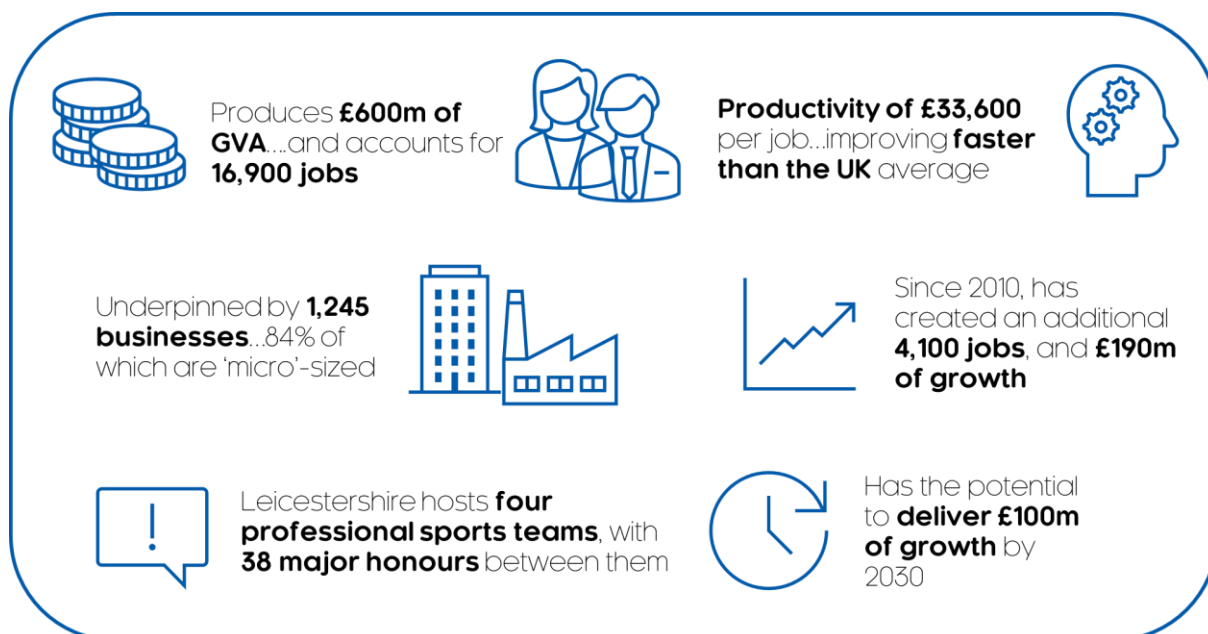


Sector profile: Sport and Physical Activity in Leicester and Leicestershire



Source(s): See Economic and growth indicators.

Defining Sport and Physical Activity

The **sport and physical activity sector** covers a variety of activities, broadly split into three categories:

- **Performance-based activities:** Comprised of "sporting activities" (i.e. parts of the sport sector that have their own industrial classification/codes), which includes spectator sports, dance schools, health, fitness & massage, other participation sports, sports betting and boat renting
- **Goods and services necessary for doing sports:** activities which are inputs to sport (i.e. all goods and services which are necessary for doing sport, such as sports goods)
- **Supporting services:** activities which require sport as an input – i.e. all goods and services which are related to a sport activity but without being necessary for doing sport, such as insurance

And across these three categories, parasports are increasing in popularity and participation. Some parasports are variations on existing able-bodied sports, while others have been specifically created for persons with a disability and do not have an able-bodied equivalent. Disability exists in four categories: physical, mental, permanent and temporary. At a competitive level, disability sport classifications are applied to allow people of varying abilities to face similar opposition.

Market and economic outlook

Global market

Estimates of the global value of the sports industry vary. It was estimated to be US \$471 billion in 2018, increasing by 45% since 2011, [according to the World Economic Forum](#). The United Nations estimates that the global value of the sports industry is US \$756 billion annually.

SIGNA Sports United and Boston Consulting Group released a report¹ in 2021 which predicted that global sports participation will reach 3.5 billion people by 2025, and valued the global sports market in 2021 at US \$1.1 trillion. Sports is forecast to become the second most common global leisure activity after travelling, with 35% of the world's population participating in sports at least once a month by 2025.

Global sports is a \$1.1 trillion global market and growing. Sports retail is the largest part of the sports market, accounting for \$475 billion (in 2021) of spending and anticipated to grow 7% annually to reach \$670 billion in 2025 – at 1.4x the rate of GDP growth.

Sports is going digital. In 2020, there were over 830 million people globally using wearables or fitness apps. 56% of all sports participants expect to adopt wearables in the future, mainly to measure their performance, to educate themselves about a healthy lifestyle or to take part in online training sessions. Virtual reality, live streaming of sports events, and virtual participation in real events are also increasing.

Continued double-digit growth rates for sports e-commerce. Sports e-commerce is expected to experience double-digit compound growth rates over the next five years, growing 3x as fast as sports offline retail, climbing to 30% online sales share globally.

UK market

According to Sport England, sport and physical activity generated £25.1 billion in GVA in 2017/18 for England's economy. A significant portion of this comes from grassroots sport: the millions of people who buy trainers, bikes, gym memberships or pay match fees. The sector boosts the economy directly, through job creation, and indirectly by reducing healthcare costs due to a healthier population and reducing crime.

Further, [Sport England estimates](#) that sport and physical activity contributes a total value of £85.5 billion to the economy, once the benefits to physical and mental health, wellbeing, volunteering, individual development and social and community benefit are taken into account. Of this £85.5 billion in benefits, Sport England estimates that sport generates £9.5 billion worth of physical and mental health benefits due to the prevention of illness – including the prevention of 150,000 cases of heart disease, 30 million fewer GP visits, and 33 million fewer uses of psychotherapy services. 581,00 people are employed in the business of sport in the UK, [according to Government analysis](#).

¹ SIGNA Sports United and Boston Consulting Group (2021) Sports in the Digital Age.

Business impacts of Covid-19 and Brexit

Covid-19 has significantly affected the ability to run and attend sporting events, and to participate in group sports and events. In terms of events – all mass sporting events have been cancelled or postponed, including global events such as the Tokyo 2020 Olympic Games. Many mass participation events have not run for 2 consecutive seasons affecting not just the events organisers but the wider economic value which sports and physical activity brings to the area has not been realised. At the beginning of the Pandemic, The Football League, the Rugby Football Union and the England and Wales Cricket Board estimated that they could lose more than £700m between them over 12 months, according to [The Guardian](#). With Premier League clubs also facing a potential £750m TV shortfall if the football season does not resume this summer, the financial damage to sport from Covid-19 is likely to run into billions.

Covid-19 has caused delays in operations and treatment across the health service. Sport England's new strategy launched in Jan 21 highlighted the role of physical activity in reducing health inequalities. The appetite for health and wellbeing has amplified which could be expected to increase the demand for health and wellbeing causing increased demand over the foreseeable future. The increased walking and cycling behaviours during lockdown could deliver a marked shift in consumer choices and government investment.

Activities and key organisations in Leicester and Leicestershire

Leicester and Leicestershire combine national and international sporting achievements, with excellence in sports science and the commercialisation of sports and physical activities and technologies.

Loughborough University

Loughborough University's academic and research excellence in Sport and Sports Science has led to the development of R&D specialisms, and new start-up firms, and also has attracted firms. This has been further supported by the launch of SportPark in 2010. Loughborough University has been ranked 'Best university in the world for sports-related subjects' for the fifth consecutive year. The National Centre for Sport and Exercise Medicine has been named as an International Olympic Committee Research Centre (IOC) for Prevention of Injury and Athlete Health for a further four years. The NCSEM is one of 11 institutions around the world forming an international network of expert scientists and clinicians in sports injury and disease prevention research. It will receive financial support from the IOC to develop research in this area. The Loughborough University National Tennis Academy is one of only two LTA national academies, offering coaching, science, medicine and welfare expertise to the highest potential 11-18 year old players.

Loughborough University is a world leader in [Parasport](#) research. The School of Sport, Exercise and Health Sciences undertakes study and research on Parasports, and the Peter Harrison Centre for Disability Sport Research contributes significantly to research and practice in disability sport. It consists of two main research strands: Sport Performance and

Health and Wellbeing. The centre is heavily involved in research, in addition to providing sport science support to a number of GB squads.

Loughborough University London is one of the founders of the Global Disability

Innovation Hub (GDIH), a collaborative organisation based next to its campus on the Queen Elizabeth Olympic Park. Partners in the hub include the London Legacy Development Corporation, University College London (UCL), University of the Arts London (UAL), Sadler Wells, Victoria and Albert Museum, Leonard Cheshire, and the Helen Hamlyn Centre for Design. The GDIH delivers a Master's programme, supports a multi-disciplinary research centre, and is contributing to a global summit taking place at the Tokyo Olympic Games.

Loughborough University is also home to one of the largest multi-sport communities of Para athletes in the UK.

At the Rio 2016 Paralympic Games, Loughborough based athletes contributed an impressive 10 Gold, 8 Silver and 4 Bronze medals to the overall medal tally for ParalympicsGB. Several Paralympic National Governing Bodies (NGBs) also choose to base their Performance Programmes at Loughborough University thanks to its world class facilities, creating a unique and inspiring multi-sport environment for Para sports where the likes of Jonnie Peacock, Richard Whitehead, Libby Clegg and Sophi Hahn use Loughborough as a training base.

SportPark Loughborough University is a £15m development that opened its doors in January 2010 and is a brand new concept in sports working. Providing 6,000 m2 of accommodation across three 'Pavilions', the initial phase of SportPark has been a great success, achieving very high levels of occupancy, excellent collaboration and interaction and creating 600 jobs. The fourth phase of SportPark has been supported by the construction of Pavilion 4 – a 2,000 m2 extension included in the original building design. Pavilion 4 will be complete at the end of 2022, and will provide specific space to enable the growth of the successful sports cluster at LUSEP, and to confirm Leicestershire's leading place in the sports economy.

SportPark Loughborough University is home to many of the country's top sports governing bodies and national sports organisations.

These include The Amateur Swimming Association, British Swimming, England Cricket Board, England Squash, English Federation of Disability Sport, Great Britain Wheelchair Basketball, Institute of Sport and Recreation Management, The Institute of Swimming, Leicestershire & Rutland Sport, Snowsport England, England Netball, Volleyball England and the Youth Sport Trust work – who side-by-side in a high quality environment that encourages partnership working, sharing of best practice, collaboration and innovation. Based in purpose-built accommodation in a parkland setting that is part of the Loughborough University Science and Enterprise Park, sports bodies are also able to access expertise and knowledge from across the Loughborough campus including the University's Business School, its Sports Development Centre, the School of Sport, Exercise and Health Sciences and SportPark's close neighbours the Sports Technology Institute.

National sports performance centres and associations are located within Leicester and Leicestershire, and include:

- Activity Alliance
- British Athletics

- British Swimming
- British Triathlon Federation
- British Wheelchair Basketball Association
- Chartered Institute for the Management of Sport and Physical Activity
- England and Wales Cricket Board
- Sport England
- Swim England
- Volleyball England

Elite sports clubs and achievements

Leicester is the only English city outside London which is home to a Premier League football club (Leicester City, 2015/16 Premier League Champions), Premiership rugby club (Leicester Tigers) and a first-class county cricket club (Leicestershire County Cricket Club). Leicester was a host city for the Special Olympics in 1988 and 2008, and the 2015 Rugby World Cup, with three pool stage matches taking place at the King Power Stadium. Leicester & Leicestershire is also home to elite clubs in basketball (Leicester Riders), speedway (Leicester Lions), netball (Loughborough Lightning), hockey and badminton.

The [Loughborough Lightning franchise](#) brings world-class female sport to the university campus. The Loughborough Lightning Netball Team have just won the vitality super league for the [first time ever](#). Loughborough Lightning also have teams playing in elite female sport in cricket and rugby. With the England Captain (Sarah Hunter) and Emily Scarratt (World rugby player of the year 2019, top points corer and player of the tournament in the 2020 six nations).

Firms

Elite Sport Fitness is a sport performance technology company that provides training monitoring methods and tools for coaches and athletes. Founded and directed by world class athletes, consultants and coaches, ESP's extensive knowledge base is further reinforced by academic excellence in sports science and engineering from Loughborough University.

INCUS Performance is combining the power of advanced wearable technology, data analytics and artificial intelligence to develop the next generation in wearable sports performance monitoring systems. Incus devices and proprietary machine intelligence software provide highly individualised and detailed technical information for athletes and their coaches to truly understand the relationship between their technique and performance. Better technical understanding leads to more economised and effective training, which leads to performance improvement, medals and the chance to make history.

NEOFIT is a sports healthcare company with extensive knowledge base in chemistry and physiology, and sports science.

ORB's mission is to prevent misdiagnosed head injuries within sport. ORB is currently developing a smart gum shield, able to capture details of a player's head movement and the forces they are exposed to.

Progressive Sports is based in Loughborough University's world leading Sports Technology Institute and provides a comprehensive range of research-led product development services to major global sports brands.

The Cooking Yam was founded by Loughborough graduate Tiffany Afflick as a means of providing nutrition support for elite athletes and active individuals. With a key focus on translating heavy nutritional science into real-life, meaningful advice, The Cooking Yam has become a recognised source of support for those seeking to improve their performance through healthy eating.

Tzuka are engineering the world's most durable sports earphones – that are shock-proof, impact resistant and operational whilst underwater.

Reflecting the strength and expertise of the local business base, some 78 Leicester & Leicestershire-based businesses won 176 contracts to supply the London 2012 Olympics, the highest rate in the East Midlands.

Key sports facilities and venues

Key sports facilities and venues, many of which have hosted national and international events, include Morningside Arena Leicester, Leicester Tigers Welford Road Stadium, Leicester Lions Speedway, Leicester City Football Club King Power Stadium, Leicester Racecourse, Huncote BMX Track, Mallory Park Racing Circuit, Donington Park, New College Leicester, Loughborough University, De Montfort University, the University of Leicester, the National Forest, and Leicestershire County Cricket Club.

Economic and growth indicators

Table 1: Summary of key economic and growth indicators for the Sport and Physical Activity sector in Leicester and Leicestershire

	Value, 2019	% of economy total	% of economy total (UK average)
GVA (£m)	569	2.3%	2.8%
Jobs	16,900	3.1%	3.4%
Businesses	1,245	2.5%	2.7%
Productivity (£)	33,600	75.6%	80.0%
	Value, 2010-19	% change p.a.	% change p.a. (UK average)
Real GVA growth (£m)	185	4.5%	2.8%
Jobs created	4,100	3.1%	2.5%
New businesses	415	50.0%	34.8%
Productivity growth	-	1.3%	0.3%

Source: ONS, Cambridge Econometrics.

Worth £600m and accounting for 16,900 jobs (according to official statistics – see [Table 1](#) above) Leicester and Leicestershire is home to a vibrant and fast-growing sports and physical activity sector, with research-driven expertise, and globally recognised sports teams, athletes and facilities.

Recent growth has buoyant, with the sector creating 4,100 additional jobs since 2010, driving GVA growth of £190m, both at rates in excess of the UK sector average, with GVA growth (averaging 4.5% p.a. since 2010) the fastest of any sector in Leicester and Leicestershire.

Productivity growth in the sector has also outpaced the UK average since 2010, improving 4 times faster. Despite this, local activity is still some 15% less productive than the UK sector average, though the gap is closing.

The sector is comprised of over 1,000 local businesses, of which some 84% are 'micro'-sized (employing <9 people). Showing strong entrepreneurial activity, an additional 415 businesses have been created in the sector since 2010 – an increase of more than 50%.

Additional evidence and research

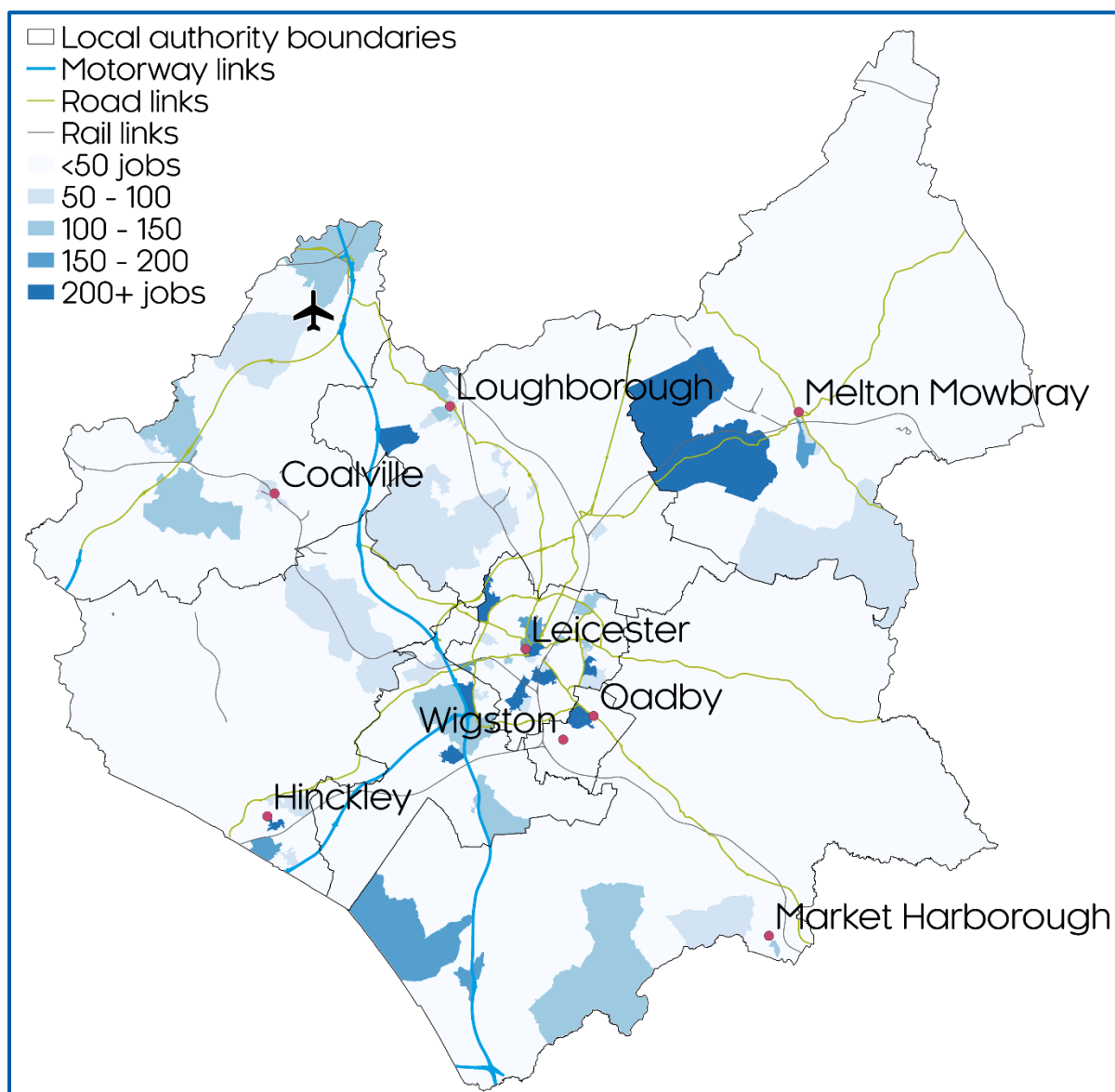
Additional indicators and research on the sector in Leicester and Leicestershire shows:

- According to Sport England, the annual value of sports volunteering is around £79m in Leicester and Leicestershire, the annual health benefits of sport & physical activity are worth around £377, and the annual wider spending by people attending sport events (on accommodation, transport, food & drink etc) is £36m
- Leicestershire hosts four fully professional sports teams - Leicester City (football), Leicester Tigers (rugby union), Leicester Riders (basketball), and the Leicestershire County Cricket Club – with 38 major honours between them, including international honours
- In 2008, the city of Leicester was awarded the status of European City of Sport, reflecting its diversity, passion and success in sport, and significant recent and projected investment in the sector

Spatial structure and clusters

The sector maintains a notable presence throughout Leicestershire, but is most evidently clustered in and around the city of Leicester, as Figure 1 below shows.

Figure 1: Sport and Physical Activity clusters in Leicester and Leicestershire



Source: ONS, Cambridge Econometrics.

The sector retains strong links with local universities, particularly Loughborough University, which is the leading university globally for sports-related subjects. This has led to a clustering of activity within Loughborough, reflecting the presence of SportPark Loughborough and other national training centres and sporting facilities. Loughborough University is also host to the National Centre for Sports and Exercise Medicine - East Midlands and the Sports Technology Institute.

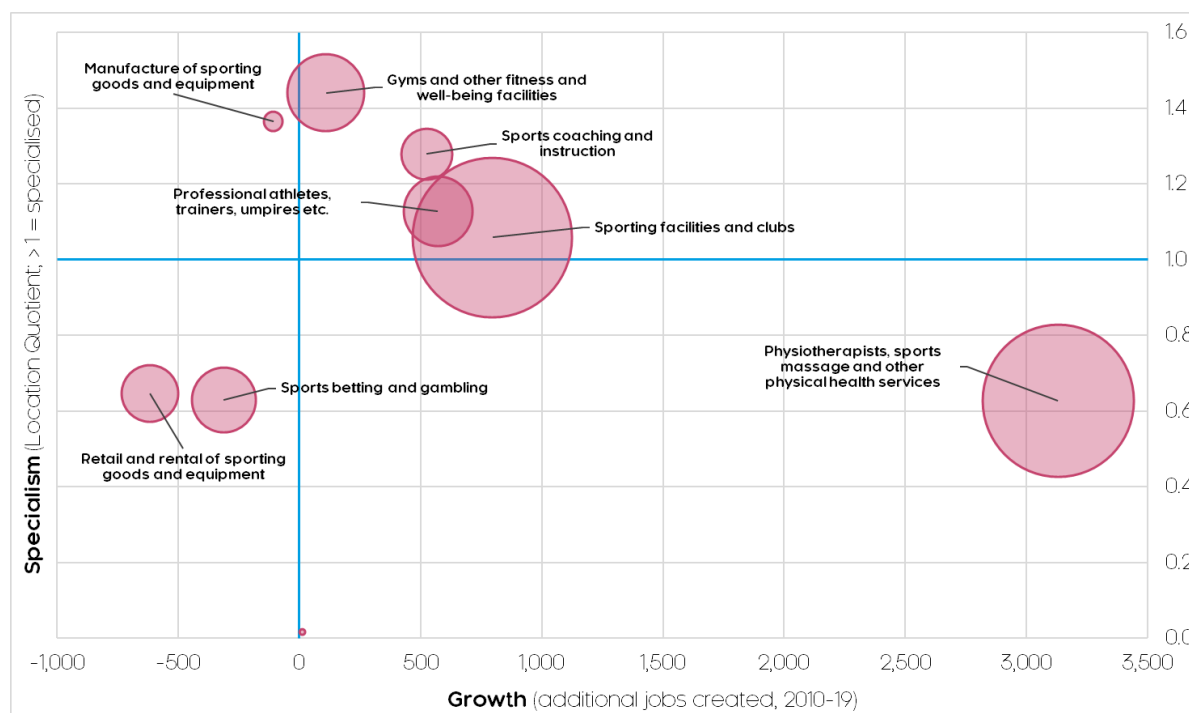
Pockets of activity throughout the wider county capture additional sporting facilities and stadia, research and product design, and local clubs, venues and fitness facilities.

Industry structure and specialisms

Leicester and Leicestershire has a diverse sporting and physical activity offer, represented by some internationally-recognised and growing specialisms, as [Figure 2](#) below shows:

- **Sporting facilities and clubs** – 6,100 jobs, £140m GVA; the largest activity in the sector, capturing Leicestershire's sports teams, stadia and facilities
- **Gyms and other fitness and well-being facilities** – 1,400 jobs; the most specialised activity in the sector locally
- **Sports coaching and instruction, and professional athletes, trainers, umpires etc.** – combined 1,800 jobs; both highly specialised and fast-growing activities
- **Physiotherapists, sports massage and other physical health** – 5,600 jobs, £200m GVA; a large and fast-growing activity, doubling its workforce over the past decade
- **Manufacture of sporting goods and equipment** - 100 jobs

Figure 2: Local specialisms and growth within Sport and Physical Activity



Source: ONS, Cambridge Econometrics. Note: Size of bubbles relate to size of activity (in jobs terms). Bubbles above the blue horizontal indicate a specialism. Bubbles to the right of the blue vertical indicate growth (in jobs terms).

Sector prospects in Leicester and Leicestershire

Economic impact and recovery from Covid-19 and Brexit

The sector will be amongst the most impacted by the Covid-19 pandemic, with only professional sports proceeding uninterrupted, though all activities are susceptible to limited attendance and reduced revenue streams. Resultantly, as [Table 2](#) below shows, GVA is expected to contract by approximately 10% (-£60m) in 2020 – the second steepest fall in Leicester and Leicestershire (behind only the tourism and hospitality sector).

Table 2: Covid-19 impacts and recovery prospects for the Sport and Physical Activity sector in Leicester and Leicestershire

Forecast Covid-19 impact (2020)			
	Value, 2020	% change	% change (UK average)
GVA impact (£m)	-57	-10.1%	-12.8%
Jobs impact	-1,400	-8.3%	-1.5%
Productivity impact	-	-1.9%	-11.4%
Forecast Covid-19 recovery (2021-30)			
	Value, 2021-30	% change p.a.	% change p.a. (UK average)
Real GVA growth (£m)	104	1.9%	2.0%
Jobs created	300	0.2%	0.9%
Productivity growth	-	1.7%	1.1%

Source: Cambridge Econometrics Spring 2021 Forecasts.

Once a recovery is underway though, the sector is expected to rebound, with a potential £100m of growth by 2030, offsetting the losses of 2020. Yet given the scale of the initial impact, and longer-term implications for some businesses and activities, it could still be 4-5 years until the sector recovers to pre-Covid levels.

Furlough and related support will dampen the employment impact, though there could still be 1,400 permanent job losses over 2020-21, which will disproportionately impact the young, low-paid and those on flexible contracts. The jobs recovery could be uncertain given skills shortages and reduced migrant labour.

Skills needs and challenges

Skills needs in the sector are varied, ranging from highly-technical, STEM-based skills – to oversee increasingly advanced and technology-led methods across coaching, broadcasting, sports medicine etc. – as well as softer, people-centric skills – given increased client interaction and expectations, and the high value placed on leadership and charisma in the sector.

By 2024, [UKCES expects](#) over half (51%) of the region's sport and recreation workforce will require high-level (QCF4+) qualifications, up from a third a decade ago. Vocational and technical-training routes will remain an increasingly popular and successful way to address sector skills-needs.

Appendix A: Sector definition and sources

Data has primarily been sourced from [Cambridge Econometrics LEFM](#). For a full and detailed overview of definitions, sources and forecasting methodology, please refer to the Technical Summary report accompanying this profile.

The sector has been defined using 5-digit [Standard Industrial Classifications \(SICs\)](#), detailed as follows. These have been informed by government and/or industry recommended definitions, and aim to capture as much of the sectors value chain as possible:

- 32300: Manufacture of sports goods
- 47640: Retail sale of sporting equipment in specialised stores
- 60200: Television programming and broadcasting activities
- 77210: Renting and leasing of recreational and sports goods
- 85510: Sports and recreation education
- 86900: Other human health activities
- 92000: Gambling and betting activities
- 93110: Operation of sports facilities
- 93120: Activities of sport clubs
- 93130: Fitness facilities
- 93191: Activities of racehorse owners
- 93199: Other sports activities (not including activities of racehorse owners) nec
- 96040: Physical well-being activities

