

Appendix 3 UK Sport Impact Study



SOCIO-ECONOMIC IMPACT STUDY OF HOSTING THE EUROPEAN ATHLETICS CHAMPIONSHIPS 2026 IN BIRMINGHAM, UK

DRAFT REPORT

Submitted to:

Karen Weir
UK Sport



Submitted by:

Richard Coleman and Dr. Girish Ramchandani
Sport Industry Research Centre
Sheffield Hallam University
A118 Collegiate Hall, Sheffield, S10 2BP

Tel: +44 (0)777 646 7920 (0)738 502 5741
Email: r.j.coleman@shu.ac.uk / g.ramchandani@shu.ac.uk

27th May 2022

CONTENTS

EXECUTIVE SUMMARY	ii
1. INTRODUCTION.....	1
2. APPROACH.....	1
3. ECONOMIC IMPACT OF THE EAC 2026	2
3.1. Spectators	2
3.1.1. Spectator admissions and unique spectators.....	2
3.1.2. Event-specific visitors	3
3.1.3. Additional expenditure by eligible spectators	4
3.2. Other attendees	4
3.2.1. Athletes and team officials	5
3.2.2. European Athletics representatives and partners.....	5
3.2.3. Media	5
3.2.4. Volunteers.....	5
3.2.5. Contractors and suppliers	5
3.2.6. Additional expenditure by other attendees	6
3.3. Organisers	6
3.4. Direct and total economic impact.....	7
4. OTHER IMPACTS.....	8
4.1. Global exposure	8
4.2. Enhanced reputation	8
4.3. Inspiration and wellbeing.....	9
4.4. Community development.....	9
4.5. Volunteering	9
5. CONCLUDING COMMENTS	10

EXECUTIVE SUMMARY

Introduction

This report has been prepared by Sheffield Hallam University's Sport Industry Research Centre (SIRC) for UK Sport. The report provides an assessment of the potential economic impact and wider benefits of hosting the European Athletics Championships (EAC) in the UK in 2026. The proposed venue for the event is Alexander Stadium which has been redeveloped for the 2022 Commonwealth Games.

Approach

The overall approach to estimate the potential economic impact of the EAC 2026 is fully compliant with the economic strand of the *eventIMPACTS* methodology. Drawing on evidence from previous editions of the event (Amsterdam 2016 and Berlin 2018) and other major IAAF events held in the UK in recent years (London 2017 and Birmingham 2018), we project the additional expenditure by event-specific visitors and organisers (i.e. the direct economic impact) that is likely to occur at different levels of geography (UK; England; and, at local level for Birmingham), which provides the basis for estimating the total economic impact (including indirect and induced effects).

Economic impact

The potential direct and total economic impact estimates of hosting the EAC 2026 in the UK are summarised below. At each level of geography, the estimates are quoted at current prices and 2026 prices.

Direct and total economic impact estimates

	UK (£m)	England (£m)	Local (£m)
2022 prices			
Spectators	5.36	7.75	19.37
Other Attendees	3.95	4.71	6.16
Organisers	0.00	1.94	0.10
Direct economic impact	9.31	14.39	25.64
Indirect/Induced impacts	9.31	11.51	5.13
Total economic impact	18.62	25.91	30.77
2026 prices			
Spectators	5.91	8.55	21.38
Other Attendees	4.36	5.20	6.80
Organisers	0.00	2.14	0.11
Direct economic impact	10.27	15.88	28.29
Indirect/Induced impacts	10.27	12.71	5.66
Total economic impact	20.54	28.59	33.95

* Organisers = Organisational expenditure in the host economy /less event revenues originating from the host economy.

Wider benefits

Social impacts

Major events like the EAC provide a powerful platform for inspiring those who experience them to be more physically active and improve their mental wellbeing. For example, some 43% of spectators at the 2017 IAAF World Championships said that attending the event had inspired them to do sport and active recreation more than they would normally. The corresponding statistic from the 2018 World Indoor Athletics was 52%. In the five years leading up to EAC 2018, athletics memberships amongst youth in Berlin increased by 30%. Events of this type can also be a source of civic and national pride and contribute to community cohesion and people's perceptions of their local area. Hosting the EAC in 2026 will provide an opportunity for the UK population to experience such inspirational, wellbeing and community benefits.

It is anticipated that the EAC 2026 will provide opportunities for around 2,900 people to contribute to the event delivery in a voluntary capacity. The time contribution of volunteers represents a non-market benefit to the organisers. The *replacement value* of this volunteering is projected at **£2.86m**. In the same way that spectators feel happier from watching a sporting event, volunteers benefit from improved wellbeing from their experience of volunteering. The *wellbeing value* for volunteers is estimated at **£1.26m**. Beyond these monetised estimates, volunteering at major events helps people develop skills that are transferrable and can help them to find work or improve their career prospects, which in turn can support the Government's push to reduce worklessness.

Global exposure

The most recent edition of the EAC in Berlin in 2018 received some 1,332 hours of live television coverage. This type of exposure can be used by host cities/towns and countries to promote their brands and benefit from potential place marketing effects. The potential media value for the host location in 2026 is estimated at **£26.35m** in indicative terms.

International reputation

Securing the EAC will add to the impressive list of major sports events that the UK has attracted since London 2012 (e.g. the 2017 IAAF World Championships in London and the 2018 IAAF World Indoor Championships and the 2022 Commonwealth Games – both in Birmingham) and reinforce the UK's international reputation as a leading major events' destination.

Conclusion

The projections presented in this report illustrate that hosting the EAC 2026 in the UK has the potential to provide a substantial economic impact at local and national levels. The Championships warrant serious consideration both economically, and from a profile perspective, given the opportunities for positive place marketing via international media coverage, and the wider social impacts consistent with the Government's strategy for sport, *Sporting Future*.

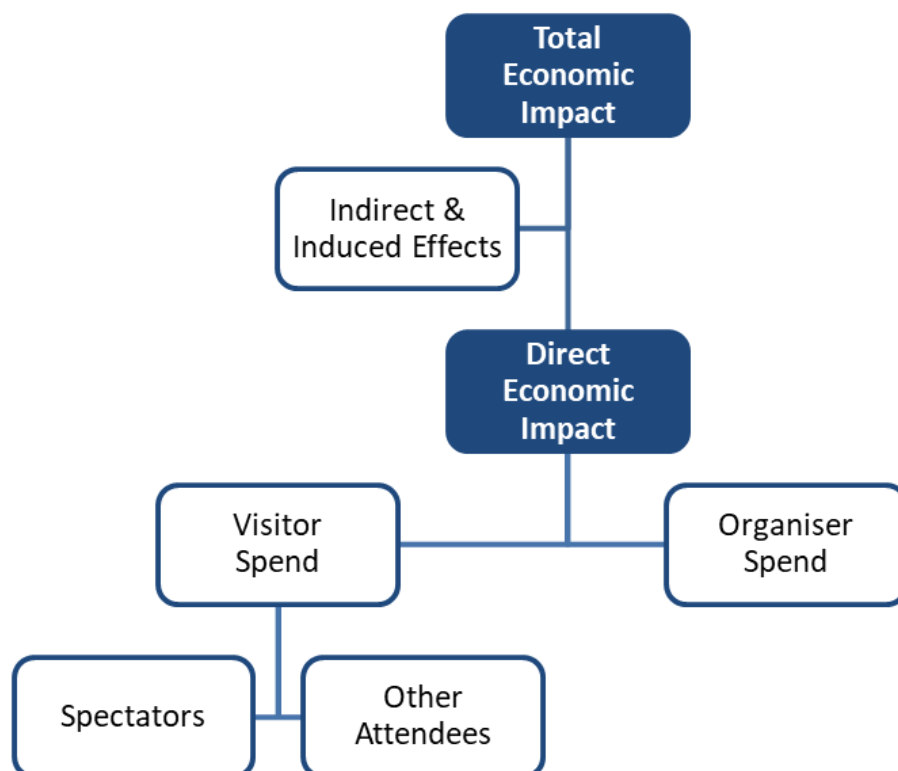
1. INTRODUCTION

This report has been prepared by Sheffield Hallam University's Sport Industry Research Centre (SIRC) for UK Sport. The report provides an assessment of the potential economic impact and wider social benefits of the UK hosting the European Athletics Championships (EAC) in 2026. The EAC is the flagship event of European Athletics and is held every two years. Research undertaken at the 2016 and 2018 editions of the EAC highlights the scale of the benefits to host cities and nations. This evidence has been analysed alongside event documentation and insights from research at other major athletics events held in the UK in recent years. Wherever possible, the potential benefits are monetised so that the return on investment can be judged using a common currency, which helps to guide the investment decisions of public bodies.

2. APPROACH

Our overall approach to forecast the likely economic impact of the EAC 2026 is fully compliant with the economic strand of the *eventIMPACTS* methodology, which is widely viewed as representing the gold standard for measuring the impacts of major sports events in the UK. As shown in Figure 2.1, we project the additional expenditure by event-specific visitors and organisers as a result of hosting the event (i.e. the direct economic impact), which provides the basis for estimating the total economic impact (including indirect and induced effects) by applying an appropriate output multiplier.

Figure 2.1: Economic impact components



The economic impact projections are presented at three levels of geography: **UK, England** and at **local** level. The local impact is assessed on the city of Birmingham, an area under the jurisdiction of its City Council.

The Alexander Stadium is the proposed venue for the EAC 2026. The stadium has a proven track record of securing and successfully hosting major athletics events and it has been redeveloped and refurbished for the Birmingham 2022 Commonwealth Games. First opened in 1976, the facility became the home of UK Athletics in 2011. It held its first Diamond League Meeting in 2011 and staged the British Grand Prix Athletics until its closure for its Birmingham 2022 redevelopment. Post Birmingham 2022 the stadium is expected to be a hub for community leisure in the Perry Barr area of the city and for athletics more generally.

At each level of geography, the estimates are quoted at both 2022 and 2026 prices and are adjusted for inflation using ONS data. Table 2.1 provides an overview of what is included in and excluded from the economic impact estimates for each area under consideration. In accordance with the *eventIMPACTS* methodology, our projections exclude monies that are likely to originate in the defined host economy (e.g. spending by domestic spectators in the UK) and any expenditure that would probably occur regardless of the event. We also consider any potential leakages that could occur from a given host economy in relation to the likely sources of event revenue and spending by the organisers.

Table 2.1: Treatment of expenditure for economic impact estimates

Origin of Attendees / Spending	Impact Area		
	Local	England	UK
Birmingham	Excluded	Excluded	Excluded
Rest of England	Included	Excluded	Excluded
Rest of UK	Included	Included	Excluded
Outside UK	Included	Included	Included

3. ECONOMIC IMPACT OF THE EAC 2026

3.1. Spectators

3.1.1. Spectator admissions and unique spectators

According to the event bidding factsheet, hosting the EAC will require a stadium with a minimum capacity to accommodate 25,000 people. The redeveloped Alexander Stadium will have an estimated capacity of 30,000 (including temporary seating) for EAC 2026. The event is expected to run over seven days comprising 13 sessions. We have based our estimates on spectator attendance of around 23,000 per session after accounting for seating reserved for athletes, officials, media and international federations. Therefore, the aspirational aggregate spectator attendance for the event is 297,817 (i.e. 22,909 x 13).

Beyond the stadium-based events, the EAC 2026 is likely to include a marathon/race walk as well as a mass participation race outside the venue. For this forecast, the impact of these ancillary events is not captured fully, although it is likely that some of the attendees/participants at these events may be the same people who attend the events at Alexander Stadium.

Based on evidence from previous EAC's and major athletics events held in the UK in recent years, we estimate that spectators will attend an average of 2.5 event sessions and therefore the number of unique spectators in 2026 is projected at c. 119,000 – see Table 3.1.

Table 3.1: Projected spectator numbers at the EAC 2026 in context

Event	Location	Spectator Admissions	Avg. Sessions	Unique Spectators
2017 IAAF World Championships	London	676,517	2.02	335,371
EAC 2026	Birmingham	297,817	2.50	119,127
EAC 2018	Berlin	236,000	2.56	92,310
EAC 2016	Amsterdam	106,100	2.21*	48,000
2013 European Team Championships	Gateshead	15,905	1.17*	13,597
2018 IAAF World Indoor Championships	Birmingham	19,613	2.43	8,077

* Days not sessions

3.1.2. Event-specific visitors

According to data from the EAC in 2018 and 2016, some 16% and 24% of spectators were from outside Germany and the Netherlands respectively. The proportion of spectators from overseas at the 2017 IAAF World Championships in London and the 2018 IAAF World Indoor Championships in Birmingham was around 7%. Based on this range (7%-24%), it is reasonable to assume that 10% of EAC spectators in 2026 will be overseas visitors.

On the basis that England accounts for around 85% of the UK population, we assume that a similar share of domestic spectators will be from England. Hence, it is estimated that 25% of spectators will be from outside England (i.e. 10% from overseas plus 15% from the rest of the UK). At local level, we assume that 75% of spectators will be from outside the host location, which is in line with evidence from previous editions and the 2017 and 2018 IAAF events.

Consistent with evidence from the 2017 and 2018 IAAF events, it is assumed that for 95% of spectators the EAC will be the main motivation for their visit. Table 3.2 shows the derivation of event-specific visitors for the EAC 2026 at the different levels of geography using the assumptions outlined above.

Table 3.2: Derivation of event-specific visitors for the EAC 2026

	UK	England	Local
Unique spectators (from Table 3.1)	119,127	119,127	119,127
% from outside host economy	10%	25%	75%
Visitors	11,913	29,782	89,345
% visiting specifically for EAC 2026	95%	95%	95%
Event-specific visitors	11,317	28,293	84,878

3.1.3. Additional expenditure by eligible spectators

Overseas spectators at the EAC in 2016 had an average length of stay of around three days/nights. Because 2016 was an Olympic year the EAC was a five-day event, whereas it is expected to last seven days in 2026. Given the longer event duration in 2026, we have assumed that the average trip duration of event-specific visitors to the UK will be four days/nights. Using data from the 2018 IAAF World Indoor Championships (Birmingham), the average daily expenditure of event-specific spectators from overseas on accommodation and other items is estimated at £118 at 2022 prices (£131 at 2026 prices). Based on these data, we estimate that the additional expenditure in the UK by some 11,300 eligible spectators from overseas will amount to £5.36m at 2022 prices (£5.91m in 2026) as shown in Table 3.3.

Table 3.3: Additional expenditure by spectators by location

	UK	England	Local
Event-specific visitors (from Table 3.2)	11,317	28,293	84,878
Average days/nights	4	3	2.5
Total visitor days/nights	45,268	84,878	212,195
2022 prices			
Average daily spend per person	£118	£91	£91
Additional expenditure	£5.36m	£7.75m	£19.37m
2026 prices			
Average daily spend per person	£131	£101	£101
Additional expenditure	£5.91m	£8.55m	£21.38m

Table 3.3 also illustrates the parameters used and additional expenditure estimates derived for England and at local level for Birmingham. The reduced average trip durations and average daily expenditure rates applied at these levels of geography are based on three factors. First, the possibility that overseas spectators may not stay in the same location for the entirety of their visit. Second, the greater likelihood of domestic spectators from England and the rest of the UK being day visitors. Third, daily spend tends to diminish at smaller levels of geography.

3.2. Other attendees

The assumptions used to model the economic impact attributable to event attendee groups other than spectators are based on insights drawn from the event bidding factsheet and the economic impact reports produced for the EAC 2016, the 2018 IAAF World Indoor Championships and the 2013 European Team Championships. The assumptions relating to the projected number of people, their origin, length of stay and spending patterns are outlined below.

3.2.1. Athletes and team officials

- There will be 1,550 athletes from 50 member federations plus 1,270 team officials.
- It is estimated that 2,675 people will reside outside England (2,650 outside the UK).
- This group will stay for an average of eight nights in the host location.
- The estimated average daily expenditure per team member is £123 at 2022 prices (£136 at 2026 prices).

3.2.2. European Athletics representatives and partners

- We estimate that this group will include some 3,500 individuals.
- We have assumed that 35% of these individuals will be from outside the UK, 45% from outside England and 80% from outside the host location.
- Their average trip duration will be five days/nights and their average daily expenditure is estimated at £104 at 2022 prices (£115 at 2026 prices).

3.2.3. Media

- We anticipate that 1,700 media personnel will cover the event, of whom 63% will be from outside the UK, 69% from outside England and 95% from outside the host location.
- The average trip duration of media personnel is estimated at four days/nights.
- At England/UK level, their average daily expenditure is estimated at £165 per head at 2022 prices (£183 at 2026 prices).
- At local level, their average spend per person per day is estimated at £126 at 2022 prices (£139 at 2026 prices).

3.2.4. Volunteers

- We expect that the event will involve 2,900 UK based volunteers.
- It is assumed that 53% of these individuals will be from outside the host location and 15% will be from outside England.
- Their average trip duration will be seven days/nights.
- At England level, their average daily expenditure is estimated at £44 per head at 2022 prices (£48 at 2026 prices).
- At local level, their average daily expenditure is estimated at £21 per head at 2022 prices (£23 at 2026 prices).

3.2.5. Contractors and suppliers

- The number of UK based contractors and suppliers is estimated at 4,580, of whom 64% will be from outside the host location and 15% will be from outside England.
- Their average trip duration will be five days/nights.
- At England level, their average daily expenditure is estimated at £104 per head at 2022 prices (£115 at 2026 prices).
- At local level, their average daily expenditure is estimated at £61 per head at 2022 prices (£67 at 2026 prices).

3.2.6. Additional expenditure by other attendees

Based on the assumptions outlined above, the additional expenditure estimates for attendee groups other than spectators at UK, England and local levels are presented in Table 3.4.

Table 3.4: Additional expenditure by non-spectator groups

Group	UK (£m)	England (£m)	Local (£m)
2022 prices			
Athletes and team officials	2.61	2.63	2.77
European Athletics and partners	0.63	0.81	1.46
Media	0.71	0.77	0.82
Volunteers	0.00	0.13	0.22
Contractors and suppliers	0.00	0.36	0.89
OVERALL	3.95	4.71	6.16
2026 prices			
Athletes and team officials	2.88	2.90	3.06
European Athletics and partners	0.70	0.90	1.61
Media	0.78	0.85	0.90
Volunteers	0.00	0.15	0.24
Contractors and suppliers	0.00	0.40	0.98
OVERALL	4.36	5.20	6.80

3.3. Organisers

Beyond the anticipated economic impacts associated with the spending by spectators and other attendee groups, there will be substantial costs incurred to deliver EAC 2026 in the UK. The top line budget for the event is c. £20m. Using data from the draft budget coupled with information from the 2016 edition and the 2017 IAAF World Championships as benchmarks, we estimate that 60% of organisational spend will occur in Birmingham¹, equivalent to £12m. After accounting for the event revenues likely to originate from local sources (e.g. Birmingham CC and ticket sales to residents) the net organisers' spend in the City is projected to be £0.10m at 2022 prices. The corresponding estimate for England using the same approach is £1.94m. Given that the majority of event revenues will be generated from domestic sources the net impact at UK level is projected to be neutral. Table 3.5 summarises organisational spend estimates at each level of geography.

Table 3.5: Additional expenditure by organisers

	UK (£m)	England (£m)	Local (£m)
2022 prices	0.00*	1.94	0.10
2026 prices	0.00*	2.14	0.11

¹ We have assumed that 60% of organisers' spending will be local, a further 20% will be elsewhere in England (80% in total), with 95% overall in the UK and 5% overseas.

3.4. Direct and total economic impact

Bringing together the additional expenditure estimates for spectators, other attendee groups and organisers, Table 3.6 presents the potential direct and total economic impact of hosting the EAC 2026 in Birmingham, UK. Projecting the total economic impact requires consideration of the potential multiplier effects associated with businesses in the domestic supply chain that provide inputs to the beneficiaries of the direct economic impact, as well as the spending by the employees of those businesses.

We have borrowed output multiplier values that have been used previously to estimate the economic impacts of other major sports events in the UK (e.g. Ryder Cup). As a rule of thumb, the value of an output multiplier is likely to be higher for a national economy than at sub-national or local level. We utilise an output multiplier of 2 for the total economic impact forecast for the UK. This means that for every £1 of direct economic impact generated in the UK there is a further £1 that will arise in terms of indirect and induced effects. For England and the host location, we have applied output multipliers of 1.8 and 1.2 respectively².

Table 3.6: Direct and total economic impact projections

	UK (£m)	England (£m)	Local (£m)
2022 prices			
Spectators	5.36	7.75	19.37
Other Attendees	3.95	4.71	6.16
Organisers	0.00	1.94	0.10
Direct economic impact	9.31	14.39	25.64
Indirect/Induced impacts	9.31	11.51	5.13
Total economic impact	18.62	25.91	30.77
2026 prices			
Spectators	5.91	8.55	21.38
Other Attendees	4.36	5.20	6.80
Organisers	0.00	2.14	0.11
Direct economic impact	10.27	15.88	28.29
Indirect/Induced impacts	10.27	12.71	5.66
Total economic impact	20.54	28.59	33.95

When compared against other major athletics events held in the UK in recent years, the EAC 2026 is expected to generate a considerably larger economic impact at local level relative to both the 2018 IAAF World Indoor Championships and the 2013 European Athletics Team Championships – see Table 3.7.

² The 2018 WIAC in Birmingham used a multiplier of 1.4, however we have taken a more pragmatic 1.2 to present what we consider to be a defensible 'at least' position for the local economy.

Table 3.7: Direct economic impact of the EAC 2026 in context (2022 prices)

Event	Host Economy	Direct EI (£m)
2017 IAAF World Championships	London	85.20
EAC 2026	Birmingham	25.91
2018 IAAF World Indoor Championships	Birmingham	3.95
2013 European Team Championships	Gateshead	0.97

Note: The figures for the previous events have been adjusted for inflation

The 2017 IAAF World Championships attracted some 0.68m spectator admissions over ten days and the event had a direct economic impact on London of £85.20m at 2022 prices. These figures provide a test of reasonableness for the EAC 2026 projections, with the event anticipated to achieve around 0.30m spectator admissions (~44% of London 2017) over a seven day period and deliver a direct economic impact on the local economy of £25.9m at 2022 prices (~30% of London 2017).

4. OTHER IMPACTS

This section outlines the wider benefits that hosting the EAC in the UK can generate by drawing on evidence from previous editions of the event as well recent evidence of the social impacts of major athletics events held in the UK.

4.1. Global exposure

The event bidding factsheet highlights the following key television metrics from the most recent edition of the EAC in Berlin in 2018:

- 1,332 hours of live coverage produced.
- 646 different broadcasters showed the event, with an average market share of 13.6%.
- 366 million hours viewed (number of live coverage hours x average audience)

This type of exposure can be used by host locations to promote their brands and benefit from potential place marketing effects. The IAAF World Championships and the World Para Athletics in London in 2017 received 6,875 hours of dedicated television coverage and the media value for London linked to this coverage was £136m. Therefore, on a 'per hour' basis the media value achieved for London was £19,782. Multiplying this figure by the hours of TV coverage expected for the EAC (1,332) gives a projected indicative media value for the host location of **£26.35m**.

4.2. Enhanced reputation

Securing the EAC will add to the impressive list of major sports events that the UK has attracted since London 2012 and reinforce the UK's international reputation as a leading major events' destination. To illustrate this point, 81% of non-local attendees at the 2017 IAAF World Championships and 67% of non-local attendees at the 2018 World Indoor Athletics said that hosting these events had increased their awareness of London and Birmingham as tourist/business destinations. Moreover, 69% of visitors to London and 73% of visitors to Birmingham said they were more likely to return to these locations due to the IAAF events. It is also noteworthy that the plan to stage EAC 2026 at the redeveloped Alexander Stadium for the Birmingham 2022 Commonwealth Games, will help to enhance the Games' legacy.

4.3. Inspiration and wellbeing

Major events like the EAC provide a powerful platform for inspiring those who experience them. For example, some 43% of spectators at the 2017 IAAF World Championships said that attending the event had inspired them to do sport and active recreation more than they would normally. The corresponding statistic from the 2018 World Indoor Athletics was 52%. In the five years preceding EAC 2018, athletic memberships amongst Berlin's youth increased by 30%.

Recent research in the UK has demonstrated that attending/watching major sports events makes people feel better about their lives. While there is no data on athletics' events specifically, a nationwide survey revealed that 56% of UK adults who interacted with the 2019 UCI Road World Championships in Yorkshire said that their event interaction made them feel happier than they did normally. It is anticipated that hosting the EAC in 2026 can produce similar mental wellbeing benefits for Birmingham and wider UK residents and spectators.

4.4. Community development

Hosting high-profile sporting events can be a source of civic and national pride and contribute to community cohesion and people's perceptions of their local area, as evidenced by the findings below from recent IAAF events held in the UK:

- 97% of local spectators felt proud that London hosted the 2017 IAAF World Championships. The corresponding statistic for the 2018 World Indoor Athletics in Birmingham was 98%.
- 91% of local spectators felt that the 2017 IAAF World Championships had a positive impact on London's communities. The corresponding statistic for the 2018 World Indoor Athletics in Birmingham was 90%.
- 97% of local spectators felt that the IAAF World Championships showcased London as a positive and vibrant city. The corresponding statistic for the 2018 World Indoor Athletics in Birmingham was 92%.

4.5. Volunteering

It is estimated that the EAC will provide opportunities for c. 2,900 people to contribute to the event delivery in a voluntary capacity. The time contribution of volunteers represents a non-market benefit to the organisers. Assuming that each volunteer is required to commit seven days to the event on average (56 hours), then the replacement value of this volunteering according to the average hourly wage rate (£17.60)³ would be **£2.86m** (i.e. 2,900 x 56 x £17.60).

In the same way that spectators feel happier from watching a sporting event, volunteers benefit from improved wellbeing (life satisfaction) from their experience of volunteering. Using data from the British Panel Household Survey (BHPS), a DCMS funded study found that frequent volunteering (monthly or weekly) is valued at £3,149 per year to an individual and infrequent volunteering (once or several times a year) is valued at £433 per year to an individual⁴. Given the short span of volunteering associated with the EAC, the wellbeing value for volunteers using the lower threshold of £433 per person is estimated at **£1.26m**.

³ Annual Survey of Hours and Earnings

⁴ Simetrica/DCMS - The wellbeing value of frequent and infrequent volunteering

Beyond these monetised estimates, volunteering at major events helps people to develop skills that are transferrable which can help them to find work or improve their career prospects, which in turn can support the government's push to reduce worklessness.

5. CONCLUDING COMMENTS

The projections presented in this report illustrate that hosting the EAC 2026 in the UK has the potential to provide a substantial economic impact at local and national levels. The Championships warrant serious consideration both economically and from a profile perspective, given the opportunities for positive place marketing via international media coverage, and the wider social impacts consistent with the Government's strategy for sport, *Sporting Future*.

Richard Coleman
Girish Ramchandani
27th May 2022