

## **Executive Summary**

### **The Impact of the Manchester 2002 Commonwealth Games**

#### **Introduction**

1. This study has been commissioned by Manchester City Council and its purpose is to analyse the economic and social impacts of the 2002 Commonwealth Games on the City of Manchester, the wider region and the nation. This paper summarises the key impacts of the Games, with a particular emphasis on their contribution to enhancing regeneration, both in Manchester and the North West. A full report is also available and provides more detail on the regeneration context, impacts and methodology of the study.
2. Manchester was confirmed as the host city for the XVII Commonwealth Games at the Commonwealth Games Federation General Assembly in November 1995. The Games will be the largest sporting event held in the United Kingdom since the 1948 Olympics, involving 72 countries competing in fourteen individual and three team sports.
3. Previous estimates of the impact of the Commonwealth Games (KPMG, 1998) suggested that Manchester would benefit from almost 4,500 full-time equivalent (FTE) jobs of which 1,000 would be additional to the local economy. Our estimates of the benefits are significantly higher. We estimate that 6,100 direct FTE jobs are attributable to the Games of which 2,400 are additional direct and indirect jobs to Manchester.
4. The impacts of the Games on Manchester compare favourably with reported impacts from other international sporting events in the UK. They also place the Manchester Commonwealth Games on a par with the rate of return for economic benefits achieved by the host cities of the last four Olympic Games - in Seoul, Barcelona, Atlanta and Sydney.
5. We believe this reflects the positive and successful steps taken by Manchester City Council and its partners to integrate the Games into a wider regeneration process encompassing physical renewal, involving businesses in the North West, community involvement in sport, health, education and cultural events using the Games as a mechanism to engage peoples' interest.
6. In our view, more benefits and higher quality benefits have and will be captured - than was envisaged in 1998 - because of the coherence between the Games and the regeneration strategies of East Manchester and the City.

#### **The Regeneration Context**

7. Manchester City Council and its partners have been developing their approach to the Games for almost a decade. From the early 1990s, building on Manchester's bids to host the Olympic Games, the urban regeneration

potential of hosting a major international sporting event has been recognised. Throughout, the issue has not just been about generating jobs alone, but what the event can do for the broader and longer-term regeneration process:

- It provides a mechanism for uniting a coalition of interests including private sector and national government;
  - It induces investment in infrastructure and facilities of regional and national importance; and
  - It provides a basis to engage with people, businesses and regeneration initiatives – it sparks their interest and imagination and gets them involved.
8. The successful delivery of the Commonwealth Games is closely intertwined with the regeneration of East Manchester. East Manchester was home to much of the City's heavy engineering and chemical industry and many of their workers. In a period of little more than 30 years, starting in the 1960s but gathering pace in the 1970s and 1980s, East Manchester went from being a nationally important area of mature industry and settled population to one of the most intense concentrations of deprivation in the country. By the mid-1990s East Manchester could no longer retain businesses or residents and became one of the UK's most acute test cases for regeneration.
9. East Manchester was the natural choice for the Games. For both Olympic and Commonwealth Games bids, the prime focus was to use a major sports event as a vehicle to bring substantial investment into East Manchester and establish a new town centre. To ensure that the wider region also benefits from the Games, Manchester was successful in bidding for the only thematic SRB programme in the country - NW2002 - which is tasked to spread involvement in and sharing of the benefits of the Games across the North West.
10. There is no doubt that the Commonwealth Games, and the adoption of a sports-led development strategy for East Manchester more generally, has helped place the area at the forefront of regeneration initiatives both regionally and nationally. Without it, there would have been no unifying theme against which to justify bids for a wide range of regeneration programmes now running in the area. The transformational impact of Sport City, in particular in re-positioning East Manchester as an attractive area to invest, would not have been possible without the Games. The approach adopted by Manchester City Council and its partners is continuing to focus on how the processes are being developed to enhance the impacts of the Games and are combining to promote:
- making the best use of available opportunities for the legacy;
  - creating new business opportunities for local and regional companies;
  - building connections between different regeneration areas, within Manchester and throughout the North West;

- raising the profile of Manchester nationally and internationally; and
  - involving local and regional communities in the Games and the associated activities to promote cultural awareness and diversity, participation in sports and healthier outcomes.
11. The Games are seen as an opportunity, a catalyst, a focus and foundation for regeneration in East Manchester. At the same time, it has shaped existing regeneration initiatives and defined policy priorities. More generally, the Games are seen as contributing towards a new image for the area and encouraging diversity, civic pride and celebration.

### **The Impact of the Games**

12. The XVII Commonwealth Games in Manchester will generate a total of 16,000 jobs that will last from a few months to over 10 years. This is the equivalent of 6,100 gross direct full-time equivalent (FTE) jobs for Manchester of which over a third are additional to the local economy. The Games will also bring £22m additional expenditure into Manchester, will provide the basis for £36m for business opportunities generated by trade missions and inward investment, and will encourage just under 300,000 additional visitors to Manchester in the future.
13. Not all of the 6,100 gross direct FTE jobs will have arisen during the period of the Games as there will be a stream of investment in the East Manchester area following on from the Games. We estimate that 1,890 jobs will have been created before the Games, 300 during the Games, with a further 3,910 arising from developments 3-5 years post-Games.
14. The additional employment impacts, including direct and indirect effects, will be greatest in the East Manchester area, the focal point for the Games. New economic activity tends to displace economic activity elsewhere. However, because of the wider role and function of Games, the loss is much less than would have been expected. Additional employment, therefore, for East Manchester amounts to some 2,320 jobs in total, for the City of Manchester 2,400 jobs in total, for the North West 1,920 jobs in total, and over 420 jobs in the whole of the UK. We estimate that the Games will help to regenerate approximately 60ha of land and create 72,000m<sup>2</sup> of employment floorspace in East Manchester.
15. The investment of the Games and the associated regeneration infrastructure and activity amounts to £477m at 2002 prices, of which some £330m has been in East Manchester. The net additional public sector investment of the Games venue construction and operation are some £277m at today's prices, with a further £200m of regeneration spend associated with the pre-Games and parallel activities. The Games have, in addition, brought forward a number of major transport schemes (with a total cost of nearly £800m), and we estimate the additional public investment in transport infrastructure to be £125m.

16. The following sets out the wider contribution of the Commonwealth Games in more detail.

### **The Legacy of the Games**

17. The Sports City and the associated infrastructural development have already begun to regenerate the property market in the immediate area. The planned extension of the Metrolink system and commencement of environmental works along of Ashton canal corridor linking the city centre to Sports City have brought forward developments such as Asda Walmart and private sector housing in the immediate vicinity without further public support. North Manchester Business Park is increasingly becoming a reality, and the announcement by ICL to consolidate its activities on this site has clearly been influenced by recent investment. Closer to the city centre a number of mixed commercial, office, and residential developments are in the pipeline.
18. Great care has been taken to ensure that, as far as possible, the venues for the different Games events have a viable after use. Much has been achieved through the new and enhanced facilities, which not only have improved access but also have international standard facilities for use by national and regional athletes and local and regional communities. Sport City - the Manchester Stadium and English Institute of Sport plus the Velodrome - is creating new jobs in its sport facilities and associated catering and retail uses. All have after-uses which will generate sufficient surplus to sustain the facilities in the future and bring new sports events to Manchester. For example, some 1/2million swimming sessions have been sold at the Aquatics Centre in its first year of operation - exceeding the anticipated target by approximately 10%.
19. The Stadium, athletics and squash facilities are expected to host national and regional events in their sports which will not only generate income but also the opportunity for local and regional sports people to see and work with world class performers. The latter is a vital linkage with the sports development strategy of Manchester. The co-location of sports facilities combined with the opportunity to bring many of the facilities into one management contract will allow for more effective and efficient management of facilities across Manchester.
20. Permanent transport links for the Games have been developed within the context of the City Centre Strategic Plan. The final link of the Inner Relief Road will be completed in time for the Games because of its contribution to handling through traffic and efficiency in using distribution and feeder routes for car parking. Decisions about the Metrolink extensions are being made on the 'business case' but have been influenced by the Games - giving a clear rationale for the routing for Sports City, the Stadium and the proposed residential developments in East Manchester - and by work-place activity locations. Long-term 10-year plans are for an investment of £796m, including links to the Airport and the North Manchester Business Park. The impact of

the Games has been to bring forward the delivery of these projects and give a greater sense of coherence to future planning.

### **New Business Opportunities**

21. Building on the lessons learned at the Sydney Olympic Games, the Commonwealth Games has been used to provide a focus for North West businesses to get involved in processes that can be enhanced by linking them to the Games. The aim has been to enhance existing processes - meeting potential investors through inward and outward trade missions and joint work with Trade Partners UK - by adding value through promotional events and entertainment and embed the lessons in future operations. MIDAS has hosted the Commonwealth Economic Benefits initiative - co-funded by the NW2002 SRB programme - which includes supply chain development projects, trade missions to Commonwealth countries and collaboration with Trade Partners UK and Invest in Britain. Another lesson from Sydney was that the Business Centre for the Games did not work - people did not want to negotiate business during the Games. Hence, a longer term approach was required. Therefore, Chambers of Commerce are being encouraged to 'adopt' countries to develop connections for the long-term as well as escorting business representatives during the Games (e.g. Manchester/Singapore and Liverpool/South Africa).

22. Key business benefits and opportunities include:

- the development of Sports City which will deliver £191m in additional investment, creating a concentration of sports facilities of international standard to which local people have access;
- commercial developments in East Manchester including a regional retail centre, a four star hotel, offices and new housing developments supporting some 3,500 jobs;
- the Commonwealth Economic Benefits programme - under the auspices of SRB NW2002 and MIDAS - has engaged with and extended the benefits of the Games to businesses in the North West. Through trade development and supply chain initiatives approximately 250 companies have realised an additional increase of £27m in their turnover, as a result of the Games;
- a network of 700 businesses in a new North West Trade directory; and
- tourism spend from Games participants and visitors which is estimated at £22m for Manchester.

### **Raising the Profile of Manchester Nationally and Internationally**

23. The media coverage of the Games and the themed approach developed through the 'Look of the City' will make a contribution to the image of Manchester worldwide. There are no formal estimates of what economic benefit this might deliver to Manchester in the future, so the impacts have

been estimated using benchmarks developed for the British Tourist Authority from research on their marketing campaigns:

- media coverage with a target audience up to 1 billion people.
- the attraction of 300,000 new visitors per annum as a legacy of the Games, spending some £12m.
- a greater capacity and image to host additional events, such as business conferences, major entertainment events (e.g. pop concerts) and major sporting events (e.g. national and international championships).
- image effects post-Games - it is estimated that an additional £9m of inward investment will be attributable to the raised profile of the City over the next 2-3 years. It is also expected that the Games will encourage nearly 30m people to consider Manchester as a possible business and visitor destination.

### **Culture, Sport, Health and Education**

24. A number of platforms have been developed to engage with the local and regional communities. The Spirit of Friendship Festival is a 150 day national celebration, with its team based at Manchester 2002 Ltd. The Festival has four main themes; sport, education, culture and the arts and community and jubilee celebrations. It is also closely linked with the Queen's Golden Jubilee and Jamaican Independence Day. An integrated programme of events has been developed led by a Commonwealth Games Funders Panel in collaboration with NW2002 and M2002:

- 13,000 people benefiting from the Pre-Volunteer Programme and Passport 2002 funded by North West 2002 SRB programme to engage both people in local communities and those throughout the North West.
- Cultureshock has 112 projects of which 68 have specific links to ethnic groups from Commonwealth countries (33 African, 36 Asian, 9 Caribbean, 14 Canadian, 9 Australasia).
- Additional take-up of new and existing sports facilities is estimated to be around 250,000 visits, made up of some new users and greater use by existing users. The new facilities are expected to provide over 31,500 places on sports development courses.
- NW2002 has developed a curriculum pack for primary and secondary schools sent to 33,000 schools based on the Commonwealth Games and linked to an educational website.
- over 1,000 schools across 50 countries have registered with the Commonlink website.
- 75,000 primary age pupils will participate in over 750 events as a part of the TOP Link Programme.

- as well as the Curriculum Pack, the legacy programme encourages joined up working with a steering group comprising representatives from NW2002, Sports England, Liverpool John Moore University, Education Authorities and Education Action Zones.

### **An Overview**

25. The Games have helped to secure over £600m of public and private investment, and will generate a total of 6,100 FTE jobs - of which 2,400 are additional jobs - in Manchester.

26. Key to this achievement has been and will be:

- the comprehensive approach to realising benefits of the Games;
- the emphasis throughout on securing the legacy of the Games;
- a positive discrimination in favour of quality outcomes; and
- an inclusiveness in the way in which Games-related activities have been developed by all partners.