

## **IFRCS02 Victoria Ward, Chief Executive, Welsh Gymnastics**

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Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol | Culture, Communications, Welsh Language, Sport, and International Relations Committee

Effaith Gostyngiadau Cyllid ar Ddiwylliant a Chwaraeon | Impact of Funding Reductions for Culture and Sport

Ymateb gan: Victoria Ward, Prif Weithredwr, Gymnasteg Cymru | Evidence from: Victoria Ward, Chief Executive, Welsh Gymnastics

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**1. What impacts has reduced funding had on your organisation and sector so far?**

**The impact of reduced funding in gymnastics is significant, as a result of the following funding cuts:**

- A 3.5% cut to our indicative budget, following the 10.5% cut to the Sport Wales budget by the Welsh Government for 2024-25.
- This (1) in addition to an estimated 30% cut in funding, as a result of the new Sport Wales funding model announced in 2021 for the 2023-2027 period – to be phased in over the period of three years. The total annual loss totals £291,205.
- The majority of these cuts have been to the Performance Programme (£251,367), to support the development of high-performance gymnasts (mainly girls) to be able to compete at Commonwealth and World level competitions, will become increasingly difficult.
- Cost of living funding provided in 2023/24 (£79,000), is also not available for future years (across all sports)

**These factors have resulted in the following issues:**

- Reduced Headcount: 2 redundancies / 1 non-renewal of a secondment / likely to be at least 1 further redundancy and 2 vacant positions declared redundant.
  - Elite athletes having to financially contribute more to their training.
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- Reduced allocation of a hardship budget to support gymnastics with financial challenges. Main reasons for applications to the fund include - single parents on low income / illness and disability / lost jobs.
- Reduced budget for performance programmes, threatening Wales's ability to compete at the highest level and contribute to the GB/Olympic programme. E) Increased membership costs.
- Where clubs are in financial difficulty, there has been no scope for Welsh Gymnastics to provide support. 2 clubs have closed in the last year.

**2. What measures have you taken in light of it, such as changing what you do and how you do it.**

- Reduction in operational costs
  - Redundancies
  - Increased fees for members of Welsh Gymnastics.
  - Review of commercial plan – despite the significant work on commercial plans, we are still facing forecast losses of over £200,000 from 2025/26. Therefore further increases in income will not help us grow our offer but will support our efforts to limit the impact of the losses, which is highly challenging. If this cannot be achieved, further cuts will be required.
  - Hiring or selling Wales kit to gymnasts, rather than giving it to athletes who represent Wales.
  - Growth plans shelved.
  - Suspended plans to invest more into our hardship fund (despite the demand for the fund increasing dramatically). Value of current fund is £15,000 annually. If further cuts are needed it is likely that this fund will have to be cut entirely.
  - Requesting donations from members to support other gymnasts facing hardship
  - Consideration to purchase buildings that house dedicated gymnastics centres shelved. The reason for looking to invest in such facilities is to protect clubs against sharp increases in rent, as market value of
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industrial units (where most dedicated gymnastics centres are based) increases, in line with demand.

**3. To what extent will these impacts be irreversible (e.g. venues closing, or specialist skills being lost rather than a temporary restriction in activities)?**

By the very nature of our sport, gymnastics was disproportionately impacted by the Covid pandemic - i.e. indoor sport that relies on physical contact for safety reasons. Whilst the sport has been recovering (but not yet fully recovered), the funding cuts will result in a further setback. Furthermore, 85% of the children participating in the sport are girls, the most recent, significant cuts, are disproportionately impacting on girls in sport, particularly high-performance sport.

The clubs that were unable to recover from Covid, and the following increases in facility hire fees, have closed (loss of sporting opportunities and loss of jobs), are irreversible and there was no opportunity for Welsh Gymnastics to intervene due to financial challenges, as a result of funding cuts.

Gymnastics makes a substantial contribution to the economy in Wales. In the last 10-years its plans to move clubs into dedicated facilities (which relies on having Welsh Gymnastics development staff on the ground to support clubs, which it is having to reduce), has resulted in the creation of 60 new social businesses (the majority are run by female entrepreneurs), which employ more than 1,500 people, with a social return on investment of £54m annually. Further cuts will therefore not only impact on sporting opportunities for girls but also on putting jobs at risk, largely impacting women in the workplace.

Whilst the UK celebrates success at the Olympic Games, the opportunity for more gymnasts to follow in the footsteps of gymnast, Ruby Evans, one of the youngest gymnasts in Team GB (2024), will be reduced.

**4. What interventions would you like to see from the Welsh Government, beyond increased funding?**

Please outline your reasons for your answer to question 4 could keep your answer to around 500

A)The most significant change that could be made, beyond increased funding would be a change to the Care Inspectorate Wales (CIW) rules. Currently sport is exempt from registration, as it is considered 'educational'. However, the unintended consequence of this is that children from low-income families are

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unable to claim for childcare in the school holidays via their Universal Credit because it is not possible for gymnastics (and all other sports) to have a CIW registration number, which is what is required by Universal Credit to access central government support.

Gymnastics is a sport that could contribute hugely to the crisis of working families finding affordable childcare during the school holidays. A change in the CIW rules to allow sport to 'opt in' to registration and for recognition to be given to Level 2 (and above) coaching qualifications, to be on a par with childcare qualifications (perhaps with an add on module for childcare), could be a game changer. It will prevent the exclusion that currently exists for children with families that can afford to pay, getting 'active childcare' opportunities in sport, during school holidays and potentially after school also. Welsh Gymnastics would be very keen to provide further information on their vision for this, if it's afforded the opportunity to give evidence as part of this process. There would be no impact on the public purse in Wales in making this change but would make a huge difference to working families and to the prosperity of gymnastics clubs, who are then able to reinvest funds back into the sport and provide more discounts to families struggling to pay.

B) Changes to planning laws - the more children we can get off waiting lists (more than 12,000 children on formal waiting lists and some clubs don't even keep waiting lists as the chances to accommodate new members is low) and into clubs, the better the financial landscape will look for gymnastics. Currently, given the need for a change in use for industrial units to D2, many applications are refused by local authorities. As an example, Anglesey has benefited hugely from the Levelling Up Fund and a significant number of new industrial units have been built but some remain empty, which is a waste of public funds. A change in use for these kinds of commercial premises would mean that the only gymnastics club on the island, which is based in one of the most financially deprived communities in Wales could move to bigger more modern facility and therefore significantly increase its capacity. In doing so, it would be able to generate more income from the families that can afford to attend and subsidise fees for children from poorer families. This example is just one, where legislative change could make a huge difference, without the need to increase funding.

C) Changes to the Pupil Development Grants - to ensure that fees for participating in sport become eligible, as well as the cost for purchasing sports equipment (currently eligible). Being able to purchase sports equipment is of no value if you cannot afford the fees to participate. Further education for schools to ensure that

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the profile of the Pupil Development Grant is raised to ensure all children that are eligible, are able to use it effectively for extracurricular activity.

D)Capital grants or Long-term, interest free capital loans – Gymnastics is the only sport out of the 23 Level 3 sports listed in the 2018 and 2023 KKP reports, commissioned by Sport Wales to look at performance sports facilities in Wales, where the current performance facility is “unsuitable to train gymnasts at the highest level”. Whilst we understand the financial pressures on revenue funding from Welsh Government, consideration for a capital grants or a long-term interest free loan would allow Welsh Gymnastics to develop a national centre. In doing so, this would give Welsh Gymnastics the opportunity to develop a national centre that can support elite gymnasts and host large scale events which, in-turn, would generate profit which can be reinvested back into supporting children and performance gymnastics from low socio-economic backgrounds.

*E & F are not specific to gymnastics but could have a hugely positive impact on sport generally.*

E)Invest any revenue underspends into the Welsh Sports Foundation – to secure long-term benefits for children living in poverty. For example, the ‘Summer of Fun’ and ‘Winter of Wellbeing’ Welsh Government programmes provided a wonderful opportunity for children from across Wales to participate in sport and the arts, post Covid. However, when the free sessions stopped, the children that could not afford to pay, stopped. This is an unintended consequence of such programmes. Investing underspends into the Welsh Sports Foundation would provide Welsh Government with the opportunity to make long-term, targeted investment, in sport for children who cannot participate due to financial barriers. Recent findings of the first pilot scheme, providing sports vouchers to children referred by agencies such as charities and social services, and, supported by multiple governing bodies of sport, clearly identify the impact that the charity can have on the lives of children living in poverty in Wales. By providing targeted support, rather than support for all.

F)Welsh Government, as we understand it, like many socially responsible employers, provide employees with 3 paid days leave a year to volunteer with a good cause. Post pandemic, there are less volunteers in sport (and across the not-for-profit sector generally). Welsh Government could work with sport (perhaps through the Welsh Sports Association and Sport Wales) to mobilise Welsh Government employees to use this time in sport. If just 20% of the 17,211 days available (latest figures we could find suggest 5,737 people work for Welsh Government x 3 days) – which would equate to 3,442 day - were used in sport to

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help run programmes that assisted sport to generate funds, such as volunteering at events, using skills such as marketing, graphic design, IT or financial planning, it would be possible for Welsh Government to contribute to sport generating additional income without it costing it any money (as it would already be paying staff anyway).

**5. To what extent do the impacts you describe fall differently on people with protected characteristics and people of a lower socioeconomic status?**

The impacts we have described have a detrimental impact on people, children (girls in particular), of a lower socioeconomic status. This is resulting in many having to be taken out of the sport they love, as their families cannot afford to pay:

**A) Membership fees** – these have been frozen for 3 years, in recognition of the cost-of-living crisis and Covid. Welsh Gymnastics now has no option other than to increase fees this year, as a result of funding cuts. Given the state of household budgets, we know this move is likely to exclude people from activity (girls in particular), but in order to sustain our wider programme must be taken forward.

**B) Reduction in hardship funding** – Welsh Gymnastics has operated a hardship fund for a number of years. The addition of the hardship funding from Welsh Gov through Sport Wales last year, was hugely beneficial to people living in deprivation. It meant that our £15k budget was increased to £94k. Losing this funding and the other funding cuts means that any ambitions we had of increasing our investment in the fund have been curtailed. We are hearing of children being taken out of gymnastics as their families can no longer afford to pay. Our fund, coupled with the generosity of clubs (who regularly reduce fees for families in hardship) are reducing. The nature of gymnastics, and the amount of space and equipment needed in centres that are run by paid staff makes gymnastics a little more expensive than some sports that can rely on volunteers to coach and who have lower facility costs and other overheads.

**C) Performance programmes, creating elite athletes** – It is widely published that a disproportionate number of Olympians have been privately educated. In Tokyo this figure was 32% (Sutton Trust), yet according to government published statistics in 2019, only 7% of children in the UK are educated privately. This is firm evidence of the fact that children from poorer backgrounds do not have the same opportunity to realise their sporting potential as their wealthier peers, gymnastics is not immune to this.

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**6. Do you have any other points you wish to raise within the scope of this inquiry?**

Before any further cuts in sports funding are considered, Welsh Government could conduct a Children's Rights Impact Assessment, to gather further evidence on the detrimental impact on children's physical and mental wellbeing, as a result of further cuts. Ensuing the assessment takes account of the Welsh Government's policies and strategic objectives relating to:

- Early Years (gymnastics starts age 6months)
- Child Poverty
- Childhood Obesity
- Prosperity for All
- Making Life Better for Children in Wales
- Supporting Entrepreneurial Women in Wales
- National Events Strategy

Welsh Government could also consult with:

- The Children's Commissioner
  - UN Convention for the Rights of the Child - Articles 15 / 27 / 31
  - Future Generations Commissioner
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