

# Digital, Culture, Media and Sport Committee

## Oral evidence: The impact of COVID-19 on DCMS sectors - sport, HC 291

Tuesday 5 May 2020

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[Watch the meeting](#)

Members present: Julian Knight (Chair); Kevin Brennan; Steve Brine; Philip Davies; Clive Efford; Julie Elliott; Damian Green; Damian Hinds; Giles Watling.

Questions 1-110

### Witnesses

[I](#): Tom Harrison, Chief Executive Officer, England and Wales Cricket Board, Rick Parry, Chairman, English Football League, and Bill Sweeney, Chief Executive Officer, Rugby Football Union.

[II](#): Dame Katherine Grainger, Chair, UK Sport, and Tim Hollingsworth OBE, Chief Executive, Sport England.

## Examination of witnesses

Witnesses: Tom Harrison, Rick Parry and Bill Sweeney.

**Chair:** This is the Digital, Culture, Media and Sport Committee inquiry into the impact of COVID-19 on the digital, culture, media and sport sectors. Today we will look at sport. On our first panel of witnesses, we will have Rick Parry, the chairman of the English Football League, Tom Harrison, the chief executive of the England and Wales Cricket Board, and Bill Sweeney, the chief executive officer of the Rugby Football Union. Thank you for joining us today.

Before we start the session, I will go round the members for declarations of interests. I will kick off, so to speak. I have accepted hospitality and tickets from the Premier League, the ECB and the RFU in the past 12 months.

**Steve Brine:** I have in the past accepted tickets from the Premier League to football events.

**Giles Watling:** I have no interests to declare apart from membership of a lovely cricket club in Frinton.

**Julie Elliott:** In the past year, I have accepted tickets from the ECB to cricket and in the past from the RFU.

**Clive Efford:** My only declaration is that I am chair of the trustees of a sports club that receives grants from Sport England.

**Chair:** And I believe that is Samuel Montagu, isn't it?

**Clive Efford:** Yes.

**Chair:** In the Kent league—I know it well.

**Philip Davies:** I have no financial interests to declare for any of today's witnesses, although I am a season ticket-holder with my two sons at Bradford City.

**Chair:** We will skate over that.

**Damian Green:** Mine is also a reverse declaration of interest, in that I am a season ticket-holder at Reading Football Club and I am a member of Surrey County Cricket Club.

**Damian Hinds:** None.

**Kevin Brennan:** I have accepted invitations to various sporting events, particularly with the Welsh Rugby Union.

**Chair:** Thank you all. Okay, our first witness is Rick Parry, the chairman of the EFL. Good morning, Rick.



**Rick Parry:** Good morning.

- Q1 **Chair:** Worst-case scenario, after, say, the next 12 months, as we come out of this COVID-19 situation, how many football clubs in the EFL could we lose as a result?

**Rick Parry:** That is a very difficult question to answer. Clearly, our objective is to try and make sure that we lose none. Our avowed aim is to emerge stronger, leaner and more efficient, to have a proper reset post-COVID. We are heading for a financial hole of about £200 million by the end of September, a cash hole that we will need to fill, and clubs are stacking up creditors as well.

We have a great deal of uncertainty around next season, of course, the great undetermined matter being when we will return to playing in front of crowds, which for the EFL is absolutely critical. We are much more dependent on crowds for revenue, and indeed we are much more dependent upon the atmosphere generated by crowds potentially than the Premier League. So that is a critical date for us, but in the absence of knowing that, I think it is premature to speculate as to whether clubs will be out of business by next year. As I said, we will be doing everything in our power to make sure that all of them survive.

- Q2 **Chair:** The reason I asked that question is that I have just come off the phone with a chairman of a football club in the EFL, and I will just tell you what they told me. They told me that basically they had offered their players a 20% pay cut between April and July. The players had agreed to that, basically in order to help a little bit to close the financial black hole that they faced.

However, the PFA then decided that that would not be the case. They said that there would be a deferral for April only. Now the PFA has appointed Deloitte—a rather expensive company to employ—to effectively go through the books of football clubs in order to see whether or not they are being genuine in asking players to forego or partially give up salaries. This football chairman was desperate. He said to me that by end of the year he faces a shortfall of £1.3 million and he has no income at all—not just no gates; no hospitality, nothing is coming in. Is that a familiar story? If so, what is the role of the PFA in this and what do you think is the way out?

**Rick Parry:** It will not be an unfamiliar story. As I have said, the cash hole towards autumn looks pretty grim. We are well aware of the appointment of Deloitte. It is a process we are involved with. We have been discussing matters with the PFA for several weeks and within the last month we have also established our own group of club captains—six captains who we are talking to on a weekly basis with the view to explaining the depth of the problem.

Our approach is to say we are all part of the problem; therefore we all need to be part of the solution—the clubs, the players, the owners. We all need to share in the pain. We are really having an open book policy, and we are saying, “Listen, we are going to show you how deep the pain is,” because what became apparent at the start of the process is that the



## HOUSE OF COMMONS

players were not aware of the seriousness of the situation. They will be aware of it very shortly and we are absolutely on board with the Deloitte process. We have no problem with the principle of demonstrating that that is the problem. If then the players, having seen the depth of the problem, are unwilling to share in the pain, it will be a very different conversation.

Our approach thus far is: open book, share the problem, share the pain, and then let's work to a common solution.

Q3 **Chair:** Has there been a breakdown in the relationship between the players' union and the clubs?

**Rick Parry:** I am not sure how strong the relationship has been historically. I do not think there has been a particular breakdown. I think it is unprecedented times. None of us has been through a situation quite like this. As I said, we have a regular dialogue and we anticipate that that will bear fruit. Our approach at the moment is: transparency, share the problem and let's come up with a joint solution.

Q4 **Chair:** You must have been tearing your hair out at the news of the English Premier League furloughing non-playing staff while continuing to pay wages on average of £3.5 million per year to players. Did that give football a bad name?

**Rick Parry:** I think it got some unfair criticism. Many of our clubs have furloughed players. I think the furlough scheme was a very straightforward one. I have read that 6.3 million employees have been furloughed. The total cost will be £8 billion. There was no stipulation whether it was to apply to big companies, small companies, public companies, private companies. We have seen major companies furlough tens of thousands of employees and I think it is unfair that football has been singled out. For many of our clubs lower down, particularly in League One and League Two, it has been an absolute lifeline. It has been immensely helpful getting them through the last couple of months and the next month or two, so I am a huge fan of the furlough scheme and the speed with which it was introduced. I think it was commendable. Frankly, I see no reason why football should not be as eligible as any other business to take advantage.

Q5 **Chair:** Should there be any differential between the EFL and obviously clubs that are financially very straitened and those football clubs which have economics which are very different in the Premier League?

**Rick Parry:** I think in terms of the furlough that is a question to ask the Chancellor. It applies to the corner shop; it also applies to British Airways. It applies across every industry, so why should football be treated separately?

Q6 **Chair:** In terms of Gordon Taylor's role in these negotiations, he has publicly stated before that he is looking to step down. Do you think his role has been positive in terms of these negotiations?

**Rick Parry:** I think so. We are happy with the way that the dialogue is going. At times it has been frustrating that it has not been a little quicker,



## HOUSE OF COMMONS

but as I have said, everybody is hurting at the moment. Bear it in mind that a lot of the players down at League Two level are not exactly overpaid, to say the least. They have families and mortgages; they have commitments. They are worried about their futures. We have 1,400 players coming out of contract at the end of June. That is a train coming down the tunnel very, very quickly. They are going to be extremely concerned about their futures and whether they are going to be able to get new contracts, because the landscape going forward, in terms of wages and costs incurred by the clubs, has to change; there is no question about that.

**Q7 Chair:** There is obviously a lot of talk about the Premier League resuming in, maybe, a month or so's time to try to complete the season. How does that impact the EFL? Would you expect, for example, to be treated in the same way; would you expect to start at the same time? Or is there some way in which money effectively could trickle down from the Premier League to help EFL clubs and therefore you want to see it start as quickly as possible?

**Rick Parry:** We would love to see some money trickling down. We have not seen any evidence of it yet, but I am sure the Premier League have some ideas that they will tell us about in due course. We want to resume playing; we have always said we want to resume playing, purely from the point of view of sporting integrity, when it is safe to do so. We want to make decisions based on hard fact and data rather than on speculation. We will return when the Government says it is safe, when the Government sets the criteria, and we will do so in a way that makes sure our players and all our staff are healthy. The health of a League Two player is at least as valuable as the health of a Premier League player. And of course we want to ensure there is no stress on the national health services—the frontline services or the emergency services.

The one plea I would make, which is a very sincere one, is this. I think the Premier League and the Government are working on a twin-track approach, which is essentially to work out when it is safe to return to training—start training—and then to take a decision on when it is safe to return to play. That absolutely does not work for us. We have to work backwards. Our end date, realistically, is 31 July, because of the situation with players' contracts; we can't go beyond July. Players have been furloughed; staff have been furloughed. To expect our clubs, the smaller clubs, to bring players and staff back into training now, to forgo the furlough, only to find in a month that they can't play would be a complete mess. We actually need within days to be taking decisions. What we really need is guidance on the criteria for a return to play. We need that really very, very quickly, because as I have said, we can't delay decisions. Working back from July, players have to be back in training relatively soon, so critical dates are coming up for us.

**Q8 Chair:** If the majority of the money comes from gate receipts and subsidiary elements around a football match, is it really in your interest—apart from football integrity of course; that is a very important issue—to see yourselves back playing this season? We understand why the Premier



## HOUSE OF COMMONS

League would want to—because of broadcast revenue. But your broadcast revenue is less, so is it as important that the EFL actually start back up?

**Rick Parry:** We still have broadcasting and sponsorship contracts, which we have to bear in mind. The question is entirely valid; that is definitely a consideration. I think one statistic from 2018 is a really interesting one. Premier League wages were £2.9 billion and the TV deal was £3 billion, so you could say that the TV deal covered the wages of the Premier League clubs. EFL wages in 2018 were £1 billion; the TV contract was £100 million—only 10% of the wages. You are absolutely right. At League One and League Two level, gate receipts represent 32% of income; it is slightly less than that in the Championship. Gate receipts are absolutely fundamental, and that applies not just to this season; increasingly it applies to next season. And I think we have to look long and hard at how we go about restarting next season, or indeed whether we restart next season, without crowds.

Q9 **Steve Brine:** Good morning, Mr Parry, and thank you for joining us. Could I return to the part where the Chair asked you briefly about the furlough scheme and you said you thought it was unfair that football had been criticised, including by this Committee? You have just stated that Premier League wages are £2.9 billion and TV revenue is £3 billion, whereas for the EFL the figures are £1 billion and £100 million respectively. Yes, the Chancellor did not say that football should or should not be in the furlough scheme, but do you not think that there was a moral obligation on Premier League clubs, some of whom are paying the players hundreds of thousands of pounds each month, to not take public money for furloughs?

**Rick Parry:** I don't see it that way. I respect that you see it in a different way. It's not as if the Premier League were furloughing players. They were furloughing relatively low-paid staff who might otherwise have been made redundant or suffered—

Q10 **Steve Brine:** That was our point. They didn't need to do that, given that they have such a high wage bill for their playing stars.

**Rick Parry:** I respect your position. I beg to differ.

Q11 **Steve Brine:** You mentioned players out of contract at the end of June. What guidance is the EFL giving to clubs about player contracts that are due to run out at the end of next month?

**Rick Parry:** It is not so much guidance as dialogue with the clubs—constant dialogue. We have weekly calls with our clubs to assess information as it comes in. Clearly, as you will be acutely aware, this is a situation that changes daily. I have always said that the disease will decide what happens. We are not in control of the timetable. We have to be very agile. It is very much one step at a time, but, clearly, the clubs are having to tighten their belts. We don't have to tell them that. They are very much aware of that. Again, the EFL model financially was not great before the virus. We were in a position in 2018 where, in the



## HOUSE OF COMMONS

Championship, wages were 106% of turnover. That model is not sustainable at any time. It is definitely not sustainable during the virus and definitely not sustainable post virus, so harsh decisions have to be taken. Even in League One and League Two, on average wages are around 80% to 90% of turnover. This just doesn't work, so tough decisions will have to be taken now and for the future in terms of sustainability. We need a complete reset and a rethink about how the business model works. Perhaps one benefit of going through this pain is we will be shocked into coming up with a more sustainable model for the future.

**Q12 Steve Brine:** I can see that. Following on from that, players and staff, many of whom, as you say, certainly lower down the leagues, are not well paid, must be feeling that uncertainty about their business and their club, the same as many people at the moment. What conversations are you having as a business with your clubs about the mental and physical health of the playing and non-playing staff? It must be taking a toll on them.

**Rick Parry:** It is taking a toll. In these difficult times it is difficult to single out football because there is a toll being taken on many industries. What is unusual in this situation, going back to discussions with the PFA and with broadcasters, is that we are in an unusual situation in that we are not on the opposite side of the table. We are all on the same side of the table. Everybody is suffering a degree of pain and therefore, as I touched on earlier, there does need to be a common understanding, a shared understanding, of the problem, and then you can move into a sharing of the solution. The mental health aspects and the strain upon players is a really important issue that clubs are tackling in their different ways.

**Q13 Steve Brine:** Finally from me, can I ask you about the football? Obviously, Leeds United are currently top of the Championship, but there is just a one point difference from second place. If the season did not conclude, as has happened in other European countries, should Leeds be awarded the Championship title? And should your old club, Liverpool, be champions? They will always be sort of champions. There will always be an asterisk next to them on the Wikipedia entry. Should that happen?

**Rick Parry:** My view would only be a personal one. I think it is premature. If and when the season doesn't finish, that will be one for measured debate and consideration. There will not be a right answer. There is no right answer. What we have to try to do is to come up with a fair and balanced answer that is appropriate in all of the circumstances. It is not one for me to speculate on today.

**Q14 Steve Brine:** You would be asked your opinion. To use a football analogy, it's never over until the final whistle. Liverpool have had a wobbly period before the cessation of playing. I just wonder what you, personally, would throw into the mix.

**Rick Parry:** I will frame my opinion in due course based on an analysis of the full effects, and today is premature, I am afraid.

**Steve Brine:** Okay, very diplomatic.



## HOUSE OF COMMONS

Q15 **Kevin Brennan:** Following on from that, Mr Parry, what discussions have you had with the Premier League about promotion and relegation?

**Rick Parry:** Our conversations have been very straightforward. We expect three clubs to be promoted. The Premier League is aware of our position on that. In all the conversations we have had with the Premier League, their position is that they expect three clubs to be relegated.

Q16 **Kevin Brennan:** What would happen if they change their mind on that?

**Rick Parry:** I think you can expect the lawyers are going to get wealthy if that happens. There will be a varying degree of outrage from a number of our clubs in the Championship. It would be a breach of the tripartite agreement between us, the Premier League and the Football Association. I suspect the Football Association would have a position on it as well. The safe answer to that is that it would get very messy because our expectation is that there will be three clubs promoted from the Championship.

Q17 **Kevin Brennan:** Shouldn't the principle be that, whatever happens around all of this, that you should finish one season before you start another?

**Rick Parry:** That is a point of view. As I have said, I don't think we have too many right answers at the moment. There is a scenario in which we could all delay, we could come back and re-start, finish this season in September or in January. The fundamental counterargument to that is the sporting integrity one, because we would be starting again with completely different squads. That would be unfortunate, to say the least. Given all the challenges and the uncertainties we are facing around next season—the economics, the logistics—who knows when it is going to be safe to return? Who knows whether there is going to be a second wave of this virus? Who knows whether next season is going to be interrupted? I think, on balance, we have to resolve this season quickly and then move on and enable ourselves to plan next season with clarity, removing as much clutter as possible.

Q18 **Kevin Brennan:** If you manage to get back to playing out the season—my own club Cardiff City is a couple of points off the play-off places at the moment—is there any discussion below Premier League level about this idea of playing on neutral grounds to avoid fans congregating?

**Rick Parry:** We are modelling many scenarios. Our preference would be to play on the 71 grounds. We are not sure that there is an overwhelming argument, particularly if we go down our divisions, that the probability of fans congregating is a major one.

Q19 **Kevin Brennan:** It is for big clubs like Cardiff City, Mr Parry, possibly.

**Rick Parry:** Possibly, absolutely. What we are not going to do is to take any decisions that will impose strain on the emergency services or the frontline services. Any decision we took would be guided by Government and guided by discussions with the police and the safety authorities.





## HOUSE OF COMMONS

Q20 **Kevin Brennan:** Did you hear Gordon Taylor on the “Today” programme this morning on the BBC talk about possibly playing halves of football of less than 45 minutes and did you understand what that was about? Had there been any discussions about that?

**Rick Parry:** I didn’t hear it. I have just been told about it.

Q21 **Kevin Brennan:** What do you think that might have been about?

**Rick Parry:** I don’t know. There haven’t been any discussions about it that I am aware of. There have been discussions with the FA and FIFA about increasing the number of substitutes allowed to five. I guess the aim could only be to reduce the strain on the players, who will be coming back after a fairly long period away. I don’t think that we should be ruling out any creative ideas at the moment, given all the challenges we face. As I say, I have not heard that one before, but no reason why it should not be added into the creative—

Q22 **Kevin Brennan:** What would be the purpose of it?

**Rick Parry:** I guess we might end up with a situation where we have a very compressed fixture schedule, trying to cram in more games than normal, so perhaps the thinking is that that would alleviate the tiredness, help the players with recovery and maybe reduce the likelihood of injuries. I guess that is what Gordon’s thinking was. Whether there is any basis of fact in it—as I say, we haven’t studied it—

Q23 **Kevin Brennan:** May I ask you one final question, as I know lots of people would like to ask questions? On the whole business of the economics of football below the Premier League, to what extent do you believe that is caused by players being paid too much, or to what extent is it perhaps caused by the way that these businesses have been run, very often with the people running them taking very large chunks of money out of the businesses for themselves?

**Rick Parry:** That is an interesting notion. At the moment, across a year, taking a snapshot, our owners put £440 million into their clubs; in the Championship, it is about £380 million, or £16 million per club of owner funding, which probably makes that the most expensive lottery ticket on the planet—that is all with a view to trying to get up into the Premier League. Far from taking money out, owners are bailing out their clubs. Championship clubs lost £320 million in 2018. The cause of that is the gulf between the Premier League and the Championship.

Q24 **Kevin Brennan:** Are you hinting that more money should be trickling down from the Premier League, or that things like salary caps should be introduced into football, as in rugby?

**Rick Parry:** I think both; salary caps and cost controls are essential. A lot of debate is going on about that at the moment. We have an imbalance in the distribution—we have the parachute payments, which caused immense stress within the Championship—so yes, indeed, I think that the distribution model is a problem. As I mentioned earlier, any model where wages are 106% of turnover is ridiculous, but the figure I go back to in



## HOUSE OF COMMONS

response to your question is the £440 million of owner funding going into the clubs, not out of them.

- Q25 Philip Davies:** Mr Parry, I noted earlier your comments about the financial viability of clubs. It is not difficult to see the problem. Bury went, of course, and Macclesfield has already not been paying its players throughout the course of the season at various points, so many of these clubs in lower leagues are already struggling. It is not difficult to see that this could finish them off. I noticed in your answers to Steve Brine that you were very careful not to criticise the Premier League and the Premier League clubs in any way, and I suspect that if I was in your position, I would do exactly the same, because isn't it the case that for these clubs to survive, you will have to rely on the Premier League clubs bailing out the lower league clubs?

**Rick Parry:** I wouldn't use the phrase "bailing out". As I said, I think we need a complete reset, and we need to look at redistribution of the revenues. I touched on parachute payments, which are an evil that need to be eradicated. Six clubs in the Championship are in receipt of parachute payments, giving them an average of £40 million a club; the other 18 clubs get £4.5 million each, so they are struggling to keep up. Lower down, the solidarity money is welcome but it becomes very small, so yes, I think there is a need for a reset—I wouldn't call it a bail-out, I'd call it a restructuring, a rethinking. For me, it is overdue and necessary.

- Q26 Philip Davies:** Call it what you like, a bail-out or whatever, but surely in the short term that is the only way in which lower league clubs will survive—they have no income at the moment. My club, Bradford City, normally sells 14,000 season tickets a year for the following season. They have taken those off sale because they cannot be guaranteed that they will be playing in front of crowds next season—they have literally no money coming in at the moment. Surely, whether or not you call it a bail-out, that is what is needed in the short term, otherwise a hell of a lot of clubs will go under.

**Rick Parry:** We need a rescue package—I completely agree with that—but I think we need to address the longer term at the same time, because we will otherwise be back into problems in two to three years. The two need to go hand-in-hand. But absolutely, as I highlighted earlier, we are heading for a £200 million cash shortfall at the end of September—that is acute and needs a rescue. As I say, hand-in-hand with that, we need to know where we are heading in two and three years. We need hope; we need a plan; and we need to have some clarity on the longer-term future as well. We cannot just go from one bail-out to another; we have to look at the structure and assess it root and branch.

- Q27 Philip Davies:** I get that. Let us unite on calling it a rescue package. What discussions have you had with the Premier League about an urgent rescue package for the lower-league clubs?

**Rick Parry:** The Premier League has said that if they are allowed to play, they will be in a position to talk to us about support for the lower leagues. We await that day. I think it's fair to say that, to date, discussions have



## HOUSE OF COMMONS

been limited, but we look forward to further discussions once they have clarity on the direction that their season is taking.

**Q28 Philip Davies:** So is the survival of lower-league clubs in the English Football League dependent on the Premier League completing its season?

**Rick Parry:** I am not sure it is dependent on the Premier League completing its season. If that is what gives the Premier League the clarity and the ability to come and talk to us, that would be very welcome but, as things stand, there is no direct link between the Premier League restarting and the survival of our clubs.

**Q29 Philip Davies:** But doesn't the Premier League need to complete the season to get the money that might help your rescue package? Without the Premier League season finishing, they might presumably have to pay back the TV rights—or some of them—and there would be no money left for you.

**Rick Parry:** Yes, absolutely—I completely get that. The only point I am making is that the rescue package is not in place yet. If that does assist the Premier League, great—I am all in favour of it completing its season—but there is nothing in place at the moment that would flow directly from it.

**Q30 Philip Davies:** Finally, can you tell us the mechanism for determining whether you will complete your season? Do the clubs themselves decide, or does the EFL board decide for them? What is the decision-making process in the EFL to decide whether you will finish your season?

**Rick Parry:** It will go to the clubs. I think the board technically has the powers to make a decision, but it would be wholly appropriate, in this situation, to make sure that it went to the clubs.

**Q31 Damian Green:** Good morning. I am interested and heartened that you say that this crisis needs to be the point where you reset the way that the game is run financially, outside the Premier League. I am fascinated that you talked favourably about a wage cap. It seems slightly ironic that 60 years ago, abolishing the maximum wage was one of the great achievements of bringing football—very belatedly—into the 20th century, and now, in the 21st century, we are talking about re-imposing it. Has any thought been given to the practicality of that?

**Rick Parry:** I think there is a very real distinction: we are not re-imposing a maximum wage or capping at an individual level with the maximum wage applied to every single player; we are talking about capping the amount that individual clubs can pay, so they would have discretion to pay players whatever they wanted to pay them. We are not capping individual wages, which I am almost certain would be illegal. We are looking at some form of cost control that limits the total budget that clubs are allowed to spend.

**Q32 Damian Green:** Might that involve on the size of squads as well? I have seen some figures suggesting that the average wage in the Championship is somewhere north of £600,000. You have made the point yourself that



## HOUSE OF COMMONS

the wages are higher than turnover at the moment, which is an absurd situation. Do you think this will inevitably mean not just lower wages for some people, but smaller squads?

**Rick Parry:** Yes. I am a big believer in restricting squad sizes, particularly in the lower leagues. It is being debated and there are mixed views; we are studying a series of different models, some of which involve limiting squad sizes, some of which do not. As I said, personally I think it is a good idea, because at least it is a step in the right direction of exercising some control. The other thing it does, which potentially dovetails with Premier League and FA thinking, is to enable us to reform the loan system.

For example, one of the things we are keen to obtain from FIFA, which might take a bit of persuasion, is a relaxation or a bit more flexibility on youth loans and being able to take players on short-term loan. There is great concern at Premier League level and particularly within the FA about a lack of first-team opportunities for developing talent, 18 and 19-year-olds. We can provide ample opportunities for competitive football, so perhaps smaller squads of full-time professionals, augmented by up-and-coming talent from up and above, would help the Premier League and help us economically. Those are the sorts of models we are considering.

Q33 **Damian Green:** That sounds quite encouraging. I am interested by how strongly you condemned parachute payments. As you said, I think at the moment there are six Championship clubs receiving parachute payments. Therefore, almost logically, if the clubs have to take the decision, a majority of the clubs will not be getting parachute payments, so they may well be hostile to them. How close do you think you are to getting strong opposition to parachute payments?

**Rick Parry:** Strong opposition within the EFL is almost a given, apart from the clubs who are receiving them. I suspect there is no opposition within the Premier League at the moment, because they are a prime example of the Premier League clubs being protected, either to help them to get back into the Premier League quickly or to help them to adjust to the financial chasm, whichever way you describe it. But they are merely a symptom of the chasm; if we did not have the chasm in the first place, you would not need the parachute payments and you could have a much fairer distribution system.

Q34 **Damian Green:** But there is no mechanism by which the EFL can take on the Premier League and tell them, "You can't pay these payments to clubs that are currently there"?

**Rick Parry:** They are nothing to do with us. They are not paid to the EFL and we are not consulted on the size of them. They are distributed by the Premier League to their former clubs.

Q35 **Damian Green:** One last short-term issue. I am struck that at some clubs the players have agreed to defer payments and at others they have not. I understand that clubs are saying that either all first-team players agree to do it, or they do not. Are you encouraging clubs or, in this case, players to agree to a deferral of wages since, as others have mentioned,



## HOUSE OF COMMONS

the season ticket holders are paying for no product at the moment and are sort of happy to do so because they all want to support their clubs? It would be good to see some recognition that we are all in this together from the first-team players—some of whom, as you say, are well paid.

**Rick Parry:** Yes, absolutely. A comment was made about the relationship with the PFA, but you have to remember that we do not have a strict collective bargaining agreement. Wages have never been negotiated between the EFL and the PFA; wages have always been negotiated between club and player individually. It is quite difficult to suggest that there can be some overall mechanism, and it is difficult to think of an overall percentage that would apply to every club, because their finances are so different, but the overall principle of the players taking a share of the responsibility is absolutely essential. That is precisely why we have established our captains' group and why we have been prepared to open the books and support the appointment of Deloitte to examine the finances so that the players can see the evidence. The one thing I would touch on that I think is important from the players' point of view is that there is often a different attitude in squads, which I can understand completely, between those who have long-term contracts and those who are out of contract in June. The ones who are out of contract in June and are facing considerable uncertainty, are the ones who are more reluctant to accept deferrals, on the basis that they are wondering whether they are ever going to see them—"Will we get them back? When will we get them back?"

Some clubs have up to 20 players out of contract. Some have two or three players out of contract. To get unity across a squad when there are different concerns and different profiles is challenging, frankly. The message will have to get home soon that the clubs cannot afford to pay.

Q36 **Clive Efford:** I am sorry if I missed it, but did you give a figure for what the EFL stands to retrieve from the situation, if they were able to finish the season?

**Rick Parry:** No, I didn't. Can you just clarify the question?

Q37 **Clive Efford:** If no games were to take place at the Premier League or the Football League from now on, and this was it—this season was finished and you plan to start in the autumn—what is the figure that you have lost and what would you regain by restarting and finishing this season?

**Rick Parry:** I think at our level, if we were starting behind closed doors—it is finely balanced economically, but it is probably almost neutral, and for many clubs, it could actually cost them to play because they will have the cost of staging games. We stand to lose an element of broadcast revenue if we are unable to complete the season. Given that our broadcast contract is clearly nowhere near that of the Premier League, that is a relatively small contribution. It is not really so much the economics of needing to finish the season in order to generate revenue—it is the sporting integrity part. We want to complete the season because we then have promotion and relegation and we finish the season clean. In our case, the economics



are finely balanced. It is clearly very different at Premier League level, where broadcast contracts are far greater, with a much greater international spread. I think it is much more important from their point of view that they are able to deliver that televised product.

As you know, Clive, at the EFL, with aggregate attendances of 18 million, we are a spectator sport. We are a local sport. We are not an international event in the way that the Premier League is. Without spectators, the clubs are hurting. We are looking at ways of streaming our product via iFollow, which is a hugely successfully EFL streaming platform, so we would be able to recoup some money that way, but it wouldn't make up the whole shortfall.

**Q38 Clive Efford:** So it is not financial; it is the integrity of the league. But if it doesn't finish on the same basis as it started—for instance, if there were different squads or it were played with shorter matches or double headers or whatever—is it finishing with the same integrity? Is it worth the risk?

**Rick Parry:** Clive, that is the key question. That is the absolute key question that we have to address in the coming days. The component we need is what we need to do in order to comply with Government guidelines. What are those Government guidelines going to be? What are the costs of testing programmes and additional hygiene requirements going to be? Then, absolutely, the decision is going to be taken on the basis of whether it is really worth it, is it feasible? Should we come to a point where we focus more on next season and addressing the short and medium-term financial challenges, free from the clutter?

**Q39 Clive Efford:** Just one last question, which is about the players. You say you have a group of six captains who you talk to. What do they feed back to you about how players feel about going back? Isn't there a danger that a head of steam gets up about the presumption that football goes back? If you listened to Gordon Taylor this morning, he was very much saying, "My players are not afraid to go back," and that it was always accepted that this was going to happen, certainly at the Premier League level. Isn't there a danger that players feel forced into going back when they may not want to?

**Rick Parry:** There is that danger and of course they are concerned. They raise their concerns when we speak to them. I think it is fair to say, Clive, that there are mixed views. Some clubs have talked to their players and boards, and they want to get back playing. There are others where players have young families, pregnant partners or elderly relatives, and they are concerned.

As in the population as a whole, there is no single view about what happens post lockdown. Yes, there are going to be concerns. Is the risk acceptable? That will be very much part of our judgment, when we see the science and the requirements. As I said, the health of League Two players is as relevant and important to us as the health of Premier League players. That absolutely will be uppermost in our thinking.



## HOUSE OF COMMONS

Q40 **Chair:** Thank you for your evidence today, Mr Parry. We will now move on to our second witness who is Tom Harrison, the chief executive officer of the England and Wales Cricket Board. Good morning, Mr Harrison.

**Tom Harrison:** Good morning, Chair. Good morning, everyone.

**Chair:** I heard you on the Sky Sports podcast during my one hour of exercise allowed every day. On that you mentioned that you had sold 175,000 tickets to The Hundred and had a projected income of £41 million, as against an expenditure of £30 million. That is now all in tatters, isn't it?

**Tom Harrison:** Those figures are not quite right, Chair. It is an income of £51 million against a budget of £40 million. It is right about the 175,000 tickets that we have sold.

Q41 **Chair:** Is that money not coming in?

**Tom Harrison:** No. Large amounts of that money are not coming in. Obviously, we are still working on what the impact of COVID-19 is across the entire game—there is a much greater impact than just on The Hundred. We anticipate that with no cricket this year, which is the worst-case scenario for our planning purposes, it could be as bad as £380 million across the game. That would be the loss of 800 days of cricket across all our professional clubs and the ECB. If you take all that revenue and put it at risk then that is the worst-case scenario for us this year.

Through the process of understanding the impact of COVID-19 on our country, as well as on cricket, we have taken decisions in line with three basic principles, the first being public safety and the safety of our players, staff, teams around the country and our colleagues in the network. The second has been to do whatever we can to support the cricket network for county cricket clubs and the recreational clubs around the country. The third has been to work in partnership with the game to the full extent that we are able to do so.

I am grateful for the support of my colleagues in the cricket network and for the spirit of partnership that they have engendered through this very difficult moment in our history. For cricket it is unquestionably the most significant financial challenge we have ever faced.

Q42 **Chair:** That is presumably because you took a huge gamble, which seemed to go reasonably well in terms of ticket sales, with The Hundred. That has exacerbated the situation. You were at the maximum moment of weakness or potential for harm. This has just blown that away. Can you sum up for the Committee how much money you are going to lose as a result of that and how many people across the game are potentially going to lose their jobs?

**Tom Harrison:** First, I would not categorise The Hundred as a gamble. The Hundred is a profit centre for cricket, as has been demonstrated by the figures that you announced earlier. It was going to bring in £11 million of revenue to the game this year. It carries with it an extra dividend for the counties, which is critical revenue for them—



- Q43 Chair:** But that is not happening now, is it? You say it isn't a gamble, but what you call a profit centre, but at the same time there has been widespread disquiet over the advent of The Hundred and the fact that there was this large outlay to bring it about. You have put out this large outlay, you have invested and you have effectively bet the house on red, but unfortunately the casino is closed. What amount of money will you lose from this and how many jobs will be lost?

**Tom Harrison:** I disagree with your characterisation of The Hundred as a huge gamble. We sold 170,000 tickets in February for this year's men's and women's Hundred. We took a decision based on the fact that operationally we are simply unable to deliver The Hundred this year, the fact that we could not guarantee that overseas players and coaches would come from different parts of the world, and the fact that huge numbers of staff are furloughed through the network. We are trying to do things differently with The Hundred and present the game in a way that grows the sport in this country. That is a crucial part of the Inspiring Generations strategy that we have adopted for cricket. I gave evidence to the Committee about that last October.

We were in a strong place with The Hundred just as COVID-19 struck: the game had never sold that number of tickets at that speed before, with the exception of the cricket World Cup. We were in a strong position to achieve exactly what we set out to achieve through growing the audience for cricket in this country. The profile of ticket buyers was extremely encouraging: young adults, and parents coming with their children. It was doing exactly the job we wanted it to do. A huge amount of momentum was building up around The Hundred, and we will carry that into next year when we renew our ambition to continue to grow the game in a post-COVID scenario.

This year is going to be extremely difficult, and that is not limited to The Hundred. It is a drop in the ocean compared with the losses we are likely to experience across the network, frankly. When you are dealing with the sort of numbers cricket is dealing with, the impact goes way beyond that of one competition.

- Q44 Chair:** Again, how much has it cost to cancel The Hundred?

**Tom Harrison:** Those figures are sensitive. I will write to you about the exact breakdown of those figures. They are linked to commercial contracts. We will write to you with the exact impact of those numbers as and when, after this meeting.

- Q45 Chair:** Large numbers of counties have taken on quite large debts, often to fulfil the requirements of hosting international matches. How are they going to survive this crisis?

**Tom Harrison:** It is definitely a difficult one. As I set out at the start, our priority has been, first, public safety and secondly, to support the county network wherever we can. We have put a stimulus package of £61 million into the county network to help sustain the short-term revenue losses. The Committee will appreciate that this is the time of year when we start to





generate income, not necessarily just through match-day revenues—obviously they are important—but through membership and subscription income, all of which is put at risk to some extent. Clearly, for international grounds, there is obviously an implication for ticket refunds when we are postponing matches to later in the summer. Cash flow is a significant issue that we are trying to address as quickly as possible through the stimulus package we put into the professional game.

Having said all that, we came into 2020 in probably the best financial state that county cricket had been in for many decades. That has been thrown into some uncertainty, as you pointed out. We will continue to work with the counties to make sure we navigate through this and try to take hard decisions. As football has done, as we heard from Mr Parry's evidence, we will have to take a good look at our cost base. That is clearly an issue that we now have to address, and that cricket has needed to address for some time.

**Q46 Chair:** When you say "cost base" do you mean player wages or the number of counties, for instance? There are a lot of suggestions that there are just too many.

**Tom Harrison:** When I say we are looking at our cost base, it is about how we create 18 sustainable, viable businesses once we have cut our cloth accordingly. All that has happened through COVID is that we have less money coming into the sport than we did before COVID. We have to cut our cloth accordingly post this scenario, so that we can continue to achieve our ambitions through Inspiring Generations and continue to invest in the game. We were putting 60% more money in 2020 than we were in 2019 into the county network, and clearly some of that revenue is impacted through what is happening to our country at the moment.

**Q47 Chair:** What has the relationship been like with the players? The realities are that your sport is quite top-heavy: the income generators are at the top of the game, and then feed down in probably a more open and more—how can I put it—a more sort of fair way, to a certain extent, than, say, football. Has that same approach been mirrored in the relationship with the players? How have they seen their wage situation?

**Tom Harrison:** I think we have had a very open and transparent dialogue with the players. We have a good relationship with the players, both directly and through their representatives, which for the men is a trust called the Team England Player Partnership and for the England women players is the England Women's Player Partnership. These, effectively, are the bodies that negotiate on behalf of those player contracts. We have got a five-year agreement with both of those entities and we are negotiating with them to ensure that we give transparency on the situation that we are facing, to the extent that we can, at the moment, give clarity on that situation.

I have been heartened by the response from players, both in terms of their contribution from men and women—in terms of their contribution back into the ECB in helping us face this crisis; but, over and above that,



their attitude and help towards helping workers on the frontline. We have got NHS volunteers among our playing group. There has been an awful lot of activity around trying to raise money. You may have noticed Jos Buttler raffling his world cup winning shirt for his local NHS hospital. There has been an awful lot of activity like that, which has helped, I think, paint cricket in the right light, and we'll continue to make those representations to TEPP and to EWPP as the situation develops; but the contribution to date has amounted to, for the men, a 20% pay reduction for the first three months—so that is April, May and June. For the women it is a 10% salary cut, but on top of that you have to add in the loss of income for the women's Hundred competition which all England centrally contracted women were set to benefit from.

**Q48 Giles Watling:** I was not quick enough with my pen: what did you call it—a profit project, on The Hundred? What is it?

**Tom Harrison:** Let me say it again: at a time like this when we are facing enormous pressure on finances, it seems to me even more important that we focus on the areas of the game that are going to generate interest, audience and commercial revenue—especially with the weight of evidence that we had behind The Hundred, in terms of the ticket sales and the traction that the competition was getting in the very audience where we were setting out to get it. I understand there is significant resistance to The Hundred, and there has been for two years; but that does not make it a bad idea. Nor does it make it an idea that is not likely to succeed. We will put even more effort into The Hundred post this crisis, because I think cricket will desperately need, in a hugely competitive landscape, post-COVID—we will need to pull every lever to ensure that cricket remains relevant in a society that has so much choice.

**Q49 Giles Watling:** One of the ideas behind The Hundred, I have been reading, is of course to open it up to fresh audiences. Out of the 170,000 tickets you have sold, do you think that you did achieve that, or was it the old audiences coming again?

**Tom Harrison:** The evidence that we have got, Mr Watling, through the data that came in behind those ticket sales is that, indeed, it was largely under-40s, with the intention of bringing children to those events as, in some cases, a first opportunity to see live cricket. That is precisely the kind of audience that we were after, but, let me be clear about something: we are heavily reliant, of course, on cricket's existing audience as well, for The Hundred. The Hundred will help us sustain and care for all the things that we care about in cricket: our county institutions, long forms of cricket—test cricket, four-day Championship cricket. The more we can create a groundswell of audience that is representative of our country—multicultural, diverse, men and women, boys and girls from all different parts of the country—the better prepared we will be to sustain our wonderfully diverse sport in this country, with all its weird and wonderful formats. That is the job of the ECB, and we intend to make sure that we do it.

**Q50 Giles Watling:** As you say, it has been controversial, but you regard it as



an add-on, rather than as sucking away from traditional forms of cricket?

**Tom Harrison:** I regard it as absolutely essential to the plan to grow cricket in this country over the next five years and beyond.

Q51 **Giles Watling:** Moving on, the ECB said that the competition will make a profit, but is it correct that it will only make a profit if you exclude the £1.3 million payment guaranteed every year to each county?

**Tom Harrison:** The £1.3 million every year to each county is a dividend; it is not part of the P&L—profit and loss—of the tournament. That is part of the deal, if you like, that was done with counties to give the ECB permission to create a new tournament with all the objectives sitting behind it. It is not linked to the P&L. It is a dividend, which is a crucial part of the agreement that we have with first-class counties to deliver Inspiring Generations—the strategy for the game—into 18 first-class counties around the country.

Q52 **Giles Watling:** So the figures do stack up, even including that dividend?

**Tom Harrison:** The figures stack up because— The Hundred gives us an opportunity not only to generate a positive P&L year on year from year one—the only short-form tournament in the world to do so outside the IPL, by the way—but to generate a potential diversification of our revenues in the future.

One thing that COVID-19 has brought to us is some thinking—it was happening anyway, but I think that the urgency behind that thinking now needs to accelerate—about what cricket's business model should look like going forward. At the moment, three quarters of our revenue comes from media rights support from one broadcaster. Anyone looking at a business plan for the long-term health of a sport would look at that number and think that it is a big risk. The Hundred helps us to look at different ways of diversifying our revenue in the future, therefore keeping safe and securing the long-term future of 18 first-class counties, of a healthy recreational game and of cricket for young people in this country.

Q53 **Giles Watling:** You say that The Hundred is not a gamble, and to be absolutely fair, nobody could see COVID-19 coming to bite us all in the backside. Briefly setting aside COVID-19 and the effect it is having, do you think it is ethical for ECB executives to take bonuses when the outcome of The Hundred is far from certain?

**Tom Harrison:** I do not believe that bonuses are going to be a problem, if you like. I think the cost-reduction programme introduced through the ECB is in place. Every employee of the ECB is taking a pay cut. Bonuses are awarded at the end of the financial year, and we are just into the fourth month of our financial year. It is obviously going to be an exceptionally difficult financial year, and I therefore think that all bonuses obviously have a huge question mark against them. I would not support, at this point, even one penny being paid in bonuses to any employee of the ECB at such a time.

**Giles Watling:** That is interesting. Thank you very much.



**Q54 Damian Green:** I would like to move on from The Hundred to test cricket in the short term. Is it right to assume that your best hope of rescuing anything from this summer is to play some test matches behind closed doors, to get the TV income in? How many would you hope to be able to play?

**Tom Harrison:** That is a good question, Mr Green. You're quite right that our ability to mitigate the potential financial impact requires us to try, only obviously where and when it is safe to do so, with Government support and with all the key measures that behind-closed-doors will mean for players, staff and broadcast media staff in venues. That will help us to fill that hole, albeit that we are staring at a £100 million-plus loss this year, whatever happens. The ability for us to play test match cricket is further complicated by the fact that, by its very nature, we will obviously be bringing in teams from other parts of the world. This year, the West Indies and Pakistan are due to come. India and South Africa are due to come and play against our England women's team, and we have Ireland and Australia coming for a white ball series against England men later in the summer. There are the complexities of the lockdown in those nations. The West Indies is eight other countries that potentially have to be thought through, in terms of their lockdown measures.

Clearly, there is a huge amount of complexity in respect of the plans that we put in place to bring teams over, to follow Government guidelines and to get teams fit and ready to take the field and play international cricket. That is a long process, and it involves excessive communication with players to get them comfortable, for the very reasons that Mr Parry was talking about earlier in relation to ensuring that they feel safe and ready to play at that time, if and when it is appropriate do so.

**Q55 Damian Green:** At what stage are those plans? We have heard that football is hoping to come back in some form in June. If you get some kind of green light—obviously, you are planning now—to play some cricket towards the back end of June, through July and August, how many test matches might you be able to fit in?

**Tom Harrison:** We have draft schedules. As I am sure you are aware, there is an enormous amount of work going on, looking at as many different scenarios as possible. We have already stated that there will be no professional cricket in this country before 1 July. That is the earliest possible date that we are even planning towards, and we are obviously not planning on playing a test match on 1 July.

There are some significant lead times, in terms of getting players fit and ready, getting venues and pitches ready, and the process of assessing which venues in our country are best suited to deliver cricket behind closed doors, in line with the Government guidelines, as and when they are agreed. All those questions need to be answered. A fast bowler, for example, will need between six and seven weeks from now, having been in lockdown at home for a period of time, before they are fit and ready to take the field in an international match. Those are just the training elements; obviously, you have all the other logistical elements, including



## HOUSE OF COMMONS

bringing overseas teams over and providing the same level of preparation for them. It is a very complex scenario.

With a following wind, we hopefully will be able to play a significant number of test matches this summer, which will help us mitigate the financial losses that we are facing at the moment.

- Q56 **Damian Green:** Do you have any conception yet of the upper end of the percentage of the income that you would normally expect that you could get in? Allied to that, presumably some things will have to go by the board, so what is at the bottom of the tree? What do you know will not get funded that you would like to fund?

**Tom Harrison:** At this point, Mr Green, it is really very early to make those assessments. We have made some early redrafts of our strategy, on the basis of a worst-case scenario, and we have not got to the end of those discussions yet. As I am sure you are aware, they are complex and they involve every budget line in the game. What we looking at, however, is a scenario where, if we build out our worst-case scenario, and we get some cricket this summer and are able to start to build back some of those revenue streams—to reopen those revenue streams—the situation can get better from that point.

I don't want to hide away from the fact that our ability to protect the cricket network is going to be significantly hampered by what happens this year, and it is a real concern, right down to participation. One of my and the ECB's major concerns is having a summer where no cricket at a recreational level is played. That is a massive concern for us. We would like to think that we can work with the Government as and when it is safe to do so. If children are able to go back to school and the Government allow that to happen—with all the social distancing guidelines that are in place—and if it is safe to do so, we believe we can work with the Government to enable junior cricket to be played with coaches outdoors, according to social distancing rules that are likely to be in place. We are a non-contact sport and we feel that we can do that.

- Q57 **Chair:** I have a final question, following on from what Damian has asked you. Can you assure the Committee that, if you have to make difficult decisions over the next year or two, women's and girl's cricket will not pay the price, and that you will effectively ring-fence them, considering the fact that one of the great developments in cricket in this country over the past few years has been the explosion of interest in women's and girl's cricket?

**Tom Harrison:** Thank you for the question. Ultimately, nothing about COVID-19 and its implications dilutes our ambition or vision for the future of cricket in this country, and that is a gender-balanced game, building on the great work that has been done through the growth of the women's game and women's sport in this country. We have taken steps in 2020 to open eight new regional hubs for the women's game. COVID-19 has implications for the short-term activities that were set to be generated this summer around those regional hubs. That is complex. But there is no

question about our ongoing ambition and commitment to the women's game.

Q58 **Chair:** Sorry, Tom, but will you ring-fence the money? Yes or no?

**Tom Harrison:** At the moment, sitting here not knowing the full impact of COVID-19, but staring down the barrel at £380 million of losses, I don't think that we can ring-fence any part of the game, because it would be wholly irresponsible. I can give you an absolute assurance that we will do whatever is in our power. There is a huge lobby of support across the game and the ECB to protect women's cricket and the recreational game. I can assure you that we will have the full weight of that support. We will make announcements about those plans as soon as we can, which will hopefully include the ring-fencing of revenues, but I cannot give the Committee a guarantee on that.

**Chair:** Okay, we politicians like ring-fencing. Most manifestos contain it.

Q59 **Giles Watling:** I have one tiny point, Mr Harrison. What is the ECB doing to protect clubs at the grassroots? Have you any plans in train? I know from personal experience that some of them are really teetering on the edge. They are doing the best they can, but they need help from above.

**Tom Harrison:** It is a great question, Mr Watling. We have put a series of packages in place to try to help clubs. At least 100 clubs have benefited from the business rates exemption, which has been used by every county. Only around 100 cricket clubs benefit from that. We have 2,000 clubs that are benefiting from the small business grants system. There have been some issues with that: clubs that are listed as community amateur sports clubs do not qualify for those loans. Some local borough councils are not awarding those loans to clubs that fit in that category. That is a bit of an issue for us. We have about 4,000 clubs that do not qualify anyway for that. Those clubs have, in quite substantial numbers, applied for loans from Sport England, Sport Wales or the ECB. About £2 million has been given out through those various loan schemes. There is a bit of a lag on those numbers as the process for agreeing those loans comes through.

Q60 **Giles Watling:** You are outlining what the Government are doing; I wonder what the ECB is doing. Are you offering advice on that?

**Tom Harrison:** A lot of that is effectively the freeing of the ECB trust—the England and Wales Cricket Trust—reserves, which have been able to help with funding those loans. This might seem a small point, but it is very important: we have recently approved the purchase of all cricket balls across all leagues in the country, which is a major expense item and a multi-million pound spend across the country. But we recognise—my local club is no different—that there is huge appeal to local members to help support a club at a time when they would normally be generating revenues from junior cricket programmes, members' subscriptions and all those really critical revenue streams. Of course the match-day income, which is very important for local cricket clubs, is not happening either. There is no amount we can do to sustain the size of the hole that is likely



## HOUSE OF COMMONS

to be out there. We have estimated that at being around £32 million around the country. It's a very serious problem.

**Giles Watling:** Just keep focused on it.

Q61 **Chair:** Thank you, Mr Harrison, for your evidence today. I am now going to call our third witness: Bill Sweeney, the chief executive officer of the Rugby Football Union. Before handing to Julie Elliott, I have a couple of very quick questions for you, Mr Sweeney. Have you made an assessment of the worst-case scenario, in terms of no games being played in 2020? Have you made an assessment of the economic impact of that and the effect on the future of the game?

**Bill Sweeney:** Yes, we have. We negotiated and managed through the initial phase of the crisis quite well, but one of the hallmarks of this crisis is the need to continually scenario and plan the various different outcomes. We will have a reduction in revenue of £15 million through to the end of our financial year this year, which ends in June. We are then looking at three potential scenarios through to the end of our next financial year in '21. The autumn internationals in November are key for us because they are a major revenue generator, but we are assuming certain declines in spectator attendance. If the autumn internationals go ahead, we will still lose something like £32 million in revenue through to the end of the next financial year. If the internationals go ahead but are behind closed doors, that will be a negative impact of £85 million. If the games are cancelled entirely, that will be £107 million on top of the £15 million we have already lost. It's a very significant loss in revenue, and we are doing what we can to mitigate it.

Q62 **Chair:** I can imagine the worst-case scenario is something you really do have to take account of, because your sport is a very physical sport. I can imagine that there are great difficulties in terms of resuming. We've heard the Premier League is hoping to resume some time in June. Do you have any idea of when you think you can resume, or is there any particular circumstances that you think you have to take account of?

**Bill Sweeney:** We sit on a number of medical working groups, and our chief medical officer is represented on a working group that deals with DCMS on a regular basis. You're absolutely right: our game relies on contact; we are a contact sport. We are also a highly socially interactive sport, so mass gatherings are important for us. Some 55% of our revenue comes from ticketing and hospitality, so the ability to get up to some form of normality around mass gatherings is key. It is very difficult to predict it at this time. We also sit on a body with professional rugby—with PRL—where the Rugby Players Association are also represented, and we are looking at various different scenarios around testing protocols, how you can create bio-secure environments and how quickly we could return to play.

Q63 **Julie Elliott:** Good morning, Bill. You have outlined the financial impact as a whole if rugby isn't played this year, but can you identify for us what the state of the men's game, the women's game and the grassroots



game would be by the end of the year, if no rugby is being played?

**Bill Sweeney:** It is our major concern; it is our No. 1 concern. The grassroots and community game is the heartbeat of our game. It is the lifeblood. It is what supplies the players through into the international pathway, and it is absolutely critical for us. When we saw the crisis emerging on 16 March, we paused the game until April. We had an overwhelming reaction from the game and from the Championship league, which said, "Can you bring the season to a close? We want some certainty in terms of how we manage our own finances," so we closed the season on 20 March. We went into lockdown on 23 March. We then proposed pay cuts to the organisation on 25 March, and we also launched our £7 million support fund on the same day. We then accessed the furloughing system from Government, which has been a massive help for us, on 27 March.

It has been quite rewarding to see that the clubs and the community game are, by and large, in very good shape. It is a well-managed community game. They immediately went into lockdown and mothballed their operations, and we were surprised at the relatively small number of clubs that were in very severe distress and that we needed to focus on. That is the positive side of things. We have a loan of just over £5 million; for the first six months there is a repayment bank holiday, then there is 0% interest over three years. We have had only—if only is the right word—79 applications for that loan currently, which is very similar to the 78 clubs that have applied for the community emergency fund from Sport England. As we go through this period of maximum revenue generation for the grassroots clubs, we do expect that to increase as they start going through the summer and are looking to restart rugby, whenever that may be.

Q64 **Julie Elliott:** We have talked so far about rugby not being played until the end of this year, but if we move forward—as the Chair said, it is the contact sport of contact sports—and say that, perhaps, rugby is not played until summer 2021, could you outline where the game would be by that point?

**Bill Sweeney:** That would be catastrophic. Some 85% of our revenue comes from hosting men's international games at Twickenham. Twickenham is a major asset for us. If you compare us to the southern hemisphere, most of the southern hemisphere teams do not own their own stadiums, but we tend to in the northern hemisphere. When you own a stadium like that, it is a major cost, but at the same time, you can generate a tremendous amount of revenue from that. Hence the importance of the autumn internationals taking place in November.

If this was to be prolonged and go through into the summer of next year, and the Six Nations games were impacted, that would have a catastrophic impact on rugby union in England. All the money that we generate is spent on the professional game and the community game, so we would be looking at some severe situations there and we would need additional levels of support.





Q65 **Julie Elliott:** Can you comment on the women's game? You have not mentioned that so far.

**Bill Sweeney:** The women's game remains a major priority for us. We have just expanded the Tyrrells top tier 15s competition in England. We have England players centrally contracted in the women's league, as you know. We are spending just short of £5 million on the women's game. We see the women's game not just in the international context; the growth of the women's game is a key component to help us to support the grassroots game overall for various different reasons.

We want to maintain that, but at the same time, in the situation in which we find ourselves, it is difficult to plan with any degree of certainty when we do not know what the outcome is. We do not know if we will be playing internationals in November. We do not know if they will be behind closed doors. We do not know if they will be against southern hemisphere opposition or northern hemisphere opposition.

We are mapping out all the different scenarios. Our priority is to support the women's game, but it will come under the same scrutiny as every single area of investment that we have within the game.

Q66 **Julie Elliott:** Finally, in the two scenarios of rugby not being played until the end of this year or summer next year, what help, if any, could the Government give you against the backdrop of not being able to say when the game is going to start again? Is there anything extra that you think the Government could do to support the sport of rugby union?

**Bill Sweeney:** We would like to thank the Government for the initiatives that were put in place very quickly. Alongside the action that we took at the RFU, the VAT deferral, the business rates holiday and particularly the salary retention scheme were incredibly important for us. I mentioned that we activated the furlough scheme after the pay cut proposals on 27 March and over 60% of our staff are currently furloughed.

If we are indeed one of the last cabs off the rank in terms of being able to play rugby again, because of the unique characteristics of the sport, we would like to see some support in terms of an extension of that furloughing programme. We would also like consideration of furloughed workers being able to return to work on a part-time basis. If we get into a situation where we are talking about Six Nations matches in February or March next year being impacted, there is a limit to what we can do independently in terms of our financing capability. We would have to be coming to the Government for some kind of support.

Q67 **Giles Watling:** There are many organisations struggling financially around the world. In America, USA Rugby has filed for bankruptcy. Is that something that could be on the cards for the RFU?

**Bill Sweeney:** No, our financial model is inherently strong. We have a strong balance sheet. Owning Twickenham in its entirety is a very positive situation for us. We are a business model that generates cash.



## HOUSE OF COMMONS

What we are going through now is a situation that I do think anything we have experienced previously could have prepared us to manage. We are going through a period of really trying to make sure that we are not spending any money we do not have to spend. It is all about liquidity.

When we realised that we were going to lose something like £50 million of revenue through to the end of the financial year, we implemented a series of cost reductions. We have managed to claw back about £13 million of that, but that has gone now. As we look forward to the next year, we are looking to target somewhere between £20 million and £25 million of savings as we manage our way through the crisis.

It will not be a short-term issue. I hear a lot of people saying, "We'll get back to rugby. We'll get back to playing sport later in the year, and things will be fine and we'll have the Six Nations next year, and off we go", but we're working in terms of a four-year, five-year or maybe even six-year recovery plan to get us fully back on our feet. We are not in a similar situation to what has been outlined about the US and potentially Australia.

**Q68 Giles Watling:** With those figures you just gave me—I have just done this in my head, and I might have got it wrong—that still leaves a £13 million gap that you are looking for. Where would you find that?

**Bill Sweeney:** If you take our first financial year through to the end of June 2019, that was a £15 million revenue shortfall, and we have clawed back about £13 million of that. If you look at our financial year ending next month, we are actually not in a bad situation.

**Giles Watling:** That is good to hear.

**Bill Sweeney:** If you then go forward into the next financial year ending in June 2021, if we have no rugby played whatsoever, that will be a further £107 million-worth of revenue lost, and there is a limit to how many savings we can mitigate that with. We are targeting between £20 million and £25 million worth of savings.

**Q69 Giles Watling:** Thank you. Finally, is there something that DCMS could do for you that it is not doing? Can you outline that?

**Bill Sweeney:** DCMS has been incredibly helpful. As I mentioned to Ms Elliott, the VAT deferral, the business rates holiday, and particularly the salary retention scheme have been really helpful for us. Being able to furlough 60% of our staff when no rugby is taking place has been a major benefit. If we continue to go through the summer and into the potential start of the next season and we're still not playing any rugby, an extension of the salary retention scheme would be very important for us, as would the ability to perhaps bring those workers back on a part-time basis.

**Q70 Kevin Brennan:** Mr Sweeney, you said something earlier about possibly playing the autumn internationals with a limited attendance, rather than with no attendance. I think you said there would be a loss of £32 million if that happened. Does that mean you are thinking about having about 32,000 people in the stadium for a game like that, on my rough



## HOUSE OF COMMONS

calculation?

**Bill Sweeney:** No, the £32 million reduction in revenue is across a range of different areas; it is not just purely to do with ticketing. We do not know at this stage how many people will be allowed to be hosted at Twickenham if the games go ahead in November.

Q71 **Kevin Brennan:** So that calculation is not based on a particular assumption of how many you might be able to get into the stadium.

**Bill Sweeney:** It is based on some very rough assumptions around possible declines in other revenue streams. It is based on an assumption that it is unlikely that, at that stage, we will have a return to full capacity.

Q72 **Kevin Brennan:** But it is based on an assumption that you get some ticket sales, obviously, so there must be some rough number in there of how many people you think it might be.

**Bill Sweeney:** It is very difficult to predict what is a mass gathering and what is not. Is it 100 people? Is it 10,000 people? Is it 30,000 people? It is certainly not going to be 82,000.

Q73 **Kevin Brennan:** Sure, but we must assume it is something like 20,000 or 30,000, based on the figures you have told us so far.

**Bill Sweeney:** There are other revenue lines that we are looking at as well. There are sponsorship lines and broadcast lines, and we are looking at both of those, not just ticketing.

Q74 **Kevin Brennan:** Okay. I can see that you are not going to give me a number, so can I just press you a little bit on the Six Nations? Do you think that is done for this year now, and there is no chance of it being completed?

**Bill Sweeney:** It all depends on how quickly we can return to play. At the moment, the assumption is that the remaining games in the Six Nations will be played in October and November. We are still aiming towards that scenario.

Q75 **Kevin Brennan:** And you could fit those in with the autumn internationals as well, at the same time.

**Bill Sweeney:** Yes. We have worked with World Rugby and the Six Nations, and the intention is to be able to schedule those in October and November.

Q76 **Kevin Brennan:** On that point, can I just ask you about the Six Nations television negotiations? As you know, the Committee has taken an interest in those. Where are we with all of that, and has the coronavirus crisis had an impact on those discussions?

**Bill Sweeney:** Like most other business dealings, negotiations or whatever, it is on pause. It has not been cancelled, but we are right in the middle of a tender bid at the moment, so the timing is not great.

Q77 **Kevin Brennan:** Which union is the most hawkish about taking it behind



a paywall, would you say?

**Bill Sweeney:** I don't think I could give you an answer in terms of any one union. All the unions are in the same position: they are in a tough place, in the sense that we want to see the game taken to the widest possible audience but, as has been brought about by the COVID situation, we need to maximise the potential commercial revenue of that.

Q78 **Kevin Brennan:** In the longer term, do you think it is wise to do what cricket did, effectively, and take the game's great historic shop window away from mass audiences?

**Bill Sweeney:** We find ourselves in that very difficult situation of wanting to have the largest number of the population watching the games, and we get something like 9 million watching the Six Nations games on free to air, as we did last season. At the same time, as highlighted by the COVID situation, we need to maximise the possible revenue we can achieve. If there is any disruption to that competitive tender process, we think, say, for example, if it were to go free to air in November this year, it would cost us an additional 10 million on top of the projections.

Q79 **Kevin Brennan:** That was the argument made around cricket, wasn't it? You end up with a healthy hand at the end of a withered arm with that approach, don't you? It really affects the game downstream.

**Bill Sweeney:** I cannot really speak for cricket in terms of how that operated. Ideally, we would like to see some kind of a balanced outcome from this.

Q80 **Kevin Brennan:** Can I ask you about CVC, its investment in the game and what that means for the game? Where do you think this is all leading? Are we going to see a big restructuring of the game after this, with these finances coming in and after this crisis? Is there any possibility—I know this is not directly your responsibility—that this might lead to the development of a British and Irish league at club level?

**Bill Sweeney:** There are so many different conversations going on about various permutations and the direction the game could go in. You as a rugby fan will know that there are certain faultlines that exist in the game, probably going back to 1995, which have never been addressed. We think this crisis presents a unique opportunity to address those now. Perhaps the biggest one is an alignment of the global calendar, where we can eliminate the overlap between a club game and the international game, have clarity for the fans in the domestic market, but also find a way to align with the southern hemisphere so we come together.

Q81 **Kevin Brennan:** Did Bill Beaumont's re-election make it more or less likely that that could be achieved?

**Bill Sweeney:** The two manifestos are very similar. It was a question more of style. We have already done a huge amount of work on the global alignment. One of the things that came out of the crisis very early on—I am relatively new, but I am being told that it was the highest level of collaboration between the northern and southern hemisphere ever. I think



that we are close to being able to come up with something, in discussion with professional clubs as well—the clubs have been involved in giving their input—that we could find a solution to this, which has plagued us for a long time.

- Q82 **Kevin Brennan:** There is a lot of talk at the moment about Saudi money coming into sport, certainly with the Newcastle United proposal. There is also money going into live events, in things such as Live Nation in the music industry and so on. Clearly, there is a lot of money in the Saudi sovereign fund. Have there been any approaches, as far as you are aware in relation to rugby, of investing in the game from that quarter?

**Bill Sweeney:** No. That is not the first time I have heard of Saudi money being invested in sport, but I have not heard of any approaches from that side towards rugby.

- Q83 **Kevin Brennan:** If they were to approach, is that something you would welcome or be concerned about?

**Bill Sweeney:** We would look at what is in the best interests of rugby, first and foremost. We are very fortunate to have a unique game and what has been shown through this crisis is the tremendous values and the spirit at the community level. The community level and what we do at the professional level and the international game have to be linked in together. We would not want to do anything that would disrupt or undermine the community game in any sense. We would look at anything very carefully.

- Q84 **Kevin Brennan:** That is something that we can agree on: it is a values-based game. Thank you very much, Mr Sweeney.

**Chair:** Thank you Mr Sweeney for your evidence today and thank you to all the witnesses who have taken part in our first panel. We are now going to break for a couple of moments in order to set up the second panel, but please stay on the line.

## Examination of witnesses

Witnesses: Dame Katherine Grainger and Tim Hollingsworth.

**Chair:** This is the second panel in our hearing on the impact of COVID-19 on sport. The panel is Tim Hollingsworth, OBE, chief executive of Sport England, and Dame Katherine Grainger, chair of UK Sport. Our first witness will be Mr Hollingsworth. Good morning, Mr Hollingsworth.

**Tim Hollingsworth:** Good morning, Chair. Thank you for having me.

- Q85 **Chair:** Thank you for agreeing to take part. Will you paint a picture of the current situation of sports clubs across the country, the help they are receiving and the challenges they are facing?

**Tim Hollingsworth:** Yes, certainly. You will recognise from some of the earlier session that, while there is huge focus on the professional games—



## HOUSE OF COMMONS

the elite element of our sports and those that are reliant on the professional leagues—actually the foundation stones and the heartlands of our sports are the community clubs. Indeed, that extends beyond the traditional affiliated sports with the governing bodies to those that are also in our communities now using sport as a powerful way of engaging local communities.

What we have seen—as you would expect, of course, and as with every aspect of society—is that those clubs have very quickly ceased to have any activity whatever. There are about 72,000 affiliated clubs—that is, sports clubs related to national governing bodies—and half as many again of clubs that use sport in their local communities, so we are talking about a very sizeable impact on local community grassroots sport.

In this period, it is essential for us to sustain, I hope, as many of those clubs as we possibly can, working with the governing bodies. You have heard from both cricket and rugby this morning about the work they are doing to sustain their clubs. In addition, from a Sport England perspective, we recognise that clubs are an essential part of the nation's activity and of our local communities, so we have looked to support them as best we can.

**Q86 Damian Hinds:** Mr Hollingsworth, on the subject of that support, the Government have put together this sports package of £195 million. Within that, we understand that the community emergency fund is over-subscribed quite heavily. How will you deal with that, how will you allocate the money that is there, and will you be able to get further money to support community clubs?

**Tim Hollingsworth:** You are absolutely right. The £195 million package that we announced—actually, that was published eight days after the lockdown—was very much geared towards doing two things. On the one hand, we know that we rely on a set of core national partners in sport—the governing bodies, the active partners that exist in 43 regions of each county in England, and many other national bodies as well. What we could do for them was to provide some immediate stability in terms of, first of all, allowing them greater flexibility on our existing investments as Sport England, and, secondly, looking to provide for them the certainty of a one-year roll-over of that, so they can plan with some degree of at least immediate certainty.

What we also recognised, though, was that there would be much more immediate need in our local communities. Therefore, as you say, one of the key interventions that we put forward was the initial £20 million community emergency fund, alongside other planned investments that added up to £80 million of new money for Sport England from our previous level of investment.

We are over-subscribed; you are right. I think that has been indicative, probably as much as anything else out there, of the immediate level of crisis that has hit our sport and physical activity sector. Normally, we have two open funds: our community asset fund and our sport grants fund. They, too, run to a budget annually of about £20 million. Normally, over a



## HOUSE OF COMMONS

year we would expect to get about 4,000 application for that fund. In the last five weeks, we have had over 7,500 applications to the community emergency fund, so that tells the story of how much the local clubs are in need of that immediate support.

We have over 50 people working full time assessing those applications. There are some criteria, which means that not every application will be successful. In fact, we are finding that about three quarters of the applications meet the criteria and therefore are able to receive some funds.

We also have to think now about what we can do, as you say, in relation to that over-subscription. We are looking at what we can do ourselves, in terms of an extension of funding there, both from our existing lottery balance and resources of Sport England. We are very conscious that our money is there to support the local and community sports sector.

Also, we have a further fund of £20 million that is about to go on stream, which is even more geared towards local clubs and communities, and trying to help those particularly who are working in those areas of higher socioeconomic deprivation, and we are playing roles in terms of really engaging people who previously did not have activity as part of their lives. We will work that slightly differently, less as an open fund and more using expert partners, who understand those environments and localities, to help us to distribute it.

So we think, Mr Hinds, that we probably have to look at extending, and indeed there is an opportunity to consider that in the coming days. But at the same time, it is reflecting on the role of the emergency fund versus the other programmes that we have put in place to support sport now and hopefully over the months to come.

**Q87 Damian Hinds:** Just to be clear, that £20 million that you were just talking about is a separate and second £20 million that is outside of the £195 million package?

**Tim Hollingsworth:** No, that is part of the £195 million. If I break it down very briefly, so that the Committee is aware, that figure relates to about five different elements in investment. The first and most immediate one—and we launched it as an open fund on the day that we announced the total package—is the community emergency fund that is supporting our local clubs, an open fund to which they can apply for up to £10,000 worth of immediate relief, and that will go on very immediate needs. That is anything from paying the bills that they have outstanding to keeping their facilities in some order, and potentially making up for lost revenue from very critical events that were coming up in the next two or three months.

In addition to that, we have a short-term £5 million pot for partners in the sport system who have had very immediate short-term need. Some of those could be sports and other governing bodies that we do not



automatically fund, but in this period they will still find it very difficult to survive.

The next stage of that is what I just suggested is coming on stream in the next few days, which is a further £20 million of investment into our local communities. We have learned a lot strategically in the last few years about how understanding local communities and having a sense of place in our investment can really help to reach people who perhaps previously were not so well served by the traditional sports sector and landscape. In that respect, we know that we can work with organisations. Each of you in your constituencies will have an active partner for that region that is working across the area and knows which the best originations are to reach out to. Equally, there are brilliant locally driven organisations like StreetGames, sportives and others in that field that understand local communities and how sport is playing a role in them. We will invest that £20 million more through those organisations, rather than have it as an open fund. The combination of the emergency fund and the community fund will at least be able to get that £40 million to the places where it is needed most quickly.

The remainder, which is about a £35 million fund, is split into two. We have a £5 million pot at the moment, which we are suggesting we can and should think about using, as we start to really learn the lessons of this period, to help organisations think innovatively about activity. I am sure we will come to what is possible now and what we think might be possible in the weeks and months to come. There is some good innovation already taking place, not least around the way that organisations are now thinking about using online platforms and digital activity more effectively.

Lastly, the £30 million that is left of the £80 million—I hope that has all added up to an £80 million pot so far—

**Chair:** It does.

**Tim Hollingsworth:** Good, thank you. We absolutely recognise that, although we have an immediate need, there will also be fundamentally the requirement to help our organisations, sports, governing bodies and others to come back to an environment where they are helping people to play again. In that environment, it won't be simple; there will undoubtedly be costs involved, and we will look to allocate the £30 million there.

The remainder, the £115 million, is the essential cost of the roll-over that I described for the 120 or so organisations that we know are our absolute core partners—our absolute ecosystem, if you like—on which the whole of sport in this country relies. I think that added up, and I hope that made sense, in terms of the breakdown. The immediate need, the emergency fund and the community fund is the £40 million that we are looking to put into the system now.

Q88 **Damian Hinds:** Thank you. What do we actually know about the levels of exercise happening during this crisis period and how that varies between different groups in society—particularly among children?





## HOUSE OF COMMONS

**Tim Hollingsworth:** We know a reasonable amount about the first four weeks of what we have experienced. You will be familiar, from your previous role, in the Active Lives survey, which Sports England has traditionally held over the last three or four years—the largest survey of activity levels in England by far. That survey last reported quite recently, but it was for up until last November. It showed us that, actually, we have record levels of activity overall in this country. We were seeing slightly over 1 million people being active, against the chief medical officer's definition, than we saw at the start of the cycle. We could see a position where more and more people were being active in their lives.

Even before the COVID crisis, that was showing some inequalities that we recognised were pretty stubborn. There was certainly still an inequality around gender, although through This Girl Can and many other campaigns to drive women's sport—you heard about that from cricket and rugby this morning—that gap is undoubtedly closing. There were some definite challenges around disability and disabled people's activities, not least because we were not best placed, as a system, to help and support them, although again, in the last set of survey figures from Active Lives, we were seeing some improvement there.

There were some interesting but also very worrying inequalities around ethnicity and the way that that is a determining factor in people's level of activity. The biggest one overall—a consistent inequality—is socioeconomic. It was the economic circumstances that people found themselves in that tended to indicate their levels of activity.

I say all that by way of preface. We have held weekly surveys of 2,000 adults—16-plus—since the crisis began, through Savanta ComRes. Those patterns have fundamentally not really shifted. Overall, I am delighted that we have seen activity levels on the whole be largely maintained, but within that I think we are seeing people recognise the importance of physical activity to their physical and mental wellbeing. That is a key factor in this current environment. But we have seen those inequalities maintained and, in some ways, they have started to worsen.

You made a point about younger people and children—I know you were very familiar with this in your time as Secretary of State. We are in a position where, relatively speaking, we do not have active young people in the way that we would want to see. In particular, about a third of children are not doing the chief medical officer's recommended amount of activity per week. That figure is getting worse in the current environment. We now think that about 44% of children are either doing no activity or less than half an hour's activity every day in the current crisis.

What we have seen happening in the adult population is a genuine maintenance of activity as a whole. We have seen some positives. I don't know if any of the Committee members now ride a bike or go for a run more regularly and frequently than they might have done before, but we hope and think that there are some great habits forming in terms of people's daily activity now. We have tried very hard through our Join the Movement campaign, which has the hashtag #StayInWorkOut, to show



## HOUSE OF COMMONS

what is possible in the home. I don't think Joe Wicks needs any more publicity than he is already getting, but some people have really demonstrated what is possible in the home.

At the same time, we are concerned that that activity level is maintained as the weeks go on, and that the inequalities that we see in everyday life, if you like, are being maintained. That is what we are seeing across the country.

**Q89 Damian Hinds:** Obviously, different people have different opportunities and restrictions on what is possible. Do you think there is a role for any evolution of advice on exercise while lockdown is in place? And as lockdown gets eased, what are your priorities in terms of exercise and participatory sport?

**Tim Hollingsworth:** That is a great question and I would split it into two, as you did. Now, we were delighted, and I think it is to the Government's credit, that the four reasons for which we were allowed to go out of the house at the announcement of the lockdown guidelines in March included physical activity. That was not by any means the pattern across the world and it certainly wasn't the pattern across some western European countries. So right away the understanding that activity matters was hugely important.

That has led to and has continued to drive a sense that it should be and can be part of people's lives in a way that they possibly previously hadn't thought about, and that the benefit that you receive from that—which we at Sport England fundamentally believe—and the reason why activity matters, is primarily because of the benefit that it can bring to an individual in terms of their physical and mental wellbeing. We are seeing that being driven by people's approach to it now.

Alongside that, we have seen huge amounts of innovation online from people demonstrating what is possible. That is one lesson now that people can take forward when we see the opening up of sport—a subject that we can come on to—because people are being more innovative and inventive about ways to be active.

There is generally more understanding that what is important is that people find something that works for them and not have something pre-ordained imposed upon them. That sense of permission around being active is being driven by the current circumstances, to a degree. As Sport England, we absolutely look to latch on to that. It is what has driven our previous campaigns—the We Are Undefeatable campaign for people with long-term health conditions and the This Girl Can campaign, as part of addressing the activity levels of women and girls—and what is absolutely driving our Stay In, Work Out campaign now. We do not see that as a prescriptive campaign in the slightest. It is about the opportunity for people to see for themselves what is possible.

When we come on to what happens and we look forward to the opportunity for greater levels of activity and more organised sport to



return, we have to think again about what we have learned. We should absolutely latch on to some of the digital and online innovation that has taken place. We should fundamentally recognise that the principal driver is health and wellbeing and that extending the guidelines at any stage would be at an absolute detriment to people's health and wellbeing. As we look at how sports could and should be introduced, are governing bodies really taking every opportunity to introduce their sport back in a safe way? Has the risk assessment of that been particularly robust? Most importantly of all, are they being genuinely innovative and flexible about what that can be? If we can get that right and communicate it effectively, I hope we will see activity levels maintained and, critically, to your opening question, young people being engaged over the summer in a way that keeps them active. I hope we make sure that we do not have a year of young people whose activity is not part of their lives.

**Chair:** Thank you. I will move on now to our next question. We have very limited time. Can you be as succinct as possible, please?

**Tim Hollingsworth:** Sorry.

**Chair:** Thank you. Interesting but succinct. Julie Elliott.

Q90 **Julie Elliott:** Mr Hollingsworth, I was going to ask you about how the This Girl Can campaign is happening under COVID, but you have alluded to it a little bit, so I will move on. I believe and everything we are reading is that women's sport is at an increased risk during this crisis. In fact, in women's football, FitPro have said it is an existential threat to the women's game. AFC Fylde have actually closed their women's team, so, moving forward, I am very worried about what is going to happen right across the spectrum of women's sport. Is the organisation specifically focusing on women's sport to ensure that gender disparity and engagement with sport does not get worse after this crisis?

**Tim Hollingsworth:** Yes.

Q91 **Julie Elliott:** And what are you doing? Briefly.

**Tim Hollingsworth:** Not that succinct. I absolutely recognise the challenge that you offer there and I think it's every bit as beholden on Sport England as it is on any other organisation now to make sure that where we have seen and recognised inequalities—

Q92 **Julie Elliott:** What are you actually doing in relation to COVID-19 to make sure this will happen?

**Tim Hollingsworth:** There are two focus areas of our activity now. We have two priorities. One is to make sure that we invest as much as we can of our existing Exchequer and lottery resources to support organisations. For example, in the criteria around the emergency fund, it was made clear that prioritisation would be given to organisations supporting women's sport. As for the organisations that we have been funding over the last period and into the next year, absolutely that funding has conditions attached to it, one of which is to be able to demonstrate their focus on women's sport. We have adapted the Join the Movement campaign. We

have learnt that This Girl Can, particularly from this period, fundamentally demonstrates it is possible for women to do activity in the home. We have recognised that in some cases—I accept that I am generalising here—women are perhaps taking on more of the responsibility for childcare and for home schooling alongside, in many cases, their professional career. On that basis, we need to be able to show that it is still possible to fit activity into your life.

More generally, closing the gender gap has been a key priority for Sport England. In this period it is absolutely about continuing to emphasise, both in our investments and in our messaging through the campaign, that it is a key priority and that we would not want to see any step away from organisations seeking to offer sport to women.

Finally and very quickly, when we come to talk to governing bodies about the one-year roll-over and the investment there, one of the criteria will be that they support the women's game at grassroots.

**Chair:** One final question. Steve Brine.

- Q93 **Steve Brine:** Very quickly, the link between mental health and exercise during the lockdown restrictions is important, as we know. Do you have any reflections on that and might you include that in your next active lives survey?

**Tim Hollingsworth:** We do have a measure of wellbeing in terms of mental health in active lives. In the surveys that we are doing weekly at the moment, around two thirds of people recognise that as being good for their physical health and that it helps to support their physical wellbeing, and people also recognise the benefit to their mental health. In general, it is absolutely essential for us to recognise that one of the outcomes—the purposes of Government and public investment in sport and physical activity—is to help people manage, maintain and improve their mental wellbeing. We are absolutely geared towards that as one of the five outcomes that DCMS and Government have highlighted as being the purpose of investment in sport. We have partnerships alongside our traditional partners, such as Mind, Rethink Mental Illness and various other charities focused on benefiting people and their mental health. My assurance to you is absolutely that, alongside physical wellbeing and, we hope, the integration and the sense of social worth that people will get from community clubs once they start to reopen, people will continue to understand the benefit to their mental wellbeing of being active.

**Chair:** Thank you, Mr Hollingsworth, for appearing before us today. I will now move on to our final witness, Dame Katherine Grainger, chair of UK Sport. Good morning, Dame Katherine.

**Dame Katherine Grainger:** Good morning, Chair. It is a pleasure to be here. May I say what a joy it is to have new faces on my daily video calls? Thank you for the opportunity.

- Q94 **Chair:** Thank you. It is very nice of you to join us. The 2020 Olympics and Paralympics have been postponed. Could you outline the effect of that on



athletes, in terms of their finances and also their fitness, wellbeing and so on?

**Dame Katherine Grainger:** Absolutely. The postponement of the Olympics and Paralympics was not unexpected. It was the right decision for the IOC and IPC to take, considering the health and welfare of all athletes around the globe. The biggest implication that we have seen at the moment is that sport is effectively at a standstill. Every athlete who right now would have been three months away from the biggest event of their lives is isolated individually at home, trying to do some training but not able to access the usual venues that they can. They are in a very different world. We know that the sports that support them are already in some financial risk, and the longer this situation goes on, the greater the risk they will be in. It means that the risk of going to the actual Games next year is increasing. As far as UK Sport is concerned, our funding runs out at the end of March 2021, which obviously leaves a few months' gap in the lead-up to the Olympic and Paralympic Games. Unless we know that that will be filled, the risks increase for everyone.

The athletes themselves are in a mixed place, as we have heard this morning from various different witnesses. It is a very individual situation. Some athletes have completely embraced a new opportunities that this has created, with some different training from homes and some doing some great work through social media, trying to work with society to help heal things there, but effectively they are in a difficult position. However, although the training has paused, as we have said, it is important to say that the support around athletes has not paused. They can still access the same doctors, psychologists and mental health professionals that they have always been able to access, and there are some digital platforms that they can also access if they have any issues going forward. As much as we can, we are protecting the athletes in this difficult time.

Q95 **Chair:** What discussions are going on between the Government and yourselves and the sports and the athletes?

**Dame Katherine Grainger:** From day one, there have been very good discussions. I have to say that the crisis is a tragedy on every scale, but it has brought, in a positive way, incredible collaboration across the high-performance system. Every single sport, the British Olympic Association, the British Paralympic Association, all the home nations sports councils and UK Sport are speaking all the time to make sure that as much as possible can be done to support the athletes and the teams going forward.

We have very regular conversations with Government. The Government know that UK Sport is asking for an early exceptional roll-over. As I said, our funding commitment runs out in March 2021. We really need—ideally we will get confirmation in the next few weeks—a one-year roll-over to March 2022, to make sure that we can reassure all the sports that their funding is going to be in place and that they can have some consistency going forward through to the Games next year.

Q96 **Chair:** Sorry, just to clarify—you are effectively asking for the same



## HOUSE OF COMMONS

amount of money you were provided in the previous 12 months to be guaranteed from March 2021. Is that right?

**Dame Katherine Grainger:** Exactly right. We want a one-year roll-over. We also have a Government underwrite, which sits below the national lottery, because part of our income comes from National Lottery Good Causes. We obviously do not know the impact of the coronavirus on those lottery sales, so we will need the underwrite as well as the one-year exceptional rollover to make sure that we can give certainty to the sector.

Q97 **Chair:** What will happen if that does not happen?

**Dame Katherine Grainger:** That is a very good question. To be honest, we are not sure. Sports have already taken as many decisions as they can to minimise the loss. They are already struggling from loss of revenues, sponsorship and membership and from events being cancelled. They have made cuts, and they have also, where possible, used some of the furlough schemes. As you heard this morning, every sport is suffering individual pain. If we can give them the reassurance that the long-term funding is in place, they will not need to make decisions that could be really quite disastrous. It is the unknown that is the risk, because as you will know about high-performance sports, it is a very long-term planning game, and we want to give some long-term certainty.

Q98 **Chair:** I am old enough, quite clearly, to remember Atlanta '96. I think we won one gold that time. If I remember rightly, the yachting team had to sell their kit in order to get home. That was the state of elite-level athletics and sports in this country. Is there a danger that this event could retard our abilities to compete in the way in which we have done, which as a nation we have absolutely loved, over the last four or five Olympics?

**Dame Katherine Grainger:** Atlanta is a great example. I think what we have seen in the 20 years since the Atlanta 1996 Games is the brilliant impact of the national lottery and investment from successive Governments. We have had brilliant support. People recognise now that, when the Games time comes around, it has an incredible positive impact on the whole of society, not just on the athletes who compete—I have had the great privilege of being one of them—but on the society. You really feel the buy-in from the public support. When Team GB and Paralympics GB do well, over 75% of the population say they are proud of the success of that team. We have had incredible investment for over 20 years, and there is a very real threat that that amazing investment so far would be at risk if our teams are not as successful next year because we cannot get confirmation of funding.

Q99 **Chair:** Before moving on, just one more question. On the flipside of that, there could be people who are saying, "Actually, there are charities that are facing a potential £4 billion shortfall." We have heard about football, with the lower leagues facing a £200 million shortfall. Cricket could lose £380 million. A lot of people are asking for a lot of money for many different sports. Is it not a luxury that we can no longer afford—to support the Olympics in the way in which we have in the recent past?



## HOUSE OF COMMONS

**Dame Katherine Grainger:** I think we are very conscious that it is not just the sports sector; every single sector in society right now is in need of money and reassurances. There are different demands, and the Government have many demands across the Treasury. We are saying that we very strongly believe that the Olympics and Paralympics hold a special place in the public's hearts and minds. We saw that very recently when the Paralympics was put into the protective category of free-to-air viewing. It is why the Olympics is free-to-air viewing protected; it is seen as a very important thing for society. We are not saying that the other things are not equally deserving, but I strongly feel that the Olympics and Paralympics are as deserving as any.

Q100 **Kevin Brennan:** Thank you, Dame Katherine, for appearing before us. We really thank you for describing us as a group of new faces—that is very much appreciated. On the point about funding, if we were to do any kind of recommendations off the back of this session to the Government—I think it probably goes without saying—do you think that we should highlight the importance of that funding being extended for next year?

**Dame Katherine Grainger:** Yes. As I have said, we have been in very close talks with the Government. DCMS has been incredibly supportive of our needs going forward. At every step over the last six or seven weeks when we have been in discussions with sports, the Government has wanted to know how those discussions are going, what the scale of the problem is, and what is looking realistic as support for teams next summer. What would be good is, as much as possible, to get that answer as soon as possible.

Q101 **Kevin Brennan:** Ideally by when?

**Dame Katherine Grainger:** Well, I think in the next weeks would be ideal.

Q102 **Kevin Brennan:** You medalled in five successive Olympic Games. If you had had to go through this sort of situation as an elite athlete—give us an insight into how that would have affected you mentally and physically in terms of your preparation, and how it might be affecting our current athletes.

**Dame Katherine Grainger:** It is a brilliant point. It is also something that even for me, after 20 years' experience in high-performance sport, is still slightly speculative. I went to five Olympic Games, like you said, but no athlete in the history of the Olympic Games as ever had a postponed Olympic Games. This is unique. We have had Olympics cancelled because of world wars, but we have never had them postponed. What is important to understand is that it was only at the end of March that a decision was made. In March of the Olympic year, you are only four or five months away from the actual event and it feels very close. It feels very real. You are in those last few steps. You have done all the hard work, you have got through the last winter that you will need to get through, and it feels as if it is sitting right in front of you. There is also a certainty to the Olympic and Paralympic Games; the date is set in stone for years as far as you are



## HOUSE OF COMMONS

concerned, so you can mentally and physically plan for the peak at a certain date and you know it will not shift.

I think initially, for all athletes, the fact that it has changed will have been a relief, because the doubt and uncertainty were building and building, and the risks of competing or trying to compete or to train with serious health risks was getting too much for a lot of people. The decision to delay was important and the relief was instant, but then it is almost a grief cycle and there is the coming to terms with what this means now. For some athletes this might have been their last event, and they were planning life beyond. A year, again, seems a big chunk of time: "Can I go another year?" Some people might have been injured this year and not been at their peak, so it has bought them a bit of time. Different athletes are in different situations.

If I was going through it again, if this was my build-up to 2012, I would be incredibly disappointed because we were ready to go and ready to perform on that big stage. If it was the lead-up to 2016, I could maybe have done with a bit more time, if I'm honest, so it might not have been the end of the world. Those events are so emotional and so passionate. You are aware of the public support. You are aware of this amazing opportunity to put your sport on display and unite a nation in a way that very little does, and what a privilege that is. To have that on pause is hard.

The last thing I will say on this is that sports and athletes are incredibly agile and resilient. They are incredibly good at changing focus and aiming for the next thing. The good thing is that they know it is next year now. The athletes I have spoken to also have incredible perspective. They understand what is happening around them, the scale of this pandemic and the tragedy it is causing, so they do not think, "Oh, poor sport." They are thinking, "We're lucky with what we have right now and we're lucky we still have an event to look forward to."

Q103 **Kevin Brennan:** It gives you a year to think about coming out of retirement and making a comeback, possibly.

**Dame Katherine Grainger:** Well, I'll let you know how that goes.

Q104 **Kevin Brennan:** I was fortunate enough to go to the rugby World Cup in Japan last autumn. It is an incredible country and a marvellous place to hold a major sporting event, with incredible people and a welcoming atmosphere. What is your assessment of our medal prospects? We were talking about the debacle that was Atlanta, but for next year in Japan, do you have any tips for any Katherine Graingers of the future who might be there, whom we have not yet heard of but whom you know of through your work with UK Sport?

**Dame Katherine Grainger:** Medal-wise, you can always look in the build-up to a Games and it is quite simple to compare it with four years before—where we were before Rio, where we were before London—and you can see how the team are going. The team was in a not dissimilar position to before Rio and London, so we are all quite optimistic about what could be delivered in Tokyo. There was still uncertainty about the numbers of qualified athletes and we still do not know what the ultimate



team will look like, so it is still reasonably early days. We do not put out target predictions until much closer to the Games time, but it was looking very positive.

As you said, there was huge excitement about what and how Tokyo could deliver; it will be an extraordinary Games. Looking forward to next year, as I said, these events are very emotional, and if it all goes ahead next year as we hope, it could potentially be the first global gathering. The Olympics and Paralympics have always been, at their heart, a sporting event, but they are an incredible gathering event of human endeavour, human spirit and possibility. That is why so many people find it inspiring. If next year goes ahead as planned, it will be on a whole new scale.

Q105 **Kevin Brennan:** Any hot tips for us?

**Dame Katherine Grainger:** There will be many names that you know already whom we are looking forward to. I suppose the exciting thing for me is that they are names that, right now, nobody will know, who will break through next year.

Q106 **Kevin Brennan:** That's why I'm asking.

**Dame Katherine Grainger:** I'm not going to give you the tips yet. It is too much pressure on those athletes, as well, but I can guarantee that you will be thrilled by some of the performances next year by people who you have never heard of right now.

Q107 **Clive Efford:** Following on from that, and the issue about predicted medal haul, Sport England has been pretty accurate in its predictions in the past, but some of our big-ticket sports have not been performing as well. Cycling, for instance, had a disastrous world championship. You said you were expecting a similar haul but, going forward, how has COVID and the postponement affected your projections of the medal haul? Have you been able to make any calculations of how the delay will affect that?

**Dame Katherine Grainger:** Yes, I can honestly say at the moment we are not making any predictions right now. As I have said, even in a normal year we wouldn't have numbers in play until much closer to the Games. As for how we have set the targets, we work with every sport very closely and discuss what their targets are. Then we put them together cumulatively so that every sport adds up to the big number we can predict or expect. Sports won't know until much closer to the time. A lot of events still—even if it had been the Olympics going ahead this summer—wouldn't have finalised the qualified numbers, so we still won't know until much closer to next year. To your point on how COVID might affect this, we are a long way, I think, from knowing realistically where the athletes will be when we come out of this.

Q108 **Clive Efford:** Will qualifying dates be affected? I assume they will and that they will be postponed by a year too, so that where perhaps qualifying wasn't as successful as it might have been there is another opportunity for both the Olympics and the Paralympics?



**Dame Katherine Grainger:** Yes, and you are spot on with—some of the sports that were used to being very successful may be not where you would want to be right now, this year, but actually, a year from now, could be in a much stronger position. Some sports even within our own country will change their prediction between next year and where we would have been this year potentially; but I think the qualification route is still going to be quite complex, because what the International Olympic Committee and the Paralympic Committee equivalent have both said is that they only want to run the qualification events when they know there will be a very fair playing field internationally. Right now every country is in a different position with the coronavirus, and they will not run events until they know that they can do it fairly and it is fair for every nation to try and compete for those numbers. I think next year they will still take their time to decide what qualification will look like and if the events will change at all. Some have qualified already this year, and those places will hold to next year, but most sports are waiting to hear what next year will look like.

Q109 **Clive Efford:** Let's hope some of those sports go back to those marginal gains that Dave Brailsford was so successful at. I think cycling could do with taking a leaf out of his book. Just one other issue is about participation—because the Olympics and Paralympics are very successful in boosting interest in sport, and participation. Have you made any assessment about the implications of the postponement of that that and about how to maintain interest while we wait for the big injection of interest that comes around the Olympics?

**Dame Katherine Grainger:** You are absolutely right. We are very lucky as an event, in that every four years the nation turns to the Olympics and Paralympics and there is the very direct effect of just how many people want to go and try new events, having seen that on the big stage. Having seen great athletes in those inspirational moments, people want to see what they can try themselves. That is why it is so important that we have our teams ready and supported well for next year—because they know that is the biggest show on earth to really inspire new young people, new generations, into sport.

What will affect this year is the fact that, as every sport you have talked to this morning has said, we don't know what sport will be able to be on show this summer at all. There are definitely always ongoing projects to make sure that, whether it's our own athletes we can access or whether we go wider afield, we look at how to still showcase those great role models for what is possible within sport. Their stories are really important.

We have these things called athlete volunteer appearances, so every athlete in receipt of national lottery funding gets to give back some time to their local communities. Even though they are not able to compete on the big stage this summer, there will still be opportunities for them to link to communities—to just tell their stories of what sport has done for them, what it has meant for them, and what is possible through sport. There are still many channels we will use to make sure that those stories are told, even if realistically we have to wait till next year for the real big platform.



## HOUSE OF COMMONS

Q110 **Clive Efford:** Do you have a figure at all for the economic impact, the impact that a big sporting event like the Olympics and Paralympics has on the economy by getting people out there buying kit and getting involved in sport? Do you have any assessment of that at all?

**Dame Katherine Grainger:** I don't to hand right now, but I certainly can find it out and add it to our written submission after this session, so you can look at the big numbers—I know they will be huge numbers.

**Chair:** That was our final question. I am going to conclude the session now. I just want to thank Dame Katherine Grainger and Tim Hollingsworth, who both appeared on this panel. Thank you.