



# Newcastle United Football Club and Newcastle United Foundation

Economic and social impact

February 2019



Premier  
League



**EY**  
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# Foreword



**Mark Gregory**  
Chief Economist, UK

## Newcastle United: At the centre of the local economy and society

### **Understanding the value of football ...**

I am extremely pleased to introduce this report on the economic and social impact of Newcastle United. This is the latest output from EY's ongoing programme of work for the Premier League to quantify the economic and social value of football, following the recent publication of our analysis of the overall impact of the Premier League.

We continue to develop and refine our approach which is based upon detailed analysis of data provided by the club and Newcastle United Foundation. We combine this with published information on activities such as tourism, economic information produced by the Office for National Statistics (ONS) and metrics on the costs and value of different community activities.

The results are impressive – Newcastle United can be justifiably proud of its contribution to local economic and social activity.

### **... to the local economy ...**

There were over one million (m) attendances to Newcastle United home games in the 2017/18 season, with the club acting as a magnet to attract people to the region. There were 188,000 visits made to watch football by people who live outside the region during 2017/18. Over 13,000 of these were by people from abroad. Visits by supporters to the region added £21m to tourist spending in the local economy.

Overall the club's economic activity contributed a total of £236m in Gross Value Added (GVA) to the regional economy, through spending in its supply chains, the induced spending of people employed directly by the club, and the impact of tourism identified above. This level of economic output means that over 2,000 jobs were supported by the club, its suppliers and organisations benefitting from the induced spend in the local economy. This activity also created a tax contribution of £89m which will flow to the Exchequer.

### **... and community ...**

Newcastle United Foundation's investment and reach has grown significantly in the 10 years since it was established. The report highlights how the Foundation harnesses the power of football to improve health and wellbeing, promote learning and encourage sports participation.

In 2017/18, £3.2m was invested in sporting, education and health initiatives. The Foundation engaged 27,745 participants in at least one Foundation programme during the season. This activity generated a social value of £22.5m during the year, with around half from health quality improvements driven by participation in Foundation programmes and the remainder from education and community benefits. The social return of £7 for every £1 invested is significantly above the norms we typically find in charitable activities and shows once again how important a role football plays in achieving social impact.

### **... creating a wide-ranging impact**

As a football lover, I am always pleased when objective analysis shows the potential positive impact that the Premier League can have off the field. Newcastle United has used its success over the last decade to generate substantial economic and social benefits for the local community. In 2017/18 alone, the club and Foundation added £236m to the local economy, supporting over 2,000 jobs and generating social value of £22.5m.

The club's role in raising the profile and esteem of the city of Newcastle upon Tyne and its surrounding region should not be underestimated. Over one billion (b) homes have access to view Newcastle United games on television globally, raising familiarity amongst businesses and investors who may otherwise not be aware of the region.

The club takes its role in the community seriously and works very hard to maximise its impact. Success on the field clearly matters and is important in ensuring the flow of funds to support the club's activities locally, but winning football matches is only one part of the Newcastle United story.



# Executive summary

Newcastle United Football Club sits at the heart of the city of Newcastle upon Tyne, and makes a significant socio-economic contribution to both the city and the wider north east region.

This report explores the social and economic contribution made by Newcastle United Football Club and Newcastle United Foundation, focussing on the period from the beginning of the Premier League in 1992 and the 2017/18 season in particular.

Newcastle United generates significant economic benefits to the north east region through its direct operations, spending in local supply chains, and through wider economic spill-over effects. This includes total GVA of £236m, total tax contribution of £89m and over 2,000 jobs supported.<sup>1</sup>

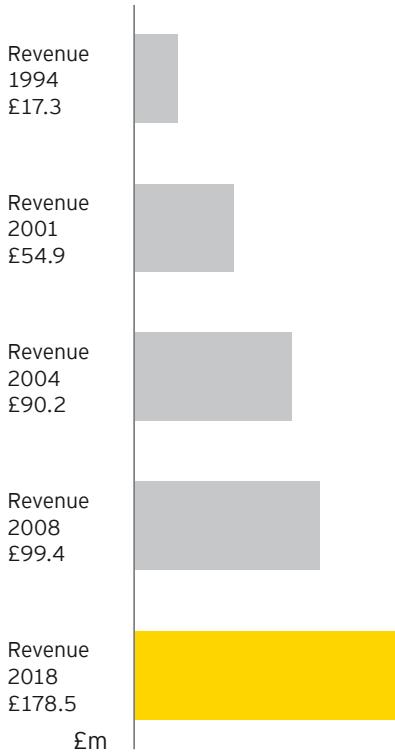
The total social benefit to the local community, led by the Foundation's community and charitable programmes in 2017/18, is estimated at £22.5m.

## The Premier League era

For Newcastle United, the Premier League era has included European football, the launch of Newcastle United Foundation, relegation, Championship success, increased revenue and stadium improvements.

Only six of the 49 clubs to feature in the Premier League have done so for all 27 seasons. Newcastle United has the second highest number of appearances in the Premier League at 24.

### Newcastle United annual revenue 1994-2018



Source: Audited Accounts 1994-2017, 2017/18 unaudited accounts



**£22.5m**  
total Social Benefit



**£89m**  
total tax contribution

Source: Newcastle United and Newcastle United Foundation data, EY analysis

<sup>1</sup> Gross Value Added (GVA) is a measure of economic activity which can be viewed as the incremental contribution to Gross Domestic Product (GDP). It therefore provides a useful measure for understanding the economic contribution made by particular industries, or businesses, such as the Premier League and its clubs.

## Driving positive impacts within the community

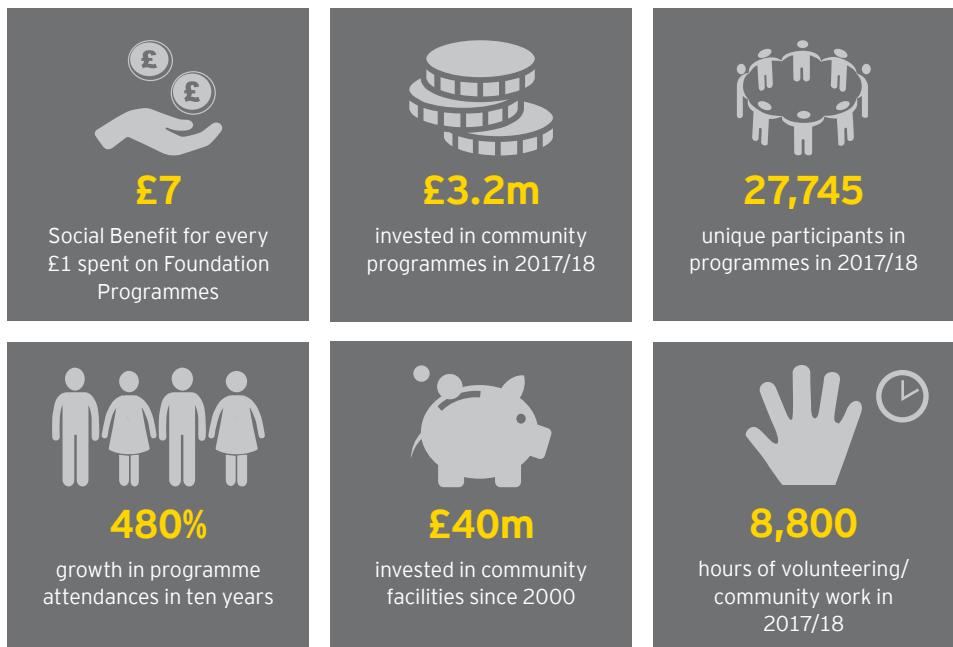
Newcastle United Foundation use the power of the Newcastle United brand and passion for football to drive positive change in communities.

Since it formed in 2008, the Foundation has increased the breadth of its programmes and has seen attendances increase by 480%.

In 2017/18, the Foundation invested £3.2m in sporting, education and health programmes and reached 27,745 unique participants.

The social return on investment has been calculated at £7 for every £1 invested.

This compares favourably to an average social return on investment of 1.9 for sport participation.<sup>2</sup>



Source: Newcastle United and Newcastle United Foundation data, EY analysis

## Putting the north east on the map

Newcastle United plays a pivotal role in the visitor economy of the north east. In 2017/18, total attendance at Newcastle United matches was over 1,000,000. This included almost 190,000 attendances by visitors from outside the north east region, including visitors from abroad. Their spending on travel, accommodation, retail and food and drink adds £21m a year to the visitor economy.

As a member of the Premier League, Newcastle United reaches over 1b homes around the globe each season, ensuring Newcastle is firmly on the map for inbound tourists.<sup>3</sup>

St James' Park also acts as a centre for major sporting, music and cultural events, bringing world class entertainment to the north east, as well as being a prime location for conferences and meetings which support the regional economy.



Source: Newcastle United and Newcastle United Foundation data, EY analysis



<sup>2</sup> 2016 Sheffield Hallam, Social Return on Investment in sport: A participation wide model for England

<sup>3</sup> 2018 EY Premier League economic impact report



# Introduction

This report evaluates the economic and social impact of Newcastle United and Newcastle United Foundation in the north east. EY has undertaken analysis based on data from the 2017/18 season provided by the Premier League and Newcastle United and other sources including ONS and Newcastle Gateshead Initiative.

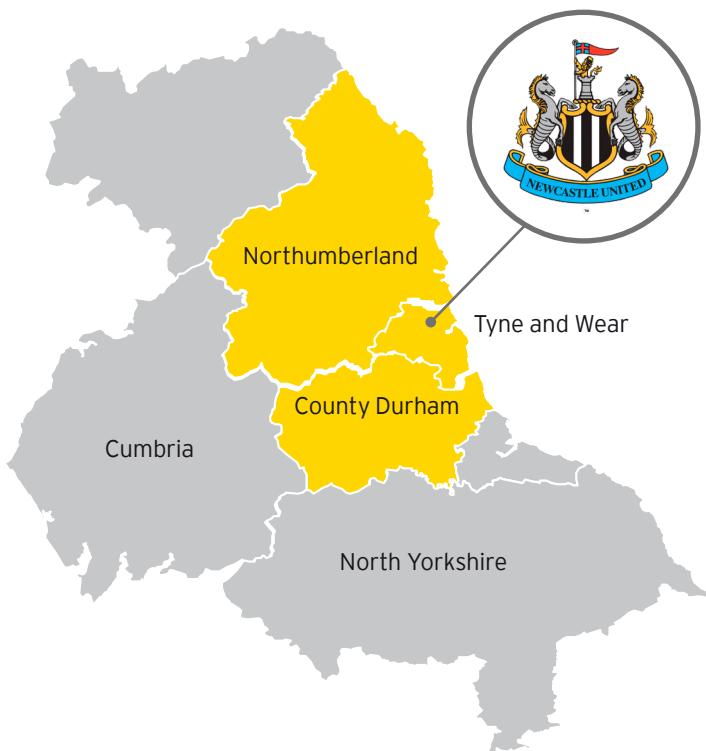
## 2.1 Newcastle United and the north east

For the purposes of this report, the relevant region is defined as the north east ('the region'), which includes the city of Newcastle upon Tyne (Newcastle), the metropolitan county of Tyne and Wear plus Northumberland and County Durham.

The region is home to 2.6m people, 300,000 of which reside in Newcastle.<sup>4</sup>

This report seeks to highlight the key role that both the club and Foundation play in the region within a challenging economic and social environment; unemployment in the north east (5.5%) is the highest in the UK, and compares to a UK average of 4.0%.<sup>5</sup>

Figure 1: Map of the north east region



## Scope of this report

### Social impact

- ▶ **Local community projects:** a range of programmes to realise improved health, education and social outcomes.
- ▶ **Investment in facilities:** stadia improvements including stadium expansion, renovations, improvements to stadium accessibility, as well as investment in local facilities to encourage participation.

### Economic impact

- ▶ **Club and charitable operations:** the day-to-day operations of the club and Foundation support economic activity directly, as well as through their local supply chains.
- ▶ **Tourism and hospitality:** the club attracts visitors from across the UK and abroad both for football matches and other events held at St James' Park.

<sup>4</sup>Oxford Economics

<sup>5</sup>Office for National Statistics, Labour Force Survey, Sep – Nov 2018

## 2.2 The club

Newcastle United is England's ninth most successful club of all time, winning four League titles and the FA Cup six times since it was founded in 1892. It is well supported; its 52,305 capacity

stadium is the seventh largest in the Premier League, with an average utilisation of 99.9% and it also has 3.7m followers across social media platforms.<sup>6</sup>



**52,305**  
stadium capacity



**99.9%**  
stadium utilisation



**11**  
winners of four Football  
League First Divisions,  
six FA Cups and  
one Fairs Cup



**3.7m**  
social media followers



<sup>6</sup>EY, Premier League ticket study 2018

# Newcastle United in the Premier League

## Economic and social impact of the Premier League

During the 27 seasons since it was formed in 1992, 49 different clubs have participated in the Premier League. Newcastle United were promoted to the Premier League in its second year and have since made the second highest number of appearances (24) in the League to date – with only six of the 49 clubs featuring as ever-presents.

Focusing on the 2016/17 season, highlights of the latest national EY study of the Premier League and its 20 member clubs are summarised on this page.

### Economic benefits

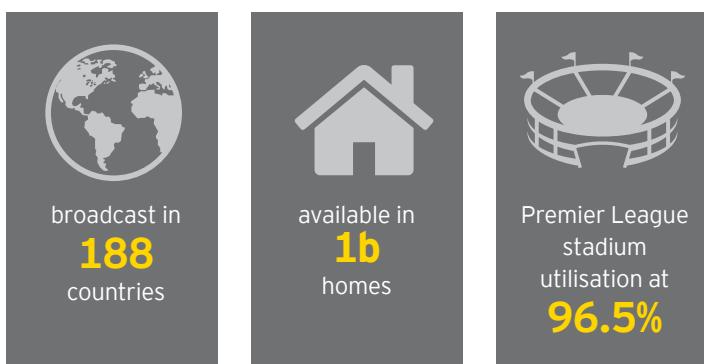
The Premier League and its clubs generate impacts in a variety of ways. This ranges from the people they employ to the community work they undertake, as well as the tourism activity they encourage and platforms they provide to towns, cities and business to engage with the rest of the world.



Source: Premier League

### From local to global

Since its inception in 1992, the Premier League and its clubs have achieved considerable success, establishing a strong global reputation for high quality and entertaining football. This is evidenced by the Premier League consistently achieving the highest stadium utilisation figures of any major European League, as well as a committed global fanbase. In turn, the Premier League has become an active member of the global community, presenting political and commercial opportunities for the UK.

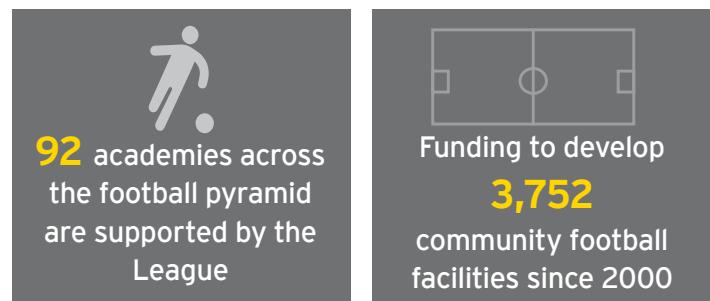


Source: Premier League

### Supporting the wider game

Premier League support for the wider game extends across the football pyramid and communities in England and Wales, including all levels of the English Football League (EFL) and into non-League and community football. Parachute or solidarity payments (linked to Premier League broadcast revenues) go to all 72 EFL clubs, as well as further funding for their Academies.

The Premier League supports the Football Foundation to build community football facilities and the Football Stadia Improvement Fund which issues grants to clubs down to lower levels of the FA National League System.



Source: Premier League

### Community initiatives

The Premier League supports a wide range of community programmes that aim to promote improvements in schools and communities. As shareholders of the Premier League, its member clubs, including Newcastle United, have supported significant growth in the scale of community provision and support for wider football, correlating with the League's broader success. This has provided life-changing opportunities to thousands of individuals.

In 2016/17 alone, over 500,000 young people took part in Premier League funded programmes. Community football facilities delivered via the Football Foundation also saw over one million people participate regularly.

The Premier League was a founding partner in establishing the Football Foundation in 2000. Since its formation the Football Foundation has seen funding into community football projects across the country exceed £1.5b in total worth.



Source: Premier League

## 2.3 Newcastle United fans

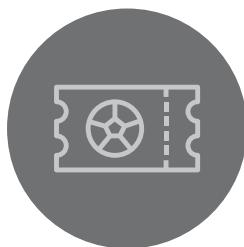
Newcastle United has a large and dedicated fan base with attendances in 2017/18 at 1,000,000+.

### Fan initiatives

Ticket prices	Family area	Reciprocal deals
<ul style="list-style-type: none"><li>In 2017/18, 20,000 of the 39,500 season ticket holders benefitted from long-term season ticket deals, which offer fans discounts of 26% on average.</li><li>Concession tickets are available for young adults, students and over-65s. There are also half-price tickets for disabled supporters with the provision of a free personal assistant space.</li></ul>	<ul style="list-style-type: none"><li>The family area at St James' Park spans the entire Milburn Stand and provides a fun, safe space for the next generation of supporters.</li><li>An adult and junior supporter are able to watch an entire season of action for a combined price of less than £21 per match.*</li></ul>	<ul style="list-style-type: none"><li>Since 2013 Newcastle United have been instrumental in securing reciprocal pricing arrangements with other clubs.</li><li>The club was part of the Premier League working party that led to a £30 cap on all away tickets and has continued to strike further reciprocal deals with other clubs.</li></ul>



**26%**  
average discount  
on long-term  
season tickets



**39,500**  
season ticket  
holders



**< £21\***  
per match  
Combined cost of season  
ticket for an adult and  
junior supporter

Source: Newcastle United data

### Newcastle United Fans Foodbank Initiative

Newcastle United FC Fans Foodbank was established in February 2017 by fan groups Newcastle United Supporters Trust (NUST) and NUFC Fans United in association with Newcastle West End Foodbank. Since then the initiative has raised an estimated £200,000 in cash and produce from fans.

Source: Newcastle United Fans Foodbank

"The association with the club through the fans has helped to raise the issue of food poverty within the city and to support people in the local area who are in need. This is an important factor that you can't buy."

**John McCorry, CEO, Newcastle West End Foodbank**



\*average across all season ticket pricing schemes

## 2.4 St James' Park Development

St James' Park is the iconic home of Newcastle United. It is located in the heart of Newcastle and is the seventh largest football stadium in England. The stadium allows the club to cater for over 50,000 fans for football matches and also provides the city with an impressive asset to host large, high-profile events.

The development of St James' Park reflects the Premier League cycle of growth model in action. In 1992, prior to the Premier League, the stadium capacity was 30,348. In 2001 the stadium expansion was completed, bringing total capacity to 52,000. Since then the club has continued to invest in facilities throughout the stadium:

- ▶ 1992 – Stadium capacity was 30,348.
- ▶ 2001 – Stadium capacity expanded to 52,000.
- ▶ 2003 – Construction of the club shop and Shearers Bar (later refurbished into Nine Bar) in the South Stand.
- ▶ 2007 - Family area created and extended again in 2008.
- ▶ 2014 – Opening of a new suite, the Park Grill, and the addition of 12 Executive Boxes, taking the total to 99.
- ▶ 2015 – Enhanced accessibility and stadium facilities for disabled fans. See 'Investment in Accessibility'.
- ▶ 2017 – New pitch laid incorporating SIS grass. This allows different events to be hosted with no detrimental effect to the playing surface (e.g. three Ed Sheeran concerts in May 2018).
- ▶ 2018 – Sensory room opened for adults and children with autism.

### Green initiatives

Over the past five years the club has made efforts to reduce its carbon footprint by reducing energy consumption and making changes to waste disposal. Energy reduction efforts include the installation of LED lights throughout the stadium and car parks. A Combined Heating Power (CHP) gas turbine has also been installed at St James' Park, which enables the club to produce its own base load power all year round. These initiatives have reduced annual energy consumption by over 2m kWh, as shown in Figure 3.

The club also implemented a waste policy which has reduced the amount of waste sent to landfill from 100% five years ago to 30% now.

### Investment in Accessibility

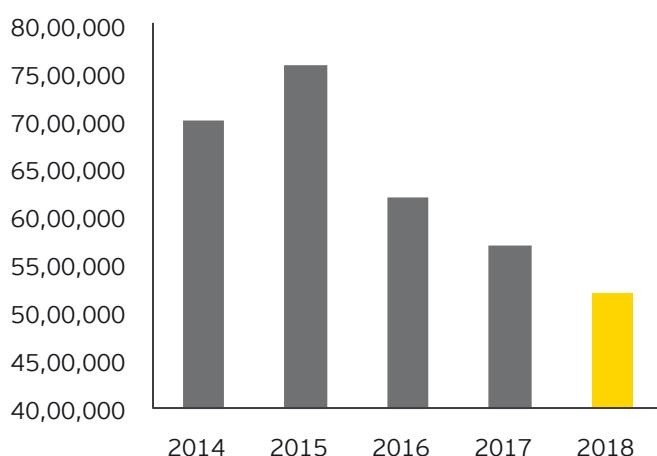
In 2015 Newcastle United, along with the other Premier League clubs, made a commitment to further improve facilities for disabled fans. Newcastle United has invested in facilities across the stadium to ensure that they are disability-compliant:

- ▶ Viewing positions in the North and South stands have been improved for wheelchair users.
- ▶ St James' Park has a sensory room with specialist staff to allow adults and children with autism to watch matches comfortably.
- ▶ Lowered customer service counters have been installed to allow better access for wheelchair users.
- ▶ Induction hearing loops around the stadium have been improved.
- ▶ Two dedicated changing places facilities have been installed in the Milburn and East stands, for those who cannot use standard accessible toilets.

In order to create tailored and effective changes, Newcastle United worked closely with other organisations and partners including:

- ▶ Percy Hedley Foundation, who train Newcastle United staff in disability awareness.
- ▶ Better Days who work with the club to ensure it is a 'safe place' for adults with learning disabilities.
- ▶ Newcastle United Disabled Supporters Association (NUDSA).

**Figure 3: Energy usage at St James' Park (kWh)**



Source: Newcastle United data



# 3



## Newcastle United in the community

### 3.1 Newcastle United Foundation

Newcastle United Foundation supports the local community by using the power of football and the local passion for the game to improve outcomes for individuals and communities.

Newcastle United Foundation utilises the Newcastle United brand to engage, inspire and motivate and to:

- ▶ Create opportunities for young people to learn and reach their potential.
- ▶ Address public health priorities (obesity, physical activity and mental health).
- ▶ Respond to the needs of the community with targeted programmes.
- ▶ Provide physical hubs where people can access a range of services.

### Future ambition

Looking ahead the Foundation has a clear plan for the future. In late 2017 it launched its plan to build a new home for community sport, education and well-being on the site of Murray House Recreational Centre, just a goal kick from St James' Park.

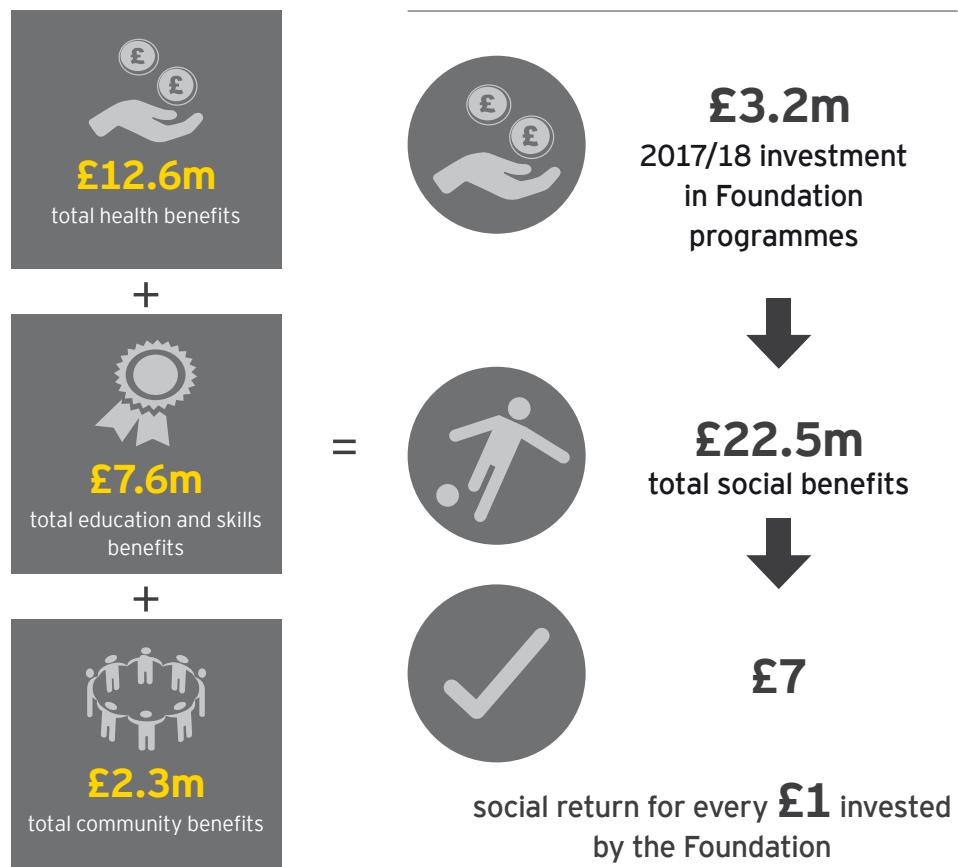
With planning permission secured, the focus is now to move this exciting project forward, reaching out to supporters who can join them to build a legacy for generations to come.

"Football and a deep generosity are two of the defining features of our city, and now we see just how well the two work together and how big an impact they have."

The Foundation's community and charitable programme is one that has changed lives across Newcastle, with millions of pounds put towards supporting our shared values. And the £7 social return for every £1 spent is a great sign of the Foundation's commitment to our city.

Newcastle is a city that stands together and I look forward to continuing to working with the club and the Foundation on our shared aims."

**Nick Forbes, Leader,  
Newcastle City Council**



Source: Newcastle United and Newcastle United Foundation data,  
EY analysis

## 3.2 Social Return on Investment

Social Return on Investment (SROI) reflects the total value of benefits per £1 invested. Any figure over £1 suggests that the social value generated from initiatives exceed the cost of delivering the initiatives.

In 2017/18, Newcastle United Foundation invested £3.2m in charitable programmes which generated £22.5m in social impacts and £7 of social return for every £1 invested. This is quantified using participation information across programmes and the expected baseline activity of participants within the region. The social value of participation is then quantified using well-established principles on welfare economics, sustainability and financial accounting.

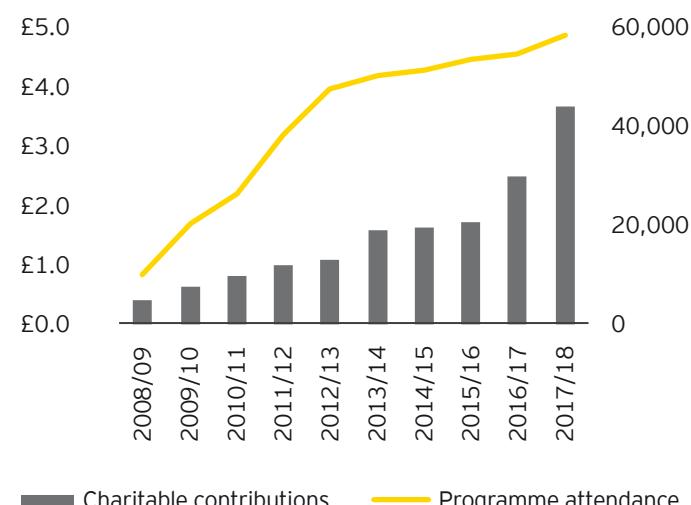
A recent study found that the average SROI of sports participation was 1.9.<sup>7</sup> The higher SROI for the Foundation programmes reflects the range of the programmes offered and the positive outcomes achieved. This is enabled through leveraging the strength of the Newcastle United profile within the region, and the wide appeal that the Foundation achieves through close association with the club.

## 3.3 Foundation programmes

In just 10 years, Newcastle United Foundation has grown substantially, expanding programme attendances by 480% from 10,000 to 58,000 by 2017/18. The Foundation's income has risen from £0.1m in 2007/08 to over £3.6m in 2017/18.

Charitable and community-focussed activities are an important part of the Premier League. The Foundation delivers central initiatives such as Premier League Kicks and Premier League Primary Stars in addition to local programmes such as Family Learning. The Foundation has successfully diversified its sources of funding, leveraging the ongoing support it receives via the Premier League.

**Figure 4: Growth in Foundation's expenditure on charitable activity, £m**



Source: Newcastle United Foundation

A selection of Newcastle United Foundation programmes are shown below

### Highlighted programmes 2017/18

#### Participation

- Disability Football: 1,320 participants, 60 coaches achieving FA Level 1 qualification for coaching disabled footballers.
- Soccer schools: 2,774 boys and girls aged 5-11 years old participated in weekly and holiday soccer schools all year round.
- Premier League Girls : 1,006 girls participating in regular football with a talent pathway to Newcastle United Women.

#### Community

- Premier League Kicks: 1,883 participants. The Foundation's flagship outreach programme provides free football and personal development to young people aged eight to 18.
- National Citizen's service: 243 participants aged 15-17. The programme helps young people develop new skills, meet new people and support local community projects.
- Prince's Trust Team: 12 week personal development programme, 25 participants gained entry level 1 in employability.

#### Health and well-being

- Matchfit: 2,192 participants; helping Primary school children learn about healthy eating and the importance of physical activity; 81% of participants improved their physical fitness.
- Walking Football: 142 players, encouraging older adults to play football again on a regular basis.
- Health Checks: 373 individual checks for risk of heart disease, diabetes, kidney disease, stroke.

#### Education and skills

- Family Learning: 3,069 participants, a learning programme to build stronger, healthier, more active families. 88% of adult participants are now likely to take part in further education.
- NE1 Works: Supporting unemployed young people (18-24) who are furthest from the jobs market. 94 local employers across all sectors provide relevant and quality work experience opportunities. 41 people gained employment.
- Premier League Primary Stars: 6,758 participants, inspiring primary school children to learn, be active and develop important life skills through PE, school sport, PHSE and literacy lessons.



Source: Newcastle United Foundation

<sup>7</sup>2016 Sheffield Hallam, Social Return on Investment in sport: A participation wide model for England

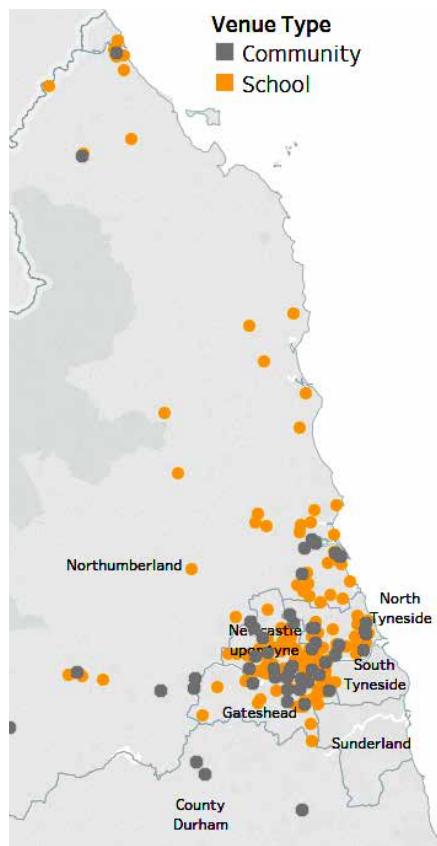
### 3.4 The social impact of Newcastle United Foundation

This section presents estimates of the social impacts generated by Newcastle United Foundation programmes, grouped under three themes; community, education and skills, and health and well-being.

The quantitative analysis presented in this report captures the additional impact of Newcastle United Foundation's extra-curricular programmes for sustained participants (these include Premier League funded national programmes delivered locally by the Foundation as well as programmes created with local partnerships).<sup>8</sup>



**Figure 7: Foundation programme venues 2017/18**



Source: Newcastle United data

<sup>8</sup>The methodology employed identifies the unique level of participants, focuses on the additional impact of Foundation programmes – adjusting for activities that would have taken place without the Foundation – then quantifies the social value of outcomes from the Foundation programmes using well-established principles on welfare economics, sustainability and financial accounting.

Only 'sustained' participants', which are those that regularly attend Foundation programmes, are included so the impacts produced in this report are likely to underestimate the full social contribution the Foundation makes to the region, as a number of benefits that are difficult to quantify have been excluded from the statistics, but are captured qualitatively later in the section. Programmes delivered as part of the school curriculum are excluded from the quantitative analysis, as the activity would otherwise have taken place without Foundation support. Further information would be required from participants to understand the impact of these curricular programmes on their behaviours and account for what would otherwise have occurred if an alternative provider ran the sessions.

## Health and well-being



In 2017/18 over  
**£12.6m**  
of social value was generated  
through health improvements  
resulting from Newcastle United  
Foundation initiatives

Keeping active can contribute positively to both physical and mental health.

According to the National Child Measurement Programme, the north east has some of the highest rates of obesity in primary school children in the UK with the prevalence of overweight (including obese) year six pupils at 37.3% compared to the England average of 34.2%.

A higher rate of adults are physically inactive in the north east (34.4%) compared to the average rate nationally (28.7%).

Foundation programmes are helping to address these statistics through encouraging sports participation and healthy lifestyles among both children and adults. For example 2,192 primary school children took part in Match Fit to learn about healthy eating and the importance of physical activity. 77% of participants improved their nutritional knowledge as a result.

As well as running its own programmes, the Foundation also partners with local organisations that have shared objectives, including the Sir Bobby Robson Foundation, to support young cancer patients and their families within the region.

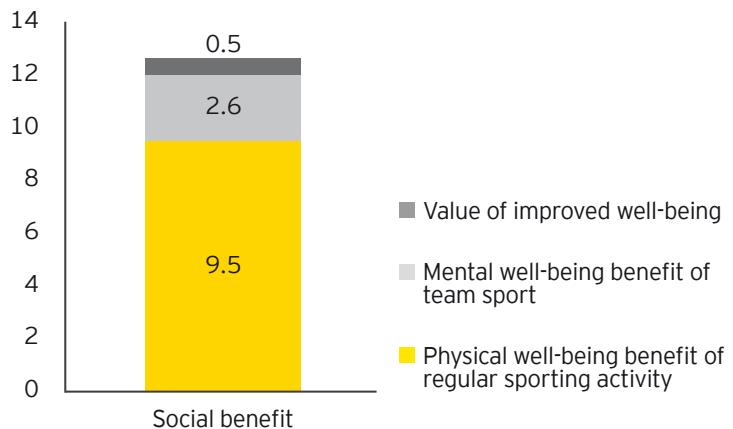
## Sir Bobby Robson Foundation

Sir Bobby Robson was one of the game's greatest managers and one of the north east's favourite sons. Sir Bobby arrived at St. James' Park early in the 1999/00 season where he made an immediate impact. He was knighted in 2002 for services to football.

Sir Bobby sadly died in 2009 and today his legacy lives on through the Sir Bobby Robson Foundation which funds projects that directly benefit cancer patients across the north east and Cumbria.

In 2017 the Sir Bobby Robson Foundation awarded Newcastle United Foundation funding for a Project Coordinator, based at the Great North Children's Hospital, near to St James' Park, offering support to young cancer patients and their families.

**Figure 5: Social value of health impacts in 2017/18, £m**

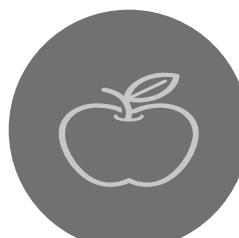


Source: EY analysis



**686,616**

hours of physical activity  
across all programmes



**77%**

participants in MatchFit  
improved nutritional knowledge

Source: Newcastle United Foundation data



"The role of the Project Coordinator has been far more successful than ever thought and we are delighted to have such a partnership between both our foundations. It has worked brilliantly on all aspects, is incredibly worthwhile and heart-warming."

**Mark Robson, Trustee of the Sir Bobby Robson Foundation**

## Education and skills



The total social benefit of Foundation education and skills programmes within the north east is estimated to be **£7.6m** in 2017/18.

Education is an integral part of the development of young people and provides a foundation for them to succeed, both economically and socially.

Newcastle United Foundation delivers a range of programmes dedicated to improving educational outcomes starting in primary school with Premier League Primary Stars plus secondary school initiatives such as Premier League Enterprise and Five-a-side.

The Foundation also delivers mentoring and qualifications to young adults who are not in education, employment or training in partnership with organisations such as NE1 Ltd and the Prince's Trust.

### Prince's Trust Team

The Foundation has had a successful 10-year partnership with Prince's Trust, with Prince's Trust Team initiative launched in 2018. Team is a 12-week personal development programme for 16-25 year olds who are not in education, employment or training giving them a chance to gain new skills and qualifications, take part in social activities and meet potential employers.

100% of those completing the first course in 2017/18 gained qualifications with a Prince's Trust outcome score of 96% (compared to a KPI of 80%). Retention was also noted to be outstanding at 96% and exceeds both Prince's Trust and national education targets.<sup>9</sup>

"We are extremely proud of our ever-evolving partnership with Newcastle United Foundation. They are of course well known for their amazing work supporting disadvantaged young people and their families, which helps target those hardest to reach within the local community and wider north east.

With the help of such fantastic delivery partners, and having recently opened a new Prince's Trust centre in the heart of Newcastle, we hope to support over 5,000 more young people across the region in the next three years, equipping them with the employability skills and the confidence to live, learn and earn."

Clare Crabb, North regional Director at The Prince's Trust



**6,758**  
pupils on Premier League  
Primary Stars  
(2017/18)



**526**  
pupils on Premier  
League Enterprise  
(2017/18)

Source: Newcastle United Foundation data

### NE1 Works

Newcastle United Foundation and NE1 Ltd, Newcastle's Business Improvement District, work in partnership to help young people who are Not in Education, Employment, or Training (NEETs) by delivering NE1 Works. The initiative connects young people with local employers within the NE1 postcode and beyond to provide work experience and build their skills and confidence. 118 business are now part of the NE1 Works network and during 2017/18 41 young people entered into employment with a further 81 gaining work experience.



<sup>9</sup> Prince's Trust

**Figure 6: Social benefit of education and skills in 2017/18, £m**



Source: EY analysis  
Numbers do not sum due to rounding

## Community

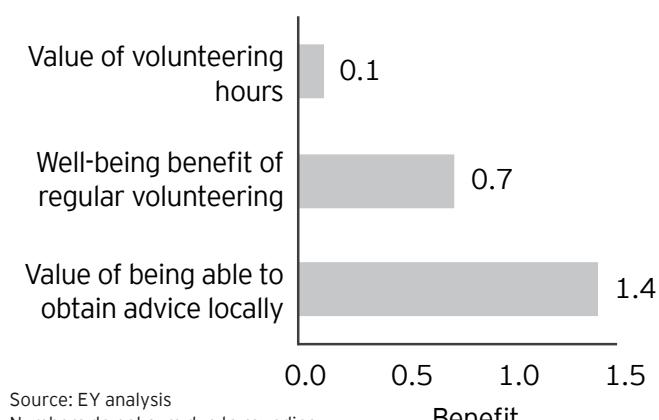
Newcastle United Foundation also delivers a number of community-focussed programmes including Premier League Kicks, National Citizens Service and Street Football.

Through these programmes the Foundation provides a route into volunteering and opportunities for social action in local neighbourhoods.

Volunteering has a positive impact by bringing people together, providing volunteers with qualifications, and empowering individuals to serve as role models in their community.

The Foundation's community programmes are estimated to deliver a social impact of £1.4m from the mentoring and advice that participants receive locally, an additional £0.7m to the well-being of participants, and further benefits to the wider economy of £0.1m.

**Figure 7: Social impact of community programmes, £m**



Source: EY analysis  
Numbers do not sum due to rounding



**£2.3m**  
of social value was generated through  
community focussed programmes in 2017/18.

## Premier League Kicks

Premier League Kicks was the Foundation's first ever community programme.

With 13 venues operating across Newcastle, Gateshead, North Tyneside and Northumberland on five nights a week, Kicks engaged with 1,883 participants in 2017/18.

Kicks has a strong focus on personal development and mentoring for young people. The Foundation offered participants the opportunity to gain FA coaching and refereeing qualifications during the year. The 'Kicks Voice' steering group also ensures the programme is participant-led.

There is also a strong pathway from participant to volunteer to staff with several Kicks 'graduates' now employed by the Foundation, acting as role models for other young people in their community.

"There are few organisations as identifiable with the north east as Newcastle United and people from all over the world – including our international students – recognise our city, thanks to the club.

We are also proud to be a partner of Newcastle United Foundation which is helping us deliver an exciting programme of outreach to help engage more young men in higher education.

The Foundation is also supporting a jointly-funded PhD studentship, which will see the development and evaluation of a community-based exercise and education programme. This important programme focuses on both physical and mental health in overweight and obese men in the north east.

By working together in this way, Newcastle University and Newcastle United aim to make a positive impact on the economy, health and well-being of the city."

**Professor Chris Day, Vice-Chancellor and President,  
Newcastle University**



### 3.5 Equality, diversity and inclusion

Newcastle United and Newcastle United Foundation are committed to promoting diversity and inclusion.

A number of programmes such as Disability Football, Girls only football and Walking Football focus on opening up the sport to a wider audience. Programmes such as Onside aim to reduce discrimination and provide participants with the tools to challenge such behaviour.

Partnerships with fan-led and community groups also offer effective ways of encouraging diversity and inclusion. In 2018, the club began work with the newly formed United with Pride supporter group to challenge discrimination in football. The Foundation also provides coaching to the Newcastle Panthers, an LGBTQ football team, based in the North East.

BAME participation on five Foundation programmes surveyed in 2017/18 was 15% shown in Figure 8. This compares with a BAME population of under 7% for the north east as a whole (2011 Census).



**1,320**  
participants attend disability  
football clubs

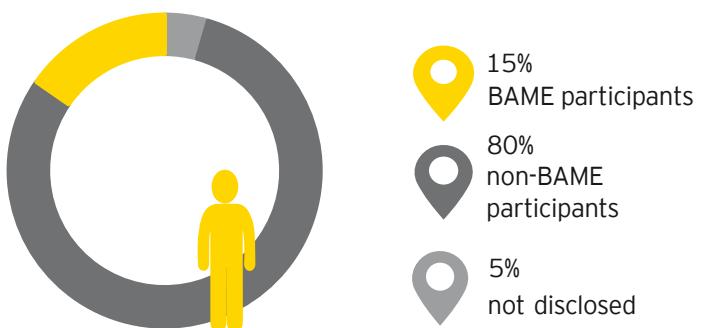


**1,051**  
players attend women and girls  
only football sessions

"Every month, the Foundation gives us a coaching session; we've had tickets to home games, and they support us with transport and tournament costs."

**John Harper, Newcastle Panthers**  
LGBTQ football team

**Figure 8: Participant diversity demographics for a selection of Foundation programmes**



Source: Newcastle United, participation demographics for a sample of 3,373 participants involved in PL Enterprise, PL Works, PL Kicks, Five-a-side and Family Learning. BAME population in the North East is under 7%.



## 3.6 Investment in community facilities

Access to appropriate sports facilities is a crucial aspect of encouraging sports participation more broadly.

The Premier League is a key funder of the Football Foundation, which has invested in numerous sports facilities across the north east. Since 2000, nearly £40m has been invested in the region. Figure 9 shows examples of this investment.

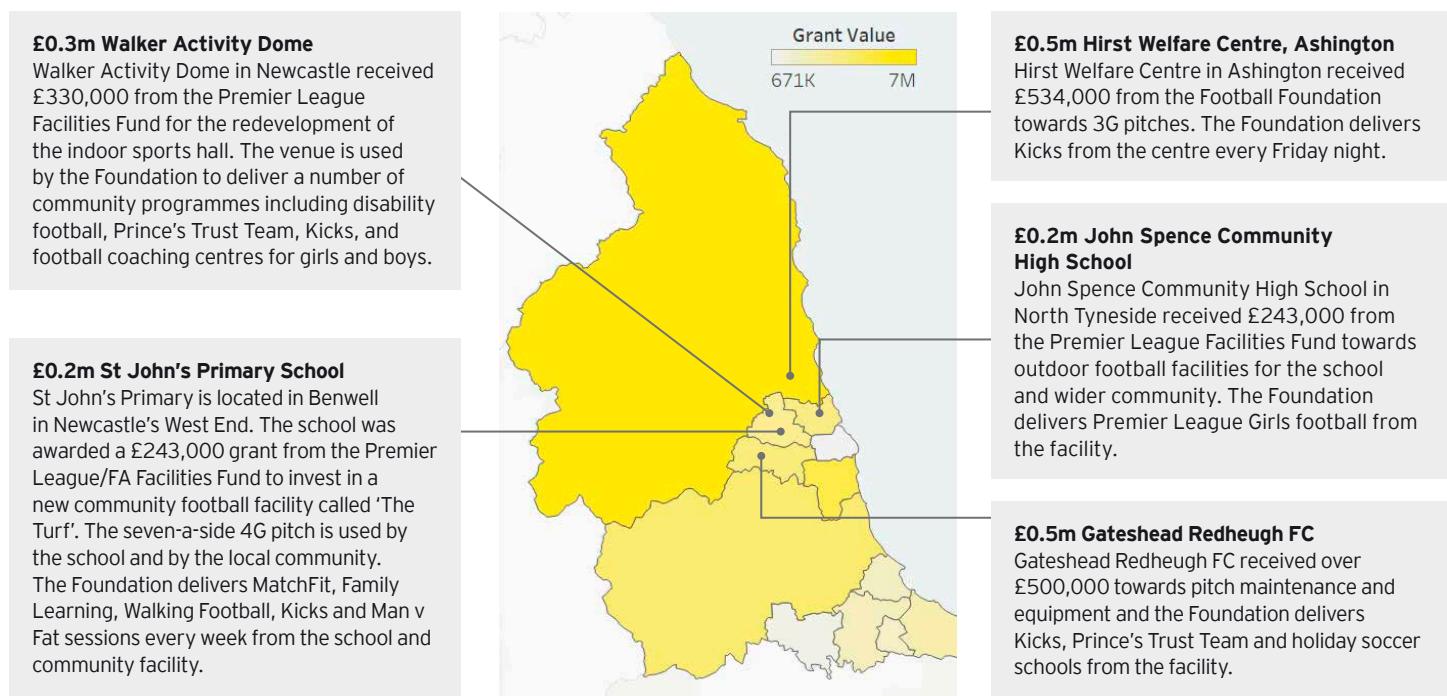
"Newcastle United Foundation provided fantastic support to help us secure investment from the Premier League/FA Facilities Fund.

The Turf is making a significant impact on the lives of our school pupils and the wider community. Our partnership with the Foundation means children, young people and adults are accessing programmes which benefit their health and well-being."

Tracey Caffrey, Headteacher of St John's Primary School



**Figure 9: Examples of facilities investment in the north east via the Football Foundation**



Source: Premier League





# Economic contribution

## 4.1 Our approach to calculating economic contribution

Newcastle United makes a substantial economic contribution to the north east. This is driven by the day-to-day commercial operations of the club, the impact of the visitors attracted to the region on matchdays, and by special events held at St James' Park. The economic impacts of these activities can be broken down into three categories:

- ▶ Direct impact – resulting from the club's activities, matchday tourism and charitable entities.
- ▶ Indirect Impact – the additional economic activity in the region that occurs through the club's supply chains.
- ▶ Induced Impact – the additional activity supported by employment incomes received by club employees and those in the club's supply chain.

Our report considers the economic footprint of Newcastle United and takes into account a range of club and Foundation activities as well as the impact of visitor spending. Figure 10 below presents an outline of the footprint of the club which informs our economic analysis.

Newcastle United and football as a whole directly supports other industries such as retail and media but the impact upon these industries has not been directly quantified within this report.

## 4.2 Economic contribution

This section presents the results of the regional economic footprint analysis of Newcastle United during the 2017/18 Premier League season, based on three key measures:

### Gross value added

Gross Value Added (GVA) reflects the additional value to the economy that is created from Newcastle United's presence within the region.

This broadly equates to profits and employee salaries generated at each stage of the supply chain.

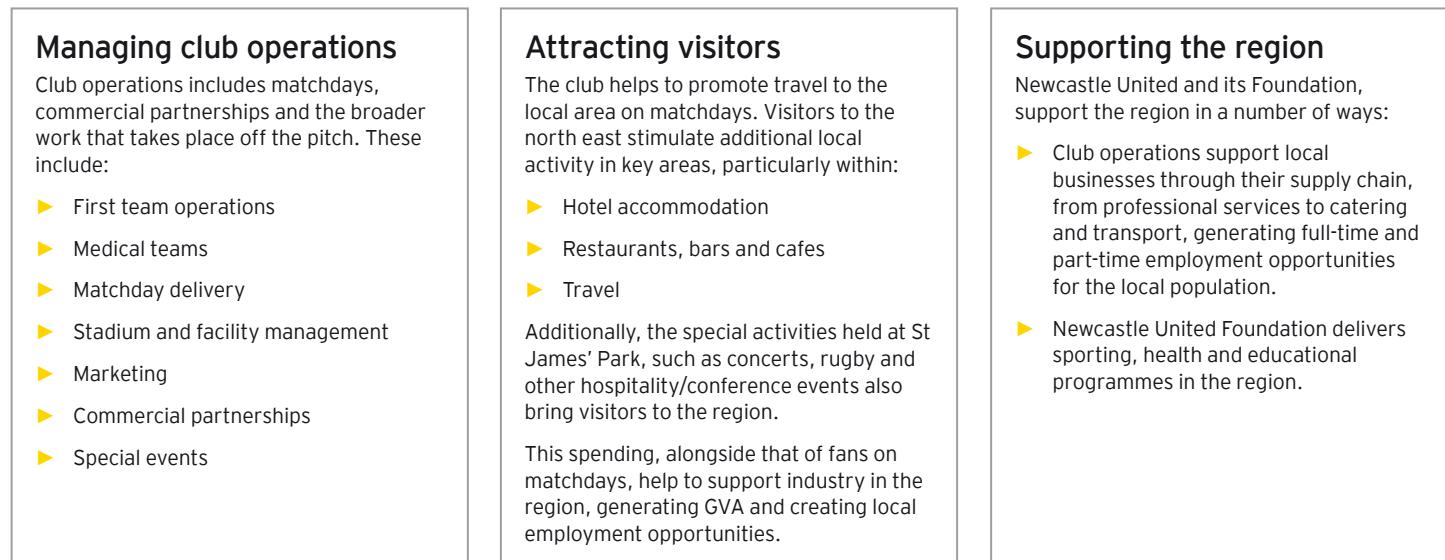
### Employment

The total number of full time equivalent (FTE) jobs created or supported by the total direct, indirect and induced effects of Newcastle United's presence in the region.

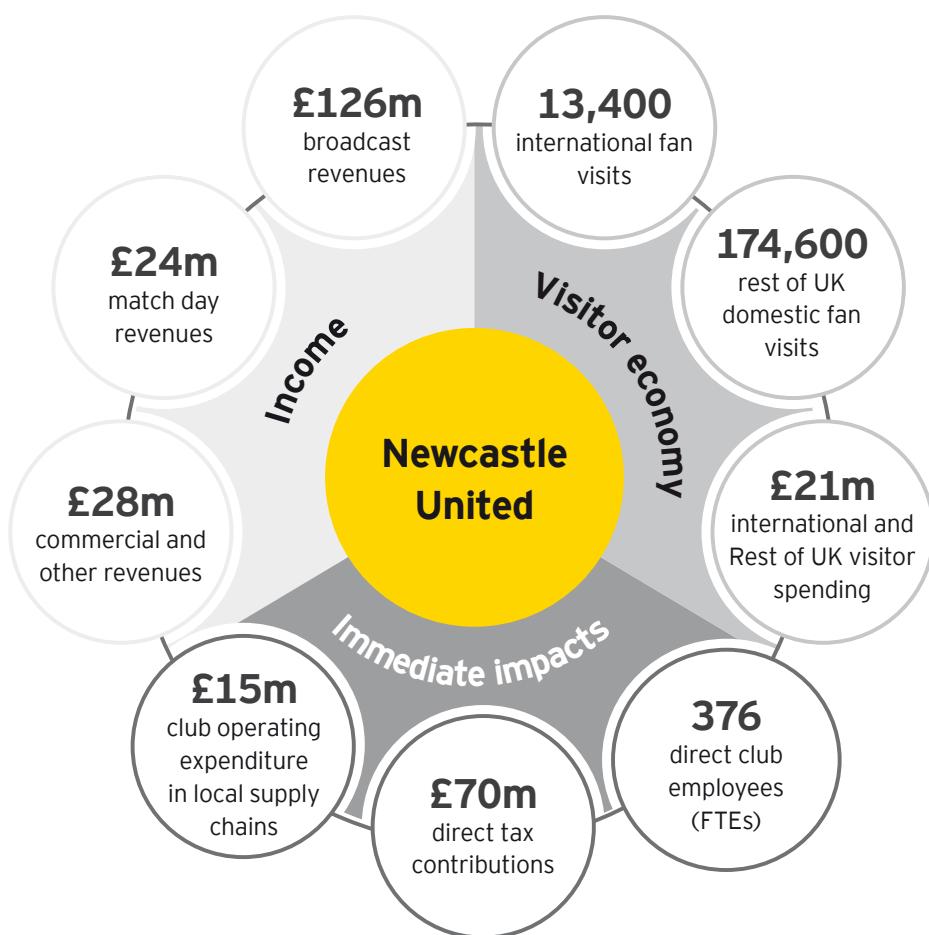
### Tax receipts

The revenue generated for the Exchequer as a result of the economic activity (direct, indirect and induced). Taxes include employee PAYE and National Insurance, VAT and corporation tax.

**Figure 10 : Activities supporting the economic footprint of Newcastle United in the north east**



**Figure 11: Newcastle United, economic impact drivers in 2017/18**

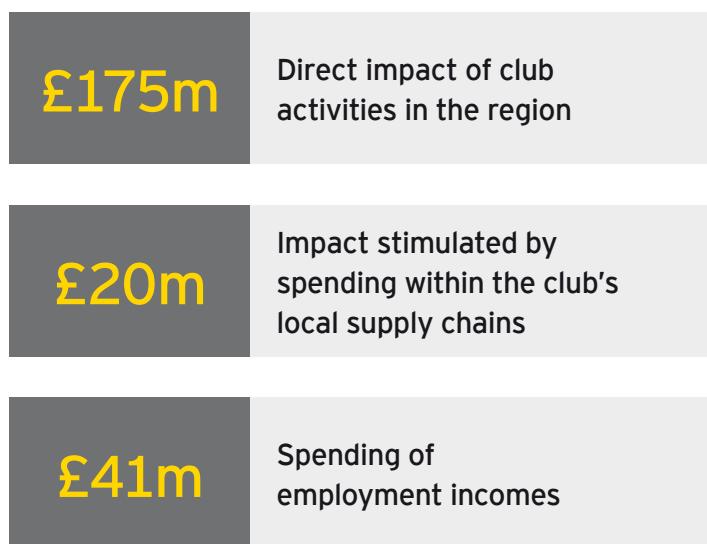


Source: Newcastle United and Newcastle United Foundation data, EY analysis

## Gross value added

The revenues generated by the club and its wider activities drive tangible contributions to the UK's gross domestic product. These can be measured through their GVA, which captures the additional value generated at each stage of the clubs impact.<sup>10</sup>

In 2017/18, Newcastle United generated a total GVA contribution of £236m within the north east. This is equivalent to 0.5% of the GVA of the region.

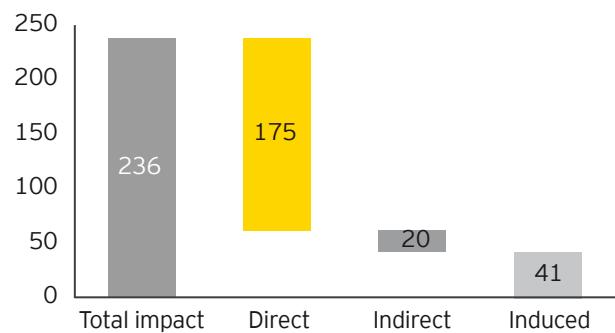


Source: EY analysis

£175m of the £236m GVA contribution relates to the direct impact of the club activities in the region. A further £20m impact is stimulated by spending within the club's local supply chains and £41m from spending of employment incomes.

The induced impacts benefit from the fact that most of the club's players live locally, helping to retain impacts within the region. The indirect and induced impacts represent nearly one fifth of the total direct GVA impact generated by Newcastle United, demonstrating the extent to which this is shared with local businesses and individuals outside of the club, providing economic opportunities within the region for local firms and individuals.

**Figure 12: GVA contribution of Newcastle United in the north east, 2017/18, £m**



Source: EY analysis



<sup>10</sup> Gross Value Added (GVA) is a measure of economic activity which can be viewed as the incremental contribution to Gross Domestic Product (GDP). It therefore provides a useful measure for understanding the economic contribution made by particular industries, or businesses, such as the Premier League and its clubs.

## Newcastle United impact on local businesses

Local businesses and individuals within the region are an important part of the club's supply chain and include industries such as IT, maintenance, travel, utilities, legal and other professional services. Two local business are highlighted in this

### Direct Technology UK Limited

Direct Technology UK Limited provides electrical contracting services and has worked with the club since 2004, on a number of audio visual projects to enhance supporter and stadium experience on matchday and beyond.

Having worked initially with the club on its museum and to provide screen technology within hospitality areas and Nine Bar, they have more recently delivered several large scale projects including one to upgrade all of the lighting within the stadium car parks, to increase its energy efficiency. Working closely with the facilities team, Direct Technology have also played a role in improving the stadium's security software and in installing upgraded pitch lighting.

"Contracts with Newcastle United have helped enable the company to provide employment to a team of skilled electricians and allowed us to bring on board two trainee electricians."

**Tim Oxley, Managing Director, Direct Technology UK Limited**

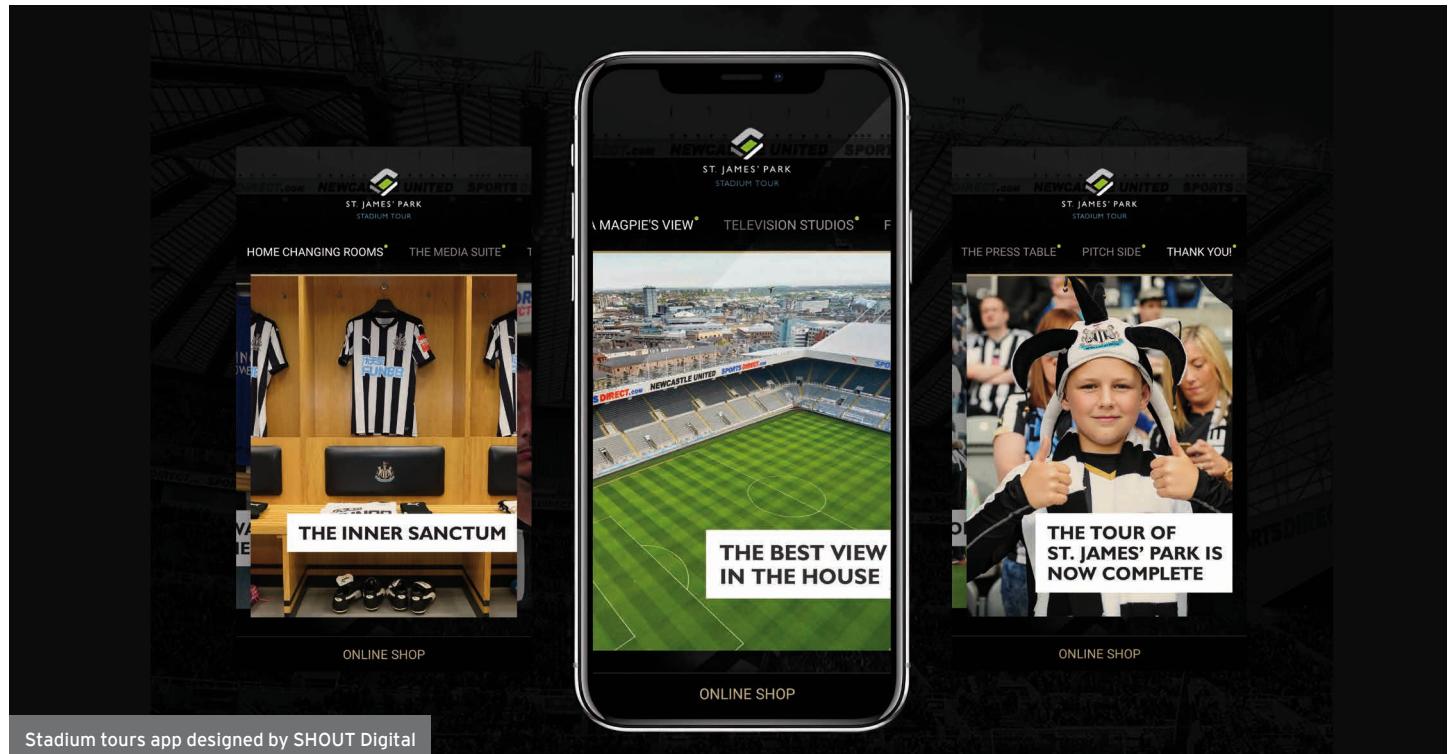
report; SHOUT Digital who created an application for stadium tours and Direct Technology UK Limited who have carried out stadium improvements at St James' Park for many years.

### SHOUT Digital

Newcastle United brought Shout on board in 2017 to assist in enhancing the stadium tours experience through technology. Working in partnership with the Tours and Marketing Team, SHOUT created an application that works with iBeacon technology around the stadium to deliver content in real-time as supporters move around the tour. Now this is in place, SHOUT are working with the club to broaden use of the technology in everything from matchday wayfinding to augmented reality.

"Having a partner as iconic as Newcastle United really helps local technology businesses in the region, like Shout Digital, to showcase what we can do at the forefront of tech. It is great to have a partnership with a partner as open-minded as Newcastle United who are willing to listen to new ideas and put them into practice to improve experiences for fans and wider audience."

**Gary Boon, CEO, Shout Digital**



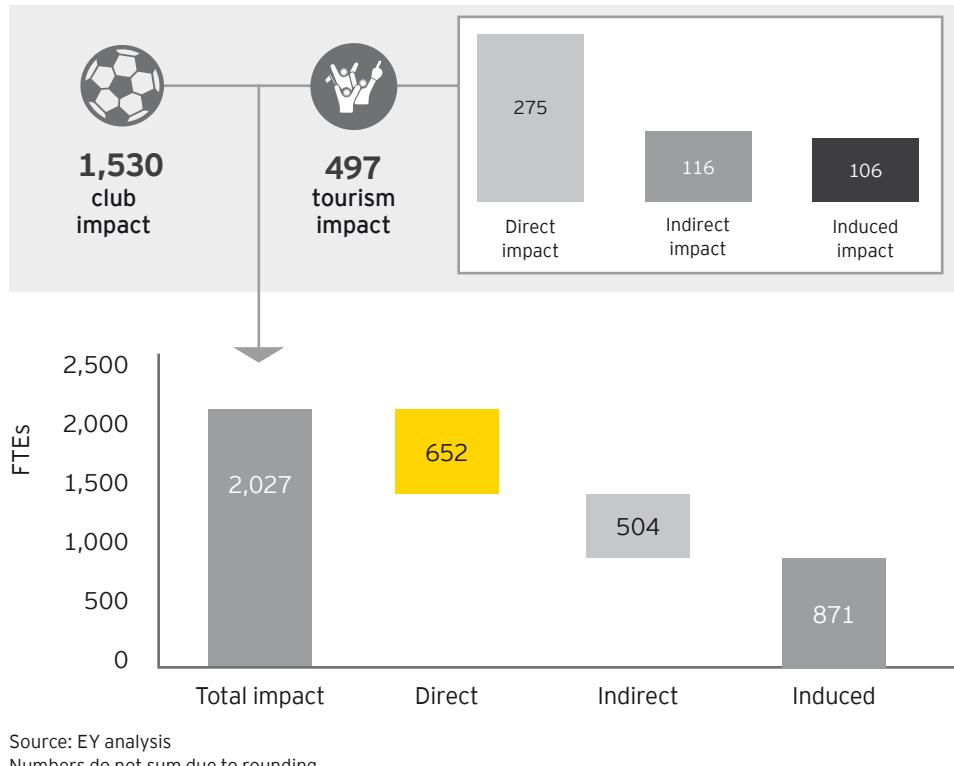
Stadium tours app designed by SHOUT Digital

## Employment

Newcastle United supported over 2,000 FTE jobs in the north east in 2017/18, equivalent to approximately 0.2% of total jobs in the region. The majority of these jobs (1,530) were underpinned by the club's activities.

The remaining 497 FTE jobs were supported by tourism resulting from visits to the north east to watch Newcastle United. Tourist activity attributable to Newcastle United directly supported 275 FTE jobs, whilst the supply chain impact and increased consumer spending contributed a further 222 FTE jobs.

**Figure 13: Employment supported by Newcastle United 2017/18**

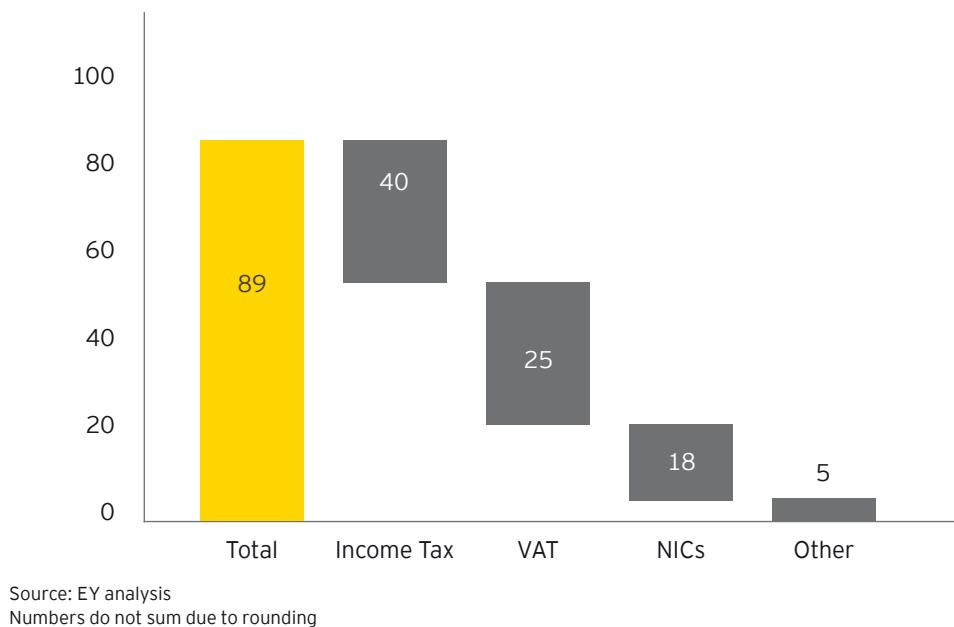


## Tax

The economic activity of Newcastle United within the region resulted in an estimated £89m total tax contributions in 2017/18, which includes local and national contributions.

The £89m total tax contributions are split as per figure 14. PAYE makes up the largest proportion which is driven predominantly by players' wages, which is also the driver for employer's and employee's national insurance contributions. VAT is the second largest section of tax contributions, which is driven by spending within the club's supply chain and spending by tourists.

**Figure 14: Tax contributions stimulated by Newcastle United 2017/18, £m**

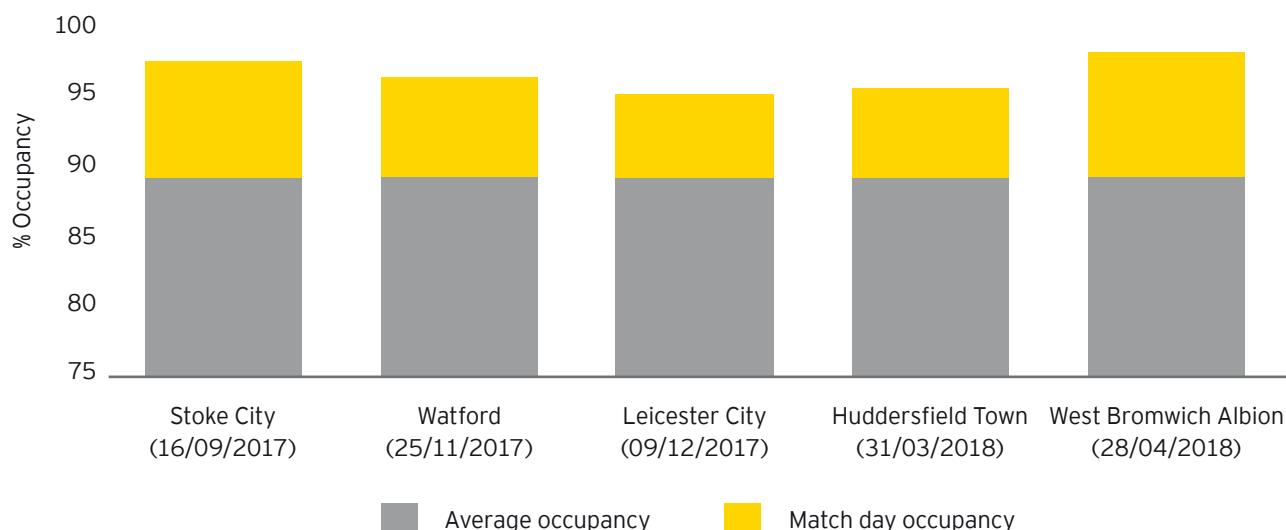


## The visitor economy

Matchdays offer a boost to the local visitor economy. This is evident in the patterns of hotel occupancy rates within Newcastle over the course of the football season. During the 2017/18 Premier League season, the average hotel occupancy on a Saturday was 89.3%. On Saturdays when Newcastle played at home, this increased to 92.7%, providing clear evidence of the

impact that Newcastle United provides. Almost one fifth of the fans who attend matches at St James' Park over the course of a season live abroad or outside the north east region and they spend £21m a year on their visits to the region.

**Figure 15: Hotel Occupancy in Newcastle city for 2017/18 matches**



Source: NGI, EY analysis

"As a board member of NGI, Newcastle United plays a full and active role in promoting the region as a tourist destination. As a football club they are already responsible for bringing many visitors to the city. In the course of a season, fans will make a million visits to Newcastle – and a fifth of them come from abroad or outside the north east region."

The club is playing an increasingly important role in bringing more tourist pounds to the local economy on non-match days as well through concerts and the hosting of other major events and we look forward to working with them to continue this valuable work."

Sarah Stewart, Chief Executive, NGI





**£52m**  
GVA created by  
four events held at  
St James' park



**99%**  
hotel occupancy during  
Rugby World Cup 2015  
matchdays<sup>9</sup>



**£21m**  
spent by visiting  
football supporters

Source: EY analysis

The use of St James' Park for special events offer economic opportunities to Newcastle and the north east. As noted earlier within this section, in 2017/18 the total contribution of the club to GVA totalled £236m. Within this total, £19m was driven by the tourism impacts from matchday tourism generated by Newcastle United. However, this did not include the partnership and support Newcastle United gives to the region through the use of St James' Park to deliver special music, sporting and cultural events and business conferences.

These events offer economic opportunities to the region, supporting the brand of the region and attracting visitors from outside the north east who contribute to the local economy through their spending on hotels, restaurants and other local attractions.

The total tourism impact on GVA of four such events held at St. James' Park was found to be £52m. This figure is based on data received for the three Ed Sheeran concerts in May 2018, Rugby Union World Cup in 2015, Rugby League Magic Weekend in 2017 and the Family Expo at the Great Exhibition of the North in 2018. 19,000 people attended the Family Expo at the Great Exhibition of the North in August 2018 demonstrating the appeal of St James' Park as a venue for cultural and community events.<sup>10</sup>

<sup>9</sup> Newcastle Gateshead Initiative

<sup>10</sup> Newcastle Gateshead Initiative, Newcastle United, Newcastle City Council and EY analysis. An assessment of the total tourism impact on GVA, including other events and business conferences would be greater than £52m



## Transport partnerships and the visitor economy

St James' Park is an ideal location for major events, due to its location in the city centre, status as an iconic venue and also good transport connections. These include DFDS ferries, the Tyne and Wear Metro (Nexus), Newcastle International Airport and mainline train operators such as LNER.

Newcastle United works with a number of partners to bring large, high-profile events to the north east and attract visitors into the region. An overview of these partnerships and information on the impact experienced by partners is provided below.

### Transport connections

#### Metro and rail:

- ▶ Given its location in the heart of Newcastle city centre, St James' Park is supported by a good public transport system. This includes four Metro stations within 10 minutes of the ground, along with bus routes and rail services to all parts of the region.
- ▶ The club has partnered with Network One to offer the Magpie Mover pass. Priced at £30 for a full season of travel, including league and cup fixtures, the Magpie Mover offers travel anywhere in Tyne & Wear three hours before and three hours after the match. At just over £1.50 per match this provides supporters with a significant discount on single and return fares.
- ▶ Data from Northern Rail shows that for Saturday games, the uplift for rail patronage is on average 16%.

#### DFDS:

- ▶ Daily ferry crossing from Newcastle to Amsterdam.
- ▶ DFDS city break packages include match tickets to home games which Newcastle United actively supports.

#### Newcastle International Airport:

- ▶ Newcastle International Airport is just a 15 minute drive or short Metro journey from St James' Park.
- ▶ The Airport plays an important role in connecting the club and North East to over 80 direct destinations, including the global hubs of London Heathrow, Amsterdam, Paris and Dubai.
- ▶ Travelling fans from London, south Wales and the south west benefit from direct flights to Newcastle.

"Metro is one of many businesses that feel the benefit of being close to Newcastle United. We see an average 15,000 extra journeys when they play at home."

The stadium is ideally placed for us to support unique events like the Rugby World Cup and Ed Sheeran concerts, both of which saw

well over 200,000 people make easy and sustainable journeys to and from St James' Park backed by Metro putting on extra trains and later departures to get everyone home safely."

**Tobyn Hughes, Managing Director, Nexus (the public operator of the Tyne and Wear Metro)**

### Newcastle Gateshead Initiative

Newcastle United works in partnership with Newcastle-Gateshead Initiative (NGI) to promote Newcastle-Gateshead both nationally and internationally as an exciting tourist destination and to strengthen the brand of the region as a whole. Newcastle United is a core NGI partner and through its place on NGI's board helps to set the strategic direction of the Initiative. In the latest visitor survey conducted in Newcastle by NGI every two years, sport and St James' Park are listed as key parts of the city's attractiveness.



**£1.50**

cost of matchday travel  
with Magpie Mover pass

Source: Nexus, the Tyne and Wear Passenger Transport Executive

"Rail usage increases significantly on matchdays, based on average rail arrivals into Newcastle Saturday matches result in a 16% increase, Sunday 15% increase and mid-week games a 12% increase. As the figures suggest, football traffic is a good segment for Northern Rail."

**Anna Weeks, Commercial Manager, Northern Rail**

## Special events at St James' Park

The location and capacity of the stadium has allowed Newcastle United to host a range of special events such as domestic and international rugby events, Olympic football and concerts.

These events encourage diversity in the sports and entertainment on offer to local residents, while contributing to the local economy through the tourism impacts generated.

### Music at St James' Park

- ▶ St James' Park has a history of hosting some of the biggest acts in live music.
- ▶ The Ed Sheeran concerts held over three days in May 2018 attracted over 150,000 fans in total. Hotels in the city were nearly full with room occupancy for the three nights averaging 98% – a 32% increase on the same period in 2017.<sup>11</sup>
- ▶ NE1 Ltd, Newcastle's Business Improvement District, estimate the economic impact of the Ed Sheeran concerts as being in excess of £20m.<sup>11</sup>
- ▶ The success of the Ed Sheeran concerts provides further evidence that the club and its partners can deliver major special events.

"We can't commend the club enough for its efforts in using St James Park for the good of the city and wider region.

Big events means busier shops, more people buying food and drink and more people using taxis and public transport. The feedback we received from city centre businesses was unanimously positive and showed an average increase in trade of 57% across the Ed Sheeran weekend with hotels and food-led leisure businesses benefiting the most.

The city's hotels were almost full with an occupancy on the Sunday of 97%, almost triple that of the same weekend in 2017 and the highest Sunday occupancy for three years."

**Stephen Patterson, Director of Communications, NE1 Ltd**



Over  
**150,000**  
fans attended Ed  
Sheeran concerts at St  
James' Park

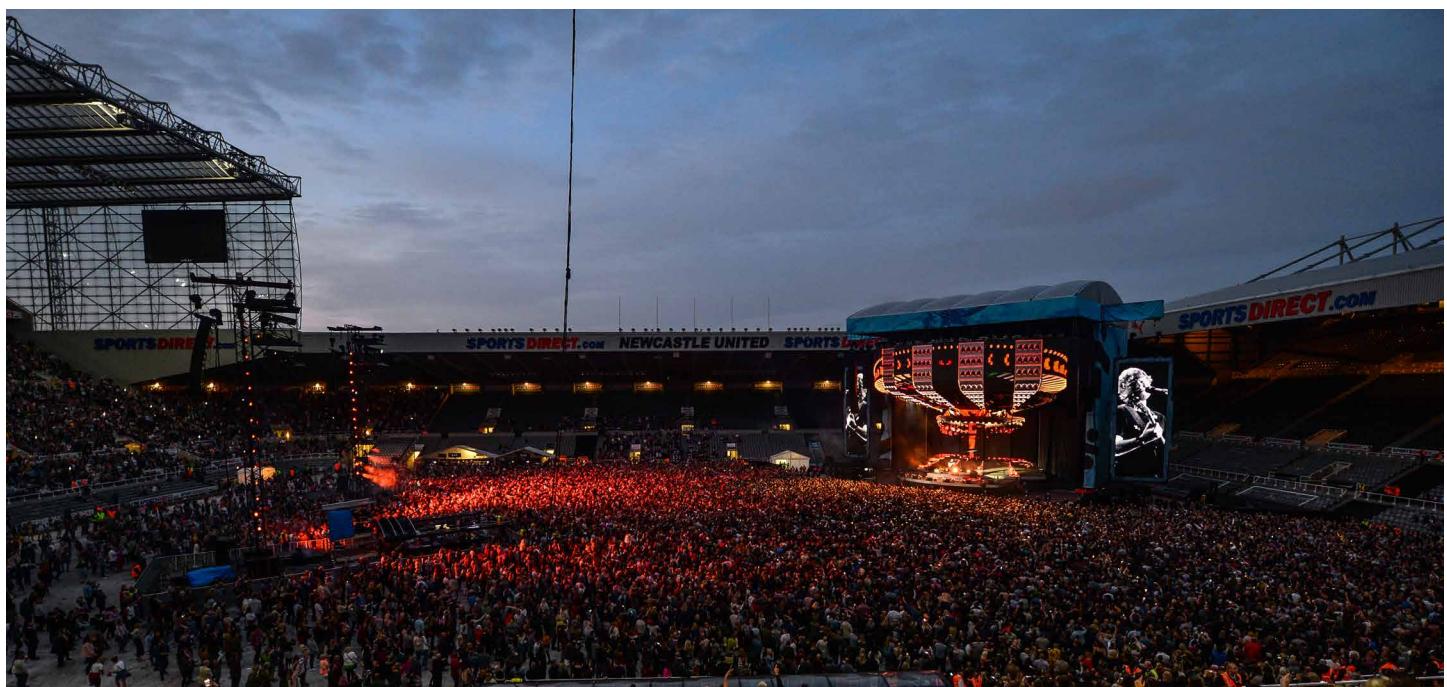


**32%**  
increase in hotel  
occupancy over Ed  
Sheeran weekend



**51,000**  
international visitors for  
2015 Rugby World cup

Source: NE1 Ltd and Newcastle City Council



<sup>11</sup> NE1 Ltd

## Rugby at St James' Park

### Rugby World Cup 2015:

- ▶ In 2015, St James' Park hosted three sell-out matches during the 2015 Rugby World Cup.
- ▶ 153,000 spectators attended, of which 51,000 were international visitors.<sup>12</sup>

### Rugby Football League (RFL) Magic Weekend:

- ▶ Newcastle was the host city for the RFL Magic Weekend from 2015 to 2018, the following data was gathered from the event held in May 2017.<sup>13</sup>
- ▶ 64,000 spectators attended.
- ▶ 89% of attendees were from outside Newcastle.
- ▶ £8.0m was spent by the attendees to Magic Weekend.

### 2019 European and International Rugby:

- ▶ The 2019 European Rugby Champions and Challenge Cup finals will be played at St James' Park in May 2019.
- ▶ St James' Park has also been confirmed as the venue for England's rugby union international fixture against Italy in September 2019. (England's first home match to be played away from Twickenham since 2015).

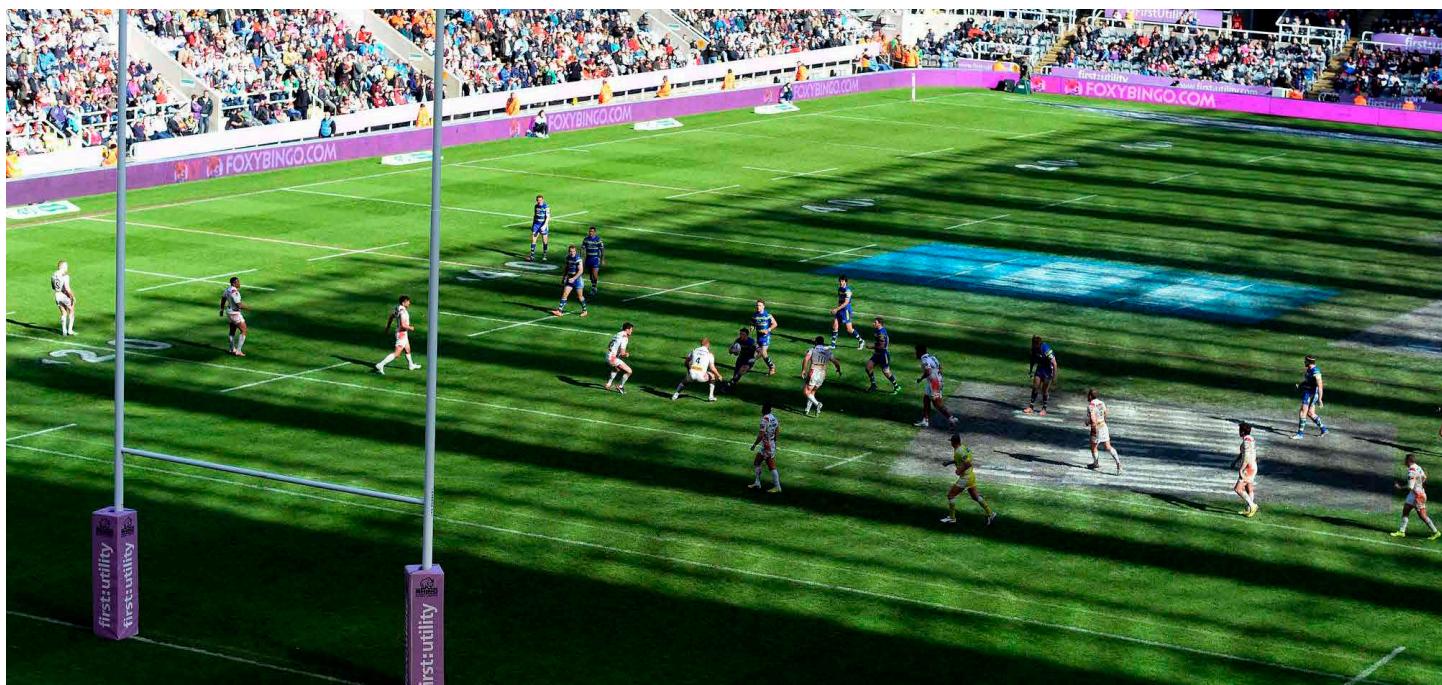
"Our partnership with Newcastle United has provided an energy shot to the sport of Rugby in the north east. Without 100 % commitment from both partners, these big events could not be delivered. The reputation of Newcastle United and the location of St James' Park combined with Falcon's rugby expertise provides sporting associations with the confidence to bring their greatest events to Newcastle."

Semore Kurdi, Chairman, Newcastle Falcons

## Newcastle Falcons

The hosting of major rugby events at St James' Park has acted as a catalyst for rugby's profile across the north east. This has supported the recent success of the Newcastle Falcons, where match attendances have risen by 20% each year for the past five years.

St James' Park hosted 'The Big One' in March 2018. The Premiership league match between Newcastle Falcons and Northampton Saints drew crowds of over 30,000 – a substantial increase compared to the Falcon's 10,000 capacity stadium at Kingston Park.



<sup>12</sup> Newcastle City Council

<sup>13</sup> Futures, Dacia Magic Weekend 2018 Economic Impact and Social Impact Evaluation



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"The passion for football in north east England is huge – you only have to spend a short time here to understand the part that it plays in every corner of society. This report adds a whole other dimension to our appreciation of the role that Newcastle United and Newcastle United Foundation play in the very fabric of the region.

St James' Park is so much more than a football stadium, not just because it hosts so many other events and other sports, especially both codes of rugby, but because it is the focus for so much positive activity reaching out to everyone.

This excellent report clearly explains the multitude of ways in which the Foundation is working to improve health and well-being and providing outstanding support to the most disadvantaged and deserving whilst also highlighting the genuine economic benefits from having Newcastle United in our midst.

This report demonstrates the returns in fiscal contribution nationally, the inbound tourism which attracts so much revenue and supports so many excellent jobs across several sectors."

**James Ramsbotham, Chief Executive of the North East England Chamber of Commerce**

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# Contacts

## The Sports Industry Group

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The UK team consists of more than 30 professional advisers, works with clubs, leagues, governing bodies and major event organisers as well as investors, commercial rights holders, sponsors and start-ups to help them with all their business needs. For further details please contact the team below:



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