

**The impact of achieving Sport
England's target for making
England an active nation by
2020**

Introduction

- 1 Game Plan sets the challenge of moving from 30% of the population being regularly active in 1998 (5 times a week, 30 minutes, moderate intensity) to 70% in 2020. As a consequence of this broad target Sport England has adopted a target that by 2020 70% of the adult population will be taking part in sport (for at least 30 minutes) for a minimum of three times per week. In 2003, only 24.4% of the adult population currently achieves this target. This report outlines the impact of achieving this target by 2020.

Aim and Objectives

- 2 The aim of this research project is to estimate the impact of achieving the target for increasing participation in sport set out above. The estimates will attempt to achieve the following objectives:
 - 2.1 Measurement of the economic impact: for the economy as a whole; on consumer expenditure; on jobs; and on different markets such as the health and fitness sector.
 - 2.2 The impact for business in terms of for example productivity/ reduction in days lost from work due to sickness
 - 2.3 A cost benefit analysis that estimates the return on public investment for every £ spent. This would include in the estimate the likely impact on health care (taking into account the negative impact on injuries) and factors like reductions in coronary heart disease and stroke, osteoporosis and associated hip fractures, on longevity and improved quality of life with less dependency into older age and on crime reduction and related costs of offending
 - 2.4 Identification and assessment of any other quantifiable public benefits that may be derived from an increasingly active nation.
 - 2.5 An estimate of the implications for investment in facility provision focusing on community swimming pools and sports halls. This will take into account existing capacity, the age and quality of the current stock of facilities and increases in capacity needed to meet growing demand.

Methodology

- 3 The basis for the estimates will be SIRC's economic model of the sport sector for England. An estimate will be made for the economic importance of sport using existing data for 2001. This estimate, with comparisons with 1998 and 1995, appears in Appendix 1. A model is

then estimated for 2020 assuming that sports participation remains static but that expenditures on sport follow the trend over the 1990-2001 period when sports participation has remained virtually static but where sport-related economic activity has continued to increase.

- 4 The estimates for 2020 assuming the Sport England targets are met can then be estimated by simulating the model with the time trend of increased participation rates with the ensuing increased sport-related expenditures. The estimates of health benefits, the rates of return on public investment, and the other objectives specified above will be carried out separately as the model does not generate these impacts directly, but these further impacts will be consistent with the model estimates. To carry out this exercise a series of assumptions have had to be made. These appear in Appendix 4. The full results of the model estimates for 2020 with and without the increase in sports participation appear in Appendices 2 and 3.

Results

- 5 The first three pages of Appendix 2 give the headline results assuming no increase in sports participation by 2020:
 - consumers expenditure on sport in 2020 in England would be £20,996 million, or 2.4% of total consumers expenditure. The comparable figures for 2001 are £12,687 million and 2.3%.
 - value-added to the English economy in 2020 by sport-related economic activity would be £19,345 million, or 1.7% of Gross Value Added (at basic prices). The comparable figures for 2001 are £12,100 million and 1.6%.
 - employment in sport in England would be 522,658 in 2020, compared to 393,712 in 2001. Employment in sport would account for 2.2% of total English employment in 2020 compared to 1.7% of total employment in 2001.
- 6 The results indicate that by 2020 we will still see sport taking a slightly increased share of economic activity even without any increase in participation reflecting the trend over the recent past.
- 7 The first three pages of Appendix 3 give the headline results assuming that the Sport England sports participation targets for 2020 are met:
 - consumers expenditure on sport in 2020 in England would then be £46,319 million, or 5.4% of total consumers expenditure, over double the percentage for the earlier 2020 scenario.

- value-added to the English economy in 2020 by sport-related economic activity would be £42,282 million, or 3.8% of Gross Value Added (at basic prices), again more than double the previous scenario.
- employment in sport in England would be 1.1 million in 2020, or 4.6% of total English employment in 2020. This is equivalent to current employment in the UK construction industry or about three times current employment in the UK publishing industry.

8 Perhaps the most interesting aspect of comparing the two scenarios is what happens to central government income and expenditure. In Appendix 2, Central Government expenditure on sport is £1.3 billion, considerably more than in 2001 (at £897 million) but reflecting the increasing trend of additional spending over recent years. Central Government income from sport, mainly through taxation is considerably more at £8.2 billion. However, when we look at Appendix 3 the results are quite dramatic. Using the assumption of increased sport participation, the level of Central Government expenditure increases to £2.1 billion. However, the effects of increased participation on consumer spending and hence taxation means that Central Government income more than doubles to £16.8 billion. The additional government spending of £0.8 billion has generated new tax revenues of over £8 billion. On this scenario there is a clear net surplus to government of additional spending on sport as long as this succeeds in generating sufficient increased sports participation. This is before any additional saving to government through reduced health spending (which is considered below).

The Path to 2020

9 Figures 1-5 below show the path of various economic indicators from the present to 2020.

FIGURE 1: SPORT RELATED CONSUMER EXPENDITURE £million

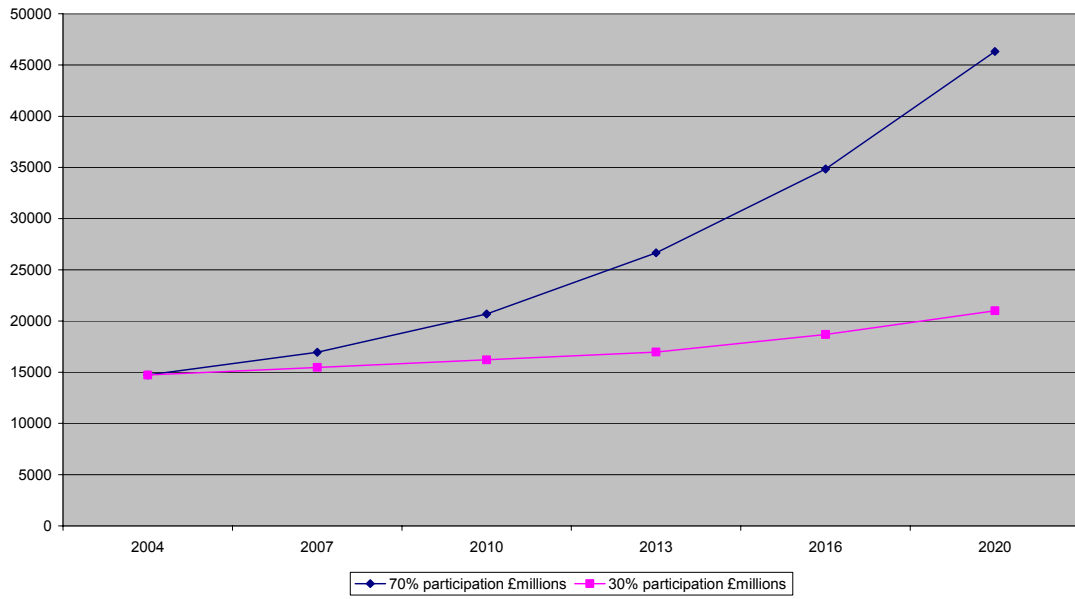


FIGURE 2: SPORT RELATED CENTRAL GOVERNMENT INCOME

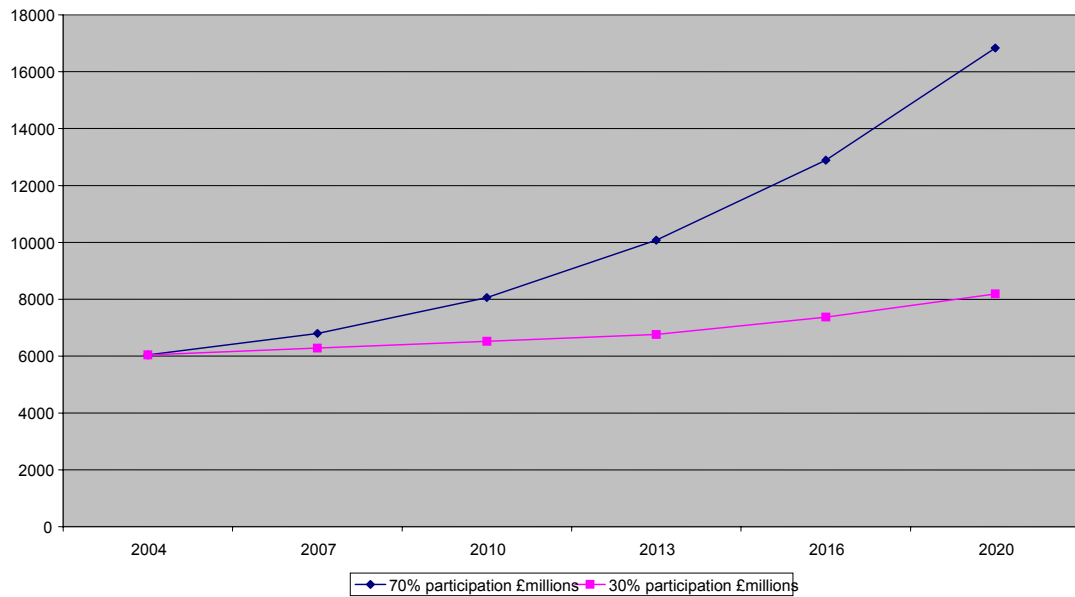


FIGURE 3: SPORT RELATED CENTRAL GOVERNMENT EXPENDITURE

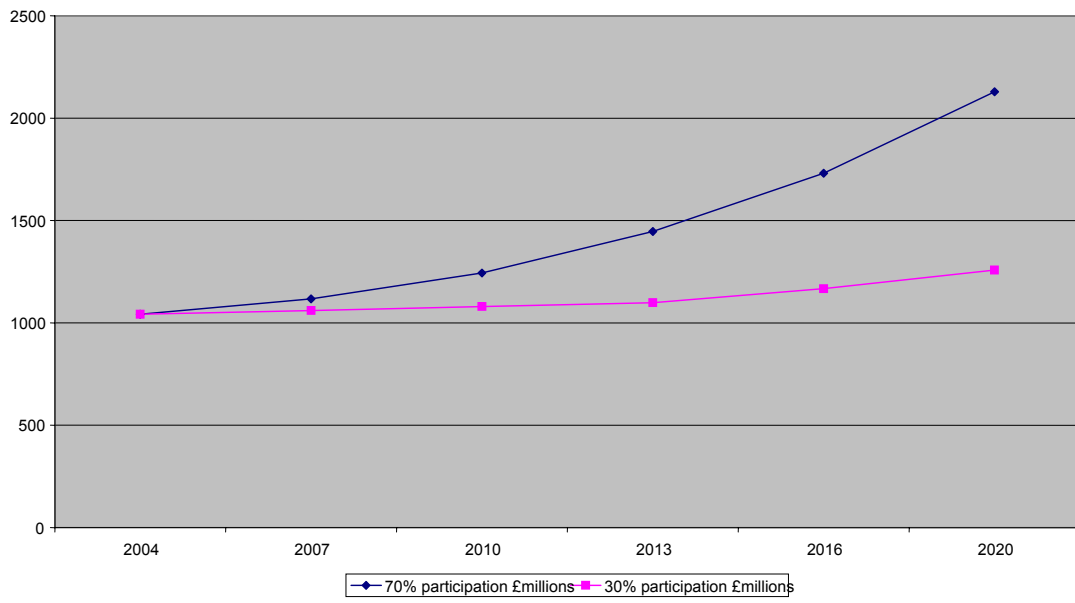


FIGURE 4: SPORT RELATED VALUE ADDED

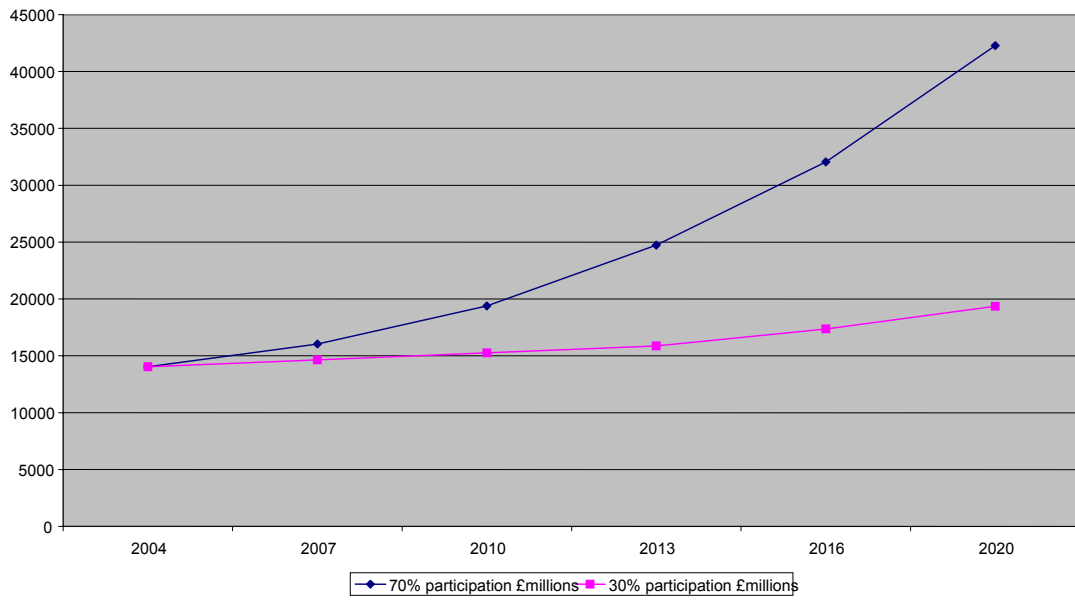
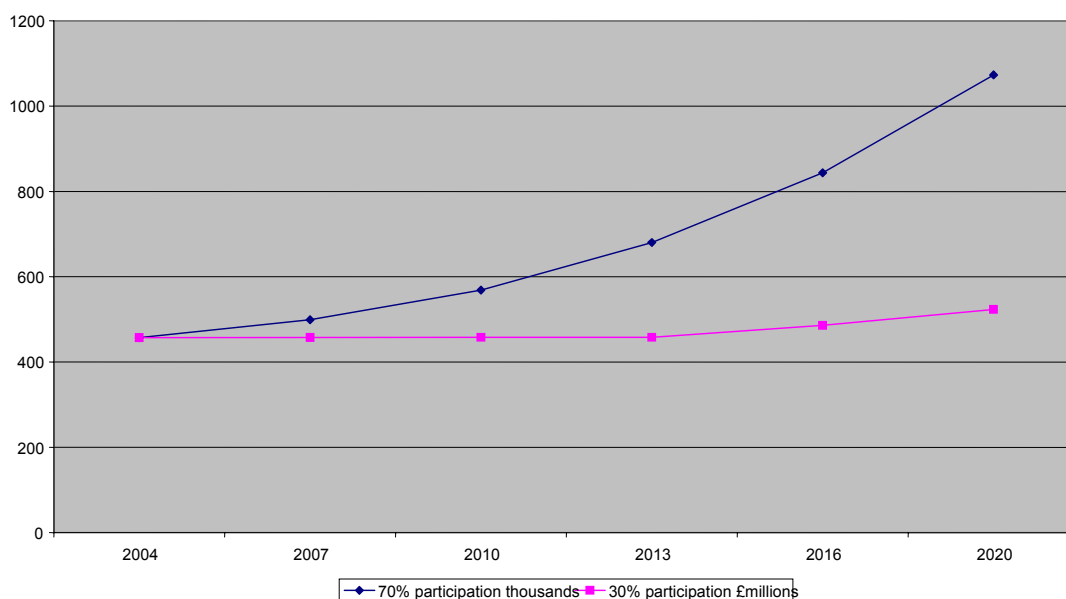


FIGURE 5: SPORT RELATED EMPLOYMENT



Capacity Constraints

- 10** One issue is whether capacity constraints on the supply side will allow the high level of demand to materialise. Discussions with Steve Dowers at the University of Edinburgh have revealed that it is impossible to use the Facility Planning Model to answer this question until the overall 70% participation rate is broken down sport by sport. He has had discussions on this with Rob Holt of Sport England but no calculations around the target have been made. Comparisons with the pattern of participation in Finland suggest that much of the increased participation is likely to be informal and casual and less likely to cause capacity constraint problems. Also most of recent demand change has been met by the market sector which is responsive to demand. However, the aim of increasing participation is designed to include sections of the population which are less likely to use the market sector. Areas which might cause capacity problems are swimming provision and provision for aerobics/keep fit.

Health Savings

- 11** In order to estimate the size of savings to the National Health Service from having a much larger active population we have assumed that government plans to increase NHS spending so that it reaches 9.4% of GDP by 2007-8 and then remains at this level. This would make NHS spending £105.7 billion in the UK by 2020 (at (2001 prices), or £87 billion in England. The costs of physical inactivity to the NHS have been estimated at 2.5% of this budget or £2.2 billion per year. With a physically active population of 70% compared to 30% today, the cost

saving to the NHS in England would be £1.26 billion per year. In addition there would be a further £0.63 billion savings in reduced absenteeism from work, and a further £0.5 billion savings from reduced premature deaths due to inactivity. Overall annual health savings from a 70% adult participation rate would be £2.39 billion.

Conclusion

- 12 These preliminary estimates indicate an additional £0.8 billion government expenditure per year on sport could generate a further £7 billion additional taxation income per year and £2.39 billion savings from improvements to the health of the nation, as long as the additional spending over a sustained period of time led to the achievement of the Sport England sports participation targets.

Appendix 1

The Economic Importance of Sport in the UK

2001

- 1 This Appendix provides an update of the economic importance of sport in the UK using the spreadsheet model developed by the Leisure Industries Research Centre. The last update was for 1998, and before that 1995. Since 1998 the model has been revised, most importantly in the way it treats sport-related gambling. These changes are explained in paragraphs 2 and 3 below. As a result the 2001 results are not comparable to the results previously provided for 1995 and 1998. Consequently the model has been re-estimated for 1995 and 1998 to provide comparative data over the whole period.

- 2 The recent change in government taxation on gambling has forced us to abandon the methodology previously employed to estimate sport-related gambling. The problem was that there was uncertainty over what proportion of stakes was retained by commercial operators after winnings have been distributed. For the 1995 and 1998 studies, net spending on off-course gambling was estimated by multiplying taxed stakes (from Customs and Excise) by 0.3, since it was assumed the share of net losses to the consumers out of the total stakes was 30%. This was based on 'industry sources' and Family Expenditure Survey data. We now believe that historically the percentage of stakes going to commercial operators was overestimated by this methodology.

- 3 Following the tax change we can derive the exact figure of net spending on off-course betting since tax is now calculated as 15% of gross profits (stakes minus winnings). Since we know total stakes, tax and net spending, we can derive the percentage of stakes retained by commercial operators, and make more realistic assumptions about the recent past. We have re-estimated the 1995 and 1998 sport-related gambling figures to make it consistent with the new methodology.

- 4 The latest UK estimates indicate that:
- consumers expenditure on sport in 2001 was £14,979.98 million, or 2.4% of total consumers expenditure. The comparable figures for 1998 are £12417.93 million and 2.3%.
 - value-added to the UK economy in 2001 by sport-related economic activity was £13,891.77 million, or 1.6% of Gross Value Added (at basic prices). The comparable figures for 1998 are £11,596.13 million and 1.5%.
 - employment in sport was 449,660 in 2001, compared to 411,140 in 1998. Employment in sport accounts for 1.6% of total UK employment in 1998 compared to 1.5% of total employment in 1995.
- 5 Table 1 indicates the time series for the major elements of consumers expenditure on sport-related goods and services from 1995, 1998 and 2001. The values are all in terms of current prices and hence reflect the rise in prices between 1995 and 2001.
- 6 The two largest sectors, subscriptions and fees for participant sports and sports clothing and footwear, account for 45% of consumer expenditure on sport. The next largest sector, sport-related gambling accounts for a further 12%. Sport-related TV, cable and satellite subscriptions accounts for 11% of total consumer spend on sport, and sports equipment for a further 8% so that in total all these sectors account for just over 75% of the total. The other 25% is taken up by 'Other consumer expenditure on sport', including admissions to spectator sports, sport-related travel, sport-related publications, and expenditure on boats.

Table 1
Consumers Expenditure on Sport-related Goods and Services
(£million)

| | <u>1995</u> | <u>1998</u> | <u>2001</u> |
|---|------------------|------------------|------------------|
| Participant sports: | | | |
| subscription and fees | 2,060.29 | 2,541.93 | 3,668.39 |
| Clothing sales | 1,427.61 | 1,821.91 | 1,996.00 |
| Footwear sales | 898.00 | 1,049.00 | 1,057.00 |
| Sport goods | 707.45 | 852.95 | 1,287.16 |
| TV, rental, video, cable & satellite subscriptions related to sport | 692.37 | 1212.13 | 1,656.21 |
| Gambling: | | | |
| football pools | 469.30 | 166.70 | 74.80 |
| horse racing | 1,553.16 | 1,622.65 | 1,793.16 |
| Other consumer expenditure on sport | 2,470.32 | 3,150.66 | 3,447.26 |
| Total | 10,278.50 | 12,417.93 | 14,979.98 |

- 7 Table 2 shows consumers expenditure on sport related goods and services for 1995, 1998 and 2001 at constant 1995 prices. The most significant change from 1995 is the 111% rise in sport-related cable and satellite subscriptions reflecting both more subscribers and higher real prices. Overall, real consumers expenditure on sport rose by 31% between 1995 and 2001, but most of this growth (17%) has occurred since 1998.

Table 2
Consumers Expenditure on Sport-related Goods and Services
(Constant 1995 prices - £million)

| | <u>1995</u> | <u>1998</u> | <u>2001</u> | <u>95/98</u> <u>change</u> | <u>98/2001</u> <u>change</u> |
|---|------------------|------------------|------------------|-------------------------------|---------------------------------|
| Participant sports: | | | | | |
| subscription and fees | 2,060.29 | 2,210.37 | 2,758.19 | 7.3% | 24.8% |
| Clothing sales | 1,427.61 | 1,803.87 | 2,268.18 | 26.4% | 25.7% |
| Footwear sales | 898.00 | 1,115.96 | 1,161.54 | 24.3% | 4.1% |
| Sport goods | 707.45 | 844.50 | 1,340.79 | 19.4% | 58.8% |
| TV, rental, video, cable & satellite subscriptions related to sport | 692.37 | 1,112.05 | 1,519.46 | 60.6% | 36.6% |
| Gambling: | | | | | |
| football pools | 469.30 | 152.94 | 65.61 | -67.4% | -57.1% |
| horse racing | 1,553.16 | 1,488.67 | 1,572.95 | -4.2% | 5.7% |
| Other consumer expenditure on sport | 2,470.32 | 2,769.72 | 2,808.76 | 12.1% | 1.4% |
| Total | 10,278.50 | 11,498.08 | 13,495.48 | 11.8% | 17.4% |

- 8 Expenditure on subscriptions and fees for participant sports, sports equipment, sports clothing and on sport-related TV subscriptions all grew strongly in the 1998-2001 period, although the latter grew at a slower rate than in the 1995-98 period. Sports-related gambling was an exception, declining over both periods, but at a slower rate in the 1998-2001 period than over 1995-1998. Sports footwear sales had much slower growth over the 1998-2001 sales than over the 1995-1998 period.

Table 3
Main indicators (£million)

| | <u>1995</u> | <u>1998</u> | <u>2001</u> |
|-------------------------------|--------------------|--------------------|--------------------|
| Consumer expenditure | 10,278.50 | 12,417.93 | 14,979.98 |
| percentage of UK total | 2.3% | 2.3% | 2.4% |
| Value added | 9,332.00 | 11,596.13 | 13,891.77 |
| percentage of UK total | 1.5% | 1.5% | 1.6% |
| Employment (thousands) | 402.09 | 411.14 | 449.66 |
| percentage of UK total | 1.5% | 1.5% | 1.6% |

- 9 Table 3 shows key national indicators for the economic importance of sport in the UK for 1995, 1998, and 2001. It shows sport-related consumer expenditure in 2001 at 2.4% of total consumer expenditure, compared to 2.3% in 1995 and 1998. When we look at real indicators of economic activity, value added and employment, these indicators are higher at 1.6% of the UK total than for 1995 and 1998 when sport accounted for 1.5% of both value added and employment. This is a significant increase since the 1995 to 2001 period represented the longest period of sustained growth in both GDP and employment in the UK's post-war history. That is, sport is taking an increasing real share of an economy that is itself growing strongly.

Model Output

CONSUMER EXPENDITURE ON SPORT RELATED GOODS & SERVICES

| | £million |
|--|------------------|
| Admissions | 746.55 |
| Sports goods | 1,287.16 |
| Bicycles | 31.03 |
| Boats | 766.44 |
| Participants sports subscriptions & fees | 3,668.39 |
| Clothing sales | 1,996.00 |
| Footwear sales | 1,057.00 |
| Repairs and laundry | 40.93 |
| Travel | 603.02 |
| Books and magazines | 200.02 |
| Newspapeers | 361.05 |
| Video: purchase and rental | 23.17 |
| BBC licence | 300.57 |
| TV and video rental, satellite/ cable subscriptions | 1,332.47 |
| Internet subscriptions | 4.46 |
| Skiing holidays | 393.00 |
| Public schools | 112.47 |
| Gambling: football pools | 74.80 |
| horse racing | 1,793.16 |
| raffles and gaming. | 188.28 |
| Total | 14,979.98 |

COMMERCIAL SPORT INCOME

| | £ million |
|--|-----------------|
| <i><u>Spectator Clubs:</u></i> | |
| Admissions | 701.75 |
| Sponsorship & advertising | 178.07 |
| Corporate entertainment | 171.55 |
| Grants | 0 |
| Football Trust | 0 |
| Horserace Betting Levy | 67 |
| Cost of the rights to top league matches | 178.75 |
| <i><u>Participation clubs:</u></i> | |
| Subscriptions & fees | 669.51 |
| <i><u>Retailers (net of Vat):</u></i> | |
| Equipment | 1,553.41 |
| Clothing and footwear | 2,709.70 |
| Books, newspapers and magazines & videos | 580.79 |
| <i><u>Exports and manufacturers' sales of clothing, footwear & equipment</u></i> | |
| | 976.15 |
| <i><u>TV and radio:</u></i> | |
| BBC | 300.57 |
| TV rental | 1,134.01 |
| Commercial | 371.83 |
| Exports | 21.68 |
| Internet subscriptions | 3.80 |
| Lottery awards | 1.54 |
| Lottery partnerships | 0.75 |
| Total Income | 9,620.88 |

COMMERCIAL SPORT EXPENDITURE

£ million

Current factor expenditure

Spectator clubs:

| | |
|--------------|--------|
| Wages | 915.89 |
| Other inputs | 472.01 |

Participation:

| | |
|--------------|--------|
| Wages | 334.76 |
| Other inputs | 301.28 |

Retailers:

| | |
|--------------|----------|
| Wages | 1,429.21 |
| Other inputs | 2,778.64 |

Manufactures:

| | |
|--------------|--------|
| Wages | 215.43 |
| Other inputs | 644.84 |

TV and radio:

| | |
|--------------|--------|
| Wages | 368.29 |
| Other inputs | 121.29 |

Total Factor Expenditure

| | |
|--------------------|----------|
| Total wages | 3,263.57 |
| Total other inputs | 4,318.07 |

| | |
|----------------------|----------|
| Total factor surplus | 743.48 |
| Total value added | 4,007.04 |

Current transfers

| | |
|-----------------|----------|
| Corporation tax | 87.87075 |
| Rates | 120.23 |

Capital expenditure

| | |
|------------|--------|
| Investment | 511.30 |
|------------|--------|

| | |
|---|-----------------|
| Total Expenditure Leaving Sector | 8,301.04 |
|---|-----------------|

VOLUNTARY SECTOR INCOME

£ million

Factor income (monetary)

| | |
|---------------------------------------|-----------------|
| Players' subscriptions and match fees | 2,421.14 |
| Equipment | 10.42 |
| Sponsorship and advertising | 121.22 |
| Raffles and gaming machines | 188.28 |
| Bar receipts | 2,741.07 |
| <i>Subtotal (factor income)</i> | <i>5,482.13</i> |

Other monetary income

| | |
|---|-----------------|
| Grants | 94.41 |
| Foundation for Sport and Arts | 16.50 |
| Football Trust | 0.00 |
| Employers' subsidies | 103.93 |
| Interest | 44.79 |
| Lottery awards via Sports Council | 50.95 |
| Lottery partnerships | 60.79 |
| <i><u>Total Monetary Income</u></i> (excluding bar receipts) | 3,112.43 |

VOLUNTRY SECTOR EXPENDITURE

| | £million |
|---|-----------------|
| Factor expenditure | |
| Wages | 1,320.60 |
| Ground hire and rents | 109.75 |
| Equipment | 10.89 |
| Other | 657.21 |
| (Bar purchases) | 1,918.75 |
| <i><u>Subtotal (factor expenditure)</u></i> | 4,017.20 |
| Rates | 104.60 |
| Interest | 30.10 |
| Investment | 353.63 |
| Total Monetary Expenditure (excluding bar purchases) | 2,586.79 |

COMMERCIAL NON-SPORT INCOME

| | £million |
|---|-----------------|
| <u>Receipts net of tax from consumer spending:</u> | |
| Travel | 158.34 |
| Gambling | 1,367.52 |
| Skiing | 183.96 |
| Public schools | 95.72 |
| | |
| <u>Sales of current inputs to:</u> | |
| Central government | 57.09 |
| Local government | 497.62 |
| Commercial sport | 3,201.09 |
| Voluntary sector | 614.21 |
| | |
| Interest from voluntary sector | 30.10 |
| | |
| <u>Sales of capital inputs to:</u> | |
| Local government | 347.44 |
| Commercial sport | 326.36 |
| Voluntary | 300.96 |
| | |
| Promotion expenditure for sponsorship (intra-sectoral flow) | 418 |
| | |
| Total income | 7,180.40 |

COMMERCIAL NON-SPORT EXPENDITURE

| | £million |
|--|-----------------|
| <u>Producers of inputs to sport:</u> | |
| wages | 3,695.23 |
| imports | 1,822.77 |
| (factor surplus) | 1,759.27 |
| (value added) | 5,454.50 |
| Corporation tax | 207.93 |
| Rates | 163.63 |
| <u>Purchases of inputs from sport:</u> | |
| Sponsorship and advertising | 515.25 |
| ITV and radio advertising | 371.83 |
| Corporate entertainment at sports events | 171.55 |
| Employees' sports subsidies | 52.41 |
| Football Trust | 0.00 |
| Horserace Betting Levy | 67.00 |
| Interest payments to voluntary sector | 44.79 |
| Promotion expenditure for sponsorship: (to elsewhere in CNS sector) | 418.00 |
| Lottery awards via Sports Council | 154.40 |
| Lottery partnerships | 128.79 |
| Total expenditure leaving sector | 7,395.58 |

CENTRAL GOVERNMENT INCOME

| | £ million |
|---|-----------------|
| <i><u>Taxes :</u></i> | |
| on expenditure | 2,527.39 |
| on incomes generated in: | |
| commercial sport | 1,075.14 |
| voluntary sector | 394.74 |
| commercial non-sport | 1,399.79 |
| local government | 452.16 |
| <i><u>Factor income (excl VAT):</u></i> | |
| rail receipts | 1.88 |
| <u>Total income</u> | 5,851.10 |

CENTRAL GOVERNMENT EXPENDITURE

£ million

Transfer Payments

Grants via Sports Councils 73.6

Grant support for local government expenditure on:

sport (net spending) 610.51

education 462.44

Foundation for Sport and Arts 22

Football Trust 0

Subsidy to CG employees 51.52

Factor Expenditure

Sports Council: wages and other inputs 75.056

Rail: wages and other inputs 1.55

Prison service, MOD, royal parks:

wages and other inputs 36.72

Total 1,333.39

LOCAL GOVERNMENT INCOME

| | £ million |
|--|-----------------|
| <i><u>Local authority sports facilities:</u></i> | |
| fees and charges | 391.98 |
| sales of equipment | 221.13 |
| ground hire | 54.87719 |
| <i><u>Grants from central government:</u></i> | |
| to fund net expenditure on sport | 610.51 |
| sport education | 462.44 |
| via Sports Council | 11.04 |
| via FSA | 5.50 |
| <i><u>Rates:</u></i> | |
| voluntary sector | 104.60 |
| commercial sport | 120.23 |
| commercial non-sport | 163.63 |
| Local transport | 76.64 |
| Payments for policing | 0.00 |
| Lottery awards | 71.02 |
| Lottery partnerships | 46.29 |
| Total income | 2,339.89 |

LOCAL GOVERNMENT EXPENDITURE

£ million

Current expenditure

Direct gross expenditure:

| | |
|---------------------------|--------|
| Wages | 780.92 |
| Other current expenditure | 665.23 |

Education:

| | |
|----------|--------|
| Wages | 575.59 |
| Research | 15.92 |

Local transport and policing:

| | |
|------------------------|----------|
| Wages and other inputs | 156.1834 |
|------------------------|----------|

| | |
|---------------------------|-------|
| Grants to voluntary clubs | 31.85 |
|---------------------------|-------|

Capital expenditure

| | |
|------------|--------|
| Investment | 408.24 |
|------------|--------|

| | |
|--------------------------|-----------------|
| Total expenditure | 2,633.93 |
|--------------------------|-----------------|

OVERSEAS INCOME

| | £ million |
|--|-----------------|
| Sports, clothing, footwear and equipment | 705.37 |
| Import content of skiing | 150.51 |
| TV imports | 30.79 |
| Prize income | 217.13 |
| <i>Import content of UK production of:</i> | |
| Sport related goods and services | 272.48 |
| Commercial non-sport sector output | 1822.774 |
| Total income | 3,199.05 |

OVERSEAS EXPENDITURE

| | £ million |
|--|-----------------|
| Sports, clothing, footwear and equipment | 888.30 |
| Admissions to sports events | 78.01 |
| TV exports | 21.68 |
| Prize income | 217.13 |
| Total expenditure | 1,205.12 |

SUMMARY

SPORT-RELATED INCOME AND EXPENDITURE FLOWS

| | Income £m | Expenditure £m |
|----------------------|--------------|-------------------|
| Consumer | 7,213.57 | 14,979.98 |
| | 10,694.2 | |
| Commercial sport | 7 | 8,301.04 |
| Voluntary | 3,934.75 | 2,586.79 |
| Commercial non-sport | 7,180.40 | 7,574.33 |
| Central government | 5851.099 | 1,333.39 |
| Local government | 2,339.89 | 2,633.93 |
| Outside | 3,199.05 | 1,205.12 |

NOTE:

Voluntary income: includes net bar receipts

Voluntary expenditure: excludes bar purchases.

THE EXPENDITURE FLOWS MATRIX (£m)

| Flows from | Flows to: | | | | | | |
|--------------------|-----------|----------|---------|---------|---------|---------|---------|
| | CON | CS | VOL | CNS | CG | LG | OV |
| Consumer sector | 0 | 7,577.90 | 2,619.8 | 1,805.5 | 2,136.4 | | 150.51 |
| | | | 5 | 4 | 5 | 689.75 | 1,225.7 |
| Commercial sport | 2,288.06 | 0 | 0 | 3,527.4 | 1,139.5 | | 7 |
| Voluntary sector | 925.86 | 9.26 | 0 | 4 | 3 | 120.23 | 0.00 |
| | | | | 945.27 | 546.91 | 159.48 | 1,822.7 |
| Comm non-sport | 2,673.92 | 1,066.74 | 330.16 | 0 | 1,399.7 | | 7 |
| | | | | | 9 | 280.95 | |
| Central government | 36.91 | 19.33 | 130.58 | 57.09 | 0 | 1,089.4 | 0 |
| Local government | 1,071.70 | 68.53 | 31.85 | 845.06 | 616.80 | 8 | 0 |
| Overseas | 217.13 | 976.37 | 0 | 0 | 11.62 | 0 | 0 |

VALUE ADDED

VALUE ADDED BY SPORT RELATED ECONOMIC ACTIVITY

| | £m | Index |
|-----------------------------------|------------------------|----------------------|
| <i>Commercial sport:</i> | | |
| Wages | 3,263.57 | |
| Surplus | 743.48 | |
| Lottery projects | 0.77 | |
| Total | 4,007.81 | 28.85 |
| <i>Voluntary sector</i> | | |
| Wages | 1,320.60 | |
| Surplus | 1,464.93 | |
| Lottery projects | 37.52 | |
| Total | 2,823.05 | 20.32 |
| <i>Commercial non-sport</i> | | |
| Wages | 3,695.23 | |
| Surplus | 1,759.27 | |
| Total | 5,454.50 | 39.26 |
| <i>Central Government</i> | | |
| Wages | 36.91 | |
| Lottery projects | 17.41 | |
| Total | 54.32 | 0.39 |
| <i>Local Government</i> | | |
| Wages (education) | 575.59 | |
| Wages (sports facilities) | 780.92 | |
| Wages (transport and policing) | 156.18 | |
| Lottery projects | 39.40 | |
| Total | 1,552.09 | 11.17 |
| | <u>13,891.7</u> | |
| <u>TOTAL VALUE ADDED</u> | <u>7</u> | <u>100.00</u> |

EMPLOYMENT

| <u>Sector</u> | <u>Employment ('000s)</u> |
|----------------------------------|----------------------------------|
| <u>COMMERCIAL SPORT</u> | |
| Spectator clubs | 41.94 |
| Participation clubs | 15.33 |
| Retailers | 80.84 |
| Manufacturing (exports) | 11.84 |
| TV and Radio | 12.65 |
| <i>Subtotal</i> | <i>162.59</i> |
| <i>Voluntary sport</i> | <i>60.47</i> |
| <i>Commercial non-sport</i> | <i>157.92</i> |
| <u>CENTRAL GOVERNMENT</u> | |
| Transport | 0.03 |
| Administration | 1.62 |
| <i>Subtotal</i> | <i>1.65</i> |
| <u>LOCAL GOVERNMENT</u> | |
| Sports facilities | 35.76 |
| Education | 25.16 |
| Transport/police | 6.13 |
| <i>Subtotal</i> | <i>67.04</i> |
| <u>TOTAL</u> | 449.658 |

**Appendix 2: Model Output England
2020
(2001 prices with no increase in
participation)**

CONSUMER EXPENDITURE ON SPORT RELATED GOODS & SERVICES

| | £million |
|---|-----------------|
| Admissions | 1,538.09 |
| Sports goods | 2,513.22 |
| Bicycles | 52.45 |
| Boats | 647.35 |
| Participants sports subscriptions & fees | 5,548.66 |
| Clothing sales | 2,455.99 |
| Footwear sales | 958.14 |
| Repairs and laundry | 35.81 |
| Travel | 766.74 |
| Books and magazines | 432.04 |
| Newspapeers | 252.09 |
| Video: purchase and rental | 28.87 |
| BBC licence | 308.86 |
| TV and video rental, cable & satellite subscriptions | 3,052.83 |
| Internet subscriptions | 36.08 |
| Skiing holidays | 435.26 |
| Public schools | 239.26 |
| Gambling: football pools horse racing | 65.17 |
| raffles and gaming. | 1,473.88 |
| | 154.76 |
| Total | 20,995.54 |

VALUE ADDED BY SPORT RELATED ECONOMIC ACTIVITY

| | £m | Index |
|------------------------------------|------------------|---------------|
| <i>Commercial sport:</i> | | |
| Wages | 5,600.29 | |
| Surplus | 114.27 | |
| Lottery projects | 16.68 | |
| Total | 5,731.24 | 29.63 |
| | | |
| <i>Voluntary sector</i> | | |
| Wages | 1,910.92 | |
| Surplus | 2,609.59 | |
| Lottery projects | 46.01 | |
| Total | 4,566.52 | 23.61 |
| | | |
| <i>Commercial non-sport</i> | | |
| Wages | 5,054.71 | |
| Surplus | 2,406.50 | |
| Total | 7,461.21 | 38.57 |
| | | |
| <i>Central Government</i> | | |
| Wages | 41.38 | |
| Lottery projects | 41.92 | |
| Total | 83.30 | 0.43 |
| | | |
| <i>Local Government</i> | | |
| Wages (education) | 835.76 | |
| Wages (sports facilities) | 497.04 | |
| Wages (transport and policing) | 99.41 | |
| Lottery projects | 70.65 | |
| Total | 1,502.87 | 7.77 |
| | | |
| <u>TOTAL VALUE ADDED</u> | <u>19,345.14</u> | <u>100.00</u> |

EMPLOYMENT

| <u>Sector</u> | <u>Employment</u> <u>('000s)</u> |
|----------------------------------|-------------------------------------|
| <u>COMMERCIAL SPORT</u> | |
| Spectator clubs | 41.48 |
| Participation clubs | 16.77 |
| Retailers | 131.16 |
| Manufacturing (exports) | 15.56 |
| TV and Radio | 10.11 |
| <i>Subtotal</i> | <i>215.08</i> |
| <i>Voluntary sport</i> | <i>71.98</i> |
| <i>Commercial non-sport</i> | <i>181.03</i> |
| <u>CENTRAL GOVERNMENT</u> | |
| Transport | 0.03 |
| Administration | 1.53 |
| <i>Subtotal</i> | <i>1.55</i> |
| <u>LOCAL GOVERNMENT</u> | |
| Sports facilities | 12.98 |
| Education | 36.74 |
| Transport/police | 3.29 |
| <i>Subtotal</i> | <i>53.01</i> |
| <u>TOTAL</u> | 522.658 |

COMMERCIAL SPORT INCOME

£ million

Spectator Clubs:

| | |
|--|----------|
| Admissions | 1,348.13 |
| Sponsorship & advertising | 263.73 |
| Corporate entertainment | 342.61 |
| Grants | 0 |
| Football Trust | 0 |
| Horserace Betting Levy | 119.24 |
| Cost of the rights to top league matches | 167.5 |

Participation clubs:

| | |
|----------------------|----------|
| Subscriptions & fees | 1,284.24 |
|----------------------|----------|

Retailers (net of Vat):

| | |
|--|----------|
| Equipment | 2,519.27 |
| Clothing and footwear | 3,021.50 |
| Books, newspapers and magazines & videos | 707.95 |

Exports and manufacturers' sales of

| | |
|--------------------------------|----------|
| clothing, footwear & equipment | 1,259.16 |
|--------------------------------|----------|

TV and radio:

| | |
|------------|--------|
| BBC | 308.86 |
| Commercial | 295.33 |
| Exports | 38.58 |

| | |
|------------------------|-------|
| Internet subscriptions | 30.71 |
|------------------------|-------|

| | |
|----------------|-------|
| Lottery awards | 33.46 |
|----------------|-------|

| | |
|----------------------|-------|
| Lottery partnerships | 16.21 |
|----------------------|-------|

| | |
|--------------|-----------|
| Total Income | 11,756.48 |
|--------------|-----------|

COMMERCIAL SPORT EXPENDITURE

£ million

Current factor expenditure

Spectator clubs:

| | |
|---------------------|-----------------|
| Wages | 1,588.58 |
| Other inputs | 825.20 |

Participation:

| | |
|---------------------|---------------|
| Wages | 642.12 |
| Other inputs | 577.91 |

Retailers:

| | |
|---------------------|-----------------|
| Wages | 2,664.88 |
| Other inputs | 3,593.03 |

Manufactures:

| | |
|---------------------|---------------|
| Wages | 277.89 |
| Other inputs | 831.80 |

TV and radio:

| | |
|---------------------|---------------|
| Wages | 426.82 |
| Other inputs | 53.52 |

Total Factor Expenditure

| | |
|---------------------------|-----------------|
| Total wages | 5,600.29 |
| Total other inputs | 5,881.46 |

| | |
|-----------------------------|-----------------|
| Total factor surplus | 114.27 |
| Total value added | 5,714.56 |

Current transfers

| | |
|------------------------|---------------|
| Corporation tax | 13.50 |
| Rates | 171.94 |

Capital expenditure

| | |
|-------------------|---------------|
| Investment | 725.80 |
|-------------------|---------------|

| | |
|----------------------------------|-----------|
| Total Expenditure Leaving Sector | 12,392.99 |
|----------------------------------|-----------|

VOLUNTARY SECTOR INCOME

£ million

Factor income (monetary)

| | |
|--|------------------------|
| Players' subscriptions and match fees | 3,662.11 |
| Equipment | 16.07 |
| Sponsorship and advertising | 179.53 |
| Raffles and gaming machines | 154.76 |
| Bar receipts | 4,012.47 |
| <i>Subtotal (factor income)</i> | <i>8,024.94</i> |

Other monetary income

| | |
|--------------------------------------|---------------|
| Grants | 110.85 |
| Foundation for Sport and Arts | 13.20 |
| Football Trust | 0.00 |
| Employers' subsidies | 107.10 |
| Interest | 62.22 |

| | |
|--|---------------|
| Lottery awards via Sports Council | 104.09 |
| Lottery partnerships | 32.91 |

| | |
|--|-----------------|
| <u>Total Monetary Income</u> (excluding bar receipts) | 4,442.85 |
|--|-----------------|

VOLUNTRY SECTOR EXPENDITURE

| | £million |
|---|-----------------|
| Factor expenditure | |
| Wages | 1,913.21 |
| Ground hire and rents | 76.20 |
| Equipment | 18.21 |
| Other | 601.28 |
| (Bar purchases) | 2,808.73 |
| <u>Subtotal (factor expenditure)</u> | 5,417.63 |
| Rates | 149.59 |
| Interest | 26.17 |
| Investment | 317.26 |
| Total Monetary Expenditure (excluding bar purchases) | 3,101.92 |

COMMERCIAL NON-SPORT INCOME

| | £million |
|---|-----------|
| <u>Receipts net of tax from consumer spending:</u> | |
| Travel | 216.55 |
| Gambling | 1,127.71 |
| Skiing | 197.50 |
| Public schools | 197.39 |
| TV rental, cable & satellite subscriptions | 2,518.59 |
| <u>Sales of current inputs to:</u> | |
| Central government | 54.80 |
| Local government | 260.92 |
| Commercial sport | 4,200.76 |
| Voluntary sector | 534.16 |
| Interest from voluntary sector | 26.17 |
| <u>Sales of capital inputs to:</u> | |
| Local government | 284.52 |
| Commercial sport | 449.09 |
| Voluntary | 261.74 |
| Promotion expenditure for sponsorship (intra-sectoral flow) | 619.0806 |
| Total income | 10,329.88 |

COMMERCIAL NON-SPORT EXPENDITURE

| | £million |
|--|-----------|
| <u>Producers of inputs to sport:</u> | |
| wages | 5,054.71 |
| imports | 3,001.18 |
| (factor surplus) | 2,406.50 |
| (value added) | 7,461.21 |
| Corporation tax | 284.42 |
| Rates | 223.84 |
| <u>Purchases of inputs from sport:</u> | |
| Sponsorship and advertising | 799.40 |
| ITV and radio advertising | 295.33 |
| Corporate entertainment at sports events | 342.61 |
| Employees' sports subsidies | 72.80 |
| Football Trust | 0.00 |
| Horserace Betting Levy | 119.25 |
| Interest payments to voluntary sector | 62.22 |
| Promotion expenditure for sponsorship: (to elsewhere in CNS sector) | 619.08 |
| Cost of the rights to top league matches | 167.50 |
| Lottery awards via Sports Council | 371.74 |
| Lottery partnerships | 150.15 |
| Total expenditure leaving sector | 10,945.16 |

CENTRAL GOVERNMENT INCOME

| | £ million |
|--------------------------|-----------|
| <u>Taxes :</u> | |
| on expenditure | 3,555.90 |
| on incomes generated in: | |
| commercial sport | 1,702.73 |
| voluntary sector | 561.56 |
| commercial non-sport | 1,944.50 |
| local government | 420.38 |
| | |
| rail receipts | 2.51 |
| | |
| <u>Total income</u> | 8,187.58 |

CENTRAL GOVERNMENT EXPENDITURE

| | £ million |
|--|-----------|
| Transfer Payments | |
| | |
| Grants via Sports Councils | 49 |
| Urban Programme | 0 |
| <u>Grant support for local government expenditure on:</u> | |
| sport (net spending) | 382.34 |
| education | 653.24 |
| Foundation for Sport and Arts | 17.60 |
| Football Trust | 0 |
| Subsidy to CG employees | 34.30 |
| Factor Expenditure | |
| Sports Council: wages and other inputs | 71.77 |
| <u>Prison service, MOD, royal parks:</u> | |
| wages and other inputs | 47.37 |
| | |
| Total | 1,257.59 |

LOCAL GOVERNMENT INCOME

£ million

Local authority sports facilities:

| | |
|--------------------|--------|
| fees and charges | 272.16 |
| sales of equipment | 133.24 |
| ground hire | 38.102 |

Grants from central government:

| | |
|----------------------------------|--------|
| to fund net expenditure on sport | 382.34 |
| sport education | 653.24 |
| via Sports Council | 7.35 |
| via Urban Programme | 0.00 |
| via FSA | 4.40 |

Rates:

| | |
|----------------------|--------|
| voluntary sector | 149.59 |
| commercial sport | 171.94 |
| commercial non-sport | 223.84 |

| | |
|-----------------------|------|
| Local transport | 0.00 |
| Payments for policing | 6.50 |

| | |
|----------------------|--------|
| Lottery awards | 159.85 |
| Lottery partnerships | 50.55 |

| | |
|--------------|----------|
| Total income | 2,253.09 |
|--------------|----------|

LOCAL GOVERNMENT EXPENDITURE

| | £ million |
|---|-----------|
| Current expenditure | |
| <u>Direct gross expenditure:</u> | |
| Wages | 497.04 |
| Other current expenditure | 423.41 |
| <u>Education:</u> | |
| Wages | 835.76 |
| Research | 13.45 |
| <u>Local transport and policing:</u> | |
| Wages and other inputs | 99.41 |
| Grants to voluntary clubs | 69.20 |
| Capital expenditure | |
| Investment | 344.87 |
| Total expenditure | 2,283.14 |

OUTSIDE THE AREA INCOME

| | £ million |
|---|-----------------|
| Sports, clothing, footwear and equipment | 1,043.90 |
| Import content of skiing | 161.59 |
| TV imports | 15.55 |
| Prize income | 373.09 |
| | |
| <i>Import content of UK production of:</i> | |
| Sport related goods and services | 391.36 |
| Commercial non-sport sector output | 3001.178 |
| | |
| Total income | 4,986.66 |

OUTSIDE THE AREA EXPENDITURE

| | £ million |
|---|-----------------|
| Sports, clothing, footwear and equipment | 1,145.83 |
| Admissions to sports events | 96.01 |
| TV exports | 38.58 |
| Prize income | 373.09 |
| | |
| Total expenditure | 1,653.51 |

SUMMARY

SPORT-RELATED INCOME AND EXPENDITURE FLOWS

| | Income £m | Expenditure £m |
|----------------------|--------------|-------------------|
| Consumer | 10,439.25 | 20,995.54 |
| Commercial sport | 13,195.97 | 12,392.99 |
| Voluntary | 5,646.59 | 3,101.92 |
| Commercial non-sport | 10,329.88 | 10,945.16 |
| Central government | 8187.58 | 1,257.59 |
| Local government | 2,253.09 | 2,283.14 |
| Outside | 4,986.66 | 1,653.51 |

NOTE:

Voluntary income: includes net bar receipts

Voluntary expenditure: excludes bar purchases.

THE EXPENDITURE FLOWS MATRIX (£m)

| Flows from | Flows to: | | | | | | |
|--------------------|-----------|----------|--------------|--------------|-------------------|-------------------|-----------------|
| | CON | CS | VOL | CNS | CG | LG | OV |
| Consumer sector | 0 | 9,126.43 | 3,832.9 4 | 4,257.7 4 | 3,157.7 1 | 405.40 | 161.59 |
| Commercial sport | 3,956.51 | 0 | 0 | 4,649.8 5 | 1,784.3 0 | 178.44 | 1,823.9 0 |
| Voluntary sector | 1,351.65 | 15.03 | 0 | 822.07 | 725.49 1,944.5 | 187.69 | 0.00 3,001.1 |
| Comm non-sport | 3,695.28 | 1,418.40 | 451.56 | 0 | 0 | 434.23 1,047.3 | 8 |
| Central government | 41.38 | 24.93 | 89.15 | 54.80 | 0 | 3 | 0 |
| Local government | 1,021.34 | 88.39 | 69.20 | 545.44 | 558.77 | 0 | 0 |
| Overseas | 373.09 | 1,263.62 | 0 | 0 | 16.80 | 0 | 0 |

**Appendix 3: Model Output England
2020
(2001 prices with participation
targets achieved)**

CONSUMER EXPENDITURE ON SPORT RELATED GOODS & SERVICES

| | £million |
|---|------------------|
| Admissions | 2,153.33 |
| Sports goods | 7,037.01 |
| Bicycles | 459.76 |
| Boats | 1,812.59 |
| Participants sports subscriptions & fees | 15,536.24 |
| Clothing sales | 6,876.79 |
| Footwear sales | 2,682.79 |
| Repairs and laundry | 35.81 |
| Travel | 2,193.64 |
| Books and magazines | 604.86 |
| Newspapers | 252.09 |
| Video: purchase and rental | 28.87 |
| BBC licence | 308.86 |
| TV and video rental, cable & satellite subscriptions | 3,052.83 |
| Internet subscriptions | 36.08 |
| Skiing holidays | 1,218.72 |
| Public schools | 334.96 |
| Gambling: football pools | 65.17 |
| horse racing | 1,473.88 |
| raffles and gaming. | 154.76 |
| Total | 46,319.02 |

VALUE ADDED BY SPORT RELATED ECONOMIC ACTIVITY

| | £m | Index |
|------------------------------------|------------------|---------------|
| <i>Commercial sport:</i> | | |
| Wages | 11,639.37 | |
| Surplus | 1,114.61 | |
| Lottery projects | 46.70 | |
| Total | 12,800.69 | 30.27 |
| | | |
| <i>Voluntary sector</i> | | |
| Wages | 5,018.08 | |
| Surplus | 8,164.83 | |
| Lottery projects | 128.82 | |
| Total | 13,311.73 | 31.48 |
| | | |
| <i>Commercial non-sport</i> | | |
| Wages | 9,103.19 | |
| Surplus | 4,333.94 | |
| Total | 13,437.13 | 31.78 |
| | | |
| <i>Central Government</i> | | |
| Wages | 90.13 | |
| Lottery projects | 117.37 | |
| Total | 207.50 | 0.49 |
| | | |
| <i>Local Government</i> | | |
| Wages (education) | 835.76 | |
| Wages (sports facilities) | 1,242.39 | |
| Wages (transport and policing) | 248.48 | |
| Lottery projects | 197.83 | |
| Total | 2,524.47 | 5.97 |
| | | |
| <u>TOTAL VALUE ADDED</u> | <u>42,281.52</u> | <u>100.00</u> |

EMPLOYMENT

| <u>Sector</u> | <u>Employment ('000s)</u> |
|---|---------------------------|
| <u>COMMERCIAL</u> | |
| <u>SPORT</u> | |
| Spectator clubs | 56.17 |
| Participation clubs | 47.26 |
| Retailers | 317.96 |
| Manufacturing (exports) | 44.32 |
| TV and Radio | 10.11 |
| <i>Subtotal</i> | 475.81 |
| <i>Voluntary sport</i> | 190.23 |
| <i>Commercial non- sport</i> | 326.03 |
| <u>CENTRAL GOVERNMENT</u> | |
| Transport | 0.03 |
| Administration | 3.37 |
| <i>Subtotal</i> | 3.40 |
| <u>LOCAL GOVERNMENT</u> | |
| Sports facilities | 32.44 |
| Education | 36.74 |
| Transport/police | 8.21 |
| <i>Subtotal</i> | 77.40 |
| <u>TOTAL</u> | 1,072.86 |

COMMERCIAL SPORT INCOME

£ million

Spectator Clubs:

| | |
|--|-------------|
| Admissions | 1,855.70 |
| Sponsorship & advertising | 369.22 |
| Corporate entertainment | 479.65 |
| Grants | 0 |
| Football Trust | 0 |
| Horserace Betting Levy | 119.2473347 |
| Cost of the rights to top league matches | 167.5 |

Participation clubs:

| | |
|----------------------|----------|
| Subscriptions & fees | 3,619.90 |
|----------------------|----------|

Retailers (net of Vat):

| | |
|--|----------|
| Equipment | 7,343.12 |
| Clothing and footwear | 8,403.75 |
| Books, newspapers and magazines & videos | 880.77 |

Exports and manufacturers' sales of

| | |
|--------------------------------|----------|
| clothing, footwear & equipment | 3,585.10 |
|--------------------------------|----------|

TV and radio:

| | |
|------------|--------|
| BBC | 308.86 |
| Commercial | 295.33 |
| Exports | 38.58 |

| | |
|------------------------|-------|
| Internet subscriptions | 30.71 |
|------------------------|-------|

| | |
|----------------------|-------|
| Lottery awards | 93.68 |
| Lottery partnerships | 45.40 |

| | |
|--------------|-----------|
| Total Income | 27,636.51 |
|--------------|-----------|

COMMERCIAL SPORT EXPENDITURE

| | £ million |
|----------------------------------|------------------|
| Current factor expenditure | |
| <u>Spectator clubs:</u> | |
| Wages | 2,151.16 |
| Other inputs | 1,115.13 |
| <u>Participation:</u> | |
| Wages | 1,809.95 |
| Other inputs | 1,628.96 |
| <u>Retailers:</u> | |
| Wages | 6,460.24 |
| Other inputs | 9,531.96 |
| <u>Manufactures:</u> | |
| Wages | 791.20 |
| Other inputs | 2,368.32 |
| <u>TV and radio:</u> | |
| Wages | 426.82 |
| Other inputs | 53.52 |
| Total Factor Expenditure | |
| Total wages | 11,639.37 |
| Total other inputs | 14,697.89 |
| Total factor surplus | 1,114.61 |
| Total value added | 12,753.98 |
| Current transfers | |
| Corporation tax | 131.73 |
| Rates | 384.02 |
| Capital expenditure | |
| Investment | 1,638.41 |
| Total Expenditure Leaving Sector | 28,491.43 |

VOLUNTARY SECTOR INCOME

£ million

Factor income (monetary)

| | |
|--|-------------------------|
| Players' subscriptions and match fees | 10,253.92 |
| Equipment | 46.55 |
| Sponsorship and advertising | 251.35 |
| Raffles and gaming machines | 154.76 |
| Bar receipts | 10,706.57 |
| <i>Subtotal (factor income)</i> | <i>21,413.14</i> |

Other monetary income

| | |
|--------------------------------------|---------------|
| Grants | 185.82 |
| Foundation for Sport and Arts | 36.96 |
| Football Trust | 0.00 |
| Employers' subsidies | 231.05 |
| Interest | 115.39 |

| | |
|--|---------------|
| Lottery awards via Sports Council | 291.45 |
| Lottery partnerships | 92.16 |

| | |
|--|------------------|
| <u>Total Monetary Income</u> (excluding bar receipts) | 11,659.39 |
|--|------------------|

VOLUNTRY SECTOR EXPENDITURE

£million

Factor expenditure

| | |
|------------------------------|-----------------|
| Wages | 5,055.94 |
| Ground hire and rents | 206.64 |
| Equipment | 53.09 |
| Other | 475.90 |
| (Bar purchases) | 7,494.60 |

| | |
|---|-------------------------|
| <u>Subtotal (factor expenditure)</u> | <u>13,286.17</u> |
|---|-------------------------|

| | |
|-----------------|---------------|
| Rates | 334.10 |
| Interest | 24.30 |

| | |
|-------------------|---------------|
| Investment | 294.56 |
|-------------------|---------------|

| | |
|---|-----------------|
| Total Monetary Expenditure (excluding bar purchases) | 6,444.52 |
|---|-----------------|

COMMERCIAL NON-SPORT INCOME

| | £million |
|---|-----------|
| <u>Receipts net of tax from consumer spending:</u> | |
| Travel | 656.40 |
| Gambling | 1,127.71 |
| Skiing | 552.99 |
| Public schools | 276.34 |
| TV rental, cable & satellite subscriptions | 2,518.59 |
| <u>Sales of current inputs to:</u> | |
| Central government | 76.44 |
| Local government | 621.45 |
| Commercial sport | 10,711.95 |
| Voluntary sector | 495.94 |
| Interest from voluntary sector | 24.30 |
| <u>Sales of capital inputs to:</u> | |
| Local government | 284.52 |
| Commercial sport | 1,013.77 |
| Voluntary | 243.01 |
| Promotion expenditure for sponsorship (intra-sectoral flow) | 866.7128 |
| Total income | 18,603.41 |

COMMERCIAL NON-SPORT EXPENDITURE

| | £million |
|--|-----------|
| <u>Producers of inputs to sport:</u> | |
| wages | 9,103.19 |
| imports | 5,404.91 |
| (factor surplus) | 4,333.94 |
| (value added) | 13,437.13 |
| Corporation tax | 512.23 |
| Rates | 403.11 |
| <u>Purchases of inputs from sport:</u> | |
| Sponsorship and advertising | 1,112.26 |
| ITV and radio advertising | 295.33 |
| Corporate entertainment at sports events | 479.65 |
| Employees' sports subsidies | 135.01 |
| Football Trust | 0.00 |
| Horserace Betting Levy | 119.25 |
| Interest payments to voluntary sector | 115.39 |
| Promotion expenditure for sponsorship: (to elsewhere in CNS sector) | 866.71 |
| Cost of the rights to top league matches | 167.50 |
| Lottery awards via Sports Council | 1,040.88 |
| Lottery partnerships | 420.43 |
| Total expenditure leaving sector | 19,309.14 |

CENTRAL GOVERNMENT INCOME

| | £ million |
|---------------------------------|------------------|
| <u>Taxes :</u> | |
| on expenditure | 7,458.78 |
| on incomes generated in: | |
| commercial sport | 3,602.58 |
| voluntary sector | 1,484.00 |
| commercial non-sport | 3,605.93 |
| local government | 682.91 |
| rail receipts | 2.80 |
| <u>Total income</u> | 16,837.00 |

CENTRAL GOVERNMENT EXPENDITURE

| | £ million |
|--|---------------|
| Transfer Payments | |
| Grants via Sports Councils | 137.20 |
| Urban Programme | 0 |
| <u>Grant support for local government</u> | |
| <u>expenditure on:</u> | |
| sport (net spending) | 955.69 |
| education | 653.24 |
| Foundation for Sport and Arts | 49.28 |
| Football Trust | 0 |
| Subsidy to CG employees | 96.04 |
| Factor Expenditure | |
| Sports Council: wages and other inputs | 100.47 |
| <u>Prison service, MOD, royal parks:</u> | |
| wages and other inputs | 134.87 |
| Total | 2,129.00 |

LOCAL GOVERNMENT INCOME

| | £ million |
|--|-----------|
| <u>Local authority sports facilities:</u> | |
| fees and charges | 738.01 |
| sales of equipment | 342.49 |
| ground hire | 103.32 |
| <u>Grants from central government:</u> | |
| to fund net expenditure on sport | 955.69 |
| sport education | 653.24 |
| via Sports Council | 20.58 |
| via Urban Programme | 0.00 |
| via FSA | 12.32 |
| <u>Rates:</u> | |
| voluntary sector | 334.10 |
| commercial sport | 384.02 |
| commercial non-sport | 403.11 |
| Local transport | 0.00 |
| Payments for policing | 6.50 |
| Lottery awards | 447.58 |
| Lottery partnerships | 141.53 |
| Total income | 4,542.50 |

LOCAL GOVERNMENT EXPENDITURE

£ million

Current expenditure

Direct gross expenditure:

Wages 1,242.39

Other current expenditure 1,058.34

Education:

Wages 835.76

Research 13.45

Local transport and policing:

Wages and other inputs 248.4789

Grants to voluntary clubs 69.20

Capital expenditure

Investment 344.8705

Total expenditure 3,812.49

OUTSIDE THE AREA INCOME

| | £ million |
|---|-----------|
| Sports, clothing, footwear and equipment | 2,769.36 |
| Import content of skiing | 452.45 |
| TV imports | 15.55 |
| Prize income | 506.46 |
| <i><u>Import content of UK production of:</u></i> | |
| Sport related goods and services | 1,026.00 |
| Commercial non-sport sector output | 5404.915 |
| Total income | 10,174.72 |

OUTSIDE THE AREA EXPENDITURE

| | £ million |
|--|-----------|
| Sports, clothing, footwear and equipment | 3,262.44 |
| Admissions to sports events | 96.01 |
| TV exports | 38.58 |
| Prize income | 506.46 |
| Total expenditure | 3,903.48 |

SUMMARY

SPORT-RELATED INCOME AND EXPENDITURE FLOWS

| | Income £m | Expenditure £m |
|----------------------|--------------|-------------------|
| Consumer | 20,649.92 | 46,319.02 |
| Commercial sport | 31,467.16 | 28,491.43 |
| Voluntary | 14,871.36 | 6,444.52 |
| Commercial non-sport | 18,603.41 | 19,309.14 |
| Central government | 16837.00 | 2,129.00 |
| Local government | 4,542.50 | 3,812.49 |
| Outside | 10,174.72 | 3,903.48 |

NOTE:

Voluntary income: includes net bar receipts

Voluntary expenditure: excludes bar purchases.

THE EXPENDITURE FLOWS MATRIX (£m)

| Flows from | Flows to: | | | | | | |
|--------------------|-----------|-----------|---------------|----------------------|--------------------|-------------------|-------------------|
| | CON | CS | VOL | CNS | CG | LG | OV |
| Consumer sector | 0 | 22,319.81 | 10,455.2 2 | 5,132.03 11,725.7 | 6,818.9 2 | 1,080.5 0 | 452.45 4,317.3 |
| Commercial sport | 8,223.02 | 0 | 0 | 2 | 3,834.8 1,628.1 | 390.53 | 6 |
| Voluntary sector | 3,571.94 | 43.80 | 0 | 763.25 | 3,605.9 2 | 437.42 | 0.00 |
| Comm non-sport | 6,605.15 | 1,815.57 | 885.35 | 0 | 3 | 992.22 1,641.8 | 1 |
| Central government | 90.13 | 70.98 | 249.62 | 76.44 | 0 | 3 | 0 |
| Local government | 1,653.23 | 251.67 | 69.20 | 905.97 | 932.42 | 0 | 0 |
| Overseas | 506.46 | 3,380.23 | 0 | 0 | 16.80 | 0 | 0 |

Appendix 4: Assumptions

ASSUMPTIONS FOR THE 2020 MODEL WITHOUT INCREASE IN SPORT PARTICIPATION (Using 2001 prices)

1. Inflation increases on average by 2.3% annually
2. Number of journeys per person per year (over a mile long)
 - Car driver : increases from 380 to 410
 - Car passenger increases from 214 to 230
 - Motorcycle decreases from 3 to 1.
 - Other private: decreases from 7 to 3.
 - Bus in London increases from 12 to 15.
 - Other local bus: decreases from 43 to 30.
 - LT Underground increases from 7 to 10.
 - Rail: increases from 13 to 15.
 - Taxis: increases from 11 to 13
 - Other public: increases from 2 to 5
3. Number of journeys per person per year for sports/entertainment (over one mile)
 - Car driver: increases from 23 to 29
 - Car passenger: decreases from 20 to 18.
4. Number of journeys per person per year for sports only (over one mile): increases from 21 to 24.
5. Household Income (FS based), 2001 prices
 - UK: increases from £715m to £743m
 - England: increases from £617m to £641m.
6. Personal disposable income (per head, FS based, 2001 prices)
 - UK: increases from £9952 to £10337
 - England: increases from £10,244 to £10,640.
7. Resident Population
 - UK: increases from 58.8m to 64.1m
 - England: increases from 49.2m to 54.2m.
8. Household spending on:
 - Spectator sports/ admissions: increases by 4% annually.
 - Subscriptions to sports clubs: increases by 4% annually.
 - Theatres, concerts: increases by 1.5% annually.
 - Satellite TV, subscriptions to channels: increases by 4% annually.
 - Cable TV connection and subscription: increases by 8% annually.
 - Education fees: increases by 4% annually.
 - Internet subscription fees: increases by 10% annually.
 - Sports and camping equipment: increases by 4% annually.
 - Books: increases by 1% annually.
 - Newspapers: reduces by 1% annually.
 - Magazines: increases by 3% annually.
 - Purchase and rental of video cassettes: increases by 1% annually.
 - Petrol, diesel, motor oils: increases by 1% annually.
 - Rail: increases by 3% annually
 - Bus and coach fares: increases by 3% annually.
 - Bicycles and boats: increases by 3% annually.
 - Outwear: increases by 2% annually.
 - Footwear: increases by 0.5% annually.

9. Number of households:
 - UK: increases from 24.9m to 27.2m.
 - England: increases from 20.9 to 22.9.
10. BBC related statistics:
 - Licence income: increases by 3% annually on average.
 - Operational Television expenditure: increases by 2% annually.
 - Trading profits: increase by 4% annually.
 - Staff costs: increase by 4% annually.
 - Average TV cost per hour: increases by 0.5% annually.
11. Bicycle retail sales: increase by 3% annually.
12. Sports clothing retail sales: increase by 2% annually.
13. Sports footwear retail sales: increase by 0.5% annually.
14. Sponsorship value: increases by 3% annually.
15. Skiing holiday market: increases by 1% annually.
16. Sales of skiing goods: increase by 2% annually.
17. Sport England:
 - Management services: increase by 5% annually.
18. Horserace betting levy: increases by 4% annually.
19. Local Authorities - Fees and Charges from the public:
 - Outdoor sports: increase by 1.5% annually.
20. Local Authorities - Total Income
 - Outdoor sports facilities: increase by 1.5% annually.
21. Local Authorities Grants and Contributions increase by 5% annually.
22. Local Authorities Hired and Contracted services:
 - Outdoor facilities: increase by 1.5% annually.
23. Local Authorities- Current grants from Central Government: increase by 5% annually.
24. Local Authorities- Capital grants from Central Government: increase by 2% annually.
25. Government spending on secondary schools increases by 3% annually.
26. Government spending on special schools increases by 2% annually.
27. Imports of goods and services increase by 3% annually.
28. Income from employment increases by 2% annually.
29. Gross profits increase by 2% annually.
30. Spending by overseas residents in the UK increases by 2% annually.
31. Average gross weekly pay for full time employees:
 - Mixed retail business: increases by 2% annually.
 - Sports and recreational services: increases by 3% annually.
 - Retail distribution: increases by 1% annually.

Telecommunications: increases by 2% annually.
Other services: increases by 1% annually.
All industries and services: increases by 1% annually.
Public administration: increases by 1% annually.
Railways: increases by 2% annually.
Police: increases by 1% annually.

32. Awards paid for sports (lottery): increase by 3% annually.

ASSUMPTIONS FOR THE 2020 MODEL AFTER INCREASING SPORT PARTICIPATION (Using 2001 prices)

Since the participation rate of those participating 3 or more times a week has to increase from 24.4% to 70%, a factor of 2.8 was applied on statistics directly affected.
A factor 1.4 was used on statistics where the relationship is not so strong.

Starting from the previous England 2020 model we inflated the following inputs by 2.8:

Sports related walk journeys (over one mile)
Sports related bicycle journeys (over one mile)
Sports related car journeys (over one mile)
Journeys per person for sport
Spending on participant sports excluding subscriptions
Subscriptions to sports and social clubs
Spending on sports and camping equipment
Purchase and repair of bicycles and boats
Spending on sports clothing and footwear
Skiing holiday market
Sales of skiing goods
Sports funds
Grants in aid
LA fees and charges for indoor facilities, outdoor facilities, golf courses
LA total income from indoor facilities, outdoor facilities, golf courses
LA hired and contracted services for indoor facilities, outdoor facilities, golf courses
Awards paid for sports

Starting from the previous England 2020 model we inflated the following inputs by 1.4:

Spectator sports admissions
Sports related education fees
Spending on sports related books
Spending on sports related magazines
Sports sponsorship
Sports related management services
LA fees and charges for Urban Parks and Spaces
LA total income from Urban Parks and Spaces
LA hired and contracted services for Urban Parks and Spaces