



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Cymunedau a Diwylliant
The Communities and Culture Committee**

**Dydd Iau, 28 Ionawr 2010
Thursday, 28 January 2010**

Cynnwys
Contents

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 4 Ymchwiliad i Wneud y Gorau o Ddigwyddiadau Chwaraeon Mawr yng Nghymru—
Casglu Tystiolaeth
Inquiry into Making the Most of Major Sporting Events in Wales—Evidence
Gathering
- 26 Cynnig Trefniadol
Procedural Motion

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Joyce Watson	Llafur Labour

Eraill yn bresennol
Others in attendance

Dr Calvin Jones	Darllenlydd mewn Economeg, Ysgol Fusnes Caerdydd Reader in Economics, Cardiff Business School
Dr Huw G. Jones	Prif Weithredwr, Cyngor Chwaraeon Cymru Chief Executive, Sports Council for Wales
Sarah Powell	Pennaeth Perfformiad a Rhagoriaeth, Head of Performance and Excellence, Sports Council for Wales

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Tom Jackson	Clerc Clerk

Dechreuodd y cyfarfod am 9.30 a.m.
The meeting began at 9.30 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Sandy Mewies:** Good morning. I will start promptly as it is 9.30 and our witnesses are here. First, I welcome Members, officials and everyone involved in today's committee meeting. I will point out to our witnesses, and to anyone who needs to know, that we operate bilingually and you have the translation equipment before you. Use channel 0 if you just need to amplify the sound, and channel 1 for the translation. It might be a good idea to set that up before you start.

[2] I ask you all to switch off any electronic devices, such as mobile phones, BlackBerrys and whatever else you may have with you. I have not been notified of any fire drills, so if an alarm does sound we will make our way out, following the ushers.

[3] I invite Members to make any declarations of interest that they may have. I see that there are none.

[4] We have received apologies for absence from Lynne Neagle, Dai Lloyd, Alun Davies

and Bethan Jenkins. However, we are quorate and we are also expecting Mark to join us this morning.

9.29 a.m.

**Ymchwiliad i Wneud y Gorau o Ddigwyddiadau Chwaraeon Mawr yng
Nghymru—Casglu Tystiolaeth
Inquiry into Making the Most of Major Sporting Events in Wales—Evidence
Gathering**

[5] **Sandy Mewies:** I welcome Dr Huw Jones, who is the chief executive of the Sports Council for Wales, and Sarah Powell, who is the head of performance and excellence for the Sports Council for Wales. Everyone will have read your papers; I certainly found them very useful, particularly as I am new to the chair and to this inquiry. Will you make a short introduction, before I open the session to Members to ask their questions? Please assume in your introduction that we have read the papers. Please introduce yourself first for the record.

[6] **Dr H. Jones:** I am Huw Jones, and I am the chief executive of the Sports Council for Wales.

[7] **Ms Powell:** I am Sarah Powell, and I am the head of performance and excellence for the Sports Council for Wales.

[8] **Sandy Mewies:** Thank you. I have another reminder, although you probably do not need it, which is that the microphones operate automatically and you do not have to touch them. Who is going to introduce the paper?

[9] **Dr H. Jones:** I will introduce the paper, Chair. Thank you for the invitation; it is a pleasure to be here with you today. I have three points that I would like to make. The first point is that our main priorities are to increase participation in sport in Wales and to raise standards of performance and develop excellence. That must be the focus of our work. Major events can contribute to one or both of those agendas, but, to be honest, we and most others in sport would not wish to be distracted from those two particularly important aims. So, it is important to set out our relative priority at the outset.

[10] Secondly, there needs to be clarity about why we want a major event and what is the purpose behind it—is it for economic development and tourism reasons, is it as a contribution to sport or to raise standards of performance? That has not always been clear, not just in Wales but in the whole of the UK and worldwide. To date, there has tended to be a lot of post-hoc rationalisation to justify events, and, therefore, there is no doubt that there is a need for a strategy, once the rationale has been clarified.

[11] The third point is that, once there has been clarification of the rationale and the establishment of a strategy, significant capacity needs to be built to help those organisations that are going to bid for and host major events to be able to deliver them, because they are complicated issues and they are very much outwith the capability and capacity of most organisations, not just sporting organisations, but also many arts organisations, particularly those in the third sector that have a role in the delivery of these types of events.

[12] **Sandy Mewies:** Sarah, is there anything that you would like to add?

[13] **Ms Powell:** No.

[14] **Sandy Mewies:** We will move straight into the questions. Members will notice that

we have key questions prepared and supplementary questions that you may ask if you wish. Eleanor will start.

[15] **Eleanor Burnham:** Dywedwch mai cyfyngedig yw'r dystiolaeth sy'n cysylltu digwyddiadau chwaraeon mawr â sicrhau bod mwy o bobl yn cymryd rhan mewn chwaraeon. Cyfeiriwch hefyd at fethiannau ar yr ochr gyflenwi, yn ogystal â'r galw. Ym mha ffordd y cafodd gwersi eu dysgu o ddigwyddiadau yn y gorffennol wrth ddatblygu gweithgareddau etifeddol i Gwpan Ryder?

Eleanor Burnham: You say that there is limited evidence linking major sporting events to ensuring increased participation in sport. You also refer to supply failures, as well as the demand. In what way have lessons been learned from past events in developing legacy activities for the Ryder Cup?

[16] **Ms Powell:** One key thing that we have seen is the model that the Ryder Cup legacy has taken forward, in that there was a £2 million investment from the Welsh Assembly Government, which was agreed at the beginning of the Ryder Cup bid, for legacy purposes only. It is essential for any major event that there is a legacy element agreed at the outset, before the major event is signed and sealed. That has enabled a collaborative approach between Ryder Cup Wales 2010 Ltd and the Golf Union of Wales to develop golf participation and facilities for 40 legacy projects across Wales in preparation for the Ryder Cup. So, they have been able to deal with any potential barriers and be proactive in looking at how legacy benefits can be delivered prior to the event and after the event.

[17] **Joyce Watson:** Regarding the investment that is being made in increasing golf participation, do you consider that there is an opportunity cost to investment targeted in this way, insofar as those funds may have been used to increase sport participation through other activities at lower cost?

[18] **Dr H. Jones:** Opportunity-cost arguments are difficult to answer unless you do formalised studies. This comes back to the need for the rationale to be clarified. There are different types of events that have different rationales. For example, if you are to host the London marathon, or the Cardiff marathon, the rationale would be based on getting certain numbers of people to take part, so there would be a big participation element. If you are talking about bringing the Heineken Cup final to Wales, that is an event for spectators, which generates a different kind of economic benefit. They both generate benefits in their own ways, but they will have different secondary impacts depending on participation, spectator profile, the branding of Wales, and so on. That is why significant thought needs to be given to why we want these events, so that we can really look at opportunity-cost issues.

[19] **Sandy Mewies:** Mark, you have the next question.

[20] **Mark Isherwood:** Your paper refers to the argument that—and here is a phrase I have not heard before—if the catalytic impact of major sporting events is to be sustained, there is a need to plan for what happens after the event. What post-event strategies are being developed in Wales, if any, in order to sustain participation after major events such as the Olympics, the Ryder Cup, and so on?

[21] **Dr H. Jones:** They vary a great deal. Sarah has given you probably the best example, not just in Wales, but anywhere that I know of, in terms of the Ryder Cup. Post-event benefits have to be looked at pre-event, even pre-bidding, and that is the crucial element here. Once you have won the right to host an event, it is too late to start talking about the benefits that follow. That is the difficulty that we have got into, in particular, regarding the Olympic Games. That bid's financial package was purely based around facilities in London; that was the driver. The result has been that, although everyone talks about benefits across the whole

of the United Kingdom, the Olympics did not have a funding package to compare with what we have done with the Ryder Cup. We have had to chase that since the bid won. As far as the Olympics is concerned, the benefits that accrue to the United Kingdom will result from existing Government expenditure in sport, whether it is in England or Wales, and from what we are driving here. We are using the profile of the Olympics to highlight work that is currently in progress and that we are developing. We are not developing new work as a result of the Olympics. That is the difference between the way the Olympic bid was conducted and the way the Ryder Cup bid was conducted.

[22] **Mark Isherwood:** Who should have responsibility for driving forward, before the bid, such a strategy for post-event benefits?

[23] **Dr H. Jones:** We mention in our paper—I think that you have also had a submission from the Assembly Government—that there has been a consultation by the Assembly Government on the establishment of a strategy, and it has undertaken, to its credit, significant stakeholder engagement during the autumn. The response is being prepared at the moment. I am sure that Ministers will tell you more about that. It is absolutely right that the Assembly Government is the main driver in establishing the rationale, because that is where most of the big public funding will have to come from.

[24] **Eleanor Burnham:** I have two very small questions, but about big impacts, I think. Do you agree that we have been hit by a double whammy in Wales? Over the years, I have been to various presentations by Lord Coe and others in Cardiff, and asked questions, particularly about what the Olympics will do for north Wales. I do not know whether you will agree with me, but the problem is that we have been hit by the impact and the huge loss of lottery funding. On another, pedantic, point, why do you use the word ‘catalytic’, because if I remember GCSE chemistry correctly, a catalyst is something that institutes a change without changing itself?

9.40 a.m.

[25] **Sandy Mewies:** I think that Mark referred to that in his question, did he not?

[26] **Eleanor Burnham:** No, it is in the paper; there is a reference to the argument and it is his words. Is that okay, Chair?

[27] **Sandy Mewies:** It is Sarah’s paper.

[28] **Eleanor Burnham:** I am being a bit of a pedant, but I am interested in why you have used the word ‘catalytic’.

[29] **Ms Powell:** We were trying to say that events—although the evidence is not so firm after they have occurred—can be a catalyst, when they are going to occur, for further development or for partners to come forward, or act as a platform to promote sport. So, in reference to Huw’s comment, some of the things that will occur as a result of the Olympics are not necessarily the new aspects that will happen, but the Olympics might enable us to fast-track some of the work that we are currently doing. So, it will be a catalyst for expanding existing programmes, or the word that they have been using is ‘supercharging’—UK Sport is supercharging some of our participation or coaching programmes. I hope that that answers your question.

[30] **Dr H. Jones:** I was involved from the outset with the bid for the Ryder Cup. In her paper, Sarah talked about the additional investment of £0.25 million per annum that we have put into golf development in Wales. We have also talked about the capital fund that was put in. There is no doubt that if there had not been a bid for the Ryder Cup, those two particular

things would not have happened. That is the catalytic impact that has occurred. The decision by Terry Matthews, with the support of the Welsh Assembly Government, to bid for the Ryder Cup had a major impact on our potential to develop. That is different from the Olympics, where it has been the other way around.

[31] **Sandy Mewies:** Eleanor also asked about the negative impact of the Olympic bid. I do not think that this witness can comment on the lottery, but has there been any negative impact?

[32] **Dr H. Jones:** As the lottery distributor for sport in Wales, we have lost £7.1 million, which was top-sliced, and that will be magnified in terms of the arts council, the heritage fund and the Big Lottery Fund. So, it has had a significant impact—

[33] **Sandy Mewies:** It might be an idea for us to explore that with other organisations, specifically with regard to the Olympics. Has there been anything else? The point that you put to us about facilities is true; there has been an emphasis on facilities being used for events, but they are, in the main, existing facilities, are they not, rather than any legacy coming to Wales?

[34] **Dr H. Jones:** Are you referring to the Olympics?

[35] **Sandy Mewies:** Yes.

[36] **Dr H. Jones:** Olympic facilities will be primarily based in east London. There will be no additional facilities in other parts of the country. Apart from the Millennium Stadium, most of our major sporting facilities in Wales have been funded through sport lottery funding. The national pool in Swansea, the indoor athletics centre at the University of Wales Institute, Cardiff, the velodrome in Newport, the indoor athletics centre in Deeside and the regional pool in Llandudno were all made possible as a result of sport lottery funding. However, because of the limited funding that we have, they were strategically designed and developed for training and national-level competition. Their spectator capacity only enables national-level competition. If you are talking about major international competitions and major events, and about 4,000 and 5,000-seater swimming pools, you are talking about a significantly different scale of development. Instead of £10 million or £11 million-developments, you are talking about £25 million, £30 million or £40 million-developments. We do not have that scale of funding.

[37] **Sandy Mewies:** Sarah mentions that in her paper. Thank you for that; it might be interesting to pursue that. To move on to your role as the sports council in the planning process for major events, can you highlight its strengths and weaknesses? What needs to be done to improve the process, if there are weaknesses?

[38] **Dr H. Jones:** On planning, I think that, first of all, the rationale needs to be clarified in terms of why we want major events, because many organisations out there, be they public or third sector, have had thoughts, views and ideas about what they would possibly like to do, but because the rationale is not clear, it is difficult to develop any sort of bid or package or to plan for that. So, that is the first thing that needs to be clarified. Once that is clarified, then people can say, 'Yes, in terms of the potential categorisation and strategic impact of that, we can show that we can contribute this element here.' That is one of the first things that needs to be done.

[39] The next thing that needs to be done in terms of planning is to consider how that will be delivered and who will support its delivery. We are now in a complex world. Things have changed quite significantly since the old voluntary sector approach, where we would all work together and everyone would muck in. There are many legal issues that have to be overcome, along with rights issues in terms of television coverage and so on. There are also health and

safety issues to consider and legislation that needs to be complied with. Many organisations in Wales, whether governing bodies of sport or other third sector organisations in the arts area, do not have that expertise to be able to deliver those events. They, therefore, are at quite significant risk.

[40] We mention in the paper the capability of boards in terms of their expertise to oversee, manage and ensure the sound governance of some of these activities. So, there are real challenges in terms of the delivery. One thing that we need to look at is how expertise can be developed to assist and to take those burdens off what are very small organisations, which may have fewer than 10 people working for them. The expertise of those people might be in the arts or in sports, whether in badminton, hockey or whatever, but not in running and managing what is a very significant business.

[41] **Sandy Mewies:** That is very interesting and you have underlined, again and again, this clarification of outcomes and what a required outcome is. Who should be clarifying the outcomes? It will be done by different people, so should those people be from the major events unit here or should they be from some sort of supporting agency? Perhaps with extra funding, the sports council could do it; I do not know. Who should clarify those outcomes?

[42] **Dr H. Jones:** The clarification of the criteria is a role for the Welsh Assembly Government, so the criteria need to be established by the Government—whether those are based on economic development arguments, on numbers of tourists or on sports participation. There needs to be a decision on what we want from these particular events. People who bid will then bid against those criteria and those standards.

[43] **Sandy Mewies:** Would that include the major events unit giving support, because we heard evidence last week, or the week before last, that support needs to be given upfront, including guarantees for money, rather than during the process? So, you need to sit down at the very beginning and have a good talk with whomever, particularly with representatives of smaller sports, which do not have the facilities. The major events unit needs to talk to them and advise on the process, but it has to be very much a front-end position rather than a later one, when the process is under way. Is that correct?

[44] **Dr H. Jones:** I think that that is right. The issues that we need to separate are those of funding and capacity to deliver; even though they are both interlinked, there is a significant difference between them. Ironically, the easiest thing in the world is to provide the funding and say, ‘There you are, there is your money; it is now your responsibility’. However, in giving that money, agencies—and we are conscious of this—need to ensure that organisations have the capacity to deliver. Sometimes, an organisation might believe that it has the capacity and expertise, but, until it gets into difficulty, it has no realisation of the complexity and the problems that it may face.

9.50 a.m.

[45] Actually, there does need to be a very clear assessment of the ability to deliver, for support to be provided. Whether or not the major events unit provides the finance, it will certainly provide an assessment—I would say that it would almost certainly provide significant finance—but I think that who should provide the technical expertise in terms of building capacity is an issue for discussion. You could do that in a number of ways, either through some sort of central provision, which could be through the major events unit or someone else, or you could contract that out to someone else. That is an issue that depends on what the strategy is, on its significance and on what is considered to be the most economical and effective way forward.

[46] **Sandy Mewies:** Eleanor, did you want to come in on this point?

[47] **Eleanor Burnham:** Thank you, Chair; you are very indulgent. This chimes with what the gentleman from Welsh Badminton Cymru told us. If you look at it from the other point of view, in addition to the chairman's useful points, he was saying that when he looks at the situation internationally, he does not feel psychologically or intellectually inferior, but he certainly feels inferior in terms of the provision that other parts of the UK have. He made that point very strongly. I believe that what you said in answer to the Chair's question was a very valid point, but there does need to be some modicum of support. He made the point that badminton is a wonderful sport at entry level because the worse you are, the more fun you have—it was a very jovial point. The serious point that he was making was about the inferiority of the provision in Wales and the ability to interact internationally, and particularly within the UK. He is a Scottish guy and, obviously, he was making reference to Scotland in particular.

[48] **Ms Powell:** I think that that is a very relevant point. Some of the organisations, as Huw has said, are very small voluntary organisations, and it is vitally important that they receive support and guidance upfront, when they are approaching international federations to put forward bids. We have talked about a one-stop-shop approach in our paper, but not a one-stop-shop approach in terms of investment; it is about providing the capacity, the support and, ideally, the knowledge to be able to go and support bids that are being put forward by very small volunteer-led organisations. I think that that is the point that Eleanor is making.

[49] **Sandy Mewies:** Yes, that was the point made to us previously. A lot of the time, it is volunteers who do the work, and I think that people forget that.

[50] **Mohammad Asghar:** As you know, I am a very keen cricketer. The world of cricket is virtually an open window to making a lot of money. In the Indian Premier League, they are making billions of dollars and paying millions to the players. Have you ever thought of making an approach with the ECB to bring that to UK? Other countries are thinking about it. I think that it would boost the economy of Wales and England a lot.

[51] **Dr H. Jones:** The simple answer to Oscar's question is, 'No, we haven't', mainly because it is outwith our role. The ECB—which is the England and Wales Cricket Board, even though it does not have a 'w' in the acronym—has the fundamental role in terms of developing the strategic plan for the development of cricket in England and Wales. That is very much its role. We work very closely with Glamorgan Cricket Club and the Cricket Board of Wales on the development of the sport in Wales. I think that events at the level of things like the IPL, which is a very significant competition, would have to be driven on an England-and-Wales, or maybe even a UK, basis.

[52] **Sandy Mewies:** Are you happy with that answer, Oscar?

[53] **Mohammad Asghar:** I still believe that we are missing a big opportunity here.

[54] **Sandy Mewies:** We are going to look at the Ashes.

[55] **Mohammad Asghar:** That is different, Chair.

[56] **Sandy Mewies:** I know that, but it is a major sporting event. We are hoping to get people in specifically—

[57] **Mohammad Asghar:** I can assure you that Glamorgan Cricket Club is not Wales; it is one club. Wales is different. I think that you were very economical in your statement. You should be thinking of Wales in a broader sense as a part of the United Kingdom; Glamorgan is only one club.

[58] **Dr H. Jones:** The IPL has a significant amount of private sector funding. The biggest professional sport in the UK, and in Wales, is football. Football dominates the media, the newspapers, and much of the finance. You have only to look at the financial difficulties that we face in Wales, such as those that Cardiff, Swansea and Wrexham clubs have experienced over the years, to see that. To develop that type of model for cricket would require substantial external investment and so on. Whether that exists outside the Cardiff area is questionable. You might be able to get it in Cardiff based on the Glamorgan team, but getting it in other parts of Wales would require significant private sector investment.

[59] **Mark Isherwood:** As the Chair knows, a local club on our patch has been running an international cricket tournament, with teams coming from all over the world—

[60] **Sandy Mewies:** Carmel.

[61] **Mark Isherwood:** Yes. However, it has struggled to get recognition and support at Welsh Government and sports council level. How should organisations such as that, which is taking a proactive approach, which has expertise, and which is delivering success engage to ensure a joined-up approach, and not just in Cardiff or Glamorgan, but across Wales, as Oscar indicated?

[62] **Dr H. Jones:** This also comes back to the rationale. Many organisations want to do various things, whether it is in the arts, sport or whatever, and that is fantastic, but how does it tie in to strategic public policy? Just because somebody has a really good idea that he or she wants to act on does not necessarily mean that it should be publicly financed. That is the real challenge in this issue. What does the public sector want to contribute, and why?

[63] **Sandy Mewies:** I was going to mention Carmel and District Cricket Club, as well. In fact, I have thought about inviting its representatives to come to talk about it because it is next to the village in which I live. My husband was an umpire at the ground for a Twenty20 match, to which they attracted people from all over Europe. This year, it is going abroad, is it not, and Carmel's team is going, too? It is a very small organisation, and that is the point that Mark made. I understand what you are saying, but to turn it on its head, it has been a great event, which was started off some time ago. I think that we will talk to the team about it, and about how they fit into the jigsaw.

[64] **Dr H. Jones:** Absolutely. There are many events like that in sports, such as the Ian Rush tournament that used to be held in Aberystwyth. There are lots of schools and clubs that want to go off to play at international tournaments and events, and it would be fantastic to be able to support everybody, but we have to consider what the public policy benefits are in these things.

[65] **Sandy Mewies:** That comes back to clarifying outcomes, does it not?

[66] **Dr H. Jones:** Absolutely, yes.

[67] **Eleanor Burnham:** Following on from that, do you not believe that you have a role to play in what Oscar suggested, to have a vision and to help the public purse, which we know will be even tighter soon? You must have huge contacts in the world of sport. There are lots of people, I am sure, who would like to get their names known as do-gooders, who want to invest some of the millions that they have accrued from their profession. I am thinking about people such as Beckham. Is there not a role for you to help them to do that?

[68] **Dr H. Jones:** I wish there were a lot of people out there who were dying to give us a lot of money. That is one problem that Cardiff City is facing—and it is live today—namely

raising finance and seeking to bring in additional investors. It is a big club with a fantastic new stadium, it could be on the brink of going into the Premiership, but even it is struggling to attract investors, and it is in some difficulty at the moment, with its fans. That is a matter for it to resolve.

[69] There are not huge numbers of people out there waiting to invest money. If I were one of those fortunate people with that amount of money, I would be asking what benefits there would be for me in investing in this. Professional sport is a huge, sinking fund: vast sums of money go in. Even at Premier League level, the vast majority of clubs are near bankruptcy. Manchester United FC has massive debts of around £0.75 billion. Many people are very concerned about the financial situation. So, these are not necessarily money-making enterprises for businessmen.

10.00 a.m.

[70] **Eleanor Burnham:** Yr ydych yn cyfeirio at yr angen i lunio gweledigaeth a strategaeth hirdymor ar gyfer cynnal digwyddiadau chwaraeon mawr. A allwch ddweud wrthym a oes cynlluniau i wneud hyn yng Nghymru?

Eleanor Burnham: You refer to the need to create a long-term vision and strategy for holding major sporting events. Can you tell us whether there are plans to do that in Wales?

[71] **Dr H. Jones:** Credaf ein bod wedi sôn am waith Llywodraeth y Cynulliad o ran datblygu strategaeth a'r ymgynghori a wnaed, yn enwedig dros y misoedd diwethaf. Yr ydym yn deall y bydd strategaeth yn cael ei chyhoeddi rywbryd yn y gwanwyn, ond hwyrach bod hwnnw'n gwestiwn i'w ofyn i'r Gweinidogion pan fyddant yn ymddangos ger eich bron.

Dr H. Jones: I think that we have mentioned the work of the Assembly Government in developing a strategy and the consultation that has been undertaken, especially in recent months. We understand that a strategy will be published some time in the spring, but perhaps that question would be better put to the Ministers when they appear before the committee.

[72] **Eleanor Burnham:** Yn atodol i hynny, yr ydych wedi cyfeirio at strategaeth hirdymor UK Sport. A allwch ddisgrifio perthynas Cymru a UK Sport a'r modd y mae anghenion Cymru wedi'u cynnwys yng nghynlluniau datblygu UK Sport?

Eleanor Burnham: As a supplementary to that, you referred to the long-term strategy of UK Sport. Can you describe the relationship between Wales and UK Sport, and tell us how the needs of Wales are included in the development plans of UK Sport?

[73] **Ms Powell:** On the relationship between us and UK Sport, UK Sport has a budget for major events. At the moment, as you can imagine, its budget is focused on Olympic and Paralympic sports only, which is why it is drafting a new major events strategy for 2013-16. We are consulted on that strategy, and we are putting forward sports and facilities that we believe Wales can host and would be interested in hosting. However, that is mainly driven through the Great Britain organisations, so there is a role for the UK Sport council to speak to the GB sports organisations about where best to host major events across the UK. The Welsh governing bodies have an important role to play in putting Wales forward for UK-type events, and there is a need for a Welsh strategy to be tied into a UK strategy.

[74] **Sandy Mewies:** Can we take it from that that it is not happening now?

[75] **Dr H. Jones:** Yes, it is. To exemplify the events that are happening, 18 months or two years ago—and I cannot quite remember the date—a bid was submitted that we were very keen to support for the world Paralympic swimming championships, because there was potential to host it in Swansea. That would have been a fantastic event for us. I am sure that

Members will be aware of the emphasis that we have put on disability sport and Paralympic sport, and that event would have tied into some of our strategic aims and objectives. UK Sport supported that bid, but unfortunately it was won by Argentina, and it went to Buenos Aires, if I remember rightly. That is a good example of what we wish to see and how we would work with UK Sport.

[76] The other place where quite a few events take place is Pwllheli. Pwllheli probably has some of the best sailing waters in the United Kingdom. It stands very much alongside Weymouth for the quality of the sailing and the potential for holding events. Pwllheli has geographical challenges and infrastructure challenges in the context of the community and so on, but it also has sporting infrastructure challenges. To run major events, such as the world optimist championships, the world junior optimist championships, or laser events, requires significant numbers of volunteers, who have to come from local clubs from the Llŷn peninsula, the north Wales coast, and Anglesey. An awful lot of goodwill is required of those individuals. They will be asked to take their RIB along, or this, that and the other. They will need the health and safety elements. Plas Menai National Watersports Centre, which we own and operate on the Menai straits, works very closely with them, by providing support, equipment, goodwill and all those other things. However, only so much can be done in a year when you are reliant on volunteer goodwill. We face innate restrictions as well those caused by the size of some of our built facilities. The requirements of some major events might include a 5,000 capacity swimming pool facility or whatever, which we do not have, so we cannot bid for those events from the very outset. However, sailing is an example of the people-restricted capacity issues that we face.

[77] **Mohammad Asghar:** If I may add something on planning and strategy, of the four nations of the United Kingdom, England, Scotland and Ireland all have Twenty20 cricket teams, so why are we missing out? We are a nation. Have you ever thought about that? There is potential for our young children to participate on the world stage, but we are denying them. That is my personal belief. There is a lot of money to be made, so why are we missing out on it?

[78] **Dr H. Jones:** This gets fairly complicated, because it involves the status of Glamorgan as part of the England and Wales Cricket Board. The status of Scotland and Ireland is different, because they are outside the England and Wales Cricket Board. As a result, they can develop independently and can develop World Cup teams. The status of Glamorgan as part of the England and Wales Cricket Board and its potential to bid for an Ashes test is a major benefit that we have. It would be difficult if Glamorgan or Wales decided to be independent but also wanted to be part of the camp bidding for events such as the Ashes test matches. I am sure that a lot of the English counties would say, 'Hang on a minute'. They would ask why on earth the Ashes should come to Wales if we have decided that we want to be separate, and they would say that tests should be staged at Headingley, Edgbaston and so on because those clubs would be part of the England cricket board. So, there is also an issue regarding the status of Glamorgan.

[79] **Mohammad Asghar:** I am talking only about Twenty20, not about the Ashes or the big-fee games. Twenty20 is a game that lasts only a couple of hours. It provides great excitement. Sports are not only for making money. They teach children discipline and how to keep fit. They generate a good atmosphere and promote understanding among different communities. That is the approach that we should be taking when working on the strategy and planning for the future.

[80] **Dr H. Jones:** I totally agree. Much of our work concentrates on delivering those aspects, working with the Cricket Board of Wales on the development of cricket and the development of clubs, but we do not need a major Twenty20 event to do that. That would just be the icing on the cake. We have to be careful that we do not think that something will

happen at a lower level, simply because we are investing at a higher level. That is where difficulties have occurred in the past, when it has been spuriously believed that some trickle-down effect would occur.

[81] **Sandy Mewies:** To get back to your paper, I call on Joyce.

[82] **Joyce Watson:** Moving on to dealing with major events, it is stated by Calvin Jones that the bidding process is an auction.

[83] ‘Peripatetic events are bid for in typically an auction process (albeit with an obscure price) where regions/cities bid against each other to host an event. This is effectively a monopoly market which results in the seller (typically the sports governing body) holding the whip hand and able to retain the key elements of the event which are commercially lucrative, for example the most important sponsorship, image and broadcast rights, VIP packages etc. This means the regional stakeholders end up with elements which, whilst perhaps of short term benefit, are of more questionable value long-term.’

[84] This follows on from where you left off. Can you describe to us which benefits and problems you have witnessed when dealing with an event as large as the Ryder Cup, for example?

[85] **Dr H. Jones:** I would not disagree with Calvin’s statement. I think that it is true. We must put that in perspective. That is certainly the case if you look at something like the FA Cup. When it came to Cardiff there was retention of sponsorship and TV rights and all of those elements. There were requirements for a clean stadium in terms of the Millennium Stadium. The benefits directly accrued to Wales through the Millennium Stadium were the cost of hiring the stadium. Therefore, he is absolutely right in that particular instance.

10.10 a.m.

[86] There are very different events. If we were talking about the world swimming championships or whatever, even though there will be some TV coverage it will not be quite as significant as the FA Cup. Those elements are not quite as important and are not quite as influential. It depends on the type of commercial major event that you are talking about. That is very much the case with the Olympic Games, the Commonwealth Games and the FA Cup—the very big events—but once you get below that, it is not quite as significant.

[87] **Joyce Watson:** We have gone full circle, and we will always do so. When asked about your role at the start, you said quite clearly that it was to engage people in that sporting activity. Following on from what Oscar is suggesting, we must not start looking at things through rose-tinted glasses. Here we have a real example of what big businesses might expect—not always—for their return. You said that they are hard to find in the first place. If you are talking about bringing in big business and people to invest, there will be a trade off, which might not always be advantageous to participation as I see it. Perhaps we can look at that elsewhere. However, we have to do this—and it is a sort of added question—but would you agree that, in terms of sporting events, we need to sit down as a Government and lay out our policy and our expectations and get people to deliver those?

[88] **Dr H. Jones:** Absolutely. That is our major point regarding this. From our perspective, I cannot think of major events that we would want to invest in just to result in participation. There are few of those that will result in increased participation. The Ryder Cup was very specific that additional money would come with the Ryder Cup. The Ryder Cup itself would not have generated additional participation. It is the fact that we have put in the development initiatives alongside the management of the event that has led to the participation figures. That is the key issue for us.

[89] **Joyce Watson:** Thank you.

[90] **Sandy Mewies:** Sarah, I found your paper interesting and useful in the way that you went through events. Something that I got from it—although not a conclusion—was that there is a difference between sporting events that are held on a regular basis, big or not, and major sporting events that are one-offs, like the Ashes, the Ryder Cup and whatever. People tend to talk about legacy with the week-by-week, day-by-day sport, which is what you are talking about with sporting participation and getting young people interested, and economic impact can also come into that. People tend to focus a great deal on the economic impact of the Ryder Cup and so on. What I got from your paper very clearly—and Joyce has just outlined it—was that that is very much because it was frontloaded. It absolutely had the money at the very beginning and it was because of that. That is what I got from the long list that you gave us, which was very comprehensive, clear and interesting and made good reading. It clarified many issues for me.

[91] **Ms Powell:** That is the main aim of the paper, which is to clearly set out that unless there is a legacy element fundamentally agreed at the beginning of any bidding process, or even a strategy or why you would have a strategy for a major event, as a Welsh Assembly Government, I do not think that you will gain those benefits. You must, at the outset, agree the purpose and what you are aiming to achieve by hosting major events. That also needs to come with separate investment, as highlighted by the Ryder Cup. For example, the European tour will also benefit from the Ryder Cup, from the marketing and commercial side, but Wales has already benefited from the participation side because it has put a separate legacy element to the bid. You could also look at similar bids across Europe, for example the 2009 UEFA Women's Euro championship, which was hosted in a Scandinavian country. The aim for that country was to put in place a legacy for girls' football; that was the whole purpose of the event, and the Government supported that. That was the outcome that it was looking for, which was to have a catalyst for the development of women's football. Those are the types of things that need to be agreed upfront; otherwise, I would question whether you would see any key benefits for sports participation.

[92] **Joyce Watson:** I will now move on to the Welsh Institute of Sport. We have received other evidence before yours, from Welsh Badminton, stating what it considered to be a weakness of the Welsh Institute of Sport, which is that it does not provide a permanent training facility for the sport, thereby limiting the ability to stage events there. Do you consider that the sports council's national centres are limited in the functions that they can provide, and do you have any thoughts on how these limitations, if they exist, may be addressed?

[93] **Dr H. Jones:** Everything has its limitations, but it is about how significant those limitations are. It would be fantastic if we had the funding to develop a Welsh badminton centre in Wales, which had five, six or seven dedicated courts and all the associated changing and committee rooms. However, that funding does not exist, and, to be honest, that could not be justified because the amount of activity that would take place there, in terms of high-performance sport on a daily basis, would not be that significant. Welsh Badminton has priority in terms of training and competition at the Welsh institute, but there will be clashes, such as it having to share with netball in terms of an event for one weekend because they are the ongoing difficulties when you have a multipurpose facility. The benefits, on the other hand, are that you get economies of scale in terms of all the things that go with those facilities, namely changing rooms, committee rooms and everything else. We cannot afford in Wales to provide stand-alone facilities for every sport.

[94] **Sandy Mewies:** I will bring in Joyce, Eleanor, then Oscar—because I think that you have another short question—before I draw this session to a conclusion. Please bear in mind

that they must be quick questions.

[95] **Joyce Watson:** The next question follows on nicely from the last. We have heard that Wales focuses its attention too much on a limited number of sports, rather than across the whole spectrum. Do you agree with that, and if so, why does Wales not aim to excel in a wider range of sports?

[96] **Ms Powell:** I am sorry; can you please repeat the question?

[97] **Joyce Watson:** The question is on whether Wales focuses too narrowly on particular sports and does not have a wider focus on other sports. Do you agree with that, and, if you do, how do you think that we can address it?

[98] **Dr H. Jones:** I will kick off on this question. We fund, to varying degrees, something in the order of 60 sports. Every sport does not get the same amount of funding, because not all sports have the same potential in developing opportunities for children and young people, and not all of them have the same associated costs. So, it is all done on a needs basis.

10.20 a.m.

[99] However, different sports have differing abilities to deliver, and there are different categories of sport, so that needs to be focused on and prioritised. We cannot look at all 60 in the same way. That was the conclusion of the recent performance and excellence review, which you discussed in Plenary a couple of months ago, and the recommendations of which the Assembly Government has accepted.

[100] **Sandy Mewies:** I ask you to be brief because I am bringing the session to an end shortly.

[101] **Ms Powell:** The performance and excellence review highlighted the need for Wales to focus clearly on two categories: sports that can deliver excellence, or medals, and sports that can deliver mass participation. It also noted that they should be treated differently. Although some sports can deliver both mass participation and excellence—for example, swimming—some may be seen more as a participation sport, and not as a major event sport, such as a Commonwealth or Olympic sport. We are looking at how we differentiate our support and funding to those sports.

[102] **Eleanor Burnham:** It is difficult because, going back to badminton—I was very taken by that gentleman—who should decide where that should rest? There is an issue about being proactive; you say that Wales is proactive, apparently—or are you just advising that this is something that Wales needs to do? If so, how do we best achieve it? How does this fit in, for instance, with the Minister's launch last week of a north Wales tourism strategy, which I attended? Outdoor sports activities were central in economic terms to that tourism strategy, and the potential is fabulous for participation and excellence. People have used Snowdonia, for instance, for years, to train as world-class climbers. How do you decide on all of these things?

[103] **Dr H. Jones:** We have to differentiate between what we are trying to do, whether we are trying to increase participation or raise standards of performance or bring in tourists—all of those things are very different. If you look at outdoor events, for example, are we trying to develop mountain biking for people locally, in the Gwydyr forest, for example, or are we trying to bring in people from Liverpool and Birmingham to use those facilities? We need to be clear—that is the main point. We need clarity on the strategy and its potential impact, and how that will be measured. Will it be measured on economic grounds, or on sports participation grounds? Often, the rationale is that it will generate a lot of participation, and

then someone produces an economic argument after the event. Then you think: ‘Hang on; these two things do not sit well together’.

[104] **Sandy Mewies:** Oscar, do you have a short question?

[105] **Mohammad Asghar:** I wish I had more time. Huw is a wonderful and very able person. I will be short and quick. Are we now in a position to host multiple events in Wales? How much have you done to achieve that? Carlisle is hosting a couple of Olympic events—I think three—although it is the London Olympics, and we are closer to London than Carlisle. Have you managed to get any events hosted in Wales?

[106] **Dr H. Jones:** The only Olympic events that will take place in Wales are those associated with football at the Millennium Stadium, and those discussions are taking place at the moment. There is the potential to have as many as 13 football matches at the Millennium Stadium, but that is something that the stadium and the WRU will be discussing with LOCOG, the event organisers. That will effectively be done on a commercial basis. What they require is the rental of a stadium somewhere in the United Kingdom for those events. That could be Cardiff, it could be Villa Park, or Old Trafford, or wherever. The advantage that we have is that the Olympic games take place during the football season, or at least during the preparations for the football season, so that may well exclude a lot of the major football stadiums in the United Kingdom, providing a significant opportunity for Wales and for the Millennium Stadium.

[107] **Mohammad Asghar:** Finally—

[108] **Sandy Mewies:** Please ensure that it is ‘finally’, Mohammad—I do not want to run over time. We have another witness to speak to.

[109] **Mohammad Asghar:** Thank you, Chair. I want to ask about the velodrome in Newport. It could host cycling events at the Olympics; it is Olympic standard. Have you done anything for it?

[110] **Dr H. Jones:** The track is very much Olympic standard; it is fantastic, but there is no spectator capacity. For an Olympic games, you would need a minimum capacity of 7,000 to 10,000.

[111] **Sandy Mewies:** You made the point about spectator facilities in your paper. I thank you very much, and I also thank Members for their questions during this session. If there is anything that you would like to underline, please feel free to write to the clerk—as long as you do so before we reach our conclusions. Thank you, it has been an interesting session.

[112] We will now move on to our next witness. We welcome Dr Calvin Jones, who is a reader in economics at Cardiff Business School. I know that you have been here before, so you will know that we operate bilingually. If you need translation or amplification of proceedings, these can be accessed via channel 1 and channel 0 respectively on the headsets. Will you please ensure that you have turned off all electronic devices, as these interfere with the systems here?

[113] We have read your paper, and the information that we have had, with great interest. Will you say a few words of introduction, before I throw the session open to Members?

[114] **Dr C. Jones:** I will not take too much time at the start, because the paper covers most of the major points. To set the context, the written evidence suggests that one of the major problems with major event policies is a lack of evaluative rigour and understanding of the long-term economic, social and cultural benefits of major events. Had I been writing this

paper about any public policy intervention, I would have said the same thing. It is easy to criticise, and I have criticised some elements of a major events-type policy. If you are thinking about interventions more generally in the economy or in health, you would have similar problems with evaluating the cause and effects and the long-term benefits. I am thinking of things such as Flexible Support for Business, entrepreneurship interventions and social interventions. I add those comments as the context for what I have said, particularly on the events and interventions, which are different because so much more is promised of events across such a wide spectrum of different areas of interest for the Assembly. That is sometimes why you see the biggest gap between rhetoric or optimism and the actual evidence. I will leave it there.

[115] **Mark Isherwood:** You refer to some estimated expenditure benefits of events such as the FA Cup and the Rugby World Cup, but you also indicate that there is no causal link between event hosting and longer-term economic growth. How do you reconcile that, and in what ways do you see the cost-benefit ratio working?

[116] **Dr C. Jones:** It is not that there are no causal links between events and long-term growth, but it is just that there is no evidence of such links. There could be many reasons for that. The research that tends to happen around major events is only rarely what we would consider academic—of a good, rigorous methodological standard. That means that when you get an event impact study, it tends to be sponsored by someone with an interest in the event, be it pro or anti, and methodologies are often partial, both in the sense of not being wide enough in scope, and also in the sense of the lack of objectivity of the sponsor. Those sorts of studies—and I have done them myself—will never be adequate to drill down into the kind of deep understanding of what the links are between the event and long-term outcomes.

10.30 a.m.

[117] It is a very complex process, and these are short-term events and there is a short-term need for funding to drive a certain sort of study. So, there is a problem with the evidence. The second problem with the evidence is that events are small. Even with something such as the Olympics, which is a once-in-a-lifetime sporting experience, within London it is economically trivial. You might get a couple of million people going to see events, compared with the 30 million people who go to London every year anyway—it is a small proportion. When you consider that many of those people will be British residents, your export base shrinks in terms of your net additionality. So, there is also an issue around the scale of events.

[118] This is not to say, however, that there are not significant, positive short-term benefits. The work that we have done has shown that, for example, the Heineken Cup is one of the best-case scenarios. You have an event that largely attracts people from outside the region—because it also involves non-Welsh teams, unfortunately—and you attract people who stay for a long time. We studied a case involving a southern Irish club, and the average stay was 2.5 nights, which is very unusual for a single event. Our survey showed very high levels of spending on local goods and services—largely beer, food and accommodation. That resulted in a significant positive benefit of something like £20 million to £25 million for that one event, which is very high for a single-day event, particularly when you contrast that with public sector investment in the event, which was fairly marginal; it was in the tens of thousands of pounds. In terms of returns on investment for the public sector, that event was, effectively, a win-win.

[119] So, in some cases, you can see very big short-term expenditure impacts that you would hope would run into employment impacts, as more people are hired to service those visitors. The problem, of course, is that once the event is over, the money is gone, so people will get laid off, or not do so much overtime—there is a peak and then a return to base, if you like. That was £20 million in, I believe, 2006. However, we estimated for Cardiff Council a

few years ago that the value of the Cardiff economy alone was around £6 billion in value added in 2003. If you compare the £6 billion-turnover of a city in a year with a £25 million or £26 million blip in one part of that year, you are talking about 0.1 per cent or less.

[120] You have to bear in mind the scale of the expenditure impacts. If you are talking about a very small area—such as the mountain bike world cup in Scotland, in Fort William, which is a big event with a small economic base within a small locality—then you can start to think about real net additional, marginal benefits that are trackable and might actually change the whole focus of that economy. Even somewhere as relatively small as Cardiff, the biggest events that we hold are not necessarily, in and of themselves, enough to make that change in the longer term.

[121] **Mark Isherwood:** Given, for example, the emphasis of the current Olympic project on legacy, what about the broader social economy? You are talking about the purely financial economy.

[122] **Dr C. Jones:** The work that we have done as part of a consortium for UK Sport has thrown up this problem of evaluation and the difficulties of cause and effect. The problem with the Olympics is that, no matter how big it is, it is a one-off intervention in people's lives. When you talk about social outcomes, you are talking about outcomes over a life course. You can encourage people to get involved in the run-up to the Olympics, you can encourage volunteering, you can try to hit those social goals, but, in 2013, how do you carry on? That has always proved difficult. You can argue that the Commonwealth Games in Manchester, given the development of a volunteering structure on the back of the Commonwealth Games, certainly had some benefit.

[123] I heard the end of the session with the previous witness, and it is clear that you have conflicting objectives. What the London Organising Committee for the Olympic Games will want for the Olympics is an absolutely smooth-running, sparkling, international-class operation whereby the VIPs, the athletes and the Olympic family are all looked after to the nth degree, and the same for the spectators. What the Department for Culture, Media and Sport and the London boroughs of Newham and Hackney want is mass participation—in volunteering, for example—by their most deprived, most excluded, largely ethnic minority populations. Those two things, given how far some of those populations are from the happy-clappy, customer-facing needs of the Olympics, are not very easy to reconcile in some cases. Even on the social and economic sides, you have these tensions, and, if you ignore them, what you tend to end up with is the nice, smiley faces. It is likely that LOCOG has tried to focus on the social legacy, but I still do not think that that deals easily with these tensions.

[124] **Sandy Mewies:** I will come back to you, Mohammad, but I want to make sure that everyone has got their questions in first.

[125] **Mohammad Asghar:** I want to say on the economy—

[126] **Sandy Mewies:** I remind Members that if they come back with a supplementary question on every response, other people are not going to get their questions in.

[127] **Mohammad Asghar:** Thank you. I would like to disagree with you, Doctor, on one point. You mentioned this 0.1 per cent and £6 billion. Barcelona, Rome and Athens developed world-class airports close to the location of the Olympic Games in those cities, and the income of each airport is substantial every year, which you are forgetting. It was one investment that has led to long-term income forever, for the nation.

[128] **Dr C. Jones:** The first point is that you could build an airport without an Olympics. The Olympics do not pay for the airport. Secondly, you can talk to the people of Montreal

who are still paying taxes to pay for the 1976 building of an airport that they never use. There is an issue about whether the infrastructure you build is appropriate to the needs of the city. In the case of Montreal, it is not, whereas in the case of Barcelona, it certainly was. I would argue that Athens paid for its airport because the EU gave them €10 billion to spend on infrastructure development, without which the Olympics would have been a disaster. So, yes, clearly that is a benefit to Athens, but whether it is good public policy is quite another issue. To judge whether an airport is the best use of public money is something that is not best done under the time-constrained pressure of an Olympic Games preparation phase.

[129] **Sandy Mewies:** Thank you. You said that there is no evidence to prove or disprove a lot of the things that we have been talking about. You particularly mention the tourism spill-over. However, the press has been full of the Ashes and the fact that there is no accommodation left in Cardiff now. So, there is an emphasis on numbers in the media. Is that just a one-off, or do you still consider the impact to be small?

[130] **Dr C. Jones:** It is certainly beneficial. There is no argument that people come to sporting events, they often bring family and you get significant increases in hotel receipts and rack rates as well—if hotels are sensible they will charge more. This is also displayed in the way that Newport and Cardiff are full for the Ryder Cup. However, this is not to discount those impacts. The problem is that you have to assess what the appropriate baseline is. The hope is that you will have a peak, after which you return, in terms of accommodation demand, to a higher level than you had before, and, therefore, you can support a higher number of bed spaces in a city or town.

[131] That is where the evidence does not exist. If you look at the Ryder Cup for example, I do not know how many tickets they sell for the event, but it will certainly not be more than 100,000 tickets over the three or four days of the event. You have 14 million arrivals in Wales every year. The difference in scale means that you have to assume that the number of people who see the Ryder Cup on television and then decide to visit based on that experience is hugely greater than the number of people who come to see the event, or come back after seeing the event. We have anecdotal evidence of fans who said, ‘Yes, I came to Cardiff to see the Ashes and I’m definitely going to come back, because it’s a lovely town’, and then they get home and their wives say, ‘You what? Go to Cardiff for a weekend?’. These fans come with their friends, they have a different set of social networks for that period, and their value and preference set is different. In the longer term, with the best will in the world, the buzz is gone, and there is no evidence to suggest that those well-meaning and genuine intentions are carried through by enough people to make that step change in the tourism attractiveness of the region.

10.40 a.m.

[132] There will be one or two examples, however, and the Member to my right pointed to Barcelona, which used the Olympics as a catalyst to move from a relatively low place in the European hierarchy of cities to a much higher place. It did that by spending around 90 per cent of the money on non-Olympic infrastructure and around 10 per cent on stadiums and the like. The beach that was used for the volleyball events then became a beach used by Barcelona’s residents and tourists in the longer term.

[133] Therefore, it is not true to say that these events cannot be important catalysts, but you have to be careful when designing the legacy infrastructure that is appropriate for your region or city. Unfortunately, with something like the Olympics, because the strictures are so set and so inflexible—and we have alluded to how many events are or are not to be held in Wales, and the mountain biking being one that I am very disappointed about—it is hard to shape the legacy in a way that is beneficial to the people of east London, in this case, who need sports or leisure facilities in the longer term.

[134] **Eleanor Burnham:** Wow. I am so glad that you said that last thing, because I was beginning to think that it was all negative and that it was not worth the effort. To give some anecdotal evidence, some of us use taxis a lot, and I remember when we first came here, for instance, at its height, according to the taxi drivers, people were always going on about how wonderful they believed Cardiff to be, because of the Millennium Stadium and all the events at the stadium. People who had never been before would definitely come back, because they thought that it was fantastic. So, I am really pleased that you are so positive.

[135] I am not talking about statistics, but I went to Athens recently and the people told me what a wonderful legacy of the Olympics the airport is and the wonderful clean, new public transport from the airport into the city of Athens.

[136] **Dr C. Jones:** Absolutely. I am not sure whether there was a question there, but—

[137] **Eleanor Burnham:** I am coming to my question now and I shall ask it in Welsh, but I was just taken aback then. I was beginning to feel that perhaps we were on a different planet, that is all.

[138] Yr ydych yn dweud bod digwyddiadau mawr, gan eu bod yn mynd ac yn dod, yn llai pwysig i'r economi na'r gwaith sy'n mynd rhagddo o ddydd i ddydd. A ydych yn awgrymu, felly, y bydd o fudd inni osgoi cynnal digwyddiadau mawr yn llwyr a chanolbwyntio ar yr hyn yr ydych yn ei alw yn gyfuniad addas o ddigwyddiadau, neu a ddylem sicrhau bod digwyddiadau mawr yn cael eu targedu a'u rheoli'n ofalus, fel y mae Barcelona wedi'i wneud, yn eich barn chi? You say that, by virtue of their fleeting nature, major events are of less importance to the economy than the work that is carried out from day to day. Are you suggesting, therefore, that it would be in our best interests to avoid major events completely and focus instead on what you call a fitting event mix, or should we be ensuring that major events are carefully targeted and managed, as Barcelona has done, in your opinion?

[139] **Dr C. Jones:** I certainly think that you have to look at events as a set and not in isolation. The error that we have made in the past in Wales was being very reactive—which you have to be, to some degree—in going after events that we thought that we could win, without necessarily thinking wider. The Ryder Cup is a great example. It is a global event, and it is very unusual for Wales to be in a position to win it. So, we went for it and then had to shoehorn a lot of work on, say, golf tourism and the renewal of golf clubs into the Ryder Cup strategy. That is the wrong way to do it, irrespective of whether you think the Ryder Cup is an event to hold here or not. The right way to do it is what the Welsh Assembly Government is now moving towards, namely that of having a major events unit that has a set of objectives in the economic, social and cultural spheres, and it will try to put together a set of events over a period of time that fulfils different roles in that objective set.

[140] Some will be small, such as the National Eisteddfod of Wales, which will never be a big export earner for Wales but is very important culturally, so you have a tick in your cultural box, and possibly have a tick in your north Wales box, if you have a spatial disaggregation. There will also be bigger professional sports events that we hope will fulfil at a stroke the aim of bringing people to Wales, the tourism export objective, but they will typically be based in the south east or, if we are very lucky, north-east Wales—just because of the infrastructure and access issues. That is the approach that we should take. We need a matrix of objectives and event types, but we need to remember all the time that we should not expect too much of them, irrespective of the feel-good factor, which certainly exists and is certainly positive. We would certainly have wanted to hold the Rugby World Cup in Wales even if it lost money, because of national pride and renewal and so forth.

[141] We should not expect events to replace economic development, social development, or health policy. They can only ever complement interventions that happen more regularly. I suspect—and the evidence is—that they will only ever be the subservient part: you will never be able to encourage people to take up sport or physical activity based largely on the fact that an event is being hosted. Look at the spike in activity in rugby in late 2003 because England won the Rugby World Cup in Australia. That suggests very strongly that, where any participation benefits exist, they have nothing to do with event hosting at all, but with media coverage and the sporting success of your team, which are very different from what we are talking about, namely attracting events to one region.

[142] **Eleanor Burnham:** It is the branding element. There was a very interesting programme recently about branding countries. Is this not a part of the package of building a brand for Wales, as well as all of the other benefits that we are discussing?

[143] **Dr C. Jones:** Yes, and you can lever those benefits in as long as you take a thoughtful approach to it. We have done a lot of work with the Wales Rally GB, which has been an important event over a number of years for the Department for the Economy and Transport and, before that, the Department for Enterprise, Innovation and Networks. I always found it difficult to talk about the branding benefits of the Wales Rally GB when Jane Davidson, and Carwyn Jones before her, were pushing Wales towards a path of sustainable development, which is all about lower impact and low carbon. If you have a brand, it has to be credible and coherent. If you can do that, it is worth going after those sorts of softer impacts and benefits.

[144] **Sandy Mewies:** The evidence that we heard from Dr Huw Jones was very consistent with your own. He was saying very clearly, again and again, that, for him, the Welsh Assembly Government, through the major events unit, should be looking at what outcomes we require from events and setting those down so that everybody understands. You seem to be agreeing with that.

[145] **Dr C. Jones:** Absolutely. The problem is that we all know what is going to happen with public finances in upcoming years. Everybody will be squeezed. At the same time as the Assembly is looking for 3 per cent carbon cuts per annum from 2011, policy interventions that involve moving a lot of people around long distances will look very vulnerable. I suspect that the halcyon days for events support are over and that, because of the much tighter funding regime that is coming forward, events will have to justify their impacts much more rigorously.

[146] The difficulty with events is that the people involved in sponsoring, promoting and organising them are so positive and genuinely believe in the importance of their events that you tend to get overly optimistic about them, but there is a lack of rigorous evidence. The problem is that if you over-promise and under-deliver, you leave yourself ripe for criticism and maybe less support in future years. Despite what you might think from the first part of the paper, I am a fan of having an events strategy, but it has to be one that can fit easily into wider public policy mechanisms and interventions.

[147] **Mohammad Asghar:** My question is on increasing participation. The 2012 Olympic Games in London are reported to have been won due to the potential legacy of increased participation in sports. Do you consider that past games have failed to deliver evidence of sustained sports participation because of a lack of focus on this, or are there perhaps some fundamental reasons for such an event not being able to achieve this?

[148] **Dr C. Jones:** Good question. I tend more towards the first part of your explanation: there has not been enough of a focus in the past, and it has not been integrated into wider, long-term interventions particularly. I give you the example of Sydney, Australia. Sydney may well have increased participation rates in Olympic and non-Olympic sports in Australia after the event or leading up to the event. We will never know, because in late 1999, the questionnaire in its general participation survey was changed, which meant that you could not

examine pre and post-event impacts. So, there is a lack of quality evidence. I have done some work for the London borough of Newham in exactly this area, and the sorts of people that we might want to encourage to participate more in physical activity are a long way away from turning up at a legacy stadium, and paying to go, say, swimming. In the east London example a lot of minority ethnic populations—such as Muslim women—are a long way away, culturally, from feeling comfortable in that kind of environment. However, I am not an expert on this.

10.50 a.m.

[149] The problem with the Olympics, and many other public policy interventions in the UK in the last few years, is that the idea is, ‘If you build it, they will come’. If you put a stadium somewhere, or you supply something, then people can use it, but often they will not. So, for example, what Newham is trying to do is put on specific events, such as women-only events, aimed at particular elements of the resident communities, which those people feel much more comfortable about being involved in. That approach—tagged with the Olympics and maybe using the infrastructure of the Olympics in the long term, but wholly additional to what London Organising Committee for the Olympic Games, LOCOG, is doing—is necessary, in many cases, to get that long-term involvement, which means that those people start to integrate sport, or participation in physical activity, into their lifestyles long term. The difficulty is that, if you do something special because the Olympics are in town then, when the Olympics go, the specialness goes, and people go back to what they were doing before. That has always been the conundrum: by building things around major events you whip people up into a kind of state of excitement, but what you impose or encourage people to do has to be viable in the long term. That is always the difficulty. Yes, infrastructure is part of it: green spaces, velodromes, safe spaces for sport, swimming pools and so on. That is the supply side. However, disadvantaged people in less engaged populations need to be encouraged far beyond the games.

[150] **Mohammad Asghar:** Do you consider that we are learning lessons from past events, insofar as it is possible to create lasting benefit through targeted intervention, such as the Ryder Cup Wales legacy activities?

[151] **Dr C. Jones:** I would count the Ryder Cup as being an old style of organisation. The Ryder Cup bid was won on the basis that it is a world-class event that will attract people to Wales and generate media coverage of Wales. Those are, notionally, good things. However, if you want to improve health in Wales by decreasing levels of obesity, and you want to encourage people into sport, you would choose a sport that exercises the cardiovascular system. You would not choose a sport where you walk around, and you would choose one that has a very low, or zero, cost. In golf, frankly, the costs may be coming down but they are certainly not low. Despite changes that Ryder Cup Limited has tried to make, golf is still, largely, a middle-class white-male sport. If our starting point is: ‘What do we want to do to increase people’s health and participation?’, we should not choose golf. If our position is: ‘What do we have to do to attract Americans to Wales?’, we might choose golf. We have had to ‘shoe horn’ this kind of stuff into our health and social agendas by encouraging people from deprived communities to play golf. I suspect that a basketball hoop in Butetown would do more to encourage participation than the Ryder Cup will in that area. So, the Ryder Cup is not a good example of an integrated approach to events. However, judging by my interactions with the major events unit, there is a lot of hope for the future. That approach—in terms of a holistic understanding of what sorts of events can do what sorts of things—is developing.

[152] **Eleanor Burnham:** I am very interested in your comments on the participation of certain people in society—you mentioned women, among others. This, perhaps, is quite a complex area. As a result of ethnic differences certain women might not get involved in mass-participation activities, unless men are excluded. As an adjunct, I am very taken with the

thought of badminton, which some of us have played before. Surely that is cardiovascular exercise. It is quite low cost, even for the racquet. How would you persuade ladies to participate, if they come from an ethnic minority that does not already participate in such events?

[153] **Dr C. Jones:** I am an economist, not a sociologist. I do not want to overstep my boundaries. From what I have seen in east London, in terms of intervention, single-sex provision has been important. We must use established modes of engagement. For example, if you are at a community centre talking to people who do not often interact with the public sector, that is when you make the opportunities clear. Many are also very taken with the idea of role models, although I have not seen any evidence that it works. Newham, I think, sponsored a Bangladeshi or Pakistani female Olympic athlete. It had exchange visits and there was a lot of media attention. She was hoping to come to London 2012, and was held up as an example of how women from that particular culture—pardon me for not remembering which it was—could participate and excel. So there are a lot of ways in which it can be done, but it is really expensive with long-term paybacks and, as you said, very complex.

[154] **Joyce Watson:** I read your paper with interest. You have just said that you are an economist. In the paper you mention ‘economic embeddedness’ in relation to the bidding process for events. You have used the South Africa World Cup as a good example that the Visa card rules and that there are no real benefits that sponsors are looking for other than to make money in a multinational global economy. We can all sort of see that. Also, there is your suggestion that most of the benefits go to the seller and the host regions retain fewer benefits. If that is the case, why do you think that there is still a strong demand for events? Are we kidding ourselves?

[155] **Dr C. Jones:** Putting my cynical academic hat on, there are elements of societies, in regions and cities that bid for events, that do very well. If you are an elite athlete, why would you not strongly support the hosting of a major event? You might get a new stadium out of it, for example. I will name no names, but I was involved quite heavily in the bidding for the Rugby World Cup in the mid to late-1990s. The Welsh Rugby Union was initially in the field. The main reason why it had such strong support was due to a politician who was looking for a national platform to develop a national career. If you look at, for instance, the European Games and other high-level games, it tends to be individuals or blocs, such as property elites, who support events as a way of furthering their agendas. We have to be really careful that we do not have a narrowing and a concentration of the benefits. The major events unit is one way of defusing that problem.

[156] I do not want to overstate this because, obviously, having more sports facilities is always better than having fewer. There is no question about that. However, in terms of the types of sports facilities, we need to be very clear that we have an events strategy and a mix that delivers the sorts of infrastructure benefits that will be used. That has not been the case for many events, particularly the Olympic Games, in the past. The 2002 Commonwealth Games, for example, is generally regarded as a success. East Manchester is a much nicer place now than it was in the past. However, on the down side, you have a stadium that is leased to an Arab billionaire at a very low rate by the city council. That is what you have to accept: there is always the potential for sub-optimal policy. The media are usually fairly supportive within the region, politicians are very supportive because of the publicity they get, sports people and governing bodies—who the public hold in high esteem—are generally very supportive. If you say, ‘Hold on a minute,’ the danger is that you will be seen as a naysayer, a damp squib, or a wet blanket. I went to the Millenium Stadium a few years ago and, when I spoke, it was like a bomb had gone off in there. There were 200 people whose jobs depended on attracting major events and I told them that, actually, it is all a bit trivial. There is a danger that we could err too much on the side of the positives.

[157] However, at the same time, let us be frank: Wales does not do much stuff well. Staging major events is something we do well. So, even though we cannot point to long-term sustained growth benefits, in terms of economic growth and so on—and the same with participation—I suspect that, if we had not spent money on building a stadium, on supporting Rally GB, we probably would have spent it even more ineffectively in other areas. So, I am not convinced that, just because we cannot prove the benefits of a major events strategy, we should not have one. Clearly, we are good at major events, and we have been punching above our weight for a number of years.

11.00 a.m.

[158] **Joyce Watson:** Okay. You have completely confused me now. I was reading your message as, ‘We’re all wearing rose-tinted glasses and we need to get our act together and decide what it is that we want.’ Now you are saying, ‘We might as well waste the money on this, because we would have wasted it anyway.’

[159] **Dr C. Jones:** No, what I am saying is this: let us look at Rally GB. We spend about £1.5 million on Rally GB. Rally GB pays for itself, because people coming to Wales to attend the event—bums on seats—spend more than £1.5 million in gross value added. So, it washes its face. It is not much of a benefit, but it is a benefit for Wales. Consider the opportunity cost for that £1.5 million. Suppose we put another £1.5 million into what was the entrepreneurship action fund, or Flexible Support for Business, or other mainstream interventions. I suspect that the marginal benefit would not be any greater than if we had had the rally. So, this is about making explicit opportunity-cost decisions. For example, if we are spending—I do not know how much, because nobody will tell me—£50 million to £60 million on the Ryder Cup, I suspect that we probably could have spent that money in a better way. So, I am not saying that major events are something that we should never do. We have the infrastructure in the stadium now and we have a reputation for being able to host major events. However, you have to accept that the benefits are probably positive but marginal. People come to Wales and have a positive experience, in large part—that is not to be sniffed at, but it is not going to increase the gross domestic product by any significant degree.

[160] So, looking at the major events process with that sense of realism, we realise that if a major event is useful in, for example, reinforcing messages on sports participation by providing a useful catalyst and giving a way to get the message out in terms of new facilities and so on, it is a good thing. If you are expecting a major event to come in to the region, have a big bang, and change the behaviour of your residents or the structure of your institutions, the evidence is that that will not happen. So, it is about being realistic. We have been doing this for over 10 years now, and we have good facilities. We are very good at getting people in and out of Cardiff in particular. We have a lot of people, in the public sector and elsewhere, who are very knowledgeable about major events. So, we have gone down this path. To abandon it because there is no academic evidence that it is a positive thing is not necessarily the best thing to do. However, what we have to do is make sure that future investments are appropriate. In terms of infrastructure development, mountain biking is a perfect example: if the Olympics could have been used to develop a looped mountain-biking track at Margam I would have been in favour of it, because that would have been very heavily used. It is very close to the M4 and public transport links and it would have been part of a swathe of facilities across south Wales that would form a world-class offer. In that case, there is no argument for not having Olympic mountain biking in Wales. In other cases, the argument is much weaker. The problem is that we do not distinguish between those two things at the moment. We just say, ‘It is a major event, we’ll have that,’ or we have in the past. We need a much cooler head in terms of assessing which major events it is appropriate to go for, and which it is not.

[161] **Eleanor Burnham:** That is exactly the point that we were trying to get out of the presentations on the Olympics when there was the event in Wales years ago, hosted by Lord

Coe. We were given the good news that we were going to have facilities, such as those you have described, as an offshoot. However, that has not happened. That is why many people in Wales are cross about the Olympics. Plus, we have lost a lot of money from the National Lottery. Do you agree with what I have said?

[162] **Dr C. Jones:** One hundred per cent. It is a real shame that—with the exception of the sailing, which is to be held at Weymouth, and which I suspect you could not have on the Thames—it is the most spatially-concentrated Olympic Games ever. The one games that gives good evidence of an urban regeneration impact and of improvement is Barcelona. Barcelona had a triangle of major facilities: the Montjuic Stadium, the beach and somewhere else. The games were spread out around the city to spread the infrastructure benefits around. A lot of the new housing in Barcelona is in areas that were part of the Olympics. In terms of 2012, we will have a big hole in east London of about 100 ha that we will have to fill with stuff.

[163] **Eleanor Burnham:** People are also being moved around, as you mentioned earlier. That is a huge problem in that part of London.

[164] **Dr C. Jones:** Absolutely. It is not our problem but if, in London, you build a new line from the centre to the east, in the hope that it will help deprived people in London to access jobs, and you put a load of employment in east London as well, what will happen is that the people with good qualifications who are close to the labour market and who live in west and central London are going to be able to access the new jobs and out-compete the residents of east London. So, increasing access is not necessarily a one-way street. The evidence is that the problem for the people in east London, just like the people in Merthyr, is not the number of jobs that they have to apply for, but that they cannot—or will not—apply for the jobs for very deep-seated social and economic reasons. That problem is not going to be solved by having the Olympics in shiny new buildings, and expecting people to walk in and get the jobs that are then created.

[165] **Sandy Mewies:** So you do agree?

[166] **Dr C. Jones:** Yes. [*Laughter.*]

[167] **Sandy Mewies:** We now move on to the last question in this session.

[168] **Mark Isherwood:** To a certain extent you have already addressed this in your comments about integrating, or not integrating, sustainability principles into Rally GB, for example. Are you aware of what practices exist internationally, if at all, in this respect? Also, are there any examples within Wales of events that have been designed with sustainability principles included?

[169] **Dr C. Jones:** There are developments that have happened in the last two years. There is a new British standard, BS 8901, which is the sustainable events standard. Much the same as other British standards, it does not tell you what to do, but it tells you how you should do things. So, you should have appropriate procedures, measurements, waste management plans, transport plans and so on. The major events unit is cognisant of that, and that is part of its vision. Going forward, the larger events will be expected to sign up to BS 8901. The international standard is ISO 14000, which is similar. So, there is a template. I suspect that there are always going to be difficulties and tension. The only way to justify events economically is by attracting a lot of people into the region. Otherwise, it is just displaced spending. People go to see rugby in Cardiff: if I do not see rugby in Cardiff I see it in my local pub, or elsewhere in Wales. You have to attract people from outside Wales. So, there is always going to be tension between the environmental impact and the economic impact. The way to deal with that is to have appropriate event management that places sustainability at its

heart so that, where big negatives—in terms of the environment—are identified they can be mitigated, as far as is possible. On the flip side you can assess the level of economic benefit in comparison to the environmental impact, and support events that give more economic benefit for less environmental impact. So, for example, you might support events that do not require the building of new infrastructure, as opposed to those that do, because, of course, concrete is very damaging to the environment. So, there are processes—BS 8901 is the way to go—but it is too early yet to see any events that have taken full account of that.

11.10 a.m.

[170] **Mark Isherwood:** Internationally, do any examples exist?

[171] **Dr C. Jones:** So far there has been a number of ‘sticking plaster’ approaches. The 2006 FIFA World Cup in Germany had the ‘green goal’ initiative and lots of waste recycling. There were problems because the alcohol sponsor would not let reusable cups be used, and there had to be branded cups, so there were tensions with the sponsors. You can argue that it was a good starting point. However, the next World Cup—because it is in South Africa—is going to cause nine times more environmental damage than the one in Germany, according to the evidence given in a Danish report. So at the moment the commercial drivers are winning at the expense of the sustainability drivers. I suspect that as money gets tighter we might find a lot of events in the middle east and in the emerging economies, because they are the ones that can afford to sponsor these events. However, I think that in Europe there will be a much more rigorous approach to the hosting of events. That applies not just across the UK, but elsewhere. In UK Sport we have done exactly that, looking at how to appropriately manage those impacts.

[172] **Sandy Mewies:** I have asked the clerk for a note on the British standard. I guess that, when the Minister gives evidence to us, people from the major events unit will attend in support.

[173] Thank you very much indeed for the evidence that you have given today, and the paper. There are some very consistent messages coming across and, in any inquiry, that is quite useful. If there is anything that you would like to add—for example, if you feel there is something that you would like us to know—please write to the clerk. As long as you do it in time, we will look at it.

11.12 a.m.

Cynnig Trefniadol Procedural Motion

[174] **Sandy Mewies:** I will move a motion to resolve to exclude the public from the meeting for item 3, to allow the committee to consider its forward work programme. I move that:

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(ix).

[175] I see that the committee is in agreement.

*Daeth rhan gyhoeddus y cyfarfod i ben am 11.13 a.m.
The public part of the meeting ended at 11.13 a.m.*

