

Written evidence submitted by Ulster Rugby, relating to the funding and delivery of public services in Northern Ireland inquiry (FPC0026)

Introduction

Ulster Rugby welcomes the opportunity to submit evidence to the Northern Ireland Affairs Committee on the funding of public services.

Our response contains the following sections:

1. About Ulster Rugby
2. A Cross-Community Sport
3. The Value of Sport
4. Funding Challenges and Opportunities

About Ulster Rugby

Ulster Rugby's purpose serves three functions:

1. As the Governing Body for Rugby Union, Ulster Rugby is responsible for the leadership, development and growth of the sport within the Province of Ulster (Northern Ireland and the 3 counties of Donegal, Cavan and Monaghan). We want to "inspire lifelong participation in Rugby, the community game people want to play". There are 51 rugby clubs in Ulster (42 rugby clubs in Northern Ireland) with a playing population of circa 35,000. This spans 134 adult men's teams, 20 women's teams, 10 disability rugby teams, 2 mixed ability rugby teams, 50 mini-rugby sections (aged 6-12), and 104 youth teams.

We believe that lifelong participation in Rugby can have a lasting and positive impact - this is our "why". We work alongside clubs, schools, charities, local authorities, government departments and others to develop and promote opportunities to develop through rugby. These opportunities use rugby as a vehicle through which we help people unlock their potential and have positive impact on individuals' lives, across mental and physical wellbeing, bringing people together through a common interest, developing life skills and enhancing education.

2. The organisation also operates and develops the elite playing functions, including the senior professional team, academy and pathway programmes for aspiring players, male and female. Ulster Rugby is one of four professional provincial rugby teams on the island of Ireland, competing in both the United Rugby Championship (URC) and Heineken Champions Cup.
3. Ulster Rugby manages and promotes the Kingspan Stadium, which is the home and centre of rugby for the province, and which holds vast tourism and cultural significance to the community in South-East Belfast, having opened in 1923. The organisation is legally established as an unincorporated not-for-profit organisation, meaning all profits derived are re-invested back into the organisation to aid the growth and sustainability of the sport throughout the province.

A Cross-Community Sport

Rugby occupies a unique position within mainstream sports as one which transcends the traditional community divide in Northern Ireland, and therefore Ulster Rugby plays an important role in bringing people together and contributing to the development of a shared identity of

people from all backgrounds.

Ulster Rugby delivers a range of work in the fields of community development, social inclusion, education, health and justice and is committed to strengthening this portfolio through innovative and sustainable programmes, for the benefit of the wider community.

For example, alongside the Irish FA and Ulster GAA, the multi-sport partnership successfully delivered a four-year flagship peace and reconciliation programme called 'Sport Uniting Communities'. This was funded by the SEUPB and utilised the power and reach of sport to engage 17,000 young people across Northern Ireland. The partnership is seeking to continue this project via the Peace Plus programme.

The Value of Sport

The value of sport on the physical, mental and social wellbeing has been well documented, generating real positive impacts for individuals, and preventing an estimated 97,000¹ cases of disease in Ireland with a net gain in health worth €0.4 billion.² It plays a vital role in supporting health and public services as a key preventative intervention.

The positive benefits for individuals, communities and to the health service also extends to the economy. Taking the central and local government as a whole, spending of £47m is associated with a generated income of £83m, a surplus of 43%. For every £1 that the public sector invests there is a return of £1.77.³

Research by Sport Industry Research Centre at Sheffield Hallam University on behalf of Sport England found that for every £1 invested in sport and physical activity in England (financial and non-financial), £3.28 worth of social impact was created for individuals and society⁴.

Supporting this analysis, a 2021 report by Sheffield Hallam University on behalf of Sport Ireland researched the Value of Sport in Ireland concluded that government has considerable revenues from sport, in excess of its overall spending.

Looking specifically at the contribution made by rugby on the island of Ireland, the IRFU found the social return on investment of the sport to be €515.37 million per annum, accounting for social, economic and health inputs that can be directly attributed to participation in the sport.

This includes:

- **Social: €117.64 million**
Including volunteering, crime, education and employment and projects and programmes.
- **Economy: €56.38 million**
Including facility value, player spending and employment.
- **Health: €341.35 million**
Including the potential prevention of non-communicable diseases such as diabetes and CVD, cancer, mental health, ageing and subjective wellbeing.

Sport generates many positive outcomes that in turn save government money, and so it is essential that sporting organisations are supported in pursuit of the important role they play across social, economic and health outcomes.

¹ The Physical Inactivity and Sedentary Behaviour Report, British Heart Foundation, 2017

² Sport Ireland, and Sheffield Hallam, Researching the Value of Sport in Ireland 2021

³ Sport NI and Sheffield Hallam, the Benefits of Outdoor Recreation, 2019

⁴ Social return on investment of sport in England 2017–18

Strategic Approach: Challenges and Opportunities

Ulster Rugby supports a move towards a more cross-cutting and strategic approach to funding of public services. This should include the NI Executive, NI Civil Service and the relationship with UK Government to ensure that all parts of the system are working in support of agreed objectives. It would also be helpful to align local government spending with this.

Sport, and specifically the work of Ulster Rugby through the range of programmes it delivers, plays a key role in reducing the pressure on public services, particularly in relation to the objectives that the departments of health and communities are charged with delivering.

Early intervention and preventative approaches are essential in reducing the burden on public services, and a cross-cutting outcomes-based approach on funding could provide a new way of managing the budget for Northern Ireland.

This is most pronounced in relation to the crisis currently facing our health service, and whilst the implementation of health service reform will reconfigure services and go some way to supporting more care in the community, ultimately, government should seek to reduce the number of people relying on health interventions through investing in preventative measures, both for physical and mental health.

Jurisdictional Challenges

Ulster Rugby has the unique challenge of being part of an all-island organisation, but which falls within the jurisdiction of a different government to that of its counterparts.

Within Ulster, there are three counties in the Republic of Ireland (Donegal, Cavan and Monaghan). However, the outworkings of the jurisdictional divide within Ulster Rugby, as well as within the body which we operate (IRFU), put clubs in the Republic of Ireland at a competitive advantage because of higher levels of public funding and tax relief.

Rugby enjoys a significantly greater level of support from the Irish Government in terms of facilities. For example, five of our nine border county clubs from Donegal, Cavan and Monaghan applied and received almost €250k between them from the most recent Sports Capital Programme from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. This amounts to more than the 42 NI-based clubs have received from the equivalent funder in the past five years.

The Sports Capital Programme allows sports clubs to plan strategically on the understanding that there are regular opportunities to apply for significant funding to develop their facilities. The 2020 programme administered €143.8m of capital funding for clubs and Governing Bodies in the Republic of Ireland and emphasises how far behind we are in terms of capital investment in NI.

However, this disparity could begin to be addressed through devolution of additional fiscal powers, or alternatively through amending current tax policy that would see sports in Northern Ireland be able to avail of similar supports to counterparts in the Republic of Ireland. Given the uneven playing field that this presents across the island of Ireland, we believe there is a strong case for exceptionality in relation to delivering on this.

This would also return money to the sector which can be invested elsewhere, such as in the important programmes that Ulster Rugby runs in support of government outcomes, such as health and community relations.

Proposals

We foresee three specific opportunities to deliver on this that could be reinvested into sport:

1. VAT on ticket sales

Clubs in the Republic of Ireland do not pay VAT on ticket sales, whilst Ulster Rugby has an annual bill of approx. £750,000, which ultimately means that monies which would be invested in the development of the rugby estate are diverted to Treasury.

2. Sportsperson Relief Tax

Players in the Republic of Ireland benefit from a Sportspersons Relief Tax which enables professional athletes to reclaim tax following retirement. The outworking's of this mean that Ulster Rugby is at a competitive disadvantage in attracting players from ROI, and so has had to offer additional money to compensate for the benefits which players in other parts can enjoy.

3. Review of interface between Treasury and devolved legislation

Presently, any funds generated by Treasury on specific taxes (Soft Drinks Industry Levy; Apprenticeship Levy; etc) are not ring fenced in support of the policy intent in Northern Ireland because the issues to which they relate are devolved. For example, SDIL was designed as part of the obesity strategy in England and revenue generated through it is invested into physical activity in schools; whilst the money comes to NI via Barnett Consequential, there is no obligation that it is ringfenced in support of its policy objective.

Ulster Rugby propose that through adjusting this process and ensuring that taxes applied with policy intent that additional revenue can be delivered to early intervention opportunities and thus in support of the policy intent as set out by Treasury (with engagement with NICS and NI Executive).

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