

Competing for Growth

The Impact of the Sports Industry on
UK City Economies
2022/23





Foreword

About the report

Foreword

Welcome to Irwin Mitchell's in-depth report on the UK's £10 billion sports economy.

The sector is an important one for Irwin Mitchell, and, of course, a crucial one for the UK. Not only does sport generate jobs, but it also boosts employee wellbeing and productivity.

This report looks closely at sport-related economic data for 50 UK towns and cities, focusing on gross value added (GVA) and employment levels.

With the help of leading economic think tank Cebr, the report includes league tables showing the size and rate of growth within these localities.

The tables reflect figures before COVID-19 and also the latest available data from the lockdown in 2020.

The report examines the correlation of economic activity and the number of teams within the locality competing in elite sports leagues.

As well as highlighting the importance of sport to the economy, our study makes a number of recommendations for unlocking future growth and jobs within the sector.

All of the findings are analysed by our legal specialists and external sector experts.

I hope you find the report interesting. If there are any areas that you'd like to discuss in greater depth, please don't hesitate to get in touch.



Tom Barnard
Partner and National Head of
Sport at Irwin Mitchell

About the report

Produced in collaboration with Cebr, this report looks at the impact of the sports sector on the UK's leading city economies. It aims to establish the leading cities for sport, based on employment and productivity.

The report looks at the activities of popular football and rugby clubs, and community sports teams, local gyms and leisure centres.

We also consider the commercial side of the sports economy, including the manufacture and retail of sports goods, as well as the sports betting industry.

In this report, we've defined the sports economy as encompassing:

- Operation of sports facilities
- Activities of sports clubs
- Fitness facilities
- Manufacture of sports goods.

Data for 2020 is studied in this report, representing the latest data available across the cities included.



Methodology

Cebr used Business Register and Employment Survey (BRES) data (source: NOMIS) to assess the level of sports-related employment in each of the studied cities (in 2020) and calculate the annual growth rate of sports employment.

Additionally, Cebr used Annual Business Survey (ABS) data (source: ONS) to estimate the economic activity (measured by GVA) directly generated by sports activities for each of these cities.

This was achieved by multiplying the number of people in sports employment in each city by the GVA per job, given in the ABS data for each sports subsector in the respective year. Subsequently, regional GVA data from the ONS was used to assess the size of the sports related economy relative to total city GVA.

Disclaimer

While every effort has been made to ensure the accuracy of the material in this document, neither Centre for Economics and Business Research Ltd nor the report's authors will be liable for any loss or damages incurred through the use of the report.

Authorship and acknowledgements

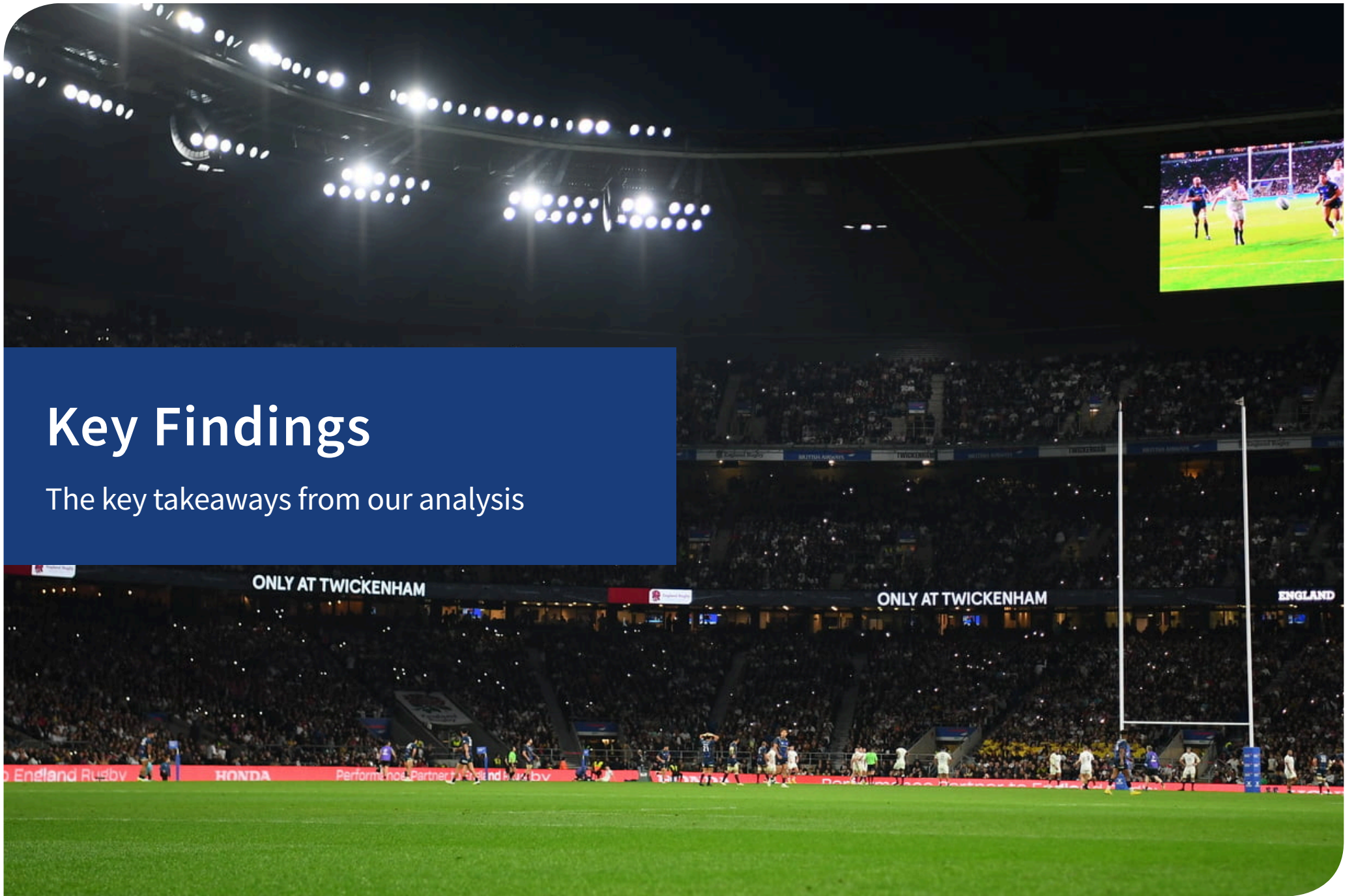
This report has been produced by Cebr, an independent economics and business research consultancy established in 1992. The views expressed herein are those of the authors only and are based upon independent research by them.

London, November 2022



Key Findings

The key takeaways from our analysis



A photograph of a cricket player in white attire crouching on a green field, likely a bowler preparing to deliver a ball. The player is positioned on the right side of the frame, facing away from the camera. The background shows a vast green field under a clear sky.

Key Findings

The top eight growing sports economies in 2020 were in Yorkshire and the Humber, collectively adding £60.1 million to UK sports GVA.

York saw the most rapid growth in sports GVA between 2019 and 2020, expanding by a third (33.3%) year-on-year – a development driven by an almost doubling (82.8% rise) in GVA stemming from activities of sports clubs.

Wakefield's sports GVA rose by 18.7% in 2020, or £9.4m, driven by an £11.1m (46.3%) increase in GVA stemming from the activities of sports clubs and a £1.1m (27.5%) increase from the manufacture of sports goods.

London had the largest sports economy in 2020, with total sports GVA of £1.3 billion.

Huddersfield had the largest relative sports economy in 2020, accounting for 1.92% of the town's GVA.

Unlocking potential

There are three steps clubs, governing bodies, the government and other organisations can take to enable local sports economies to thrive:

- Unlock government funding and support for the Women's Super League
- Provide funding and guidelines for green objectives for clubs
- Legislate for a new independent regulator for English football.





The UK's sporting hotspots

Towns and cities with the greatest growth in their sports economies

The UK's Sporting Hotspots

The sports sector is worth £10.4bn to the UK economy, with the top 50 city economies contributing £7.8bn in 2019 and accounting for almost 250,000 jobs.

The top eight growing sports economies in 2020, a year dominated by the outbreak of the COVID-19 pandemic, were in Yorkshire and the Humber, as shown in [Table 1](#).

Together, these city economies added £60.1 m to UK sports' GVA – a metric of productivity.

These were the only cities in our study to report any growth in their sports economies that year. This highlights the resilience of the sports economy regionally and its importance to those specific communities.

Similarly, the top nine towns and cities seeing growth in sports employment were also based in Yorkshire and the Humber, each recording double-digit growth.

Combined, these cities added an additional 5,825 sports jobs in 2020.

More broadly, the picture for sports employment was much more positive than that for GVA, with more than two fifths (42.9%) of the cities considered experiencing annual growth.



Yorkshire and the Humber leads the way for growth

York saw the most rapid growth in sports GVA between 2019 and 2020.

The city's sports economy expanded by a third (33.3%) year-on-year, a development driven by an almost doubling (82.8% rise) in GVA stemming from activities of sports clubs, equating to £10m.

Meanwhile, accommodation & food services, finance & insurance, education, and transport & storage continue to show output levels below those seen in Q4 2019.

Employment in the city's sports economy increased by an estimated 64% in 2020, to stand at 1,345. A yearly increase in employment of 250 workers is estimated to have derived from activities of sports clubs, doubling year-on-year.

An additional 100 jobs were generated from the operation of sports facilities. The city's 8,500-capacity joint football and rugby Community Stadium was also completed, after three years of construction.



Figure 1: Sports GVA levels and growth rates of fastest growing UK cities for sports¹



Source: Nomis, ONS, Cebr analysis

The growth rate of York’s sports economy stood 14.6 percentage points ahead of that of Wakefield, the next most rapidly growing city in terms of sports GVA.

Wakefield saw its sports GVA rise by 18.7%, or £9.4m. This was driven by an £11.1m (46.3%) increase in GVA through the activities of sports clubs and a £1.1m (27.5%) increase from the manufacture of sports goods, although other areas saw a fall in GVA.

Sports employment in the city grew by 525 jobs (39.6%) year-on-year, more than half of which (300 employees) was accounted for by activities of sports clubs.

In 2019, Wakefield AFC was formed, with the club announcing in summer 2020 that it would play its 2020/21 home fixtures in the city’s Millennium Stadium.

Renovation work has also been underway on Belle Vue Stadium, which is the home of Wakefield Trinity rugby league club. Both would undoubtedly have contributed to the growth in Wakefield’s sports GVA.

Doncaster, recently granted city status and home to the world famous St Leger festival, saw the next highest sports GVA growth in 2020, expanding by 16.5% to stand at £62.8 million.

With respect to sports employment, the city ranked second in terms of annual growth, with a 46.3% expansion bringing the number employed to 2,765. Meanwhile, Huddersfield saw its sports economy grow by 15.3%, the fourth-fastest rate among all of the studied cities, while recording the fifth-fastest sports employment growth rate, at over a third (36.5%).

Capital's sports sector takes a hit

London had the largest sports economy in 2020, with total sports GVA of £1.3 billion. This was down by 27.6% however, or £0.5 billion, on a year-on-year basis.

Mainly driven by a sharp fall in retail sales of sporting equipment, amounting to 53.4% or £215.3m.

This highlights the impact of the pandemic period in curtailing consumer activity.

Inner London boroughs accounted for 43.3%, or £572.6m, of the capital's total sports GVA, down 37.4% year on year.

Retail makes up a greater share of the Inner London economy than the Outer London area. This made the sports economy in the former particularly more vulnerable to the pandemic's economic effects.

Sports employment in London fell by 1,150, or 2.2%, between 2019 and 2020, bringing it to 52,165.

Greater Manchester and Sheffield enjoyed the largest sports economies after London. Sheffield overtook Edinburgh, Leeds, and Liverpool with 9.3% annual growth, but still ranked below Leeds and Liverpool for total sports employment.



London's sports economy was down by 27.6% in 2020, driven by a fall in sports equipment sales during the pandemic.

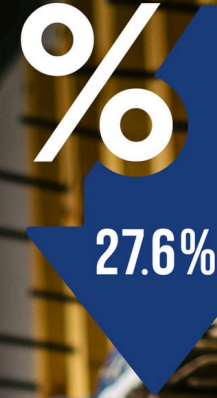


Table 1: Sports City Tracker – GVA, 2020

Source: Nomis, ONS, Cebr analysis

		Total sports GVA, £m, 2020	Annual growth
1	York	42.1	33.3%
2	Wakefield	59.4	18.7%
3	Doncaster	62.8	16.5%
4	Huddersfield	60.7	15.3%
5	Sheffield	171.2	9.3%
6	Hull	44.1	8.8%
7	Bradford	78.5	5.1%
8	Rotherham	40.9	3.0%
9	Leicester	80.5	-5.6%
10	Oxford	28.8	-7.4%
11	Leeds	163.5	-10.0%
12	Coventry	43.2	-12.3%
13	Northampton	58.3	-13.7%
14	Derby	65.2	-14.3%
15	Swansea	54.1	-16.5%
16	Winchester	22.9	-17.7%
17	Outer London	749.5	-17.9%
18	Greater Manchester	620.4	-18.2%
19	Cardiff	55.5	-18.5%
20	Bournemouth	61.9	-19.5%
21	Portsmouth	38.5	-19.5%
22	Liverpool	153.0	-20.3%
23	Wolverhampton	59.0	-21.1%
24	Brighton	73.7	-22.3%
25	Warrington	32.0	-24.1%

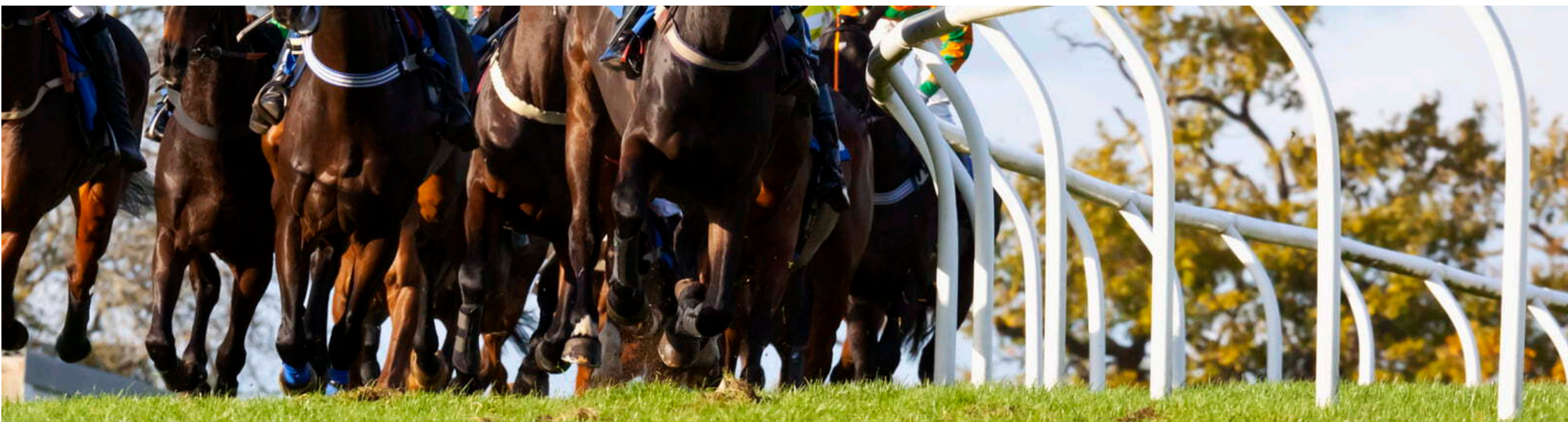
		Total sports GVA, £m, 2020	Annual growth
26	Nottingham	63.5	-24.3%
27	Manchester	78.4	-25.4%
28	Birmingham	113.3	-25.8%
29	Cambridge	29.5	-26.1%
30	London	1,322.0	-27.6%
31	Milton Keynes	50.4	-29.7%
32	Solihull	29.2	-30.1%
33	Plymouth	45.8	-31.5%
34	Stockport	33.9	-32.1%
35	Chelmsford	33.1	-33.7%
36	Peterborough	33.4	-34.6%
37	Preston	31.2	-35.3%
38	Edinburgh	102.5	-35.8%
39	Exeter	27.8	-36.5%
40	Newcastle	92.5	-36.9%
41	Inner London	572.6	-37.4%
42	Aberdeen	49.9	-38.3%
43	Glasgow	92.2	-40.7%
44	Swindon	24.6	-41.9%
45	Reading	28.2	-43.1%
46	Stoke-on-Trent	23.9	-44.5%
47	Bristol	56.7	-45.8%
48	Sunderland	25.1	-47.8%
49	Southampton	44.3	-54.7%

Table 2: Sports City Tracker – Employment, 2020

Source: Nomis, ONS, Cebr analysis

		Total sports employment, 2020	Annual growth
1	York	1,345	64.0%
2	Doncaster	2,765	46.3%
3	Hull	1,850	45.1%
4	Wakefield	1,850	39.6%
5	Huddersfield	2,150	36.5%
6	Bradford	2,925	30.0%
7	Rotherham	1,395	25.1%
8	Sheffield	5,400	20.0%
9	Leeds	5,975	17.6%
10	Leicester	2,510	14.4%
11	Coventry	1,550	12.7%
12	Oxford	925	12.1%
13	Nottingham	3,100	6.7%
14	Outer London	28,730	6.7%
15	Northampton	1,825	5.5%
16	Cardiff	2,200	4.8%
17	Derby	1,975	3.9%
18	Winchester	825	1.9%
19	Portsmouth	1,425	1.8%
20	Liverpool	6,525	1.0%
21	Birmingham	4,560	1.0%
22	Bournemouth	2,200	-1.6%
23	Cambridge	1,060	-1.9%
24	Greater Manchester	19,625	-2.1%
25	London	52,165	-2.2%

		Total sports employment, 2020	Annual growth
26	Manchester	2,825	-4.4%
27	Solihull	1,075	-6.5%
28	Warrington	1,015	-8.1%
29	Milton Keynes	2,050	-8.9%
30	Swansea	1,755	-9.5%
31	Brighton	2,210	-10.2%
32	Stockport	1,185	-10.6%
33	Wolverhampton	1,800	-11.1%
34	Inner London	23,435	-11.2%
35	Plymouth	1,650	-13.6%
36	Chelmsford	1,285	-14.9%
37	Peterborough	1,125	-18.5%
38	Swindon	1,075	-18.9%
39	Edinburgh	3,405	-19.0%
40	Aberdeen	1,725	-21.6%
41	Glasgow	3,390	-22.8%
42	Bristol	2,610	-23.0%
43	Preston	880	-23.5%
44	Newcastle	2,960	-25.6%
45	Stoke-on-Trent	990	-27.2%
46	Reading	890	-30.2%
47	Exeter	805	-30.3%
48	Sunderland	735	-37.7%
49	Southampton	1,235	-46.5%



The value of the betting industry

Growth rates in GVA are generally lower when betting activities are included in the modelling of the sports economy. This is due to slower growth in the betting industry when compared with other areas of sports.

As shown in Tables 3 and 4, the rankings were again dominated by Yorkshire towns and cities. York remained the fastest growing city in terms of both growth and employment in 2020, while Huddersfield rises to second place in terms of sports GVA growth.

Table 3: Sports City Tracker – GVA, 2020 (including betting activities)

Source: Nomis, ONS, Cebr analysis

		Total sports GVA, £m, 2020 (+ betting)	Annual growth
1	York	52	17.8%
2	Huddersfield	73	10.0%
3	Wakefield	81	9.4%
4	Sheffield	221	4.3%
5	Doncaster	82	4.3%
6	Hull	82	-0.6%
7	Rotherham	53	-3.4%
8	Bradford	107	-8.3%
9	Leeds	305	-9.9%
10	Coventry	75	-11.3%
11	Oxford	37	-11.8%
12	Leicester	118	-11.8%
13	Northampton	87	-12.4%
14	Derby	84	-13.3%
15	Warrington	70	-17.0%
16	Winchester	24	-17.3%
17	Bournemouth	81	-17.4%
18	Wolverhampton	90	-17.5%
19	Outer London	1,062	-18.0%
20	Birmingham	239	-18.2%
21	Cardiff	106	-19.1%
22	Greater Manchester	866	-19.5%
23	Cambridge	36	-20.7%
24	Swansea	70	-21.7%
25	Nottingham	120	-21.8%

		Total sports GVA, £m, 2020 (+ betting)	Annual growth
26	Liverpool	232	-21.9%
27	Portsmouth	61	-23.6%
28	Solihull	58	-25.0%
29	Sunderland	88	-25.3%
30	London	2,334	-25.7%
31	Brighton	111	-26.0%
32	Milton Keynes	79	-26.1%
33	Manchester	141	-26.5%
34	Peterborough	48	-26.9%
35	Edinburgh	165	-27.9%
36	Stoke-on-Trent	181	-28.1%
37	Stockport	56	-28.1%
38	Chelmsford	39	-28.6%
39	Plymouth	65	-29.1%
40	Newcastle	137	-30.1%
41	Aberdeen	78	-30.3%
42	Inner London	1,272	-31.1%
43	Preston	42	-32.1%
44	Glasgow	186	-32.8%
45	Exeter	34	-32.8%
46	Bristol	94	-35.5%
47	Swindon	34	-35.5%
48	Reading	50	-37.9%
49	Southampton	69	-46.2%

Table 4: Sports City Tracker – Employment, 2020 (including betting activities)

Source: Nomis, ONS, Cebr analysis

		Total sports employment, 2020 (+ betting)	Annual growth
1	York	1,495	50.3%
2	Doncaster	3,065	36.8%
3	Huddersfield	2,350	32.4%
4	Wakefield	2,200	31.3%
5	Hull	2,450	30.7%
6	Rotherham	1,595	19.0%
7	Bradford	3,375	18.4%
8	Sheffield	6,200	17.0%
9	Leeds	8,225	12.2%
10	Coventry	2,050	9.3%
11	Oxford	1,050	7.7%
12	Leicester	3,110	7.4%
13	Northampton	2,275	4.4%
14	Outer London	33,705	3.9%
15	Derby	2,275	3.4%
16	Nottingham	4,000	2.4%
17	Winchester	845	1.8%
18	Birmingham	6,560	0.7%
19	Cambridge	1,160	0.4%
20	Cardiff	3,000	0.0%
21	Bournemouth	2,500	-1.4%
22	Liverpool	7,775	-2.3%
23	Portsmouth	1,775	-4.1%
24	Greater Manchester	23,525	-4.4%
25	Warrington	1,615	-5.3%

		Total sports GVA, £m, 2020 (+ betting)	Annual growth
26	London	68,265	-5.4%
27	Solihull	1,525	-7.6%
28	Wolverhampton	2,300	-8.9%
29	Manchester	3,825	-9.0%
30	Milton Keynes	2,500	-9.1%
31	Stockport	1,535	-11.0%
32	Swansea	2,005	-12.4%
33	Chelmsford	1,385	-12.6%
34	Inner London	34,560	-13.1%
35	Plymouth	1,950	-13.7%
36	Brighton	2,810	-13.8%
37	Peterborough	1,350	-14.6%
38	Edinburgh	4,405	-15.4%
39	Swindon	1,225	-16.9%
40	Aberdeen	2,175	-17.9%
41	Bristol	3,210	-19.5%
42	Stoke-on-Trent	3,490	-20.0%
43	Glasgow	4,890	-20.4%
44	Sunderland	1,735	-20.4%
45	Newcastle	3,660	-21.8%
46	Preston	1,055	-21.9%
47	Exeter	905	-27.9%
48	Reading	1,240	-28.1%
49	Southampton	1,635	-40.8%

The pre-COVID landscape

As shown in Tables 5 and 6, the city rankings for 2019 are quite different to 2020, when the fall in output driven by the pandemic caused many businesses to temporarily shut down.

The change between the two sets of data highlights how the hotspots for growth can change during periods of economic turbulence. In 2019, Southampton and Cambridge saw the fastest growth rates for both sports GVA and employment.



Table 5: Sports City Tracker – GVA, 2019 (pre-COVID)

Source: Nomis, ONS, Cebr analysis

		Total sports GVA, £m, 2019	Annual growth
1	Southampton	97.7	91.7%
2	Cambridge	40.0	56.6%
3	Solihull	41.8	36.1%
4	Peterborough	51.1	34.2%
5	Chelmsford	49.9	32.6%
6	Stoke-on-Trent	43.0	28.6%
7	Coventry	49.3	26.0%
8	Edinburgh	159.7	25.2%
9	Brighton	94.9	23.9%
10	Derby	76.1	23.9%
11	Oxford	31.1	22.7%
12	Newcastle	146.6	19.9%
13	Nottingham	83.8	19.5%
14	Northampton	67.5	18.9%
15	Wolverhampton	74.7	17.1%
16	Winchester	27.8	16.1%
17	Reading	49.5	13.1%
18	Inner London	914.8	12.1%
19	Sunderland	48.0	11.6%
20	Aberdeen	80.8	11.3%
21	London	1,827.3	10.7%
22	Birmingham	152.7	10.5%
23	Manchester	105.1	10.1%
24	Outer London	912.5	9.4%
25	Milton Keynes	71.6	9.1%

		Total sports GVA, £m, 2019	Annual growth
26	Leicester	85.3	8.5%
27	Leeds	181.6	8.2%
28	Warrington	42.2	8.2%
29	Stockport	49.9	7.2%
30	Swindon	42.3	5.5%
31	Preston	48.2	3.5%
32	Bristol	104.6	3.3%
33	Greater Manchester	758.8	3.1%
34	Swansea	64.9	2.7%
35	Huddersfield	52.7	1.6%
36	Liverpool	192.0	1.4%
37	Bournemouth	76.9	-0.4%
38	Portsmouth	47.9	-1.0%
39	Bradford	74.7	-1.4%
40	Glasgow	155.4	-1.8%
41	Rotherham	39.7	-1.9%
42	Sheffield	156.6	-3.3%
43	York	31.6	-4.7%
44	Doncaster	53.9	-5.3%
45	Plymouth	66.9	-6.0%
46	Wakefield	50.1	-10.6%
47	Cardiff	68.1	-11.4%
48	Hull	40.5	-19.2%
49	Exeter	43.8	-19.8%

Table 6: Sports City Tracker – Employment, 2019 (pre-COVID)

Source: Nomis, ONS, Cebr analysis

		Total sports employment, 2019	Annual growth
1	Southampton	2,310	56.6%
2	Cambridge	1,080	33.3%
3	Chelmsford	1,510	24.8%
4	Peterborough	1,380	23.8%
5	Solihull	1,150	21.1%
6	Nottingham	2,905	20.8%
7	Stoke-on-Trent	1,360	19.8%
8	Coventry	1,375	16.5%
9	Derby	1,900	15.2%
10	Edinburgh	4,205	13.5%
11	Oxford	825	10.7%
12	Birmingham	4,515	9.7%
13	Wolverhampton	2,025	9.5%
14	Northampton	1,730	9.1%
15	Brighton	2,460	9.1%
16	Newcastle	3,980	7.6%
17	Reading	1,275	6.3%
18	Milton Keynes	2,250	4.7%
19	Swindon	1,325	3.9%
20	Winchester	810	3.8%
21	Manchester	2,955	3.5%
22	Outer London	26,935	3.2%
23	London	53,315	3.1%
24	Stockport	1,325	3.1%
25	Sunderland	1,180	3.1%

		Total sports employment, 2019	Annual growth
26	Inner London	26,380	3.0%
27	Warrington	1,105	2.8%
28	Leeds	5,080	2.6%
29	Aberdeen	2,200	2.3%
30	Leicester	2,195	0.9%
31	Swansea	1,940	0.0%
32	Huddersfield	1,575	0.0%
33	Liverpool	6,460	-2.1%
34	Bristol	3,390	-2.3%
35	Greater Manchester	20,055	-3.7%
36	Bournemouth	2,235	-4.9%
37	Portsmouth	1,400	-5.1%
38	Bradford	2,250	-5.5%
39	Doncaster	1,890	-5.5%
40	Preston	1,150	-5.7%
41	Glasgow	4,390	-6.6%
42	Rotherham	1,115	-7.1%
43	Sheffield	4,500	-7.7%
44	Plymouth	1,910	-11.2%
45	York	820	-11.4%
46	Wakefield	1,325	-17.2%
47	Hull	1,275	-20.3%
48	Cardiff	2,100	-22.2%
49	Exeter	1,155	-22.5%

The Importance of Sport to City Economies

The financial and social impact of sports on the UK's cities



The Importance of Sport to City Economies

Comparing the estimated size of city sports economies to total city GVA gives an indication of the importance of sports in the respective local communities.

Among the top five cities on this measure in 2020, four were home to clubs competing in either the 2019/20 or 2020/21 Premier League seasons.

A [recent report](#) estimated that the Premier League supported a total of £7.6 billion in UK GVA, £3.6 billion in tax contributions, and 94,000 jobs in 2019/20.

As shown in Table 7, the Yorkshire town of Huddersfield enjoyed the largest relative sports economy in 2020, with this accounting for 1.92% of the town's GVA.

The town is home to Huddersfield Town AFC, which plays in the EFL Championship after spending two seasons in the Premier League in 2017/18 and 2018/19. Amid the club's promotion to the Premier League, [some estimates](#) put the benefits to the club at £198m and the broader local economy at £5m.

Meanwhile, the town's Huddersfield Giants rugby league club plays in the Super League, while the Rugby Union club was promoted to the National League 2 North at the end of the 2016/17 season.



Among the top five cities on this measure in 2020, four were home to clubs competing in either the 2019/20 or 2020/21 Premier League seasons

Following Huddersfield, the next-largest contribution of the sports economy to local GVA was seen in Sheffield.

Sports is expected to account for 1.30% of the Steel City's economy, twice the average of 0.65% across the cities studied.

After spending 2011 to 2016 competing in EFL League One, [Sheffield United FC](#) were promoted to the Championship in 2017 and further into the Premier League in 2019, before falling back into the former in 2021.

The club had an average of 238 employees over the year to July 2020. The city is also famously home to the World Snooker Championships.

Taking place at the Crucible, the two-week long event contributes over £2.5m to the city's economy. Sheffield also boasts:

- EFL League One side Sheffield Wednesday FC
- The world's oldest football club in Sheffield FC
- Ice hockey outfit Sheffield Steelers
- Sheffield Eagles rugby league club
- The Sheffield Sharks basketball team
- An English Institute of Sport facility.

Expert Opinion: Sport in the Steel City

“There appears to be the emergence of a northern sports powerhouse, with the opportunity to build on this if the opportunities available can be harnessed effectively.

“For a government facing difficult economic choices where investment is likely to be squeezed, support for local sport could prove a cost-effective way to unlock the potential of local economies and deliver a strong net benefit for regional economies across the UK.

“Green policies and financial stability will go hand in hand in coming years. With Sheffield already one of the greenest cities in the UK, all the pieces are in place to deliver sustainable sports sector growth that could be a key player in driving the city's revival.”

Thomas Barnard

Partner and National Head of Sport Sector
Irwin Mitchell



Wolverhampton had the third-largest sports economy in 2020, relative to the overall GVA, and the largest outside of the North of England.

Sports are estimated to account for 1.15% of the city's GVA.

[Wolverhampton Wanderers](#) compete in the Premier League and were one of the founders of the EFL. The club employed an average of 380 staff in the year to May 2020, up 4.1% on the previous year.

At 1.14%, Bournemouth saw the next largest relative sports GVA contribution. Its football team has competed in the Premier League for five of the last six seasons.

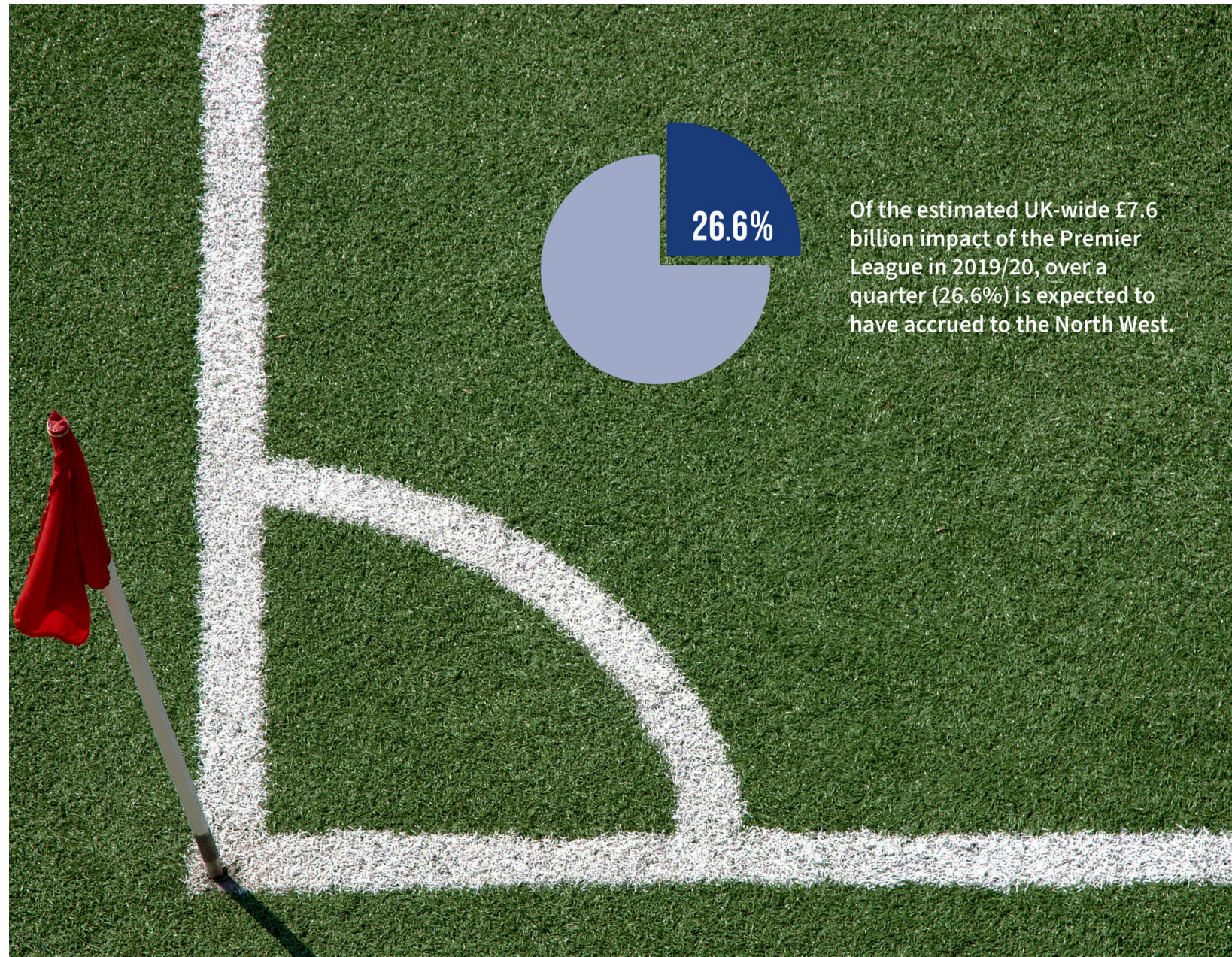
In 2015, the town's director of tourism estimated that the club's promotion to the Premier League could bring £50m to the local economy. The team returned to the top league in 2022.

Meanwhile, Liverpool ranked fifth in 2020, with sports making up 1.1% of the city's economy. This compared to its first rank position in 2018.

While it hosted the Netball World Cup in 2019, the city is also home to Liverpool FC and Everton FC, which have consistently competed in the top tier of English football since 1962 and 1954, respectively.

Of the estimated UK-wide £7.6bn impact of the [Premier League in 2019/20](#), over a quarter (26.6%) is expected to have accrued to the North West, despite the region only making up 9.6% of overall UK GVA in 2020.

This reflects the significance of the region's high-ranking Premier League clubs, which also includes Manchester United and Manchester City, and recently relegated Burnley, alongside a world-class cricket ground in Old Trafford.



Of the estimated UK-wide £7.6 billion impact of the Premier League in 2019/20, over a quarter (26.6%) is expected to have accrued to the North West.

Table 7: Sports contribution to city economies (GVA as a % of output, 2020)

Source: Nomis, ONS, Cebr analysis

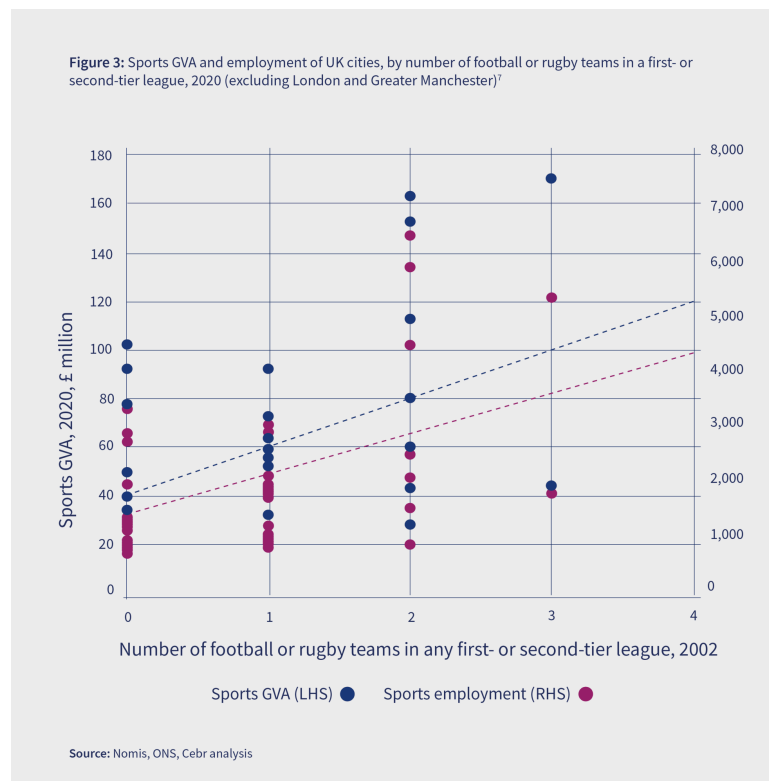
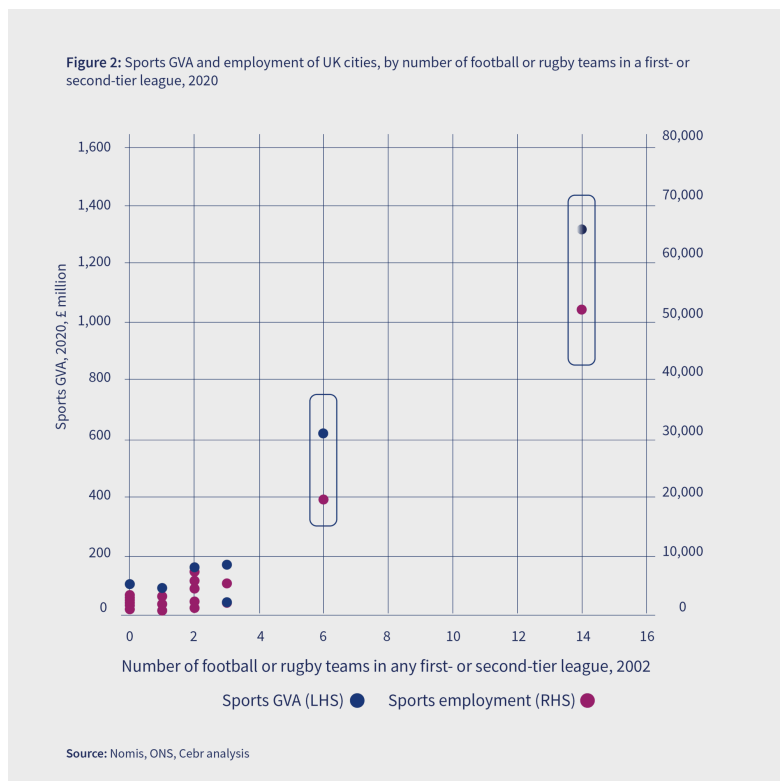
		Sports GVA as a share of city's economy	Sports GVA (incl. betting) as a share of city's economy
1	Huddersfield	1.92%	2.32%
2	Sheffield	1.30%	1.68%
3	Wolverhampton	1.15%	1.76%
4	Bournemouth	1.14%	1.49%
5	Liverpool	1.11%	1.68%
6	Doncaster	1.08%	1.40%
7	Newcastle	1.01%	1.50%
8	Swansea	0.96%	1.24%
9	Derby	0.91%	1.17%
10	Leicester	0.88%	1.29%
11	Rotherham	0.85%	1.11%
12	Brighton	0.84%	1.27%
13	Plymouth	0.83%	1.18%
14	Greater Manchester	0.83%	1.16%
15	Northampton	0.80%	1.19%
16	Bradford	0.79%	1.08%
17	Wakefield	0.74%	1.01%
18	Preston	0.73%	0.99%
19	Hull	0.73%	1.35%
20	York	0.69%	0.84%
21	Portsmouth	0.63%	0.99%
22	Chelmsford	0.62%	0.74%
23	Southampton	0.61%	0.96%
24	Leeds	0.61%	1.14%
25	Nottingham	0.60%	1.14%

		Sports GVA as a share of city's economy	Sports GVA (incl. betting) as a share of city's economy
26	Outer London	0.54%	0.77%
27	Exeter	0.52%	0.63%
28	Aberdeen	0.51%	0.80%
29	Peterborough	0.51%	0.73%
30	Stockport	0.49%	0.82%
31	Cambridge	0.46%	0.56%
32	Winchester	0.45%	0.48%
33	Cardiff	0.45%	0.85%
34	Coventry	0.43%	0.75%
35	Oxford	0.42%	0.54%
36	Edinburgh	0.42%	0.68%
37	Warrington	0.41%	0.90%
38	Glasgow	0.41%	0.83%
39	Birmingham	0.41%	0.86%
40	Stoke-on-Trent	0.39%	2.93%
41	Reading	0.36%	0.65%
42	Sunderland	0.36%	1.27%
43	Milton Keynes	0.36%	0.56%
44	Bristol	0.36%	0.59%
45	Manchester	0.32%	0.57%
46	Solihull	0.31%	0.62%
47	London	0.28%	0.50%
48	Swindon	0.26%	0.37%
49	Inner London	0.17%	0.38%

Top tier teams make a difference

Further analysis reveals a positive relationship between the number of teams in higher-tier sports leagues and a city's level of sports GVA and employment in 2020.

As shown in Figure 2, cities with a higher number of football or rugby teams in either of the top two domestic leagues enjoy a larger sports economy and higher sports employment. Moreover, as shown in Figure 3, this relationship exists even when the cities of London and Greater Manchester are excluded from the analysis.



The Economic Benefits and Potential

How sports can enhance community
wellbeing and local economies



The Economic Benefits and Potential

In addition to the direct economic stimulus provided by sport, spectator sport provides extra channels from which the local economy can benefit.

Sporting events support local economies both while they take place, via ticket sales and the spending from a large influx of visitors on a match day, and through longer-term investments and the opportunities that large-scale events bring.

Sporting events also encourage greater participation in sports which, in turn, provides health and well-being benefits that support economic development.



Data from the [Active Lives Survey](#) collected from 2020/21, found that higher activity levels are associated with better mental well-being and more positive views on community development.

On average, more active individuals in the survey had relatively lower levels of anxiety and felt a stronger sense of being integrated within a community, than those who were more inactive.

A more active population, therefore, not only improves employee wellbeing but adds to productivity within businesses.

In turn, a healthier community can boost economic development via higher productivity.

A study by [Coulson](#) found employees who exercised on a given day self-reported a higher level of performance and better mood while at work, compared to days on which they didn't exercise.



Data from the Active Lives Survey found that higher activity levels are associated with better mental well-being.



Birmingham 2022

The 2022 Commonwealth Games hosted in Birmingham was hallmarked as a great success for England's second city. The [Department for Digital, Culture, Media and Sport](#) reported ticket sales of 1.5 million for the Games, while over 5m people visited the city centre during the two-week period, marking a 200% increase on the same period in 2021.

The event spurred additional public investment, including £35m from Sport England to enable sports equipment used in the Games to be donated to local sports groups, hopefully creating more opportunities for the local community.

Expert Opinion: The legacy of Birmingham 2022

"Any major Championship or Games staged in the UK brings with it a significant legacy opportunity, and the Commonwealth Games Birmingham 2022 was no different.

"This summer we saw 11 days of scintillating action in the city, and Alexander Stadium was a stunning venue which not only showcased the athletics spectacle to a global audience, but it has presented so many opportunities for us, and many other stakeholders, to ensure there is a lasting and meaningful legacy post-Games.

"During Birmingham 2022, we witnessed big crowds in the stadium, and large audiences on television, and this contributes to inspiring spectators and families, which in turn raises participation in athletics, and enhances the awareness of the sport in the UK. Whoever watched those performances will have fallen in love with athletics over and over again.

"The legacy post-event is a great one. We are left with an exciting new infrastructure in the city, with a world-class premier sports facility in the Alexander Stadium, and a quality warm-up track alongside it, which will now host the European Championships in 2026.

"The recently announced Performance Innovation Centre at the facility will welcome elite athletes and coaches to access the state-of-the-art facility. This will enable world-leading capability to understand track and field performance through enhanced technology and analytics, which are not currently available to athletes in the UK.

"This is an exciting opportunity to continue inspiring people into the future as athletes and coaches will have access to world-class innovation to prepare them to achieve even more success at major Championships and Games in the years to come, like we have seen this summer.

"But at the very heart of the legacy is a local club, Birchfield Harriers. The club is in a fantastic position now to fully cater for everyone, from families and children to your first-time park runner, who are inspired to take up athletics after every home Championships and Games, or whenever athletics is on their television and phone screens.

"Birmingham now has a world-leading facility which is accessible to everyone in the area, and that is an incredibly exciting prospect for all the stakeholders in the region."

Jack Buckner

Chief Executive
UK Athletics

Opportunities and Recommendations

Unlocking the potential of the UK's sports economy



Opportunities and Recommendations

Opportunity one: developing the women's game

The growth in women's sports will be a key pillar in the development of the future of the sports economy.

UEFA estimate that women's football could witness a sixfold increase in commercial value over the next decade, with sponsorship, predicted to hit €295m across Europe by 2033, being the fastest-growing revenue stream.

Hosted across nine English cities and towns, including often-overlooked locations for international tournaments like Rotherham and Leigh, the UEFA Women's EURO 2022 football tournament highlighted the leading role women's sport can play in strengthening local economies.

The final between England and Germany saw a record-breaking attendance of 87,192 at Wembley.



UEFA estimate that women's football could witness a sixfold increase in commercial value over the next decade, predicted to hit €295m across Europe by 2033

EY estimates spectators spent £44m on matchdays across the entire tournament and trips across England. This economic boost isn't temporary, with more than half of surveyed local residents saying they were inspired to do more sport and physical activity as a result of the tournament, while 85% are likely to attend woman's football events again.

Nine WSL clubs have reported increases in ticket sales since the tournament, according to the Guardian. Liverpool's sales have increased by 254%, while Arsenal and Chelsea sold out their season tickets.

More investment is now being directed to the women's game, with the men's Premier League promising a fund of £1.5m to support Women's Super League (WSL) stadium improvements.

A further £1.75m has been made available each year to help grow the existing talent programme for women's football in England.

Brighton & Hove Albion is one side to have heavily invested in its women's team. The South Coast club opened a new elite performance centre at the start of the 2022/23 season, with the aim of establishing themselves as a top-four WSL side. The development was funded by the club's chairman, alongside a £1m Football Foundation grant. The club's sponsor, American Express, also supports investment into girls' and women's football.

Expert Opinion: Equality in sport

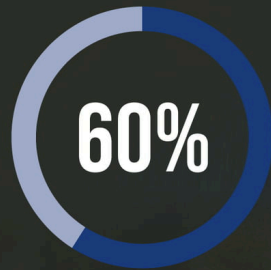
“Money is the main thing that's going to make a difference in addressing sport's equality issues. While it's great to see investment filtering into women's sports, more needs to be done.

“I've seen more big brands get involved in sponsoring players and teams. This Euros saw the likes of Nike, Adidas, LinkedIn, JustEat and Heineken get involved. But we need brands to look further ahead than the next money-making tournament. We need them to become partners in our sports. But first, we need to really understand and overcome the barrier that's currently stopping them from coming to the table.”

Chloe Morgan

Legal expert at Irwin Mitchell
Former WSL goalkeeper

The Rugby Football Union (RFU) states that registered female players in England have increased by 60% between 2017 and 2021.



Women's rugby is another rising pillar of sport in the UK and has the potential to add strong economic benefits to local communities.

The [Rugby Football Union \(RFU\)](#) states that registered female players in England have increased by 60% cumulatively between 2017 and 2021, to 40,000, while 130 additional clubs now offer rugby for women and girls.

The latest 'Action Plan' aims to see 100,000 players by 2027 as well as achieving a full Twickenham Stadium attendance for a Red Roses' game.

If realised, both goals would bolster the local economy via higher spending from more match-day attendance as well as higher participation rates supporting the development of local clubs. The Red Roses road to the final of the 2022 World Cup will hopefully stimulate this further.

Though both women's rugby and football have taken huge steps in development in recent years, support from the Government would accelerate and unlock the full economic potential of women's

Expert Opinion: The Evolution of Women and Girls Rugby

"The growth of women and girls rugby has come as a result of having a clear strategic plan in place over the last 10 years which has helped us to take a long-term view of growth.

"Our current strategy, Every Rose, has the objective to “deliver a plan that accelerates the growth of the women and girls rugby.” It supports clubs, schools, colleges and universities to focus on growing the community game, and enables the RFU and partners to look at creating a commercially viable future.

"As part of the plans to utilise Rugby World Cup 2025 to create a lasting legacy, which has attracted £28m of government investment – £14.5m of that into legacy – a socio-economic impact report from the Sports Industry Research Centre at Sheffield Hallam estimates a return of around £4 for every £1 invested.

"The importance of high-profile events to women’s sport is clear to see, but there must be significant focus on how we ensure they leave a lasting impact on grassroots across the country as a whole.

“The decision to bid to host Rugby World Cup 2025 was based upon a milestone to more seven-year window and to make the sport more accessible to all.”

Alex Teasdale

Women’s Game Director
England Rugby



Official Legal Partner

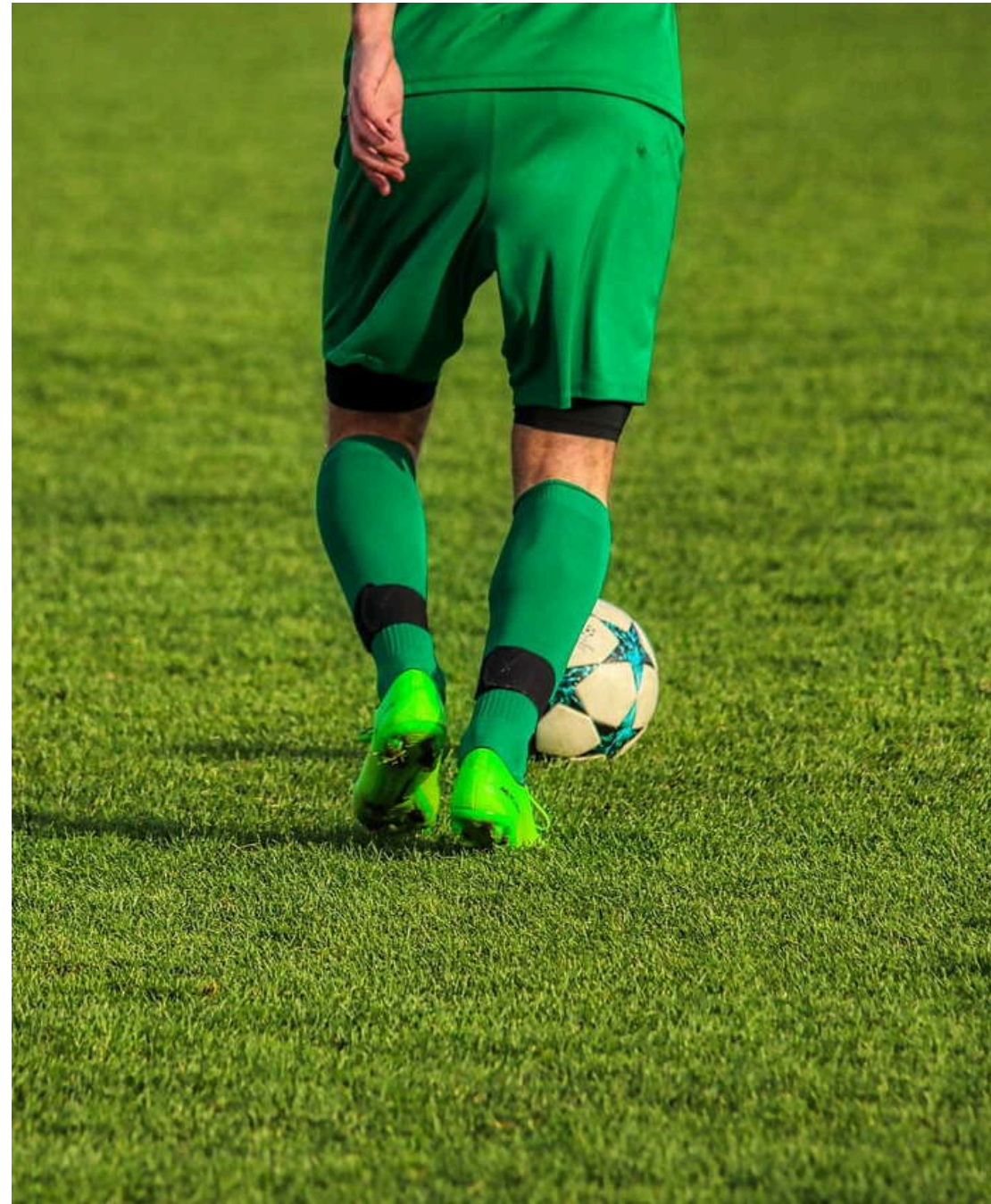
Opportunity two: adapting to the climate crisis

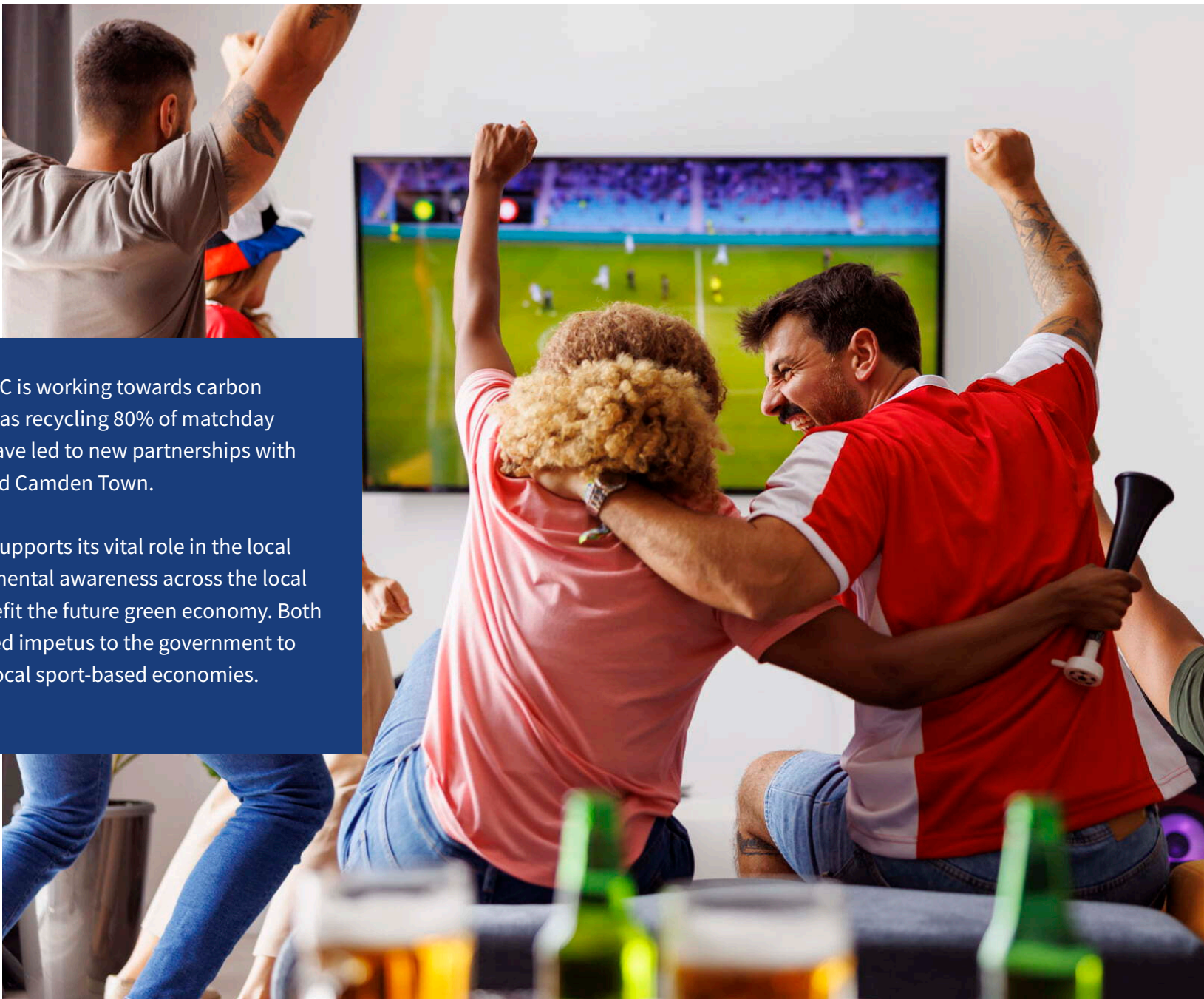
Sustainability in sport is a key issue that must be considered in order to future-proof the sports economy.

In responding to the climate crisis, sustainability can protect the value sports clubs add to communities while even enhancing their economic impact. Forest Green Rovers, a Gloucestershire-based EFL League One football club, is a leading example of the benefits of promoting sustainability in sport.

The United Nations cited The Green as the world's first carbon-neutral football club thanks to, amongst many green initiatives, its use of entirely renewable energy, its vegan-only kitchen, and the fact that players at the club wear kits made from coffee bean waste and recycled plastic bottles.

This business model has not only brought more attention to the club locally, with a new all-wooden stadium planned to be built, but the club now has 100 fan clubs in over 20 countries.





Leading Premier League side Arsenal FC is working towards carbon neutrality. Sustainable practices, such as recycling 80% of matchday waste and using only reusable cups, have led to new partnerships with companies such as Octopus Energy and Camden Town.

This adds value to the Arsenal brand, supports its vital role in the local economy, and leads to better environmental awareness across the local community, which will ultimately benefit the future green economy. Both leading examples should provide added impetus to the government to support green objectives to enhance local sport-based economies.

Expert Opinion: Achieving ESG in sport

“Governance and policies can be used by sports organisations to set out their sustainability commitments, confirm the strategy to achieve those goals and detail how the organisation will monitor and report on its environmental impact and progress.

“In terms of sustainability commitments, organisations can demonstrate their climate goals by setting a net zero target and embedding this in their sustainability policy. A net zero target helps push climate issues up the organisation’s agenda and motivates it to implement an effective climate strategy. Various sport organisations, including Arsenal FC, Williams Racing and World Rugby for example, have signed the UN’s Sport For Climate Action Framework. The framework requests signatories to commit to halving their emissions by 2030 and aim to achieve net-zero by 2040.

“When it comes to strategy, policies can be used to set out the steps that will be taken to achieve the organisation’s climate commitments. This can cover the organisation’s approach to areas such as travel, energy, recycling, water, facilities and procurement. Chelsea’s Environmental Policy is a good example of an organisation using a policy to set out a clear sustainability strategy.

“Policies should also contain a clear process of reporting and monitoring the implementation of the strategy, to ensure that stakeholders are kept informed and updated on the organisation’s progress.

“Governing bodies can also use sustainability policies to influence the climate strategy of elite and grassroots clubs. Policies can be used to provide sustainability guidelines and requirements for clubs to follow at all levels, covering points such as minimum standards on green energy, recycling and development, for example.

“Before setting climate objectives and policies, it’s important for sport organisations to understand their full impact on the environment. This enables them to set policies that address the areas of their business that have the most significant impact on the environment. This is a complex area and specialist advice should be obtained.”

Ted Powell

Solicitor and sports sector expert
Irwin Mitchell



Opportunity three: creating financial sustainability

Financial sustainability in sport is an essential consideration when discussing the economic benefits of sport.

In men's English football, for example, the nature of promotion and relegation between leagues leaves teams vulnerable to huge changes in revenues. This often leads to piles of debt and sometimes insolvency if clubs don't achieve desired sporting success.

Supporters of Derby County, Portsmouth, Sheffield Wednesday and a host of other sides have all experienced the many downsides to this.

In attempting to remedy financial vulnerabilities within the game, the Premier League provides Parachute Payments and Solidarity Payments, the latter totalling around £100m and given to clubs in the other English leagues.

These payments aim to support local clubs, though they have been criticised for not doing enough. More must be done to protect clubs that add so much to the community.

In April 2022 [a fan-led review of football governance](#) was published. This prompted recommendations for a new independent regulator for English Football, rather than regulation from the leagues themselves and associations such as UEFA and the FA.

The regulator's main objective would be to focus on financial sustainability, with the goal of protecting fans and local communities. Clubs would have to have a license to operate, which would be conditional on assessments of finances, fan engagement, protecting club heritage, and corporate governance. Similar models are adopted internationally.

One suggestion put forward would see 'real-time finance monitoring.' Using constant up-to-date data, clubs would clarify their financial situation and ensure liquidity and reserve requirements are met. Early signs of financial instability could be identified before they become a detriment to the club, the fans and, ultimately, the local economy.



Thank you for reading

Competing For Growth

Visit irwinmitchell.com to find out how we can help you or your business with legal support and financial planning.