SD
supporters direct

THE SOCIAL AND COMMUNITY VALUE OF FOOTBALL

substance.

Contents

1. Introduction and Rationale - The Importance of Social Value

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 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.

1.1 Supporters Direct

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.

Based on the long term ties that supporters have with clubs and recognising that many supporters live within the local communities of their clubs, supporters trusts have been formed, in part, with a specific object to benefit the communities served by their clubs. As such Supporters Direct is also interested in developing its own understanding of club and community relationships and to develop tools that can help supporters' trusts play a role in helping the club continuously improve those relationships.

Supporters Direct commissioned Substance, a social research cooperative, to undertake the research in 2008, which was completed in 2009. Within this the organisation expressed a desire to involve other researchers and organisations in exploring a full range of approaches to researching social value, which was implemented through a series of sub-commissions made by Substance and which are discussed in more detail in both in Section 2 of this report and the *Interim Report[1]*.

1.2 Key Questions for the Research

In the commission, Supporters Direct identified a number of key questions.

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[1] These are also available on the project website http://valuefootball.substance.coop

i)   The Value of Football

How can we identify the social value of a football club in its local community and how can that impact be assessed through different methodologies? How can we evidence how football clubs help generate positive community impacts, community engagement and cohesion and civic pride?

This question is really in two parts. Firstly it required a review of methodologies to look at the social value and community impacts of clubs and this was the focus of the first phase of the research with several approaches tested in the second phase, namely the primary research. This involved a series of papers sub-commissioned by Substance from leading researchers in this area. The second part of this was dealt with by that primary research, which also helped to illuminate innovative and good practice ways in which clubs do have positive impacts locally. As part of the second question, Supporters Direct were also keen to know more about the changing relationship between football clubs and their local authorities.

ii)   Barriers to Realising Community Value

What local barriers do football clubs face in maximising their value to local communities, and what additional barriers do supporter or community owned clubs face?

This set of questions was approached through the qualitative primary research with a wide range of clubs, including both a number of supporter-owned clubs, mixed ownership clubs and privately owned clubs. Within this, and given their remit, Supporters Direct were keen to understand more about how structures of ownership affected clubs ability to deliver social value.

iii)   Supporter Ownership

What are the business advantages of supporter, community or member ownership and how can supporter or community ownership most effectively help build local partnerships, including with local authorities? How does this relate to issues of sustainability in football?

Addressing these questions required providing more in depth detail about current practice at clubs and identifying good practice, differences between approaches taken by privately owned and supporter-owned clubs and identifying the added value of community and/or supporter ownership. The first phase of research outlined some existing thinking about the benefits of mutual ownership and this was reported in the *Interim Report*. The second phase of research explored these issues in practice through interviews and case study work with a range of clubs.

iv)   Regulatory Implications

What is the regulatory framework around social value in football and how does this research inform that?

This element required outlining both the existing regulatory framework in terms of the reporting of the social impact of clubs as well as potential future developments, with particular reference to the European Union. Research in this area involved a sub-commissioned paper from Salford University Law School.

1.3 Phased Research

The research has been structured in three phases.

Phase One explored ways in which the social and community impacts of organisations can be assessed and how these might be applied to football clubs. This included sub-commissioning a number of experts to produce five *Working Papers* in 2008, followed by a sixth on regulatory implications in 2010, outlining ways in which assessing social value could be achieved. These *Working Papers* and a summary *Interim Report* were made available on a project website (http://valuefootball.substance.coop) and are now available on the Supporters Direct website (www.supporters-direct.org).

Phase Two involved in-depth research with a number of clubs to pilot some of the approaches outlined in the *Working Papers* with a range of clubs - ten in a qualitative survey along with four in-depth case studies. This research was predominantly conducted in the first eight months of 2009. Outputs from this research are contained in this report.

Phase Three is the dissemination of this *Final Report* to Supporters Direct, the wider trust movement, and football and policy sectors. This *Final Report* sits alongside a *Summary Report* that focuses on key findings and recommendations.

Outputs from the research include:
- The six project Working Papers
- An *Interim Report* (2009)
- A stakeholder seminar in December 2008
- Presentations at Supporters Direct conferences in 2008, 2009 and 2010

1.4 The Importance of Social Value

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

CSR approaches have become more widespread both in business[2] as well as more prominent within English football. Concern with 'social reporting' has also been driven by an increasing concern about environmental impact as well as the identification of a range of social or welfare problems in society that are not addressed by the welfare state.

More recently, interest in this area has been increased due to both the apparent failure of dominant forms of market driven capitalism - the 'credit crunch' and accompanying recession - and the concomitant increase in interest in 'third sector', cooperative or mutual forms of company ownership. In 2009 the Cabinet Office's Office of the Third Sector undertook nationwide consultation, 'Looking to the Future',

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[2] Hutton, W (1995) *The State We're In: Why Britain is in Crisis and How to Overcome it,* Vintage

on how third sector enterprises were delivering a range of outcomes and how they could be better supported.

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.

However, we should not regard this as an entirely new phenomenon for two reasons. Firstly, the cooperative model – of which supporters' trusts are an important contemporary example – was of course developed and popularised as a response to the failures and negative social impacts of early capitalism. Secondly, social accounting as a concept and a practice, as Adrian Ashton outlines, is not in itself new.

> Social accounting itself is not a new concept, with references to what can be seen as early models dating back to the 1940s. However, interest in using this approach grew during the 1980's as a tool by which various NGOs could better lobby against, and examine the impact that large private global companies were having on society and the environment. During the 1990s, concepts of social accounting were examined more formally through national programmes and specialist social enterprise sector advocates and networks for not-for-private-profit businesses… [3]

With the economic failures of the dominant forms of free market models of capitalism it is perhaps more relevant today than ever. In terms of socially responsible models of ownership (and with particular relevance to supporters' trust models) this is certainly the case with the cooperative sector enjoying widespread growth[4]. However, there is also an increased interest in social reporting of businesses:

> Co-operative and community businesses across Scotland are being introduced to 'social accounting' to measure their wider impact on society. The process helps businesses evaluate their 'triple bottom line' of economic, social and environmental impact, while demonstrating good business practice…. Sarah Deas, CDS Chief Executive, said: "Co-operative and co-owned businesses are seeking new ways to demonstrate their wider impact on society. Social accounting is an effective means to assess and communicate such benefits to customers and other stakeholders."[5]

The growth of cooperative models can of course also be seen in football (and other sports) in the UK, something Supporters Direct has led. Since its formation in 2000, it has helped establish over 160 trusts established which in turn have been joined by over 120,000 people as members and raised over £20.M for their associated clubs. Over 100 trusts have a shareholding in their clubs, with 45 supporter trust directors and 13 clubs in ownership or control of trusts[6].

1.5   Football and Social Value

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[3] Ashton, A (2008) *Playing With A Standard Formation: Social accounting for football clubs and supporters trusts – towards a unified approach*, http://valuefootball.substance.coop/files/Adrian%20Ashton%20Social%20Accounting%20Football.pdf
[4] Cooperative Group Business Growth http://www.co-operative.coop/corporate/Sustainability/Overview/our-co-operative-business/business-growth/
[5] 'Social Accounting is Good For Business Says Cooperative Development Scotland' http://www.cooperatives-uk.coop/live/images/cme_resources/Users/CMSUSER/Social-Accounting-Press-Release.pdf
[6] Correct as of January 2010.

Given these trends, and despite much greater and better reporting of community program interventions in the game, it is perhaps surprising then 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. Football is of course a *social* business and clubs are social institutions, something this research has emphatically underlined. But this fact is not a recent phenomenon and stretches back to the origins of the game and of clubs.

From the onset of professionalisation in the late 19th century, football clubs have always been *social* as well as sporting and financial institutions. Considerable academic study has reflected on the history and cultures of football and the social relations built around the game and its clubs as well as its finances and economics. Historian Richard Holt[7] has argued that football clubs are historically one of the principal agents through which collective social identities are created and reinforced. He suggests that football clubs enabled communities to 'know themselves', and in doing so help signify what differentiates one town, city, region, county, or nation from another.

Yet by the 1980s, it was perceived that the 'umbilical' relationship between clubs and their local communities was breaking down, if not broken. Social deprivation, immigration and urban migration, declining crowds, hooliganism as well as other factors seemed to suggest that football's relationship to its communities and its fans - its *social* relationships and its social value - was being undermined.

The popularising of the Football in the Community schemes by the Professional Footballers' Association and other partners at clubs were in part a recognition of this disjuncture. These 'community interventions' have developed enormously since the 1980s both in scope and stature. The formation of the Football Foundation, the growth of community foundations at Premier and Football League clubs, the work of the Football League Trust, the extent of Playing for Success and other learning centres at many clubs and the delivery of social inclusion youth programmes such as Kickz are all testimony to football's efforts and impact in this regard.

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. This happens at an individual club level, in relation to particular programmes such as Kickz[8] and at league level by both the Premier League and Football League Trust[9].

However, there has not been a similar attempt to assess the social value of the clubs themselves, what might be termed the 'club-company', beyond their community departments, schemes, trusts or foundations. Assessments of football clubs as businesses, especially within the regulation of the game, focus almost exclusively on their *financial* performance. Indeed, one of the only comparative *valuations* of football clubs is the annual review of football finance undertaken by Deloitte[10]. However, these are exclusively about their *financial* performance, without any analysis of *local, social or community* impacts of the businesses as we might see in other sectors.

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[7] Holt, R. (1989) *Sport and the British: A Modern History* Oxford: Oxford University Press.
[8] Football Foundation (1009) Kickz Progress Report: Monitoring and Evaluation 2009, London: Football Foundation. Available at: http://www.footballfoundation.org.uk/our-schemes/kickz/
[9] See for example Premier League (2009) *Creating Chances* Report; Premier League (2006) *The F.A. Premier League Community Report 2005/06* ; and http://www.football-league.co.uk/page/AboutTheTrust/
[10] http://www.deloitte.com/dtt/cda/doc/content/UK_SBG_ARFF2008_Highlights(1).pdf

Indeed, although there is a growing, wider public discourse about the financial worth of football clubs (their earnings and their indebtedness), this again is largely confined to interpretations of the balance sheet which, while no doubt important, isn't primarily concerned with the local community or social impact and value of football.

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

i) Integration of communities' interests

First is that a previous research study undertaken for the Football Foundation, *Football and its Communities*[11], emphasised the need for 'community' impacts to be recognised both within the arm's length or independent community organisations of clubs but also within the core business of the club itself.

> All levels of football can develop new structures and methods of working which will enable them to develop better relations with their multiple communities. The proposed approach is based around two connected strategies:
> - The first is the creation of new and independent community organisations at clubs which will be 'outward facing' and will work on developing community interventions in areas such as health, education, community safety and regeneration.
> - The second is the development of a more holistic approach towards community issues which cuts across the full range of football clubs' activities. [12]

It continued:

> 'If football clubs' community departments are re-constituted and made independent, they will be able to take responsibility for the vast majority of the social intervention work to which football clubs are now asked to contribute.... If football clubs are to continue to claim to be community-focused organisations, then they must recognise that all their decisions and activities have potential repercussions for 'their' communities, and that these repercussions must be successfully managed for the benefit of stakeholders wherever possible.'[13]

This 'vertical' and 'horizontal' integration of communities relations could be achieved in a number of ways, including transport, environmental, marketing, purchasing and employment policy. While the establishment of independent, outward-facing, community organisations has developed across the game, the acknowledgement and incorporation of community interests within the core business of clubs has been far less extensive, less evaluated and is certainly less reported. The extent to which this is happening in clubs today was a major element of this research project.

ii) Football's Rhetoric

Secondly this issue is important because the rhetoric of football governance bodies at all levels, clubs and others suggests that it is so. The Football League Trust, the FA and the Premier League all say that, 'clubs are at the heart of their

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[11] Brown, Crabbe and Mellor (2006): *Football and its Communities: Final Report*, London: Football Foundation: 23. See also Brown, A, Crabbe, T and Mellor, G (2008), *Football and Community in a Global Context: Studies in theory and practice*, London: Routledge
[12] Brown, Crabbe and Mellor (2006): *Football and its Communities: Final Report*, London: Football Foundation: 23. See also Brown, A, Crabbe, T and Mellor, G (2008), *Football and Community in a Global Context: Studies in theory and practice*, London: Routledge
[13] *Ibid,* p.27

communities'[14]. Sepp Blatter, President of FIFA, as well as UEFA officials have argued that football should be treated as a 'special case' in European law because football clubs are 'more than just businesses' and that they needed to survive for their 'community' input.

There is a case that if football says it has these *central* roles in communities in general – beyond the targeted work of its community charities and schemes – then it should be able to demonstrate that. While reporting of football's intervention programmes certainly meets one element of this, reporting on the social value and performance of clubs themselves is largely absent.

iii) Regulatory Issues

The third reason why football businesses should take a more serious attitude to social valuing approaches increasingly common elsewhere in business, is to do with the regulation of the game, both internally and via external agencies, notably the European Union. As we illustrate through the Working Paper prepared by Salford University Law School for this project, there is at present a complete absence of any requirement on football clubs themselves to report social or environmental impacts.

For football this is surprising because it would help strengthen its case on a whole range of regulatory concerns, from charges for policing, to local planning issues, to special status in European Law.

Within Europe it is also surprising given the emphasis placed on the social value of sport in a number of documents - the *Helsinki Declaration* (2000), the *European Model of Sport* (2000) and the *European Sports Charter* (2001) – all of which entrenched the notion that sport was of social value within Europe. Although none of these documents or statements have to date created any exemption for sport in this regard, it is again surprising that there has been no investigation into what this might mean in practice in terms of the operations of sports club businesses and no requirement on sport to demonstrate their social and community roles.

Only the European Commission *White Paper on Sport* has called for a move to more evidence-based policy, a recognition that policy has not necessarily been based on firm evidence to date. Salford University's paper for this project starts the debate on how these issues might play out within the context of the Lisbon Treaty.

iv) A social business

The final reason why this is important is, as demonstrated by numerous previous studies[15], football is a social and cultural business, and a local one, as well as a financial one. It was notable in our literature review that there are even very few studies of the local *economic* impact that clubs make[16].

Part of the problem with the absence of a social accounting, auditing or evaluation approach in football, is that the values placed on clubs by a range of stakeholders –

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[14] http://www.football-league.co.uk/page/CommunityDetails/0,,10794~1717780,00.html ; http://www.thefa.com/GetIntoFootball/CharterStandard/Club/FACommunityClubs.aspx http://premierskills.britishcouncil.org/premier-league/beginners-guide
[15] For an overview, see Giulianotti, R (1999) *Football: A Sociology of the Global Game*. Cambridge: Polity Press.
[16] Johnstone, S, Southern, A, Taylor, R (1999) *The Football Business and the Merseyside Economy*, available at http://www.liv.ac.uk/footballindustry/impact.html

staff, fans, residents, businesses, local authorities – are often not financial in nature and very rarely purely so[17]. As such, traditional, economic valuations of clubs tell us little about their community value and do not take us very far in answering the questions core to this research project.

As outlined in this report, when we asked fans of our case study clubs what they valued most about their clubs, responses were overwhelmingly to do with *social* relations built around football – and no mention was made of finance or commercial valuations. It is an oft repeated cliché, but one with truth in it, that generally people do not have their ashes scattered at work institutions, or political institutions, or even at public service institutions, but they do at football clubs.

Interviews with club officials and a wide range of stakeholders also point to the 'social' value that is placed on club both internally and externally. In some instances this is an instrumental value – the importance of social interventions undertaken by the club's community programme or charity – but in many others it is about the centrality of the club to social relations.

It is therefore arguable that within clubs there is less understanding of how they impact on communities in a wide variety of ways - social, economic and environmental. It is then for this research to *begin* the debate as to why and how football (and sport more generally), might start to recognise and report how it affects social relations with a wide range of stakeholders.

In the next section we outline some of the methodological issues in addressing football's social value. This is important in order to outline:

- The breadth of approaches that are possible
- The approaches piloted in this research project
- Identification of a menu of options that clubs and trusts, as well as football more broadly, can take forward.

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[17] Brown A (2008) *How Can We Value The Social Impact Of Football Clubs?: Qualitative Approaches*, Manchester: Substance. Available at:
http://valuefootball.substance.coop/files/Adam%20Brown%20Qualitative%20Approaches.pdf

2.   Approaches to Determining Social Value

2.1   Exploring Methodologies

In order to address ways in which we might look at the social and community value of clubs, the advantages and disadvantages of supporter ownership and provide ways of gaining evidence in our case studies for the questions this project asks, we commissioned the following working papers to summarise three approaches within the field:

- Adrian Ashton (consultant) – *Social Accounting and Football*
- Stephen Spratt (New Economics Foundation) – *Football Ownership and Social Value*
- Andy Barlow (University of Salford) - *Do we know the true value of football? A review of methodologies used to value public goods*
- Rose Casey Challies (Partners in Impact) - *Social Impact of Football – A Critique*
- Adam Brown (Substance) – *Football's Social Value: Qualitative Approaches*

These papers form the core of the methodological review on approaches to determining social value and the basis of the *Interim Report*. They are all freely available on the project's and Supporters Direct's websites[18] and provide detailed information about those approaches. As such we will not repeat that information in detail in this report, but encourage readers to view it and comment online. However, below we briefly summarise the main points.

2.2   Social Accounting

Adrian Ashton, a leading consultant within the Social Accounting Network, provides an overview of approaches that fall under the broad title of 'social accounting'. The broad range of approaches under this umbrella were considered in terms of their appropriateness for the project but also their practicability and comparability.

Adrian Ashton further developed the idea of a 'hybrid' approach and proposed a 'bundle' of indicators to assess the social value of clubs. We found much to recommend this approach, not least because it seeks a range of perspectives and lends itself to a methodology 'menu' that clubs and organisations of differing types, aims and contexts can choose from. As we shall see below, this 'bundle' was adapted with Adrian Ashton to form part of our primary research.

2.3   Social Return On Investment

Social Return On Investment (SROI) is a methodology increasingly influential nationally and with government as one of its outputs is to offer a simple equation of social value in financial terms. The process is in-depth and involves consultation with as wide a range of stakeholders as possible to produce an 'impact map' of the organisation's effect on those stakeholders. For those impacts where there is a direct financial or market value, those are calculated and 'for those outcomes without a market value, financial proxies appropriate to the stakeholders would be used'. The aim is to produce a calculation of a ratio between the monetary investment made and a *monetised estimation* of its impact.

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[18] www.supporters-direct.org.uk ; http://valuefootball.substance.coop/index.php?q=papers

Attractions of this are that it produces a simple financial ratio of 'social value' and entails widespread consultation. However, critiques of the approach suggest that it can be overly complicated, especially for small, resource-poor organisations (such as most football clubs) and that the ultimate aim of producing a *financial* value seems to contradict *some* of the evidence it entails in getting there – i.e. the non-monetary valuations by stakeholders of the 'value' to them of clubs. Also, some of the financial proxies to 'monetise' social value can be little more than estimations and often rely on difficult to justify causal relationships. It was also felt that this approach would not capture the qualitative assessments people make about clubs, nor central questions of the business advantages of mutualism that Supporters Direct sought to investigate.

2.4   Contingent Valuation Methodologies

Andy Barlow (Salford University) is adapting an approach to football that has been used more extensively in the United States – the contingent valuation method[19] as part of his PhD research. This approach seeks to identify the 'value of public goods' by proposing a scenario in which the 'good' under question is under threat and people are asked to place a financial value on keeping it, i.e. their 'willingness to pay'.

As with SROI, the production of a simple monetary value or, more accurately a range of values, is attractive to some. However, this value can be presented as an 'objective' valuation, and this masks the very subjective and at times uninformed valuations that can be made by respondents. As such, we had a number of concerns with this approach. It was also inappropriate for this study in that it would provide only one perspective – that of people who do not 'use' the clubs in question.

2.5   Qualitative Methods

The extent of the research questions in this project requires an approach that can consider the different roles and relationships in football clubs and *both* qualitative and quantitative approaches. One way of approaching qualitative research is through accepted and well-practised methods such as qualitative interviews, focus groups, observations, media and documentary analysis; these featured heavily in our research.

One of the problems with such approaches of course is the resource-heavy nature of them, which can often be a barrier to such valuations being carried out. Less resource intensive and more participatory approaches that nonetheless seek to capture both qualitative and quantitative data and utilise new technologies. The advantage of some of these is that they can be low cost, replicable and more easily implemented by clubs or trusts themselves.

2.6   Monitoring and Evaluation of Community Schemes

As we have said above, this research required some assessment of the interventions of clubs' community programmes but was more centrally concerned with the clubs themselves and their core business. Assessments of community programmes have developed considerably over recent years and now embrace quantitative and qualitative, participatory and user-friendly tools as well as reporting at league level by

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[19] Barlow., A (2008) *Do we know the true value of football? A review of methodologies used to value public goods*, Manchester: Substance
http://valuefootball.substance.coop/files/Andy%20Barlow%20CVM.pdf

the Premier League and Football League. Within our research, we deployed the Substance Project Reporting System to audit the outputs of community departments/charities at three case study clubs. This included the generation of statistics in the following areas:

- Demographic details of participants on community programmes including:
  - Numbers
  - Ethnicity and gender
  - Length of engagement
  - Aggregate attendance
  - Average contact hours
  - Demographic details (age, gender, ethnicity)
- Numbers of schemes
- Length of involvement of participants
- Outcomes and qualifications
- Mapping of participant post codes against IMD data

2.7   Assessment for Purposes of This Research

Different projects, contexts and organisations will require different combinations of the approaches outlined above. Each has relevance to the questions posed by this research and the *Working Papers* and *Interim Report* for this project are available from Supporters Direct to help inform the development of social valuations of football clubs, trusts and other sports organisations in the future.

However, in exploring the appropriateness of different approaches to this particular study, we had to consider the different requirements, which are to:

i.   Provide evidence against the research questions, both qualitative and quantitative
ii. Be practicable in a relatively short time span and within research budgets
iii. Allow the testing of a range of approaches
iv. Use this to inform a 'menu' of options for others to utilise, that is testable and structured, but which also outlines different approaches that clubs can adapt to their needs
v.   Provide both an overview of a range of clubs and more detailed study of small number of clubs.

Given the particular focus within this project on assessing the community and social value of different forms of ownership and to understand the various benefits of ownership models to a variety of stakeholder groups, including clubs, it was deemed that both qualitative and quantitative approaches were required.

2.8   Approach Taken to the Research

2.8.1   Ensuring a Breadth of Club Contexts

Our brief also asked us to explore the research questions through both a survey and a series of case studies. In selecting clubs, we needed to ensure that we met a number of criteria, notably:

i.   Both supporter-owned and non-supporter-owned
ii. Large Football League or Premier League clubs
iii. Smaller Football League clubs
iv. Non league clubs

v.   A variety of crowd size
vi.   Geographical spread
vii.   Those developing facilities
viii.   Availability and willingness to participate in the research.

2.8.2   Qualitative Survey of Clubs

A structured, qualitative and interview-based survey was undertaken with ten clubs to provide a broad perspective. This included varieties of size, ownership, geographical location and position at all levels of the football pyramid. In terms of ownership it included:

- 4 non-supporter-owned clubs
- 2 mixed ownership clubs
- 4 supporter-owned clubs

Clubs have been anonymised and numbered but the breadth is illustrated in the table below. While anonymity makes reporting more difficult – and at times means that richer detail is omitted – it does allow a more neutral assessment to the reader.

CEO Interviews Survey – Clubs:	Club Number
Non-supporter-owned Premier League club	Club 1
Non-supporter-owned Championship club	Club 2
Non-supporter-owned Football League club	Club 3
Non-supporter-owned Non League club (fan on board)	Club 4
Mixed Ownership Football League club	Club 5
Supporter-owned Football League club	Club 6
Supporter-owned Non league (1) club	Club 7
Supporter-owned Non league (2) club	Club 8
Supporter-owned Non League (3) club	Club 9
Community-owned (CIC) Non League club	Club 10

We conducted semi-structured interviews with one key executive at each club. The interviews were structured to embrace the following key issues:

i.   Background to the club and ownership structure
ii.   Perceived advantages of ownership structure
iii.   Perceived disadvantages of ownership structure
iv.   Identified good/bad practice in generating social value
v.   Identified barriers to developing social value
vi.   Most important stakeholders
vii.   Relationships with local authorities
viii.   Existence of local purchasing, business or staffing policies
ix.   Attitude towards and involvement with supporters
x.   Innovative ticketing policies
xi.   Nature of community outreach organisation and work

The interview content was then tabulated against these issues and analysed against the key questions of the research project.

2.8.3   Case Study Clubs

Alongside the survey, and in line with the commission, we conducted four detailed case studies of clubs of different types. This was to explore in more detail some of the key questions for the research and to elicit a wider range of stakeholders and

perspectives, both 'internal' and 'external' (as advocated by SROI, social accounting advocates and others). It was also to provide more detail on how clubs engaged within local civic contexts and interacted with different groups. It adopted both qualitative and quantitative approaches.

We selected two supporter-owned and two non-supporter-owned clubs in order to provide comparative evidence of how different ownership structures might affect social and community values placed on clubs. Again the clubs have been anonymised but included two southern-based clubs, one midlands club and one northern club.

Club A	Limited company model Football League club, with previous Premier League experience.
Club B	Limited company model Football League club.
Club C	Supporter-owned Football League club.
Club D	Supporter-owned Non-League club.

We also have to recognise that clubs exist in very different local contexts, with different ownership structures and aims, at different stages of development and varying relationships to other clubs, making any simple or 'scientific' comparative approach difficult if not impossible – something that would inform the approach taken. The case studies were structured around four key elements:

1. In-depth qualitative semi-structured interviews with key personnel at each club.
2. Qualitative and quantitative evidence from a range of external stakeholders, including surveys of supporters and consultation with local businesses and residents.
3. A quantitative assessment of the delivery of community departments or charities.
4. Employment of a 'Social Accounting Club Bundle' exercise, as developed and undertaken by Adrian Ashton.

The full detail of the case study approach is shown in the table in the Appendix. The different elements of these case studies sought to provide the study with evidence against its key questions in different ways:

Element (i):   To provide internal stakeholder perceptions of the clubs' social value, and the benefits of ownership structures
Element (ii):   To provide a range of other stakeholder perspectives about the social value of their local clubs
Element (iii):   To provide quantitative evidence of the impacts of community schemes
Element (iv):   To explore how a social accounting approach might be applied to football and generate comparable evidence.

3.   Qualitative Survey

We interviewed the principal executives at each of ten clubs. Responses to the interview survey were recorded and compiled into notes on a club-by-club basis and then tabulated against the key issues. It should be noted that this survey was based on the views of one individual at each club and that others would have different perspectives. Summaries of responses are illustrated in the table below. A commentary about the key points and examples of good practice raised is provided following this.

Table Showing Responses to Qualitative Survey

Club	Advantages of Ownership Structure	Disadvantages of Ownership Structure	Good practice in generating social value	Barriers to Social value	Most important stakeholders	Relations with LA	Local Purchase /Business Policies?	Staffing	Attitude to Fans	Innovative Ticket policy?	Community Set Up / Innovation
Club 1: Non fan-owned Premier League club. Foreign owned, taken over during research.	'Left in peace' because ownership remote but 'none really.'	'Rudderless', huge instability and lack of transparency. No identified advantage to fans or community.	Trying to improve relations with local business. Ticket policy to create access to games.	The finances of football which create too much inequality.	Fans, residents and local businesses.	Good – on ground developments and community programme.	No formal business forums but good relations and some work with local firms.	'Mostly local' but no formal policy.	'Without them the club is nothing'. Fan forum moribund under owner, seeking to restart. No fan on board.	Concessions in all parts of ground; U21s half price tickets.	Executive director also trustee of Community Scheme. Admits in part to attract fans.
Club 2: Non fan-owned Championship club. Owned by foreign consortium of businessmen	Long term commercial sports franchise approach. Experience in sports business, 'professional approach'.	No previous experience of football looking to US model.	Good local relationships – police, council, health, planning etc. Community scheme grown from 3-18 staff.	None identified.	'Everyone is involved' – but that 'doesn't mean you take a vote for every decision'. Engagement with businesses as well as fans.	Good. Perceived as 'most important' cultural and entertainment institution.	No formal policy but seeks to enhance businesses in the region. Connections with 'dozens' of businesses.	No formal policy.	Take time to connect to 85% not in groups. Work together on Awards, focus groups. Limited involvement with trust. No fans on board.	Usual concessions.	CEO is trustee of Community Scheme. Independent charity but 'very integrated' with club
Club 3: Non fan-owned Football League club. Single shareholder, local owner.	Simple decision-making, stability and investment. 'we don't have a problem paying bills in Jan/Feb/March'.	Good only as long as he remains committed. Considerable previous instability.	Wants to reinvent club as a 'community club'. Good relations with other sports clubs. Local owner means	Local council changed hands means harder work developing schemes due to lack of interest in football.	Wide range of stakeholders – businesses, local council, fans.	'First class'. Ground owned by city council. Provides safety/security. Complicated as 3 authorities. Key decisions over future of	Yes, explicit policies. Recently spent £0.5m doing up a corporate facility, and 90% of spent in county.	Yes. Sees stability of ownership providing job security. 17 FT staff + 30 coaches on	Relations with official supporters – mostly chair-to-chair. No real involvement with other groups.	4 matches each season kids under-16 go for £1.	Successful playing for success scheme. Renewed emphasis on community. Sees self interest as well

			commitment to communities.			ground pending.		community scheme.	International fan base.		as altruistic.
Club 4: Non fan-owned Non League Club . Trust have 10%.	Separate ownership of ground means can't raise finance so must live within means. Trust 'instrumental' in saving club. Helped with staff and wages.	Not owning ground = money out of the club. Huge instability - almost liquidated twice and ground sold. Several chairmen. All diminishes role club can play locally.	Aim to 'align the club with community'. Partnership with local paper and University; scheme for charities to sell tickets and take cut.	Instability. Not owning ground or have clear control over future.	Supporters.	Work with partnership to promote area. Good relations with LA – eg cycling scheme. Work on new 'community' stadium.	Working closely but no formal policy.	Trust members as staff keeps relationships close and local staff.	'Fans not fickle but stand by club even when crisis' - both 'customers' and 'stakeholders'. Relationships 'very strong'.	Adult ST holder can buy ST for child at price of their age.	Setting up independent charity, desire to 'integrate community into the club'. Work with local residents on minimising traffic.
Club 5: Mixed ownership Football League club. Trust has largest stake (25%), 800 shareholders (biggest 6%). 2/8 directors from trust.	Promotes democracy and empathy for fans. Future not threatened as club not dependent. Fans involved in decisions means more understanding and commitment.	Club has to generate own wealth, problems competing.	'Comment, Compliment, and Complaint' scheme. Club the Hub scheme; social enterprise development; use Exec Boxes as offices	Context of football fiannce means those that don't go into debt at disadvantage.	Fans primary. Also council, police, local residents, university. Coop a shareholder and sponsor.	'Good, open and honest'. Good communication at senior levels. Partnership developments	Local purchase policy. Meetings with local business and residents.	'Unofficial' local employment policy.	'Vital stakeholders'. "critical friends, challenging and questioning." Regular meetings with 3 fans groups. Trust and whole board meet 3-4 times a year.	Prices lower than average in league. Children's prices cheapest in league.	Recent charitable status. Innovative crime prevention, community cohesion work. Developing facilities to meet local need.
Club 6: Fan owned Football League. Trust own 63% FC a limited company	Buy in to the trust model provides stability; and 'keeps club within its community.' Promotes ownership and affinity with the club and	Some tensions between Club and the Trust. At times bogged down in detail. Need to convince banks at times. Competing in unfair football context.	Trust time/club debt scheme. Balanced board. Recruiting for independent chair. Large Trust membership promotes	Lack of level playing field in football for fans' clubs is the major obstacle.	Fans, trust, local businesses, staff, community - holistic approach to stakeholders.	Good with county not as good with city. New unitary authority. 'It's their club, for their community – we're just the custodians of it – it's for your	No policy but local business partnerships. Trust involved with local business in ownership.	Trust time committed to club put as debt from club to fans means takeover etc. more unlikely and demonstrates 'value' of	'The club is the fans'. Some tension between fans wanting success and those committed to trust model . Want to expand	Junior discounts up to Under 18s.	Independent charity but 'part of club' and want to develop as sports trust. Partnership with Community Action running Youth

	commitment. More community focused.		inclusion in ownership.			people.' '2nd most visited attraction in the area'.		commitment.	membership and embed trust ideals more.		Inclusion Programmes.
Club 7: Fan owned non-league. Trust owns 72% of parent company; parent owns club and stadium companies.	Makes them answerable to fans and community. Enabled club to be set up. Central to identity. National recognition.	'Administrative headache'. 'Inconvenience of democracy but not a big deal' set against benefits of democratic ownership.	Aims: to remain close to origins; to engage, consult with and reflect the needs of the community; to promote and encourage community and fan ownership Strategic Review via extensive democratic consultation.	Maintaining engagement of trust members when doing well. As non league, competition from Premier League clubs in area a barrier to developing community work. Stadium development key to going further.	Fans (most important); residents, inc. disadvantaged and fans from previous location.	Good relations with two local authorities. Talking to council about development of new stadium and progress in league has made them be taken more seriously.	Good relations and lot of sponsorship deals with local businesses but no particular focus as fan owned club.	None identified.	Fans central. Both a trust and ISA exist. ISA favours move to new location more strongly.	5 year season tickets; Concessions for students, unemployed. £25 U16 ST. Need to expand stadium as demand outstripping supply.	Want to add community staff as a club director to integrate into club. Expanding amount of work but recognition that don't do enough.
Club 8: Fan owned, IPS is club, directly elected board. General manager acts as Exec.	Clear line of direct democratic control. Club is owned by one company, one share, one person, one member, one vote. Stable. Accessibility of board to fans. Empowerment - 300 regular volunteers.	Feeling that not enough members engaged at formal meetings. Need to improve participation in elections (c.20%).	Club has community commitments as objectives of company, no division between 'community and club'. Ownership means local council willing to partner on stadium development.	Uneven playing field for clubs even in non league. Community stadium key to ambitions. Ground issue – ground sharing major threat long term – too distant, too expensive,	Fans. NOT customers. Coop and third sector organisations. Developing broader third sector partnerships.	Very good. Key partner in stadium development. Extending range of community work with. Leader attended AGM.	Businesses part of 127 club – sponsors but more committed than that – deeper relationship. Encouraging third sector business. Difficult to source kit locally.	Only 2 core staff – both founding members. Policy of encouraging local talent.	Adamant fans are NOT customers but owners and core to the whole being.. Close relationship between fans, volunteers and board. Regularly attend meetings.	Prices are set by the members by vote every year. Increased just 50p in 4 years. Junior ST £19. discounts for U18; student; OAPS; unwaged.	No separation between 'club' and 'community' Work with those that share vision and use ownership as element of community development delivery. Integrated with match day. Expanding outreach.

			Third sector focus. 300 volunteers.	assets not being invested in.							
Club 9: Trust owned non-league club. Trust owns all shares in Ltd Co (club) and appoint all directors.	Cooperative structure created confidence in fans, member, banks and businesses that run in collective interest. First club set up by its fans.	Wouldn't exist without this structure.	70 volunteers engaged. Stadium development will be 'a hub for local people'.	Football inequality. Development of facility – now confirmed plans enabled by ownership structure. Current venue limits amount of free tickets.	Local residents, fans, local authority, some key local businesses.	Relations very good. Local authority approached them to redevelop facility. Ownership structure underpins this.	Local businesses are key sponsors. Not big enough for local purchasing policies.	Not big enough to have employment policies.	Fans central to club existence, structure ensures run in their interests and they are in control. Supporters club rep also on board.	New ground to allow greater schools access etc. Usual concessions.	Good relations with FA, local PL club and sports trust. Vice chair and director take charge – integrated into club.
Club 10: Community owned non-league club. Community Interest Company.	Structure allowed the resurrection of club. Board directly elected by membership. Community objectives paramount and embedded – first team a way of achieving.	There may be tensions in future as develop, but part of democratic ownership.	No club existed in vicinity, for 6 years. 12 youth teams. Key development is sports hub. Ethical and local considerations 'vital'.	Not a footballing locality – focus on other sports. Will meet challenge when promoted.	Fans; City and County Council; PCT; LEA, Schools; cooperative movement..	Key partner in setting club up, its development of hub and community work.	Will use local suppliers when developing facility. Rejected one sponsor as inappropriate. Developing businesses as 'corporate members'.	No paid staff. All voluntary.	Fans central – owners. Wouldn't exist without. Full 'participants', not 'customers'. Not a market relationship.	Low membership fee to join club. No ticket fee to watch but will come with promotion.	CIC structure keeps focus on community *within* the club, not separate. 6 or 7 coaches + 7 volunteers central to delivery.

3.1 Advantages and Disadvantages of Ownership Structures

At clubs that were not owned by supporters, there were some clear advantages advocated, including that:

- Remote foreign ownership (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); and
- A single, local, wealthy owner (Club 3) meant streamlined decision-making and available resources – 'we don't have a problem paying bills in January, February and March'.

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, supporter-owned or community owned, there were clear *social* benefits identified by executives *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 6, 7, 10)
- Creating stability and confidence (Clubs 5, 6, 8, 9)
- Empowering fans and creating mutual empathy (Club 5, 6, 7, 8)
- Allowed the club to exist/continue at all (Clubs 4, 7, 8, 9, 10)
- Created business advantages (Club 8)

The benefits of democratic control of clubs is clearly in part a shared *belief* amongst fan or 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)
> - '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 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 underpinning 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 has been as a result of fans' involvement in a democratic ownership structure. Even where fans only have a minor stake, this is recognised by executives:

> 'I heard it said that to carry on supporting the club was like going to see a dying relative in hospital. It felt like the club was dying, we were losing every week; there was no life in the football club. To stick by that, and carry on supporting in their thousands, is quite remarkable. Football fans are fickle in loyalty to a manager or players, but if they were really that fickle, they'd jump ship and desert us and we haven't found that.' (Club 4)

There are 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. But for some of the supporter-owned clubs, the ownership structure itself is instrumental in the club's future development and one that embodies the integration of generating community value:

> 'Being a supporter-owned club has been critical in raising the money for the kind of facility we are looking to develop because we're not just talking about developing a football stadium. We're talking about developing a community facility that happens to have football pitch in it.' (Club 8)

For some, the *type* of ownership was less important than the *stability* of ownership:

> 'Stability is the most important thing required for a good model of ownership irrespective of whether it's a single owner or a broadly-based model structure… the key factor is stability. Being hawked around to overseas investors, who then may indulge them as playthings for a little while and then lose interest, doesn't give a club stability.' (Club 1)

For Club 2 decision-making and finance were key disadvantages of supporter ownership:

> 'The supporter-owned football club is a particularly challenging model, for two reasons: it might be difficult to get things done and make decisions quickly enough; and finance might be less easily acquired.' (Club 2)

In relation to finance, the experience of supporter-owned clubs was mostly positive: Club 6 said that their model meant that they had to convince banks over 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:

> 'The fact that we are a co-op helped because that reassured them that no one is in this for their own personal gain… They could see that we are organised and serious, and exist to benefit the community.' (Club 9)

Furthermore, supporter-owned and mixed ownership clubs identified that their inability to go into debt and determination to 'live within our means' was a key advantage. Indeed this was cited as an advantage also by one non-supporter-owned club, which could not raise borrowing against assets as it did not own its own ground (Club 4).

For supporter-owned or shared ownership clubs, the principal disadvantages identified were in relation to decision-making:

- Getting 'bogged down in minutiae' (Club 6)
- Structures being 'an administrative headache' (Club 7)
- Only a minority engaged in formal business (Clubs 6, 7, 8)
- Tensions between 'fan' ambitions and 'trust' principles (Club 6 in particular, but also Club 7)

However, for all the supporter-owned clubs it was stressed that these were minor problems when set against the benefits:

> 'There's all the usual inconveniences of an IPS, the particular emphasis on democracy and the inefficiency that can sometimes bring. But it's not really a big deal when you put that against the advantages of democracy and democratic ownership.' (Club 7)

3.2 Identifying Good Practice in Generating Social Value

There was clearly both considerable shared good practice in terms of a general desire to work with local communities and some examples of innovative practice across all types of clubs. This is testimony to football's ability to engage, inspire and deliver community benefits that goes far beyond the practicalities of putting a first team on a field. The multiple ways in which this occurs through clubs' community programmes has been reported extensively elsewhere and also cuts across all forms of ownership.

3.2.1 Ownership
This survey suggests that the type of ownership of a club in itself is neither a *guarantor* nor a complete *barrier* to delivery of social and community value.

For example Club 7, a supporter-owned non-league club, admitted that 'the club has not done enough community work. There isn't a charitable football in the community trust and apart from running youth teams, for under 8s up to under 16s, the club's community activity is mostly based on coaching in schools and running holiday schemes. We don't do any "good works".'

In contrast, Club 2 (albeit a much larger, League club) stressed the breadth of community engagement they were involved in, including being one of a few clubs to have a 'mental health football team', work with young people affected by HIV/AIDS, a Kickz programme, study support centre, work with eastern European communities, work in deprived wards of the city training disaffected young people as coaches, and work to engage BME communities.

3.2.2 Civic Pride
In an age of globalised sport, football clubs of all types are also clearly still vitally important in terms of their locality and in generating civic pride amongst residents and fans, from the Premier League to the lowest levels of non-league we explored and at both fan-owned and non fan-owned clubs.

> 'Supporters… like to see home-grown players. It creates a bond between the supporters and the club in a way that buying in well-paid mercenaries from overseas doesn't.' (Club 1)

> 'We are the biggest brand in [the city]. The council recognise that. We are the city's most attended event annually and its most important cultural and entertainment institution. We are a big, big deal and central to people's lives.' (Club 2)

> 'I don't know many brands / organisations that could migrate between 10-20% of the population 50 miles south twice in two years, as we did when we went to Wembley. I think that shows the importance and the attachment that the local community have to the football club… if there was a cultural show in London, you wouldn't get anywhere near that amount.' (Club 4)

> 'The football club [which went bust 6 years before] was almost ignored by the community…. there were parents around who wanted to see a team in [the city] that their kids could move on to. The club now has 12 teams in total… If we weren't here the first team players would be

playing elsewhere. But no one else would be going into schools and estates, and the community wouldn't have that feeling that there is something they are part of.' (Club 10)

However, there is some evidence that beyond generating local pride, there is a degree of *added value* when the ownership structure of the club embodies some form of community ownership.

'[The club] was set up because there was a community need for a football club after [the other local club] was asset stripped. We saw that there was a need for local people to have a club and thought the only way to fill that need was to have a co-operative, so that they could be sure no one was trying to use for personal gain… Our interest is greater in the society than the football club and my main interest has always been in the community.' (Club 9)

'After every match, people stay behind to clear up, no-one gets paid for that…you get that tremendous buy-in - the club is part of you. I am the club, I own the club and take more pride and interest in it. That does promote more people coming along.' (Club 6)

3.2.3 Innovative Practice
The survey has highlighted some excellent innovative practice in ways in which social value can be generated that are worth highlighting.

- Club 4 – A scheme for local charities to sell tickets and take a cut to raise revenue and increase crowds.
- Club 5 – A 'Comment, Compliment, and Complaint' scheme for fan consultation; and a social enterprise business development scheme which utilises executive boxes as offices.
- Club 6 – Integrating inclusion up to board level with 4 executives, two trust members, one supporters club representative and soon-to-be-appointed independent chair.
- Club 8 – The integration of community objectives as company objects, making community engagement the responsibility of the whole club.

Club 6 also demonstrated an innovative way of recognising social value. Whereas many clubs will have volunteering schemes, this club quantifies the amount of voluntary labour based on the number of hours worked, based on the minimum wage. This was then classed as a loan from the trust to the club.

'It was very important to recognise the value of work done by the community, so that the supporters were not done over… All of that goes to a credit account, which acts like a loan. So if the club were to go bust again, we'd be the majority shareholder and we'd have the major credit line, so we will be the ones in control of what happens to it. It's basically an insurance policy.' (Club 6)

This is a truly innovative way of recognising the social value generated by clubs that goes beyond raising finance for shareholdings as a way of recognising and valuing the input of fans to their club.

3.2.4 Identified barriers to developing social value
There were some frequently identified barriers to clubs generating greater social value. These included:

- Financial and resource inequalities in football (Club 1, 6, 7, 8, 9, 10)
- Instability of ownership (Club 1, 4)
- Not owning ground (Club 4, 8)
- Inappropriate / restrictive facilities (Club 7, 9, 10)

The first of these was based on not just the simple inequalities in football, but the ability of non-fan-owned clubs to go into (at times irresponsible) debt and the absence of a 'level playing field'.

> 'Trust ownership doesn't fit the model that the majority of clubs are run by and that means you're never on a level playing field with other football clubs. They will spend money they haven't got, which will bankrupt them and they don't seem to care. We're trying to run a financial operation which is responsible, moral and ethical.' (Club 6)

Linked to this, unstable ownership situations at Clubs 1 and 4 were highlighted as real concerns and particularly affecting the ability of the clubs to work with local communities.

For clubs lower down the divisions and non-league it was notable that the redevelopment of existing facilities, or development of entirely new, facilities were seen as critical to future progress and to delivering social value for local communities. Also, it was not just that these would enable greater community delivery and engagement – the 'Club's the Hub' scheme at Club 5 for example – but for supporter-owned clubs, new facilities were regarded as the means by which they could realise their potential as community organisations.

Club 8 suggested their facility would do more than providing sports opportunities – including being a revenue generator in an area of deprivation, be a catalyst for economic development and regeneration – but that it would not have got to the stage of planning it has if they hadn't had both the ownership structure and an extensive pre-existing community programme.

> 'We've demonstrated through that programme that it's not just window-dressing. One of our reasons for being is to develop a robust community programme. If we then have a base, we know that the Council will then see that as a potential benefit concentrated more in one area than at the moment. If we've got a base, we can do more than we can in our current nomadic form.' (Club 8)

On-field success was also identified as a potential problem for supporter-owned clubs in terms of maintaining a focus on community ownership and relevance. This was the case with Club 6 as well as Club 7 who are undertaking a 'democratic' strategic review on future directions:

> 'As we make the step up we need to review approaches in all areas including facilities. Our structure allows this to be done in a democratic and inclusive approach rather than a board handing it down to fans. Democracy means differences of opinion…' (Club 7)

3.2.5 Most important stakeholders
Clubs across the spectrum share a reasonably close notion of who their principal stakeholders are:

- Fans
- Local businesses
- Local council and residents
- Those worked with on community programmes

This reflects broadly accepted thinking about identifying football's communities. Notable additions include the cooperative movement or third sector, identified by Clubs 5, 8 and 10; staff (Club 6); PCT and education (Club 10); and university (Club 5). It was also notable both that none of the clubs identified shareholders as key stakeholders; and that mixed or supporter-owned clubs placed a greater emphasis on fans as stakeholders to the

club as being 'central', 'core' or 'most important' as opposed to 'customers' to be consulted.

This does suggest that there is a need for some education, development and change in terms of senior managers' understanding of corporate governance in relation to who the clubs' stakeholders are. This is true in terms of an appreciation of shareholders as vital stakeholders, as well how a broader stakeholder model might mean significant changes in terms of board representation.

Club 4 (where the trust owns just 10%) took the most holistic view of local stakeholders and the need to engage them:

> 'Locality is the main thing, and belonging. People belong in communities – there will be residents' associations, parish councils, church groups – things local to the football club, where people are belonging to different elements and those elements have a particular purpose. We should be tapping into those different pockets of identities around the football club.' (Club 4)

3.2.6   Relationships with local authorities

It was notable that relationships with local authorities were almost universally described as positive, underpinned to a significant degree by the community work of clubs, which was often undertaken in conjunction with local authority departments. In acknowledging the social value of football, this is very significant as it suggests that clubs are playing an increasingly important role in delivering social outcomes that are valued by local authorities. It also provides a significant development over the last two decades from work that took off in the late 1980s and 1990s by Football in the Community Schemes.

Changes in local authority control had negatively affected relations in one case (Club 3), although changes in local authority structure and the creation of a unitary authority was seen as an opportunity to overcome poor relations at the city level in another (Club 6).

It was also the case that local authorities were seen positively as keen partners for a number of the clubs in developing new community facilities. For fan and community owned clubs this positive relationship had been '*earned'* in part through their ownership structure and community value generated.

> 'They could see that we are organised and serious, and exist to benefit the community [rather than an individual] so when the chance of a new ground came up… the council approached us to take it.' (Club 9)

> 'When you're a new football club… there are always going to be credibility issues. In football, even more so, because of the traditional instability of football clubs. So the local authority, grant bodies and financiers will always look at you sideways and you have to work hard to gain their confidence. That's what we've been doing over the past 4 years… Being constituted as a co-op and having it enshrined within our constitution and rules that we are an organisation for community benefit, gives the kind of assurances that local authorities and grant funding bodies seek… Whatever this club builds, whatever we develop, will be there for the community in perpetuity.' (Club 8)

It is also notable that the size of club and its position in the league pyramid is not a barrier to the development of positive relationships.

> We knew that if were going to make it sustainable, it was imperative that we developed a bond with the local community. This club could not just be about the first team climbing up the pyramid as quickly as possible. In the past, the council tended to see the negative side of football, but through community work with the homeless, schools, disabled people, and so on,

the council has seen that football can do much more, that it can play a role in changing lives. It's been an eye-opener for the council. (Club 10)

3.2.7 Existence of local purchasing, business or staffing policies
While almost all clubs described local businesses as important stakeholders with whom they had financial, sponsorship or other relationships, most did not have local purchasing or supply policies that 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' policy and in a recent £0.5m capital development it reported that over 90% had been spent within the county
- Club 5 had a local purchasing policy and regular meetings with local businesses.
- Club 10 reported that it's new facility development will use local suppliers
- Club 10 also reported that it had an ethical business policy and had recently rejected a gambling based business as a sponsor, despite the need for revenue because it was inappropriate
- Both Club 8 and Club 10 sought to broaden sponsorship to be a type of 'business membership' relationship.

Only one club had a formal local employment policy (Club 3, emphasising again its local focus).
- Club 1 said that while there was no policy most staff were 'local'
- Club 4 reported that trust involvement in saving the club meant that it 'kept relationships close and staff local'
- Club 5 said that it had an 'unofficial' local employment policy
- The three lowest level clubs cited not being big enough to have employment policies with largely (or entirely) volunteer workforces.

3.2.8 Attitude toward and involvement with supporters
There were a number of commonalities with regard to clubs' attitudes to their fans:
- All clubs, perhaps inevitably, talked of the importance of fans to the club - Club 1, a Premiership club, saying that 'without fans, the club is nothing'.
- Only Clubs 1, 2 and 3 had no representation of fans organisations at board level.
- Most clubs had some form of forum or consultation mechanism.

Several clubs, regardless of ownership, sought to identify different constituencies of supporters. Club 2 made a point that only 15% of its match day supporters were members of any fan organisation – compared to around 50% or more at supporter-owned clubs. This meant, they said, that there was a need to 'take time to connect the other 85%' and had 'limited involvement' with the trust. Work included involvement in annual club awards and running focus groups, reflecting perhaps the more corporate approach of that club.

Unsurprisingly, those with an element of supporter ownership demonstrated that they felt that fans were more than just customers to be consulted.
- Fans were 'both customers and stakeholders' (Club 4)
- At Club 5 fans were 'Vital stakeholders' and 'critical friends, challenging and questioning'
- Club 6 said that 'the club is the fans' despite some tensions existing between fans wanting success and those committed to trust model
- Clubs 7, 9 and 10, said that fans were 'central'.

There were also some examples of good practice, with Club 5 providing a particularly positive approach, holding regular meetings with three different fans groups and initiating a 'Comment, Compliment, and Complaint' scheme. As indicated above, Club 7 had

embarked on a democratic consultation exercise as part of an overall club strategic review.

Club 8 stated emphatically that fans 'were not customers' and stressed that social inclusion, for this club, was as much about the match day as community outreach work:

> 'There are few experiences that make you feel more included in a community than standing in a crowd cheering on your local football team… we welcome people with free tickets, but we also have a policy of keeping ticket prices low and accessible to all.'

This is important to note as it marks a distinction with the dominant company-customer relationship in English football and asserts a club-member one. However, even here there was recognition that the dynamics of football and the desires of fans posed a potential threat to the inclusive approach of fan ownership:

> 'The irony is that the more successful we are on the pitch, the more focus there is on the football and therefore people forget about why we are established as we are… We need to make sure that people don't lose sight of the importance of being set up as a co-op. It makes us different, it gives us our strength…' (Club 8)

> 'Fans want success and they don't care how we get it – they don't care if someone comes in with lots of money. Lots of them would be happy if we weren't Trust owned.' (Club 6)

This suggests a key area of work for Supporters Direct. If clubs are to defend the added social value of fan ownership, then there is a need for SD as well as trusts to constantly renew, reassert and refresh evidence that supports that ownerships model. The experience of some trusts, where the lure of cash injections to produce *football* success has resulted in a loss of control by supporters, is particularly relevant here.

3.2.9   Innovative ticketing policies
All clubs (bar Club 10) sought to provide concessions for different groups, including juniors and older people. However, each had other ways in which they attempted to increase access to games:

- Club 1 provided concession up to U 21 and Club 5 and 8 up to U18.
- Club 3 – 4 matches each season U16 for £1
- Club 4 – Adult season ticket holders could buy a junior ticket for their child with the price set at the age of the child
- Club 5 cited that their prices were lower than average and children's prices were the lowest
- Club 6 provided junior discounts up to Under 18s
- Club 7 had discounted 5-year season tickets and concessions for students and unemployed people
- Club 8 allowed members an annual vote on ticket prices, seeing it as part of its 'inclusion' policy and which had increased 50p in 4 years
- Club 9 intended to use the new ground as an opportunity to allow free tickets for schools.

Only Club 10 had no ticketing policy of any kind – because it was not at the stage where it could charge for football!

3.2.10 Nature of community outreach organisation and work
This area of the survey concerned the structured interventions of the clubs' community programmes. This was not an evaluation of those schemes, but to understand how they

were organised, how important they were and why this was so from the clubs' perspectives and how they were integrated into other areas of the clubs.

Across all clubs executives stressed both the importance of its community outreach work as well as pride in what that work was able to deliver for local communities – its social value. It is clear that football clubs of all kinds contribute significant value to local communities, whatever the form of ownership. Club 2 for instance increased in size from three full time staff in 2003 to 18 full time and over 30 part time staff in 2009. It engaged 30,000 annually in social inclusion, women and girls, and disability work and over 1000 school children from over 300 schools.

Understanding how we might evaluate the social value of community outreach output in a comparative way is dealt with in Section 6 as part of our case study work. In terms of organisation:

• For a majority of clubs (1, 2, 3, 5 and 6) this area of the clubs' work was delivered by an arm's length community organisation, usually formulated as a charitable body; Club 4 was in the process of establishing such an organisation and Club 7 wanted to.
• For the remaining three (8, 9 and 10) community outreach work delivery was undertaken by the club itself – the IPS in the case of Club 8, the limited company in the case of Club 9 and the CIC for Club 10.

While in part this was a result of other organisational issues (the size and history of the club) it was also a governance issue to do with the Objects of the club (see also Section 8). For Clubs 8 and 10 in particular, the club itself held responsibilities for community engagement and delivery and thus took on delivery of outreach work alongside as of equal importance to what might be regarded as 'core business' in other clubs of football.

Club 8 has within its company Objects:

'To strengthen the bonds between the Club and the community which it serves and to represent the interests of the community in the running of the Club;
To benefit present and future members of the community served by the Club by promoting encouraging and furthering the game of football as a recreational facility, sporting activity and focus for community involvement;
To ensure the Club to take proper account of the interests of its supporters and of the community it serves in its decisions;
To promote, develop and respect the rights of members of the community served by the Club and people dealing with the Club…' (Club 8)

This 'integrated' approach was epitomised by Club 10:

'we knew that if were going to make it sustainable, it was imperative that we developed a bond with the local community. This club could not just be about the first team climbing up the pyramid as quickly as possible. Being a CIC means that in essence the first team is almost incidental; now we're established as much effort goes into our community work as into the first team. The success of the club is driven by the success of the first team but that just allows us to put the community work into place. The community work has to be integrated into the club like that. We don't have one budget for the community and one for the club, although there is some demarcation.' (Club 10)

This suggests a horizontal and vertical integration of community in the club itself that is rare in football. If we are to assess and encourage clubs' social value to be perceived as extending beyond formal outreach work, it is an approach that could be encouraged elsewhere in football in order to make clubs genuine 'community organisations'.

Clubs with independent community bodies sought to integrate community operations in other ways, notably having executives from the club as trustees of the charity (Club 1 and 2) and one club (Club 7) to do this in reverse, as it was seeking to appoint community staff as a director of the club. Both Club 7 (supporter-owned) and Club 3 (single ownership) said that they had recognised a need to re-focus on this work.

Although arguably more common in non-supporter-owned clubs, clubs of all types also recognised the 'enlightened self interest' in undertaking outreach work with local communities as a way of reaching people, creating new supporters and for strategic reasons.

- 'The point of having a community scheme is to try and engender loyalty with the young supporters.' (Club 1)
- '[Schools work] is not only a valuable source of income but also serves as a useful recruitment tool for the […] academy.' (Club 2)
- 'Because we want to build a stadium and we need the community on our side, we need a pool of goodwill… one fan criticised that as cynical, but I just think it's practical. It's a business reason. If we really wanted to do it without that, we would have been doing it already.' (Club 7)

Developing an understanding among supporters' trusts about the motivations, benefits and approaches to delivery of community intervention work is another area to which Supporters Direct could usefully contribute through information and training provision.

3.2.11 Ad Hoc Community Relationships
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 are important. This was more pronounced and referenced where underpinned by some fan/community ownership (for example, evidenced by the extent of social networks and participation of the club in local events).

4. Case Studies Element (i): Club Contexts and Internal Stakeholder Perspectives

In approaching this element of the case study work we spoke to the main executive at each club but also a range of other staff (which differed from club to club, due to circumstance). The responses provided both a context for the clubs as well as their own perceptions on a range of issues:

• Context of Club and Key Developments
• Ownership and Supporters
• 'Community' and Club
• Locality and Relations with Local Authority

4.1 Club A

4.1.1 Club Context and Key Developments

Club A is a former Premier League club now competing in League 1 and we spoke to its chief executive on two occasions. It went into administration in 2003 after a failed attempt by the previous owner, who had put £4.5m of his own money into the club, left. Although under new ownership since 2004 ('American based businessmen'), it is still losing £60-70,000 a year. Like all but Club D in this study, the club has been trying to either redevelop, or move grounds for some years. The club averages about 6,000 in gates, but that 'is not enough to pay the wages'.

Plans to redevelop the existing ground fell foul of the credit crunch when a developer who was to buy a substantial part of the club's site pulled out in 2008 at a time when the club demolished one stand to 'try and show to fans that we meant business'.

During the research period, the club announced plans to sell the existing ground and move to a new site some distance away but still within the borough. The proposed move is a response to three drivers:

• Difficulty redeveloping the existing site due to the fall in land values meaning that the club could not raise enough capital to redevelop the ground.
• The 'unsustainable' nature of the business where 'the owners were beginning to think that the club couldn't be viable without getting some off-field revenue. With this stadium development it is possible to be sustainable.'
• The club also gave the local authority an ultimatum by threatening a move to a neighbouring council area: 'We needed to sit down and talk to them urgently or the borough could end up losing its professional football club altogether. They realised pretty quickly that they needed to do something and we've made more progress with them in the last six weeks than we have in the last six years.'

The new development will cost £12m for the stadium and £8m for 'community' facilities that will also be a revenue generator.

Responses to the proposals have, said the Chief Executive, 'been 70% in favour and 30% against'. However, by summer 2009 there had been little by way of consultation with fans or residents, although this was planned. He said, 'I can understand why some people are against it. It will be further to travel for them, and some people don't like change. It is a totally new catchment area for us,' but that: 'We've got to make this work. There is no plan B other than to stay here and whither on the vine. If we don't do anything the fans will have nowhere to go.'

4.1.2 Ownership and Supporters

In terms of ownership structure, the CEO said that it was a much improved arrangement from the previous owner and that because the majority of shares were held with two people, 'it helps to get decisions on financial commitments made a lot quicker. Although there's a board of six, there are two people financing it, so they tend to get the majority decisions. It makes running the club is a bit easier.'

He didn't feel that ownership affected relationships with the community, which he saw as the responsibility of the community programme and saw only a limited role for supporters, primarily as customers. Although he wanted to increase attendances, and had frozen prices for several years, he said that:

> 'By reducing admission prices you will only increase losses on an annual basis and you might well be better to have fewer people paying more money to raise more revenue… Of course supporters wouldn't see it that way. They always look at what is best for them and won't necessarily see it logically… Supporters keep saying it's their club, that they pay the players. To a certain extent they do but a lot of responsibility rests on the owners to make sure the club continues to pay its way.'

However, the supporters' trust does have a seat on the board and a 3% stake, and although the CEO remained to be convinced by the arrangement, he felt it had worked better than anticipated. Interestingly he added, 'I think at times he takes some unwarranted criticism from fans because they feel that he is not representing them the way he should, but he has responsibilities as a company director which come first and foremost.'

4.1.3 'Community' and club

The CEO saw the community obligations of the clubs as firmly the responsibility of the community department, which had been 'a tremendous success' since forming as a charity in 2008. One significant appointment had been key to this, he felt, 'and the number of staff we employ to deliver initiatives has grown enormously.' He says that the community work had 'enhanced the brand of Club A within the community' as well as with the council, PCT and police. This had been one area where the relationships with the local authority had prospered before the ground redevelopment.

We also interviewed the Community Manager who explained that they had expanded in two years from a 'traditional football in the community scheme' to a charity based around partnership working (for example with the PCT) and had three full time and three part time staff. The CM saw its development as separate from the club and ownership issues, but that the trust worked well with the club and the CEO was very supportive:

> We are stand-alone. If the club went bust tomorrow, it wouldn't be my money and assets the creditors came after. The only thing we'd lose is the badge. So we aren't the club. They are a partner but they're our biggest and strongest partner. We are the corporate social responsibility arm of the football club – that's the way I see our role, and part of their marketing department.'

Benefits of this relationship included use of the brand, access to players and tickets. The change to a trust meant a change in style the – 'sometimes work in schools would get justified as community cohesion, but I would argue that it's not, that we should be in community centres and estates' – as well as work themed around education, inclusion, cohesion and a stronger team. It had raised the profile – 'We are in the local newspaper at least once a week' – something also recognised by the CEO.

The trust had moved away from the ground when the stand was demolished but had taken this as an opportunity to move into 'new offices based at an astro-pitch in a Bangladeshi area of [the town]', something that had helped improve relations with that community. The potential new stadium facility would be a new home, the CEO said, and 'they will use it in the day, then the facilities will be for hire by grassroots teams in the evening so the club can make revenue from those.'

This mix of community use and revenue generation was also highlighted by the CM, who said: 'We've been desperate for a facility for some time and we'll now have a facility that we can use all the time. Commercially it will be good to, because people will be more likely to book on to soccer schools there.' One of the downsides, he said, was that the development involved two grassroots teams who currently use the site moving out; something he hoped they could address, which has also attracted some negative publicity.

4.1.4   Locality and Relations with Local Authority

Both the CEO and other staff and supporters we spoke to felt that the club was the most important cultural institution in the town. The club were 'the only thing it's got going for it,' and the 'biggest brand in town, [we are] seen every week on TV when the scores come up but the council don't see it.'

However, relationships with the local authority changed dramatically during the research period, focused around the ground redevelopment. At first they were described as 'a bit strained' because the club felt that the council had been partly responsible for a planning delay on the existing ground's redevelopment, which then landed it in the credit crunch related problems. Here they were described as lacking commitment and enthusiasm.

Since then the situation had improved hugely, and were a result of movement on the development of a new ground, a new chief executive and change in political control.

The CM also said that their change to a trust and one prepared to work in partnership with the local authority had improved relations ahead of the stadium development but wasn't key to it. 'Before it was a case of they did their thing we did ours. We would be running a soccer school at one of the schools and they could be running a multi-sport session on the same site. The difference now is that we work alongside each other.'

4.2   Club B

4.2.1 Club Context and Key Developments

Club B are in League 1 and have had a chequered ownership history since nearly going out of business in the mid-1980s. The current owner is a property company that took control in a partnership deal with another company in 1998 and then full control two years ago, owning 70% of shares. There are another 1000 shareholders and there have been a couple of rights issues to existing shareholders; the supporters' trust owns less than 1%.

All stakeholders were unanimous in the opinion that acquiring a new ground was fundamental to the club's future development. After the 1998 takeover, the existing ground was sold to a subsidiary to clear debts of nearly £4m and since then it has been trying to secure a move to a new ground, which has been a long and tortuous process.

This included one agreed deal with the local authority in 2002, which received final go ahead in 2004 only to be shelved. Revised plans, incorporating a hotel, conference facilities and a shopping centre, were approved by the local authority in 2007. This was called in by central government and the supporters' trust were involved in lobbying for its approval - 'We need the new stadium for the football club to survive, that's the reality,' they said. 'In the end, those making the planning decision felt it was for the benefit of the town, that it was good external promotion of the town' although there remain concerns about the effect of the shopping centre,' says the former leader of the council. Go-ahead was finally granted in 2008, with an expected move in 2010/11.

The chief executive we spoke to said that the ground was the primary objective to develop 'so many opportunities in terms of revenue streams', alongside gaining a foothold in the Championship and expanding community work. He said that the biggest current stakeholder was its sponsor, a local firm.

4.2.2   Ownership and Supporters

The Chief Executive, while saying that fans were 'more customers than stakeholders', said that the club sought to treat them properly:

> 'We certainly treat them a lot better than when I first came here and worked for the then current management, who had no time for supporters whatsoever. His basic principle was 'they're animals, so I'm going to treat them like animals' and of course, they behaved accordingly. Now we treat them with a lot of decency and respect, they pay the wages for those that run the club and they are, after all, all decent people underneath it.'

In response to requests for a seat on the board the CEO said that 'there will come a time when they will have a position on the board, but it's not yet.' Interestingly, the CEO, when asked about the pros and cons of the ownership structure, said, 'I just wonder what the relevance of that is in relation to the community aspect.'

The CEO felt that there were three benefits of the ownership structure to the local community: they will get a new ground; they will get a new shopping centre, which neither the local authority or anyone else could afford to provide making it a focal point for the community; and that they were 'better off under us than any other regime, I think.'

He saw the advantages of ownership as meaning it was possible to 'get on with running the business' without being hamstrung by continuous committee meetings. He said:

> 'I've met people who work for clubs that are run by Trusts and it never appears to be a happy experience… [The club] is a bit of a hybrid of an organisation, but I wouldn't want to deal with a Trust. I meet the Trust on a monthly basis and we discuss issues that they've got, but they tend to be things like there was no toilet paper… They're not the life changing things that you would hope they would bring to a party.'

He added that some work required getting on with 'without undue interference and 'without somebody reporting back to an organisation on what you're doing' and that confidentiality was a problem and put trust representatives on boards in a difficult position.

4.2.3   'Community' and club

Both the CEO and the Community Manager (CM) said that they regarded the whole town as the club's community, something they were trying to publicise and both said that they wanted to expand the community work and that it had advantages for the club:

> 'That's important to any club and to any community. I'll hold my hands up and say it has helped the club politically as well, in the sense that the local authority are very appreciative of what we do in the community…they do realise how much we bring to the party.'

The CM said that ownership structures 'doesn't really affect what the community department does' although he felt that the CEO and chairman were supportive and had lifted the profile of the work both within the club and within the town.

The club's community programme is a charitable Trust with the CEO represented on the board along with other representatives from local service organisations. Although separate in legal terms, 'in activity terms everything that we do within Football in the Community will eventually lead back into the club.' The CM felt that it was well connected with the club yet retained independence.

In a very wide range of projects, about 80% of its work was with younger people and was focused on education, inclusion, enjoyment and achievement, health and safety. The CM said that they wanted to employ more people who were both coaches and 'life mentors', and that they tried to 'respond to need although some of it is dictated by funding availability, which can sometimes change your direction.'

> **Good Practice Highlight - The Value of Community Work**
> The Community Manager 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, "6 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.'

4.2.4 Locality and Relations with Local Authority

In terms of its local importance, the CEO said that 'it would be a poorer place if the club wasn't here' something reflected in the comments of the CM and supporters' trust representatives. The CM said that 'overall, the brand is very strong and it's good to use' to support community delivery. The supporters' trust representative said that 'it's the biggest supported institution in the areas' and that it was recognised for the community work it does, although a local resident said that 'supporters would tell you that the club is valued, but with their current gates, it's a very small percentage of local people that go.'

Obviously the local authority has been very involved with the club in planning for the new stadium development and the club has proposed the inclusion of a school on the site. Contacts tend to be 'at key points' from the chief executive and heads of departments. The CM reported that the local authority saw them as a credible service provider and their credibility had increased with other work such as with a neighbourhood development agency working in deprived areas.

4.3 Club C

4.3.1 Club Context and Key Developments

Club C is in League 1 and owned by the supporter's trust, which has a majority stake in it. The previous owner had taken over in 1998 when the club had '£6-700,000 in the bank'

and left it £7-8m in debt. We spoke to both the Acting CEO of the football club as well as the Executive Director (ED) of their new stadium development company. The former said:

> 'The supporters' trust took over the debts and the running of the club. They have done a hell of a job finding people to come in and lend them money. [The trust's] achievement at that time cannot be overstated. It was a massive effort. They've done it well.'

The latter reported that since the 1960s they had been 'on a roller coaster, ride, boom and bust cycle' and that the fans buy-out was a way to 'stop all this nonsense'. The buy out was helped by a couple of investors and one wealthy benefactor in particular and the supporters' trust bought the club for £1 in 2001, acquiring 60% in 2006. It has loaned over £1.4 million to the club and now has four directors on the nine-seat board. The aims of the trust are to 'give football supporters a greater involvement in the future of the club, and to bring the club closer to the community.'

The supporters' trust own a golden share in the stadium company, something valued by trust members as it gives them, the ED says:

> 'the right to a veto over any issue or transfer of shares, the disposal of assets over a material level, the use of land for any purpose other than that of a sports stadium, the charging of assets, the implementation of any liquidation proceedings and the payment of any dividends. In addition [the trust] have the right to appoint a minimum of one director to the board of [the stadium company].'

Good Practice Highlight - Representing Mixed Interests and Golden Shares
The board of Club C is mixed in that it involves the supporters' trust alongside other independent supporters and investors. This reflects not only the trust's majority shareholding but also other interests. However, the trust also has a 'golden share' in the new stadium company, which gives it a veto over the future of the new stadium, something that enshrines supporter interests even if the football club were to be sold.

As with both previous clubs, the CEO believes the most important development for the club is the new stadium. The club has debts of around £9-10 million and the stadium is key to the club's strategy for reducing it. The project had been developed with the local authority and a housing company in which the housing company bought the land on which the existing stadium stood and would pay for the new stadium, with leisure centre community facilities (health centre, social enterprise centre, education rooms, etc) and revenue generators such as corporate facilities. However, it was reported that the 'whole project is becalmed, having been credit crunched'.

4.3.2   Ownership and Supporters

The CEO believed that relationships with supporters, the local authority and the wider community had been transformed since the club became supporter-owned. The club, he said, was 'as open and transparent as we can' and tries to involve members of the trust and independent supporters group in lots of issues, including ticket prices.

He said that having supporters on the board made a 'huge difference because you do have good debate and theirs is feedback through the trust from the fans.' He had brought in some changes when he took the post – such as turning some corporate hospitality rooms back into a supporters' bar – and the harmony between club and fans was reflected in 'very few complaints'.

The involvement of fans as owners was referred to as the 'internal glue' for the club and the CEO said that the trust's role:

'…does enhance the community aspect' of the club, as well as 'the fan-based aspect of the club. The community trust, supporters' trust and the football club are all working together. In negotiations for our potential new stadium the supporters' trust has played a vital role.'

This reflects a unity of purpose that is of a different order to Clubs A and B and is also reflected in an attitude that club staff are 'an important community' as the chair of the trust told us: 'They should also feel as though they are part and parcel of everything we do.'

Importantly, the ED said that supporter ownership had been absolutely crucial in terms of relations with the council and the development of the new stadium: 'the previous owner was seen as a property person whereas when we came in as a supporters' trust there wasn't that suspicion.' This extended to the wider community and a range of stakeholders:

'I think you get a totally different reaction from people. I mean there are still people who are interested simply because you are a football club. But when you say, "By the way, we are owned by the supporters and it's a social enterprise," their eyes light up. To a surprising number it changes their emotional reaction to what you are saying. It's about liking something that's not for profit, seeing a personal motivation that's selfless. It plays to that idea of the greater good, that altruistic tendency.

The acting CEO said that while he hadn't found any disadvantages to the ownership structure, he would be concerned if one of the supporters elected to the board was 'a bit of a loose cannon', but more seriously was the issue that the supporters' trust needed to continually fund-raise to keep the club going.

4.3.3 'Community' and Club

The club has an extensive community sports trust that is a charity independent of the club and a learning zone which are, says the ED, 'of premiership standard'. The CST have about 50 full time staff, 25 part time staff, teach in schools in four boroughs, work with between 25 and 30,000 young people a year and run projects on 25 housing estates. However, the constraints of the existing ground had meant that they had moved out of the stadium, increasing a sense of separation, something the club wanted to address through joint use of facilities.

Good Practice Highlight: Sharing Facilities
Although the community trust is a separate entity from the club, they and other partners share facilities at the existing ground meeting the different needs of the community programme and the club. The Learning Zone, funded by the local authority, provides for 300 young people and is 'the best furnished and most attractive room in the ground… which all folds away and becomes the players' bar on a Saturday afternoon'. Another bar has been converted by the council education service into a classroom that is used by the community trust and others and which doubles up as a bar on Saturday afternoon. A third area is an education space that became a press room.

The ED hoped that this approach would be carried over into the new stadium and that they were exploring ways to develop a governance model in a way that 'protects the community assets, and the community ethos of the activities, and protects the club and its supporters.' They hoped that their development would be seen as a national leader in the management of community assets and that the community trust would be the anchor tenant for the social enterprise business centre. For the club there were spin-offs from the CST work in terms of the 'soft capital' of a good name for the club and 'hard spin off' of good relations with the council.

The club also sought to embody the community approach by 'going out' into the community, taking club stalls to local summer fairs and festivals and a local picnic in the park. This latter event resulted in feedback that local people felt prices were too high and

so the club responded by introducing a family season ticket, further illustrating an integration of 'community' with the club.

There was a striking difference between the approach to new stadiums at Clubs A and C. Club C (supporter-owned) undertook a lot of local consultation, was very community-focused in terms of being constituted and developed as a local community enterprise and was built on good long term relations with the local authority. Club A's initiative was announced before any consultation took place (including with the supporters' representative on the board) and although included community facilities, was driven largely by the need to increase revenue for the club.

4.3.4   Locality and Relations with Local Authority

Both the acting CEO and the ED, as well as the supporters' trust representative said that relationships with the local authority were exceptionally good, underpinned in part by the supporter ownership of the club, by the work of the community trust and through their approach to stadium development. The CEO reported that the council had made interest free loans to the club when the supporters' trust came on board. 'Attitudes definitely changed towards us' and they had been 'very, very supportive' in contrast to other club experiences he knew of.

The ED said that the council 'loved' the approach to the stadium of it being a community hub, linking sport with education, health, social enterprise and social inclusion.

> 'But our status as a supporters' trust was vital for support from the council, and it will be going forwards. If we sold the club to a wealthy individual who wanted a stadium, it would be a harder sell to get the council backing. We wouldn't be in this position with the new stadium if we weren't supporter-owned – and there's all sorts of spin offs from that.'

This is reflected by the supporters' trust:

> 'When I was asked "What have you got out of doing all this community stuff?" I thought, well, [the council] are right behind us on building this new stadium. They are going to allow us to engage in a huge building project that they probably wouldn't have allowed [the previous owner] to do.'

4.3.5   Postscript

Since the main elements of our research took place, the situation at Club C changed quite significantly in that the club, supported by the supporters' trust, voted to accept a £5m loan from their principal benefactor in order to deal with an inherited debt, overcome delays to the stadium project caused by the credit crunch and survive in League 1 football. This deal means that, although the club remains in supporter ownership, if it has been unable to repay it in five years the trust will cede overall control, though it will retain its golden share.

This situation had been reflected in some of the interviews we conducted beforehand in comments by the CEO that the main danger to ownership as they progressed up the leagues was the 'unlevel playing field' in football. By this they meant the 'silly money' some clubs spent trying to achieve success, which put clubs who operated on a more responsible financial footing at a disadvantage.

Club C already had significant debt and the pressure caused by promotion, as well as delays to the stadium meant that life became very difficult. The ED said that 'The playing field has got to be levelled by external regulation. A supporters' trust can't level up, it's got to come down.' The supporters' trust representative supported this view:

'The madness that exists - unsustainable wages and all the rest - has to stop in order for clubs like us to be proper clubs. We can keep plugging along and doing our best, but ultimately something needs to happen structurally so that the game comes towards us rather than us just getting submerged beneath this mass of debt that nobody can sustain. It's all right the Football League legislating to punish failure but they are not legislating to prevent failure.'

4.4   Club D

4.4.1   Club Context and Key Developments

Club D is a non-league football club where the supporters' trust was established under the initiative of the independent supporters' association initially to try and save the ailing existing club. When that proved impossible, it set the new club up after the former club went into liquidation in 2004.

'The Council just wanted to keep football alive, because they understood the importance of having a successful local football side. In terms of their involvement with the Supporters' Trust, we were one of a number of people who wanted to talk to them about it and I think we were lucky in being able to demonstrate our credibility to them. Because of this, they were then prepared to do things like secure the lease of the stadium and grant us a licence to operate it.' (Chairman)

The council were able to support the development because they held the freehold to the ground and insisted it had to be used as a football ground, ending any possibility it could be sold by the liquidators for other purposes. The council negotiated with the bank that had taken over and bought the stadium back 'for a fantastic price', now owning the stadium, car park and surrounding area.

The supporters' trust does not have a seat on the board of the club but appoints the board and we interviewed the chairman of the club who also acts as its executive. The trust emerged from among a number of interested parties when the club went bust and won the support of the local authority:

'It's unique in a way, it doesn't follow the model at other clubs… The Trust can appoint Directors to get on with the running of the football club and there's obviously regular reporting and monitoring. If a Director wasn't acting in the best interests of the community or football club, they could remove that Director…I think the working relationship is absolutely fantastic.'

The development of the club has been based on a very strong partnership approach with fans, club and local authority the key stakeholders. This has included the development of a partnership with local colleges, the development of an education centre at the ground and an 'open, transparent and considerate' relationship with supporters which is 'definitely two way… You have to remember that [supporters' trust] board members are also fans too... We're not above the fans, we're with them,' says the trust's chair.

Two major developments have been the education centre, which was part funded by the Football Foundation and a bid for a sports village complex including the council, club and three colleges. This latter development has been delayed as the council, who were contributing £2.5m, have pulled their funding due to 'the current climate'. The future of this remains uncertain but it is thought that some of the development will still take place, and the local residents' association told us that residents were 'calling on the council to look again at their decision'.

Good Practice Highlight: Local Authority Ensures Future of Club
At Club D, the local authority has been instrumental in ensuring the future of the 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 highlights 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.

Both of these represent the partnership approach the club has developed since it started. These residents' association representative told us that 'The club is integral to the community and this [development] is just one example of how interlinked their success is with the community.'

The Chair said that the club's priorities were:

- To get hold of the ground as the club has no real assets and has 20 years of a 25-year lease left
- Push community development up the agenda at the club
- Increase the club's profile locally.

4.4.2 Ownership and Supporters

The chair said that he felt that the structure whereby the supporters' trust appoints the board but does not sit on it had a number of advantages, saying that 'I think at our club it provides quite a nice check and balance'. It enshrined supporter ownership but 'allowed directors are able to get on with the running of the club'.

The club have maintained financial stability, did not have debts and finance was restricted which meant they were operating responsibly. The supporters' trust chair told us that 'egos were not allowed to succeed in this structure – there's a collective reward, not an individual one' and a committee member said that the main advantage was that 'the club is more realistic now'.

The supporters' trust chair also said that 'the trust puts the community at the heart of the club, [whereas the previous owner] put the business and assets first… In the years since the new club was set up, it's been hard, but the ground is a good legacy. It's a great facility for the town – it lends us a certain wow factor.'

The local authority representative said that fan ownership, 'makes it easier for the council to justify its involvement, because they are doing it on behalf of a number of people who got together to drive the club forward, not just one person,' although this had been built on the club having 'a number of key people to build relationships with that has been very useful'.

The sense of togetherness in the club was another advantage identified. The manager of the learning centre said:

> 'There could be no better place to work. The team behind the scenes are supporters. They understand what the club needs in order to move it forward. Their interest is all about the club being successful, it's not financial. The Chairman, the Directors, all have an interest in the community side – it's about trying to generate interest in everyone that comes through the door.'

4.4.3 'Community' and Club

There is a sense of an integrated approach to 'community' as with Club C that runs through the different elements of the club. This is despite the Chair saying that the club needed to develop its community work more and that they 'were not as integrated with the club' as he would like them to be. Yet his vision for community development showed a real engagement in the work:

> 'We're all about trying to preserve and promote that power of sport, that power of [the club] and the community, but at the same time not expecting too much. Yes, we do get something out of being involved in the community, it isn't just a token gesture, but we do actually thoroughly enjoy being involved in those projects and that buzz you get from seeing a group of young men who were perhaps at risk of exclusion from school, coming in on a weekday morning, wouldn't speak for the first 2 or 3 weeks that they come, but are offering to make you tea and toast in the 4th, 5th, 6th week of that course. We get a genuine buzz from seeing that transformation; from seeing the power of the football club on someone who has perhaps had a tough start in life.'

Other interviewees shared this 'integrated' view – a member of the chamber of commerce saying 'it's very much a people's club – the gates that they get reflect the connection between the club and the fans, who genuinely feel part of the infrastructure. It's a co-operative and it works very well. The model has proven to be very successful.'

The approach had effected even capital developments, the learning manager saying that, 'At a bigger club we wouldn't have a classroom that directly overlooks the football pitch, because that would be an income generation stream the club would want and they wouldn't be prepared to let the children study looking at a football pitch.'

4.4.4   Locality and Relations with Local Authority

In terms of importance in the locality, the trust Chair said that, 'In the town, in terms of our importance compared to other sporting or cultural venues, I think we are the most important thing in terms of bringing that sense of civic pride to a town.' This was shared by the residents' association: 'The club is the biggest thing by far, [this] is a cultural desert! What we've got here is different and makes them stand out. I think we're a better entity, because we're community-focused and community friendly.'

Relationships with the local authority were clearly exceptionally strong at Club D and, as with Club C, were based on the supporter ownership structure, whose success was recognised by one council representative:

> 'Since it's been run by a supporters' trust, the crowds have trebled, they have one of the highest gates, even compared with the leagues above them. There's a real strong and passionate following. I think that comes from it being their club and they are a key part of it.'

They went on to say that the local authority and the club 'shared the same agendas' and that:

> 'We both thought that now it's a community-owned club, we have to be true to what that is… We never gave them money, we were able to help out in other ways. We got massive benefits – our education service has benefited massively. We were very shrewd in how we did things… I'd say that the partnership was unique, but we (the council) got a lot out of it. A lot of the services we provide - community safety, health, education, regeneration for some of the local communities with big economic problems – it hits all our agendas. It's holistic.'

For the club, the trust chair said that 'we couldn't have existed without them' and while 'the club is off the life support, we would like it still to be a strong relationship.' The chair of the club referred to the relationship as 'so strong, you could almost call it a friendship' but

acknowledges that the new administration means there will inevitably be a change in direction, and the club will have to manage that and adapt to it.

However, one council services manager said that:

> 'There's a lot of trust between the council and the club, from the highest level here to the highest level at the club. The relationship has grown and we have been able to build things like the Learning Centre together, build the community-based projects. It's not just the case that the council are the landowner and the club are a tenant, it's much more than that.'

5. Case Studies Element (ii): Other Stakeholder Perceptions

This entailed extensive consultation has been organised into two principal groups: supporters, and local businesses and residents.

5.1 Supporters

Fans were identified by executives we spoke to in the qualitative survey of ten clubs, as well as the case study clubs interviews, as the most important stakeholders a football club has. As such their views of their clubs and the value they embody are absolutely crucial in understanding the social value of football. As part of our research with a range of stakeholders, we:

i. Conducted qualitative interviews with supporters' trust and supporters' association members at the four case study clubs (and also spoke to officials and other stakeholders about the supporters of the clubs).
ii. Conducted an online survey for fans of each club.

The outcomes are presented below.

5.1.1 Supporter Interviews

i) Club A

We interviewed the supporters' trust representative at Club A, who also sat on the board of the club as their representative (they have a 3% shareholding). He said that his experience of being on the board had given him a different perspective of the club (in favour of the owners) and that since they had gained a seat on the board communication links to fans had improved greatly, with regular meetings and more web communication. For instance there were three fans' forums a year and - 'there's more openness and transparency', he said.

However, despite supporters having a representative and shares, he believes the club very much still sees supporters as customers, rather than stakeholders or partners although relations were good. It was he said a change from the old regime which was 'very much a collar and tie type boardroom'; the executives made themselves readily available, were very approachable and 'sit in the crowd with the fans and are very hands on.'

The representative also said that developing more fan-friendly policies - such as lower ticket prices and having a bigger stake in the club - needed to be seen in a national context. With prices, he felt that the problem was the context in which clubs had to operate:

> 'Money should be filtered down from the Premiership, but not to the private owners. It should come down to provide cheaper pricing for supporters to watch football.'

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.'

Club A is in the early stages of a proposed ground move and he was supportive, although recognised the attachment to the existing location:

'I think it's fantastic. [The existing ground] has a lot of memories for a lot of people, but you've got to look to the future, and the name of the game is a new stadium these days. The first option for a lot of us would have been development at [the existing site] but that hasn't proved possible because of the credit crunch.'

In terms of increasing the social value of the club, he also wanted to see other developments, including schemes for the unemployed - 'Let's get a team of guys in to paint the stands and pay them something. Let's reward them by letting them come to watch football, otherwise they can't get to matches because they can't afford it.' As with many of the responses from this club's supporter survey (see below), he felt that work with local black and minority ethnic communities was needed in order to involve them more in the club: 'We've got to get into the schools where they are and make them feel more comfortable about coming.'

ii) Club B

At Club B we interviewed a board member of the supporters' trust, which was established in 2000 and had a very small stake (less than 1%) but no seat on the board. In many ways it performed the role of a supporters' club in 'day-to-day things', like running coaches for away games, running a supporters' bar and events such as a 'meet the club' day.

The trust also had a 'watching brief to keep dialogue open with the club', monthly meetings with the chief executive, the commercial director and sometimes other board members. They were building a shareholding and wanted to get a seat on the board, something recognised by the club but not advanced. The supporters' trust were much happier with the current regime at the club than the previous one, and feel that they are moving closer to getting a seat on the board, but there was 'still a way to go':

'The club doesn't trust us and they think it might upset the other directors, especially those that have been there for ages, from under the previous regime.'

However, he said that the trust 'feel relatively informed about what's going on', with communication generally tending to be good from the club and that the club will ask them for their help if it's needed. This had happened to a limited degree with Club B's plans to develop a new stadium where the supporters' trust had been involved in conjunction with the club in lobbying the local authority for support. However, involvement had not gone much further to date - the Chief Executive said that the club will be consulting fans on the new stadium in due course and that there was someone on the supporters' trust board who was a planner whom they would 'start to involve once they're reached a certain stage of planning'.

There was some concern, however, from the supporters' trust about the effect of finance being directed into the development of the new stadium.

'There is a conflict of interest between them owning the property company and that owning the club; there are no clear lines between the two in terms of the funding…Supporters don't have any idea of how it works – will the income cover the rent of the stadium? They have to rely on what they are told by [the board], which is clearly only what they want the supporters to know. This creates mistrust amongst the supporters.'

Alongside consultation about the stadium, this included customer surveys sent out a couple of times per year and focus groups held by the marketing director. Improved relations was recognised by the supporters' trust who said that:

'It's better than it was before – it's more open now and there's more communication between the fans and the powers-that-be. There's more understanding of what supporters can bring and the fact that they are the lifeblood of the club.'

The director of the local Chamber of Commerce commented on the value of being a supporters' trust member in that it gave added recognition with the club, saying that if supporters were members of the supporters' trust, then 'they are seen as stakeholders, otherwise it is a bit more of an arms-length relationship.'

Good Practice Highlight: Trust Supports Youth Development
The supporters' trust at Club B is heavily involved in the youth set up, via its centre of excellence. This involved sponsorship of shirts, a foreign 'tour' and player of the month award. The trust also sat as representatives on the club's lottery board, with around £20,000 going to the youth team each year, and trust members wrote youth team match reports.

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iii)   Club C

At Clubs C and D the relationship between fans and the club was clearly different, given that supporters' trusts were in either complete or majority control. As such the people we spoke to from the supporters' trusts were usually very involved in the club, although we also spoke to independent supporters' organisations. This is reflected in the attitudes and experiences of those we spoke to, including two representatives of the independent supporters' association.

> 'One of the reasons I'm a supporter here is because you can get involved in the club. I know the chief executive; you can go down the training ground and meet the players. I don't want to lose that. I'd hate to be in the Premiership, actually, I think it would be awful. Ownership is the second thing I talk about when I talk about [the club]…. We are the Barcelona of the lower leagues because we are a supporter-owned club.' (Club C ISA committee member)

However, the 'social value' of involvement goes beyond these instrumental relationships in a number of ways, becoming a 'community' and 'family' (again reflected in supporter surveys).

> 'I probably know 4-500 people from football, faces to say hello to, and I could name about 200. That's just been built up through years, through travelling to games and being involved in [the independent supporters' association and trust]. It's surprising how it grows. It becomes your community in itself.' (Club C ISA committee member)

The added value of supporter ownership and the sense of 'belonging', however, has practical outputs for the clubs concerned. These include getting involved to a greater degree 'on behalf of the club' that they would not do if someone else owned it, such as distributing tickets and influencing ticket prices. It also means that, in contrast to our evidence from Clubs A and B, their involvement results in a greater degree of buy in to the club's strategic developments, such as moving to a new ground.

> 'While we love [the current ground] we understand the need to move. One of the benefits of being a supporter-owned club is that far more of the supporters know the ins and outs of the finances here than they would do elsewhere, so we all know that staying there long-term is not sustainable.'

We also spoke to the chair of the supporters' trust at Club C. He said that they 'owed a huge debt ' to the independent fans group for being the first group to spot the problems with [the previous regime] and giving fans a voice: 'We have different priorities and roles now, but we owe a huge debt to them.' Not only does he recognise that there are slightly different roles for the independent group and the trust – although there is considerable

cross over between the two as well – but he believes they have to keep in mind 'the mass of supporters' who may be less involved.

The independent representatives agreed with this perspective and said that the relative success of the fans' groups 'is reflected in the relatively low membership of the groups. Actually 70 per cent of people who come to see the football don't give a shit about who owns the club, they don't really give a shit about all the stuff in the background.'

The supporters' trust representative, like those at Clubs A and B, wanted it to be more of a club and have a positive role in the local community. However, he saw this in a more holistic way than at those clubs, with community interests more integrated and 'the club being part of the community as a whole'.

> 'Instead of just saying "we're a community club", let's be a community club. I think there's a huge difference. I mean, Chelsea would claim to be a community club so what does that mean? A lot of clubs say they are a community club, claiming they are rooted in the community… As if that's enough.'

This was also adjudged to have benefits for the club by fans' representatives we spoke to, reflecting the unanimity in the survey response below in relation to the local authority: 'I think that because we are a community-owned club we have a better relationship with the council. They see us as an asset rather than a business.'

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.

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iv) Club D

The supporters' trust at Club D re-formed the club when the old one went into liquidation, giving them full control. As with Club C, the independent fans' organisation at the time was central in helping this to happen. Like the experiences described to us elsewhere, fans have had to demonstrate their ability to run a football club and the value they could bring:

> 'The biggest challenge initially was convincing people that we could run a football club, that we were serious…we needed to convince our own supporters, the local community, that we meant business, that we could run something coming near to a professional football club and be successful. I think it's been down to infectious enthusiasm from day one… not being afraid to talk to people. I think the other thing has been the fact that we were prepared to work in partnership.' (Club chairman)

A local authority representative said that the 'immediate benefit of this has been increased crowds: 'It was a shift from a club run by an entrepreneur with money, back to the community, the people that actually support the club. Crowds have risen massively over that period – something's working.' However, as with Club C it has also generated a closeness between fans and the club - 'supporters can touch and feel the football club', said one.

> 'The fact that they can come and watch a game here for the fraction of the cost of a game in league football; and then bump into the captain afterwards, have a chat with him about his performance…the lad can go up to a player and get his autograph, the dad can have a beer

with the chairman in the club house afterwards. That is powerful and it's something I believe football has lost, particularly at the top level.'

This is reflected in the categorisation of fans as 'both stakeholders – because it's their club – and customers'. A supporters' trust representative told us that, "The relationship is very open, transparent and considerate; definitely a two-way relationship" and the club operates an 'open door' policy, as well as the more typical fans forums and fans committees 'made up of regular fans'.

The issue of trust which existed at Club C is also evident – 'People are comforted by the fact that the club is there for them' said the trust representative. Also, the 'pay back' in value in terms of fan involvement – something alluded to in the Club A case – was also evident on one research trip, where volunteers were busy painting stands. The Community department representative we spoke to had also recognised the 'care' fans now had which suggested a huge benefit to sustainability: 'Nobody is prepared to let it go under again – it's so important that the community owns the football club. They're very careful about making sure it doesn't happen again.'

One local authority representative also recognised the atmosphere fan ownership had created at the club and this reflected some comments at Club C about genuinely *being* a community organisation:

> 'When I first got involved with the club, I was really positively surprised that it wasn't just men over a certain age…one of the stands was absolutely full of children, there were families there – it's really all inclusive… Everyone is completely welcome in a really safe environment. When you look at the terraces, it really is a community-owned club and I wasn't expecting that. It's all very well saying you are a community club, but they don't just say it, they live it as well.'

Again, this has had positive benefits according to one supporters' trust representative: 'There is a respect at the club – if there's a problem, the fans will stamp it out – there's a lot of self-policing going on. People are aware of the community, family image of the club and they don't want that damaged.'

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.

5.1.2 Fan Surveys

In addition to the interviews, we conducted a short, open, online survey with fans of the four clubs. We had the cooperation of clubs concerned in advertising the survey through their websites and the survey was designed to generate data about fan attitudes toward their clubs in order to understand more about the valuations they placed on the club and its role within the community.

i)   'Best things' about their club

We asked fans to provide three keywords that described the 'best things' about their clubs. This was to get a snapshot of supporters liked most about their club as a way of assessing what is valuable to them. The results are illustrated in the form of 'word tag' clouds. These are useful graphic ways of representing qualitative data in quantitative ways in that the

larger a word features in the image, the more times it has been made in the survey response. The 'tag clouds' for the four case study clubs are presented below.

Club A

Club B

Club C

Club D

What is notable about these results, clearly illustrated in these images, is the predominance of the following:

- Local/locality
- Friends/friendliness
- Community
- Family
- Fans and supporters

Alongside these are notions of atmosphere, history/tradition and senses of belonging. There were almost no comments about success or winning in terms of football; and virtually none about the financial value or performance of clubs.

The value fans derive from clubs are therefore all specifically *social* aspects in terms of the benefits fans feel that they receive from them. This indicates that the way fans *value* their clubs is in terms of the *social* benefits they get from them – a togetherness, belonging and sense of being part of something tight knit. These are all aspects we associate with the positive notions of community and it suggests that for these stakeholders, clubs need to be understood as predominantly social institutions, not as business ones. This of course contrasts sharply with the dominant discourses and regulatory structures about club value.

ii)   The 'value' of their football clubs

We also asked fans: 'What do you think is the most valuable thing about your club for you?' This was an open-ended question that allowed fans to express what they felt. A sample from all the clubs is provided in the Appendix. The responses to this question supported those in the previous question in that they were overwhelmingly about social values of the club – that it brought people together, that it represented the locality, that the clubs were accessible and senses of belonging. These *completely* overrode feelings about footballing or other 'success' factors as this quote from Club A illustrates.

> 'The 'value' in the club is the community it brings together. To be honest, if I just went for the football I would have given up years ago. The football club is actually the cornerstone for some of my most valuable friendships, and a Saturday afternoon is there to meet friends and socialise.'

Given common expressions in the media and sometimes by club officials about fans as being 'impatient' and 'demanding' of success, this is very significant because it suggests what fans actually want is the maintenance of clubs as accessible social institutions that take their role within communities seriously.

In comments from Club A there were a number relating to the club's proposed move to a new location some distance from its current ground. In addition, it was particularly notable with Club D that the fact that the fans owned the club was a very significant factor, reflected in more than half of the 100 comments made. This was to a lesser extent true of Club C, where fans 'proactive' nature was alluded to. An outline of the responses is provided in the Appendix.

iii) Awareness of their community schemes

Given the importance placed on the delivery of community schemes by clubs and football authorities, we also asked about awareness of their club's community work. The results are displayed in the table below.

Club	Yes (%)	No (%)
A	73.8	26.2
B	95.2	4.8
C	100	0
D	78.7	24.5

The results show that fans are *overwhelmingly* aware of the work of their club's community schemes, although this is more marked in two of the clubs than the others. Notably, Club C, a supporter-owned club, had a 100% positive response rate. This awareness reflects the comments made in the first two questions as well as the comment from the trust representative at Club C that *being* a community club was about more than *saying* you were one.

iv) Commitment of Clubs to Community Departments/Schemes

In order to understand more about the importance fans placed on their club's community work, and to ascertain this relatively, we asked if they thought clubs should commit more, less or the same amount of resources on community work. The results are outlined below.

Club A

Club B
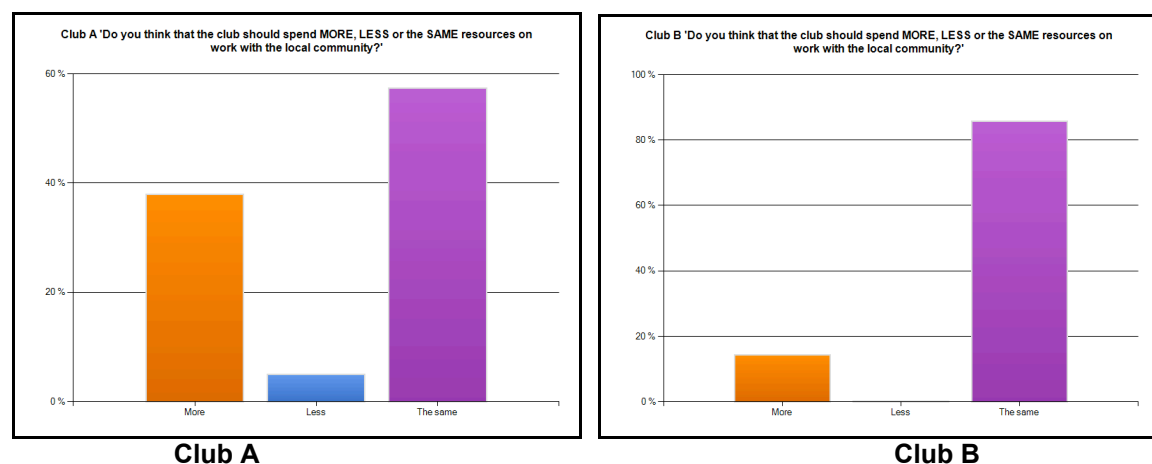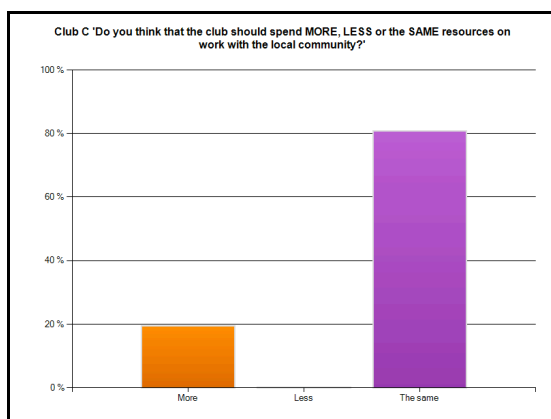
Club C

Club D

These show that fans are on the whole happy with what their clubs commit to their community work with spending the same as the top answer for all four (A: 57.3%; B: 85.7%; C: 80.8%; D: 72.3%). The proportion of fans who thought that clubs should spend more was the second most favoured option for all – although notabl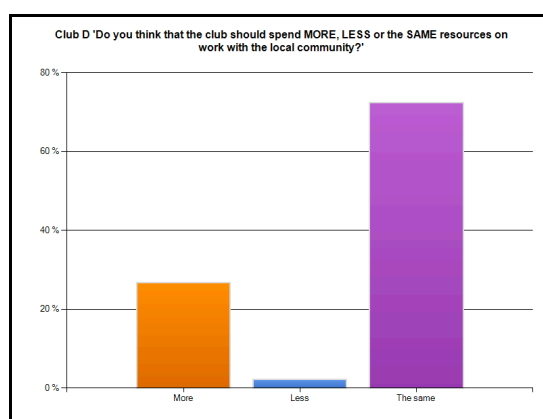y higher for Club A - and very few fans thought clubs should commit less resources. This suggests that the social value of community work undertaken is important to supporters. However, these judgements were made without available details on what club's contributions (including in kind) were to their community schemes, something that was highlighted by the social audit.

However, as detailed bellow in the social accounting exercise, there is a need for clubs to audit and account for contributions in cash and in kind to community departments or charities in order to properly represent and communicate the social value they are helping to deliver.

v)   Relations with the Local Authority

Following up on a key emerging theme from both the interview survey and the case study interviews, we asked fans whether they thought that the local authority was supportive of their club.

Club	Yes (%)	No (%)
A	18.4	81.6
B	61.9	38.1
C	84.6	15.4
D	86.2	14.9

There is a significant difference here between Clubs A and B, non-supporter-owned, and Clubs C and D, which are supporter-owned. This is particularly marked with Club A but there is also a variance between the supporter-owned clubs and Club B. This perception may reflect the differences expressed elsewhere in the research that supporter-owned clubs are able to develop more positive relationships with their local authorities.

vi)   Open-ended comments

We also asked fans if they had any other comment to make, which was left completely open-ended. These followed a number of themes, as indicated in the Table below.

| **Club A** |
| • A desire for club to be more visible locally: 'Why aren't the marketing team doing things to push the club in the public eye?' |

- Supportive comment on those that run the club and its community commitment: 'The club operates at a week to week loss and still finds money in the budget to encourage the wider community and integrate people.'
- Several comments on the ground move, a small majority against but some in favour: 'Don't move us out of the local community .' 'The move… is a good idea and the majority of sensible fans know that this is a positive step to take the club forward.'
- A significant number of comments saying that the club needed to attract the local Asian community more so that they attended matches: 'The club desperately needs to tap into the large Asian community in the area and somehow encourage more Asians to support the local club.'
- A number of comments saying that they felt the local community should support the club more: 'It's a shame local people don't show their commitment more'

Club B
- A sense of pride in the community work: 'Proud of the positive school links, helping kids engage, and keeping them out of trouble.'
- Some concern about its future saying that it is important locally that it survives: 'Just that it has to continue.'
- Recognition of community engagement as part of the future of the club: 'As I have young children I am aware that the club is very active in the local community and I think it's a very positive thing as one day these kids will turn into supporters.'

Club C
- Many comments on the work the club does in the community: 'As a club with an ongoing debt I think it is great the way [they] keep up the standard of work they produce in the community.'
- Some comments about the importance of the new ground development: 'The plans for a new stadium offer a great opportunity to build on the current community activities and expand the club's impact.'
- Some regret at possibility of ownership change: 'The model of being an out and out community club failed. It is back to a successful and rich individual to underwrite the club.'

Club D
- Comments were overwhelmingly positive, more than any of the other clubs, which included a lot of support for the community efforts and engagement by the club: 'I love the work that [the club] do in the community - not many clubs get anywhere near to what [Club D] provides.'
- Civic pride: 'Our Club has done more than any other organisation to put this town on the map.'
- Strong support for the owners of the club: 'It must be said that the board has done a fantastic job since the old [club] went out of business. They have done an excellent job of rebuilding the club with projects that involved the fans and the local community. Such activities have, in my opinion, produced a club that is the embodiment of the town; of the people, for the people.'

Again within this question, supporters emphasised the centrality of its engagement with communities to their appreciation of its future direction. The marked difference of Club D in terms of the sheer number of positive comments re-emphasises some of the points made in interviews about the close-knit nature of the fans and club due to their ownership.

5.1.3   Supporters: Concluding Comments

One major finding from our research exercises with fans suggests that for this 'most important' group of stakeholders – its fans – the *value* of football, is *social* in nature. There were almost no responses in terms of what fans liked best about their club, or about what was most valuable to them, that related to financial value or even winning on the pitch, promotion, etc. Further, unlike approaches such as SROI, it is almost impossible to place a financial figure on those valuations as these can only be expressed qualitatively.

Whether to do with friends, communality, community or a sense of shared ownership and togetherness, this sense of benefit fans felt from their clubs was striking. It is also hugely important in relation to a range if national agendas about community action, cohesion and social regeneration. Football clearly still operates as a conduit for these things and understanding what clubs contribute in these social ways goes way beyond balance sheets and league tables.

However, a number of differences, or different emphases, emerged between supporter-owned and non-supporter-owned clubs.

- More open and transparent resulting in better consultation and interaction. Even at Club A, where there was a tiny minority stake held by fans, this was felt to be of benefit.
- A greater 'closeness' between supporters and the club and a greater unity of purpose.
  Significant added value in the delivery of social value in terms of benefits such as volunteer input and time, which added real value to those clubs.
- A sense that community engagement and empowerment by the club itself – as well as its community department – was more integrated throughout the supporter-owned clubs.
- Better relationships between the clubs and local authorities, which was also appreciated by fans.

Research Approaches
Conducting interviews with supporter representatives and club officials is something that could be undertaken by supporters' trusts, or even clubs themselves, as part of a social valuation exercises. This research will project produce some guidance on how to develop a framework around this but local advice (and volunteers) could be sought, for instance from local colleges or universities, who might also provide some 'critical distance if supporters' trusts didn't feel they could undertake it themselves.

In terms of the survey approach, utilising online survey tools is a relatively easy, cost effective and quick way for different organisations to get the views of different stakeholders in order to assess social value (as well as other matters). Due to a lack of access at all clubs to populations of comparable data – such as membership data – as well as time and cost limitations, we used an open survey approach. With the cooperation of the clubs and access to membership and other data this could be refined further to use known populations – such as club members, season ticket holders or trust members – and survey more representative samples taken from each.

5.2   Local Businesses and Residents

We spoke to a number of local businesses and business organisations in each of the case study locations to get their view of the clubs and their roles locally.

5.2.1   Club A

Those near the ground generally found that they benefited from the location due to match day footfall; this included newsagents, pubs and even florists – 'fans sometimes pick up flowers on their way home'. While traffic could be a problem, this was offset by increases in trade due to football, suggesting a significant economic benefit to the area from the club.

The club moving to another location was perceived as going to have a negative impact in a number of ways:

- Loss of match day trade for all
- For small shops the prospect of a supermarket on the site was an additional threat
- For pubs – 'already suffering with the smoking ban' – there was a major threat without match day custom
- For one shop that provides catering (sandwiches) to the club there was a fear of losing that relationship

- For a hotel, the loss of parking on match days would be a significant issue and where 'supporters are a big chunk of our weekend business'
- A car firm that was also a club sponsor was considering its future sponsorship.

Many comments from local people reflected the sense that the club was part of the fabric of the locality. One shop owner said 'I'm not a fan but I like it being there. It's nice to have them there isn't it? I'll be sad to see them go.' Another said, 'they're not a bad neighbour. Having said that, I wouldn't want to live there.' One resident said that they thought local people see the club as good neighbours generally with the only negative parking on match days. She said that 'it would be sad if the club moved, they are a bit of a local landmark.'

5.2.2   Club B

There were some comments from those connected with the council that the proposed new ground development, with out of town shopping centre, might harm the town centre. The Supporters' Trust felt that the club is not perceived well by local businesses, due to both the old and current regime not paying their bills. However, one person involved with the business partnership and chamber of commerce said they felt relationships were good and that the club tried to source and trade locally. He added that no problems had been raised regarding match day problems.

In terms of the stadium move, residents at the existing site felt that it would impact negatively on them as the council had just spent money on refurbishing flats and the site was now going to be redeveloped and the flats demolished. This was going 'to break up a community' said one resident:

> 'It has a drastic impact on communities when football clubs move and take the associated facilities with them… Residents… have to undergo forced relocation – new flats are being built about 500 yards from the existing site.'

However, the supporters' trust representative thought that new affordable housing on the old site, together with the uplift the new development would bring the town would be beneficial overall.

5.2.3   Club C

The supporters' trust has taken a lead in addressing relations with local businesses, recognising that they 'had never attended business networking events or engaged with local business charitable initiatives.' They began to make links with the chamber of commerce and attended a business network event where people said 'what are you doing here?'. The trust chair said that he was there 'for people to throw stones at, if they want, and to compliment us if they want. And you never know we might be able to do business.' Since then relationships have improved considerably:

> 'Now, when I go to these events they greet me by asking about the result – these are people who never watched us before. If all you're doing is making local businesses go, "Oh, they got promotion", then you're helping. It's all long, long term, but that's what community work is like. It's all small and itty bitty.'

The community sports trust had also attracted sponsorship from a major company through its work.

The club had engaged with residents over the stadium development which had had mixed responses. Those we spoke to in the same local authority area, right next to the stadium site, were overwhelmingly positive and the residents' association said that they had been

involved in public meetings with other local residents and residents' associations. There were 'no objections to the new stadium from residents in the immediate vicinity of the site.' However, a wealthy residents' group in an adjoining authority area said that they had been 'kept in the dark' and were 'completely opposed': 'The thought of hundreds, if not thousands, of people disgorging out of a football ground… in our area is appalling.'

For some local businesses near the old site, pubs and a chip shop, being near the ground was a 'life saver' and contributor to trade. Two pubs regularly had both home and away fans and had even produced club-related celebratory ales. The pubs didn't think the new development would affect trade too much because it wasn't too far away and there were few alternatives near the new ground, although other businesses said that they would rather they didn't move. One kebab shop said they were against the move, but as a fan and not for business reasons.

5.2.4   Club D

The Chamber of Commerce reported that the club was a member, and the Chair gave a talk about developments at least once a year. He said that 'the stronger the ties *it has with the business community, the more advantageous it's going to be.'* He said that the club try and push as much of their business and trade the way of local businesses as they can and the Chair of the club reported that about 80% of invoicing is to local companies.

Several local businesses were sponsors, as with all the case study clubs. For the club's part it had begun a Business Club who were local businesses that would give discounts to fans and they said that 'the local business community is important to us'.

The club were also seeking to develop links between the community programme and large international businesses in the area around their Corporate Social Responsibility agenda. The learning centre manager was leading this to help increase revenue but also increase business engagement in community via the club:

> 'It's a cycle – it will improve the club's standing in the long run if they can get people coming in to the study centre and feeling an attachment to the football club…I think it is important for businesses [in the area] to have an active involvement in community development and education, and what we do sometimes goes amiss…that's a profile we've got to work harder to raise.'

There were no redevelopment issues for local residents and the residents' association representative we interviewed was extremely positive about the club.

6. Case Studies Element (iii): Community Department Statistics

At the case study clubs we sought to provide some comparative statistical data on the work of the clubs' community departments. We sought to provide, where possible, like-for-like data and also illustrate the range of data that can be easily collated as part of a framework to assess a club's social value. This was most usefully achieved by comparing the outputs of the preceding year on one major programme of work.

Although most of this study concerns the activities of the clubs themselves, we also wanted to illustrate the use of indicators about the community programme's work. The criteria we used were to reflect both quantity – absolute numbers of participants and outcomes for instance – as well as quality – length of engagement and the amount of time dedicated to participants. The statistical criteria were:

- The details of participants on community programmes including:
  o Numbers
  o Length of engagement
  o Aggregate attendance
  o Average contact hours
  o Demographic details (age, gender, ethnicity)
- Numbers of schemes
- Progression of participants
- Outcomes and qualifications
- Comparison of where participants lived in relation to the Indices of Multiple Deprivation

Three of the clubs use Substance's monitoring and evaluation software (the Substance Project Reporting System) as part of their delivery of the same national youth inclusion programme. The fourth club, Club D, as a non league club, are not part of the same programme and as we did not have comparable data they were not included in this element of evaluation, although we report some aspects of their extensive community work within the qualitative elements of the case study.

Below we present the tabulated results of this exercise, and following that a graphical representation of the location of participants mapped against concentrations of deprivation to demonstrate one way of illustrating this data.

6.1 Participant Numbers, Aggregate Attendance, Aggregate Contact Hours

This data illustrates both the absolute numbers as well as the length of engagement. For social inclusion projects in particular, longer term engagement is identified as best practice and as such the average contact hours per participant is an important measure. Club B scores highest here, followed by Club A and then Club C. This in part reflects the higher total number of participants that were engaged by Club C (976) compared to the other two (180 and 412 respectively).

Attendance and Delivery	Club A	Club B	Club C
Number of Young People in contact during reporting period	100% (180)	100% (412)	100% (976)
Number of 'starters' (Young People in contact for first time in 12 weeks prior to 30/11/2009)	0.56% (1)	5.58% (23)	14.86% (145)
Number of 'involved' (Young People involved for longer than 12 weeks at 30/11/2009)	36.67% (66)	47.82% (197)	44.26%(432)
Number of 'stopped' (Young People previously attending not seen in 12 weeks at 30/11/2009)	62.78% (113)	46.60% (192)	40.88%(399)
Aggregate attendance at Sessions	2596	7410	16519

Total attendance at 121 Sessions	1	9	0
Aggregate contact hours at Sessions	7216:00:00	17878:30	31565:30
Total contact hours at 121 Sessions	01:00	00:35	
Average Contact Hours (per Young Person)	40:05:40	43:23:45	32:20:30

6.2   Age Profile

Age	Club A	Club B	Club C
8			0.10% (1)
9			0.41% (4)
10		0.49% (2)	0.51% (5)
11		2.18% (9)	1.84% (18)
12	5.00% (9)	8.98% (37)	6.56% (64)
13	9.44% (17)	10.68% (44)	11.99% (117)
14	23.33% (42)	18.45% (76)	16.70% (163)
15	15.00% (27)	17.48% (72)	15.06% (147)
16	16.67% (30)	14.56% (60)	14.45% (141)
17	13.33% (24)	8.50% (35)	10.35% (101)
18	6.11% (11)	8.98% (37)	7.27% (71)
19	3.89% (7)	4.13% (17)	2.05% (20)
20	2.22% (4)	0.49% (2)	0.82% (8)
21		0.24% (1)	0.20% (2)
23		0.24% (1)	
25		0.24% (1)	0.10% (1)
26		0.24% (1)	
Unknown	5.00% (9)	4.13% (17)	11.58% (13)

Clubs B and C engaged a wider age range of participants, again in part a reflection of larger total numbers on the project. The concentrations for all three in the teenage years reflects the target group for that programme.

6.3   Gender

	Club A	Club B	Club C
Male	93.89% (169)	80.58% (332)	86.99% (849)
Female	6.11% (11)	19.42% (80)	13.01% (127)

As with many sports-based youth intervention programmes, males dominate participation, although this is particularly marked with Club A. Improving the engagement of young women is a key area for improvement to maximise the social value of interventions but does reflect practice elsewhere.

6.4   Numbers of Schemes of Work

	Club A	Club B	Club C
Number of Schemes delivered	10	16	52
Number of group work Sessions delivered in reporting period	157	278	1055
Number of session hours delivered in reporting period (Scheme and 121)	430:30:00	633:50:00	1990:45:00

One useful measure of a project's work and social value generated is the number of different schemes, or activities, that they run – as is the amount of group work involved. Club C scores highest here by some distance, which might be expected given the larger numbers of participants.

6.5   Progression of Individuals

The SPRS allows project workers to assess the progress or 'distance travelled' of individuals on their schemes against a 'progression matrix', which monitors aspects such as behaviour, contribution, taking responsibility and outcomes over time. This is a 5-stage matrix that allows projects to reflect on the impact that their work ahs on individuals and the results are presented in the table below.

	Club A	%	Club B	%	Club C	%
Number moving up one level on any one Scheme during report period	2	20.00	16	84.21	45	41.28
Number moving up two levels on any one Scheme during report period	6	60.00	1	5.26	7	6.42
Number moving up three levels on any one Scheme during report period	0	0.00	0	0.00	4	3.67
Number moving up four levels on any one Scheme during report period	0	0.00	0	0.00	0	0.00
Number moving down one level on any one Scheme during report period	2	20.00	2	10.53	45	41.28
Number moving down two levels on any one Scheme during report period	0	0.00	0	0.00	7	6.42
Number moving down three levels on any one Scheme during report period	0	0.00	0	0.00	1	0.92
Number moving down four levels on any one Scheme during report period	0	0.00	0	0.00	0	0.00

There is no clear measure of performance here – as given the nature of social exclusion work with at times challenging individuals, progression is rarely linear. However, there are some very low numbers of records shown compared to total numbers of participants - in Club A and particularly, given the numbers of individuals involved, Club B. This suggests a need for better record keeping in this regard at those clubs if the impact on individuals is to be measured.

6.6   Outcomes

It is increasingly important for football clubs, as with other social intervention agencies, to assess their performance against the outcomes achieved for individuals. For instance, it is not enough to just account for the absolute numbers on projects but also the progression made (as outlined above) and outcomes and qualifications achieved. In the Appendix we present the Outcomes data for the three clubs although because different projects will achieve different we do this club by club as well as present a total number of outcomes for each. Clearly the totals might include multiple outcomes for one individual.

While we can see a greater *range* of outcomes in Clubs B (23 categories) and C (14) than Club A (4), Club C (204) has a comparable *number* of outcomes recorded to Club A (213). Club B, however, leads the field in this respect by some distance with 727 outcomes recorded.

6.7   Targeting Deprivation

One of the aims of the football clubs community departments, schemes and charities is to work with disadvantaged communities and young people in particular. This approach – using sport for social and community development – is also where previous research has suggested there is greatest social value to be achieved through football clubs' outreach community work. As such it is important for community projects to show where their participants come from to show whether they are engaging disadvantaged communities. This can be easily achieved by the collection of postcodes from participants and the

mapping of these against demographic information about those areas, such as the Indices of Multiple Deprivation.

Straight comparison is somewhat tricky given that clubs will operate in different areas; although most football clubs in England, it has to be said, will be nearby at least some areas of deprivation. The programme that these statistics are generated from asked clubs specifically to work with young people from disadvantaged areas and as such this is a useful way of measuring their effectiveness. While this is not a perfect science – a person from a more wealthy family might live in a more deprived area, for instance – it does provide a useful overview of the people the projects are engaging and providing services for.

The table below shows the numbers and percent of participants for each club from Lower Super Output Areas that are ranked in the national scale of Indices of Multiple Deprivation.
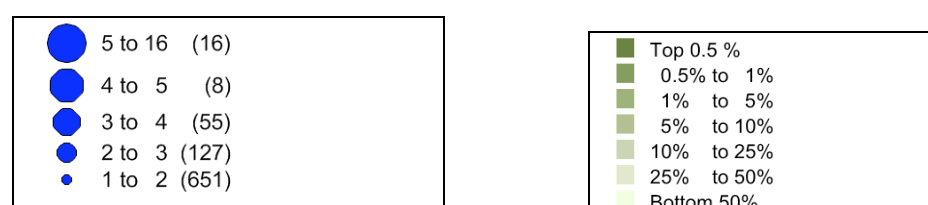
Ranking of SOA in IMD (2007)	Club A	Club A%	Club B	Club B%	Club C	Club C %
0%-10%	51	82.26%	91	26.92%	74	9.60%
10%-20%	5	8.06%	48	14.20%	137	17.77%
20%-30%	3	4.84%	46	13.61%	178	23.09%
30%-40%	0	0.00%	53	15.68%	156	20.23%
40%-50%	0	0.00%	38	11.24%	55	7.13%
50%-60%	0	0.00%	8	2.37%	105	13.62%
60%-70%	0	0.00%	19	5.62%	38	4.93%
70%-80%	3	4.84%	4	1.18%	11	1.43%
80%-90%	0	0.00%	27	7.99%	13	1.69%
90%-100%	0	0.00%	4	1.18%	4	0.52%
Total for which data available	62	100.00%	338	100.00%	771	100.00%

These statistics demonstrate some aspects – that Club A works with a considerably higher *proportion* of people from areas ranked within the top 10% of the IMD nationally, whereas Club C is more evenly spread, for instance. However, it should also be noted that Club C works with considerably more *numbers* of people than any of the others and total numbers within the top deprivation percentages are significantly higher at Club C than Club A. Club B though works with the highest numbers in the top 10% most deprived communities, 91.

Given the different contingent factors at play, notably location, it is difficult to make any hard and fast judgements about this in terms of overall impact, as is the case with assessing social value more generally. However, it is a useful way for club community schemes to measure their outputs and means that a baseline can be created for assessing their impact and activity in future years.

The maps below also provide another way to present this data. In these maps, the darker the area, the higher it is ranked in terms of deprivation; and the larger the dot, the more participants they represent with the ranges shown in the legend boxes below. It should be noted that the maps have been drawn to show the spread of participants and as such represent different sized geographic areas for each club.

| 5 to 16 (16) |
| 4 to 5 (8) |
| 3 to 4 (55) |
| 2 to 3 (127) |
| 1 to 2 (651) |

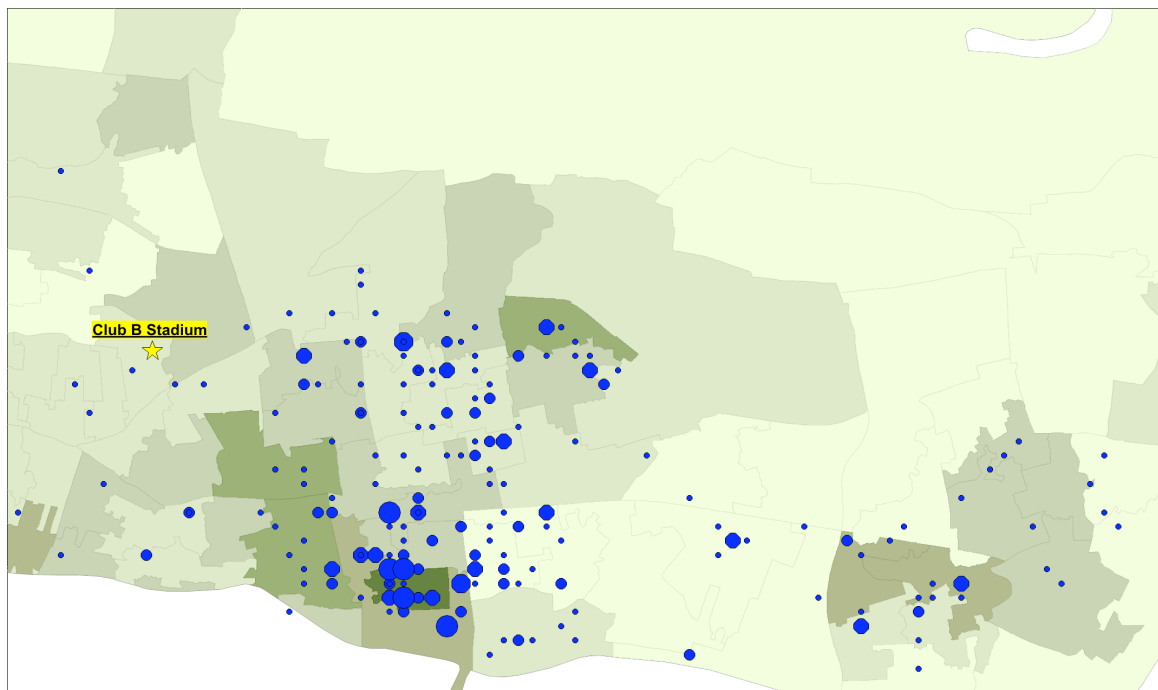| Top 0.5 % |
| 0.5% to 1% |
| 1% to 5% |
| 5% to 10% |
| 10% to 25% |
| 25% to 50% |
| Bottom 50% |

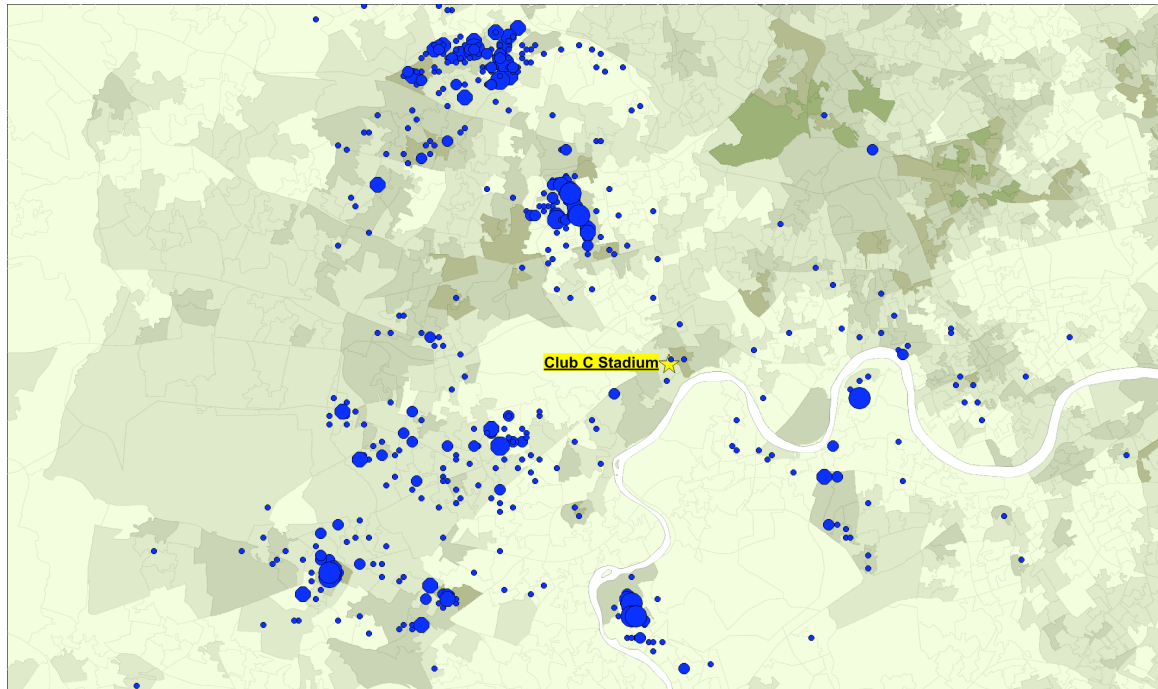**Legend: Numbers of participants**   **Legend: Lower Super Output Areas (IMD 2007) percentile**
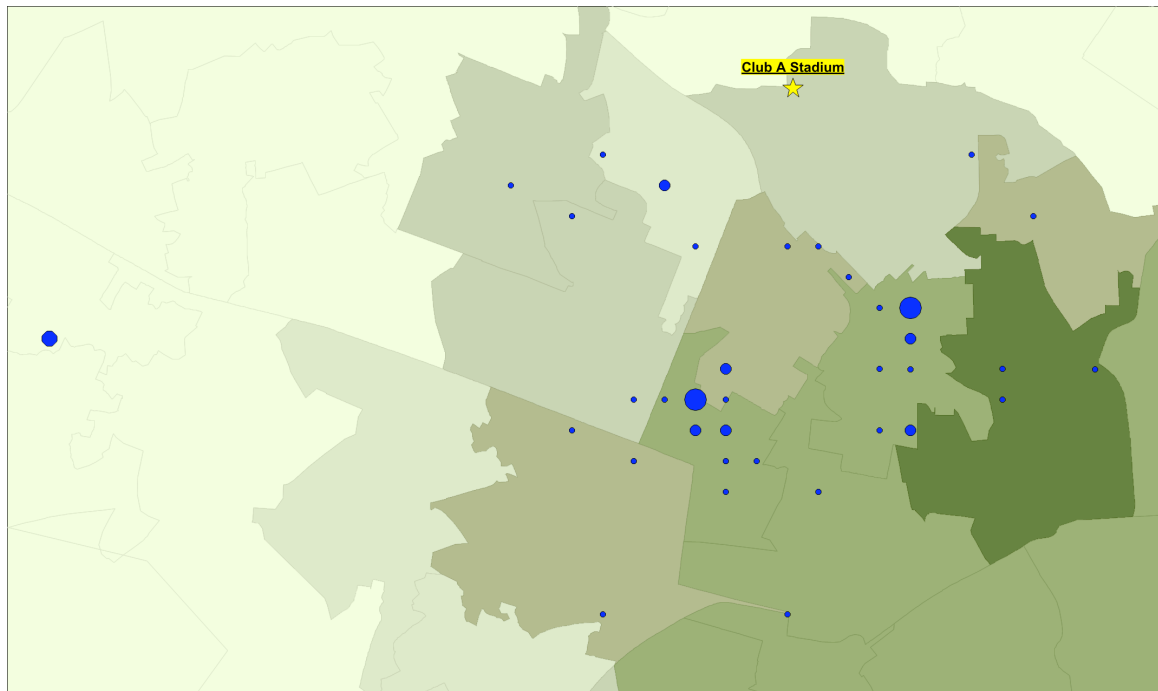
Club A: Location of community project participants in Super Output Areas IMD (2007)

Club B: Location of community project participants in Super Output Areas IMD (2007)

61

Club C: Location of community project participants in Super Output Areas IMD (2007)

From these we can see that Club A draws a high number of participants from a relatively small geographic area, but that these are concentrated in areas of high deprivation, whereas Club B draws participants from a wider area and Club C, within a larger conurbation, even more so.

Alongside more statistical representations, the maps are a way of providing projects, clubs and partners with a snapshot view of work undertaken in relation to the place of the stadium and of how they are meeting targets around working with participants in deprived areas. As with the 'tag clouds' generated from supporter surveys, accessibility of data on social value is an important element in getting more people to appreciate its importance and in understanding different ways in which social value can be generated and assessed.

7.   Case Studies Element (iv): Social Accounting Bundle

7.1   Approach

This element of the case study work was to undertake a social 'accounting' exercise around a 'bundle' of club indicators as described, designed and undertaken by Adrian Ashton, a leading social accounting consultant[20].

The 'club bundle' of indicators was:

   i.   **Local Spending:** To analyse the local purchasing records of each club to determine its direct economic impact in its city/town; and to explore the existence of any policies or approaches that encouraged local supply.
   ii. **Investment in Local Community:** Analysis and accounting of club contributions to community schemes and to other local initiatives (e.g. local ticket schemes) which embraces time, 'in kind' and financial investment.
   iii. **Staffing:** Profiling of staff in terms of local employment and demographics and analyse training/staff development provided in preceding year.
   iv. **Environmental Impact:** Analysis of waste recycled, environmental policies and any local environmental works or initiatives as well as negative local impacts.
   v.   **Supporters:** Analysis of levels of supporter ownership and involvement. Analysis of club articles of association, fan/customer policies, ticketing, membership and trust records.
   vi. **Governance:** The governance arrangements of each club were investigated against a range of measures to determine instances of good practice.

Evidence in each of these was based on what information clubs could readily access on the day of the research visit. As with other elements of this research, while each club was found to support the delivery of a significant level of support to their local community through separate charities or foundations, this research focused exclusively on the contributions that the club themselves make directly.[21]

7.2   Local Spending

Within the scope of this research it was not possible to undertake an economic impact study of the clubs – these are indeed rare in football. The contributions clubs made to their local economies and local communities was undertaken through two approaches, although lack of usable data hampered the results significantly.

i) An analysis of each clubs' invoice register for the last full year to identify what proportion of spend was with local suppliers (*as determined by their sharing the same postcode prefix*). With one of the clubs electing not to make this information available, and none of the clubs having any specific polices in relation to local suppliers, it is not felt that it is possible to draw any firm conclusions about the usage of local suppliers[22], although this is commented on elsewhere in the case studies.

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[20] www.adrianashton.co.uk
[21] It is should also be borne in mind when reviewing these 'accounts' that social accounting does not seek to make any judgement as to the overall relevance of activities, the need for them, nor the ways in which they are delivered, but merely to seek to capture and report on auditable evidence to show the impacts that they have created.
[22] Although Club D (supporter-owned) has a notably higher proportion with local suppliers compared to Club A (non-support owned), the mean of both supporter-owned clubs is equal to that of Club A, indicating that Club D may simply be showing good practice rather than indicative of supporter-owned clubs generally.

Proportion of purchases in local economy	Club A (%)	Club B (%)	Club C (%)	Club D (%)
	15.0	N/A	10.2	30.2

Further, this evidence contrasts with the statements made by club officials and the volunteering of some data – such as Club D saying that it made 80% of purchases locally, elsewhere in the case studies.

ii) An attempt was also made to quantify the extent to which clubs are offering direct resources via local community departments or trusts which included monitoring of player appearances, details of facilities made available for free or subsidised rates to local groups, the extent of ticket offers.

One club did not record details of any such support whatsoever and there being a variance in the records that other clubs kept (for example, Club B assigned a value to player appearances and monitored them, which none of the other clubs did; but none of the clubs reported that they recorded how many days of total staff and others' time were spent in support of local initiatives and projects). As such it makes comparison difficult, but the results are presented below.

Value of 'in kind' support to local community	Club A	Club B	Club C	Club D
	£1,480,675	£123,572	£214,014	N/R

We have been informed since this research took place that the Professional Footballers' Association is now collating the amount of player appearances being made at each professional club which may be a useful data source in future exercises.

7.3   Staffing

Staff were profiled against the local demographic profile of the community in which the club is situated to seek to ascertain how representative the club is of its community with regard to its employee base. This was captured through a review of anonymised payroll and staffing records.

Age range	Club A variance to community (%)	Club B variance to community (%)	Club C variance to community (%)	Club D variance to community (%)
16-19	+10	-2	-5	+3
20-29	+23	+25	+24	+5
30-44	+1	+17	+13	-2
15-59	-2	-6	-17	+17
60+	-9	-14	+5	-1

Ethnicity	Club A variance to community (%)	Club B variance to community (%)	Club C variance to community (%)	Club D variance to community (%)
White	+6	+4	N/R	N/R
Mixed	0	-1		
Asian	-10	-1		
Black	+5	-1		
Chinese	0	-1		

Gender	Club A variance to community (%)	Club B variance to community (%)	Club C variance to community (%)	Club D variance to community (%)
Male	+39	+19	+2	+11
Female	-39	-19	-2	-11

Employees living in local area	Club A (%)	Club B (%)	Club C (%)	Club D (%)
	46	76	0	100

The tables below show comparative results for each club, and indicate that while employees of supporters' trust owned clubs appear to be more representative of the gender balance of their community, there is little difference with regards to the ranges of ages and residence of employees. The ethnicity profile of employees cannot be commented on due to the Trust owned clubs not keeping records of their employees that allow for such a comparison.

Staff absenteeism was also examined with a view of seeking to identify how 'healthy' the clubs were as employers. However, only one club (Club B) maintained such records and so no overall comment is possible.

Staff training was also examined to seek to identify to what extent clubs are investing in their own staff. However, as with other measures in this section, only one club, which was trust owned (Club D in this instance) was able to cite any evidence of formal and planned staff training. This saw all employees being trained to achieved NVQ level 2 in relevant subjects and is being delivered in partnership with the local college and funded through the national Train2Gain initiative. This means that there is little cost to the Club beyond the freeing up of staff time, and demonstrates good practice from which others could learn.

Although comparative lessons are difficult to ascertain, the principal lesson here is for better record keeping with regard to staffing if these social accounting methods are to be employed.

7.4   Environmental Impact

A number of measures were sought to be reported on in considering a clubs' overall direct environmental performance and impact on its local community. It was hoped that this would cover polices or details of arrangements that clubs might have made in waste disposal and managing their environmental impact, such as staff travelling patterns. However, the only data that clubs were able to identify was that they each held contracts with waste contractors who managed their waste streams for them, but that these did not offer any breakdown of types of waste, nor how they were treated.

As such, it is not possible to assess the case study clubs in this regard at all and again suggests an area that needs to be addressed in football. This is a relatively easy measure for clubs to collate and as the importance of environmental monitoring increases, is something that clubs could and should be encouraged to do routinely. This is a standard practice for many businesses currently and if football is to report better on its impacts, it needs to ensure that such record keeping and evaluation becomes more widespread.

7.5   Supporters

As with staffing, supporters of the clubs were 'mapped' against indicators of the local community to see how representative they were of it. Examining this area may give opportunity for clubs' to revisit their perceptions and understandings of who their 'local community' is in relation to principal stakeholder groups (supporters, employees, suppliers, and so on).

Age range	Club A variance to community (%)	Club B variance to community (%)	Club C variance to community (%)	Club D variance to community (%)
16-19	+12	N/A	-20	N/R
20-29	+2		+6	
30-44	+11		+13	
15-59	+9		+12	
60+	-12		-15	

Supporters living in local community	Club A (%)	Club B (%)	Club C (%)	Club D (%)
	61	N/A	N/R	90

Supporters gender	Club A variance to community (%)	Club B variance to community (%)	Club C variance to community (%)	Club D variance to community (%)
Male	+39	N/A	N/A	+37
Female	-39			-37

However, again data was very partial and only two of the clubs were able to either make this information available, or even monitor it. The indication from available evidence is that the supporter-owned club that did have data performed better than the non-supporter-owned club in terms of location of fans also being local residents. In terms of gender imbalance, this is perhaps to be expected given known disparities in football attendance generally, and shows little difference between supporter-owned and non-supporter-owned clubs; something both will need to address to improve their social value performance as institutions that are open and in which all groups can participate.

The partiality of this data re-emphasises the need for better record keeping at clubs which would allow better analysis of the supporter base, having implications for marketing as well as local community engagement. The absence of this data makes it harder to justify claims that clubs are 'at the heart of communities'.

7.6   Governance

A number of measures were sought to report on the performance of clubs in terms of good governance. Encouraging good practice in club governance is a vital issue in contemporary football for all ownership models and is one way in which its social and community performance can be assessed given that good governance promotes the responsible, inclusive and transparent running of clubs. The governance arrangements were examined in a number of ways, and drew on records of each club's management meetings, and their governing documents.

Participation in Club Directors' meetings *Mean attendance of all possible meetings a Director would have been invited to.*	Club A (%)	Club B (%)	Club C (%)	Club D (%)
	N/A	N/A	83	100

Participation in Supporters' Trust Directors' meetings *Mean attendance of all possible meetings a Director would have been invited to.*	Club A (%)	Club B (%)	Club C (%)	Club D (%)
	N/A	75	83	100

Gender of Club Board	Club A (%)	Club B (%)	Club C (%)	Club D (%)
Male	N/A	N/A	100	100
Female			0	0

Gender of Trust Board	Club A (%)	Club B (%)	Club C (%)	Club D (%)
Male	N/A	N/A	90	71
Female			10	29

Clubs not owned by supporters' trusts chose not to make some of these documents available which in itself suggests an important trend, namely that the supporter trust model clubs tended to be more open than those that are privately owned. Also, In terms of gender profiling of the boards, while directors of all clubs seem to be almost all exclusively male, there is at least some female representation and involvement in the boards of supporter-owned case study clubs.

A review of the governing documents of each club was also undertaken, with a view to establishing if, and how common, any specific rules existed that framed the relationship of a club to its community. As with some of the other measures, one privately owned club elected not to make these available, and so it is difficult to draw any firm conclusions across all the clubs. However, in reviewing those that were made available, the performance of one supporter-owned club (D) was found to be significantly poorer than the other two.

A summary of the key points and differences in club governance documents are presented in the table below. It should be noted that none of the three clubs that made memorandum documentation available had any reference to football, or the local area/community, stated within the purposes of the organisation. While those owned by trusts do have these memoranda within the trust, this was not replicated in the limited company that owned the football club.

	Club A	Club B	Club C	Club D
	N/A			
Quorate for meeting[23]		3	2	1
Option of co-opting non-shareholders as Directors[24]		Y	Y	N
Limits on borrowing capacity		Y	Y	N
Rotation of board[25]		Y	Y	N
'Asset lock'[26]		Y	Y	N
Explicit powers to make gifts in supporting local people who have a connection to the club		Y	Y	Y
'golden share' clause (*to allow holder to veto any vote to dispose of grounds*)[27]		N	Y	N

Both Club 8 and Club 9 in the qualitative survey did include objects relating to community obligations and roles, as well as objects relating to the promotion of football. These might be identified to provide 'best practice' guidance in this regard and this is something that Supporters Direct can promote with supporters' trusts. Trusts can encourage their adoption in both supporter-owned and non-supporter-owned clubs.

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[23] A lower quorate increases the risk of a minority (or single) shareholder taking effective control of the club
[24] Being able to appoint Directors who are not shareholders offers a club more scope in drawing upon a wider range and base of skills and expertise
[25] Having a rotation of the board forces the club to continually consider which directors are best placed to continue to lead the club as its circumstances change and prevents individuals from becoming 'entrenched'
[26] Should the club be wound up, an asset lock ensures that any residual assets are gifted for the benefit of the community rather than a minority of private individuals
[27] A 'golden share' clause means that if a Supporters Trust is in ownership of the club it can raise further investment through issuing of further share capital while retaining control over issues which are felt to be of upmost importance in safeguarding the future of the club in any possible scenario

The adoption of community obligations within company governance documents would also be one way in which to place an obligation on directors to report annually how they are being met, which would further encourage the adoption of social value reporting in football.

7.7   Lessons Taking this Approach Forward

While it is not easy to make any firm conclusions about the relative *performance* of the clubs in this exercise, and nor are there any particularly shining examples of good practice across all areas, there were some. Also, a number of lessons can be drawn.

- Supporter-owned clubs tended to be more open and transparent than those that were not in making documentation available although they often had worse record keeping relating to social account evidence.
- This may be due to the culture of such clubs who seek to be more accountable to their interests of their owners – local fans who want more awareness and influence over the club.
- The growing importance of assessments of social value in business more generally, football appears to be lagging behind other sectors and a culture and practice change in this regard needs to be encouraged.
- Football clubs can relatively easily begin to monitor their performance in these ways through some better record keeping and compiling of documents. This is particularly so in relation to matters such as environmental disposal and local purchasing policies.
- Clubs may need some assistance in doing this; football authorities and Supporters Direct should look to provide such help.
- While the creation of charitable community organisations has been supported by some previous research[28], the concomitant integration of community interests across the core operations of clubs do not appear to have been adopted to the same extent.
- Where this does occur, evidence gathering is clearly patchy, if not poor.
- Clubs were also not able to quantify the support they gave to these separate departments or trusts, which could demonstrate significant social value brought by the club itself. While this is not to say it is not happening, on the whole we could not find evidence to support it.
- The same is also true in terms of staffing, environmental, purchasing and governance policies that might also have significant social value.
- Clubs do not tend to realise the merits of some of the actions they were undertaking in terms of their social value and greater information sharing about this is required.
- Governance structures are extremely varied and there was significant room for improvement across the board. Given that one of the objectives of better governance is better transparency to local stakeholders, the fact that we were not even granted access to governance information at one of the clubs speaks volumes.
- None of the clubs had any Objects relating to either football or to the local community and this is something Supporters Direct should start to promote within football. This might include production of model company community objects and encouraging supporters' trusts to push for at their clubs because this would create an obligation to report the social impacts of the club on its communities.

More generally, this exercise re-emphasises the fact that although football has become much more proficient at evidencing the work of their community departments and charities as shown in the previous section, the 'community impacts' and 'social value' they create as *clubs*, is rarely evidenced. A more holistic approach to demonstrating social value requires the reporting of social and environmental impacts across the club and not just

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[28] Brown, Crabbe and Mellor (2006) Football and its Communities, London: Football Foundation: 26

'outreach', coaching or intervention work undertaken at arm's length.

Adoption of local employment practices, local purchasing policies, better and more inclusive governance, environmental standards and waste disposal recording is becoming commonplace in many businesses and there is little reason why this should not be the case in football. Embedding these within company Objectives under an obligation to benefit local communities and act in a socially responsible way, would further enhance football's commitments in this regard.

Many of the aspects raised in this (and other) sections of the case study do not need to make hugely onerous demands on football clubs. Indeed, much of the evidence that could support the 'social accounting club bundle' exercise undertaken in this section can be done routinely and easily, allowing clubs to create significant added value to their annual reporting without a huge demand on resources.

As such this section of the case studies has demonstrated that there is a need for change in both culture and practice in football across both supporter-owned and non-supporter-owned clubs. Triple bottom line reporting and the accounting for social impacts is becoming commonplace in business and, while reporting the impacts of community trusts and charities is improving in football, our research suggests that this is not the case with regard to football clubs themselves. The reputational advantage of football's community outreach work has been considerable, both within local communities and more broadly.

If football wants to improve its standing, argue its case with policymakers at local, national and European levels and create further reputational advantage across the game, then the areas suggested in this element of the case studies need addressing. Supporters Direct has already lead the way in commissioning this research, and they as well as supporters trusts can play a leading role in pushing this agenda within the game. That will require addressing the regulatory framework in which football operates, an issue to which we now turn.

8. Regulatory Frameworks, the European Union and Sport's Social Value

Substance commissioned Mark James and Samuli Miettinen of Salford University Law School to provide the project with a Working Paper[29] summarising of the regulatory status of requirements for social accounting in sport and football in particular. That view is provided here.

8.1   Introduction

It is often claimed that because professional football clubs are at the centre of, integral to and essential for the communities in which they are based, the pattern of regulation affecting them should be different from that which is imposed on other businesses of a similar size. Despite this claim of difference, however, there are no existing requirements to submit to social accounting procedures imposed on clubs by either the football authorities or the law. The result of this lack of a framework for measuring the social and community impact of a football club is that there is very little evidence that can be relied on by either the governing bodies of football or their constituent member clubs to justify their being treated differently by the law.

8.2   Regulation by the football authorities

All professional football clubs based in England must be members of the Football Association and comply with its rules and regulations. Further, requirements can be imposed on clubs by the organiser of the league in which they compete, specifically by the Premier League or the Football League. Finally, any club which qualifies to compete in either the UEFA Champions League or the UEFA Europa League must have fulfilled the requirements of the UEFA Club Licence.

8.2.1   The FA
The FA requires an annual return from a club seeking to renew its membership.[30]   The return, made on Form 'A' to provide evidence of compliance with Rule I, must contain a copy of the club's most recent annual accounts and evidence of its legal status and security of tenure over in respect of its home ground. Form 'A' also requires that a meeting of the club's board or committee has resolved to commit to the long term health and stability of the club in the community of which it has traditionally been a part. However, nothing more than a resolution to such effect appears to be necessary.

8.2.2   The Premier League
The Premier League (PL) comes closest of all the football regulatory bodies in requiring clubs to report on some aspects of socially responsible governance, although this falls short of any requirement for social accounting or 'triple bottom line' reporting.

In addition to FA regulations, the PL require that clubs have in place a customer charter, as defined in Rule J of the Premier League Handbook.[31]   The charter must contain the club's policies on its relationships with its main stakeholders, who are defined as being its supporters, season ticket holders, shareholders, sponsors, the local authority in which it is

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[29] James, M and Miettinen, S (2009) *Are there any regulatory requirements for football clubs to report against social and environment impacts?*, Manchester: Substance
[30] FA Handbook Season 2009-2010,
http://www.thefa.com/TheFA/RulesandRegulations/~/media/Files/PDF/TheFA/FA%20Handbook%2009%2010/FA_Handbook_Full_Proof_NO_CROP.ashx/FA_Handbook_Full_Proof_NO_CROP.pdf.
[31] Premier League Handbook Season 2009-10,
http://www.premierleague.com/staticFiles/bb/3b/0,,12306~146363,00.pdf.

based and others having an interest in the activities of the club. Rule J.17 requires that the club's policies with regard to its stakeholders should provide for consultation with them on a regular basis through forums, questionnaires and focus groups and by the publication of current policies on major issues in an easily digestible format. Further, the policies should promote supporter and community liaison and provide for the establishment of liaison structures.

Rule J.3 requires an annual report to be submitted that describes how each of the policies has been implemented and the extent to which the goals of each have been achieved, however, this falls far short of a requirement that social accounting be undertaken or reference to 'social value'.

8.2.3 The Football League

There is also no social accounting requirement by the League itself on Football League clubs,[32] though an annual review of the customer services and community activities engaged in by member clubs is conducted through its 'Goal Report'.[33] However, the Football League Trust does require clubs' community schemes to report both the project outputs and the adoption of environmental policies in a project developed in conjunction with the Environment Agency[34]. This is an important model in relation to this debate because:

- Funding is tied to reporting of social and environmental outcomes
- Adoption of environmental policies at some schemes has meant changes in club practice
- Achieving 'gold standard' will require schemes to have the active participation of clubs in environmental initiatives

This is therefore a model that could be followed by leagues and football authorities with regard to their clubs.

8.2.4 UEFA

Finally, clubs that have qualified to compete in either of the UEFA Champions League or Europa League must be in possession of a UEFA Club Licence.[35] Applications are processed by the national association to which most clubs are affiliated (although some are to leagues) in accordance with the five criteria identified in the UEFA *Club Licensing Manual*: sporting issues; infrastructure; appropriate personnel and administration; legal and financial requirements. The conditions of club licences are currently under review, a process that Supporters Direct is currently involved in and which could in time incorporate reporting of social impacts. However, there is currently no requirement in the detailed explanations of these criteria that a club assess its social or community impact.

Thus, none of the governing bodies of football require social accounting to be undertaken.

8.3   Regulation Under UK Law

Football clubs, like any other businesses, are subject to UK law. At present, however, there is no specific requirement that any UK company undertake social accounting in respect of its impact on a community. Under section 415 Companies Act 2006, the

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[32] Application for membership of the Football League, http://www.football-league.co.uk/staticFiles/b/3d/0,,10794~146699,00.pdf.

[33] Goals Report 2008-09, http://www.football-league.co.uk/publications/goals-report-200809-20090511_2246592_1654351.

[34] 'Clubs Must Go Green to get Cash': http://www.yorkshireeveningpost.co.uk/sport/Football-League-Trust-Clubs-must.6128042.jp

[35] UEFA Club Licensing System Manual Version 2.0, http://www.uefa.com/newsfiles/358508.pdf.

directors of all companies must prepare a report that covers each financial year and this must include a business review that provides the company's members with sufficient information to enable them to assess whether the directors have performed their various duties. Thus, if the company has social or community benefit as one of its objectives - and we have seen that few in football do – then it will have to report on whether and how that objective has been achieved.

Further, quoted companies must provide information about any policies that have been implemented in respect of social and community issues to the extent that they are necessary for an understanding of the development or performance of the company's business.[36] However, there is no legal requirement that a company actually engages with its community, just that it reports on any engagement that it does undertake.

There are provisions for company directors to take account of stakeholders, but there is little detail on what that might entail, nor that directors have to say anything more than they have considered them - i.e. there is no obligation within company law to evidence the impact of this. This raises again the issue of company objectives and suggests that the adoption of Objects by clubs would then embed a need to report social and environmental outcomes on directors.

8.4 Regulation Under EU Law

Football clubs are also subject to EU law both when acting individually or as a constituent member of a league or governing body. The social significance of sport to the EU and its citizens has been referred to on many occasions by its political and legal institutions. However, this must be distinguished from the social impact of a club on its community, a distinction that is not always made clear in discussions of this area.

Some cases where the social functions of sport have been invoked as justifications for their legality have been *popularly interpreted* as being decided on the basis of the social significance of sport. This does not always reflect the actual interpretation of the law applied in the case and can be explained by publicity material, such as press releases, failing to represent accurately the legal reasoning involved. The press releases announcing the closure of the Commission's investigations into the legality of transfer systems and the sale of sports media rights afford two prominent examples.[37] While these referred in various ways to the Commission's attempt to take into account sporting issues or the social functions of sport, there is no evidence that its formal legal decisions were based on these questions.[38] Instead, conventional economic arguments led to a conventional application of competition law.

Historically, the EU had no direct legislative competence to regulate sport. As a result, EU intervention in sport generally took one of two forms:
i) legally non-binding documents such as opinions or recommendations and
ii) legally binding rules that, while not specifically addressed to sport, in practice govern sporting activity as they would all other activities.

When the Lisbon Treaty came into force on 1 December 2009, sport will be expressly mentioned for the first time in the new Article 165 Treaty on the Functioning of the European Union (TFEU). However, the EU's new powers relate only to incentive measures and non-binding instruments. Any direct regulatory powers to harmonise sports-related legislation in Member States are expressly excluded. Thus, although the Lisbon

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[36] Section 417(5)(b)(iii) Companies Act 2006.
[37] Press releases IP/02/806, IP/03/1748, IP/01/583, IP/02/824.
[38] Commission documents C(2006)868, C(2003)2627, C(2005)78.

Treaty provides for the possibility of directly funding sporting initiatives, the EU law most relevant to sport will continue to be that which regulates sporting activity because it is also an economic activity.

8.4.1 EU Law and the Social Significance of Sport

References to the social significance of sport in many EU instruments are essentially rhetorical. EU acts which, while not primarily aimed at sport can affect it, do not always expressly refer to how sporting practices should be treated - rules about foreign nationals, for instance. In some of the sports cases where these legal rules are at issue, sport is *assumed* to have a social significance and, as a consequence of that assumption, sporting practices are claimed to require different treatment to similar practices that are operated in other contexts which are clearly subject to EU law.

- EU law requires that where a practice hinders freedom of movement for workers or services or the freedom of establishment (Articles 45, 49 and 56 TFEU), it must be justified and proportionate.
- EU law also prohibits unjustified restrictions of competition (Article 101 TFEU) and abuses of dominant positions (Article 102 TFEU).

But there are no legal rules at EU level, which would require a sporting body to undertake social accounting.

8.4.2 'Bosman'
However, sports-related justifications can help determine whether a practice that might restrict freedom of movement or competition is contrary to EU law. The social significance of sport has appeared in such justifications and has been invoked to justify sports-related practices. In the case law of the European Court of Justice (ECJ), the social functions of sport appear primarily as rhetorical tools that introduce justifications accepted as valid by the Court. For example, the ECJ refers to the social functions of sport in *Bosman* and mentions 'the considerable social importance of sporting activities and in particular football in the [Union]', but this refers specifically to balance between clubs, uncertainty of results and training of young players.[39]

In contexts where the social function of sport is simply a rhetorical tool to introduce other justifications, its utility is accepted without further investigation[40] - i.e. no evidence is required. However, when societal benefits are themselves claimed to constitute justifications for differential treatment, the ECJ has carefully examined the veracity of such claims. Thus, when discussing nationality quotas in *Bosman*, the ECJ observed that even if, hypothetically, the connections between club teams and their countries were social aspects of sport that might be justify discrimination, no such connections could be demonstrated to exist. The non-binding advisory opinions of Advocate Generals to the Court have extensively discussed some social functions of sport, however, even in these, the social importance of sport is rhetorical and there is no discernible trend for this to affect legal outcomes.[41]

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[39] Union Royale Belge des Societes de Football Association ASBL v. Bosman (Case C-415/93) [1995] ECR I-4921. See also Lehtonen and Castors Canada Dry Namur Braine v. Fédération Royale Belge des Sociétés de Basket-ball (Case C-176/96) [2000] ECR I-2681 paragraphs 32-36.
[40] Lehtonen paras 32 and 33, Deliège v. Ligue francophone de judo et disciplines associées ASBL, Ligue belge de judo ASBL, Union européenne de judo (C-51/96) and François Pacquée (C-191/97) paras 41-44.
[41] See for example Case C-49/07Motosykletistiki Omospondia Ellados NPID (MOTOE) [2008] ECR I-4863, Opinion of AG Kokott points 24 and 25.

8.4.3 Other EU Legislation

There is also a tendency in some modern EU legislation to make a special case for sport as opposed to other activities that fall within the scope of ordinary EU regulation. Preambles to such legislation may make reference to the social importance or functions of sport and claim that sport ought therefore to be entitled to differential treatment.[42] While it is possible for legislation to state that a particular sector such as sport is not within their scope, the modern clauses which purport to exempt sport are imprecise. There is currently no case law on the effect of such claims and historically the ECJ has interpreted exclusions from the scope of EU instruments in a restrictive way. It also seems unlikely that the Court would accept that secondary legislation could limit primary Treaty obligations such as the prohibition on nationality discrimination or against restrictive commercial practices.

The final environment inhabited by the 'social significance' argument is the collection of non-binding political instruments adopted by the institutions of the EU. These political declarations at times go further than merely observing the alleged significance of sport and propose that the EU should positively reinforce certain social functions of sport.[43]

8.4.4 Potential Requirements to Demonstrate Social Functions

Social impact could, in principle, be recognised as a legitimate feature of sport and could be invoked to justify restrictive practices that aim to secure community involvement. However, when the social functions of sport have been invoked before the ECJ to justify restrictions to freedom of movement or competition, the rules which pursue allegedly social benefits must be proportionate. This means that they must be suitable for achieving their aims and they must be the least restrictive measures suitable for achieving those aims. Thus, where a societal dimension of sport is raised as a justification for a restriction of freedom of movement or competition, that dimension must have an appropriate evidential basis. Since EU law does not directly regulate sport, it lays down no specific social obligations for sports bodies. However, in some Member States national legislation may lay down legal requirements for sports clubs to provide socially oriented services. EU state aid rules provide that financial assistance that is given to those clubs which simply covers the costs of action mandated by law is not unlawful.

8.4.5 The 'Lisbon Treaty'

Even after the entry into force of Article 165 TFEU, declarations on the social functions of sport remain non-binding instruments which cannot directly influence how sport is regulated under the ordinary provisions of EU law. The primary value of political declarations, or other instruments which accord a special function to sport, is to provide additional rhetorical support for why proportionate sporting practices should be justified even where they restrict freedom of movement or competition.

Thus, sports governing bodies themselves might be able to impose social accounting requirements and if they restricted freedom of movement or competition, these might be justifiable in this way. Where the social value of sport is argued as a justification, such claims will need to be based on cogent evidence.

There could be a role for supporter ownership in such claims; if it is demonstrated that supporter ownership is beneficial to sport and a necessary feature of the organisation of

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[42] See for example Directive 2006/123 on services in the internal market, recital 35.

[43] UK v. European Commission (Case C-106/96) [1998] ECR I-2729. When those political declarations have led to EU action beyond its constitutional powers, the ECJ has declared such action unlawful, including *UK v Commission* where the legality of sports-related funding and the Commission's approval, prior to *Bosman*, of nationality discrimination in sport was contested.

sport, then measures encouraging supporter ownership might be justified even where they restrict economic freedoms. However, this does not mean that the EU would require it. Direct EU legislation on purely sporting issues is not constitutionally possible even after sport has been introduced as a supporting EU competence.

8.5   Concluding Comments

Although it is clear that clubs engage in community-based projects, there are no regulatory provisions in place requiring them to analyse or assess the social impact of the operation of the club as a whole. It is notable that within UK football governance and within UK law, the broad thrust of regulation can actually mitigate against better social accounting and the generation of social value in two important respects. On one hand football clubs are constituted as private companies, a vehicle expressly constituted to enable profit maximisation, not social or sporting objectives. On the other, English football in particular operates on a model that allows the at times unsustainable pursuit of sporting goals by those companies, often involving considerable debt to support attempts to meet those goals. As we have seen in the qualitative survey and interviews with case studies, this is something that works against community or supporter-owned clubs, which in turn makes them less able to make commitments that would maximise social value, or succeed in sporting ways while they do so.

In terms of possible avenues for creating regulatory requirements around the reporting of social or environmental outcomes there are a number of possibilities, though by no means any that are easily achieved.

i) It is possible that an emergent EU sports policy may act as a driver in this area after the ratification of the Treaty of Lisbon and as recently reported in the media[44]. However, although this may embrace further investigation of sport's social role, changes to the governance structures of football are unlikely to be demanded by the EU and may in fact be ruled unlawful if they were.

ii) At the national level, it is possible for legislation to be implemented that requires clubs to undergo social accounting procedures, should that be considered to be either necessary or appropriate. Despite claims to the contrary by both the government and the football authorities, Parliament can, and has on a number of occasions, passed football-specific Acts.[45] The current lack of enthusiasm for legislation in this area is more a lack of political will than there being a constitutional barrier to action.

iii) Perhaps the most straightforward means of requiring football clubs to submit to social accounting would be for the international federations and/or national governing bodies of football to impose an appropriate auditing framework on their members. This might for instance be included in UEFA's licensing system for clubs competing in their competitions. Such a requirement is likely to be found to be lawful under both UK and EU law and could also assist the football authorities in providing the evidence that is required by the courts, but rarely adduced before them, to justify the claims that sport in general and football in particular ought to be treated as a special case by the law.

However, in order to convince the football authorities and the clubs of the benefits of social accounting and/or fan ownership, further empirical evidence is required. If cogent evidence can be collected and analysed on a regular basis, over a period of time and from a wide

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[44] http://www.guardian.co.uk/sport/2010/feb/03/premier-league-european-union-sport-regulation
[45] For example, the Safety at Sports Grounds Act 1975, the Football Spectators Act 1989 and the Football (Offences) Act 1990. See further M James, *Sports Law*, (Palgrave Macmillan 2010) chs 9 and 10.

enough sample, then it can help move justification for implementing social accounting moves from being good in theory to beneficial in fact. This suggests a future role for Supporters Direct in helping to provide that evidence and encouraging the participation of both supporter-owned and non-supporter-owned clubs.

iv) At a club level, and in support of wider moves outlined in (iii) above, the other means by which such reporting requirements could be made would be the adoption of social outcomes as Objectives of clubs. This might be something Supporters Direct seeks to encourage with supporter-owned clubs (as is already the case for two of the clubs in the qualitative survey) as starting point and as a way of encouraging good practice elsewhere.

9. Social Value in Football and Its Ownership: Overall Findings and Themes

9.1 Approaches, Evidence and Evaluation

Supporters Direct have 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, and this is increasingly reported at a national level by their leagues, 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.

This research has explored a wide variety of ways in which those social impacts, or the social value of clubs, might be better understood and researched. Social value can be understood in different ways by different organisations and as such the idea that one single formula or approach can 'answer' the questions posed in this project are would be mistaken.

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. These are presented in full in the *Working Papers*, *Interim Report* and summarised at the end of this report as options to be considered. These include: qualitative and quantitative methods; approaches that try to understand relationships between clubs and local communities in detail; those that try to measure in quantitative and financial ways the 'social value' of clubs; and ways to assess both the 'hard' and 'soft' capital that the supporters' trust representative at Club C referred to in Section 4.

For this project, given the specific questions it posed, a number of different approaches were selected to pilot, including an interview based qualitative survey of ten clubs at all levels of football; and case studies with four clubs using four different elements: qualitative interviews with internal and external stakeholders; and quantitative analysis of both community outreach work undertaken as well as of the clubs, using 'social accounting' indicators.

Understanding the social value of football clubs, as well as trying to tease out the differences between different forms of ownership required this multi-faceted approach; but that does not mean all of these need to be employed in all future research.

For instance, the feelings that supporters who were surveyed expressed about the value of football, and of their football clubs, within their lives are almost impossible to present in numerical or financial terms. While accepting this, it is still possible to canvass supporter views and present 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 – but few clubs keep this data and none of the clubs we surveyed or researched undertook such exercises.

Also, to local authorities, educational and other social agencies – and for participants on community scheme projects – the value of a football club's activities might more easily be quantified in a traditional sense in terms of recording participation and outcomes. We have

attempted to show this with our statistical analysis of community department outputs and how this can be presented in graphic ways. 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. This is why community programmes and clubs routinely illustrate their activities with pictures and other qualitative evidence, something monitoring and evaluation of those programmes needs to capture and report more holistically.

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 - which was mostly, though not entirely positive, such as the flower shop that had higher levels of trade when supporters were leaving the ground and heading home to families – but few if any had a financial understanding of this.

9.2 Developing an Understanding of Football's Social Value

9.2.1 Identifying Key Stakeholders

Our 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'

At all of the case study clubs, we found external stakeholders that acquired social value from their interaction with clubs; although we also found on occasion negative impacts, or a failure to fully realise this value. What was less common was an involvement of stakeholders in the governance of clubs, or a recognition of them within the objects of the club as a company. The benefits of wider stakeholder ownership is an aspect we highlighted in the *Interim Report* for this study. Perhaps self-evidently, those that were in at least part supporter or community owned showed best practice in this regard.

9.2.2 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.

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 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 benefit.

Yet football also delivered to the locality as a sense of 'civic pride', a focus for local identity and are still part of the 'fabric' of places, something that re-emphasises the need to assess the role of clubs as well as of their community departments. Although being 'put on the map' was important to some, 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. All clubs can deliver social value to stakeholders, but some are better placed to do this than others and supporter or community ownership has a large role to play in this.

It is important that local authorities also recognise how football can help them achieve their strategic objectives and the important role that clubs play in the identity of towns and cities. 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.

9.2.3   Identifying Good Practice

During the research we identified some good practice in relation to the generation of social and community value including the following areas.

Ownership
The form of ownership of a club is in itself neither a *guarantor* nor a *barrier* to delivery of social and community value. Including supporters as well as other community interests in the governance of the club does however, provide significant added social value and some business advantages. Even where this is a minority stake, mechanisms such as golden shares can help embed supporter and community interests. Having not for profit and democratic governance, as well as company objectives that enshrine the community obligations of the club, help reassure other local stakeholders and communities and build the club's identity with its locality.

Innovative Practice
Our research has highlighted some very good innovative practices. These include:
- A scheme for local charities to sell tickets and take a cut to raise the charity's revenue and increase crowds.

- Quantifying volunteering time from trust members based on the minimum wage, and classifying this as a form of loan from the trust to the club, giving the trust increased influence, especially if going into administration.

Facilities
Schemes that try to make the club a hub of local community services; joint use of facilities by clubs on match days; as well as social enterprise business development schemes that utilise executive boxes as offices are all good examples of embedding community delivery within club facilities.

Club Development
On-field success was identified as a potential problem for supporter-owned clubs in terms of maintaining a focus on community ownership while requiring more resources. However, undertaking strategic reviews on future directions in a 'democratic and inclusive way' can ensure buy-in to any changes.

Local purchasing, business or staffing policies
Although rare, developing local business supply policies, including in capital developments, ethical business policies and local employment policies can all add significant social value to the locality.

Attitudes towards supporters
Consultation forums, online 'comment, compliment and complaint' mechanisms, and means to survey or engage fans not involved in fan organisations were all identified. Creating affordable, preferential and subsidised ticketing schemes are essential for making clubs socially inclusive in a more holistic way.

Community Outreach Schemes
Community outreach schemes are extremely important in creating social value for local communities, improving relations with local authorities and can be very extensive. The best evaluation is both qualitative and quantitative and tries to assess the actual impacts or outcomes on individuals and groups involved. However, in the best cases, these are integrated with the club – such as directors from the schemes on club boards and vice versa – and obligations to the community are recognised by the club as well as the scheme.

Ad hoc and informal Community Relations
Alongside formal and institutional roles for fans' organisations, at Club C this has also helped create more informal and ad hoc links between fans and club officials, as well as between the club and local communities, evidenced by the extent of social networks and participation of the club in local events.

9.2.4 Barriers to Realising Social Value

A number of barriers to realising social value were identified.

The Football Context
In a majority of clubs surveyed, as well all of the case studies, it became apparent that there had been very recent financial crises and ownership upheaval, which had 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 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 supporter-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 some clubs can take on unsustainable debt while 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 prevent this. However, there is an added social value to supporter (and other forms of community) ownership that the dominant private model of ownership restricts as it discourages the inclusion of a more appropriate, wider range of external stakeholders. Single, remote, un-transparent ownership prevents a more holistic integration of community needs in the form of open access to club ownership that supporters' trusts and other mutual models provide. While there are a number of advantages and disadvantages to all forms of ownership, this is an important issue we discuss in more detail below.

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. This reflects good business practice identified in our *Interim Report* in that involving stakeholders as owners of business means greater transparency but also an integration of a wider set of community 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 particularly 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 place 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 trust (though this was changing at one), whereas at the supporter-owned clubs relations were also very strong with the club's executives and 'core business'. 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 were 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 (and commercial) ambitions. In three of these this related to building entirely new grounds. This was also a common feature of the clubs surveyed, 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.

9.3   Social Value and Ownership Models

Although much of this research has relevance across football, Supporters Direct have a particular role with regard to promoting supporters' influence and better governance at clubs, including ownership of clubs and/or representation at board level. In this research we investigated the advantages for generating social value for supporter-owned clubs, as opposed to non-supporter-owned clubs. A number of lessons emerged.

9.3.1   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.

9.3.2   Community Integration and the Integration of Community

The integration of community interests was clearly more evident at supporter-owned clubs than elsewhere. The comment made by one interviewee about 'genuinely *being* a community organisation' as opposed to 'being an organisation that delivered *to* communities' is particularly pertinent. At supporter-owned clubs there was a greater

commitment to the notion of inclusion affecting the core business of the club than at others - from inclusive ticket policies, to the governance documents of two of the survey clubs that had commitments to their local communities as 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.

9.3.3 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 for instance had a quorum of one for its board meetings; whilst no case study club had any reference to football or community obligations in their company objectives. Whilst it is difficult to generalise and 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-supporter-owned, particularly in the social accounting element.

At supporter-owned clubs there was a greater commitment to openness, and to the involvement of supporters and the club's communities. Indeed, although there were very good instances of consultation at all types of club in case studies and in the survey, there was a stated resistance to transparency expressed by some executives from privately owned clubs that was not evident at supporter-owned clubs. This reflects some of the more widely held views about the benefits of cooperative ownership in the literature[46] 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 and is limited in relation to the issues under consideration.

9.3.4 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, but these were also improved where club's community schemes actively engaged with local authorities on common agendas. Although generally relationships with local authorities were described as positive, there was a sense of greater shared agendas and partnerships in the supporter-owned clubs than in others, something particularly marked in the case studies. This suggests a role for local authorities to further develop relationships with clubs and, where opportunities arise, derive value from assisting or encouraging supporter ownership. There are important

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[46] Mills, C. (2001) *Ownership Matters*, New Mutual Business Matters, http://www.caledonia.org.uk/papers/Ownership%20Matters.pdf; Building Societies Organisation (2008) *Building societies and other types of organisation* The Times 100 http://www.thetimes100.co.uk/downloads/bsa/bsa_13_full.pdf

advantages here for local authorities working with supporter-owned clubs to realise their own agendas.

Therefore, whereas fan ownership is neither a guarantee nor a pre-requisite for positive relationships with local authorities, and privately owned clubs can develop prosperous partnerships, it does help to deepen those relationships.

9.3.5 Facility Development

As we have said, almost all the clubs consulted were undertaking some form of facility development, 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, as with the education space at Club D or with Club C's plans for a social enterprise centre in the stands than on merely revenue generation. 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 supporter-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 supporter-owned is very compelling. However, little should be taken for granted and it should be a pre-requisite for club-local authority partnerships that the benefit communities get from new facilities are properly identified and evaluated.

9.3.6 Partnership Development

This leads to a final point, namely 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 compelling argument for their existence – it is not as easy for the clubs themselves. Given the growth in importance of third sector organisations, this is an important element in relation to ongoing sustainability.

9.4 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 vary 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 an understanding of community impacts across clubs. This includes the twin track approach of community outreach being delivered by an independent or arms' length organisation, alongside the integration of community interests – including supporter communities – within the club's core business and ownership. Whilst much progress has been made in recent years in the former, less work has been undertaken in relation to the latter[47].

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 understanding, football's social and community value. As elsewhere in business, football *clubs*, along with 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 was 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 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 business *says* that it is important to local communities and it needs to demonstrate this if it is to carry on doing so. 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 (e.g. going to the cheapest supplier, 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

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[47] Business in the Community's Clubs that Count scheme a rare exception.

their status as private companies[48]. 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 communities lives 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 universally 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, and great self-interest in reporting this, but greater integration of this understanding 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:
       o 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
       o Reporting social and community value as a routine part of football club reporting
       o Involvement of supporters and other communities in decision making
 ii.   Better practices 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 that encourages good practice in this regard.

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[48] 'There are no regulatory provisions in place requiring English football clubs to analyse or assess the social or environmental impacts of the operation of the club as a whole,' James and Meittinen (2010): 9

10. Recommendations

10.1 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.

10.2 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.

10.2.1 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.

10.2.2 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
- 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

10.3 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.

10.4 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:

10.4.1 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.

10.4.2 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.

10.5 Government

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:

10.5.1 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.

10.5.2 UK 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.

10.5.3 UK 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.

10.5.4 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.

Appendices

Appendix 1: Research Activity

Working Papers

This stage of the research involved 5 sub-commissioned working papers from leading experts in the field as well as an extensive literature review, working paper and *Interim Report* produced by Substance. The commissioned working papers were from:
• Adrian Ashton
• Steven Spratt, New Economics Foundation
• Andy Barlow, Salford University
• Rose Casey Challies, Partners in Impact
• Dr. Mark James and Samuli Miettinen, Law School, Salford University

The following publications have been produced as part of the project:
• Adrian Ashton, *Social Accounting and Football*
• Stephen Spratt, New Economics Foundation, *Football Ownership and Social Value*
• Andy Barlow, University of Salford, *Do we know the true value of football? A review of methodologies used to value public goods*
• Adam Brown, Substance, *Football's Social Value: Qualitative Approaches*
• Rose Casey Challies, *Social Impact of Football – Critique*
• Adam Brown, *Phase One Interim Report: Literature and Methodological Review*
• Dr. Mark James and Samuli Miettinen, Salford University, *Are there any regulatory requirements for football clubs to report against social and environment impacts?*

Alongside this we organised a session at the Supporters Direct conference in October 2008 and a seminar for key stakeholders in the game in December 2008.

Primary Research

This included:
• 10 in-depth interviews with club executives as part of the qualitative survey
• Four additional interviews for the qualitative survey
• Extensive documentary evidence collation
• 53 in-depth interviews as part of our case study research
• Two focus groups
• A sub- commissioned 'social audit' of clubs by Adrian Ashton involving four day visits to the case study clubs
• Collation and mapping of community department statistics
• Session organised at the Supporters Direct conference in October 2009.

Appendix 2: Case Study Methodology

Case Study Element	Approach
A. Club Staff Stakeholder Perceptions	Semi-structured interviews with key 'Internal Stakeholders' at each club including: 1. Chief Executive/secretary/most relevant staff 2. Chair / chair of trust 3. Community department/staff The focus of these interviews was: • Internal perceptions of the club's ownership • Pros and cons of the ownership structure • Partnerships • Evidence of particular initiatives / facility development • Priorities for club development • Perceptions of the club's role locally These were supplemented by documentary evidence.
B. Other Stakeholder Perceptions	To explore the perceptions of a range of 'External Stakeholders' including: • Fans • Local residents • Local businesses • Local authority representatives • Local community agencies/groups This work included: • Interviews with local authority, fans' and residents' representatives • Consultation with local businesses • Interviews with community representatives • Online questionnaire for fans of each club This was supplemented by documentary evidence from local media, club, fan, community and business publications.

C. Statistical Analysis of Community Department Work	To explore the work of each club's community departments in 'snapshot' period of the preceding year.
	• The details of participants on community programmes including:
	   o Numbers
	   o Length of engagement
	   o Aggregate attendance

	○ Average contact hours ○ Demographic details (age, gender, ethnicity) - Numbers of schemes - Progression of participants - Outcomes and qualifications - Mapping of participant post codes against IMD data In 3 of the clubs this was achieved through their use of Substance's online monitoring and evaluation system (the Substance Project Reporting System) for the Kickz project and in the remaining club this was undertaken using its annual report.
D. The Social Accounting 'Club Bundle' (Adrian Ashton)	**i) Local Economic Impact:** To analyse the local purchasing records of each club to determine its direct economic impact in its city/town; and to explore the existence of any policies or approaches that encouraged local supply. **ii) Staffing:** Profiling of staff in terms of local employment and demographics and analyse training/staff development provided in preceding year. **iii) Environmental Impact:** Analysis of waste recycled, environmental policies and any local environmental works or initiatives as well as negative local impacts. **iv) Supporters:** Analysis of levels of supporter ownership and involvement. Analysis of club articles of association, fan/customer policies, ticketing, membership and trust records. **v) Investment in Local Community:** Analysis and accounting of club contributions to community schemes and to other local initiatives (e.g. local ticket schemes) which embraces time, 'in kind' and financial investment. **vi) Governance:** review of board information and governance documentation.

Appendix 3: Fan Questionnaire Qualitative Responses

> **What do you think is the most valuable thing about your club for you?**
> **A Sample of Fan Comments**
>
> **Club A**
> The involvement the club has with the community.
> The opportunity to meet socially with friends to enjoy a beer and the game.
> It is a family club, approachable right up to director level.
> With us being a small club I like how close you can get with the players especially at away games... It makes you feel part of club and part of you feels you have helped them win.
> It represents the town and puts it on the map to an extent.
> The ground, its worth more to the fans than any new ground outside the town.
> Feeling I belong.
> My fellow supporters (who I know) are like a second family to me.
> Its location in the town.
> Playing its home matches in the town.
>
> **Club B**
> You can identify easily with your local club because it becomes YOUR club. There is always a sense of passion and loyalty about everything the club does.
> Something for my son to follow, which helps him understand ups and downs of life, at a distance.
> It gives me a sense of belonging.
> The relative ease that my family and I can get to watch professional football.
> Interacts with the community well.
> Sense of togetherness. fans, management and players all passionate about [the club] and driving the club forward. Being a small club will emphasise this.
>
> **Club C**
> It is a chance to support my local side.
> It is easy to get to, and usually I don't have to pre-book tickets: I can just turn up and watch a game if I feel like it.
> The fan base. Even when things not going well on the pitch, the fans still come, and stick together, to support the team.
> The fans and the community based projects.
> Run by the fans.
> Easily accessible and friendly for everyone.
> Fans are pro-active.
> Sticking together through the numerous bad times and being proud of the fact we are a small team who have a mutual respect from club to fans and the local community.
>
> **Club D**
> The Fans Own It and Run It!
> Being owned by the fans.
> Part of the community.
> The fact we own it.
> A feeling of supporting and getting behind the team where you live.
> The sense of belonging to this club.
> The involvement, anyone can take part and help out as much or as little as they wish.
> Good value entertainment in a friendly atmosphere.
> The belief that I, as an individual, am a real part of the club and that we, the club, are not reliant on a sugar-daddy to fund us.
> That their activities extend into the community beyond football.
> Supporters are allowed to take part in the running of the Club. We are able to communicate with anyone at any level and express an opinion. There is no 'them and us'.
> The way that the local community young or old support the club.
> Financial stability.
> Local team for the local community, owned by the supporter/local community.

Appendix 4 - Outcomes Recorded by Community Departments

Club A

Improved social/teamwork skills	164
Significant improvement in health/physical fitness	39
Participated in competitive and/or representative football matches/tournament	9
Makes regular significant contributions towards project activities	1
Total Outcomes	**213**

Club B

Significant improvement in behaviour	230
Significant improvement in confidence / esteem	224
Significant improvement in health/physical fitness	133
Attended anti-crime/safety workshop(s)	29
Participated in competitive and/or representative football matches/tournament	25
Improved social/teamwork skills	20
Attended personal/social/health development session(s)	15
Makes regular significant contributions towards project activities	8
Enrolled on football/sport coaching course	8
Developed new employability skills	8
Enrolled as volunteer	5
Gained employment	2
No longer attending	1
Gained employment/work experience with host football club	1
Improved educational engagement and/or performance	1
Enrolled in course	2
Level 1 coaching qualification	2
Now training with club development squad	1
Improved fitness	1
Emergency aid certificate	1
Achieved long term regular attendance	1
Child protection	1
Other	8
Total	**727**

Club C

Participated in competitive and/or representative football matches/tournament	107
Attended anti-crime/safety workshop(s)	42
Significant improvement in confidence / self-esteem	23
Makes regular significant contributions towards project activities	1
Gained employment/work experience with host football club	1
Enrolled as volunteer	1
Improved social/teamwork skills	1
Attended activity centre trip	9
Took responsibility in captaining the tournament team and consent forms	1
Participated in tournament event	1
Gained FA level 1 qualification	1
Enquired about work experience at club	1
Helped in the organisation of trip	1
Other	14
Total	**204**