

Institution: Sheffield Hallam University
Unit of Assessment: 26 Sport and Exercise Sciences, Leisure and Tourism
Title of case study: The Economic and Social Impacts of Major Events and Festivals
<p>1. Summary of the impact</p> <p>Research related to the economic and social impact of major events and festivals conducted by the Sport Industry Research Centre (SIRC) has provided a catalyst for the logical evaluation of hosting events. SIRC staff have provided national level research leadership culminating in the launch of an event evaluation framework (www.eventIMPACTS.com) in 2010, which is widely viewed as representing the 'gold standard' by which the impacts of events and festivals are evaluated. The website has helped public and private organisations to assess and forecast the value of events, thus justifying public investment in events as well as benefiting their planning of events.</p>
<p>2. Underpinning research</p> <p>When UK Sport was established in 1997 it had responsibility for both World Class Events and World Class Performance and there was a clear strategic emphasis on maximising elite sport performance athletes in order to compete in major events on home soil. Built into UK Sport's Royal Charter was an instruction from the (now) Department of Culture, Media and Sport that UK Sport should conduct research into the economic and other impacts of major sport events funded by the organisation. SIRC has conducted much of UK Sport's research into the economic impact of events since that time (reference 4) and has produced three meta--evaluations (grants a, b, c): <i>Measuring Success I (1999), II (2003) and III (2007 - reference 1)</i>. Interest in this work grew in the private sector, notably from organisations seeking public funding to support the staging of major events. Our research has included data collation and analyses tasks at prestigious commercial events such as the London Marathon (twice: 2000 and 2010), the Tour de France (Le Grand Depart from London in 2007), Wimbledon (2006), and all the Open Golf Championships from 2010 to 2013.</p> <p>UK Sport, with VisitBritain, EventScotland, London Development Agency, North West Development Agency, Yorkshire Forward, and Glasgow City Marketing Bureau, commissioned the www.eventimpacts.com website (grant d), launched in March 2010, which provided guidance on good practice. The guidance within eventimpacts.com has been devised following independent evaluations of six events taking place across Great Britain in the summer of 2008. SIRC was the lead research partner for this work, managing a consortium consisting of the University of Cardiff, the University of Stirling and Substance (a social enterprise consultancy).</p> <p>Our three <i>Measuring Success</i> research reports revealed that major events and festivals have an economic impact which can be quantified using recognised, but suitably adapted, principles from mainstream economics (e.g. reference 3). Repeated testing of the model has revealed a typology of events which in turn influences the nature of the economic impacts they create (reference 4). The typology also reveals that different types of economic impact assessment are needed for different scales of events. For mega events such as the Olympic Games, Input Output Analysis (IOA) using a satellite account for sport is probably the most appropriate method, whereas for one-off events in existing facilities the Direct Expenditure Approach (DEA) is a pragmatic alternative. This work provided the industry with an understanding of the nature of economic impacts attributable to sports events and of the tools needed to measure them.</p> <p>In addition to economic impact, events also have the potential to deliver other outcomes that can be demonstrated using other social science research techniques. Research by Shibli and Gratton (1999, reference 2) quantified media coverage achieved by a major sport event, which in turn enabled concepts such as place marketing effects and sponsors' return on investment to be computed objectively using recognised economic and management accounting techniques. The volume of data collected since 1996 allied to our typology of events has also led to the development of a forecasting tool to estimate the likely economic impact of future events. By comparing pre-event forecasts with actual estimates based on primary research during and after an event, the model has been refined to be accurate (typically) within a range of 80% to 120% of</p>

findings emerging from primary research.

Public bodies investing in sports events also aim to achieve social impacts ranging from short term improvements to people's quality of life (e.g. enjoyment), through to long term legacy outcomes such as sustained engagement in sport and physical activity resulting in improved long term health. To support the measurement of these social outcomes, SIRC's research has enabled eventimpacts.com to provide logic chains, complete with counterfactual arguments, that enable stakeholders clearly to articulate the process by which intention (e.g. increased participation in sport) might convert into measurable outcomes directly attributable to a preceding intervention. With London 2012 Olympic and Paralympic Games secured in part on promises of legacy outcomes and the desire to 'inspire a generation', the social impacts module of eventimpacts.com has been developed to include the inspirational impacts of sports events (grant e and reference 5) bringing about positive behaviour change in terms of greater participation in sport and recreation.

Key researchers

Professor Chris Gratton, joined SHU 1997, Professor 1997-2012

Professor Simon Shibli, joined SHU 1999, Principal Lecturer 2000, Professor 2007+

Richard Coleman, joined SHU 1999, Principal Research Fellow 2003+

Girish Ramchandani, joined SHU 2004, Research Fellow 2009, Senior Research Fellow 2013

3. References to the research

1. **Coleman, R. J., Shibli S. and Ramchandani, G.** (2007) Measuring Success III: The Economic Impact of Six Major Sport Events Supported By The World Class Events Programme in 2005 & 2006, UK Sport, London. <http://www.uk sport.gov.uk/publications/measuring-success-3>
2. **Shibli, S.** and Gratton, C. (1999) Assessing the public profile of major sports events: A case study of the European Short Course Swimming Championships, International Journal of Sports Marketing & Sponsorship, vol. 1, no. 3, pp278-195. Scopus SJR 0.216.
3. **Davies, L., Ramchandani, G. and Coleman, R. J.** (2010). Measuring attendance: issues and implications for estimating the impact of free-to-view sports events. International Journal of Sports Marketing and Sponsorship, 12 (1), 11-23. Scopus SJR 0.216. (Davies REF output 2)
4. Gratton, C., Dobson, N. and **Shibli, S.** (2000) The economic importance of major sports events: a case study of six events, Managing Leisure: An International Journal, 5, 1, 17-28. Scopus SJR 0.188. Cited 135 times (Google Scholar 16/09/2013) - this paper is the most read paper in the history of Managing Leisure: an International Journal.
5. **Ramchandani, G. and Coleman, R. J.** (2012). The inspirational effects of three major sport events. International Journal of Event and Festival Management, 3 (3), 257-271. (Coleman REF output 2)

Project funding:

- a. Measuring Success - 1997 - 1999, UK Sport, £36,000, PIs: S. Shibli and C. Gratton
- b. Measuring Success 2 1998 - 2004, UK Sport, £50,000, PIs: S. Shibli and R. Coleman
- c. Measuring Success 3 2005 - 2007, UK Sport, £107,000, PI: R. Coleman
- d. eventimpacts.com 2008 - 2010, UK Sport, with VisitBritain, EventScotland, London Development Agency, North West Development Agency, Yorkshire Forward, and Glasgow City Marketing Bureau, £130,000, PIs: S. Shibli and R. Coleman
- e. The economic and inspirational impact of major sports events - 2010-2013, UK Sport, £115,000, PIs: S.Shibli, R. Coleman and G. Ramchandani

4. Details of the impact

Since 1997 SIRC has carried out the majority of UK Sport's research into major events and has added value to the process via meta-evaluations, peer reviewed journal articles, conference presentations, chapters in books, and extensive media coverage. The main impacts of this underpinning research derive from the setting up of the eventimpacts website in 2010. The overall impact of the research is that since 2010 it is common practice for evaluation contracts to specify that the outputs must be eventimpacts.com compliant. Furthermore, the eventimpacts.com website

Impact case study (REF3b)

now acts as a growing public repository for research that uses the methods advocated (<http://www.eventimpacts.com/project/new-research/>).

'Contractors carrying out research on our behalf are asked to use the EventIMPACTS methodology which in turn gives us consistency of approach and comparability of data across events. We refer all event organisers to the EventIMPACTS website, regardless of whether we fund them or not and have also promoted the work internationally where it has been really well received.' Senior officer, EventScotland (source iii below)

Techniques used in, and findings from, SIRC's research have been instrumental in facilitating the setting of property rights for major events such that public sector bodies can conduct estimated Cost Benefit Analysis exercises in advance of their investment to establish the extent to which their investment represents value for money. These estimates can now be confirmed or refuted post event using actual data and the evaluation framework detailed in eventimpacts.com. The impact of this economic impact forecasting model has enabled public sector bodies to secure better value for money for their investments. For example Sheffield City Council used the outputs of SIRC's economic impact analyses to determine the level of its investment in retaining the World Snooker Championship in Sheffield until 2017:

'The SIRC research at the World Snooker Championship revealed just how valuable the event was to the city with an annual injection of around £2.5m in visitor spending and place marketing value of over £3m accruing from 100+ hours of coverage on the BBC. Faced with global competition to prise the event away from Sheffield, we were able to use the SIRC research to put together a package of funding and other benefits that persuaded the promoters of the event to keep it in Sheffield.' Senior officer, Sheffield City Council (source iv below)

Part of the impact of SIRC's research is that the eventimpacts.com framework has been used in research by SIRC to benefit the knowledge and planning of major events by the following: national governing bodies of sport (e.g. British Cycling 2010, 2 events in 2011, 2 events in 2012; British Rowing 2005, 2008, 2011); local authorities (e.g. Sheffield City Council, World Snooker Championship 2008, 2009, 2010, 2011; Isle of Wight Council, Isle of Wight Music Festival, 2008); national tourism agencies (e.g. Failte Ireland and the Northern Ireland Tourist Board, 2010, 2011, 2012); and commercial events (Tour de France 2007 and planning for 2014; London Marathon 2001 and 2010; and The Open Golf Championship 2010, 2011, 2012 and 2013. Invariably the rationale for this research has been to evaluate the effectiveness of the use of public funding. The SIRC research enables stakeholders to employ a theoretically sound approach that provides a credible 'at least' estimate that can be supported with an audit trail of evidence.

'The economic impact measurement technique designed by the Sport Industry Research Centre and outlined in Measuring Success: The economics – a guide was first used in Northern Ireland at the World Boxing Championships in 2001. This was one of the first major sports events to be held in Northern Ireland after the Good Friday Agreement and there was strong interest in both the economic and media profile impacts that the event would have on Belfast. The SIRC report proved to be very influential in setting a benchmark for the type of information we needed to find out about the impact of events. Following the boxing event, the Northern Ireland Events Company was established and for the first three years of its existence it commissioned SIRC to evaluate the impact of events into which public money was invested. This was important research as prior to the Good Friday Agreement there has been no tradition of attracting major sports events to Northern Ireland.' Senior officer, Sport Northern Ireland (source ii below)

Research has also been made accessible to event organisers who normally would be unable to access the expertise and resources to conduct event evaluations. The eventimpacts.com website provides users with the choice to select basic, intermediate or advanced level analysis, depending on their needs. In addition the site has a built in economic impact calculator which estimates the likely economic impact of an event subject to users populating the calculator with key parameters about the scale of any event. This forecasting tool provides event organisers with robust data about the wider value of their events, whilst simultaneously providing funders with a test of reasonableness as to what an appropriate scale of investment might be (sources ii, iii, iv). National Governing Bodies of Sport applying for funding from UK Sport's World Class Events' Programme

Impact case study (REF3b)

are encouraged to use this resource to support their cases.

'I think it would be fair to say that we are seeing increasing numbers of potential event bidders or funding applicants using the economic impact calculator to inform the economic forecasting aspects of their submissions. In addition, it has been very encouraging to see organisers of some of our bigger events – e.g. Ryder Cup and Rugby League World Cup – leaning heavily on eventIMPACTS in developing multi-stranded evaluation studies of those events.' Senior manager, UK Sport (source i below)

Whilst most event impact research has been in sport, the principles are transferable to other cultural events. Indeed eventimpacts.com included SIRC's research on the Edinburgh International Film Festival and the Pipe Band World Championships 2009 held in Glasgow. In 2010 SIRC was commissioned by Arts Council England to validate an economic and social return on investment model for the cultural sector. This model is also available online (<http://www.eitoolkit.org.uk/>). The impact of this tool is that basic economic impact calculations have been democratised so that even small scale event organisers can have access to evaluation techniques of this type.

Since 2010 and underpinned by SIRC research, eventimpacts.com has been a contributory factor in the following:

- an increase in the number of events hosted in the UK; for example in the period 2000 to 2007 UK Sport helped to support 9 major events per year whereas in the period 2008 to 2013 this figure nearly doubled to an average of 17 events per year. *:'The SIRC research and the Measuring Success series have been instrumental in pursuing a policy of attracting more major events to Northern Ireland as well as helping to support the case for enhanced funding.'* Senior officer, Sport Northern Ireland (source ii below)
- an increase in public funding for events and continued recognition of their value in a period of public expenditure cuts; for example in the period 2000 to 2007 UK Sport invested an average of £1.7m per year on major sports events whereas in the period 2008 to 2013 this figure nearly doubled to £3.2m per year: *'By enabling UK Sport to set clear objectives for the Gold Event Series (GES) – its major events programme for the period 2013-2019 - the research evidence collected by UK Sport using eventIMPACTS approaches in 2010 and 2011 has been instrumental in securing National Lottery investment of over £27 million to help support the bidding and staging of targeted events through this period.'* (source i below); *'Recent research by SIRC in Sheffield has shown the importance of sports events to the local economy and has helped to protect this area of our work from the worst of the austerity measures to reduce public spending.'* Senior officer, Sheffield City Council (source iv below)
- an increase in the number of agencies with a remit for bidding for and staging events including national governing bodies, Regional Development Agencies, local authorities and bespoke event special purpose vehicles such as EventScotland: *'Having robust data on the economic and social impacts of major sports and cultural events has enhanced our ability to make the case for staging events in Scotland.'* Senior officer, EventScotland (source iii below)
- a much greater understanding of the impact and value of major events as demonstrated by the case studies and new research in www.eventimpacts.com: *'EventIMPACTS has also helped UK Sport to develop a closer working relationship with Sport England in terms of maximising the sports participation legacy of major events, with the latter organisation now set to play a more prominent role than previously in encouraging sports development opportunities linked to events and signposting people who attend events to sporting opportunities in their local community.'* (source i below)

5. Sources to corroborate the impact

- i. Senior Manager, UK Sport
- ii. Senior Officer, Sport Northern Ireland
- iii. Senior Officer, EventScotland
- iv. Senior Officer, Sheffield City Council