It is often said that there are too many people responsible for sport in the UK, that there are too many organisations competing for the same participants and resources, and that the vested interests of individuals for whom sport represents a source of personal wealth or status stand as a barrier to effective sports development.

So ........the idea that the overall organisation of sport in the UK is fundamentally flawed is a common notion. Less common, but perhaps worthy of further consideration, is the idea that individual sports organisations are themselves inappropriate for the functions we expect of them – that their constitutions, structures and aims fail to support inclusive, innovative and enterprising sport programmes.

The failings of sports organisations from different sectors of the economy are relatively easy to map in relation to their histories and the motivations of their owners. Private companies were, for example, originally conceived in order to protect the capital of individuals during the industrial revolution, and now serve to maximise profits on behalf of their owners, whether they are public companies (and therefore listed on the Stock Exchange) or private companies (with more limited shareholders). Convincing private companies that they ought to invest some of their profits into enterprises which have primarily social benefits (for example in order to improve the health of a community, or to advance the structures of a particular sporting activity) can therefore be a considerable challenge.

Charities have an even longer history. Originally created as a mechanism for protecting the interests of English and French noblemen while abroad with the Crusades, charities are essentially devices for the defence and maintenance of private funds. Although in modern times, charities have become associated with altruistic causes, their historic structures make them relatively inflexible, so it is not possible, for example, for charities to make a profit in one area and use that to ‘cross-subsidise’ another area of activity. Charities do, though, enjoy
preferential tax status in the UK, a situation which has encouraged some sports organisations to transfer their registration to ‘charitable status’, and become a ‘charitable trust’.

Thanks to the Government’s Strategy Unit’s (2002) review of charities and the not-for-profit sector, community amateur sports clubs (CASCs) – formerly known as voluntary sector sports clubs – were granted charitable status. While this enabled clubs to benefit from considerable tax benefits, it also re-opened the debate about the effectiveness of voluntary clubs as the providers of sustainable sports opportunities for the whole community. CASCs are derived from voluntary associations, which were initiated in the Middle Ages again to protect the interests of particular groups and individuals. While CASCs, and other voluntary sector organisations, provide many community benefits, they are not necessarily constituted in order to provide a community or social benefit. They can, at the behest of their members, simply dissolve, sell up or change focus.

Many people will argue that the state exists to provide the kinds of community benefits that we are alluding to here. Surely, local authorities in particular, and even quangos like Sport England, exist to provide social services which the market or voluntary sector cannot otherwise bear. However, this point of view rather depends on your interpretation of both the state as a whole and its particular orientation at any one time, depending on the political hue of those in power. We can characterise two broad interpretations here (though there are many more) – one is that the state exists in order to reflect the will of the people, the other is that the state exists in order to reflect the will of the dominant forces in society. Proponents of this second viewpoint point to misplaced, top-down, patronising social control policies, and increasing cynicism about state welfare services, paralleled by the apparent demise in active citizenship.

In practical, operational terms, the ability of local authorities to deliver social programmes which are welcomed by the communities they target has been constrained first by the arrival of Compulsory Competitive Tendering (CCT), and secondly by the arrival of Best Value. These concerns about the ability of local authorities to respond to specific community needs exist across all sectors, and are part of the reason for an increasing interest in local, community-owned organisations which are created specifically for the purpose of providing for a social need. This is why organisations as disparate as the Department for Trade and Industry and the Co-operative Society are increasingly interested in the development of social enterprises.

According to the Social Enterprise Coalition, “Social enterprises are business organisations that trade in the market with a social purpose”. They are enterprises which are developed and constituted to fulfil a particular social or community purpose. Their profits are reinvested towards
those social or community purposes, and they are normally owned and managed by the members of the community in question.

Some social enterprises have their roots in the mutual and co-operative movements of the C19th. In addition to the Co-operative Society itself, many other high street trading and financial services organisations have ancestors in member-owned enterprises such as Friendly Societies and Industrial and Provident Societies. However, social enterprises can also be new organisational forms to suit new needs.

In sport, social enterprises could be developed in order to provide for explicit community needs. Some CASCs could, for example, shift towards social enterprise structures which would enable them to offer more community services on a more sustainable basis. It is likely that Sport England’s ‘multi activity hub clubs’ will have to constitute themselves as social enterprises in order to be viable – both politically and financially. There are, meanwhile, already other examples of social enterprises in the sport sector.

Supporters Trusts are now in existence at the majority of professional football clubs in England and Scotland, representing the interests of supporters who have been historically disenfranchised by commercial mismanagement and corporate self-interest. The Trusts are Industrial and Provident Societies and are supported by a government-backed agency, Supporters Direct. For further analysis of the rise of SupportersTrusts, and the commercial politics behind them, go to the library of the Football Governance Research Centre at UCL.

The other major social enterprise success story in the sports sector is the development of leisure trusts, most of which are worker-owned organisations created as an alternative to the closure or privatisation of leisure centres through CCT. The most notable of these is Greenwich Leisure, which now manages over 40 public leisure centres, and has spawned many replications through its consultancy arm, Leisure Partners. For an academic interpretation of the growth of leisure trusts, consider Reid, G. (2003) ‘Charitable Trusts: municipal leisure’s ‘third way’?’. In Managing Leisure 8, pp171-183.

Despite Reid’s work, and the fact that one of the heavyweights of the sport and leisure field, Fred Coalter, is himself involved in a groundbreaking leisure trust in Scotland, academic analysis of social enterprises is extremely limited. Currently, we can only offer the following document as an introduction to the field – the East Midlands Development Agency’s Sport in the
East Midlands: The Role of Social Enterprises offers some useful definitions and insightful case studies.

We expect social enterprises to become increasingly prominent in the sector, and for academics and practitioners to become increasingly interested in their development and effectiveness. Students should consider how, in historic and theoretical terms, social enterprises differ from other organisations in the sports sphere, and how they might be able to effectively empower individuals and communities.

A note for academics

Could it ever be that Higher Education could benefit, post Dearing (1997), from sports development courses to actually set up University Sports Development Units - run by students for a wider community.

Could it ever be that this might be accredited as a module (or two)?

Students would get hands-on experience of sports development, a University development unit would add value to any University's community relations. Set up beyond the normal “University Sport” ideology and as a social enterprise (charity, co-op etc.) university modules might actually make an impact in local society. The best students could be involved in “real” sports development projects, gaining grants, developing partnerships and dealing with principal sports development target groups. Less able students might deal with on-site intramural projects, growing toward external relations. Set up as a social enterprise such a Unit would sustain itself year on year with new students and new projects....... what a way to learn?
Is anyone brave enough?

Look at social enterprise from the Dti or the Social Enterprise coalition