

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth, cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

CWLC COV30

Ymateb gan Chwaraeon Cymru / Response from Sport Wales

Impact of COVID-19 on the Sport Sector in Wales

A briefing for Senedd Cymru's Culture, Welsh Language & Communications Committee

Sport Wales

We are the national organisation responsible for developing and promoting sport and physical activity in Wales.

Sport Wales is the main adviser to Welsh Government on sport and supports the delivery of its strategic priorities through the Vision for Sport in Wales and the Sport Wales Strategy.

We also distribute National Lottery grants to enable sport in Wales to thrive, investing in grassroots sport through our community grants schemes as well as performance sport.

The Key challenges

- The sector is facing a significant financial impact. At club, national governing body, local authority and leisure trust level the economic impact threatens the ability of sport to return to pre-Covid activity levels. Any potential cuts to the sector would undoubtedly have serious and long-lasting impacts on population level sport and physical activity.
- The existing inequalities gap are potentially widening. The issue of those from lower socio-economic backgrounds doing less physical activity are being compounded.

The key opportunities

- There is a renewed appreciation of the importance of physical activity and sport. Making it a key part of the recovery plan can ensure a coordinated health, education and sport agenda can thrive.
- From the response to the economic challenge the work being undertaken to allow sport to return safely, the sport sector has been united in its approach. There is a real opportunity to utilise this collaboration in a policy context, particularly with the reopening of schools and physical activity set in the new curriculum in future.

The Sector Impact

The impact on National Governing Bodies

Sport Wales current invests around £13m into the National Governing Body (NGB) network in Wales. While the level of investment by Sport Wales as a percentage of an NGB's income will vary, on average across those National Governing Bodies the funding provided by Sport Wales would equate to 56% of a funded partners financial resource. These figures exclude rugby union and the FA Wales, although does include the FAW trust.

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth, cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

CWLC COV30

Ymateb gan Chwaraeon Cymru / Response from Sport Wales

NGB turnover of in Wales (excluding that of the WRU and FAW) is approximately £24m, which means there is approximately £11m across sports that is derived from self-generated funding or through British NGBs. Currently this is at risk.

Sport Wales is working with our partners to map the estimated loss of income from membership, and to date that has been estimated at approximately £3.25m.

NGB financial planning for the short and medium term has indicated there will be significant pressures on those organisations to maintain pre-coronavirus levels of programme activity.

The impact on Community Leisure

There are a number of leisure trusts across Wales whose facilities have been closed since March. These organisations have contracts with the local authorities but have significant financial concerns both short term but also longer term in the confidence and costs associated with reopening facilities. This is the case for all Local Authorities.

Leisure and culture trusts in particular face serious cash flow challenges. Welsh leisure and culture trusts continue to incur an average of nearly £168,000 of monthly costs (excluding costs recovered through the Job Retention Scheme and any negotiated expenditure reductions). These costs include utilities, significant pension contributions i.e. local government pension scheme contributions are c. 17-18% (not recoverable from the Job Retention Scheme above the 3% threshold) and ongoing building maintenance. This is while leisure and culture trusts are losing an average of £460,000 of income per month.

What is that evidence telling us?

As well as the ongoing engagement with sports clubs, organisations and partners across Wales, Sport Wales has undertaken a series of specific areas of work to help quantify some of the impact on the sector. These include.

- A population level survey to inform public views, conducted by ComRes. (1)
- A two stage Economic impact report undertaken by the Sport Industry Research Centre at Sheffield Hallam University. (2)

ComRes Population Survey: (1)

A survey of 1,007 Welsh adults (aged 16+) was conducted between 8 – 12 May to gather data on the public's activity levels and behaviours during lockdown. This survey work, conducted alongside Sport England's tracking survey, produced several high-level indicators which has shaped Sport Wales and the sectors understanding of the emerging challenges. We would be happy to share the full survey data tables upon request also.

There has been a significant impact on people's activity levels with those from lower socio-economic groups most severely affected. The Sport Wales strategy had already identified targeting resources to that cohort of society. This current period has accelerated that need, not only within the sport sector, but across policy portfolios both throughout the continued COVID-19 crisis and in the future.

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth, cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

CWLC COV30

Ymateb gan Chwaraeon Cymru / Response from Sport Wales

Children and young people's physical activity levels have decreased. Tackling the impact of this as part of the new curriculum and return to a school environment will be essential.

Two thirds of the population are exercising to manage their physical and mental health. Given the high number of people choosing to do this, it is essential that providing more opportunities to exercise is a key part of The Welsh Governments "recovery plan."

Full details of the survey data tables can be provided on request.

Economic Value Impact (2)

This work is being conducted in two stages. The emphasis of stage one was to produce a pragmatic study using the results of surveys and existing data already in the public domain.

Stage two is currently being undertaken and will engage fully with the economic model of sport in Wales, continue examining the situation with the clubs, and to collect evidence for participation rates and consumer spending on sport. The research questions would build on the work of stage one, aiming to produce a full economic model for Wales informed also by the current crisis.

The Stage One report, received by Sport Wales on June 9th, indicated that on the assumption that there is a recovery in employment and activity by September this year we will still see a -18% impact on consumer spend in sport for the year, equating to a £217.5m reduction. For GVA this would be a -17% reduction on the year, equating to a £206m reduction. Any protracted period would increase this impact.

What support has Sport Wales put in place?

Flexibility on Funding

The immediate approach to the challenges of COVID19 on the sport sector was to work to ensure that sports organisations, clubs and facilities survived. One key decision in this was to have a more flexible approach to the way Sport Wales partners utilised their funding. We issued offer letters to all funded partners on the 1st April and agreed that these could be accepted via email, with payments being made as a matter of urgency. We stated we would be flexible with how funding would be used especially over the initial 12 weeks but reiterated we would need partners to ensure any changes were tracked to comply with audit expectations and requirements. A total of 68 payments totalling £6,008,953.30 for processed on the 16th of April, leaving only a small number of annual funded partners receiving payment after this date.

Emergency Relief Fund

Responding to the immediate issues facing clubs we launched the Emergency Relief Fund on the 9th of April utilising funding £200,000 of repurposed funding from Sport Wales budgets and an additional £200,000 funding from the Welsh Government.

The emergency funding set aside was for not-for-profit community sport in Wales targeted at clubs who were already facing significant challenges after a difficult few weeks and who are likely to

Senedd Cymru / Welsh Parliament

Pwyllgor Diwylliant, y Gymraeg a Chyfathrebu / Culture, Welsh Language and Communications Committee

Ymchwiliad i'r achosion o COVID-19 ac effaith y feirws ar ddiwylliant, y diwydiannau creadigol, treftadaeth, cyfathrebu a chwaraeon / Inquiry into the COVID-19 outbreak and its impact on culture, creative industries, heritage, communications and sport

CWLC COV30

Ymateb gan Chwaraeon Cymru / Response from Sport Wales

need immediate financial support over the next 12 weeks (up to 30th June 2020) Each eligible Club was able to apply for a maximum of £5,000.

The Emergency Relief Fund covered expenditure on:

- Rent.
- Utility costs.
- Insurances.
- Facility or equipment hire (where there is a fixed cost).
- Activities or costs that cannot be covered by government funding sources.
- Clubs affected by recent flooding might also have capital costs or cleaning costs that they cannot pay for.

Sport Wales took the decision in the middle of May to increase this by a further £150,000 from our repurposed budgets.

At the point of drafting this briefing note a total of 633 applications had been submitted. While several applications remain awaiting decision, which have mostly been processed within a ten-day period, commitments to 280 clubs have been made, totalling £527,120. Most of those applications which were unsuccessful were rejected because they were applying for items which fell outside the criteria of the emergency fund. Applicants have however been advised that they would be able to apply to the Open Fund element of the Sport Resilience Fund, which will succeed the Emergency Fund, due to launch in early July.

Sport Resilience Fund

Working with the Welsh Government we have repurposed a total of £8.5m of Sport Wales funding in the first instance as part of the Sport Resilience Fund. The purpose of this funding stream is to protect existing sport & physical activity organisations who are negatively impacted by the coronavirus pandemic, while also preparing and strengthening sport and physical activity organisations (incl. those beyond existing partners) to thrive and support people in Wales to enjoy being active in the future (deliver the Vision for Sport in Wales).

Whilst the Emergency Fund was an open application programme the Sport Resilience Fund will be a more targeted approach, specifically identifying where investments can be utilised to offset the widening inequalities gap.

Return to Sport

A sector wide, collaborative approach is being taken to resume sport and exercise. By working together the sector identified a basic framework for a phased return that was outlined in the Welsh Government's '[Unlocking our Society and Economy](#)' roadmap.

Lockdown	Exercise once a day outside of house on own or with household.
Red	Exercise more than once a day and incidental activity locally. Outdoor sports courts to open. Elite athletes resume some activity.

Amber	Team and individual sports, non-contact sport and games in small groups indoors and outdoors. Some outdoor events with limited capacity and events behind closed doors for broadcast.
Green	All sports, leisure and cultural activities open, with physical distancing. All events resume with limited capacity.

The timing and extent of resumed activity across the four themes in the roadmap will vary as we progress through the phases for moving out of lockdown. However, the message is clear: some activities - due to the limitations posed by social distancing - lend themselves to resume earlier than others and a coordinated approach is required.

Since the publication of the roadmap, the sector has continued to develop a joined-up approach. This has culminated in the establishment of specific groups, with representation from the breadth of sporting activity across Wales, to consider more distinct challenges around the following themes:

- Elite and professional sports;
- Outdoor sports; and
- Indoor sports
- Leisure facilities.

The purpose of each group is to develop an approach for a phased return and consider opportunities that can be presented to the Welsh Government as part of each 21-day review. These groups also need to consider guidance required to support the sector.

As many of the issues are shared across sport, depending on the context in which they take place, considerable progress can be made by working together. Collectively we are focused on encouraging collaboration between the sport governing bodies and facility providers, to work together to find the right phased return solutions. All groups are considering how any recommendations will impact on those on low income families and disabled participants, to ensure the approach taken by the groups is as inclusive as possible.

The sector has been clear that sport should be responsible and take a measured approach in the return of sports. The recommendations from the sector, to inform the review on 29 May focused on:

- Drive 'locally' to undertake sport and exercise
- Undertake sport and exercise with another person from outside the household
- Prepare for the opening of outdoor sports courts
- Prepare for the phased return of elite sport

These recommendations were all met positively in the review on 28 May, and so now the focus is on developing the case and accompanying guidance for the opening of outdoor sports courts and the phased return of elite sport.