



Competing for Growth

A summary of the impact of the sports industry on UK city economies

Overview

The UK's sports sector, encompassing everything from grassroots to elite-level activities, as well as the betting industry and the manufacture of equipment, is worth £10 billion to the economy.

Its ability to create jobs and boost trade is vital to the lifeblood of our cities. In 2019, the latest set of data that doesn't consider the COVID-19 lockdown restrictions, the top 50 cities accounted for £7.8bn of the sports economy and employed almost 250,000 people.

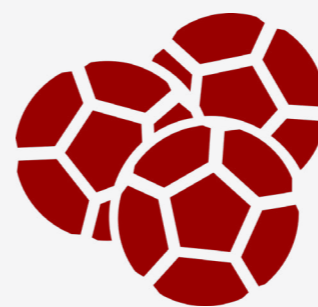
But despite this positive backdrop, there's some issues that need to be addressed to unlock the potential of the sports sector.

This abridged version of our [full Competing for Growth report](#), published in collaboration with Cebr, gives an overview of the UK's sporting hotspots. It provides recommendations for 2023 and beyond that would enable the sector to realise its potential.

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Key Findings

1. Yorkshire & the Humber has the fastest growing sports economies

The top eight growing sports economies in 2020 were in Yorkshire & the Humber. Collectively, they added £60.1 million to UK sports GVA.

Pre-pandemic, the majority of the top 10 fastest growing cities for sport were located in the South or Midlands. But in 2020, 80% of the fastest growing sports economies were based in the North of England.

2. York has the fastest growing sports economy

The medieval city of 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.

This is largely due to the opening of the city's 8,500-capacity joint football and rugby Community Stadium. This contributed to an estimated 64% increase in employment in the city's sports economy, to stand at 1,345.



3. Huddersfield's sports sector contributes proportionally the most to its economy

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

Huddersfield Town AFC spent two seasons in the Premier League (2017/18 and 2018/19). Estimates put the benefits to the club at £198m and the broader local economy at £5m.



4. Large-scale events bring long-term investments and opportunities

The Birmingham 2022 Commonwealth Games brought an additional 5m tourists into England's Second City, with 1.5m tickets being sold.

Public investment, including £35m from Sport England, will help create a legacy for the Games. Equipment used during the events is being donated to local sports groups, creating opportunities for the local community.



5. Sporting events encourage higher levels of participation

Sporting events also encourage greater participation in sports, providing health and wellbeing benefits that support economic development.

Data from the 2020/21 Active Lives Survey found that higher activity levels are associated with better mental wellbeing and more positive views on community development.



The UK Cities Leading the Way for the Sports Economy

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. The Solent city, which is home to long-standing Premier League side Southampton FC, was one of the host cities for the Cricket World Cup.

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.

Employment in the York'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 also opened after three years of construction.

The fastest growing cities for sport in 2019

	GVA	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%



	Employment	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%

The fastest growing cities for sport in 2020

	GVA	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%



	Employment	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%

Source: Nomis, ONS, Cebr analysis

The cities where sport is most important to its economy

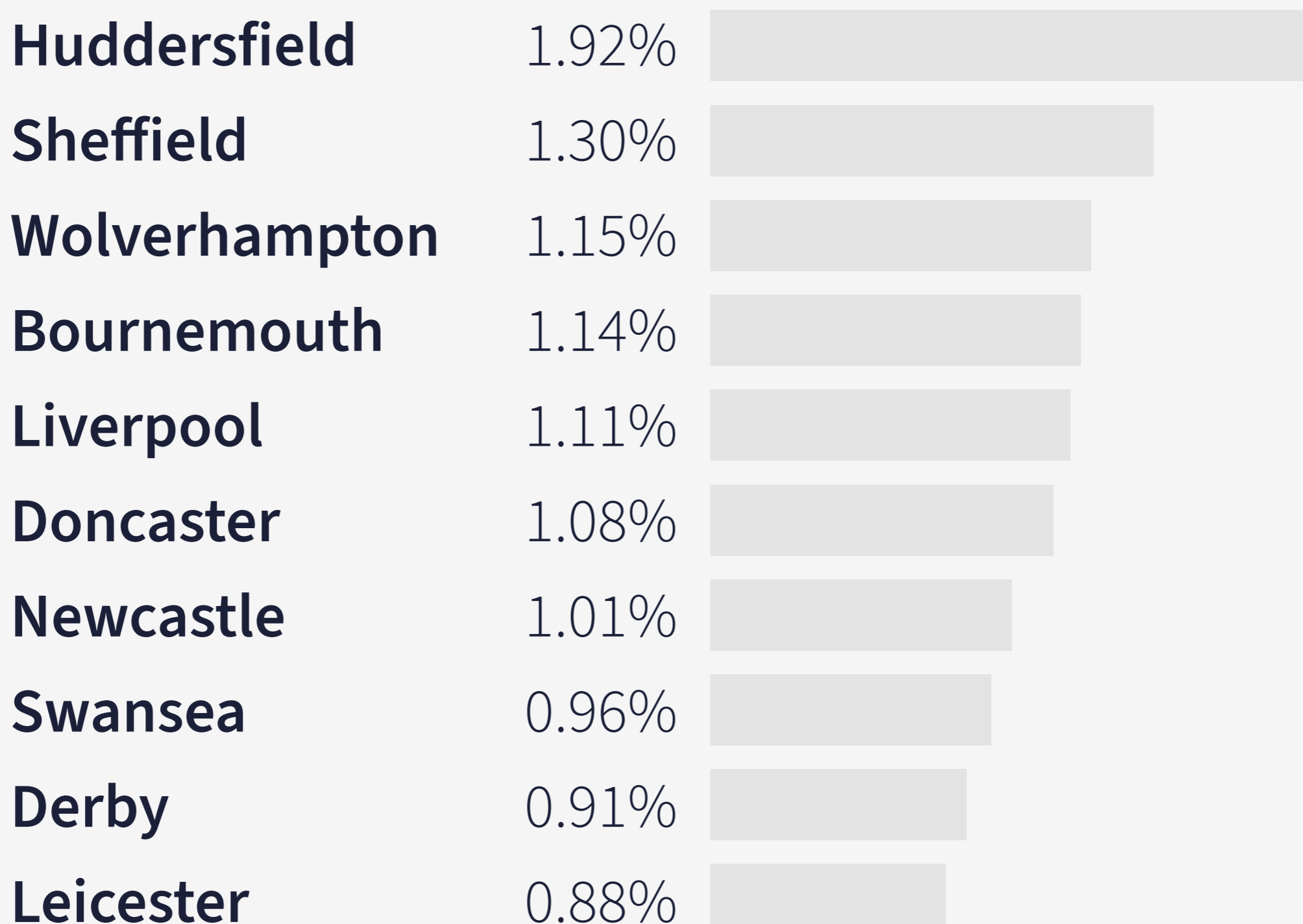
The UK's biggest sports economies are tied to its biggest city economies. London and its inner and outer boroughs occupy the top spots for GVA and jobs created by the city's sports economy, followed by the northern economies of Greater Manchester, Liverpool and Leeds.

But 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.

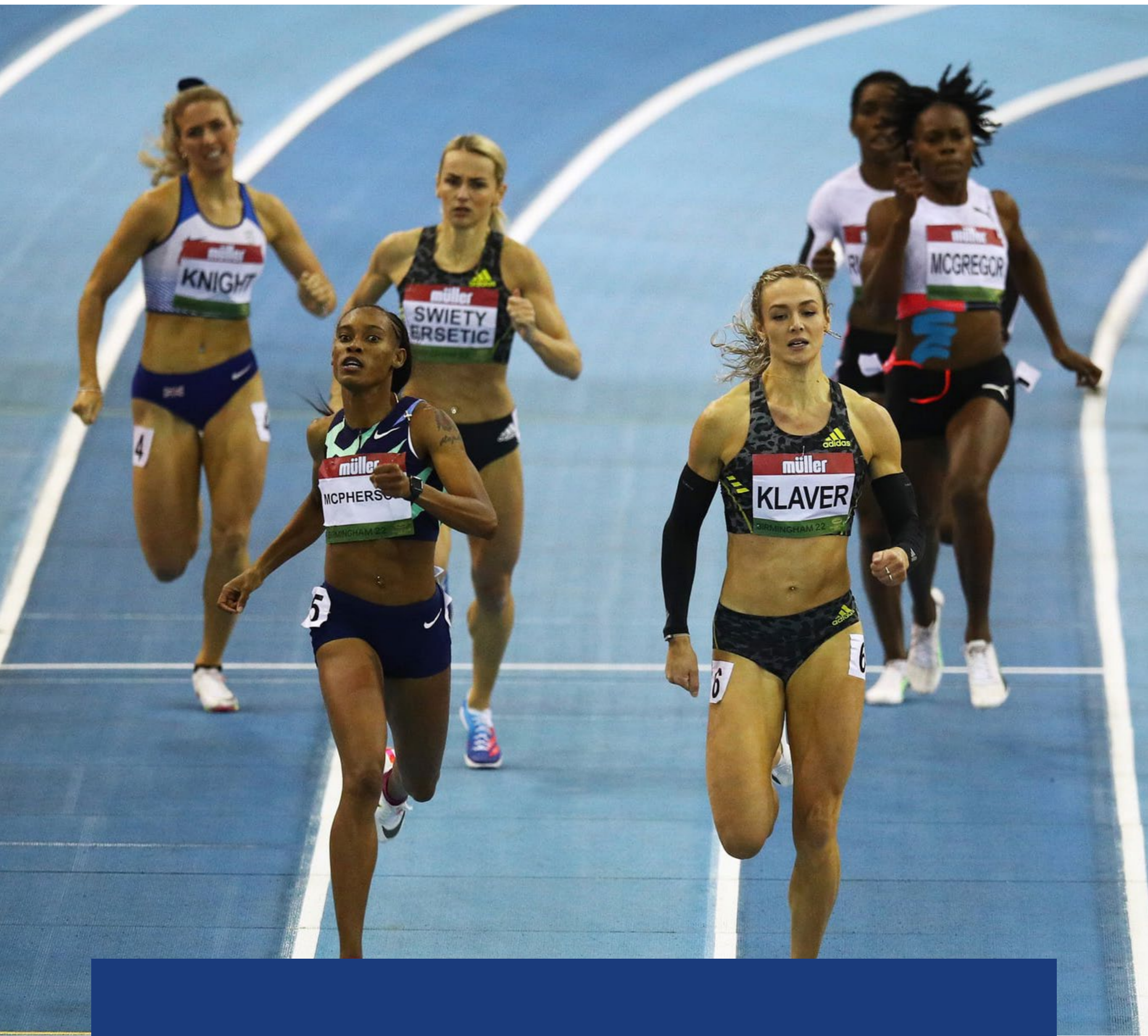
With Huddersfield coming top of our rankings, four of the top five cities on this measure in 2020 were home to clubs competing in either the 2019/20 or 2020/21 Premier League seasons.

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

Sports GVA as a share of city's economy, 2020



Unlocking the Potential of the Sports Economy in 2023 and Beyond



It's been over a decade since London hosted the 2012 Olympics to much acclaim. Since then, the UK has gone on to host a number of high-profile sporting events, including the Cricket World Cup, Euro 2021, and the 2014 and 2022 Commonwealth Games.

With those events has come an opportunity to create a legacy. But that's often proved tricky, with the closure of sports facilities and loss of open space following London 2012.

So how can sport be harnessed to maximise its impact on the economy? We've identified three key areas that need addressing if we're to unlock the full potential of the sports sector.



1. Unlock government funding and support for women's sport

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. Sponsorship, the fastest growing revenue stream, is predicted to hit €295m across Europe by 2033.

Following a successful Euro 2021, nine WSL clubs reported increases in ticket sales, according to the Guardian. Liverpool's sales increased by 254%, while Arsenal and Chelsea sold out their season ticket allocations.

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.



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 professional sports.

2. Provide funding and guidelines for green objectives for clubs

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

In responding to the climate crisis, sustainability can protect the value sports clubs add to communities, and even enhance 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.



3. Legislate for a new independent regulator for English football

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

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.

Get In Touch

The world of sports is changing at a pace never seen before.

Unparalleled amounts of money and exposure sit alongside ground-breaking technology to present new and exciting challenges for athletes, clubs, governing bodies, and other organisations.

But with those opportunities come challenges. As official partners of the RFU, UK Athletics, British Rowing, Boccia England and British Wheelchair Basketball, and as the UK's largest full-service law firm, we're perfectly positioned to help you.

If you'd like to discuss this report in more detail or find out more about how we can help you succeed, please don't hesitate to get in touch.

Alternatively, for more detail on the findings covered in this summary report, [read the full version of Competing for Growth](#).

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