the leisure review
an independent view for the leisure industry

Grey Sky thinking: the BISL conference

Business in Sport and Leisure recently held their annual conference at Lord's and invited an array of speakers to look to the future of the sport and leisure industry from a business perspective. Jonathan Ives took his seat and paid attention.

Arriving at Lord's, the home of cricket, for the Business in Sport and Leisure (BISL) conference it was not quite business as usual. While the first of the ground's notoriously obstructive and recalcitrant gatemen was merely politely unhelpful, refusing to allow BISL delegates to walk the short distance from the south gate to the Nursery conference venue, preferring that they make the journey three times longer by walking all the way around the perimeter of the ground to the north gate, the second gatemen was positively cheerful. Inside the doors of the conference centre it seemed to be business – city business if not sport and leisure business – as usual: dark suits dominated, there was an occasional flash of non-grey colour from one or two of the female delegates and one lonely male delegate was noticeable for having forgone any aspect of traditional business attire. A serious dress code for serious times.

First to the stage, David Teasdale, BISL's executive chairman, tried to establish a lighthearted note with his opening remarks and general bonhomie. BISL, he explained, had spent some time wondering whether the conference theme – Fit for Growth – required a question mark or even an exclamation mark to fit the prevailing economic gloom. They had agreed that with such a dynamic industry there was no need for the question mark but the audience was left to ponder whether the decision to opt for neither was perhaps indicative of these uncertain times. As the speakers' list and logo-emblazoned backdrop suggested, the conference proceedings were being sponsored by Sky television and the company had produced a video to set the scene for the day's presentations. A series of talking heads, among them British Swimming's David Sparkes, offered sage advice for the sport and leisure sector doing business in these difficult times: cut your costs, be careful with investment, target growth. "We're a business," said Mr Sparkes with the mixture of confidence and aggression that has become his trademark, "and we want to grow our business… Let's get on with the business of growing the industry."

As an example of the broadcaster's art this video presentation will have won Sky few new customers but a return to the live performance brought to the stage a three-man team from Ernst and Young, one of the big names in commercial accountancy that had, in common with all its fellow financial institutions, failed to spot any signs of a bank-led economic meltdown before they read about it in the newspapers. They offered their vision of the future of the sport and leisure business sector and, although admirably supported by a blizzard of annotated maps, graphs and charts, rarely strayed from the safe ground of the uncomfortably obvious. "We've just been through the worst recession since the 1970s," said Jim Bowden, a senior manager at Ernst and Young. "We're downbeat," said Andrew Goodwin, senior economic adviser to the Ernst and Young Item Club, also noting that "a big influence on the economy is obviously fiscal policy". Cameron Cartmell, the head of Ernst and Young's hospitality and leisure practice provided some data on current performance of the hotel sector and the betting market, as well as predicting that "it is likely we will see more pub closures". Drawing together the strands of his team's presentation, he offered some final thoughts. "In summary these are uncertain times and there are different opinions as to what will happen to the economy," he said. "Recovery will be more a marathon than a sprint."

Anyone without a profound faith in the tenets of Adam Smith and Milton Friedman would by now have been shifting uncomfortably in their seats as they pondered the merits of these insights and it was noticeable that the one gentleman in the audience not wearing a business suit had already turned his attention to the Guardian crossword. However, next up was Adam Boulton, the beefily ebullient political editor of Sky News, with some predictions of his own. He set the scene with a few anecdotes about his recent participation in Celebrity Mastermind, part of Sky's attempt to "expand the brand", and then launched into

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his vision of the short- to medium-term future. “I’ve got two messages,” he said. “First, my advice is to get used to this coalition government. They will be here till 2015. My other message is, in spite of that, you are really in this on your own.” He also mused that “with hindsight there were some straws in the wind that political commentators may have missed,” a comment that some in the audience may have thought called into question the two pieces of advice that he just had offered. They may also have wondered whether the views of an employee of Rupert Murdoch, who has invested heavily in supporting governments that will be favourable to his own business interests, were as reliably impartial as his journalistic credentials would suggest. The only major flaw that Mr Boulton could see in the current government structure was “the absence of a strategic foreign policy”. He ended his presentation with a plug for BSkyB and “its 10 million viewers”, a brief Q&A and a final plug for his new book.

With such insight on display some in the audience were already scanning the programme to see when coffee might intervene but then Baroness Ford came to the rescue. Having heard enough grief and despair that morning, and noting that she had agreed with barely 3% of Adam Boulton’s presentation, she offered a self-confessedly upbeat account of progress on the development of the Olympic park. As chairman of the Olympic Park Legacy Group (OPLG), she was answerable to shareholders that included the mayor of London and the government, largely in the shape of the Department for Communities and Local Government. She noted that she was also answerable to the five Olympic boroughs and to the lottery, to whom the OPLG needed to return significant funds. Drawing on the inspiration of the 1850 Great Exhibition and the 1951 Festival of Britain, the Olympic park masterplan, published four weeks previously, outlines a 20- to 25-year project to bring new life to an old part of London. The Olympic venues will provide a legacy dividend after the Games but so will the employment hubs, the visitor destinations across the park and the extensive new housing. Architectural inspiration for the five new neighbourhoods has been drawn from the townhouse terrace tradition of the capital and the scale of its squares and parks. “The Olympic plan is not just about the venues,” Baroness Ford said. “It’s about people and regeneration of the area.” There is, she noted, a huge responsibility to get the legacy of London 2012 right, particularly in light of the promises made by Seb Coe in Singapore. She was confident that the Queen’s diamond jubilee would be the start of a project that makes good those promises.

Cheered by some positive interpretation of what the business of sport and leisure can achieve but with coffee still half an hour away, the audience welcomed Richard Segal, chairman of Esporta Health Clubs, to the stage to share his vision of the future. Having established his own business credentials (he began his career as an accountant at Arthur Andersen in the 1980s and has been involved with many business ventures since, including Odeon cinemas and PartyGaming online betting), he had salient advice for businesses operating in an adverse economic climate. You need a detailed and clear plan. You need the right team in place. You need awareness of business aims across that team. You need good and continuous communication. Esporta had demonstrated these characteristics and been turned round; having lost 15% of its membership in two years the company’s performance had been switched to membership growth. With regard to the current political climate he suggested that the Department of Culture, Media and Sport remained the poor relation among government departments despite the economic significance of its sector, including accounting for 10% of GDP and 10% of new jobs. However, David Cameron was sending out pro-business and pro-growth messages, and the leisure sector should be heartened by these words. Warming to this element of his presentation, Mr Segal became more animated as be launched into a passionate call for an unfettered free-market approach to business. He called for lower taxes on those creating wealth, lower corporation tax for companies providing jobs and lower capital gains tax, although also acknowledging the need to raise taxes to address the deficit. New legislation should make it easier and cheaper to train and sack staff, the carbon reduction scheme should be put on the back burner and something should be done about rates on empty premises. The essence of his message here seemed to be that greed is good: “In America it’s called the American Dream; in the UK it’s called unfair.”

Refreshed at last by a coffee break, the audience returned to hear two new Tory MPs, Justin Tomlinson and Andrew Percy, assure BISL delegates that although they (Messrs Tomlinson and Percy) were not able to comment on the comprehensive spending review (“It’s not our field”) there is a new group of MPs “wired into the leisure industry” that would be working hard on behalf of the sport and leisure sector within parliament. Beyond anecdotes of local authorities’ interpretation of planning legislation past and present, they were able to add little else and soon David Teasdale was able to bound onto the stage once again to give the warmest and proudest of introductions to Jennie Price, chief executive of Sport England, who had been invited to explain the environment in which all non-governmental organisations and local government were now working. "You must not underestimate the extent to which the public sector has been holding its breath regarding the comprehensive spending review," she said. "We now have the information but it does need time to settle down. Some big parts of the public sector are facing very big changes and will take time to work its way through." Culture, media and sport is looking at an overall cash reduction of 52%. Sport England is looking at 33% cuts over four years. No more funding for school sports networks. There are 26% cuts in local authority spending and anecdotal evidence that within local authorities sport and leisure will be taking cuts significantly beyond that 26%. "We must not behave as if this is a small thing," she warned her audience of suits. "This is a very significant shift." The impact of these cuts will be felt by the private sector. New structures, new personnel and new relationships. Cuts across four years may well be felt most severely up front and there will be strict limits on the size of outsourced projects. Spending to save will be a thing of the past in the age of absolute cash restrictions so those who have been used to sending regular invoices to local authorities may have to think again. However, Ms Price did note that if ever there was a time when everyone is looking at new models of delivery or new ways to manage assets, this is it. Health still offered an opportunity if sport and leisure can demonstrate that its role in prevention being better than cure is valid and robust but there will be a lot less cash in the system. "You'll hear a lot of 'I can't afford it'," she predicted.

As the metaphorical bails were lifted to signify the end of the morning session, the audience was left to head for lunch and wonder at a morning in which some of the most measured and intelligent comments had come from Sport England. After a morning such as this the afternoon loomed large in the programme, promising all sorts of highlights from big-name speakers, but while networks were extended and contacts made and renewed over lunch, The Leisure Review put on its fleece, packed its Guardian and took a Boris bike back into town, wondering whether it was too late to add that question mark.

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