ASSESSING THE ECONOMIC IMPACT OF OUTDOOR RECREATION IN NORTHERN IRELAND

Sport Northern Ireland

NIEA Northern Ireland Environment Agency
www.doeni.gov.uk/niea

northernireland tourist board

This Review was undertaken by:
Professor Chris Gratton
and Themis Kokolakakis
Sport Industry Research Centre
Faculty of Health and Wellbeing
Sheffield Hallam University
Collegiate Hall
Sheffield
S10 2BP

www.shu.ac.uk/research/sirc

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Sheffield Hallam University | Sport Industry Research Centre

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Introduction

'Outdoor Recreation' is an important element within the sport industry in Northern Ireland and is closely associated with grassroots participation, tourism and family activity. According to the 2008 Economic Importance of Sport in Northern Ireland Report, sport overall generates 17.9 thousand jobs (2008) and £688m consumer spending. Outdoor recreation and education play an important role in actively engaging young people and integrating them into society. According to the Laureus Sport for Good Foundation, there is extensive social evidence that youth crime and antisocial behaviour cost the UK £4 billion annually.

When assessing the economic impact of outdoor recreation the following factors had to be considered:

- An agreed definition of outdoor recreation;
- Identification of the levels of consumer spending, employment and Gross Value Added (GVA - the sum of wages and profits);
- The outdoor recreation infrastructure, trails and associated accommodation provision in Northern Ireland;
- Evaluation of consumer spending on outdoor recreation including associated expenditure on clothing, footwear and equipment;
- Income and expenditure of the commercial outdoor recreation sector including retailers;
- Income and expenditure flows and employment in the voluntary sector including amateur clubs run by participants;
- Income and expenditure flows in the Local Authorities sector in relation to outdoor recreation;
- Evaluation of all income and expenditure interactions among the seven sectors in the National Income Accounting Framework (Consumers; Commercial Outdoor Recreation; Commercial Non-Outdoor Recreation; Voluntary sector; Local Authority; Central Government; and Outside the Area sector); and
- Consideration of the additional GVA by taking into account non-paid voluntary work within the outdoor recreation sector.

"Sport overall generates 17.9 thousand jobs."

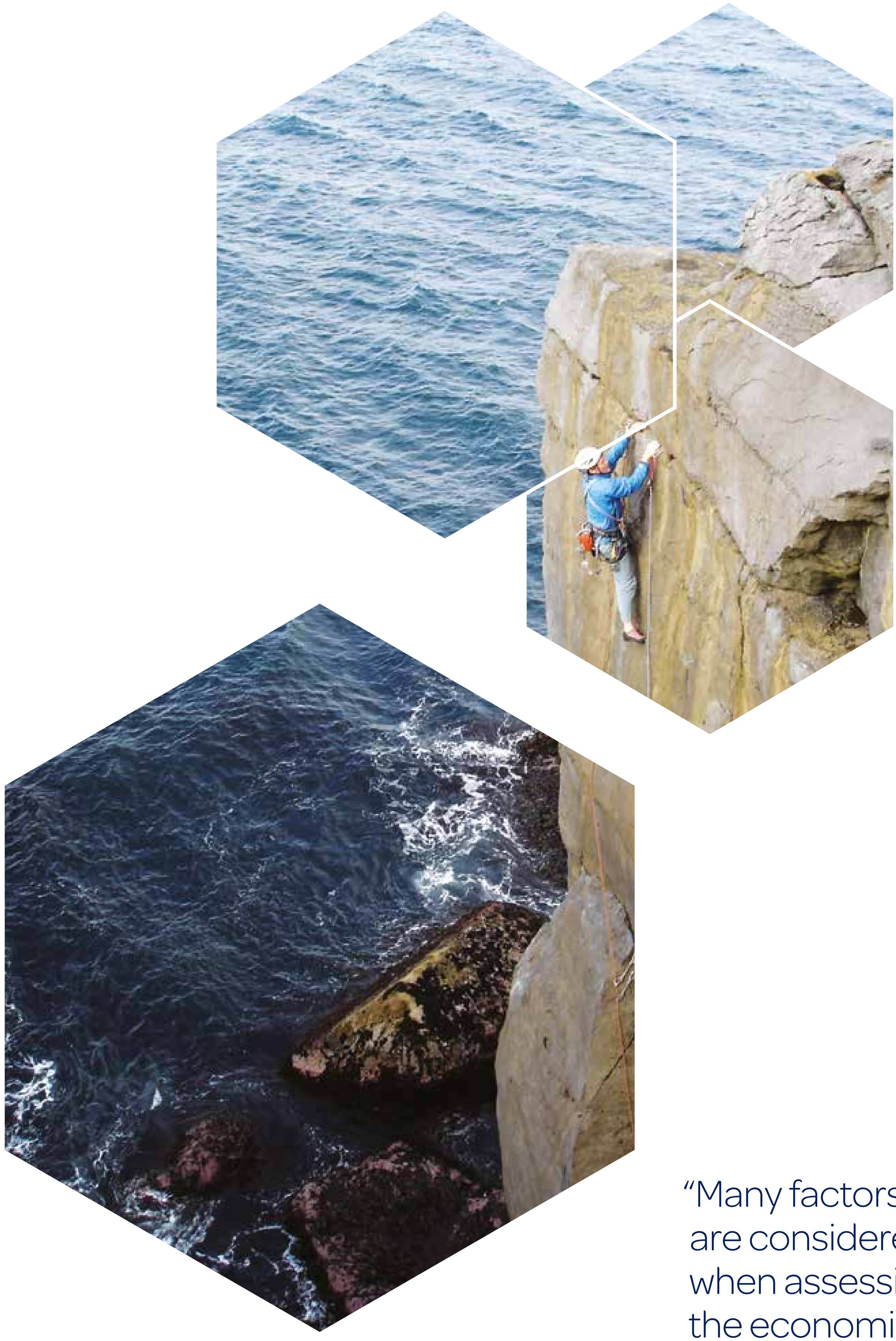
The European Union Context[1]

"Comparable and sound information on the economic importance of sport in the EU and on the macroeconomic potential of the sector to contribute to wider policy goals, such as the Europe 2020 strategy, is scarce. In the context of EU-level cooperation in sport pursuant to Article 165 of the Treaty on the Functioning of the EU, there have been increasing demands on the European Commission by policy-makers, experts and sport stakeholders to provide morereliable and comparable data.

Following the Commission's 2007 White Paper on Sport, the former Working Group Sport and Economics has developed the "Vilnius Definition of Sport", as the basis for the collection and production of data at national level. Further encouraged by the Commission's Communication on sport (2011), the Council's EU Work Plan for Sport (2011-2014) and intense cooperation within the EU Expert Group on Sport Statistics set up in 2011, meanwhile six EU Member States (i.e. Austria, Cyprus, Germany, Netherlands, Poland and UK) and Switzerland have produced national Sport Satellite Accounts (SSAs) which serve to demonstrate the structure and importance of sport in the national economy.

Other Member States have also started building up their national SSA. Furthermore, a study on the contribution of sport to economic growth and employment in the EU, based on the Vilnius Definition, was carried out for the Commission in 2011/2012. It shows that 1.76% of EU-wide Gross Value Added and 2.12% of respective employment are sport-related. Growth in sport is employment-intensive and sport therefore has the potential to contribute to counteracting unemployment. These figures are based on the "Broad Definition", i.e. direct effects only, but no multiplier effects from suppliers of intermediate goods."

[1] European Commission publication "Sport Satellite Accounts" ISBN: 978-92-79-30987-8



"Many factors are considered when assessing the economic impact of outdoor recreation."

Executive Summary

The study focused on those activities that make use of the natural environment and do not require a dedicated pitch or course to enable participation. Therefore golf is excluded from the study. As hunting is not a "recognised sport" it was also excluded from the study.

The study examined seven key facets of economic impact:

1. Consumer spending;
2. Commercial Outdoor Recreation (equipment manufacturers and retailers);
3. Commercial Non-Outdoor Recreation (suppliers for the production of outdoor recreation related goods and services);
4. Voluntary;
5. Local Government;
6. Central Government; and
7. Outside the Area.

The study then was able to develop the GVA for the overall sector.

There are over 380 commercial operations associated with outdoor recreation and over 565 venues (2008 figures) where outdoor recreation takes place across Northern Ireland. The commercial operations are dominated by Chain Reaction Cycles (CRC) which is the largest online cycle retailer in the world.

The Northern Ireland Sport and Physical Activity Survey (2010) has identified that walking, jogging, cycling, and angling are among the most popular activities and research from Outdoor Recreation Northern Ireland (ORNI) in 2008 had shown that participation in a range of outdoor sports has grown by over 150% from 1995-2008.

Data to support the economic assessment was gathered from a very wide range of sources including:

- Companies House;
- Office of National Statistics (ONS) - Family Spending;
- Financial Analysis Made Easy (FAME) Data Set;
- Regional Trends;
- International Trade Statistics for the UK;
- Sport Market Forecasts;
- Consumer Trends;
- British Marine Federation reports;
- Annual Business Survey - Regional extract;
- Annual Survey of Hours and Earnings;
- Regional Accounts;
- Local Authority Accounts;
- Travel Survey;
- Existing Research;
- Public Body Accounts and Reports; and
- Direct Questionnaires to Clubs and Centres.

"Participation in a range of outdoor sports has grown by over 150% from 1995-2008."

"The commercial operations are dominated by Chain Reaction Cycles which is the largest online cycle retailer in the world."

Results from the Research:
Table 1: The Voluntary Sector

Sector	Income	Expenditure	Volunteers	Full-Time Equivalent (FTE) Employees
Clubs	£4.34m	£4.33m	3,390	62
Outdoor Centres	£25.86m	£25.86m	1,066	769
Parks	£2.48m	£2.48m	0	120
Charities	£0.88m	£0.88m	3,383	17
TOTALS	£33.56m	£33.55m	7,839	968

GVA for voluntary sector is £21.789m (not including volunteers).

Consumer Spending
Consumer spending on outdoor recreation adds up to just under £132m. The most important elements are bicycles (£25m), outdoor centres (£18m), clothing (£18m), and boats (£15m). This is spending from Northern Ireland residents.

This has shown that the outdoor recreation related spending is equivalent to around 24% of the sport related market (excluding gambling).

The Commercial Outdoor Recreation Sector
This is all the retailing and accommodation units that are dedicated to the provision of outdoor recreation in Northern Ireland:

Total income:	**£139.9m**
Surplus:	**£12m**
FTE employees:	**880**

GVA for the Commercial Outdoor Recreation Sector is £26.5m.

The Commercial Non-Outdoor Recreation Sector
This is all the suppliers of services that are required to support outdoor recreation in Northern Ireland:

Total income:	**£40.2m**
Surplus:	**£16.9m**
FTE employees:	**1039**

GVA for the Commercial Non-Outdoor Recreation Sector is £40.2m.

Central Government Sector
Income is derived from taxes and charges paid to Central Government and expenditure is by grants and costs of wages:

Total income:	**£63.6m**
Expenditure:	**£12.2m**
FTE employees:	**157**

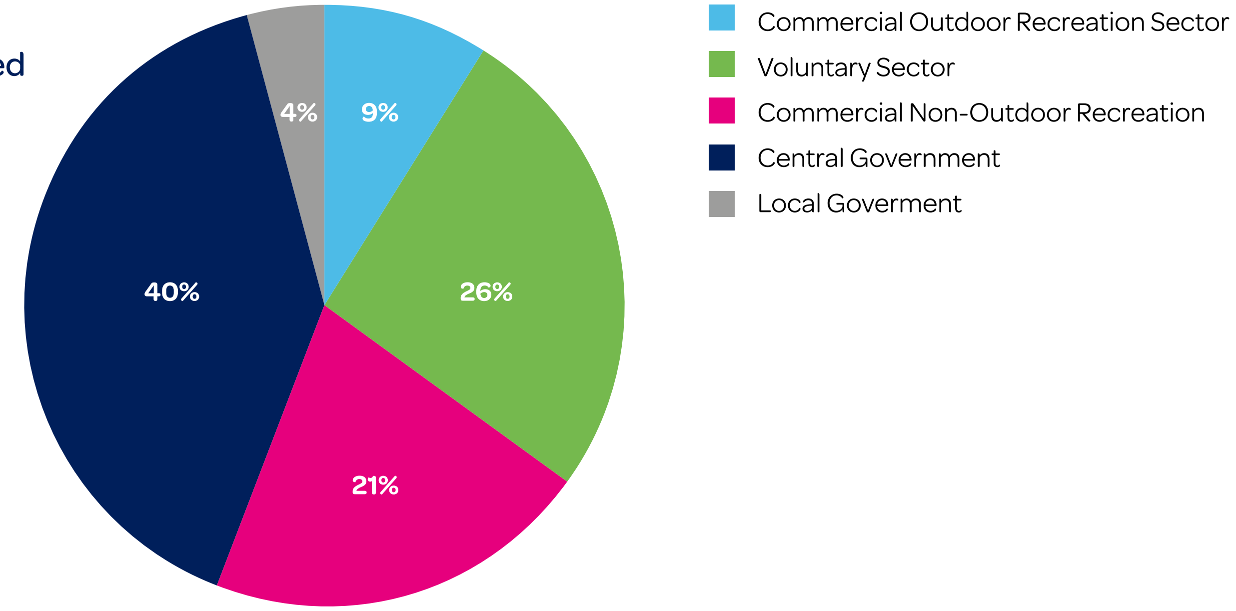
Local Government Sector
Income is derived from taxes and charges paid to Central Government and expenditure is by grants and costs of wages:

Total income:	**£5m**
Expenditure:	**£23.6m**
FTE employees:	**433**

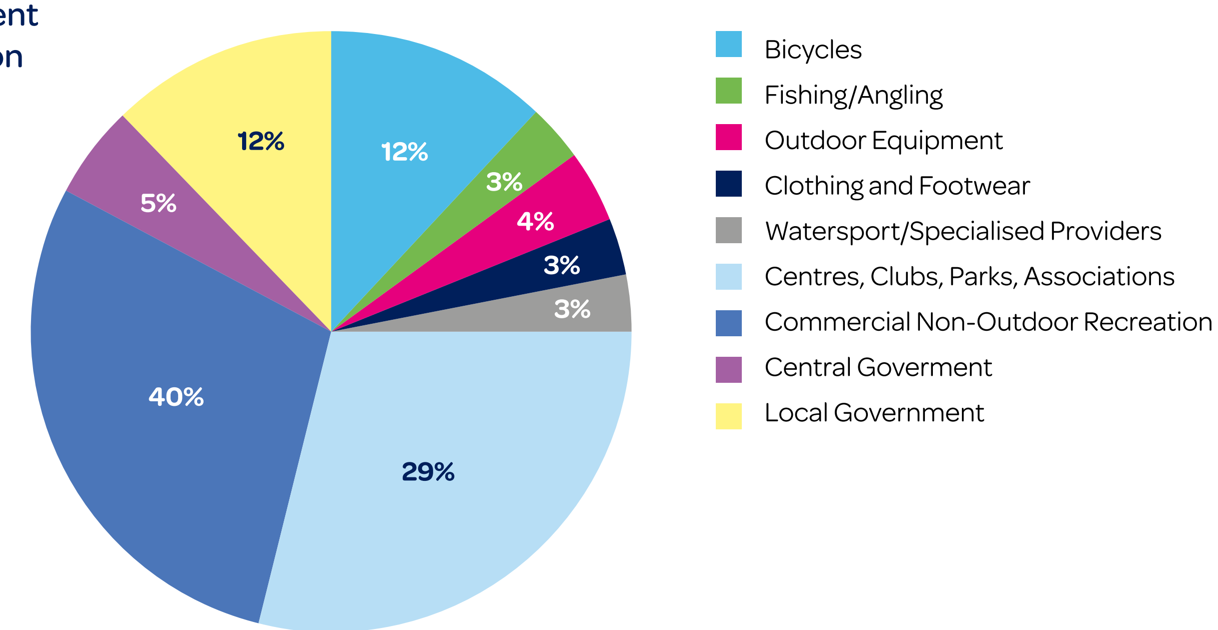
The generated **GVA is £102m**, associated with **3,537 FTE employees in Outdoor Recreation in Northern Ireland**, corresponding to **25% of sport sector employment** (excluding gambling). The overall figure can be notionally extended to include the unpaid voluntary time invested within the outdoor recreation sector. **This is equivalent to 580 FTE employees, raising the figure of people occupied within the sector (full-time basis) to more than 4,100.**

Figure A

Gross Value Added



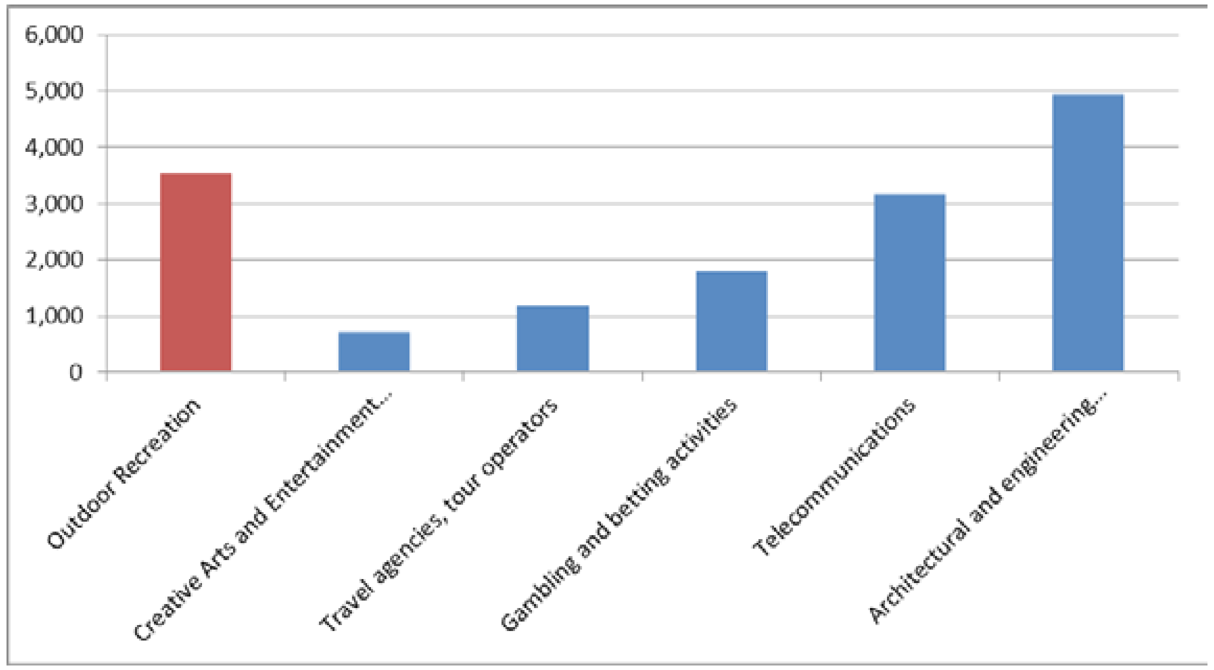
Employment Distribution



According to Figure A, the largest part of GVA comes from the commercial non-outdoor recreation sector (40% of total). Following this, the commercial outdoor recreation and the voluntary sectors generate 26% and 21% of GVA respectively. The public sector generates approximately 13% of GVA, mainly in the form of wages.

In terms of employment, the main driving forces generating a 29% share of employment are the outdoor centres and providers, clubs, parks, forests and facilities, associations and then also the commercial non-outdoor recreation sector.

Figure B



According to Figure B above, outdoor recreation generates employment almost equal to the combined employment in creative arts and entertainment, travel agencies and tour operators, and gambling activities sectors; whilst it corresponds to 72% of employment in the architectural and engineering sector.

The Northern Ireland market has a plethora of small size firms often owned by enthusiasts. This creates the conditions for a very effective absorption of any public funds; nothing seems to be wasted with a significant group of volunteers contributing to further growth.

The outdoor centres typically recycle their full turnover into wages, equipment, construction, and operational expenses. As a result they achieve considerable economic benefits for the local community. The construction activity surrounding them typically has one of the highest long-term multipliers, contributing to the long-term economic growth of the commercial sector.

The current research has illustrated that on the basis of a very pro-active outdoor recreation sector, where companies are established with little cost on the basis of sport enthusiasm and voluntary work, conditions for economic experimentation and growth have developed. Companies such as CRC have emerged 'organically' from such an environment.

As a result, the sector generates income for the public sector in excess of any investment in the financial year under consideration. Taking the Central and Local Government, as a whole, the generated income is £69m while spending is £36m. This therefore creates a surplus of 92%.

Definition of Outdoor Recreation

The starting point for this study was the Sport Northern Ireland definition of outdoor recreation:

"Outdoor Recreation encompasses all sport and physical recreation that takes place in the natural environment whether on land, water or air. On land it includes but is not restricted to venues such as forests and woodlands, uplands and open land, caves, beaches and urban parks but also includes activities that take place on trails. In water it can include coastal waters, lakes and rivers and can be on or under the water."

The Northern Ireland Tourist Board (NITB) has identified the following outdoor activities as important (Activity Tourism Action Plan 2010-2011):

Table 2: List of Outdoor Activities (Activity Tourism Action Plan)

LAND	WATER	AIR
• Adventure Racing • Archery • Caving • Clay Pigeon Shooting • Climbing • Coasteering and Bouldering • Cycling • Fell Running • Horse Riding • Hover crafting • Kite Buggying • Land Buggying • Mountain Boarding • Mountain Biking • Orienteering • Paintballing and Combat • Walking • Zorbing	• Boat Charter and Cruising • Boat Trips • Canoeing • Diving • Fishing • Jet Skiing • Kite Surfing • Sailing • Surfing • Waterski and Wakeboard	• Windsurfing • Gliding • Hang-gliding and Paragliding • Microlight Flying • Model Flying • Skydiving and Parachuting

Similarly, the Draft Outdoor Recreation Action Plan for Northern Ireland (created by Sport Northern Ireland in partnership with other organisations) during 2011-2012 emphasises the need "to increase, extend and improve access to the Northern Ireland natural environment including the many forests and trails in public ownership" [2].

[2] The Sports Council for Northern Ireland: Annual Report and Accounts for the year ended 31 March 2012.

Definition of Impact Indicators

Most UK and European studies on the economic impact of sport use one or more of three indicators:

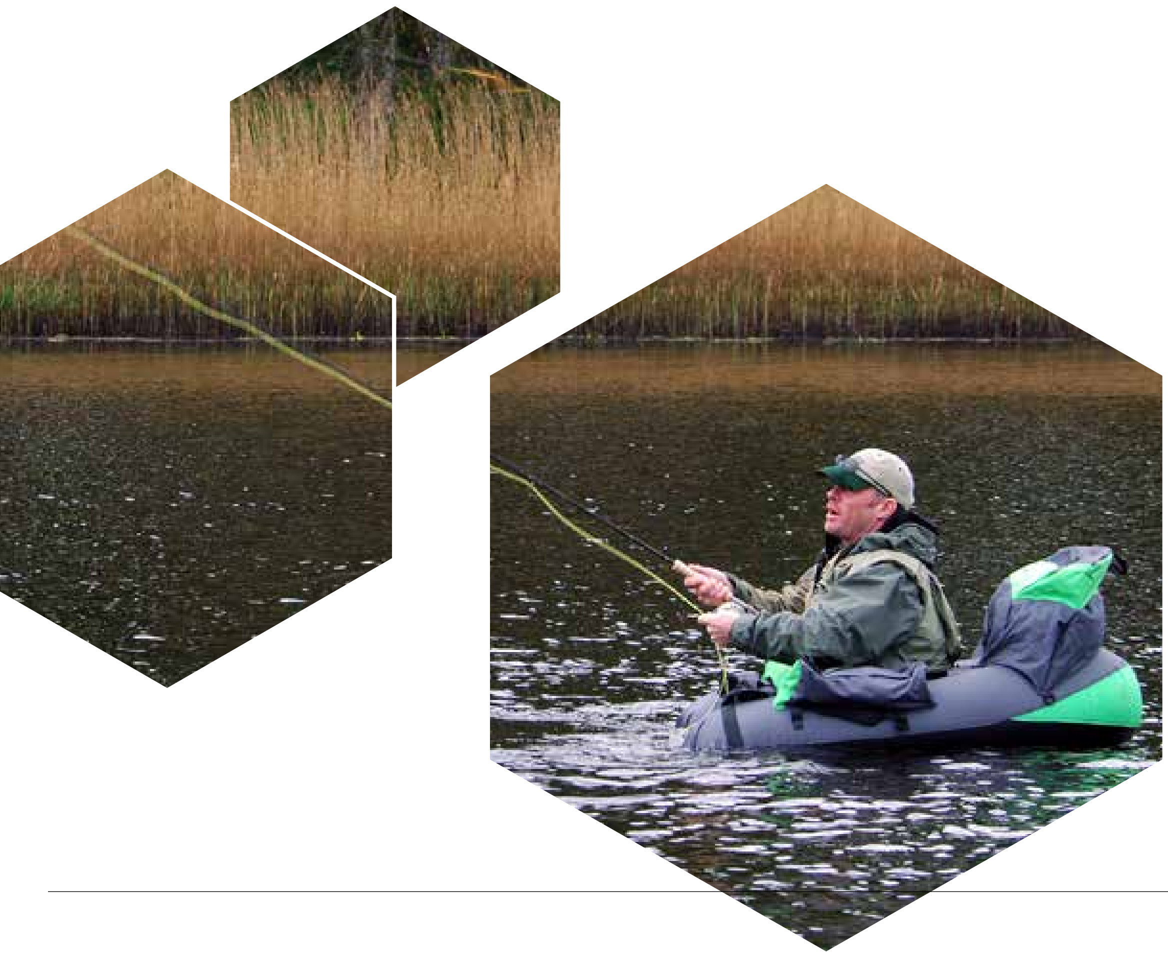
- Consumer spending on outdoor recreation;
- Employment related to outdoor recreation; and
- Generated Gross Value Added (GVA).

Both consumer spending and employment may have a direct element, for example spending on bicycles and associated employment; and an indirect element, for example accommodation expenditure during an outdoor recreation holiday. This approach ensures compatibility with the international standard of economic impact research. The consumer spending relates directly to households, while outdoor recreation employment is the result of interactions between consumer, commercial, public, and voluntary sectors.

Closely associated to employment is the concept of the GVA that is generated by the outdoor recreation sector. In general, the GVA that is related to outdoor recreation is the most comprehensive and useful statistic of economic value as it corresponds directly to the GVA in the economy as a whole. It shows the contribution of the outdoor industry to the economy.

GVA is measured as the sum of wages and profit surplus in the outdoor recreation sector, adjusted for the inclusion of value contributed from Lottery projects.

The year of reference for the study was 2011 as this was when the data from the Family Spending Office of National Statistics publication was available.



The Outdoor Recreation Infrastructure

This economic impact study has benefited from an in-depth knowledge of the existing facilities and providers associated with outdoor recreation that has been collated. It enables a more robust calculation of the direct outdoor recreation employment and the associated GVA, thereby improving confidence in the results.

The results of the classification of commercial sector institutions operating in Northern Ireland can be seen in Table 3. Note however, that in the general classification all outdoor centres and outdoor education centres were included in the voluntary sector, although a small minority operate on a profit basis.

Some of these operations are very small, employing a couple of people while others are quite significant with important exporting activity.

Table 3: Outdoor Recreation Commercial Infrastructure

Section	Organisations (Numbers)
General Outdoor Recreation Retailers	42
Angling Retailers/Providers	53
Outdoor Activity Providers (including Outdoor Education Centres)	140
Cycling	64
Other Specialised Activities	81

Data on all commercial limited companies were collected from the Companies House and the "FAME" dataset [3]. The retailing sector has an important role to play and although there is a plethora of activity providers, they are often small commercial operations. The network around angling and cycling is particularly strong and includes Chain Reaction Cycles, a company with a very strong commercial operation.

The general outdoor recreation retailers include companies such as Cotswold Outdoors, Mountain Warehouse and Trespass. The sector was affected by the £20m acquisition of Blacks Leisure by JD Sports Fashion and the subsequent reorganisation. In January 2012, JD Sports Fashion shut around 100 Blacks and Millets outdoor shops, including all operations in Northern Ireland. The biggest chain Millets has suffered most; JD Sports Fashion is likely to focus mostly on the Blacks operations in the high streets, with the Millets stock moving into the Blacks stores. For the purpose of this study the JD Sports Fashion portfolio was ignored as in the 2011-2012 period all Northern Ireland operations were interrupted.

[3] FAME (Financial Analysis Made Easy) is a database that provides financial and descriptive information on companies in the UK and Ireland.

Outdoor Venues and Opportunities

ORNI and its predecessor, the Countryside Access and Activity Network (CAAN), have completed two main reports about outdoor recreation participation, including walking, cycling and horse riding and 23 other outdoor sports. They have also audited several walking routes as well as developing biking and canoe trails. There are dedicated outdoor recreation websites (such as WalkNI.com) that provide information on provision for several activities.

From these reports it was noted that **mountain biking is the sport with the greatest growth in infrastructure, from 13 venues in 1995 to 81 venues in 2008.** Overall the number of venues identified by ORNI had increased from 144 in 1995 to 565 in 2008, representing an increase of 292%.

The number of participants (both affiliated and non-affiliated) was also examined using the Northern Ireland Sport and Physical Activity Survey (2010), as well as survey results.

Table 4: Popular Outdoor Sports % Participation, 2009-2010

Activity	%, last seven days
Walking	8.3%
Jogging	6.9%
Cycling	1.3%
Angling/Fishing	1.0%

Source: Northern Ireland Sport and Physical Activity Survey (2010)

The importance of walking and jogging in Table 4, highlight the significance of a suitable infrastructure of parks and walking routes in Northern Ireland; to this end, several grants were awarded in the last three years connected to domestic and international tourism for the development of new walking and cycling trails.

Of special importance in the economic impact analysis is the number of Outdoor and Outdoor Education Centres.

A list (almost 250) of all outdoor adventure sport operators in Northern Ireland can be found on the OutdoorNI website: www.outdoorni.com/providers

"Mountain biking is the sport with the greatest growth in infrastructure."

"Several grants were awarded in the last three years for the development of new walking and cycling trails."

Chain Reaction Cycles (CRC): A Case Study

CRC is the biggest cycling company operating in Northern Ireland. It was established in 1984 (originally as Ballynure Cycles[4]) and has grown from a small family-owned bike shop to the world's biggest online store. The company's main warehouse in Doagh, Northern Ireland has a capacity of 100,000 square feet, houses 90,000 product IDs and ships to over 115 countries around the world[5]. What is important is that this is a company that grew from the bottom up, largely maintaining its ownership structure. Its development has been linked to sports participation as an important factor in the establishment and growth of mountain biking in Northern Ireland. The current international state of the company is due both to the right investment decisions, over a period of almost 30 years, and to the vibrant scene around outdoor recreation. Table 5 indicates its main financial details for 2011 as obtained by the Companies House. The vast majority of income is from internet sales outside Northern Ireland. The strong export profile, contributes significantly to the economic growth in the outdoor recreation sector.

Table 5: Chain Reaction Cycles (CRC) - 2011

Employment	465 people
Turnover	£136.4m
Staff Cost	£9.2m
Profit	£7.4m
Gross Margin	32.2%
Taxation Paid	£2.6m
Exports Outside EU	39% of turnover

On the basis of the above figures, CRC contributes £2.6m towards Central Government revenue, employs 465 people, and generates £9.2m in wages and £7.4m in profits, representing a GVA of more than £16m. At least 75% of the aforementioned GVA and employment is associated with outdoor recreation, as not all forms of cycling expenditure are included within the sector (or indeed sport). CRC is the private institution with the greatest contribution towards employment and value added in the sector.

Many outdoor recreation companies start or operate with just one or two employees and sometimes new ideas are developed and tested. The Northern Ireland market has a plethora of small size firms often owned by enthusiasts. This creates the conditions for a very effective absorption of any public funds; nothing seems to be wasted with a significant group of volunteers contributing to further growth. Even if public funding is not directed towards backing specific investment decisions, it can certainly aid towards maintaining the sport participation scene from which companies such as CRC have emerged.

[4] http://www.chainreactioncycles.com/customer-service/our-story
[5] http://www.bikeradar.com/gear/article/chain-reaction-cycles-behind-the-scenes-29496/

"CRC is the biggest cycling company operating in Northern Ireland. It was established in 1984 (originally as Ballynure Cycles) and has grown from a small family-owned bike shop to the world's biggest online store."

Methodology

In the UK, the Sport Industry Research Centre (SIRC) model of sport economic impact assessment has been used for all the related studies financed by the National Sports Councils and is also the model that has been adopted by the European Commission Directorate General for Sport and Tourism. It uses it as its basic input, where possible, economic variables from official statistics. The model is known as National Income Accounting and is consistent with the UK National Accounts.

The model divides the sports economy into seven sectors which are accounted for separately so that there is no double counting, as follows:

- **Consumer Spending** from the personal or household sector. This has been calculated as outdoor recreation related expenditure, e.g. spending on clothing, footwear and equipment for the outdoors.
- **Commercial Outdoor Recreation** which is made up of equipment manufacturers and retailers. This would include companies such as CRC and Cotswold Outdoors. A section of the media where associated products/services are included such as TV programmes or publications on outdoor recreation.
- **Commercial Non-Outdoor Recreation** is comprised of the suppliers for the production of outdoor recreation related goods and services. This sector includes commercial companies that do not provide a direct outdoor recreation product, but they assist through supply of inputs or revenue in its production. An example is a commercial company sponsoring a sailing club. The advertising revenue received by the club, represents a flow from the commercial non-outdoor recreation to the voluntary outdoor recreation sector.
- **Voluntary** - including non-profit making organisations such as amateur clubs run by their participants. According to the ORNI "Trends of Outdoor Recreation Survey, 2008", the number of outdoor clubs increased from 193 in 1995 to 210 in 2008. Identifying the income and expenditure flows of voluntary clubs was an important element within this economic assessment.
- **Local Government** - including income from Local Government outdoor facilities, outdoor recreation related grants from Central Government and rates from the commercial and voluntary sector. The sector has expenses such as wages for labour (a flow towards consumers) and grants to the voluntary sector.
- **Central Government** - including taxes, grants and wages on outdoor recreation related activities. For example a person buying a mountain bike, records two flows: one towards the Government sector as VAT, and another towards the commercial sport sector for the remainder of the price.
- **Outside the Area Sector** - including all transactions with economies outside of Northern Ireland.

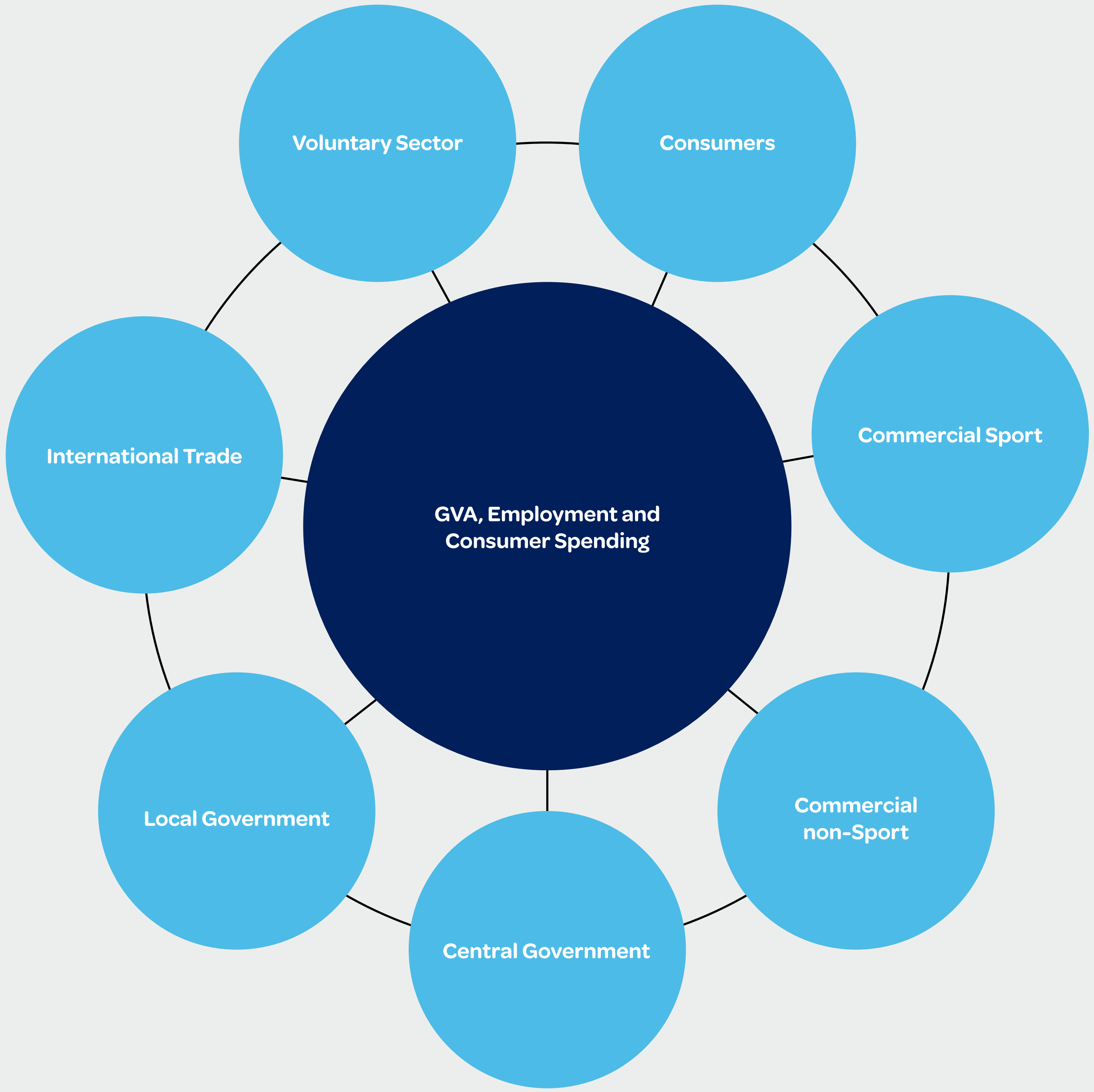
The methodological consistency with the historical economic impact of sport studies enhances comparability and policy conclusions. Therefore a way to access the economic impact is to use employment and GVA to compare outdoor recreation to other economic sectors in Northern Ireland.

The model is deliberately structured to avoid double counting. There is no adding up of the incomes of individual sectors as they are all interdependent. Adding up only takes place in the cases of employment, profits and wages per sector, generating the GVA and employment estimates.

Beyond the 'traditional' economic impact, the voluntary non-paid work can also be used for generating an alternative amount of extra value added. This can be done by allocating the voluntary workers as paid at a hypothetical average (or minimum) salary according to the number of hours worked. This gives an indication of the total 'value' produced outside the monetised market. To do this requires an estimate of the total number of volunteers in outdoor recreation and the average number of hours worked per volunteer.

Figure 1 illustrates how the aforementioned sectors are interdependent and then interact to create consumer spending, GVA and employment.

Figure 1: Sectors of the National Income Approach



Data Availability for Outdoor Recreation in Northern Ireland

The starting point of the investigation into data availability is to develop an estimation of spending by households. There is some information on consumer spending that can be identified from official statistics. Family Spending is the obvious source, providing some outdoor content in the following categories:

- Purchase of boats, trailers and horses;
- Accessories for boats, horses, caravans, and motor caravans;
- Maintenance and repair of other major durables (other than indoors);
- Equipment for sport camping and open air recreation;
- Participant sports (excluding subscriptions);
- Subscriptions to sports and social clubs;
- Leisure class fees;
- Hire of equipment for sport and open air recreation;
- Subscriptions to leisure activities and other subscriptions;
- Books;
- Magazines and periodicals;
- Package holidays within the UK; and
- Package holidays abroad.

To model some of the outdoor recreation content the general international trade statistics for the UK as a whole were used, which provide sufficient information to distinguish the outdoor recreational element out of total sport related imports (which is likely to be the main element of domestic supply in sports goods, footwear and clothing).

Gambling was not considered as relevant to outdoor recreation.

Two important categories of outdoor spending are on boats and bicycles. Publications that can be used to model this market include: Family Spending, Sport Market Forecasts, Consumer Trends and British Marine Federation Reports (which includes an element related to Northern Ireland).

Invaluable information for modelling the commercial sector is also provided by the Annual Business Survey – Regional Extract. In this, the Northern Irish economy is classified by economic sectors (including a sport element). The survey provides statistics on total turnover, GVA, purchases of inputs and wages. On this basis the income of the commercial sector as profit, wages and other input spending can be highlighted.

Data specific to outdoor recreation in Northern Ireland can be found in several publications by ORNI such as:

- Trends in Outdoor Recreation – giving a complete picture of venues, members and clubs per outdoor activity.
- End of Year Reports - giving a detail list of public funding for product development, marketing and research.
- The ORNI Review of Operational Plan – provides extensive details on project funding.
- Websites associated with Outdoor Recreation in Northern Ireland.
- The Northern Ireland Sport and Physical Activity Survey – giving detailed information on participation and club membership.

Additionally there is a plethora of sports statistics and tourism information that were developed for the economic assessments of sport in Northern Ireland over the past decade which have also been used. Relevant data sources include: Regional Trends; Annual Survey of Hours and Earnings; Regional Accounts; Local Authority Accounts; and Travel Survey.

The Annual Survey of Hours and Earnings gives both employment estimates and wage averages for full-time and part-time work classified by employment and nationality. The level of full-time equivalent employment is calculated by dividing the total wage bill by the full-time average wage for Northern Ireland.

The ONS publication "Travel Trends" gives an overall view of tourism in Northern Ireland. This can be combined with the Tourism Satellite Account (2005) and The UK Tourist Statistics to model and check flows of tourist spending, and the Travel Survey for Northern Ireland for the travel spending generated through visiting outdoor destinations. The UK Tourist also includes data on accommodation and camping expenditure. The Northern Ireland Visitor Attraction Survey classifies tourism according to general destination (including parks). Other relevant information is included in 'Domestic Tourism Estimates, Northern Ireland, 2011' where holiday activity is distinguished according to the purpose of the holiday (including being physically active, hill walking and rambling).

Local Government spending can be analysed from studying the Local Authority annual accounts.

Voluntary Sector – Sports Clubs

Although data from the Survey of Sport Clubs can help to identify some flows of income and expenditure for outdoor recreation activity, the sample is very restricted for Northern Ireland. An examination of the 2007 and 2008 CCPR (Central Council of Physical Recreation) dataset for Northern Ireland only showed a total of ten voluntary outdoor recreation clubs within the sample.

The restrictiveness of the sample necessitated a survey of the outdoor recreation voluntary sector. A questionnaire was distributed both online and via emails to outdoor recreation clubs, outdoor centres, parks and charities.

Of particular interest was information on the scale of employment, the proportion of turnover associated with exports and construction activity in the last three years.

Table 6: Voluntary Clubs Incomes and Expenditures

		Group A: Clubs Excluding Sailing/Rowing		Group B: Sailing-Rowing Clubs Only	
		Per club	ALL	per club	ALL
Members		59	9,451	189	9,639
Full-Time Workers		0	0	0.1	3
Part-Time Workers:		0.1	13	2	104
Volunteers		7	1,160	44	2,230
Average Number of Hours Per Week	Part-Time Workers - 19 hours	1.9 hours	247 hours	38 hours	1,976 hours
	Volunteers - 2.2 hours	15.4 hours	2,552 hours	96.8 hours	4,906 hours
Income £					
Subscription		1,329	211,358	22,257	1,135,109
Admissions Fees		482	76,608	2,475	126,214
Hire of Equipment		29	4,611	4,530	231,030
Advertising Sponsorship		149	23,685	389	19,833
Coaching		75	11,925	433	22,072
Grants		999	158,841	13,667	697,002
Local Authority		88	13,992	3,546	180,866
Catering		0	0	22,308	1,137,701
Other		302	48,018	4,744	241,932
Total		**3,453**	**549,037**	**74,348**	**3,791,757**
Expenditure £					
Wages		47	7,473	5,334	272,024
Equipment/Kit		1,520	241,680	3,850	196,329
Rent		371	58,989	3,326	169,627
Utilities/Rates		17	2,703	2,550	130,051
Catering Supplies		0	0	10,083	514,226
Construction		427	67,893	33,932	1,730,510
Other		1,042	165,678	15,274	778,989
Total		**3,424**	**544,416**	**74,348**	**3,791,757**
Surplus		**29**	**4,621**		

The clubs were divided into two major categories:

1. Group A - Clubs excluding sailing/rowing clubs; and
2. Group B - Sailing/Rowing Clubs.

Group B clubs are likely to have very high levels of income and expenditure flows due to club house facilities (generating more than £22,000 income per club) which is uncharacteristic of the outdoor recreation voluntary club sector as a whole.

The main results of the club survey are highlighted in Table 6.

Group A clubs are more numerous, however they tend to have a smaller club membership. They use some part time labour and volunteers while some sailing/rowing clubs employ full-time staff. Overall, there are 3,390 volunteers and 117 part-time employees working in the clubs. Volunteers and part-time employees work for an average of 2.2 hours per week, and 19 hours per week respectively whether in Group A or B clubs.

An average Group A club generates almost £3,500 annually, while an average Group B club would exceed £74,000. Subscriptions are a major source of income for all clubs. Sailing and rowing clubs usually have catering/bar facilities, representing important income and expenditure flows. Grants from Sport Northern Ireland, Lottery and Local Authorities are significant income sources and in the model both grants and construction spending are represented by three year average figures. This is a common practice, as a single year construction may be very high or low, giving misleading results.

"An average Group A club generates almost £3,500 annually, while an average Group B club would exceed £74,000."

"There are 3,390 volunteers and 117 part-time employees working in the clubs."

Figure 2: Income of non Sailing/Rowing Clubs

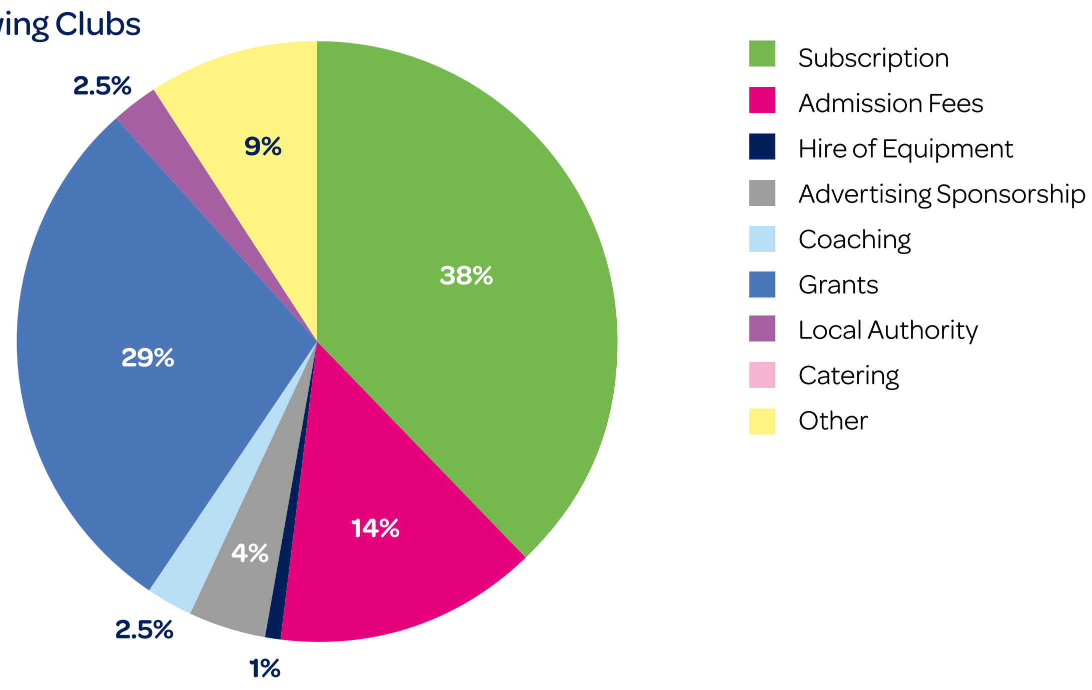
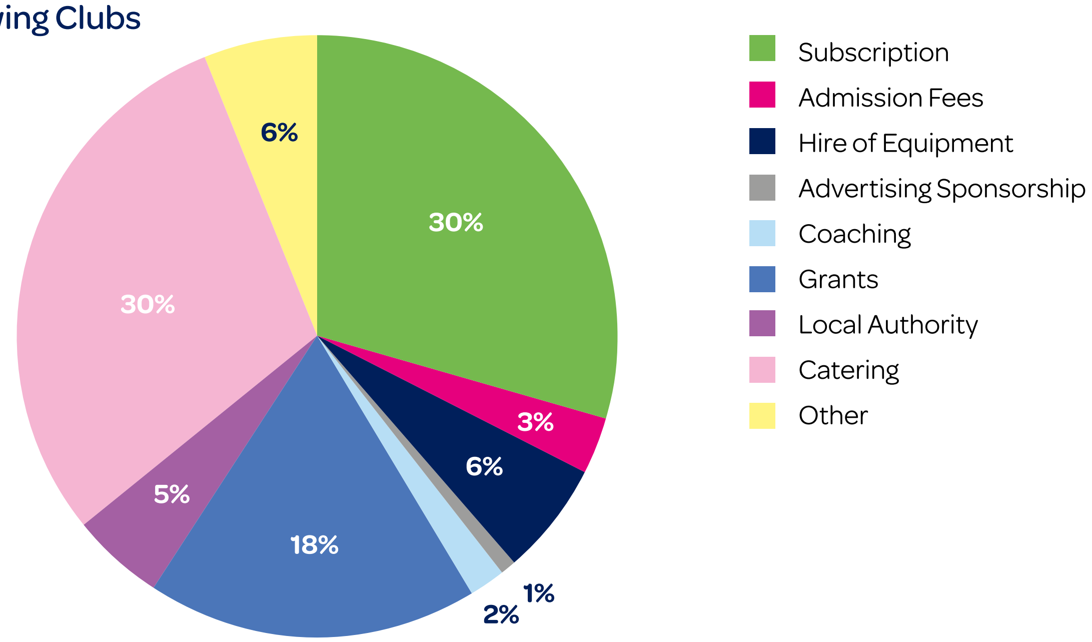


Figure 3: Income of Sailing/Rowing Clubs



Figures 2 and 3 illustrate the income distribution of clubs. In the case on non-sailing/rowing the major sources of income are subscriptions and grants, followed by admission fees. In the case of rowing/sailing clubs (Figure 3), the importance of grants is much smaller; instead, income from catering is greater, illustrating the ability of the sailing/rowing clubs to generate funds commercially.

The clubs are non-profit organisations, making very little (if any) surplus, which may be used for future spending or investments. In the survey, only some Group A clubs could be associated with some surplus (£4,600 for the full sector). In general all possible surpluses are spent immediately on projects, implying that the clubs are very dynamic in generating employment and long-term growth in the commercial non-outdoor recreation sector.

Figure 4: Expenses of non Sailing/Rowing Clubs

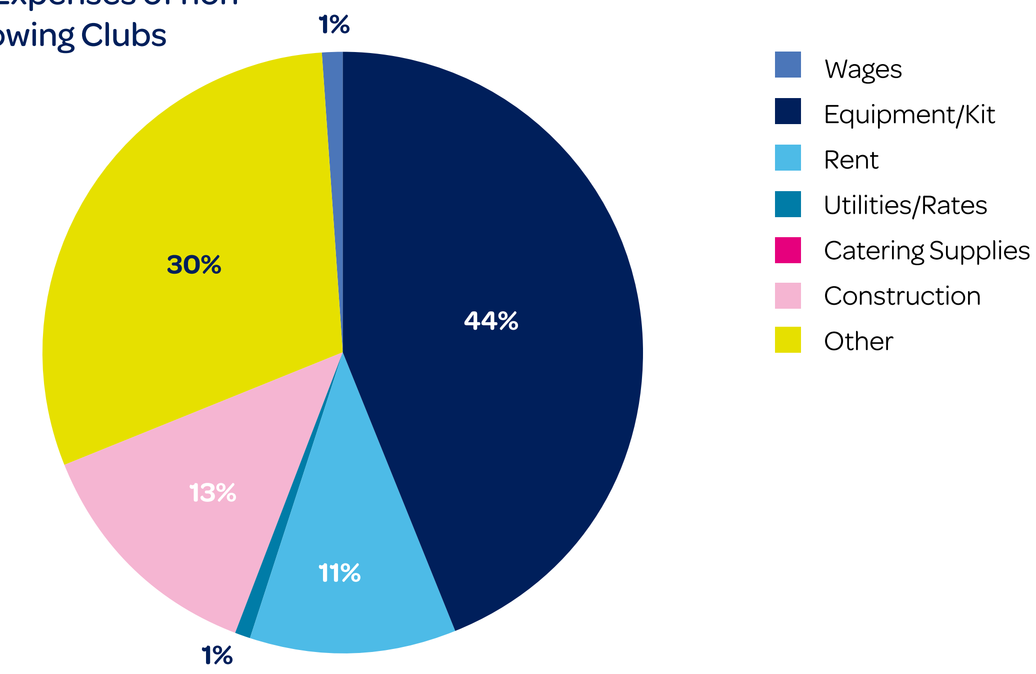
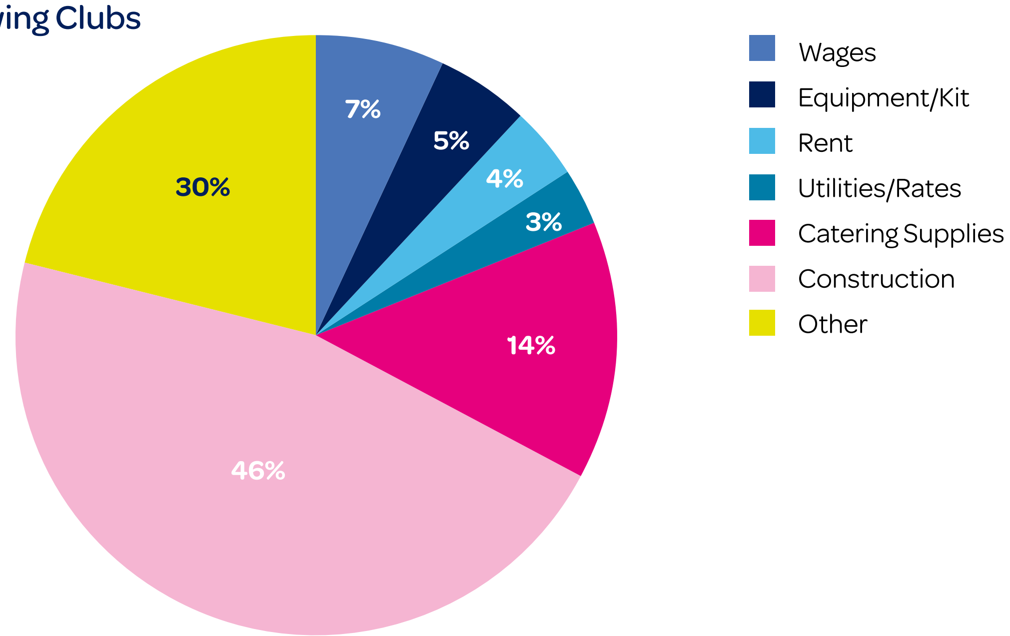


Figure 5: Expenses of Sailing/Rowing Clubs



As Figure 4 illustrates, Group A clubs spend most of their income on equipment/kit and construction costs. On the other hand, Figure 5 shows that sailing/rowing clubs spend most of their income on construction activity, catering supplies and wages/salaries. Construction activity, typically, represents 46% of the overall spending in Group B clubs.

In terms of employment the clubs employ 62 people on a FTE basis; this figure expands to 242 if volunteering is taken into account (187 volunteers on a FTE basis).

Outdoor/Education Centres

The assessment of the outdoor centres is based on a survey of organisations, providing either a variety of outdoor activities or educational services. **There are 140 institutions that are involved in the provision of a range of outdoor education and recreation activities in Northern Ireland.** These centres are differentiated from others that provide only single activities such as paintball, sailing or horse riding.

Tollymore National Outdoor Centre is a well-known example of non-profit outdoor centre that focuses on mountaineering and canoeing activities. There are a range of other outdoor centres that are limited companies operating on a commercial profit basis.

However, the present research found that almost all possible surpluses are absorbed by investment activities. The outdoor centres typically recycle their full turnover into wages, equipment, construction and operational expenses. As a result they achieve the maximum possible economic benefit for the local community. The construction activity surrounding them typically has one of the highest long-term multipliers, contributing to the long-term economic growth of the commercial sector.

The decision, therefore, was taken to group all of the outdoor centres into the voluntary sector, as most of them are in fact non-profit organisations whether they are commercial in outlook or not.

The accommodation element is particularly important as it is also associated with the overall outdoor recreation sector.

Table 7 provides the income and expenditure survey results of this sector.

"Tollymore National Outdoor Centre is a well-known example of non-profit outdoor centre that focuses on mountaineering and canoeing activities."

"There are 140 institutions that are involved in the provision of a range of outdoor education and recreation activities in Northern Ireland."

Table 7: Outdoor Centres Incomes and Expenditures

Table 7 is divided into two parts: the first numerical column is the characteristic average centre's income and expenditure (excluding centres with turnover over £1m); the second numerical column shows the overall state of the sector.

PER CENTRE (UNDER £1M TURNOVER)		TOTAL (ALL)
Full-Time Employment	4	573
Part-Time Employment	4	522
Volunteers	8	1066
Hours of Volunteering/Week	7	7
Hours of Part-time/Week	15	15
INCOME		
Participants/Admissions	£37,016	£5,745,196
Accommodation	£27,090	£3,840,510
Hire Equipment to People	£850	£218,150
Hire Equipment to Firms	£0	£50,000
Advertising	£150	£20,850
Coaching	£900	£125,100
Lottery	£8,800	£1,223,200
Other Lotteries	£4,000	£556,000
Catering	£24,000	£3,456,000
Grant from Central Government	£4,500	£665,500
Grant from Local Government	£22,450	£3,130,550
Other	£47,700	£6,830,300
TOTAL	**£177,456**	**£25,861,356**
EXPENSES		
Wages	£93,475	£13,593,081
Kit	£635	£88,265
Rent	£2,081	£289,190
Rates	£650	£135,350
Utilities	11,825	£1,643,717
Catering	£9,961	£1,459,551
Equipment	3,027	£420,707
Construction	£11,282	£1,943,217
Other	£44,520	£6,288,280
TOTAL	**£177,456**	**£25,861,356**
CONSUMPTION		**£14.9m**
EXPORTS		**£3m**
EXPORTS AS % OF TURNOVER		**12%**
EMPLOYMENT - HEADS		**1,095**
EMLOYMENT - FTE		**769**
VOLUNTEERS		**1,066**
VOLUNTEERS - FTE		**198**

Typically a centre would employ four people on a full-time basis, four on part-time basis, and eight volunteers. Its income is approximately £177,000, almost half of it from admissions, accommodation and catering. As shown, overall income is equal to total expenses. The latter consists mainly of wages, operational expenses and construction.

Overall the sector employs around 570 people on full-time basis and nearly 520 on a part-time basis. The estimated number of people employed is just below 1,100, while the FTE statistic is 769.

The sector has almost 1,070 volunteers; expressing their contribution as a FTE equivalent it corresponds to 198 full-time employees.

The total income associated with this sector is in excess of £25 million. From this, £15 million is generated from domestic consumption, while 12% of total income is generated from sales outside Northern Ireland, corresponding to almost £3 million.

"The sector has almost 1,070 volunteers; expressing their contribution as a FTE equivalent it corresponds to 198 full-time employees."

The generated exports (often associated with educational services and accommodation) are very important for long-term economic growth in the area. A greater investment on accommodation and commercial marketing across the UK and the Republic of Ireland should result in an expansion of exports and employment.

Tollymore National Outdoor Centre as an example has had a wide range of course participants at the centre (over 4,500 individuals). However, some of their facilities, such as the kayak rolling pool, climbing wall and mountain bike skills courses are increasingly being used by other outdoor adventure activity providers, as well as groups and individuals.

"Overall the sector employs around 570 people on full-time basis, and near 520 on a part-time basis."

Figure 6: Outdoor Centres Income Distribution

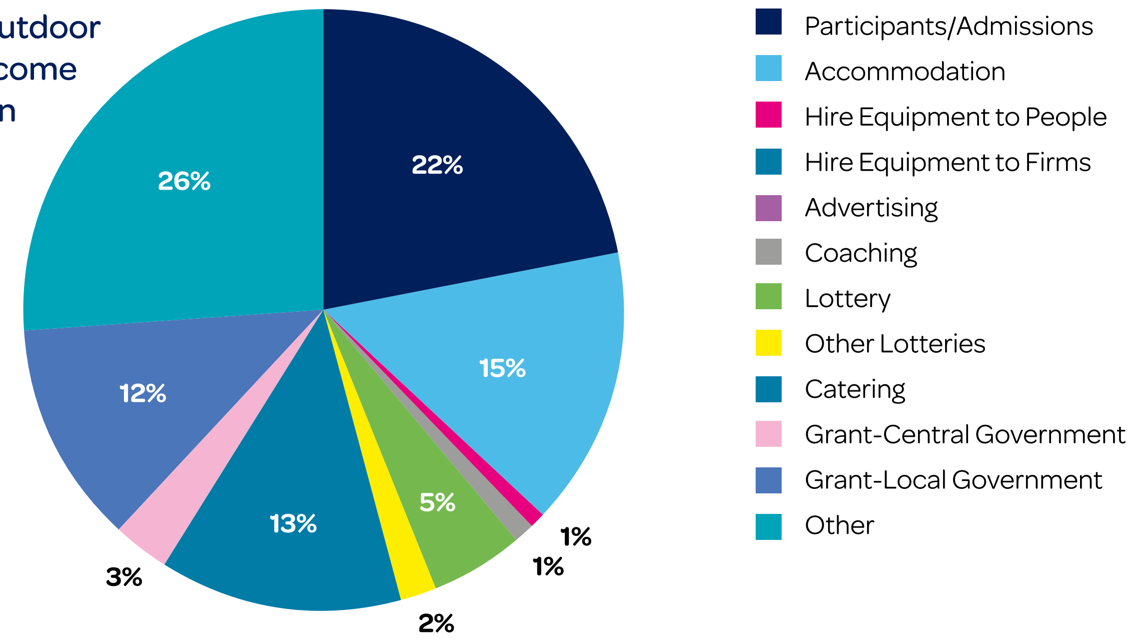
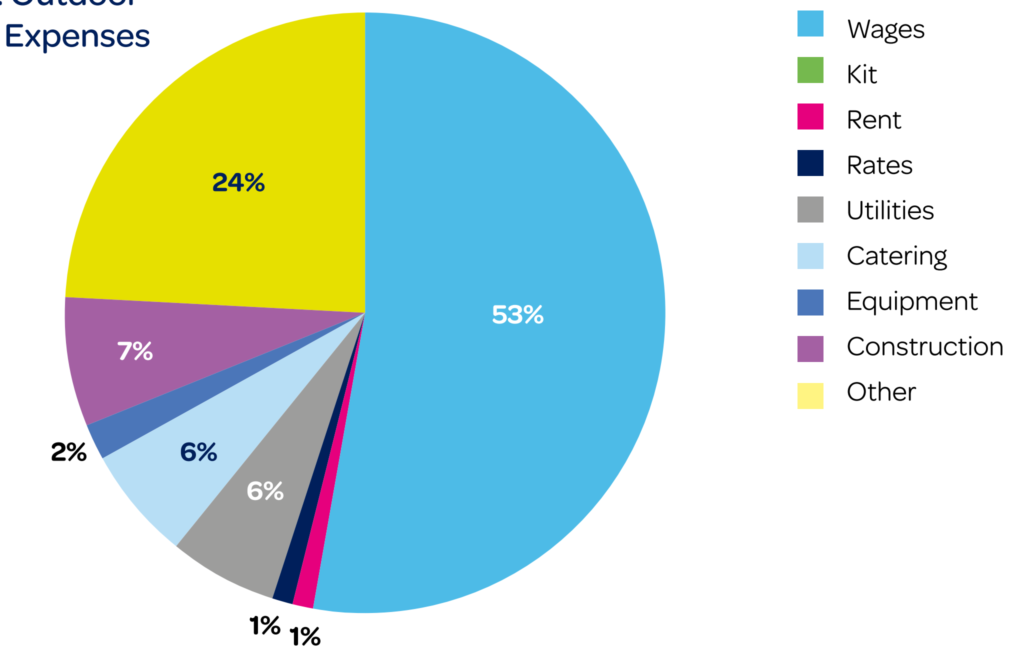


Figure 7: Outdoor Centres Expenses



Figures 6 and 7 illustrate the percentage distributions of income and expenditure correspondingly. Two major sources of income are admissions and accommodation, while most of expenses are spent on wages, representing funds staying within the community.

Parks and Forests

Regional, country, forest and also local parks are central in the outdoor provision of Northern Ireland. A questionnaire was used to gather this data. There is an overlap here as a number of parks and forests are run by Local or Central Government.

The contribution of the National Trust towards the development of walks and trails as well as areas of open space was also an important consideration. Their involvement in outdoor recreation is focused on the Causeway Coast and the Murlough and Slieve Donard Nature Reserves. However even outside these two areas there are recent important projects including Castle Ward which opened 21 miles of trails to become Ireland's longest multi-use trails network.[6] The outdoor recreation related spending in the National Trust is highlighted in 'coast and countryside conservation' in their accounts; which amounts to £27.9m for England, Wales and Northern Ireland as a whole. Accordingly, an amount of approximately £0.3m can be apportioned to Northern Ireland.

[6] National Trust: Going Local, Annual Report 2011-12.

Parks Accounts

Table 9: Outdoor Centres Incomes and Expenditures

	PER PARK	TOTAL
Full-Time Employment	5	97
Part-Time Employment	2	49
Hours of Part-Time/Week (19 hours)	38 hours pw	931 hours pw
INCOME	**£'000s**	**£'000s**
Participants/Admissions	97.9	1,957
Accommodation	0.3	6.6
Hire Equipment to People	1.1	22.0
Catering	4.4	87.4
Grant from Local Government	3.2	63.4
Other	17.6	352.3
TOTAL	**124.4**	**2,488.7**
EXPENSES	**£'000s**	**£'000s**
Wages	79.5	1,589.0
Kit	0.1	2.9
Rent	0.9	17.1
Utilities	5.1	102.9
Catering	0.7	14.3
Equipment	11.4	228.6
Construction	21.7	434.0
Other	5.0	100.0
TOTAL	**124.4**	**2,488.7**
AVERAGE CONSTRUCTION PER YEAR	10.6	211.4
CONSUMPTION		**£2.4m**
SURPLUS		0
EMPLOYMENT - HEADS		146
EMLOYMENT - FTE		120

In general, most income comes from admissions and participants to organised events, while most spending relates to wages. As parks attract tourism, there is a small export element. The domestic consumption associated with parks is approximately £2.4million. This generates a FTE level of employment of 120.

Forests have a major element of social use and the Forest Service has focused on developing partnerships with other organisations especially local authorities to enhance and promote associated recreational benefits. Examples include the provision of a children's play area at Slieve Gullion Forests, walks in the West Fermanagh forests, and extensive mountain biking trails in Davagh, Castlewellan and Rostrevor forests. There is an element of commercial recreation, including camping and caravanning, and an element of non-commercial recreation including visits and admissions to the forests. However, as only certain forest parks can charge admissions, there is a deficit in the budget for recreation, of almost £1m, which is covered by Central Government.

Charities

Charities also generate approximately 17 FTE employees but the vast amount of their operations is developed by voluntary work (3,383 volunteers).

In the case of the Duke of Edinburgh Award Scheme, 45,000 volunteers are involved across the UK and the number in Northern Ireland is extrapolated out to just over 2,000 volunteers. The average number of hours volunteered per week in the charity section is about two hours - which is a similar level to voluntary clubs and less than the average contribution in outdoor centres.

Charities generate an income in excess of £850,000 which is typically utilised without leaving any surplus. From this, almost £600,000 comes from the consumer sector. The estimated GVA is just over £300,000.

However if the contribution of voluntary work, in line with the average wage of the sector, is factored in, then the GVA in the charity section expands to almost £3.9m, an indication of the extent of voluntary contribution in Northern Ireland.

Equivalently, by taking voluntary work into consideration, the number of FTE people increases from 17 to 120.

In the charity section, other than the Duke of Edinburgh Award, a proportion of the work and volunteering of the Scouts was taken into account, as well as the outdoor recreation element of the list of charities in the voluntarynews.org.uk.

"If the contribution of voluntary work is factored in, then the GVA in the charity section expands to almost £3.9m, an indication of the extent of voluntary contribution in Northern Ireland."

"Approx 2,000 volunteers in Northern Ireland are involved in the Duke of Edinburgh Award Scheme."

Table 10: Charities

FTE Employment	17
Volunteers	3,383
Hours of Volunteers/Week - 2	6766 hours per week
INCOME	**£000's**
Participants/Admissions	£357.8
Donations	£112.6
Commercial Income	£116.4
Grant – Central Government	£175.8
Other	£112.9
TOTAL	**£875.5**
EXPENSES	**£000's**
Wages	£322.4
Depreciation	£31.8
Audit Fees	£1.7
Supporting Volunteers	£50.4
Supporting Partners	£75.2
Supporting Participants	29.9
Construction	£59.5
Other	£304.7
TOTAL	**£875.5**
	£000's
CONSUMPTION	£583.3
GVA	£322.4
Average Wage	£18.9
Voluntary 'GVA'	£3,632.2
Augmented GVA	£3,954.6

Consumer Spending on Outdoor Recreation

The Consumer Spending Sector is investigated primarily on the basis of the following publications: Family Spending, Consumer Trends, International Trade Statistics, and Sport Market Forecasts. Some elements of spending on equipment are also identified through intelligence reports. For example (according to Key Note) in the UK sport equipment market - 7%, 15%, and 2% of spending is directed towards 'outdoor accessories', 'fishing' and 'water sports' respectively.

Based on Consumer Trends, Family Spending and British Marine Federation data spending can be approximated for gliders/air balloons, boats, animals for recreation, parachutes, fishing equipment, inflatable boats, tents, sleeping bags, and camping stoves. According to Family Spending (2012 edition), the average household in Northern Ireland spends £5 per week for major durables for recreation (including boats), compared to £2.60 for the UK as a whole. Based on the aforementioned information a conservative estimate for consumer spending on outdoor recreation in Northern Ireland is shown in Table 11 (all figures relate to 2011).

Table 11: Consumer Spending on Outdoor Recreation

Outdoor Accessories	£2.6m
Fishing Equipment	£6.4m
Water-Sport/Specialised Equipment	£2.3m
Hire of Equipment	£3m
Open Air Recreation Equipment	£7m
Boats	£14.6m
Other Major Durables	£9.0m
Bicycles	£24.8m
Outdoor Centres/Parks/Charities	£21.9m
Clubs	£3.2m
Clothing	£18.0m
Footwear	£4.0m
Publications	£1.0m
Angling Licences and Permits Competition Fees	£5.1m
Angling Related Accommodation	£2.6m
Travel Cost	£6.3m
TOTAL	**£131.8m**

Consumer spending on outdoor recreation adds up to just under £132m. The most important elements are bicycles (£25m), outdoor centres (£18m), clothing (£18m), and boats (£15m). It must be underlined that the above figures represent spending from Northern Ireland residents.

Any exports, which are very significant in the case of bicycles and angling, are considered separately. Consumer spending on angling is based on Key Note Reports and on the PricewaterhouseCoopers (PwC) Economic Impact Report of Recreational Fisheries and Angling. The latter, together with the UK and Irish Economic Impact Reports and Travel Surveys, was used to provide an estimate of travel cost incurred for outdoor recreation purposes (£6.3m). Complementary statistics are provided by the Salmon and Inland Fisheries Annual Reports.

Although a comparison of the outdoor recreation impact with the sport impact is not consistently defined, we can generally establish that outdoor recreation related consumption is equivalent to around 24% of the sport related market (excluding gambling).

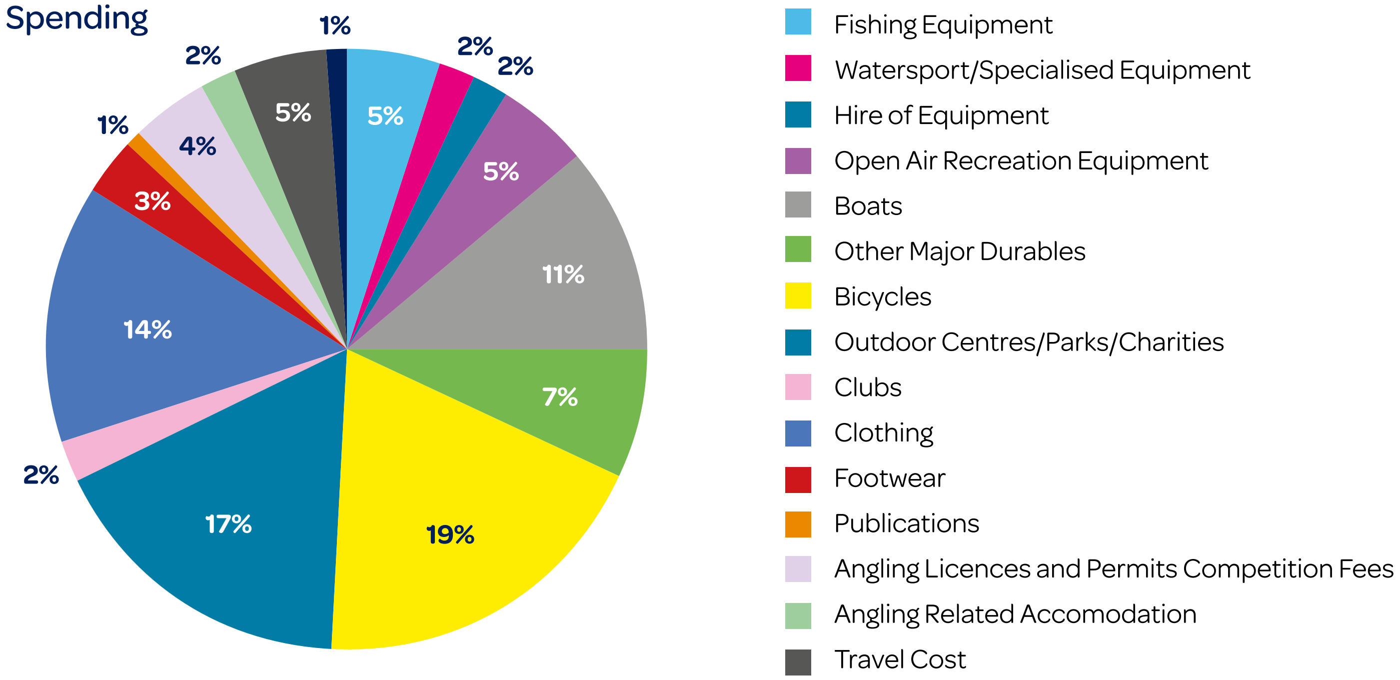
Northern Ireland is a major hub for angling in Europe with a plethora of angling destinations on rivers, streams and lakes. Game species on offer include Salmon, Grilse, Sea Trout, Brown Trout, Dollaghan, Gillaroo and Sonaghan and some of the best destinations include the wide expanse of Lower Lough Erne in the Fermanagh Lakelands, the Lower Bann system and the nearby tributaries of Lough Neagh, and the rivers of the Causeway Coast in County Antrim. Major operators include: Raxtons and World Sport Fishing.

At Raxtons prices start at £810 for three days fishing and self-catering accommodation; and most of these revenues come from outside Northern Ireland contributing to long-term economic growth.

Similarly, while urban parks are at the forefront of traditional sports provision, local authorities manage most country parks and many include outdoor activity hubs offering paths and walks, fishing, water sports and sometimes camping. These facilities are also available at other designated country and forest parks, run by the national authorities.

In economic terms, cycling is one of the most important activities with many retailers and activity providers. CRC is the main provider of equipment and it is estimated that this company meets approximately half of the domestic demand. On the basis of product range only 75% of bicycle spending is considered to be within the outdoor recreation sector as bicycles for small children or commuting are not taken into consideration. Note that, unlike previous studies of economic impact, there is no weighting down of current cycling spending according to sport use. Following the Vilnius definition, all relevant product ranges are taken into account (as is done in the case of trainers). This innovation has to be taken into account in future comparisons.

Figure 8: Consumer Spending



As Figure 8 illustrates, the three most important outlets of consumer spending are:

1. Bicycles (19%);
2. Outdoor Centres/Parks/Charities (17%); and
3. Clothing (14%).

Commercial Outdoor Recreation Sector

The commercial outdoor recreation sector is represented by all the retailing and accommodation units that are dedicated to the provision of outdoor recreation in Northern Ireland.

Table 12: Commercial Outdoor Recreation Sector

INCOME	£m
Outdoor Accessories	0.9
Fishing Equipment	2.1
Water-Sports Equipment	0.8
Hire of Equipment	2.5
Open Air Recreation Equipment	2.3
Other Major Durables	3.0
Bicycles (Adults)	108.5
Boats (Racing and Sails)	4.9
Clothing Sales	6.0
Footwear Sales	1.3
Angling Related Accommodation	2.2
Publications	0.8
Clubs	0.5
Outdoor Centres	2.4
Charities/Parks	0.9
Commercial Non-Outdoor Recreation	0.0
Local Government Inputs	0.7
Total Income	**£139.9**

SPENDING	£m
Bicycles	
Wages	7.6
Other Inputs	94.4
(Surplus)	6.5
(Value Added)	14.1
Fishing/Angling	
Wages	1.3
Inputs	2.2
(Surplus)	0.9
(Value Added)	2.2
Outdoor equipment	
Wages	2.3
Other inputs	5.2
(Surplus)	2.0
(Value Added)	4.3
Clothing and Footwear	
Wages	1.8
Other Inputs	4.0
(Surplus)	1.5
(Value Added)	3.3
Specialised Providers	
Wages	1.4
Other Inputs	3.1
(Surplus)	1.1
(Value Added)	2.6
Corporation Tax	2.4
Rates	0.8
Voluntary Sector	2.0
Capital Expenditure	2.6
Total Expenditure	**£131.1**

The statistics are heavily influenced by the inclusion of CRC, globally the largest dedicated online retailer of cycling equipment. Consequently, around 78% of commercial outdoor recreation income is taken by cycling related operations. Outdoor recreation related clothing provides the next most significant commercial outlet with associated income of about £6m. Overall, the commercial outdoor recreation income (at £139.9m) is slightly greater than the corresponding expenditure (at £131.1m). In the spending column of table 12, value added is calculated as wages added to factor surplus. Most of the spending is directed towards 'other inputs', in the commercial non-outdoor recreation sector, which are necessary to recycle the production or retailing process (e.g. raw materials).

Commercial Non-Outdoor Recreation Sector

In this sector the relevant income and expenditure is derived using appropriate National Accounts ratios. For this reason some assumptions are made for imports of goods and services relative to the GVA. In Northern Ireland imports of goods correspond to 19% of GVA. However no figure for services is provided. The UK total imports (goods and services) correspond to 37% of GVA, while in the Republic of Ireland the corresponding figure is 32%. The overall percentages derived from the UK accounts in the Blue Book (Office of National Statistics) should not be far away from the real situation in Northern Ireland.

Through the commercial non-outdoor recreation sector, the outdoor recreation economy is connected to the national economy. More than 50% of this sector's spending is on wages, which in turn is spent in the economy creating a strong multiplier effect. In this methodology only the first round of economic interactions is considered and any economic impact shown will be realised within the financial year in question. During 2012 the total income and spending equalled £40m and £42m respectively and through the production of inputs, a surplus of £16m was generated.

Table 13: Commercial Non-Outdoor Recreation Sector

Income	£m
Sales of Current Inputs to:	
Central Government	1.0
Local Government	6.7
Commercial Outdoor Recreation	11.8
Voluntary Outdoor Recreation	8.2
Sales of Capital Inputs to:	
Local Government	1.5
Commercial Outdoor Recreation	1.6
Voluntary Sector	4.2
Consumer Spending	
Travel	5.2
Total Income	**40.2**

Spending	£m
Producers of Related Inputs:	
Wages	23.9
Imports	10.8
(Surplus)	16.3
(Value Added)	40.2
Corporation Tax	3.3
Rates	1.2
Purchases of Inputs from Outdoor Recreation:	
Sponsorship and Advertising	0.6
Other Non-Grant Contribution in the Voluntary Sector	1.5
Lottery Partnerships	1.1
Total Spending	**42.3**

"More than 50% of this sector's spending is on wages, which in turn is spent in the economy creating a strong multiplier effect."

Government Sector

Government contributes to the economic value of outdoor recreation both the provision of facilities and the provision of funding to other organisations.

In 2011, Central Government financed the outdoor recreation sector through grants provided primarily by Sport Northern Ireland, the Northern Ireland Tourist Board (NITB), the Department for Agriculture and Rural Development (DARD), the Northern Ireland Rural Development Programme (RDP), and the Northern Ireland Environment Agency (NIEA).
The NIEA is part of the Department of Environment (DOE) and through its Natural Heritage funding programme, is a major contributor to outdoor recreation in Northern Ireland.

Details of all the Central Government and Local Council Grants in Northern Ireland are published on the website: Government Funding Database: "Building Bridges between Government and the Community" [7]. In the examined year a significant amount of funding came from Sport Northern Ireland, while £1.3m was spent by RDP on 33 outdoor recreation projects, through its Axis 3 theme: Improving the quality of life in rural areas and encouraging diversification of economic activity. Table 14 below breaks down Sport Northern Ireland funding into its individual parts.

Table 14: Sport Northern Ireland on Outdoor Recreation Related Projects, 2011

	£m
Local Authorities	0.4
National Governing Bodies (NGBs)	1.5
Clubs	0.9
Other	0.1
TOTAL	**2.8**

The NGB's that benefited from Sport Northern Ireland grants include:

- Canoe Association Northern Ireland (CANI);
- Mourne Heritage Trust;
- Royal Yacht Association Northern Ireland (RYANI);
- Ulster Federation of Rambling Clubs;
- Ulster Angling Federation;
- Rowing Ireland;
- Northern Ireland Orienteering;
- Northern Ireland Equestrian Sports Committee;
- Mountaineering Ireland;
- Cycling Ulster;
- Cycling Ireland;
- British Horse Society Northern Ireland Region; and
- Outdoor Recreation Northern Ireland (ORNI)

The aforementioned associations, together with the National Trust (considered under parks) are the main Non-Governmental Organisations (NGO's) that affect the outdoor recreation economy. Without the National Trust, they contribute a sum of 48 FTE employees to the outdoor recreation economy.

[7] http://govfundingpublic.nics.gov.uk/GrantsAwarded.aspx

Other organisations that distribute grants, such as the NITB, have a contribution to overall employment, but, due to their nature, to a lesser degree. The NITB provides significant grant contributions towards the outdoor centres implying that the centres have been identified as a significant factor for inward tourism. In the last three years, the NITB provided grants to Todd's Leap Activity Centre (£0.1m), to the upgrading and maintenance of the Mourne Upland Path (£0.1m) and to the construction of the Castle Ward off-road cycling route (£0.4m).

Drawing on information on the last three years, the NITB provided nearly £1m in grants to the outdoor recreation sector, corresponding to 3.3% of the associated Government's Grant in Aid. The majority of these were supporting local authority projects that relate to the outdoor recreation sector. In the last three years, one of the most important financially, was the capital works at Loughshore Park.

Another major source of funding is the NIEA, which is part of the Department of Environment (DOE). NIEA supports the development and promotion of opportunities for outdoor recreation to enable people to access, enjoy and understand the natural and historic environment, to create prosperity and wellbeing through the environment and heritage excellence. Alongside the management of seven country parks and 60 nature reserves, NIEA provides funding through the Natural Heritage Grants Programme.

In 2011, projects supported through grant aid included the development of trails on Divis Mountain (in partnership with the Belfast Hills Partnership and the National Trust), strategic path works in the Mournes (in partnership with the Mourne Heritage Trust), improvements to the North Down Coastal Path and Causeway Coast Way, the development of the Foyle Greenway [8] and core funding to ORNI.

Funding is directed mainly to areas of natural beauty (AONB) coordination bodies, environmental Non-Government Organisations and Local Authorities. In 2011, the estimated amount of outdoor recreation related grants amounted to just over £1m, while a separate amount (£0.98m) was spent on park maintenance. The outdoor recreation related staff cost, as a percentage of overall staff cost, amounts to 30% in Sport Northern Ireland and between 3% and 4% elsewhere (following the distribution of grants or a portion of wages for park maintenance).

Northern Ireland Water is a Government owned utility company that owns most of the uplands of the Mournes and some other areas in Northern Ireland. They also own Silent Valley Mountain Park which has approximately 60,000 visitors per annum.

Overall, the Government sector intervenes mainly through grants delivered via organisations such as Sport Northern Ireland, NITB, DARD and NIEA. These interventions help to maintain the vital background of the emerging business activity. As a result, Central Government are in a position to generate many times the size of the initial investment through the outdoor recreation sector.

As Table 15 shows, the Central Government spending of £12.2m is overshadowed by a generated income of £63.6m. Even if we include Local Authorities into the equation (see section 14) the generated income exceeds spending. The higher level of income related to spending, and the associated employment, make the sector very attractive for long-term investments.

[8] Northern Ireland Environment Agency: Annual Report and Accounts: 2011-2012.

Table 15: Government Sector

INCOME	£m
TAXES ON EXPENDITURE	
Outdoor Accessories	0.4
Fishing Equipment	1.1
Water-Sports Equipment	0.4
Hire of Equipment	0.5
Open Air Recreation Equipment	1.2
Other Major Durables	1.5
Bicycles (Adults)	4.1
Boats (Racing and Sails)	2.4
Clothing Sales	3.0
Footwear Sales	0.7
Angling Related Accommodation	0.4
Angling Licences and Permits Competition Fees	6.4
Outdoor Centres	3.7
Voluntary Clubs	0.5
Local Government	1.8
Travel Spending	1.0
Exports of Services	0.6
Tax CENTRAL GOVERNMENT operations SPORT NORTHERN IRELAND	0.4
Tax NIEA	0.6
VOLUNTARY SECTOR	10.3
LOCAL GOVERNMENT	5.5
COMMERCIAL OUTDOOR RECREATION	7.0
COMMERCIAL NON-OUTDOOR RECREATION	10.2
Total Income	£63.6

SPENDING	£m
Sport Northern Ireland	
Grants – Outdoor Recreation Total	2.8
Wages	1.3
NITB	
Grants – Outdoor Recreation Total	1.0
Wages	0.2
NIEA, NIRDP	
Grants - Outdoor Recreation Total	2.3
Maintenance of Parks	1.0
Wages	2.2
Other	1.6
Total Expenditure	£12.2

Local Government Sector

The Local Government expenditure is based on grants directed towards voluntary clubs and outdoor centres, and also spending on parks, open spaces and outdoor leisure facilities. Leisure centres and swimming pools are not included in the sector examined. Northern Ireland has 26 local authorities and their financial accounts provide the outdoor element within the general categories such as recreation and sport. In terms of expenditure, Belfast City Council spent £56.6m on recreation and sport out of a total of £183 million, a very high percentage of 31%. Through telephone interviews, the element of this attributed to outdoor recreation was around 3% of total spending.

Local Government spending is mainly on wages for outdoor recreation related activities, other inputs, grants to the voluntary sector and capital spending. The latter consists mainly of construction activity.

Overall, the outdoor recreation related spending by Local Authorities approaches £24m, its greatest part being wages.

16. Local Government Sector

INCOME	£m
Sport Northern Ireland	0.4
NITB	0.5
Voluntary Sector	2.1
Rates	2.0
Total Income	5.0

SPENDING	£m
Wages	9.5
Other Inputs	8.9
Grants to Voluntary Clubs	3.4
Capital Expenditure	1.8
Total Expenditure	23.6

"Overall, the outdoor recreation related spending by Local Authorities approaches £24m."

Employment Generated by Outdoor Recreation

The main **drivers of employment in Northern Ireland are the outdoor centres sector and the cycling sector**. The outdoor centres provide the core of accommodation, export 12% of their services and are partly based on the Northern Irish network of volunteers.

As highlighted previously, an outdoor centre typically employees four people on full-time basis, four people on part-time basis, and uses the services of eight volunteers. It is fair to say that on the whole this sector exists because it represents activities and a lifestyle dear to the population as a whole, rather than a great opportunity for excessive profit; this is testified by the amount of unpaid work invested into the sector. As most capital is 'recycled', the sector generates a high level of employment and, through construction activity, affects the commercial non-outdoor recreation sector. On the other hand cycling employment is driven primarily by exports. Central to its importance is a network of small operators and the company CRC which is based in Belfast.

Table 17 illustrates the distribution of employment among the examined sectors.

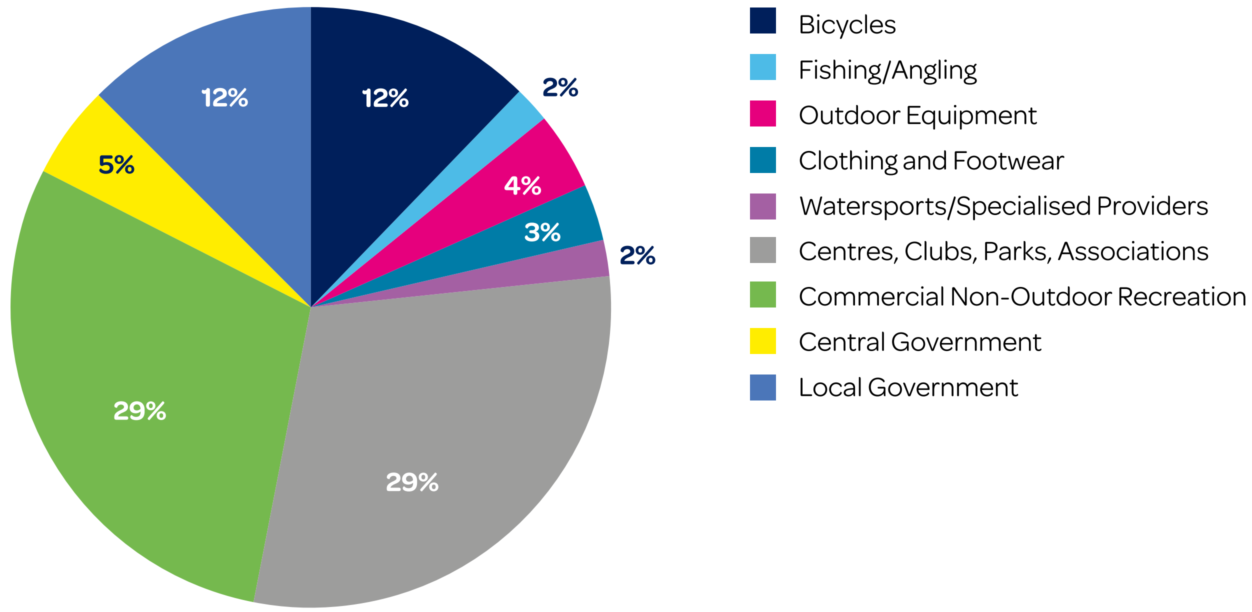
Table 17: Outdoor Recreation Employment, Northern Ireland

Sector	FTE Employed People
Commercial Outdoor Recreation	
Cycling	422
Fishing/Angling	86
Outdoor Equipment	156
Clothing and Footwear	120
Water-Sport/Specialised Providers	96
Subtotal	880
Voluntary Outdoor Recreation	
Clubs	62
Outdoor Centres	769
Charities/Associations	30
Parks/Forests	166
Subtotal	1,027
Commercial Non-Outdoor Recreation	1,039
Central Government	157
Local Government	433
TOTAL	3,537

Overall the estimated number of FTE employment of outdoor recreation in Northern Ireland is 3,537. From this, 22% and 12% are generated in the outdoor centres and the cycling sector respectively. Smaller numbers are generated by retailers, fishing/angling, clubs, and other specialised retailers/providers. As Figure 9 illustrates the non-outdoor recreation commercial sector (providing construction services and equipment) is equally as important as the commercial outdoor recreation section examined, providing more than 1,000 FTE employees (29%).

The overall figure can be notionally extended to include the unpaid voluntary time invested within the outdoor recreation sector. This is equivalent to 580 FTE employees, raising the figure of people occupied within the sector (full-time basis) to more than 4,200, an increase of 16%.

Figure 9:
Employment distribution



GVA Generated Outdoor Recreation

Table 16 illustrates the most comprehensive position of the outdoor recreation sector in Northern Ireland. The generated GVA approaches £102m and is equivalent to approximately 20% of the sports economy (excluding gambling).

The largest part comes from the commercial non-outdoor recreation sector (40% of GVA), verifying the original assumption, as expressed in the analysis of the voluntary sector, that the strong construction element would result in a wider impact within the economy. It should be underlined that this is the tangible income within the financial year; more multiplier related effect may be generated as a result of construction and exports.

Following this, the commercial outdoor recreation and the voluntary sectors generate 26% and 21% of GVA respectively. The commercial outdoor recreation is driven primarily by cycling and angling. In terms of accommodation only the 'outdoor specific' accommodation is taken into account (such as camping or dedicated activity accommodation).

The voluntary sector has been largely derived by responses to the distributed questionnaire and the history of the Survey of Sport Clubs. It reflects the commercial realisation of work done, but excludes the amount of contribution through unpaid hours (which do not contribute towards GVA). An alternative augmented estimation of the importance of the voluntary sector based on work done (rather than work paid) would bring its contribution to near £31m, an increase of 48%.

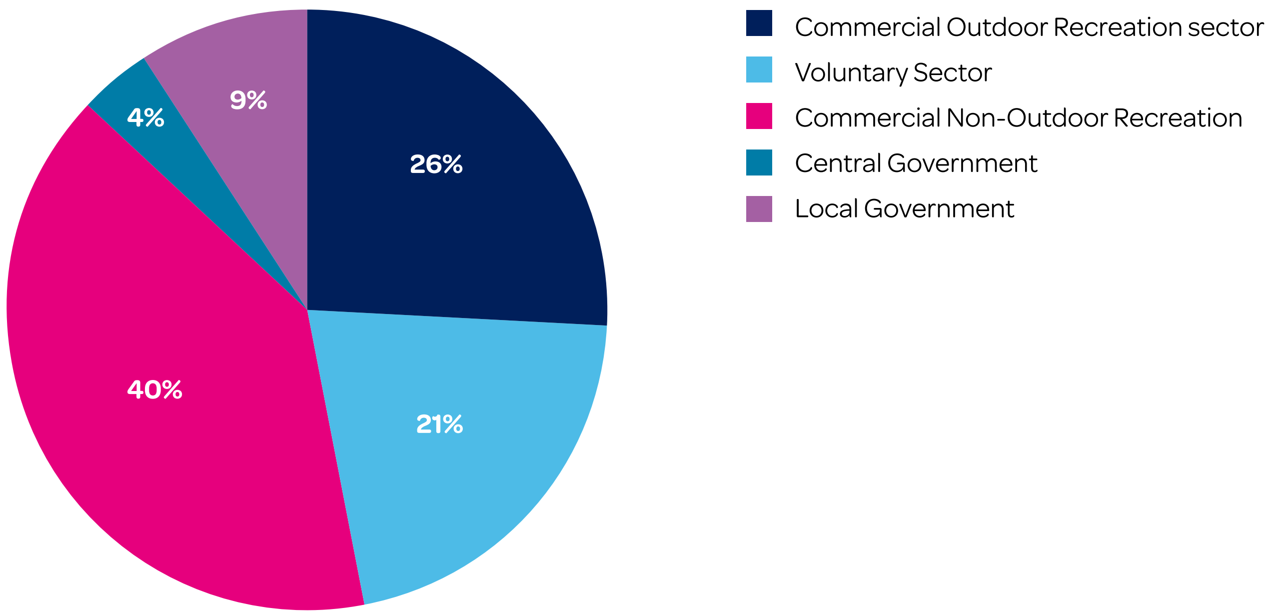
It is this added value (which is invisible to economic statistics) that has formed the backbone of the outdoor recreation industry and has provided the background for growth in the case of export orientated companies such as CRC. The public sector generates approximately 13% of GVA, mainly in the form of wages.

Table 18: Outdoor Recreation GVA, Northern Ireland

	£m	Index
Commercial Outdoor Recreation Sector		
Wages	14.5	
Surplus	12.0	
Total	26.5	26.1%
Voluntary Sector		
Wages	17.7	
Surplus	4.1	
Total	21.8	21.4%
Commercial Non-Outdoor Recreation		
Wages	23.9	
Surplus	16.3	
Total	40.2	39.6%
Central Government		
Wages	3.6	3.5%
Local Government		
Wages	9.5	9.4%
TOTAL VALUE ADDED	**101.6**	**100.0**
% of Sports Economy	**22%**	

The same picture is painted by Figure 10, where it is clear that the main value outcome of the outdoor recreation industry is produced outside the sector. This verifies the original observation that outdoor centres and clubs are spending widely on construction, while supported by an army of volunteers, resulting in an expanded economic impact within the community. This is clearly illustrated in the value added distribution.

Figure 10: Value Added



Conclusions, Further Research Directions

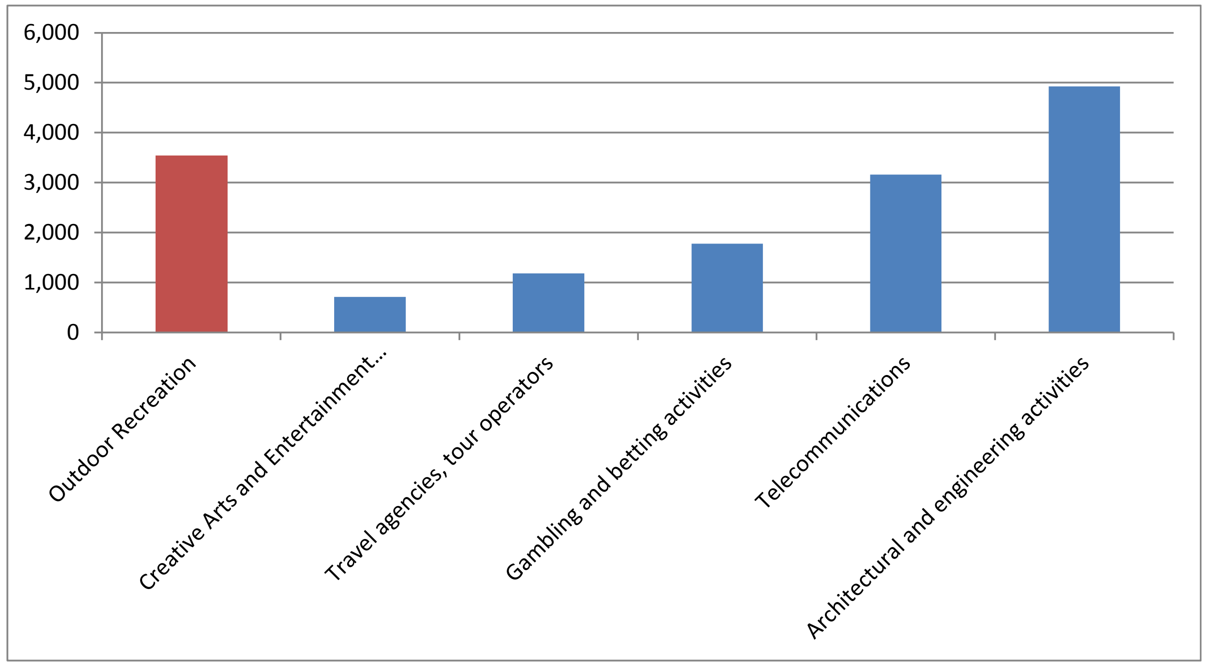
The current research so far has illustrated that on the basis of a very pro-active outdoor recreation sector, where companies are established with little cost on the basis of sport enthusiasm and voluntary work, conditions for economic experimentation and growth have developed. Companies such as CRC have emerged 'organically' from such an environment. As a result, the sector generates income for the public sector in excess of any investment in the financial year under consideration. This is true even for the public sector as a whole: Taking the Central and Local Government as a whole, the generated income is £69m while spending is £36m. This therefore creates a surplus of 92%.

It was established that the main drivers of employment in Northern Ireland are the outdoor centres sector and the cycling sector. The outdoor centres recycle their full turnover into wages, equipment, construction and operational expenses. As a result they achieve considerable economic benefit for the local community. On the other hand cycling employment is driven primarily by exports.

Compared to the economic value of sport in Northern Ireland (excluding gambling), the outdoor recreation sector generates 25% of its employment.

Further, as Figure 11 shows, compared to other sectors of the economy, outdoor recreation generates FTE employment greater than the full Telecommunications sector (code 61 in National Accounts) and almost five times greater than the sector Creative Arts and entertainment activities (code 90). It also corresponds to 72% of employment in the architectural and engineering sector.

Figure 11: Employment (FTE) Generated in Some Northern Ireland Sectors, 2011



Source: Quarterly Employment Survey, Department of Finance and Personnel, SIRC

A final issue is the treatment of wider health and socio-economic benefits which cannot be placed directly in the previous methodological menu. It is widely known that sport helps to reduce incidents of heart disease and obesity. According to 'Sport Matters: The Strategy for Sport and Physical Recreation in Northern Ireland, 2009-19', sport is one of the best investments that can be made in preventive medicine. Significantly the strategy adds: "Sport is widely recognised as a positive force. It can build lasting relationships between people and often people from different social and religious backgrounds."

There are many UK studies that highlight that outdoor recreation has a positive impact on:

- Health and fitness;
- Quality of life;
- Work ethic and productivity;
- Inward investment; and
- Reduction in crime.

The current methodology can readily be transferred to regional communities. However, analysis of the wider health and socio-economic benefits specifically within Northern Ireland should become the subject of another independent investigation that will build on the economic results.

"Sport is widely recognised as a positive force. It can build lasting relationships between people and often people from different social and religious backgrounds."

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Sport Northern Ireland
House of Sport
2a Upper Malone Road
Belfast BT9 5LA

T: (028) 9038 1222
E: info@sportni.net
W: www.sportni.net

Sport Northern Ireland

Northern Ireland Executive
www.northernireland.gov.uk

Department of Culture, Arts and Leisure
www.dcalni.gov.uk