

MANCHESTER CITY COUNCIL REPORT FOR INFORMATION

COMMITTEE: Resources and Governance Overview and Scrutiny Committee

DATE: 11th December 2008

SUBJECT: City of Manchester Stadium Income and the development of Sportcity.

REPORT OF: City Treasurer
Head of Leisure

PURPOSE OF THE REPORT:

To update the Committee on how revenue from the City of Manchester Stadium Rental Agreement is being invested to support the development of Sportcity.

RECOMMENDATIONS:

The Committee is requested to consider the information contained in the report and either:

- Note for information

FINANCIAL CONSEQUENCES FOR THE REVENUE AND CAPITAL BUDGETS:

None.

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WARDS AFFECTED:

All

1 INTRODUCTION

- 1.1 In 2002 Manchester hosted the most successful Commonwealth Games in history, an event which left behind a sporting legacy which the City Council and its partners have used to; increase sports participation levels in the city, support elite athlete provision, leading to Olympic achievements in Athens and Beijing, and host national and international sporting events.
- 1.2 This report sets out the benefits to Sportcity of the current investment from the City of Manchester Stadium Rental Agreement. It outlines the outcomes in terms of participation in sport, the development of talent and elite performance, sports events, volunteering and the economy.

2 SPORT IN MANCHESTER

- 2.1 In November 1995 Manchester was awarded the 2002 Commonwealth Games and subsequently Manchester City Council agreed that a comprehensive sports policy be developed to maximise the potential of the Games to deliver real sporting and social benefits to the City. That policy set out a framework for developing programmes which sought to, maximise participation in sport from all sections of the community and provide pathways to enable residents to maximise their sporting potential.
- 2.2 The City Council's approach has led to Manchester being established as the UK's leading sporting City, and a leader in using outstanding facilities to increase participation across a wide range of sporting activities. The City Council is using sport to support the regeneration of the social and community infrastructure, which underpins sustainable communities. This work is linked to the development of a strong and sustainable community sports network, directly supporting an increase in sports participation. This model has shown that hosting a major multi sport event can provide real physical and social sustainable legacy for a City, and the Olympics in London and the Commonwealth Games in Glasgow have both benefited from learning from Manchester's experience.
- 2.3 The development of sport in Manchester links residents directly into an extensive range of community, club and elite programmes at Sportcity. These programmes are delivered at the National Squash Centre, the Regional Athletics Arena, the Regional Tennis Centre and the National Cycling Centre. In addition, the surrounding venues, which include the Regional Gymnastics Centre in Gorton and the Regional Hockey and Leisure Centre at Belle Vue, also host an extensive programme of community, club and elite activity.

3 SPORTS PARTICIPATION

- 3.1 In December 2006 the largest national participation survey ever undertaken revealed that 21.23% of Manchester's residents are achieving the government's benchmark of 3 times 30 minutes of moderate intensity exercise per week compared to 20.6% regionally. In addition, comparable participation studies have been undertaken in 2004 and 2007 for young people, which measured participation rates amongst 13-14 years olds. These studies have revealed that Manchester is making significant progress in the development of sport. The table below summarises the progress for young people:

Indicator	(%)	
	2004	2007
% taking part in extracurricular sport	71.0	75.6
% who are members of a sports club	57.1	66.1
% currently volunteering in sport	7.7	9.4
% who have visited a leisure centre in the last four weeks	57.5	72.1

- 3.2 Over the next ten years, Manchester has an opportunity to build on this platform and respond to challenges and opportunities arising from the 'Decade of Sport', which will include the 2012 Olympic Games in London, the Commonwealth Games in Glasgow 2014, and the UK bid for the FIFA Football World Cup in 2018.
- 3.3 Manchester's ambition is to become the UK's leading city for sports participation, with an established community sports infrastructure, which will sustain high levels of participation. This ambition will link to providing support at all levels, combining the impetus from school based programmes with the inspiration of international events to help establish a world class system for the benefit of all Manchester's communities.

4 CITY OF MANCHESTER STADIUM RENTAL AGREEMENT

- 4.1 The City of Manchester Stadium Rental Agreement enables an extensive programme of sport and community activity to be delivered across the Sportcity venues for the benefit of local communities around these venues and the City as a whole. The agreement between the Council, Sport England and MFCFC ensures that income received is reinvested into sporting facilities and programmes at Sportcity and in the surrounding areas. In addition to ticket sales, revenue is also generated from conferences, events, other sports events i.e. Rugby and car parking. This has provided between 1.25m and £2.5m of revenue per annum over the past five years, this has averaged at around £2m per annum.
- 4.2 The rental income is used to offset the running costs of the Sportcity facilities which in turn allows accessible prices for residents, this also includes the estate management function which is delivered in partnership with MFCFC. In addition, grants from Sport England are accessed to cover the costs associated with the elite usage of the venues, this currently generates an additional £225,310 per annum and supports the operation of these facilities.
- 4.3 In addition, the rental income supports the delivery of an extensive programme of sports development activity and community events, and regional sports events. A comprehensive out reach programme is delivered to maximise engagement at Sportcity, this includes providing transport for schools throughout the city. This enables tens of thousands of residents each year to participate in sport.

5 SPORTCITY IMPACT

- 5.1 Revenue generated from the City of Manchester Stadium Rental Agreement has enabled Sportcity to be established as a crucial piece of both Manchester's and the UK's sporting infrastructure. Sportcity plays a major role in ensuring that some of Team GB's most talented athletes realise their potential, the revenue has also provided the platform to increase participation in sport by young people. Sportcity serves as an important national and regional centre and hosts a number of events at all age levels.

5.2 The table below summarises the community use and sport development outputs which were achieved in 2007/08.

Outputs (No. of)	Sports						Total
	Athletics Centre	Cycling Centre	Squash Centre	Tennis Centre	Hockey Centre	Gym' Centre	
Sports participant visits	68,033	123,747	16,034	33,555	*257,829	108,728	647,481
- BME participants	17,008	4,950	3,527	7,382	*56,722	19,571	109,161
- Disabled participants	680	3,712	160	336	*2,578	3,262	10,729
- Women and Girls	23,812	21,037	6,734	14,429	*100,553	68,499	235,063
Schools supported	152	124	10	60	79	9	434
Competitions delivered	75	102	12	8	16		213
Coaches engaged	118	46	15	5	21	22	227
Qualifications delivered	186	55	48	60	36	5	390
Volunteers engaged	160	75	15	21	26	35	332
Clubs supported	8	19	1	2	5	1	36
Club membership	1,600	500	70	230	310	930	3,640
Talented Athletes	300	200	40	2	18	70	630
Elite Athletes	9	57	4	1	3	0	74
Olympic medals -Beijing	1	26	0	0	0	0	27

* Please note that these figures are high as they incorporate St. Peter's High School usage, as this is a dual use facility.

5.3 The tables below summarise the scale of impact under the headings of participation, events, and economic impact.

5.3.1 **Increased Participation** - The Sportcity facilities recorded 647,481 user visits in the last year, and the numbers were substantial at all of the facilities. This level of visits makes Sportcity one of the highest used sport locations in Europe. The level of activity is under-pinned by local residents and sports clubs in Manchester taking advantage of the facilities. There has been an increase in take up by young people and those seeking to use the facilities to improve health and wellbeing as well as for Sporting outcomes.

Facility	Users 2007/08
Regional Outdoor Athletics Arena	40,820
Indoor Athletics Arena	27,213
National Cycling Centre	123,747
National Squash Centre	16,034
Sport Fitness Studio	39,555
Regional Tennis Centre	33,555
Regional Hockey Centre	257,829
Regional Gymnastics Centre	108,728
Total	647,481

5.3.2 **Events** - Sportcity hosts a large number of events in a significant number of sports. Recent and forthcoming events include UCI Track Cycling World Championships, UEFA Cup Final, Great Mini/Junior Run, Paralympic World Cup, Hi-Tec World Squash Championship, UCI Track Cycling World Cup Classic, British Open International Taekwondo Championships, National Badminton Championship, National Squash Championship, and the North

West Street Games. These events are in addition to a large number of events at the city and sub regional level, with competition events for school and junior squads important elements of the events programme.

Facility	Number of Events 2007/08	Attendances 2007/08
Regional Outdoor Athletics Arena	60	53,654
Indoor Athletics Arena	57	8,393
National Cycling Centre	13	47,036
National Squash Centre	9	2,602
Regional Tennis Centre	33	1,174
Total	172	112,859

5.3.3 **Economic Impact** – There are some 233 full time equivalent jobs at Sportcity, one of the highest concentrations of sport related employment in the country. The majority of jobs are highly qualified in sports related disciplines, management and administration. This direct effect is only a small proportion of the total economic benefits. When all expenditure is taken into account, including expenditure by visitors to events, the employment impact increases to 436 full time equivalent jobs and contributes some £17.352m to annual GVA.

Facility	Direct Employment ¹	Total ²	
		Employment	GVA (£m)
Regional Outdoor Athletics Arena	7	25.2	1.008
Indoor Athletics Arena	4.5	11	0.444
National Cycling Centre	130	235	9.400
National Squash Centre	44	72	2.780
Sport City Fitness Studio	5	8	0.320
Regional Tennis Centre	3.5	7	0.280
English Institute of Sport	39	78	3.120
Total	233	436.2	£17.352m

¹ Full Time Equivalents; includes 266 part and full time jobs in total
² Takes account of additional income at facilities, sports events, and off site expenditure on food, drink and accommodation

6 CONCLUSION

6.1 Much has been achieved in Manchester in a relatively short period; the development of Sportcity has enabled the city to establish extensive development programmes throughout East Manchester and across the City Region. Manchester is now out performing comparable authorities in terms of participation rates and has established a platform to create a world-class school sport, community sport and elite sport system.