



One voice for sport and recreation

Free-to-Air Review / Consultation – July 2009

CCPR Response

CCPR is the representative body for some 290 national sport and recreational organisations, including the national governing bodies of sport. CCPR exists to promote the role of sport and recreation in healthy and active lifestyles, to encourage a policy and regulatory environment in which sport from grassroots through to elite level can flourish, and to provide high quality services to help its members to continually improve and progress.

In the context of this consultation, CCPR is the representative body for the rights owners of major sporting events. CCPR itself does not own or host sporting events, but it represents the organisations that do. CCPR has also drawn up and is now monitoring the Voluntary Code of Conduct for Rights Owners in relation to the broadcasting of sporting events.

CCPR welcomes the opportunity to respond to this important consultation. Broadcasting is a crucial part of the sports policy landscape. As sport lacks the uniform intellectual property rights it has been asking for in areas such as betting, broadcasting represents a significant portion of a governing body's commercial value.

As this value, the broadcasting priorities and the importance of the List varies across CCPR's membership, it would be inappropriate for CCPR to respond to each of the consultation questions in this response as these details are best addressed by individual governing bodies. This response will articulate a set of general principles which have been agreed by CCPR's Major Spectator Sports Division, which CCPR feels should underpin the Government's approach to sports broadcasting. The principles are established and adhered to by the signatories of the Voluntary Code of Conduct, a copy of which is included at the end of this consultation response. The principles will be addressed in some detail in this response but, in short, they are:

- Governing bodies should seek to ensure that their events receive the widest possible broadcast coverage
- Governing bodies should seek to secure the best possible financial return for the broadcasting rights for their sport.
- Governing bodies are best placed to strike the appropriate balance between ensuring the widest possible broadcasting coverage and securing a good financial return
- Governing bodies should reinvest a percentage of their broadcasting revenue in grassroots development

These principles can be split up into two key concepts – Accessibility and Reinvestment – which will be considered below.

Accessibility

CCPR members accept the general principle that coverage of all major sporting events in live and/or recorded and/or highlights form should be generally available via free-to-air television broadcasts accessible to 95% of the UK population. It is important to note that the statement “major sporting events” covers many events which are not covered by the List, such as the The FA Cup (excluding the final, which is protected by the List). Indeed, the Voluntary Code states that all signatories will “*use all reasonable endeavours to tender their UK television broadcast rights openly and solicit bids from free-to-air broadcasters.*” CCPR members acknowledge the role that a wide coverage can have on interest and participation in their sport and recognise that pursuing lucrative contracts at the expense of viewing figures could be detrimental to a sport’s long-term future.

However, it is absolutely crucial that governing bodies receive a favourable financial return for their events. Broadcasting rights are sport’s most valuable commercial product, not only in themselves but in the sponsorship opportunities they provide. A significant portion of the income of a major spectator sport’s governing body is made up of broadcasting revenue. For example, around 80% of the England and Wales Cricket Board’s annual income is from its broadcasting deal with Sky Sports. This would not have been possible if the ECB’s deal had been struck with a free-to-air channel, as contracts with subscription channels tend to be more lucrative. This has allowed the ECB to significantly increase investment in the development of cricket at all levels. This is also true of other sports.

Ultimately, governing bodies are best placed to strike the balance between accessibility and reinvestment that is most appropriate for their sport.

Reinvestment

In addition, CCPR and its members feel that, although broadcasting decisions should ultimately be left to individual governing bodies, there should be a commitment to ring-fence a percentage of broadcasting revenue for the grassroots development of their sport. This commitment is established in the Voluntary Code, with the percentage set at 5%. However, in reality all signatory governing bodies reinvest significantly more than 5% of their broadcasting revenue in grassroots development. This amounts to hundreds of millions of pounds of annual investment in grassroots sport.

The Voluntary Code states that a governing body can reinvest broadcasting revenue in the following:

- youth programmes
- community sports facilities
- education and training
- research and development
- coach education
- volunteer training
- diversity programmes
- grassroots communication

This includes expenditure made by constituent members (e.g. clubs, counties, regions etc) funded in whole or in part by revenues derived from broadcasting rights. For example:

The ECB injects £5m of its broadcasting revenue in the Chance to Shine programme to help cricket in schools. The R&A and the PGA European Tour invest broadcasting revenue in the Nick Faldo Junior Golf programme. The RFL uses broadcasting revenue to pay the insurance premiums for community clubs. UK Athletics invests broadcasting revenue in programmes run by the Home Country Athletics Federation. The LTA and AELTC invest broadcasting revenue in tennis and facilities development personnel.

Conclusion

Ultimately, CCPR and its membership feel that the principles enshrined in the Voluntary Code should underpin any approach to sports broadcasting. Governing bodies are best placed to strike the right balance between ensuring the widest possible coverage of their events while securing the best possible value for their product. As CCPR announced in October 2008, the Voluntary Code was recently updated to reflect changes in broadcasting technology and terminology. These changes continue to gather pace, with the Digital Switchover looming and London 2012 set to usher in a new era of digital broadcasting. It will be increasingly difficult for a List to remain relevant in this context. However, the principles of the Voluntary Code are established and, whether the review concludes that a List should remain in place or not, they should provide the starting point for any future approach to sports broadcasting.

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