

# Cross Party Group for Sport: The Economic Importance of Sport

Wednesday 13th January 2016 17.30-19.30

Committee Room 6, Scottish Parliament

PRESENT		
First	Surname	Organisation
Kim	Atkinson	Scottish Sports Association
Billy	Bell	Horse Scotland
Allan	Blair	Midlothian Council
Diane	Cameron	Senscot
Lee	Cousins	Scottish Sports Association
Jon	Doig	Commonwealth Games Council for Scotland
Stew	Fowlie	Scottish Student Sport
Rona	Gibb	Paths For All
Alastair	Gordon	Scottish Sports Association
Scott	Hastings	Hi Events Ltd
Patricia	Horton	sportscotland
Grant	Jarvie	University of Edinburgh
Alison	Johnstone	MSP
Euan	Lowe	Scottish Gymnastics
Roddy	Mackenzie	SportsAid Scotland
Jim	McIntosh	Scottish Target Shooting
Louise	McIntyre	Scottish Sports Association
Ruth	Mendel	Scottish Council of Independent Schools
Alan	Miller	sportscotland
Cllr Lenny	Pirie	Aberdeenshire Council
Gail	Prince	SALSC
Campbell	Roy	Sported
Chris	Sellar	Oriam, Heriot-Watt
Rebecca	Simpson	Youth Scotland
Liz	Smith	MSP
Stuart	Turner	EventScotland
David	Williamson	sportscotland
Richard	Yule	Table Tennis Scotland

APOLOGIES		
First	Surname	Organisation
David	Arnott	
Susie	Benson	sportscotland
Petra	Bieberbach	Planning Aid Scotland
Douglas	Bryce	Judo Scotland
Jane	Campbell Morrison	Snowsport Scotland
Neil	Campion	Scottish FA
John	Clayton	
Cllr Bob	Ellis	SALSC
Jim	Fleeting	SFA
Stuart	Gallagher	NL Leisure
Paul	Graham	SL Leisure
Rick	Kenney	SALSC
David	Laing	
Liza	Linton	RYAS
Angus	MacDonald	MSP
Edith	MacIntosh	Care Inspectorate
Tony	Malone	Midlothian
Cllr Ron	McKail	Aberdeenshire Council
Jim	Moffat	NL Leisure
Roger	Scrutton	Scottish Orienteering
Ron	Sutherland	
Graham	Wark	Leisure & Culture Dundee
David	Watt	

## Introduction to Cross Party Group on Sport

Alison Johnstone MSP welcomed all attendees and speakers to this CPG on Sport.

Alison noted we had received apologies for the evening – there were no others to be added to this list on the night. CPG on Sport Co-Convenor Liz Smith MSP gave her apologies for not being able to stay for the duration.

## Minutes

The minutes of the 6/10/15 meeting were approved by the Group, proposed by Jim McIntosh (Scottish Target Shooting) seconded by Grant Jarvie (University of Edinburgh)

The minutes of the last AGM (26/05/15) were approved by the Group, proposed by Gail Prince (SALSC) and seconded by Jim McIntosh (Scottish Target Shooting).

## Matters Arising

Alison Johnstone MSP offered her congratulations to those who were recognised in the Queen's New Year Honours List for their contribution to sport: <http://thessa.org.uk/details/71/39/Services-to-sport-and-recreation-recognised-in-New-Year-s-Honours-List>

## Opening of CPG

Alison Johnstone MSP (Co-Convenor) opened the meeting, welcoming attendees and speakers. She introduced the topic, 'The Economic Importance of Sport' as an area of much common ground for the Group. Alison then introduced the evening's speakers, Patricia Horton from **sportscotland** and Stuart Turner from EventScotland.

### **Patricia Horton – Research Officer at sportscotland (SS)**

Patricia ran through the main findings of a report prepared by **sportscotland** using data collected by Sheffield Hallam University. The report is the sixth in a series of reports carried out every two years with a lag in data, this one uses data from 2012, with the next report to be issued in July which will use 2014 data. This should be an interesting report as it will include data from the Commonwealth Games and The Ryder Cup.

The report is broken down to the three areas:

- 1) Economic Impact
  - a. The growth of Gross Value Added (GVA) of sport as a sector is greater than any other sector and is estimated to contribute £2.1billion to Scotland's economy.
  - b. This is pre-dominantly down to commercial non-sport activity; ie construction, retailing, spectator sports, clothing, publications etc.
- 2) Employment
  - a. There was an increase of 6,000 jobs involved in sport taking the total figure to 52,300 people employed in the sector, this represents 2.5% of all jobs in Scotland.
- 3) Consumer Expenditure
  - a. Consumer spending in sport was up 3.5% from the previous report and now represents 2.6% of all consumer expenditure in Scotland.

Patricia noted that **sportscotland** will commission the next report in April 2016 with the results being published in July and will be available on their website.

Alison Johnstone MSP thanked Patricia for her presentation and went onto introduce Stuart Turner, saying they would do a combined Question and answer session after both speakers have presented.

### **Stuart Turner – Head of EventScotland (ES)**

Stuart started by informing the Group that ES have been working on their National Events Strategy, which is a Scotland and sector wide strategy not just sports. They carried out a 1.5 year consultation on what events need to do, and what they can do for Scotland. He explained that they want Scotland to be the perfect stage for events recognised nationally and internationally, and want to do it better than anyone else can. They aim to take a 'One Scotland' approach offering a portfolio of events that deliver a big impact and draw people to Scotland.

Using National Government Statistics, Stuart noted that all events, including weddings, funerals, sports, arts, music etc had a value of £350million in the period 2002-2013. (This figure excludes The Open, as the money generated from golf events can fluctuate based on their location within Scotland.) He noted that there is a difference in value of one off events, to those happening annually, giving the example of Fort William and its ongoing development and re-generation by having the World Mountain Biking Championships returning on an annual basis. EventScotland is keen to support events that help develop not only the sport but also the wider community; for example the recent World Orienteering Championship brought in £9million, with more than 700 visitors to the event staying in Scotland for more than one week. It helps create a legacy fund for clubs and attracts the right demographic of people who will come back to

Scotland. He said that it's all about looking at sports events with a more strategic approach and what will do best for Scotland.

He went on to mention that the facilities purpose built for the Commonwealth Games have also added to the economy. The scale of impact of the Hydro is significant - it has organically grown and helped redevelop the Finnieston area. He noted that the Hydro is now the world's second busiest events venue in the world on a capacity basis, more than Madison Square Gardens. Stuart went on to press the importance of these venues with regard to 'leakage' of money from Scotland, using the example of people previously travelling to London or Manchester to see large scale gigs which we can now host at the Hydro.

Stuart told the Group about the eventIMPACTS online tool that allows organisations to calculate the economic impact of an event, which is useful when looking at viability, justifying it to sponsors and funders etc. Stuart mentioned they are trying to get reporting from everyone in the events industry standardised so that they can compare figures effectively. A lot of events are measured on Net Additional Spend (NAS) but they want to look at it as Gross Value Added (GVA).

Stuart rounded off by saying that their aim is to see more sports development off the back of these events, as well as seeing a social, cultural and economic impact. He noted that it's clear that while the media may only cover certain sports and events, this is changing through online and social media channels and that there is now a bigger audience than just those going to live events. He finished by saying that they were now looking to work with partners to help decide which are the best events for them to help support.

Alison Johnstone MSP thanked Stuart for his presentation and opened the floor for questions and discussion.

#### Q&A Session

- 1) Alison Johnston MSP (Co-Convenor) opened the questions asking what the busiest venue was to make the Hydro second?  
A: Stuart replied with the O2 in London
  
- 2) Scott Hastings asked whether having a bedroom tax, with hotels putting money back into community projects was something worth looking at?  
A: Stuart Turner (EventScotland) replied that it would be difficult to administer, with hoteliers dubious over who would collect the tax and if it was re-distributed correctly. He said that as long as hotels are full, it would be hard to enforce.  
A: Scott Hastings suggested £1 per bill wouldn't even be noticed and Stuart agreed from a tourist's point of view it may be alright.  
A: Diane Cameron (Senscot) made the statement that based on her experience tourists would like to know something was going back into the community and as long as it was made clear where their money was going they'd be fine with it.  
A: Alison Johnstone MSP said she was a fan of the idea and it had been looked at in Parliament and at a local authority level, saying that with potential cuts there is a need to be broader minded in ways to raise funds. She said other European cities do it, it just needs to be pitched at the right level so that it's not prohibitive.
  
- 3) Richard Yule (Table Tennis Scotland) asked about how much VAT is generated from the treasury and how much goes back to Governing Bodies, and does SS have access to these figures?  
A: Patricia Horton (SS) said they didn't have those figures but was something they could look at.  
A: Alison Johnstone MSP said they had been looking at the fiscal framework and how there could be tax breaks along the same line of property renovation costs being charged less VAT than new builds.

A: Stuart Turner (EventScotland) noted that each event is different with regard to the level of VAT they pay but estimates that only 20% of events pay VAT.

A: Alison Johnstone MSP brought up tax exemption for those who volunteer and make a difference in their community but who can't necessarily afford to volunteer. She suggested it's perhaps something for the Group to think about.

- 4) Stew Fowlie (Scottish Student Sport) asked if there was more detail on how the actual sports industry was affected rather than just the commercial side of sport?

A: Patricia Horton (SS) said there was some information to be pulled out of the full set of results but as it's UK wide it's hard to look at a more local or individual sport level.

A: Stew highlighted the importance of getting behind a joint effort in finding a more local impact.

A: Stuart Turner (EventScotland) agreed and said that national organisations are getting better at sharing research and data but still need to get better at this.

A: David Williamson (SS) said they were getting better at sharing and mapping out as much information as possible in the future.

- 5) Lee Cousins (Scottish Sports Association) asked if there were any supply constraints hampering events being put on?

A: Stuart Turner (EventScotland) said there wasn't enough accommodation in condensed spaces during large scale events and that there were poor road networks in places, giving the example that the loss of one road could take away access to Argyll & Bute. He said there were no catastrophic issues and that with practical thinking most issues can be overcome. The lack of the Hydro prior to its construction wasn't a constraint but having it now is a huge bonus in avoiding 'leakage' and creating a real destination venue. He says the V&A in Dundee will have the same impact, transforming the marina area.

- 6) Campbell Roy (Sported) said that New Zealand has a similar geographical make up as Scotland and has places like Queenstown and Wanaka that specialise in extreme outdoor events as big tourist attractions. Is there potential for making Fort William a bit more like this?

A: Stuart Turner (EventScotland) said a great deal of work had been done to improve the area for biking, kayaking, skiing, climbing etc, but they were perhaps doing those less extreme sports in order to attract the kind of demographic that have money in their pockets.

- 7) Alison Johnstone MSP said there needs to be an investment in infrastructure for tourists getting to places, an example being that it takes longer to get to Perth on the train from Edinburgh now than it did over 100 years ago. She suggested giving more thought to opportunities for events in more rural areas. She asked if there had been any events that Scotland couldn't accommodate perhaps due to clashes or resources?

A: Stuart Turner said that having a varied national events calendar was important and that they need to host the big stuff, as well a varied mix of medium and smaller events - having a clear calendar helps avoid clashes, but needs to be clearer in what's on everywhere, not just the main hubs - as well as providing information on how to get to the events. He said they missed out on the Youth Olympic Games in 2018 but this was more political rather than the lack of ability to host it.

- 8) Cllr Lenny Pirie (Aberdeenshire Council) noted that specifically for gymnastics there was a lack of coaches in his area and what could be done?

A: Euan Lowe (Scottish Gymnastics) said it is an issue which is on their radar and that they were in discussions with clubs and facilities to try and provide more opportunities.

A: Alison Johnstone MSP said it was a familiar problem with a lot of sports with many clubs having waiting lists due to a lack of coaches. She asked how this has impacted on gymnastics?

A: Euan Lowe (Scottish Gymnastics) said there was still a big interest in gymnastics and that the 2012 Olympics and Paralympics and the 2014 Commonwealth Games had a positive impact on membership growth. He said that clubs are wanting to become more business-like and that this is helping growth.

A: Diane Cameron (Senscot) said she had seen a big uptake in clubs taking on their own spaces, offering employment and being more business-like.

A: Stuart Turner (EventScotland) said that the right event can turn into much more and said the Portsoy Boat Festival which started over 10 years ago for just those with an interest in boats has helped develop the community as a whole; there has been building ownership, all year round events and self-funding projects - all helping the community to grow. He reiterated the importance of the eventsIMPACT tool and how it can help SGBs look at the economic value of events.

A: Campbell Roy (Sported) said it was hard to put a value on volunteers but they intend to do more work around this to get a more robust outcome in the future.

9) Billy Bell (Horse Scotland) said that he had heard that gambling offers £500million to the GVA of the sports sector and questioned if SS number of £2.1billion was on the light side?

A: Patricia Horton was curious to know where that number came from so that they can look into it.

10) Euan Lowe (Scottish Gymnastics) expressed some concern over the use of social media and questioned whether we should be concerned over how people are experiencing and absorbing sport?

A: Stuart Turner (EventScotland) said it was hard to get mainstream media coverage if it wasn't for one of the big sports or topics, and that SGBs need to do what they can to get coverage – using famous athletes and exciting stories to try and manipulate social media. Social media allows us much better control and say in what is published to promote events and helps reduce marketing budgets. He noted the importance of online streaming to smaller sports, referencing Scottish Hockey getting over 350,000 unique watchers for the Champions Challenge hosted in Glasgow.

A: Euan Lowe (Scottish Gymnastics) queried whether having too much online would deter people going to live events?

A: Stuart Turner (EventScotland) said that he felt it would encourage people to go to live events if they saw all the buzz and hype online and make them want to be part of it.

A: Rona Gibb (Paths for All) said that she thinks social media has a massive role to play in the promotion of smaller sport and health campaigns, stating that Sport England's 'This Girl Can' campaign encouraged 2.8 million women to experience activity last year.

A: Alison Johnstone MSP said that social media has improved the equity of sports coverage. She said the papers are so male dominated that it's good to see social media highlighting women's sport, as well as increasing the number of women journalists. She noted that our papers were mainly filled with male football so it's great that social media can help to increase the profile of smaller sports.

11) Stew Fowlie (Scottish Student Sport) asked if there was anything coming up of big importance?

A: Stuart Turner (EventScotland) said that planning the Solheim Cup was his biggest current project.

Alison Johnstone MSP thanked all panellists and attendees for their contributions and noted this was the last meeting before the end of this session of the Parliament. She took the opportunity to say how much she and Liz have enjoyed working with the Group and thanked the SSA for all their help in supporting the CPG.

Kim Atkinson (SSA) thanked Liz Smith MSP and Alison Johnstone MSP for all their efforts and support in Co-Convening the CPG.

*The Cross Party Group on Sport is co-convened by Alison Johnstone MSP & Liz Smith MSP.  
It is jointly administered by the offices of these MSPs and the Scottish Sports Association.*