

# Sport and Recreation Alliance – Supplementary written evidence (NPS0138)

## Introduction

The Sport and Recreation Alliance is the representative body for the sport and recreation sector, with a diverse membership of more than 300 national and local organisations. As the voice of the sector, the Alliance works with Government, policy makers and the media to make sure grassroots sport and recreation grows and thrives.

The Alliance's Chief Executive, Lisa Wainwright gave detailed oral evidence to the Committee on Wednesday 9 December 2020. As such, the purpose of this supplementary written submission is to draw the Committee's attention to a number of recommendations which build on some of the key points raised in our oral evidence.

## Key recommendations

1. In summary we would make the following key recommendations:
  - Sport, recreation and physical activity delivers substantial benefits in a wide range of public policy areas with every £1 spent delivering almost £4 in social and economic value. While this contribution is increasingly well understood, it remains the case that **a much more coordinated and coherent whole-of-government approach is required to realise the sector's full potential.**
  - This approach must comprise **an ambitious policy platform designed to achieve clearly defined outcomes and underpinned by clear measures of success and robust accountability mechanisms.** In addition, any new approach must also encompass the role different sectors – notably business and third sectors – can play in maximising the social and economic contribution of sport, recreation and physical activity.
  - The COVID-19 pandemic has underscored the importance of the sector to national health and wellbeing but also exposed the sector's relative fragility with many jobs, facilities and organisations across the sector at risk of collapse. In this context, **there is now a clear imperative to develop a national plan which forms the basis for a new 'social contract' with sport, recreation and physical activity and which establishes whole-of-government and cross-sector action focused on maximising the social and economic value of the sector.**
  - Any new plan must encompass **more innovative policy approaches which draw on successful examples both at home and abroad.** This would include changes to the tax and regulatory regimes to better support the whole sport, recreation and physical activity pyramid.

**A coordinated, whole-of-government approach to sport, recreation and physical activity**

2. Recent research commissioned by Sport England confirms that community sport, recreation and physical activity delivers £85bn in social and economic value and supports over 285,000 jobs.<sup>1</sup> Around £72bn of these benefits are through improved physical and mental health and wellbeing, educational attainment, community cohesion and reductions in crime.<sup>2</sup> Every £1 spent on sport, recreation and physical activity delivers £4 in social and economic value.<sup>3</sup>
3. The sector therefore delivers against a number of key public policy goals across national and local government: reducing inequalities in health, supporting the health and wellbeing of children and young people, driving employment and productivity and achieving net zero carbon. In addition, the government is committed to a broader 'levelling up' agenda which, among other things, is designed to tackle inequality by spreading investment and opportunity more consistently across the country. However, it remains the case that the sector's current and potential future contribution in these areas is not yet fully reflected in policy or funding decisions.
4. In this context, Sport England's new strategy *Uniting the Movement* is an important milestone and provides a crucial platform on which to build. The strategy sets an ambition to transform lives and communities through sport and physical activity and to tackling longstanding and deep-rooted inequalities which have been exacerbated by COVID-19. However, while Sport England plays a central role in the sector as funder and enabler, it can only have limited influence over wider policy levers – legislative, regulatory and fiscal – which are typically controlled by central and local government.
5. As such, the recovery from COVID-19 provides the opportunity for a reset. We believe this would be best achieved through a national plan which would represent a new 'social contract' with sport, recreation and physical activity. Such a plan would encompass a revised whole-of-government approach to policy and investment and, through this framework, make sport, recreation and physical activity central to achieving key public policy goals at both national and local level.

### **Outcomes, measurement and accountability**

6. The government's 2015 strategy *Sporting Future* outlines an ambition that investment should be directed towards achieving improvements in five outcomes: physical health, mental health, individual development, social and community development and economic development. These outcomes

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<sup>1</sup> Sport England/Sheffield Hallam University, *Social and Economic Value of Community Sport and Physical Activity in England*: <https://sportengland-production-files.s3.eu-west-2.amazonaws.com/s3fs-public/2020-09/Social%20and%20economic%20value%20of%20sport%20and%20physical%20activity%20-%20summary.pdf?If7FqnmAz.8U3LLQu14rb1yIKL4SUJ7>

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

are underpinned by 25 Key Performance Indicators (KPIs) measured through a variety of mechanisms.

7. While this is a useful framework, the outcomes themselves are high-level and the KPIs are large in number, diffuse and have not been recently updated so that overall it is difficult to definitively assess whether or not the strategy has achieved its intended objectives.<sup>4</sup> To enable a more effective and accurate measurement of the impact of investment, we believe any new national plan should therefore ensure that:
  - Strategic outcomes are clearly articulated and specific and;
  - Supporting data and evidence capture is enhanced to better demonstrate the link between participation in sport, recreation and physical activity and the social and economic outcomes of interest to policy makers.
8. In support of this, it is essential that there are clear and effective mechanisms to hold stakeholders to account for delivery. As an example, *Sporting Future* set out a requirement to produce a formal annual report to Parliament outlining progress against the strategy's objectives.<sup>5</sup> Whilst some reporting has previously taken place, the last formal report was published in January 2018 and therefore it is arguable that current mechanisms do not provide sufficient scrutiny or enable government and ministers to be held properly to account for delivery.<sup>6</sup> We therefore believe new and more innovative accountability mechanisms should be included as part of any new national plan.

## Policy innovation

9. Looking ahead we believe government could and should consider more innovative and flexible approach to policy to support the sector and better enable it to achieve the wider public policy outcomes set out above. Many of these policy approaches have been applied already in different domestic sectors and/or could be adapted based on models in use overseas.
10. Short term policy options include:
  - **Extension of existing COVID-19 tax and financial support packages on a sector-specific or time-limited basis:**
    - Additional funding as required to protect community public leisure facilities through the COVID-19 lockdown and recovery.

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<sup>4</sup> *Sporting Future: Second Annual Report – measurement dashboard:*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/717782/2166-C\\_Sporting\\_Future.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/717782/2166-C_Sporting_Future.pdf)

<sup>5</sup> *Sporting Future: A New Strategy for an Active Nation:*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/486622/Sporting\\_Future\\_ACCESSIBLE.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/486622/Sporting_Future_ACCESSIBLE.pdf)

<sup>6</sup> *Sporting Future: Second Annual Report:*

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/677557/2018\\_Second\\_annual\\_report\\_to\\_parliament\\_on\\_Sporting\\_Future.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677557/2018_Second_annual_report_to_parliament_on_Sporting_Future.pdf).

- Extension of the temporary 5% reduced rate of VAT to sport and physical activity, including tickets to sporting events.
- Extension of the furlough scheme and support for the self-employed on a temporary, sector-specific basis to support the sport, recreation and physical activity sector as it returns to full operational capability.
- Extension of the Retail, Hospitality and Leisure business rates holiday for 2021/22 to help facility-owning clubs and organisations until they are able to return to full capacity.

11. Longer term policy options include:

- **Further tax reforms to support school sport and drive investment into grassroots:**
  - Extension of the Soft Drinks Industry Levy to a wider range of products with the proceeds continuing to be ringfenced for PE, sport and physical activity in schools.
  - Building on existing reliefs and mirroring those already in place for the creative industries, an enhanced corporation tax relief for expenditure on grassroots (and potentially women's) sport. This would provide sharper incentives to invest and put sport on the same tax footing as other industries under the purview of DCMS.
- **Ringfenced funding for investment in sport, recreation and physical activity infrastructure and programmes designed to achieve specific policy objectives.** This could be achieved through dedicated funds within departmental settlements at the next Spending Review as well as through ringfenced amounts of large national funds including the Levelling Up Fund, Shared Outcomes Fund and Shared Prosperity Fund.<sup>7</sup>
- **Reform the tax and giving rules to better support grassroots sport.** This could be achieved by simplifying the Community Amateur Sports Club (CASC) scheme and extending Gift Aid to member subscriptions for registered CASCs and sports club charities. Such a reform would simplify the current regime, increase take up of Gift Aid by existing clubs and increase the attractiveness of the CASC scheme, particularly for non-facility owning clubs.
- **Reset the relationship between sport and gambling by introducing a 'fair return' from gambling back into sport.** This would properly reflect the investment made by sports in developing the on-field product used for gambling and generate additional funds which could be reinvested back into sport, including the grassroots. Examples of how this could be structured already exist both domestically and overseas. For example in France, sports bodies are granted an 'organiser's right' which enables them to exploit the commercial opportunities around the events they organise, including through betting

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<sup>7</sup> For more information on these funds see *Spending Review 2020*: <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020>

rights.<sup>8</sup> In Britain, the horserace betting levy ensures that a proportion of gambling operators' profits are returned to the sport to support its long-term development.<sup>9</sup>

## **Sport and Recreation Alliance**

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<sup>8</sup> <https://www.legifrance.gouv.fr/codes/id/LEGITEXT000006071318/>

<sup>9</sup> <https://www.gov.uk/government/news/government-boost-for-horseracing-in-betting-levy-reform>