Acknowledgements

We would like to thank everybody who has contributed to this research project. It would not have been possible without their time, support, thoughts, energy and suggestions.

In particular we would like to thank the staff of Supporters Direct who provided invaluable input, advice and comments during the research, notably Tom Hall and Dave Boyle. We would also like to thank the directors, executives, staff, community workers, supporters, local authority representatives and local businesses and residents at all of the clubs we have researched.

Finally we would like to thank those who have contributed working papers to this project which have all provided ideas, insight and comment.

Design and production: www.societymedia.co.uk
INTRODUCTION

1.1 COMMISSION AND RATIONALE

In 2008, Supporters Direct commissioned Substance to conduct a research project about the social and community value of football. The aims of the research were to:

- Investigate ways in which we might measure or account for the social and community ‘value’ of football clubs
- Identify evidence of the added value that alternative fan or community ownership structures might bring
- Outline how the community roles of football clubs relate to wider regulatory issues.

The project was focused on England but has relevance across football and indeed sport.

Supporters Direct has been the first institution in English football to explore the ways in which the game might begin to address the issue of the social value of football. Supporters Direct’s role is to encourage and promote the community ownership of football clubs via their supporters. Through this research, it has expressed an interest in moving beyond the moral and value-led arguments that have been made for fan ownership to investigate whether a more robust case can be made on the basis of the social value of football. In so doing, not only is it trying to open up the debate on the social value of football per se, but also identify how and where fan ownership can add social value and deliver community and business advantages.

Supporters Direct is also keen, through this research, to help those running all football clubs, supporters’ trusts, supporter-owned clubs and supporter-directors on the boards of clubs to start to address this issue, implement good practice and improve the reporting and performance of the positive roles clubs take in their local communities.

1.2 PHASES OF RESEARCH

This research has been structured into three phases:

- **Phase one** explored different ways in which the social and community impacts of clubs can be assessed as well as how these could be applied to football. This included the production of five Working Papers in 2008, followed by a sixth on the regulatory framework in 2010, as well as an Interim Report which summarised the methodologies explored and outlined the approach being taken to the primary research. These are all available on the Supporters Direct website (www.supporters-direct.org).
- **Phase two** involved in depth primary research with a number of clubs to both pilot these approaches and explore the key research questions
- **Phase three** of the research is the dissemination of the research to Supporters Direct, the wider trust movement, and the football sector.

1.3 OUTPUTS OF RESEARCH

The Summary Report forms part of the dissemination of the research, and outlines the broader learning and recommendations from the project. Alongside this, Supporters Direct are also publishing the full, Final Report, which contains the detailed research evidence. This is also available from the Supporters Direct website. Other research outputs have included:

- The six project Working Papers
- An Interim Report (2009)
- A seminar in December 2008
- Presentations at Supporters Direct conferences in 2008, 2009 and 2010
- Guidance notes on researching social value

1.4 THE IMPORTANCE OF SOCIAL VALUE IN FOOTBALL

It has been an important feature of contemporary businesses to demonstrate the wider roles companies play, beyond their balance sheet or market values. This, in part, is a recognition that the value of business is not simply about the profits they generate for shareholders, but in the wider role they can play in local communities and the social benefit they can generate. The growth
of corporate social responsibility, concerns over environmental impacts and the economic and systemic failures associated with the credit crunch have accelerated this process.

These drivers have suggested that the performance of companies cannot be reduced to the balance sheet alone, but that the wider impacts on society – both in terms of the day-to-day running of the company as well as socially or environmentally directed interventions – are also important. The increasing use of ‘triple bottom line’ reporting, which assesses economic, environmental and social performance of businesses, is one of the results of this.

This concern to explore wider impacts has also led to greater interest in alternative ‘social’ and mutual forms of enterprise, as evidenced by the Office of the Third Sector consultation, ‘Looking to the Future’ which explored how third sector enterprises were delivering a range of outcomes and how they could be better supported. However, this is not an entirely new phenomenon: the cooperative movement, of which supporters’ trusts are a contemporary manifestation, dates back to the failures and negative social impacts of early capitalism; and social accounting is, as Adrian Ashton describes, ‘not a new concept, with… models dating back to the 1940s.3

Football is of course a social business – which this research has underlined – and clubs are social institutions as well as financial and sporting ones, something that dates back to their origins as one of the principal agents through which collective social identities were created and reinforced.4 Given these factors, it is perhaps surprising that a socially-oriented business, such as football, has not to date taken the issue of reporting the social impact of its clubs as businesses more seriously.

Although there is also now fairly extensive, and increasingly sophisticated, reporting of the impacts of community intervention arms of football clubs, many formed as semi-independent charities, there has not been a similar attempt to assess the social impacts of the clubs themselves. The regulation of the game focuses almost exclusively on their financial performance as private companies5 without any analysis of local, social, stakeholder or community impacts of the businesses as we might see in other sectors.

It was felt that exploring the different ways social and community impacts are generated in football was particularly important in four ways:

1) To understand the integration of communities’ interests in the core business of clubs
2) To explore whether and how the rhetoric of football clubs and authorities about being ‘central to communities’ extended beyond the operation of community schemes
3) To understand the regulatory framework in which football’s social value sits and how football’s case might be strengthened by a more thorough assessment of the social impact of clubs themselves
4) To research the ways in which football operates as a social and cultural business within its locality as well as a financial one.

1.5 THE PRIMARY RESEARCH APPROACH

The primary research phase of this project involved a number of different elements in order to address the questions it posed. Further details of these are in the Interim and Final Reports, but in summary these were:

1) A qualitative survey of the chief executives of ten clubs ranging from the Premier League to Step 7 of the football pyramid. These are all anonymised and referred to as Clubs 1-10.

2) Four in-depth case studies were carried out based around four elements:
   i. In depth qualitative semi-structured interviews with key personnel at each club to provide internal stakeholder perceptions of the clubs’ social value, and the pros and cons of their ownership structures
   ii. Qualitative and quantitative evidence from a range of external stakeholders, including surveys of supporters and consultation with local businesses and residents
   iii. A quantitative assessment of the delivery of community departments or charities
   iv. Employment of a ‘Social Accounting Club Bundle’ exercise, as developed and delivered by the social accounting expert Adrian Ashton.

---

2. QUALITATIVE SURVEY FINDINGS - IDENTIFYING GOOD PRACTICE

2.1 PROS AND CONS OF OWNERSHIP STRUCTURES

From our qualitative survey, executives at those clubs that were not owned by supporters identified perceived advantages in their model:

• Remote foreign ownership (at Club 1) meant that executive staff were ‘left in peace’ to run the club without interference

• Professional business models which were successful in other countries and took a long term approach could be brought in (Club 2)

• A single, local, wealthy owner (Club 3) meant they had streamlined decision making and available resources.

However, none of these referred to the social value that it was possible to generate as a result of ownership structure. Indeed, the executive at Club 1 expressly stated that local communities and fans got ‘no benefit’ from the ownership structure and that mechanisms for fan consultation had been moribund as a result of its remoteness. Although quick/streamlined decision making was emphasised by more than one non-supporter owned club, others suggested that taking time over some decisions and involving supporters (and other stakeholders) and having more scrutiny was more important than speed.

Clubs that were either mixed ownership, fan owned or community owned, said there were clear social benefits because of the nature of mutual, or shared ownership. These included:

• Promotion of democracy (Club 5, 8)

• Keeping the club linked to the community (Clubs 5, 7, 10)

• Creating stability and confidence (Clubs 5, 6, 8, 9)

• Empowering fans and creating mutual empathy (Club 5, 6, 7, 8)

• Allowing the club to exist/continue at all (Clubs 4, 7, 8, 9, 10)

• Creating business advantages (Club 8)

The benefits of democratic control of clubs is clearly a shared belief among community-owned clubs. However, it is also something that has intrinsic social value for some: “There’s a clear line of democratic control. The football club is one company, one person, one share, one member, one vote - and this works very well,” Club 8; “It promotes an affinity with the club and a commitment,” Club 6; and “It means we remain answerable and relevant to fans and local communities,” Club 7.

Maintaining and developing links to the local community is also something stressed as a benefit of supporter ownership in this survey: ‘The CIC [Community Interest Company model] keeps us focused on the importance of community work’ (Club 10).

In contrast to the instability of previous regimes, both Clubs 4 and 5 cited stability as a major benefit which underpinned the...
generation of social value: ‘It means the club’s not reliant on one individual. If one director left tomorrow, it wouldn’t affect the stability of the football club and that’s a big advantage.’ (Club 5)

In several instances the existence of the club had been a result of fans’ involvement in a democratic ownership structure. There are also a number of business advantages cited for all models of ownership. For Club 3, the stability of one owner has replaced chaotic ownership in previous years; for others it is helping guarantee the future of the business: ‘Being a supporter-owned club has been critical in raising the money for the kind of facility we are looking to develop… We’re talking about developing a community facility that happens to have football pitch in it.’ Club 8.

For some, (for example, Club 1), the type of ownership was less important than the stability of ownership; whereas for others (for example, Club 2) ‘easy’ decision making and raising finance were key disadvantages of supporter ownership.

However, in relation to finance, the experience of supporter-owned clubs was mostly positive. Club 6 said that their model meant that they had convinced banks to provide loan finance to them although this had taken some time; whereas Clubs 8 and 9 identified important advantages in raising finance for facility and club development based on confidence of their commitment to community benefits and an absence of self interest. Furthermore, fan owned and mixed ownership clubs identified that their inability to go into debt and determination to ‘live within our means’ was a key advantage.

For supporter-owned or shared ownership clubs, the principal disadvantages identified were in relation to the ability of others to go into debt to finance ‘unsustainable spending’; decision making being more prolonged; structures being ‘an administrative headache’; and tensions between ‘fan ambitions’ and ‘trust principles’. However, all supporter owned clubs stated that these drawbacks were outweighed by the positives of having a broader, community based ownership structure.

### 2.2 IDENTIFYING GOOD PRACTICE

During the research we sought to identify good practice in relation to the generation of social and community value.

**Identifying stakeholders**

Clubs across the spectrum share a reasonably close notion of who their principal stakeholders are: fans; local businesses; local residents and council; and those participating on community programmes. Shareholders featured surprisingly rarely and some supporter-owned or part supporter-owned clubs recognised third sector organisations and social agencies as other important stakeholders.

**Governance**

The form of ownership of a club is in itself neither a guarantor nor a barrier to the delivery of social and community value. However, in governance terms there were a number of examples of good practice where clubs involved a broad range of stakeholders as directors and owners including trusts, fan organisations, local community representatives and shareholders. The governance of these clubs better reflected the make up of the club in terms of which stakeholders were deemed most important by the club executives.

**Civic pride**

In an age of globalised sport, football clubs of all types are also clearly still important in terms of their locality. As Club 4 in our survey told us, there aren’t many institutions that ‘can migrate 10-20% of the population 50 miles south twice in two years, as we did when we went to Wembley’.

However, there is some added value to both club and community in having some form of community ownership. Club 9 was successfully re-formed as a cooperative to reassure local people that ‘no one was trying to use [the club] for personal gain… [and that] our interest is greater in the society than the football club.’ Club 6 told us that because fans owned the club they received higher levels of volunteering, such as clearing up after matches – ‘the club is part of you’.

**Innovative Practice**

The survey highlighted some innovative practice in ways in which social value can be generated:

- Club 4 has a scheme for local charities to sell tickets and take a cut to raise the charity’s revenue as well as increase attendance for the club
- Club 8 integrated community objectives within its company objects, making community engagement the responsibility of the whole club
- Club 6 was particularly interesting in that it recognised social value by quantifying volunteering time, based on the minimum wage and then classed this as a form of loan from the trust to the club. This gave the trust a major credit line and huge influence if it were to go into administration.

**Facilities**

‘Club’s the Hub’ schemes, new ‘community stadiums’ being developed and shared use of stadium facilities - for example as classrooms by the community sports trust on weekdays and as match day bars/venues by the club on match days - were all examples of good practice. Club 5 developed a social enterprise business development scheme utilising executive boxes as offices.

---

**GOOD PRACTICE HIGHLIGHT – THE VALUE OF COMMUNITY WORK**

The Community Manager at Club B described the feedback brought through the community project’s work and how it helped them both be seen as a service provider for the local authority as well as inspired them to do more work: “You talk to the teachers of some of the kids we work with and they say, “six weeks ago, this was an absolute rabble and you couldn’t get them to school. Now, attendance rates are up by 85%.” I get quite a big kick out of that and I want to see us do more.”
Club development
On-field success was identified as a potential problem for supporter-owned clubs in terms of maintaining a focus on community ownership whilst requiring more resources. Club 7 were undertaking a strategic review on future directions in a ‘democratic and inclusive way’.

Relationships with local authorities
Relationships with local authorities were overwhelmingly described as positive, underpinned to a significant degree by the community work of clubs as well as in facility developments. It was notable that fan/community involvement in ownership made the development of new facilities a much easier process with local authorities in which mutual benefits could be developed. This suggests a significant business advantage and added social value for models of ownership that embrace these stakeholders.

Existence of local purchasing, business or staffing policies
Whilst almost all clubs described local businesses as important stakeholders with whom they had financial, sponsorship or other relationships, the majority did not have local purchasing or supply policies which could have enhanced the delivery of social value. There were some examples of very good practice in this regard, however:

- Club 3 (a single, local owner) had an ‘explicit’ local purchasing policy and in a recent £0.5m capital development it reported that over 90% had been spent within the county. This was the only club with a local employment policy
- Club 5 (mixed ownership) had a local purchasing policy and regular meetings with local businesses
- Club 10 had an ethical business policy and had recently rejected a gambling based business as a sponsor

Attitude toward and involvement of supporters
All clubs talked of the importance of fans to the club and most clubs had some form of forum or consultation mechanism. While Club 2 (foreign owned, Football League) put processes in to consult with fans who were not members of organisations, the perception of fans as being ‘more than customers’ was most pronounced at those with an element of supporter ownership.

Club 5 (mixed ownership, Football League) provided a particularly positive approach, holding regular meetings with three different supporters’ groups and initiating a ‘Comment, Compliment, and Complaint’ scheme. Club 8 (fan owned, non-League) stated emphatically that fans ‘were not customers’ and stressed that ‘social inclusion’ was as much about the match day as community outreach work.

Innovative ticketing policies
All clubs (bar Club 10 at which games were free) sought to provide concessions for different groups, including juniors and older people. Best practice was identified in extending junior prices to anyone under 18s and the unemployed/lower waged; and at those clubs that made concessionary entry as cheap as £1. Club 8, which was fan owned, had the most democratic approach, allowing fans a vote on each season’s prices.

Relationships with local authorities
Relationships with local authorities were overwhelmingly described as positive, underpinned to a significant degree by the community work of clubs as well as in facility developments. It was notable that fan/community involvement in ownership made the development of new facilities a much easier process with local authorities in which mutual benefits could be developed. This suggests a significant business advantage and added social value for models of ownership that embrace these stakeholders.

Existence of local purchasing, business or staffing policies
Whilst almost all clubs described local businesses as important stakeholders with whom they had financial, sponsorship or other relationships, the majority did not have local purchasing or supply policies which could have enhanced the delivery of social value. There were some examples of very good practice in this regard, however:

- Club 3 (a single, local owner) had an ‘explicit’ local purchasing policy and in a recent £0.5m capital development it reported that over 90% had been spent within the county. This was the only club with a local employment policy
- Club 5 (mixed ownership) had a local purchasing policy and regular meetings with local businesses
- Club 10 had an ethical business policy and had recently rejected a gambling based business as a sponsor

Community outreach schemes
Across all clubs executives stressed both the importance of their community outreach work as well as pride in what this work delivered for local communities. For some the operations are very large – Club 2 having 18 full time and 30 part time staff, engaging 30,000 in community projects. This included working with women and girls, disability issues and more than 1,000 school children from over 300 schools.

At Clubs 8 and 10 in the survey, the club itself was responsible for community engagement and thus took on delivery of outreach work alongside what might be regarded as ‘core business’ in other football clubs. This suggests a horizontal and vertical integration of community in the club itself that is rare in football. Clubs with independent community bodies sought to integrate community operations in other ways, notably having executives from the club as trustees of the charity (at Clubs 1 and 2) and appointing community staff as a director of the club (Club 7).

Ad hoc and informal community relations
Alongside formal and institutional roles for fans’ organisations, the informal and ad hoc relationships between club staff, trust members, fans and local community organisations and individuals were particularly important. This was notably more pronounced where underpinned by some fan/community ownership (for example, evidenced by the extent of social networks and participation of the club in local events).
3. CASE STUDIES AND CONCLUSIONS

The four case studies provided more in depth knowledge of these issues and underpinned some of the findings of the survey. Although in-depth detail is provided in the Final Report, the summary findings are provided below.

3.1 APPROACHES, EVIDENCE AND EVALUATION

Supporters Direct has been the first organisation in UK football to identify the need for the game to assess its impact on local communities in a more holistic way. By commissioning this research they have begun a process which can lead to football clubs being assessed not only in terms of their performance on the pitch and on the balance sheet, but also the impact that the club itself has locally. Whilst football clubs’ community schemes have for some years delivered targeted intervention work with local groups, there have been very few assessments of the role clubs themselves play in terms of social and environmental impact, something that is increasingly common in other businesses.

As such, the first phase of this research has presented a range of ways in which this might be achieved and which individual clubs, supporters’ trusts and football authorities could adopt. They are presented in full in the Interim and Final Reports. Understanding the social value of football clubs, as well as trying to tease out the differences between different forms of ownership required a multi-faceted approach employing both qualitative and quantitative methods. Whereas some approaches sought to produce a single, monetary figure of social impact, this is not appropriate in many areas.

For instance, the feelings that supporters expressed about the value of football, and their football clubs in their lives are difficult to present in numerical or financial terms as they are essentially
social and qualitative in nature. While accepting this, it is still possible to canvass supporter views and present these in new and accessible ways, as well as in ways that seek to ‘quantify’ qualitative judgements.

The same might be said of how localities derive ‘civic pride’ from football clubs – this is not something it is easy to put a robust financial value on. The spending a club makes with local businesses is an area where financial quantification is possible – however, few recorded this data.

Also, to local authorities, educational and other social agencies - and especially for participants on community scheme projects - the value of a football club’s activities might more easily be quantified in a traditional sense. We have attempted to show this with our statistical analysis of community department outputs and how this can be presented in graphic ways. The map image shown illustrates the location of participants on Club B’s community scheme, set against the Super Output Areas for the Indices of Multiple Deprivation (2007) where darker areas are more deprived SOAs.

However, even here a ‘straight’ statistical approach is not unproblematic: comparing ‘like-with-like’ is not easy when clubs operate in very different contexts; and the ‘lived experience’ of the social benefits to individuals and communities that those activities generate is not easily captured by a statistic.

To provide another example, many of the local businesses we spoke to had an impressionistic understanding of the impact of being located near to football grounds – though not entirely positive. This included the flower shop that said they had higher levels of trade when supporters were leaving the ground - but none of the businesses were able to place a precise financial figure on the benefits.

3.2 DEVELOPING AN UNDERSTANDING OF FOOTBALL’S SOCIAL VALUE

3.2.1 IDENTIFYING KEY STAKEHOLDERS

Our case study research has shown that clubs deliver ‘social and community value’ to a wide range of stakeholders. These include:

- Staff and executives
- Supporters
- Supporter shareholders
- The ‘civic centre’, city or town in which they are based
- Local businesses and larger businesses based in their locality
- Local authorities
- A wide range of local agencies and educational institutions
- Residents
- Young people
- A range of social groups within their local community, including those that have been termed elsewhere ‘communities of disadvantage’.

3.2.2 IDENTIFYING DIFFERENT KINDS OF SOCIAL VALUE

Different stakeholders and communities interact with football clubs in different ways and can take very different forms of social value from their local clubs. For instance, the value a local business gets and delivers, because of its proximity to a football club might be in part economic and in part social. The pubs near the ground at Club C for instance, derived business and income from their association, but also played a role as social venues, including providing a base for fans (at times of different clubs) to meet informally and formally.

From our surveys, supporters across the case study clubs shared a view that the value they got most from football was almost entirely social in nature. This included:

- Feeling part of a locality and the generation of local pride
- Deriving friendships
- Having a sense of community and communality with other people
- Being part of an informal ‘family’
- Sharing experiences with other supporters.

Although all clubs had some form of concessionary ticketing policy, a more holistic inclusive approach to ticketing is important in this regard.

Local authorities were increasingly evident as partners to football clubs, sharing similar social agendas around a whole range of issues including community cohesion, education, regeneration of the built environment, sport and physical activity, and social inclusion. Relationships were not always easy or straightforward, but the world of club-authority relationships is a very different
one to that 20 or 30 years ago. Community departments at clubs, in particular, can deliver real social outcomes for local authorities; and there were a wide variety of facility-building projects being undertaken by clubs that delivered mutual benefits to clubs, local authorities and communities.

Yet football also delivered to the locality as a sense of ‘civic pride’ and a focus for local identification and are still part of the fabric of places. The cultural significance and identity-forming role that clubs play in localities should not be under estimated. However, clubs can also have negative impacts on this if they are not aligned with local communities or perform in particular ways. The greater involvement of communities in the club in all manner of ways, including ownership, the less likely this was to happen.

It is important that local authorities also recognise how football clubs can help them achieve their local strategic objectives. Developing a better understanding of the greater social value that can be delivered through more inclusive ownership and encouraging this within clubs is something that the Local Government Association and individual authorities could explore further.

### 3.2.3 BARRIERS TO REALISING SOCIAL VALUE

A number of barriers to realising social value were identified.

#### The football context

In a majority of the qualitative surveys carried out, as well as all of the case studies, it became apparent that there had been very recent financial crises and ownership upheavals which threatened the existence of the club (and with one club resulted in its demise). This suggests a near endemically unstable context in which to operate.

All the executives we interviewed as well as a range of other stakeholders, but most notably supporters, made reference to the financial problems for football clubs and the pressure this places on the clubs, and their ability to maximise social impacts. The ability of most clubs to spend more than they earn, the levels of debt allowed and the demands of increasing player wages were barriers identified by both supporter owned and non-supporter owned clubs in both our survey and our case studies.

One fan-owned case study club was facing up to the prospect of having to have a new, private ownership structure in order to survive. At two other clubs (one privately owned and one supporter owned) the need for private revenue meant that positive aspects of club governance were undermined. The absence of a ‘level playing field’ in which clubs operate means some took on unsustainable debt whilst others, in community ownership, had to and wanted to act responsibly, was a view expressed frequently in our research.

The reliance on soft loans at many clubs can also hinder social value because someone or a company that may not even be in an ownership position, nor subject to the ‘fit and proper persons test’, can exert significant influence that may not be in the interests of the club, its communities or its stakeholders.

Although the regulation of football clubs is overwhelmingly financial and there is virtually no regulation concerning clubs’ social and environmental impacts, the finance of football in England places an undue burden on many clubs that mitigates against their potential social benefit.

#### Ownership of clubs

All football clubs can deliver and develop positive social impacts and the form of ownership does not prevent this. However, there is an added social value to supporter (and other forms of community) ownership that the dominant private model in football restricts as it discourages the inclusion of a more appropriate, wider range of external stakeholders. Single, remote and private ownership prevents a more holistic integration of community needs in the form of open access to club ownership that supporters’ trusts models provide.

#### Integration of community

Independent community schemes/trusts are increasingly prevalent, providing advantages both for the delivery of community based interventions as well as for local communities, agencies and authorities. However, whether the community scheme is independent or not, community concerns need to also be at the heart of the club’s business.

We have argued in our approach to this research, as well as demonstrated in some of the evidence it has generated, that there is added value in integrating community concerns across football clubs and not ‘ghettoising’ it solely to the community department. Again, this reflects good business practice identified in our Interim Report that says involving stakeholders as owners of businesses means greater transparency and the integration of a wider set of concerns in day to day governance. The comment of one chief executive that he didn’t think that questions on ownership or the core business of the club had any relevance to a research project about ‘community’ was illuminating.

Thus the importance of the horizontal integration of community relations across clubs’ activities is something that needs to be recognised, encouraged and reported. This is happening increasingly in a wide range of other business sectors. For a socially oriented business like football, it is essential if social value is to be properly realised and assessed. If football clubs wish to be seen to ‘more than a club’ - for enlightened business self-interest as well as other reasons - then they need to be able to demonstrate this more effectively.
Local authorities  
It was reported by some clubs that local authorities could create barriers to their development and social impact – in failing to push through plans for ground developments, or in the removal of funding, for example. However, this was the exception rather than the rule and the overwhelming experience of clubs with their local authorities was positive, suggesting perhaps an area for developmental work by Supporters Direct, local governments and their agencies.

It was notable that at the two non-supporter owned case study clubs relations had historically been stronger with the community departments and community trust whereas at supporter owned clubs, relations were also very strong with the clubs’ executives. However, institutional relationships are rarely straightforward and at some clubs the authority’s concern for a wider constituency meant that they made decisions which were criticised by the clubs, suggesting that there is room for improving understanding.

Increasing awareness within local authorities about the positive role football clubs can play, and the additional benefits of supporter and community ownership in terms of generating social value, will also help overcome barriers that do exist.

Facilities  
Delays to renovations, rebuilding and construction facilities was identified as a barrier to clubs delivering greater social and community benefits. It was notable that in all of the case studies, the development of new facilities were seen as of key importance to the clubs’ ability to realise their community ambitions. In three of these, this related to building entirely new grounds. This was also a common feature of the clubs in the survey, with a majority also involved in facility development. For some clubs it was felt to be as central as enabling the continuation of the club at all. However, it is also incumbent on clubs to specify, deliver and report on the community benefit new facilities deliver if clubs are to expect local government support.

3.3 SOCIAL VALUE AND OWNERSHIP MODELS  
Although much of this research has relevance across football, Supporters Direct has a particular role with regard to promoting supporters’ influence and better governance at clubs, including ownership of clubs and/or representation at board level. Supporters Direct asked us to investigate where there were advantages to clubs, in terms of the social value they could generate, that were supporter owned. A number of lessons emerged.

3.3.1 FANS, COMMUNITIES AND INCLUSION  
Supporter ownership allowed a greater sense of ‘buy-in’, engagement and inclusion of a wider cross section of people than with privately owned clubs. In this, supporters were seen as integral to the club, rather than external ‘customers’. This was reflected not only in the opinions of fans, which you might expect, but also of a range of other stakeholders and community partners. It also suggests a more holistic approach to inclusion than is possible with other forms of ownership.

3.3.2 COMMUNITY INTEGRATION AND THE INTEGRATION OF COMMUNITY  
The integration of community interests was clearly more evident at supporter owned clubs than elsewhere. The comments made by one interviewee about ‘genuinely being a community organisation’ as opposed to being ‘an organisation that delivered to the community’ are particularly pertinent. At supporter owned clubs there was a greater commitment to social inclusion being part of the core business of the club than at others – from inclusive ticket policies to the governance documents of two survey clubs that had commitments to their local communities written into their company objects. However, across the board there is need for improvement in this regard. Policies which are standard elsewhere in business – environmental, local employment and local supplier policies – are rare in football.

3.3.3 GOVERNANCE AND OPENNESS  
In terms of governance, there was again room for improvement across the board. Our social accounting exercise showed that one supporter-owned club had a quorum of just one for its board meetings; whilst no case study clubs had any reference to football or community obligations in their company objectives. Whilst we had on the whole excellent cooperation with the research project, even the process of conducting the research showed some differences in terms of openness and transparency between supporter-owned clubs and non-fan owned, particularly in the social accounting exercise. Although there were very good instances of consultation, there was a stated resistance to transparency expressed by some executives from the privately owned clubs in the case studies.

In terms of generating good practice this relates to some of the more widely held views about the benefits of cooperative ownership in the literature we explored in the Interim Report, which are relevant to football, namely that:

• Profit is invested back into the business
• Businesses are aimed at sustainable growth plans rather than high-return but risky or self-defeating strategies
• They are perceived as more trustworthy, have a greater focus on social responsibility and are more accountable
• They are run in the interests of users, not shareholders.

In a sporting context this helps businesses focus on the provision of sporting, recreational and educational opportunities, rather than profit maximisation for external stakeholders and, as such, avoids the conflicting interests that we can see in some instances in contemporary football. Furthermore, the presumption that ‘success’ in terms of the ‘bottom line’ will translate into sporting success is not possible to sustain consistently.
3.3.4 RELATIONSHIPS WITH LOCAL AUTHORITIES
It was also evident that relationships with local authorities tended to be more positive and holistic in the cases of supporter-owned clubs. Although generally relationships with local authorities were described as positive, there was a sense of greater shared agendas and more robust partnerships in the supporter-owned clubs than in others. This suggests a role for local authorities to further develop relationships with clubs and where opportunities arise derive value from assisting or encouraging supporter or community ownership. There are important advantages here for local authorities working with supporter owned clubs to realise their own agendas.

Therefore, whereas supporter ownership is neither a guarantee nor a pre-requisite for positive relationships with local authorities, it does help to deepen those relationships.

3.3.5 FACILITY DEVELOPMENT
As we have said, almost all the clubs consulted were undertaking some form of facility development or other, from new community facilities to new stadiums. In all cases, these sought to deliver greater social value for communities, whether through new community sports facilities, education facilities or spaces for communities within stadia.

At supporter owned clubs there tended to be more emphasis on integrating the provision for community over revenue generation - such as the education space at Club D or with Club C’s plans for a social enterprise centre in the stands. The facility plans outlined by Clubs 8, 9 and 10 in the survey also demonstrated this more holistic approach. There was also arguably a greater degree of local authority buy in to the developments at supporter owned clubs, the approach by the authority to the club in Club 9 being a case in point.

The striking difference between the approach to new stadiums at Clubs A and C were instructive in terms of illustrating how extensively community interests were part of the fabric of the club and its future. The ability to engage partners and the development of community ownership of facilities - in one case through a community shares scheme - suggest real business advantages to supporter ownership. The evidence from a number of fan-owned clubs that they would not have the new facility development or the partnership with the local authority and other agencies at all if they had not been fan owned is very compelling.

3.3.6 PARTNERSHIP DEVELOPMENT
This leads to a final point which might seem obvious but is worth stating. That is that third sector organisations such as supporter owned football clubs are better placed than private companies to develop a wider range of partnerships with other third sector bodies. Whereas this is of course possible with the community charities of privately owned football clubs - and is a strong argument for their existence - it is not as easy for privately owned clubs themselves. Given the increasing policy emphasis being put on promoting cooperatives, social enterprises and other third sector organisations, this is significant whether through new community sports facilities, education facilities or spaces for communities within stadia.

GOOD PRACTICE HIGHLIGHT: LOCAL AUTHORITY ENSURES FUTURE OF CLUB
At Club D, the local authority has been instrumental in ensuring the future of the stadium through its use of planning and leasehold agreements. By insisting that the site could only be used as a football stadium it prevented developers buying and building on the site and highlighted a key way in which local authorities can support fan ownership and developing social value from football. The partnership that developed between club and authority has also led to a broadening of the services provided at the stadium, including an education facility. ‘Our education service has benefitted massively’, said one local authority representative.

3.4 FOOTBALL AND SOCIAL VALUE
In an age of increasing globalisation, foreign ownership of English clubs, debt and a perception of growing distance between clubs and supporters, it is important to note that football clubs remain key players within local communities. Clubs at all levels and with a variety of forms of ownership in our study each have a range of complex local relationships with a number of different local institutions, communities and individuals and have a range of impacts on them. In this sense, the rhetoric about football clubs being ‘central to local communities’ is not mistaken. However, the roles that clubs play varies from club to club, place to place and from stakeholder group to stakeholder group.

The Football and its Communities research identified the need for both a horizontal and vertical integration of community interests across clubs. This includes the twin track approach of community outreach being delivered by an independent or arms’ length organisations, alongside the integration of other community interests - including supporter communities - within the clubs’ core departments. Whilst progress has been made in recent years in the former, less work has been undertaken in relation to the latter.

Within this research, football has shown a large number of examples of good practice, both from the clubs themselves and their community charities or departments and we have highlighted some of these. Football needs to share this good practice more and develop it across the game to promote the delivery of social value from football.

Understanding impact
Having said this, it is also the case that there is a real need for improvement in reporting, and a culture change in the desire to
understand football’s social and community value in a more holistic way. As elsewhere in business, football clubs, along with their community departments and charities, need to do much more to understand and account for the impacts that they have in more holistic ways. Some clubs’ executives instinctively thought that impacts on communities were the sole preserve of their community scheme and had nothing to do with the business of the club; more generally there was a lack of recording and reporting of evidence that might support such an assessment.

An important element of the case study research was the ‘social audit’ undertaken by social accounting expert Adrian Ashton as part of the case study research which sought to evidence clubs’ performance in terms of staff and supporter demographics, local economic spending and governance. A major feature of this exercise was the relative absence of record keeping in a number of important areas, the lack of a comprehensive understanding of the clubs’ (as opposed to community department) social impacts and that opportunities to demonstrate clubs’ social value were not being taken.

This is important in two ways. In part it is because football as a sector says that it is important to local communities and it needs to demonstrate this if it is to carry on doing so with any credibility. However, it is also because football’s worth has in recent years been measured in purely financial terms: clubs are traded as commodities; debt is heaped on clubs; and most of those that we have researched have experienced significant if not critical instability at some point in the last decade – and several within the timeframe of this research.

Sustainability and impact

Such instability and the unsustainability of the model that contemporary English football currently operates under - in which clubs routinely spend more than they can sustain in order to achieve ‘success’ in football terms - is harmful to the social value of football. It makes it harder for clubs to deliver social value in their localities (going to the cheapest sport, not one that will have greatest benefit); and it means that some good practice - such as the involvement of a range of stakeholders in the governance of clubs - is undermined by pressing financial imperatives.

This, of course, raises much larger questions of the governance of football that is beyond the scope of this research. However, we have explored the regulatory framework that currently exists and in English football in relation to the questions posed in this study and the question of football’s social role and value is almost completely submerged beneath its status as private companies. The exception of just two clubs (in our survey) that have community obligations as part of their company objects underlines this point.

When we asked supporters what they valued about their clubs, it was not their success on the field, nor the value of the clubs shares or whether it was in profit or not, but their importance within their family, social and community life that was paramount. Those who run clubs universally bemoaned the financial constraints that they operated under and the impact of the need ‘to compete’ in an unsustainable model of football. They also talked of supporters and local communities as their key stakeholders yet only some translated this into the governance of the club.

As such, changes to this structural framework, and in particular a recognition of the positive aspects of having communities – including supporters - as stakeholders with meaningful roles in the ownership of clubs, is needed if football is to maximise its social value. Football clubs have much to say about their value to contemporary society, but greater integration of this into how the game is run is required.

In summary, there is a need for:

i. A culture change in football as to the importance of:
   • The adoption of a more holistic approach to club-community relations that embraces the whole club and does not ‘ghettoise’ community concerns to the community trust or department
   • Reporting social and community value as a routine part of football club reporting
   • Involvement of stakeholders in decision making processes

ii. Better practices in all types of club in terms of company objects, club policies and record keeping that will enable a wider understanding of football’s social value and its maximisation

iii. A regulatory framework that requires clubs to report their social, community and environmental impacts and one which encourages good practice in this regard.

---

GOOD PRACTICE HIGHLIGHT: SMALL FAN SHAREHOLDINGS

Although Club A is owned and controlled by foreign investors, because the supporters trust has a very small shareholding, it has still secured a seat on the board. However, the trust representative recognised the limitations of this and the isolation that can sometimes result: ‘I don’t think it should be left to individual trusts to fight owners, I think there should be some sort of legislation.’

---


---

CASE STUDY KEY
Throughout this report, the four case study clubs are anonymised. However, they reflect a range of ownership forms from different levels of the game:

CLUB A: A limited company model Football League club, with a small fan shareholding and previous Premier League experience.
CLUB B: A limited company model Football League club.
CLUB C: A majority supporter-owned Football League club.
CLUB D: A fan owned Non-League club.
4. RECOMMENDATIONS

4.1 PROMOTING AND REPORTING SOCIAL VALUE IN FOOTBALL

Football as a whole has considerable interest in promoting an understanding of social value and helping to develop an agreed framework for its assessment. Helping clubs to demonstrate this individually, as well as being able to report football’s social impact across the game, would significantly assist it in a number of areas, notably in negotiations with central, local and European governments.

Also, football as a whole has an interest in not being ‘left behind’ in terms of going ‘beyond the balance sheet’ in how its clubs - as well as its community charities - report their activities. Furthermore, there are good business reasons as well as those of an enlightened self interest in taking this area of work more seriously.

However, recognition of, and research into, the social and community value that football clubs themselves, rather than their community schemes or charities, generate, is largely absent. Also, in some respects although considerable evidence of those impacts would be easily compiled, there is a lack of recording and reporting of that evidence.

As indicated above, there is a need for changes in practice, culture and regulation if football is to be a modern and responsible business.

GOOD PRACTICE HIGHLIGHT: FAN OWNERSHIP AND ‘PAYBACK’

Club D suggests that creating a club that is supporter owned generates significant added value and business advantages. This is evident in the participation of fans as volunteers in maintaining the club - painting stands and such like - as well as in ‘self policing’, something that was also evidenced at Club 8 in the qualitative survey. Fans here also become informal ‘ambassadors’ for the club, generating wider positive community interaction and reputational advantage.

4.2 SUPPORTERS DIRECT

Supporters Direct has played a key role in initiating the debate by commissioning this research. However, it can now take this further in a number of ways in both the UK and across Europe.

4.2.1 DISSEMINATION AND LOBBYING

• Lead the way by reporting on Supporter’s Direct’s own social value impacts more effectively on an annual basis

• To use this research to position itself at the forefront of debates in European football about how football can better address the issue of social value

• The starting point for this is the publication and dissemination of this research within the supporters trust movement, football more broadly, local, national and European government. Supporters Direct should explore how it can disseminate the research across Europe in other languages

• Alongside this Supporters Direct should publish and make available the approaches to researching social impacts of clubs explored throughout this project and create easily accessible summary guides as to how this might be done

• Work to promote a more holistic approach to reporting social and community impacts of clubs, including regulatory changes to support this, with domestic UK football authorities, UEFA, the UK government, the European Commission, local government (for example, through the Local Government Association), and other fan organisations and supporter-owned clubs in Europe

• Promote a stakeholder model of ownership in football that recognises the added community benefits of involving supporters and other stakeholders; that helps to identify shared agendas and develop public and third sector practices; and that develops clubs as community, not private, assets.
4.2.2 SUPPORTERS TRUST EDUCATION

• Develop an understanding among supporters’ trusts and other fan organisations about the motivations, benefits and approaches to delivery of community intervention work through information and training provision
• Lead the way by promoting good practice amongst supporter owned clubs and communicating this to the broader football network
• To provide guidance to promote better corporate governance through trusts and trust owned clubs. This might include for instance model Objects relating to community obligations for clubs to adopt and guidance on governance procedures
• To help supporters’ trusts who are not in control of their clubs encourage, undertake and report the social impacts of their football clubs
• To conduct an annual survey of trusts in the UK in order to gather and report the impacts of their activities

GOOD PRACTICE HIGHLIGHT: THE IMPORTANCE OF INFORMAL AND AD HOC RELATIONSHIPS

Although there are considerable institutional roles for fans’ organisations at Club C, this has helped to also create more informal and ad hoc links between fans and club officials, as well as between the club and local communities. This is evident in the extent of social networks, the participation of the club in things like local picnics and festivals and in casual encounters between fans and the club. Together, this helps to bridge the divide that has been cited in other research between club and local communities and adds significant - though difficult to quantify - social value to the role of the club.

To assist trusts and clubs in doing this through provision of:

1) Documents and guides, in accessible formats
2) Training at national and regional events
3) Advocacy, information and guidance, for example at its annual conference
4) The promotion of good practice by supporter trust and trust owned clubs

4.3 FOOTBALL CLUBS

Clubs should develop a better understanding of how their core business has wider community impacts. Good practice in having a positive impact might include:

• Local transport plans
• Environmental improvement schemes and recycling waste disposal schemes
• Implement environmental best practice policies such as ISO14000/01 or EMAS
• Developing supporter volunteering schemes
• Broadening ownership structures and inclusion of local community interests in governance structures
• Supporter-led stadium initiatives
• Opening of club facilities to disadvantaged groups
• Preferential purchasing schemes for local and ethical suppliers
• Preferential local employment schemes
• Development of ticketing policies which recognise economic exclusion
• Preferential advertising and sponsorship for local companies
• Specific marketing and preferential ticketing for local residents

The starting point for this is for clubs to adopt company objects that make clear their commitment to local communities and set out ways in which this will be reported on an annual basis.
This could be followed by the collation and reporting of evidence around a number of indicators as outlined in the social accounting club bundle.

Clubs should also seek to embrace a broader range of stakeholders in their ownership and governance structures, recognising the positive community impact and business advantages this can have.

Clubs should recognise the social importance attached to them by supporters. They should instigate policies and initiatives that seek to support this, including:

- Preferential and accessible ticketing
- Club history and culture projects
- Events, festivals and flag days to help reinforce these social and cultural attachments.

4.4 FOOTBALL AUTHORITIES

Football authorities should develop a better understanding of how the core business of clubs has wider community impact and should take account of the following:

4.4.1 UEFA

UEFA should explore incorporating requirements concerning the reporting of social impacts and community development of clubs within its club licensing system. For instance this might ask clubs to report against a set of social value indicators and the establishment of benchmarks for good practice. This would ‘set a standard’ for the rest of football to follow.

UEFA should also support further research and development work to create an evidence base of the social importance of football in Europe and agreed pan-European indicators.

4.4.2 UK

Football authorities in the UK can enable reporting across football by developing a requirement on clubs to report their social impact.

Football authorities should assist the adoption of social value reporting through: development of an agreed indicator set; guidance, training and encouragement; and online tools and forms of assessment that make reporting user-friendly.

Football authorities should follow the lead of the Football League Trust’s environmental project which ties funding for community schemes to the reporting of environmental policies, actions and criteria.

Football authorities should recognise the added value that the involvement of supporters and other community stakeholders in club ownership and governance can bring and promote, through regulation, a broader stakeholder model of corporate governance at clubs that involves supporters.
There are a number of important steps that all levels of government – local, national and pan-European – could undertake in order to maximise the social impact of football clubs. These can be summarised as follows:

### 4.5.1 ALL PUBLIC AUTHORITIES

- To establish the principle that clubs, associations and leagues who provide evidence of their social benefit impacts should be entitled to preferential treatment that recognises that social benefit function
- To ensure that where preferential treatment is given, those clubs, associations and leagues must provide long term commitments and be able to demonstrate their social benefit impacts
- To work with Supporters Direct to develop these new approaches.

### 4.5.2 LOCAL GOVERNMENT

- In conjunction with Supporters Direct, the Local Government Association should develop best practice guides about how football clubs and local authorities can work together more effectively to build on the excellent work currently being undertaken
- Encourage supporter and wider community ownership at local clubs recognising the added value that this can bring to communities through preferential treatment in planning (such as Section 106 agreements) and funding
- To encourage clubs when looking for public support to consider a more inclusive, stakeholder based approach to corporate governance, therefore ensuring clubs’ decision making is representative of its local community and responsive to their needs
- Use planning regulations to assist in this by insisting that plans for new facilities embrace stakeholder governance in meaningful and ongoing ways.

### 4.5.3 NATIONAL GOVERNMENT

- To ensure Supporters Direct receives continued Government support and assistance in securing ongoing core funding
- To work with football authorities to establish requirements on clubs to report their social impacts
- To make preferential treatment under law for football dependent on a ‘balanced score card’ or auditing system that can assess the performance of the football authorities in this regard
- To put in place tax, planning, funding and other preferential measures to encourage supporter ownership at clubs recognising the added value that this can bring to local communities
- To explore how policies can be developed to give preference to supporter ownership where clubs have entered administration
- To encourage wider social reporting through, for example, requirements in company reporting of social and environmental impacts.

### 4.5.4 EUROPEAN GOVERNMENT

- For the European Commission to fund research and development work to create an evidence base of the social importance of football in Europe and agreed pan-European indicators.
- For the EC and European Parliament to embrace the need for sport to evidence its social function within the broader development of sport policy under the Lisbon Treaty.
- To explore ways in which volunteering might be promoted within the European Year of Volunteering.
- To allow a requirement by national sports authorities for sports clubs to report social impacts.
- To liaise with UEFA in developing better practice across European football.
CONTACT DETAILS

FOR FURTHER INFORMATION ABOUT SUPPORTERS DIRECT’S WORK AND CAMPAIGNS, PLEASE CONTACT:

Tom Hall
Policy and operations
Supporters Direct
3rd Floor, Victoria House
Bloomsbury Square
London
WC1B 4SE

t 020 7273 1657
e tom.hall@supporters-direct.org
www.supporters-direct.org

FOR FURTHER INFORMATION ABOUT SUBSTANCE, PLEASE CONTACT:

Adam Brown
Substance
3rd Floor
Fourways House
Hilton St.
Manchester
M1 2EJ

t 0161 244 5457
e info@substance.coop
www.substance.coop