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Investment in grassroots football by Premier League Clubs

Purpose

For discussion and direction.

Summary

- At the CTS Board meeting in March 2015, members discussed the LGA's press release (**Annex A**) regarding the football industry's low level of investment in grassroots football.
- CTS Board members raised the issue of councils' lack of influence over how Premier League clubs, and in particular their community development schemes or foundations, invested money in grassroots schemes and asked officers to investigate the current position and possible next steps that the LGA could undertake to secure greater investment in grassroots football.
- CTS Lead Members discussed an update on 19 May 2015. Lead Members acknowledged the need to engage with the national representatives of the football organisations and also highlighted the need to identify good practice at a local level about councils and football bodies are working in partnership.

Recommendations

Members are invited to consider proposed activity to make the case for greater involvement in Premier League community foundations, as set out in paragraphs 12-18 and next steps, as set out in paragraphs 19-23.

Action

To be taken forward by officers as directed by Members.

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Investment in grassroots football by Premier League Clubs

Background

1. The LGA has called for a greater slice of Premier League club profits to be invested in grassroots schemes and an increase in partnership working with councils, so that the spend can be directed to areas/schemes where it is needed the most and where it will make the greatest impact.
2. The Active People Survey, which records the number of people playing football at least once a week for 30 minutes or more (for over 16 year olds), has reported a decline in the numbers playing football over the last two years. Since 2006, when the Active People Survey was undertaken, football participation peaked during 2007-8, when 2.1m people participated at least once a week. During 2013-14, this had fallen to 1.9 m.
3. The Premier League clubs collectively are in profit for the first time in 15 years. Deloitte figures reveal combined pre-tax profit of £190m in 2013-14 and stands in stark contrast to £2.6bn in pre-tax losses accumulated over the previous decade.
4. While the figures do not factor in the debt carried by clubs, they appear to show that new rules introduced by Uefa and the Premier League to curb excessive overspending are having some effect.

Funding for grassroots football

5. In October 2013, following the first major decline in participation rates, Sport England reduced the Football Association's funding by £1.6m.
6. Prior to the start of the world cup in 2014, the LGA first issued a call for more investment from the football industry towards grassroots football following a further cut in Sport England funding due to declining participation rates.
7. Later in the year, Greg Dyke, Chairman of the Football Association acknowledged that the grassroots game 'was in a degree of crisis' and that most grassroots football was played on council/education owned facilities. He also acknowledged that councils had faced budget cuts, were struggling to maintain good quality pitches and said he wanted to see closer working between the FA, Premier League, Government, local government and private sector to make this happen.
8. In November 2014, following a commitment by its Chairman to closer working, the Football Association announced that it was investing £9.6m in a pilot grassroots scheme in partnership with Sheffield City Council. Further pilots were taking place in Birmingham and Liverpool. This was alongside £30m invested in grassroots football by the Football Foundation (whom the Football Association, along with Premier League and Government fund).
9. In February 2015, the Premier League announced it had sold the TV rights to show Premier League football matches. The Premier League promised to share £1bn of the £5.14bn TV deal, which runs from 2016-19 with English football. We understand that

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most of the £1bn includes money proposed to relegated clubs. However, it will also include increased investment in grassroots sport, facilities and fan engagement, including more money for the fund that clubs use to subsidise tickets and travel for away supporters.

10. The LGA needs to keep up the pressure to ensure investment in grassroots football is given a sufficient amount from the £1bn.
11. The £5.14bn figure could potentially rise to £8.5bn when the sale to international TV stations is announced later this year.

Premier League Trust and community foundations

12. The Premier League (PL) Limited established its Charitable Trust in 2010 to support professional football clubs to implement community based projects. The Trust funds local football foundations/trusts through its flagship programmes of; PL Community Fund, PL4 Sport, PL Health, PL Enterprise, Kickz and Players Kit Scheme.
13. The Premier League Trust also funds the Football Foundation, which has resulted in 167 facilities projects been granted funded to a tune of £28m. The Premier League Girls Football programme received a £2.4m investment from The FA over the last two years. This programme has seen over 100,000 girls involved in the past year.
14. The Premier League community foundations are independent bodies established by the Premier league clubs and have their own boards. Few, if any, Premier League community foundations have councillors on their Boards.
15. A breakdown of some of the Premier League community foundations last Annual Accounts report showed where most of the income came from and what the money was spent on:

Foundation/Trust	Major sources of income	Major Expenditure
Chelsea	* Chelsea FC (£529,133) * Gifts/Donations (£486,864) * Premier League (£436,656)	* Coaching programme (£2.2m) * Employee costs (£1.7m)
Man United	* Red Heart United (£1.6m) * Lotteries (£322,615) * Fundraising (£153,218)	*Employee costs (£1.4m) * Overheads (£714,128) * Gifts in kind (MUFC) (£118,873)
Stoke	* Premier League (£705,823) * European Social Fund/ NCS/Princes Trust (£293,499)	* Sports programmes (£620,070) * Education & Lifelong learning programmes (£274,058)
Hull	* NHS/PCT (£133,333) * Kingston Communities (£55,000) Rank Foundation (£18,000)	* Charitable activities (£344,009) * Fundraising trading (£73,870)
Leicester	* Football League Ltd (£136,500) Football association (£125,000) * Leicester City Council (£35,000)	* Employee costs (£329,111) * Facility hire (£33,710) * Equipment/kit (£19,766)

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16. The annual reports of the Premier League community foundations show the majority of spending going on salaries of staff/coaching team that deliver the various programmes. There is little indication that funding is allocated to capital schemes or that there are significant amounts of joint working between the foundations and councils.
17. According to data from Charity Financials, the Chelsea FC Foundation has the largest expenditure of any Premier League football club charity. The Chelsea FC Foundation gave a total of £4.3m in its most recent accounts. The Tigers Trust, the charity of Hull City FC, has the lowest expenditure of the group, with an outlay of £0.1m. Together, the 18 foundations have a most recent expenditure of £24.7m, which represents a 12.9% increase on the previous year's figure of £21.9m.
18. A number of Premier League clubs/community foundations are undertaking innovative practice within their communities and often in partnership with the council. For example, Everton Football Club/Foundation is involved in supporting a free school and Tottenham Hotspurs Football Club support their local university technical college. However, there is still scope for the Premier League community foundations to work more closely with councils and in particular councillors to ensure there is a more co-ordinated approach to investment in grassroots football at a local level.

Next steps

19. There is limited involvement of councillors on Premier League community foundation boards and there needs to be a mechanism whereby councillors are able to contribute ideas into the operational work of foundations and local football initiatives, in order to ensure limited resources are allocated in the most effective way.
20. There also appears to be limited funding directed from the Foundations towards capital schemes, in particular improvement or creation of pitches. The lack of investment in the quality of pitches has been raised as a concern by football clubs and is a factor that is reducing the number of people who play football. The LGA could instigate discussions on encouraging Foundations to invest more into capital schemes.
21. The FA and Premier League senior representatives have both acknowledged there are problems at the grassroots level and improved partnership working between all who deliver football initiatives, in particular those that manage pitches should be explored further. The LGA has so far had limited engagement at a senior level with the FA and the Premier League and there is an opportunity to develop a closer working relationship with both the Premier League and Football Association to develop joint approaches to improving the investment in grassroots football.
22. At the local level, some councils have already developed good links with County Football Associations and are developing initiatives to develop grassroots football. For example, Oxford City Council's Playing Pitch and Outdoor Sports Strategy 2012- 2026 provides a framework of how the strategy is integrating grassroots football development with wider council priorities. Following the steer from CTS Lead Members, The LGA will collate good practice examples and disseminate to other councils.

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23. The issuing of press releases by the LGA ahead of the Premier League announcing a deal with International TV stations would also help keep up the momentum on the Premier League to ensure a high profile for investment in grassroots football.

Financial implications

24. None.

Annex A: LGA Press release – 27 February 2015

**England football team faces wilderness years without more
grassroots spending – councils**

England's national football team faces decades more in the international wilderness unless a bigger slice of booming TV profits is invested back in the grassroots game, councils warn.

The Local Government Association (LGA), which speaks for 400 local authorities in England and Wales, says the current spending on developing the game at lower levels is pitiful compared with the vast profits accrued from TV money.

While the football industry thrives on soaring profits, councils have seen their budgets cut by more than 40 per cent since 2010, making it increasingly difficult for them to properly maintain local pitches and invest in grassroots football.

The LGA is calling for a far greater slice of profits to be pumped into grassroots football – which is almost always played on council pitches. The money should be administered by local authorities, who understand the needs of their communities best, it argues. The call will be a headline debate at the LGA's Culture, Tourism and Sport annual conference next Tuesday and Wednesday (3-4 March) in Durham.

The warning comes in the wake of the Premier League's recent announcement of a £5.1 billion TV deal. This staggering sum is for domestic rights only. Next year marks half a century since England last lifted the famous Jules Rimet trophy. Council leaders say unless the trend is radically reversed – allowing home-grown talent to percolate up through the system into the national side – English football fans could face another 50 years of hurt.

Latest figures show grassroots football participation is falling. The number of 16-year-olds and over playing football has gone down to about 1.9 million from over 2 million in 2005, when records began.

Football bosses, for example, point to a £230 million masterplan, for 'football hubs' across 30 cities.

But that sum is roughly what top tier clubs have spent on agents' fees in the past two seasons.

Cllr Ian Stephens, Chair of the LGA's Culture, Tourism and Sport Board, said: "There is an ever-widening chasm between the grassroots game, which is being allowed to wither away by the football authorities through pitiful investment, and elite football.

"Sadly, as every fan knows, the current England team has been underperforming for decades. Next year will mark half a century since England last won the World Cup. This decline of a sporting powerhouse will continue unless the football authorities start giving grassroots football the funding it so desperately deserves and needs. This is the only way to ensure home-grown talent rises through the footballing ranks.

"The football industry is booming with profits and TV revenues rising by staggering amounts each year. In stark contrast, councils have been hit with unprecedented 40 per cent cuts and face challenges to provide essential services such as caring for the elderly, collecting bins and fixing roads. Grassroots football is played almost exclusively on council-owned pitches but these funding pressures are impacting on the quality of facilities and making it difficult for football players and clubs who enjoy regular football to complete fixtures and play games.

"The FA and Premier League do run some good local initiatives but it is now time for them to dig further into their deep pockets. If funding was increased and administered by councils, the money could be spent more effectively to increase the number of youngsters playing football. Councils would be allowed to expand and build upon many of the excellent grassroots initiatives they are already running."

Case studies

Braintree, Essex

A new initiative involving Braintree District Council aims to increase youth participation in grassroots football, by running holiday soccer camps and after-school clubs.

Mole Valley, Surrey

Mole Valley District Council is spending up to £4.1 million to transform existing run-down football facilities at Meadowbank Football Ground, Dorking. The replacement is set to include

a third-generation (3G) artificial grass pitch, changing rooms, and additional facilities to encourage people to use the neighbouring Meadowbank recreation ground.

Swansea

Under-used tennis courts have been transformed into a hi-tech multi-sports 3G pitch suitable for training for people of all ages and for matches for the under-nines.

www.swansea.gov.uk/article/12544/Star-quality-pitch-boosts-sport-in-Swansea-community

Notes to editors

1. The most recent report released by Deloitte showed that total revenue within the Premier League 2012/13 of £2,525 million:
www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/annual-review-of-football-finance/index.htm
2. The Football Association annual report for 2012/13 shows a turnover of £299 million:
www.thefa.com/about-football-association/more/financial-statements
3. FA Chairman Greg Dyke launched the second part of his Chairman's England Commission report with one of the proposals being a £230m cash injection over five years – as part of a plan to swell the number of artificial grass pitches across the country by 130 per cent to over 500. www.thefa.com/news/2014/oct/greg-dyke-commission-follow-up#kclDUcEtKqw51Lf5.99
4. The Premier League has published details of its clubs' payments to agents from the period 1 October 2013 to 30 September 2014. During this period a total of £115.2 million was spent by the 20 Premier League clubs on agents. The amounts shown include payments made by clubs on behalf of players. www.premierleague.com/en-gb/news/news/2014-15/nov/281114-premier-league-releases-agents-fees.html
5. 44 per cent of people playing adult 11-a-side football cite 'poor facilities' as their greatest single concern: www1.skysports.com/football/news/11095/9213512/sky-sports-news-survey-reveals-poor-state-of-grassroots-football-poor-facilities-and-lack-of-funding-to-blame

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6. The number of 16-year-olds and over playing football has gone down from 2 million to 1.9 million since 2005, when surveys began. www.sportengland.org/research/who-plays-sport/by-sport/
7. [LGA Culture, Tourism and Sport annual conference 2015](#): This event is taking place from Tuesday 3 and Wednesday 4 March 2015, in Durham. Some of the key issues to be discussed include the impact of greater devolution on funding for culture, tourism and sport. Confirmed speakers include Penelope Viscountess Cobham, Chairman VisitEngland; Peter Bazalgette, Chairman, Arts Council England, Nick Bitel, Chairman, SportEngland; Sir Laurie Magnus, Chairman, English Heritage.
8. The [Football Foundation](#) Facilities Scheme provides grants over £100,000 for building or refurbishing large-scale grassroots facilities, such as changing pavilions and playing surfaces for community benefit, with money provided by The FA and the Government (via Sport England) and delivered by the Foundation.