

Digital, Culture, Media and Sport Committee

Oral evidence: Sport in our communities, HC 869

Tuesday 1 December 2020

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Members present: Julian Knight (Chair); Kevin Brennan; Alex Davies-Jones; Clive Efford; Julie Elliott; John Nicolson; Giles Watling; Mrs Heather Wheeler.

Questions 135 - 228

Witnesses

I: Dr Larissa Davies, Reader in Sport Management, Sheffield Hallam University; Dr Claire Jenkin, Senior Lecturer in Sports Development, University of Hertfordshire; and Dr Esther van Sluijs, Group Leader, MRC Epidemiology Unit & Centre for Diet and Activity Research.

II: Kieran Maguire, Senior Teacher in Accountancy, University of Liverpool; and Dr Rob Wilson, Head of Department, Finance, Accounting & Business Systems, Sheffield Hallam University.



Examination of Witnesses

Witnesses: Dr Larissa Davies, Dr Claire Jenkin and Dr Esther van Sluijs.

Chair: Good morning and welcome to the Digital, Culture, Media and Sport Select Committee. Today we have a hearing into sport in our communities post-Covid-19. Before I introduce our guests and get members to declare any interests, I would like to make a statement on behalf of the Committee. It is in relation to our economics of music streaming inquiry. I would like to make some general comments on those proceedings.

We have been told from many different sources that some of the people interested in speaking to us in relation to this inquiry have become reluctant to do so, because they fear action may be taken against them if they speak in public. I would like to say, on behalf of the Committee, that we would take a very dim view indeed if we have any evidence of anyone interfering with witnesses to one of our inquiries. No one should suffer any detriment for speaking to a parliamentary Committee, and anyone deliberately causing harm to one of our witnesses will be in danger of being in contempt of this House. This Committee will brook no such interference and will not hesitate to name and shame anyone proven to be involved in such activity. Anyone who wants to come forward to speak on this issue or any other issue should get in touch with the Committee and will be treated in confidence.

Now we move on to today's proceedings. We are now going to be joined by three panellists, and we have two panels. We have: Dr Larissa Davies, reader in sport management, Sheffield Hallam University; Dr Claire Jenkin, senior lecturer in sports development, University of Hertfordshire; and Dr Esther van Sluijs, group leader, MRC Epidemiology Unit and Centre for Diet and Activity Research.

Before I put the first questions, or call our first member to put the questions, I would like to go around members to see if there is any interest to declare.

First of all, as I may be touching on football during this question session, I would like to declare that I have received hospitality from the Premier League and also my local football club, Solihull Moors, which has many roots in the community.

Alex Davies-Jones: I would like to declare that I am the proud co-chair of the All-Party Group on Wrestling.

Mrs Heather Wheeler: I have connections to Gresley Rovers FC and Burton Albion football club.

Giles Watling: I am the patron of Clacton football club.

Chair: Our first panel is, as I say, Larissa Davies, Claire Jenkin and Esther van Sluijs. Good morning. Thank you for joining us today. Our first questioner is going to be Alex Davies-Jones.

Q135 **Alex Davies-Jones:** My first question is to Dr Davies and to Dr Jenkin



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and it is all about sport. In your opinion, is there an agreed definition of sport? What sports do you think should be included when we look at how we support sport in our communities?

Dr Davies: We generally work, in England, to the definition adopted by Sport England, which is a broad definition of sport and includes physical activity. It would include formal organised sport but also less formal forms of activity that take place outside of facilities, including physical activities such as outdoor recreation, walking, cycling, active travel and so on. We generally tend to adopt a broad definition of sport and physical activity when we talk about the impact and the value of the sector.

Dr Jenkin: I agree with Larissa. There are many different facets of community sport, so you have community sports clubs, Sport for Social Change, which is a big one, and all sorts of physical activities as well. They come under the umbrella term of "sport" so, when we are looking at the values, the benefits and any support, we need to consider the needs of all of them separately.

Q136 **Alex Davies-Jones:** When we are defining sport, you mentioned that walking and children playing are classed as sport along with traditional sports such as football. How does this impact how sports are supported and funded?

Dr Davies: In terms of how it affects whether they are funded, there is a list of activities that organisations such as Sport England fund and that is a broad definition. I am not quite sure I understand the purpose of the question.

Q137 **Alex Davies-Jones:** We know that some sports cross boundaries between performative and athletic. As I mentioned in my declaration of interest, I am a proud co-chair of the All-Party Parliamentary Group on Wrestling and we are currently looking at an inquiry on whether the industry is classed as a sport or as a performance. This lack of definition has hindered the industry in terms of access to Government support, especially during coronavirus. It has also hindered the industry because they have no regulatory body, because they cannot get a defined definition of exactly what the sport is. There are many other sports and industries that are in the same place. In your opinion, how has this hindered sports at a grassroots level by not having a definitive box to put them in?

Dr Davies: I do not think it has necessarily hindered it, because the broad definition of the sector, while not necessarily easy to define, is a very inclusive definition. It means that sports do not have to have strict regulation to necessarily encourage people to be active. The key aspect here is whether activities engage people, whether they increase their activity levels rather than the rules of the game, per se. When we talk about the value of sport, it is about the value of activity in whatever form that takes, whether it is structured or unstructured. For me personally, that lack of a strict definition is not a bad thing. It is a positive thing because it is inclusive.

Dr Jenkin: I agree. They can garner funding from other sectors as well,



such as health and justice. In some ways I agree with Larissa, it helps that it can be really broad and look into other sectors in society as well.

Q138 Alex Davies-Jones: What are your thoughts on how we support the sports or industries that do not have a regulatory body? They do not have anybody to support them. For instance, would you recommend that all sports should have a governing body or a regulatory body?

Dr Davies: I do not think that is necessary, because a lot of people would go down to their local park and take part in informal sport, and I do not think there is necessarily a requirement for a regulatory body to do that. Provided community groups can access funding to support activities to engage people, the lack of a regulatory or a national governing body is not an issue.

Q139 Alex Davies-Jones: It was interesting to get your insights on that. We have seen many positive impacts associated with participation in sport. Does that cover all sport, or do some activities, such as team sports, show a greater impact? Does that change through different population groups? It would be interesting to get your view on that.

Dr Jenkin: There is no magic bullet for one particular sport or activity. There has always been this mentality around team sports showing the greatest impact, but it is very much dependent on the individual in terms of the activity they enjoy. People derive the most benefit from a type of activity they enjoy. Some people may enjoy different ones.

Therefore, we need to make sure there are lots of opportunities and activities available so that people can garner the benefits from the sport or activity they enjoy at different stages of their life. Someone might enjoy team sports when they are young but as they grow older over their lifespan that might change. They might go towards more individual activities or different kinds of sport, so I do not think there is one sport that has a magic bullet that gives the greatest amount of impact. It really does depend on the individual and what opportunities are available to them.

Q140 Alex Davies-Jones: Not just playing sport, but supporting sport, watching your team on TV, does that have any benefits to society or to health and wellbeing?

Dr Jenkin: When I look at participation I look at all forms, so I agree with you. You have the active participation of playing, but you have the volunteering. Volunteering brings out a lot of potential benefits, whether it is individual or societal. In terms of being a fan, a fan can bring massive benefits, often depending on whether your team is good or not, but there are lots of different forms of participation that can bring benefits.

Dr Davies: I was going to add a point to Claire's comment about specific sports. We have done quite a lot of work at Sheffield Hallam at putting a value on the community sports sector. To do that we look across quite a wide range of evidence, largely at the population level where we can. As Claire said, the evidence does not tend to favour a particular sport over another. It does not particularly favour individual sports over team



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sports, although there are pieces of evidence that point perhaps to an advantage that a sport may have with a particular group. When we look at the population level, the things that tend to be important are things like intensity and duration, so are people taking part at the required level to benefit in terms of their health, for example? It tends to be the intensity and the duration rather than the specific sport, per se.

There are also examples of team sports that have both positive and negative benefits. Again, to generalise that at the population level is quite difficult. It is certainly the activity level that is important, and the duration level, rather than the specific sport.

In terms of the second point around the benefits and the impacts, they are quite wide-ranging. Again, in terms of the work that we have done to value the sector, we have looked at the impacts and the benefits of sport across different outcome areas. The obvious one is mental and physical health, so health outcomes, but there are also benefits associated with subjective wellbeing. By that we mean things like life satisfaction, happiness and reduced anxiety. There is a whole raft of other outcomes that sport and physical activity are associated with to do with, for example, individual development, so people's educational attainment, their connectivity with communities and their social capital, so the links they have between people within their communities.

The other one that we have not mentioned so far is economic development, so what are the economic impacts of sport and physical activity? It is important to say that they are largely positive but there are some negatives as well.

I could probably talk to you for about an hour about the impacts, so for very specific questions about specific impacts I would be happy for the other panellists to give more detail on that.

Alex Davies-Jones: I am sure some of my other colleagues will be exploring this in further detail. Thank you. That was interesting.

Q141 **Chair:** My first question is to you, Dr Esther van Sluijs. Good morning. Is it easy or is it quite tricky to measure the impact of sport and activity on the general population? What metrics do you most value?

Dr van Sluijs: It is difficult because lots of the benefits are particularly longer term. In order for physical activity to impact health, for example, we are thinking about long-term chronic conditions such as hypertension, diabetes, cardiovascular disease, effects on premature mortality.

Some of the challenges there include that we measure physical activity usually at one time point and then follow people for a longer period to see what diseases they develop, and we have to make quite substantial assumptions about the fact that people might maintain that activity level over that period. We know that lots of things happen during people's lives, that they might change their physical activity level.

In addition, measuring physical activity is very challenging because physical activity is a very complex behaviour that happens in different settings, in different contexts at different intensities, and so mostly we



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measure physical activity using self-report. We know that people are not very good at self-reporting their activity levels, so we have developed more objective measures of physical activity. We use devices such as pedometers or accelerometers, which give us a better estimate but still do not measure the complexity of all physical activity.

Q142 Chair: I get what you mean when you talk about it taking you a long time to work through the system and it is at many different points in time. I get the idea that it is a slow burn. Are we any good in this country at appreciating that, vis-à-vis the UK versus other European countries? Have we been taking the right steps in recent years to encourage sport and activity from a health perspective?

Dr van Sluijs: It is difficult to judge whether in the UK we are any better or worse at appreciating that slow burn. There is a tendency to consider the more proximal outcomes, to value them more, and it is difficult to think about those long-term outcomes, both at a policy level and at an individual level. I always give the example that a child does not really care about their risk of diabetes in 30 years' time. What they care about is their happiness, their friendships and maybe their performance at school. As a society, we do not value those long-term benefits sufficiently. For policymakers it is difficult to implement policies that may only reap their benefits in quite a few years to come.

I do not want to make a statement as to whether or not, as a country, we are any worse than other European countries. In the Scandinavian countries, about 10 or 20 years ago, they implemented more population-based measures that have had a significant impact on population levels of physical activity, which means that they currently have much higher physical activity levels than we see in the UK.

Q143 Chair: I get that. It is often remarked upon that one of the reasons why physical activity is a bit lower in the UK than it should be is partly because of weather. The comparison is often drawn to places like Australia, for instance, where if you see a group of kids in Australia they are incredibly fit, lithe and so on. A warmer climate makes that easier and there is more of an outdoor lifestyle. It is quite interesting. You talked there about proximal outcomes. What you mean there is basically short term over long term, is that right?

Dr van Sluijs: Yes.

Q144 Chair: What would be the difference in terms of the short term? What sort of things do you look at in terms of short-term outcomes, as opposed to long-term outcomes, which you have already discussed in terms of morbidity, mortality and obesity figures?

Dr van Sluijs: Short-term outcomes might be things like your perception of your wellbeing, happiness, academic performance for children. There is emerging evidence that increased physical activity and fitness is associated with better academic performance. They are the less tangible outcomes.

There is some evidence of immediate impacts on, for example, glucose and some health outcomes, but they are quite immediate and they



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disappear quite quickly after the physical activity.

Q145 **Chair:** “A healthy body, a healthy mind” is the phrase, isn’t it?

Dr van Sluijs: Yes.

Q146 **Chair:** Related to that, what is the robustness of data regarding sport and activity? How can you tell which interventions create the most value?

Dr van Sluijs: The robustness of the evidence on the benefits of physical activity is reasonably high. There is a wealth of evidence from a variety of studies and from evidence syntheses, where we have pulled together lots of evidence from lots of different studies across the world. There is really good evidence on the impact of physical activity, particularly in terms of these longer-term impacts.

In terms of knowing which interventions are most effective, we are at a much earlier stage of the evidence. Although we have some idea of what might work, I do not think there is a magic bullet or a single intervention that will work. It requires significant societal and environmental changes to instigate increases of population levels of physical activity.

Q147 **Chair:** On the current approach the Government have taken towards these particular areas, whether or not they use the right metrics or use metrics at all, if you were in charge of it, what would you target? In terms of sport and activity for the country, what five things do we need to get right?

Dr van Sluijs: That is an interesting question. There is a lot of focus on obesity at the moment, which in one way is helpful for physical activity and sport but in another way, because the evidence in terms of weight gain and obesity prevention is less strong for physical activity than for diet, I think it sometimes distracts from physical activity.

In terms of five things that the Government might be able to invest in, particularly lifestyle activities, walking and cycling, improving active commuting and improving the access and availability of places and opportunities for sports participation would be a few things that I would add.

Dr Davies: Esther covered that quite nicely in terms of the health-related evidence.

In the work that we have done, I mentioned earlier that we looked across a range of outcomes and looked at evidence across all those outcomes. I concur with what Esther said around the evidence related to health certainly.

The other area that we have good evidence on is around subjective wellbeing. There have been big advances in terms of our knowledge and understanding of the impacts that sport and physical activity can have in that area in a positive way.

In relation to other outcomes—and Claire might be able to add some points to this—certainly around the social, community, development outcomes, around improved educational attainment, improved social capital, there is evidence but it is less robust at the population level. That



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is certainly an area where perhaps in the future we need further research and insight to be able to make more substantive claims on the links between those activities.

We can point to interventions and examples of cases where sport and physical activity has had a benefit, but we cannot say for certain that if we upscale that to a population level it will work. That is where we are in terms of the evidence around those softer, more intangible outcomes that Esther mentioned.

Q148 Chair: It is easier to measure BMI, body mass index, than it is to measure happiness or mental health in that regard?

Dr Davies: Absolutely. Scientific evidence is much easier to measure, identify and prove, whereas the other outcome area is more difficult, understandably.

Q149 Chair: What we term—an analogy here—the low-hanging fruit, the easiest to do. What do you think, Claire Jenkin?

Dr Jenkin: I agree with the other two. There are some areas where we have strong data and some where we don't. If we look more specifically at using sport for social change, a lot of the research we tend to have is cross-sectional, meaning that the data are taken at one time point or in a short period of time.

In my mind, if we are asking sport to tackle and solve complex long-term societal issues, we need to measure it accordingly. We need more longitudinal data, in terms of tracking over a long time. As my colleagues said, in terms of health I think we do that quite well.

I have an example. One of my students has undertaken a piece of research by writing their own story of their engagement in a Sport for Social Change programme and looking at social behaviour. They have spoken about, over a 10-year period, critical points where they could have deviated off but stayed on. We need more of that longitudinal data to really understand the potential impact on these long-term societal issues.

Q150 Giles Watling: I want to touch a little on something the Chair was just talking about, about what the Government are up to. The Government launched a strategy back in 2015 called Sporting Future and it has been reviewed a couple of times since. Then there was the inter-ministry group formed on healthy living, which was a cross between the Department for Digital, Culture, Media and Sport and the Department of Health and Social Care.

Are we joined up enough? When we talk about education, health and social services, are the Government joining up across the piece to look at sporting activity in a way that it can bring benefit to the other agencies, such as the NHS?

Dr Davies: There is certainly a shift in the strategy that you talk about, Sporting Future, to look at the role of sport and physical activity more generally in terms of its wider societal impact, and that was certainly a shift in policy for that 2015 strategy. You are absolutely right. If sport



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and physical activity as a sector looks inwards and does not look cross-policy, cross-Department, it is looking in a very narrow way.

I have referred to some work that we have done around valuing the sector. One of the things that we did for that piece of work is that we had a steering group across different Government Departments, so we had experts guiding and advising us in relation to evidence around health. We had someone from Transport and we had a representative from Education. I think there is certainly an appreciation within the sector that the benefits of sport and physical activity extend beyond a particular area and that the benefits are wide-reaching.

There is a need to work cross-Department, cross-policy area to harness the potential that sport has, but also to think about how investment from those different areas is used to increase overall participation levels. Sport working for sport's sake isn't going to work. It is a case of having to draw on resource and expertise from a wide range of policy areas to harness the benefits.

Dr Jenkin: I agree with Larissa. In terms of all societal issues—be it obesity, be it any kind of health inequalities, social inequalities—they are multifactorial and are caused by lots of different things. I agree that in terms of Sporting Future it was an excellent piece of policy to link sport with these other sectors.

There are some who do it better than others. In terms of health over the last 10 years, public health has recognised the role of sport and physical activity. In terms of the justice sector it is starting to get there. There is a lot of understanding that sport can be used as the initial hook to engage, because people who are involved in sport are often seen as authority figures, so people who enjoy sport are happy to engage and then you target them with other things around it.

It does need to improve if we think of housing and other sectors. It is the start of a journey, and there are some that do it really well, but it needs to become stronger in other areas.

Q151 **Giles Watling:** What I am really asking is: what do you think the Government should do? Should they form another body that draws all these strands together?

Dr Jenkin: It could help. It needs that recognition of sport and physical activity as a sector and it needs that high-level recognition, so sport needs a seat at the table. It could help. It would be a good starting point and then see whether it is needed in the future.

Dr Davies: I am not sure we necessarily need another body. What I think the sector needs to do—and it is getting better at this—is to be able to evidence the benefits in a robust and credible way, and in a way and in a language that other areas understand. The work that I have been involved in is trying to monetise the non-market benefits, the non-financial benefits of the sport and physical activity sector. If you can monetise something it speaks the language of other Departments, of other areas as well, and it allows a greater appreciation and recognition of the value rather than just activity levels, for example.



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Q152 **Giles Watling:** I extrapolate from that that we are not getting the message right that investment in sport reduces the investment in, say, the NHS.

Dr Davies: Yes. Investment in sport will produce fiscal savings, but it will also produce benefits. We use something called income compensation, so if somebody takes part in sport and physical activity it makes them happier, and that happiness is equivalent of an increase in income of X pounds, so it has intrinsic value to the individual as well as fiscal savings.

Dr van Sluijs: I want to bring it back to the start of the discussion and the definition that Larissa and Claire provided around sport. The activities they included immediately point to the engagement of lots of different Departments, so that would be around active travel, active play and physical education. That is all included in that definition, so that immediately points towards lots of different Departments that have to make policy decisions in order to impact that breadth of activity.

Q153 **Giles Watling:** We realise that the Government are entering a very difficult spending period. There has been massive investment—we have the Covid pandemic and all of that—so what arguments would you make to the Government to choose to spend money on community sports programmes instead of, say, police, schools and the NHS?

Dr Jenkin: It is changing that mindset. A lot of the spending on those types of services is often a result of societal issues not being addressed. We need to think more proactively in thinking that spending money on activities like sport and others is more proactive in terms of trying to address those underlying issues, rather than being reactive and dealing with it once things have happened, whether it is in terms of health issues, crime issues, social issues and education. If we spend where those issues need to be addressed, it is a better use of money.

Dr Davies: I would add—and we have already talked about the multiple outcomes across society that sport and physical activity can impact on—that it is important to remember that it impacts on multiple outcomes from investment at the same time. We could interpret from that that it is a cost-effective intervention.

The other thing is that it generates a positive financial return to society. Again, recent work we have done shows that, for every £1 invested, there is a return to society of £3.90. There is a positive return on public investment. If we look at the investment into sport and physical activity, public sector investment is only about 11% of the investment that goes into sport and physical activity. A lot of investment comes from other organisations, individuals and participants themselves.

For a relatively small amount of public investment there is equal, additional investment from consumers themselves, which then generates nearly four times the return to society. If we look at it in financial terms, there is a significant return to society.

Dr van Sluijs: In terms of recovery from the pandemic, some of the emerging evidence is that physical activity levels have dropped significantly during the pandemic and that over time, since the initial



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lockdown, it does not seem to be recovering.

Such a prolonged period of inactivity will not only have a significant influence on later morbidity and mortality but also have an impact on people's ability to restart their physical activity after the pandemic, as they will have likely lost their levels of fitness. They might have increased weight and will have established sedentary habits that are really difficult to overcome. A lot of these factors are barriers to increasing physical activity.

In terms of what we already know about physical activity being important for later health, plus the drop that we have seen in physical activity levels and the barriers that people would be facing in terms of increasing physical activity, I think they are very important arguments to invest more in physical activity to ensure that we enable people to recover from the pandemic and we do not see those negative outcomes.

Giles Watling: Investment at this time would seem to be absolutely paramount.

Q154 **Kevin Brennan:** Esther, I was interested in what you were just saying about the fall in physical activity during this very peculiar year we have been having. Has that been across all social classes, or does it differ by social class?

Dr van Sluijs: We are working with far less perfect evidence at the moment. The strongest evidence that we have at the moment on physical activity levels during the pandemic is from surveys from Sport England and from the Youth Sport Trust. It shows that physical activity levels dropped by about 7% during the pandemic. That seems to be stronger in males, in young adults and those with chronic conditions. There does not seem to be a major impact of social class.

Q155 **Kevin Brennan:** Is that related to formal physical activity, or is it related to the fact that more people are working from home? Anecdotally, a lot of people are reporting that the parks are full of people, lots of people are buying bicycles, all those sorts of things are going on. Is it because people are sitting at home, like we are now, on Zoom calls rather than moving around in their daily lives?

Dr van Sluijs: We see a drop in activity from active commuting due to working from home, and a drop in participation in organised sport and exercise, so sports clubs and gym attendance. There is an increase in leisure time activity, walking and cycling. That seems to chime with the evidence that the parks are full of people. In total, what we see is that, even though there is that shift in the types of activities that people engage in, people seem to be engaged in less activity overall.

Q156 **Kevin Brennan:** One of the interesting things about this is that, from a public policy point of view, Governments are quite attracted to this idea of more people working from home. It is potentially greener. There are all sorts of unforeseen consequences about that, including what happens to our city centres, our high streets, ancillary jobs associated with people going to work and so on. Does it not also play into this debate about



activity?

I recall in Government—and what is depressing about this subject sometimes is just how perennial it is—the 2007 Foresight report into obesity. That contained a central insight, which I thought was a very good one, that human beings are predisposed to put on weight by their evolutionary makeup. The reason why now more and more people are inevitably doing that is because we live in an obesogenic environment, namely one that actively discourages activity in our daily lives and that our ancestors got their activity not by paying for an expensive gym membership or through any massive Government investment in sporting programmes, but because their daily lives gave them that kind of activity naturally.

Now, when we go to work, we get in a lift; we do not walk up the stairs. We do not walk to work; we take motorised transport. All those things. Do you think there is a danger that this current Covid shift, far from making people more active, will make them less active and make the problem even worse?

Dr van Sluijs: It is very difficult to predict what the long-term consequences of this pandemic may be for physical activity. As I alluded to previously, the prolonged period of inactivity during the lockdown and the enhanced restrictions has led many people into circumstances where it is more difficult to take up physical activity again due to reduced physical fitness and increased weight.

There may also be opportunities, due to increased working from home, to really focus on improving the accessibility, the availability but also the affordability of activities closer to home or at home. I am thinking about things like more community-based activities, like local health walks or things like a park run, for example, that will offer local opportunities for people to engage in activity.

Dr Davies: I have recently been looking at the data that has come out of Active Lives and other research that has been commissioned by Sport England that has looked at participation levels during the pandemic. At the start of the pandemic we saw some quite significant declines in activity levels and, as we have gone through the various forms of easing the lockdown and going back into lockdown, we have seen a continual decline.

At the start of the pandemic we were seeing record levels of participation in England—around 63% of the population—but recent figures that have come out in the last month or so have indicated that adults reaching the CMO's recommended guidelines of 150 minutes have gone down to 24% of the population.

We have seen people switching activities to do more walking and more cycling, but that has not offset the decline that we have seen in other forms of activity. I think, longer term, that is likely to have a significant impact on the health of the nation and the economy.

The other point that I want to add is that what we have seen in those participation trends is that it tends to be those groups that are harder to



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engage that have disproportionately been affected. We are seeing lower levels of participation, particularly in populations such as black, Asian and minority ethnic groups, lower socioeconomic groups and disability groups. Those groups where we have traditionally seen lower levels of participation have been disproportionately affected during this time.¹

Kevin Brennan: That confirms what I asked at the outset.

Dr Jenkin: I was going to talk about Larissa's last point in that, within society generally, we have seen that Covid has exacerbated social inequalities and in sport it is the same. It has been great seeing people take up more informal sporting opportunities, so going for walks, for runs, for a bike ride, stuff like that, but that is not accessible for a lot of the population, whether it is because local neighbourhoods are not safe, in terms of whether the pavements are not particularly accessible, all that kind of thing. They are the ones who need the additional support, and they are the ones who need more formal opportunities.

There will be some sort of move towards informal sport carrying on, but we need to make sure that our neighbourhoods and local facilities and amenities are accessible for those ethnic and minority backgrounds, from low socioeconomic backgrounds and people with different forms of disability. We need to focus any recovery effort on those more marginalised groups within society to make sure we try to reduce that widening gap.

Q157 **Kevin Brennan:** I am sure that is right, but my wider point is that I think public policy should always be mindful of the fact that we live in an obesogenic environment generally and that, whether it is from the design of buildings down to the design of our streets and the way we design our communities, we should bear that in mind and encourage rather than discourage physical activity in it.

Our Committee is called the Digital, Culture, Media and Sport Committee but, in a sense, isn't this session really about activity and not just sport? Is it the case that the debate about whether team sport or sport is a higher or more important form of activity than other more informal things, other types of activity, is ultimately sterile?

I go back to 2012—and the Chair will not thank me for repeating this because I have said it in Committee before—when the Prime Minister, David Cameron, justified getting rid of the two-hour target for sport in schools. His criticism was that a lot of schools were meeting that by doing things like Indian dancing. Should we not be past that kind of attitude towards activities, like dancing and so on, and be giving them an equal status—even though I am a massive rugby fan—with rugby and other team sports, or whatever?

Dr Jenkin: I will go to your first point and then answer your second point, if that is okay. I think that first point relates back to a previous question about the whole systems approach, in terms of working with

¹ Note by witness: Dr Davies has clarified this point in a [supplementary written submission](#).



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different sectors. I completely agree with you that we need to work together with housing, town planning and other sectors to make our local communities more accessible and more attractive for people to exercise.

In terms of your point around what sport is, it goes back to that first point. Yes, any form of activity. We are obviously here within DCMS and sport is now seen in that more encompassing umbrella term that includes things like dancing, cheerleading, hiking and walking, all those kinds of things. They should be given equal access because there are people who love formal sport, but our main thing as a society is to get people active for the health benefits, the social benefits and all that kind of thing. That is why we need to make sure there are opportunities for that incidental exercise at that same kind of level and with the same sort of emphasis as formal sport.

Kevin Brennan: I will finish by giving you a little quote from that report back in 2007, which said, "The current prevalence of obesity in the population has been at least 30 years in the making. This will take time to reverse and it will be at least 30 years before reductions in the associated diseases are seen." We are 13 years on from that report and my feeling is that we have made no progress at all.

Q158 **John Nicolson:** I had some slight internet problems, so I hope I am not duplicating my colleagues' questions. What mistakes do you think we have made—looking back at over the last, say, 20 years—that are going to have a long-term effect on the fitness of people from certain social backgrounds, in particular folk who come from working-class backgrounds?

Dr Jenkin: Physical activity for any under-represented groups cannot be seen in isolation. We need to work on everything, so we need to look at poverty, secure employment, social behaviour, opportunity, education and all that kind of thing. The move that the sport and physical activity sector has made towards engaging and looking at a whole systems approach is the right move.

Sport by itself cannot do anything. It needs work in all those different facets. That is probably a big mistake in the past. Our sector needs to speak with one voice and have a lot clearer message to be able to do that and be able to work with those other sectors. As I said earlier, in health we are making real progress and there are some good relationships being developed into the other sectors. That is where we need to improve, to address some of those issues with people from low socioeconomic backgrounds and other marginalised groups.

Q159 **John Nicolson:** Larissa, when I was a very young kid, I remember walking through Glasgow and seeing old ladies, in particular, who had bow legs. I remember my dad explaining to me that something called rickets had caused that in their childhood, probably seven or eight decades previously. I remember being horrified by it.

Then there was a long period where there were no physical manifestations of socioeconomic difference. Again, I am talking as a child, so maybe I was just being unobservant. Something quite striking that



you often notice now is that middle-class kids are taller and thinner than their working-class contemporaries. There has to be some kind of explanation that involves sport. The selling off of playing fields, for example, which gave kids across economic backgrounds equal access to outdoor activities, cannot have been a good development.

Again, as a kid, I remember public schools—as we call them in Scotland, those being schools where the public go rather than very posh private schools—comprehensive schools often had swimming pools that the kids could access for free. We have done things that seem to go counter to all the expert advice that we have always been given about how to keep people fit.

Dr Davies: One of the things we have not really touched upon is the importance of opportunity to participate—which you have alluded to there—and the importance of quality spaces and places for people to participate in. The evidence is unequivocal in that sense, that providing the spaces and places to participate is absolutely crucial to overcome barriers to participation. There are other things, like the cost of participating in those places.

One of the things that we have not talked about is the role of public leisure centres, for example, in providing those opportunities. If we look at the types of people who participate in public leisure centres, we see they support a disproportionate proportion of those harder to engage groups within society. Investing in those facilities and outdoor spaces for people to participate is absolutely crucial, and ensuring the financial sustainability of those places, particularly in the current climate we find ourselves in, is crucial for maintaining those opportunities for people to participate.

There are all sorts of additional factors, like the workforce and the people who provide interventions and opportunities for people but, ultimately, for me one of the key factors is quality spaces and places.

Q160 **John Nicolson:** That seems blindingly obvious to me, as someone who is not an expert in this. Esther, has the squeeze or some would call it the attack on local government spending in England been particularly damaging in terms of tackling health? A couple of decades ago—I mentioned swimming pools and playing fields—local authority parks often would have very subsidised sports facilities where folk could go rowing, or they could play tennis. Many of them have gone now. Surely that is the wrong direction if we are keen to advance public health, in particular, for people who come from poorer backgrounds who cannot afford to pop into their local Virgin gym or wherever, which posher people can afford to do.

Dr van Sluijs: Yes, just echoing Larissa's point, the availability of high-quality spaces and places to be active in is very critical for people. Some of the developments in terms of availability of good-quality parks that feel safe, that have challenge for people of different ages—because obviously a park that is interesting to older people is not necessarily the space where younger people would like to go to be active—is very critical to maintain a level of activity within the neighbourhood.



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I am not familiar with the evidence on what direction that is going in, but my personal assessment is that, in terms of park maintenance and the development of new parks, that is deteriorating at the moment. That may very likely be a result of reduced investment in local government.

Q161 **John Nicolson:** I think you are right. It is just common sense. If you close parks, sell off playing fields and close down swimming pools, children will get fatter and unhealthier. We are storing up long-term problems. It is what politicians and economists call short-termism. It is a curse of the contemporary age, which is that politicians do not think they will be around in 20 years to have to take responsibility for the decisions that they have made today. Many of them will be in the House of Lords.

Dr van Sluijs: To pick up on an earlier point, you asked about some of the potential mistakes that have been made. Most of my research is in children and young people. In terms of the school environment, over the past 10 to 15 years there has definitely been a move to marginalise activity and physical education within schools, with a focus on core subjects.

There was a suggestion earlier about the reduction of the PE requirement and, for example, what Ofsted focuses on in its inspections, provision of sport and activity and how that is embedded within the culture of the school is not something that is looked at and is not something that is valued across the whole education sector. There are a lot of schools doing excellent work but, when push comes to shove, it is the academic outcomes in core subjects that matter.

That is where a huge amount of inequality comes in because, within the public sector, there seems to be more of a continued focus on sport and exercise. That is also something that we see in the current situation with schools having returned after the closure during the initial lockdown. There is evidence that a large proportion of schools are not offering extracurricular sport to their children. A substantial proportion have reduced the amount of PE that they offer to children but, from anecdotal evidence, that seems to be predominantly in the state sector and not in the private sector.

Q162 **John Nicolson:** That is interesting. I am guessing from your accent that you might well be Dutch. Am I right?

Dr van Sluijs: My name gives it away.

Q163 **John Nicolson:** Your name as well, of course. I think a recent survey showed that Dutch young people are the tallest in the world. Certainly, when I visit the Netherlands I feel as if I am in a scene from *In the Hall of the Mountain King*. I feel tiny and troll-like alongside the giant Dutch kids, even though I am a foot taller than my grandparents were.

Let me ask another question, and if I can stick with you, Esther: grassroots sport will shortly lose EU funding through the Erasmus+ programme and the European Social Fund. I have asked every single panellist before this Committee in every sector, whether it is music and sport or the wider arts, the same question, and that is whether Brexit is a good thing for their sector. What is your assessment?



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Dr van Sluijs: It is difficult to comment on that. I think loss of investment in grassroots sport will be detrimental to that sector. At the moment, it is run mostly by volunteers with limited funding. Those volunteers work very hard to keep it going but, if the funding drops, it will be difficult to meet all the standards that are required from sporting bodies.

Q164 **John Nicolson:** Let me ask Claire and Larissa the same question. Brexit: good for sport or bad for sport?

Dr Jenkin: I agree with Esther. Any reduction in funding for community sport isn't a good thing. We need to ensure that any funding that is potentially lost can be maintained to make sure that we can give people the opportunity to be active, as we have been speaking about.

Dr Davies: Any lost investment, whether it is directly through Brexit in terms of reduction in Erasmus+ funding or indirectly through funds having to be diverted because of Brexit from sport to other activities is a bad thing. Any loss of investment in activity, for whatever reason, is a bad thing.

John Nicolson: That is unanimous: Brexit is bad for sport.

Chair: Thank you for the summation, John.

Q165 **Clive Efford:** Do we get the messaging right in terms of what we encourage people to do? Do we focus too much on obesity and body image? Should we focus more on activity and ensuring that people are active? Is it better to be overweight but active or thin and inactive? Are we getting the messaging right?

Dr Jenkin: With messaging, I think everyone knows they need to be active. Everyone knows about potential health benefits, potential social benefits and that kind of thing, so I do not think it is necessarily a message of education. People know, but there are a lot of people who are not actioning it. As we were saying earlier, it is very much about the opportunity. Everyone knows they need to do it, but why are some people not doing it? We need to look at that opportunity and accessibility rather than messaging.

Q166 **Clive Efford:** Do we make it easy enough for people to stitch activity into their everyday activities?

Dr van Sluijs: If I can start with your previous question. There is clear evidence that there is benefit to being active, even if you are overweight and obese. The benefits of activity go beyond just weight loss for lots of different outcomes. There is definitely a link in the public perception between activity and weight that is quite unhelpful.

For example, some of the evidence we have generated indicates that of that very large group of people who are inactive—they do not meet the CMO guidelines of 150 minutes per week—60% of them consider themselves to be active. That comes with reduced motivation to increase their physical activity and is usually associated with a slightly lower weight than the average person.



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You can very much imagine that. If you perceive yourself to be slightly slimmer than your neighbour, for example, and if you think of this association between physical activity and weight, you will perceive yourself as, "I'm probably sufficiently active." There is definitely more needed to encourage physical activity for the wide range of benefits that it has. What is most important to people are the immediate benefits to happiness and wellbeing that they gain from physical activity. That generates an internal motivation to continue with physical activity.

Q167 Clive Efford: Do we capture children young enough to get them confident about physical activity and sport? For instance, do we train teachers and nursery teachers to give them the skills to encourage physical activity from the very earliest age?

Dr van Sluijs: Early years teachers and primary school teachers get relatively little training in physical activity or promotion of physical education. Children do not seem to be getting sufficient opportunities to develop their motor skills, to develop their skills in terms of playing games and to challenge themselves at a sufficiently early age, leading to lower physical activity later in life. There is quite good evidence that the motor-skill development of children at preschool age is deteriorating, and that has consequences for their ability to be physically active later in life.

Q168 Clive Efford: The way we fund sport in our communities, do we put too much emphasis on organised sport and not enough on casual activities? Do we put too many barriers in the way of people getting involved in sport, because we put too much funding into sporting structures through governing bodies?

Dr Davies: I do not think it is about putting too much into structured sport. It might be about not putting enough into other forms of activity, because there is evidence to suggest that structured sport does engage a wider range of people and it hits many groups within society. Some sports are better than others. Funding for those structured sports is as important as funding for a wide range of activities.

Q169 Clive Efford: Do you think that Sport England or any of the national sporting funded bodies get it right in terms of the priorities that they set for funding?

Dr Davies: There has certainly been a shift in terms of the remit of those organisations. We have seen over the last few years those organisations supporting a much broader range of activities. That is certainly a move in the right direction.

Q170 Clive Efford: Has it shifted the numbers participating and getting active? For all the shifts in emphasis, This Girl Can, I would suggest, has been a successful programme. Getting people back playing netball a few years back was a very successful programme. However, across the board, the amount of money we are putting in, we are not getting a real shift in terms of activity, are we?

Dr Davies: Going back to a point I made earlier, prior to the pandemic in March, the Active Lives survey showed that we were at record levels of



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participation, greater levels of participation in England than we have seen ever. Unfortunately, the pandemic has reversed that trend quite significantly. There was emerging evidence to suggest that the interventions, the investments and the policy direction that we have seen over the last few years have been making a difference, albeit a small difference at the population level, to increase in participation.

As you pointed to there, we have seen overall increases in total levels of participation but we have also seen progress with certain groups, for example women. We have seen slightly increasing participation levels there. It would be naive of me to say that there are not issues around participation in relation to certain groups within society. There is a recognition of that within organisations like Sport England, certainly in terms of the new strategy that is being consulted upon. There is awareness of a need to address those issues.

Q171 Clive Efford: In terms of shifting participation in socioeconomic groups, people on lower quintiles of income, that has remained frustratingly low and that has consistently been a failure, hasn't it, in terms of getting people active?

Dr Davies: There are a number of longer-term challenges and barriers to participation that need to be addressed and overcome. Those barriers go from things like people not having time, people not having the money, people not having the opportunity, people not having the facilities. There is a whole host of factors that need to be addressed to shift those changes.

Q172 Clive Efford: How do we address them? We have known since Sport England first came into being that this was an issue. It has been a priority and there have been many initiatives but we have failed to make a cut-through. Do any of you have a plan that you would do if you were in charge?

Dr Davies: What would I do? There are a number of things. Financial support for good infrastructure, financial support for the workforce to support interventions and activities, and support for grassroots networks. Grassroots networks in terms of community clubs and volunteers are very important in terms of activity and participation. Initiatives to target those people who are difficult to reach. It is difficult for me to give you specific examples, obviously, in the time we have here. Claire, did you want to add something to that?

Dr Jenkin: Yes, the move since the Sporting Future policy is helping us towards that, that focus on third-sector organisations, engaging with those who know local communities, empowering the local communities to develop a bottom-up approach in terms of looking at what local communities need and then them designing the programme and getting wider support. In the past there has been a very top-down approach that has not always worked.

We also need to think about our language around some of these groups. I would say they are not harder to reach; I would say there are obstacles



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in the way and the sector has tried to reach them in the past but has not understood them. I think the shift in the last few years has helped. The new strategy, the fact that it is a 10-year strategy, is good because a lot of these issues with low socioeconomic groups and other marginalised groups are long-term, complex issues and they cannot be solved in a three-year strategy.

Also, the fact the new strategy is focusing specifically on inequality. With all those things together, we are moving in the right direction but it is engaging people within those different population groups in different parts of society and empowering them to design the products and programmes that are going to most help them. I think we are moving in the right direction, and I am optimistic with that.

Dr van Sluijs: As was said before, there is no silver bullet and it is about cross-departmental working in lots of different sectors. There is no single activity that will get everyone active. That can be a mixture of positive developments or positive investments. That could be creating walking and cycling routes, improving green spaces, improving access to leisure centres and more individual-type interventions. It could also be increased taxes on road usage, parking charges or things like that that create a society where it is more natural to be physically active as opposed to choosing the inactive route. It is definitely about core-sector working and the system approach, that it is about a societal change.

Q173 **Clive Efford:** One last point before I go on to my last question. Do you think that starving local authorities of resources exacerbates this problem of getting people from lower-income households active? Aren't they the only ones that are going to step in and play that part in making sport and physical activity accessible?

Dr Davies: Public subsidy and investment from local authorities into public leisure is absolutely fundamental for the sector. Whether that is in the form of a leisure centre or a space within a park, that is a critical factor in encouraging people to be active.

Q174 **Clive Efford:** Do you think the Government, the Prime Minister, the Cabinet and, particularly, the Treasury fully understand the economic benefits of increasing activity in our society in terms of fewer days lost at work, reducing the cost on the NHS, reducing the cost on the NHS drugs budget and so on? Do you think the Government get it?

Dr Davies: I am not sure that message gets through to Government clearly. It is only in this last year that we have been able to quantify the monetary value of sport and physical activity. Again, you will have seen our recent report that put a value of £85.5 billion on the value of sport and physical activity in 2017-18, of which £13 billion was economic value but £70 billion plus was social value. Those types of messages are starting to get through to Government, but the sector more generally needs to use that type of evidence to shout very loudly about the wider societal benefits of sport to get the message across of how important that is.



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Dr Jenkin: To add to what Larissa is saying, it goes back to the point I was making earlier that I do not think the sector always has that clear message. We are improving but, because the sector is very broad, we need to develop a better one voice and have that one clear form of messaging. That is something the sector needs to improve to make sure those higher up get the clear message of the value of sport and physical activity to all parts of society.

Q175 **Clive Efford:** Was the 2012 Olympics a wasted opportunity in terms of activity?

Dr Jenkin: If you have a look at any kind of mega event, a lot of the evidence suggests that there is not a trickle-down effect. From my understanding, a positive of the Olympic and Paralympic games was that it brought wider recognition across different sectors in terms of potential value of sport and physical activity. Sport and physical activity became more of a legitimate sector to a lot of longer-standing sectors.

If you look at role models, they tend to be closer to home. If you have a look at things, the austerity measures had a lot more impact than any kind of event would ever have on physical activity. There were some ways that it was beneficial in terms of bringing sport to the fore, but there are other issues that were more influential on participation.

Dr Davies: The other thing that you did not cover is that the sector needs to speak from a strong evidence base. That is probably now more widely appreciated. The continued need to provide funding for research, insight and investment, in terms of what works for whom and in what context, is absolutely critical if the sector is to make those arguments to Government.

Q176 **Chair:** Larissa, on one point that you mentioned earlier, prior to Kevin asking you questions, you said there was a 7% drop in activity during lockdown this year; from 63% of adults or people taking part in some form of sport or activity down to 56%, in my rudimentary maths. How long is it going to take to recover from that, and how long did it take to get that 7% increase in activity?

Dr Davies: The 7% I referred to was the decline in participation between mid-March and mid-May. We saw approximately 3 million fewer adults participating at the recommended level between mid-March and mid-May. Since mid-May, that has continued to decline and the recent figures that were presented in October suggest that we are down to about 24% of adults currently participating at the recommended CMO guidelines. So that drop is much more significant than you have suggested.²

Q177 **Chair:** Are you saying it has gone from 63% down to 24%?

Dr Davies: Absolutely. Those are the most recent figures that have been released by Sport England. What we do not know is what will happen to

² Note by witness: Dr Davies has clarified her answers to Qs 176-181 in a [supplementary written submission](#).



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participation and behaviour when restrictions are lifted. Obviously, people are restricted at the moment in terms of the activities they can do. Sorry, what was your question? Will it recover or what do we need to do?

Q178 **Chair:** How long will it take? I am staggered. I thought it was 7%. That is 40% down. You said 3 million in the initial lockdown period. Presumably another 6 million not taking part now?

Dr Davies: That is right, yes. I do not have the actual figures.

Q179 **Chair:** Therefore, 9 million people who were taking part in physical activity and sports prior to lockdown are no longer doing so?

Dr Davies: That is correct. We would hope there will be a bounce effect when opportunities to participate open up again, but whether they will recover to levels that we saw prior to the pandemic we do not know. It is likely, as Esther alluded to, that as people change their behaviour, the longer that goes on, the more difficult it is to return to pre-pandemic levels of activity.

Q180 **Chair:** It is very much in the news at the moment about the cost-benefit analysis of lockdown. Ultimately, is it fair to say that thousands of people could have shortened lives as a result of the impact on sports and activities during lockdown? Would that be a fair summation?

Dr Davies: If we see reduced levels of participation continue in the longer term, it is fair to say that there would be an impact on people's health, on their wellbeing and on all the other outcomes that we have talked about today, yes. The other impact—if we want to talk about it in terms of hard money—is that the economic value that sport and physical activity contribute to society will also decline as a result of declining participation.

Chair: You put the figure at £83 billion or £84 billion.

Dr Davies: £85 billion. Those economic models are driven by the number of people participating and the number of people volunteering. Logic says that, if you have fewer people participating and fewer people volunteering, there will be less value created to society.

I have also seen data that estimates, for example, the number of jobs lost through reductions in people's activity. We have seen sports clubs struggle because people pay to play. If they cannot play, there is less money going into the system. There is a huge knock-on effect in terms of economic impacts but also health impacts and other societal impacts as well.

Q181 **Chair:** I have very poor O-level maths, but as I have it, your £85 billion, if you are looking at a decline during the year from 63% down to 24%, that is a two-thirds decline. Would it be fair enough to say that during the year the value to the economy in terms of just economic benefit has gone down by £40 billion or £50 billion, maybe more? Is that right?

Dr Davies: Yes.



Chair: That is absolutely incredible.

Dr Davies: We need to be careful about using pre-pandemic evidence to make predictions about the post-pandemic future, whether that is participation or value or whatever, but that is all we have at the moment. What we can say is our economic models are based on: if a number of people participate, we get this value. If that level of participation goes down, the value will go down. It is a fair assumption to make that the value of sport and physical activity over the past year has declined quite significantly.

I have seen estimates, for example, in the leisure sector where the value of sport and physical activity that takes place in leisure centres has almost halved, obviously because leisure centres have been closed. There is a huge economic cost to declining levels of participation, as well as a huge health cost and social cost.

Q182 **Chair:** Just in the year alone, tens of billions of pounds potentially.

Dr van Sluijs: Obviously, a proportion of those people will increase their activity levels after restrictions are lifted. It is also important to keep in mind that there is a continued prolonged period where, even though most of the restrictions are lifted, opportunities to be active are still not there: for example, schools not offering the extracurricular sports activities. Also, from personal and professional experience, sports and activity clubs are offering fewer sessions to fewer people because they are restricted in terms of the number of people they can have in a session. The longer that situation continues, the more significant the impact will be, both on return to pre-pandemic activity levels and on the economic and health impacts.

Chair: That is pretty stark. That concludes our first panel. I want to thank Dr Larissa Davies, Dr Claire Jenkin and Dr Esther van Sluijs for your evidence today.

Examination of Witnesses

Witnesses: Kieran Maguire and Dr Rob Wilson.

Chair: This is the Digital, Culture, Media and Sport Committee. This is the second panel of our community and sports post-Covid-19 inquiry. We are joined by Kieran Maguire, senior teacher in accountancy, University of Liverpool and Dr Rob Wilson, head of department, finance, accounting and business systems at Sheffield Hallam University. Good morning.

Dr Wilson: Good morning.

Chair: Thank you for joining us. Our first question—just as the bell goes—is from Alex Davies-Jones.

Q183 **Alex Davies-Jones:** Thank you to our witnesses this morning. Dr Wilson, I am going to jump right in on football governance and open that can of worms. It has received a lot of criticism both inside and outside of Parliament. Is football different from other sports, or are the issues



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simply more high profile so we hear about them more?

Dr Wilson: To be really straightforward, to answer your question, it is simply more high profile, more zeroes on the end of the numbers—whether it is broadcast, whether it is wages—but fundamentally the same challenges that all sports will have from a governance and a regulation point of view but just bigger as a sector.

Q184 **Alex Davies-Jones:** Are there any leagues or even sports that do not have any governance concerns that we could potentially learn from? Is there best practice?

Dr Wilson: We could look at lots of different sports leagues and take various bits of good practice from each of them and try to put them all together, but there is no one model that stands out and says this is how you should govern and run a team sport or an organisation.

Q185 **Alex Davies-Jones:** Are there any particular aspects that you would consider good that you could give us examples of? You said there are aspects of different ones.

Dr Wilson: Yes, I am quite a fan of things like salary caps to regulate spending. I think it helps clubs become more financially healthy and more sustainable. We should not forget that over the last 20 or 30 years there has been a big drive for free-market economics—certainly in professional sport where you have a winner-takes-all scenario—and it has driven and fuelled self-interest. I think that is quite unhealthy. Things like salary caps, wage-spend limits, squad-size limits and that type of thing, the sort of things we are starting to see in the English Football League, League One and League Two, for example, but have historically always existed in rugby union, rugby league and those types of sports.

Q186 **Alex Davies-Jones:** To what extent do the different governance models encourage or discourage professional sport to invest in community and grassroots sport?

Dr Wilson: Universally, they discourage investment in community sport. It would be unfair to say that professional entities do not invest in their community programmes. I am a member of the board of trustees at Sheffield Wednesday football club's community programme. There is a lot of support that comes from the club to us to run our programmes, but it is a very small amount in comparison to what they could deliver.

Of course, if you go up into the Premier League or some of the Premiership rugby union clubs, for example, you always have that association. I just do not think the governance structures encourage a much bigger contribution to those arms, those community programme arms, that would have a tangible benefit at community sport level and all the things that we heard about on the previous panel.

Q187 **Alex Davies-Jones:** Coming to that, we have all heard some of the shocking headlines around the world in sport, when you look at gymnastics and also wrestling, where sports are not effectively regulated or governed and have had issues with the governing bodies that are in



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place. What are your thoughts—I asked the previous panel and I would be interested in your thoughts, Dr Wilson—on mandatory governance structures for all sports or industries?

Dr Wilson: That would be really helpful from an overall governance perspective. One of the biggest challenges we have, outside those big major sports, is that most of them are run by volunteers. As soon as you insert a volunteer into that governance structure you are wholly dependent on the time, the effort, the enthusiasm that volunteer has. That is not me criticising those volunteers, but it is a fair statement to say that, without providing a tangible governance structure for each of those sports to operate under, it will encourage a bit of a diversion across the continuum. That is why we have had some of the cases we have seen over the last few years. It is inevitable when you have quite a loose structure in that regard.

Q188 **Alex Davies-Jones:** That brings me on to my next question, my final question. With that, given the nature of some of the governing boards where they are voluntary and the people on them are not necessarily trained in how to operate or work for a governing board because they are just passionate volunteers, what role do you think the Government have or even should have in implementing these governance structures?

Dr Wilson: Government can certainly influence what those governance structures ought to be and work a lot closer with bodies like Sport England and with the national associations, the governing bodies, to implement training structures. There are training programmes around. The ICSA, for example, has a sport governance programme that you can study.

It should be mandatory for anybody working at that sort of level to have undertaken at least some basic training in what governance is and how it operates, and then extend their strengths, whether that is in finance, people management, leadership, funding and so on. To answer your question directly: absolutely, Government could outline that framework for governing bodies to implement.

Q189 **Chair:** To follow up on the first question Alex asked about football, your answer intrigued me, Rob, because you said that you thought it was a matter of profile and the noughts on the end changed it. Almost by definition that changes the nature of it. It is a richer sport; therefore, it is different, there is something special about it in that respect.

To bring Kieran in on this, you have been looking from the outside in terms of—to be honest about it—the complete debacle, the shambles, of the bailout of lower-league football by the likes of the Premier League. What is your view from the outside? Is this a failure of football governance?

Kieran Maguire: I think it is a failure on an individual club level but also on a general governance issue. If we take a look at the clubs in Leagues One and Two, the vast majority of those clubs were losing money pre-Covid. Therefore, they were at very high risk of any form of financial



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shock, and clearly Covid is looking likely to be the greatest finance shock since the second world war.

This makes the clubs vulnerable. There is a systemic problem in English football in that we have three governing bodies, each of whom are now pointing the finger at each other. In terms of governance of the EFL itself, it was disappointing that the EFL rejected the Jonathan Taylor QC report into governance and the implementation of independent directors. Therefore, everybody is now trying to find an excuse for not giving money to somebody else.

The Premier League generates the most money. It also spends the most money and the trickle-down effect has some benefits to football, but those could be greater. The cliff edges between the Premier League and the Championship, the Championship and League One, and also League Two and the National League exacerbate these problems.

Q190 Chair: It is quite incredible that £50 million is the current stumbling block, and that is the price of a fullback or a centre back at one of the top Premier League clubs. It is really quite incredible.

In terms of the economics that led us into this situation, were they completely skewed? We have clubs in the Championship that are running wages at 108% of turnover. Then you have a £9 billion deal at the top of the game. Is there not an argument for a fundamental redistribution of wealth within the game and focusing on grassroots? One of the submissions to our inquiry calls for 30% of net broadcast revenue to go into grassroots football and lower-league football. What are your views on that?

Kieran Maguire: That would be a step forward in terms of the support for grassroots football. If we take a look at the Premier League TV deals, they have been negotiated by the Premier League because it is an independent entity of both the Football Association and the EFL. It is a members' club and it looks after the best interests of its members.

The Premier League, overall, is losing money. Part of the reason for that is that there is significant expenditure on talent in terms of both transfer fees and wages. Also, we have two types of ownership structure within the Premier League. We have the trophy-asset approach, undertaken by owners at Chelsea, Manchester City and so on, and then we have the profit-maximisation approach, taken by the owners of clubs such as Manchester United and Arsenal.

This creates conflict but, because we incentivise clubs to qualify for European competition because of the rewards of the UEFA Champions League, it encourages overspending. It encourages companies to live beyond their means. Also, if a football club is a trophy asset, there is no need to focus on bottom-line issues. This means that the money that potentially can be redistributed within the game is kept within those 20 clubs. It is in their self-interest to do so.



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Dr Wilson: I agree with what Kieran is saying. We need to remember that football as a business, back in the late 1980s and early 1990s, was making even less money than it is now. The advent of Sky TV, the advent of broadcast rights, fuelled that level of self-interest and put all the money into the top of the game. While we have a structure that rewards clubs for doing that well, for qualifying for European competition, they will naturally want to keep as much of that revenue as possible for themselves to make themselves bigger, which is why we have seen the emergence of the big six.

I go back to what I said earlier about the needs of self-interest and how that now seems to govern the Premier League at the top of the game and very little then trickles down. It was the foundation stone of the Premier League, with this collective bargaining agreement that they produced so that all clubs would get a relatively equal share of the rights deal. That has also created the gulf of inequality that we now find, and it is absolutely the right time to start looking at how that rights distribution is made throughout the system to be fair on all clubs.

Q191 **Chair:** There was also greater competition in broadcasting with the advent of Sky TV. To return to my question, Kieran: we have fair play, effectively, when it comes to fair finances within football, and sanctions from governing bodies that have been overturned. Is this a regime that is just not fit for purpose? As you say, the structure of football right now almost incentivises running at a loss.

Kieran Maguire: In issues such as financial fair play, in defence of the governing authorities, it is very difficult to police. We have seen a large number of examples of creative accounting in order to circumvent the rules. When the mentality of individual clubs is, "Here is a rule. How do we best get around it?" That means that the EFL and the Premier League have to spend a disproportionate amount of their time trying to police the activities of clubs who are, in theory, just trying to play football.

Trying to come up with a set of rules that is equitable for all is very difficult. If we take a look at UEFA's financial fair-play rules, the original intention was to reduce debt, yet the clubs that have been sanctioned, the likes of Manchester City and PSG, have not had debt, so that seems to be an anachronism.

If we then look at the alternative viewpoint, which is one of encouraging clubs to break even, as Rob has already said—given the clubs at the top already have a significant financial advantage over the remaining clubs and at present that is £350 million, on average, between the big six clubs and the remainder of the Premier League—how does a club try to improve itself on the pitch without spending money? You have a set of rules that discourage you from spending money and there is an incentive, whether that is undertaken or not, to try to circumvent those rules. The rules at present discourage investments and they discourage competition. That is why we have seen clubs such as Newcastle, or the fans of Newcastle, being very upset that the proposed takeover was rejected.



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Q192 **Julie Elliott:** I want to move on to sport more broadly, because there is sport outside football. Kieran, how do you think fans should be included in the governance of sport?

Kieran Maguire: Fans' views need to be taken into consideration, and also fans tend to have a much broader range of skills than perhaps they are given credit for across a variety of sports. I am speaking as somebody who plays cricket, somebody who is running and somebody who goes cycling as well. The contribution that can be made by fans is ignored because the focus is on owners of clubs, as far as professional sport is concerned. When it comes to amateur sport there tends to be a belief that, "We know best" as well, therefore fans are kept at arm's length. I do not think that is necessarily a good thing.

As Rob mentioned, in terms of governance, giving fans extra knowledge and training so they can make more of a contribution—because there is an awful lot of passion across the whole sporting spectrum here in the UK—would very much be a step forward.

Q193 **Julie Elliott:** Can you think of any examples where fans have been successfully included in running sporting organisations or clubs?

Kieran Maguire: I focus on football. If we take a look at clubs such as Exeter, Wycombe Wanderers, Portsmouth, where fans have come in to run the clubs when the former owners—who were mainly aimed at profit maximisation and were effectively using the clubs as a pass-the-parcel exercise—would try to flip them, as you might try to flip a house. You buy it and try to sell it on at a higher price. When those models failed, the fans came to the rescue.

The fact that we now have Wycombe Wanderers in the Championship, the fact that Exeter has sold players who are now playing in the Premier League and we also have evidence of that in clubs such as Motherwell in Scotland, those are examples that show fans can be organised and can come to the rescue of clubs when they fail under traditional ownership models.

Q194 **Julie Elliott:** Of course, fans are only one group of stakeholders, although a very important group. Do you think any other stakeholders should be involved and play a wider role in the running and governance of clubs?

Kieran Maguire: Yes, I think that local trade associations should see the benefits of having a successful club within the local community. I am fortunate enough to teach a lot overseas, and when they find I come from England they say, "What football team, what city do you come from?" If I say, "I've lived most of my life in Manchester", it is immediately, "Manchester United or Manchester City?"

If we take a look at what happened with Bury football club, it was a focal point of the town and therefore helped local trade associations. It is the start of a conversation. I agree with you entirely, Julie, that they should not be dominated by football as a sport, but it is the one sport that I



think has universal appreciation, an admiration for what we have here in the UK.

Q195 Julie Elliott: There is no doubt, it is the national game, and coming from the north-east, football is more like a religion there, however clubs are performing, and that is whichever club you happen to support. I suppose what I am getting at is this. We have done a lot of work on this Committee in recent years about governance in sport and governance structures, and I am looking to see whether you think governance structures in sport, be it in football or anything else, are fit for purpose.

Kieran Maguire: We have to decide what is the purpose. Is the purpose to improve access to sport in terms of participation? Is it profit maximisation? Is it to be a flagship for a local community? That has to be decided by a variety of people, and both central and local government should play a part, as well as people with experience of the sport, fans, broadcasters and so on. Set your objectives and then we can have the governance that is geared towards delivering those objectives. At times, too many organisations have a vaguely worded mission statement that has come from somebody's marketing textbook and we just pay lip service to what we are trying to achieve.

Q196 Giles Watling: Most of what I was going to ask has already been asked, so you will be pleased to know I will be brief.

Nine years ago, a previous incarnation of this DCMS Committee published a report on football governance—I am going back to football, I am afraid—and one of the highlights of that report was the success of the Premier League and the Football League, which was accompanied by instability and debt elsewhere throughout the football pyramid. The report also recommended reform of the FA, and there have been no reforms to date. Covid has brought the need for good governance into sharp focus. We have been talking about that, but what reforms would you like to see of the FA in particular? I am asking Kieran this question. Covid has brought this into sharp focus.

Kieran Maguire: The Football Association's present brief is very much geared towards that of the England team and grassroots football. Therefore, are we getting contributions towards the running of the game from within the England football team? Footballers appear to be kept at arm's length. As for the way in which the FA operates, it is very successful at generating money and it does distribute a lot of money through the grassroots. Some of that is substituting for the lack of facilities being provided locally. I think the FA should be working in conjunction with local authorities to provide 3G pitches and things of that nature, which would be a step forward.

There clearly have been issues with the FA's own governance recently. It was disappointing to see, as recently as last night, that the person in charge of trying to recruit a new chair of the Football Association has themselves resigned. Looking at the governance issues there, it does appear to be an organisation that is moving forward at a glacial pace. How can we accelerate that pace? I think we need a more streamlined Football



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Association and a much broader base of stakeholders involved. At present, stakeholders such as the Football Supporters Association do not have a seat at the top table. The most important people in the sport of football are players and fans, yet they seem to be vastly underrepresented.

Q197 Giles Watling: Rob, from a financial point of view, it would be really superb to see from you guys, who have the experience and understanding, a shopping list of what you would like to see happen. It is all very well asking the questions that we need to ask—and Kieran did that brilliantly and outlined some of those to Julie—but, Rob, what would you put on your shopping list?

Dr Wilson: Going back to the previous question, some stakeholder involvement in the running of those organisations would be quite important. Going back to Alex's question, what we would mandate from a governance point of view is important. Take the FA as an example. I live in Sheffield. I run a small grassroots football team and participate in the Sheffield & District Junior League—about 12,000 players every weekend—and we simply cannot get pitches in the city.

Go to St George's Park, which is partially funded by the FA, and you have to pay £180 to play a game on a Sunday afternoon. That makes the sport completely inaccessible to so many people. From a mandatory point of view, Government are providing funds to support some of these national organisations, whether it is the FA, England Netball or British Swimming, whoever it might be, and there should be a limit on what some of those organisations are allowed to charge or what those organisations can provide as subsidy, to make sport much more accessible to the participating masses because, ultimately, we do not have elite sport if we do not have that participation base at the bottom of the pyramid.

We have to make it much more accessible. We do that through the provision of funding. Over the last 10 years we have reversed some of the cuts that placed more pressure on local authorities to invest in sport and physical activity, but they have chosen to invest in other areas, so we have continually defunded sport and physical activity. Top of my shopping list would be mandating those governing bodies to subsidise the provision of their sport and physical activity opportunities to make them much more accessible, not just once a week but several times a week, so we can engage people in participating in sport.

Q198 Giles Watling: That is really good to hear. As a patron of Clacton FC, I shall carry that back and tell them that you said that. Thank you.

One last question. Now we have had this pandemic—and hopefully we are beginning to see the light at the end of tunnel, with vaccines and so on coming down the line—should we use this opportunity to get back to normal as quickly as possible, the previous normal, or should we now jump at this opportunity for reform?

Dr Wilson: I think the latter. We have to jump at this as an opportunity. Kieran mentioned earlier that Covid has very much masked frailty of



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sport finances, certainly at professional sport level but also at the level of the national governing bodies, but this is not new. Sports have struggled to break even, to make sure that they can cover their liabilities when they fall due. All that Covid has done is shine a spotlight to unmask and polarise that problem. If we fail to seize this opportunity, we will be talking about these same problems in 10, 15, 20, even 30 years, when we will have absolutely zero impact on participation and the regulation of sport.

Q199 Giles Watling: Brilliant. We should seize this opportunity. Kieran, do you have anything to add?

Kieran Maguire: I echo what Rob said. If we take a look at the last economic shock to English football, which was the collapse of ITV Digital in about 2003, we learned absolutely nothing. The casino-style ownership models, which we see far too often in the way that football governs itself, have been repeated again and again, with the hope that an owner will bail out the club and that there will be sufficient moneys coming in from match days and broadcasting and so on.

There is an opportunity for a reset, but a quick decision is not always the best decision. Certainly, there should be an acceleration of people coming together. At present the governing authorities, the Premier League and the EFL, seem to be talking very slowly and, every time we do that, it increases the risk of a club potentially going out of business. We have seen Bury, Macclesfield Town—we have apparently managed to get through to the November pay packets and those have been paid. Will clubs now have the resources to pay wages in December and January? Unless the EFL and the Premier League come together, no, they will not.

Giles Watling: Okay, carpe diem but do it with forethought and care. Thank you.

Q200 Kevin Brennan: Kieran, Wrexham Football Club Supporters Trust recently voted to sell the club to two Hollywood stars, Ryan Reynolds and Rob McElhenney. What do you make of that?

Kieran Maguire: Having seen the presentation by the two Hollywood people, I think it was very persuasive. They did appear to have a knowledge of the values held by the Wrexham fans, mainly due to the fact that they repeatedly say, “We’re going to beat Chester”, the local rivals, so there was an understanding.

Q201 Kevin Brennan: Making Wrexham into a global force.

Kieran Maguire: One sincerely hopes so. There are benefits for the two people involved because the alternative is to buy into an American franchise, and that would have cost them \$300 million to \$400 million. Their capital commitment to Wrexham, we are looking at a £2 million injection, is broadly similar to what we have seen at Salford City, which has taken itself from non-league football into the EFL on the backing of a glamorous set of owners, and clearly the cash helped as well.



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The work done by Wrexham Supporters Trust is absolutely magnificent. What they have done in terms of governance is say to Reynolds and McElhenney that they still want some involvement, and we have seen similar activities take place. I have mentioned some of the fan-owned clubs. We have seen Portsmouth go back into private ownership, but there is a commitment from the owners for more engagement with the supporters. We have just seen the same at Wycombe Wanderers. Having spoken to people at Wycombe Wanderers Trust, they were going to go out of business, and this was pre-pandemic. Sometimes the benefits of having fan-owned clubs is that they can give a club an opportunity to reset, to give it some time to gather its thoughts together, and then perhaps, if the club wants to push on, or the fans want to do that, private investment is beneficial.

Q202 Kevin Brennan: I hesitate to say this, obviously, as Cardiff City is located in my constituency, but you did not mention Swansea City in that list of clubs that have gone from fan ownership and sold out to big buyers. Which is the more typical example of what happens when you do that?

Kieran Maguire: If you talk to people at Swansea Supporters Trust, I think you will find they have been very disappointed with the way that particular deal was organised. They were minority shareholders, in effect, and therefore their views were marginalised when the takeover took place. You have to look at the extent of fan involvement and fan ownership. If you are a minority shareholder, your voice—while it may be heard—can easily be ignored. I would say the Swansea example is one of the sadder ones at present.

Q203 Kevin Brennan: There was a very interesting discussion from the Hay Winter Festival online at the weekend between Elton John and Arsène Wenger. It reminded me that Elton John, when he invested in Watford, brought Graham Taylor on board. That celebrity investment was of massive benefit to the club, wasn't it?

Kieran Maguire: Yes. What having celebrity investment can do is increase the profile of the club so, therefore, if you are at Wrexham and you are looking for your next shirt sponsorship or for advertising, everybody will be waiting for the first time that Rob Reynolds and McElhenney fly into Liverpool airport or Manchester airport. That is going to attract the cameras, attract extra interest, and that can be sold by the club. If they have celebrity owners, clubs are in a position to leverage on this. Elton John was certainly a very benevolent owner as far as Watford football club was concerned, but he ultimately realised that there was only so far he could take the club and that is why he eventually took an exit route.

Q204 Kevin Brennan: We all look forward to the Wrexham Netflix documentary on the back of that.

You said something earlier, Kieran, that struck me as quite a staggering statement in some ways. You were talking about the different goals of football clubs. Most football fans would assume that the goal of a football



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club would be to win the league or the cup or to win, basically, given that you play to win is a basic part of the ethics of sport. What you said was that the owners of Manchester United and Arsenal do not play to win. They do not particularly want to win trophies. Their whole strategy is simply to maximise profit, not maximise glory on the sporting field. Should they be prosecuted under the Trade Descriptions Act for the way they are conning their fans?

Kieran Maguire: No, I don't think they should be prosecuted. My comments were based on what was originally said by Ed Woodward, the chief executive of Manchester United, who has gone on record as saying that the club does not need to win matches to be financially successful. Of course, he will say that Manchester United has spent more money on transfers and wages than any other club in the Premier League, but they also have to look at the demands made by their shareholders.

Q205 **Kevin Brennan:** Can I stop you there? That is a slightly weaker thing than what you said earlier. I think you said earlier that the principal strategy of those two clubs, in comparison with, say, Liverpool, is not to go after trophies but is to maximise profits. No one can sue you because you are on a parliamentary Committee here. Is that a statement that you would stand by, that their principal objective is to maximise profits rather than to win competitions?

Kieran Maguire: As a listed company on the New York stock exchange, your objective is to maximise shareholder return. What you can also say in that regard is that success on the pitch can lead to maximisation of financial returns. They would not be doing what is right by their shareholders if they were to take the same approach as has been taken by clubs such as Chelsea and Manchester City, which have run up historically very high losses, where the aim was that those losses could be borne by the owner. That would not be in the best interests of the shareholders of the club.

Q206 **Kevin Brennan:** Do you think that financial instability is inevitable in professional team sports?

Kieran Maguire: It is not inevitable because we see other sports—Rob made reference to wage caps in other sports—where they can have a greater opportunity for stability. Major franchise sports that operate in the USA have financial stability because they have wage caps and they have redistribution of wealth, because the aim is that they do not want to have legacy clubs who win the trophies every year. That does not go down with American fans to the same extent that we have here in the UK. It can be achieved but, in order to have that, you need some form of better financial regulation.

Q207 **Kevin Brennan:** It struck me as ironic that the NFL, which is probably the richest league around, operates on socialist principles, in that the weakest is given all the best resources the following year in terms of the draft of the best players. It basically operates as a collective rather than as a competitive environment in that sense. Is the only reason that model could not work in UK sport because of promotion and relegation



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and so on, otherwise it could effectively operate as a kind of collective in that way?

Kieran Maguire: It could work to an extent if we eliminated promotion and relegation, which clearly is part of the bedrock of English football. There are more complications, however, because the American draft system is very much based on the American college sport system, and we do not have anything of a similar nature here in the UK. The reason for that is that clubs are responsible for their own academies and their own player development rather than using a third party. How you would replace the draft system for player recruitment would be a challenge.

Kevin Brennan: Just to be clear, as a Cardiff City supporter, I am not advocating abolishing promotion.

Dr Wilson: A lot of the research we have done at the university centres on something called competitive balance, which drives financial performance. You generate more money if you have a competitively balanced league. That is built on a very basic economic principle called uncertainty of outcome. If you put two teams together, and they are very closely matched, it will increase the value of that sporting contest, broadcasters will want to pay more, sponsors and commercial partners will want to come in, and you will get more fans through the gate.

That is exactly what the NFL is built on. It has this unequal distribution of TV revenue that means the teams are much closer together in terms of their competitive integrity, hence the NFL is a very lucrative sport. What we do not have in the UK—or indeed across any European sport—is a similar model. We have sports that have borrowed some of those characteristics of American sport.

Rugby league is a good example, where you have a salary cap. They distribute the TV rights in a slightly different way, yet they have not generated a product there that is as attractive as perhaps it should be. Rugby union does something similar. Cricket does something similar. But you can go into other sports, like women's super league netball, where you have a much more level playing field.

In reference to a point you made earlier about Wrexham, the problem with the narrative here is that we are always looking for a white knight to ride in on horseback with a big trunk of cash to bail out a club that has reached financial oblivion. That is where sport has gone completely wrong. Too many clubs are chasing dreams and spending too much money with the hope that, if it all goes wrong, somebody will come in, pick up that organisation, and take it on to the next level.

We are going to see a huge rise now in private equity investment in professional sport, whether that is football, the two codes of rugby or some of the fringe sports like women's super league netball, and they will all be driven to try to turn a profit from those sports. We need to be very careful about that narrative of having these new owners come in, because that will save the day and allow that club to move on to the next level. The functional line here is that you have to make sure that your



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selling price is higher than the cost, and you have to make sure you can pay your debts as they fall due, and too many professional team sports are not able to meet those two objectives.

Q208 Kevin Brennan: What doth it avail a sport to gain a fortune and lose its soul. I think that is potentially the problem with these types of investors, isn't it?

Government have intervened during the Covid crisis. You mentioned rugby league. Government have put money into rugby league and long-term, low-interest loans into rugby union, but not into football. Government have decided that football should pay for itself. Briefly, what comments do you have on what Government have done so far for sport, and what would be the most effective intervention into professional sport that they could make?

Dr Wilson: I saw that announcement when it came out the other week. I think the spread of those interest-free loans across spectator sport was missed in quite a few quarters. It was targeted at clubs and organisations that had lost revenue, essentially through gate receipts, and matched the revenue they were dependent on. It was a good opportunity to replace revenue.

I heard the CEO of Badminton England say that the £2 million they were given was a lifeline because most of their revenue was unachievable because they could not have the All England Championship. However, I think we need to go a little further into those non-spectator sports. I know Alex mentioned that she is involved in wrestling. My wife plays netball. Girls' sports in particular were missed off that list to a certain extent. I think that is very dangerous at this time when women's sport is on the rise, is becoming more popular.

We need to harness that energy, and I think a financial contribution to those sports and some of those disadvantaged groups, or harder-to-reach groups—which we heard about from the previous panel—has either been missed publicly, or I certainly have not seen any evidence coming out, and I would like to see more done. The response from me is B+. Government have done really well but probably could do a little bit more.

Q209 Kevin Brennan: That is helpful. Kieran, do you have anything to add, or do you agree with what Rob said?

Kieran Maguire: No, Rob summarised it perfectly.

Q210 Kevin Brennan: One final question. The last time we discussed sport on this Committee, we had the chair of the FA in front of us and, following our proceedings, he resigned. As witnesses, what was your reaction to that?

Kieran Maguire: I was listening live at the time, and my jaw dropped on a few occasions. His comments, to say that it was a generational issue. Well, I am of a similar age and I would not use that language myself. The ability to say inappropriate things showed a degree of arrogance. Normally you would expect somebody in a high-profile job like that to



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have had some media training. You can only assume that that had been rejected. I think Greg Clarke did the appropriate thing in resigning, and I look forward to the next chair of the FA being able to articulate themselves in a more modern and inclusive manner.

Q211 Kevin Brennan: I agree with that. Rob, do you have any suggestions—given that the person who is supposed to be helping to find the new chair has also resigned—about how the FA might pick a suitable candidate?

Dr Wilson: I agree unequivocally with what Kieran said. The biggest challenge for the FA, or any leading body, is to make sure that they have the requisite skills at the top of their organisation. The way you speak about certain groups of people is one of those skills that should be absolutely on point.

I would look both within and outside of sport for the right chief executive or managing director of that organisation. There are some pretty leading candidates out there who would be very good in that particular post and I would be using the networks that I had at my disposal to try to identify the most appropriate person, who might have already worked at the FA.

Q212 Kevin Brennan: Who would you pick?

Dr Wilson: Adrian Bevington would be a very good person to put into the organisation. He is a very skilled communicator. He has worked across the landscape of not just football but other sports and across the various levels that football touches as well.

Q213 Kevin Brennan: Have you got a name for us, Kieran?

Kieran Maguire: I would suggest Nicola Palios at Tranmere Rovers. She is from a law background. Having seen her speak on a professional level, I think Nicola is somebody who has a great set of skills which would be of benefit to football.

Kevin Brennan: As a Welsh supporter, I declare I have no interest in this.

Q214 Mrs Heather Wheeler: I have been very interested in what you have had to say, particularly “follow the money” in effect. My question is to what extent money in the professional game trickles down to the grassroots and community game? Is it reasonable to expect the money to trickle down?

Kieran Maguire: We see money coming from the Premier League into the EFL clubs, in what is referred to as both parachute payments and solidarity payments. Those parachute payments have a distorting effect in the Championship. The solidarity payments are more welcome.

We also have parachute payments from the EFL itself, within its divisions, and that trickles down from one division to another and into the National League as well. We have a form of parachute payment within UEFA, in what is referred to as a 10-year coefficient, and there is money that gets redistributed within individual authorities.



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As for funding community events, all the clubs in the Premier League and nearly all the clubs in the EFL have absolutely amazing community development schemes. These are very much focused on the issues of education, health, crime reduction and so on, and I think those organisations get insufficient credit for the work they do. Certainly, if you take a look at the economic impact reports—I work at the University of Liverpool and, in my opinion, Everton in the Community is probably the flagship organisation in the country—the economic impact is that for every £1 invested they get about £14 of social value, either in terms of crime reduction, health and development or inclusion of marginalised people by way of activities, such as disabled sport and teaching young people how to cook.

Kids who are excluded from school, or who are almost excluded from school, will go to a course being run by Everton or the Liverpool Foundation as it is being run by the football club—I am a Brighton & Hove Albion supporter and we have something called Albion in the Community—because the badge generates engagement, whereas, if the course was being run by a local authority, they would not turn up.

A greater investment in activities of these sorts, and perhaps greater support—I am fully aware that the Home Office operates in conjunction with many of the programmes—would be absolutely fantastic. It would be remiss of me not to mention the third club on Merseyside, Tranmere. Their argument is that private sector provision of public sector services can be done very efficiently through football clubs because of their unique ability to start a conversation. A 58-year-old guy who is crying at night will not go and tell his doctor but he will go and tell somebody if he is invited along to a football club event being run for these purposes, and it can make a huge difference, and does so, on a local level.

Q215 Mrs Heather Wheeler: Rob, do you have anything to add?

Dr Wilson: No, I will leave football to one side. Kieran has covered it quite well. We need to differentiate between the big four professional team sports and the national organisations that provide sporting opportunities for other people.

In terms of Government policy, I would be looking at trying to fund those national sporting governing bodies to a greater degree than those professional sports that are much more able to generate their own revenue. Ultimately, we want all sports to be able to wash their faces financially and to generate their own revenue. Of course, there will be sports that are in much greater need of funded positions, whether that is through central Government or local government or, indeed, through the private sector.

Government policy to perhaps mandate professional entities to surrender 10%, 15%, 20% of their overall revenue to distribute to grassroots sport would be a good start—I referred to one of the written submissions earlier in that regard—and would free up the obviously limited resources of central Government to provide funding for some of those emerging



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sports. I keep citing sports like netball, because quite simply it has had a crescendo of participation over the last few years but there are lots of other sports. Table tennis is another sport that has been doing really well from a participation point of view, and British Weightlifting is another, with community clubs built around being stronger mentally and physically.

Q216 Mrs Heather Wheeler: You have brought me on to my next section and this will be my last go at this. Part of the conversation has been about the 5% that the big football clubs pay over to the Football Task Force—and that is huge amounts of money—but there is also a conversation about whether there should be the 30%, the voluntary code requirement of TV sport and what have you, that they should sign up to that voluntary code of conduct and distribute 30% of the net broadcast revenue to grassroots sport. Do you think that is ever going to happen? Should it happen?

Dr Wilson: I think that 30% is a very aspirational target. If we could get to this point, it would be fabulous, but let's see at what point on the supply and demand continuum we can find an equilibrium.

What we must not forget is that in any professional team sport, there is an inextricable link between financial performance and sporting performance. That is what the research I do with Dan Plumley at the university has been built on for the last five or six years. Without sporting performance, you will never be able to generate financial performance; and without good financial performance, you will not be able to generate sporting performance. We don't know which one drives the other. We know that they are inextricably linked.

What we need to be careful about is that, if we ask some of these professional entities to surrender too much of their earned income, it would threaten the stability of their sporting performance. When you aggregate that up to, say, European competition, we would become less competitive in that sport on the European stage. That would mean that our broadcast rights deals, commercial sponsorship revenues and so on would also reduce and another elite sports league elsewhere in Europe may become as powerful as we have seen the Premier League become.

In a roundabout way of answering your question, I think 30% is too aspirational, but I absolutely believe that 5% is far too little.

Kieran Maguire: I repeat what Rob said. If you are Manchester United or Chelsea, you do not see your rivals as being Leeds United, Newcastle or Burnley in the Premier League; you see your rivals as being Barcelona, Real Madrid and Bayern Munich. If we were to give 30%, which is very laudable, the only way it would be achieved would be more through stick than carrot and I think the clubs—again, because their self-interest is so much to the fore of individual clubs—would not voluntarily go down that particular route.

Q217 Clive Efford: We are told that we are close to a deal between the Premier League and the English Football League, but all along the Premier



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League has made it clear that there is £50 million on the table for Leagues One and Two but that, if there is any assistance for Championship clubs, it will only come in the form of loans. Does the Championship need more debt?

Kieran Maguire: No, it does not, but the only way for that to be achieved, to give a bailout of around £200 million to £250 million, would be for the Premier League to take on more debt. The Premier League's annual income from ticket sales is just short of £700 million a year. In addition, it has had to give rebates of about £300 million to the broadcasters for failure to deliver matches on time last season.

The Premier League itself is looking at a revenue shortfall of about £1 billion over a 12-month period. How the Premier League could provide that funding—and it would be magnificent if one of the Premier League owners did it as an act of altruism—would be a challenge. Because, as we have already discussed, there is inequality within the Premier League itself, as well as between the Premier League and the Championship.

If we take a look at the wealth of clubs in the Championship, the collective wealth of owners is estimated to be in the region of £30 billion. There is no reason why they should have to go and bail out their own clubs. Equally, you can see it from the perspective of the Premier League club owners as to why should they be bailing out or providing financial assistance for a club, which is potentially going to take their place in the Premier League over the course of the next two or three years, when the individual owner happens to be richer?

If we take a look at the finances of clubs in the Championship, at worst clubs are paying £226 in wages for every £100 of revenue and there are individual players on salaries of more than £5 million a year. It is difficult to have sympathy for central Government—and nobody, I think, would demand that from the taxpayer under those circumstances—to provide financial support.

Q218 Clive Efford: If you disaggregate the parachute money, that expenditure in the Championship, where are we left in terms of how much in excess of income is being spent on player salaries?

Dr Wilson: That is the answer to the equation, Clive. Rick Parry sat on this Committee the other week and said there was a £250 million hole in club finances in the Championship. The Premier League paid £270 million in parachute payments to that same division, so it is very simple: stop paying parachute payments, because we know they distort competitive balance and are ruining life in the Championship anyway, and hand that same £270 million, relatively, to all the clubs that are missing that £250 million, and you reset.

Q219 Clive Efford: We have solved the problem. A done deal. We will move on. Do any football clubs in the Premiership or the English Football League put money into our community football trusts?



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Kieran Maguire: Yes, they do. I have the figures here from Brighton & Hove Albion: 25% of their total funding comes from the club itself; 55% comes from grants; and 20% comes from fundraising.

If we take a look at Everton and Liverpool, again there are significant contributions from the parent club. The biggest fundraiser, as far as the Liverpool Foundation is concerned, is the annual legends game, where they can sell out Anfield. They can generate £1 million revenue from that, clearly in a non-Covid environment, and that is nearly 25% of total funding.

There is funding coming from the clubs themselves. There is also funding coming from the Premier League charitable foundation, which collectively takes a proportion of the TV money—I think it could be argued that that should be more—and distributes it to the 20 clubs to help them fund and operate their individual foundations.

Q220 **Clive Efford:** What portion of the money spent by community foundation trusts, community football trusts, comes from the clubs?

Kieran Maguire: It varies from club to club.

Q221 **Clive Efford:** An overall figure that says they spend this much and the clubs provide this much?

Kieran Maguire: I do not have those figures to hand. I would have to go to all 20.

Dr Wilson: There is no mandate, either, from the parent professional club to donate to the community programmes. I referred to the fact that I am a trustee at Sheffield Wednesday. We get quite a significant amount of funding through the Premier League Foundation to run the programmes we do. The Premier League money is being distributed not just to the 20 community foundations in the Premier League but also beyond that into the Football League Championship.

There is absolutely no mandate for any club to donate money to its community foundation. They tend to do it out of choice and from the availability of funds. Going back to a question Alex asked at the very start, that is the sort of thing that a governance structure could mandate on its professional clubs.

Q222 **Clive Efford:** Yes, I agree with that. Are there other sources of funding that we do not tap into that we could tap into for community sport, like dormant betting accounts, unclaimed lottery winnings, although they are recycled? Are there other sources of money that we could tap into for grassroots sport?

Kieran Maguire: If we take a look at the major beneficiaries of sport during the Covid period, it has been gambling organisations. It would be similar to the way that we have a horseracing levy. We could quite easily have a football gambling levy—if perhaps 1% of fees went into a grassroots fund—which could be used to make a major change. It is estimated that the total betting stake from gambling in football is



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somewhere in the region of £14 billion, and 1% of that is £140 million. I believe that could make a significant improvement in grassroots football.

Q223 Clive Efford: This could apply right across sport, couldn't it? Football is obviously the big driver, but it could be tennis, at the time of big tournaments, rugby, cricket; they could all contribute.

Kieran Maguire: Yes, they could. But if we take a look at the work done by the LTA, the work done by the Rugby Football Union, an awful lot of money made from their flagship tournaments does go back into the equivalent of grassroots sport.

Q224 Clive Efford: Yes. Some sports are better at it than others. I will give you that. Should there be a transfer levy? Should it not be at least equivalent to what football agents take out of the sport?

Dr Wilson: That is a good question. If we just dip into the previous panel, we heard a lot about obesity and how the public, generally speaking, are less active in their lifestyles. I think somebody quoted a statistic that we are now built to become more obese and a lot of that is going to come from unhealthy foods, through sugary drinks and that type of thing.

Through gambling is one way of levying, but we could also apply a levy to some of those food and drink manufacturers that are contributing to the obesity epidemic and redistribute the money right across the sporting spectrum in the way you are suggesting. It does not have to be football. You could leverage a major event, the Wimbledon tennis championship, for example, and put more programmes on around that time, or England Test matches, that type of thing. All of these bigger businesses that are making hundreds of millions of pounds could donate a little bit more through their CSR to a central fund that we could use to supplement provision for sport and physical activity.

Q225 Clive Efford: Dare I mention that a shadow Sports Minister once wrote a paper that suggested exactly that? I will not name him.

My last question is about co-operation across sports governing bodies. Do you think we could get more for our money at grassroots level if sports governing bodies co-operated more at ground level?

Kieran Maguire: There is an element of co-operation. The major income stream of most sports is coming through broadcasting. The individual sports talk to each other to co-operate to make sure that Wimbledon does not clash with the World Cup and that the Olympic Games do not clash with this, that and the other, and so on, so there is some communication. It could be that we can have partnerships between individual sports so that if you sign up for the local cricket club, you get a discount at the local rugby club, and things of this nature. Here, I think, there are opportunities for joined-up thinking.

Q226 Clive Efford: That is true, but I was thinking about infrastructure as well. Where we are investing in infrastructure, in say local parks, or local clubs, sports could co-operate with one another to design things so that they



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are multidisciplinary—

Kieran Maguire: That would be fantastic.

Clive Efford: —expanding access to sport into our public parks and elsewhere.

Dr Wilson: You could even go so far as to when people are undertaking coaching qualifications, level 1, level 2 qualifications to coach sport. We should be educating those coaches to open the eyes of children, in particular, to consuming a range of sports, rather than pigeonholing them so quickly in their lives to one particular sport. Making sure that the national curriculum, PE, has those sport-club links that could help to filter kids off into different sports, just to enjoy them and to play, rather than being so focused on becoming a professional athlete—Ronaldo earning £20 million a year or whatever it is.

We need to co-operate a lot more. There are some obvious ways. Rugby union clubs could work very closely with rugby league clubs. You would then all of a sudden get an all-round year of activity. Some of the court sports could work together on hand and eye co-ordination and those types of things.

I am drifting into areas that I am less skilled about, but it almost makes common sense to me to say we should be providing much better multi-use facilities; we should mandate organisations to work in conjunction with each other to make sure that we sweat the assets, that they are used much more frequently, are much easier to access and that we have a coaching provision that is sufficiently skilled to deliver a range of sports, not just the ones we are historically good at.

Q227 **Clive Efford:** Last question. It just occurred to me when you were speaking, so I am just going to add it in. Is there any evidence to suggest that when stakeholders, fans for instance, from the community get involved in the management of professional clubs that they become more inclined to get involved in the sorts of ways you have just described and put more emphasis on investment in the local community?

Dr Wilson: Anecdotally, I would probably agree with that as a statement. However, I don't know of any evidence that would empirically prove it.

Q228 **Chair:** One final question. Kieran, you may have heard us discussing with the first panel the impact of Covid and lockdowns on physical activity. The figures were quite stark, participation falling from 63% to 24% and continuing to fall.

Thinking about how football is going to come out of this, and the perception of football in the future, do you think the brand value has been damaged? Do you think there has been a bit of a break with the fans to a certain extent, or will it just be business as usual after all this is over?



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Kieran Maguire: I think that, in the short term, there will be a downside. I can only say, from the people who support my club and other fans that I have spoken to, that they struggle to work out who their next opponent is. If you talk to most football fans, they used to know what was going to happen each weekend for the next two or three months, so there has been a change and there could be a break between professional sport and fan bases.

On a local level, there is potential danger. If youngsters have not been able to go to training for the last two or three months, it could be that they have picked up something else as an alternative. Given that the ability to go out from households and to gather is restricted, there could be a consequence that we will not find out about for a while.

Chair: Thank you very much for your evidence today, Kieran Maguire and Dr Rob Wilson. That concludes our session.