

Institution: Birkbeck, University of London
Unit of Assessment: 19 Business and Management
Title of case study: The contribution of the Birkbeck Sport Business Centre to improving standards of governance in the UK sports industry.
<p>1. Summary of the impact</p> <p>The Birkbeck Sport Business Centre has been involved in research examining governance within the sport industry since 1999. Findings from research into the football industry have contributed to policy debate through parliamentary enquiries while research on the broader sports sector has been used by the Sport and Recreation Alliance to improve governance practices across national governing bodies of sport (NGBs). In particular, the research informed the development of the <i>Voluntary Code of Good Governance for the Sport and Recreation Sector</i>, a best practice guide that has been adopted by more than 60 National Governing Bodies of Sport in the UK.</p>
<p>2. Underpinning research</p> <p>Background context</p> <p>There is a growing body of academic research examining board-level governance within for-profit and non-profit organisations. However, research in the sport sector is still in its infancy. The UK is a particularly relevant context in which to study boards of sport organisations as recent years have seen commercial growth, a shift from amateur to professional structures across many sports, instances of poor management and failures in governance at a number of sporting organisations, and increased levels of public funding. These factors, when combined with the broader modernisation reforms within the public sector carried out by successive governments, have led to the situation in which boards of sport organisations have had to demonstrate increasing accountability and transparency (3.4).</p> <p>The research</p> <p>The Birkbeck Sport Business Centre, a dedicated research centre within the Management Department has been involved in research on governance and regulation in sport since 1999. The initial focus was on the professional football industry with an annual quantitative survey of all professional football clubs in England and Scotland taking place between 2001 and 2006 (3.3, 3.6). Further research on the governance and regulation of the football industry has continued since 2006 although a more qualitative approach has been taken based on interview data and the analysis of various secondary sources of data from the football authorities (3.1, 3.2). In 2007 a second stream of research examined governance within the wider sport industry, with a specific focus on national governing bodies of sport (NGBs). In 2010 the Birkbeck Sport Business Centre undertook the first ever quantitative survey of the 300 NGBs that are recognised by the four home country sports councils in the UK – Sport England, Sport Northern Ireland, SportsScotland and the Sports Council for Wales (3.5). This survey was replicated in 2011 with a total of 75 NGBs responding (3.4).</p> <p>Key findings</p> <p>The survey research on the football industry was published annually between 2001 and 2006 (<i>‘State of the Game’, various years</i>) alongside other academic outputs (Michie and Oughton, 2005; Hamil and Walters, 2010; Walters and Hamil, 2013) (3.1, 3.2, 3.3, 3.6). The findings of this body of research demonstrated that the football industry had failed to keep pace with the wider modernisation of business management practices, that the industry was plagued by poor financial performance, that the incumbent regulatory structures do not encourage financial stability, and that the consequences have been multiple organisational bankruptcies across the sector (3.1, 3.2).</p> <p>The research reports from the two surveys on governance of NGBs were published on the Birkbeck Sport Business Centre website and demonstrated key challenges facing NGB boards. The findings revealed that the majority of NGB boards in the UK are entirely volunteer-run and that nearly two thirds of NGBs have no paid executives on their boards. This was seen as a</p>

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contributory factor to explain the fact that almost half of NGBs in the survey felt that board members had insufficient time to commit to their responsibilities. The voluntary nature of the board potentially explains why board induction and board training are often lacking across NGBs and why only a small proportion of NGBs surveyed evaluated board performance (3.4, 3.5).

Key researchers

The directors of the Birkbeck Sport Business Centre include Hamil, Trenberth, Walters and Tacon. Other members that have been involved in the centre and the research include Matthew Holt (2002-2006), Professor Jonathan Michie (1999-2003), Professor Christine Oughton (1999-2007), and Lee Shailer (Research Officer, 2001-2004).

3. References to the research

3.1 Walters, G and Hamil, S (2013) The contests for power and influence over the regulatory space in the English professional football industry, 1980 – 2012, *Business History* (published online in June 2013).

3.2 Hamil, S. & Walters, G. (2010). Financial Performance in English Professional Football: “An Inconvenient Truth”, *Soccer & Society*, 11(4): 354-372.

3.3 Michie, J., and Oughton, C. (2005) The Corporate Governance of Professional Football Clubs in England, *Corporate Governance: An International Review*, 13(4): 517-531.

3.4 Walters, G, Trenberth, L and Tacon, R (2011) *The Role of the Board in UK National Governing Bodies of Sport*, Birkbeck Sport Business Centre Research Paper Series - <http://www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGB-Board-Report2.pdf>.

3.5 Walters, G, Trenberth, L and Tacon, R (2010). *Good Governance in Sport: A Survey of UK National Governing Bodies of Sport*, Birkbeck Sport Business Centre Research Paper Series - <http://www.sportbusinesscentre.com/wp-content/uploads/2012/08/NGBGovernanceReport2.pdf>

3.6 Football Governance Research Centre (2001-2006). *The State of the Game: The Corporate Governance of Football Clubs*, FGRC Research Papers, various years, Birkbeck, University of London - <http://www.sportbusinesscentre.com/research/research-papers/>.

4. Details of the impact**Significance of the Research**

The findings from these research projects have a significance that extends beyond academia. The research on the football industry has contributed to the written evidence produced by Hamil and Walters for two parliamentary enquiries. In addition, individual members of the Birkbeck Sport Business Centre have been invited to provide oral evidence at these enquiries starting with the All Party Parliamentary Football Group inquiry into ‘*English Football and its Governance*’ in May 2008 (5.10). The written and oral evidence drew on the reports and accompanying academic articles and contributed to the findings of the Committee’s final report. In particular, oral evidence given by Walters on the issue of club finances and debt based on the research was cited in the final report of the All Party Parliamentary Football Group in 2009 (5.3). Written and oral evidence was provided to the inquiry by the House of Commons Culture, Media & Sport Committee into the governance of English football in February 2011 (5.4, 5.5). The evidence presented at this inquiry drew on the research by Hamil and Walters (2010) and Walters and Hamil (2013) that set out the poor financial performance of the football industry and the issues with regulatory structures. The oral evidence provided by Hamil was cited in the final report (and the media) (5.6) and informed some of the recommendations made by the Committee, for example, in relation to the calls for the implementation of a club licensing scheme to promote financial sustainability at football clubs and the abolition of the Football Creditors’ Rule (5.5).

The findings from the survey research in 2010 and 2011 on NGB governance contributed to the development of the principles contained within the *Voluntary Code of Good Governance for the Sport and Recreation Sector*, a code developed by the Sport and Recreation Alliance (the umbrella organisation for the governing and representative bodies of sport and recreation in the UK) (5.1, 5.7, 5.8). Walters and Tacon were invited to sit on the Governance Steering Group that was responsible for the development of the code. The significance of this research has been acknowledged in the House of Lords following a debate initiated by Lord Moynihan, then Chair of the British Olympic Association, on the need for good governance in sport and was referred to by Baroness Jones of Whitchurch as "*a great starting point for governing bodies struggling to raise their game*" (5.9). It has been referenced in the publication by the Academy of Social Sciences – '*Making the Case for the Social Sciences: No 5: Sport and Leisure*' (5.2).

Expanding Reach

Although some of the findings illustrated in this paragraph are prior to the impact period, they provide context and background to the impact post 2008. The findings from the annual State of the Game survey were disseminated first through a series of annual reports available on the Birkbeck Sport Business Centre website (<http://www.sportbusinesscentre.com/research/research-papers/>). Each report was launched at a major event attended by representatives of all the key football industry stakeholders. The foreword for each report was provided by a major public figure in order to underline the key objective of the research, to inform the development of best governance practice in the industry e.g. in 2006, the Rt. Hon Richard Caborn, MP, Minister for Sport, Department of Culture, Media & Sport (DCMS); in 2005, by Brian Barwick, CEO, The Football Association, with an associated preface by Lars Christer Olsson, CEO, UEFA, the governing body of European football; in 2004 by Kate Barker, Chair, the Financial Advisory Committee, The Football Association; in 2003, by the Rt. Hon Tessa Jowell MP, Secretary of State for Culture, Media and Sport. The support provided underlined the authority which the State of the Game research brought to the argument, promoted by leading government and football industry figures, to promote better governance standards in the industry. Data from the surveys informed the analysis in a number of academic journal articles through which the research findings were disseminated to the wider academic community.

Hamil and Waters were able to build on the pre-2008 research activity to extend the depth, but critically the scope, of the Centre's research agenda, most notably by expanding the coverage to include investigations into the quality of governance in major sports beyond football.

The findings from the survey research in 2010 and 2011 on NGB governance have been disseminated in a number of ways. Presentations of the results were made to more than 40 NGBs at two events held at Birkbeck in 2010 and 2011. These were in collaboration with Timothy Dutton QC, author of a major report into governance standards at NGBs, and funded by the governing funding agency SportEngland, delivering the keynote address:

<http://www.sportbusinesscentre.com/events/good-governance-in-sport-the-road-to-sporting-success/>.

All NGBs within the UK have received copies of the final reports in order to raise awareness of issues around the role and responsibilities of the board. The findings have been used by the Sport and Recreation Alliance, first as a way to draw attention to particular issues when presenting to NGB board members and second, to inform the development of the *Voluntary Code of Good Governance for the Sport and Recreation Sector*. (5.1) This code has been adopted by more than 60 National Governing Bodies of Sport in the UK (5.8) and is helping to raise standards of governance within the boards of sport organisations. Further this code has formed the benchmark against which the Sport and Recreation Alliance have developed a governance guide for European sports organisations, having been the lead on an EU Commission funded project between 2011 and 2013. Walters and Tacon have been involved in providing research support for this project.

5. Sources to corroborate the impact

5.1 Referee who can corroborate the impact of *Good Governance in Sport: A Survey of UK National Governing Bodies of Sport*.

Governance and Compliance Officer
Sport and Recreation Alliance.

5.2 Academy of Social Sciences (2011) *Making the Case for the Social Sciences: No 5: Sport and Leisure*, London: The Academy of Social Sciences.

5.3 All Party Parliamentary Football Group (2009) *English Football and its Governance*:

http://www.allpartyfootball.com/APFG_Report_on_English_Football_&_Its_Governance_April_2009%5B1%5D.pdf.

5.4 House of Commons Culture, Media & Sport Committee (29th July, 2011). *Football Governance*. HC 792-I. *Volume I: Report, together with formal minutes*.

5.5 House of Commons Culture, Media & Sport Committee (29th July, 2011). *Football Governance*. HC 792-I. *Volume II: Oral and written evidence*. Written evidence submitted by Mr Sean Hamil & Dr Geoff Walters, Birkbeck Sport Business Centre, Birkbeck College, University of London.

5.6 Conn, D (2011) 'Lord Triesman reveals a bullied and impotent FA to Commons inquiry', *The Guardian* (8th February 2011) www.guardian.co.uk/football/david-conn-inside-sport-blog/2011/feb/08/lord-triesman-fa-commons-inquiry (Birkbeck Sport Business Centre member Sean Hamil's contribution to the House of Commons Culture, Media & Sport Committee's enquiry into the governance of English football is quoted in *The Guardian*).

5.7 Sport and Recreation Alliance (2011) *Voluntary Code of Good Governance for the Sport and Recreation Sector*, London: Sport and Recreation Alliance.

5.8 Sport and Recreation Alliance 'Organisations signed up' (feature on the Sport and Recreation Alliance website)

<http://www.sportandrecreation.org.uk/smart-sport/voluntary-code/organisations-signed>.

5.9 The transcription from the House of Lords debate (2010)

www.publications.parliament.uk/pa/ld201011/ldhansrd/text/101111-0003.htm#10111158000604.

5.10 Walters, G., and Hamil, S. (2008). *All Party Parliamentary Football Group: Inquiry into English Football and its Governance: Memorandum of Evidence*, Birkbeck Sport Business Centre.