its local economy. It was believed that investment in sporting infrastructure, and the staging of the XVI World Student Games would derive long-term economic and social benefits to all sections of the community (Price 1991). Criticised as reactive and quasi-strategic at the time, the longer-term assessment of these radical investment decisions has been overlooked. The value, role and function of major events in the local UK economic development process is Therefore less than fully understood.

Challenging the traditional economic base theory relationship between the manufacturing and service sectors of an economy, this thesis investigates whether investment in major events has been a rational approach to assist Sheffield's process of economic development. Utilising Williams' (1997) hypothesis that major events act as basic economic activities; by attracting and retaining external expenditure from sports tourists, the aim of the thesis is to identify whether events act as 'catalysts' to or 'motors' of local economic growth.

Through the application of an expenditure based multiplier approach, five major events, staged in Sheffield between 1996 and 1998, are estimated to have had a collective impact of £10.4 million over a period of twenty-one event days (£495,00 per day). The findings of the research reveal that the staging of major sports events has a significant short-term impact on the local economy. The impact is conditional upon the type, status and duration of the event staged and the , nature of the visitor groups attracted. Extrapolating the results to all events staged in Sheffield since 1990, the thesis estimates that nearly £32 million has been injected into the local economy.

On the basis of the results, the research argues that major events are an important part of the consumer service sector of a local economy. As consumer services they act to stimulate economic growth by importing consumers. While major events are shown to function as basic sector economic activities and catalysts, they are not in themselves large enough to 'motor' a local economy, but are key instruments in diversifying the local economic base.

In conclusion, the thesis recognises that the academic assessment of major events in the UK is relatively immature, and it highlights the need for rigorous evaluation of the broader cost-benefit parameters associated with staging major events. Sporting, cultural, political, social and environmental impacts of major events are a few of the themes highlighted as areas of future research.

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I would also like to thank staff and colleagues of the United Kingdom Sports Council (UK Sport) for their encouragement and permission to access confidential information relating to major events in the UK. I hope that mutual benefits will accrue from this research not least for future policy development and strategic planning of Major Events in the country.

Finally, I would like to thank Ros for her patience and understanding over the years. Hopefully we will soon be able to get back to a normal life, enjoy our leisure time together and take in few major events.

## **THE AUTHOR**

### **Nigel Dobson: Education and Experience**

Nigel has a broad background in sport having played football as a schoolboy and professionally at a young age for Bristol Rovers and Cardiff City Football Clubs. Together with spells at several semi-professional football clubs, he also represented and captained Great Britain at the World University Games Football Championships in Fukuoka, Japan in 1995.

Following the attainment of his first degree at Loughborough University in 1992 in Physical Education, Sports Science and Recreation Management, he subsequently gained a MSc in Information Technology and then worked extensively in the sport and leisure industry. This included organising major events and strategic development for Cardiff City Council. After spending nearly three years as a Research Assistant at the Leisure Industries Research Centre at Sheffield Hallam University, Nigel returned to work in sport's private and public sector.

During the course of his work in Sheffield, Nigel was heavily involved in the city's bid for the Headquarter site of the United Kingdom Institute of Sport. He also worked extensively on the measurement of the economic impacts associated with the bidding for and staging of major sporting events throughout the UK. He has presented papers on the impact of major events at conference throughout the world.

Nigel was most recently working at the United Kingdom Sports Council (UK Sport) with responsibility for co-ordinating major events, including the World Class Events programme; a branch of the Lottery Sports Fund. This includes business planning, the assessment and appraisal of bids to stage world class events, as well as assisting with the organisation of the events and delivery of linked research. He is currently leading major research projects into the impacts associated with a number of World Championship events, with a particular emphasis on economic impact appraisal, environmental and sports development outcomes.

## 1.1 INTRODUCTION

Sport, leisure and tourism have grown collectively to form one of the largest and most important contributors to today's modern economy. Sport and the commercial leisure industry employ some 750,000 people in the UK. Every year more than £10 billion is spent on sport consumer products (Leisure Industries Research Centre (LIRC) 1997, Department for Trade and Industry and the Sports Industries Federation 1999). The Treasury receives £3.5 billion in tax revenues from the sports industry, while in comparison tourism contributes more than £53 billion per annum to the economy and provides 1.7 million jobs (Pendry 1998). However, there is a concern that the interlocking synergies between the constituent parts of sport, leisure and tourism are not given sufficient recognition by government as true economic vehicles, particularly in terms of their potential to stimulate growth (Williams 1997).

Given the changing structure of global markets since 1970, one of the primary ways which sport is used to help promote the potential of tourism and stimulate local economic growth is through the staging of international sporting events (Wilkinson 1990, Roche 1992a, Dobson and Gratton 1995). It is a widely held view that major sports events can act as a 'catalyst' for economic development and urban renewal (Department of National Heritage 1995b, Essex and Chalkley 1998, Collins and Jackson 1999).

It is argued that sport and major events can act as 'basic sector' activities, stimulating economic growth in a local community by the injection of new expenditure generated through the attraction of tourists to an area (Williams 1997). However, such a view challenges traditional economic base theory that assumes an economy must earn external income, through the export of products, in order to grow (Wilson 1974, Haggert et al 1977, Glickman 1977). Traditional economic base theory considers that growth can only be achieved through cultivating primary and secondary economic activities such as manufacturing. Accordingly, service sector activities such as sport are dismissed

as too meaningless to be 'motors' of growth, primarily because they are viewed as 'parasitic' and merely dependent activities which circulate, not generate, income.

Outside the UK, certain one-off major sporting events have been proven to act as a rational long-term economic investment strategy, when linked to a short-term, time and people intensive tourism experience. This is because they are capable of attracting and preventing the leakage of external income (Pilon and Cowl 1994, Chema 1996). The recent 2000 Sydney Olympic Games and the Barcelona Olympic Games in 1992 are perhaps the two prime examples of the economic benefits derived from the staging of major events as illustrated in Chapter Four (Brunet 1993, Dubi 1996, Essex and Chalkley 1998, Sunday Herald 2000). Conversely, the staging of major events can also induce substantial financial costs and negative publicity upon a city. This effect can often last for decades as indicated in the cities of Montréal and Munich (Darke 1991).

The hypothesis that major sports events can stimulate and/or 'motor' economic growth through the attraction of 'new money' into a city has yet to be rigorously tested in the UK. Indeed, to date little medium to long-term academic research into the economic value, role and function of major events has been carried out in the UK (Bramwell 1995a). Despite recent attempts to measure the value of sport, the role of events in economic development is insufficiently researched or understood (Wilkinson 1990, Scottish Sports Council 1996, Williams 1997, LIRC 1997, Davies 1999). This situation is contradictory to the ethos of attracting major events, as often the primary justification for hosting events rests firmly upon the extent of the associated benefits, particularly those of economic impact and local economic growth (Lynch and Jensen 1984, Dobson 1995, Elvin and Emery 1997).

This thesis attempts to assess the economic value, role and function of major events in local economic development strategies. The research concentrates on measuring the outcome of Sheffield's conscious decision to use major events as a part of quasi-development strategy designed to re-dress the spoils of manufacturing decline. The work builds on the themes, theories and impact assessment techniques used in the author's previous publications (as illustrated in Appendix I).

## 1.2 BACKGROUND TO THE STUDY

The staging of major sporting events in the United Kingdom is not new, numerous 'world' events have been staged in the UK from the earliest of times (Hargreaves 1986, Elias and Dunning 1986, Gratton 1989). The United Kingdom is recognised as the home to some of the world's most famous events. The AXA FA Cup Final, the Wimbledon Tennis Championships, the TSB Six Nations Rugby Union Championship, the British Open, the Henley Regatta, the Martel Grand National, the University Boat Race, the British Grand Prix, Royal Ascot and the Flora London Marathon are all examples of major annual events staged in the UK. These all attract thousands of spectators and a global television audience, and positively re-enforce the reputation of the country throughout the world. They therefore meet the criteria of 'high image status' events (Law 1994).

However, in recent times the UK has attempted to attract major one-off sporting events for a variety of different reasons. Often the guiding rationale for attracting events is not linked to sporting aspirations, but instead to the goal of local economic regeneration. This is often a consequence of local political expediency and the use of sport as one tool in the process of local economic development and city marketing (Lawless 1990, Law 1994). As cities compete for economic advantage, increased employment, trade and investment opportunities there has been political recognition of the impact generated by the sports tourist at an event. Events have been recognised as agents in stimulating further economic activity in the local area (Bramwell 1991, Collins 1991, Hall 1992, Law 1994, Collins and Jackson 1999). Interestingly though, it is claimed that often the sports tourist is often not attracted by the attractions of the city, but merely by what is going on within it (French et al 1995).

Research has illustrated that the benefits of major events are far reaching and can include the generation of net economic gains, improvements in infrastructure, inward investment, environmental improvements, raised visitor numbers and heightened city profile in the national and international arena (Hall 1992, Getz 1994). All these factors

contribute to the justification of spending public money on staging these events (Mules and Faulkner 1996) and are explained in detail in Chapter Two.

While major sporting events have been staged throughout the UK since the early 1900's, only since the mid-1980's has the process of bidding for and staging major 'one-off' world events in the UK been more obviously a partnership between local authorities and the national governing bodies of sport (Chapter Two). This partnership was formed as a response to urban challenges and has acted as a catalyst to local development strategies (Chapter Three). The partnership has become one of the key instruments in urban sports policy across the whole of the country (Essex and Chalkley 1998). The use of sport for regeneration purposes has also given rise to the growth of fierce competition between Britain's cities as they struggle to re-establish their own image and status as perceived centres of economic growth (Roche 1992a, Whitson and MacIntosh 1993). The role of government and its agencies has been until recently peripheral (Adams 1990, Henry 1993) as examined in Chapter Two.

The use of sport and the attraction of major events for economic development purposes in the 1980's is linked to the process of industrial change. The collapse of established manufacturing markets, the arrival of new technology and the availability of cheaper alternative supplies from the developing world changed the UK's traditional reliance upon heavy industry as the 'engine' of its economic growth (Lawless 1994a). Cities struggled as income and employment opportunities from heavy industry, steel, coal production and shipbuilding eroded rapidly in the face of new markets in the developing world (Loftman 1990).

Northern cities such as Sheffield witnessed rapid decline in their manufacturing base and the spectre of unemployment was quick to close in (Judd and Parkinson 1990). Within the midst of industrial depression there were few alternative solutions to replace the losses in these traditional industries, and the future for many British, and indeed world cities, looked bleak (Cricher 1992). In the face of similar adversity a number of North American cities, including Indianapolis, Philadelphia and Kansas, 'gambled' on the use of sport and event-led tourism strategies during this period in an attempt to



stimulate their economic development potential (Wilkinson 1990, Loftman 1990, Collins 1991). This was a risky strategy as sport, according to traditional economic base theory, was not perceived to act as an 'external' generator of income, to have a sustainable value or to be a viable as an economic sector capable of inducing economic growth (Williams 1997).

Moreover, the staging of major events was viewed as a costly option and a financial burden to the host-city rather than an economic development tool. This belief had been clearly illustrated by the financial failure of the Munich Olympic Games (1972) and the Montreal Olympics Games (1976). Indeed, Montreal is estimated to have made a loss of approximately \$200 million, with debt charges still being paid off today (Cohen 1991). The associated costs and benefits are reviewed closely in Chapter Four.

The Los Angeles Olympic Games in 1984 provided the watershed and springboard for the legitimate commercial investment in major events, following the financial and political debacles of Munich, Montreal and then Moscow in 1980. For the first time the Olympic Games generated commercial returns and stimulating economic activity way beyond the levels previously experienced through sport. The Los Angeles Olympic Games made a substantial profit of \$2,367bn, nearly twice that of all the previous Games put together (Dubi 1996, Essex and Chalkley 1998). The success of Los Angeles, and the radical approach to economic development witnessed in the United States, fuelled the desire of other 'world' cities to attract one-off events as a means of stimulating external investment (Preuss 2000). This assumption was based on the perceived economic development role of events, but also on the belief that commercial investment made these events viable in themselves.

Since 1984 the rationale for attracting major events has broadened from the balanced budget concept and the desire to promote the broader image of a city or country alone. As illustrated recently in Sydney 2000, the sports development legacies, the investment in facilities and land reclamation schemes, together with the political motivations offered to reunite a nation, were key objectives for attracting the Olympic Games. Tourism development strategies, marketing opportunities and cultural programmes were

thereafter stimulated by the approach of the Olympics, and all these apparent benefits were judged to outweigh the monetary costs of hosting the Games.

According to Ritchie (1984 and 1988), and more recently Chappelet (1996), the principal impacts that accrue from staging major events are economic benefits, image enhancement, tourism/commercial development, physical, socio-cultural, sporting and political outcomes (Chapter Two). These were exactly the outcomes which desperate political leaders in the UK were anxious to deliver in the mid-1980's through a diversified approach to economic regeneration and growth. Limited by few other meaningful alternatives and set at a time of local and central government friction in the UK, the city quickly became a laboratory of radical innovation and the test ground for experiments in urban regeneration (Lawless and Ramsden 1990a, Roche 1992b).

The approach to and the use of sport as an alternative economic investment tool in the UK therefore derived from an environment influenced by economic change at the local level. This change was combined with the need to enhance the image and perception of the UK's decaying cities. Sheffield provides an example of a typical British city deeply affected by the consequences of economic restructuring during the 1970's and early to mid-1980's.

During this period Sheffield was crippled by the decline in its traditional manufacturing industry, unlike any other time in its history. The use of sport was an untried strategy and in the face of growing unemployment difficult, both financially and politically. Based on a radical and strategically naive decision to adopt the North American solution to rising unemployment and structural decline, the city attracted the hitherto unknown World Student Games in 1991. The Games were attracted in the hope that investment in the event and enhanced city infrastructure would stimulate cross sector employment opportunities throughout the city which in the longer-term would 'trickle-down' to all sectors of the community (Price 1990, Seyd 1990, Critcher 1992, Lawless 1994b, Williams 1997).

According to the relevant employment census statistics in 1971, 48 per cent of jobs in the city of Sheffield were in the manufacturing industry, by 1984, this figure had declined to only 27 per cent (Dabinett 1991). Significantly in 1971, one in ten of the city's population was employed in the steel industry, but as a consequence of change the steel industry related jobs (manufacturing and service sector) fell from 450,000 in 1971 to around 4,700 in 1993 (Taylor et al 1996, Williams 1997). Local unemployment rose from 4.9 per cent in 1979 to 9.6 per cent in 1990; against a national average of 5.4 per cent and 6.8 per cent respectively (Foley 1991).

At this time Sheffield, together with Barcelona, decided to lead the European experiment in the use of sport as an economic development tool. After years of neglect the opportunity of the World Student Games enabled the city to direct investment of nearly £150 million in world class sporting facilities between 1988-1992 and created short-term job opportunities in the construction industry (Sheffield City Council 1990). A summary of the many feasibility studies undertaken prior to the Games estimated that 2,180 local job years would be created as a result of the organisational and operational expenditure at the Games, and through the effects of visitor and participant expenditure (Foley 1991). Despite promises of 390 full-time equivalent jobs as a result of the investment in the facilities and the Games, unfortunately there was little serious academic assessment undertaken during or in the short-term period after the Games itself to justify the pre-event forecasts. This includes the lack of research into the impact of the other simultaneous £700 million investment in associated retail, leisure, arts and cultural projects (Bramwell 1995b, Dobson and Gratton 1995, Henry and Paramio 1997).

While the decision to host the Games was not part of a formal strategy for sport or tourism, the controlling Labour politicians in the City Council believed that this investment was part of a long-term solution to Sheffield's economic and social problems (Taylor 1990, Price 1991). The determination of the Council to press ahead with an investment in sport and a diversified consumer service based economy also consolidated many of the unlikely public-private partnership arrangements that had been fused together since the mid-1980's.

These partnerships, outlined in detail in Chapter Three, included the local Universities, the local Hospital Trusts, the local Council, the Chamber of Commerce, the local Destination Bureau and private business. Local business and commercial interests were brought together with the public sector with the aim of improving the economic environment and the quality of life in the city (Stoker 1995). Sheffield, lead by its City Council and the Sheffield Economic Regeneration Committee (SERC) attempted to become more of a 'post-modern entrepreneurial city' (Harvey 1989a). It adopted a radical approach through public-private sector partnership arrangements, although this was against the Thatcherite Central Government policy of national solutions to the effects of economic change (Strange 1993, Henry and Paramio 1998).

However, as explain in Chapter Three, the belief in the long-term regenerative value of the World Student Games was overcome by short-term antipathy as the Games became clouded in allegations of financial mismanagement. Sheffield's experience illustrates that the staging of major events is not only about accruing and measuring benefits, but also accounting for costs and sporting disbenefits as local communities can become more rather than less isolated away from sport (Stevens 1994).

Sidelined from the national political framework (and sources of national finance) as a result of political difference between Labour controlled Sheffield and Conservative Central Government, the mounting debts were to raise serious questions over the legitimacy of Sheffield's investment in sport. Sheffield's aspirations of re-imaging through sport actually brought it negative publicity and ridicule as a result of its financial mismanagement of the Games. The Council was nevertheless unrelenting in its belief that sport and a coherent strategy of attracting major events would lead to longer-term benefits, and had to justify its investment.

Two mission statements evolved after the Games. These became the principal policies for utilising major events in the city as the Council attempted to maximise the expertise developed during the Games. As explain in Chapter Three, these strategic mission statements urged the promotion of major events in order to raise the image of Sheffield nationally and internationally. Sport was to be one of the key tools in diversifying the

economic base of the city and used to stimulate local community involvement (Sheffield City Council 1995a, 1995b).

A longer-term perspective on the outcome of Sheffield's investment in major events is essential to further one's understanding of the often made claim that a multi-faceted regeneration strategy, based around sport, can act as a principal economic growth engine for economic development in post-industrial cities. This theme is explored in detail in Chapter Four. While the total number of major events staged in Sheffield has been rising steadily over the last ten years, the immature state of the research into the associated effects has been marked by exaggerated claims of the economic impact associated with many of the events staged. The lack of coherent research has served to increase speculation about the nature of economic impact associated with different types of major events and different types of visitors to the city. It is essential for cities such as Sheffield to understand the function of sport and major events within pro-growth economic strategies, not least so that this can inform future strategic planning and the allocation of scarce resources.

The desire to understand the impact associated with events has been hampered by unreliable and inconsistent research methodologies across the UK. The inappropriate use of multipliers and a failure to measure the economic costs and benefits, in any meaningful way, has compounded this problem (Chapter Five). Investment decisions linked to sport are still based on predictions and/or ill-founded assumptions, rather than known fact or in-depth assessment. This is incomprehensible given local authority budget constraints and the arrival of 'Best Value' in service delivery and the expenditure of local government. More astonishingly, a second wave of investment in sport in Sheffield is beginning without a clear assessment of the returns of the huge local investment in facilities and events of the late 1980's and early 1990's.

### **1.3 AIMS AND OBJECTIVES**

This research aims to identify the value, role and function of major events within the context of sport as a lead strategy in economic development and regeneration at the

local level. In order to satisfy the specific aim of the research, several related primary and secondary objectives are proposed. The six objectives are:

### **Primary Objectives**

- i. to review the economic and sports policy framework supporting the staging of major events at the international, national and local level
- ii. to assess the local economic and political context leading to Sheffield's decision to embrace sport and major events as a key tool in its regeneration strategy
- ii. to evaluate the theoretical framework underpinning the use of sport in the process of local economic development and to review comparative literature on the economic value, role and function of major events

### **Secondary Objectives**

- iv. to identify, if major events are important, how their impact can be measured at the local level
- v. to measure the economic impact of five major sports events in Sheffield
- vi. to compare and contrast the economic importance of different types of major events.

To meet the aim of the research, and to draw a conclusion on the return of investment in major sports events for the city of Sheffield, the structure of the thesis will draw upon each of these specific objectives. The thesis will therefore consist of ten additional chapters. Chapter Two sets the policy context for the study and explores the international, national and local use of sport and major events as an economic growth mechanism following the consequences of global economic crisis and manufacturing decline in the early 1970's. Starting from an analysis of the effects of global

restructuring and its impacts on urban and economic policy in the UK, it will focus on the development of a policy promoting sport as a tool of economic growth in regeneration strategies across the globe. This will set the scene for an examination of the national and local policy context for the support of sport and major events in the UK.

Chapter Three will concentrate on Sheffield; the political and economic influences and the consequences of its conscious, yet radical decision to invest heavily in sport, major events and their associated infrastructure in the 1980's and 1990's. Utilising an historical perspective, Chapter Three will attempt to evaluate the factors influencing sport and its role and significance in the city. This will be set against the framework of the city's public-private sector partnership and outline existing research on the economic outcomes derived from the huge investment in sport since 1990.

Chapter Four sets out the theoretical framework of thesis and establishes the critical areas of investigation. The chapter, with reference to economic base theory and the traditional role of manufacturing, producer and consumer services in the economic development process, will assess the relative merits of sport as a viable component of the post-modern local economic growth strategies. The evaluation uses contemporary challenges to the notion that service sector activity, such as sport, is ineffectual in achieving economic development goals. Following the definition of major events as a concept, the review of literature will attempt to understand the relative economic merits of the promotion of sport and the costs and benefits associated with hosting events.

Chapter Five will consider the analytical framework proposed for measuring the economic impact of major events at the local level. From setting out the most appropriate methodological approach to measuring the local impact of an event, the chapter will lead on to a critical appraisal of economic impact evaluation techniques and the rationale guiding their implementation.

In Chapter Six the methodological approach to the study of five major events in Sheffield during the period 1996-1998 is explained and justified in detail. Chapter

Seven and Chapter Eight illustrate the empirical results of applying an economic impact methodology to five very different major events. These events comprise the 1996 European Football Championships in Sheffield, the 1996 FINA VI World Masters Swimming Championships, the 1996 English Schools Athletics Championships, the 1997 IAAF Grand Prix Athletics Championships and the 1998 LEN European Short Course Swimming Championships. Due to the complexity and size of the empirical research, Chapter Seven provides an appraisal of the three European Football Championship matches played in Sheffield. The four other major sports events are evaluated in Chapter Eight. This is the most effective means of dealing with events of significantly different scale.

Chapter Nine provides a detailed assessment of the results and illustrates a comparative analysis of the direct and indirect impacts associated with the hosting of the different types of events. The approach utilises information from other visitor and expenditure surveys across UK cities to compare the expenditure of the urban sport tourist with other types of visitors to cities. Chapter Ten discusses the implications of the results and attempts to clearly define the value, role and function of major events in local economic development strategies as a consequence of the study results.

Chapter Eleven, with reference to the specific aim and objectives, draws out the conclusions of the thesis. It considers the importance of understanding the economic function of major events at city level, and the assesses the future challenges faced by Sheffield and other UK cities with similar aspirations to derive the broad benefits gained from hosting events. Finally, the study recommends the future research direction for the study of major events in the UK.

## **1.4 OVERVIEW**

The financial commitments and requirements involved in staging major ‘hallmark’ sporting events are so demanding that host cities can now only justify expenditure to bid for and stage them when it is seen as leading to a major programme of regeneration and improvement (Essex and Chalkley 1998). Due to the nature and scale of investment



required, there is a temptation by the local and national political élite, without supporting research, to over-emphasise the value of any one particular event in terms of its economic impact and added value (Anderson and Hennes 1992, Roche 1992a, Cowl 1994, Crompton 1995). Acknowledging that an economy will not grow without a rise in external income, the broader question investigated by this research is whether investment in sport and major events can help to diversify an economy and stimulate growth.

This thesis attempts to quantify the net economic impacts associated with both spectator and competitor intensive events at city level in the UK, through a case study of one of the UK's 'National Cities of Sport'. The intention is to test the hypothesis that events can act as a 'catalyst' and function as basic sector activities to stimulate economic diversity and growth. The research will provide the first detailed economic evaluation of Sheffield's decision to invest in major sports events for the purposes of urban regeneration. The study will quantify the returns generated by attracting different types of major events to a post-modern city. Furthermore, an analysis of the impact associated with different types of events will help to reveal important policy implications for the future hosting strategies at local, regional and national level.

While beyond the scope of this study, the author recognises that the economic impact of hosting a major event, is only one of several impacts associated with the staging of major events (Chapter Two). While the thesis will concentrate on the benefits associated with major events, it will also highlight the many costs. Positive and negative sport development outcomes are often associated with the staging of major events, but along with social, cultural and environmental effects these are not often measured in any meaningful way (Dobson and Gratton 1995, Taylor 2001). Chappelet (1996) argues that the measurement of economic impact is often justified as the most common argument raised in support of attracting events or defence of the huge costs and investments required. He concedes that often it is possibly the weakest argument, believing that financial outcomes are not an absolute criterion of judgement for evaluating the benefits of an event.

## 2.1 INTRODUCTION

The purpose of Chapter Two is to explore the economic circumstances and sports policy framework that together have given rise to the changing role and function of sport at the international, national and local level in recent years. From its traditional roots in social policy, the end of the twentieth century has witnessed the increasing use of sport and major events as a tool in local economic regeneration policies of post-industrial cities in the UK.

The chapter will begin by exploring the policy ramifications of the realignment of global markets, and the subsequent economic effect on cities reliant for decades on steel and primary manufacturing industry. By attempting to set out an explanation of the nature of these international forces and circumstances of change, the approach will evolve to identify, in detail, the national and local implications. The analysis will illustrate that the effects of these changes were felt by a number of western cities with a traditional reliance on manufacturing. It will also show that the local conditions and relationships designed to stimulate regeneration in North America and in the UK were extremely different and lead to identifiably different outcomes (Audit Commission 1989, Hambleton 1991).

Introducing national government involvement, and with reference to the myriad of sporting organisations throughout the country, the UK sports policy framework is discussed in the third section. Discussing the use of sport for social and welfare purposes, the section will attempt to understand the reluctance of successive governments to use sport for economic purposes or to financially support the attraction and staging of events up until the Blair Labour Government of 1997. The final section will provide an overview of the development of local government economic development policy and the role of other sporting bodies, including the national governing bodies of sport.

## 2.2 THE INFLUENCE OF GLOBAL ECONOMIC FORCES ON URBAN POLICY

The growth of sport as a viable commercial proposition, and the sharp decline of many other traditional industrial sectors, has given rise to its use as a quasi-legitimate growth tool in policies of urban economic development at the local level (Seyd 1990, Foley 1991, Bale 1992, Williams 1997, Essex and Chalkley 1998). Global forces have played a crucial role as manufacturing economies have declined and technological changes have encouraged the re-orientation of production from 'West to East', and from the developed to the developing world. In essence, post-industrial nations have largely restructured and evolved towards dependency on the service sector of the economy, as witnessed within the transnational state of the European Union, where the emphasis is now on the growth of markets and technologies (Lawless and Ramsden 1990b, Loftman and Spirou 1996, Henry 2000).

To understand the use of sport as an economic pro-growth development policy is to understand the economic and social pressures placed on individual cities and countries in recent years as a result of market changes. It is also to understand the way in which sport has been seen as either a reflection of or a reaction to the globalisation of production and distribution of goods and services (Henry 2000). This conceptualisation begins with a need to appreciate the scale of manufacturing decline in the early 1970's and the changing role and function of all economic sectors. The demise of traditional manufacturing industry in the developed world was exacerbated by the internationalisation of economic activity, the increased geographical mobility of investment and production, and the power of large multi-national corporations (Loftman and Spirou 1996).

While the 1950's and 1960's had been a period of economic growth across the western world through international trade, the migration of labour and capital investment, by the 1970's the growth spurt began to slow down considerably. In fact, in the European Economic Community crude steel production fell from 150 million tonnes in 1973 to 120 million tonnes in 1985 (Lawless and Ramsden 1990a). Capital investment and

manufacturing operations began to flow to the developing countries where production costs were significantly less and labour significantly cheaper to employ (Harvey 1989b). From a base of 46 per cent of the workforce employed in manufacturing industry in the UK in 1960, this shifted to less than 32 per cent in 1984. In contrast the service sector enjoyed an increase of 16 per cent of the workforce over the same period to form 65 per cent of the UK economy by 1984 (Elfring 1989). This sectoral realignment challenged the traditional economic base theory view of the economy and the 'myth' that only the primary manufacturing and production sector could stimulate economic growth (as illustrated in Chapter Four). The fact that the service sector was able to exhibit an external income-generating function, in certain localities and through certain activities, raised serious doubts about the traditional basic/dependent sector relationship identified in economic development theory (Williams 1997).

According to Judd and Parkinson (1990) the old economic order was destabilised by the globalisation of investment and production. With an ability to move productive enterprises and capital investment from place to place, the large multinational companies sought to reduce the costs of production by shifting assembly operations to countries with low labour costs. These companies ceased to identify with any particular place or even with a particular nation (Hamilton 1997). This process dealt a major blow to the traditional manufacturing heartlands of the UK.

As Henry (2000) illustrates with reference to the work of three major theorists, Giddens (1990), Harvey (1989a) and Appadurai (1990), the forces of globalisation have impacted on almost every aspect of economic, social, cultural and political life at the national and local level. According to Giddens (1990) within a theory of 'time-space distancing', globalisation has meant that people are now less tied to local circumstances. Harvey (1989a) argues that a 'time-space compression' has led to the acceleration of technological and economic change. Both authors agree that there is increasing interdependence between markets, whereas before markets were isolated and distinct communities.

The recession of the 1970's hit almost all advanced industrialised nations with dramatic losses in overseas market share and jobs. While one might argue, that in a statistical sense, employment growth was gained in other sectors through the development and growth of the service sector, these jobs were not located in the same urban or metropolitan areas that had experienced manufacturing decline (Roche 1992c). Faced with rapid industrial demise, the élite of industrial cities and old ports sought policies of re-dress from the central state, which in turn attempted to shore up these sectors to avoid the ramifications of national economic crisis. This led to a number of national and local economic policy actions (and reactions) across the developed world.

In the post-war years urban policy in the UK amounted to control of the physical environment and the provision of social benefits deemed necessary to restrict the unplanned and uneven growth of the Victorian cities (Briggs 1980, Gratton and Taylor 1991). While cities took the major roles in managing houses, social services and land use activities, the government's authority remained to some extent decentralised. Since the lack of investment by the private sector was seen to be the primary reason behind the economic decline of many cities, the public sector was believed to be the obvious agent to lead urban reconstruction (Goeldner and Long 1987, Judd and Parkinson 1990). However, when the Conservative Party took power in 1979, a major shift took place in British urban policy (Seyd 1993). The Government declared its belief that the public sector was the cause of inner city problems and determined that the private sector and the free market were the most appropriate mechanism to cure urban decline (Goodwin 1992, Henry 1993, Lawless 1994b). Hambleton (1991) argues that this actually represented the collapse of British urban policy.

In the face of global recession, governments, as in the case of the UK decided that local authorities were incapable of leading economic revitalisation for themselves and withdrew traditional resources and powers in favour of promoting the autonomy of the private sector and the spirit of enterprise culture. Within a framework of a neo-liberal approach to government in the UK, there emerged a range of government initiatives to the growing crisis (Henry 1993). These included 'City Action Teams', 'Enterprise Zones', 'Urban Development Corporations', 'Enterprise Councils', 'Training and

Education Councils' (TEC's), 'Urban Development Grants' and 'Urban Regeneration Grants'. These were perceived not only as a reaction to local economic crisis, but also represented a shift in developing capitalist economies from a Fordist to a post-Fordist regime of accumulation (Judd and Parkinson 1990, Coghlan 1994, Williams 1997).

Central government policy in the UK served to heighten tensions between the state and local government, particularly in Labour controlled local councils. There followed a series of continued and restraining national policy directives, including over fifty Acts of Parliament, which eroded or regulated the powers of local authorities between 1979 and 1991. It soon became evident that urban leaders would not be the chief beneficiaries of national strategies or finance to solve local economic issues (Hambleton 1991). This became especially apparent where central government illustrated a reluctance to participate in locally led schemes such as the World Student Games in Sheffield (Chapter Three), or where tensions reduced the effectiveness of central support (Harvey 1989a, Kitchen 1996).

The efforts of local leaders were thus re-directed at finding alternative solutions to regenerating their local economies, and a number of hitherto unlikely public-private partnerships developed within the newly termed 'entrepreneurial cities', representing urban growth coalitions (Harvey 1989b, Strange 1993, Loftman and Spirou 1996, Henry and Paramio 1998).

In UK cities such as Sheffield, with a tradition and reliance upon steel, alternative forms of city leadership and radical employment strategies were in direct contrast to the market based ideologies of the Thatcher Conservative Government (Darke 1991). They also reflected a new urban managerialism in the public sector, and the start of a widespread experiment with economic development strategies based on the service sectors of sport, culture, education and training. The use of these strategies was based on the belief that while some consumer services are more external income-orientated than others, all earn a proportion of their income externally and stimulate growth at the local level.

Sheffield had little experience on which to draw and it did not have the benefit of other UK comparisons (Henry 2000). The changes to the structure of the global economy had rapidly prompted the search for alternative local growth strategies and sectors. Sport and its associated industries played an increasingly important role across the world, particularly as new public-private partnerships began to exert influence, and more importantly began to work in the international arena.

## **2.3 THE INTERNATIONAL SPORTS POLICY CONTEXT**

Against the background of economic restructuring, a number of world and UK cities sought new and enterprising schemes to re-dress the spoils of economic and social decay. At world and European level, art festivals, cultural activity, 'Expositions' and Garden Festivals gained credence as a way of raising the profile of a city and attracting new investment (Law 1994). Sport and leisure were two of the other mainstream options that began to be taken seriously following the experiences of a number of North American cities in the mid-1980's (Baade 1996). Due in large part to the successful staging of the 1984 Los Angeles Olympic Games, cities began to realise that major events could be staged without substantial central government investment and through key partnerships with the commercial sector (Preuss 2000).

### **2.3.1 The North American Approach to Regeneration**

British cities, desperate for alternative options began to study and replicate the North American experience, but understandably paid close reference to their own peculiar local needs, traditions and economic problems (Wilkinson 1990). An overview of the North American experience highlights a number of the policy initiatives which were gradually adopted in the UK, although these were generally less strategic and principally without the same degree of financial resources or sustainable commitment.

In the late 1970's and early 1980's Indianapolis had suffered the same plight that was to befall Sheffield. The city crippled economically and its image was poor both inside the United States and abroad. Apart from the Indy 500 car race, the city of Indianapolis had

little on which to promote itself. Investment in sport was chosen to help cure the city of its economic problems. This strategy was developed by a committee of community leaders. This committee represented business, professional occupations, government, the civic office and philanthropic interests. Schaffer et al (1993) argue that the coalition and co-operation that this committee of community leaders represented was the essential ingredient in the beginning of a development strategy centred around sport.

Economic development through sport in Indianapolis was not based solely on one facility or one event (i.e. not just the Pan American Games or the Indy 500), although the importance of these 'flagships' events was crucial to the building of a sustainable image of the city around sport. The regeneration of Indianapolis was based on a balanced range of facilities, a programme of events and the community's access to sport and sports facilities. This provided a long-term approach to the city's sport-led economic development strategy (Wilkinson 1990, Collins 1991, Rosentraub et al 1994, Kernan 1999).

Additionally, while sport played an important role as a catalyst for economic development, it was only one aspect of the process. Other strategies for industrial, commercial and associated retail development were linked to sport, leisure and tourism opportunities as four main principles guided local economic development. These principles included the encouragement of local ownership, increased import substitution, improvements in the local control of money, and localising work to meet local demand (Williams 1997). The accumulation of a diverse number of economic growth strategies, across sectors, was aimed at reversing the process of decline into one of growth. Close and enduring local partnerships between private commerce, local government, local trusts, the Chamber of Commerce, the Universities and private sport franchises were the cornerstone of this process for the city (Cheshire 1990). The strategy was bold and the city leaders were in a position to build new arenas and facilities before any major team franchises or events were secured. The financial backing for regeneration was achieved through a range of financial sources, including endowment trusts left to the city by rich benefactors. Moreover, the strategy of headline investment in sport was intended to create a new positive image for the city.



An overview of the financial backing for Indianapolis' redevelopment provides an interesting overview of the role of the public-private partnership and contrasts with scenarios illustrated in Sheffield (and latter parts of the thesis - Chapter Three and Eleven). According to Rosentraub et al (1994), there was an extensive commitment of private funds to Indianapolis' strategy. More than half the funds (55.7 per cent) were from the private sector, and the non-profit sector was responsible for slightly less than \$1 of every \$10 invested. Approximately two-thirds of the investment came from these two sectors. The city's investment accounted for less than one-fifth and for every dollar invested by the city, the private and non-profit sectors, together with the state of Indiana, contributed \$5.33. This was an enviable financial position typically not repeated in many other cities throughout the world (Kernan 1999).

The nature of the public-private sector partnership stimulating and then guiding regeneration through sport in American cities, such as Indianapolis, was fundamentally different from the structure evident in the UK. Given that the stadiums and arenas of most professional American sports teams were privately owned, there was historically very little public sector involvement in the business affairs of sport. The 'franchise system' was a strong commercial entity. Due primarily to the monopolistic control of the professional sports leagues a very restricted role was required of the state and local government in sporting matters (Rosentraub 1997). The role of the public sector, and its relationship with the private sector grew stronger once professional sports teams became the most coveted assets within local economic development plans. Through the 1980's and the 1990's, local governments forged partnerships with franchise holders and began to subsidise the construction and operation of facilities in the battle for raising profile, prestige, status and wealth generation.

In the 1980's, nearly 90 per cent of the cost of facility construction throughout the USA was supported by the taxpayer, with local government justifying such investment by claims of spin-off economic development opportunities, the generation of new jobs and the attraction of new businesses to an area. The claims of economic prosperity were related directly and indirectly to the provision of facilities for professional sport (Rosentraub 1997). The geographic mobility of teams, the sheer volume of professional

teams (allied to the number of professional sports) and the development of a partnership between national and local government, private capital and sports organisations facilitated the whole process (Collins 1991).

Philadelphia also provided a model experience of how to successfully use sport as a tool for economic growth and restructuring (Wilkinson 1990, Taylor 1990, Price 1990, Collins 1991). While the traditional image of the city derived from its role in American history, the profile of the city had been synonymous with sport for a number of years. Philadelphia used major events as economic regenerative tools by broadening its wide sports strategy to include other forms of sporting activity, particularly sports conventions. It also decided to promote the city through tourism (with over 7 million visits per annum). Its investment in sport-based development, like other American cities, was built on the use of available land adjacent to the central business district with the aim at creating new a 'visitor destination' (Collins and Jackson 1999). Kansas similarly attracted national governing bodies of sport to sustain its sporting base and to add diversity to its existing structure (Bale 1992).

A brief synopsis of these three North American cities illustrates that investment in sport, brought about by the lead role of the private sector, was critical in the regeneration process; whether as a catalyst to or a mechanism of economic diversification. Economic development was stimulated through city investment in the construction of new facilities and the subsequent attraction of professional teams, sports events, conventions and exhibitions. The apparent success of this strategy in the USA and the increased recognition of sport and the value of major events rapidly spread to the UK. Soon sport became legitimised as an alternative economic strand of local development, and a means of attracting out of town visitors to an area. The American strategy of sport-led regenerating was closely examined and quickly adopted at the local level in the UK. However, the structure of sport and the historic role of the public and private sector was very different and the working relationships immature, if not non-existent (Hutchinson 1994). Moreover, in the UK there was an over-emphasis on the positive benefits accrued from investment in sport and major events, at the expense of many of the associated costs. An understanding of the positive and negative impacts of major events

is outlined below as a means of understanding the difference between the UK and North American approach, but also to illustrate that often these costs outweigh the benefits (Chapter Three).

### **2.3.2 Understanding the Positive and Negative Impacts of Major Events**

Observers such as Ritchie (1988) and Getz (1991) point out that as well as economic benefits, there are a range of other positive and negative impacts associated with the staging of major events. They can affect the viability and sustainability of new investment in facilities and infrastructure. The positive and negative impacts range from local economics, to the development or suffocation of local sporting opportunity, through to the effect on the commercial environment, tourism, the physical environment, socio-cultural relations, the psychological well being of city residents and the political environment of the city.

Taking each of the impacts in turn it is possible to identify that for each positive benefit bestowed on a city by the staging of a major event, there are one or more negative impacts that often can cause considerable problems and outweigh the positive effects. Assessing the wider impacts is important as it broadens the policy context away from purely an economic understanding of why cities wish to attract events and it illustrates why the positive benefits proclaimed do not always accrue (Chapter Four).

An understanding of the potential sporting benefits or disbenefits realised as a consequence of staging a major event can have a fundamental effect upon the decision to invest in the first place. Barcelona experienced a substantial increase in participation across a range of sports after the 1992 Olympic Games due to new facilities and enhanced opportunities to take part in sport (Batlle 1994 – Chapter Four). However, Sheffield experienced a down turn in swimming demand (against the national average, as illustrated in Chapter Three) after the World Student Games as local pools were substituted for larger central pools and spectator events displaced local participation (Taylor 2001).

The Table 2.1, adapted from Ritchie (1988), highlights both the positive and negative impacts of events, and while North American cities had been aware of the scale of the costs associated with sport and major events, it will become clear that the UK approach was rather naive.

**Table 2.1 The Diverse Impacts of Major Sporting Events**

Type of Impact	Positive	Negative
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Generation of 'net' expenditures, indirect and induced effects.</li> <li>• Employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Price increases - goods &amp; services</li> <li>• Property &amp; land price speculation</li> <li>• Non-financially viable facilities</li> </ul>
<b>Sporting</b>	<ul style="list-style-type: none"> <li>• Sports development legacies</li> <li>• Enhanced facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Removal of 'community' facilities</li> <li>• Decreased budgets to support sport</li> </ul>
<b>Commercial</b>	<ul style="list-style-type: none"> <li>• Increased utilisation</li> <li>• Increased yield</li> </ul>	<ul style="list-style-type: none"> <li>• Displacement of regular business</li> <li>• Decreased yields</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• Heightened profile &amp; exposure</li> <li>• Showcasing</li> </ul>	<ul style="list-style-type: none"> <li>• Inappropriate re-imaging</li> <li>• Damaging to reputation</li> </ul>
<b>Physical</b>	<ul style="list-style-type: none"> <li>• New or improved facilities</li> <li>• Better infrastructure &amp; environment</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Damage</li> <li>• Overcrowding, pollution, noise etc</li> </ul>
<b>Socio-cultural</b>	<ul style="list-style-type: none"> <li>• Increased participation in sport</li> <li>• Re-affirming local traditions</li> </ul>	<ul style="list-style-type: none"> <li>• Over-commercialisation</li> <li>• Vandalism, crime, exploitation</li> </ul>
<b>Psychological</b>	<ul style="list-style-type: none"> <li>• Enhanced community pride &amp; spirit</li> <li>• Understanding of 'outsiders' view</li> </ul>	<ul style="list-style-type: none"> <li>• Defensive/territorial attitudes</li> <li>• Visitor-host hostility</li> </ul>
<b>Political</b>	<ul style="list-style-type: none"> <li>• Enhanced international recognition</li> <li>• Business &amp; political spin-offs</li> </ul>	<ul style="list-style-type: none"> <li>• Exploitation of local/ethnic group</li> <li>• Political distortion of the event</li> </ul>

While national and local governments have to consider a balance between the positive and negative affects of staging major events, Indianapolis, Philadelphia and Kansas offered important models to the UK for experimenting with the use of sport as a means of attracting visitors and releasing new funding opportunities. While the outcome of adopting this policy at city level is traced closely in Chapter Three, it is important to understand in policy terms how the use of sport for economic purposes was approached in the UK, both nationally and locally.

## **2.4 THE UK POLICY PERSPECTIVE ON SPORT**

The purpose of this section is to understand the development of sports policy in the UK and its interaction with urban and economic policy in the context of staging major international events. In order to keep the section succinct, the aim is to concentrate on the diversity of the national and local policy frameworks in the recent past and to introduce the role and influence of various actors in the British sports structure. An analysis of the role of the state and its sporting agencies, in comparison to local authorities, national governing bodies of sport and other key sporting partners will help to clarify the roles played by the various actors.

The policy evaluation will illustrate the traditional reluctance of central government and its agencies to fully recognise or support the development of sport for local economic development purposes. This is in a direct contrast to the proactive role of local authorities during the mid-1980's and early 1990's. Yet it was symptomatic of a neo-liberalist approach by central government during the period, to reduce the role of the state, to cut local authority expenditure, to limit collectivist policy goals and reduce welfare services in the area of sports policy (Henry 1993).

### **2.4.1 Central Government and Sports Council Policy**

A brief historical appraisal of government policy illustrates that sport was only of marginal interest to most governments until the late 1950's and early 1960's (Coalter et al 1986, Gratton 1989, Houlihan 1994). There is a lack of real positive evidence to illustrate why successive governments were apathetic to the requirements of sport and major events. Not until John Major's statement in 'Sport Raising the Game' (Department of National Heritage 1995a) did the government make public its acceptance of the broad benefits derived from sport. The benefits to education, health, the feel-good factor, social harmony and economic regeneration have now been carried forward by the Labour Government and Sport England in its unprecedented £120 million support for the Commonwealth Games in Manchester in 2002.

Prior to the early 1960's, government intervention in sport was typically in reaction to poor standards of health, civil unrest or disorder, and definitely not in recognition of sport as a distinct policy area. Likewise, legislation in the area of sport was limited and typically associated with the health or social and moral welfare issues of the nation. It was certainly not linked to economic policy. Early examples of legislation include a series of Victorian Acts, such as the Bath and Wash-houses Act (1846), the Local Government Act of 1894 and the Open Spaces Act (1906) which typically gave rise to the raising of hygiene standards (Briggs 1980).

Historically, the Central Council for Physical Recreation (CCPR), formed in 1935, lobbied the government on issues pertaining to sport, but little was achieved during the inter-war years. The National Fitness Council, set up to achieve higher levels of fitness and facility provision, was suspended in 1939 (Coalter et al 1986). In the immediate post-war years there was little movement in sports policy until the Wolfenden Committee Report; 'Sport and the Community' (1960). The Wolfenden Report advocated the establishment of a 'Sports Development Council', but the Conservative government rejected the proposal, although it did increase its financial aid to voluntary sports clubs in 1963. The Labour Government of 1964 established an 'Advisory Sports Council', although its role was limited to advising the government on the development of amateur sport and the fostering of relations with statutory and voluntary organisations (McIntosh and Charlton 1985). In essence, the policy of the Advisory Sports Council was limited to arms-length encouragement of the voluntary and public sector.

However, in 1972 the Sports Council was established by Royal Charter to act as the main agent of policy development for sport. As a quasi-autonomous non-government organisation (quango) its remit was:

"to develop and improve the knowledge and practice of sport and physical recreation in the interests of social welfare and the enjoyment of leisure among the public at large".

Commentators (Hargreaves 1986, Houlihan 1997) argue that little changed during the 1970's and 1980's, even after the establishment of the Sports Councils. Although

Coalter et al (1986) suggest that the establishment of the Sports Council fundamentally changed the relationship between sport, the government and the voluntary sector, and provided a focus to take the development of sport forward. Critics argue that the focus of the Sports Council's strategies, particularly its headline policy of 'Sport for All,' was based on a concern for the lower middle to working classes and illustrative of a paternalistic approach to sports policy.

While the Sports Council developed a series of national plans and assisted the development of sport with grant-in-aid from its 'exchequer' budget, the majority of increased expenditure on sport during the 1970's was allocated after local government re-organisation in 1974 to the municipal authorities. A series of government White Papers on Sport (Sport and Recreation (DOE 1975), Policy for Inner Cities (DOE 1977a) and Recreation and Deprivation in Urban Areas (DOE 1977b) gave a new emphasis to sports policy (Collins 1991). The first White Paper (1975) concentrated on sports participation by those minority groups deemed to be 'recreationally underprivileged'. This targeted groups such as the unemployed, youths, low-income families, the elderly and the disabled. The 1977 Department of the Environment White Papers concentrated firstly, on the role of sport in improving the life of those attracted to delinquency and vandalism, and secondly, on the promotion of sport and recreation as a socially integrative force (Gratton 1989).

Other national schemes encouraged the use of sport as tool in social policy at this time. These included the 'Action Sport' programme launched in 1981 by the Sports Council. These policy programmes were further criticised as an ineffectual reaction to a series of urban riots in the early 1980's. However, it did illustrate a continuing move of sports policy from a supply-led to demand-led emphasis, with the concentration on people rather than the former concentration on facilities (Gratton and Taylor 1991).

The long established paternalistic slant to government sports policy gave way to a market-orientated service approach established during the Thatcher administration in the 1980's. Under the Conservative Government, local authorities were required to introduce Compulsory Competitive Tendering (CCT), following the Local Government

Act of 1988. This was a clear attempt to introduce market forces into the delivery of local council recreation services (Henry 1993). This period also witnessed dramatic decreases in local budgets for sport and recreation, as local councils were rate capped in 1985 and spending restraints imposed (Sugden and Knox 1992). While economically desperate cities turned to the growing sports tourism market and the attraction of major sporting events (on the back of the North American experience), the government and the Sports Council refused to fully recognise the benefits advocated in such a policy. Indeed, their reluctance was so strong that only following heated political debate was £3 million given by the government as direct assistance to Sheffield's attempt to stage the World Student Games (Roche 1992a). This was less than 7 per cent of the budget for the totality of the Games, including facility construction contributions from central sources such as the Urban Programme and the City Grant Programme.

According to Adams (1990), during the period from 1960 onwards, one of the government's most controversial policies in relation to sport, has been its persistent refusal to underwrite or subsidise the staging of major international sporting events. The British government's policy with regard to hosting major events has traditionally been to provide appropriate diplomatic and promotional support, but not direct finance (Cowl 1994). As a result of this policy stance, it is believed that the UK has experienced both unco-ordinated and unsuccessful bids to attract the world's largest events and has experienced some significant sporting and political failures, particularly the 1986 Commonwealth Games in Edinburgh. Significantly this policy void has resulted in the failure of the UK to attract the 'biggest prize', the Olympic Games, on three separate occasions in the last 15 years. The failure of Birmingham (1992) and Manchester (1996 and 2000) is illustrative of the lack of leadership and the ineffectual nature of recent campaigns. It is also indicative of a clear lack of strategic vision from the government, its agencies and partners in this area of sport and economic development policy (Department of National Heritage 1995b).

Kops (1989) argued for extended government support, active public intervention and extended provision in sport, including the staging of major events, based upon the positive externalities that flow through the consumption of sport as a 'public good'.



Kops, among others, suggests that not only does the staging of major events enhance social life and induce a 'feel good factor', international events also establish and intensify the political, social and cultural relations between nations. Gratton and Taylor (1991) cite 'public good' arguments as a primary justification for government involvement in the field of major sports events, particularly as the staging of events is increasingly linked to the development of urban and regional policy.

Political recognition of the importance of a policy for supporting major events in the UK was consistently overlooked until the Department of National Heritage Select Committee Inquiry (Department of National Heritage 1995b) into 'The Bidding for International Sporting Events in the UK'. The report stated that while UK cities hosted major events, collectively the country failed to capitalise on bids to stage the world's largest events and it was damning of the approach taken by many northern industrial cities to use events in the process of regeneration. The report was critical of the lack of leadership apparent in the British sports system and the decreasing influence of the UK in world sport.

It was symbolic that the first policy statement on sport by any government since 1977 came out in the same year as the report, in the form of John Major's 1995 'Sport: Raising the Game' (Department of National Heritage 1995a). The White Paper refocused national sports policy on excellence and youth, and delegated the responsibility for 'Sport for All' to cash-strapped local government throughout the UK (Henry 2000). It is ironic that this document made no reference to a policy of supporting major events. The Sports Council's National Cities of Sport Programme (Sports Council 1995) was also ineffective in providing supporting resources for major events in the cities of Sheffield, Birmingham and Glasgow. The Major Events Support Group, set up at this time by the Sports Council, was also poorly resourced and ineffectual as its membership reflected interest groups rather than a collection of experts empowered to evoke change.

Critics argue that too loose a structure for guiding a national policy for the attraction of events has been in place for too long a period of time (Houlihan 1994, Dobson 1998).

The UK has witnessed a duplication of facilities, support services and event management techniques that has signified an inefficient allocation of resources each time a bid for a major event has been made. Not surprisingly, until very recently the lead responsibility for attracting events was haphazard, reflecting in many ways government policy for sport and major events over the years, but also reflecting the structure of British sport. As a result of the 1995 Select Committee Report (and other structural changes in sport simmering since 1990) the government set up the United Kingdom Sports Council (UK Sport) in 1996-7 to concentrate on the elite end of sport. This was quickly followed by the use of National Lottery funds to support the bidding for and staging of major events in 1997, through the World Class Events programme. This was a major turning point in government policy following the Lottery Act in 1993.

The Labour Party Manifesto in 1997 indicated that if successful a Labour government would be supportive towards sport, and the Manifesto outlined a commitment to support the staging of major international sports events throughout the UK. The Labour Government has recognised the important outcomes attached to the staging of major international events, particularly the opportunity to enhance the global recognition, image and reputation of the country – this fits closely with the ‘Cool Britannia’ image extolled by Prime Minister Blair. The 1999 Select Committee Inquiry into staging events defines a ‘u-turn’ on the 1995 report, with the Committee advocating a more positive approach to the support of events and the establishment of a ministerial post for national projects (DCMS 1999).

However, the recent Sports Strategy, launched by Minister for Sport, Kate Hoey MP – ‘A Sporting Future for All’ (DCMS 2000a), makes little reference to the staging of major events. This is disturbing given that the Minister for Sport, the DCMS Secretary of State and the Prime Minister have all been active during the bidding process for both the 2005 IAAF World Championships in Athletics and the 2006 FIFA World Cup. The government’s latest Sports Strategy is in direct contrast to the Conservative Party’s 2000 Blue Paper ‘A Future for Sport’ (Conservative Party 2000). The Conservative Blue Paper stresses the importance of major events and recognises the boost received by a local economy when staging events (and is a contrast to the policy implemented in the

1980's). The government's approach illustrates that while events have become recognised as important for a variety of reasons, with the exception of Manchester 2002, the level of resources allocated (less than £2m per annum) is indicative of the relatively low priority attached to this area of economic development policy at national level.

The Sport and Recreation Division of the Department for Culture, Media and Sport (DCMS) is responsible for establishing policy and the strategic direction for sport, which is delivered principally through the Sports Councils. While the recent government sports strategy pays little or no attention to events, a Senior Minister, Ian McCartney MP, heads the Commonwealth Games 2002 Task Force as the government's 'Events Tsar', and a Senior DCMS official now also acts as Chair of the Government and Agencies Committee for Major Events. This Committee brings together government Departments with a responsibility for all the various sectors of the events industry. These include the Department of Trade and Industry, the Foreign and Commonwealth Office, the Department of the Environment, Transport and the Regions and the Treasury. Agencies sitting on the Committee include UK Sport and the British Tourism Association.

Gradually, there is increasing parliamentary recognition of the value of major events, as the 1999 DCMS Select Committee Report into the 'Staging of Major International Events in the UK' alludes. One of the twenty-two main recommendations of the report was that the UK Sport monitors the pre and post economic impact of staging events when awarding grants for lottery funding. Critics in local authorities might conclude that this is however ten years too late.

Government involvement in the 2002 Manchester Commonwealth Games signifies a different approach to events and replicates the recent role of the Australian central government's support and involvement in the Sydney Olympics. As discussed in Chapters Eleven, the emphasis is now firmly placed on the broader returns of the Commonwealth Games and the legacies of the event, particularly sporting, cultural and social benefits. This reflects a move away from justifying investment in events for

economic development purposes alone and to an understanding that in order to achieve its priority objectives through sport, government must invest directly in sport.

#### **2.4.2 The Developing Major Events Policy of the Sports Councils**

As illustrated above, the Sports Council has historically placed little strategic emphasis or policy planning directives towards the area of major international events. That is not to say that major events in the UK have not been supported through the Sports Council's exchequer budget, but it does recognise that this support has been limited, separate from any other policy directive and often inappropriate financially. Between the years 1993 and 1996 the average grant-in-aid contribution towards the staging of a major event was approximately £20,000 (Sports Council MESG Minutes 1996).

While there are currently five Sports Councils, the United Kingdom Sports Council (UK Sport) is the only one to have a clear reference to the responsibility for major sporting events in its Royal Charter. This is not too surprising, as UK Sport was set up following the Select Committee Report into bidding for major international events in 1995. One of the Council's main purposes is to steer a strategic approach and establish a national policy to support bidding for and staging major events throughout the UK. This is the most proactive decision by the government in the history of policy appertaining to major events, but it is less than surprising that it has taken more than two years to empower UK Sport with resources to influence its policy, and that these resources are small.

Since its establishment in 1996/7 and following a series of lengthy consultations with leading experts in the field of major events, UK Sport has developed a Blueprint Strategy and Policy (1999a, 1999b) for attracting major events throughout the UK. The Council has also recently become a distributor of lottery funds to assist the bidding for and staging of major sports events through the 'World Class Events Programme'. With less than £2 million of lottery funds set aside to assist the attraction of major events and less than £180,000 of exchequer funds for support services, UK Sport is reliant on co-ordinating partnerships with the Sports Councils in England, Scotland, Northern Ireland

and Wales. The 'home country' Sports Councils, with the exception of Sport England, have smaller lottery funded programmes to support those events deemed not to be of UK significance.

The UK Sport Policy for major events sets out the national policy directives for events and focuses on leadership, support and expertise, co-ordination, the strategic development of sport and the need to optimise public benefit. The Policy has four key objectives:

- i. to firmly establish the case for major events and public support for their staging in the UK
- ii. to describe and establish the leadership and co-ordinating role of UK Sport in relation to major events
- iii. to describe the management of public sector support for major events, in particular the relationship between UK Sport and the home country Sports Councils
- iv. to provide a decision-making framework for determining UK Sport's involvement in hosting international sport events.

The co-ordination and the direction of the Major Events Policy and programme is a responsibility devolved to the Major Events Steering Group. This is a panel of major event experts who recommend lottery funding, the strategic development of a major events framework and other support services to assist the attracting and staging of events in the UK. The measurement of the economic impacts associated with the staging of major events is one area of the 'Major Events Policy and Strategy'. The Council has recently published a report about the impacts associated with six major events staged in 1997 (UK Sport 1999c), written by the author and his colleagues. This has been followed by a yearly programme of economic impact assessments supported by the World Class Events programme and the exchequer budget.

One can now be slightly more confident of stating that there is, and will continue to be, a conscious effort by the agencies of government (especially at a national level) to invest resources in identifying and attracting sports events. Except for the 2002

Commonwealth Games in Manchester, however, the level of investment is questionable if one assesses demand against the supply of available resources. One of the recognised purposes of this type of strategy is to encourage the attraction of interstate and international visitors and to stimulate local economic development strategies (Hamilton 1997). This is in direct contrast to the previous policy of relative inertia. However, commentators argue that this policy has been a long time in its development. It is criticised as little more than a tentative reaction to the positive steer given by the local use of sport and major events as a tool in economic development strategies back in the late 1980's (Crawshaw 1997, Morton 1999).

Understandably, local government, particularly in the northern post-industrial cities, which invested heavily in facilities and major events in the late 1980's and early 1990's with their own resources (and are still paying off the debt), is critical of the approach.

#### **2.4.3 Local Policy Development and Sport**

At the local level a policy of attracting and staging major sports events in the UK has been built on the experiences of North American and European cities, as illustrated earlier. It is also a reflection of the change in regional urban policy influenced by a decline in total employment in manufacturing industry and the belief that diversified investment in consumer services can help regenerate a city (Gratton 1989, Williams 1997).

Through the gradual recognition of the nature of the wider benefits that the staging of major events can bring (Ritchie 1984 and 1988), the legitimacy of hosting major events at the local level has grown as the bidding procedure for them has transformed into a tightly fought competitive process. Bidding itself often involves the expenditure of vast amounts of public money just to win the right to host the event. The recent unsuccessful Football Association bid to stage the 2006 World Cup in England cost over £10 million and it is estimated that a bid for the Olympic Games in the UK would require a bid budget of £20-30 million at current prices. If the bid were successful then potentially billions of pounds would have to be invested to ensure transportation and

infrastructure improvement costs were met. This is before any of the operational costs of the Games, social, cultural, tourism and sporting programmes are considered.

Nevertheless, despite the huge costs associated with bidding for and staging events, as traditional manufacturing industries have declined, sport and major events have been considered as viable alternatives in economic development and investment strategies at the local level across the world (Lawless 1986, Wilkinson 1990). In many of the UK's post-industrial cities a strategic reliance has been placed upon developing the sports sectors of the market since the mid-1980's, primarily as a reaction to the need to regenerate. The development of sport as a catalyst to economic regeneration has been stimulated by the attraction of major events, but in nearly all cases this has been in tandem with tourism and leisure development (Hall 1992, Law 1994). Increasingly shopping and retail complexes, culture, the arts, music and entertainment venues are all used to diversify the economic base of the city (Bramwell 1993). This change in emphasis of economic development strategies and regional policy has been unrivalled. As Roche (1992b P.562) comments:

"In the mid and late 1980's, 'rust belt' cities have begun to respond to their decline with local economic strategies aimed at boosting employment. The strategies involve efforts to attract new inward investment, to diversify into new service sector industries, and generally to modernise local economic and social infrastructures. One feature of such strategies has often been at first sight rather implausible looking project of creating out of unpromising material a new urban tourism industry."

One of the principal policies underlying the attraction of major events to 'brownfield' sites has been the assumed economic regenerative potential of hosting these events (Sheffield City Council 1995a). The value of tourist expenditure has been recognised as extremely important to a local economy, but in many cases it has been assumed rather than methodically researched (Crompton 1995). In the majority of instances little or no valid pre-event feasibility or impact assessment work has been undertaken to assess the economic potential of an event and the actual costs and benefits have been overlooked. To this end, while local economic policy has embraced sport and major events, its importance in many cities has been unsubstantiated or unfounded (Rosentraub 1997).

Without the lead of a national agency to co-ordinate and manage a national programme of events, the post-industrial heartland of the UK has until recently steered a rather unclear and reactive policy for attracting major events to satisfy their individual and collective aims of regeneration through sport. During the last 15-20 years a number of major UK cities, often through an alliance of local authority and private sector partners, have lead the way in attempting to attract major sports events to their locality to benefit from the tourist pound. Often the guiding ethos behind these partnerships has been financial support, but also the realisation that such partnerships offer more dynamic and less bureaucratic forms of leadership than traditional forms of local government, as illustrated in the case of Indianapolis (Henry 2000).

At local level in the UK, the public-private partnership scenario is a relatively recent phenomenon. Historically less than co-operative, the UK public and private sectors operated almost totally independently, with public regulation of the private sector treated with mistrust or misunderstanding. Since the 1980's, and the increasing political realisation that the public sector (in times of declining resources and increasing demands) could not act in isolation, the prospect of collaboration to enhance the collect good of a region or city has been 'tested' as a new economic development approach.

In cities such as Sheffield and Birmingham, informal committees were established to promote joint initiatives and strategies, and to design ways of securing joint funding to address issues of gross unemployment and urban decay. As illustrated in Chapter Three, these informal meetings soon developed into formalised joint working groups, deployed with resources and terms of reference designed to re-dress local economic problems. In the UK partnership development, in contrast to the USA, was predominantly lead by the public sector both in terms of vision and resources. Typically the composition of the public-private sector partnership comprised representatives of local government, the local Chamber of Commerce, the local Destination Bureau, local Universities, local hospital trusts, the Regional Development Agency, and a scattering of local business interests (Stoker 1995, Strange 1995). While based on the approach of the North American model (as illustrated earlier in Indianapolis), these groups lacked the real resources, leadership and private sector commitment to evoke change on a scale



witnessed in North America. Lawless (1994) argues Sheffield lacked a substantial, independent and publicly minded business community and this restricted the scale and impact of its involvement. The public-private sector theme is further explored in Chapter Three.

UK Cities have been increasingly anxious to attract major sports events. To add to the main centres of event activity; Sheffield, Manchester (2002 Commonwealth Games), Birmingham, Belfast, Glasgow, Edinburgh and Cardiff, more UK cities are quickly recognising the notional importance and benefits that accrue from staging events. These cities include Bristol (Cricket World Cup 1999, Rugby World Cup 1999 and the IAAF World Half Marathon Championships 2001) and London (PruTour 1999, World Athletic Championships 2005, annual London Triathlon and Marathon).

The strategic decision to invest in major events has also been used as a means for cities to re-image and re-imagine themselves. Cities have used events to promote their status in the UK, as well as in the international arena (Taylor 1990, Bianchini and Schwengel 1991, Heeley 1991, Urry 1995, Sheffield City Liaison Group 1996). As Hall (1992) argues, while place marketing is not the only solution to a region's economic problems, it can positively contribute to a region's economic well being. He argues that this is achieved by initiating economic growth and restructuring, employment generation and regional development, as well as increasing the number of tourists visiting an area.

It has been proven that the use of events as a catalyst for widespread investment in infrastructure and promotion of the host nation's tourism potential (to an international audience) inflates the costs substantially (Cowl 1994). Therefore, Burns et al (1986) argue that the aims of regeneration cannot be met without the need for substantial public sector investment. They argue that government support of major events through the tax system is essential to cover the gap between revenue and expenditure, particularly as the ability of sport and its commercial partners to raise the required level of finance is limited. It nevertheless has been extremely difficult for local authorities to justify expenditure on major events as sport and recreation budgets have decreased

significantly. Some have fallen by 20 per cent in real cash terms between 1992/3 and 1997/8 (Taylor and Page 1994, Henry 2000).

#### **2.4.4 The National Governing Bodies of Sport**

The national governing bodies of sport (NGB's) are in the unique position of being the only bodies which can apply to the international federations of sport (to whom they are affiliated) to host a major international sporting event. Acting as the co-ordinators for the development of individual sports, the national governing bodies frequently have representatives who sit on committees of the international federations. The hosting of events is a means of increasing influence within the executive committees of these international federations.

The objective of the national governing bodies is the development of individual sports, and in this respect their primary focus is the development of the structure, finance, facilities and participatory levels of sport from foundation levels to excellence. The income of the national governing bodies comes from Sports Council grant-in-aid, lottery money to support elite functions and contributions from membership and affiliation fees. While recognising the use of sport and major events for social and economic objectives, this is a secondary concern to most national governing bodies, in contrast to the primary use of sport by local authorities in recent years.

In the majority of cases national governing bodies of sport work closely with local authorities to attract events to the UK. On many occasions governing bodies will ask local authorities to 'tender' for the right to host an event, but in most cases an event is bid for in partnership between the NGB and a given local authority. The partnership between these two bodies is therefore critical to the success of the UK in attracting events. Unfortunately, policy development for major events in and across NGB's has been limited in most cases. In the recent past the lack of policy and strategic direction has resulted in 'home country' based governing bodies bidding against each other in the international arena, sometimes knowingly and at other times unwittingly. Another complicating factor for the strategic development of major event policy at NGB level

has been that many sports only come together on a British basis once every four years during the Olympic cycle.

Taylor (1993), in a study commissioned by the GB Sports Council to evaluate 'The Financing of Excellence in Sport', investigated the relationship between the role of the national governing bodies of sport and the Sports Councils. Taylor's report provides a brief analysis of the resources available for the staging of major sports events in the UK and illustrates that the level of expenditure and scale of human resources required to stage an event place a substantial strain on any NGB. His study shows that in the period up to 1989, a large proportion of most governing bodies' gross expenditure was taken by events, although few NGB's had major event policy directives. Taylor's report highlights that the risks associated with staging event at this time were not often shared appropriately between the governing body, the Sports Councils, national and local government, commercial sponsors and television companies. While this has changed at local level during the early 1990's, only now are the NGB's beginning to benefit from government and Sports Council involvement in major events through the Lottery Sports Fund. This national co-ordination is gradually giving rise to the development of NGB major event policies and strategies, linked closely to performance and facility development strategies, but it has taken time.

A plethora of other partners are involved in the UK events sector, but all to varying degrees and with differing roles and responsibilities. These include the Local Government Association, the police, Regional Development Agencies, athletes, coaches, emergency services, the British Olympic and Paralympic Associations, the international federations of sport, broadcasters, the media, sponsors, event organisers and officials, volunteers and the general public. All of these partners have been affected by and are responsible for influencing the development of major events through their input to the UK Sport Policy for events.

## 2.5 OVERVIEW

This chapter has concentrated on understanding the development of the international, national and local sports policy framework for attracting and legitimising the staging of major events. It has illustrated the extent of structural change in traditional manufacturing economies as global markets have been re-established in the face of increasing competition from the developing world, and identified both the negative and positive effects of staging of major events. Highlighting the increasing influence of the service sector in local economic development strategies (a theme that will run through the rest of the thesis) the chapter has attempted to understand the use of sport and major events in pro-growth economic strategies by North American cities.

The use of sport and major events as a key tool in the redevelopment of North American cities during the 1980's illustrates the apparent legitimacy of the approach and the range of positive economic outcomes achieved. A review of the strategic use of sport and the growth of public-private partnerships in Indianapolis, Philadelphia and Kansas serves to illustrate the foundation on which British attempts to use sport for local economic development purposes were built. The costs of acting as 'host' have increased as a broader range of government political priorities and wider economic and social benefits are sought through the staging of events (Getz 1991, Dauncy and Hare 1998).

The public-private sector partnership approach in the UK is introduced and through an analysis of Sheffield's use of sport it is clear that the conditions and public-private coalitions described in North America were very different from the British scenario. The appraisal of the UK partnership approach develops as a theme from Chapter Three onwards as the contrast between the North American and British 'models' sharpens.

An analysis of national sports policy since the 1960's illustrates several distinct shifts with regard to the support of events. Steering an arms-length approach to sport and major events for most of the period, recent radical changes in policy have included ministerial intervention to co-ordinate the 2002 Commonwealth Games in Manchester. There is now growing recognition that in order to stage the world's largest events

substantial amounts of money have to be committed from public sources including government (Mules and Faulkner 1996).

Changes in government policy have been influenced by the economic development outcomes associated with the use of sport at the local level (Chapter Three). While the mid-to-late 1980's witnessed municipal government taking the lead in the use of sport and events for economic development purposes, the outcomes were not always favourable. It has now been recognised that local authorities cannot always meet the costs of staging mega-events and the use of lottery funds has developed as a means of bridging the funding gap (Burns et al 1986). However, as Wilkinson (1990) stated, there is still a need for a local regeneration audit to assess the value of sport, the impact of existing activity and to estimate its potential effect of sport in local development terms.

## 3.1 INTRODUCTION

Through an evaluation of Sheffield's recent history, tradition, and its dominant political ideology, the aim of this chapter is to identify the factors that have shaped and influenced the city's decision to invest in the promotion of sport and major international events to help re-dress the spoils of manufacturing decline. Secondly, with the rationale established, the objective is to evaluate the role of the World Student Games as a catalyst to economic development and investment in sport, leisure and tourism activity since 1991.

With reference to the policy context, a brief historical overview of sport at the local level illustrates the omnipresent influence of politics and manufacturing in the life of Sheffield from the 1960's onwards. Charting the history of the development of public sector sports policy in the city, the early sections of the chapter illustrate the increasing influence and role of the Sheffield City Council Recreation Department in developing sport and recreation programmes. Essentially, these were designed to meet the social needs rather than economic objectives of the day, and included a portfolio of sport and leisure facilities and the delivery of 'Sport for All' initiatives, aimed at enfranchising minority groups through sport.

Sheffield developed as a working class city and prospered during the height of the industrial revolution and thereafter. Basic sector industries such as manufacturing and the production of steel provided the 'motor' to fuel the growth of Sheffield's economy by supplying markets throughout the world, while the service sector of the economy played a less important, if not a purely local role. Sheffield exhibited the type of economy on which economic development theory has been traditionally based. The influence of manufacturing and steel, and latterly the role of local government (as one of the largest employers), are central themes in the development of the city (Hawson 1968).

Building on the overview of national policies and the delivery of economic and sporting objectives, the local political processes guiding the decision of Sheffield to utilise sport as a legitimate long-term approach to economic regeneration are examined closely. The World Student Games event in 1991 is scrutinised in detail as it reflects an unprecedented one-off investment in sport in Sheffield, and in the UK, during this period. It also signifies the use of sport as an 'untried' catalyst to the development of a new and diversified consumer service-oriented base 'industry' for the city.

By comparing and contrasting the predicted impacts of the World Student Games with an assessment of the initial measured outcomes, the approach aims to justify undertaking an economic impact evaluation of several major events attracted to the city since 1991. This evaluation is undertaken at a time when Sheffield has paused in a period of self-assessment prior to its second wave of investment in sport, through a £23 million English satellite centre of the United Kingdom Sports Institute and the development of a £12 million National Ice Centre.

### **3.2 THE DEVELOPMENT OF SPORT IN SHEFFIELD: 1960-2000**

In the last ten years the role of sport in Sheffield has been arguably more important than at any other point in the city's history. For a city of approximately 530,000 residents, sport has established a highly influential niche in Sheffield's social, economic and tourism strategies (Price 1990, Heeley 1995, Dobson and Gratton 1995, Bramwell 1995a, Crawshaw 1997). Local government in Sheffield has established itself at the forefront, steering strategies to develop sport, tourism, and leisure, and ancillary facility development in partnership with the private sector since the mid-1980's (Seyd 1987, Pollard 1993).

As a result of Sheffield's apparent, yet unmeasured success, the policy of investing in sport and major events has been copied elsewhere in the UK. However, at the time of Sheffield's initial investment, the level and availability of resources to deliver such a policy was under the regulation of central government through indirect measures

typically associated with spending restraints (Seyd 1990, Lawless 1994b, Henry & Paramio 1997).

### **3.2.1 The Growing Importance of Sport: 1960-1973**

As Chapter Two illustrates, nationally there was little movement in the development of British sports policy objectives during the immediate post-war years. To a certain degree sport and leisure lost out as housing, education and improvements to the country's infrastructure gained priority on the public sector expenditure list. Gradually sports policy developed in the 1960's, initially through the Wolfenden Report in 1960, but little visible or meaningful action was taken until the Labour Government introduced the Advisory Sports Council in 1964. As Gratton and Taylor (1991 P.7) argue:

" The role of the government during this period was therefore one of a 'gentle-push' to the already established provision which was essentially a voluntary sector administrative system using many facilities provided by local authorities."

The early 1950 to mid-1960's were times in which the rapid economic and social changes experienced by the country were reflected in the expanding role, function and service provision of local government (Coalter et al 1986, Houlihan 1997). The era signalled the expansion of local service provision. This was mirrored in Sheffield, as the City Council became the biggest employer in the locality. It was a time of industrial wealth and associated revenue growth from the local rates. The Labour Council advocated three main policy directions during this period; these were to profoundly influence the governance of the city and the life of its residents. These policies included improving the image of the city, the expansion of services and the involvement of the public in the management of local services. Attention was focused on the poorer areas of the city, the central and eastern flanks, where the Council redeveloped previously rural educational facilities, sports centres, playgrounds and pitches (Renshaw 1993).

Concern for the welfare of citizens was evident as concessions emerged in recreation during this period, although these were limited initially to pensioners using outdoor



sports or recreation facilities. These concessions were later widened in the early 1970's to include the disabled and the unemployed, reflecting, in many ways, national trends. However, new sport and leisure provision was not satisfied until the construction of sports centres at Chapeltown (1961), Westfield (1966) and Rowlinson (1968), while the Corporation Street Baths were closed in 1962. This period did strengthen the guiding Labour Council policy theme of municipal socialism, but surprisingly the late 1960's introduced a phase of community dissatisfaction with the rate of progress under the Labour Council (Thorpe 1993, Seyd 1993).

The Sheffield Conservatives were elected to power in 1968 for one brief year, but nevertheless during this time they established their mark in the City Hall after sixty years away from city governance. This change in political influence signalled important consequences for the Recreation Department of the City Council. According to Taylor (1990) it brought all the disparate services of the previous Council structure into one, although this was six to eight years later than most other UK cities. The move put Arts, Museums and Libraries alongside Recreation, which the Council could control through two appropriate committees. With this re-aligned structure the Recreation Department was empowered to co-ordinate and direct the delivery of sport and leisure opportunities throughout the city.

The late 1960's and early 1970's witnessed an acceleration of demand for sport in the country as a whole. The formation of the Sports Council in 1972 had an important affect on Sheffield, especially the introduction of a policy of 'dual-use' of school facilities for community use at evenings and weekends. The philosophy of providing recreational access to school facilities started in Sheffield during the late 1960's. It quickly became part of the Recreation Department's ethos and guided a programme of new sport and recreation building during the period (Taylor 1990).

Sheffield's sport and leisure facility stock began to grow with the development of Hurfield Sports Centre (1969), Stocksbridge Sports Centre (1970), Colley Sports Centre (1971), Earl Marshall (1971) and Sheaf Baths (1972). These investments were undertaken during a period of increasing local government expenditure generally, and

provided a boost in sports facilities prior to local government reorganisation in 1974. However, as Gratton (1989) argues the dual-use facilities had neither the fabric nor gave the impression of high quality leisure centres. In contrast to other major cities Sheffield did not invest heavily during a second wave of new recreation investment in the 1960's and 1970's.

Nevertheless, by 1973 Sheffield City Council was more obviously involved in the daily affairs of individual citizens and in turn Sheffield's residents became more active in considering or contesting policies for particular services that affected their families or neighbourhoods. Sport and recreation were two important service areas. By 1973 the Labour Party majority on the Council was secure as the management of the city became increasingly more complex, and as the City Hall became not only planner, but also provider of many essential services (Seyd 1993). The introduction of new, younger and more ideologically committed politicians on the Council began to take effect (Mathers 1993).

### **3.2.2 Sport as a Social Tool: 1974-1985**

This era was one of continued investment nationally in sports and leisure provision, as a result of local government re-organisation and the new policies of the Sports Council, although the rate of growth slowed considerably between 1977-82 (Gratton and Taylor 1991, Henry 1993). New provision in Sheffield included refurbishment of many older swimming pools. However, the city's only major new investment occurred with the construction of Concord Sports Centre in 1975. The re-organisation of local government constituted a new Department of Recreation, Culture and Health in the city. The new Sheffield Metropolitan District Council received benefits of increased local rates revenue (as smaller districts became incorporated), but also the threat of opposition from a few non-Labour voting communities as well. With the loss of control of police, fire and water to the Metropolitan County, the Labour Council stepped up activities in the areas of planning and welfare, emphasising a switch from 'preventative' policies to 'interventionist' ones, particularly in sport and recreation (Taylor 1990).

New capital investment in sport, and the wider economic and political struggles of the time, shifted the nature of central government sporting objectives. The government White Papers released in 1975-1977 (DOE 1975, 1977a and 1977b) emphasised the use of sport, not only as an everyday need and as part of the general social fabric of social services, but also as a tool in the fight against social ills such as delinquency and vandalism (Chapter Two). This shifted Sports Council policies away from encouraging large scale local authority investment in capital build towards more local forms of provision and schemes to address social problems and policies to encourage 'Sport for All' (Houlihan 1997). In practice the 'Sport for All' philosophy was difficult for local authorities to achieve as it was set against a background of looming economic and financial crisis, and the unfavourable position of sport as a non-statutory service. However, from the late 1970's, and under the influence of the Council's 'New Urban Left', advocating Council Leader David Blunkett's 'Building from the Bottom' approach, Sheffield encouraged decentralisation in decision-making to Council service users, embracing the ideal of empowerment of the local electorate (Hambleton 1991). This however, was a theme that would later come back to haunt the Labour Council during the period of the World Student Games and thereafter.

### **3.2.3 The Declining Manufacturing Base**

Sheffield was synonymous throughout the world for its production and manufacturing of steel products, but almost overnight the tradition of the last 120 years was torn apart as markets collapsed. In its heyday Sheffield had supplied 90 percent of all British and 50 per cent of European steel (Lawless and Ramsden 1990b). Sheffield's economy had been highly dependent upon steel throughout the twentieth century and despite several depressions, steel was the omnipresent economic 'growth engine' of the local economy, stimulating the majority of external income into the city (Williams 1997). Severe contraction in the industry resulted in the 1970's as Sheffield faced increased overseas competition, the heavy regulation of EU steel production, a decrease in domestic demand, and the poor performance and competitiveness of British steel firms (Lawless 1986, Lawless 1994a). At the local level the collective impact of acute recession, the privatisation of British Steel, the over-capacity in steel production (throughout the

European Community) and fierce global competition truly undermined the heart of Sheffield's traditional industrial sector (Lawless 1994a).

Between the period 1978-1985 Sheffield suffered as its coal, steel and engineering industries declined with the loss of over 60,000 jobs (Foley 1991). Indeed, unemployment in some areas of the city was as high as 20% (Smith 1991). City-wide unemployment rose from 3 per cent in the mid-1970's to 15 per cent some ten years later. Even more dramatically unemployment grew threefold from 5.1 per cent in 1980 to 15.5 per cent in 1984. Many of these losses were caused by the introduction of new technology and automation in manufacturing process and production (Williams 1997, Morton 1999). In 1971 almost half the workforce was engaged in the manufacturing sector, but by 1984 this had fallen to 24 per cent (Sheffield City Council 1993). Between January 1980 and January 1983, 41,000 redundancies were announced, 35,000 in manufacturing (Goodwin 1992). During the late 1970's and early 1980's more than 1,000 manufacturing jobs were being lost in Sheffield each month (Lawless 1990). The size of the sector was less than 13,000 by 1987 (Lawless and Ramsden 1990a).

To compound Sheffield's misery, the opportunity for service sector development in this period was limited due to its state of relative immaturity. The growth rate in business, finance and the technology sectors was below the national average (Strange 1993). Estimates at the time also suggested that manufacturing employment would fall to 20 per cent of its former total by 1996 (PACEC 1989, Lawless 1990). Large-scale migration of the population from Sheffield, to other parts of the UK and the USA, became a hitherto unknown phenomenon as the city's manufacturing base gradually ground to a halt.

The manufacturing base of the economy was rapidly eroded as the Lower Don Valley witnessed closures of an unprecedented scale. Sheffield was economically isolated from its former export markets, with few alternative income-generating options as it swiftly collapsed against the threat of cheaper markets, the re-orientation of production and the globalisation of the economy. Steel production and manufacturing lost their place and credibility as the 'motors' of Sheffield's economy (Williams 1997). For a

city so dependent upon manufacturing as its basic sector economic activity, for driving growth and prosperity, the effects were harsh. New radical thoughts about alternative investment strategies and policies to grow the tertiary and service sectors were rapidly devised.

Conflict between Labour dominated Sheffield City Council and Conservative central government exacerbated the problems of manufacturing decline and structural unemployment and led to a re-think by the political managers of the city. Unemployment in Sheffield rose above the national average and the Conservatives reduced government funding to the city as businesses collapsed and the Business Rates revenue fell. The Rates Act (1985) imposed a ceiling on local authority spending and a maximum rate to be levied. More significantly, central government's contribution to the local budget in Sheffield fell from 53 per cent in 1981 to 24 per cent in 1986 (Henry and Paramio 1998). This created enormous political tensions in a city that since the 1930's had established a reputation for good local services embodied within an ideology of municipal socialism (Seyd 1993, Lawless 1994b, Bramwell 1995a).

The result of Sheffield's growing political isolation and economic desperation was initially the development of a Department of Employment and Economic Development (DEED) within the City Council in 1990. This was followed by the establishment of the public-private sector partnerships (as introduced in previous chapters). While DEED initially encouraged the reconstruction of manufacturing, this was extremely difficult in a time of high interest rates, an overvalued pound and a budget of less than £18 million (Lawless 1990). DEED worked in direct conflict to the centrally imposed programmes of the market-oriented Thatcher Government. It did however signify the development of an urban coalition in the city that brought down the barriers between the public and private sectors through partnership (Hambleton 1991, Strange 1993).

In a period described as almost revolutionary, the city's Recreation Department, among others, increased its risk-taking with new forms of management and programming, as a greater number and variety of services were provided to address the increasingly desperate social and economic issues of the day. A new management structure for sport

in the city was also set up, as the orientation of the Recreation Department gradually turned towards outreach and development work closely aligned to the ethos of 'Sport for All', but also embracing sport as a tool in social and economic policy (Taylor 1990). These interactive approaches to the development of sport represented a form of 'new managerialism' in action by delivering programmes aimed at encouraging all groups to take part in sport (Sheffield City Council 1995a). The Recreation Department also produced a report in 1984 entitled 'Leisure Challenge: A Prospect for the Lower Don Valley' (Sheffield City Council 1984) which prompted a move towards the service and leisure industry to combat the decline in the manufacturing heart of the city. The Department's influence in the city (and in the Council Chamber) was increasing and economic regeneration and sport were slowly becoming a key part of the local political agenda.

The period also witnessed the emergence of a developing cultural strategy and investment directed towards the cultural quarter in Sheffield through the capital resources of the local council rather than in the form of public-private partnership. (New Labour has subsequently repeated this strategy device at national level in the late 1990's). The Sheffield Cultural Quarter concentrated on music, art, media training, exhibitions, cinema and independent film, but its size at this time was insignificant to the scale of manufacturing decline (Bianchini 1990, Henry and Paramio 1997).

Sheffield's problems began to spiral and so the city turned, somewhat in desperation, to the use of sport and leisure as primary economic development tool in 1985, although the approach was initially far from strategically mapped out or significantly resourced. It was experimental, it was risky and it was rather ill conceived. Furthermore it was undertaken without reference to the views of local residents whose taxes were required to fund a realistic investment in sport (Bramwell 1995a).

#### **3.2.4 Sport and Economic Regeneration: 1985 – 2000**

While the 1980's were a damning period for the manufacturing base and the steel industry in Sheffield, sport in the city received little capital investment in the form of

new public sector facilities. This was in stark contrast to the national wave of investment in facilities between 1983-88. Sport in Sheffield was in a less than healthy state. The Recreation Department, and the City Council as a whole, sought to oppose cuts and protect public services, but the squeeze on local government expenditure merely compounded the lack of investment in the city's existing sporting infrastructure (Roche 1992c, Henry and Paramio 1997). As Gratton (1989) illustrates, swimming demand in Sheffield during the 1980's declined at a time when there was major growth in participation, frequency and swimming attendances elsewhere in the country. This was despite the fact that Sheffield was one of the first local authorities to introduce a concessionary 'Passport to Leisure' scheme in 1985, and even offered free swimming in local pools between the hours of 9am and 5pm in 1987/88.

Research at this time suggested that the poor quality of Sheffield's pools was one of the fundamental issues at the heart of Sheffield's sport and recreation problems (Priority Research 1988). It became increasingly obvious that participation in sport at Sheffield's public facilities was dominated by the middle classes, yet the majority of Sheffield's facilities were located in predominantly working class quarters of the city. Together with the advent of Compulsory Competitive Tendering (CCT) designed to encourage efficiency in the late 1980's, there was growing recognition that improvements in the fabric and quality of the sporting facilities were necessary. For a city facing declining central government grants and an inability to raise local taxes, the opportunities for new investment appeared limited to even the most optimistic of observers. In response a series of strategy documents were developed by the Recreation Department to assess the future direction and objectives of sport and recreation in the city. Fresh Tracks I, II and III (Sheffield City Council 1988) was an attempt to look at the alternative sport and recreation options open to the City Council, but also an exercise in meeting government targets of efficiency and effectiveness in local service delivery.

However, from 1985 the attention of the City Council began to focus on the use of sport for economic purposes, with innovative ideas for the use of sport and tourism in the Lower Don Valley (the primary area of industrial collapse) discussed as a means of diversifying Sheffield's economy. The shift in the balance of the local political

consensus within the controlling Labour Council from 'new socialism' to 'new realism' in this period also strengthened the role of public-private partnership in the process of regeneration. The overall vision for the city was presented in 'Sheffield 2000', a strategy that identified that state of the art sport and leisure facilities, and associated international sporting events, as the key elements in a broader city economic development and marketing plan. The intention of this plan would be to reposition the city's image internationally, as a place in which to invest, and to stimulate the local economy (Betterton 1994, Crawshaw 1997).

The partnership approach was initiated in the mid-1980's when the Chamber of Commerce and the business community began to work together for the sake of the city. The development of the public-private partnership eventually led to the formation of the Sheffield Economic Regeneration Committee (SERC) in 1986/7 (Seyd 1990, Lawless 1990, Lawless and Ramsden 1990b, Strange 1993). This committee represented a formal partnership between the local authority, the city's small business sector, higher education, trade unions and community groups. It was joined in 1988 by the Sheffield Development Corporation (SDC), a government backed quango with a seven year remit and a budget of £50 million, which was essentially forced upon the city (Lawless 1990, Henry and Paramio 1997, Hamilton-Fazey 1997). The Sheffield Economic Regeneration Committee emerged as one of the soon-to-be-many partnership models that attempted to diversify the city's economy from such a heavy reliance on the manufacturing sector. This included Sheffield Partnerships Ltd (1988) and Hallamshire Investments Ltd (1988). The remit of these enterprises was to attract commercial investment into the city, and to work as partners alongside the public sector.

However, SERC had no specific budget to influence its strategic approach to the economic and physical redevelopment of the city (Lawless 1986, Lawless 1994a). SERC however championed a new belief that investment in service sector activities such as sport and leisure could replace manufacturing as a primary local economic 'engine' in the development of a diversified local economic structure. Seyd (1993) believes however, that the role of SERC was undermined by the SDC due to its guiding



ethos of promoting the virtues of business and the forces of the market as the primary tools in economic development.

While it had never been used directly as a tool for the revitalisation of the economy in the UK or in Sheffield's long history, sport, soon became one of only a few realistic options for the city in its attempt to regenerate (Critcher 1992). The influence of the North American models and the international policy of using sport and major events as a tool in economic regeneration played a significant role (Chapter Two). By November 1986 the City Council approved a bid for the World Student Games that had originated from the Sports Development Director of the Recreation Department. The Council believed, rather naively, that the costs of the World Student Games would be met through the income generation opportunities linked to the event and the costs of the capital facilities by government grants, charities and private sources (Seyd 1993). Unfortunately in 1988 central government restrained the City Council's capital borrowing and spending. Hence, the Council was limited in its ability to raise the necessary finance (Hambleton 1991, Goodwin 1992, Henry 1993, Lawless 1994b). The financial feasibility of the Games was severely jeopardised by this decision.

In order to raise finance to build new facilities, the City Council created a charitable trust called the Sheffield Leisure and Recreation Trust (SLRT) which, while functioning at arms-length from the Council, required substantial capital and revenue guarantees from it. Although set up initially just to channel finance, the Sheffield Leisure and Recreation Trust, and its operating company, had to justify its status. Two different roles were therefore established. Firstly, Universiade (GB) Ltd was set up to administer and raise finance for the Games and, secondly, a joint public-private board, 'Sheffield for Health', was established to manage the Games and three of the major facilities. The Sheffield Arena was managed by Sports Management Group International (SMGI) on behalf of Sheffield for Health. The Trust therefore became an active symbol of partnership. Its trustee base was drawn by indirect nomination from the City Council and by direct nomination (from the private sector) via the Chamber of Commerce. The City Council involvement rested on the strength of the funding and leasing arrangements and was supported by a minority presence on the boards (Morton 1999).

By 1989 over £78 million had been borrowed from the banks to fund the investment in the facilities for the Games (Lawless 1994a).

The local council was then hit again by the government's 'Spending Assessment Levels Review' in 1990, with the serious implication of a £35 million reduction in its budget for 1991-1992. This reduced the budget of the Recreation Department by one-fifth (Taylor 1990). This came as a blow to the city as it estimated that since 1985 almost £75 million or an eighth of the public sector budget had been taken away from the City Council's control (Hamilton-Fazey 1997).

### **3.3 THE WORLD STUDENT GAMES 1991**

With an emphasis placed upon sport, leisure and cultural tourism, the XVI World Student Games (Universiade) were given to Sheffield. They were received against an assumption that large scale investment in a 'flagship' event would encourage economic and social regeneration, enhancing Sheffield's international reputation and attract inward investment (Price 1990, Dobson & Gratton 1995). It was believed that the benefits initiated by the WSG would trickle down to the deprived communities of the city through job opportunities and other social welfare benefits (SCC Policy Review Sub-Committee 1986, Price 1991).

The Universiade provided the platform for Sheffield, a city in decay, to use sport as a mechanism to diversify its economic base and the opportunity to reinvest in its sporting infrastructure, a process that had not been undertaken with any serious intent since the early part of the century. The concept of Sheffield as an 'Urban Sports Centre' and tourist attraction, boosting the city and restoring civic pride, quickly developed (Roche 1992a). Gratton (1989) suggested that the WSG was a way of transforming the local economy, firstly through the immediate economic impact of tourists during the Games and on a longer-term basis through a change of image to a modern service based economy. However, the city's commitment to the WSG was criticised as a high-risk strategy, politically expedient and financially questionable (Roche 1992b). However, as Bramwell (1995a) argued, the means of achieving this were not articulated clearly or set

in a coherent strategic framework. As Bramwell suggested the decision to adopt a sport, leisure and tourism theme to regeneration attracted a degree of scepticism given that during the period leading up to the WSG Sheffield lacked a purposeful and adequately funded strategy to maximise the tourism potential of its major investment programme.

Sheffield was perhaps unwittingly first in the new event market and had little experience to draw on, as no other UK city had up to this point in time focused its long-term economic and tourism development around the potential of sport and major events to such a degree. The visions set out in the mid-1980's for regeneration were quick to evolve into practical yet unclear strategic objectives, with little apparent justification in the UK that sport could be used as a meaningful solution to widespread economic decline. Indeed, national policy was dismissive of the value and role of sport following the experiences of the Commonwealth Games in Edinburgh 1986. The World Student Games were nonetheless viewed as a primary vehicle for stimulating the local economy and as one of the key protagonists Councillor Peter Price (1991 P.6) advocated:

“ Sheffield as the venue for the World Student Games will bring it prestige and world recognition and as such the city will benefit economically from an expansion of its tourist market with the city being established as a national and international venue for sport and with its range of high quality leisure opportunities. The city will be established as a leading destination attraction. This will also make a contribution towards a local economy by the spending multiplier.”

Other contemporary projects in the city, including the Meadowhall Retail complex, provided a degree of economic sense and credence to the changing face of the city and its investment in consumer services. This development also signified the expanding role of the private sector in the regeneration of Sheffield. This £230 million investment was hailed as the biggest indoor shopping mall in Europe when it opened prior to the Games. It also accounted for approximately 16 per cent of the value of the major construction projects in Sheffield at this time (Foley 1991).

### 3.4 THE ECONOMIC FORECASTS AND POLITICAL JUSTIFICATION

By January 1990 there were over 40 major construction projects in progress in Sheffield, with a total value of over £800 million (Sheffield City Council 1990). Of these, five major projects were directly associated with the World Student Games; Ponds Forge International Sports Centre, the Sheffield Arena, the Don Valley Athletics Stadium, Hillsborough swimming pool and sports centre, and Graves Tennis Centre. Total construction costs of these five projects were estimated at nearly £147 million (Short et al 1990).

Several conflicting feasibility studies prior to the Games estimated the likely economic impact of the new investment in facilities. A study by Sheffield City Council (1990) and the Department of Employment and Economic Development (DEED), based on an economic impact model presented by P.A. Cambridge Economic Consultants (1989), estimated that the construction phase for these projects would create 1,436 jobs. It estimated that these would last for approximately 2.6 years (3,672 job years). The regional impact was estimated at more than twice this, at 3,094 jobs for a slightly shorter period (7,891 job years). The facilities were expected to generate 390 additional local jobs in each year following the Games, mainly through hosting other events and by servicing visitors attracted from outside the local economy. These were bold predictions, considering that Sheffield lacked a resourced strategy to attract major events to the city and was without the commitment of resources from central government, its agencies or the national governing bodies of sport for the after use of the facilities.

Foley (1991) reviewed the various 'predicted' impacts of the Games and considered the total effect of the capital expenditure on these five projects in the local and regional economies. Foley expressed doubts on the technique and methodology advocated in the studies and suggested that the job total was over-optimistic. Adapting the methodology slightly, he came up with a local job creation figure of 1,250 jobs and a regional one of 2,163, although his methodology has been subsequently dismissed by other academics. The Games themselves were estimated to have considerable economic impact first

through the spending of £27 million on organisation for the Games and, secondly, from the spending of participants and visitors to Sheffield. The estimates themselves were criticised before the event, but it is clear that few people really understood the impact that would be associated with the World Student Games, as it had never been previously held in the UK and never previously researched.

The economic effects were not the only significant outcomes predicted as a result of staging the Games. Foley (1991) also points out the importance of the Games to Sheffield's image. The World Student Games was expected to raise the profile of Sheffield both nationally and internationally, and make Sheffield a more attractive location for inward investment. The final area of forecasts of the effect of the Games, and the associated investment in facilities, related to the estimated effect on the local community. Numerous consultants were employed prior to the Games looking specifically at how the improved sports facilities mix would impact on sports participation in Sheffield (Cobham Research Consultants 1990, Pickering-Torkildsen 1990, Leisure Research Services 1991). The detail of these forecasts is beyond the scope of the thesis, but the expectation was raised that the new facilities would be heavily utilised by the local population. The facilities were expected to provide huge increases in the level of sports participation, particularly for indoor sports (including swimming). This was a reflection of the Labour Council's view that a top-down approach to the development of the economy and sport, through the World Student Games, would help meet social objectives in the city in the medium to longer term (Price 1991).

### **3.5 THE IMPACT OF THE GAMES**

Despite a large number of studies predicting the effects of the Games prior to 1991 (PACEC 1989, Pickering-Torkildsen 1990, Sheffield City Council 1990, Pannell Kerr Forster 1990, Priority Research 1990, Leisure Research Services 1991) no study was commissioned to estimate the actual economic impact of staging the Games. No real thought was given to the immediate, short, middle or longer-term outcomes. Part of the reason for this was the financial difficulties experienced by Sheffield City Council prior

to the Games, but it also reflected the lack of strategic interest in undertaking such an exercise. Two MSc student projects on the event estimated that the Games generated an impact of between £3-4m in the local economy (Foley 1991), but the methodological approach and the absence of primary research opened the results to criticism.

Sheffield's World Student Games event, its main facilities (particularly the swimming pool, athletics stadium and indoor arena), and the associated Cultural Festival, (in the renovated 19<sup>th</sup> Century Lyceum theatre), were technically well produced and generated a good deal of positive publicity locally and regionally. The WSG itself was believed to be significant to the local economy. It is estimated, in the absence of any formally commissioned evaluation study, that 57 percent of the total attendance at the Games came from visitors to Sheffield (Heeley 1993).

Several factors worked against Sheffield in its attempt to secure the financial viability of the event. The failure of the city to attract an exchequer grant from the Conservative government meant that no European Community money would be available to Sheffield and hence its borrowing requirement rose sharply as the capital cost of the new facilities escalated. The lack of interest from television, especially in Europe and America, actually cost the organisers money rather than offsetting costs and attracting sponsorship. Although a deal was secured with Channel 4 and regional television to screen highlights of the Games, unfortunately for city leaders and the event organisers, the event got little national or international media coverage and brought in little sponsorship income as the focus was purely regional (Engel 1991). The organisers had therefore to pay the financial consequences of their inability to bring high profile national and international exposure.

With a substantial shortfall in sponsorship income, the Games proved to be a substantial burden to the Council. In addition to the debt charges, associated with the construction costs, there was also a £10 million operating deficit on the Games. The lack of national media coverage diluted the objective of changing Sheffield's image (Roche 1992a). So, although there were some immediate positive aspects, the effect of the event on the city's image at the vital national and international levels was minimal, and far less than

had been planned for or hoped. More importantly the limited positive aspects could hardly be said to begin to compensate for the negative images of political controversy, ill judgement and financial incompetence carried by the local and national media for a number of years prior to and after the event. In fact, according to Roche (1992b), the effect of the Games on Sheffield's image was a negative one.

Roche (1994 P.10) catalogues the chain of events which led him to conclude that the World Student Games project was less than successful, and he is particularly critical of Sheffield's approach:

"To a considerable extent Sheffield's leadership by-passed the conventional rational policy process in producing the World Student Games event. Although an urban tourism policy was sketched in 1987 (Sheffield City Council 1987) the leadership had no effective (i.e. resourced) tourism strategy, nor any organisational means to implement such a strategy, and yet they moved directly and speedily from initial conception to the decision to bid for the event. Research-based impact, cost-benefit, market forecasts and feasibility studies were either non-existent, ignored or produced too late to influence the decision-making process. The community was not asked to indicate whether it wanted the event and/or what it was prepared to pay for it (whether financially or in terms of opportunity costs). These basic non-rational and non-democratic characteristics and weaknesses resulted in unanticipated organisational, financial and political problems, particularly during the period of event and facility implementation (1988-91) in particular"

The build up to the event itself was less than good. One of the organising companies (Universiade GB Ltd) collapsed in a blaze of national and local media attention and the event was very nearly cancelled. An early consultant's report predicting a substantial operational deficit (£3-14 million), suppressed in 1987 by the Labour Council leadership, was discovered by investigative journalists and aired on national TV in 1990. The validity of the report's prediction was confirmed by the actual deficit in 1992 of £10 million (District Audit Service 1992).

The financial control of the event was ultimately very badly managed and became the subject of a number of critical reports by the District Audit Service, the Council's Chief Executive, and the Council's Internal Audit Service. The reports highlighted that the event organisers were able only to achieve a small proportion of the income targets they

had predicted as recently as 1990. These earlier predictions were in the key areas of sponsorship, ticket sales and merchandising, but actually only accounted for 15 per cent, 45 per cent and 18 per cent respectively of the pre-event forecasts (Sheffield City Council 1990). Facility capital costs escalated in an apparently uncontrolled way from £30 million in 1986/87, to £80 million in 1987 and to £150 million in 1990. Including debt interest charges and excluding operating deficits they were to continue to balloon to £400 million by 1991/92 (Sheffield City Council 1995c).

The city's Labour leadership, rather than its SERC 'shadow leadership', took the brunt of the criticism. It found itself isolated by Labour Party critics from within the Council and from Sheffield's District Labour Party. Sheffield's citizens were already antagonised by centrally imposed public service cuts and the imposition of the controversial new local council tax. The news of the incompetence and politicking associated with the Games project in the 1988-91 period caused further demoralisation in the city itself. This led to a political backlash for the Labour Council.

### **3.6 THE PERCEIVED OUTCOMES**

The real impact of the WSG is difficult to dis-entangle, as sport is only one element among several that have affected the growth and economic performance of the city since 1991. Little empirical data is available to justify the investment in sport as a tool for wider economic and social regeneration of Sheffield. This is a serious issue at a time when Sheffield awaits a second phase of sporting development. Only recently has an evaluation of the value of sport to Sheffield been completed (Davies 2000 - Chapter Ten).

Six years on from Roche's assessment (1994), it is possible now to reconsider superficially some of the longer-term impacts of the investment in the sports facilities using the results of the limited research undertaken to date and anecdotal evidence. It is acknowledged that the Games created investment in a superb set of world class facilities for a city desperate to replace its decaying sporting infrastructure. One of the other major legacies has been the national sporting success of teams developed in these new



facilities, in particular the professional Sheffield Steelers Ice Hockey Team and the Sheffield Sharks Basketball Team. Also Sheffield's has established a position as one of the key sporting cities in the UK. Since 1991 nearly 400 major events, ranging from World Championships to regional sports events, have been held in the city. Research estimated that by 1995 these events attracted over 1,000,000 competitors and spectators across 40 individual sports (Sheffield City Council 1995b, Morton 1999). However, these figures do not differentiate the use of Sheffield facilities by residents or visitors.

### **3.6.1 The Various Impacts**

Since 1991, there have been a variety of academic papers and student studies undertaken on different aspects of the outcome of Sheffield's investment in sport, leisure and tourism. The academic papers published since the Games have tended to focus on the political ramifications of the event, and are typically short-termist in view. The studies have also attempted to measure the effectiveness of the public-private partnership, the potential of tourism and the situational rationality of Sheffield's decision (Critcher 1992, Roche 1992c, Bramwell and Laws 1992, Seyd 1993, Strange 1993, Bramwell 1993, DEED 1994, Lawless 1994a, Bramwell and Rawding 1994, Strange 1995, Henry and Paramio 1997). The measurement of the return on investment has been limited. This is in stark contrast to the numerous detailed consultancy reports and studies prior to the Games. The following section charts the outcome of the post-Games evaluation studies and illustrates the unsubstantiated nature of the research undertaken by the city of Sheffield itself.

An overview of the impact associated with the investment in new facilities and the redevelopment of the Don Valley provides a critical focus. A visitor survey in 1992 recorded over 20 million out-of-town visitors and an associated expenditure of over half a billion pounds in Sheffield. Net of the Meadowhall retail outlet, this equates to three million visitors and £145 million expenditure injection into the local economy (Heeley 1995), rising to £170 million in 1995 (Destination Sheffield 1996). One study (Holliday 1992) found that as a result of the sports events organised in 1992, in the World Student Games facilities, an additional 50 jobs were created in the local

economy, (although this is some way off the 390 per year predicted). Research into the 1993 European Swimming Championships and the Special Olympics suggests that £1.7 million was brought into Sheffield's economy as a result of visitor expenditure, outweighing the net costs of hosting the events (borne by the City Council) by a factor of seven (Heeley 1995).

In 1994 alone, 5.7 million people paid to attend sport and leisure events and facilities in the city (Daniels 1995). Davies (1996) estimates that the additional spend in hotels attributable to events in 1994 and 1995 was £300,000 and £220,000 respectively. Waple (1996) estimated that Sheffield has received almost £85 million of free publicity on national and international television as a result of the events staged since 1991. A report by Bramwell and Dobson (1996) illustrated that both visitors and residents recognised that Sheffield had enhanced its image through sport and tourism activity, while a recent report by Kronos Associates (1997) for Sheffield City Council estimates that £26.4 million has been generated through staging major events since 1991. However, the methodology for this work is open to criticism, as little primary research has been undertaken to justify the impact figure derived.

It is clear that sport has brought the public and private sectors together to work for Sheffield, and the strategies of urban governance utilise sport as a key part of 'The Way Ahead' strategy for the city (Sheffield Liaison Group 1994). The Sheffield City Liaison Group is an example of the developing collaboration between the various public and private sector groupings in the city during the 1990's (building on the work of SERC). The purpose of the Sheffield City Liaison Group is to provide a forum for partnership, while its aim is to steer policy formation for the city. It comprises senior representatives from a number of public and private institutions in the city and it attempts to integrate both social and economic regeneration throughout Sheffield. The 'Sheffield Shines' and 'Sheffield Growing Together' Strategy (Sheffield Liaison Group (SLG) 1995b and 1995c) is an example of one of the key strategies advocated by the City Liaison Group aimed to assist the social and economic regeneration of the city.

In this strategy attention is drawn to the use of sport and the development of the industry to enhance wealth and job creation within Sheffield. The Sport Sheffield Project and its successor body, the Sport Sheffield Association (1994) was formed to link with the City Liaison Group to integrate and direct all groups involved in sport in the city (Henry and Paramio 1998). Unfortunately however, the capital cost of the new facilities built for the WSG is a debt burden that Sheffield is still paying. Indeed it has been exacerbated by a reduction in the repayment period from 22 to 10 years. The servicing of this debt is costing the City Council in excess of £20 million per annum. This is in addition to the £10 million debt for running the Games faced by Sheffield's community charge payers in the financial year 1991-92 (Sheffield City Council 1995b).

The degree to which this commitment to sport has benefited the community's quality of life, patterns of sporting participation and social regeneration also remains less than clear. Dobson and Gratton (1995) and Taylor (2001) illustrate that despite predictions of increases in swimming participation (in line with national trends) in the build up to the Games (Leisure Research Services 1991), swimming in Sheffield has declined substantially since the closure of many local pools and the centralisation of provision. Demand forecasting at the time predicted that with an improvement in facilities and the marketing of swimming in the city, Sheffield could expect to be closer to the national average level of swimming participation in the period after the World Student Games (Leisure Research Services 1991).

However, in reality swimming participation has not even reached the most pessimistic of forecasts, remains at or below the norm for the 1980's and the gap between Sheffield and the national average level of swimming participation has actually widened. While factors such as price, increased private competition, location, disruption and decreased local authority expenditure on swimming lessons for children have affected participation levels, it is clear that swimming is one sport illustrating participatory disbenefits as a result of centralised facility provision in Sheffield (Taylor 2001).

While the sports of ice hockey and basketball have increased in terms of participation and spectator numbers, it is difficult to pin their growth exclusively to new facility

provision as the growth trends in both sports reflect national trends across the UK. Unfortunately the short, medium and long-term impact of the Games on other sports remains relatively unknown as participation in these sports have not been subject to analytical review.

### **3.6.2 The Development of a Major Events Strategy in Sheffield**

The role of the City Council Recreation Department since 1991 has been varied; its role today is one of arms-length facilitator rather than direct provider. Sheffield for Health has been replaced by the commercial entity Sheffield International Venues Limited. The Sheffield City Council Events Unit continues to work with the national governing bodies of sport to bid for and stage events in the World Student Games facilities. However, its budget has been drastically reduced in recent years.

Criticised as lacking a resourced strategy for attracting events at the time of the decision to host the World Student Games, Sheffield has developed a strong and meaningful major events strategy since 1991, to maximise its world class facilities and its expertise. Sheffield's event-led sport-tourism policy has relied upon a number of distinct themes, utilising sports events in a number of different ways. The event-led strategy, in tandem with the Sheffield Tourism Strategy (Heeley 1993), aims to attract six major events to the city each year. The majority of these events since 1991 have focused on sport, but concerts, festivals and cultural activities regularly occur in the sporting venues to maximise income-generation (Morton 1996). This policy has relied upon joint sport-tourism ventures, cultural tourism and economic development initiatives, and the incorporation of sport and tourism into other policy areas such as derelict land reclamation and city regeneration (Glyptis 1990).

Given the basic premise for attracting sports events as outlined above, the first aim of the Major Sports Events Strategy concerns the utilisation of sports events as a catalyst to economic regeneration, the development of a diversified economy and the process of re-imaging. Its aim is:

“To change Sheffield’s image nationally and to raise its profile on the international stage providing a focus for sport and leisure as part of the diversified economic base which the city has created and a means to attract inward investment by demonstrating that ‘made in Sheffield’ albeit applied in another context, is as true as it has ever been, synonymous with quality and achievement.”

(Sheffield City Council 1995b P.2)

The second aim is concerned with the maximisation of community functions associated with the new facilities. Many of the sports events attracted have been of World Championship level, in multi and single sports. Most of the events have been actively sought by the city, while others have come to the city because of the superb sports facilities that it possesses. Nine years on from the WSG the city has delivered a successful sports events strategy and has developed strong partnerships with governing bodies of sport. The major events selection criteria, and the step by step event evaluation criteria aim to ensure that those events attracted to the city will not burden the public purse. The guiding principle, in an era of increasingly squeezed sport and recreation budgets, is to stage events which inject additional expenditure into the local economy at little or no cost to local tax payers (Sheffield City Council 1995a).

### **3.6.3 Sport and the Role of the Consumer Service Sector in Sheffield**

Sport and the staging of major events form an increasingly popular policy instrument for facilitating local economic development throughout the UK, although the true economic value of major events is evidently unclear. Several major UK cities and localities are keen to attract both a regular cycle of annual sports events, and/or bid for major ‘hallmark’ events such as the Olympics and Commonwealth Games. However, sport has been criticised as being too small to sufficiently rejuvenate local economies (Baade and Dye 1988a, Rosentraub 1997), although Williams (1997) argues that today it is as large as many of the conventional manufacturing industries on which local economic development strategies are focused (Henley Centre for Forecasting 1992). The sports industry contributes to local regeneration not only in terms of its direct and indirect impacts, but also through a number of less tangible impacts such as image enhancement and civic pride (Roche 1992a).

Sheffield has a larger than average market share of the sports sector and it has experienced substantial growth since 1991. Again, the principal question is whether sports as a service sector can replace traditional manufacturing industries as a main 'motor' of economic development? To achieve this the service sector must generate net external income and prevent 'leakage' out of the system. While the nature of the current economic structure of Sheffield and its service sector trends are analysed in detail below and in the discussion in Chapter Ten, it is evident that the service sector is a more dominant force in employment than the industry that gave Sheffield its nickname of 'Steel City'.

In an economic sense, it is clear that the labour markets in Sheffield have changed drastically since the early 1970's and since the World Student Games took place. By 1991 just 22.7 per cent of employees worked in manufacturing, while 71.3 per cent were employed in services. By 1993/4 the city's four largest employers were in the public or consumer services (Williams 1997), while by 1995 only 15 per cent of Sheffield's workforce was employed in heavy industry (Heeley 1995). It is estimated that 2.7 per cent of employees worked directly in the sports and other recreational services sector, compared with 1.55 per cent in Britain as a whole (Williams 1997).

However, according to the Yorkshire and Humberside Development Agency (1996), the city has been unsuccessful at attracting inward investment, with just twenty companies and 418 jobs created between 1991 and 1996. This contrasts sharply with the recent review of the ten year tenure of the Sheffield Development Corporation, which claims to have created 18,000 new jobs in the city and that its total investment exceeded £108 million (Hamilton-Fazy 1997). Crude steel production in 1994 amounted to 1,260,2000 tons, an all-time high for the city, but less than 15 per cent of Sheffield's workforce is now employed in these heavy engineering and manufacturing sectors. The number of full-time jobs in the service sector increased by 150 per cent between 1981 and 1991. However, as explained in Chapter Ten figures illustrate that Sheffield remains below the national average in employment, inward investment and the business growth rate.

Sport has a large part to play in the Sheffield service sector, and sports events are important to economic development objectives as they attract a range of visitors into the city, spending money that circulates in the local economy (Bramwell 1995b). Again, the challenge of this thesis is to find out how substantial the return on investment in major events has been to the sport sector.

### **3.7 OVERVIEW**

Building upon the policy process and contextual themes introduced in Chapter Two, but concentrating on the local level, Chapter Three has explored the situational rationality of Sheffield's decision to invest in a diversified approach to local economic development. The chapter has shown that the history of sport in Sheffield is rooted in a conundrum of local political, economic, social and cultural relationships. The justification for developing a historical perspective on sport in Sheffield is set within a requirement to place local government action in the framework of national government legislation. It is also set within the need to understand the extent to which current sporting provisions are a product of past decisions, traditions and ideologies.

The development of sport in Sheffield was slow to follow national sporting trends both in participation and facility investment. The text illustrates that Sheffield's existing stock had neither the fabric nor the condition to meet the increasingly sophisticated demands of sports facility users. It is apparent that the WSG provided the opportunity for investment in a world class sporting infrastructure for a desperate Sheffield, anxious for alternatives as the economy collapsed. It also provided the meaningful 'excuse' for Sheffield to invest in the process of capital expenditure to replace its ageing community sport and leisure stock. Critics argue however, that Sheffield became "blinded by its commitment to the mega-event" (Roche 1992a) and that the short-term event hijacked Sheffield's long-term strategy (Friel 1991).

The chapter illustrates that the process of restructuring and redeveloping Sheffield is linked to the political changes occurring in city during period of time. The harsh economic realities of life in Sheffield in the 1970's and 1980's had brought together a

new radical approach to policy development and local government management in the city (Seyd 1990). Building on the traditional strength of labour support, 'new left' politicians such as David Blunkett emerged to lead the Council and to reshape its thinking. This new radicalism focused on local solutions to the problems, but the approach was criticised for not focusing the city's regeneration strategy on re-establishing its manufacturing base. Critics believed that central government assistance in the form of the Urban Programme and the Sheffield Development Corporation provided opportunities to exploit such a strategy (Dabinett 1991). Academics argue that Sheffield was too quick to dismiss the regenerative opportunities around its traditional industrial and heavy manufacturing sector. Critics suggest that the strategies developed were both unfocussed and inadequately resourced (Williams 1997).

The new political approach also shaped and promoted new city coalitions in the form of public-private partnerships, but these had neither the strength, focus or financial backing evident in the North American models on which they had been based (Chapter Two). The lack of private investment capital restricted the potential success of Sheffield's approach to economic development and the effectiveness of the public-private partnership coalition is still questioned. It is clear that one of Sheffield's problems remains its inability to attract meaningful external investment into the city, particularly in the business and finance sectors. Henry (2000) argued that in attempting to compete for inward investment opportunities with other similar areas, the city has forsaken its commitment to retaining local social service aspects of its sports policy.

Arguments surrounding Sheffield's continued investment in sports events remain, especially as the economic development function of events, the social impact and the opportunity cost of the first round of investment are still not clearly understood (Dobson and Gratton 1995). Sport and major events are nevertheless more important to Sheffield and its economy than at any other stage in the city's history. Indeed, the city has hosted nearly 400 major events in the last eleven years, generating an estimated additional £26m additional expenditure in the local economy (Kronos 1997). This is substantial given that prior to the mid-late 1980's the chances of a touristically oriented mega-event coming to Sheffield were minimal to say the least (Roche 1992b).



## 4.1 INTRODUCTION

This chapter presents a theoretical framework for assessing the economic value, role and function of major events in strategies aimed at facilitating local economic development and urban regeneration. The notion that the local economy is made up of several different sectors, with several different economic functions, is advocated by economic base theory as introduced in earlier chapters (Keynes 1936). This theory contends that manufacturing industry acts to 'motor' economic growth, while services, and consumer services in particular, are residual activities and the by-product of wealth created elsewhere in the economic system. According to base theory, services are considered to be unrewarding and insignificant in an economic development context.

While economic base theory has traditionally been underpinned by the notion that local economic development is achieved by the export earning potential of the manufacturing and producer service sectors of the economy, this view has recently been challenged, partly as a result of changes in global economic structure of markets. Commentators such as Williams (1997) have advocated that the service sector, and its consumer service sector component, are now an extremely important tool in pro-growth urban economic development strategies. This contemporary argument is based not only upon the export earning potential of the consumer service, but also upon its ability to limit the extent of 'leakage' or 'seepage' of expenditure from the local economy.

Utilising the benchmark work of Williams (1997), and his assessment of the holistic role of consumer services in the process of economic development, the chapter will add weight to recent challenges to traditional economic base theory. It will examine in detail the value and role of sport and major events as a consumer service utilised in local economic development strategies. This will provide a means of understanding the economic function of major events in latter stages of the thesis (Chapter Ten). While Williams' assessment evaluates many different segments of the local consumer service sector and their collective value in the economic development process (sport, retail, culture, tourism Universities and leisure), the approach will empirically test Williams'

hypothesis in one segment of the consumer service sector only. In the context of sport as a consumer service sector, the aim is to examine whether major events can and do function as basic sector activity 'stimulating' or 'motoring' growth at the local level. In comparison to the traditional role of the manufacturing sector, the objective is to identify whether sport and major events have the ability to grow the local economy by stimulating export earnings through the spending and inward migration of tourists and the prevention of expenditure leakage.

Building on the national and local policy context set out in the previous chapters, and within the framework of contemporary challenges to economic base theory, there are four distinct sections in the chapter. The first section examines economic base theory, the traditional role of manufacturing and contemporary challenges to the relevance of base theory in local economic development. The second section establishes the theoretical framework to provide an introduction to the role of sport and tourism in local development strategies. The third section gives an assessment of the economic importance and value of sport at the national and local level. With the importance of sport established, the emphasis shifts to concentrate on the value and role of major events as a constituent part of the local sports service sector. In this final section and following the conceptualisation of the term 'major event', the chapter examines the economic importance of staging major events and the real costs and perceived benefits of them in the economic development process.

## **4.2 THE ECONOMIC BASE MODEL**

By understanding the traditional approach to economic development, and the reliance placed on investment in manufacturing and producer services, this section aims to lay the theoretical foundations for examining the contemporary role of sport as a service industry in its own right. In order to examine the economic role and importance of sport there is a need to understand traditional economic base theory, the role of the manufacturing sector, the traditional view of the service sector in relation to primary and secondary economic sectors, and the changes therein.

The most common method for classifying economic activities is to divide them into industrial sectors. Traditionally there have been three sectors of the economy identified. These are the primary sector (extractive), the secondary sector (manufacturing) and the tertiary sector (services). The view that economic activities such as manufacturing function as 'motors' of local economic development, whilst other activities such as services do not, derives from economic base theory (Wilson 1974, Haggert et al 1977, Glickman 1977).

The assumptions underpinning the role of consumer services in the economic development process are founded on the framework of economic theory that a given area needs to earn external income and prevent 'leakage' in order to grow. The theory concentrates on 'basic' and 'dependent' activities. Basic activities, primary and secondary manufacturing processes for instance, generate external income and act as the 'engines of growth', while the dependent activities, such as services, merely circulate income in the local economy.

According to the traditional view, the dependent sector is reliant on the basic sector and is at worst 'parasitic'. The manufacturing sector has traditionally been viewed as the primary export and income-generating sector vital for local economic growth. The export of primary goods and secondary producer services earned a local economy significant income, this registered as a net economic gain to the local economy and 'motored' the process of economic development. The role of manufacturing in Sheffield up to the early 1970's provides a clear example of its traditional function and the dependency of local economies on this sector (Chapters One – Three).

The historical view of the consumer service sector in economic theory was that of residual activity, acting mainly to re-circulate income within the economy and to meet final demand (Marshall et al 1988, Williams 1997). Consumer services were considered to be dependent on other economic sectors, deemed to be a by-product of wealth (created elsewhere) and believed to be unsustainable as tools in the economic development process. However, changes in the structure and composition of the global economy has re-positioned the service sector, and consumer services have become

increasingly important as tools of local economic development, not least because their contribution to economic growth has been more fully understood.

The restructuring of local economies, brought about by global change and local policies to re-dress the economic problems, has been described as an evolutionary change in the composition of the base sectors of the economy. This process has questioned the traditional assumptions behind economic base theory. The decline in manufacturing and the growth of the service sector has been one of the principle features of the modern day economic restructuring across the developed world, both in terms of the number of people employed in the sector and its share of Gross Domestic Product (Williams 1997). Such a change in the structure of the economy has challenged the 'basic' versus 'dependent' sector categorisation.

Rather than view the service sector as parasitic upon the manufacturing and production sector, the use and growth of strategies legitimising investment in consumer services such as sport, has helped develop the size, structure and the autonomy of the sector (Persky et al 1993). While academic research has focused on the role of producer services in economic development, the service sector has become an important part of the local economic development framework in its own right, not least because of its external income-generating function and its ability to 'export'.

The external income-generation value of the consumer service sector and the notion that it can act as an independent sector in its own right are two of the main reasons why Williams (1997) believes that the service sector operates as a 'basic' economic activity. Williams argues that activities such as sport, tourism, retailing and the cultural industries all function as basic activities, albeit by attracting consumers into the local area and retaining income generated rather than by exporting products. This he believes induces economic growth. He recognises that some consumer services are more external income oriented than others, but highlights that all these sectors earn a proportion of their income from outside the city. Further, Williams argues that the consumer sector is an independent sector and not reliant on the primary and secondary

sectors because of the inter-linkages between its constituent parts. Sport and tourism are examples of two of the consumer services sectors that have a symbiotic relationship.

In a number of UK cities, such as Glasgow, Birmingham and Sheffield, consumer services have been legitimised for the very reasons described above. Consumer services have become part of a diversified approach to regeneration following widespread de-industrialisation and as a consequence of the inability of cities to attract markets for their manufacturing and producer services (Williams 1997 – Chapter One - Three). In many respects consumer services have become only viable alternative investment options as a result of the forces of economic restructuring.

This shifting reliance upon the consumer service sector has questioned the dominant and hierarchical basic/dependent 'dualist' sector approach to economic development theory (Williams 1997). The re-definition of the relationship has also raised the question of whether manufacturing still matters in local economic development. The view that the economy is driven solely by manufacturing and heavy industry is still extremely common (Bachtler and Davies 1989). Indeed, some academics believe that service sector activities are still dependent upon manufacturing (Erickson 1989, Peck and Tickell 1991, Campbell 1996).

In contrast, others believe the shift towards dependency on the service sector is evidence of the evolution of the economy from one growth stage to the next (Fisher 1935, Clark 1940). While the restructuring of the global economy has led to a process of de-industrialisation, decreased output and decreased employment this has been specific to developed countries. Indeed, developing nations have witnessed growth in manufacturing output in the past three decades, so much so that the developed and developing nations now share similar proportions of manufacturing output (Harvey 1989b).

While the simplistic relationship between manufacturing and services has been re-defined to one of interdependency by contemporary observers, it is hard to dismiss the claim that manufacturing still has an important role to play in the economic

development process. Chapter Three illustrated the continued presence of manufacturing in Sheffield, although associated employment in the industry has reduced dramatically. According to Williams (1997) manufacturing is still very important, not least because it contributes a large share of total external income and because it has a high propensity to export.

However, as in the case of Sheffield, the key question has been the inability of politicians and managers to focus local economic development strategies around the manufacturing base of the economy since the 1980's. As shown in Chapter One and Chapter Three new public-private sector partnerships have failed to support the manufacturing sector as other alternatives investment strategies and sectors have become available or been legitimised as growth mechanisms.

Williams (1997) argued that the consumer service has the ability to induce growth and diversification in the local economic development process. He argued that regional centres of the consumer service sector have now developed with Sheffield focusing on sport, Glasgow on culture and Leeds on retailing. However, he was less clear whether services can act to replace manufacturing as the real 'engines' of economic growth. Academics prefer to consider the interdependency now apparent between the two sectors rather than conclude that one sector does or does not replace the other in local economic development strategies.

Whether consumer services such as sport can replace manufacturing as 'growth engines' in local economic development remains subject to debate, especially as the value and role of sport within this regeneration process is still not fully understood. There are conflicting views on the logic of using sport in an economic development sense. Rosentraub et al (1994) acknowledged that the sports strategy deployed by Indianapolis in the 1980's was successful in terms of its annual rate of return on investment (64 per cent over a 15 year period). However, if measured in terms of growth in jobs and payrolls then Rosentraub et al believed that sport is too small to change the economic patterns in a region.

The next section will briefly describe the interdependency and relationship between sport and tourism to understand that sport does not itself work as a consumer service sector in isolation.

#### **4.3 THE CHANGING ROLE OF CONSUMER SERVICES: TOURISM AND SPORT**

The following evaluation identifies the synergy between sport and urban tourism activity as complementary economic policies designed to bolster the declining manufacturing base of the local economy in the UK, and induce growth.

Within the sports industry there are different commercial, public and voluntary sectors interacting with other parts of the primary, secondary and consumer service sectors. One of the mediums for profiling sport at the local level is through the staging of major events. This activity provides the linkage between sport and tourism and is one of its primary partners in the local economic development process. While sport has a number of partner industries, in the context of this research sports tourism is important as a vehicle for maximising the economic development opportunities and the retention of external income.

Together sport and tourism, with their relatively elastic demands, have become increasingly attractive as traditional industries have stagnated and local economies have restructured in the post-Fordist era of capitalism (Harvey 1989a, Roche 1992b). Sport tourism strategies have been embraced and developed in those areas of the UK with limited alternative employment or job creation opportunities. The implementation of these strategies has been based on the success of the American models (highlighted in Chapter Two).

Strategies to regenerate cities through sport have coincided with the development of local tourism strategies aimed at attracting visitors to an area, not least to encourage expenditure and, where possible, repeat visits (Chapter Three). Sport and tourism have become closely aligned in the process of economic development as sport has provided

the objective behind a large proportion of urban tourism visits. Strategies to attract urban tourists and to attract major events have become increasingly one and the same (Frisby and Getz 1989, Collins 1991, Hall 1992, Law 1994, Bramwell 1995a, 1995b, Elvin and Emery 1996, Collins and Jackson 1999, Standeven and De Knop 1999). Roche (1992a) describes this phenomenon as 'new urban tourism'. He believes the relationship between sport and tourism has evolved from macro level post-industrial and post-national shifts to micro level urban politics and tourism strategy formation.

While tourism is conceivably a much larger economic force than sport one of the strongest arguments for pursuing the promotion of tourism is the associated economic impacts and marketing benefits that accrue to a destination (Collins and Jackson 1999). Tourism has been proven to add substantial direct and indirect economic benefits to the local and the national economy through increasing national income, generating employment and improving the nation's balance of payments. It was estimated that the industry will represent approximately £105 billion of the UK's GDP in 1999, which is almost 12.3 per cent of the UK's total economic activity, as opposed to 3.8 per cent in 1993 (World Travel and Tourism Council 1999). Figures from the BTA (2000) suggest that its value in 1999 was actually £63.9bn, the equivalent of 2.8-3.9 per cent of GDP.

Estimates predict that the sports tourism industry is worth between £1.5 – 2.2 billion (Collins and Jackson 1999). In 1993 KPMG Peat Marwick concluded that, over a ten-year period, the 2000 Sydney Olympic Games would contribute \$7.3 billion to Australia's Gross Domestic Product. This study indicated that these benefits would be spread across a wide range of economic sectors including manufacturing, retail, and leisure. The prime beneficiary was expected to be tourism across the whole of Australia, and not just Sydney. The changing shift of emphasis towards the maximisation of tourism outcomes and the broader benefits associated with staging major events is a theme explored in Chapter Ten and Chapter Eleven.

Mazitelli (1987) and Hall (1992) argue that sports tourism can contribute more than just direct income and employment opportunities to local economies. Mazitelli (1989) believes that sport and events have the ability to contribute to tourism development



because of the characteristics of the visitors associated with sporting events. He argues that visitors to events are more likely to expend higher daily amounts than average holidaymakers or day visitors. Furthermore, he argues that these visitors are more likely to stay longer in a given area and tend to use accommodation options that equal or exceed those options used by the average tourist or visitor (Chapter Nine).

Critics of the sports tourism approach have been guarded about the actual benefits that events and associated improvements in infrastructure bring (Baade and Dye 1988a, Rosentraub et al 1994, Rosentraub 1997). A number of empirical studies measuring the job creation opportunities around major event facilities and infrastructure projects have illustrated that the companies undertaking the construction work are primarily from outside the locality and therefore employment opportunities are low (Rosentraub et al 1994). In addition, many of the jobs created during the event itself and during any other future events are viewed as low skilled, low quality and markedly seasonal (Collins 1991).

#### **4.4 THE ECONOMICS OF SPORT**

The rapid structural change evident in post-industrial cities has to be understood in the context of their repositioning as centres of capital, labour and exchange in the national and global economy. The political drive to encourage sport and major events as viable alternatives to industrial and manufacturing processes derives from their potential to generate employment opportunities, induce net additional income into the local economy, and at a secondary level, foster changes in image (LIRC 1997). However, the value of sport and its role as a constituent part of the consumer service sector is less than fully understood or measured, especially in relation to local economic development (Painter 1995). Building on recent analysis of the sector, the next section attempts to define the value of sport at the national level and to clarify its role in the consumer service sector.

#### 4.4.1 The Value of Sport

The real value of sport as a significant contributor to the economy has increased substantially over the last decade. Sport however, is just one constituent parts of the broader leisure industry (including entertainment, food, gambling, cinema, attractions); an industrial sector that has the fastest rate of growth any economic sector in the UK (LIRC 1997). As research has illustrated, the economic benefits derived from the sports industry in terms of output; employment and expenditure have increased substantially in recent years (LIRC 1997).

Up to the mid-1970's, sport in the UK was viewed from the perspective of its contribution to social objectives; participation, health, social cohesion, morale and prestige built within the framework of 'Sport for All' (Coalter et al 1986, Collins 1991). However, in 1986 a study commissioned by the Sports Council, and undertaken by the Henley Centre (1992), measured the value of sport. The study estimated that the total final expenditure on sport in the economy was £6.8 billion, supporting 376,000 full-time jobs. This represented 1.6 per cent of UK gross national product (GNP) and was the first time sport in the UK had been measured.

At the start of the new millennium, sport has become a major economic and commercial development tool across the globe. The profile of sport in the UK, and throughout the world, has never been as high. Sport is now a multi-faceted industry, consisting of a diverse number of constituent parts and is used in many contrasting ways to assist the growth of society, and the local, regional, national and international economy. One of the most interesting indicators of the growth of the sports sector is the value added factor of sports related economic activity.

More recent studies of the sports sector in Britain have revealed that it now employs 1.61 per cent of all workers in employment in the UK (LIRC 1997). While this is relatively small compared to other similar sectors such as tourism and retailing, the value-added by sports-related activity is 1.6-1.7 per cent of GDP. This is greater than some manufacturing sectors such as the motor vehicle industry and elements of metal

manufacturing (Lawless 1994b). While critics, including Rosentraub et al (1994) have dismissed sport as too small to have a significant impact on local economic development, its size and scope is now similar to many of the manufacturing sectors which have traditionally been the focus of local economic policy.

According to Kokolakis (1997), the value added by sport has increased from £4.37bn in 1985 to £9.9bn in 1995. Its share of GDP, in factor cost, has increased from 1.4 per cent to 1.6 per cent, which in real terms is an increase of 43.7 per cent over the period. This indicates that the sports sector was growing at twice the rate of the national economy at this time. More recent estimates suggest that real consumer expenditure on sport has grown by 30 per cent between 1985 and 1995, to total 2.33 per cent of total consumer expenditure. Also, of Britain's top 200 companies, 50 are either in sport or leisure related industries (LIRC 1999).

In European and global terms the sports sector is increasing in value. Sport and sport related activity was estimated to account for 4 per cent of the GDP of member states of the Council of Europe in 1991 (Houlihan 1994). The market value of the American sports industry in the mid-1990's reached £99bn (\$152bn), making it the country's eleventh largest industry, with just over 2 per cent of GDP. In Australia, this figure is closer to three per cent of GDP (Aitken 1999).

The diversity of today's sports sector is itself far too complex to explain in detail in this study, however, several 'headline' figures illustrate the scope of the industry in the UK. Approximately sixty per cent of Britons participate in some form of sport. Over two million volunteers give their time to sport (unpaid time valued at £1.5 billion) (LIRC 1996a). Employment in sport (415,000), and its associated industries, is estimated at over 750,000, and sport-related activity contributes around £10.4 billion to the UK economy. Around twenty five per cent of newspaper coverage in Britain relates to sport, and around sixty per cent of the world sponsorship market involves sport. This equates to approximately \$15 billion. In the UK, sports sponsorship has grown from £50 million in 1981 to £322 million in 1997 (LIRC 1997, British Council 1999, Department of Trade and Industry and the Sports Industries Federation 1999).

It is estimated that Britain's consumer spending on sport and fitness is worth around £6.3 billion annually, made up of sports equipment (15 per cent), sports clothing (27 per cent), sports footwear (16 per cent), spectator admissions (7 per cent), participant fees and subscriptions (35 per cent). Other sectors of the total sports market include sports stadia (approximately £600 million has been spent in the UK in the last ten years), sports services, sports surfaces, sports science and engineering, and sports events. Exports account for 20 per cent of the output of most sports goods manufacturers, making the UK the seventh largest market in the world for sports goods (Department of Trade and Industry and the Sports Industries Federation 1999).

According to a recent study by Deloitte and Touche, football is the number one sports industry in the UK, and its growth rate of 23 per cent between 1996/7 and 1997/8 represents a substantial increase by any 'normal' industry standard. Total income (or turnover) has increased by £105 million to £569 million, television income increased by £54 million, income from commercial activities increased by £25 million to £214 million, and 'match-day' income has exceeded £200 million for the first time (Deloitte and Touche 1999).

Different sectors, including the public, private and voluntary sectors influence the growth of the economy through sport and through its diverse range of activity. The public sector invests substantial funds into sport on an annual basis. Local authority expenditure exceeds £1.1 billion per annum, the five Sports Councils (and the football Licensing Authority) distribute an exchequer budget of approximately £70 million and approximately £320 million per year is distributed through the National Lottery Sports Fund (Sport England 1999a). Per capita expenditure in sport by government (1990-2000) ranges from £5.83 per head in England to £7.52 in Northern Ireland. It is predicted that the UK average of £6.54 per capita will rise to £8.53 in 2000-2001, if current funded plans are agreed (Department of Culture, Media and Sport 2000b).

These figures illustrate that sport is indeed a significant economic sector and recently, as a result of its value and role as an industry, sport has been utilised as a means of stimulating the economy through a mixture of local, regional or national projects or

major sporting events. The value of the strategies utilised and sport's contribution, particularly since the introduction of the Lottery Sports Fund, is however still under-researched in the UK (Sport England 1999b, Sport England 1999c).

#### **4.5 MAJOR EVENTS – A TOOL IN ECONOMIC DEVELOPMENT STRATEGIES?**

As introduced in Chapters One-Three, major sporting events have become important contributors to the economies of nations and cities throughout the world for a number of reasons; not least because they are primarily short-term events with long-term economic, social and political consequences (Ritchie 1984). This section of the review will initially define the meaning of the term, describe the secondary economic objectives for guiding investment in events at city and country level (building on reviews cited in previous chapters), and outline the economic costs and benefits associated with staging events.

##### **4.5.1 A Conceptual Definition of Major Events**

Events come in all different forms and sizes and are held for a variety of reasons. Events can be presented in the form of art, culture or sporting occasions and they can be deemed 'major' in a number of different ways. Therefore, given the difficulty in assessing the relative scale of one event against another (and the associated impacts that result), for the purposes of this research there is a need to define the term 'major event' to help understand what is meant by the term.

As identified by a number of researchers (Ritchie 1984, Burns et al 1986, Getz 1991, Hall 1992, Law 1994, Roche 1994, and Train 1994) the difficulty inherent in the evaluation of the term is clarifying how a 'major sporting event' is defined and compared against other similar events. The challenge for academics has been to identify a universally acceptable definition that includes all types, scales and impacts associated with sporting events. The process of achieving clarity in definition is difficult because even the same events have different scales and different impacts dependent on where in

the world they are actually staged. This is further conditioned by the time of year during which they are held and dependent on the local political, economic, social and environmental circumstances in which they take place.

The major theoretical problem with attempting to conceptualise a definition for major events is recognised as being one of scale (Davidson and Schaffer 1980). Ritchie (1984) suggested the use of the term 'hallmark' events explained the relative scale of an event. These, he argues, are major events that have an ability to focus national and international attention to a destination. Roche (1992c) agrees that scale is critically important. He contends that the concept of scale is relative to the size of the community staging the event.

Getz (1991) suggests that 'mini-events' (Goeldner and Long 1987) may nonetheless have a big impact; as big and as 'mega' in relation to small communities and towns, as the Olympic Games for instance in its impact on the city or nation that host it. Hall (1992) considers that regional, local and community events are also potential 'hallmark' events, and argues that it is reasonable to use the term 'hallmark' in relation to a variety of events which all exhibit a wide range of economic, physical and social impacts at various scales. He believes that it is the short time frame in which events operate that distinguishes the 'hallmark' event from other tourist attractions.

The Congress of the Association d'Experts Scientifique du Tourisme (AIEST 1987) attempted to provide a quantifiable definition. The congress proposed that mega-events can be defined using three variables; volume (one million visitors), a money measure (\$500m) and by a psychological dimension (Marris 1987). Syme et al (1989) conclude that the terms 'mega'-event or 'hallmark' event signify events large enough to be of world importance and of such high profile that they have a major impact on the image of the host city. Law (1994) argues that special events can be anything from the annual village carnival to the Olympic Games. Ritchie (1984 P.2) define the concept as:

“major one-time recurring events of limited duration, developed primarily to enhance awareness, appeal and profitability of a tourism destination in the short and long term. Such events rely for their success on uniqueness, status or timely significance to create interest and attract attention.”

Ritchie argues that it is a combination of 'status', uniqueness, tradition, their relative infrequency and dedication to excellence that makes events such as the Olympics stand out as 'hallmark' events. However, he concedes that in the commercial world of sport the distinctions are not always clear. Sparrow (1989) contends that the manner in which these events are 'won' by the host community has important consequences for the event. He suggests that two types of events can be recognised and distinguished. The first type is 'indigenous' events. These are events the host community actively bid for, have a discretionary input to and can mainly be planned from the outset. The second type is 'adventitious' events, which more typically come about or are thrust on a host community by accident. With these events there is little discretionary input, and planning is mostly undertaken 'on the run'.

Essex and Chalkley (1998) have extensively reviewed the hosting of the Olympics since 1948, and conclude that the scale, impacts and investments have been very different in each city, primarily because of location, the finance and infrastructure requirements and the guiding rationale for hosting the event. Pilon and Cowl (1994) define major events in terms of their orientation towards different clienteles or sub-clienteles, and identify a number of additional sub-criteria that include geographic location (Pan-American Games), socio-political affiliations (Commonwealth Games), climatic environment aspects (Winter Olympics), demographic groups (World University Games) or linguistic groups (Jeux de la Francophonie). Burns et al (1986) and Mules and Faulkner (1996) suggest that 'hallmark' events are those events that are expected to generate large external benefits. These external benefits are so widely distributed and costs are so substantial that they are funded, either partially or wholly with public moneys. Mules and Faulkner (1996) argue that the difference between events and their associated impacts is their size and scale.

This section has illustrated the lack of a coherent or universal definition for the term major event, although most academics agree that events differentiate from each other in terms of their relative scale. Given the wide variety of events and the validity of each of the definitions, it is difficult to choose from one definition over another. As events are so varied, a grasp of the terms; size, scale, timeframe, significance, international profile,

clientele, environment and impact provide a coherent framework on which to understand the term, and hence the economic impacts which are generated as a consequence of investment in staging them.

For the purpose of clarity and understanding in the context of this research agenda, the author proposes to advocate an economic definition of major events in order to enhance the understanding of the term. Accepting size, scale and significance as three of the most predominant factors influencing the range of definitions offered above, the author considers the work of UK Sport (1999a), and Gratton et al (2000), as meaningful in forwarding an economic definition for major events. Developed through a detailed economic analysis of major events, the definition supposes that there are four economic types of major events that can be classified according to the nature and scale of the economic impact associated with each. These four types are:

Type A: i.e. irregular major international spectator events generating significant economic activity and media interest such as the Olympic Games

Type B: i.e. major spectator events generating significant economic activity, media interest and part of an annual domestic cycle such as the FA Cup Final

Type C: i.e. irregular one-off major spectator/competitor events generating an uncertain level of economic activity such as Grand Prix Athletics

Type D: i.e. major competitor events generating little economic activity and part of an annual cycle such as the national championships in most sports.

These four types of economic classification and the economic definition for events will be linked to the development of an event continuum in Chapter Ten to provide a framework to evaluate the relative impact of the five events studied and their function in local economic development.



## 4.5.2 The Secondary Objectives of Staging Major Sporting Events

This section will build on the economic importance of major events in Chapters Two–Four to briefly illustrate how the staging of events has been used to address a number of social and political issues at local and national government level. Moreover, the purpose of the section is to understand that while sport, in its widest sense might function to assist local economic development, major events can often provide the catalyst for investment across a wider range of political and social objectives (as shown in 4.5.3.2).

As illustrated by Hall (1992) major events are often not the result of a rational or a consensus-based decision-making process. Often the decision to invest in events is through the local or national political process, often without consultation to those who will be most affected and the so-called outcome of a process of 'situational rationality' (Roche 1992a). The process usually involves the urban élite, individuals and interest groups in a struggle for power, while the local electorate is disenfranchised from the decision-making process, yet bare all the costs (Stabler and Ravenscroft 1994, CELTS 1996).

As Whitson and MacIntosh (1993) illustrate, the successful use of sport in the growth strategies of American and Canadian cities (Indianapolis, Philadelphia, Kansas, and Calgary) has evoked many other political goals. Within these cities strategies were clearly aimed at achieving a civic boost, re-imaging, showcasing, developing an international presence and influence, and meeting social objectives through the development of sport. These aspirations evolved alongside economic, employment and social objectives as the wider political justification for attracting events. The staging of events has become closely aligned to secondary strategies designed to enhance tourism development and growth in related industries (Bianchini 1991, Bramwell 1995a, Loftman and Spirou 1996, Ingerson 1998, Collins and Jackson 1999).

The objective of re-imaging and re-positioning through major events has intensified local rivalries. Examples of this fierce competition include Barcelona and Madrid;

Adelaide, Melbourne and Sydney, and Korea and Japan. Recognition of the city and country in the international arena has been one of the key objectives of Beijing (and China) in its recent bid for the Olympic Games in 2008. Fuelled by technological advances in media networks and exchange, the attraction of the world's largest events, and the subsequent impacts generated through tourist related activity, has accelerated the unprecedented desire to host them (Hamilton 1997). Furthermore, the international federations who 'own' the rights to the events are encouraging increased competition between cities and nations as the bigger world events become increasingly popular commodities for the television networks. However, too often the predicted effects are not measured either during or after the event.

Staging events also enhances the opportunity of medal success for the host nation and provides a platform for future medal winning potential (Spain, Korea, Malaysia, the United States and Australia). Spain won only one gold medal in the 1988 Seoul Olympics, but won 13 in the 1992 Barcelona Olympics (UK Sport 1999a).

Cities need major events as short-term 'flagship' projects to stimulate longer-term social investment programmes and investment and employment opportunities. However, the costs involved in staging the world's largest events such as the Olympic Games, are now so high that host cities can often only justify the expenditure when it is part of a major programme of city regeneration and improvement. Increasingly strategies developed around the staging of major events have included the development of local cultural activities, housing schemes, host-visitor programmes of exchange and programmes designed to integrate communities.

The Department of National Heritage Committee Report (1995b P.20) report states that bids to stage major sporting events can operate as a catalyst to stimulate a broad range of social and economic development issues even if they do not ultimately prove successful. The report uses the case of Sheffield and Manchester to highlight the regenerative impact of sports events in the UK and emphasise the longer-term benefits of short-term events.

“...once the initial redevelopment has taken place, the existence of high quality facilities means that the cities concerned are able to attract other sports events. The impact however does not stop there. Many of the facilities are suitable for other uses such as conferences and concerts. In addition the favourable publicity which can follow from a successful event may increase the attractiveness of a city, raise its profile overseas, and enable it to attract increasing numbers of tourists”

#### **4.5.3 The Costs and the Benefits**

As illustrated in previous chapters, the promotion of events in cities has over the last twenty years been recognised intuitively as having a positive economic impact. This is primarily because of large numbers of people, from outside of a city or from abroad, spending their money on accommodation, shopping, food and drink, providing a boost to those organisations which benefit from such spending (Crompton 1995, Hamilton 1997).

Cost-benefit analysis of the impacts of major sporting events has often been overlooked in the political manoeuvring to secure them. Feasibility studies are often weak and less than rigorous in their methodology, and in many cases simply overlook the costs in preference to the assumed short-term benefits (Nancarrow 1989, Getz 1994). Moreover, cost-benefit analysis has been criticised as short-termist or ‘rubbished’ by the immediacy of media speculation as it is not reviewed and re-appraised during and/or after the event (Stone 1999). In the medium to long-term cost-benefit analysis is often overlooked altogether at city, regional, national or even international level, not least because of the cost and complexity in compiling and analysing data on all the impacts associated with an event (as illustrated below).

“The staging of major events in the UK has and will continue to demand support from the public purse. Any authority monitoring the impact of an event to which it is underwriting, will have much more reliable and credible information with which to evaluate the worth of its investment compared to those who rely on less sophisticated means of evaluation. There is no set way of evaluating the costs, benefits or impacts of a major sporting event. The list of factors to be evaluated is almost endless. Impacts might include dimensions such as the environmental impact, the loss of earnings on facilities, the sports development effect; the job creation effect of an event, the effect of traffic congestion, the city marketing benefits caused by media coverage, the long-term legacies of the event.” (UK Sport 1999a P.3).

Many of the effects listed above cannot be measured in the short-term and require detailed, long-term, academic studies which are often expensive, and both time and labour intensive.

Undoubtedly substantial benefits are derived from the staging of major events. Sporting events help to accrue a range of benefits that can enhance the local economy, create jobs, increase the standard of facilities and infrastructure, improve the social fabric and address many of environmental issues in towns and cities (Law 1994). However, these benefits come at a financial cost.

Despite the almost universal acceptance within Australia of the value of winning the right to stage the Olympic Games in Sydney in 2000, it cost £10.5m (A\$24 million) of public funds to invest in the bid alone. This compares favourably to Beijing's bid for the 2008 Olympic Games which is estimated to cost \$41m (£35m). A further £746m (A\$ 1,697.6 million) was required by Sydney to stage the 'operational' aspects of the event (Preuss 2000). It is not surprising that questions are being raised over the actual value of the associated benefits generated and whether Australia's politicians will be able to justify the huge public sector investment committed, and the value of the opportunity costs forsaken (Mules and Faulkner 1996). For many cities and countries (e.g. the Olympic Games in Montreal and Munich) the staging of major events can, and has proved to be, a financial and imaging disaster, burdening the public purse for many years (as illustrated in Chapter Two and Chapter Three). The implications of hosting a less than successful event can have far reaching economic, social and political consequences, reaching not across only the short-term, but also the medium and long-term.

The need therefore to appraise the extent of the impacts associated with an event is critical, and the need to develop tools and models to assist this process is fundamental not only in informing the choice of events, but also examining the choice between events (Chapter Five). Unfortunately, all too often this is been relegated down the list of priorities, particularly in the United Kingdom where decision to bid for and host events have been sabotaged by opportunism rather than subject to careful strategic

planning (Department of National Heritage 1995b). As illustrated by UK Sport (1999c P.4), the failure to measure the impact of events as been a consistent theme overlooked by most of the advocates of investment in them;

" Theoretically, sustained increases in income within an economy has the potential to create more jobs and thus a virtuous circle of economic development can occur, driven by sport, leisure, arts and tourism for example, as the vehicles of this economic development. Although it would be difficult to argue against the notion of the economic development virtuous circle, formal evaluation of events and efforts to quantify their impact have not always been the strong point of those who promote them."

As previously illustrated, the Los Angeles Olympic Games in 1984 lifted the staging of major events to a whole new level of commercial meaning. Prior to 1984, the Olympic Games were a political and economic millstone around the neck of cities (Munich 1972 and Montreal 1976). Since 1984, nations and cities have realised that major events have developed through a new era of commercialised sport, to bring economic benefits to a location or country. These often far outweigh the costs of staging the event itself. Moreover, in a period of changing global markets for manufacturing output and service sector growth, major sporting events and associated infrastructure investment have become legitimate 'alternatives' as development tools for cities desperate to stimulate their economies (Judd and Parkinson 1990, Seyd 1990, Lawless 1994b, Williams 1997). The perception of benefit is just one of the reasons why they have been legitimised, while the actual costs are more than often overlooked (Chapter Two).

#### **4.5.3.1 The Real Costs**

The Olympic Games in Munich 1972 and Montreal 1976 are two examples of the scale of economic problems (and/or miscalculations) that can be associated with hosting major events (Dubi 1996). Despite an estimated economic impact of approximately £83 million (and £145 million including multiplier effects - US\$124 million and US\$216 million respectively - Collins and Jackson 1999), the city of Montreal, Canada is still suffering the financial headache of staging the Olympics in 1976 (Bose 1997). Like the Munich Olympics of 1972, which made a loss of £178 million (at 1979 prices and exchange rates), the 1976 Montreal Olympics made a loss of £692 million (Elvin and

Emery 1996, Dobson et al 1997). Nearly twenty-four years on the city is still facing the aftermath of the Games, with the State of Quebec putting up another \$50m to meet these never-ending costs (Bose 1997).

Similarly, despite hosting and winning the 1978 FIFA World Cup, Argentina actually increased its national debt as a consequence of the \$1 billion tournament costs and infrastructure improvement (its debt to the World Bank/IMF increased to \$8 billion). Furthermore, most of the revenue derived from the tournament leaked out of the Argentinean economy to the eight multi-national sponsors of the event (Collins and Jackson 1999).

Baade and Dye (1988a) and Baade (1995) question whether public resources should be used to subsidise the construction and operation of sports stadiums through major events. Baade and Dye doubt the capacity for sports stadiums and major events to act as vehicles for promoting economic development. While their work concentrates on the North American approach to economic development through sport, the principles cited in their analysis apply across the world, particularly in relation to the construction of stadia to host major events. Baade and Dye argue that stadium revenues cover only a fraction of stadium costs and that while there is logic in the promotion of events for economic benefits, in essence public sector resources are used to finance private gain.

Baade and Dye contend that there is increasing resistance to the use of public money on sports stadiums and events, especially while schools, sewer and road projects are under resourced. The authors are dismissive of the value of economic impact studies citing that these evaluations frequently over-estimate the benefits and under-estimate the costs and risks.

Research conducted by Rosentraub et al (1994) and Rosentraub (1997) supports the critique of stadia and events advocated by Baade and Dye. Rosentraub argues that while benefits are derived through the staging of events these are too small and too insignificant to have a major effect in the local economy. He concludes that in the majority of cases, events and stadia do not bring additional income to an area, but

instead bring about a transfer of economic activity in a region. He believes that the cost of stimulating this transfer far outweighs the benefits returned and that these benefits are intangible in any case.

Duame (1976) and Batlle (1994) have both cited the community benefits that have been realised through the hosting of major events in Munich, Calgary and Barcelona respectively. One of the most explicit goals for attracting major sporting events is that they leave the important legacies of facilities that are important additions for the host cities future development of sport, for the growth or attraction of teams, or for the staging of music or cultural events or festivals. However, it has also been argued that many of these facilities are inappropriate for community use and have been built at the sake of smaller, traditional community facilities residing in the community itself (Darke 1991, Whitson and MacIntosh 1993, Dobson and Gratton 1995, Taylor 1998).

In the 1970's and 1980's, the UK has suffered numerous problems in staging major events due to either management incompetence, a mixture of insufficient cost-benefit analysis or uncontrollable and unforeseen cost factors. The Commonwealth Games in Edinburgh (1986) and the 1991 World Student Games in Sheffield (as illustrated in Chapter Three) suffered enormously due to the negative press coverage surrounding financial naivety and poor management, despite the fact that both events were an organisational success. Similar concerns have already been raised for the 2002 Commonwealth Games in Manchester. It is therefore critical that event organisers, politicians and other associated bodies should look closely at the value of events and assess their investment decisions on the cost and benefits.

The costs are not solely financial, but include many social factors. These issues include the disenfranchisement and dislocation of residents, the creation of new facilities, environmental and noise pollution (Chapter Two). The attraction of tourists places enormous demands upon the host community to actually 'play' host, and increased traffic congestion, increased air fares and accommodation and transport costs and a wide range of opportunity costs result from the investment in the event and associated infrastructure (Pilon and Cowl 1994).

#### 4.5.3.2 The Perceived Benefits

It is acknowledged, that despite the direct and indirect economic benefits that result from staging major events, often the benefits are perceived rather than real. Political rhetoric often oversells the economic development potential of major events, as often the availability of robust and reliable data to prove the effect of the event is lacking, perhaps none more so when the bid to stage the event is lodged.

The Select Committee Report (Department of National Heritage 1995b) into the staging of major events in the UK recognised a series of non-monetary benefits that constitute the real return on public investment. These benefits are deemed to be a natural extension of the initial motivation for hosting the event and include sporting and cultural development, social cohesion and civic and/or national pride. These provide legacies after the event, but are very difficult to quantify. In addition, the generation of international recognition helps to generate long-term economic gains, usually through increased tourism promotion, which would not have occurred without the event. Often the less tangible and softer impacts pass as the primary rationale for staging events and these are typically the impacts sold to local host communities to justify the investment of public funds.

The recent bid for the World Championships in Athletics 2005 in London is one example of this. The softer and less tangible benefits include improvement to the quality of life for local residents of Enfield, built on improved local services, enhanced community facilities for sport and recreation, improved housing, job creation and income from external sources. However, these improvements will come at an increasing financial cost to the national and local governments. As previous chapters have illustrated, the effects of these improvements rarely filter down to the most impoverished sectors of the community, in fact they have a tendency to isolate them further (Hall 1994).

Barcelona, more than any other city has become the recognised 'model' for maximising the value of hosting the Olympics and not only from an economic and regenerative



sense, but also from a performance and sports development perspective. Barcelona was faced with a very serious decline in the city's traditional economic base of engineering and other forms of heavy manufacturing during the recession hit years of the 1970's and 1980's (Brunet 1995, Clusa 2000). It used the Games to re-invent, to re-define and to create new positive images through associated programmes of major urban improvement (Dubi 1996). Indeed it is estimated that the total impact of the Barcelona Olympic Games was \$26bn. Significantly, as a result of hosting the Games it is estimated that the Gross Domestic Product of the country increased by 0.27 per cent and disposable income by 0.16 per cent (Bose 1997).

Research since the event has suggested that participation in sport has increased by 10 per cent and women's participation in sport has increased by 20-30 per cent (Batlle 1994).

Exertion or re-exertion of influence is another important component that countries wish to re-establish through the hosting of events. This can extend to hosting international congresses, to the appointment of representatives on the board of the international federations of sport. Major events offer the opportunity to attract investment in supporting infrastructure that would not otherwise materialise. This supporting infrastructure ranges from event facilities, to transport networks, to hotel and other accommodation stocks (Chapter Two). It is only through the attraction of these events that the political will and public finance is made available to for this type of civic project (Essex and Chalkley 1998).

The economic and sporting returns of the countries that have recently hosted the Olympic Games illustrate the rationale for investment and the extent of returns. As Essex and Chalkley (1998) illustrate through the assessment of the different type of impacts associated with hosting the Olympics, the Games have different meaning and impacts in different cities and therefore it is difficult to predict with any degree of accuracy the extent of the benefits that will derive. Since the 1984 Los Angeles Olympics, the Games have grown immensely in a number of respects. The total profits

of each of the Games has risen substantially, television broadcast right fees have increased by 400 per cent since 1984 (SRi PRIME 1999).

The FIFA World Cup has similarly mushroomed in terms of both its popularity and associated impacts. Since the staging of the World Cup in Argentina 1978, the World Cup has increased substantially in terms of the impacts, the value placed on the event and its merchandising agreements (Dauncy and Hare 1998). Television rights alone have grown by 1000 per cent since the 1994/1998 deal to stand at £2 billion (SRi PRIME 1999).

Chema (1996), in response to the arguments forwarded by Baade and Dye (1998a), agrees that while sports events and venues are not the panacea to cure all urban ills, they can play an important role as catalysts for economic development. However, he argues that the investment has to be strategic and planned within the existing urban infrastructure. He criticises Baade (1996) for discounting the impact generated by visitors to a city to watch an event, for dismissing the intangible benefit of people enjoying the entertainment and contends that Baade's analysis is too narrow in appreciation of the job creation opportunities that result. He concludes that when a city establishes a development strategy embracing sport and events as part of the critical mass of activity (designed to attract visitors from outside the urban core), the sports event and venue will provide significant economic value to the city.

While the UK has staged a significant number of major events over the past decade (BOA 1999), most of these events have had little or no impact assessment undertaken to measure the associated outcomes. In 1996, England hosted the European Football Championships (Euro'96). This event was the largest single-sport event staged in the UK since the FIFA World Cup in 1966. The primary impacts of this event was measured by Dobson et al (1997) but the work of several other research agencies also helps to illustrate the value and the broader benefits of a major event held in the UK.

In total 1.2 million tickets were sold and actual attendances at the 31 matches across England was approximately 1.18 million. Revenues from ticket sales alone were

estimated to total £55m, television rights £45m and sponsorship deals worth around £50m. According to Licensed Properties International (LPI), sales of licensed Euro '96 goods were expected to gross £120m and the eleven official sponsors were expected to spend approximately £100m between them on marketing (Investors Chronicle 1996).

A report by HSBC Markets (Daily Telegraph 1996a) estimates an injection of an extra 3 percent on Britain's net earnings from travel and tourism in the second quarter of 1996 and an extra 0.25 per cent on UK exports of goods and services as a result of Euro '96. The report estimates that the impact on the whole economy as an added 0.1 per cent on British Gross Domestic Product (GDP) in the period from April to June, a quarter of the total growth of 0.4 per cent.

The tourist boom during the championships helped push Britain's trade balance into its first surplus since the beginning of 1995 (Daily Telegraph 1996a). Sales of clothing and footwear jumped by 6.75 per cent in June. Supermarket lager sales were up 55 per cent year-on-year in the second week of the tournament, and figures from Dominos Pizzas reveal that sales increased by 88 per cent on the day of England's semi-final against Germany (compared with the same day the week before). According to estimates from consultants Deloitte and Touche, the government also experienced £64m gains in tax as a result of England hosting the tournament. The report suggests that the Treasury received £40m from the tournament through VAT on ticket sales, merchandising, corporate hospitality and other Euro '96 spending. Betting from the £80m of wagers contributed a further £5m in tax, together with £3m from taxation on the incomes of the competition organisers and £16.5m from companies paying corporation tax on commercial profit (Financial Times 1996, Daily Telegraph 1996b).

## **4.6 OVERVIEW**

The aim of this chapter has been to introduce the theoretical framework for the analysis of the value, role and function of major events in economic development strategies at the local level. Building on the themes and policy objectives outlined in Chapters Two and Three, the chapter attempts to contrast the contemporary use of sport and major

events with the belief that economic growth is purely a function of the export earning potential of the primary and secondary economic sectors (Keynes 1936). Introducing the concept of economic base theory, the chapter describes the traditional 'hierarchical' view of the economy. This splits the export earning potential of the manufacturing, heavy industry and producer service sector from the residual or parasitic activity of the service or tertiary sector.

The notion that the service sector is a residual or parasitic activity and the product of wealth created elsewhere in the 'economic system' is dismissed by recent challenges to economic base theory. Consumer services such as sport and major events are now believed to be agents in generating income from external sources through the attraction of tourists. This challenge is lead by contemporary commentators such as Williams (1997). Based on research of the UK service sector, Williams argues that in modern economies the consumer service sector (including sport, retail, tourism, leisure, culture and the arts) acts as a basic economic activity. He suggests that the sector has the ability to attract external income through the expenditure tourists rather than from the sale of export products. He argues that the propensity of this sector to induce economic growth is enhanced by its ability to limit the amount of 'seepage' or 'leakage' of money out of the local economy.

Sport is introduced as a relatively new and developing sector and is identified in terms of its value and role, and secondly in relation to its association with tourism as two of the most rapidly growing economic sectors in the UK. Understanding the value of sport in the UK and its role in local economic development strategies provides a platform for the further review of major events and the secondary objectives such as re-imaging which guide investment in them.

Defining and understanding the term major event, together with an assessment of the economic costs and benefits associated with hosting events across the world draws out the themes highlighted in previous chapters, and illustrates their widespread use of events across the world as tools in the local economic development process (Chapter One and Chapter Two).

In summary, the importance of the chapter is based on the establishment of the theoretical framework to examine the function of major events in the local economic development process. The overview and theoretical context set by this chapter is used as a springboard to introduce the analytical framework in Chapter Five, prior to the results, analysis and conclusions drawn on the value, role and function of events in Chapters Ten and Eleven.

# CHAPTER FIVE - ANALYTICAL FRAMEWORK

## 5.1 INTRODUCTION

As described in earlier sections, the measurement of economic impact assessment of major sporting events is a relatively new concept in the UK. While the technique is developing, the theoretical framework and the conceptual issues behind the approach are based on traditional economic theory (Chapter Four). Economic impact analysis technique has been used in assessment of the arts (Myerscough 1988, DCMS 1998), but the approach to sport has concentrated on assessing its economic value at the national level across the whole sector (LIRC 1997). Recent national level studies have highlighted the absence of sports events from the appraisal of the economic importance of sport in the UK (Scottish Sports Council 1996, LIRC 1997). The Scottish Sports Council (1996) review of research into the economic value of sport concludes that the investigation and promotion of the economic benefits of sport have thus far failed to give adequate attention to sports tourism, the impact of one-off events and the effect of investment in sport on regeneration.

The approach adopted in this chapter is progressive. The analytic framework for the assessment of major events in Sheffield is introduced through an initial appraisal of the techniques commonly used in economic impact analysis. The section critically analyses the different types of impact assessment methodology and justifies the approach advocated in the thesis. Moreover, the latter sections build upon the analytic framework to discuss the rationale, aims and importance of the economic technique. This approach is also intended to draw a critique of economic impact assessment and to highlight the more common sources of misapplication of the technique. This raises awareness that the practice of economic impact assessment is not and cannot be considered to be an exact science. The review of the analytical framework concludes with an assessment of the value of undertaking an economic impact assessment at the city level.

## 5.2 A METHODOLOGICAL REVIEW

To clarify, economic impact assessments are the measured changes in the specific economic variables of a defined economy arising from an impact agent such as a major event. These impacts will vary from region to region with income, output and employment the main economic variables experiencing change. There are a range of techniques applied to the measurement of economic impact, particularly in the local context (Archer 1973, Myerscough 1988, Syme et al 1989, Roche 1989, Hefner 1990, Getz 1991, Turco and Kelsey 1992, Cowl 1994, Crompton 1995, LIRC 1997). Throughout the world economic impact predictions and assessments are made before, during and after events. This review has considered many of these studies, ranging from mega-events to small local carnivals. The largest and most often misapplied variable of each of these studies is the methodology and technique utilised to estimate the actual impact.

Despite the fact that the most detailed research on the impacts of hosting major events in the UK has been on the economic dimensions of event impact, much of the research has been poorly conducted, with insufficient consideration of methodological issues. Effectively, from a planning and decision-making perspective, the majority of the information gathered has been relatively meaningless and certainly inconsistent.

Conceptually and analytically economic impacts fall into four broad categories: direct, indirect, induced and total impacts. Direct economic impacts refer to the share of additional event related spending that purchases goods and services produced by the local economy to satisfy the additional demand. Indirect economic impacts are the share of visitors spending that initially purchases goods and services provided by the local economy's industries to satisfy the additional demand. The induced economic impacts are the multiplier effects of the direct and indirect impacts, created by re-spending the amounts involved in the direct and indirect impacts. The total economic impact is the sum of the direct, indirect and induced impacts (HM. Treasury 1995).

There are three common forms of economic evaluation of an event advanced by researchers in the field (Archer 1973, Roche 1989, Hefner 1990, Bull 1990, Hall 1992, Brown and Giles 1994, Crompton 1995). These three approaches include the Keynesian approach, input-output analysis and cost-benefit analysis (Archer 1984). A brief synopsis of each technique is offered below, together with a critique and assessment of the relative value of each.

### **5.2.1 The Expenditure Based Multiplier Approach**

The expenditure based multiplier approach was developed in the area of tourism impacts by Archer (1973). The approach focuses on expenditure and the resultant income flow. It involves detailed survey work to distinguish different types of visitors, their expenditure patterns, their type of behaviour at different types of event or tourism related businesses, their expenditure and leakage patterns, and local resident's propensity to use the income generated to consume locally (Roche 1989). This method can be adapted to provide figures for the direct, indirect and induced employment effects of given income inputs to the local economy (Archer 1973, Vaughan 1986). The approach is criticised as both expensive and limited in tracing the regional effects of these inputs at city level, in terms of income and employment (Roche 1994). The multiplier however, is open to criticism and should be used with a degree of caution (Myerscough 1988).

Getz (1991) recommends that elaborate, expensive and time-consuming techniques such as cost-benefit analysis is not always the most practical solution to determining the impacts associated with major events. He contends that a relatively simple approach is required to investigate the return-on-investment, the number of tourists motivated by an event and the monetary impact. This can be achieved through survey analysis of the central players, visitors and financial backers of the event, through obtaining information from recipients of expenditure and through the collection of attendance and participation statistics. For these reasons the expenditure based multiplier approach is utilised as the primary methodological instrument in this research (Chapter Six).



The multiplier concept is a key economic tool utilised to analyse and estimate direct, indirect or induced impacts of major sports events on the local economy. Multiplier analysis is a method of estimating the effect on employment and income of a given change in expenditure brought about as expenditure circulates through an economy stimulating other economic sectors (Armstrong and Taylor 1978). There are four common multipliers in use: the sales or transaction multiplier, the output multiplier, the household income multiplier and the employment multiplier.

The sales or transaction multiplier measures the direct, indirect and induced effect of an extra unit of visitor spending on economic activity in a local economy. It relates visitor expenditure to the increase in business turnover that it creates. The household income multiplier in contrast measures the direct, indirect and induced effects of an extra unit of visitor expenditure on the resultant changes in the level of household income in the host community. The employment multiplier measures the direct, indirect and induced effect of an extra unit of visitor expenditure on employment in the host community. Finally, the output multiplier measures the direct, indirect or induced effect of an extra unit of visitor spending on output in the local economy (Crompton 1999).

The multiplier used in event appraisal is based on the Keynesian theory of the re-circulation of a proportion of income into consumption spending which then subsequently encourages further employment and income (Keynes 1936). According to Archer (1984) it can be regarded as 'a co-efficient that expresses the amount of income generated in an area by an additional unit of tourist spending'. However, it is important to note that for each round of spending per unit of initial event related expenditure, 'leakage' will occur until little or no further re-spending is possible.

The size of the multiplier will vary from region to region and will depend on a variety of factors, not least the aims of the study itself and the robustness of the information on which the multiplier is based. Hall (1992) identifies a number of factors that will influence the size of the multiplier. These include the size of the local economy, the proportion of goods

and services brought into the local area to satisfy the consumption of event tourists, the rate of circulation, the nature of event-related expenditure, and the patterns of economic behaviour of those associated with the event. Typically, the size of the multiplier will differ according to the size of the local or regional economy. The national level multiplier will be larger than the local/regional multiplier because typically at the local/regional level taxation will be an additional leakage to the national government. Despite doubts over the accuracy of the multiplier technique, considerable attention has been given to the concept by governments and private industry as an immediate measure of the success of an event and its effect on associated strategic tourism development.

The multiplier can be developed through a number of different techniques and while this is beyond the scope of this thesis, it is important to introduce the concept and the options for deriving the multiplier. Besides the Keynesian approach, there are two other main techniques advocated by researchers; economic base and input-output technique (Armstrong and Taylor 1978, Fletcher 1989, Roche 1989, Hefner 1990).

The economic base approach analyses urban economies into an income-earning exporting sector, in a similar fashion to that outlined in economic base theory. The region's economic growth is dependent on this sector and a support sector providing services to local consumers and to the export sector and is difficult to apply in the case of most major events (Thompson 1959, Isard 1960, Schaffer and Davidson 1975, Davidson and Schaffer 1980). The approach focuses on employment. In its simplest form it is considered a rather crude method and of less value than the other techniques. It tends to over-estimate multiplier effects, provides gross aggregates that give little breakdown of inter-industrial links and gives no clear role to public expenditure or to investment (Archer 1973, Schaffer and Davidson 1984, Schaffer et al 1993). The input-output approach adopts a similar methodology to that described below for economic impact assessment.

### 5.2.2 The Input-Output Approach

This approach attempts to understand the value-adding process in local economies and to estimate the inter-industry and business-to-business transactions involved in creating products and services (Isard 1960, Roche 1994). For an industry like sport it enables a full range of secondary consequences of final consumption, and of the local sports industry's production, for this consumption to be understood and estimated (Archer 1973, Hanna 1976).

According to Bull (1990) input-output analysis adopts an equilibrium approach to evaluating the economy, its dependencies and the impact of exogenous factors that influence final demand. It seeks to determine the secondary effects of event-related expenditure on specific supply and demand interactions between industries or industrial sectors. The technique relies upon the interdependencies between the various industry sectors and all producers and consumers. The establishment of a matrix of all transactions is an overly complicated factor in its use to estimate the impact of an event. The development of the matrix requires a definition of industries and sectors, and a breakdown of the total output of each of the sectors. The technique also requires an identification of the total outputs acquired from other sectors and the marginal inputs required for inducing a marginal increase in output.

Allowing for 'leakage', the technique is acknowledged as a precise measurement of economic changes in final demand (Andreff 1994). The primary use of input-output analysis is by policy-makers in determining changes in output, income, employment, government revenue and the inflow of foreign expenditure as a result of hosting a major or mega-event (Hall 1992). The approach relies on data routinely collected by government, which is expensive and does not always occur, and even when data is available, the matrix co-efficients set up may only be reliable for the base year and not accommodate other changes induced between sectors. The onerous data requirements of input-output analysis are one of the main reasons why its use in economic impact studies has been limited. The

reason against its use relates to the substantial methodological challenges required to define accurately the extent of the event or tourism sector. Very few regions have data on the cost structures of regional industries. A specific survey of the effects of an event at the business level would be infeasible, costly and complicated to perform (Andersson and Solberg 1999).

### **5.2.3 Cost-Benefit Analysis**

Cost-benefit analysis is a more comprehensive evaluation of the social, environmental and economic impact effects of hosting major events and is used primarily as a technique for assessing the totality of externalities associated with events, both tangible and intangible (Andersson and Solberg 1999). In a methodological sense, substantial difficulties arise in the assessment of non-market based values such as environmental quality and aesthetics. Burns et al (1986) argue that most of the work in this area has been erratic and misleading with excessively high cost-benefit ratios and multipliers being claimed.

Essentially, cost-benefit analysis involves four main stages in order to derive appropriate ratios. The first step is to identify the externalities; the second to allocate a value judgement to each in monetary terms; the third involves identifying them as positive benefits or negative costs within a social framework; and the final step requires the summing of the 'net' cost or benefit into a net present value in order to compare its social value to the commercial or private value of a development. This approach has been widely criticised (Burns et al 1986, Lynch and Jensen 1987). These criticisms include the failure of the approach to take into account the economic impact that would have taken place anyway, but has merely been switched from one industry sector to another. It prefers to attribute all the benefits to local or regional government rather than establishing the marginal impact of that contribution. It counts taxation benefits as additional to the multiplier, it uses inappropriate multipliers, and it fails to measure the size of the local economy studied. Finally, it does not measure the relative value of the opportunity cost foregone (Stone 1999).

### 5.3 THE AIM OF AN ECONOMIC IMPACT ASSESSMENT

As previously emphasised, the attraction of major sports events has been used increasingly as a regenerative tool by many 'rust-belt' UK cities. These cities have used sport and major events in an attempt to kick start their local economies following the decline in manufacturing and industrial output (Yardley et al 1990, Hall 1992, Roche 1992a, Law 1994, Loftman and Spirou 1996, Mules and Faulkner 1996). The economic returns gained from investment in major events has increasingly become an important benchmark for government, its agencies and public authorities in their assessment of the value return from investment in sport.

As a starting point, a definition of the concept of economic impact relating to sports events is offered by Turco and Kelsey (1992 P.4), who state that:

“in the context of sport, economic impact is defined as the net economic change in a host community that results from spending attributed to a sports event or facility.”

The study of economic impact evaluation pre-supposes that the local economy or region will be able to maximise the opportunities offered by the event. It therefore relies upon two very important assumptions; firstly, that local producers must be able to meet the extra demand generated directly or indirectly by the event; secondly, these suppliers must have idle resources. If not, there will be a ‘leakage’ out of the economy and reduced effects (Andersson and Solberg 1999).

It is widely recognised that the expenditure generated in the local community through 'hallmark' events has a multiplier effect throughout the host community. Combined with the direct impact of tourist expenditure in the host community these indirect or induced impacts, at a secondary level, arise from the re-circulation of a proportion of income by a region's recipients into consumption spending (Roche 1989). Research suggests that the expenditure by visitors in local hotels, shops, restaurants is more important to the local

economy than expenditure at the event site itself, as it is more likely to be redistributed in the local economy rather than amongst several partners who have organised the event. Sports events are likely to attract further benefits through the generation of tax revenues, sponsorship income, media exposure and on-going tourist interest as illustrated by Euro '96. Again these contribute substantially to local economic development (Pilon and Cowl 1994). The over-riding aim therefore, is to predict and then measure as precisely as possible the value of the impacts associated with an event to assist future policy making decisions.

According to Long and Perdue (1990), economic impacts can occur either as a result of attracting non-resident expenditure into the local economy or by reducing the 'leakage' of resident spending from the economy. A critical factor in the determination of economic impact is the balance between visitor and local resident expenditure. It is suggested that although local residents induce additional expenditure at events there is little net gain as this expenditure would have occurred elsewhere in the local economy if the event had not taken place. Their expenditure is a substitution for what would have occurred elsewhere and is commonly referred to as 'dead-weight' expenditure. It is for this reason only that expenditure induced from outside the local area is treated as new additional expenditure (Burgan and Mules 1992). Getz (1991) also argues that additional expenditure generated by events cannot be entirely attributed to the impact of the event if tourists did not travel specifically because of the event. This also applies if visitors had already planned their visit, but simply 'switched' to coincide with the staging of the event (Greenwood 1976).

#### **5.4 THE SIGNIFICANCE OF ECONOMIC IMPACT ASSESSMENT**

In most cases the political justification for hosting hallmark events relates to the positive economic impacts associated with their staging (Chapter One –Four). Revenue generation and increased employment are the benefits most widely acclaimed in order to justify the allocation of public subsidy to attract and stage the event (Getz and Frisby 1988, Yoshioka et al 1990, Crompton 1995, Mules and Faulkner 1996). When a city bids to host an event,

it does so in the hope that it will attract visitors from elsewhere who will spend money in the host region and subsequently provide additional income for local businesses and workers (Myerscough 1988). Allied to this is the desire to raise awareness of the host region as a tourist destination and business centre (French et al 1995, Hamilton 1997).

Studies have illustrated that a significant proportion of additional revenue generated through major events is by visitors to the city, region or country (i.e. those from outside the defined local area). The additional expenditure by these visitors is an economic benefit that would be unlikely to occur in the local area without the event and includes expenditure on admission fees, expenditure at the facility, and additional expenditure on transport, accommodation, food, beverages, merchandise and other miscellaneous items (Roche 1989, Crompton 1995).

From the organiser's perspective the economic evaluation of an event can have a number of substantial benefits that can be used to justify the future allocation of public funds to similar projects. These benefits include the ability to measure the relative value of staging the event (to justify the initial investment), and to appraise the event characteristics and outcomes to ensure the objectives are being met. Impact studies offer the opportunity to inform public debate and future strategic decisions on similar investment opportunities (Hall 1992).

The rationale for undertaking an economic impact study is therefore often to justify the claims made prior to the event (although this can often lead to grossly exaggerated estimates), to re-assure the community, via independent audits, that the economic benefits exceed the financial costs for staging the event (Chapter Two-Four). Often these studies go further in that they attempt to prove that the social costs and other extraneous costs of hosting the event do not exceed the benefits returned. Often the financial value attached to the staging of a particular event is used to solicit bids for future events. At the 'mega-event' level, economic impact evaluation is undertaken primarily to measure the effectiveness of public funding and the distribution of costs and benefits associated with the

hosting of the event and the improvement in local infrastructure (Hall 1992). However, research has often been biased towards an over-exaggeration of the benefits that accrue and has been flawed by theoretical and methodological inaccuracies. Therefore, it is important that a proven methodology is adopted, with conservative estimates preferred (Wang and Irwin 1993).

## **5.5 ECONOMIC IMPACT STUDY VARIABLES**

The methodology for undertaking an economic impact study is explained in detail in Chapter Six, however there are a number of variables and parameters which must be established prior to any study in order to avoid the pitfalls. Attention to these areas will help to prove that a study is robust, accurate and reliable. These variables include 'switching', 'leakage', 'the multiplier', 'boundary definition', the 'ripple effect', the 'displacement effect', the 'slop effect' 'crowding out', and the 'hoon effect', which if not addressed will bias the results. Familiarity with these concepts is critical to help understand what an economic impact study actually measures i.e. the net economic change in a community's income induced by an event. These terms are therefore defined in Appendix II.

## **5.6 A CRITIQUE OF ECONOMIC IMPACT APPRAISAL TECHNIQUES**

Academics have rigorously evaluated the use of economic impact methodology. Several recognised experts have reviewed the different methodologies used in impact assessment research and the application of the techniques to construct wide-ranging reviews of the limitations and misapplications of the techniques. The reliability of an economic impact assessment is based on the quality of its data, the comprehensiveness of its design, the integrity of its assumptions and the accuracy of its methods. The manipulation of any of these factors will render the results less than reliable (Anderson and Hennes 1992), and discrepancies occur because economic impact analysis can be conducted using different assumptions and procedures (Crompton 1998). Furthermore, academics question whether



indeed economic impact studies can inform policy-makers of the relatively short-lived knock-on effect of a one-off event (Roche 1989). Critics believe that there is a need to take a longer-term view.

Roche (1989) argues that the economic impact of major events tend to reveal three limitations. Sociological in outlook, Roche's assessment criticises the failure of the technique to accommodate the urban community context of events, the medium-term temporal-historical context and the urban policy process in which events occur. Crompton (1995 and 1998) identified eleven main sources of misapplication of the technique (which he believes distort the value of the exercise). Other researchers have identified similar problems with impact studies (Shaffer and Davidson 1984, Lipsitz 1984, Burns et al 1986, Baade and Dye 1988a, Baade and Dye 1988b, Roche 1989, Collins 1991, Anderson and Hennes 1992, Law 1994, Cowl 1994, Baade 1995, Baade 1996, Loftman and Spirou 1996, Rosentraub 1997). However, this section will concentrate initially on the findings of Crompton (1995), which illustrate both a lack of understanding economic principles and/or deliberate misinterpretation of the results.

The primary misapplication associated with economic impact studies is the use of inappropriate multipliers, which is alarming as it is the principal economic theory embraced by economic impact studies. Analysts often do not discuss which multiplier is being used and refer to the sales multiplier rather than the household income multiplier. Economic impact assessment of major events is concerned with the proportion of expenditure that ends up as local income, and not with the volume of sales that is attributed to that income (as this is not necessarily retained in the local economy). However, because the sales multiplier is considerably larger than the household income multiplier it is politically expedient to use it to justify public investment. The other ten misapplications include the misrepresentation of the employment multiplier, the use of fudged multiplier co-efficients, the definition of the local area and the delimitation of boundaries, the inclusion of local spectators, the failure to exclude 'time-switchers or casuals', the claim of total rather than marginal economic benefits, the confusion of turnover and multipliers, the omission of

opportunity costs and the measuring of benefits only rather than the inclusion of costs. Each of these factors is now explained in greater detail.

The employment multiplier is used to estimate the number of full-time equivalent jobs created as a result of staging an event. The employment multiplier is less reliable than the other multipliers as it assumes that all existing employees are fully utilised, and therefore it predicts that expenditure from external sources will increase employment levels (Fletcher and Snee 1989). This is clearly not the case for most one-off events where further utilisation of the labour force or the employment of casuals and volunteers meets the additional demand.

The use of incremental rather than normal multiplier co-efficients can lead to the promulgation of false conclusions. This is due to the fact that the incremental multiplier does not include information on the size of the initial leakage, but concentrates on the least important aspects of the impact; the indirect and induced effects (Vaughan 1984, Archer 1984). Similarly, studies often fail to delimit the extent of the region or city boundary and therefore distort the level of expenditure attributed to the event. It is critical that only visitor expenditure in the defined area is included and not expenditure that occurred elsewhere. This is usually undertaken on the basis of city boundaries or travel distance.

The failure to exclude local spectators as part of the study sample also gives rise to over-generous estimates of the impact associated with the event. Expenditure from those living in the city does not represent new money, but a recycling of expenditure that might have been spent on other items in the city, if the event had not taken place. Thus, this type of expenditure has been 'switched' from one source to another. While this is not always the case, it is difficult to measure the proportion of residents 'holidaying at home' purely because of the event, and spending money intended for other regions in the national economy.

Economic impact studies also fail to distinguish between the expenditures of 'time-switchers and casuals'. These non-local spectators or participants might have been planning a visit to the city, but 'switched' their timing to coincide with the event; others might have been in the city, but switched their activity base in the city to coincide with watching the event. It is argued that both these groups would have spent their money in the city regardless of the event, although the event might enhance incremental expenditure by encouraging them to stay longer in the city than previously planned.

Another source of misapplication is the use of multipliers from a different area, with different business inter-relationships and structures. It is recommended that the multiplier co-efficient be developed from local council statistics. Similarly, there is a tendency for politicians to over-estimate the proportion of the income return as a percentage of the actual public investment (Burns et al 1986). If the public entity contributed only one-third of the investment in an event then it is deemed inappropriate that it should gain credit for the entire impact (Crompton 1995). This will be different where public sector investment has been the catalyst to private sector partnership.

The final three misapplications refer to confusion between turnover and the multiplier, the failure to reconcile opportunity costs and the tendency to omit costs altogether. Often the extent of the turnover is confused with the longer-term multiplier effects of the additional expenditure.

Opportunity cost is the value of the next best alternative not taken when a decision to spend money on staging an event is made. Economic impact analyses typically consider all factors as having zero opportunity cost in terms of what they might produce if invested elsewhere in the economy. Finally, major events can generate substantial costs that are often forgotten or over-looked, including huge debts, under-utilised facilities and associated problems of congestion. While such an appraisal is more akin to cost-benefit analysis rather than economic impact assessment, in the longer-term the assessment is useful in conjunction with a more appropriate appraisal of the opportunity costs.

These misapplications invariably over-exaggerate the strength of an event's impact and are often perpetuated by further studies using similar techniques. Roche (1989) also believes that the technique of multiplier analysis is flawed, as it tends to assume a relatively static and self-reproducing local economic system. He believes that it does not recognise the dynamic, open and responsive nature of the economy, and also does not take into account the 'total impact' of the event. All of these factors impinge on the ability of a civic authority or a government agency to accurately choose between the merits of different events, as the comparability is falsified.

## **5.7 THE JUSTIFICATION FOR MEASURING THE ECONOMIC IMPACT OF AN EVENT**

The rationality of undertaking the study of economic impact has been illustrated above and indicates that there are a number of factors underpinning the need to assess the value of return on investment in major sporting events, not least the need to legitimise future public expenditure. With an increasing scarcity of public sector funds and growing public scrutiny of their allocation, it is important that economic impact analysis is used to illustrate the outcomes of investment (Crompton 1995). The terms of reference set out for an economic impact study is often the greatest source of inaccuracy in the application of the methodology. Nevertheless, despite the sources of misapplication, Crompton (1995) argues that economic impact analysis is a powerful and valuable tool if implemented knowledgeably and with integrity.

According to Crompton (1998) an economic impact analysis can assist with the identification and measurement of other simultaneous developments that are linked to staging an event. These include complementary developments, proximate developments and general developments. Complementary developments refer to upgrading or initiation of businesses as a result of increased demand for services linked to an event. Proximate developments refer to facilities built as part of the overall total event package, and may include retailing, property development, and general leisure development. General

developments may include the attraction of businesses and the re-location of companies into a local area as a result of public subsidy initiatives or improved image stimulated through hosting the event.

Measuring the return on investment through the development of performance indicators can be of real value where an annual cycle of events is concerned. Economic impact analysis is a key component in Australia's major event programme for this very reason, with the Australian Tourist Commission estimating that approximately 5 per cent (of a \$16 billion industry) is derived from major events (Aitken 1999). Of course, while these potential benefits are wide ranging they are dependent on proper planning, effective management and effective delivery.

The increasing desire to host major events has been accompanied by a substantial increase in expenditures and revenues, and quite often by high levels of financial assistance from the civic or national government in order to host the event (Cowl 1994). Economic impact assessments help to estimate the outcome of public investment in an event and can assist with an evaluation of the opportunity costs of making this investment. However, any study needs to carry with it is an understanding and awareness of the range of motivations underlying the research (Mazitelli 1987). Although the methodology of economic impact studies is usually adequate, their working hypotheses are often purposefully optimistic to garner public or government support (Pilon and Cowl 1994).

## **5.8 OVERVIEW**

Set against the theoretical framework established in Chapter Four, this chapter has introduced and reviewed the different methodological techniques appropriate for the measurement of the economic impact of major events at the local level. Income, output and employment measures have been illustrated to be the most variable factors associated with impact techniques. Further, the evaluation has differentiated between direct, indirect,

induced and total impacts and introduced the three most economic impact evaluation techniques used in the field of sport, the arts and tourism.

Concentrating on the expenditure based multiplier approach, an initial evaluation has illustrated that this technique is deemed the most appropriate method for measuring the outcome of events at the local level. The critique of the technique emphasises both the merits of its use and problems inherent in its application. The summary highlights that the limited drawn-backs far outweigh the methodological difficulties of using either input-output or cost-benefit analysis at the local level for events of short-term duration.

With the preferred methodological approach explained and justified, the purpose of implementing the technique and its significance to politicians and recreation managers is highlighted. This approach links back to Chapter Four and the prevailing economic rationale for hosting events as part of a broader strategic approach to local economic development. While the aim of any economic impact study is to measure the effectiveness of events in generating net expenditure for external sources, the significance of the approach is to justify exactly how much money has been attracted to the local economy. This involves quantifying the direct, indirect and induced impact of the event and estimating the amount of net expenditure that would not have occurred without the attraction of the event in the first place. This is known as the opportunity cost.

An overview of the variables associated with economic impact analysis technique leads to a critique of the method and its validity as a tool in the effective measurement of investment strategies based around major events. Citing the work of Crompton (1995, 1998 and 1999), eleven sources of misapplication are explained. The critique explains that while important as a technique for estimating the effect of events at local level, an understanding of the assumptions on which the measurement is based are critical. The assumptions underpinning an economic impact assessment must be understood by those using the results, not least to quantify the outcome of their investment strategies.

## 6.1 INTRODUCTION

Following the development of the policy context, an evaluation of the situational rationality behind Sheffield's investment in sport and a review of the relevant theoretical and analytical frameworks, this chapter focuses on the research methodology. To understand the nature of the impacts associated with the staging of major events and to quantify their contribution to the sports service sector of Sheffield's economy, a range of primary and secondary research techniques are required. Building step by step, each of the five key phases of the methodology, and the quantitative and qualitative research tools are introduced. These instruments are designed to measure the economic impact associated with five major events staged in Sheffield between 1996 and 1998.

The methodology adopted and described below has the capacity to measure the 'local' economic impacts associated with the staging of major events. It has been adapted from the approach used in the arts and used in a number of economic impact studies throughout the UK (Myerscough 1988, LIRC 1996b, Dobson et al 1997, Gratton et al 2000). The application of the research tool builds on the earlier work of the author and is conditioned by the nature of each event, the availability of economic data and the access to spectators, participants, officials, delegates, the media and other event-related personnel. The primary purpose of the economic impact assessment is to measure, through a mixture of research techniques, the net economic impact associated with staging major events in the defined boundary of Sheffield's local economy.

From a starting point of understanding and rationalising the choice of methodology, the approach briefly introduces each of the five events, prior to explaining each of the five methodological phases. In each phase the appropriateness of the method is justified in terms of its relevance to data capture and data analysis techniques.

## 6.2 UNDERSTANDING THE METHODOLOGY

Given the vast and increasing number of major sports events staged in the UK, there has been a consistent lack of empirical studies into the economic impact generated. This, as illustrated in early chapters of this thesis, is particularly intriguing as often the primary justification for hosting events in the UK has been their economic value in strategies aligned to urban regeneration (Department of National Heritage 1995b). Indeed, most of the research work into estimating the return on this type of public expenditure has been undertaken in the field of the arts and tourism, rather than sport (Ritchie 1984, Myerscough 1988, Roche 1989, Collins 1991). Only in recent years has local and national government began to recognise the value of undertaking economic impact assessment. Unfortunately this has occurred too long after huge investment in major events has already taken place.

As illustrated in the review of literature, the measurement of the economic impact associated with the staging of major events is not a new approach (Archer 1984, Myerscough 1988, Roche 1989, Hefner 1990, Crompton 1995). However, the technique is systematically applied in a different manner, by different researchers and the validity of the results has been open to wide ranging criticism and discussion. This debate has stemmed from a concern that often these studies are less than objective and ultimately influenced by political forces and other external factors. Most notably the use of the technique is open to accusations of misapplication and abuse (Hefner 1990, Roche 1989 and Crompton 1995 and Crompton 1998).

The majority of impact assessment work related to sports events has been undertaken in Australia or the United States (Burns et al 1986, Turco and Kelsey 1992, Crompton 1995, Crompton 1995, Mules and Faulkner 1996, Crompton 1999). In the UK, it has only recently been recognised that there is a need to develop a consistent countrywide methodology that allows comparability between different events and their impact in different cities. The main criticism of the few UK studies undertaken to date is typically the validity and comparability of the results as influenced by differing methodologies. This has restricted the ability of decision-makers to make value judgements on their



events or evaluate the opportunity cost of hosting one event as opposed to another. During a period of increased activity in the bidding for and staging of events, and investment through the public purse and through lottery funds, there has been little research into the nature of return on the investment until fairly recently (Callicott 1999).

Since the proliferated use of economic regeneration strategies, based on the promotion of sport and events from the mid-1980's onwards, there has been increased acknowledgement of the importance of measuring the economic impact associated with events. This has been influenced by the need to evaluate the public sector investment in strategies aimed at attracting and hosting events in the UK. Several opportunities have been lost in the past through the reluctance of event organisers, municipal government and/or other quasi-government agencies to commission studies to justify the return on the investment (Department of National Heritage 1995b).

The method and technique used in this research is suitable for estimating the expenditure of visitors in a 'local' area as influenced by the staging of an event. However, it has to be complemented by other economic research techniques if it is to measure the impact of an event as large as the Olympic Games for instance (Chapter Five). Such an evaluation would need to include input-output analysis to measure the impact of investment in infrastructure, construction, job creation and local and regional development outcomes over a longer period of time. The use of several cost-benefit macro-economic techniques would also be fundamental to such a study. The type of methodological approach would have to factor in state expenditure, and large capital investment (in roads, railways, venues and accommodation) rather than identifying the changes in the micro-economy of the city as attempted in this thesis.

### **6.3 USING THE EXPENDITURE BASED MULTIPLIER APPROACH**

The Keynesian (expenditure based multiplier) approach has been adopted by this study primarily because it is the most widely accepted technique for measuring the local impacts of major events (Crompton 1995). This approach is based on undertaking detailed survey work at each event to distinguish the proportion of additional

expenditure attributable to visitors specifically travelling to the city because of the event, rather than visitors to the city who attended the event because it coincided with their visit. In addition survey work eliminates the expenditure of local residents at the sports event, so-called 'dead-weight' expenditure.

In order to establish meaningful research into the economic impacts associated with the staging of major events in a post-industrial city, the scope of the study has necessarily been to include as many events as possible both within the restraints of time and available budget resources. In fact, to enable the aims of the research to be realistic, the primarily data collection element of this study has had to evolve (from start to completion) over a three year period. This was not only to fit in with the cycle of events, but also to enable a thorough review of the methodology after each event. This has added a temporal dimension which is extremely valuable as it does not restrict the evaluation to the impact of the events to one given time period or season. This approach has allowed for the effects to be measured at different times of the year, different times of the week and different times of the day. All of these factors have important influences on the final outcome, the nature and level of impact generated (Chapter Nine).

To understand how the research methodology works, it is important to appreciate what it was designed to achieve. For each of the five events the aim was to evaluate the economic impact of the event on the host-city and its surrounding areas according to the set boundary of the local economy. In this context, economic impact on a host city was defined as, the total amount of additional expenditure generated in Sheffield, which could be directly attributable to any one event. For the most part, this calculation is sufficient to evaluate the majority of events in terms of comparing money spent with money generated in the locality i.e. the direct impact.

In the second instance, the data used to arrive at this figure, together with other checks and balances, from information returned from local businesses, hotels, retailers, local authorities, event organisers and sponsors, can be used in local multiplier analysis. This

provides estimates of local expenditure; income and employment generated by the event i.e. the indirect and/or induced impacts.

In order to measure the impacts associated with a major event there is a need to develop a clear and precise methodology of pre-planning, desk research, primary and secondary data collection and data analysis. The various phases and stages of the work involved in applying an economic impact assessment technique to an event will be outlined throughout the rest of the chapter. The explanation will make reference to all the events covered in the research, but with particular reference to the largest event; the 1996 European Football Championships (Euro '96) in Sheffield. This is the first event studied and as such provides baseline data and benchmarks for developing and refining the methodology.

#### **6.4 THE CASE STUDY EVENTS**

The research focused on a range of world, European, international and national standard championships at senior and junior level, over a period of nearly three years. These events included both competitor and spectator intensive types of events. The majority of the events were actively bid for by the City Council in Sheffield, as they were perceived to be strategically important to the sporting and regenerative aims of the city. The bidding for and staging of these events was undertaken in partnership with the relevant national governing body of sport and with assistance from commercial partners, and government agencies where appropriate.

Over the period of the study, approximately 150 major events were staged in Sheffield, ranging from international to national and regional competition for all ages and genders, including major disability events. The events included in the study were therefore selected on the basis of certain criteria. These criteria reflect the significance nature and profile of the events, the type, scale and impact, and the desire of the local authority to measure the associated economic outcomes. The research was also largely dependent on the relevant national governing body of sport agreeing access to confidential information and agreeing to co-operate at the beginning of an event.

All of the events have different characteristics. From an evaluation and comparative point of view this is extremely useful, but also extremely demanding. These different characteristics create a number of difficulties, particularly as the nature of the events and the venues in which they are held, influence the form and extent of the sampling methodology. The approach to and the application of the primary research questionnaire changes as a consequence of differences in individual events. The next section will introduce an overview of each the five events, with in-depth detail and analysis provided in the respective result chapters.

#### **6.4.1 The European Football Championships 1996**

The European Football Championships (Euro '96) is recognised as possibly the third or fourth largest sporting event in the world, and was the highest profile event to be staged in the UK for thirty years. Based in eight cities in England, the tournament attracted sixteen of Europe's primary football nations to compete in a competition held every four years. In total, thirty-one games were played during the tournament that lasted just under four weeks.

Euro '96 was the biggest event studied during the research. Described as an 'adventitious' event (Chapter Four), it was attracted to the city by Sheffield Wednesday Football Club and the quality of facilities at Hillsborough Stadium. At the broad level the hosting of Euro '96 was considered by many in the country as a huge football success. England's performance on the pitch was widely acclaimed, the 'feel good factor' was back and the economy was given a strong boost. Estimates prior to the tournament, from the British Tourism Association (BTA) (1996) suggested that the staging of the Euro '96 would attract 250,000 overseas visitors, spending approximately £125m, based on an average of £500 expenditure per foreign visitor.

Sheffield played host to three Group D matches involving Denmark, Portugal, Croatia and Turkey between June 9 and June 19 1996. The Group was split with the city of Nottingham, but Denmark as the seeded team played all their games at Hillsborough Stadium. Approximately 65,000 visitors came to Sheffield over the course of the three

games, the majority from Denmark. The aim of the economic impact of Euro '96 in Sheffield was to evaluate the net value to the local economy of hosting three Euro '96 games in the city over a period of 11 days.

#### **6.4.2 The FINA VI World Masters Swimming Championships 1996**

Sheffield staged the VI FINA World Masters Swimming Championships between 22 June –3 July 1996 at Ponds Forge International Sports Centre. The event, held on a bi-annual basis, was attracted to the city as a key part of its Major Sports Events Strategy. This event was one of the largest events to be attracted to the city since the World Student Games in 1991 and was open to competitors aged 25 and above. Competitors were grouped according to age bands and competitions were staged across all the swimming disciplines, in water polo, synchronised swimming, open water swimming, (in Nottingham) and diving for men and for women.

The event attracted competitors, spectators and officials from 46 nations throughout the world. The majority of competitors were from English speaking countries, but a broad cross section of nations was represented, including Brazil, Canada, Germany, Japan, Russia, South Africa, the United States of America and the UK. In total 36 per cent of all competitors were from the UK, however the majority of competitors were from outside Sheffield. It is estimated that more than 6,500 event-related tourists were attracted to the event and all competitors paid for attendance at the event and for accommodation themselves. The typical length of stay for a visitor in the city was up to 7 days.

In total, 49 different events were held, with some of the swimming events with more than seventy heats. The oldest competitor in the event was aged 102. The majority of sports tourists at the event stayed overnight in the city using hotels, guesthouses and University accommodation. Several social events were held during the course of the championships and a series of visits around the local area was organised.

### **6.4.3 English Schools Athletic Championships 1996**

The English Schools Athletics Championships is an annual national event that attracts nearly 1,600 competitors from schools across the length and breadth of England. The championships has been running for sixty six years and prior to 1996 had been held in Sheffield a number of times. The typical annual budget for the event is approximately £140,000 and Sheffield City Council Events Unit offered a grant and in-kind support to assist the delivery of the event.

This English Schools Championship was staged between Friday 12th July and Saturday 13th July 1996 at the Don Valley Stadium in Sheffield. The event attracts athletes and parents from all over England and is popular with the athletics fans as it provides a chance to see Britain's future stars. In previous years, highlights of the event have been shown on Channel 4 television, but this event was not televised. Past champions at the event have included Olympic medallists such as Sally Gunnell, Roger Black, Steve Cram, Steve Ovett, Sebastian Coe and Peter Elliott.

While the English Schools Athletics Association was responsible for the overall organisation of the event, the Association has relied heavily on local authorities such as Sheffield to assist with the delivery of the event and the supply of equipment, facilities and staff. During this event the majority of athletes were housed in University of Sheffield accommodation.

### **6.4.4 The IAAF Grand Prix Athletics I 1997**

The International Amateur Athletic Federation (IAAF) Grand Prix Athletics match was held in Sheffield on Sunday June 29 1997 at the Don Valley Stadium. The event was the first Grand Prix of the season and the first IAAF Grand Prix to be staged in Sheffield. The event forms part of a regular calendar of the IAAF meetings across Europe. The athletics match was attracted to Sheffield through the City Council Events Unit Team and it was presented by the City Council in partnership with the now defunct British Athletics Federation (BAF). The main sponsor was Securicor. The event lasted

just over half a day, starting at 4pm and finishing at 8.45pm, although gates to the stadium opened shortly before 2pm. Channel 4 broadcast the event through a combination of live coverage and highlights between 6.30pm and 8pm.

The event was awarded to Sheffield following an initial bidding process to BAF and then to the IAAF. Gateshead Metropolitan Borough Council had competed with Sheffield for the BAF nomination to stage the event, but Sheffield's package included a financial contribution to the operating costs of the event, including athlete, marketing and transport costs, the underwriting the event and the provision of the venue and management infrastructure. In return Sheffield was given a share of the ticket revenues to offset its costs. The event attracted an audience of 16,025 spectators, of whom over 11,000 were believed to have come from outside the Sheffield area. This number of spectators was the largest crowd at an UK athletic event during the year.

#### **6.4.5 The European Short Course Swimming Championships 1998**

The European Short Course Swimming Championships (ESCSC) were held in Sheffield between 11th-13th December 1998 and hosted by the Amateur Swimming Federation of Great Britain (ASFGB) on behalf of the European Swimming Federation (LENs). The event had only been held once before (in Rostock in 1996), and while the initial event attracted a number of nations it was not as successful as the organisers had originally envisaged. Consequently there was little contest for the British bid to stage this event, particularly as the primary LENs sponsor, Adidas, was keen to exploit marketing opportunities in the UK.

Sheffield City Council was supportive of the bid to stage the event and committed both financial resources and officer time to all aspects of bidding for and securing the event. Indeed, the city's support was converted into a £25,000 event package, consisting of venue hire, officer time, event marketing and publicity and a civic reception. The event also received £40,000 support from the lottery funded World Class Events programme to assist its staging. Part of the conditions of grant was the delivery of a pre-event economic impact assessment by the ASFGB and Sheffield City Council. The estimate

forwarded by the ASFGB suggested that event would generate £180,000 in the city over its three days.

## **6.5 THE METHODOLOGY**

For each of the five fieldwork studies a uniform method was applied for reasons of consistency and comparison. The survey technique in this research utilised a questionnaire approach to sample a random number of spectators, competitors, officials, delegates, VIP's, media representatives and other event-related personnel. The purpose of the questionnaire was to identify the expenditure levels of each of the groups and the behavioural profile of visitors to Sheffield. This primary research was substantiated by secondary research amongst the event organisers and various partner bodies involved in all aspects of the event. Adaptations to the core methodology were necessary as each event was fundamentally different from the others in terms of access to information and access to respective event groups. The following paragraphs outline the various phases of the methodology.

### **6.5.1 A Step by Step Approach**

The approach to developing and planning the methodology is presented in relation to the generic method initially developed for the sampling of Euro '96 in Sheffield, as this was by far the most complicated and sophisticated operation devised. The study of Euro '96 also formed the basis for refining the methodology for the other events.

To produce an analysis of the additional expenditure generated in a host city (which is attributable to an event) it was not simply a question of administering survey questionnaires. The research included a range of quantitative and qualitative techniques, with each step building on the last other to achieve a holistic overview of each event. The five-phase approach is described in detail below.



### **6.5.2 Phase One – Pre-Event Planning and Establishing Contacts**

The planning component of the methodology was one of the most important tasks to undertake at the outset of the study. A number of important parameters and contacts were established early in the planning process. The most important factor was the process of dissecting the event to establish its typology and characteristics. The sooner an understanding of the components of an event was identified, the easier it was to build a picture of the data capture requirements.

As the ‘ownership’ of most events is in the hands of the respective international federation, and the right to stage the event is ‘leased’ to the appropriate national governing body of sport, these organisations were the starting point for information gathering. Sheffield City Council Events Unit was involved with the organisation of many aspects of the five major sporting events. Contact with the City Council was essential. The Events Unit was involved with the direct management and organisation of each event, through the use of facilities and ancillary equipment and via the local marketing and tourism bureau (Destination Sheffield); in partnership with the Chamber of Commerce. Developing a relationship and the trust-worthiness of all the parties involved and getting these partners to understand the purpose of the study was imperative. This enhanced the collection of the appropriate data on the event, the logistics, the survey plans and timetables. For all the events Destination Sheffield had the most authoritative and complete information concerning the number of bed-nights booked in the locality, the length of stay per category of visitor and the cost of various levels of accommodation.

An exploratory visit to the venue and an inspection around the event site was of paramount importance. An understanding of the format, schedule and timetable of the event was essential, particularly for planning the best time to interview/sample competitors, officials, delegates and other personnel involved in the event. The visit to the venue also lead to accreditation (for all survey team members) to all areas of the venue(s) for the period of the event (apart from doping control). An event facility and security plan were also critical pieces of information gathered in the desk research

process. This guided the planning of the survey timetable to allow for optimum data capture.

The over-riding concern in the pre-planning phase was to have sufficient knowledge of the event and the respondent groups to be able to operationalise a meaningful plan of data collection. Establishing dialogue with the police, coach companies, airports and local authority departments was essential for judging the arrival times and mode of transport of the visitors. Piloting the questionnaire on the basis of solid pre-event information provided a realistic overview of the sports tourists perceived behaviour for each event.

The survey plan was developed with consideration of the number of sampling days versus the total number of event days. To a large degree this was dictated by the research budget, the length of the event, the number of event venues, the size of the research team, the timetable, the sampling frame and the aims of the study. Where possible, it was considered good practice to sample at every day of the event and at different times during each day. This was balanced against the need to avoid repetition of the sample group and conditioned by permitted levels of access to venues, visitors and event personnel.

The research aimed to sample at least 10 per cent of all visitors to the event, split according to whether the event comprised mainly spectators or competitors. It was recognised that this would be conditional on the size of the survey team, the co-operation of those visitors sampled and the total number in each representative group. The most important concern for the operational phase of the sampling was to achieve sufficient quotas of accurately completed questionnaires from each respondent group to be able to make reliable estimates about the whole event 'population'. An appreciation of sampling theory was necessary so that the data on which the overall estimates are based was well grounded.

The internet also proved to be a useful tool to research the background and composition of an event. Dialogue with former hosts, the international federation, and/or those

closely involved in the event's organisation was critical. This process involved setting up a number of in-depth and structured pre-event interviews with members of each Local Organising Committee and the Event Director in particular. This helped to assess the requirements on every element of the event that ultimately had an effect on the expenditure flows in and out of the local economy. Many of the items purchased or hired for each event were from outside the local economy and many of the merchandising and hospitality revenue streams represented leakages from the local economy to other parts of the country. It was good practice to build up a picture of these potential flows prior to the event itself and this included in most instances a review of the event budget and a meeting with the Finance Director where possible.

The identification of local economic data and information on the local multiplier was also achieved in the pre-event phase. This was obtained from the local authority Economic Development Unit in Sheffield City Council. This information was important for the measurement of the indirect and induced impact associated with each event. This local economic data was supplemented with local geographic data to assist the definition of the boundary of the local economy. Various methods of defining or delimiting the boundaries for an economic impact study were considered. Ultimately it was decided to use the city boundary as the delimiting factor rather than postal code or drive-time isochrones. Therefore, every interviewee within the boundary of Sheffield City Council was considered as a resident and their expenditure considered as 'dead-weight' and therefore excluded from the final calculation of the economic impact.

### **6.5.3 Phase Two- Pre-Event Evaluation and Action Planning**

Following the pre-event data collection and subsequent evaluation, a research plan was developed. The research evaluation assisted the process of dissecting the event so that an appropriate strategy could be put in place for optimum data capture. All likely respondent groups were defined, identified and evaluated in terms of their predicted behavioural patterns. When modeling their patterns of behaviour, several important questions were addressed. These included an analysis of the following:

- a) how many of each respondent group will there be?
- b) when will each group be arriving?
- c) where will they be staying?
- d) how long will they be staying?
- e) how will it be possible to get convenient access to them?
- f) are there any unique circumstances relevant to this group which may have an effect on the research e.g. they are juniors and therefore do not have significant amounts of money?
- g) What will be the average level of expenditure of each individual and each group?
- h) What pre-event information is already known i.e. the price hotel rooms?

With this type of basic information supplied by the event organisers, it was possible to estimate a 'rough' pre-event forecast of the level of expenditure and economic impact likely to be generated in the economy. This however, did rely on reliable data from previous expenditure patterns at similar sporting events, attended by similar nations, over a similar time period. It was therefore only used initially as a guidance tool for the research, but actually became more valuable as the research continued to the fifth event and as pre-event predictions became more accurate.

Pre-event planning had suggested that in each respondent group, some particular segments would exhibit different expenditure patterns and characteristics in comparison to others. There was therefore a need to ensure that all groups present at the event were sampled. This proved to be the case for visiting teams, officials and spectators. For example, the spending patterns of the former Eastern bloc countries were identified as quite different to those of the more affluent Western European nations. By conducting an initial evaluation exercise of accommodation requirements, it became possible to develop a plan to sample each identifiable bloc of nations and respondent groups.

Language was also a key consideration. The language of the questionnaire had to be plain and simple and translations into other languages were made as appropriate. For each of the events studied, translations were made to ensure that the interviewing of overseas competitors and spectators became a reality. Having a number of researchers

with different language skills was also extremely important to assist with the reaching the sample quotas. The use of team interpreters, volunteers or team managers to complete survey forms for team members also proved to be an efficient means of data capture.

Having what appears to be a workable plan is no guarantee of success unless proper liaison with the organisers is conducted throughout the event. It was useful to ask for an office in the venue to ensure that opportunities for sampling and research were maximised. This also enabled data to be input straight into the software package as it was collected. The information gathered in the initial phase also helped to develop plans for the post-event follow-up evaluation. The aim of the secondary evaluation was to verify the estimated expenditure of the various groups questioned after the event. Resource and financial implications meant that it was not possible to undertake this secondary process in detail for every event however. Also a lack of co-operation by some event organisers severely hindered this process.

Finally, there was a need to recruit, train and develop a team of researchers and sampling officers to assist with the survey of the various groups involved with the events. The number of researchers required was factored on the size of the sample, the duration of the event, accreditation and access, and perhaps most importantly on the financial resources available. The research team was inducted before each event with first hand experience of the methodological approach gained during the intensive piloting stage of the questionnaire (at other events).

#### **6.5.4 Phase Three - Primary Data Collection**

Primary data collection was undertaken immediately prior to and during each event, and then followed up by further techniques in the post-event phase. While the pre-event desk research identified the nature, structure and content of the event, and the expenditure committed through the pre-booking of accommodation, the precise behavioural and expenditure patterns of the groups associated with the event could only be determined through primary research at the event itself. The ten-stage survey

questionnaire was the primary tool for identifying the direct economic impact and level of expenditure associated with all the respondent groups (Appendix III). This is the main instrument used in expenditure based multiplier techniques, but it is just one of the data collection techniques required to ensure a comprehensive evaluation.

While the following section will concentrate on the design, purpose and detail of the survey questionnaire it is important to stress that the primary data collection was facilitated by secondary data collection techniques (during and after the event) to evaluate the indirect and induced impacts. These secondary techniques included follow-up interviews, telephone surveys, business and hotel data collection and primary data not available until after the event, to verify aspects of it. Most importantly this information included transport impacts, event ticket sales and accreditation, hospitality packages, merchandise and programmes sales, and other miscellaneous items of expenditure from the local authority, the governing body and commercial partners. These secondary research techniques were required to ensure that the approach measured leakages, dampening effects, dead-weight and switching effects induced by the event.

#### **6.5.4.1 The Main Survey Instrument**

The primary survey instrument used to understand and record the economic impact of an event using an expenditure based multiplier technique was the short (3-5 minutes) self-completion questionnaire. The delivery of the questionnaire was the prime task of the survey research team. The surveyors helped address interpretation issues and other similar problems. The size of the team was dependent on the event, the sampling time period and the size of the sample, but averaged between 4-16 people. The role of the surveyor during the sampling exercise was straightforward. He or she simply selected a respondent at random and asked them to complete a self-completion questionnaire. The researcher was then at hand to answer queries, to record age, gender and ethnicity and to end an interview swiftly where it was evident that the respondent was a resident of Sheffield. As every one of the five major events was a one-off, the survey questionnaire was not assumed to be a template for all occasions. In order to achieve meaningful

results, consistent with the aim and objectives of the study, changes were made to the way data was coded from event to event.

Different versions of the generic questionnaire were required for different respondent groups and for different information requirements. For example, when interviewing competitors at an event, it was clear that they were not contributing to the cost of accommodation themselves. It was therefore pointless asking this question on the competitor questionnaire as this information was more readily and accurately obtained from the team manager, the accommodation officer of the Local Organising Committee and/or from Destination Sheffield.

#### **6.5.4.2 The Sampling Methodology**

While sample size was determined by the size and structure of the event (particularly in the context of spectator versus competitor intensive events) there were several important questions to address. These included how the representativeness of the sample was determined, how response reliability was tested, and what primary or secondary data was used to determine the percentage of patrons that were visitors or locals for each event. Finally, it was important to ensure that the expenditures of all event respondents, including team related expenditures, were captured from one source or another.

A representative sample was achieved by establishing a process of random sampling. This involved choosing the fifth or tenth person in a row of seats for instance, as well as randomising the sample in terms of points of collection and time of the day (where possible). For respondent groups with relatively low numbers, e.g. 50 media representatives, it was possible for all members of the group to be interviewed (i.e. a population survey). However, for large respondent groups, e.g. crowds, then a programme of random sampling had to be implemented. Essentially this meant that all members of a particular group had to stand an equal chance of being included in the research. It was possible for individual researchers, equipped with up to five clipboards each, to be conducting five interviews simultaneously whilst being available to take any questions from people who needed further clarification. As an example of this, research

stewards at IAAF Grand Prix in Sheffield were given a quota of questionnaires to be completed in pre-specified seating blocks of the stadium. If part of a group, only one person in that group was asked to complete the survey to avoid repetitious answers.

The sampling framework achieved at the Grand Prix Athletics event enabled every block to be sampled. As respondents were selected on a random basis, then all members of the crowd stood an equal chance of being included in the sample. Therefore, it could be concluded that the sample obtained was representative of the crowd and the sample data could legitimately be used to make inferences about the crowd as a whole.

There was a trade-off between sample size and sampling error, i.e. the larger the sample in absolute terms, the lower the sampling error, assuming that sampling had been conducted randomly. This led to a further trade off between the size of sample, the degree of accuracy required and the resources available to conduct the research. The resources and sampling frame were focused on those areas and respondents likely to record the greatest economic impact.

Response reliability was measured and checked through various balances in the process. This included asking particular members of the different respondent groups to complete an expenditure diary, to complete follow-up surveys, and to answer follow-up telephone calls. This information was aggregated with secondary data collection from hotels, businesses and other sources such as the organisers or the Sheffield Events Unit.

Primary data collection was complete when usable samples from each respondent group were completed. The samples ranged from 500-1500 completed questionnaires per event. The collection of a significant number of samples enabled accurate analysis of the data to take place, from which credible inferences were 'scaled-up' to reflect the population data. The sample survey information, together with ticket sales information and accreditation details was used to provide population estimates of additional expenditure by visitors from outside the city. In combination with the local resident filter from the questionnaire, ticket sales information helped to determine the percentage



of event patrons who were visitors to the local area as opposed to residents (Chapter Seven).

#### **6.5.4.3 The Survey Stages**

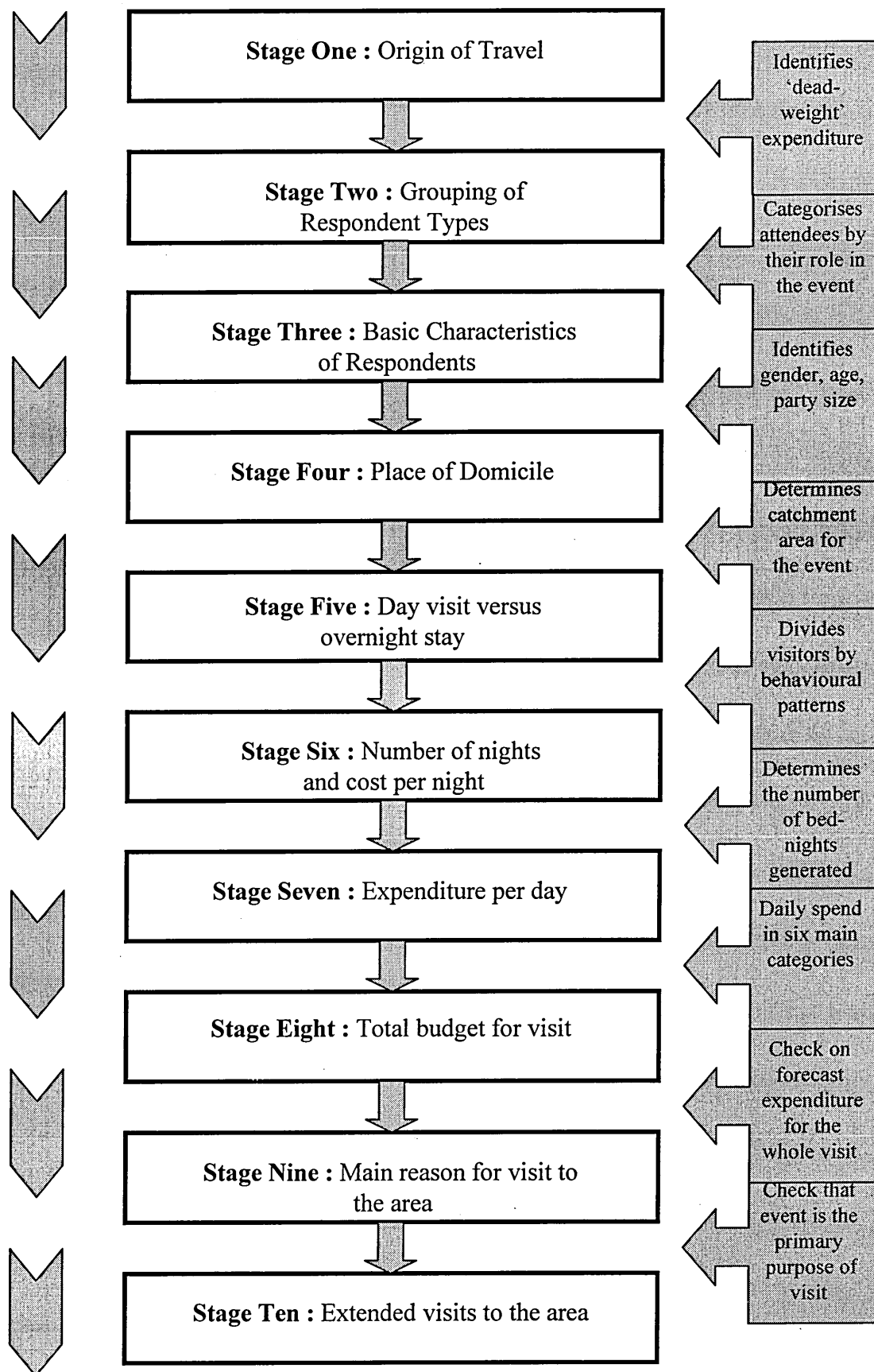
The survey questionnaire was designed to capture ten specific categories of visitor information which when aggregated provide an accurate estimate of their expenditure in the local economy during the length of their stay. In the piloting phase the instrument was proven consistently to be an efficient research tool, which enabled accurate information to be obtained and analysed using computer software packages. Each of the ten objectives of the questionnaire is explained in detail below (Figure 6.1) and linked to the means of analysis and data aggregation to derive an estimate of the economic impact associated with each event (see Appendix III for full details of the questionnaire).

The first aim of the questionnaire was to identify the proportion of respondents who live in the host-city and those who are from outside the host-city. It is accepted in economic impact studies that local residents spending money on or at events does not normally lead to an increase in local income (Crompton 1999). The expenditure made by local residents is deemed to be 'dead-weight' expenditure and was excluded from any estimates of additional expenditure directly attributable to an event. The notion that all expenditure by local residents is dead-weight is not necessarily true in all cases, but in general it is a prudent and credible assumption to make (as explained in Chapter Five). Thus this question was designed to make a distinction between local and non-local respondents.

The purpose of the second part of the questionnaire was to group respondent types by their role in the event e.g. competitors, spectators, media, and officials. Economic impact research findings illustrate that the different types of respondent group exhibit different characteristics and therefore it was not necessarily prudent to assume that all of the people involved in an event have the same spending patterns (Dobson et al 1997). At a one-day event it was reasonable to conclude that the vast majority of spectators would attend the event and go home with only a few staying overnight in the host city.

**Figure 6.1** Survey Stages

## SURVEY STAGES AND DATA CAPTURE



Stage three identified the basic characteristics of respondents from outside the host-city. This included gender and the composition of a party by its size. This question was designed to filter out those attending an event alone compared to those attending in a party. This was important for averaging expenditure on a per capita basis. In addition, it was also possible to build up a profile of a typical party or group size and the breakdown of adults and children. Stage four aimed to determine the catchment area of the event by local, regional, national and international responses. It asked for the name of the town or city where people live. This type of information can sometimes be drawn before the event through pre-ticket sale information or built up through an analysis of drive-time isochrones.

The aim of stage five was to quantify the number of people from outside the city who stay overnight in the host city, and from this sub-sample to quantify how many stay in 'commercially' provided accommodation as opposed to with friends or relatives. Those who stay overnight in host cities tend to spend more on the six standard expenditure headings such as food and drink than day visitors.

The sixth stage quantified how many nights those staying in commercial accommodation spent in the city and how much per night such accommodation was costing. In addition to the number of people staying in commercial accommodation, the second component of calculating the commercial bed-nights generated by an event is the number of nights the overnight visitors spend in the host city. Collecting data via questionnaires can be argued to be an indirect method of estimating the bed-nights generated in the sense that the procedure involved sampling and then making inferences about the whole group (or population) of a respondent type.

Stage seven recorded, for both those staying overnight and for day visitors, the amount spent per day on six standard categories of expenditure. In addition to identifying the amount spent on accommodation, it was also necessary to quantify the amount spent on other ancillary products and services by all respondent types, whether overnight visitors or day visitors. The effect of this question was to filter out expenditure made by respondents in places other than the host city and therefore to include only expenditure

made in the host city. The purpose of stage eight was to evaluate how much in total people have budgeted to spend in a host city and on how many other people this expenditure was made.

The aim of stage nine was to establish the proportion of people whose main reason for being in the host city was the event itself. For certain types of event, there is a distinct possibility that some people attending the event are not there for the event alone (Chapter Four). The questionnaire picked up the proportion of non-local respondents whose main reason for being in Sheffield was not the major event. This enabled an analysis of 'switching' behaviour to be quantified. All accommodation expenditure attributable to this group was eliminated from that attributable to the event, as the event was not the primary purpose of the visit to the city.

Stage ten determined whether any respondents were combining their visit to the host-city with a holiday in other areas of the country. This information is important to determine whether there is additional expenditure in the local area associated with an extended holiday. For some people, an event may be the catalyst for a break or holiday. Therefore, there is a potentially wider economic impact to their visit over and above 'on the day' spending at the event.

In summary, the questionnaire was designed to be quick, effective and efficient at collecting primary expenditure estimates from visitors to an event. However, the trade-off between adding extra questions was the time taken by the respondents to complete the questionnaire and ultimately the number of returned surveys. There are only limited opportunities during an event to capture expenditure information and behavioural responses of this nature. This questionnaire was therefore not exhaustive, and other possible questions might have been added, although this would have affected the methodology. Other possible areas of questioning might have included an assessment of total expenditure on the way to and on the way back from the event, and an estimate of how many hours visitors spent in the city that day. However, asking for such exact data is time consuming for the visitor and affects the total number of returned questionnaires.

### **6.5.5 Phase Four – Post-Event Data Analysis**

Once the completed questionnaires were returned, the information collated was analysed using a statistical software analysis package. This enabled efficient manipulation and cross-tabulation of the data. The returned questionnaires had to be checked and coded to ensure that the data entry corresponded to the actual answers given to each question.

The Statistical Package for the Social Sciences (SPSS) was the software tool used in this research as it easy to code and enter data, and relatively simple and extremely quick to achieve meaningful cross-tabulations. Once the data captured in the questionnaires had been entered, it was analysed according to three key filters. First, by whether respondents were local residents or a visitor; second for visitors, by respondent group type, e.g. spectators, media, competitor; and third in each respondent group, by day visitors and overnight visitors. The output from this analysis was a series of data tables that were put into an 'Excel' spreadsheet to enable the economic impact assessment to be pieced together.

The aim of the statistical analysis was to provide an average expenditure per day, by respondent group. The other major input was ticket sales information, and information related to accredited numbers of competitors, officials, and media. With these two sets of data, the 'Excel' spreadsheet (as illustrated in Appendix IV) was used to calculate the aggregate total of additional spend by each respondent group for both day and overnight visitors.

#### **6.5.5.1 Analysing Secondary Non- Survey Data**

Although the quantitative primary data is the core data for estimating the economic impact, it also has to be aggregated with secondary data collected through the other desk research and interview methods. The questionnaire survey does not reveal the 'additionality' associated with the event, and thus it is necessary to analyse the complementary data to establish the significance of the quantitative findings. This secondary analysis enabled checks and balances on the primary data, as well as allowing

a comparative analysis of the costs of staging an event relative to the benefits and the indirect and induced benefits. As illustrated in phase one, this secondary data took the form of post-event interviews with organisers (where appropriate and willing) and the major commercial beneficiaries of additional expenditure such as hotels, local businesses, restaurants and other commercial sector operations. The police, the local authority and the national governing body of sport also assisted in the verification of data and financial information linked to the event. One of the main secondary sources of information is organisational spend. Once the final accounts are settled it is necessary to undertake an in-depth evaluation of the event budget to understand the 'flow' of income and expenditure both in and out of the local economy. For many of the events this level of detail was difficult to achieve, primarily because of the commercial sensitivities around the information.

The collection of all applicable secondary economic data, in all of its various forms, needs to be undertaken using a variety of complementary quantitative and qualitative techniques. This is extremely time-consuming. These techniques range from event to event, but typically included qualitative interviews, observation, quantitative techniques and data modeling techniques. The use of a number of different methods to conduct the research appraisal ensured that the findings could be triangulated, i.e. findings from one method of enquiry confirming the results of a different method examining the same consideration. Comparing bed-night sales generated through the questionnaire route with bed-night sales generated through information supplied by the event organisers and Destination Sheffield was one typical example.

A final ingredient for successful data analysis and event evaluation was an economic judgement based on knowledge of the event. Sometimes, as information is withheld due to sensitivities, it is necessary to make informed judgements about an event and the economic impact associated with it. In many cases the sponsors of an event were not prepared to divulge their additional expenditure in the city, beyond their direct sponsorship of the event. Consequently, it is necessary to make an estimate of the cost of providing hotel accommodation and corporate hospitality for guests and staff from previous experience. By building up a picture of the other event-related activities such

as the number of guests accommodated overnight, the number of people invited to the corporate hospitality area and the average cost of the meals, it was possible to make an informed estimate. This can be proportioned against the organisational spend total provided that the destination of the final expenditure is known. Without this figure, the economic impact attributable to the event would be significantly understated. Multiplier analysis was then used to estimate additional effect. These estimates were linked to the overall costs of staging the event and the sources of funding (local or non-local) raised to meet the cost of staging the event.

#### **6.5.6 Phase Five - Multiplier Analysis**

Multiplier analysis (as outlined in previous chapters) converts the total amount of additional expenditure retained as net income in the city, after compensating for 'leakage' from the local economy. As an example, the total amount of money spent in a hotel or in a retail outlet will not necessarily all be re-circulated in a given city. Some of the money will be spent on wages, food suppliers, beverage suppliers and other services, the recipients of which may well be outside the city. Thus, the multiplier is a device that converts total additional expenditure into the amount of local income retained in the local economy.

One of the main problems with multipliers in the leisure and tourism industries is that the assumptions on which multiplier calculations are based are often both technical and ambitious (Chapter Five). Unless appropriate local multipliers exist, any calculations using generic multipliers must be valued as approximations rather than conclusive. The multipliers used in during this research thesis are therefore 'borrowed' from the Economic Development Unit of Sheffield City Council as the determination of sport specific multipliers for major events is beyond the scope and purpose of this research.

The ultimate purpose of multiplier calculations is that they can be used as the basis for further economic analysis such as making estimates of job creation attributable to a given inflow of income into a local economy. Sustained additional income into a local economy will lead to the creation of additional jobs in that economy. However, it is

ambitious to attribute an increase in the number of total jobs in an economy to a short-term one-off event. In reality, the most reliable conclusion that can be made is that the additional expenditure in a local economy has been re-circulated to help support jobs in the hotel, catering, travel and retail sectors of an economy. It is also possible to interpret the data in terms such as an expenditure of a 'certain amount' is approximately equivalent to a particular number of full time equivalent job years.

## **6.6 OVERVIEW**

The chapter has outlined the five phase methodological approach adopted in the study of the economic impact analysis associated with the staging of five major sports events in the city of Sheffield between 1996 and 1998. The rationale for choosing an expenditure based multiplier approach (as introduced in Chapter Five) has been explained and reinforced, together with the aims and 'local' limitations of the technique. From a brief introductory overview of each of the case study events the chapter justifies the substantial amount of planning that was required to set up and administer a study of the economic impacts associated with the international and national major events. The five key stages have been introduced and explained in detail together with an overview of the aims and objectives of the survey questionnaire.

From the initial pre-event planning through to the post event analysis, the chapter has explained the considerable amount of research required to assess the dynamics of an event. This detailed research exercise is a pre-requisite to ensure the comprehensive recording of the relevant economic data pertaining to each event. Pre-planning must dissect the event into its constituent parts and identify the optimum opportunities for obtaining economic data. A pre-event evaluation of the data sources must then lead the development of a workable plan to capture information. The primary tool for collecting this type of information, the ten data stage survey questionnaire, must then be applied.

Once sampling quotas have been achieved for the survey, data input, interpretation and statistical analysis help derive an estimation of the direct impact of the event, which is supplemented by additional secondary information to gauge the indirect and induced



effects. Finally, multiplier analysis is applied to illustrate the 'knock-on' effects that this additional expenditure will have as it re-circulates through the economy.

As a total of five events were researched, each very different in size, scale and impact, it has been necessary to split the results section into two chapters. The following chapter will present the results of the economic impact study undertaken for the three matches played at Hillsborough Stadium in Sheffield during the European Football Championships in June 1996, with the other four events presented in Chapter Eight.

## 7.1 INTRODUCTION

Chapter Seven and Chapter Eight will present the results of the impact studies to illustrate the net economic benefits derived in Sheffield as a consequence of staging each event. For clarity, and primarily due to the size and scale of the different events, the results are divided. This chapter will record the results associated with the hosting of the three European Football Championship matches at Hillsborough Stadium in Sheffield in June 1996.

The European Football Championship was the largest of the five events to be held in the city during the course of the study. It was also the first of the five events to which the economic impact research methodology was applied. With the opportunity of researching three similar Euro '96 matches over a period of eleven days in the same venue, the European Championship research provided a unique opportunity to test and refine the methodology prior to the other four events. This maximised the efficiency of the data collection technique.

The economic impact study for Sheffield reflects the national level estimates of the research into the total impact of the whole tournament by the author and his colleagues (Dobson et al 1997). However, it more accurately calculates both the spending habits and the behaviour profiles of visitors to the city of Sheffield during the group phase of the championship. It is estimated that 61,323 spectators (and 4,500 media and officials) came to Sheffield for the three games, with the majority of spectators travelling from areas throughout the UK, Europe and other places around the world. As the Danish team played all three games at Hillsborough Stadium in Sheffield, the research methodology was strengthened by the ability to record and study relatively similar patterns of behaviour and travel plans, from similar groups of spectators, across the three matches. This enhanced the reliability and robustness of the survey methodology as the tournament proceeded. Furthermore, where differences did occur, it allowed the methodology to identify the causes and effects of this differentiation. The recording of

these differences is important for future major event economic impact assessment and event policy development at the local level (as explained in Chapter 10).

The chapter commences with an overview of the sampling frame and an analysis of the profile of spectators visiting Sheffield during the eleven days of the event. A review of the primary data survey of visitor groups is broken-down into five separate areas. Starting with an analysis of expenditure patterns of the different visitor groups, the analysis leads to the establishment of average daily expenditures per group, and then a summary of the total impact. This is followed by an estimation of the total bed-nights generated in the city, the full-time equivalent job creation effect and an overview of the multiplier.

## **7.2 THE EUROPEAN FOOTBALL CHAMPIONSHIP IN SHEFFIELD**

In a sense Euro '96 was very different from the other four events as in many ways the tournament came to the cities rather than the cities directly bidding to stage the qualifying groups. The city of Sheffield tended to look upon the event as an 'adventitious' type of championship (Sparrow 1989), as it came to the city as a result of the quality of Hillsborough Stadium rather than any formal bidding process involving the City Council. However, in reality the cost of the event to the City Council was relatively high, both in terms of committed expenditure and 'value in kind' contributions. In fact, the inherent lack of funding available to the host cities; a National Heritage Department grant of only £100,000 given between the eight English host cities, was a contentious issue throughout the period of Euro '96 (Investors Chronicle, June 1996).

Sheffield City Council received income from several different sources to assist in the running and organisation of various aspects of the tournament, with sponsorship money raised for the associated cultural festival 'Sheffield Plays at Home'. A total of £150,000 was raised with the principal funding partners Morrisons Supermarket (£41,000), the Association for Business Sponsorship of the Arts (£39,250), the Football Association (£20,000), ISL (£15,000), the Foundation for Sport and the Arts (£12,500), the

Department of National Heritage (£12,500), Yorkshire & Humberside Arts (£5,000), and others (£4,750). Other sources of finance came through regional associations, including the Yorkshire and Humberside Sports Council (£12,500), but this was to primarily assist with football development schemes in the city.

Sheffield's three group matches were scheduled at different times of the day and different days of the week. This influenced the period of stay for supporters in Sheffield and guided the research methodology and sampling frame as explained below. The first game was played on a Sunday afternoon at 6.30pm; the second game was also on a Sunday at 4.30pm and the final game on a Wednesday afternoon at 3pm.

### **7.3 THE SAMPLING FRAME**

Following the successful application and re-evaluation of the survey questionnaire through a pilot study, the research plan was developed for the three games. The survey team for the Euro '96 analysis consisted of eight fieldworkers and the research manager. Unfortunately neither the Football Association (FA) or Sheffield Wednesday Football Club would permit the survey team to sample in Hillsborough Stadium prior to the start of the match. As visiting supporters were easier to sample on their way to the stadium rather than immediately after the match, it was decided to start the survey sample from twelve noon on the day of the first match. The sampling was initiated in the city centre and worked outwards on the route taken to Hillsborough by the supporters. Hillsborough Park, where the majority of supporters congregated for two hours or more before the kick-off, to listen to bands and for other entertainment, was the prime sampling site. It was also extremely close to the coach park. A survey sample of 200 was predicted for each of the three matches, and response levels exceeded expectation with 657 returned questionnaires, as illustrated in Table 7.1.

In practice it proved extremely difficult to sample for prolonged periods of time at any one point in and around Sheffield, as visiting supporters were typically on the move between the city centre, Hillsborough Park and Hillsborough stadium. The socio-demographic profile and behaviour of the visiting supporters was also not always

conducive to the return of completed questionnaires. It was often difficult to maintain the attention of spectators on the questionnaire, especially given the vast amount of pre-match entertainment in the park and the desire of several groups of visiting supporters to make their way straight to the Hillsborough ground on arrival in Sheffield. The lack of access to Hillsborough Stadium prior to the matches was certainly disadvantageous. A sample of nearly 700 spectators is therefore considered to be respectable given these uncontrollable factors.

**Table 7.1. Survey Sample Size for Euro '96 Matches**

<b>Nation</b>	<b>Match One Denmark v Portugal</b>	<b>Match Two Denmark v Croatia</b>	<b>Match Three Denmark v Turkey</b>	<b>Total Survey Sample</b>
Danish	113	124	150	387
Portuguese	113	-	-	113
Croat	-	39	-	39
Turkish	-	2	44	46
Domestic/UK	3	32	16	51
Other	3	16	2	21
<b>Total</b>	<b>232</b>	<b>213</b>	<b>212</b>	<b>657</b>

The total spectator attendance for the three Group D games was estimated at 68,875. It is estimated, using ticket sale information, questionnaires, official police attendance figures and the survey results, that approximately 7,552 spectators were residents of Sheffield (this is equivalent to one third of all domestic (UK) spectators). The total number of visiting supporters to Sheffield therefore totalled 61,323. The results of the survey estimated that that 93 per cent of Danish supporters travelled from Denmark, 39 per cent of Portuguese supporters travelled from Portugal, 56 per cent of Croatians supporters travelled from Croatia and 46 per cent of Turkish supporters travelled from Turkey. These statistics reveal that a large number of visiting supporters from these four nations were resident in the UK, and were thus more likely to be day visitors during such an event.

Table 7.2 indicates the difference between ticket sales and actual attendance at each of the three games. The attendance recorded, as a percentage of actual ticket sales, was

71% for Denmark v Portugal, 79 per cent for Denmark v Croatia and 53 per cent for Denmark v Turkey. For the three games as a whole, the total attendance, as a percentage of ticket sales, was 67 per cent (Synchro Systems 1996).

**Table 7.2 Analysis of Ticket Sales versus Actual Match Attendance**

<b>Ticket Sales</b>	<b>Denmark v Portugal</b>	<b>Denmark v Croatia</b>	<b>Denmark v Turkey</b>	<b>Total</b>
Ticket Sales	34,039	33,046	35,869	102,954
Actual	24,000	26,000	18,875	68,875
Difference	10,039	7,046	16,994	34,079
<b>Attendance v Ticket Sales</b>	<b>71%</b>	<b>79%</b>	<b>53%</b>	<b>67%</b>

Establishing the attendance at each of the matches was a complicated process involving the tri-angulation of data received through three separate lines of enquiry. Data on the aggregate number of tickets sold and the number of accreditation passes issued was supplied by Synchro Systems (suppliers to the Football Association). However, this data only represented the maximum level of possible attendance and it was clear through observation at each of the games that capacity attendance was not achieved. Therefore, to establish the actual attendance, two other sources of information were interrogated. Firstly, Sheffield Wednesday Football Club provided details of turnstile records and this was verified and corrected by the South Yorkshire Police records. With these four data sources it was possible to derive an accurate estimate of the true attendance level of each of the matches. Without completing such an exercise one can easily over or under estimate the size of the sample 'population' and thus draw inaccurate conclusions of the associated economic impact. It is therefore an important risk analysis technique.

Table 7.3 summarises the origin of travel for those supporters visiting Sheffield during Euro '96. It is evident from this data that the majority of visiting supporters travelled from Denmark to watch their team during the games in Sheffield, supplying nearly 40 per cent of the total crowd for the three matches.

**Table 7.3 Origin of Travel for All Visiting Supporters**

<b>Origin of Travel</b>	<b>Total Number of Visiting Supporters</b>	
	<b>Total Number</b>	<b>Percentage</b>
Yorkshire & Humberside	2,656	4.3 %
The North	5,549	9.0 %
The Midlands	6,298	10.3 %
The South	8,089	13.2 %
London	5,802	9.5 %
Denmark	<b>24,355</b>	<b>39.7 %</b>
Portugal	2,106	3.4 %
Croatia	1,128	1.8 %
Turkey	1,380	2.3 %
Wales	378	0.7 %
Scotland	260	0.4 %
Netherlands	244	0.4 %
France	972	1.6 %
Germany	622	1.0 %
Elsewhere Europe	837	1.5 %
Rest of the World	647	1.0 %
<b>Total</b>	<b>61,323</b>	<b>100%</b>

Source: Extrapolated from survey sample, ticket sales and police records

While Table 7.3 excludes spectators from Sheffield, it is evident that there was both significant regional and wider domestic support for the games staged in Sheffield. The majority of domestic sports tourists lived less than three hours drive from the city and were therefore less likely to stay overnight in Sheffield.

## **7.4 VISITOR PROFILES**

Table 7.4 illustrates the number of games attended by all visiting supporters and by each nationality. The table highlights that the majority of supporters, 66 per cent, came to only to watch one game in the city. However, a different pattern of attendance is shown for the Danish supporters. The majority of Danish supporters who came to watch the first match on Sunday June 9th came only for one game, while the majority interviewed on Sunday June 16th and Wednesday June 19th stated that they had or would be attending two matches.

**Table 7.4 Percentage Profile of Matches Attended by Nation Type**

Nation	1 Match	2 Matches	3 Matches
Danish-All	38.50	37.50	24.00
Danish-Match 1	<b>74.00</b>	7.20	18.80
Danish-Match 2	34.70	45.20	20.10
Danish-Match 3	14.70	<b>54.00</b>	<b>31.30</b>
Portuguese	92.00	5.30	2.70
Croatian	94.90	5.10	0.00
Turkish	91.30	8.70	0.00
Domestic	82.40	13.70	3.90
Other	85.70	9.50	4.80
<b>All Supporters</b>	<b>65.60</b>	<b>22.35</b>	<b>12.05</b>

Most of the visiting supporters did not attend other Euro '96 games outside Sheffield, with the exception of Portuguese, Croatian and Turkish supporters whose team also played in the Group D matches in Nottingham. The tournament organisers and the Football Association enforced a deliberate policy of preventing supporters gaining tickets to games not involving their own teams. This policy was intended to minimise any crowd trouble, but also had the effect of dampening the tourism potential of the event. Table 7.5 illustrates that most visiting supporters (apart from the Turkish) did not attend other games outside Sheffield during the group stage.

**Table 7.5 Percentage Profile of Matches Attended Outside Sheffield**

Nation	0 Matches	1 Match	2-4 Matches	5-9 Matches
Danish-All	88.00	6.80	5.10	0.00
Danish-Match 1	<b>92.80</b>	2.70	4.50	0.00
Danish-Match 2	<b>84.70</b>	8.90	4.80	1.60
Danish-Match 3	<b>87.30</b>	8.00	4.70	0.00
Portuguese	56.50	17.70	21.30	4.50
Croatian	48.70	15.40	30.80	5.10
Turkish	19.60	10.90	<b>69.50</b>	0.00
Domestic	37.30	17.60	25.54	19.70
Other	19.00	19.00	38.00	24.00
<b>All Supporters</b>	<b>59.25</b>	<b>12.69</b>	<b>19.30</b>	<b>3.28</b>



The majority of Danish supporters arriving in Sheffield did so by coach. Table 7.6 below outlines the number of coaches carrying Danish supporters into the city on match days. Table 7.6 shows the time and number of arrivals, indicating that a number of coaches were in the city long before the police official time limit of three hours before kick-off. This information was gathered by counting coach arrivals and verifying these figures with police estimates. The relaxed policing of the event resulted in extra economic benefits for the city, with many visiting supporters making their way from Hillsborough into the city centre or attending events at Owlerton Stadium.

**Table 7.6 The Time and Number of Danish Coach Arrivals in Sheffield**

<b>Danish Coaches</b>	<b>Denmark v Portugal</b>	<b>Denmark v Croatia</b>	<b>Denmark v Turkey</b>
Total Coaches	<b>181</b>	<b>201</b>	<b>169</b>
Before 10.30am	5	5	5
12.45pm	30	35	29
1.45pm	42	60	50
2.45pm	53	80	70
3.15pm	84	110	95
3.45pm	107	145	120
4.30pm	138	167	<b>169</b>
5.30pm	163	<b>201</b>	
6.30pm	<b>181</b>		
<b>Kick –Off</b>	<b>7.30pm</b>	<b>6.30pm</b>	<b>4.30pm</b>

The main airports utilised by supporters were Manchester, East Midlands, Bradford/Leeds, Birmingham and London Heathrow. Coaches transferred these visiting supporters from the airports to Sheffield. This business provided a significant boost to coach companies throughout the UK. Sixteen coaches transferred Danish supporters from Manchester airport to Sheffield on Sunday June 9th, ten coaches returning Danish supporters for flights back to Denmark immediately after the game. This pattern was repeated for all three matches and for all airports utilised. This indicates that a large proportion of visiting supporters were UK day visitors spending vast amounts of money given the relatively short time period in Sheffield. The British Tourism Authority (BTA) (1996) estimated that 15-20 coaches travelled into the main ports of Dover and Harwich on each match day as part of their journey to Sheffield. Table 7.7 below

outlines the total number of coaches in Sheffield for each game and illustrates the scale of coach travel associated with the tournament.

**Table 7.7      The Total Number of Coaches Arriving in Sheffield Per Match**

<b>All Coaches</b>	<b>Match One</b>	<b>Match Two</b>	<b>Match Two</b>	<b>Total</b>
Danish	181	201	169	551
Portuguese	69	-	-	69
Croatian	-	8	-	8
Turkish	-	-	59	59
Neutral	5	6	5	16
Sponsors	55	55	47	157
<b>Total Coaches</b>	<b>310</b>	<b>270</b>	<b>280</b>	<b>860</b>

## **7.5      ECONOMIC IMPACT ANALYSIS: DIRECT EXPENDITURE**

Following data coding, manipulation and statistical analysis (using SPSS), the completed questionnaires reveal the real extent of the economic impact associated with the event, and the very different expenditure patterns evident from different visiting supporters, of different nations. The analysis also illustrates the different expenditure patterns of day and overnight visiting supporters of the same nation.

### **7.5.1      Expenditure Patterns**

The results below indicate the economic impact generated by each visiting nation and by visiting supporter type during the event. The expenditure data in Table 7.8 is presented at nation level and broken down by supporter type, day visitors and overnight visitors for each game. The economic impact data for visiting supporters in Table 7.8 indicates the enormous impact generated in Sheffield by the event, especially if one considers that only 24 per cent actually stayed in the city for one or more nights. The average length of stay for all visiting supporters was only 0.89 nights, while it extended to 3.64 for overnight stays. Table 7.8 also illustrates that as a nation group the Croats and Turks actually spent more money as day visitors than as a group of overnight staying visitors in Sheffield. This is due to the fact that visiting supporters were predominantly day trippers. Indeed, 67 per cent and 80 per cent of Croats and Turks

respectively spent no nights in Sheffield. The Danes however, spent proportionately less as day visitors, even though the number of visiting supporters choosing not to stay overnight in Sheffield was similar to the Croats and Turks (70 per cent of all the Danes spent no nights in Sheffield).

**Table 7.8 The Estimated Economic Impact of Euro '96 in Sheffield**

<b>Nation</b>	<b>Total Expenditure</b>	<b>Day</b>	<b>Overnight</b>	<b>Variance</b>
Danish	£1,778,370	£481,085	£1,307,284	+ 826,199
Portuguese	£660,577	£325,338	£335,239	+ 9,901
Croatian	£193,175	£97,609	£95,566	- 2,043
Turkish	£353,357	£277,753	£75,605	- 202,148
Domestic	£1,180,311	£554,135	£626,176	+ 72,041
Other	£264,685	£59,196	£205,489	+ 146, 293
Personnel/Media	£860,543	£251,703	£608,840	+ 357,137
<b>Total Net Expend</b>	<b>£5,301,017</b>	<b>£2,046,819</b>	<b>£3,254,199</b>	<b>+ 1,207,380</b>
<b>Total Gross Expend</b>	<b>£5,831,119</b>	<b>£2,251,500</b>	<b>£3,579,619</b>	<b>+ 1,328,119</b>

Table 7.9 indicates the proportion of expenditure generated in Sheffield by category of expenditure during Euro '96, by all visiting supporters. This data illustrates that during this type of spectator intensive event, food and drink and accommodation represent the largest sectors of expenditure; 32 per cent and 17 per cent respectively.

**Table 7.9 Expenditure Profiles as a Percentage of Total Expenditure**

<b>Category of Expenditure</b>	<b>Percentage of Total Expenditure</b>
Accommodation	17.0 %
Food & Drink	<b>32.0 %</b>
Entertainment	12.0 %
Programmes/Merchandise	6.0 %
Shopping/Souvenirs	14.4 %
Travel	12.6 %
Other	6.0 %

A comparison of average expenditure by supporters, accredited personnel (including the media) in Table 7.10 indicates similar expenditure patterns per head by both groups. However, overnight staying visitors with accreditation (including the media) stayed

twice the number of nights in Sheffield. Indeed many of the media stayed as long as twenty nights in the city.

**Table 7.10 Average Expenditure by Supporters and Accredited Personnel**

Item of Expenditure	All Visiting Supporters	All Accredited Personnel/Media	Variance
Accommodation	£6.54	£5.52	- 1.02
Food & Drink	£20.47	£23.84	+ 3.37
Entertainment	£4.32	£9.71	+ 5.39
Programmes/Merchandise	£7.13	£3.00	- 4.13
Shopping/Souvenirs	£9.68	£7.72	- 1.96
Travel	£7.75	£6.95	- 0.80
Other	£3.96	£4.45	+ 0.49
<b>Total</b>	<b>£59.86</b>	<b>£55.66</b>	<b>- 4.20</b>

Table 7.11 indicates the overall expenditure generated in Sheffield from visiting supporters and accredited personnel (including the media). The table breaksdown total average daily expenditure, by category, between day visitors and those who stayed overnight during the tournament. It reveals that on average those supporters visiting the city for a day spent 42 per cent less per person than those spectators staying overnight.

**Table 7.11 Expenditure Profile of Visiting Supporters and Accredited Personnel by Category and Type of Visit**

Item of Expenditure	Visiting Supporters		Accredited Personnel	
	Day	Overnight	Day	Overnight
Accommodation		£26.11		£45.00
Food & Drink	£18.82	£25.49	£23.84	£23.82
Entertainment	£6.44	£9.13	£10.82	£1.78
Programme/Merchandise	£4.38	£3.96	£3.00	£3.00
Shopping/Souvenirs	£9.29	£10.50	£6.23	£18.36
Travel	£8.01	£7.06	£4.59	£23.82
Other	£3.40	£5.03	£4.51	£4.00
<b>Total</b>	<b>£50.34</b>	<b>£87.26</b>	<b>£52.99</b>	<b>£74.78</b>
<b>Gross Total</b>	<b>£1,795,115</b>	<b>£2,645,360</b>	<b>£251,703</b>	<b>£608,840</b>
<b>Total Expenditure</b>	<b>£4,440,475</b>		<b>£860,543</b>	

Accredited personnel and the media, as day visitors, spent on average only 29 per cent less per day than spectators staying overnight.

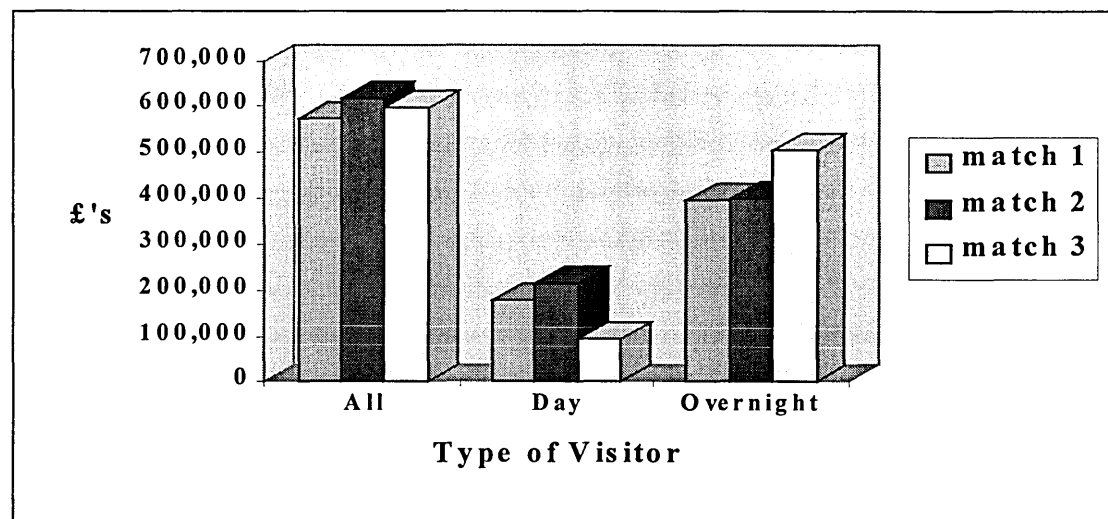
As indicated in earlier sections, and as highlighted in Table 7.12, some of the visiting supporters to the city spent more per person as day visitors than as overnight visitors. As Table 7.12 illustrates, the average expenditure per day visiting Croat and day visiting Turk was higher than the average expenditure per overnight visiting Croat and overnight visiting Turk. The Portuguese, although spending more as a collective group of day visitors, spent less on average per head as day visitors than expenditure per head as overnight visitors.

**Table 7.12 Average Daily Expenditure per Nation by Type of Visit**

Visitors	Day	Overnight	Total	Variance
All	£50.34	£87.26	£59.24	n/a
Denmark	£49.42	£88.77	£61.42	+ 2.18
Portugal	£83.62	£141.64	£94.40	+ 35.16
Croatia	£75.43	£67.81	£73.09	+ 13.85
Turkey	£120.86	£107.34	£118.21	+ 58.97
Domestic	£32.90	£75.80	£39.63	- 19.61
Overseas	£44.89	£64.36	£53.23	- 6.01

Many of the visiting supporters to the host cities spent more as day visitors than as overnight visitors and this is illustrative of the high volume and high intensity of expenditure patterns associated with this group of urban sports tourists. As Graph 7.1 illustrates, the impact generated by the Danish supporters over the three matches was relatively consistent. However, Danish supporters spent more in the city as overnight visitors, when attending the final Sunday game, than as overnight visitors to the two previous matches, even though they were fewer in number.

**Graph 7.1 Total Expenditure by Visitor Type per Match**



### **7.5.2 The Follow-Up Survey**

The follow-up economic data supports the findings of the main survey and indicates the average amount that visiting supporters (predominantly Danish) were spending during their stay in Sheffield. This figure equates closely with the main survey. The estimated figure for expenditure on accommodation in the follow-up work was slightly less than the main survey as a higher proportion of those sampled in the follow-up survey were staying at the camp site. This data is illustrated in Table 7.13 below.

Utilising the average stay in Sheffield figure from the main survey of 3.64 nights and an average expenditure figure of £87.46 for those staying overnight, it is estimated that the average total expenditure per visiting supporter while in Sheffield was £318.35. Overnight visitors who had a longer stay in the UK (and not just Sheffield) had average stay of 5.5 nights (as revealed by Danish Tour Operators), and it is estimated that their average total expenditure was £481.00. The visiting supporters questioned in the follow-up survey responded that their average total expenditure during their stay in Sheffield was £310.00, and £450.00 for those staying longer in the UK. This reveals that the follow-up survey was a useful tool in verifying expenditure patterns estimated in the main survey, with an accuracy of 97 per cent and 94 per cent respectively.

**Table 7.13 Comparison of Primary and Follow-Up Expenditure Surveys**

Item of Expenditure	Primary Research	Follow-Up Survey	Variance
	<b>Av. Expenditure</b>	<b>Av. Expenditure</b>	
Accommodation	£26.20	£18.33	- £7.89
Food & Drink	£25.49	£20.92	- £4.57
Entertainment	£9.13	£15.92	+ £6.79
Travel	£3.96	£5.48	+ £1.52
Programmes/Merchandise	£10.50	£5.43	- £5.07
Shopping	£7.06	£8.41	+ £1.35
Other	£5.03	£9.50	+ £4.47
<b>Total Av. Exp.</b>	<b>£87.26</b>	<b>£83.49</b>	<b>- £3.77</b>

An evaluation of expenditures from the whole Euro '96 study indicates that visitors associated with Group D in Sheffield had a lower average expenditure and a lower average rate of stay than that other host cities (Dobson et al 1997). Table 7.14 below illustrates that the average expenditure by all visiting nations to Sheffield was lower than the average expenditure by all other visiting supporters from all the nations competing in Euro '96.

**Table 7.14 Comparison of Expenditure by Supporters in Sheffield versus Other Host Cities**

Item of Expenditure	Sheffield-Group D	Other Host Cities	Variance
	<b>Av. Expenditure</b>	<b>Av. Expenditure</b>	
Accommodation	£6.29	£10.44	- £4.15
Food & Drink	£20.43	£24.14	- £3.71
Entertainment	£7.09	£7.90	- £0.81
Travel	£4.28	£6.49	- £2.21
Programmes/Merchandise	£9.58	£12.27	- £2.69
Shopping	£7.78	£12.47	- £4.69
Other	£3.79	£3.13	- £0.66
<b>Total</b>	<b>£59.24</b>	<b>£76.84</b>	<b>- £17.60</b>

As a result of hosting the three Group D games and the additional expenditure generated by visiting supporters, a number of jobs were created in the city. As Table 7.15 below indicates the majority of these jobs were in the retail distribution and hotel and

restaurant sectors; 51 and 95.4 FTE jobs respectively. In total 354 part-time, 56 full-time and 153 FTE job years were created as a result of the staging of Euro '96 in the city. These figures are derived from average job figure costs in Sheffield, across all sectors, but do not include those part-time posts created at Hillsborough stadium for security and crowd control.

**Table 7.15 Euro '96 Job Creation Estimates**

<b>SIC</b>	<b>Part-Time</b>	<b>Full-Time</b>	<b>FTE's</b>
Printing & Publishing	0.0	0.0	0.0
Construction	0.4	2.4	2.5
Retail Distribution	89.2	23.9	50.5
Hotel & Restaurants	251.7	26.3	94.4
P Admin, & Soc Service	0.1	0.2	0.2
Sanitary Services	0.4	0.6	0.7
Recreation Service	8.4	2.1	4.2
<b>Total</b>	<b>350.2</b>	<b>55.4</b>	<b>153</b>

### **7.5.3 The Wider Economic Benefits**

Follow-up interviews with Sheffield Wednesday F.C. indicate that the club itself benefited by approximately £250,000 by staging three Euro '96 games. Sheffield Wednesday F.C. considered that the main outcome of Euro '96 was the extensive European and world media profile for the club and Hillsborough Stadium. The club estimated that the staging of the games provided a similar impact as Premier League matches, in terms of income from catering and other sources. The club received 10 per cent of ticket sales in recompense for the use of Hillsborough Stadium. It is estimated that £308,133 was generated as a result of hospitality packages, encouraging 1,407 visitors into the city.

However, most of this expenditure did not enter Sheffield's economy. Access to VIP's and other guests was difficult and their additional expenditure in the city is considered minimal, as most of the expenditure 'leaked' out of the city to the hospitality agencies and the Football Association. Over 900 VIP's were allocated tickets for each of the



three games; again their specific impact was not able to be measured directly by the survey, but is included in the impact for Sheffield Wednesday F.C.

## 7.6 THE ACCOMMODATION SECTOR

The accommodation sector in Sheffield benefited substantially from Euro'96. However, on the whole, the majority of visiting supporters chose not to stay in the city, 76 per cent either staying elsewhere in the UK, returning home or travelling back to their own countries. Table 7.16 below illustrates the percentage of visiting supporters who stayed overnight and the percentage who stayed elsewhere for all games and for all nations. Only 24 per cent of visiting supporters stayed overnight in Sheffield.

**Table 7.16 Utilisation of Accommodation in Sheffield**

<b>Nation</b>	<b>Overnight stays in Sheffield</b>	<b>Day Visit only</b>
Danish-All	30.60 %	69.4 %
Danish-Match 1	31.40 %	68.6 %
Danish-Match 2	25.20 %	74.8 %
Danish-Match 3	36.50 %	63.5 %
Portuguese	18.90 %	81.9 %
Croatian	33.30 %	66.7 %
Turkish	20.50 %	79.5 %
English	17.70 %	82.3 %
Other	14.30 %	85.7 %
<b>All</b>	<b>24.10 %</b>	<b>75.9 %</b>

Table 7.17 below indicates the number of visiting supporters, by accommodation sector, who chose to stay one night or more in Sheffield, and the number of visiting supporters who stayed in the UK, but outside the city.

**Table 7.17 Utilisation of Accommodation in Sheffield & Other Areas of the UK**

<b>All Cases</b>	<b>Friends/ Relatives</b>	<b>Guest House</b>	<b>Hotel</b>	<b>Camp Site</b>	<b>Other</b>	<b>Home</b>	<b>Total</b>
Sheffield	2,376	3,486	4,204	794	3,924	0	<b>14,784</b>
Outside	3,762	3,728	7,429	2,722	6,442	22,456	<b>46,539</b>

### 7.6.1 Total Bed-nights

Table 7.18 outlines the number of bed-nights sold in Sheffield as a result of Euro '96, by category of accommodation. The figures reveal that a large number of visiting supporters, 14,784, (24 per cent) stayed overnight in the city, as did accredited personnel (including the media). These visitors utilised the hotels, guesthouses, the campsite and many stayed with friends and relatives. A large number stated that they stayed in 'other' accommodation. The follow-up survey indicated that this included stays in coaches, cars, and stays with 'host' families. Table 7.18 also indicates the number of bed-nights generated outside Sheffield, by visiting supporters attending Group D games in the city.

Of the total 142,784 bed-nights generated by Group D in Sheffield, 40 per cent were in Sheffield and 60 per cent in other areas of the UK (assuming a similar ratio of stay). As 14 per cent of all bed-nights were generated in the Yorkshire & Humberside area (outside Sheffield), a total of 76,439 bed-nights (54 per cent) were generated in the whole Yorkshire & Humberside region from Group D in Sheffield alone. The regional effect of Euro '96 therefore dampened the impact on Sheffield, but highlighted the lack of accommodation in Sheffield to service large events.

**Table 7.18 Bed-nights Generated in Sheffield and Other Areas of the UK**

Area	Friends/ Relatives	Guest House	Hotel	Camp Site	Other	Total
Sheffield	5,468	15,907	16,359	4,820	14,205	56,759
York & Humb	900	3,454	5,856	6,307	3,163	19,680
Other UK	7,301	13,098	16,282	10,216	19,448	66,345
<b>Total</b>	<b>13,669</b>	<b>32,459</b>	<b>38,497</b>	<b>21,343</b>	<b>36,816</b>	<b>142,784</b>

### 7.6.2 Accredited Personnel

Table 7.19 illustrates the profile of accredited personnel and other visitors (including the media, officials and VIP's). Media personnel stayed more nights than any other recognisable group. Over 1,800 accreditation passes were issued to the media for each game, with approximately 650 staying in the city for an average of 7.82 nights for the group games. In total 4,260 bed-nights were generated on a commercial basis by accredited personnel.

**Table 7.19 Bed-nights Generated by Accredited Personnel**

<b>Personnel &amp; Media</b>	<b>Friends/ Relatives</b>	<b>Guest House</b>	<b>Hotel</b>	<b>Other</b>	<b>Total</b>
Bed-nights	288	429	3,831	432	<b>4,980</b>

### 7.6.3 Hotel Accommodation in the City

All the major hotels in Sheffield were contacted after the Euro '96 games to ascertain how their business had been affected by the influx of visitors staying overnight in the city. Unfortunately, and despite a number of letters and follow-up calls, the response was minimal. Nevertheless, the information provided gives a very clear overview of the impact of the tournament on the hotel sector. A report produced by Greene Belfield-Smith (1996) on hotel occupation throughout the provincial cities also provided useful secondary information. Many Sheffield hotels reached 100 per cent occupancy during the two weekend games, and overall it is estimated that room occupancy increased by 15-20 per cent over the whole period of Euro '96.

Table 7.20 illustrates the average number of nights for all those visiting supporters who stayed in the city, by accommodation type. Table 7.20 indicates a difference in the average number of nights spent in the city by visiting supporters. The type of tournament schedule adopted, although demanding on players, influenced both the total nights stayed in the city and the number of bed-nights sold. It also enabled visitors to

spend additional money on non-match days both in Sheffield, Yorkshire & Humberside, London and other regions of the country, thereby increasing the economic impact of the event.

**Table 7.20 Average Overnight Stay in Sheffield by Visiting Supporters**

Visitor Type	Friends/ Relatives	Guest House	Hotel	Camp Site	Other	Total Av. Stay
Danish –All	0.00	5.40	3.53	<b>6.46</b>	3.56	4.14
Danish-Match 1	0.00	1.67	2.67	<b>7.00</b>	1.60	2.76
Danish-Match 2	0.00	5.80	3.75	<b>6.61</b>	2.94	3.57
Danish-Match 3	0.00	6.17	5.14	<b>6.22</b>	4.69	5.33
Portuguese	1.00	2.20	1.75	1.00	1.00	2.50
Croatian	1.00	3.25	1.00	0.00	0.00	2.29
Turkish	1.00	0.00	1.67	0.00	0.00	1.50
Domestic	5.00	3.00	4.00	0.00	0.00	3.80
Other	0.00	4.00	3.50	0.00	0.00	3.67
<b>All</b>	<b>2.18</b>	<b>4.44</b>	<b>2.98</b>	<b>6.07</b>	<b>3.51</b>	<b>3.64</b>

Several different identifiable groups stayed for differing periods of time during the group phase. Complementing the large number of visiting supporters was a large media contingency and a presence from FA and Eufa officials (Section 7.6.2). As Table 7.19 illustrates, the accredited personnel (including the media) had a large impact on the local economy. The expenditure of this group equivalent to 19 per cent of the visiting supporter's expenditure and accounts for 9 per cent of all bed-nights generated. The average number of nights stayed by those members of the media who based themselves in Sheffield, was 7.82 (the maximum stay being recorded at 20 nights). Responses to the Sheffield hotel survey after Euro '96 indicate that the Italian and Spanish media, reporting on their teams in the North West and Leeds respectively, actually stayed in Sheffield during the group phase for a period of twenty days.

A large proportion of the accommodation was arranged through tour companies in Denmark, Portugal, Croatia and Turkey. It is estimated that 41 separate Danish tour operators were involved. In Sheffield, 44 per cent of all commercial bed-nights were generated at hotels. Given the 16,359 hotel bed-nights generated by visiting supporters, an average hotel room rate of £35.80 and £45.00 respectively, it is estimated that

Sheffield hotels benefited by £0.73m on room lets from this group alone, regardless of secondary spend. Hotels in Sheffield were pleased with the business generated and the potential of 'repeat' business. Interviews with three hotel managers in Sheffield suggested that an average increase of 15-20 per cent on room sales was achieved during the event.

As the average hotel occupancy in Sheffield is approximately 60 per cent year-on-year (Destination Sheffield 1996), it is estimated that the Euro '96 pushed the rate of occupancy up to 75-80 per cent throughout the event period. However, it is clear that many supporters chose or were forced to stay in hotels outside Sheffield. Follow-up comments from Danish Tour operators indicate that much of the accommodation in Sheffield was either booked, too expensive or incapable of accommodating large groups of supporters. It appears that the average room rate increase at hotels was approximately £10-£15 for the event.

The Greene Belfield-Smith Report (1996) estimates that hotel food and beverage sales increased by an average of 14 per cent and 27 per cent respectively during June. A number of the higher star hotels in Sheffield provided hospitality packages for supporters coming into the city before each match. However, due to a decrease in major functions and conference trade (both high spending sectors of the market) the follow-up survey suggests a dampening effect on overall sales of food and beverages in relation to normal business. The Greene Belfield-Smith survey estimates that, assuming an overall even distribution of visiting supporters and officials, from an estimated stock of 10,000 rooms (three star and above), a possible 50-60,000 room nights were sold to Euro '96 guests, in all provincial cities during the event. The average number of guests, per each room sold, was estimated at 1.35. Utilising this average figure it is estimated that 12,089 hotel room sales were generated in Sheffield as a result of Euro '96.

The guesthouse sector benefited hugely from Euro '96 visitors. Visitors to Sheffield generated 15,904 bed-nights in guesthouses in the city. This is the equivalent to 43 per cent of all commercial bed-nights sold and 28 per cent of all the bed-nights sold in the city related to Euro '96. Sheffield also operated a 'Homestay Scheme' during the

championships, inviting foreign visitors to stay with host families. Approximately 145 visiting supporters used the scheme generating a total of 470 bed-nights (Destination Sheffield 1996).

Sheffield City Council, in partnership with the Sheffield Tigers Rugby Club, set up a campsite at Dore Moor to accommodate visiting supporters. The cost of staying at the site was £12 per pitch per night, plus a £3 booking fee (if booked through the Tourist Information Centre). Table 7.20 above illustrates the average number of nights visiting supporters stayed at the site generating 4,820 bed-nights, or the equivalent of 8.5 per cent of all bed-nights. The site was a considerable economic success for the Sheffield Tigers, and Sheffield City Council received £7,500 in revenue to offset the cost of setting up and advertising the facility. The site was used predominantly by Danish visitors, although Portuguese, Italians, French, Irish, Scottish and English supporters also made use of its facilities.

As Table 7.17 above also indicates 2,376 supporters stayed with friends and relatives, with the inclusion of accredited personnel (including the media). A total of 5,468 bed-nights were generated in this sector in Sheffield. Those visiting supporters staying with friends and relatives stayed, on average, 2.18 nights, while accredited personnel (including the media) generated 288 bed-nights by staying an average of 6 nights. Respondents from all nations stated that they stayed in a type of accommodation 'other' than that listed above. Table 7.17 and Table 7.18 show the number of visitors staying, in terms of total number and the bed-nights generated (although many visitors stated that they would be sleeping either in cars or on coaches). With an average expenditure of £16 on this type of accommodation it suggests that the cheaper end of the commercial accommodation sector benefited considerably from this type of overnight stay. A total of 14,205 equivalent bed-nights were generated in the 'other' category and accounted for 25 per cent of all bed-nights generated.

## 7.7 THE RETAIL, FOOD AND DRINK SECTOR

The HSBC markets report (Daily Telegraph 1996a) illustrates the success of the Euro '96 tournament for the retail and food and beverage sectors of the UK economy. The report highlights the success of the brewing sector, while also illustrating the dampening effects in other sectors including National Lottery ticket sales and cinema attendance. A similar picture to the national pattern was evident in Sheffield. This was expected, especially given the fact that 32 per cent of all Sheffield Euro '96 related expenditure was on food and drink. In overall terms the business sector of the city benefited enormously through the extra £5.3m (excluding the multiplier) generated by visitors associated with Euro '96. Shops, pubs and restaurants benefiting as well as commercial sport stadiums (Owlerton Stadium), sports clubs and independent traders. This section outlines the response of follow-up interviews and letters to businesses in the city to provide an indication of the broader effect of Euro '96 on these sectors of Sheffield's economy.

During the whole period of Euro '96, the number of sales and visitors to the Meadowhall Shopping Complex was down slightly on the same period in 1995, although the number of foreign visitors was up. The Meadowhall Centre was affected on the first three Saturdays of the tournament when England played afternoon games against Switzerland, Scotland and Spain. Sales of menswear were particularly affected in a number of outlets. Nevertheless, a large number of supporters visited Meadowhall during the tournament either before games in Sheffield or between other group games.

The performance of Meadowhall is often gauged by the performance of the main retail and shopping outlets; House of Fraser, Marks and Spencer, Debenhams and the Savacentre. Follow-up letters were sent to each of these outlets. Each voiced similar opinions; that the tournament as a whole had a slightly negative impact on sales in their stores, with no significant increase in footfall, foreign currency exchange or income during the period. Menswear sales were down; even though the IRA bomb in Manchester diverted expenditure to Sheffield. One store noted that Euro '96 merchandise sales, from January 1996 to the end of June 1996, had reached £70,000.

Numerous shops and restaurants benefited from the huge influx of visitors to Sheffield. Information given by McDonald's restaurant in Hillsborough provides a clear indication of the typical impact. The figures illustrate that, although on a weekly basis the average amount spent per order over the Euro '96 period was down by 2.2 per cent, the actual number of orders taken over the period increased by 13.9 per cent. Figures for the number of orders taken on match days show an even greater increase. Interviews with managers of shops and supermarkets in Hillsborough revealed that Sheffield's economy benefited enormously from sales of supermarket lager and pizza in the same way as the national economy benefited.

Pubs, bars, off-licences and restaurants throughout the city centre gained significant benefits. The Hog's Head public house increased income on Sunday June 9 from its normal level of £250 to £2,500. Transport networks in the city also benefited. South Yorkshire Supertram, Mainline Transport and taxis were all full of colourful supporters making their way to and from Hillsborough stadium. Figures from South Yorkshire Supertram estimate an additional 6,000-9,000 football related trips generated over the period.

## **7.8 THE MUTLIPLIER**

While the use and application of an 'appropriate' multiplier has been debated elsewhere in this thesis (Chapter Five), this section attempts to illustrate the additional expenditure that is likely to have occurred in Sheffield as a result of the event. The application of the multiplier serves to estimate the indirect and induced effects of the event in the local economy. The author believes it is important to illustrate the effect of the multiplier to demonstrate the effect of the re-circulation of 'new' money into an economy, whilst recognising that questions regarding the appropriateness, validity, robustness and correctness of the multiplier have been raised by academics researching in the field.

For the purposes of this research a borrowed multiplier of 1.1 has been used to illustrate the re-circulation effect of the net expenditure generated by major events held in Sheffield. It is beyond the bounds of the research to formulate the correct multiplier for



sport (indeed this is a PhD thesis in itself). Therefore, the author has assumed that a multiplier of 1.1, provided by the Economic Development Unit of Sheffield City Council, is sufficient to demonstrate the indirect and induced effect of staging major sports events in the city. Utilising the multiplier of 1.1 for the Euro '96 Football Championships in Sheffield, it is estimated that the total short-term impact of the event was in the region of £5.83m (Table 7.8). It is impossible and unreasonable to predict the longer-term effects of the championships given the methodology adopted for the study, if indeed any long-term effects were present. The cost of such an exercise was prohibitive.

## **7.9 OVERVIEW**

Chapter Seven has illustrated the results of an economic impact assessment based on the expenditure based multiplier approach outlined in Chapter Five and according to the detailed sampling methodology described in Chapter Six. The practical application of the technique in the field has illustrated the total effect of three short-time, spectator intensive football matches on the local economy of Sheffield.

As the results indicate, Euro '96 had a substantial economic impact on the city of Sheffield, boosting the economy by £5.8m (including the multiplier) and generating the equivalent of 153 FTE jobs years. As shown in the analysis of the results, expenditure profiles differ according to nation type, visitor's event role and the type and duration of visit undertaken. The sports tourists associated with Euro '96 had a much higher profile, both in number and presence and a far greater impact on the host community than many other events. Most visiting spectators were day visitors to the city and had a different impact on the city and made a greater peak time demand on the services of the city.

The application of the impact assessment technique has illustrated the nature of expenditure and the behavioural profiles of visiting supporters, event personnel, the media and delegates and officials. The lessons learned in the process of quantifying the effects of the event on the local economy were fed forward to the planning, delivery and

analysis of results for the four other events (Chapter Eight). These lessons included confirmation of:

- i. the importance of the pre-planning stage and data gathering prior to the event
- ii. the need to ensure a sophisticated approach to the capture of primary data
- iii. the appropriateness of the research instrument
- iv. the requirement to access as much detailed financial information about an event as possible.

The results therefore influence future policy decisions for the attraction of major events and the type of events to which resources are aimed. With spectator intensive types of events, that generate large expenditures, over relatively short periods of time in the city, attempts should be made to keep the supporters in the city overnight or for longer periods of time to maximise the economic impact effect. The analysis has illustrated that sports tourism often brings more demand for local services than demand for the event itself. These services are typically accommodation, food, drink, entertainment and shopping. Further, the results of a visitors survey undertaken during Euro '96 clearly show that perceptions of Sheffield as a city have become more positive as a result of tourists visiting the city and sampling the local services available (Bramwell and Dobson 1996).

One of the most important findings of the research relates to the expenditure generated in the city by visitors from outside the UK. Over fifty per cent of all additional expenditure generated at Euro '96 was attributed to visitors who normally reside outside of the UK. The expenditure of these tourists acts as an 'invisible export' to the UK and is viewed as 'new money'. This pattern of expenditure has been previously identified in the arts (Myerscough 1988) and is subject to further review in Chapter Eleven.

## 8.1 INTRODUCTION

The intention of this chapter is to present the economic impact results of the other four major events measured during the period of the research. The aim is to assess their relative contribution to the economy of Sheffield as these events more accurately represent the type and category of events that have been part of Sheffield's annual events programme since 1990-1. The events, briefly introduced in Chapter Six, are analysed in the order outlined below.

- VI FINA World Masters Swimming Championships      June-July      1996
- TSB 66th English Schools Athletics Championships      July      1996
- IAAF Athletics Grand Prix 1      June      1997
- European Short Course Swimming Championships      December      1998

The methodological framework used was consistent with the Euro '96 approach previously described, with improvements and event-specific modifications made to the method as and where appropriate. Following the brief introduction to each event, the appraisal displays the detail of the economic impact results associated with each of the events in a similar format to Chapter Seven. However, due to the differing nature and composition of each event, disparities in the quality of available data will distort a completely standardised approach to the reporting on each event. The analysis will identify the size and characteristics of the sample population and then report step by step on the expenditure levels associated with each specific event group to estimate a total expenditure figure. This information will be supplemented with bed-night and full-time equivalent job creation figures, together with an analysis of the indirect and induced benefits derived from the event.

The availability of confidential event-related information, combined with an opportunity to review and enhance the methodology enables the last two events to be more systematically evaluated than the first two. The IAAF Grand Prix Athletic event was part of a research project sponsored by the Sport Councils, in which the author

supported Simon Shibli (Project Manager), in the survey design, capture of data and economic analysis. The European Short Course Swimming Championships study was funded by UK Sport through the World Class Events programme and was managed for UK Sport by the author.

## **8.2 THE FINA VI WORLD MASTERS SWIMMING CHAMPIONSHIPS**

Between 22 June-3 July 1996 Sheffield hosted the VI FINA World Masters Swimming Championships at Ponds Forge International Sports Centre. The twelve days of competition attracted a total of 6,565 additional visitors to Sheffield. The majority of these visitors were competitors, officials or relatives (acting as spectators). The event is held on a bi-annual basis and over a year was spent organising every logistical aspect of it. This major global event attracted competitors, spectators and officials from 46 nations throughout the world.

Sheffield City Council underwrote the event in the expectation that it would break-even. Officers of Sheffield City Council were confident of breaking-even on this event as a result of their in-depth research of the previous Masters Championships in Montreal, Canada, two years prior to the 1996 event. The research confirmed that the competitors at the event would cover the costs of their own accommodation, food and travel (i.e. factors that are usually thrust upon the local host). The research also revealed that competitors would have disposable income to purchase merchandise and attend social functions attached to the event. With the lower age range of eligibility set at 25 years, the organisers were confident that the majority of participants would be middle-aged, with significant expenditure levels and high level of disposable income. The organisers were also confident that many of the participants would take additional holiday time in the UK once they had finished competing.

### **8.2.1 The Event**

The World Masters Swimming Championships had never been held in the UK prior to 1996, and the championship was not expected to generate as many visits to Sheffield as

Euro'96 had a couple of weeks earlier. However, in line with the Sheffield Events Unit's expectations, the total impact on Sheffield's economy fell close to the impact associated with the football tournament, which is surprising given the scale and profile of the event. The key determinant of this level of expenditure was the nature of the event and the competitors attracted to it. The length of the event, 12 days, meant that the majority of those who were competitively or organisationally involved in the championships were staying overnight in the city for an extended period. This equates to nearly 82 per cent of all visitors. The socio-economic profile of competitors and the inclusion of a holiday as part of their visit to the championships (for 48.8 per cent of all competitors), meant that the average spending level per person was relatively high over the course of the event.

### **8.2.2 The Survey Sample**

The generic questionnaire, modified to meet the requirements of the event, was utilised to provide primary data on the expenditure levels of those visitors involved with all aspects of the event. The research aimed to sample a maximum of 1,000 visitors through the period of the event, with sampling undertaken on eight of the twelve days. A number of Sheffield residents were interviewed, but the number willing to participate was small and expenditure information was not recorded as their expenditure was regarded as 'dead-weight' for the purposes of the research.

In total 901 visitor responses were received, of which 663 were from the 4,610 competitors. The total survey response equates to 13.7 per cent of all competitors, spectators and officials. A total of 154 respondents were day visitors, while 747 stayed in Sheffield overnight. Media interest in the event was negligible, their presence was small, and locally based, and as a consequence no questionnaires were returned. Table 8.1 illustrates the number of completed questionnaires that were received from the respective groups of non-Sheffield residents.

The sampling process was undertaken throughout the championships, and during the eight days of sampling, the questionnaires were administered at different times of the

day and during different sessions. However, there was a significant drop-off in the number of completed questionnaires as the championships progressed. This is because of diminishing survey returns and the fact that many more people attended the event during the first few days, primarily for the opening ceremony and the swimming events rather than those for diving, water polo and the synchronised swimming.

**Table 8.1 Survey Sample by Visitor Type and Nature of Stay**

<b>Category</b>	<b>Day Visitors</b>	<b>Overnight Stays</b>	<b>Total Number</b>	<b>Percentage</b>
Spectators	50	124	174	19.3 %
Officials	12	18	30	3.3 %
Coaches	8	26	34	3.8 %
<b>Competitors</b>				
Swimming	74	467	541	60 %
Water Polo	10	60	70	7.8 %
Diving	0	40	40	4.4 %
Synchronised Swim	0	12	12	1.3 %
<b>Total Competitors</b>	<b>84</b>	<b>579</b>	<b>663</b>	<b>73.6 %</b>
<b>Total Sample Size</b>	<b>154</b>	<b>747</b>	<b>901</b>	<b>100 %</b>

### 8.2.3 Visitors' Profile

The Masters Championships drew competitors from all over the world. There are few many major international events of world status capable of this apart from the major world championships in popular sports such as athletics. This finding represents the importance of the event, and illustrates the draw of the championships to competitors.

In line with the socio-demographic profile of the competitors attending the event, the countries that were particularly well represented tended to be the richer, more developed nations. There were nonetheless a vast array of nations including Australia, Brazil, Canada, Germany, Japan, Russia, South Africa, the United States of America, and not surprisingly Great Britain. The host nation accounted for 36.4 per cent of total competitor numbers. The vast majority of competitors were paying for themselves to attend the championships and all other aspects associated with the event such as

accommodation and food, out of their own pockets. The profile of competitors, their nation and/or origin of travel are broken-down in Table 8.2 below.

**Table 8.2 Athlete Representation by Nation Type**

<b>Area of Representation</b>	<b>Actual Number</b>	<b>Percentage of Total</b>
Great Britain	1,677	36.4 %
Other Western Europe	945	20.5 %
Eastern Europe	281	6.1 %
Africa	128	2.8 %
Asia	486	10.5 %
North America	467	10.1 %
South America	430	9.3 %
Australasia	196	4.3 %
<b>Total</b>	<b>4,610</b>	<b>100 %</b>

For the purposes of this section, the analysis of World Masters competitor behaviour/expenditure has been conducted by swimming discipline. Table 8.3 illustrates the proportion of competitors in each group staying overnight in Sheffield, the average length of stay, for those who stayed overnight, and the average number of attendances for each grouping. The results illustrate that the length of visit, number of attendances and propensity to stay overnight in the city was fairly similar across all of the competitive disciplines. The average length of stay was 5.75 nights.

**Table 8.3 Nature of Stay Per Athlete Group and Average Attendance at the Event**

<b>Discipline</b>	<b>Day Visits %</b>	<b>Overnight Stays - %</b>	<b>Av. Length of Stay (Nights)</b>	<b>Av. Visits to Event</b>
Swimming	13.7 %	86.3 %	5.84	6.30
Water Polo	14.3 %	85.7 %	4.34	5.22
Diving	0	100 %	6.65	6.30
Synchro Swim	0	100 %	6.00	6.00
<b>Total</b>	<b>12.8 %</b>	<b>87.2 %</b>	<b>5.75</b>	<b>6.19</b>

Although the World Masters is primarily known as a competitor intensive event, there were a significant number of spectators present. The majority of spectators were

relatives accompanying competitors and therefore a large percentage of this group were also staying overnight in the city. Estimates made from the responses of visiting spectators indicates that there were 1,483 of them, responsible for generating nearly 7,000 actual attendance at the championships.

Table 8.4 provides a breakdown of the origin of travel of spectators. Spectators were typically relatives, family or friends of the competitors and tended to have similar patterns of behaviour as the competitors, not least because they tended to stay the same number of nights in Sheffield.

**Table 8.4 Spectator Profile by Nation Type**

Area of Residence	Actual Number	Percentage of Total
Great Britain	847	57.1 %
Other Western Europe	130	8.8 %
Eastern Europe	16	1.1 %
Africa	98	6.6 %
North America	196	13.2 %
South America	33	2.2 %
Australasia	163	11.0 %
<b>Total</b>	<b>1,483</b>	<b>100.0 %</b>

The pattern of spectators', officials' and coaches' overnight stays, and daily visits to Ponds Forge, is outlined in Table 8.5. In general, overnight stays and visits were slightly lower than the corresponding figures for competitors. A significant number of the officials and volunteers involved in the championships resided in Sheffield, and their expenditure was therefore discounted. Those officials who came from outside the city (up to 60 per cent of the total) stayed overnight in accommodation. The average number of visits by officials to the event was 9.41 days and the average stay in the city was 12.45 nights for those officials staying in Sheffield.

Despite the size of the event and the high standard of much of the competition, the media were noticeable by their absence from the championships. Despite surveys being carried out on 8 out of the 12 days of the championships, no visiting members of the



media were found, even in the designated press area. Consequently, it is assumed the impact from this source to be negligible or assumed that the press interest was confined to the local Sheffield Star and Sheffield Telegraph.

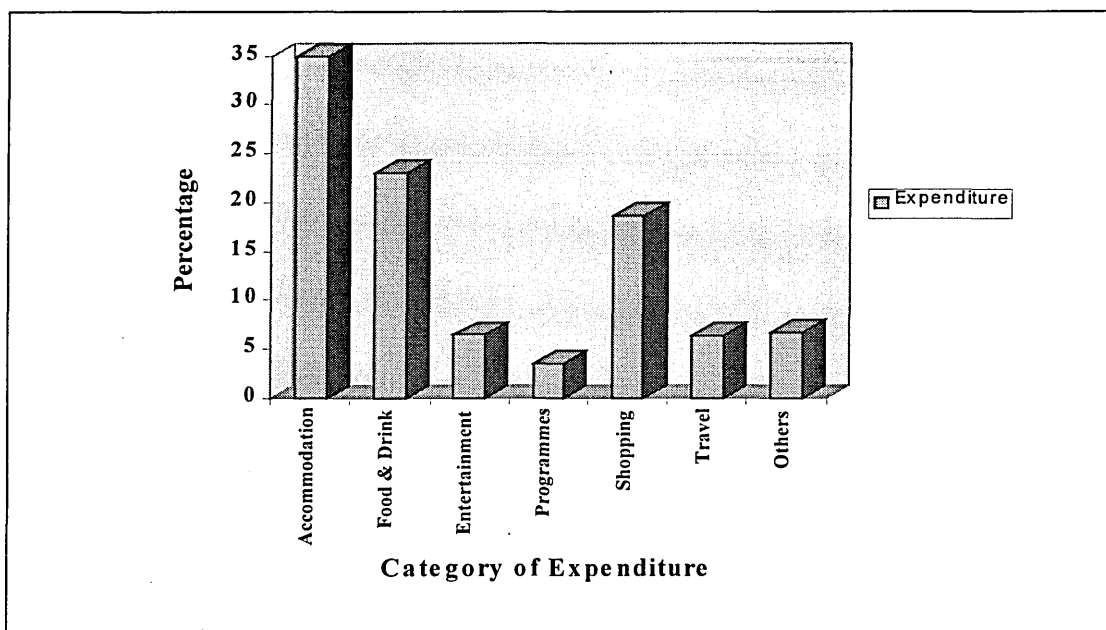
**Table 8.5 Nature of Stay by All Groups & Average Attendance at the Event**

Grouping	Day Visitors %	Overnight Stays %	Av. Length of Stay (Nights)	Av. Visits to Event
Coaches	23.5 %	76.5 %	5.08	6.19
Officials	40.0 %	60.0 %	7.47	9.41
Spectators	28.7 %	61.3 %	3.98	4.53
Competitors	12.8 %	87.2 %	5.75	6.19
<b>Total Average</b>	<b>17.7 %</b>	<b>83.3 %</b>	<b>5.37</b>	<b>5.92</b>

#### 8.2.4 Expenditure Patterns

As expected, the majority of the additional expenditure generated by the championships was made by the 4,610 competitors. Their net expenditure was £2,708,772.

**Graph 8.1 Percentage of Total Estimated Visitor Expenditure by Category**



Spectators also made a significant contribution to the overall economic impact of the event with £484,450 generated in additional expenditure. As illustrated in Graph 8.1,

the majority of the expenditure related to the purchase of accommodation. This amounted to nearly 35 per cent of all total expenditure generated by the event.

### 8.2.5 Economic Impact

As illustrated in Table 8.6, the World Masters Swimming Championships generated a significant economic impact in Sheffield over the twelve days of the event. The event stimulated a number of sectors of Sheffield's economy and in total grossed an additional £3.3m in the local economy (including multiplier effects).

**Table 8.6 Summary of Net Estimated Expenditure by Visitor Type**

Category	Expenditure £
<b>Visitors</b>	
Spectators	£484,450
Officials	£68,912
Coaches	£101,882
<b>Competitors</b>	
Swimmers	£2,366,122
Water Polo Players	£197,834
Divers	£95,166
Synchro Swimmers	£49,650
<b>Total Net Expenditure</b>	<b>£3,021,366</b>
<b>Total Gross Expenditure</b>	<b>£3,323,503</b>

The results of the follow-up survey work revealed that the majority of companies who publicised their business through the entertainment and services guide, contained in the championships programme, reported a noticeable increase in trade over the period. There were many social, cultural and arts events and special promotion offers available in the city to coincide with the championships. This was a deliberate policy of the local businesses, the City Council and the Universities to capitalise on visitors expenditure, as well as to promote the city. For example, the Universities organised three dinners and two party nights. Two of the dinners were sell outs, with 140 people attending. The final dinner attracted over 65 guests. All of the diners paid £40 per head for these banquets. The Sheffield Hallam University's Swimmer's Soirée was attended by 470

people who each paid £15. The University of Sheffield organised a 'Party Night' at the Octagon Centre. This event was attended by over 700 accredited guests, each paying £15 per head.

From the survey results it was evident that visitors to the World Masters had a high propensity to spend. While on an average daily basis, across all groups, these levels were not as high as the corresponding figures for visitors associated with Euro'96, they still compare favourably to the average daily expenditures of all visitors to the city (Chapter Nine). The average amount spent per day in Sheffield by a day visitor associated with the Masters was £43.41 per day, with 29.7 per cent of this being on food and drink and 23.7 per cent on shopping/souvenirs. Those who stayed overnight had a far higher level of expenditure. Overnight visitors had an average expenditure of £87.20 for each day of their stay. The major area of expenditure for this group included accommodation, which accounted for 34.5 per cent and food and drink was 21.4 per cent. Shopping/souvenirs represented 17.1 per cent of their total expenditure.

The management of Ponds Forge (Sheffield International Venues Ltd) and the local organising committee reported that they were pleased with the levels of expenditure at the centre during the championships. Indeed, the first Saturday of the championships provided the Ponds Forge cafe with their second highest single day in terms of gross earnings since the centre was opened in 1991. Furthermore, over the 12 days of the championships, the cafe had the best period of prolonged business it had ever seen. The merchandise stall, which was situated in the main foyer of the centre, experienced swift trade.

As a group, the competitors spent the most per day whilst they were in Sheffield. The competitors averaged an expenditure of £87.86 per day, £60.13 for day visitors and £91.93 for overnight stays. The officials were the group with the lowest spending. They averaged £28.12 per day, with those who were day visitors spending a mere £2.65 on each visit to the city, (the subsistence costs of the officials was met by the budget of the organising committee). Spectators average spending was £63.93. While the swimmers, as a group, had the highest aggregate expenditure of the all the competitors,

it was the water polo players who had the highest levels of individual daily expenditure during their visit to Sheffield. This group averaged £100.22 per head, per day, as overnight visitors. Interestingly, water polo players were the group attending for the lowest average number of days at the championships, recording only 5.22 days. The lowest daily expenditure was associated with the synchronised swimmers who averaged £60.10 as overnight visitors. Expenditure summaries, including accommodation costs paid for by each individual competing in the event appear in Table 8.7.

**Table 8.7      Average Daily Expenditure Levels by Visitor Type and Nature of Stay**

<b>Category</b>	<b>Day Visitors £</b>	<b>Overnight Stays £</b>	<b>Av. Total £</b>	<b>Variance Day v Ovn*</b>
Spectators	£30.16	£77.54	£63.93	+ £47.38
Officials	£2.65	£45.10	£28.12	+ £42.45
Coaches	£28.34	£69.20	£59.59	+ £40.86
<b>Competitors</b>				
Swimming	£45.82	£91.89	£85.59	+ £46.07
Water Polo	£49.53	£108.67	£100.22	+ £59.14
Diving	n/a	£85.18	£85.18	n/a
Synchro Swim	n/a	£60.10	£60.10	n/a
<b>Competitor Av.</b>	<b>£60.13</b>	<b>£91.93</b>	<b>£87.86</b>	<b>+ £31.80</b>
<b>Total</b>	<b>£43.41</b>	<b>£87.20</b>	<b>£80.13</b>	<b>+ £43.79</b>

\* Ovn = overnight stay

### 8.2.6 Bed-nights Generated

The number of bed-nights generated due to the World Masters Championships was high. A total of 35,436 additional stays were recorded in the Sheffield area as a direct result of the event. There can be no doubt that the city's commercial accommodation stock received a direct benefit from the championships, as 15,271 of the additional nights generated were in hotels or guesthouses. This is equivalent to the number of nights generated by Euro 96. The University of Sheffield also enjoyed substantial benefits as they catered for 40.6 per cent of total bed-nights generated. In total 14,395 bed-nights were generated at the University accommodation. Table 8.8 outlines the number of additional bed-nights generated in each category of accommodation.

**Table 8.8      Bed-night Estimate for the Utilisation of Accommodation**

<b>Accommodation Category</b>	<b>Bed-nights Generated</b>
Hotel	11,540
Guest House	3,731
Friends/Relatives	1,680
University	14,395
Camp Site	1,637
Other	2,453
<b>Total</b>	<b>35,436</b>

### **8.2.7 Full-Time Equivalent Job Creation Estimate**

The majority (92 per cent) of the overall impact generated by the event flowed to Sheffield's hotel, catering and retail distribution sectors. While it is very difficult to assess the number of 'full-time' jobs created at this type of one-off individual event, this has been attempted below. Using sectoral analysis and examining the flow of expenditure, the research suggests that a total of 99 additional full-time equivalent (FTE) job years were generated as a result of the World Masters Swimming Championships in Sheffield. This is illustrated in Table 8.9. Due to the seasonal nature and employment structure of both of these industries, the jobs created were part-time or represent the equivalent rate for over-time work. It should be noted that part-time employment provides higher levels of job years than full-time employment due to the lower wage rates that the former are generally awarded.

The Sheffield City Council Events Unit broke-even on the World Masters Swimming Championships. Consequently, the cost of the 99 full-time equivalent job years created was negligible to the City Council. This proves that this type of major long-stay competitor intensive event is indeed the type of event that Sheffield should be welcoming to the city in the future.

**Table 8.9      Job Creation Estimate**

<b>Standard Industrial Classification</b>	<b>Part-Time Job Years</b>	<b>Full-Time Job Years</b>	<b>FTE Job Years</b>
Printing and Publishing	1.0	0.9	1.2
Retail Distribution	57.3	15.3	32.4
Hotels and Restaurants	156.2	16.3	58.6
Public Admin etc.	0.5	1.2	1.4
Recreation etc.	10.8	2.7	5.4
<b>Total</b>	<b>225.8</b>	<b>36.5</b>	<b>99.0</b>

### **8.2.8    The Multiplier**

Applying a standard Sheffield multiplier of 1.1 it is permissible to conclude that the total impact from direct, indirect and induced sources is £3.3 million (Table 8.6). This is a very significant contribution from an event that had very little public profile and caused very little other disruption to the city. However, there were dampening effects noticed in other areas of the normal Sheffield economy as a result of staging this event. The hotels and the University of Sheffield reported losses in conference trade and other corporate activity. The hotels consider that the yield from business sales (at the bar and through catering) is substantially above the average yield from a sports tourist in terms of both bed-night room yield and restaurant revenues, although the sale lasts only two to three days. Ponds Forge International Complex itself lost revenue from regular recreational use, but the management considered that this was offset by the sale of food and beverages in the canteen and from income derived from merchandise sales.

### **8.2.9    Summary**

The event was undoubtedly a valuable experience for the city of Sheffield. Following straight on from the economic success of Euro '96, the World Masters Championships engendered a real sense of sport, competition and friendship during the twelve days in the city. This feeling was illustrated and strengthened by the results of a Sheffield visitor survey undertaken during the period (and in conjunction with the economic impact assessment). The survey of nearly 2,000 visitors highlighted that both visitors and residents valued the city as a centre for sport. The study revealed that 62 per cent of

visitors had a positive or a favourable perception of the city. It recorded that 66 per cent of visitors had a more positive image of the city as a result of their stay and that sports facilities, major events and retail outlets had done the most to improve the city's image as a tourist destination (Bramwell and Dobson 1996).

The undoubted organisational success of staging the World Masters Swimming Championships was clear to anyone who visited the event. Moreover, the level of the economic impact generated by all visitors was extremely significant and beyond the pre-event estimations of all involved. The competitors and their families had the highest levels of additional expenditure in the city. Competitors had an average daily expenditure of £60.13 (day visitors) and £9.93 (overnight visitors), which is above the norm for a tourist to the city. The total number of bed-nights taken by all visitors, over 35,000, was the highest for any of the events held in Sheffield (outside of Euro '96) since the World Student Games in 1991.

Table 8.10 below illustrates the profile of expenditure in each of the seven categories (excluding multiplier effects). The table indicates that accommodation and food and drink were the main contributing factors to the generation of substantial economic activity in the city over the twelve days of the event at 35 per cent and 23.5 per cent respectively.

**Table 8.10 Total Additional Expenditure Generated by Category**

Category	Total	Percentage %
Accommodation	£1,057,259	35.0 %
Food & Drink	£708,601	23.5 %
Entertainment	£192,297	6.4 %
Programmes/Merchandise	£107,767	3.6 %
Shopping/Souvenirs	£561,147	18.6 %
Travel	£192,205	6.7 %
Other	£202,090	6.7%
<b>Total</b>	<b>£3,021,366</b>	<b>100%</b>

### **8.3 THE TSB 66TH ENGLISH SCHOOLS TRACK AND FIELD CHAMPIONSHIPS 1996**

The English Schools Athletics Championships were staged at Don Valley Stadium on Friday 12th July and Saturday 13th July 1996. The championship, which is the largest national schools sports event in the Europe, attracted 6,977 visitors (competitors, officials, media, spectators and others) to Sheffield. Over the two days of competition there were 170 heats and 50 finals on the track and 50 finals in the field events.

#### **8.3.1 The Event**

The event is large and organisationally complex, with three different age groups for girls and boys. The event involved nearly 1,600 competitors from 44 counties throughout the whole of England. The fact that all the competitors were schoolchildren meant a great deal of organisation and co-ordination was required. To assist the organisational requirements of the event a championship office, staffed by volunteers, was set up at Don Valley six weeks prior to the start of the event.

According to the English Schools officials, who were interviewed as part of the study, a higher than usual proportion of county teams stayed overnight at the 1996 championships than in previous years. Only two of the teams, Nottinghamshire and Humberside travelled daily. Even the South Yorkshire team stayed overnight in University accommodation, thus providing additional impact as the majority of the team members and officials were from outside the Sheffield area. The English Schools Championships Committee decided to use the University halls of residence as the main source of accommodation rather than the traditional system of billeting athletes with local families. Every team that stayed overnight in Sheffield did so for both the Friday and the Saturday nights. Consequently, as the following results will outline, the event had a meaningful impact on the local economy.

It appears that housing athletes and officials in University accommodation over the period of the event was a successful strategy for both the event and the economic impact



associated with its staging. Significant numbers of people (athletes, coaches, team managers, officials, spectators and medical support) attended the event over the two days. With a total average attendance frequency of 1.72 days for all groups, it is estimated that total attendance at the two days of the event was approximately 12,000 (assuming the same people entering on more than one occasion). The budget for the event was approximately £140,000.

### 8.3.2 The Survey Sample

While this event had neither the profile nor the international status of the European Football Championships or the World Masters Swimming, it typically represented the type of annual major event staged in Sheffield. The sampling survey team was smaller than the previous events, but nonetheless used a similar approach and methodology to collect the primary data.

Sampling on each of the three days, a total of 179 questionnaires were completed by spectators, officials, team managers and competitors (Table 8.11). Difficulties were experienced in getting competitors to complete the questionnaires, as they were young children in the majority of cases with little or no experience of completing such surveys. The intensity of the event also meant that this group had very little time available, and parents or team managers were more likely to be spending money on their behalf.

**Table 8.11 Survey Sample of All Visitors by Nature of Stay**

Category	Day Visits	Overnight Stays	Total Sample	Percentage of Total
Spectators	36	11	47	26.3 %
Officials	6	18	24	13.4 %
Team Managers	1	26	27	15.1 %
Competitors	3	78	81	45.3 %
<b>Total</b>	<b>46</b>	<b>133</b>	<b>179</b>	<b>100 %</b>

### 8.3.3 Visitor Profile

Based on a sample of non-Sheffield residents, it is estimated that a total of nearly 7,000 visitors attended the championships at the Don Valley Stadium. The athletes came from all over England, but predominantly from Yorkshire and Humberside, the Midlands and the North of the country. The survey revealed that parents from the Yorkshire and Humberside and from the North were more likely to attend the championships as it was closer to home. Officials were predominantly drawn from the Northern or Midlands region, as would be expected for such an event (Table 8.12).

**Table 8.12 Residential Origin of All Visitors**

<b>Residence</b>	<b>Total Visitors</b>	<b>Percentage</b>
Yorkshire/Humberside	1,814	26 %
North	1,814	26 %
Midlands	2,093	30 %
South	1,047	15 %
Other – England	209	3 %
<b>Total</b>	<b>6,977</b>	<b>100 %</b>

based upon the sample of non-Sheffield resident only

### 8.3.4 Expenditure Patterns

The research illustrated that spectators were the group with the highest propensity to spend in the local economy. The spectators were typically parents of the athletes, and the average amount spent in Sheffield by spectators who stayed overnight staying was £91.53 per day. ‘Day visiting’ spectators spent an average of £39.50, which is relatively high for an athletics event. Food and drink, shopping/souvenirs and travel were the highest areas of expenditure for both day visitors and overnight stays. The average amount spent on accommodation by spectators staying overnight was modest at £22.00. It is worth noting that just over 19 per cent of the bed-nights generated by this group were with friends and relatives. Table 8.13 illustrates the proportion of expenditure, by category of expenditure, for each group of visitors identified group at the event.

**Table 8.13 Additional Expenditure Generated per Category by Visitor Type**

Category	Spectators	Competitors*	Officials*	Media**	Others*
Accommodation	£5.15	£18.15	£16.50	£16.50	£21.19
Food & Drink	£15.36	£4.35	£6.63	£6.63	£14.02
Entertainment	£1.80	£1.38	£0.00	£0.00	£7.66
Programmes etc	£4.45	£11.11	£1.88	£1.88	£7.51
Shopping	£9.62	£15.11	£1.25	£1.25	£4.23
Travel	£14.30	£0.79	£4.81	£4.81	£1.78
Other	£1.00	£0.60	£0.00	£0.00	£0.73
<b>Total Daily Exp.</b>	<b>£51.68</b>	<b>£51.49</b>	<b>£31.06</b>	<b>£31.06</b>	<b>£57.12</b>

\* Officials, Team Mangers and Competitors accommodation is included in the average figure

\*\* ESA media expenditure is included in 'officials' expenditure calculation in event spreadsheet

Generally the expenditure of officials and the media was very low. The English Schools Athletics Association gave these two groups accommodation and food. The officials and media averaged a total daily expenditure of merely £10.75 as day visitors and £37.83 when they were staying overnight. Accommodation was provided for the majority of officials in University halls of residence.

Expenditure for food and drink for the athletes was paid for by the English Schools Athletic Association. However, the competitors had a fairly high level of expenditure considering their age. Intermediate and senior athletes had fairly similar expenditure levels at £55.86 and £57.88 per day respectively. Senior athletes averaged a daily expenditure of £11.34 on food, drink and entertainment and £17.80 on shopping and souvenirs. The junior athlete, as would be expected of a group aged 14 or less, spent a limited amount. This group only averaged a total of £2.53 on food, drink and entertainment. Team managers spent an amount similar to the senior athletes. Table 8.14 contains details of average expenditures for day visitors and overnight visitors to Sheffield by category of expenditure. The accommodation rate in the University of Sheffield's halls of residence was £18.89 including VAT.

The English Schools Championships require a large budget to ensure that the event runs smoothly. The organisers reported that they spent £138,500 on the championships in the Sheffield area. The majority of expenditure was focused on accommodation, food

and security (and the majority is included in each group calculation). The civic and sponsors reception was attended by approximately 100 people and cost £17.50 per head. In addition Sheffield Catering provided 2,000 packed lunches. This was at a cost of £2.50 per head on both days of the championships.

**Table 8.14 Average Daily Expenditure Levels by Visitor Type According to Nature of Stay**

<b>Category</b>	<b>Day Visitors</b>	<b>Overnight Stays</b>	<b>Total</b>
Spectators	£39.50	£91.53	£51.68
Officials	£10.75	£37.83	£31.06
Team Managers	£32.00	£58.08	£57.11
<b>Competitors</b>			
Senior	£30.00	£58.95	£57.88
Intermediate	£1.50	£57.95	£55.86
Junior	£10.00	£45.03	£43.73
<b>Competitor Average</b>	<b>£11.94</b>	<b>£53.05</b>	<b>£51.53</b>
<b>Total –Av. Expenditure</b>	<b>£38.61</b>	<b>£66.89</b>	<b>£55.16</b>

### **8.3.5 The Economic Impact**

Given the size of the event, its relative status and public profile, it is not surprising that this event did not attract the level of expenditure generated at the two other events studied. However, the nature of the event, and the fact that there were so many competitors staying overnight in Sheffield, resulted in a significant impact being generated in the city. As illustrated in Table 8.15, the majority of the additional impact was generated by visiting spectators and competitors. The results illustrate that parents of young athletes had the highest propensity to spend in Sheffield, the equivalent of nearly 60 per cent of the entire impact. The cost of organisational expenditure was also significant, and excluding accommodation costs, added nearly 10 per cent of the total impact.

**Table 8.15 Summary of Net Estimated Expenditure by Visitor Type**

Category	Net Expenditure	Percentage %
Spectators	£386,569	59.5 %
Officials/Media	£16,097	2.5 %
Team Managers	£26,916	4 %
<b>Competitors</b>		
Junior	£52,600	8.1 %
Intermediates	£59,728	9.2 %
Senior	£43,260	6.7 %
<b>Organisation</b>	£65,035	10 %
<b>Total Expenditure</b>	<b>650,205</b>	<b>100 %</b>

**8.3.6 Bed-nights Generated**

The number of bed-nights generated by the English Schools was 5,535. A high proportion of these additional nights was in commercial accommodation. Of the total 5,210 nights generated in commercial accommodation, 3,360 were in University halls of residence. As expected with an event that has a large number of competitors, the majority of bed-nights generated by the English Schools came from those directly involved in the event. Competitors, officials, the media and team managers were responsible for 67.8 per cent of all the additional paid bed-nights generated as a result of the championships. Table 8.16 contains a summary of the bed-nights generated in the city.

**Table 8.16 Bed-night Estimate for the Utilisation of Accommodation**

Accommodation Category	Bed-nights Generated
Hotel/Guest House	1,850
Friends/Relatives	162
University	3,360
Other	162
<b>Total</b>	<b>5,535</b>

### 8.3.7 Full-Time Equivalent Job Creation Estimate

It is estimated, again using the sectoral analysis provided by Sheffield City Council, that the English Schools Athletics Championships generated 12.0 FTE job years in the Sheffield economy. The vast majority of the additional employment created was part-time and as a result of organisational expenditure. It is estimated that 26.0 part-time job years were created due to the event, the majority in the hotel and catering sector that can be said to have benefited to the tune of 16.4 part-time job years. A summary of the levels of job creation across the respective industrial sectors is shown in Table 8.17 below.

**Table 8.17 Job Creation Estimates**

<b>Standard Industrial Classification</b>	<b>Part-Time Job Years</b>	<b>Full-Time Job Years</b>	<b>FTE Job Years</b>
Printing and Publishing	0.2	0.2	0.3
Retail Distribution	9.1	2.4	5.1
Hotels and Restaurants	16.4	1.7	6.2
Sanitary Services	0.2	0.4	0.4
<b>Total</b>	<b>26.0</b>	<b>4.7</b>	<b>12.0</b>

All but one of the retail units let out during the championships in the Don Valley Bowl went to companies based outside the Sheffield area. The retailers were from as far and wide as Truro, Oxford and the North East, and therefore expenditure made in Sheffield 'leaked-out of the local economy. The only Sheffield based unit selling merchandise was 'Keep on Running' based on Attercliffe Road. One of the joint proprietors reported gross earnings in the region of £2,600 over the 2 days of the championships. The store reported that they were very pleased with the business generated. Two extra staff were employed over a two-day period as a result of the event. The Sheffield City Council Events Unit's contribution of £10,000 to the organisation of the championships meant that the cost per job creation for Sheffield City Council was minimal.

### 8.3.8 The Multiplier

Utilising the standard multiplier of 1.1 borrowed from the City Council, as used in the previous two events, it is estimated that £715,226 was generated and circulated within Sheffield as a result of this event. Nearly 60 per cent of the impact was generated by visiting spectators, and 30 per cent by competitors, officials and the media. However, compared to the European Football Championships and the World Masters Swimming Championships this event was relatively minor in profile and in terms of its stand-alone ability to act as a catalyst to broader regenerative aims. Nonetheless, it was significant for a junior spectator and competitor intensive event.

### 8.3.9 Summary

The English Schools Athletics Championships had a higher than expected economic impact, especially given the low public profile of the event and the lack of media attention. The expenditure generated at the event was predominantly from spectators and competitors, which in the majority of cases were in fact parents of those athletes competing. As illustrated in Table 8.18, shopping and souvenirs, and then food and drink, were the two largest areas of expenditure. A substantial number of bed-nights were sold, however, the yield was extremely modest, in comparison to other events, as the rack rate was very low.

**Table 8.18 Total Additional Expenditure Generated by Category**

Category	Total	Percentage %
Accommodation	£112,722	17.3 %
Food & Drink	£138,273	21.3 %
Entertainment	£21,405	3.3 %
Programmes/Merchandise	£71,292	11 %
Shopping/Souvenirs	£119,804	18.4 %
Travel	£112,115	17.2 %
Other	£9,559	1.5 %
Organisational Spend	£65,035	10 %
<b>Total</b>	<b>£650,205</b>	<b>100%</b>

## **8.4 THE IAAF GRAND PRIX ATHLETICS 1 1997**

The IAAF Grand Prix Athletics match in Sheffield during 1997 had the highest attendance of any athletic event staged in the UK during the year. Since the development of the Don Valley Stadium in 1990, Sheffield has held some of the highest profile athletic events in the UK. In 1992, Sheffield recorded the highest attendance for an athletic event in the UK of just over 24,000 at the Lucozade Games. The Grand Prix event attracted nearly 17,000 spectators and lasted for just over 4.5 hours on a sunny June afternoon.

### **8.4.1 The Event**

While Sheffield City Council had hoped for a crowd in excess of 20,000, the total spectator figure was reasonable given the apparent general decline in attendance at athletics events since the Atlanta Olympics in 1996. A number of the tickets were reduced or given away to school children and community groups to ensure that a good crowd was present for television. Generating a significant crowd was problematic for the organisers, and this issue eventually increased the City Council's deficit on the event.

This event, one of only a few Grand Prix type events ever staged in the UK, was attracted to the country through the efforts of the British Athletics Federation (BAF) and Sheffield City Council Events Unit. While the organisers did not disclose the sum required to bid for the event, one can accurately forecast that it would have been in the region of £5-10,000 (if the cost of other similar events are considered). It is likely (but unconfirmed) that this cost would have been shared between Sheffield City Council and BAF, although Sheffield would have to have paid the original costs of winning the nomination to be the British host city for BAF (against competition from Gateshead).



#### 8.4.2 The Survey Sample

Given the author's previous experience of sampling at an athletics event (the English Schools and the Welsh Games in May 1997), the aim of the research was to gather approximately 1,000 returned questionnaires from the various groups represented at the event. This involved a programme of random sampling throughout the day and throughout the whole stadium. The largest of the sampled groups was the spectators. This group was also the most difficult to survey from an operational point of view because of the small timeframe in which to capture data without spoiling the spectator's day at the athletics or jeopardising the likelihood of co-operation.

A large survey team (of up to 16 members) was employed to assist with the survey sampling, with each member of the team allocated a specific area of the dissected stadium or a specific group to interview, such as the media. As it would be difficult to sample the crowd once the athletics started, the majority of the sampling was undertaken in the early afternoon from the opening of the gates at 2.00pm, through the first event (the 10,000m for men), and finishing at approximately 4.30pm.

The sampling exercise was set up to ensure that everyone attending the event had an equal chance of being included in the random sample and so that the sample was representative of the whole crowd. Using a plan of the Don Valley Stadium, it was possible to divide the venue into discrete seating areas, allocate blocks of seating to each of the research team and set quotas for the return of questionnaires from each area. Each researcher was instructed to select the ten to twelfth person in each row of each block to ensure a random sample. Researchers were also placed strategically in the media area, the athlete area, the team managers area, the officials area and the VIP section of the grandstand. With such an intensive sampling exercise, it was necessary to number the questionnaires to correspond with each of the survey areas (or seating blocks) to assist with the data analysis phase.

A total of 1,417 questionnaires were returned from the sampling exercise from spectators, officials, the media, athletes and other groups present. A programme of

qualitative research was also conducted to complement the quantitative data. The breakdown of the returned questionnaires is illustrated in Table 8.19.

The assumption derived from the random sample survey is that approximately 29 per cent of the total crowd were from Sheffield. This group represents the 'dead-weight' expenditure at the event and is therefore taken out of the calculation of the overall impact associated with the Grand Prix. It can therefore be safely assumed that less than 71 per cent of the crowd were from outside the Sheffield area of a total attendance of 16,025. The total of non-Sheffield spectators was therefore estimated at 11,324.

**Table 8.19 Survey Sample by Visitor Type**

Category	Questionnaires	Sheffield Respondents	Total
Competitors/BAF	21	0	21
Officials/Coaches	69	5	64
Spectators	1268	334	934
Media	59	5	54
<b>Total</b>	<b>1,417</b>	<b>344</b>	<b>1,073</b>

#### 8.4.3 Visitor Profile

An evaluation of the residential origin of the spectators from outside Sheffield reveals 67 per cent of the crowd came from the locality just outside Sheffield or the sub-regional or northern regional catchment area in England. The Midlands and South were also well represented and accounted for 27 per cent of the total non-Sheffield crowd.

The profile of the crowd was reflective of the Amateur Athletic Association constituent regions. These are the North of England AA, the Midland Counties AA and the Southern Counties AA. The majority of other UK visitors were from Wales. In addition, this profile reflects the distribution and promotion of the event by BAF to its affiliated clubs. The breakdown of the survey sample by residential place of origin is illustrated in Table 8.20.

**Table 8.20 Residential Origin of All Visitors**

<b>Residence</b>	<b>Percentage</b>	<b>Total*</b>
Yorkshire/Humberside	36%	4,077
North	31%	3,510
Midlands	13%	1,472
South	14%	1,585
Other UK	5%	566
Other	1%	113
<b>Total</b>	<b>100%</b>	<b>11,324</b>

\* based upon the sample of non-Sheffield spectators only

It was not possible to evaluate ticket sales information with the data collected from the sample. The ticket information from the Sheffield Box Office was not detailed enough to provide a meaningful comparison. The profile of other groups represented at the event is similar to the profile of spectators, with many of the officials drawn from the North of England AA. The athletes and the officials of BAF were the exception. These two groups were more likely to be based in the South of England and the Midlands respectively, and more likely to be staying overnight in Sheffield either before or after the event.

For an event lasting less than one day and scheduled on a Sunday afternoon/evening during school term, it was not expected that vast numbers of the crowd were likely to stay overnight. Nearly 77 per cent of the crowd were within at least two to three hours of their homes. However, it was evident that different groups had different patterns of visitation at the event according to their role and function. The media, officials, coaches, athletes and the staff of the British Athletic Federation (BAF) all exerted different patterns of behaviour from the spectators, and indeed had a higher propensity to stay overnight in Sheffield because of the need to be involved in the organisation of the event.

The different patterns of behaviour are reflected in Table 8.21. The athletes and officials of BAF were more likely to stay overnight in Sheffield than any other group. A large proportion of all the athletes (approximately 40 athletes), had competed in

Munich on June 25<sup>th</sup> and flown to Manchester before staying overnight in Sheffield for a period of two to three days prior to the event.

**Table 8.21 Nature of Stay by All Visitors**

Category	Day Visitors	Overnight Stays	Total
Competitors/BAF	96	190	286
Officials/Coaches	45	15	60
Spectators	10,773	154	10,927
Media	41	10	51
<b>Total</b>	<b>10,955</b>	<b>369</b>	<b>11,324</b>

Other athletes stayed a couple of nights just outside the city. Further analysis of the economic impact associated with the behaviour patterns of all groups is outlined in section 8.4.6 where the creation of bed-nights and the associated revenue is discussed in greater detail.

#### **8.4.4 Expenditure Patterns**

The economic impact of this event is significant if one considers that it lasted less than five hours. However, in contrast to the expenditure patterns of individuals during the Euro '96 matches, the results reveal that the average level of expenditure associated with an athletics crowd is substantially below that associated with football, particularly for day visitors. The average day visiting spectator at the Grand Prix event was likely to spend just £9.02 in Sheffield, and he/she was more likely to bring their own food and drink with them to eat during the day. At this event approximately 96 per cent of all the spectators were day visitors, therefore the total aggregate level of additional expenditure was relatively low, given the low total of overnight staying visitors. While groups such as the media, officials, athletes and BAF staff will be more likely to stay overnight in the city, their total number was comparatively small.

Table 8.22 illustrates the total additional expenditure generated by each of the main groups of visitors to the event. Furthermore, the table breaks this total expenditure into individual categories to indicate the expenditure patterns of each group.

**Table 8.22 Additional Expenditure Generated per Category by All Visitors**

<b>Item of Expenditure</b>	<b>Spectators</b>	<b>Officials</b>	<b>Media</b>	<b>Athletes/BAF</b>
Accommodation	£6,847	£686	£1,372	£22,800
Food & Drink	£32,403	£319	£1,814	0
Entertainment	£7,314	£7	£41	0
Programmes etc	£18,270	£25	£114	0
Shopping/Souvenirs	£16,685	£245	£39	£10,080
Travel	£20,637	£262	£445	0
Other	£10,200	£180	£152	0
<b>Total Exp per Group</b>	<b>£112,356</b>	<b>£1,724</b>	<b>£3,976</b>	<b>£32,880</b>
<b>Per cent of Total Exp.</b>	<b>74%</b>	<b>1%</b>	<b>3%</b>	<b>22%</b>

As the table shows, there is a big difference between the total expenditure of each the groups. While total expenditure by spectators is higher than any other group, this is slightly misleading because of the number of spectators present at the event. A more accurate picture is presented by evaluating the total average daily expenditure made by each group. As illustrated in Table 8.23 the total average daily level of secondary expenditure (i.e. without accommodation costs) indicates a different spending profile between day visitors and overnight visitors, but also a substantially higher level of expenditure by those staying overnight. The table also illustrates the extent to which the media and spectators will spend their money if their visit is extended to an overnight stay. Typically this additional overnight stay encourages the visitors to spend money on food, drink and various forms of entertainment.

The average expenditure of overnight visitors was more than twice that of day visitors and for overnight spectators almost four that level of day visitors (excluding accommodation costs).

**Table 8.23 Average Daily Expenditure Levels by Visitor Type and Nature of Stay**

Category	Day Visitors	Overnight Stays	Variance
Competitors/BAF	£10.00	£20.00	+ £10.00
Officials/Coaches	£8.87	£28.40	+ £19.53
Spectators	£9.02	£41.64	+ £32.62
Media	£38.42	£57.20	+ £18.78
<b>Total – Av. Expenditure</b>	<b>£16.58</b>	<b>£36.81</b>	<b>+ £20.23</b>

#### 8.4.5 Economic Impact

Table 8.24 summarises the total secondary expenditure of each of the groups as day or overnight visitors to the city. In contrast to the low total average daily expenditure of day visitors, the table illustrates the fact that this group collectively contributed 84 per cent of the total secondary spend. Day visiting spectators were the highest contributors purely because of their numbers rather than because of their total average daily expenditure per person.

**Table 8.24 Net Estimated Expenditure Generated by Visitor Type and Nature of Stay**

Category	Day Visitor	Over-night Stay	Total
Competitors/BAF	£960	£9,120	£10,080
Officials/Coaches	£399	£1,030	£1,429
Spectators	£97,172	£8,328	£105,500
Media	£1,575	£639	£2,214
<b>Total</b>	<b>£100,106</b>	<b>£19,117</b>	<b>£119,223</b>

The expenditure of day visiting spectators at the Grand Prix event is equivalent to 97 per cent of the total expenditure generated by all day visitors. While overnight visitors had a total average individual expenditure twice the size of day visitors, their total contribution as a group was minimal. This group contributed only 16 per cent of the total secondary spend.

The figures in Table 8.24 do not include organisational spend on accommodation and additional organisational expenditure on event-related items. These two figures are illustrated below in Tables 8.25 and 8.27 respectively. Table 8.25 outlines the total expenditure generated at the event. It combines the additional £31,714 that was generated on accommodation with the additional organisational expenditure of that flowed into the local economy. Summing all the primary and secondary expenditure flows it is estimated that the event generated £176,937 of additional expenditure in Sheffield.

**Table 8.25 Total Estimated Expenditure (including Organisational Spend)**

Category	Total	% of Impact
Overnight and Day Visitors Spend	£150,937	86 %
BAF Organisational Spend	£6,000	3 %
Securicor Organisational Spend	£15,000	8 %
Channel 4 Organisational Spend	£5,000	3 %
<b>Total</b>	<b>£176,937</b>	<b>100%</b>

#### **8.4.6 Bed-nights Generated**

Table 8.26 indicates the number of visitors staying overnight, and the average number of nights stayed to generate a bed-night figure. Using the results of the sample of visitors, it was possible to derive the average cost of accommodation for each of the groups.

**Table 8.26 Bed-night Estimate for Commercial Accommodation**

Grouping	Visitors Overnight	Av. Stay	Bed-nights	Av. Cost	Revenue Generated
Competitors/BAF	190	2.4	456	£50.00	£22,800
Officials/Coaches	15	1.5	23	£30.50	£702
Spectators	154	1.3	200	£34.20	£6,840
Media	10	1.8	18	£76.20	£1,372
<b>Total</b>	<b>369</b>	<b>1.9</b>	<b>697</b>	<b>£47.43</b>	<b>£31,714</b>

By multiplying the figure by the number of bed-nights, Table 8.26 derives an estimate of the revenue generated through the sale of accommodation in the Sheffield area. Approximately 700 bed-nights were generated in commercial accommodation during the period of the event. The cost of accommodating the athletes and officials of the BAF alone contributed to a revenue generation of £22,800. The total estimated spend on accommodation in Sheffield was approximately £32,000. Overnight visitors also contributed a further £19,117 in secondary expenditure on items such as food and drink in the local economy.

#### **8.4.7 Full-Time Equivalent Job Creation Estimate**

It is extremely difficult to accurately assess the level of full-time equivalent jobs created as a result of this event. It is more likely that existing employees worked over-time or changed their shifts to accommodate the preparation for and the staging of the event. For the completeness of the research and in the absence of further supporting information on additional overtime hours worked from Sheffield International Venues Ltd, an estimate of 3.5 full-time equivalent jobs was recorded. The majority of these FTE jobs related to the accommodation, leisure and retail sectors of the economy.

#### **8.4.8 The Multiplier**

While it is extremely difficult to follow all the flows of income and leakage from the economy, for the purposes of compatibility with the other results, the multiplier has been applied to the direct expenditure total. The purpose of this is to illustrate the additional indirect and induced benefits that might have been expected in Sheffield as a result of staging this event. By applying a multiplier of 1.1 it is estimated that an additional £194,630 was generated in Sheffield as a result of the circulation of income derived from the event.



#### 8.4.9 Summary

The impact of this event was different to others in the research and different to what had been expected for an intensive day event lasting just over than five hours in the city of Sheffield. The nearest comparison to this event is one of the Euro '96 games, which itself actually lasted only 90 minutes. The nature and behaviour profile of the various groups involved in or at the athletics event was however completely different from the football matches.

While the analysis of secondary expenditure in Table 8.23 indicated that spectators contributed the largest proportion of the additional expenditure as a group of day visitors (despite having the lowest average daily spend), Table 8.27 illustrates the proportion of expenditure generated by category of expenditure. This analysis reveals that the largest source of additional income into the local economy was through the sale of food and drink, which accounted for 20 per cent of all expenditure. Accommodation accounted for 18 per cent and shopping/souvenirs and organisational expenditure both accounted for 15 per cent of the total impact. This expenditure profile is quite different from other major sports events.

**Table 8.27 Total Additional Expenditure Generated by Category**

Category	Total	Percentage %
Accommodation	£31,705	18 %
Food & Drink	£34,536	20 %
Entertainment	£7,362	4 %
Programmes/Merchandise	£18,409	10 %
Shopping/Souvenirs	£27,049	15 %
Travel	£21,344	12 %
Other	£10,532	6 %
Organisational Spend	£26,000	15 %
<b>Total</b>	<b>176,937</b>	<b>100 %</b>

## **8.5 THE EUROPEAN SHORT - COURSE SWIMMING CHAMPIONSHIPS**

### **1998**

The European Short Course Swimming Championships was a relatively new event in the International Calendar. The only other previous European Short Course Swimming Championships was the first European Sprint Championship held in Rostock in 1996. The inaugural Rostock event was not particularly successful and consequently there was little competition to win the bid to stage the three day 1998 championships.

#### **8.5.1 The Event**

The attraction of the European event to Sheffield did however fit very closely with the Sheffield City Council Events Strategy (1995a) and the desire to utilise the Ponds Forge complex. The event was also seen as a fundamental part of the developing swimming strategy for the ASFGB (Amateur Swimming Federation of Great Britain). The three day event was staged close to the Christmas vacation and followed the annual Amateur Swimming Association (ASA) annual conference in the Ponds Forge facility. The total budget for the event was £106,000. The ASFGB contributed £48,000, with additional income provided by ticket and programme sales and other forms of advertising. This event was awarded a grant of £40,000 to assist the staging costs through the Lottery Funded World Class Events programme.

#### **8.5.2 The Pre-Event Forecast**

As this event took place more than eighteen months after the original design and implementation of the economic impact sampling methodology, it was decided to use the 'model' to predict the level of additional expenditure generated in the economy prior to the event itself. The intention was to test the reliability and robustness of the methodology, as well as to identify particular areas of weakness in pre-event forecasting. As the event was part of the UK Sport and Sport England World Class Events programme, it was decided that the championships would form part of a UK Sport sponsored economic impact study to evaluate the impact of the event in the local

economy. The evaluation of the event was commissioned and managed by the author in his role as Senior Events Manager at UK Sport. An estimate of the likely economic impact of an event is a requirement for any national governing body of sport completing a World Class Events application form for support. The forecast made by the ASFGB was between £180,000 - £218,000, based upon their previous experience of swimming events over the years, and built upon average 'estimates' of expenditure levels per event group.

A substantial amount of pre-event information was available from the organisers to predict the impact of the event. The Sheffield Events Unit and Destination Sheffield had pre-booked the majority of the accommodation and had the exact numbers of athletes and event officials, together with the cost of hotels. Using the available information and with reference to the expenditures associated with the 1997 European Swimming Championships in Glasgow, and the previous events in Sheffield, the pre-event impact was estimated in the region of £250,000. This information is broken-down in Table 8.28.

**Table 8.28 The Pre-Event Forecast**

Category	Pre-Event Estimate	Percentage %
Commercial Bed-Nights	3,208	n/a
Accommodation	£172,173	69.0 %
Food & Drink	£11,912	5.0 %
Entertainment	£4,860	2.0 %
Programmes/Merchandise	£1,346	0.5 %
Shopping/Souvenirs	£15,796	6.0 %
Travel	£19,000	8.0 %
Other	£1,338	0.5 %
Organisational Spend	£23,576	9 %
<b>Total</b>	<b>£250,000</b>	<b>100%</b>

It was predicted that the majority of additional expenditure would be generated by 550 competitors through either direct or indirect means. It was estimated that organisational spend would account for £23,576 of the total impact.

### 8.5.3 The Survey Sample

It was recognised that this event would have a limited appeal to the general public, and that in this respect the event would be a competitor and official driven championships in an economic sense. The aim of the research was therefore to complete up to 500 questionnaires. In total over 600 questionnaires were returned from the sampling exercise, but 48 of the respondents were from Sheffield. Table 8.29 illustrates the number of returned questionnaires per sample group. The largest response came from the spectators and represented almost an entire population sample.

Different sampling techniques were required to gain the responses from the composite groups. This was primarily because of access, but also because much of the information required was already available centrally. There was little point in asking the athletes how much their hotel accommodation had cost when this information was freely available from the organisers. The opportunity of capturing officials at one central meeting point during the event also proved beneficial to all parties concerned.

**Table 8.29 Survey Sample by Visitor Type**

<b>Category</b>	<b>Total</b>	<b>Respondents</b>	<b>Interview % of Total</b>
Competitors	361	93	26 %
Coaches/Managers	180	48	39 %
Officials	124	48	39 %
Spectators	267	267	100 %
Media	202	71	35 %
Others	34	10	29 %
<b>Total</b>	<b>1168</b>	<b>537</b>	<b>n/a</b>

The one major difference for this event in terms of capturing data from overseas visitors was the use of the allocated team attaché rather than the expensive option of questionnaire translation. A further 78 follow up interviews with delegates were carried out after the initial sampling exercise in an attempt to verify the expenditure figures estimated for the initial day or two of the championships.

#### 8.5.4 Visitor Profile

The pre-event desk research had identified several different and distinguishable groups attending the event. Accommodation was one of the areas where the event organisers considered that the greatest amount of additional expenditure would be generated. This is a very similar scenario for most competitor intensive events. As Table 8.30 illustrates there were six identifiable groups associated with the event. While the majority of team members, coaches/managers, delegates and the media were from other parts of Europe, the spectators were primarily from other parts of the UK.

**Table 8.30 Residential Origin of All Visitors**

<b>Group</b>	<b>Sheffield</b>	<b>Other UK</b>	<b>Other Europe</b>	<b>Total</b>
Competitors	0	11	82	93
Coaches/Managers	0	6	42	48
Officials	1	33	14	48
Spectators	45	179	43	267
Media	2	19	50	71
Others	0	6	4	10
<b>Total</b>	<b>48</b>	<b>254</b>	<b>235</b>	<b>537</b>

based upon the sample of non-Sheffield resident only

The majority of visitors to the event stayed overnight as illustrated in Table 8.31 below. The groups responsible for event delivery and the competitors stayed in the city for the period of the championships (except where accommodation was not available). In contrast, the majority of visiting spectators did not stay in the city. Similarly a large number of media representatives stayed outside Sheffield or came to the city as day visitors.

**Table 8.31 Nature of Stay by All Visitors**

Category	Day Visitors	Overnight Stays	Total	Percentage %
Competitors	0	93	93	18.9 %
Coaches/Managers	0	48	48	9.8 %
Officials	7	41	48	9.8 %
Spectators*	131	91	222	45.1%
Media	14	57	71	14.4 %
Others	0	10	10	2.0%
<b>Total</b>	<b>152</b>	<b>340</b>	<b>492</b>	<b>100 %</b>

based upon the subtraction of 45 Sheffield spectators and other Sheffield residents

Many of the officials were classed as day visitors as they had to be put in hotels in Rotherham and Barnsley, although in effect they were overnight staying officials throughout the period of the event. The lack of available hotels in Sheffield for the officials reduced the overall economic impact of the event in the city, but nevertheless gave the event a regional economic significance. The average length of stay for each of the groups and the number of bed-nights generated is explained below.

### 8.5.5 Expenditure Patterns

Through an analysis of the primary research data and the supporting information received through secondary data sources, it is possible to estimate the impact associated with the event in the form presented in Table 8.32. For the purposes of this analysis and the presentation of data the competitors, coaches and managers have been combined together under the heading 'delegates'. The data illustrates that the competition delegates generated the greatest additional expenditure. With a total event impact of £294,035, approximately 56 per cent of this expenditure was raised through the activities of the delegates. This figure includes £138,693 on accommodation, with a large proportion of this paid for by the national federation of each country.

**Table 8.32 Estimated Expenditure Generated per Category by All Visitors**

<b>Item of Expenditure</b>	<b>Delegates</b>	<b>Officials</b>	<b>Media</b>	<b>Spectators</b>	<b>Other</b>
Accommodation	£138,693	£18,500	£29,409	£11,283	£7,016
Food & Drink	£4,333	£1,513	£15,531	£5,332	£1,358
Entertainment	£999	£470	£1,291	£541	£293
Programmes etc	£1,077	£374	£91	£547	£209
Shopping/Souvenirs	£19,557	£3,460	£15,950	£5,787	£629
Travel	£739	£570	£1,606	£1,886	£168
Other	£487	£270	£1,236	£1,239	£335
<b>Total</b>	<b>£165,885</b>	<b>£25,157</b>	<b>66,370</b>	<b>26,615</b>	<b>£10,008</b>
<b>Percentage</b>	<b>56%</b>	<b>9%</b>	<b>23%</b>	<b>9%</b>	<b>3%</b>

The media group had the next highest expenditure. While this was one of the smallest event groups it had, per capita, the highest spend per day. Officials and spectators had similar levels of total expenditure although these groups differed vastly in number. The ‘other’ group had the lowest expenditure, but this was expected.

### **8.5.6 The Economic Impact**

The summary of net expenditures illustrated in Table 8.33 shows a clear difference between the expenditure generated by overnight visitors to Sheffield compared to the additional expenditure generated by day visitors. Of the total £294,035 generated at the event, 99 per cent of the impact was generated by overnight visitors to the city (if organisational spend is excluded).

Day visiting spectators spent an additional £3,328 in Sheffield. This is equivalent to 97 per cent of the total expenditure generated by all the day visitors during the course of the event. However, it represents only 12 per cent of the total expenditure of all spectators attending the event.

**Table 8.33 Summary of Net Estimated Expenditure**

Category	Day Visitor	Overnight Stay	Total
Delegates	£0.00	£165,885	£165,885
Officials	£0.00	£25,157	£25,157
Spectators	£3,328	£23,827	£26,615
Media	£1,256	£65,114	£66,370
Others	£0.00	£10,008	£10,008
<b>Total</b>	<b>4,584</b>	<b>£289,991</b>	<b>£294,035</b>

With a budget of £106,000 to assist with staging the event, it is clear that much of this additional expenditure (outside that already picked up in the primary survey) would accrue as a net benefit to the city of Sheffield. It is estimated that approximately £20,478 of the organisational budget was spent in Sheffield on the supply of equipment and services to help deliver the event. When this additional expenditure is added to the estimated economic impact, it is clear that the impact associated with the event is over £300,000. The relative value of each of the categories of additional expenditure is provided in Table 8.34. The figure illustrates that the organisational expenditure is equal to 7 per cent of the total impact of the event.

**Table 8.34 Total Estimated Expenditure (including Organisational Spend)**

Category	Total	Percentage %
Delegates	£165,885	53.0 %
Officials	£25,157	8.0 %
Spectators	£26,615	21.0 %
Media	£66,370	8.0 %
Others	£10,008	3.0 %
Organisational Spend	£20,478	7.0 %
<b>Total</b>	<b>£314,513</b>	<b>100 %</b>

### 8.5.7 Bed-nights Generated

As Table 8.34 above indicates, accommodation was the largest single item of expenditure associated with the event. This is not unusual for this type of event, but it



also illustrates that the value of hosting competitor-intensive events lasting more than one or two nights. Table 8.35 shows the break-down of commercial bed-nights and the associated revenue streams by category of visitor. It excludes those groups who might have stayed with friends or relatives or in other forms of non-commercial accommodation because this was not detected by the primary survey, secondary research or follow-up interviews.

**Table 8.35 Bed-night Estimate for Commercial Accommodation**

<b>Grouping</b>	<b>Overnight Visitors</b>	<b>Av. Stay</b>	<b>Bed-nights</b>	<b>Av. Cost</b>	<b>Revenue Generated</b>
Delegates	541	4.82	2608	£53.18	£138,693
Officials	122	3.03	370	£50.00	£18,500
Spectators	91	2.60	237	£49.89	£11,283
Media	155	3.91	606	£48.53	£29,409
Others	34	3.20	109	£64.37	£7,016
<b>Total</b>	<b>943</b>	<b>3.51</b>	<b>3,930</b>	<b>£53.19</b>	<b>£204,901</b>

Comparing the profiles and expenditures of each of the groups is revealing. Predictably the delegates generated the highest number of bed-nights. This group was responsible for generating 2,608 of the total 3,930 bed-nights. This is equivalent to 66 per cent of the total commercial bed-nights sold as a result of the event. The average stay of this group also far exceeded other groups, with an average recorded at 4.82 nights. While the European governing body (LEN) had stated that there should be a £50 ceiling on the average cost of a bed-night for delegates, the results of the survey illustrate that the average cost was slightly above this level at £53.19. The expenditure on commercial accommodation illustrated in the table is equivalent to 65 per cent of the total impact associated with the event, if organisational expenditure is included. This is a very important factor when deciding to host an event and important for commercial hotels in any given area.

### **8.5.8 Full-Time Equivalent Job Creation Estimate**

Similar to the other events studied in this chapter (with perhaps the exception of the FINA World Masters), the full-time equivalent jobs created as a result of this event were limited. The event created additional over-time hours for the staff involved, but that was the extent of the additional job effect. It is estimated that 7 full-time equivalent jobs were created by the event.

### **8.5.9 The Multiplier**

The application of the multiplier to the final expenditure figure illustrates the level of the indirect and induced effects that the staging of the event is likely to have in the city of Sheffield. Using a similar multiplier of 1.1, it is estimated that the total direct, indirect and induced impact associated with staging of the 1998 European Short Course Swimming Championships in Sheffield is equivalent to £345,964.

### **8.5.10 Summary**

The European Short Course Swimming Championships generated an estimated economic impact of £314,513 (excluding the multiplier effect) of direct expenditure into the local economy of Sheffield in a short period of three days in December 1998. This level of economic impact exceeds both the pre-event forecasts, of £218,000 and £250,000 respectively.

Table 8.36 illustrates the generated expenditure per category and indicates that accommodation was the highest area of total expenditure at £204,901 (or 65 per cent of the total impact). Shopping and souvenirs at £45,578 (14 per cent of the total) exceeded the expenditure on food and drink at the event. The other five areas of expenditure accounted for just 21 per cent of the total impact, a total of £65,034.

**Table 8.36 Total Additional Expenditure Generated by Category**

Category	Total	Percentage %
Accommodation	£204,901	65.0 %
Food & Drink	£30,083	10.0 %
Entertainment	£3,711	1.0 %
Programmes/Merchandise	£2,298	1.0 %
Shopping/Souvenirs	£45,578	14.0 %
Travel	£24,375	8.0 %
Other	£3,567	1.0 %
<b>Total</b>	<b>£314,513</b>	<b>100%</b>

A comparison of the predicted versus the actual level of expenditure generated provides a meaningful appraisal of the methodology for predicting the impact of an event. It identifies where and how the differences might have occurred. As Table 8.37 indicates there were several sources of variance. While these variances were relatively low in percentage terms (a total variance of plus 26 per cent), in actual monetary terms, the variances were significant, especially in relation to accommodation, shopping and souvenirs.

**Table 8.37 Comparison of Predicted versus Actual Expenditure**

Category	Pre-Event Estimate	Actual	Variance	Percentage %
Commercial Bed-Nights	3,208	3,930	722	-
Accommodation	£172,173	£204,901	£32,728	+ 19%
Food & Drink	£11,912	£30,083	£18,171	+ 152%
Entertainment	£4,860	£3,711	-£1,149	- 24%
Programmes/Merchandise	£1,346	£2,298	£952	+ 71%
Shopping/Souvenirs	£15,796	£45,578	£29,782	+ 189%
Travel	£19,000	£24,375	£4,375	+ 23%
Other	£1,338	£3,567	£2,229	+ 167%
Organisational Spend*	£23,576	n/a*	-£23,576	n/a
<b>Total</b>	<b>250,000</b>	<b>314,513</b>	<b>64,513</b>	<b>+26%</b>

Organisational Spend\* - actual is shown within the categories in which expenditure occurred

There are several reasons for the difference in the figure estimated in the pre-event analysis and the post-event evaluation. The biggest monetary difference or actual variance is in the accommodation sector. An analysis of the predicted versus the actual expenditure reveals an under-estimation of £32,728. The primary cause of this variance was an under-estimate of the number of media personnel, spectators and others, both in terms of the number in each category and the average number of nights stayed in Sheffield. The other two main areas of under-estimation were the expenditure on food and drink and the levels of expenditure on shopping and souvenirs.

To summarise, it is clear that the 1998 European Short Course Swimming Championships were significant to Sheffield in terms of creating additional expenditure in the local economy. In a research context, the event enabled the developing methodology to be tested in a pre-event feasibility study and the results proved that the methodology is nearly 80 per cent accurate at predicting the impact of an event.

## **8.6 OVERVIEW OF THE FOUR EVENTS**

Based on the extended use of an expenditure multiplier approach to the study of major events, this chapter has illustrated the economic impact results of four events staged in Sheffield between 1996-1998. Three of the four events typically represent the type of events attracted to Sheffield on an annual basis (the World Masters Swimming Championships is the exception). The detailed analysis of visitor expenditure and behavioural profiles helps to understand the economic impact effect of different events and illustrates their individual value, role and function in the local economic development process.

A comparison of all the events is explored fully in Chapters Nine and Ten, but at this stage it is possible to understand that different types of events have different levels of economic impact associated with them. Two key points have emerged:

- i. the range of average daily expenditure varies according to the type and nature of the event. The influence of each recognisable visitor group on the

total impact of an event differs across sports and is the key determinant as to whether the impact of an event is classified as spectator or competitor intensive

- ii. the variables that determine the level of economic impact associated with any event include the size, scale, and type of event and the duration of stay of all the major visiting groups. However, as illustrated by the Grand Prix athletics match it does not necessary follow that an event with a high volume of spectators will necessary have the highest level of economic impact.

These initial conclusions will now be used as a platform on which to focus a detailed analysis and comparison of the different events in Chapter Nine and to build an economic impact continuum in Chapter Ten.

## **9.1 INTRODUCTION**

The aim of this chapter is to review the findings of the primary research and fieldwork data to establish the individual and collective economic importance of the five events staged in Sheffield during the study period. This section of the thesis will compare and contrast the nature and relative economic value of the five different events and examine the average expenditure levels associated with the attraction of different types of sports tourists to the city. To this end the chapter attempts to meet the sixth main objective of the research.

The results will be analysed at three levels. Initially, the review will represent a comparative analysis between all five events. The purpose of this process is to identify the range of impacts associated with them. Following an assessment of bed-nights and full-time equivalent jobs for all event visitors to Sheffield over the period, the analysis will attempt to estimate an average daily figure for expenditure by sports tourists. The third level analysis is based on comparing and contrasting two events to understand the marginal differences in impact and to understand where the differences in economic impact occur for events of relatively similar duration and intensity. Euro '96 will be contrasted with the World Masters Swimming Championships to provide this analogy. The results of the first comparative sections are then used to contrast the value of event-related sports tourism in Sheffield, with other forms of urban tourism to establish the third level of analysis.

## **9.2 AN ANALYSIS OF THE TOTAL IMPACT**

The purpose of this initial section is to identify the totality of the impact associated with the five events. As illustrated in Table 9.1 below, a total of over £10.4 million was injected into Sheffield's economy as a result of staging these five events. Given the total number of twenty-one event days, this represents the equivalent of an economic impact of £495,238 per event day, over the period. As Table 9.1 illustrates the impact of Euro '96 and the FINA World Masters was considerably higher than the other three

events. These two events are classed as 'one-off' for the city, as it is unable to attract this type of high profile event every year.

**Table 9.1 Total Estimated Economic Impact of the Five Events**

<b>Impact</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
Net Exp.	£5,301,017	£3,021,366	£650,205	£176,936	£314,513	<b>£9,464,037</b>
<b>Gross Exp.</b>	<b>£5,831,119</b>	<b>£3,323,503</b>	<b>£715,226</b>	<b>£194,630</b>	<b>£345,964</b>	<b>£10,410,442</b>

The majority of the sports tourist expenditure fell within the categories of food and drink (29 per cent), accommodation (23 per cent) and shopping and souvenirs (16 per cent). As Table 9.2 illustrates, Sheffield's accommodation sector benefited considerably from the sale of bed-nights during these events. Bed-night sales included rooms in hotels, guesthouses, campsites and University accommodation. A considerable number of visitors stayed with friends or relatives. Many more stayed in accommodation in nearby towns, because Sheffield's accommodation stock was unable to deal with the excess demand placed upon it. This situation occurred not only during the higher profile events, but also during the European Short Course Swimming Championships in December 1998, and dampened the overall effect for Sheffield.

**Table 9.2 Estimated Expenditure Generated through the Sale of Bed-nights**

<b>Impact</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
Bed-night s	56,759	35,436	5,535	800	3,930	<b>102,460</b>
<b>Total Exp.</b>	<b>£1,003,108</b>	<b>£1,057,259</b>	<b>£112,722</b>	<b>£31,714</b>	<b>£204,901</b>	<b>£2,409,704</b>

It is very difficult to measure the number of actual jobs created as a result of staging major events, because most of these are either part-time, seasonal or related to over-time work of existing staff rather than permanent new jobs. However, an estimate of the full-time equivalent jobs created as a result of all five events was made (Table 9.3). These full-time equivalent job numbers were estimated by dividing the total impact of the event by the average salary for a Sheffield job in each of the different sectors of the

economy influenced by the event. A total of 275 full-time equivalent jobs were created in the city.

**Table 9.3 Estimated Full-time Equivalent Job Years Created**

<b>Impact</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
<b>Expend</b>	£5,831,119	£3,323,503	£715,226	£194,630	£345,964	<b>£10,410,442</b>
<b>FTE Jobs</b>	<b>153</b>	<b>99</b>	<b>12</b>	<b>3.5</b>	<b>7</b>	<b>274.5</b>

The three tables have illustrated the substantial economic impact associated with five major events in Sheffield. However, while a total impact of over £10.4 million has been estimated for the five events, it is clear that two of the events raised the equivalent of over £9 million of this impact (one spectator and one competitor intensive event). From this comparison alone, it is clear that there is a hierarchy of events in terms of economic impact (as illustrated in Chapter Four as part of the definition of events).

### **9.3 A DETAILED COMPARISON OF THE FIVE EVENTS**

While the summary section in Chapter Eight provided an initial comparison of the impacts associated with each of the researched events, in order to undertake a detailed and meaningful comparison of the different events, it is necessary to go one stage further. There are two ways in which the events will be compared in the next two sections. The first approach is to take all the events and to identify the differences in place of origin for all visitors, duration of visits and the expenditure profiles of different groups, at all five events (Section 9.3.1). The second approach is to analyse the economic impact of two similar events in greater detail (Section 9.3.2). This analysis is required to identify the differences in economic impact between events of similar duration.

#### **9.3.1 A Comparative Analysis of All Five Events**

The purpose of this section is to illustrate the comparative differences between a number of expenditure factors across all the five events. It is hoped that this will deliver a clear



evaluation of the differences between the relative contribution of different groups to the overall impact of an event. It is also the intention to illustrate these differences across different types and scales of event. The purpose of the expenditure analysis is to identify the range of average spending across different groups to derive an average expenditure figure for the typical sports tourist visiting the city. This is useful for predicting the impact of an event and for determining the place of an event along an economic impact continuum (Chapter Ten). This evaluation will enable visitor expenditure at major events to be compared to other forms of urban tourism in latter parts of the chapter. The next section will compare and contrast the main contributory factors to economic impact across the events.

The analysis begins with an examination of the place of origin or domicile for attending the event. This comparison involves all those visitors from outside Sheffield to indicate the geographical spread of visitors to the city over the period of the five events. The analysis presents the percentage of visitors from each defined area, with a total number for each event displayed in the bottom row of Table 9.4. The analysis is based on all visitors to Sheffield, with no subsequent differentiation according to visitor type or function related to an event.

**Table 9.4 Place of Origin of All Visitors to Sheffield for Each Event**

<b>Residence</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
Other UK	31,226 (46.8 %)	2,390 (36.4 %)	6,977 (100 %)	10,872 (96 %)	582 (52.0%)	52,047 (56.1%)
Europe	34,763 (52.1 %)	1,746 (26.6 %)	0 (0 %)	430 (3.8 %)	538 (48.0 %)	37,477 (40.4 %)
America	67 (0.1 %)	1,274 (19.4 %)	0 (0 %)	11 (0.1 %)	0 (0 %)	1,352 (1.5 %)
Other	667 (1.0 %)	1,155 (17.6 %)	0 (0 %)	11 (0.1 %)	0 (0 %)	1,833 (2.0 %)
<b>Total</b>	<b>66,723</b>	<b>6,565</b>	<b>6,977</b>	<b>11,324</b>	<b>1,120</b>	<b>92,709</b>

Estimating that the total attendance by Sheffield residents at the five events was 12,000, this analysis illustrates that for each of the five events, the majority of the spectators, competitors, officials, coaches, managers, the media and other accredited personnel or delegates were visitors to the city. Their expenditure was therefore 'new' to the local

economy. Of the 92,709 visitors over 56 per cent (52,047) were from other parts of the UK, while over 40 per cent (37,477) were from all parts of Europe and 3.5 per cent (3,185) from America and other parts of the world. This illustrates that approximately 44 per cent of all visitors to Sheffield came from outside the UK. The expenditure generated by the five events can be deemed to be an 'invisible export' to Sheffield and the UK. This is equivalent to over £5m expenditure in the local economy, assuming an equal level of generated impact across all visitor types.

A comparison of visitors, based on whether they stayed for just a day or whether they stayed overnight in the city, also provides a useful indication the economic structure of each event and the level of induced expenditure, per person, associated with each event. Events with a large number of day visitors are likely to be spectator intensive, while those with a higher proportion of visitors staying overnight are more likely to be competitor and official intensive. By comparing Tables 9.5 and Table 9.8 it is evident that while Euro '96 had the biggest economic impact, the level of expenditure per visitor, over the course of their stay, was actually less than the FINA World Masters Championships. While expenditure per head was high for the Euro '96 visitor, the vast majority of visiting spectators were day visitors who did not include an overnight stay. The World Masters visitors were predominantly overnight staying visitors (Chapter Seven and Chapter Eight).

**Table 9.5 Total Day Visitors versus Overnight Stays for Each Event**

<b>Profile</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
Day Visitors	51,289 (76.8 %)	1,161 (17.7 %)	3,897 (55.9 %)	10,955 (96.7 %)	177 (15.8%)	<b>67,479</b> (72.8%)
Overnight Visitors	15,434 (23.2 %)	5,405 (82.3 %)	3,080 (44.1 %)	369 (3.3 %)	943 (84.2 %)	<b>25,230</b> (27.2%)
<b>Total</b>	<b>66,723</b>	<b>6,565</b>	<b>6,977</b>	<b>11,324</b>	<b>1,120</b>	<b>92,709</b>

Table 9.5 shows the diverse pattern of day versus overnight stay apparent between the five events for all visitors. The pattern of stay is correlated closely to the structure of the event, the notion of whether the event is spectator and/or competitor driven, the number of days of the event and the availability of suitable accommodation. The

analysis confirms that for those events of two days or less, the majority of visitors (i.e. those not competing or officiating) will be 'day trippers', if their place of origin is outside the city hosting the event or in 'mainland' Europe.

Table 9.6 shows that different groups in each event have different patterns of visitation. The weighted average illustrates that of all groups staying in Sheffield, spectators stayed the least number of nights. While the average stay for all spectators during Euro '96, the English Schools and the Grand Prix Athletics was less than one night, spectators at the World Masters were present for nearly six days due to the duration of the event. The results appear to illustrate that for the 'average event' staying overnight is a function of the type of event and its duration. The propensity for visitors to stay in the city tends to differ according to the nature of the sport and the role and function of a particular group at the event.

**Table 9.6 Comparison of Average Stay – For All Visitors**

<b>Av. Stay - All</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Av.</b>
Spectators	0.89	3.98	0.36	0.02	1.15	<b>0.80</b>
Competitors	0.00	5.75	1.86	1.59	4.46	<b>4.61</b>
Officials	2.61	7.47	1.64	0.38	3.03	<b>3.42</b>
Media	0.85	0.00	1.30	0.35	3.91	<b>0.94</b>
Others	1.57	5.08	1.86	0.00	3.20	<b>1.91</b>
<b>Total Av. Stay</b>	<b>0.93</b>	<b>5.37</b>	<b>0.79</b>	<b>0.06</b>	<b>3.50</b>	<b>1.15</b>

The figures in Table 9.6 are influenced by the large number of visitors who did not stay overnight in Sheffield and the large number of spectators attracted to the events in Sheffield (over 76 per cent of all attendees). In total, of the 92,709 visitors, 73 per cent of all visitors did not stay overnight in Sheffield. The weighted average stay for all groups across all the five events is therefore just over one night. Table 9.7 below indicates that those who did stay overnight visited for an average of just over 4 nights.

Table 9.8 attempts to derive an average per capita expenditure figure across the five events. Crudely, it illustrates a comparison of the economic impact of an event against

the total number of visitors to Sheffield (regardless of their role or function in the event) and shows a sharp contrast between each of the events.

**Table 9.7 Comparison of Average Stay – For Overnight Visitors**

<b>Av. Stay Ovn.</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Av.</b>
Spectators	3.71	5.59	1.55	1.30	2.60	<b>3.65</b>
Competitors	0.00	6.59	1.93	2.40	4.82	<b>5.16</b>
Officials	7.82	12.45	2.08	1.50	3.03	<b>5.88</b>
Media	7.82	0.00	2.08	1.80	3.91	<b>6.65</b>
Others	3.67	6.64	1.93	0.00	3.20	<b>3.76</b>
<b>Total Av. Stay</b>	<b>3.87</b>	<b>6.52</b>	<b>1.80</b>	<b>1.89</b>	<b>3.90</b>	<b>4.14</b>

The comparison in Table 9.8 provides an average expenditure figure of £112.29 for all visitors to each event over the period of their stay. The figures confirm that those events that encourage an overnight stay also encourage a higher per capita spend per day than those events that attract mainly day visitors (World Masters and European Short Course).

**Table 9.8 Per Capita Direct, Indirect and Induced Expenditure**

<b>Impact</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Total</b>
Gross Exp.	£5,831,119	£3,323,503	£715,226	£194,630	£345,964	<b>£10,410,422</b>
Visitors	66,723	6,565	6,977	11,324	1,120	92,709
<b>Per Capita</b>	<b>£87.39</b>	<b>£506.25</b>	<b>£102.51</b>	<b>£17.19</b>	<b>£308.90</b>	<b>£112.29</b>

The comparison of events now considers the total average daily expenditure, by category of expenditure, across the different groups identifiable at each event. The initial aim of this evaluation exercise is to identify the range of expenditure made by all groups at an event and the range of expenditure across each expenditure category (Graph 9.1 and Graph 9.2 respectively). The outcome of the analysis is weighted average data to give an indication of the 'typical' average expenditure made by each group at an event in Sheffield. This will provide the framework to undertake post-evaluation of the impacts associated with major events held in Sheffield since 1990 in Chapter Ten.

Table 9.9 illustrates the range of expenditure patterns for spectators at all five events. At the lower level, spectators at the IAAF Grand Prix had a total average daily expenditure of less than £10, while spectators at Euro '96 and the World Masters had the highest daily expenditure of over £59.24 and £62.21 respectively. This finding substantiates the thought that spectators at an athletics match typically bring their own food and drink and make little other additional expenditure apart from a programme, while spectators at a football match spend considerable amounts on food, drink, shopping and event-related merchandise. The average expenditure figure of £52.00 reveals that spectators tend to have a slightly lower propensity to expend than all other visitor types (Table 9.14). However, spectators do not generally use accommodation as they return home for short-time intensive events, and as a group they tend to spend less time in the city.

**Table 9.9 Comparison of Total Average Daily Expenditure – Spectators**

<b>Expenditure Spectators</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Average</b>
Accommodation	£6.29	£18.29	£5.15	£0.48	£22.09	£5.70
Food & Drink	£20.43	£14.67	£15.36	£2.87	£11.43	£17.54
Entertainment	£7.09	£2.64	£1.80	£0.65	£0.85	£5.76
Programmes etc	£4.28	£1.30	£4.45	£1.63	£1.41	£3.89
Shopping etc	£9.58	£15.45	£9.62	£1.47	£9.03	£8.61
Travel	£7.78	£5.39	£14.30	£1.85	£3.39	£7.26
Other	£3.79	£4.47	£1.00	£0.90	£2.99	£3.24
<b>Total Av. Exp.</b>	<b>£59.24</b>	<b>£62.21</b>	<b>£51.68</b>	<b>£9.85</b>	<b>£51.19</b>	<b>£52.00</b>

Competitors at events have a very different pattern of expenditure to spectators. As illustrated in Table 9.6 competitors stay in the city of the competition for a considerable number of nights, even if the event is only lasting for one day (although Euro '96 was an exception). The competitors take the opportunity to train and acclimatise to the local conditions prior to the event and then often stay in the city for a night or a morning after the event. While competitors stay for a considerable length of time their opportunity for expenditure on items other than food and drink and shopping for merchandise at venue stalls is limited. The average expenditure linked to competitors is however relatively high at an event because, as Table 9.10 illustrates, it includes expenditure made by the

organisers on competitors accommodation, food and drink. However, this is often not personal expenditure by the competitors themselves (except during the FINA World Masters), but an injection into the local economy by the event organisers or the national federation of the country represented. It does however, apart from where the local authority has met the expenditure, represent a substantial additional net income into the economy.

The total average daily expenditure associated with competitors for each of the events is relatively high, as in most cases international competitors stay in good quality accommodation. The average expenditure figure for a competitor at an event in Sheffield is approximately £70.54.

**Table 9.10 Comparison of Total Average Daily Expenditure - Competitors**

<b>Expenditure Competitors</b>	<b>Euro'96 *</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Average</b>
Accommodation	n/a	£28.08	£18.15	£33.22	£53.97	£26.76
Food & Drink	n/a	£18.28	£4.35	£0.00	£1.37	£13.10
Entertainment	n/a	£6.01	£1.38	£0.00	£0.17	£4.27
Programmes etc	n/a	£3.37	£11.11	£0.00	£0.43	£4.73
Shopping	n/a	£14.35	£15.11	£16.64	£6.15	£13.96
Travel	n/a	£5.36	£0.79	£0.00	£0.34	£3.73
Other	n/a	£5.84	£0.60	£0.00	£0.17	£3.99
<b>Total Av. Exp.</b>	<b>n/a</b>	<b>£81.29</b>	<b>£51.49</b>	<b>£49.86</b>	<b>£62.60</b>	<b>£70.54</b>

\* Euro '96 information not available

Officials are similar to competitors with respect to personal expenditure. Often accommodation, food and drink act as in place of payment to officials. Due to the intensity of their event tasks, officials have very little time to make purchases in the local economy. As illustrated in Table 9.11 the total average expenditure of officials is the lowest of all groups at £49.80.

**Table 9.11 Comparison of Total Average Daily Expenditure – Officials**

<b>Expenditure Officials</b>	<b>Euro'96 *</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Average</b>
Accommodation	£5.42	£12.60	£16.50	£7.63	£50.00	£19.00
Food & Drink	£23.84	£15.52	£6.63	£4.11	£4.09	£13.94
Entertainment	£9.73	£0.00	£0.00	£0.11	£1.27	£2.99
Programmes etc	£3.00	£0.00	£1.88	£0.39	£1.01	£1.73
Shopping	£7.69	£0.00	£1.25	£3.34	£9.35	£5.23
Travel	£6.90	£0.00	£4.81	£3.50	£1.54	£5.26
Other	£4.45	£0.00	£0.00	£2.31	£0.73	£1.65
<b>Total Av. Exp.</b>	<b>£61.03</b>	<b>£28.12</b>	<b>£31.06</b>	<b>£21.38</b>	<b>£67.99</b>	<b>£49.80</b>

\* Euro '96 Officials are included in the calculation of media and officials

The media tend to have a different pattern of expenditure from other groups while attending major events. While the media's attendance is conditioned by the duration of the event, it is not unknown for the media to have one of the longest lengths of stay in the city hosting the event (6.65 days – if they choose to stay in the city - Table 9.7). As members of the written and television 'press' are usually on company expenses, their expenditure is typically high. During 'down periods' in an event the media have both time and resources to make purchases in the local economy. This pattern of behaviour is illustrated in four of the five events, whereby the average total expenditure of the media is £61.09, while expenditure ranges from £31.06 to £107.45. As Table 9.12 shows expenditure by the media on accommodation, food and drink and shopping represent the highest categories of expenditure.

**Table 9.12 Comparison of Total Average Daily Expenditure – Media**

<b>Expenditure Media</b>	<b>Euro'96</b>	<b>WMC</b>	<b>ESA*</b>	<b>GPA</b>	<b>ESCS</b>	<b>Weighted Average</b>
Accommodation	£5.42	n/a	£16.50	£14.94	£48.53	£6.31
Food & Drink	£23.84	n/a	£6.63	£28.57	£25.63	£23.65
Entertainment	£9.73	n/a	£0.00	£0.65	£2.13	£9.43
Programmes etc	£3.00	n/a	£1.88	£2.23	£0.15	£2.92
Shopping	£7.69	n/a	£1.25	£0.76	£26.32	£7.97
Travel	£6.90	n/a	£4.81	£7.16	£2.65	£6.49
Other	£4.45	n/a	£0.00	£2.75	£2.04	£4.32
<b>Total Av. Exp.</b>	<b>£61.03</b>	<b>n/a</b>	<b>£31.06</b>	<b>£57.04</b>	<b>£107.45</b>	<b>£61.09</b>

\* ESA media expenditure is included in 'officials' expenditure calculation

As a group ‘others’ can include staff of the national governing body, VIP’s, sponsors, delegates, suppliers, contractors, volunteers and numerous other parties playing different roles in delivering an event. While this group displays a number of different hierarchical components, expenditure for VIP’s, delegates and sponsors is usually apportioned in the organising budget, and these visitors might stay for a number of days and nights.

The typical average expenditure associated with this group is relatively high, with the majority of expenditure related to the category of accommodation, food and drink and shopping, and travel (Table 9.13). The weighted average expenditure for ‘others’ is £54.32.

**Table 9.13 Comparison of Total Average Daily Expenditure - Others**

<b>Expenditure Others</b>	<b>Euro’96</b>	<b>WMC</b>	<b>ESA</b>	<b>GPA*</b>	<b>ESCS</b>	<b>Weighted Average</b>
Accommodation	£6.86	£12.10	£21.19	n/a	£64.37	£8.97
Food & Drink	£13.65	£24.08	£14.02	n/a	£12.46	£14.54
Entertainment	£7.57	£4.04	£7.66	n/a	£2.69	£7.23
Programmes etc	£2.68	£1.26	£7.51	n/a	£1.92	£2.91
Shopping	£10.75	£11.83	£4.23	n/a	£5.77	£10.30
Travel	£9.92	£4.52	£1.78	n/a	£1.54	£8.76
Other	£1.82	£0.00	£0.73	n/a	£3.07	£1.61
<b>Total Av. Exp.</b>	<b>£53.23</b>	<b>£57.82</b>	<b>£57.12</b>	<b>n/a</b>	<b>£91.82</b>	<b>£54.32</b>

\*Information not available for IAAF GP

Graph 9.1 illustrates the range of total average expenditures between the various groups involved in the five different sporting events. This analysis shows a marked difference between upper and lower levels of average expenditure. While it indicates the weighted average for each group, its primary purpose is to indicate how difficult is to predict the impact of an event without understanding the nature of the groups associated with each event, their behavioural patterns and expenditure profiles.

Therefore, while it is possible to assume that an economic impact assessment can be undertaken prior to an event to predict the likely impact of an event utilising average



figures there are several caveats. To understand the nature of the impact it is necessary to gain information on the number of people in each different event groups, the duration of the event, the proportion of people who will stay overnight and the type of accommodation they will use. Once this is achieved the expenditure data for all items has then to be predicted from the results of previous events (Chapter Six).

The weighted average data illustrated in all the tables and graphs provides an indication of the daily average expenditure associated with each of the visitor groups to a major event in Sheffield. As the range of data is relatively wide between different event groups this data provides merely a framework for identifying the impact associated with an event. Therefore, when making a forecast on the basis of average expenditure data it is wise to consider all the identified factors that influence the impact of an event and to weight the average expenditure accordingly. For instance, it would be erroneous to use the average figure of £52.00 to predict the average spending of a spectator at a one day athletics event. Therefore, there is a need to recognise the type of event studied and to weight the average expenditure accordingly.

**Graph 9.1 Range of Average Daily Expenditure at an Event by Visitor Group**

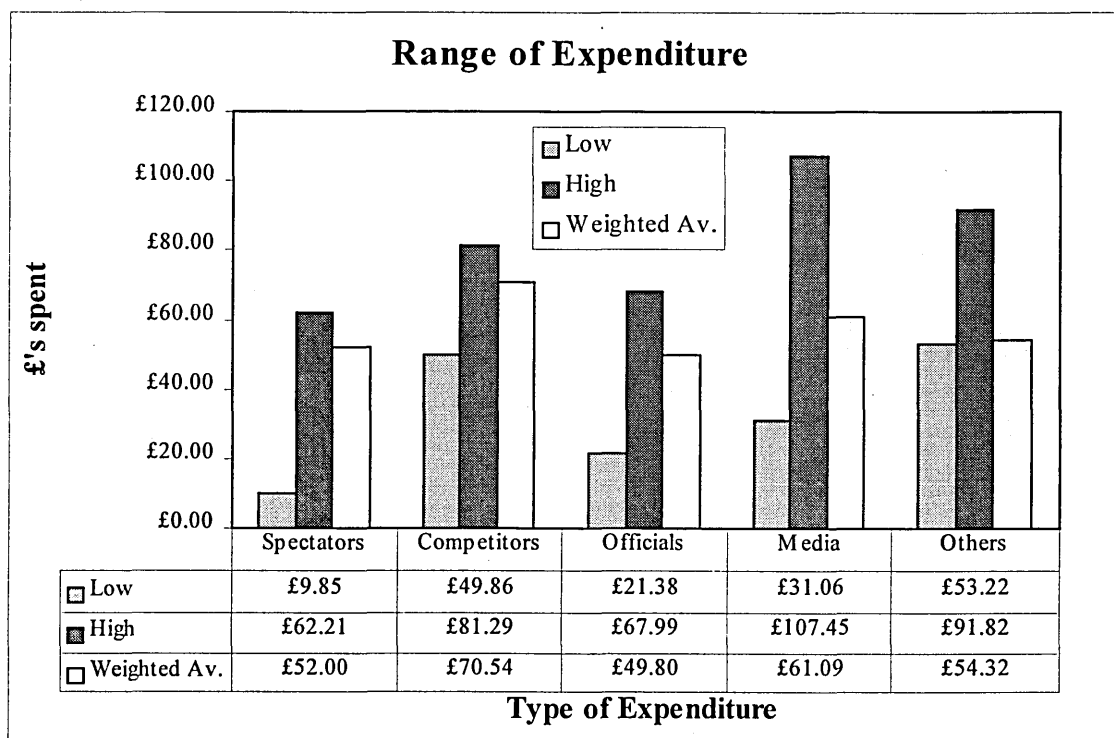


Table 9.14 illustrates a range of values for each expenditure category according to group type and total average expenditure across each group. The total average daily expenditure of each group differs markedly. The table illustrates that across all the events the weighted average expenditure of the different groups is within a range of £20.74. Competitors and officials are typically the groups that stay the longest (Table 9.6 and Table 9.7), but the officials also have the lowest per day average expenditure. Competitors have the highest average daily expenditure, although accommodation, food and drink are generally paid for by the organisers or the national sports federation. The total average daily expenditure for all groups is £53.92 (£42.94 for all day visitors and £82.57 for all overnight staying visitors).

However, for the purposes of predicting future impacts or evaluating previous events, it is more appropriate to use the expenditure averages of each category and to weight them accordingly (Table 9.15). This is because every event will have a different number of representatives from each group, who will stay a different number of days and nights in the host-city. Again, as the Grand Prix shows spectators will spend less than a fifth of the average expenditure and therefore their expenditure has to be weighted against the average for spectators.

**Table 9.14 Total Average Daily Expenditure for All Visitors to Events**

<b>Expenditure</b>	<b>Spectators</b>	<b>Competitors</b>	<b>Officials</b>	<b>Media</b>	<b>Other</b>
Accommodation	£5.70	£26.76	£19.00	£6.31	£8.97
Food & Drink	£17.54	£13.10	£13.94	£23.65	£14.54
Entertainment	£5.76	£4.27	£2.99	£9.43	£7.23
Programmes	£3.89	£4.73	£1.73	£2.92	£2.91
Shopping	£8.61	£13.96	£5.23	£7.97	£10.30
Travel	£7.26	£3.73	£5.26	£6.49	£8.76
Other	£3.24	£3.99	£1.65	£4.32	£1.61
<b>Total Av. Exp.</b>	<b>£52.00</b>	<b>£70.54</b>	<b>£49.80</b>	<b>£61.09</b>	<b>£54.32</b>

As illustrated in Graph 9.2 the expenditure for each category or item of expenditure is also wide ranging, particularly for the items of accommodation and food and drink. Estimating backwards it is possible to use the average expenditure figures (Table 9.14)

to predict the level of economic impact that would have been associated with the five events.

**Graph 9.2 Range of Average Expenditure at an Event by Category**

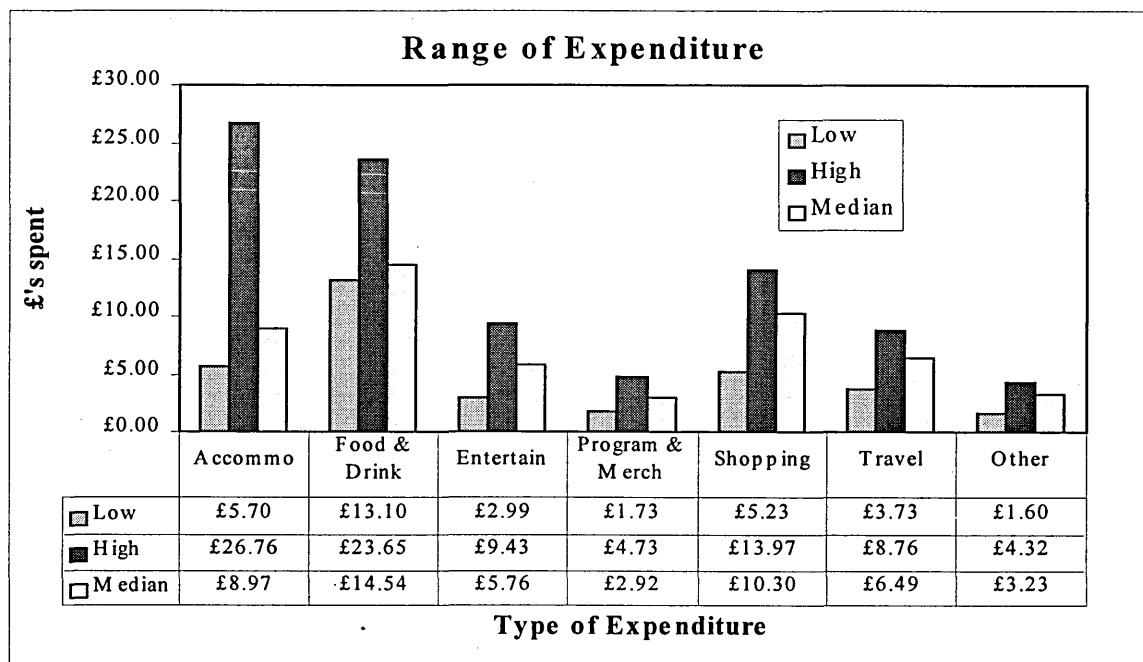


Table 9.15 indicates that the predicted net impact of the five events, using the average expenditure data per group against the number of days at the event, would have been £9.07 million or 96 per cent of the total net impact achieved.

**Table 9.15 Backwards Forecasting to Predict Impact Value of the Five Events**

Event	Specs	Comps	Officials	Media	Other*	Total	%.
Euro '96	£4,267,754	£0	£27,390	£678,709	£181,863	£5,155,716	97 %
W. Masters.	£349,335	£2,016,174	£93,723	£0	£335,985	£2,795,217	93 %
Eng. Schools	£383,682	£154,454**	£14,193	£3,776	£90,976	£647,081	99 %
Grand Prix	£109,270**	£26,240	£2,988	£3,116	£26,000	£167,614	97%
Euro Swim	£170,707	£30,992	£24,302	£49,360	£27,239	£302,600	96%
<b>Total</b>	<b>£5,280,748</b>	<b>£2,227,860</b>	<b>£162,596</b>	<b>£734,961</b>	<b>£662,063</b>	<b>£9,068,228</b>	<b>96 %</b>

\* includes items of organisational spend

\*\* weighted items of average expenditure for junior and athletic events

On the basis of the above approach and its statistical reliability; the use of average figures, and the use of actual event numbers and visiting patterns, Chapter Ten attempts to estimate the value of the 400 events held in Sheffield since 1990.

### **9.3.2 A Comparison of Similar Events**

The purpose of the secondary analysis is to compare and contrast two events to understand the factors that differentiate their total economic impact. For purposes of clarity, this analysis has attempted to compare and contrast the European Football Championships with the World Masters Swimming Championships to understand the differences between a large scale and high profile, spectator intensive event and a low profile, competitor intensive event. This comparison is also used to develop a continuum for events (in Chapter Ten) by understanding the relative economic importance of one event against another, and by evaluating further the factors that determine the economic profile of an event.

A comparison of these two events can be made using a number of different criteria or factors. These factors include; the nature of the event, the characteristics of the event, the duration of the event, the number of competitors against the number of spectators, the number of personnel involved, the public perception, the status of the event or the level and extent of economic impact generated. Each of these factors has a significant influence upon the generation of additional expenditure in the local economy over the period of the event.

The objective of the comparison is to identify where and perhaps why the differences in economic impact generation might have occurred. More importantly, the comparison will assist the development of a hypothesis to determine whether similar (or indeed) different types of events held over the same number of days, albeit involving different sports, can be expected to accrue similar economic impacts in a similar host city or not. While this type of assessment might appear simplistic for these 'two' events, it is the reasons behind the comparative differences that provide the most informative outcome

of the exercise. As summarised in Chapter Ten, the evaluation helps to inform our understanding of the impact of events and the future research direction in event analysis.

### 9.3.2.1 Euro '96 versus FINA VI World Masters Championship

Comparing the impact of the whole Euro '96 experience in Sheffield with the World Masters provides a very interesting contrast between two very large and time intensive events with significant economic impact. On the one hand the economic impact associated with Euro '96 was spectator intensive, while the impact of the World Masters was driven by the expenditure of competitors and their relations attending the event.

The World Masters attracted less than 11 per cent of the total Euro '96 visitors to Sheffield, but generated 61.6 per cent of the economic impact and 59 per cent of the FTE job years created. As illustrated in Table 9.16, both Euro '96 and the FINA World Masters had a substantial economic impact on the city of Sheffield, boosting the economy by £9m and creating 252 FTE jobs years in the local economy. Both events were organisational successes.

**Table 9.16 Comparative Estimate of Total Expenditure**

<b>Event</b>	<b>Day Visitors</b>	<b>Overnight Visitors</b>	<b>Net Total impact</b>	<b>Gross Impact</b>	<b>% of Total</b>
Euro '96	£2,046,819	£3,254,199	£5,301,017	£5,831,119	64 %
World Masters	£163,247	£2,858,119	£3,021,366	£3,323,503	36 %
<b>Total Expend</b>	<b>£2,210,064</b>	<b>£6,112,319</b>	<b>£8,139,743</b>	<b>£9,154,622</b>	<b>100 %</b>

A comparison of the average daily expenditure per head, by visitors to the two events, reveals that day visitors to the World Masters actually spent less than visitors associated with Euro '96 (Table 9.17 below). While the average expenditure per head was also less for overnight visitors, the average total expenditure per head (over the course of their stay) was higher for the visitors to the World Masters. This was due to the fact that a greater proportion of World Masters visitors stayed in the city for a longer period. Indeed, 82 per cent of all visitors to the World Masters stayed overnight even though

total number of visitors associated with the event was significantly below that of the Euro '96 Championships again, at less than 11 per cent.

**Table 9.17 Total Average Daily Expenditure by Event and Visitor Type**

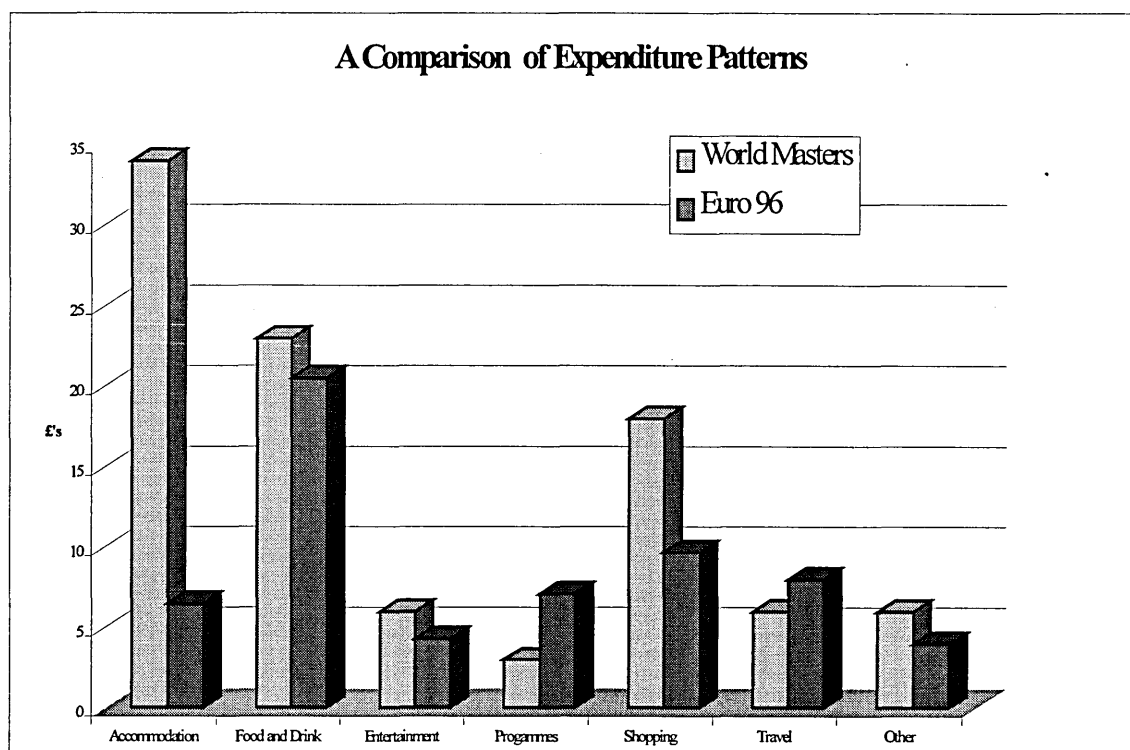
<b>Event</b>	<b>Day Visitors</b>	<b>Overnight Stay</b>	<b>Total Av.</b>
Euro '96	£50.34	£87.26	<b>£59.24</b>
World Masters	£39.80	£81.81	<b>£74.97</b>
<b>Av. Total Expend</b>	<b>£45.07</b>	<b>£84.54</b>	<b>£67.11</b>

The World Masters swimming and Euro '96 both illustrated that certain events are more attractive economically than others, because of the number and type of sports tourists they attract. The sports tourist associated with the 'Masters' event was typically from the more affluent sections of society. Each visitor was more likely to stay overnight in the city (an average stay in the city of 5.37 nights for all visitors), with greater disposable income and with an increased ability to inject money into the local economy.

Indeed, over £100,000 was generated through the sale of merchandise to visitors at the event. The impact of the 'Masters' visitors stretched beyond the days of competition, primarily as a result of a further vacation in Sheffield, its surrounding region or other parts of the UK.

Graph 9.3 illustrates the difference in the categories of expenditure between the two events and the two types of visitors attracted. The sports tourists associated with Euro '96 had a higher profile, both in number and presence, and a far greater impact on the host community. Most of the Euro '96 visiting supporters were day visitors to the city and subsequently had a different peak-time loading impact and a greater demand on the services of the city. Sports tourism related to major events often brings greater demand for local services than demand for the event itself. As illustrated these services are typically accommodation, food, drink, entertainment and shopping.

**Graph 9.3 Average Daily Expenditure Profiles of Visitors to Sheffield**



As Table 9.18 illustrates the World Masters, with less 11 percent of Euro '96 visitors accounted for 38 per cent of the total bed-nights generated by the two events. This is equivalent to 62 per cent of Euro '96 bed-nights generated.

**Table 9.18 Estimate of Bed-nights Generated**

Sheffield	Friends/ Relatives	Guest House	Hotel	Uni	Camp Site	Other	Total
Euro '96	5,468	15,907	16,359	0	4,820	14,205	56,759
W. Masters	1,680	3,731	11,540	14,395	1,637	2,453	35,436
<b>Total</b>	<b>7,148</b>	<b>19,638</b>	<b>27,899</b>	<b>14,395</b>	<b>6,457</b>	<b>16,658</b>	<b>92,195</b>

\*Euro '96 supporters staying at University accommodation is included in 'other' category

The results of the research highlight that major world or European spectator and/or competitor intensive type of events can generate substantial income into a city over a relatively short period of time. The study also illustrates that economic impact can be

an expenditure trade-off between the type and number of people attracted by an event and the number of days these people stay in a city.

In summary, it is clear that the total economic impact associated with each event was relatively similar, but was generated in very different ways. From this evidence it can therefore be concluded that the nature of the impact is directly related to the nature of the event and the type of visitors an event attracts. The nature of the economic impact is also primarily a function of the different propensities of visitors associated with each event to expend money on food, drink, shopping and accommodation in the local area.

#### **9.4 A COMPARISON OF SPORTS TOURISM TO URBAN TOURISM**

A number of academics, including Mazitelli (1989) and Hall (1992) have argued that because of their specific appeal, visitors to cities staging major sports events exert a significantly higher rate of average daily expenditure than the average urban tourist (Chapter Four). The results of the five events studied in this thesis illustrate that sports tourists have a high propensity to consume. The average expenditure figure ranges from £49.80 to £70.54 per visitor, per day, across all groups. However, the thesis has yet to compare this average level of expenditure with other forms of urban tourism in the UK. Such an analysis is not easy because of the lack of benchmark data on the nature and extent of urban tourism. However, an attempt at a comparison using existing data sources from tourism studies and leisure day visits surveys will help researchers begin to understand the relative value of major events in relation to other forms of urban tourism activity. It will also provide scope for future research agendas as outlined in Chapter Eleven.

The task of comparing sports tourism to urban tourism is not as straightforward as it might seem. While the basic premise is to compare and contrast the typical expenditure items of both types of visitor to the urban setting, the availability of data to complete this task is less than satisfactory. Therefore, the analysis is for illustration purposes only and is not to be taken as statistically reliable until further research is undertaken. The author believes that the merit of attempting such an analysis with the use of existing, yet



far from satisfactory data, is its use as a means of initiating further research. Realising the deficiencies in the approach, but also being confident about the results of the five economic impact studies, an initial attempt at a comparative analysis is made below.

The approach to the comparative analysis illustrates the difference between total average daily expenditure of visitors to urban sports events with those to other types of urban tourists in towns/cities. It relies upon a comparison of the average level of expenditure across the five events with data supplied from two different expenditure surveys, at the national and local level respectively.

The statistics derived for the expenditure of day visiting tourists to towns/cities is taken from the 1996 Countryside Recreation Network UK Day Visits Survey (UKDVS), while the local level data is taken from a visitor survey undertaken by Bristol City Council (1999). The UKDVS survey focuses on leisure day visits from home by the British adult population (15+) across the UK. The author believes it is satisfactory to use this survey as a reference for comparison (in view of the lack of other data), as it reports average expenditure per spending visit from home to towns and cities (based on visits made in a typical two week period). The 1996 survey results illustrate that of the 7,000 interviews recorded, 71 per cent of all leisure day visits were to town/cities. The expenditure data used in the comparison is therefore restricted to day visits to towns/cities. The age profile and socio-demographic profile of respondents is similar to those responding in the economic impact research (with the notable exception of those sports tourists visiting from overseas).

The Bristol City Council statistics are taken from a recent visitor survey to estimate the Economic Impact of Tourism in Bristol. The survey reached over 2,000 responses and highlights non-local trips to Bristol; defined as those of at least three hours duration and a round trip of at least twenty miles. The comparison between the Bristol data and the data of the five events is not intended to prove beyond all reasonable doubt that sports tourism is more rewarding than other types of urban tourism. Such a comparison would be statistically unreliable. However, it is intended to illustrate differences across types of urban tourism activity on the basis of available information, and in the absence of

alternative research. Bristol is a city of similar size and scope to Sheffield, and in contrast to Sheffield, a city that stages few major sporting events. Therefore, in many respects Bristol provides a 'control' against which to measure the effects of sport on Sheffield. To use a visitor survey of Sheffield would be misleading and erroneous as it would lead to double-counting of the effects, while the only other available local study from Edinburgh was deemed to be inappropriate.

The surveys provide a useful contrast between sport and other types of visitor activity. Table 9.19 illustrates a comparison between sport, day visits, short holidays, all holidays, conferences and business, visiting friends and relatives. The analysis between sport and urban tourism has been undertaken in several different ways. Firstly, there is a comparison of the number of nights associated with different types of tourism. Secondly, there is a comparison between expenditure on overnight stays as opposed to day visits, and finally an analysis of average expenditure across the total trip.

As Table 9.19 illustrates, according to the research undertaken in Sheffield, the overnight sports tourist is likely to stay 4.14 nights in a city on average. Using the other surveys as a contrast, this is a longer stay than by those on short holidays, those at conferences or business meetings, those visiting friends and those undertaking other activities in the city. The sports tourist is also likely to spend two or three more hours in a city than the average leisure visitor (when acting as a day tripper). The duration of the visit is however determined by the nature of the event and therefore these are average figures only.

From this simple initial analysis it is evident that the sports tourist has, on average, a higher propensity to spend money, as both a day visitor and an overnight visitor, in a city. As a day visitor, the sports tourists is likely to spend on average £42.94 while the urban tourist, visiting friends and relatives for instance, is only likely to spend £7.19. According to the UKDVS, the average expenditure across all leisure activities undertaken away from home in the urban setting is only £14.44. This is almost £28.50 less than the average visiting spectator associated with a major sporting event.

**Table 9.19 Average Stay and Expenditure Levels of Different Types of Urban Tourism**

<b>Category</b>	<b>Sport* (Onv)</b>	<b>Sport (Dv)</b>	<b>UK DVS</b>	<b>Short Hols</b>	<b>All Hols</b>	<b>Conf &amp; Business</b>	<b>VFR</b>
Length of Stay	4.14	0.89	0.4	1.7	3.5	2.4	2.4
Spend per night	£82.57	£0.00	£0.00	£40.42	£37.55	£62.75	£21.70
Spend per day	-	£49.94	£14.44	-	-	-	£7.19
<b>Spend per Trip</b>	<b>£341.84</b>	<b>£49.94</b>	<b>£14.44</b>	<b>£70.39</b>	<b>£132.96</b>	<b>£150.75</b>	<b>£64.00</b>

\* Sport expenditure base on upper level as illustrated by the World Masters

As an overnight visitor the average sports spectator is likely to have a higher expenditure pattern than the conference or business guest, and prone stay longer in the city. The expenditure generated by the sport tourist is almost twice that of those taking holidays and more than three times that of visitors, either meeting friends or relatives or undertaking other activities in the city. Over the time of their complete stay, the sports tourists are likely to spend on average over £340.00 in the local economy on a range of services. The pattern of expenditure is relatively predictable, although different levels of expenditure are associated with different types of sports tourism groups.

In conclusion, this brief, yet statistically unreliable comparison illustrates for the purposes of this research that the sports tourist attracted by major sporting events has a high propensity to consume in comparison with other forms of urban tourism behaviour. While estimates suggested that the size of the sport tourism market in the UK in the early 1990's was £1.5 - 2.2bn, sport event tourists were primarily excluded from this calculation (Collins and Jackson 1999). It is hoped that this work has shed light on the importance of urban sports event tourism as a phenomenon, and set the beginnings of a research agenda on the wider role of sport and major events in the sphere of urban tourism. The collection of comparative urban tourism data is therefore a research priority (Chapter Eleven).

## 9.5 OVERVIEW

This chapter has undertaken a comparative review of the results of the five economic impact studies. The chapter has used three methods to analyse the results and to consider the significance of the economic impact associated with the events on an individual and collective basis. The first analysis illustrated the total impact generated across the five events. This evaluation contrasted the level of expenditure and local income generated by each of the events, and measured the total impact of the five events over the period of study. It illustrated that the five events generated an impact of over £10.4m. In addition, the results estimate that 275 full-time equivalent jobs had been created in the local economy during the period. Sheffield's accommodation sector had benefited through the sale of 93,000 bed-nights, the equivalent of over £2 million was raised in direct accommodation expenditure, regardless of secondary expenditure on food and drink.

The second comparative analysis within the chapter sought to understand the specific differences between each event in relation to the generation of direct economic impact. Beginning with an evaluation of visitor profiles and place of domicile, the section explored the expenditure characteristics of the different groups associated with each event to derive an average daily expenditure profile per visitor group, as well as the average sports tourist. At a secondary level, the chapter evaluated the two biggest events to compare and contrast the factors that had influenced the total economic impact of each event.

The outcome of the comparative analysis of the five events led to an appraisal of the economic impacts associated with events the daily average expenditure levels of other forms of urban tourism. This illustrated that the sport tourist had on the whole a very high propensity to consume when visiting an event, for whatever purpose, as both a day visitor and overnight staying visitor (however, these results are not statistically reliable).

## 10.1 INTRODUCTION

Following an in-depth comparative analysis of the results of the five impact studies, the aim of this chapter is to critically discuss the central aim and core themes of the thesis. Therefore in logical order, and with close reference to the economic development theory underpinning this thesis, major events will be examined in terms of their value and role to formulate a conclusion on their function in local economic development strategies. Throughout the chapter an emphasis is placed on quantifying the longer-term consequences of substantive local capital and revenue investment in this risky, yet high profile segment of the consumer service sector. The aim here is to draw out conclusions on the effectiveness of major events as external income-generators, and basic sector economic activities at the local level. Only by taking the medium to longer-term view of the effects of the local strategies can the true significance of major events in the economic development process can be gauged (Chapter One).

Starting with an assessment of the importance of estimating the economic return induced at local level by major events, the discussion will assess the value of different types of sporting events to the city of Sheffield. The section will identify those key factors that shape the nature and extent of the economic impact associated with an event, as this is an area that has received very little academic attention (Mazitelli 1989). By investigating the relative contribution of different types of events (and different groups of composite visitors at these events), the approach will propose an economic impact continuum for the five major events to link to the economic typology of major events discussed in Chapter Four. Utilising the expenditure estimates, and secondary research, the discussion will also consider the economic impact generated by the visitors to all sports events in Sheffield since 1990 to quantify the total value of the sector.

With the economic value of major events to the local economy established, the discussion will examine the role played by major events in the holistic local economic development process and the significance thereof. Thus, in contrast to previous chapters, the discussion will build from a micro-economic level to consider the real part

that events play in local economic growth strategies. The analysis will therefore build from the sports tourist, through to the local sports sector and consider the legitimacy and sustainability of such a strategy.

The final key theme will utilise the evaluation drawn on the value and role of major events to formulate conclusions about the ability of major events to function as a basic sector activities in the process of local economic development. Major events will be scrutinised in terms of their capacity to stimulate local economic growth, and an analysis of the current state of Sheffield's economy will identify how successful the investment strategy has been.

## **10.2 THE VALUE OF MAJOR EVENTS IN SHEFFIELD**

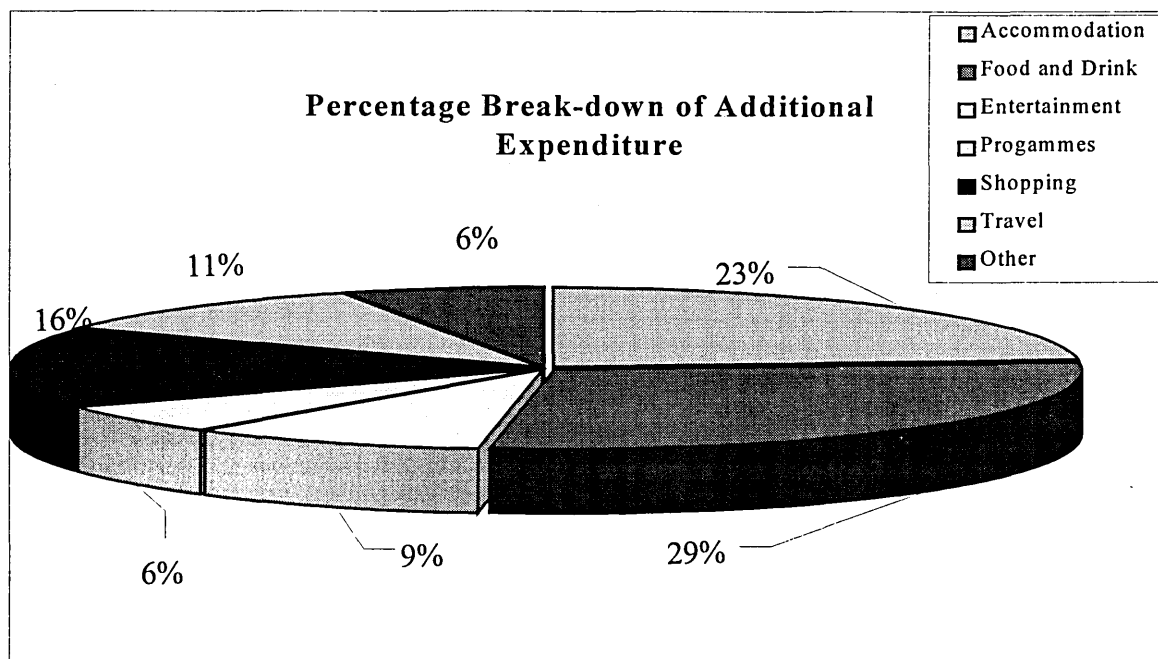
Armed with an understanding of the type of economic impact associated with staging different types of major events, this section will attempt to understand the real economic value of the major events sector in Sheffield. The point of this exercise is to justify the importance of measuring the expenditure generated by events and to identify those elements of an event that influence the size of the total impact generated. Understanding the factors that determine the nature of the impact will inform future bidding strategies and provide a more logical rationale for supporting a particular event, not least as the implications of allocating resources will be quantified and substantiated.

### **10.2.1 The Importance of Measuring the Economic Impact of Events**

The research has illustrated key differences between the economic impact associated with a range of different events. The total economic impact of an event is influenced by the behavioural profile of those attracted into the city to participate, spectate, work or officiate at the event. The impact differences between events, as highlighted in the research, illustrate that it is a combination of many factors that determines the eventual impact of an event and its external income-generating capacity. The sports tourist's pattern of visitation, the duration of stay and the nature of the sport are three of the primary factors that influence the scale of the impact, but not the only three.

The aggregation of the total impact of the five events also provides a meaningful comparative analysis of the sources of the additional expenditure generated across a major event programme. One of the most useful comparisons across the five events is the nature and extent of the impact in each of the categories of expenditure. The pie chart illustration shows the relative contribution of each of the six areas of expenditure across the five events (Graph 10.1).

**Graph 10.1 Total Expenditure for All Events by Category of Expenditure**



As Graph 10.1 illustrates accommodation, food and drink are the two areas in which visitors have the highest propensity to consume. Of the total impact of £10.4m, it is estimated that £2.3m was generated in the accommodation sector and approximately £3m in the food and drink sector. This equates to 23 per cent and 29 per cent respectively of the total impact. The fact that visitors to certain events do not wish to extend their stay in a city beyond 6-7 hours is detrimental to the total impact generated. Almost 73 per cent of visitors did not stay overnight in Sheffield. Regardless of the choice, it is estimated that the lack of hotel and guesthouse accommodation in the city or the lack of a persuasive argument to encourage visitors to stay diverted or switched expenditure worth approximately £2 million away from Sheffield, as illustrated in Chapter Seven.

### 10.2.2 The Factors Influencing the Economic Success of an Event

The research has illustrated that in order to estimate the value of an event several characteristics and behavioural profiles of those involved, with all aspects of the event, have to be quantified. These factors ultimately shape the nature of the net generated income derived in the host-city. While a number of issues influence the impact of an event, the primary factors are identified below. These include; the socio-economic composition of visitor types, the number and behaviour type of the visitor, the number of event days, the structure and format of the event, its duration, the availability of accommodation, the prevention of leakage of expenditure from the local economy and the event's profile and appeal.

Taking each of these factors in turn, and with reference to the five events, the discussion will focus on the relative importance of each of these factors in determining and predicting the extent of the impact generated and hence the value of an event to the local economy. The influence of each of these factors is important to the process of understanding events, to evaluating city infrastructure requirements and for developing strategies aimed at maximising the total impact of an event.

The results conclusively illustrate that the type of visitor present at an event and their socio-demographic profile will largely determine the average level of expenditure, per capita, generated (Chapter Nine). There is a significant difference between the total average daily expenditure of different groups of individuals, who play different roles, across different events. The biggest contrast during the research was between a day spectator at the Grand Prix athletics event and a spectator at the Euro '96 football match. The average expenditure difference is approximately £40 between two events that take place over a similar time span in the same city. Also of interest to future feasibility studies is the notion that the competitors (although it is not always their own), the media and others tend to have similar patterns of very high average daily expenditure regardless of the event. This is a significant factor to take into account when judging the economic importance of an event.



The number and behaviour profile of visitors in each of the composite event groups is also important. While this is linked to the nature of the sport and its public profile, it more than other factors can determine the extent of the economic impact generated. Many sports events are both competitor and official driven, with the duration of the event spanning several days, if not a week or more. The research has illustrated that the impact of this group is high in terms of net yield per day and yield per stay. It is also relatively easy to estimate the value of the expenditure generated by this group, as their patterns of expenditure and length of stay are often pre-determined through the event budgeting exercise. The media and others are also relatively easy to predict, although the public profile and status of the event determines the exact number of guests and the nature of their stay. Spectators are the most difficult group to predict both in terms of expenditure and length of stay. As the football and the athletics events illustrate, there is an enormous diversity between the spectator's spending and behavioural habits in one sport to another.

One of the most significant findings of the research into the five events is the importance of expenditure generated by non-UK visitors to the UK. The profile of visitors to each of the five events indicates that a high proportion of visitors came from overseas, approximately 44 per cent (Chapter Nine). While it is to be expected from world and European events, the expenditure generated by overseas visitors to the UK is not only a net income to Sheffield, but it is also an 'invisible export' into the UK, and important to the balance of payments equation. As illustrated by the results, the expenditure of visitors from overseas tends to be significantly above that of UK nationals. In some instances, Euro '96 for example, the expenditure of European day visitors to Sheffield alone was £50-60 above UK day visitors (Chapter Seven). Moreover, of a total estimated impact of £10.4m from the five events over £5m was generated by overseas visitors (one of the events was a national championship).

The number of event days and its structure and format will dictate the pattern of expenditure, the nature of the expenditure and the length of stay of the visitor. The duration of an event is a function of the type and level of competition and dependent on the codified rules and regulations of the sport. Therefore, few events have similar time-

scales. The structure format and duration of the event is also proportionate to the type of sport, type of event and the level of competition.

The timing of an event also influences the extent of the economic impact. The time of day, day of month and time of year, together with the location of the event venue from the normal place of residence of the sports tourist is one of the key factors which encourage the sports tourists to attend and stay overnight in a local area. The results of the research illustrate that, on average, the sports tourist will expend between 30-50 per cent more in an area when staying overnight than as a day visitor to the area (Chapter Seven and Eight). The timing of an event and the distance from 'home' is also invariably linked to the availability of quality, affordable and local accommodation. The local impact is significantly decreased for the majority of events if suitable and affordable accommodation is not readily available. This statement is true for all types of events and city marketing has an important role to play in this process.

The retention of income (i.e. prevention of leakage of expenditure) from the sports tourist and from the event budget is a major influence upon the net impact generated. As illustrated in Chapter Four, net income is maximised where leakage is minimised. This is one of the basic assumptions behind growth strategies in economic development theory. The more sports tourists accommodated within the boundary of Sheffield (and subsequent income retained), the greater the total economic impact of an event. For many events, as illustrated through the research, the biggest challenge is to persuade spectators and other event tourists to stay overnight in the local area. As demand and prices for hotels, and other services, tend to increase around an event this is not always easily achieved.

The extent of the impact is also dependent upon the profile and appeal of the event, the nature of the sport itself, the infrastructure of the city and its ability to deal with visitors. Without predicting or measuring the influence of each of these factors it is impossible to realise the extent of the impact that will be derived on a local economy.

### 10.2.3 An Economic Continuum for Major Events

The results have illustrated that different types of events have different economic impacts and that the extent of the impact is a factor of many causal parts. Four of the five events can be classified as Type C events and the English Schools Athletic Championships as a Type D event (according to the definition outlined in Chapter Four). While events can be classified in terms of spectator or competitor intensive factors, this does not always provide an adequate indication of the extent of the impact in financial terms. Again, it is not always those events with the highest profile that have the greatest economic impact. This is illustrated by the comparison the English Schools Athletic Championships and the IAAF Grand Prix 1 Athletics, both held at the Don Valley Stadium. The impact associated with the English Schools was nearly four times the impact of the IAAF Grand Prix, although the Grand Prix had European and world-wide television coverage, a well-established national sponsor and 11,000 visitors from outside Sheffield.

The continuum advocated below is merely a guide and point of reference to predict the relative economic significance of an event according to the many characteristics that will influence the economic impact associated with it. The continuum relates only to the five events studied during the research, but has the potential to develop across a broader range of events. Utilising the basic continuum it will be possible to classify more events in the future according to economic definition and typology, as illustrated in Chapter Four.

While at the simplest level it would appear beneficial to categorise events along a single continuum according to their total economic impact, this ignores a secondary definitive level explaining why an event should have such an impact. For instance adopting this simple initial approach fails to explain why an event such as the Grand Prix Athletics should have such a relatively small impact despite attendance by just over 11,000 visiting spectators. Events can be delimited in a number of ways in terms of economic impact and there are a number of possible factors to consider when developing the continuum. While not necessarily exhaustive, the list below considers some of the

appropriate reference points for cross comparative purposes in relation to the five events studied. The position of an event along any given continuum can be judged against any one of the following factors:

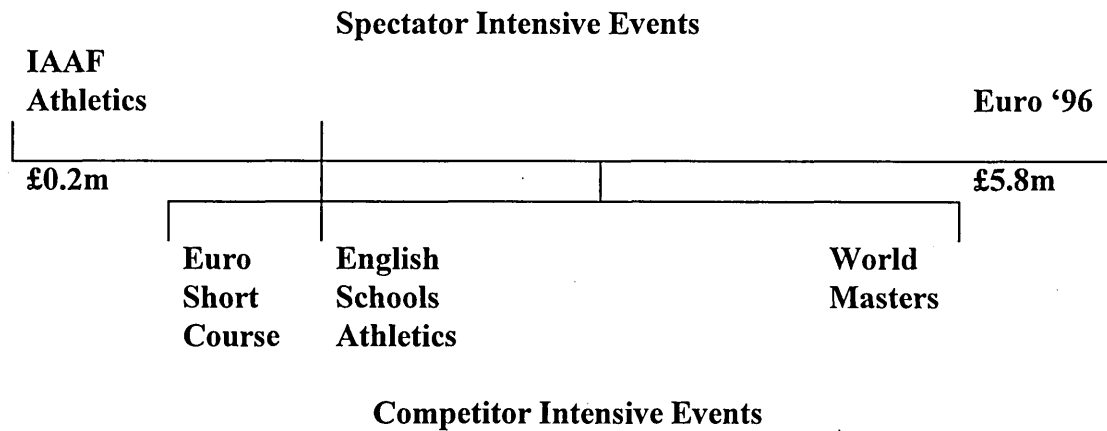
- i. Total economic impact per se
- ii. Economic impact versus the number of event days
- iii. Economic impact versus the nature of the event and the profile of the sport
- iv. Economic impact versus day and overnight visitor profile
- v. Economic impact versus spectator attendance
- vi. Economic impact versus delegate and official attendance
- vii. Economic impact versus total number of visitors
- viii. Economic impact versus total average daily expenditure.

As there are so many possible factors to consider it is suggested that a split level total impact continuum between spectator intensive and competitor intensive events is the most appropriate means of analysing the five events studied. Perhaps somewhere in between would sit at a third level for competitor-spectator intensive events (such as the English Schools Athletics), but it is currently difficult to quantify without the research at such an event to back-up this statement.

As illustrated in Figure 10.1, with respect to the five studied events, spectator intensive impacts range from those with the lowest total economic impact (the IAAF Grand Prix) to those with the highest impact (Euro '96). Competitor intensive impacts range from the European Short Course swimming to the FINA World Masters. The elements of average spend per head, the duration of the event and total visitor numbers could equally provide a 'crude' method for estimating where other events will fit along the split continuum.

The impact results, and the continuum, illustrate that sports events differ in their ability to induce economic impact in a host-city. Even an analysis of five events illustrates that the status of an event, and the number of spectators associated with it, does not guarantee that it will be necessarily important in economic terms.

**Figure 10.1 An Economic Impact Continuum for Major Events**



While the factors that influence economic impact have been reviewed, the importance of such a continuum is its value in helping one understand the that mix of competitors, media and others versus spectators can be a determining factor in the associated impact of an event.

As more events are studied, the development of this simplistic continuum, together with enhanced techniques for predicting the impact of an event, will allow events to be classified according to the typologies introduced in Chapter Four (Gratton et al 2000). With a database of the economic impact of events it will be possible to use the continuum and event typology, with only the smallest amount of desk research, to predict the type of impact that an event might induce. This technique can then be used to make a comparative analysis between different events before they are actively bid for or staged. In an era of performance indicators and 'Best Value' this technique will aid local authority decisions in the allocation of resources towards the staging of certain events. The key to the effective use of the continuum is the parameters on which the comparison is based.

The next section attempts to estimate the value of major events in Sheffield since 1990 to quantify the importance of sports events to the city and the contribution of the sector to the local economy. It is difficult to aggregate the impact of nearly 400 events in the city on the basis of a technique derived to estimate total average daily expenditure

(Chapter Nine). However, in the absence of any other meaningful measure it does provide a basis for estimating the unknown value for a programme of events.

#### **10.2.4 Estimating the Total Value of Major Events in Sheffield**

While the economic studies have illustrated that the combined impact of the five events was an estimated £10.4m, these events merely provide a 'snapshot' of the larger economic consequences of the investment strategy in events over the past ten years. The development of an average daily expenditure profile for the each group of sports tourists associated with an event proves extremely useful for the future assessment of events.

Using the range of average figures derived for all visiting groups (£49.92 - £76.06) at the five events (at 1996-1998 prices) it has been possible to estimate the value of major events held in Sheffield since 1990. Different events have been weighting according to their status (regional, national, local, European and World) and the type of visitor expenditure associated with them. For instance, spectator intensive athletic events have been weighted differently from European football events, as the results in Chapter Seven and Chapter Eight illustrate spectator expenditure at athletic events is very low. This overall impact figure is intended to provide only at best an estimate. This research is built upon all of the events held in the city since 1990, with information supplied by the Sheffield Events Unit, and reference is made to the Kronos' (1997) review of the major events in Sheffield. Thanks to this primary data it has been possible to both quantify the exact number of days and accredited personnel involved in all the events. This provides an added degree of credibility to the estimates.

The starting point for this analysis involved collating records on all events held in Sheffield since 1990, and differentiating between events on the basis of their type, budgets, visitor numbers and expected levels of average expenditure. The assumptions were also built upon the author's working knowledge of over eighty major events held throughout the UK since 1997. Table 10.1 predicts that as a consequence of attracting nearly 400 major events to Sheffield over the ten-year period an estimated economic

impact of nearly £32m has resulted. Including multiplier effects this is an estimated impact of £34.8m.

**Table 10.1 The Estimated Economic Significance of Major Events in Sheffield**

<b>Year</b>	<b>Impact</b>
1990	£450,512
1991	£6,663,359
1992	£2,486,457
1993	£3,213,765
1994	£1,280,180
1995	£1,028,766
1996	£9,813,145
1997	£1,777,416
1998	£1,233,071
1999	£1,715,248
2000	£2,052,126
<b>Total</b>	<b>£31,714,046</b>

The table excludes impact of visitors to Sheffield for professional sport teams but includes a conservative estimate of £4m for the World Student Games

The technique and the range of figures are extremely significant for future pre-event feasibility studies and developing event strategies. However, the accuracy of the forecast can only be as good as the data and the assumptions upon which these are made.

As Table 10.1 illustrates, the economic return from major events for the city has been cyclical across the ten years. While it is extremely difficult to quantify the annual value of the events sector to Sheffield's economy, because different types of events are staged every year, it is possible to argue that since 1990 the average return on events has been approximately £2.9-£3.2m per annum. The total impact does not include the expenditure at sports facilities used by visitors outside the period of major events, nor many local and national league matches played in a variety of sports, the numerous concerts and sports development activities undertaken in WSG facilities. If the impact of these events were included the total figure would be close to £40m.

Following a detailed analysis of the sports sector in Sheffield over the past four years, Davies (2000) has predicted that the value of consumer expenditure in sport by residents of Sheffield is approximately £220 million per annum. This equates to 5 per cent of total consumer expenditure in the city. Sport-related economic activity in the city is equivalent to 4.1 per cent of local GDP. Employment in the sports sector is estimated at 3,800 in 2000, and this is the equivalent of 1.8 per cent of total employment in the city. As a result of the re-circulation of generated expenditure and additional indirect benefits flowing to other service sectors of the economy, the major events sector (at £2.9.-£3.2m per annum) is therefore small at less than 1.2 per cent of the total local market.

### **10.2.5 Understanding the Value of Major Events**

From the evidence collated and the subsequent secondary economic analysis, it is clear that events have a small, but nonetheless meaningful value as external income-generators in Sheffield's local economic development process. However, the true value of events has only become apparent in the last few years as attempts have finally been made to investigate the actual economic impacts associated with staging events across the city. Sheffield now has a greater understanding and surety about the type of impacts associated with different types of events, and decision-makers are now able to make value judgements on the returns achievable through staging a variety of major events.

However, the generation of just nearly £32m in external income over the period of 10 years is a relatively small direct and indirect contribution to the holistic process of economic development in Sheffield. In this context, while major events are valued as external income-generators, in the case of Sheffield they are relatively insignificant as 'motors' of economic growth.

In conclusion, the economic value of events is determined by measuring their size, scale and external income generating ability in the local economy. The next section considers the role that events actually play in the local economic development process.



### 10.3 DEFINING THE ROLE OF MAJOR EVENTS IN SHEFFIELD

With the value of the major events sector in Sheffield more fully understood the purpose of the next section is to clarify the role of major events in the context of their economic development function. When combined with the previous section, the analysis will help to derive a conclusion as to whether events have a meaningful function in the process of local economic development.

The role of major events in the economic development process is a contentious issue. As illustrated in Chapter Four, academics tend to have polarised views on the subject. Respected researchers, including Rosentraub (1997), are less than convinced of the beneficial outcomes, and the 'real development' role that events play in the process of city regeneration in the larger conurbations of the United States, let alone the UK (Chapter Four).

Indeed Baade and Dye (1988a, 1988b), Baade (1995, 1996) and Rosentraub (1997) contend that sport, events and sport stadia are not the panacea for all urban problems, doubting whether they can act as economic development tools unless fully integrated and properly resourced into a metropolitan area's growth strategy. The British Government held a similar view until relatively recently as illustrated in Chapter Two (DCMS Select Committee 1999). Moreover, commentators such as Roche (1992a) believe that research into sport and sporting events has concentrated too heavily on the effects rather than the identifying the causes.

Three lines of enquiry will be taken to assess the role of events and the longer-term consequences of Sheffield's investment decision. Firstly, the analysis will examine and discuss the significance of major events as a tool to attract visitors into post-industrial cities such as Sheffield. Secondly, the section will identify the role of major events to Sheffield's developing sports sector, in order to quantify the economic relationship between the two. Finally, considering the secondary themes of economic diversification and re-imaging, the role of major events in the wider process of regeneration will be considered.

### **10.3.1 The Role of Major Events and the Sports Tourist**

While small in their total contribution to an economy, the impact of events can look significant if the total effect is evaluated on a daily basis. The generation of over £10.4m in additional expenditure across five major events and just twenty-one event days equates to approximately £495,000 per day. This is a significant return to the local economy for any service sector activity. For sport, a sector that has traditionally been viewed as parasitic in economic development terms, these findings substantiate the claim that this relatively new consumer service sector can play a key role in efforts to bring new money into a city (Price 1990).

These findings are in direct contrast to the traditional economic development view that income generators should be tangible, visible and in the form of long-term business commitment (Persky et al 1993). The investment generated by major events is substantially different and events play a significantly different role in the way that they attract external income. Rather than exporting products to external markets, income is generated by attracting the sports tourist to the city through the staging of elite sporting competitions. These tourists might be from the local region, the same country or from overseas, but as their expenditure is new to the local economy, it is deemed to be a net income, (if retained and re-circulated), as previously described in Chapters Four and Five. While the specific nature of investment itself is different, the additional net income is significant and it has secondary benefits in terms of infrastructure enhancements, job creation and economic diversification.

A brief and initial comparison of the impact of major events to other forms of urban tourism in Chapter Nine has revealed that on average visitors to a city tend to have a higher propensity to spend when attending sporting events than other forms of urban tourism activity. Equally important is the fact that in general sports tourists are more likely to stay for a longer period of time in the city (including an overnight stay) than other urban tourists. Recognising that the sports tourist is more likely to be attracted by the nature of the event rather than by what the city itself has to offer, the role of the events as a stimulator of tourism activity, and expenditure, is extremely important. As

advocated by Standeven and de Knop (1999), the requirements and behavioural characteristics of the sports tourist require closer examination

The significance of the sports tourist in the economic development process is fully recognised by cities such as Sheffield. Although slow to start, it has actively developed a sports tourism plan to maximise the role of major events (Heeley 1991, Croker and Lawless 1994, Bovaird 1994, Bramwell 1995a). The additional expenditure generated at major events, the additional employment, bed-nights and ancillary outcomes have given the city additional confidence to invest in an infrastructure that supports a strategy of urban tourism. Indeed, on the basis of the role of major events in attracting the tourist pound, Destination Sheffield and the City Council have had the confidence to diversify and develop strategic links between sport, leisure, culture, the arts, tourism and other forms of urban visitor behaviour (Daniels 1995). The recent investment in an increasing range of hotels in Sheffield is evidence of this.

In local economic development terms it is the constituent parts of the sports tourist expenditure and the comparative expenditure profiles of each event, which prove meaningful to role of events as external income generators. (Ritchie 1984, Burns et al 1986, Getz 1991, Hall 1992).

### **10.3.2 The Role of Major Events in the Sports Sector**

Undoubtedly the staging of major events in the city of Sheffield has become an extremely important element of the city's sporting portfolio, as well as contributing to its wider economic development strategy. For a city waiting nearly one hundred years for new capital investment in world class facilities, the decision to invest in the World Student Games sparked new life into the city's sporting ambitions (Bale 1991).

The growth of the sports service sector in Sheffield has been rapid since the initial decision to invest in the World Student Games and its associated facilities in the late 1980's. While there are few benchmarks to identify the structure and size of the national and local sports sector in the mid-to late 1980's, it is evident that its size and

importance was significantly less than today. Several attempts were made prior to the World Student Games to estimate the size of the sports sector and to predict the impacts that would accrue over the short, medium and longer-term. These estimates included sectoral analysis of employment, construction and participation (Coopers and Lybrand 1989, Short et al 1990). However, as previously illustrated, until recently it has been impossible to compare the forecasts with realised outcomes.

Davies' (2000) analysis of the size, value and structure of the sports sector in Sheffield enhances our understanding of its role as a consumer sector industry, made up of many different parts, each acting in a different way to stimulate growth. The commercial sports sector includes the sports goods and the sports services sector, and while events play a role in the sports goods sector, their primary role is to stimulate growth in the sports service sector. By definition the sports service sector comprises the spectator and competitor intensive events, commercial leisure, business services (to sport), media services (to sport) and sport sponsorship (LIRC 1997).

The role and contribution of the events sector at local level is significant (even though its relative value is small) to the overall function of the sports sector in Sheffield. As illustrated in Table 10.1, it is difficult to predict the exact economic impact returns expected from a major events programme in any one year, as the impact is a function of the size, status and structure of the events attract by the events programme. Nonetheless, the research has shown that major events aid the development of the 'sports' consumer service sector by their ability to attract external income and by facilitating the wider growth of the market sector through new facility provision in sport and private health and fitness clubs.

As a second round of major capital investment in sport is about to begin in Sheffield, the experiences of the past ten years are essential to guide the process and to maximise the future return on investment in all aspects of sport. With major projects such as the £23m Regional Centre of the United Kingdom Institute of Sport (UKSI) and the development of the £12m dual pad National Ice Skating Centre adding to the growth of the sports sector, the future economic prospects appear to be favourable. These

predictions sit in line with anticipated national growth trends in the sports sector up to 2007 (SIRC 2000).

### **10.3.3 The Role of Major Events in Economic Diversification**

Assessing the role of major events to a city like Sheffield on the basis of the expenditure of visitors, and the direct and indirect effect of their expenditure in the local economy after the event, merely provides an analysis of one element of their purpose in the economic development process. It does not address the wider economic diversification role or the political, social and environmental changes (both costs and benefits) associated with staging major events. Understanding the total role of events across the whole of the city, the quantification of changes to the internal infrastructure and external image of the city are also extremely important, although rather complex and difficult to quantify.

As described in earlier chapters (see Chapters Two and Three), the range of impacts associated with staging a major events is almost endless, and includes infrastructure improvements, the environment, social conditions, political hierarchies, traffic and noise pollution and costs as well as benefits (Ritchie 1984 and Ritchie 1988). This section will concentrate on highlighting three of the secondary impacts not measured by the short-term expenditure multiplier approach to emphasise the role of events in Sheffield. These impacts include the broader economic outcomes across the city, the re-imaging of Sheffield and the political ramifications of the decision to invest in sport.

The knock on-effect of the investment of the early 1990 has stimulated other activities and developments across several service sectors. The diversification in the base of Sheffield's economy is most obvious in the sectors of retail, leisure, culture, music and entertainment. The development of the Meadowhall retail complex in the early 1990's has, together with sport, provided the biggest impetus for inward investment and additional consumer expenditure in Sheffield. With an annual turnover of £325m, and £97.5m generated through external income, the construction of Meadowhall has sparked a 'leisure, retail and a family entertainment centre' revolution in the Don Valley corridor

(Fieldhouse 1996). Billions of pounds have been invested in the Don Valley on the basis of confidence induced by land clearance projects initiated by the WSG. Across the city this pattern of investment has been repeated with shopping complexes, health and fitness clubs and cinemas developed in recent years.

While it is very difficult to quantify, one of the main secondary investment spin-offs from the staging of major events has been an enhancement of Sheffield's image, profile and market position. Re-defining the city's image has become a key element in the city's strategy to rejuvenate (Sambrook 1991). While it is not indicative that sporting success, media success and economic success go hand in hand (Collins 1991), the awareness of Sheffield as a sporting city and a city in which to invest has increased significantly across the world as a result of its sporting investment. While steel production and the city's industrial heritage remain, the new image relies heavily on sport and the city's 'National City of Sport' status.

An analysis of the results illustrates that certain events generate greater impacts than others do. In direct economic terms, however, these events can often distort other aspects of the political life and the economic equilibrium of the city, as resources and personnel are re-directed. Re-defining the political goals, aspirations and political relationships has been one of the major outcomes evident in Sheffield over the last decade. The attempt to regenerate in the mid-to late 1980's fostered the process of public-private sector partnerships across the city. The development of strategic alliances and the so-called 'urban growth coalition' (Henry and Paramio 1997, Stone 1999) has brought key local players (the City Council, the Universities, the Chamber of Commerce, the Hospital Trusts and the private sector) together. These groups have reshaped the traditional decision-making and resource allocation processes in the city. The effectiveness of the private sector in the partnership process is however the subject of further debate, as the dominance of the Labour Party in Sheffield has now slowly eroded.

#### **10.3.4 Understanding the Role of Major Events**

Despite significant changes in the economic structure of Sheffield, it is difficult to conclude that major events have played a real lead role as a 'motor' of economic growth in Sheffield. New sporting opportunities and structural changes were certainly triggered by the World Student Games, but the effective role of events is extremely difficult to answer, because no previous economic benchmarks for use of events by a British city have been set. Sheffield itself did not set clear measurable objectives or targets in its attempt to address the problems of manufacturing decline, and the opportunity cost of other investments has not been identified. The effect of events has therefore been a lot less than was initially predicted.

However, from the research evidence collected it is clear that events have acted to stimulate change, especially in the growth of the consumer service sector. Their role in the local economic development process can therefore be summarised as;

- i. generators of external income through the attraction of event tourists
- ii. supporters of the sports industry's role in the consumer service sector
- iii. agents and stimulants in the wider process of economic diversification

Armed with a detailed assessment of the economic value and role of events it is now possible to discuss conclusively how major events function in the process of local economic development. The aim of the following section is therefore to clarify, using the evidence derived from the study, whether major events function as 'catalysts' to or 'motors' of economic growth.

#### **10.4 MAJOR EVENTS - A CATALYST TO OR A MOTOR OF ECONOMIC GROWTH?**

From the UK economic development perspective, Sheffield's use of sport during the 1980's was bold. Adopting a service sector approach to local regeneration was an extremely risky strategy and politically divisive, not least against the background of

national-local political conflict and financial constraints. The risk was magnified by the choice of the World Student Games as the 'flagship' event, and by the failure of the city to understand at any stage the real value, role and function of major events in the process of local economic development and diversification. Moreover, the whole approach was compounded by the fact that the city did not have a clear strategic view of its priorities and/or secure resources to sustain such investment in the longer-term.

It would be fair to say that, apart from notional political rhetoric, Sheffield lacked a clear vision, and had few clear end policy goals. Many of the strategic developments required were achieved only once the investment had taken place, and were symptomatic of the fact that Sheffield was the first city to attempt an untested approach in the face of few alternative options. As Bramwell (1993 P.4) argues;

"In the period leading up to the 1991 World Student Games, Sheffield lacked a purposeful and adequately funded strategy to maximise the tourism potential of the major investment in these sport and leisure attractions. In addition, the city's Visitor and Conference Bureau was only established in 1991, and Sheffield had little experience to draw on, as no other UK city has focused their long-term tourism development and marketing around a year-round programme of events."

As a consequence, over the course of the last ten years the city has been vilified by a number of academic commentators who have sought to rationalise Sheffield's approach without understanding the longer-term economic consequences of it (Roche 1992b). While almost all commentators agree it was daring, untried and untested, insufficient attempts have been made by the critics to understand the outcomes of the investment and the function that major events can play in stimulating economic development.

Only now is it possible to begin to understand the consequences of Sheffield's investment and the function of major events in the city's process of economic development. The methodological exercise of understanding the value and role of major events, against the framework of economic base theory (and recent challenges to its traditional assumptions) as described in this thesis, has made it possible to define the function of major events in Sheffield's local economic development process.



As illustrated by Williams (1997) the consumer service sector, of which major events and sport are a key component, now acts as a basic sector activity because of its external income-generating ability. As illustrated in Chapter Four, challenges to traditional economic base theories of local development have shown that the consumer service sectors of sport, retail, culture and tourism now play a value adding role in the local economic development process rather than the dependent and parasitic role previously defined. According to the definition of an economic base activity, the research has illustrated that major events induce external income to the local economy and a substantial proportion of this income is retained and re-circulated. Major events therefore act as instruments to stimulate and further induce local economic growth.

While events play an external income-generating role and act to prevent the seepage of money out of the area, in local terms, their potential to lever large sums of money to sustain growth is limited. The results of the primary and secondary research clearly illustrate that as stand-alone, small to medium sized activities major events cannot and do not act as 'motors' to or major economic 'growth engines' of a local economy.

Collectively the major events programme has helped to stimulate economic growth and diversification, but many of the sports events attracted to Sheffield are very small with little significant economic impact. The research has illustrated that a city cannot and should not depend solely upon a programme of major events to address its process of economic rejuvenation. That said, it is however clear from the experiences of Sheffield that major events can function as 'catalysts' to a great number of economic policy objectives, infrastructure improvements and political changes, while simultaneously diversifying the local economic base. Chema (1996) identified this function of events as illustrated in Chapter Two.

The overall impact of an event should therefore be considered in its widest possible context, and over time, as part of a broader city-wide events programme. It is only in this type of appraisal that a judgement can be made of the relative merits in the economic development process.

There is a natural tendency to compare and contrast the economic effectiveness of major events (and the sports sector) with Sheffield's former steel and manufacturing industries. But one has to ask is it right to compare the added value of major sports events to the added value of the one time dominant industries of the local economy. Are we comparing like with like? The research has illustrated that this certainly is not the case. The size, structure and employment potential of the steel industry was far beyond that of the major events sector, albeit that both sectors have been shown to function as basic sector activities (Chapter Three). It would be erroneous to write off the value of the manufacturing sector as it provides a large contribution to total external income in most local economies and its propensity to export remains on the whole statistically higher than that of the service sector (Swan 1985, Riddle 1996).

It is clear that the lack of a coherent strategy for service sector development in Sheffield has affected its growth potential and the ability of major events to function as anything else, but 'catalysts' (Bramwell 1993). While there are synergistic relations across sectors, the inter-linkages and collaboration between the consumer service sectors has not been maximised in Sheffield. The city lacks a distinct consumer service sector district and its facilities are geographically dispersed from each other. Sheffield has yet to unlock the full economic development potential of its investment. Visitors are not channelled through commercial corridors and ancillary projects aimed at maximising local spending opportunities (visitor centres, hotels and theme parks for example) are not geared to the demand of tourists, as illustrated in the North America.

While this section has concluded that events function as a catalyst to the economic development process in post-industrial cities such as Sheffield, the economic development function of events will differ from city to city and from event to event. Hence, critics such as Rosentraub et al (1994) and Baade and Dye (1988a) are right to question the function of events, because it is not always similar and the same events do not always have the same impact effect (Chapter Four).

Major events are far more likely to have a significant effect and act to 'motor' economic development if they are 'mega' in scale (such as the Sydney Olympic Games 2000).

Clearly there are a limited number of 'mega-events' which any one city is likely to or has the ability to host over a given period, and as the derived benefits of these events (as illustrated in Chapter Four) are so large the competition to secure them is intense.

## **10.5 THE STRUCTURE OF SHEFFIELD'S NEW ECONOMY**

To justify the conclusion drawn that major events function as catalysts to the process of economic development rather than 'motors' of growth, an overview of the structure of Sheffield's economy today highlights that the city has still to recover from the effects of manufacturing decline. Comparing the current structure of Sheffield's economy with the overview given in Chapter Three reveals that unemployment remains high. While the service sector has grown and investment has taken place, the net direct effect of major events on job creation, economic growth and inward investment is negligible.

The service sector is a more dominant force in employment than the industry and product that gave Sheffield its nickname of 'Steel City'. Major events have become just one part of a wider sports based sector of the economy attempting to earn and retain external income. Steel production still continues (and has expanded again in recent years), but the economy's reliance on the manufacturing sector for the basis of its employment and income is greatly diminished (Hamilton-Fazey 1997).

In terms of employment, Sheffield has never really recovered from its substantial loss of manufacturing jobs in the late 1970's and the early 1980's. It is also failing to act as a sub-regional centre in the provision of surplus jobs for 'incomers' to take up, as it did in the 1980's. The steel and metal producing sector of the economy has lost almost three quarters of its workforce, while the manufacturing sector has contracted by a third. While the number of full-time employees reduced by nearly 30,000 between 1981-91, the number of male full-time jobs has decreased by a third since 1981. GDP, per resident, is 13 per cent below the national average and growth in the economy is projected at 1.3 per cent per year until 2007 according to Sheffield Trends (Sheffield City Council 1997).

However, there are signs of growth in Sheffield's economy. The financial and business service sector has expanded slightly, together with the public and consumer service sector (Table 10.2). As a consequence the structure of Sheffield's labour markets has changed (Sheffield Trends: Sheffield City Council 1998). While the composition of Sheffield's economy, in terms of employment numbers, still illustrates its traditional manufacturing and public administration bias, it has moved closer to the national picture. Three quarters of the population are now employed in the service industries (Sheffield City Council 1998). However, earnings remain below the national average. While average earnings are close to the average English earnings (discounting London and the South East), they are below most other large cities at 91.1 per cent of the national average. Male earnings have continued to decline since the 1980's, and female earnings, which have always been below the national average, are now declining quickly.

As illustrated in Table 10.2 (Annual Employment Survey 1995, Williams 1997, Sheffield City Council 1998) employment in primary and other manufacturing sectors has decreased by over one-half since 1981. Collectively distribution, hotels and catering (restaurants) are today a bigger sector of Sheffield's economy than manufacturing.

**Table 10.2 A Comparative Analysis of Sectoral Employment 1981-1995**

<b>Employment in Sheffield by Sector (000's of Employees)</b>	<b>1981</b>		<b>1991</b>		<b>1995</b>		<b>Variance '81-95</b>
Primary & Manufact	91.9	38%	52.2	25%	43.5	21%	<b>-48.4</b>
Construction	11.2	22%	9.7	5%	7.9	4%	<b>-3.3</b>
Dis, Hotels & Cater	44.5	18%	44.5	21%	46.0	22%	<b>+1.5</b>
Transport and Comms	13.6	6%	12.9	6%	13.2	6%	<b>-0.4</b>
Banking, Finance, Business	15.9	7%	22.1	11%	31.3	15%	<b>+15.4</b>
Other Services	64.2	27%	69.9	33%	8.2	4%	<b>-0.5</b>
P. Admin, Educ, Health	n/a	-	n/a	-	55.5	27%	<b>-</b>
<b>Total</b>	<b>241.3</b>		<b>211.3</b>		<b>205.7</b>		<b>-</b>

While employment in the city has decreased by 36,000 over the period 1981-1995, the service sector now commands 75 per cent of all employment, whereas in 1981 it was

only 40 per cent. Public service employment still dominates the service sector employment profile, although this has decreased slightly since 1991.

Unemployment in Sheffield fell during 1998, with the gap between local and national levels also narrowing. Twenty years ago the unemployment rate was below the national average. With redundancies and the closures in the steel and manufacturing industries this reached 4 per cent above the national average in 1986. However, unemployment has remained stuck at 2 per cent above the average level for the last two years (Sheffield City Council 1998 and Sheffield City Council 1999b).

Despite an increase in business related activity, the lack of commercial companies, and a lack of a commercial agency to attract inward investment, is a significant problem for the city. While foreign investment constitutes nearly 25 per cent of all new UK investment, Sheffield has attracted only 900 jobs through inward investment in the last six years. While the City Council Economic Services Department led on the issue of economic development, the Council has lacked a clear and purposeful strategy, despite 275 major development projects worth £1.9bn in the last few years. Business formation rates in the city, while above the regional average, have lagged behind the rest of the sub-region and the UK as a whole, with the annual growth in registered businesses averaging 0.8 per cent over the period. Less than a third of new businesses set up in Sheffield are in the high growth areas of business that produce 44 per cent of all start-ups nationally (Sheffield First Partnership 1999a).

Sheffield, like the South Yorkshire economy, still has a relatively weak economic structure. In many respects it is still suffering from the 'hangover' of the collapse of the steel industry. Only a small proportion of Sheffield's existing companies are in the leading edge sectors. New business investment, both indigenous and incoming, is low. Sheffield's GDP is 87 per cent of the UK average. While Sheffield's GDP is expected to grow by 18 per cent over the period to 2007, the UK economy is expected to grow by 22 per cent (Sheffield First Partnership 1999b).

The contrast illustrates that investment in sport and events have not been as effective as the North American models on which they were based. Nonetheless, there remains a belief that the further development of this sector is important to the city. Sport (and the staging of major events) is still perceived to be a major driver in the future economic development strategy for the city alongside education, training and lifelong learning, advanced manufacturing, culture and strategic business services. According to Sheffield First Partnership (1999a) and the strategy for 'Developing Sheffield's Economy for the 21 Century' one of the key strands of local economic development is sport and leisure activity. This includes the development of sports science initiatives and the commercial exploitation of sporting performance. The development of specialist manufacturers of sporting and fitness equipment, the use of high profile sports, leisure and conference venues/facilities and the development of the appropriate locations and linkages to develop a 'sports corridor' are key objectives (Sheffield Liaison Group 1996).

## **10.6 THE LONGER-TERM SIGNIFICANCE OF MAJOR EVENTS**

The results illustrate that the staging of short-term, time intensive major events at city level can induce income-generating opportunities that act to stimulate other sectors of the local economy. However, this income on its own is not sufficient to act as a 'motor' of long-term economic growth. The outcome of the five economic impact studies has proved to be particularly informative to our understanding of the nature and extent of the impacts associated with staging different types of major events. The research has illustrated that major events function as basic sector activities in local economic development strategies and stimulate sectoral diversification (Chapter Four). However, in themselves they are not significant enough to re-define the structure of the economy, replace manufacturing industry as a 'motor' of local growth or provide large numbers of sustainable employment opportunities.

Major events have been shown to function as basic activities, but an analysis of the structure of Sheffield's economy today illustrates their inability to replace manufacturing as the real 'engines' of economic growth. While events function to attract and retain external income, create full-time equivalent jobs and stimulate local

economic diversification, the real size of their economic development potential is small. Advocates including Price (1991) believed the benefits of the long-term investment in major events would trickle-down to all parts of the community, in reality this view was as optimistic as it was politically naive given the type of events Sheffield has been able to attract.

Policies for the re-development of major local manufacturing, processing, engineering and steel industries in Sheffield have been underdeveloped and certainly unfocused and the development of a consumer led-strategy to economic development has not been without its problems and critics (Dabinett 1991, Williams 1997). The lack of an effective central strategy for the overall growth of the service sector in Sheffield has reduced the effectiveness of its investment, with the product mix structurally diverse and geographically diffused (Williams 1997). The quasi-strategic approach to local economic development in Sheffield and the national-local conflict of priorities and political ideologies has been criticised both inside and outside the city. Moreover, without the strength of a dynamic private sector, to bolster public sector investment and the inability of the city to attract a broader range of inward investment opportunities, the overall effect has been dampened.

The increasing costs (to all cities) of adopting a local economic development strategy based on major events and the stimulation of the sports industry will restrict Sheffield's future progress. As illustrated in Chapter Four, the increasing cost of bidding for those events that can foster economic development goals is increasing and the staging costs spiralling as more and more social, political, environmental, spatial and tourism development objectives become central to the purposes of attracting these events. In order to compete in the UK, let alone the global market place, Sheffield faces huge challenges in the equitable distribution of its already scarce resources. At a simplistic level, the cost of bidding for an event and the economic development potential of that event must be weighed up against the cost of keeping a public library open. That is how stark the choices are for the city managers and politicians.

Nevertheless, positive economic outcomes have been stimulated through the staging of events and the following list highlights a number of these:

- i. Major events have attracted visitors to the city from all across the world. Not only has the impact of visitors enhanced the growth potential of Sheffield's economy, but also provided 'invisible exports' to the UK economy as a whole
- ii. More importantly at the local level, events have demonstrated their capacity to act as catalysts to the wider economic development of the city and the process of economic diversification. The significance of major events as catalysts to further investment opportunities has been illustrated by the growth of the diverse retail, culture, arts and leisure sector within Sheffield
- iii. Often used as a lever to extract and release additional resources, events have provided the platform on which Sheffield's urban growth coalitions assembled to steer a process of public-private partnership. A strategy designed to attract inward investment, and the re-imaging of the city has developed around major events and sport (Strange 1993, Strange 1995)
- iv. The sports sector, stimulated by the investment in major events, and the subsequent primary and secondary returns, has grown rapidly and has confidence to expand even further as the second development wave of sport in Sheffield gathers pace.

## **10.7 OVERVIEW**

In Chapter Ten the results, theoretical framework and policy outcomes are brought together to form a discussion and conclusion on the value, role and function of major events in the context of local economic development. While Sheffield's decision to invest in the World Student Games and its associated infrastructure was not strictly strategic (Chapter Three), the results have illustrated that the staging of major events has stimulated the growth of different sectors of Sheffield's local economy.



The discussion highlights that while events have a significant value to Sheffield as external income-generators (£10.4m in twenty-one event days), on an annual basis they contribute less than 1.2 per cent of the total value of Sheffield's sports service sector. In this sense they cannot be seen to 'motor' economic growth for an economy the size of Sheffield. The role of major events in the economic development process is illustrated and discussed with reference to the results of the research in Chapters Seven to Nine, and the theoretical framework set out in Chapter Four. The discussion acknowledges that major events play an external income-generating role for the local economy as basic economic activities. The discussion also highlights the importance of events in the growth of the sports sector, city re-imaging and the wider process of economic diversification, particularly in the sectors of tourism, retail, leisure, culture and the arts.

Drawing conclusions on the function of events in local economic development, the thesis argues that while acting as basic sector activities (in their ability to attract and retain external income major events) events are not 'engines' or 'motors' of local economic growth. Given that the level of external income generated by events is relatively small, it is more appropriate to conclude that they function as 'catalysts' to local economic development and to the wider process of economic diversification. This conclusion supports the work of other academics in the field including Chema (1996) and Mazitelli (1989). The empirical data collected and analysed confirms that the function of the 1991 World Student Games in Sheffield was therefore to act as the catalyst to the local economic development and regeneration of Sheffield, and not as an economic 'motor' of growth in itself.

A brief appraisal of the structure of Sheffield's current economy justifies this conclusion. The analysis provides an illustration of the growth of Sheffield's service sector (in contrast to the analysis given of Sheffield's declining manufacturing base in Chapters One and Three), but also highlights how the city remains below national average indicators for employment, inward investment and business formation. The intended outcomes of the World Student Games and the long-term aspirations of investment in associated infrastructure have failed to 'trickle-down'.

## **11.1 INTRODUCTION**

The purpose of this study has been to assess the value, role and function of major events in the process of local economic development. Examined against the framework of contemporary challenges to economic base theory at city level, the primary goal has been to evaluate the use of major events as basic sector activities in strategies designed to attract and retain external income for the purpose of economic growth and diversification.

The study of five major sporting events in Sheffield has estimated that an additional £10.4 million was injected into the city of Sheffield over a period of twenty-one event days between 1996-1998 (or £495,000 per day). Projecting the impact associated with these five events to the hundreds of events that have been staged in Sheffield over the past ten years, it is estimated that major events have contributed nearly £32 million to Sheffield's economy. The chapter will therefore summarise the outcome of the research thesis, setting the findings of the primary and secondary research against the objectives established in Chapter One, to conclude against the stated aim of the research.

Following this conclusion, the thesis asks three fundamental questions raised by the research. Firstly, whether Sheffield should continue to invest in the attraction and staging of major events as part of its approach to local economic development and if so how? Secondly, whether the public-private partnership approach in Sheffield is sustainable and finally, whether the cost of using sport for economic development purposes is outweighed by its benefits. In summary, the thesis proposes several research themes for the future impact assessment of major events staged in the UK.

## **11.2 THE OBJECTIVES OF THE RESEARCH**

An evaluation of each of the six main objectives (Chapter One) is outlined below. Starting with an analysis of the primary objectives from the wider macro-economic and

political level, the review considers the secondary objectives collectively prior to reaching its conclusion on the aim of the thesis.

### **11.2.1 The Sports Policy Framework**

The rationality of using sport, leisure and tourism as tools in local government economic development strategies in the mid-1980's was bold, radical and a rather unclear (Roche 1992b). Critics viewed such a strategy as political suicide, especially following the Labour Government's squeeze on local government spending in 1976, and the subsequent election of the Conservative 'private sector orientated' administration in 1979 (Henry 1993). National government and its sporting agencies dismissed the belief that sport could act as a catalyst to economic development and were reluctant to support the use of sport and major events to stimulate the economy in times of manufacturing hardship and economic decline (Kops 1989, Adams 1990).

However, the successful use of sport and major events in local economic development strategies in the United States (as illustrated in Chapter Two), and the apparent success of the several event programmes in the UK, has gradually changed the approach of successive governments. The change in approach is most readily illustrated through a comparative analysis of two Select Committee Reports. While the 1995 DNH Select Committee was critical of the approach taken by local authorities to international events, the 1999 DCMS Select Committee advocated that events were critical to the local economic development process. The latter report acknowledged that the major players in the local policy making process have become linked through public-private partnership arrangements based around sport to further economic development aspirations.

The changes evident in British government policy have occurred elsewhere around the world as events themselves have changed and become increasingly important in an economic development sense. Three distinct sports policy periods, with respect to major international events over the last thirty years, are now identifiable. While these periods have all focused on using major events for the range of benefits they derive at

city, regional and national level, they differ in terms of the success and focus of the strategies. The first period runs from the Munich Olympic Games in 1972 through to the Moscow Olympic Games in 1980. This policy period was concerned with staging major events to derive local economic benefits, to improve existing city infrastructure and to improve the political position of the country in the international arena. Characterised by naive financial management and bad political judgement, this policy period was one whereby the staging of major events was actually considered divisive, financially risky and damaging to the economy and reputation of a country.

The second policy period is identified by a change in approach towards the staging of events and an increased recognition of the their economic development role, the function of public-private investment and commercial return. This period was initiated by the Los Angeles Olympic Games (1984), gained momentum during the Barcelona Olympics and lasted until the staging of Atlanta Olympics in 1996. The 'over-commercialisation' of the Olympics in Atlanta has actually re-aligned the economic development focus of the policy to the broader sporting and social benefits derived by events. This is the third period

This third period has just begun and is represented by the achievements of Sydney through its hosting of the 2000 Olympic Games. Sydney's Olympic Games was about more than generating economic benefits from visitors travelling to Australia for the Games. While undoubtedly the economic development potential and the financial viability of the Games were important, they were a secondary concern for the Australian Government. The focus for Sydney and Australia was the achievement of social, psychological, environmental, emotional and sports development legacies from the Games (as illustrated in Chapter Two). This is a theme currently running through Manchester's approach to the Commonwealth Games in 2002.

At UK national policy level the formation of the United Kingdom Sports Council in 1996/7 marked the growing interest of national sporting agencies in major events. Since the 1995 DNH Select Committee Report, all the Sports Councils have become key partners in the event process, supported by the formation of the Lottery Sports Fund and

the World Class Events programme (UK Sport 1999a). Sport and major events has therefore been justified in its ability to act as a catalyst for economic development and government and its sports agencies are increasingly supportive of the use of sport in such a process. Ministerial intervention in the 2002 Commonwealth Games and the 2005 World Athletic Championships in London, and the development of a national Major Events Strategy and Policy by UK Sport, illustrate the extent of this policy switch at the national level.

This enhanced level of national interest and the beginnings of enhanced financial support for the staging of major events has encouraged the further development of local policies throughout municipal Britain. As the staging of events will continue to demand support from the public purse, restrictions on local government finance will mean that it is harder for local authorities to adequately resource their event programmes. Where investments are made there will be increasing pressure to evaluate the real costs and benefits returned on public investment in the form of broader social objectives. The increased need for national and local agencies to take account of these returns is essential as major events are often used to re-create the economic, social and environmental contexts in which they occur.

### **11.2.2 Evaluating the Theoretical Framework**

The thesis has illustrated that the use of sport and major events for economic development purposes is now a legitimate process, not just in the UK and the United States, but also throughout the world. Focusing on the role of sport and major events as one segment of the consumer service sector, this thesis has critically examined the value and role of major events and hence their function in the process of economic development.

The approach has extended William's original hypothesis and illustrated that major events can act as basic sector activities in the sense that they are external income-generators. However, while the virtues, value, role and function of events has been examined it is important not to fall into the trap that presupposes that major sports

events and sport can single-handedly replace and/or displace manufacturing from its traditionally dominant position in economic development.

The evidence provided on the structure of Sheffield's economy in Chapter Ten illustrates that sport and major events form only one part of the local consumer service sector. While important and significant to economic development, they cannot be relied upon to 'motor' economic development unless part of a wider and diversified economic approach. The evidence provided by this research supports the theory that the service sector, and sport in particular, has the ability to earn external income as well as limiting the degree of leakage back out of the economy. While these two elements provide the conditions upon which economic development can occur, the results of the thesis confirm that events are not in themselves large enough to act as 'motors' of economic growth. In function, major events should therefore be viewed as 'catalysts' to the local economic development process and essential elements of a diversified local economic strategy, not least because they also help to stimulate spatial relocation of economic activity (Mazitelli 1989, Bovaird 1995).

The retention of external income is vitally important to the growth of the economy and sport has illustrated that the consumer service sector can fulfil this role (Chapter Four). Moreover, this research has illustrated the value of expenditure from foreign visitors to sports events in the UK. In the study of major events to date, this mode of expenditure has hitherto been overlooked and certainly undervalued. The propensity of foreign visitors to consume during their visit to the UK is extremely significant, particularly during spectator intensive events such as Euro '96. Not only is the expenditure of overseas visitors a net addition to the city, but it is also beneficial to the UK economy as an export-earning device (Myerscough 1988).

By investigating the function and quantifying the returns generated by hosting major events the thesis has supported Williams' argument that the economy is no longer strictly structured according to a hierarchy of sectors based on their ability to earn external income as advocated by economic base theory. The research has illustrated that the consumer service sector can act as a basic economic activity by earning external

income. It is therefore correct to assume that it can co-exist with manufacturing in a 'dualist' approach to stimulate local economic growth at the local level (Williams 1997). However, this categorisation must be tempered by the fact that the consumer service sector (and major events in particular) does not have the ability to 'motor' economic growth and development in its current form.

Critics, as outlined in Chapters Two and Four, will continue to argue that the use of sport and events for economic development purposes in the UK is ill conceived. Citing examples of the use of similar strategies by North American cities in the 1980's, they argue that sport and major events will do very little to enhance social or economic well-being factors. This is despite the fact that external image might improve (Baade and Dye 1988a, 1988b, Rosentraub et al 1994, Wolman et al 1994, Rosentraub 1997). Opponents believe that the political coalitions necessary to back the use of sport for regeneration purposes are fragile, vulnerable and lack the support of the populace (Seyd 1990, Darke 1991, Roche 1992a, Elvin and Emery 1997). The Audit Commission (1989) was itself critical of the UK approach, declaring that the country had much to learn about the process of urban regeneration and the roles of the leading 'actors' in the process.

### **11.2.3 The Local Economic and Political Context**

Renshaw (1993) suggests the main theme drawn from the history of Sheffield sport is the process of democratisation of an industrial society. However, in the context of the last decade, sport, politics and the economy in Sheffield have been strongly influenced by forces outside the historical traditions and ideology of the city itself.

While sport has often been at the forefront of life in Sheffield, particularly during times of economic difficulty, the extent to which sport has influenced and been influenced by radical political changes and the empowerment of the public-private partnership has been unprecedented in the period 1985-2000. The development of urban 'entrepreneurialism' as opposed to social democracy in the post-industrial city is a distinctive feature of the developing public-private sector partnership and symptomatic

of the radicalism that swept through Sheffield during the period (Seyd 1987, Strange 1993, Henry 2000).

The extent to which current sporting provision is truly the product of past decisions, traditions and ideologies is difficult to clearly define. However, it is clear that while there have been benefits from Sheffield's approach to sport, the public private-sector approach has been blamed for the dismissal of social democratic values and the loss of local sporting facilities and opportunities to local people (Henry 2000). The costs of Sheffield economic development strategy to local sport have been highlighted in Chapters Three and Ten and latter sections of this conclusion discuss local opposition to the World Student Games and investment in major events.

Clearly sport has played an important role in the city and the city has had an important influence on the shape and form of contemporary Sheffield. It was perhaps unsurprising that the dramatic effect of changes in the stability of the economy and the life of the city should be inconsistent with a radical approach to something like sport. However, the analysis of the strategies pushed forward by the local Labour Council in the mid-late 1980's (Chapter Three), clearly illustrate the 'outside' economic and political influences that shaped and legitimised the decision to re-invest in sport and a 'flagship' major event.

Certainly the mid-late 1980's was a unique time in both the political and economic fortunes of the city. The effects of economic restructuring and the subsequent collapse of the heart of the British manufacturing industries during the 1980's were exacerbated by political conflict between Conservative central government and the Labour Council in Sheffield, amongst others. Financial restrictions on local authority expenditure and a new approach to city governance, incorporating public-private partnership, have played increasingly important and influential roles in the development of sport in the city as illustrated in previous chapters.

The challenge faced by the public sector has been one of balancing economic decline with the need to invigorate economic development, re-image, re-invest and maintain the



level of social and public provision in all areas of life. These factors have been difficult to achieve and the role and function of the City Council has changed dramatically as a consequence, while resources remain critically scarce. From direct service provider the City Council has become more of a 'facilitator' to the public-private partnership as the re-building of the city has taken place over the last decade.

#### **11.2.4 The Economic Impact Assessment of Major Events**

The study of economic impact analysis, as illustrated in Chapter Five and Chapter Six, is fraught with methodological difficulties and the results are often tainted by allegations of bias or misinterpretation (Roche 1989, Hefner 1990, Crompton 1995, Crompton 1998). While different approaches to studying the impact of events will accelerate such accusations, the findings of this research illustrate clearly that understanding the impacts associated with an event in some detail provides a basis for making informed decisions in the future. Against a background of decreasing local public sector funds to support events, and increased scrutiny of the use of scarce resources, as illustrated by approaches such as 'Best Value', an economic justification for attracting and staging events is critical to securing appropriate funds to ensure their viability. Economic impact analysis is therefore one essential mechanism in this process.

Economic impact technique is important as it enables the researcher to quantify the economic value of a programme of events and the value of different types of events. The identification of significant economic differences within and across the five events for example, is important for dictating future policy direction, resource allocation and essential for setting priorities. Having the ability to predict the estimated impact associated with any major event allows a cost-benefit judgement to be made. More importantly it allows the opportunity cost of the 'public good' investment to be measured by politicians and senior managers prior to the commitment of resources (Gratton and Taylor 1991, Stone 1999).

Examining the total impact of the five events has highlighted significant trends and broadened our understanding of the impacts associated with a programme of events. Not only has the individual value of events been established (and their role and function understood), but also the measurement technique has enabled a greater insight into the factors that influence the direct, indirect and induced impact of an event. Fundamentally, the research has illustrated that it is not always those events with the highest public profile, the biggest sporting stars or the largest budgets that have the greatest economic impact on a city. Indeed, often it is quite the opposite, as the examples of the World Masters Swimming Championships and the IAAF Athletic Grand Prix illustrates conclusively.

#### **11.2.5 A Comparison of Different Types of Events**

Chapter Ten has illustrated that different variables, across different events, can effect the level of economic impact induced in a city. Further, this study has shown that as a result of researching the economic components of several events, it is possible to develop an economic continuum for categorising different types of major events. This can be formulated according to the nature of the event, the level of expenditure generated and the type of visitors attracted at the local, regional and national level.

At this stage in the evolving study of impacts associated with major sporting events, it is a step forward to understand the economic significance of any given event, but also to appreciate that this is just one of many associated factors that influence the decision to bid for an event. Different cities will have different priorities, different facilities capable of hosting different events and different relationships with the national governing bodies of sport who ultimately sanction and present a bid for an event to the international federation. Moreover, the research has illustrated that different groups of visitors have different expenditure and behaviour profiles around different events. The economic impact evaluation of five events has enabled a clearer understanding of the nature of this expenditure and has provided a framework in which to predict the economic feasibility of an event prior to a bid to host it.

One of the most interesting findings of the research has been the level of new expenditure generated in Sheffield and the UK by visitors from overseas. As illustrated in Chapter Nine, the expenditure of these visitors is considered as an 'invisible export' to the UK and if retained helps the economic growth of the country. Four of the five events attracted visitors from all across the World and from all parts of Europe, generating over £5m. Myerscough (1988) illustrates that nearly 34 per cent of turnover in the arts is from overseas, that it is one of the top four 'invisible earners for the UK economy representing 3 per cent of all export earnings. To date little work has been undertaken on the 'invisible export' value of the sports sector, but the evidence collated in the research findings illustrates that major events should be included in any future calculation, as nearly 44 per cent of all visitors were from overseas.

### **11.3 SATISFYING THE AIM OF THE RESEARCH**

Recent investment in sport, leisure and tourism has given Sheffield, traditionally a 'Steel City', a new focus and a new image; that of the UK's first 'National City of Sport'. Sheffield as a living, evolving and a continually changing city, influenced by sport and influencing sport, provides an ideal model for the developing and refining of policies and strategies for attracting events in the UK. The overall aim of the research thesis was to identify and assess the value, role and economic function of staging major sports events in the city and to evaluate whether the approach is an effective and rational long-term strategy to assist Sheffield's process of local economic development.

The evidence presented in the thesis provides an in-depth assessment of the economic impact associated with the staging of major international and national sporting events in the city over a three-year period. The cumulative impact of these events has contributed significantly to the local economy, the expansion of the sports sector and the diversity of the city's economic base.

The hypothesis that major events can function to induce economic growth through the generation of external income has been tested through the primary and secondary research work undertaken in the thesis. The conclusions illustrate that major events can

stimulate local economic growth through their function as 'basic sector' activities. It is not unreasonable to conclude that major events play a valuable role as 'catalysts' to the broader economic regeneration process of post-industrial cities such as Sheffield. However, this economic significance of events in the local economic development process is tempered by the fact that major events, certainly those of the scale attracted to Sheffield in recent years, do not function as 'motors' of economic growth in the same way as manufacturing and heavy industry once did.

Challenging traditional base theory perspectives on economic development and the function of different sectors, as outlined in Chapter Four, this thesis has illustrated that the service sector in post industrial cities such as Sheffield should not be viewed as necessarily parasitic. Sport and major events have been shown to function as a 'basic sector' activity, although this status is achieved by importing consumers rather than exporting products. The external income generating function of sport and events is also enhanced by indirect and induced economic impacts as expenditure is re-circulated through the local economy. Limited the extent of leakage and attracting new investment and improvements in infrastructure to support the staging of events, sport also acts as a catalyst for the expansion of other consumer service sectors around the city and the process of diversification.

However, while consumer service sectors such as sport are increasingly recognised as having an important external income-generating function in local economic development, these sectors are only often embraced by politicians and senior managers when other manufacturing or producer service opportunities have been ruled out. Due to the relatively small size of the impacts associated with major events and sport, certainly when compared to traditional 'motors' of local economic growth, there is still a reluctance to acknowledge the value, role and function of the service sector in economic growth strategies. While Williams (1997) argues that there is now a 'dualist' approach to the use of manufacturing and the service sector in economic development, it is clear that when discussing the real 'motors' of economic growth the traditional hierarchical approach biased towards the manufacturing sector holds true.

## **11.4 THE FUTURE ROLE FOR SPORT AND MAJOR EVENTS IN SHEFFIELD**

Sheffield City Council believe that the city has a positive role to play in the future of British sport. Today the sport tourism legacies of the World Student Games can be seen throughout Sheffield as it has managed to diversify its economic base. Over the last ten years the policy of attracting sports events and sports tourism has been more important to Sheffield and its local economic development strategy than at any other stage in the city's history. However, arguments surround Sheffield's continued investment in sports events as a catalyst for consumer service sector development, particularly as the social impact and opportunity cost of the first round of investment are only now being clearly understood.

Caution is exercised in predicting the future sustainability of Sheffield's sports strategy. With the exception of the events outlined in the thesis, Sheffield has failed to secure any other real meaningful world class 'mega-events' with real and continued world profile since the World Student Games (except for Euro '96). With the rise of other 'sport' cities such as Manchester, and the impending arrival of London as a major host venue for staging sporting events such as the World Athletics Championships in 2005, Sheffield must be careful not to lose its competitive advantage. In recent years Sheffield has been losing out to other UK cities in terms of staging major events. Following the loss of Grand Prix Athletics, the time has come to reassess the future momentum and focus of its event strategy.

While Sheffield has pushed sport to the forefront of its development strategies through the initial investment in the World Student Games, this investment was with the use of its own public resources. Although Sheffield was first in the new UK event market, it must now re-invent its competitive advantage against a greater number of other competing cities. The maintenance of facilities and specialised equipment is extremely expensive and includes the cost of capital improvements and refurbishment to ensure that facilities continue to meet the very high standards set and expected by the international federations of sport.

Using the paradoxes of urban economic development identified by Bovaird (1994), it is clear that Sheffield has major challenges ahead to re-establish its former prominence in the UK events market and to attract further major international events to the city to utilise its world class facilities. Paradox one is that while enormous public sector resources have been invested over the last ten years to push Sheffield into its place as the UK's prominent major event city, increased competition from nearby Manchester will render Sheffield's advantage and facilities almost obsolete unless further public and/or private investment is attracted.

Paradox two contends that while the local intervention (and investment) through sport has appeared to meet local economic development objectives, major events have made only a marginal contribution to the overall programme of regeneration in Sheffield. The third and final paradox is that Sheffield continues to pay off the debts of its local investment strategy in sport and major events, while its rival Manchester receives rewards of over £120m of lottery investment in new stadiums and an international swimming complex for the 2002 Commonwealth Games. This change in central government policy, whilst welcome is at the same time an extremely bitter pill for Sheffield to swallow.

Sheffield has recognised that in the past it was too slow to gear itself towards the sports tourism market to maximise its full potential. It cannot afford to dither into the next decade, particularly as the focus of the national government is to stage as many world events as possible throughout the UK. A new sports strategy is currently being developed. Part of the city's future balancing act is to evaluate closely the parameters in which it will work with and for sport. The economic and social sustainability of the approach is critical, not least because several important questions relating to Sheffield's first round of investment remain unanswered and many of the citizens of the city remain disenfranchised from sport (Bramwell 1995a, Taylor 2001).

## 11.5 THE PUBLIC-PRIVATE SECTOR PARTNERSHIP

The decision of local authorities to use sports events as methods of stimulating local economic development, and the attendant benefits, is often perceived as being controversial. There would appear to be no logic for any prejudice towards policies of using the consumer service sector to compliment economic diversification. Sport is one of a few industries that are on long-term growth patterns. One of the reasons why controversy is often associated to economic development through sport is that major one-off events often make a loss at the operating level, i.e. in a strict financial accounting sense. Working to an 'operating loss' on major projects such as sporting events is a difficult proposition for local politicians to defend in front of their taxpaying electorate. However, often it is the only way of attempting to enhance the reputation and business presence of a city or region, even if this means offsetting short-term loss for long-term gain. The problem lies in quantifying long-term gain against immediate tangible loss.

The 1994 Winter Olympic Games in Lillehammer, Norway provides an example of a municipality recognising the broader net value of staging major events while accepting that book losses are part of this process. In its public brochure, acting as a guide to the Games, the Lillehammer Organising Committee (1994) readily accept that even before the Games, costs had escalated beyond initial forecasts to approximately NOK 7 billion. Furthermore, it defended the fact the revenues would be substantially lower than the forecast costs, and pointed to the yield from general spin-offs from the Games to the region and country as a whole as an acceptable long-term gain. Hence, Lillehammer concentrated on highlighting the longer-term opportunities that would result from the staging the Games and the broader social, economic and political objectives that would be met.

The changing relationship and role of the public sector and the private sector will be the key ingredient to the future success of local economic development strategies based around sport in Sheffield. To compete against other cities Sheffield's private sector will be required to play a more expansive role, while the public sector facilitates the

partnership. Given the nature of Sheffield's business community (as illustrated by Lawless (1994a) in Chapter Two) this appears difficult to conceive. Sport is a key part of the new strategic plan and vision for the city as a whole, but the ability and commitment of the private sector to meet such a challenge is questionable. This concern merely echoes the views of other commentators who have questioned the role of the public-private sector partnership in the UK (Chapter Two).

Through the Sheffield First Partnership Strategy (1999a), sport is highlighted as one of seven key areas to assist the city's aspirations of becoming a place of European significance, a centre of excellence opportunity and a leader in sport, education and culture. The role and financial commitment of the Chamber of Commerce and the various public partners in Sheffield, including the City Trust, the Hospitals, the Universities and the City Council is crucial. However, the input of the private sector remains questionable and undermines the development process.

Given the relative disparity between public and private sector investment to support the First Partnership Strategy, one of the key issues for the public-private partnership to address is the distinction between the 'winners' and 'losers' in local economic development. In the face of declining local authority budgets, one of the concerns of local councils across the UK is the lack of private finance to support major events as a means of external income generation and investment. While the public sector meets the cost of events (and any operational deficits), it is the private sector that gains financially from the staging of the event in any accounting sense through the sale of services and retention of income (Crawshaw 1997).

## **11.6 THE COST OF MAJOR EVENTS IN SHEFFIELD**

The main thrust of the research has been to identify the economic value, role and function of events in the local development process. While the financial costs of using events as catalysts for economic development are clearly outlined in Chapter Three, apart from the analysis of swimming demand (Taylor 2001), the social costs to the



residents of Sheffield of such an investment strategy have not been quantified by academic research.

While the economic impact figures presented go somewhat towards justifying a policy of local economic development through the use of major sporting events as an economic catalyst, not all the news has been positive. Critics of this policy are eager to suggest that the city has adopted the wrong approach to the process of economic regeneration and argue that Sheffield:

“...should be playing to the traditional strengths of a working class city not the false future that Sheffield is a sports centre”  
(Duff 1990 P. 1)

The social cost and benefits and the intangible impacts on the residents of Sheffield are extremely important as highlighted in Chapters Two to Four. While measurement of the costs is beyond the bounds of this particular thesis, it is essential that consideration be given to the social and intangible impacts on the host community every time a major event is held (as illustrated in Chapter Three). While it is recognised that public money spent on subsidising sport and tourism produces returns for the community as a whole (Whitson & MacIntosh 1993), Craik (1988) argues that despite the difficulties in quantifying the social impacts of tourism, it is the most important aspect of tourism development. The long-term benefits, especially to the wider community of Sheffield were continually advocated before the Games, as a political justification for investment, (Seyd 1990), but the extent of these benefits is largely unknown.

As attempts to attract more events to the city increase and as more public funds are committed to support them, it is important for policy makers to consider the range of possibilities open to them. Often smaller or competitor intensive types events (such as the World Masters) with lower costs, lower media profiles, requiring less security and causing less obvious social disruption, may be more effective in attracting tourists. These tourists more often than not have the ability and desire to both spend more and stay longer in the city.

The secret is to achieve a balance and this falls somewhere between attracting a significant number of high resource and facility intensive events, with a rolling programme of smaller annual international events. The preferred approach is to attract events which bring added economic value, but do not strain the delicate balance of the right of citizens to use community facilities and the need to meet economic development objectives and revenue targets (Snaith and Harvey 1994).

## **11.7 OVERVIEW**

Recognising that the application of the economic impact methodology for major sports events in the UK is in its relative infancy, this thesis has measured the extent of local economic activity linked to the staging of major events. The methodology used in this thesis has been used to test the hypothesis that major events have a legitimate and meaningful value, role and function to play as external income-generators and hence catalysts in the economic development process. In this sense the research has met its stated aim. Furthermore there are several conclusions to be drawn from this research regarding the use of sports events in economic development policies and the application of economic impact assessment techniques. Outlined below, it is hoped that these conclusions will both inform and direct future studies:

- i. This type of study is essential to the refinement of major event policy and strategy at local, regional and national level. Only through a systematic evaluation of the impacts associated with major events can the value and role and function of major events be quantified
- ii. While criticisms of economic impact techniques will undoubtedly continue, the ability to measure returns on investment is essential if public bodies are to assess the effectiveness of development strategies and be accountable for local expenditure
- iii. Eleven years on from the staging of the first major international event in Sheffield, the city has used sport and events to diversify its economic base. In

this respect the strategy has been successful, but events have been just one part of a complicated and intricate jigsaw of economic factors affecting the growth of the city

- iv. The staging of major events has an intrinsic value as an external income-generating policy. Not only do events attract tourists from within the country, but they also act as 'invisible exports' through the attraction of overseas sports tourists. This is important to the UK balance of payments equation (Myerscough 1988)
- v. The cost of finding out whether strategies are working is an integral part of the investment in the strategies themselves
- vi. As a result of the research underpinning this thesis, and other similar impact assessments on major events, there is now increased government recognition of the value of investing in major events and associated economic development opportunities that result.
- vii. Moreover, the increased understanding of the value and role of major events has become one of the key justifiable mechanisms for securing funds to support major events from the government and its agencies through lottery funded programmes
- viii. Despite growth in the sports sector, Sheffield's economy has still yet to fully recover from the effects of industrial collapse (Sheffield City Council 1998). While Sheffield now has a broader economic base, it struggles to attract sufficient inward investment to satisfy the requirements of the city (Hamilton-Fazy 1997). The city must attempt to maximise the economic development potential of sport and other activities if the approach is to be sustainable
- ix. The use of sport and events as a strategic economic policy objective can only be achieved by adopting a holistic approach to consumer service sector

development. The approach must not only attempt to maximise external income-generation across sectors, but also to delimit the effect of leakage by encouraging local ownership, increasing import substitution, improve the local control of money and localise work to meet local demand (Williams 1997).

## **11.8 FUTURE RESEARCH DIRECTION - THE WAY FORWARD**

In the future the justification for hosting major events in the UK will have to be more than just the measurement of economic outcomes, as illustrated by Chappelet (1996) in Chapter One. Together with an assessment of the short, medium and longer-term effects of local economic investment strategies there will be a need for a far broader analysis across a variety of local community and development agendas. This analysis, as illustrated by the Sydney Olympics, will need to take into account the measurement of sports development effects and legacies, the outcomes to the social, cultural, political and physical environment and effect of investment on the wider business, commercial and tourism industry (Chapter Two). Four research agendas are outlined below as a means of identifying the future direction of investigation into the impacts associated with the staging of major events.

### **1. Research Agenda One: Sports Development Outcomes and Legacies**

One of the strongest themes and recommendations forwarded by three successive Select Committee investigations into the staging of major events in the UK has been the measurement of sporting legacies. Apart from the work of Dobson and Gratton (1995) and Taylor (2001) on the state of swimming in Sheffield little research has been undertaken in the UK, despite the fact that sporting legacies are often one of the key justifications for staging events (Burgan and Mules 1992).

UK Sport is actively addressing this apparent 'black hole' in event research. The process of identifying the sporting outcomes and legacy of a major event is most readily identifiable through a research project set up in Manchester, the city due to stage the 2002 Commonwealth Games. The focus of the sports development and legacy research

is towards the wider benefits derived from the Games. The research objectives include the effect of the Games on young people, on Commonwealth-related populations, sports clubs, sports facilities, volunteers and officials. Without a clear and proven framework on which to base the methodology, for such a diverse range of individual projects, the research will be expensive, time consuming and difficult to sustain in the medium to longer-term. However, this has to be a worthwhile cost if it will finally enable outcomes to be quantified.

## **2. Research Agenda Two: The Broader Costs and Benefits**

The measurement of the broader costs and benefits associated with the staging of major events (Chapter Two) is extremely difficult, time consuming, expensive and methodologically challenging (Stone 1999). However, as events are increasingly used to stimulate wider social and community objectives, and not just those of local economic development, there is a need to measure the effectiveness of multifaceted strategies that promote them. The first step in this process is to identify the range of costs and the range of benefits associated with different types of events. Only after this identification process can the researcher begin to define their framework and the parameters upon which to measure the effects. The definition and quantification of the parameters is the most challenging aspect of cost-benefit analysis, as many of the effects are difficult to measure and compare objectively.

The key point of cost-benefit analysis of major events is to investigate the totality of the impact. As illustrated by Pilon and Cowl (1994 P.10), while difficult to quantify, intangible benefits often provide for the greatest collective good:

“Sporting and cultural development, social cohesion and civic/national pride are legacies which arise from hosting an event of this type. These will always be impossible to quantify in a consistent manner, yet this does not diminish their impact. In addition, the ‘intangible’ benefit of the generation of international recognition of the host city/nation may help generate long-term economic gains, usually through increased tourism visitation following the event, which would not have likely occurred without hosting a major games”

### **3. Research Agenda Three: The Effectiveness of the Public-Private Partnership**

As illustrated throughout the thesis (Chapters Two, Four, Ten and Eleven) there are conflicting views on the effectiveness of the public-private partnership approach to local economic development in the UK. Little is known about the effectiveness of the various types of public-private partnership currently operating in the UK, and furthermore there is only partial research evidence on the relative contributions made by each sector to the process of regeneration (Henry and Paramio 1998). In order to learn from the experiences and the development of these growth coalitions there is a need to investigate the contribution and effectiveness of public-private sector partnerships in a number of cities throughout the UK. It is only through such an analysis that their effectiveness can be adequately assessed and good practice guidelines prepared.

### **4. Research Agenda Four: The Economics of Urban Tourism**

This thesis and other economic impact studies undertaken by the author and his academic colleagues have provided detailed information on the economic significance of major events at the local level. However, there is a lack of meaningful data on which to make a comparative analysis between sports tourism and other types of urban tourism (Chapter Nine). For the effectiveness of sports tourism in local economic development strategies to be understood, in relation to other types of urban tourism opportunities foregone, there is a need to commission research that identifies the impact of each sector of the urban tourism market.

While not proposed as a research agenda in its own right, the final point to be made by this thesis concerns the use of major events and sport in local development strategies and their sustainability and capacity to function in the consumer service sector industry. Throughout the thesis major events and sport have been illustrated to act as external income-generators in the process of economic development, primarily through the attraction of tourists and the delivery of consumers services. However, realising that expenditure on sport can be fickle, influenced by the 'fashion of the day' and one of the first items of discretionary expenditure to be cut, the key challenge for major events and

sport is to maintain this position and function. Therefore, the sustainability, growth and long-term profitability of sport, in an economic development sense, must be examined closely in relation to its ability to function in different ways, and in different localities, and across different sectors of the consumer service sector to stimulate further economic growth. This is the challenge to the future use of sports events in meeting the local economic development objectives.

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## **APPENDIX ONE**

### **DOBSON PUBLICATIONS**

## Publications and Conference Proceedings

- (1) Dobson, N. (1995) **From City of Steel to City of Sport: Sheffield and the World Student Games**, paper presented at Sport & Man: Creating a New Vision. FISU/CESU Conference, 18th Universiade, Fukuoka, Japan.
- (2) Dobson, N. and Gratton, C (1995) **From City of Steel to City of Sport: An Evaluation of Sheffield's Attempt to Use Sport as a Vehicle for Urban Regeneration**, paper presented at the Sport & Recreation in the City, Staffordshire University, UK, Sept.
- (3) Dobson, N. (1996) **A Survey of Britain's elite athletes**, paper presented at the British Universities Sports Association Annual Conference, Aberdeen, May.
- (4) Dobson, N. (1996) **Sport and Urban Regeneration in Sheffield**, paper presented at the Higher Degrees of Pleasure, World Leisure and Recreation Conference (WLRA), Cardiff, UK, July.
- (5) Bramwell, B. and Dobson, N. (1996) **Visitors' Images of Sheffield 1996**, Centre for Tourism and LIRC, Sheffield Hallam University, Sept.
- (6) Dobson, N. (1996) **Is Sport a Sustainable Option for Tourism in Sheffield?**, paper presented at the Tourism and Culture: Towards the 21st Century, Conference, Northumberland University, UK, Sept.
- (7) Dobson, N. (1996) **'The Economic Impact of Sports Events: Euro '96 and the VI Fina World Masters Swimming Championships'**, paper presented at the Sport in the City Conference, Memphis, Tennessee, USA, Nov.
- (8) Dobson, N., Gratton, C., Holliday, S., and Davies, L. (1996) **The Economic Impact of Sports Events: Euro '96 and the VI FINA World Masters Swimming Championship in Sheffield**, in Hardy, S, Malburn, B, and Taverner, C, **The Role of Art and Sport in Local and Regional Economic Development**, Regional Studies Association, Leeds.
- (9) Dobson, N. (1996), **Football Came Home: The Economic Impact of Euro '96**, **Regional Studies Journal**, Nov, pp. 10-12.
- (10) Dobson, N. (1997) **'Euro'96'**, paper presented at the 2<sup>nd</sup> Sports Tourism Conference, Illinois University, Illinois, May.

- (11) Dobson, N. (1997) **Football Came Home: The Economic Impact of Euro '96**, paper presented at the Fifth Congress of the European Association for Sports Management. Glasgow, Sept.
- (12) Dobson, N., Gratton, C., and Holliday, S. (1997) **Football Came Home: The Economic Impact of Euro '96: Full Report**, Leisure Industries Research Centre, Sheffield.
- (13) Dobson, N. (1998) **France 98: The Growing Economic Significance of the Soccer World Cup**, paper presented at the Sport in the City Conference, Sheffield Hallam University, Sheffield, UK, July.
- (14) Gratton, C. and Dobson, N. (1998) The economics of major sports events, **Insights**, British Tourism Authority, London, July.
- (15) Gratton, C., Dobson, N., and Shibli, C. (2000) The economic importance of major sports events: a case-study of six events. **Managing Leisure**, Vol. 5., pp. 17-28.
- (16) Dobson, N. and Sinnamon, R. (2001) A risk assessment of major international events', in Gratton, C and Henry, I.P., (eds.), **Sport in the City: the role of sport in economic and social regeneration**, Routledge, London, pp. 214-226.

**APPENDIX TWO**

**GLOSSARY OF TERMS**

## Economic Impact Study Variables

**‘Switching’** has a multi-dimensional component and refers to the diversion of expenditures by different groups or agencies. Four main forms of ‘switching’ are identified (Mules and Faulkner 1996). Visitors may ‘switch’ their expenditures in time or location. Quite simply a visitor might have planned to visit a region regardless of the event taking place, therefore their additional expenditure cannot be solely attributed to the event.

Governments may switch expenditure from one capital project in a region to another, such as event facilities. The switch is not necessarily an additional income generating source, but a diversion of similar expenditure. Finally, local residents attending an event may be diverting expenditure from one activity to the event, but it can be argued that this is not ‘new’ income to the economy as it would have been spent in the economy regardless. However, this will be different if the local resident cancelled a holiday outside the local economy to attend the event, as the potential expenditure outside the region will now be spent in the local area.

**‘Leakage’** is important to measure as it refers to the flow of ‘newly-injected’ money immediately out of the local economy (which therefore cannot be counted as a net economic gain) or to the reduction of resident expenditure outside the local economy. Typically, visitors might spend money on merchandise supplied at an event, however, it is possible that this money is then re-circulated outside the local region and therefore the money is ‘leaked’ from of the economy. Similarly, income might be retained in the economy for a short period only to be ‘leaked out’ to external suppliers outside the city following secondary spend. This has implications for the size of the multiplier.

The **‘multiplier’** is used to estimate the secondary effects of the expenditure made by visitors to an event. It is often used to measure the indirect or induced benefits derived from staging the events as new expenditure circulates through the local



economy. The multiplier is a complex instrument and is dealt with separately in the text (Chapter Five).

**'Boundary'** definition is essential in order to distinguish visitors from local residents of the city or region. Given the fluidity of boundaries between cities and regions, this is often a very difficult variable to measure during an economic impact study. There are two main instruments used for measurement and delimitation of the resident from the visitor. The main instrument is postal code (although this can often be misleading unless properly defined), and the second is one-way travel distance from place of residence to the venue where the event is taking place. The boundaries should be defined prior to the commencement of impact assessment and is often easier in cities (with more easily defined boundaries than in rural areas).

The **'ripple effect'** was identified with reference to the generation of activity associated with participants in or spectators to the hallmark event. Typically this involves commercial interest, property or land speculation in the locality of the event. The **'displacement effect'** (Anderson and Hennes 1992, Pilon and Cowl 1994) is a measure of the type of economic activity that is displaced as a result of hosting the event and is usually measured as the opportunity cost of the event. The **'slop effect'** (Hall 1989) refers to the increased turbulence in the business sector stimulated by an event, whereby businesses lose their regular clientele due to the increased crowds, but there is no overall total increase in trade as visitors expenditure merely displaces regular expenditure.

The **'crowding out effect'** has been described as an opportunity cost of hosting the event both to the local economy and its residents. Typically local residents suffer from increased traffic congestion, noise, pollution, increased crime, vandalism and drunkenness, while other residents are physically removed from their dwellings in areas of the city. Added to the fact that the residents are forced to play the role of host, the disruption and additional time caused waiting in traffic congestion can cost the local economy an enormous amount in lost earnings. Some people choose to leave town when a mega-event occurs or choose not to holiday there.

The '**hoon effect**' has also been described by research in Australia (Mules and Faulkner 1996). The effect describes how increases in road traffic accidents occur as fans try to emulate their heroes following Grand Prix Motor racing events or as increased traffic and unfamiliarity with the local area leads to an increase in road accidents.

**APPENDIX THREE**

**ECONOMIC IMPACT QUESTIONNAIRE**

# EUROPEAN FOOTBALL CHAMPIONSHIPS '96

## HILLSBOROUGH STADIUM

### SHEFFIELD

The Leisure Industries Research Centre is attempting to assess the **IMPACT** of the **EUROPEAN FOOTBALL CHAMPIONSHIPS** on the city of **SHEFFIELD**, on behalf of Sheffield City Council. We would be grateful if you could spare a couple of minutes to assist in this survey

1. Please state your nationality:

2. Where do you live? (Please specify town or city)

3. Which of the following are you? Competitor ☐ 1 Team Manager/Coach ☐ 2  
Official ☐ 3 Journalist ☐ 4  
Spectator ☐ 5 Other ☐ 6

4. Are you attending the **FOOTBALL** alone?

Yes ☐ 1 No ☐ 2

If **YES**: please go to **QUESTION 5a**.

If **NO**: How many other **ADULTS** (Over 16) are there in your party today?

If **NO**: How many **CHILDREN** (Under 16) are there in your party today?

5a. In which **TOWN/CITY** are you staying tonight?

b. Is this?

- At Home ☐ 1  
With Friends/Relatives ☐ 2  
A Guest House ☐ 3  
A Hotel ☐ 4  
A Camp Site ☐ 5  
Other ☐ 6

Please Specify \_\_\_\_\_

How many days of the **FOOTBALL** are you attending?

#### For Official Use Only

Day

- ☐ 1 9 June  
☐ 2 16 June  
☐ 3 19 June

Gender

- ☐ 1 Male  
☐ 2 Female

1. ☐ 1 Brit  
☐ 2 Euro  
☐ 99 Miss

2. ☐ 0 Sheff  
☐ 1 S.Yorks  
☐ 2 North  
☐ 3 Mids  
☐ 4 SouthE  
☐ 5 SouthW  
☐ 6 Oth UK  
☐ 7 Euro  
☐ 13 Oth  
☐ 99 Miss

- 5a. ☐ 1 Sheff  
☐ 2 Roth  
☐ 3 Barns  
☐ 4 Chest  
☐ 5 Donc  
☐ 6 North  
☐ 7 Mids  
☐ 8 SouthE  
☐ 9 SouthW  
☐ 10 OthUK  
☐ 11 Oth  
☐ 99 Miss

lease Turn Over

# HILLSBOROUGH STADIUM SHEFFIELD

7. How many nights are you staying in **SHEFFIELD**?

**For Official Use Only**

12. ☐ 0 Sheff  
☐ 1 S.Yorks  
☐ 2 Lakes  
☐ 3 Wales  
☐ 4 Yorks  
☐ 5 East Co  
☐ 6 West Co  
☐ 7 South Co  
☐ 8 London  
☐ 9 East Ang  
☐ 10 Sth West  
☐ 11 Midlan  
☐ 12 Peak/Pen  
☐ 13 Other UK  
☐ 14 Overseas  
☐ 99 Miss

If you are **NOT STAYING OVERNIGHT** in **SHEFFIELD** go to **QUESTION 9**.

8. If you are **STAYING OVERNIGHT** in **SHEFFIELD**: How much are you spending on **ACCOMMODATION PER NIGHT**?

£

9. How much did you spend in **SHEFFIELD YESTERDAY** on the following?  
**(NB: If you WERE NOT in SHEFFIELD YESTERDAY, please provide an estimate of TODAY'S expenditure)**

Food & Drink

£

Programmes/  
Merchandise

£

Entertainment

£

Shopping/  
Souvenirs

£

Travel

£

Other  
(Petrol, Parking etc)

£

10a. How much have you budgeted to spend in **TOTAL** during your stay in **SHEFFIELD**?

Total Expenditure

£

10b. Does this include expenditure on others?

Yes ☐ 1 No ☐ 2

If **YES**: How many others is this expenditure for?

11. Is the **FOOTBALL** the main reason for you  
being in **SHEFFIELD** today ?

Yes ☐ 1 No ☐ 2

2. Are you combining your visit to the  
**FOOTBALL** with a holiday?

Yes ☐ 1 No ☐ 2

If **YES**: Where are you going?

or how long?

Can you provide us with a rough idea of your total budget for this part of  
our trip?

£

Thank You: Your Assistance is Much Appreciated

## **APPENDIX FOUR**

### **EURO '96 IMPACT SPREADSHEET**

1	EURO'96 JUNE 1996 - Group D Sheffield					
2						
3	Spectators Expenditure					
4						
5	Overseas/ Domestic Total	24,874				
6						
7	Domestic - Day Visitors	18,696	43			
8	Ave No of Sheff Games	1.11				
9	Category	Per Head (£)	Gross (£)	% of day visitors	84%	
10	Food & Drink	12.47	210,032	% of overnight visitors	16%	
11	Entertainment	1.31	22,064			
12	Progs/Euro'96 Merchandise	2.88	48,508			
13	Shopping/Souvenirs	5.98	100,721			
14	Travel	9.65	162,535			
15	Other	0.61	10,274			
16	Total	32.90	554,135			
17						
18	Domestic - Overnight Stays	3,478	8	Domestic Total	22,174	51
19	Ave No of Sheff Games	1.60		Ave No of Sheff Games	1.19	
20	Average Stay (Nights)	3.80		Average Stay (Nights)	0.60	
21	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
22	Accommodation	31.50	260,218	Accommodation	4.94	260,218
23	Food & Drink	15.00	123,914	Food & Drink	12.87	333,946
24	Entertainment	7.50	61,957	Entertainment	2.28	84,021
25	Progs/Euro'96 Merchandise	2.40	19,826	Progs/Euro'96 Merchandise	2.80	68,334
26	Shopping/Souvenirs	6.00	49,565	Shopping/Souvenirs	5.98	150,287
27	Travel	11.40	94,174	Travel	9.92	256,709
28	Other	2.00	16,522	Other	0.83	26,796
29	Total	75.80	626,176	Total	39.63	1,180,311
30						
31	OverS - Day Visitors	1,543	12			
32	Ave No of Sheff Games	1.17				
33	Category	Per Head (£)	Gross (£)	% of day visitors	57%	
34	Food & Drink	13.89	18,316	% of overnight visitors	43%	
35	Entertainment	8.24	10,866			
36	Progs/Euro'96 Merchandise	2.59	3,415			
37	Shopping/Souvenirs	6.06	7,991			
38	Travel	12.35	16,286			
39	Other	1.76	2,321			
40	Total	44.89	59,196			
41						
42	OverS - Overnight Stays	1,157	9	OverS Total	2,700	21
43	Ave No of Sheff Games	1.33		Ave No of Sheff Games	1.24	
44	Average Stay (Nights)	3.67		Average Stay (Nights)	1.57	
45	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
46	Accommodation	16.00	51,088	Accommodation	6.86	51,088
47	Food & Drink	13.33	42,563	Food & Drink	13.65	60,879
48	Entertainment	6.67	21,297	Entertainment	7.57	32,163
49	Progs/Euro'96 Merchandise	2.79	8,908	Progs/Euro'96 Merchandise	2.68	12,324
50	Shopping/Souvenirs	17.00	54,281	Shopping/Souvenirs	10.75	62,273
51	Travel	6.67	21,297	Travel	9.92	37,583
52	Other	1.90	6,054	Other	1.82	8,374
53	Total	64.36	205,489	Total	53.23	264,685
54						

55	Danish - Day Visitors	18,106	269			
56	Ave No of Sheff Games	1.86				
57	Category	Per Head (£)	Gross (£)			
58	Food & Drink	24.45	238,012			
59	Entertainment	5.09	49,549			
60	Progs/Euro'96 Merchandise	3.48	33,877			
61	Shopping/Souvenirs	9.98	97,152			
62	Travel	2.99	29,107			
63	Other	3.43	33,390			
64	Total	49.42	481,085			
65						
66	Danish - Over 4 Nights	3,164	47			
67	Ave No of Sheff Games	2.38				
68	Average Stay (Nights)	7.00				
69	Category	Per Head (£)	Gross (£)	% of day visitors	70%	
70	Accommodation	17.64	164,134	% of overnight visitors	30%	
71	Food & Drink	27.64	257,180			
72	Entertainment	8.23	76,577			
73	Progs/Euro'96 Merchandise	1.29	12,003			
74	Shopping/Souvenirs	5.67	52,757			
75	Travel	5.17	48,105			
76	Other	1.73	16,097			
77	Total	67.37	626,853			
78						
79	Danish - 3 or 4 Nights	1,750	26	Danish Total ONS	7,943	118
80	Ave No of Sheff Games	1.96		Ave No of Sheff Games	1.83	
81	Average Stay (Nights)	3.57		Average Stay (Nights)	3.57	
82	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
83	Accommodation	24.58	78,352	Accommodation	25.10	358,223
84	Food & Drink	34.29	109,303	Food & Drink	32.90	497,599
85	Entertainment	7.92	25,246	Entertainment	8.84	136,694
86	Progs/Euro'96 Merchandise	6.08	19,381	Progs/Euro'96 Merchandise	3.17	43,449
87	Shopping/Souvenirs	9.25	29,485	Shopping/Souvenirs	8.90	124,332
88	Travel	7.21	22,983	Travel	5.34	86,536
89	Other	7.92	25,246	Other	4.52	60,452
90	Total	97.25	309,995	Total	88.77	1,307,284
91						
92	Danish - 1 or 2 Nights	3,029	45	Danish Total	26,049	387
93	Ave No of Sheff Games	1.19		Ave No of Sheff Games	1.85	
94	Average Stay (Nights)	1.37		Average Stay (Nights)	1.25	
95	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
96	Accommodation	33.19	115,737	Accommodation	7.65	358,223
97	Food & Drink	37.60	131,116	Food & Drink	27.03	735,610
98	Entertainment	10.00	34,871	Entertainment	6.23	186,243
99	Progs/Euro'96 Merchandise	3.46	12,065	Progs/Euro'96 Merchandise	3.39	77,326
100	Shopping/Souvenirs	12.07	42,089	Shopping/Souvenirs	9.65	221,484
101	Travel	4.43	15,448	Travel	3.71	115,642
102	Other	5.48	19,109	Other	3.76	93,842
103	Total	106.23	370,436	Total	61.42	1,788,370
104						



105	Portuguese - Day Visitors	4,396	92			
106	Ave No of Sheff Games	1.13				
107	Category	Per Head (£)	Gross (£)	% of day visitors	81%	
108	Food & Drink	22.64	88,085	% of overnight visitors	19%	
109	Entertainment	17.54	68,242			
110	Progs/Euro'96 Merchandise	6.96	27,079			
111	Shopping/Souvenirs	16.20	63,029			
112	Travel	13.61	52,952			
113	Other	6.67	25,951			
114	Total	83.62	325,338			
115						
116	Portuguese - O/night Stays	1,004	21	Portuguese Total	5,400	113
117	Ave No of Sheff Games	1.06		Ave No of Sheff Games	1.12	
118	Average Stay (Nights)	2.5		Average Stay (Nights)	0.46	
119	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
120	Accommodation	23.24	55,005	Accommodation	4.32	55,005
121	Food & Drink	25.60	60,591	Food & Drink	23.19	148,676
122	Entertainment	19.00	44,970	Entertainment	17.81	113,212
123	Progs/Euro'96 Merchandise	11.71	27,716	Progs/Euro'96 Merchandise	7.84	54,795
124	Shopping/Souvenirs	33.00	78,106	Shopping/Souvenirs	19.32	141,135
125	Travel	7.52	17,799	Travel	12.48	70,751
126	Other	21.57	51,053	Other	9.44	77,004
127	Total	141.64	335,239	Total	94.40	660,577
128						
129	Croat - Day Visitors	1,385	27			
130	Ave No of Sheff Games	1.07				
131	Category	Per Head (£)	Gross (£)	% of day visitors	69%	
132	Food & Drink	16.44	21,274	% of overnight visitors	31%	
133	Entertainment	17.27	22,348			
134	Progs/Euro'96 Merchandise	12.08	15,632			
135	Shopping/Souvenirs	12.37	16,007			
136	Travel	6.89	8,916			
137	Other	10.38	13,432			
138	Total	75.43	97,609			
139						
140	Croat - Overnight Stays	615	12	Croat Total	2,000	39
141	Ave No of Sheff Games	1.00		Ave No of Sheff Games	1.05	
142	Average Stay (Nights)	2.29		Average Stay (Nights)	0.70	
143	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
144	Accommodation	11.25	15,854	Accommodation	3.46	15,854
145	Food & Drink	17.50	24,662	Food & Drink	16.77	45,935
146	Entertainment	4.33	6,102	Entertainment	13.29	28,450
147	Progs/Euro'96 Merchandise	10.00	14,092	Progs/Euro'96 Merchandise	11.44	29,724
148	Shopping/Souvenirs	10.00	14,092	Shopping/Souvenirs	11.64	30,099
149	Travel	4.73	6,672	Travel	6.23	15,588
150	Other	10.00	14,092	Other	10.26	27,524
151	Total	67.81	95,566	Total	73.09	193,175
152						

153	Turkish - Day Visitors	2,413	37			
154	Ave No of Sheff Games	1.05				
155	Category	Per Head (£)	Gross (£)	% of day visitors	80%	
156	Food & Drink	23.38	53,730	% of overnight visitors	20%	
157	Entertainment	28.75	66,071			
158	Progs/Euro'96 Merchandise	14.72	33,829			
159	Shopping/Souvenirs	17.47	40,148			
160	Travel	20.71	47,594			
161	Other	15.83	36,380			
162	Total	120.86	277,753			
163						
164	Turkish - Overnight Stays	587	9	Turkish Total	3,000	46
165	Ave No of Sheff Games	1.25		Ave No of Sheff Games	1.09	
166	Average Stay (Nights)	1.50		Average Stay (Nights)	0.29	
167	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
168	Accommodation	48.25	33,985	Accommodation	9.44	33,985
169	Food & Drink	19.38	13,650	Food & Drink	22.60	67,381
170	Entertainment	15.71	11,065	Entertainment	26.20	77,137
171	Progs/Euro'96 Merchandise	6.50	4,578	Progs/Euro'96 Merchandise	13.11	38,407
172	Shopping/Souvenirs	8.00	5,635	Shopping/Souvenirs	15.62	45,783
173	Travel	7.00	4,930	Travel	18.03	52,525
174	Other	2.50	1,761	Other	13.22	38,140
175	Total	107.34	75,605	Total	118.21	353,357
176						
177	Total Sheffield - DVs	46,539	480			
178	Ave No of Sheff Games	1.36				
179	Category	Per Head (£)	Gross (£)	% of day visitors	76%	
180	Food & Drink	18.82	629,450	% of overnight visitors	24%	
181	Entertainment	6.44	239,141			
182	Progs/Euro'96 Merchandise	4.38	162,339			
183	Shopping/Souvenirs	9.29	325,048			
184	Travel	8.01	317,390			
185	Other	3.40	121,747			
186	Total	50.34	1,795,115			
187						
188	Total Sheffield - ONS	14,784	177	Grand Total Sheffield	61,323	657
189	Ave No of Sheff Games	1.52		Ave No of Sheff Games	1.40	
190	Average Stay (Nights)	3.71		Average Stay (Nights)	0.89	
191	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
192	Accommodation	26.11	774,373	Accommodation	6.29	774,373
193	Food & Drink	25.49	762,978	Food & Drink	20.43	1,392,428
194	Entertainment	9.13	282,086	Entertainment	7.09	521,227
195	Progs/Euro'96 Merchandise	3.96	118,570	Progs/Euro'96 Merchandise	4.28	280,909
196	Shopping/Souvenirs	10.50	326,012	Shopping/Souvenirs	9.58	651,060
197	Travel	7.06	231,408	Travel	7.78	548,798
198	Other	5.03	149,934	Other	3.79	271,681
199	Total	87.26	2,645,360	Total	59.24	4,440,475
200						
201						

202	Media/Officials					
203						
204	Day Visitors	4,750	10			
205	Category	Per Head (£)	Gross (£)	% of day visitors	88%	
206	Food & Drink	23.84	113,240	% of overnight visitors	12%	
207	Entertainment	10.82	51,395			
208	Progs/Euro'96 Merchandise	3.00	14,250			
209	Shopping/Souvenirs	6.23	29,593			
210	Travel	4.59	21,803			
211	Other	4.51	21,423			
212	Total	52.99	251,703			
213						
214	Overnight Stays	650	10	Grand Total	5,400	
215	Average Stay (Nights)	7.82		Average Stay (Nights)	0.94	
216	Category	Per Head (£)	Gross (£)	Category	Per Head (£)	Gross (£)
217	Accommodation	45.00	228,735	Accommodation	5.42	228,735
218	Food & Drink	23.82	121,077	Food & Drink	23.84	234,317
219	Entertainment	1.78	9,036	Entertainment	9.73	60,431
220	Progs/Euro'96 Merchandise	3.00	15,249	Progs/Euro'96 Merchandise	3.00	29,499
221	Shopping/Souvenirs	18.36	93,342	Shopping/Souvenirs	7.69	122,935
222	Travel	23.82	121,068	Travel	6.90	142,870
223	Other	4.00	20,332	Other	4.45	41,755
224	Total	119.78	608,840	Total	61.03	860,542
225						

226	Euro '96 - Impact of visitors to Sheffield					
227						
228	Spectators					
229	Domestic	1,180,311				
230	Danish	1,788,370				
231	Portugese	660,577				
232	Croate	193,175				
233	Turkish	353,357				
234	Other Overseas	264,685	4,440,475			
235						
236	Officials/Journalists		860,542			
237						
238	Total Net Expenditure		5,301,017			
239						
240	Expenditure Multiplier		1.1			
241						
242	Total Gross Expenditure		5,831,119			