

# London Olympics drains grassroots sport budget

The government has no plan for sporting legacy either

by Michael Herborn

When London was awarded the 2012 Olympics at the 2005 Olympic Congress in Singapore, legacy was key to the bid – both regenerational and sporting. Now it appears that grassroots sport will be 560 million pounds worse off for hosting the Olympics.

The figure was presented to Play the Game by James Stibbs of the Central Council for Physical Recreation (CCPR). He said the money will be used instead to fund building projects associated with the Games.

The CCPR, which represents 270 sports bodies from right across the sporting spectrum, has been critical of what it sees as a lack of commitment by the government to creating a sporting legacy.

At the time of the bid's approval, the budget for preparing for the Games was set at approximately 2.4 billion pounds. Now, that budget has reached a staggering 9.35 billion pounds, taking into account contingency funds, security and tax. This leap in costs for hosting the event is placing pressure on the government and Games organisers to ensure finances are kept in order.

It is in this atmosphere that grassroots sport has to compete for funds with marquee projects

such as new stadia and regeneration projects, and as things stand, grassroots sport seems to be losing out.

## Legacy questioned

Whether the government seriously entertained creating a lasting sporting legacy is also questionable. At the Olympic congress in Singapore where London got the nod, bid backers, including the British Prime Minister Tony Blair and organising committee chairman Lord Coe, suggested the Games would act as an inspiration for youth around the world to take up sport in the run-up to the London 2012.

However, that legacy never seems to have been considered achievable by experts working behind the scenes on the bid. A government report by the Department for Culture Media and Sport on the legacy from 2002 – three years before London was awarded the Games – found that “there is little evidence that hosting events has a significant influence on participation.” According to the report, “hosting events is not an effective, value for money method of achieving either a sustained increase in mass participation or sustainable international success.”

These findings were backed up by studies by two political think-tanks close to the government, which both suggested a sporting legacy would be

hard to achieve through merely hosting the Games.

## There is still time

Nonetheless, Stibbs believes that there is hope for a sporting legacy, but only if the government acts now to secure it.

“Whilst the notion of a legacy automatically trickling down is not realistic, that is not to say that it cannot be achieved at all,” says Stibbs.

For Stibbs, a sporting legacy does not just mean a legacy at the elite level. Nor does it mean just a legacy at a general youth level. A sporting legacy, Stibbs and the CCPR argue, should encompass all people, regardless of age, ability or disability and encourage them to take up sport in whatever way they can.

While watching the pole vault might not encourage everyone to take up the sport itself, it might encourage people to get active in other ways, for instance taking up walking or light jogging. Adequate funding and an effective strategy for getting people off the armchair need to be in place in time for the Olympics. Grassroots sports can be boosted by hosting a mega-event but watching sport itself is not enough to make people active.



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# shows economic legacy

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But a good economic result for the organiser does not necessarily mean that host regions also enjoy economic benefits from mega-events. Indeed, much of the research that has been carried out on mega-events has pointed towards a non-existent or negative economic legacy from hosting mega-events for host regions. However, Kurscheidt believes that relying on these accounts does not paint a full and proper picture of economic legacy and mega-events.

“Only a restricted number of events have been studied, most of them were in the USA, and most of them were quite particular. In one region one event could be successful, in another region it isn't.”

Marketing and technological progress means that the events of the 1980s and 1990s are not the events we have now, and therefore Kurscheidt and his team decided to investigate the economic impact of the FIFA World Cup 2006 held in Germany.

## Benefit is peanuts

The team's findings showed that Germany enjoyed an eight billion euro boost from the tournament. While this is no doubt a large sum, in terms of the German economy the figure is ‘peanuts’ say Kurscheidt. It accounted for under 0,1 % of German GDP growth, a figure that is fairly insignificant in economic terms. Still, some benefit

is better than none, and Kurscheidt points out that the figures do not take into account the multiplier effect, that could see the boost in GDP in 2006 carried through into 2007 and 2008.

The economic benefit was found to be greatest in towns that have a great location and facilities but a poor reputation, such as the post-industrial city of Dortmund. For these cities, mega-events cannot only provide a short-term boost to visitor numbers and tourism revenues, but also stand to enjoy the greatest benefit from an effective management of the post-tournament economic legacy through place marketing.