



Evaluation of Sport Survival Package

Final report

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Executive Summary

Key evaluation findings

- ▶ The use of a process tracing approach and probability analysis across all sampled clubs receiving grants and loans over £10k suggests that as many as 323 clubs (out of the 1,212 supported with funding over £10k) could have become insolvent without the SSP funding.
- ▶ Some leagues such as the Rugby Union Premiership and British Basketball League were likely to have been in danger in the short-term or at least have taken much longer to resume in their recognised formats without the SSP loans and grants to clubs.
- ▶ Current analysis indicates that for every pound spent on the SSP to ensure the survival of clubs, £3.16 of economic and social benefits were generated (based on the current modelling of repayments).
- ▶ SSP helped many clubs in the longer term to recover and return to play more quickly. The financial position of the majority of supported clubs has improved since before the application for SSP funding and the majority are on a path of recovery.
- ▶ Investments in grassroots and women's sport have been preserved and have generally returned to pre-pandemic levels.
- ▶ Organisations were very positive about the support that they received both from Sport England and secondary model organisations and formed strong working relationships with Sport England staff.

Programme overview

This report sets out the findings from the evaluation of the Sport Survival Package (SSP), a Department for Culture, Media and Sport (DCMS) programme which was designed to respond to emergency needs from sports negatively impacted by spectator restrictions during the Covid-19 pandemic. Sport England managed the SSP programme on behalf of DCMS. The SSP was launched in December 2020 and provided a package of loans and grants to sport organisations with the aim of helping professional and community sport clubs survive the Covid-19 pandemic and subsequent lockdowns and ensure the continuation of sport competitions and events.

The SSP funding package had three main objectives:

- ▶ To ensure as many sports or sports clubs survive the period of restrictions preventing spectators from attending professional matches;
- ▶ To minimise the long-term damage to participation and investment in grassroots and women's sport;
- ▶ To minimise the cost of the intervention to the Exchequer.

Structural eligibility and financial resilience and sustainability criteria established whether an organisation was eligible to receive funding, with the latter also informing the amount of funding applicants were offered. Within the 'Financial resilience and sustainability criteria' specific criteria considered affordability and future viability. The amount of funding was typically based on an organisation's survival need which was defined in terms of the organisation's projected cash deficit up to March 2022 at the time of the application – usually enabling the continuation of sporting activity. This meant that funding was unique to each organisation's circumstances and varied by sport. The default product offered to applicants was a loan, with organisations prioritised for grant funding based on the extent to which they met the 'Prioritisation and Balancing' including the extent to which they could

demonstrate their role in providing grassroots participation opportunities and addressing inequalities in their sport particularly amongst women and girls.

Contextually, it is also important to highlight that SSP was designed, developed, and implemented in unprecedented conditions. The programme delivered emergency funding to clubs and organisations across many sports, with many clubs and organisations facing severe financial issues and the risk of failure. Funding decisions therefore needed to be made at rapid pace but also in the context of the challenging working conditions created by the lockdown, home-schooling and club staff being on furlough. This created a highly pressurising situation for those applying for funding and those involved in implementing the programme.

How SSP funding was distributed

Overall, SSP represented £279m worth of investment allocated to a package of measures to support the sport sector. The investment was distributed to 16 sports. Rugby Union received the highest amount of funding (£158m) which represented 58% of the SSP funding, followed by Rugby League (£32.2m)¹, football which received £27m and horseracing (£22m).

SSP distributed **1,676 funding awards to sport clubs and organisations across England**. These included:

- ▶ 169 awards made directly via the primary model where funding was allocated directly by Sport England to organisations. This also includes six awards Sport England made to NGBs to be distributed via the secondary model.
- ▶ A further 1,513 awards were made via the secondary models (excluding distribution across horseracing).

From the secondary model, awards were distributed as follows:

- ▶ 669 went to football clubs in the National League System Steps 3-6.
- ▶ 218 went to rugby league clubs.
- ▶ 626 went to rugby football clubs.

Individual awards **varied from loans of over £10m (largely provided to Rugby Union Premiership clubs) to grants that were less than £10k**. There were 24 awards with a value of over £1m and a further 13 were over £500k.

Outcomes and impacts

Supporting clubs to avoid insolvency

In examining the impact of SSP on the survival of clubs, the evaluation investigated in detail the insolvency risk of clubs if they had not received SSP funding. A broader examination of the impact of SSP on survival could encompass risk of mothballing, dropping down leagues or ceasing certain functions such as support for youth development or women's teams which were also considered in separate analyses. A process tracing methodology based on a survey of supported clubs was used to arrive at an overall assessment of the impact of SSP on enabling clubs to avoid insolvency or go into administration. Process tracing uses a statistical technique, Bayesian Confidence Updating, which provides a systematic and transparent approach to assessing impact. The use of

¹ It is important to note that the Rugby League total includes £14.15 million from the Rugby League Professional Sport Fund which was awarded in Spring 2020.

process tracing is increasingly accepted as a robust alternative to experimental approaches in evaluation where the use of comparator groups is not feasible.

The analysis suggests that SSP funding lowered the risk of professional and semi-professional clubs becoming insolvent and going into administration during the Covid-19 crisis. For clubs receiving grants and loans over £10k the evaluation found that 8% of clubs (or 96 clubs based on the total receiving funding in those segments) would have had a greater than 60% likelihood of going into administration before March 2022 without SSP funding, while 24% of clubs (or 153) would have had a greater than 40% chance of going into administration without support from SSP. Segment analysis suggests that clubs receiving larger awards were more likely to be at risk of going into administration.

The probability analysis across all sampled clubs receiving grants and loans over £10k suggests that **as many as 323 clubs (out of the 1,212 supported with funding over £10k) could have become insolvent without the SSP funding**. The scale of this impact would have had huge ramifications for the sports involved.

The monitoring data on club cash flows which was reviewed in detail for the case studies suggests that in some cases actual income in the period up to March 2022 turned out to be higher than forecasted by clubs at the time of the application. The case studies showed that in practice support from shareholders (or in some cases club members) turned out to be greater than expected, worst case scenarios for the return of spectators did not materialise and loss of sponsorship was not as great as expected.

Evidence on the role of SSP in supporting the survival of leagues is necessarily more speculative and less clear. The potential failure of several clubs which was a likely scenario based on the survey and case study evidence collected on clubs, suggests that both **the Rugby Union Premiership and British Basketball League were likely to have been in danger in the short-term or at least have taken much longer to resume in their recognised formats without the SSP loans and grants to clubs**. For other leagues including the RFU Championship, ice hockey and the football National League System Steps 1-2, the evidence suggests that a breakdown of the leagues without SSP was more unlikely. In the case of football National League System Steps 3-6 some restructuring and loss of fixtures in the longer-term was a likely scenario without SSP which would have caused severe disruption for clubs and some further failures. The loss of any clubs (mid-season particularly) would have had a significant impact, especially in relation to sporting integrity and resultant impact of missing fixtures on broadcast and spectator income. Without SSP, the 2021 Netball Super League season would not have taken place. This enabled a new broadcasting deal for Super League matches across the season including YouTube streaming which has encouraged the sport's commercial growth.

Value for money – survival impacts

The Social Cost Benefit Analysis (SCBA) focussed on the costs and benefits of the programme for those sporting organisations (and corresponding segments) that received more than £10,000 in SSP funding. The analysis did not monetise all the benefits of the programme, as several wider economic benefits could not be quantified through the impact analysis. It considered only Gross Value Added (GVA) benefits from safeguarded employment from those clubs supported, and non-market benefits from the avoided welfare loss to society if sporting organisations did not survive. Wider benefits, for example, value of preserving tourism, and economic benefits from spectator revenue were not quantifiable. Given the timing of the evaluation and scope of the quantitative analysis that was possible, it was not feasible to monetise the benefits of funding support that was provided to leagues and National Governing Bodies to support the safeguarding of participation. The programme costs were calculated on the basis of current modelling of loan repayments which may be subject to changes in the longer-term.

Programme costs for all organisations included in the scope of the value for money analysis, considering current modelling of loan repayments and defaults on loans, were estimated at £81.9m. The GVA to the economy associated with the survival of funded sporting organisations that received over £10,000 in funding through SSP

is estimated over a 5-year evaluation period at £143.5m. The 5-year Net Present Value (NPV) from GVA impacts alone was positive at £61.5m, indicating that GVA benefits exceeded the total costs by around £62m. This corresponds to a Benefit Cost Ratio (BCR) of 1.75 for GVA.

The non-market benefits of the SSP are estimated at £115.2m (5-year present value). The NPV of non-market benefits alone over 5-years is also positive at £33.2m. This corresponds to a BCR of 1.41 for non-market benefits.

Combined together, the GVA and non-market benefits of the SSP for sport clubs who received over £10,000 and who were subject to the long survey over five years are estimated to be £258.6m. This represents a positive net benefit compared to costs of £176.7m. This corresponds to an overall BCR of 3.16 for GVA and non-market benefits associated with the survival of the clubs supported by SSP funding. **That is, for every pound spent on the SSP to ensure the survival of clubs, £3.16 of economic and social benefits were generated.**

Recovery and longer-term financial sustainability

A key objective of SSP was the short-term goal to ensure clubs survived the period of Covid-19 restrictions. The long-term financial sustainability of the clubs was an important consideration in the evaluation, however, as it affects the ability of clubs receiving loans to service liabilities which would ultimately influence the long-term value for money of the programme.

Any consideration of the impact of the SSP funding on longer-term financial sustainability needs to recognise the financial situation in sport prior to the pandemic. Even before Covid-19, a significant liquidity problem existed in many professional team sports which left clubs with less resilience to deal with external economic shocks and a limited ability to pay their debts as they fell due, particularly on a short-term basis. As the focus of SSP was generally short-term survival, this context is important in understanding how far it was possible for the funding to improve the financial sustainability of clubs.

Although there is evidence to suggest that a majority of clubs would probably have avoided insolvency initially without SSP, **the evidence clearly shows that SSP helped many clubs in the longer term to recover and return to play more quickly.** There was clear evidence in many cases that the funding helped clubs to avoid further cost cutting, by safeguarding investments and by allowing them to resume their participation in competitions much sooner than would have been the case in the absence of SSP support. The evaluation highlighted many examples of how the funding gave clubs the ability to continue specific operations and avoid any further redundancies and from that position the confidence and ability to invest in their longer-term development.

The evaluation did not address in quantitative terms the extent to which the funding helped long-term sustainability as the quantitative analysis focused on short-term survival, and financial sustainability was not an objective of the programme. Several indicators based on data collected via the long survey questions nevertheless suggest that **the financial position of clubs has improved since before the application for SSP funding and that the majority of clubs are on a path of recovery.** At the point of the survey, 29% of survey respondents reported having sufficient reserves to cover their expenditure for more than six months, a marked improvement on the pre-application point when the comparable figure was 11%.

Rugby Union Premiership case study clubs who have taken on significant levels of additional debt through SSP are facing challenging financial situations and will require continuing support from owners and substantial growth in revenues, including from diversification and business transformation activities to safeguard their long-term survival.

Some clubs that were at risk of failing before March 2022 are likely to continue to be in a position of vulnerability however many of the clubs in this category have been able to recover well and move on to a more secure financial footing.

Safeguarding grassroots and women's sport

There is a range of evidence to suggest that **SSP played an important role in protecting investments in community and grassroots development and women's sport**. Just over a third of respondents to the longer survey said that they reduced investment in women's sport because of the pandemic leading up to the application while 39% said they would have continued to reduce investment without the funding. Despite the drop in contributions in the months preceding the SSP, the survey results show that investments in grassroots and women's sport have since recovered and are now broadly in line with what clubs were spending before the pandemic. Aside from direct funding for grassroots and women's sport, around **£53.8m of direct investment into grassroots sport and £14.9m worth of investment into women's sport was potentially protected** through the SSP funding by virtue of supporting the survival of clubs.

Case studies showed how the SSP funding was used to protect sport level investments in grassroots and women's activity. Funding was used to support NGBs for loss of income that occurred because of spectator restrictions at events or events being cancelled - without SSP, the loss of income would have led to reductions in grassroots investment programmes. Further potential effects on grassroots sport were potentially secured through SSP ensuring the continuation of leagues as this helped to maintain audiences and interest in a sport at the grassroots level and in the case of women's sport, support its continuing growth.

Process evaluation

The evaluation also explored the extent to which the design and implementation of SSP enabled the delivery of the intended outcomes and explored lessons for future crisis funds and funding support in the sport sector more generally.

The initial needs assessment that examined the potential impact of the Covid-19 spectator restrictions to inform the initial programme budget was as robust as it could have been given the urgency of demand and gaps in the financial data received from organisations. Those sports involved in the early stages tended to be happier with the outcome of the needs assessment, though some stakeholders felt that the focus on spectator restrictions was too narrow.

The **assessment criteria allowed applicants to demonstrate their financial need and wider economic and social value, and also provided the independent Board with a clear framework to consistently assess applications**. Applicants generally understood and accepted the assessment criteria.

Recipients generally found the application process simple and straightforward. The main criticism was the amount of information that organisations had to provide in their application, much of which did not already exist and so had to be generated by an often-pressured workforce. Applicants tended to feel clear on how funding decisions were made. While there may have been some initial concerns about the amount or type of funding received, overall organisations were satisfied with the funding that was awarded to them.

The terms attached to grant agreements were overall easier to understand and manage, whilst loan agreements were necessarily more complex – especially for larger awards. This caused frustration for both recipients and those administering the process and proved to be a longer process than anticipated.

Overall, funding recipients tended to find the monitoring and reporting process onerous, disproportionate and often too time-consuming. While there was limited flexibility due to post-event assurance, a more tailored approach to organisations would have been preferred, depending on their funding size.

Organisations were very positive about the support that they received both from Sport England and secondary model organisations and formed strong working relationships with Sport England staff. Sport England were also praised for the support that they provided to secondary models throughout the process.

Overall, stakeholders valued their relationship with Sport England and are keen to explore new ways of working together in the future; with suggestions ranging from practical support, wanting to learn from Sport England, and forming a more collaborative partnership.

Overall conclusions

SSP was a large-scale programme developed and implemented at rapid pace in response to an unprecedented situation facing the sport sector. Considering this context, SSP was broadly delivered effectively. The programme developed appropriate application criteria and systems that were able to address the specific financial needs facing clubs and sport organisations. The strategic parameters of the funding package which were based on the need to address the financial implications of the Covid-19 spectator restrictions were clear from the outset and the vast majority of sports appreciated and understood the funding criteria. The programme supported a large number of clubs and organisations, is likely to have helped many clubs to survive through the pandemic and even more to recover more quickly.

The programme has highlighted lessons learnt for future support funds should a similar crisis ever arise, including the need to be more prepared with a greater understanding and more systematic data on the financial situation of professional sport clubs as well as a clearer understanding of how they contribute to the economy and society.

The evaluation data suggest that the sport sector (or at least a majority of those clubs targeted by SSP) is generally recovering well from the pandemic. However the pandemic and the SSP application processes have exposed the financial challenges which clubs were already facing, as well as issues around their governance and management procedures and in some cases their over-reliance on volunteers. In some ways, SSP has given clubs an opportunity to move beyond the crisis and provided an opportunity to restructure. The economic shock of Covid-19 may have encouraged clubs to achieve more effective cost control measures, by spending less than they earn, which may help to improve the resilience of the sector. There is a risk however that as we return towards levels of pre-Covid-19 normality that professional sport returns to the status quo and such issues affecting long-term financial sustainability are overlooked. This concern has provided the basis for using some of the SSP funding to support sport level 'governance and business transformation' which will be subject to separate evaluations.

The Covid-19 crisis and the experience of SSP has also raised questions regarding the role of policy in encouraging governance changes that enable clubs to become more financially sustainable. The experience suggests that sport organisations and bodies that operate professional leagues will need to re-visit financial distribution mechanisms, with a view to addressing financial imbalance and improving competitive integrity. It also brings into question whether the need for greater use of financial regulations, for example salary or transfer caps and/or wage reductions clauses to support financial stability at a club level, or additional regulatory measures that include rewards and benefits for clubs that demonstrate sound financial management.

Summary of evaluation methodology

A partnership led by Ecorys (including Ipsos UK, economist George Barrett and sport finance expert Rob Wilson) was commissioned in late 2021 to undertake the evaluation.

The evaluation focused on the impact of the programme up to the end of the financial year 2021-22, drawing on evidence gathered between March 2022 and September 2022. The evaluation analysis therefore focuses on the immediate outcomes and impacts of the funding in the short-term and, due to its timing, does not capture any longer-term outcomes and impacts beyond 2022. Recommendations on how the longer-term outcomes and impacts could be assessed are included. The analysis also included a process evaluation that focused on capturing lessons from the delivery of the programme.

The evaluation employed a mixed methods approach to understanding the outcomes and impacts of the programme, including a process evaluation and assessment of the programme's value for money. As an overview, the various strands of the research included:

- ▶ A desk review of programme data covering loan and grant awards by sport segments and monitoring data on supported organisations' financial situation post funding.
- ▶ A telephone survey of 163 SSP grant and loan sport club recipients (awards over £10,000) who applied for funding support, focusing primarily on the impact evaluation but with some questions included to support the process evaluation. Results from the survey also fed into the Value for Money (VfM) evaluation. The survey was conducted between April and September 2022.
- ▶ A longer online survey of 133 SSP grant and loan sport club recipients (awards over £10,000) where contact details for telephone interviews were not available to the evaluation team. The survey was conducted in August and September 2022.
- ▶ A shorter online survey of 231 SSP grant recipients (awards under £10,000). This survey sought to collect data on the financial position of organisations and asked for their views on the application process to help inform the process evaluation. The survey ran between April and August 2022.
- ▶ A programme of 40 in-depth theory-based case studies involving desk research including application files and monitoring reviews, workshop and interviews with supported organisations and interviews with organisations that indirectly benefitted from the funding. These explored the impact, process and VfM areas of the evaluation.
- ▶ A process evaluation strand involving 25 structured interviews with governance and delivery representatives (i.e. strategic programme contacts), key external stakeholders, and drawing on the results from the surveys described above.
- ▶ A VfM assessment of the SSP programme, drawing on data collected through programme and monitoring information, the telephone survey, case studies, process strand interviews and secondary data.

1.0 Introduction

This report sets out the findings from the evaluation of the Sport Survival Package (SSP), a Department for Culture, Media and Sport (DCMS) programme which was designed to respond to emergency needs from sports negatively impacted by spectator restrictions during the pandemic. Sport England managed the SSP programme on behalf of DCMS. The SSP was launched in December 2020 and provided a package of loans and grants to sport organisations with the aim of helping professional and community sport clubs survive the Covid-19 pandemic and subsequent lockdowns and ensure the continuation of sport competitions and events.

SSP emerged in response to the implications of a national lockdown and associated restrictions on activity first initiated in March 2020, due to rapidly rising Covid-19 case numbers across the UK and the world. The intervention was specifically focused from the outset on sports that were most impacted by the Covid-19 spectator restrictions which were reintroduced on 1st October 2020. The funding package was targeted at sports that were most reliant on spectator revenue - through ticket sales and other indirect income streams associated with live crowds, and who were therefore impacted by a sustained loss in revenue. The package of funding consisting of loans and grants set out to provide support across the broad range of sport clubs and organisations that were affected by the restrictions. The support set out to help sport clubs and organisations survive and, when possible, continue with their sporting commitments.

SSP was designed, developed and implemented in unprecedented conditions to deliver emergency funding to clubs and organisations across many sports, with many clubs and organisations facing severe financial issues and the risk of failure. Funding decisions therefore needed to be made at rapid pace but also in the context of the challenging working conditions created by the lockdown, home-schooling and club staff being on furlough, both for the SSP delivery team and within clubs requiring support. This created a highly pressurising situation for those involved in implementing the programme.

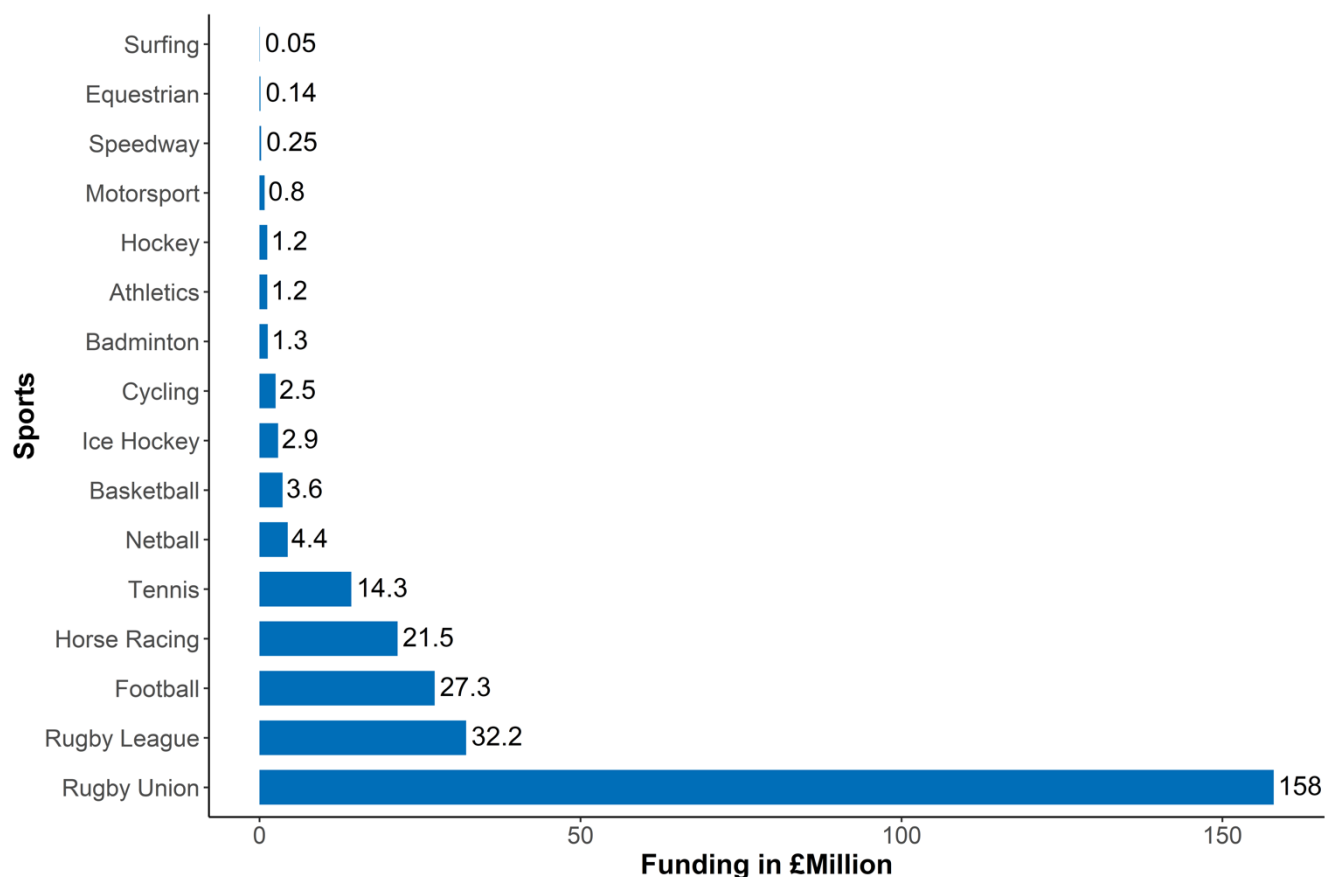
Overall, the 'survival' phase of SSP which is in scope for this evaluation represented £279m worth of investment allocated to a package of measures to support the sport sector. The investment was distributed to 16 sports. As shown in Figure 1.1, overleaf, Rugby Union received the highest amount of funding (£158m) which represented 58% of the SSP funding, followed by Rugby League (£32.2m)², football which received £27m and horseracing (£22m). In early 2022, a further £7.5m of funding was allocated to sports through the Governance and Business Transformation strand of SSP which is subject to separate evaluations.

This report focuses on the impact of the programme up to the end of the financial year 2021-22, drawing on evidence gathered between March 2022 and September 2022. The evaluation analysis therefore focuses on the immediate outcomes and impacts of the funding in the short-term and, due to its timing, does not capture any longer-term outcomes and impacts beyond 2022. Recommendations on how the longer-term outcomes and impacts could be assessed are included in the final section. The analysis also includes a process evaluation that focuses on capturing lessons from the delivery of the programme.

A partnership led by Ecorys (including Ipsos UK, economist George Barrett and sport finance expert Rob Wilson) was commissioned in late 2021 to undertake the evaluation.

² It is important to note that the Rugby League total includes £14.15 million from the Rugby League Professional Sport Fund which was awarded in Spring 2020 and is not within the scope of this evaluation.

Figure 1.1 SSP funding distribution by sport



Source: Sport England SSP programme data

Note: The figures below have been rounded to the most significant digit, so the degree of rounding will vary.

1.1 Overview of evaluation approach

The evaluation has employed a mixed methods approach to understanding the outcomes and impacts of the programme, including a process evaluation and assessment of the Fund's value for money. As an overview, the various strands of the research included:

- ▶ A desk review of programme data covering loan and grant awards by sport segments and monitoring data on supported organisations' financial situation post funding.
- ▶ A telephone survey of 163 SSP grant and loan sport club recipients (awards over £10,000) who applied for funding support, focusing primarily on the impact evaluation but with some questions included to support the process evaluation. Results from the survey also fed into the Value for Money (VfM) evaluation. The survey was conducted between April and September 2022.
- ▶ A longer online survey of 133 SSP grant and loan sport club recipients (awards over £10,000) where contact details for telephone interviews were not available to the evaluation team. The survey was conducted in August and September 2022.
- ▶ A shorter online survey of 231 SSP grant recipients (awards under £10,000). This survey sought to collect data on the financial position of organisations and asked for their views on the application process to help inform the process evaluation. The survey ran between April and August 2022.

- ▶ A programme of 40 in-depth theory-based case studies involving desk research including application files and monitoring reviews, workshop and interviews with supported organisations and interviews with organisations that indirectly benefitted from the funding. These explored the impact, process and VfM areas of the evaluation.
- ▶ A process evaluation strand involving 25 structured interviews with governance and delivery representatives (i.e. strategic programme contacts), key external stakeholders, and drawing on the results from the surveys described above.
- ▶ A VfM assessment of the SSP programme, drawing on data collected through programme and monitoring information, the telephone survey, case studies, process strand interviews and secondary data.

1.2 Report structure

The remainder of the document is structured as follows:

- ▶ Section 2 – provides an overview of the context to the funding package and how it was implemented.
- ▶ Section 3 – describes the evaluation framework and approach.
- ▶ Section 4 – presents analysis of how the SSP funding was distributed.
- ▶ Section 5 – presents an assessment of the outcomes and impact of the funding package.
- ▶ Section 6 – presents analysis from the process evaluation.
- ▶ Section 7 – presents an assessment of the value for money of the funding package.
- ▶ Section 8 – summarises the evaluation conclusions in relation to each of the key questions and highlights recommendations for future evaluation research.

The report is also accompanied by a series of Annexes that can be found in a separate document. This includes the following:

- ▶ Annex A – provides more information on the sport segments.
- ▶ Annex B – presents the monitoring data analysis.
- ▶ Annex C – provides a full list of evaluation questions.
- ▶ Annex D – presents the results of the surveys.
- ▶ Annex E – provides a technical note on the impact analysis approach.
- ▶ Annex F – provides a note on the feasibility of adopting a comparator group approach.
- ▶ Annex G – provides more details on the value for money approach.
- ▶ Annex H – provides additional detail on the evaluation methodology.

Stand-alone case studies of SSP impacts on clubs and sport organisations accompany the report.

2.0 Programme overview

This section presents an introductory overview of SSP to set the scene for the evaluation. It considers the context and rationale for the programme and the way in which the funding support was structured and administered.

2.1 SSP context

2.1.1 SSP objectives

This section elaborates on the context to the SSP objectives. The SSP funding package had three main objectives³:

- ▶ To ensure as many sports or sports clubs survive the period of restrictions preventing spectators from attending professional matches;
- ▶ To minimise the long-term damage to participation and investment in grassroots and women's sport;
- ▶ To minimise the cost of the intervention to the Exchequer.

Covid-19 restrictions preventing spectators from watching live sport were first introduced in 2020 and led to many sports and sport organisations facing severe financial challenges. Sports that were most reliant on spectator revenue through ticket sales and other indirect income streams from live crowds, were impacted by a sustained loss in revenue.

In November 2020 the Government announced a £300m Sport Winter Survival Package (SWSP) to protect the immediate future of major spectator sports in England by providing loans and grants to cover organisations' essential costs. The SWSP built upon the Rugby League Loan Scheme that was announced in May 2020 and which had provided up to £16m of low interest loans to professional clubs based in England. The Rugby League Loan Scheme had also aimed to mitigate against insolvency risks as a result of lost revenues due to the impacts of Covid-19 and the restrictions imposed on sport spectatorship.

The SWSP was specifically focused from the outset on sports that were most impacted by the Covid-19 spectator restrictions which were reintroduced in October 2020. At this time, many sports and leagues preferred to continue competitions as there was a concern that not to do so may have led to deeper losses and damage to their sport in the longer-term. The initial funding round assumed spectators would return by March 2021 however there was only a gradual return of spectators after this date. On 22nd February 2021, the Prime Minister announced further restrictions on spectators as part of the Government's Roadmap for easing Covid restrictions including no spectators at elite sporting venues until 17th May at the earliest. In response to the continuing restrictions, an extended phase of funding was announced in the budget in March 2021 to further support those sports that are heavily dependent on income from spectators. At that point the scheme was renamed the Sport Survival Package (SSP) to reflect this shift away from only focusing on winter support.

In May 2021, it was announced that up to 10,000 spectators could attend the very largest outdoor-seated venues and by July 2021, capacity limits for all sports were lifted. With the spread of the Omicron variant of Covid-19, some of the restrictions were reinstated in December 2021 with spectators attending sporting events of more than

³ Sport England SSP programme documents

10,000 people having to present an NHS pass showing a proof of vaccination or negative test. This requirement was removed in January 2022.

The programme sought to address the knock-on effects of reduced spectators for levels of investment in community sport. The spectator restrictions also meant that budgets for community and women's sport were derailed which may have had longer-term consequences for grassroots and women's sport. (See also Section 3)

SSP operated within the context of a wider package of government support mechanisms already available to the broader UK economy. Other government support schemes available to the sector alongside SSP included:

- ▶ **Coronavirus Business Interruption Loan Scheme (CBILS):** Designed to provide financial support of up to £5m to small and medium-sized enterprises (SMEs) adversely impacted by the pandemic, CBILS was launched on 23 March 2020. The scheme ran for a year, closing to new applications at the end of March 2021, and provided lenders with a government-backed guarantee of 80%.
- ▶ **Bounce Back Loan Schemes (BBLs):** Launched in May 2020, BBLs were designed to act as a quick and easy-to-access scheme, supporting SMEs to receive a loan between £2,000 and up to 25% of their turnover (up to a maximum of £50,000). This loan scheme was for organisations adversely impacted by the pandemic and promised no fees or interest payable in the first 12 months, increasing to 2.5% a year following this.
- ▶ **Coronavirus Job Retention Scheme (CJRS):** Also referred to as 'furlough', CJRS was announced on 20 March 2020, and allowed employers to claim back a proportion of each furloughed employee's standard wage. This started out at 80% of the employee's usual wages up to £2,500 per month as part of the first version of the scheme, and was reduced across the rounds, at which point employers were required to top up the salaries of furloughed staff to 80%. The scheme ended in September 2021, having gone through four iterations.

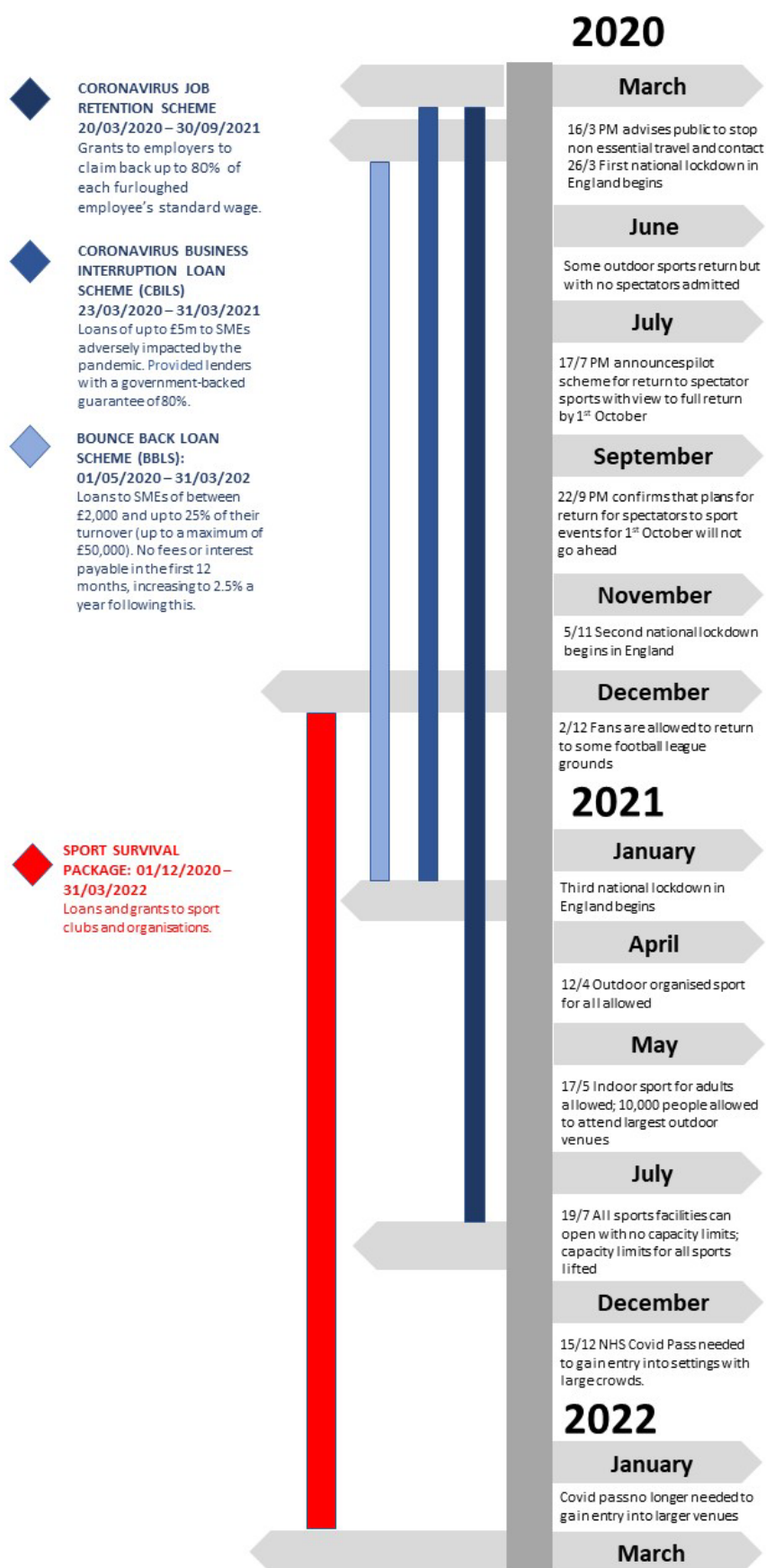
Timelines regarding the availability of support packages and Covid-19 spectator restrictions are summarised in Figure 2.1, overleaf.

2.2 Financial situation in professional sport

One of the main objectives of SSP was a short-term goal to ensure clubs survived the period of Covid-19 restrictions. The long-term financial sustainability of the clubs is an important consideration in the evaluation however as it affects the ability of clubs receiving loans to service liabilities which will ultimately influence the long-term value for money of the programme. Any consideration of the impact of the SSP funding on longer-term financial sustainability however needs to recognise the financial situation in sport prior to the pandemic. This section highlights some key trends in sport finance and the financial challenges that were facing professional sport up to 2020. The focus here is the higher tiers in rugby union and football not only because they have been a focus of much of the recent literature but also because a significant proportion of SSP funding and particularly the larger loans supported clubs in those sports, as is detailed in Section 4.

Financial issues facing professional sport clubs are nothing new, however the Covid-19 pandemic has given added exposure to the financial situation in professional sport. Prior to the pandemic, conventional financial indicators suggested that many clubs were already in a precarious financial position and facing a high risk of business failure. Despite the growth of the sport industry, prior to the pandemic many professional sport clubs were facing financial distress, typified by costs rising at a quicker rate than revenues and clubs incurring increasing and significant volumes of debt. Many clubs also operated with limited financial reserves and relied on injections of funding from owners to maintain financial viability.

Figure 2.1. Timeline



There are generally three main sources of revenue for professional clubs - matchday, broadcasting and commercial income. Sports such as football, rugby union and rugby league found themselves in a similar position at the start of the pandemic of having revenue streams cut off but still having to pay most of their regular costs including player wages. While no professional clubs were immune to the financial impacts of the Covid-19 crisis, the organisational resilience of clubs varies significantly, and some clubs were better placed than others to cope with the crisis. With high values placed on the selling of broadcasting rights, clubs in the English Premier League (EPL), for example, generated combined revenues of over £5bn in 2018/19, although it is worth noting that nine clubs still made a pre-tax loss.⁴ In the English Football League (EFL), the three tiers directly below the EPL, revenues are not on the same scale. The established, and growing, financial disparity between the leagues, was giving rise to financial problems and risks of clubs going into administration even before the pandemic. In 2020, the average revenue per club in the Championship (tier 2), League 1 (tier 3) and League 2 (tier 4) was £33m, £8m and £4m respectively compared to the average EPL revenues of £215m per club.⁵ In August 2019 for example Bury FC was expelled from the EFL facing large outstanding debts.

Debt levels were continuing to grow, even before the onset of Covid-19. In the English Premier League, data suggests that between 2015 and 2020 the cumulative balance sheet debt of all clubs stood at around £6bn, although a large proportion of this debt was carried by a small proportion of clubs.⁶ In the English Football League, the picture did not make better reading with almost £2bn worth of debt across Championship clubs in 2020, almost £400m for League 1 clubs and £100m for League 2 clubs. Profitability across all these four leagues was almost non-existent with sharp declines seen in both the EPL and EFL Championship. In the EFL Championship, average club losses increased from around £5m in 2011 to around £18m in 2020 and clubs in this league have never posted a cumulative profit since the formation of the EPL in 1992. EFL Leagues 1 and 2 clubs tend to be better positioned, mostly hovering around the break-even line but there were only three seasons since 1993/94 where the average profits go above break-even.⁷ There is limited data available for clubs below Leagues 1 and 2 including National League Steps 1-6 which were in scope for SSP however based on the interviews for this study, clubs at those levels face a similar financial situation.

Rugby Union was the last of the major team sports to become professional with the (then Allied Dunbar) Premiership of elite, independently owned, clubs established in 1997. The professional era created significant challenges for clubs in reconciling the objective of sporting success with the requirements of operating as financially sustainable businesses. Competition, in what has become to a significant extent an international market for the best players, has led to spiralling wage bills. The salary caps which were introduced to contain this effect were raised substantially over time and, according to interviewees for this study, may even have exacerbated the situation as they came to be seen as benchmarks up to which clubs needed to spend in order to be competitive.⁸ At the same time, income from sources such as gate money remained relatively static and the game increasingly came to depend on TV broadcasting income (from deals with Sky and later BT Sport) and sponsorship deals negotiated by the Governing body.⁹

A study undertaken in 2016 (using data from 2006-2015) highlighted problems of financial sustainability in rugby union in the pre-pandemic period.¹⁰ Headline financial findings from the study indicated a financial disparity amongst clubs which had widened over time. Average revenue figures appeared acceptable and showed steady growth for the period under review but there were significant issues with debt levels throughout the game. This was highlighted by the fact that in 2014 average debt was greater than average revenue amongst the clubs in the

⁴ Deloitte (2020) Annual Review of Football Finance

⁵ Ibid.

⁶ Plumley, D. et al. (2022). Counting the cost of Covid-19 on professional football clubs and their communities.

⁷ Plumley, D. et al. (2022). Counting the cost of Covid-19 on professional football clubs and their communities.

⁸ One of the case study clubs reported that the 2014 increase created particular financial issues within the sport

⁹ Wilson and Plumley (2017) Different shaped ball, same financial problems? A holistic performance assessment of English Rugby Union (2006-2015). *Sport, Business and Management: An International Journal*.

¹⁰ Wilson, R., & Plumley, D. (2017). Different shaped ball, same financial problems? A holistic performance assessment of English Rugby Union (2006-2015). *Sport, Business and Management: An International Journal*.

study which suggests a high risk of clubs running into financial problems. The study cited implications for the clubs competing in the English Premiership and for the league organisers themselves, particularly with reference to regulatory procedures such as raising the salary cap and increased broadcasting deals. The study looked at the finances of nine Premiership clubs over period 2006-2015¹¹ and found that, whilst their average revenues increased from £8.4m to £15.1m (79.8%), their wage costs doubled, and their average total debt increased by nearly 220% (from £4.3m to £13.7m). Only two clubs made profits on their normal operations in 2015. Whilst the situations of individual clubs varied significantly – partly according to factors such as whether they owned their grounds and other property assets - much of the game and including the RFU Championship, the level below the Premiership, became increasingly dependent on the provision of funding by wealthy backers.

In 2018 CVC Capital Partners acquired a 27% stake in Premiership Rugby Ltd (PRL), the governing body, for a reported £200m in 2018 with an associated aim to improve facilities and grow the game globally. The acquisition enabled clubs to revalue their PRL shareholdings and improve their reported balance sheet asset values. However, it is clear that the elite game as a whole was not well placed to deal with the financial challenges created by Covid-19 which obviously created major disruption of turnaround plans.

While the overall numbers vary across professional sports, a common issue of unsustainable financial practices can be seen. Many would argue that debt is not a problem in itself, and that many professional sport clubs receive donations, capital investment and have an ability to borrow. Even before Covid-19 a significant liquidity problem existed in many professional team sports which left clubs with less resilience to deal with external economic shocks and a limited ability to pay their debts as they fell due, particularly on a short-term basis. As the focus of SSP was generally short-term survival, this context is important in understanding how far it was possible for the funding to improve financial sustainability of clubs.

2.3 SSP design and implementation processes

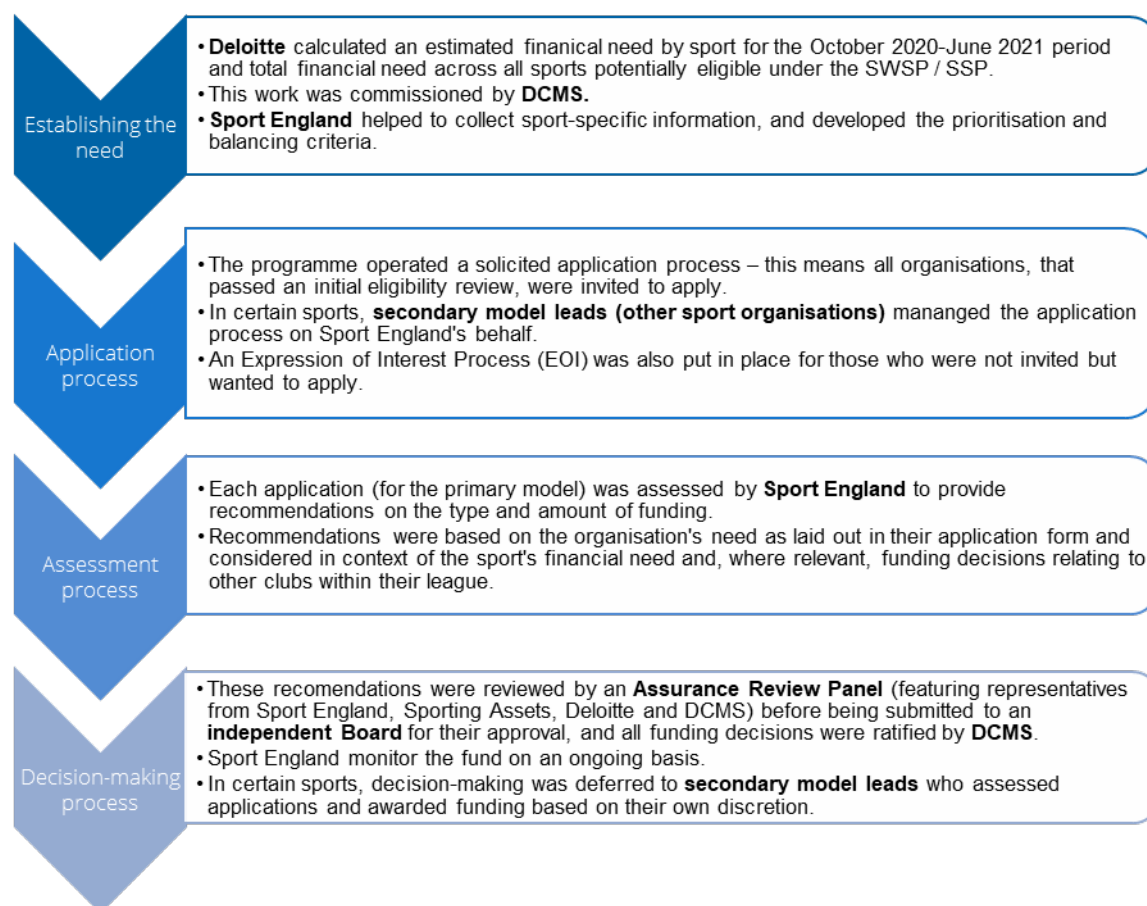
This section describes the SSP delivery process and organisations' roles in each stage of the process, as summarised in Figure 2.2 below.

Sport England managed and administered the allocation of loans and grants on behalf of the Government with funding decisions being made by an independent board. Organisations eligible for funding included private, charitable and community interest companies, as well as sports clubs and statutory bodies who provide professional sports services. Many of these organisations including professional sport clubs were not the usual types of organisations that Sport England would fund. In describing the implementation process it is important to understand the context in which the funding package was operating and the need to capture information as consistently as possible across all organisations. The need to roll out the funding very quickly meant that it was not possible to have multiple approaches for different types and sizes of organisations. There was also a need for the application process to be consistent across all sports.

The funding package processes are assessed in Section 6.

¹¹ Ibid

Figure 2.2. Roles and responsibilities within the SSP delivery process



2.3.1 Establishing the need

The total amount of funding available within the SWSP (the initial phase of SSP) was based on factors such as: the different business models adopted by sports; requirements of different organisation types (governing body, league, club); urgency of funding requirements; and impact of spectator attendances and postponement/cancellation of fixtures resulting from Covid-19. Following the announcement of further funding in March 2021, the analysis was extended through to June 2021. The initial needs assessment was commissioned by DCMS and conducted by Deloitte. This process initially recommended a total of £300m funding to be made available (via the initial Winter Survival Package) and calculated an indicative amount of funding allocated towards each eligible sport. Most of the funding (£250m) was expected to be distributed as loans, with £50m provisionally reserved for grant funding.

The needs assessment also set out which sports and leagues were in most urgent need of funding which dictated the order in which funding decisions were made at board level. However, an initial investment value was calculated per sport (based on a sport's average attendance or normalised revenue) and that money was ring-fenced which ensured that the funding was not allocated on a first come, first served basis. Following the initial needs assessment, Sport England also facilitated a consultation process where they invited sports who were not identified as priorities in the initial needs assessment to make a case for funding via an Expression of Interest process.

2.3.2 Application process (primary model)

Once initial sports were identified as eligible for funding, Sport England invited eligible clubs and organisations to apply for funding. The application process was the same for each organisation, who were asked to demonstrate:

- ▶ a severe financial impact of the delay to readmission of spectators due to Covid-19 restrictions;
- ▶ that they operate within structural eligibility parameters for their sport;
- ▶ and their wider social and community value.

As a minimum, organisations were asked to submit an application form, fill in a financial information template, and provide financial statements or management accounts for the past three years in order to demonstrate the financial impact of the pandemic on their organisation. Whilst the application guidance provided explanatory notes on potential data sources for meeting the prioritisation and balancing criteria, it was anticipated that Sport England would need to gather additional information to supplement this part of applications, for example by harnessing their internal organisational knowledge.

Based on their financial need, applicants were asked to detail how much funding they required from the SSP as well as outline the key costs it would cover. The majority of essential business costs (including Covid-19 testing costs) were eligible under the funding, though any costs eligible for support under other government schemes were exempt. With the furlough scheme ending in September 2021, staff wages were included as an eligible cost but in line with other Government Covid-19 funding support packages, contributions were capped at £2,100 per individual, per month, in line with the Coronavirus Job Retention Scheme ('furlough') scheme at the time. Clubs were able to apply for an increase in funding later in the period if they were able to show that their financial situation was projected to be worse than expected (still up to March 2022).

2.3.3 Decision-making process

Organisations were unable to apply for a loan or grant. Instead, the level and type of funding offered to each organisation was based on four criteria, set out below. The structural eligibility and financial resilience and sustainability criteria established whether an organisation was eligible to receive funding, with the latter also informing the amount of funding applicants were offered.

- ▶ **Structural eligibility:** applicants must be based in England and operate spectator sport provision, be compliant with state aid legislation, request a reasonable level of funding towards eligible business costs, comply with policies and structures of recognised domestic and international authorities within their sport, provide spectator access to the general public, and pass applicable Know Your Customer checks.¹²
- ▶ **Financial resilience and sustainability:** applicants must have been financially viable before March 2020 (the onset of Covid-19 restrictions), be at risk of no longer trading viably by the end of the financial year (up to March) and/or without support would see long-term damage on the sport (for example, reducing investment into grassroots participation or women's sport), demonstrate that government funding is a last resort, have a clear plan towards financial viability, and provide evidence that funding will provide them with sufficient cash flow to cover minimum operating costs until March 2022.
- ▶ **Affordability criteria:** Within the 'Financial resilience and sustainability criteria' specific criteria considered affordability and future viability. All funding applications were assessed against these criteria with a consistent affordability measure. Where a loan was unaffordable the organisation was considered for grant

¹² Sport England's normal eligibility rules around compliance with Code for Sports Governance as a condition of funding were relaxed.

funding. This did not guarantee grant funding but was a rationale for why it may form part of the recommendation, in part or in whole.

- ▶ **Prioritisation and Balancing criteria:** applicants were prioritised generally but also to receive grant over loan based on the extent to which they could demonstrate their role in providing grassroots participation opportunities and addressing inequalities in their sport particularly amongst women and girls, in terms of spectator provision and community participation. Also factored into the prioritisation criteria was whether applicants play a multi-faceted role, their relative importance to the wider portfolio of investments across the sport/ wider sport sector, and their importance to the delivery of the government's manifesto commitment - specifically towards the levelling up agenda and connectivity to any government-funded major event. Applicants were also prioritised based on the extent to which they could demonstrate their role in delivering a wider economic and social benefit, their track record of delivering governance reforms in their sport, and their role in supporting the success of the UK internationally.

The amount of funding was based on an organisation's survival need which was defined in terms of the organisation's projected cash deficit up to March 2022 at the time of the application. This meant that funding was unique to each organisation's circumstances and varied by sport.

The default product offered to applicants was a loan. However loan funding was not offered if an organisation was unincorporated or if there is no reasonable chance of repayment without putting the organisation under undue stress. Loan funding was also not offered for awards lower than £20,000. In these cases, grants were more appropriate because the time, cost, and involvement from different parties of negotiating a loan was thought to be disproportionate to the amount of funding requested.

The prioritisation and balancing criteria were a consistent approach (which mirrored the Covid-19 Cultural Recovery Fund programme) to support difficult decisions. The criteria were applied on a case-by- case basis, but importantly are also considered at a portfolio level. This means supporting decision-making between sports as well as allowing due consideration for consistency across an individual league and/or sport. This was particularly important for SSP as there is an inherent interdependence between the organisations that receive funding both within and across any sport or league. This is in addition to the fact that each sport has connected parties and competition that can be advantaged or disadvantaged by a financial intervention.

The 'portfolio' view was applied by aggregating the bottom-up scored assessment of the individual organisations against the criteria to create a league and/or sport view. This league or sport view was then overlaid with the top-down facts about the sport which were used to enable an initial comparator position to be determined. The focus of the overlay of top-down facts included score weighting. This was directly aligned with the second policy objective "to minimise the long-term damage to participation through safeguarding investment into grassroots community activity and women's sport".

Specifically league and/or sport wide scores were weighted based on the following

- a. Women-only league and/or spectator sport: this aligns directly with the policy objective to protect investment and support for women's sport at a professional level given the limited representation across the portfolio. Multiplier = 2
- b. Relative size of sport participation base: this overlays the reach of the sport from a grassroots participation perspective, prioritising those sports that have the greatest reach and relevance at a grassroots level.
 - ▶ High | Multiplier = 1.5
 - ▶ Medium | Multiplier = 1.25
 - ▶ Low | Multiplier = 1

c. Addressing Inequalities: on the basis that there are clear inequalities in grassroots participation, this weighting helps to recognise sports that help to reduce inequalities in grassroots activity including; BAME, Disability, Women and LSEG.

- ▶ Multiplier = 1.5
- ▶ Overall max. multiplying factor = 3

This final position was aligned across the portfolio to enable an initial prioritisation of specific sports and/or leagues. A banding was then applied which supports the building of the recommendation and underpins the potential allocation of grant.

All approved recommendations for under £20,000 were automatically given grants and all approved recommendations in excess of £3m were ineligible for grant funding. In some cases, organisations received a blend of loan and grant funding. Sport NGBs largely received direct grant funding which in most cases was intended to prevent them having to divert funding away from grassroots or women's sport. In some cases, NGBs were given loans which they distributed to member organisations via secondary models, as discussed further below.

The initial funding recommendations were reviewed at the Assurance Review Panel before being presented to the independent Board acting on behalf of DCMS Secretary of State to manage investment decisions. The role of the Assurance Review Panel was essentially to check and challenge the basis on which recommendations for funding were made. A single decision-making process was adopted by the Board given the interdependence of organisations receiving funding within the same sports and leagues. Some decisions were escalated to DCMS when considered appropriate to do so by the Board. Providing data for monitoring and evaluation was a condition of all funding decisions, and the Board had discretion to add further conditionalities to each funding decision to manage risks to public funding and/or help to achieve public benefit.

Once funding decisions were made, Sport England and its delivery partners had a key role in operationalising the fund and were involved in preparing relevant tools and documentation. They also had a key role in post-decision contracting, however the contracting process itself was led by Sport England's legal partners.

The role of Sport England's Fund Management team focuses on leading communication with applicants and recipients, coordinating the biannual monitoring and reporting process, overseeing the extent to which the primary objectives are being met and the loan conditions are being satisfied.

Secondary models

Due to the large amount of funding decisions which had to be made in a short space of time in an emergency environment decision making was delegated to secondary organisations in some cases (primarily National Governing Bodies or subsidiaries thereof with whom Sport England has an existing and trusted relationship). The rationale for allocating money via secondary organisations was to allow Sport England to delegate time intensive tasks such as assessing a large number of applications and carrying out post-event assurance speeding up the overall distribution of funds. Secondary funding distribution models were also felt to be efficient as these organisations typically have existing relationships with the clubs and organisations applying for funding, and in some cases have experience in distributing funding via their own established networks, for example, The Football Foundation.

The approach taken by each secondary model is unique to their segment and so approaches to funding distribution varied across sports. Secondary distributors tended to put out a call of interest to understand the scope of funding required in their remit, before applying for a lump sum based on that indicative amount. The secondary distributors were then responsible for the remainder of the process, i.e. inviting organisations to apply, assessing applications,

awarding funding, monitoring and evaluation, and managing the loan book. Secondary models are expected to follow the same principles as Sport England in terms of assessing applications and awarding funding, and generally upholding the integrity and role of the main programme via their secondary model.

2.3.4 Segment approach

In order to tailor the delivery processes to different sports, Sport England adopted a segment level approach which separated out the different cohorts of funding recipients into specific groups. Adopting a segment level approach aimed to facilitate the management and monitoring of funding, Sport Strategic Leads at Sport England provide strategic support and direction for applicants to SSP and lead on key thematic areas of the Fund which link to the sports being supported. The Strategic Leads, with support from the rest of the Sport England team, managed the application process, working with individual sports (and specific segment within) including the league body and applicant organisations.

It is worth noting that certain segments that were originally identified for funding based on their spectator-led business models have ultimately not received any funding, largely because there was less Covid-19 related disruption than anticipated, or the subsequent review, showed no or little actual financial need. These sports included Golf, Cricket and Greyhound Racing.

As part of the scoping phase of the evaluation, Ecorys conducted a detailed review of key background documentation such as board decision papers, application forms, and secondary model information in order to understand more about the rationale behind funding each segment, the value and number of awards so far, what the funds were intended to support and the objectives behind the funding. This led to Ecorys adopting a more detailed segment approach for the purposes of the evaluation which is explained further in Section Four with more detailed information on all segments provided in Annex A.

2.4 Monitoring processes

This section provides a summary of the monitoring processes put in place by Sport England in the first year after the award phase, to track how SSP recipients are using their grants/ loans and recipients' financial health.

2.4.1 Overview of the monitoring processes

SSP recipients were initially required to submit monitoring and reporting data on a six-month cycle. The first set of monitoring returns (M&R) was submitted in October 2021 (for those organisations who were awarded funding up to 31st June 2021). The next set of returns were submitted in April 2022. M&R will continue through the life of the loan but it is likely that changes to the process will be made.

As part of the monitoring process, recipients were required to submit the following:

- ▶ Financial reporting form
- ▶ Project update
- ▶ Evidence for how the award was spent

Financial reporting form

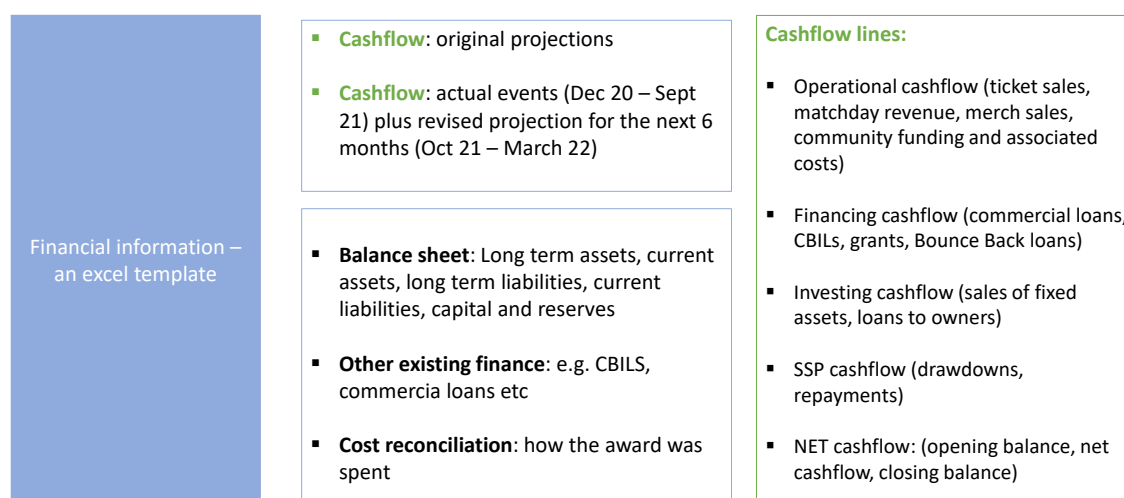
This was an excel workbook which was prepopulated with each organisation's original cashflow projections for the period December 20 to March 22. Recipients are asked to update it with the actual events (looking back 6 months) and refreshed forecast (looking forward 6 months). Any variations above a threshold were flagged and

organisations asked to provide an explanation. The cashflow statement was split into operational, financing, investing and SSP cashflow.

The rest of the financial reporting was made up of the following sections:

- ▶ **Balance sheet:** information on assets, liabilities, capital and reserves
- ▶ **Other existing finance:** information on other loans the organisation has taken on (for example. CBILs, Bounce Back, commercial)
- ▶ **Cost reconciliation:** information on how the SSP award was spent

Figure 2.3. Summary of SSP monitoring processes 2021/22



Project update

This was a word document where organisations could report any material changes, such as relegation or changes to ownership, alongside reflections on the type and scale of challenges they were facing as a result of the pandemic. The project update also gave the organisation the opportunity to self-report how confident they felt in their financial future.

Evidence for how the award was spent

In addition to providing information on how the award was spent as part of the reconciliation segment of the financial reporting form, organisations were also asked to provide evidence to support this information. The evidence needed to demonstrate when the payment was made, to whom and what for.

KYC consent forms

These needed to be completed by any new directors and included giving consent for Sport England to undertake a search with a Credit Reference Agency in order to verify their identity. Directors were monitored on an on-going basis and any significant changes flagged to Sport England via the Credit Agency.

In addition to the regular reporting outlined above organisations were also required to provide quarterly management accounts and annual financial statements.

2.4.2 Differences across segments

The monitoring process was generally the same for all direct SSP recipients, regardless of the sector they belonged to or the amount awarded. There were some differences in the quality of the returned information which related to the size of the organisation and the extent to which it has a dedicated financial resource.

Another area of divergence was with the secondary model. The secondary model leads were permitted, subject to Sport England's approval, to design their own monitoring process, meaning that organisations who received their funding via this avenue, were not necessarily asked to provide the same type of information as those who received their funding directly from Sport England. The secondary model leads were asked to report back to Sport England at aggregate level and the format and nature of the information provided varied depending on the scope of funding.

2.4.3 Using the monitoring data in the evaluation

The evaluation built upon the available monitoring data, in two main ways:

- ▶ Monitoring analysis: an aggregate level analysis of the available monitoring data is included in Annex B. This examined direct recipients' insolvency risks up to March 2022.
- ▶ Supplementing the case study research: monitoring data for individual recipients was examined to understand how SSP funding was used and to identify any significant differences in projected cash flows and actual cash flows and reasons for the differences.

3.0 Approach to the Evaluation

This chapter outlines the aims and research questions underpinning the evaluation. It then outlines the evaluation's methodological approach, including its limitations.

3.1 Evaluation aims

The evaluation of the SSP had a number of specific aims:

- ▶ **To understand the extent to which the SSP helped organisations to survive the period of coronavirus restrictions that prevented spectator attendance.** The evaluation examined how important the SSP was to the survival of clubs and aimed to understand the degree to which the financial support was an essential part of their survival, identifying what would have happened in the absence of this support.
- ▶ **To understand the impact of the SSP on minimising the long-term damage to participation and investment in grassroots and women's sport.** The evaluation examined how the funding maintained investments in grassroots and women's sport.
- ▶ **To understand the extent to which the SSP helped organisations to strengthen their financial sustainability.** The evaluation examined whether SSP support helped organisations to not only survive but also the extent to which it helped organisations to improve their financial sustainability beyond March 2022 (which is when the support had aimed to help organisations survive to). Although it is important to recognise that helping organisations to improve their financial sustainability beyond March 2022 was not an original objective of the SSP, it was still identified as a useful investigation area for the evaluation to address.
- ▶ **To understand whether the SSP was designed and implemented in a cost effective and efficient way.** The evaluation aimed to understand whether the programme delivered value for money for the exchequer and was delivered in a way that minimised costs but maximised impact. The evaluation also examined whether the processes used in the SSP were efficient and effective, allowing the programme to be implemented in the best way possible. The evaluation recognised that the SSP was designed in a very short time-period and was established to rapidly deal with the emerging emergency in the sporting sector brought about by Covid-19. This context within which the SSP was designed and delivered was considered when assessing the process element of the evaluation.

The evaluation had three broad areas of focus:

- ▶ **Impact evaluation:** Examining the impact of SSP across a range of outcomes and providing an assessment of what may have happened to supported sport clubs and organisations in the absence of the funding.
- ▶ **Process evaluation:** Exploring the extent to which the design and implementation of SSP enabled the delivery of the intended outcomes and exploring lessons for future crisis funds and funding support in the sport sector more generally.
- ▶ **Value for Money (VfM):** Assessing SSP against the '3 Es' of Economy (spending less), Efficiency (spending well) and Effectiveness (spending wisely), the three criteria used by the National Audit Office (NAO) to assess the value for money of government spending.

3.2 Evaluation research questions

Building on the evaluation aims, Sport England, DCMS and the evaluation team agreed a set of research questions at the evaluation design stage. The core set of evaluation questions were:

- ▶ What impact has SSP support had on improving the survival of recipient sports organisations? How has this varied across the different sports that have been supported?
- ▶ What impact did SSP have on improving the financial sustainability of supported organisations?
- ▶ What impact has the SSP had on maintaining investment and participation in grassroots and women's sport? How has this varied across the different sports that have been supported?
- ▶ To what extent were costs to the exchequer minimised?
- ▶ To what extent has the SSP delivered economic and social benefits?
- ▶ To what extent was the SSP designed and delivered in an effective and efficient way?

A full list of the evaluation questions can be found in Annex C.

3.3 Theory of change

Developing a Theory of Change helps those involved to see what steps are required to bring about the desired outcomes and impacts. For evaluation purposes, a Theory of Change offers a structure that enables evidence to be gathered to test whether the hypothesised causal links between inputs, outputs and outcomes hold in practice and to explain why outcomes have or have not occurred. It provides a framework for both process and impact evaluation and highlights the outputs, outcomes and impacts that can be expected from the SSP which the evaluation will ultimately need to measure and understand.

A Theory of Change was developed for the SSP, based on consultations undertaken with key stakeholders and a workshop discussion with policy officers involved in the development and management of the programme as part of an earlier scoping study. The Theory of Change was reviewed and updated through the initial phase of this study, through further consultations with Sport England and secondary body segment leads and a desk review of key documentation pertaining to the rationale for funding across the SSP segments.

3.3.1 Key elements of the Theory of Change

The Theory of Change builds on the rationale for SSP funding which related to the financial difficulties faced by clubs and leagues as a direct result of the pandemic and spectator restrictions that were put in place.

As set out in the original HM Treasury business case, the rationale for the funding was based on the argument that, even with cost savings, the generation of alternative revenue streams and use of existing Government schemes, the continued loss of spectator income and constraints on alternative potential sources of borrowing meant that many previously viable clubs and organisations were at risk of going out of business. In turn it was argued that such risks threatened the integrity of leagues and the future of professional sports, with potential knock-on consequences for grassroots and women's sports and communities.

A further key element of the rationale for funding related to the enhanced costs or loss of revenue associated with Covid-19 at the level of sports and leagues which, without intervention, may have damaged the long-term development of sports through their impacts on wider strategies and planned investments in grassroots and women's sports. It was also believed that the cancellation of events or spectator restrictions including holding events behind closed doors had significant knock-on impacts on National Governing Bodies' (NGBs) revenues, profits, and reserves. The increased costs and loss of revenues associated with the pandemic meant that investments from NGBs and other organisations into community programmes and grassroots activity was under threat:

- ▶ Uncertainty surrounding the ease of restrictions meant that in some cases NGBs required financial assurance to proceed with the planning and staging of events.
- ▶ The pandemic would have a material impact on NGBs' investment plans for the sport.
- ▶ The costs of Covid-19 testing regimes would have diverted investments from grassroots and women's sports.

The Theory of Change diagram (Figure 3.1) is structured according to the original strategic objectives of the intervention which are:

- ▶ To ensure that as many sports or sports clubs survive the restrictions currently in place (over the winter) preventing spectators from attending professional matches.
- ▶ To minimise the long-term damage to participation in grassroots and women's sport.
- ▶ To minimise the cost of the intervention to the Exchequer.

The first two objectives are orientated towards activities, outputs and outcomes. The first objective can be regarded as the primary objective of the programme. The second objective had a secondary level of priority as it also depended to some extent on activities that were implemented under the first objective. The third objective which is to minimise the cost of the intervention to the exchequer can be regarded as a horizontal objective as its achievement will depend on the overall efficiency and effectiveness of the programme and the ability of beneficiary organisations to pay back their loans.

The Theory of Change also builds on the programme activities, which cover the decision-making processes behind the allocation of funding to specific sports and organisations, as detailed in Section 2.3, and the key outputs of SSP which relate to the number and size of the loans and grants that were distributed to sport organisations. Three broad categories of outputs are identified which reflect the focus of funding. The outputs relate to:

- ▶ addressing critical short-term financial issues facing clubs caused by Covid-19;
- ▶ preserving leagues, competitions and events;
- ▶ mitigating Covid-19 related costs/ loss of revenues and avoiding diverting investments from grassroots/ women's sport.

In some cases, more than one type of output was relevant to an award or segment of support, for example in the case of women's football some awards sought to address short-term financial issues while also aiming to ensure continued investment in women's sport.

Outcomes and impacts of funding provided to support club survival

A distinction is made between first order and second order outcomes. First order outcomes are the direct effects of the funding and are more likely to be observable over a shorter-term period. Second order outcomes are indirect effects and are more likely to occur over a longer-term period but are important in terms of measuring the overall effectiveness and value for money of the funding.

Direct outcomes ('first order effects')

Funding provided to support club survival was expected to have the following direct impacts on the organisations awarded funding:

- ▶ **Survival:** In the short-term, the benefits of grants or loans may be visible in increasing the time the organisation could potentially operate (or merely survive) based on specific financial tests. In the medium to long-term, it would be expected that some organisations awarded grants or loans would be more likely to see their operating

income (without exceptional subsidies provided in response to the Covid-19 pandemic) at least cover operating costs on a consistent basis. The survival of the organisations would also enable employment within the organisation and supply chains to be safeguarded.

- ▶ **Financial sustainability:** There was potential for the programme to influence financial sustainability in the longer-term where funding helped organisations to continue activities and recover financially from the pandemic. There was also potential for the Fund to influence organisations to adopt new practices that help to secure improved financial sustainability in the longer-term. Long term sustainability is also linked to the costs of servicing liabilities taken on during the Covid-19 pandemic, and it is also important to consider the effect of the programme on the overall indebtedness of organisations receiving support.
- ▶ **Protection of planned investments:** An organisation may have survived but without the funding could have greatly reduced its staff numbers and scaled back on certain activities such as its community and education work or women's team activities.

Indirect outcomes ('second order effects')

The direct outcomes could be expected to produce a variety of indirect outcomes:

- ▶ **Impacts on local economies:** The survival of clubs is likely to have spillover benefits for local economies by maintaining consumption spending in supporting industries (particularly the hospitality sector, where regulations permit) – potentially helping to maintain local economic impacts, including local employment.
- ▶ **Impacts on communities:** The value communities place on having a local elite sports club in their local area; the social value of participation, spectating and sport related volunteering; inspirational effects on sport participation and physical activity levels; effects on investments in community programmes and grassroots sport; health and wellbeing of club supporters; and, reducing youth crime and educational attainment benefits.
- ▶ **Sport level impacts:** The evaluation also examined the system level impacts of supporting individual clubs to survive. A number of specific mechanisms were examined including impacts on the viability and integrity of leagues (if clubs would have failed with SSP), financial flows between clubs and knock-on effects for example, in terms of grassroots funding.

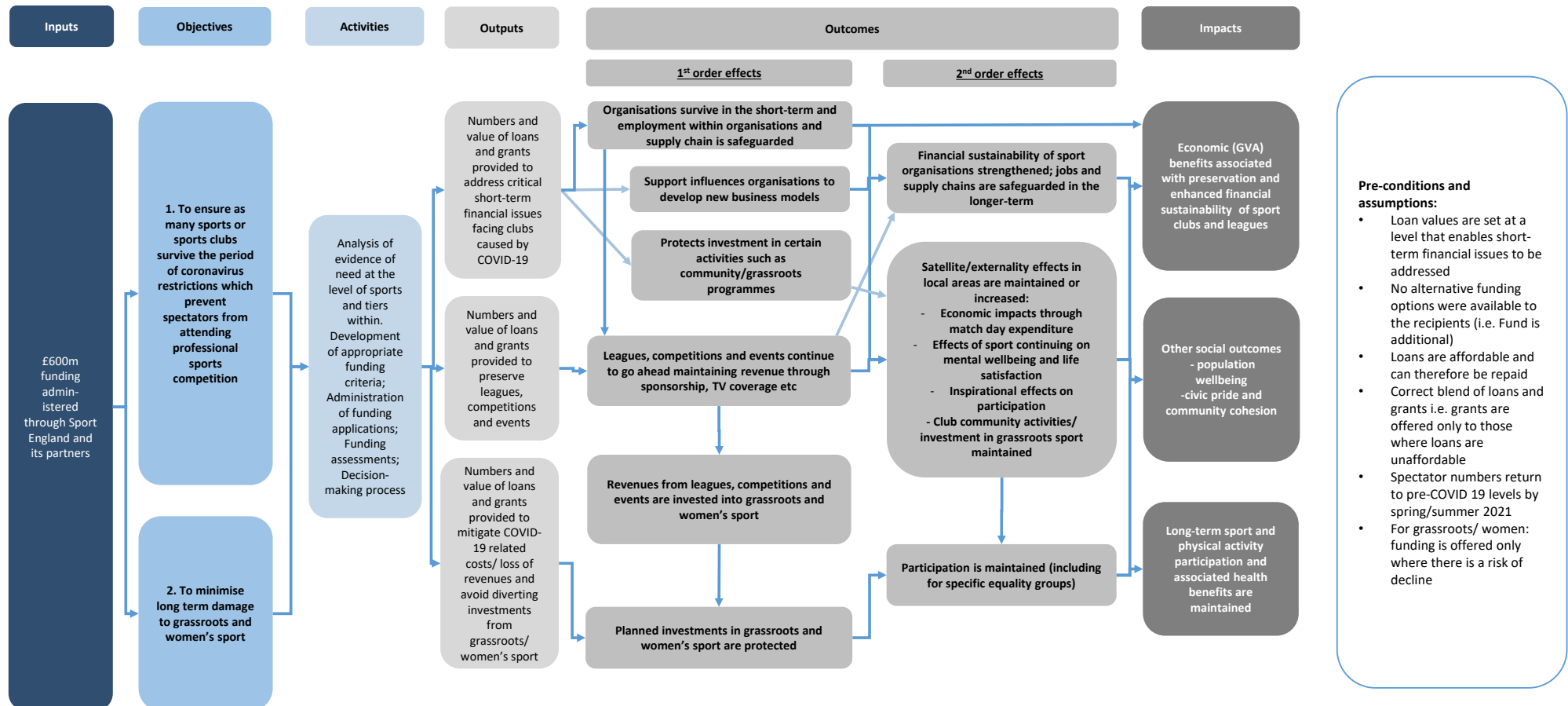
Outcomes and impacts of funding provided to preserve leagues, competitions and events

Funding provided specifically to preserve leagues, competitions and events that was generally provided to NGBs or other organisers of events rather than directly to clubs was expected to have indirect effects on the financial sustainability of clubs and protection of investments in grassroots and women's sport leading to indirect outcomes. Preserving sporting integrity by allowing leagues, competitions and events to proceed as normal was one of the implicit objectives of the SSP. Linked to this, SSP aimed to ensure that a level of 'fairness' was maintained and that supported organisations were not given undue advantage over non-recipients.

Outcomes and impacts of funding provided to mitigate potential effects on grassroots investment

Funding provided to mitigate Covid-19 related costs/ loss of revenues and avoid diverting investments from grassroots/ was expected to protect investments in grassroots programmes and help to maintain participation in the sports concerned.

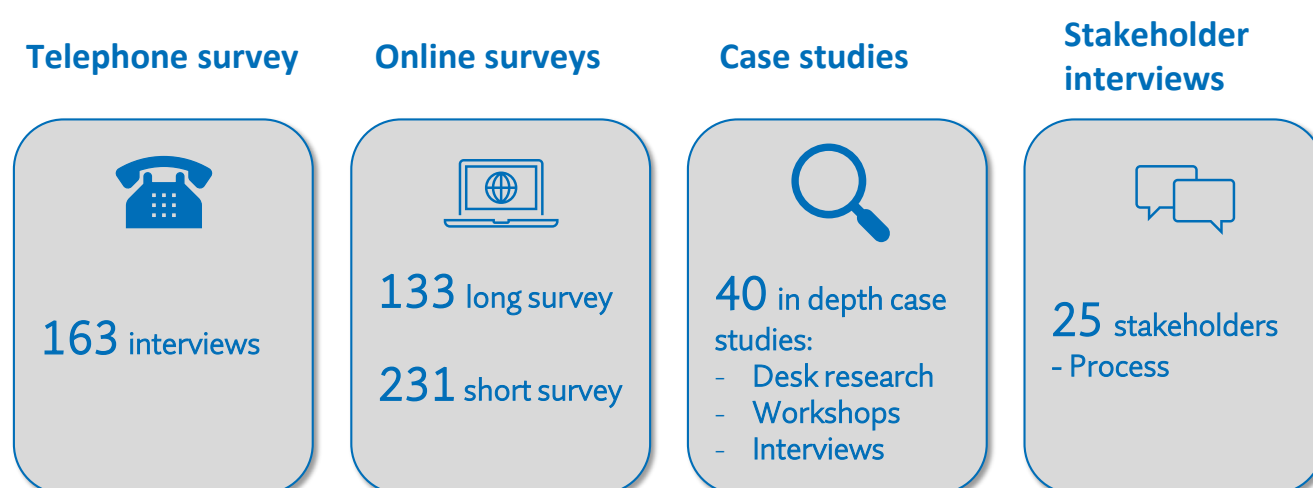
Figure 3.1. Theory of Change diagram



3.4 Overview of evaluation methodology

To deliver on the evaluation areas of focus the evaluation adopted a mixed-methods approach. The fieldwork conducted for the evaluation is summarised below in Figure 3.2, and explained in more detail the following sections, whilst further information on the evaluation approach is provided in Annex H.

Figure 3.2. Fieldwork



3.4.1 Longer survey (telephone and online)

A long survey that asked a set of detailed questions relating to the outcomes and impact of SSP as well as process evaluation questions was aimed at all organisations except those receiving smaller amounts of funding (less than £10,000) who were subject to a shorter online survey. Given that the achieved respondent profile closely matched the target population of recipients, survey responses were not weighted.

Telephone survey

Ecorys invited the 639 clubs receiving over £10,000 to take part in the telephone survey. Overall, 163 telephone interviews were conducted with club recipients of SSP. The telephone interviews generally lasted 20-30 minutes.

The telephone interviews were conducted in three phases:

- ▶ Pilot 1 (CATI): 23rd March – 6th April 2022
- ▶ Pilot 2 (CATI): 11th April – 13th May 2022 - A second pilot approach was adopted to test an amended approach to promoting the survey with clubs.
- ▶ Main phase (CATI): 30th May – 16th September 2022

Online version of longer survey

An online version of the longer survey with the same questions as the telephone survey was created to encourage participation from clubs in the RFU secondary model segments. For data protection reasons the RFU was not able to share contact details of clubs receiving funds through the RFU secondary models. To attempt to overcome this issue Ecorys developed a web screener asking clubs if they would like to agree to opt into the telephone survey and to share their contact details. However, response rates for the screener were low. As an alternative option,

RFU agree to send out a longer version of the online survey based on the CATI version with the same questions and this achieved a higher response.

The online version of the longer survey (aimed at RFU clubs) was conducted between 22nd August – 16th September 2022. Overall, 133 RFU secondary model club recipients of SSP awards responded to the online version of the longer survey.

3.4.2 Shorter survey (online)

In total, 974 organisations were invited to participate in an online survey which ran over two phases between April and August 2022. The online survey was undertaken with two audiences:

- ▶ All clubs receiving under £10,000 to take part in a shorter online survey.
- ▶ Any clubs that did not respond to the web invitation to the telephone survey (this generated only a few responses).

A ten-minute online questionnaire was administered covering financial indicators and process evaluation questions. In total 231 completed the survey which reflects an unadjusted response rate of 24%. Given that the achieved respondent profile closely matched the target universe, survey responses were not weighted. Further details on more technical aspects of the telephone and online survey are provided in Annex D.

3.4.3 Case studies

As part of the evaluation, 40 case studies with funding recipients were undertaken.

The case studies were selected using a purposefully designed sampling framework, which aimed to ensure that they were representative in terms of the SSP segments but with a greater focus on larger awards. The selection was also representative of the geographical spread of awards. The case studies involved the following processes:

Framed within a theory-based approach: The case study research approach was underpinned by a theory of change (ToC) and contribution analysis approach, as outlined above, in order to trace how the funding supported achievement of intended (and unintended) outcomes. The analysis was based on respondents' own accounts of causal mechanisms triangulated with other data collected through the Fund's monitoring processes and provided by the organisations. The case studies examined immediate or 'first order' impacts and 'second order' impacts as set out in the Theory of Change above.

Desk-based review A desk-based review of documentation was undertaken for each case study covering the SSP application form, application assessment, and financial information on the supported organisation. This sought to understand the organisation's activities and output (pre- and during Covid-19), financial risk (i.e. if SSP funding removed from balance sheet, and how SSP has been used to address financial viability issues) and, for certain recipients, how funding was intended to address other objectives such as ensuring that events would go ahead and protecting grassroots investments. The output for this stage was a table completed with profile and background data for all case study organisations.

Case study workshops – supported organisations For the larger awards – generally those with funding above £250,000 a virtual 90-minute workshop with representatives of the recipient organisation including those involved in the strategic and financial planning (up to six) for each case study organisation. This explored how SSP funding was used, the elements of the causal impact chain, and aimed to understand the range of knock-on effects and positive externalities that have resulted from the direct outcomes of the award. The workshop developed a picture of how the funding supported survival in the cases of clubs, protected investments and wider economic and community impacts.

Individual interviews For many of the case studies where applicable and relevant to the assessment of wider impacts, qualitative interviews with additional individuals for each case study, each lasting 30-45 minutes (depending on the interviewee) by telephone/video. Interviewees were identified through a snowball technique (initiated at the case study workshop) and included: organisations that were dependent on the clubs for financial security and directors of grassroots and community programmes. The interviews mainly aimed to provide more detailed evidence on the range of knock-on effects and positive externalities that may result from SSP.

3.4.4 Process evaluation stakeholder interviews

The process evaluation addressed a number of themes:

Funding allocation: whether the initial needs assessment and award criteria successfully addressed and prioritised the needs of different sports, organisation types, and distribution models.

Financial assessment: whether the processes in place were successful in identifying organisations' financial vulnerability, if decisions to provide loans and grants were consistent and if funding awards were proportional across different sports, organisation types, and distribution models. Process questions will also explore whether the size and timings of loans were pitched at the right level.

Application process: whether the assessment criteria and application process were relevant and proportional across different sports, organisation types, and distribution models and whether they allowed assessors to make informed decisions; applicants' experience of the application and contracting process.

Communication and stakeholder management: advice and support provided by Sport England, and if organisations felt well-informed and fairly dealt with throughout the process.

Governance: whether the make-up of independent Board was sufficient and if it was able to operate independently of political considerations; explore governance of the sport organisations who received funding and whether there was an opportunity for Sport England to address longer-term issues around financial resilience.

Use of Secondary Models: the experience of secondary model leads and those applying via secondary models; whether the process provided secondary leads with sufficient flexibility to assess the funding need within their networks and distribute funding, as well as understanding how well secondary applicants understood the application and delivery process.

Future focus: if and how partners and funded organisations would like to work with Sport England in future, particularly any opportunities to develop relationships with commercial organisations and sports that Sport England had not previously engaged with.

As well as including process questions in the research with recipient organisations explained above, 25 additional stakeholder interviews from the following groups:

- ▶ Sport England Strategic and Project Leads
- ▶ Representatives from the Independent Board
- ▶ DCMS Evaluation and Policy leads
- ▶ Sport England delivery partners
- ▶ NGBs or sport representatives who received direct funding
- ▶ Secondary model distributors.

3.4.5 Approach to analysis

Impact analysis

As far as possible the evaluation is focussed on a robust assessment of causality – through an examination of how far the funding support has led to the outcomes and impacts it aims to generate (particularly around survival). The range of segments supported by SSP indicates that the causal relationships in scope for the evaluation are heterogeneous. Causal links and effects will vary according to the specific objectives of different segments of the programme. The evaluation therefore incorporated a contribution analysis approach. This was operationalised in a structured way through collating and assessing evidence gathered from the range of methodologies outlined above.

Contribution analysis framework

Contribution analysis offers an alternative to counterfactual analysis based on comparator groups which was not considered to be feasible as a primary method of assessing impacts on supported clubs given the structure of the programme and funding decision-making process (see Annex F).

Contribution analysis aims to build a credible ‘performance story’, drawing upon the available sources of evidence as described above to consider the extent to which the SSP, alongside other factors, contributed towards the observed outcomes including those around survivability. Situated within a wider theory-based evaluation approach, it aims to provide a way of explicitly defining and assessing the causal relationships and mechanisms within the Theory of Change and underpinning logics presented.

A contribution analysis for the SSP evaluation will have four key steps.¹³ It is possible to articulate these steps in the context of the SSP evaluation as follows:

Step 1: Set out the problem to be addressed – in the context of the SSP, the first contribution analysis step is linked to the key elements of the rationale for the programme (i.e. ensuring that clubs survive the severe financial pressures caused by the Pandemic and sports limit long-term damage to grassroots participation). Step 1 in respect of the SSP problem analysis concerns how, and why, specific funding support was needed in terms of the loss of spectator revenue due to restrictions.

Step 2: Develop a theory of change / logic model – the theory of change developed in Section 3.2, shows how the SSP activities under consideration were intended to generate outputs and contribute to first and second order outcomes and impacts.

Step 3: Populate the model with existing data and evidence – testing the Theory of Change required the triangulation of multiple data sources. The primary and secondary data collection (see methodology section) enabled the triangulation of several sources of evidence against each of the underpinning hypotheses set out in the Theory of Change. The analysis was undertaken at three levels that examined evidence (1) within singular data sources and (2) across data sources for each underpinning evaluation question/hypothesis, and ultimately examine the evidence (3) to assess the overarching evaluation questions.

Step 4: Assemble and assess the ‘performance story’ – the evaluation must arrive at a verifiable account of the contribution achieved by the SSP and seek to identify any plausible alternative explanation(s) for how the same outcomes might have been achieved by other means, and/or how other factors could have contributed to the outcomes and impacts observed. A reasonable claim can be made in cases where: (1) the programme was implemented as set out in the Theory of Change; (2) the theory was confirmed by evidence on observed outcomes

¹³ Mayne John (1999), “Addressing Attribution through Contribution Analysis: Using Performance Measures Sensibly”, discussion paper, Office of the Auditor General of Canada.

and underlying assumptions; and (3) other potential influencing factors assessed and were either shown not to have made a significant contribution or their relative role in contributing to the desired outcome was recognised.

Process tracing methodology

Within the framework of a contribution analysis approach, the role and importance of SSP funding to the survival of clubs was assessed using a process tracing methodology which provides a transparent approach to assessing the strength of evidence relating to this key objective. The basis of a process tracing approach was to assign probabilities to specific causal claims or hypotheses in relation to specific indicators, systematically weighing evidence on the importance of SSP to certain outcomes (largely based on responses to specific survey responses) to establish a level of confidence in claims about the funding's importance to survival being true or false. The process tracing methodology is detailed in Annex E.

Process evaluation

Although this Evaluation Framework is focussed on undertaking an evaluation of the impact of the SSP, a smaller process evaluation was undertaken to examine the efficiency and effectiveness of the implementation processes adopted. The evaluation aimed to generate deeper learning about what worked well in the delivery of the programme so that stakeholders can apply learning to future initiatives. The evaluation explored 'how and why' delivery activities worked well (or less well) and what lessons can usefully be taken away in terms of future initiatives.

In line with the principles of realist evaluation, and the mechanisms used to implement this approach, the study also focused on identifying and assessing context-dependent and exogenous effects that influenced or affected the degree to which the expected Theory of Change could be observed in practice. To do so we tested the potential hypothesised effects using a Context, Mechanism, Outcome (CMO) model.¹⁴ This model is designed specifically to understand what is significant about the conditions within which programmes are implemented, and what is needed to replicate them in other settings (hence helping to inform a focus on lessons for future interventions).¹⁵

3.5 Limitations and caveats

A number of contextual factors and methodological constraints limit the scope of the evaluation analysis:

Evaluation timing and duration: It is important to highlight that the assessment of impacts as part of the evaluation focuses on those which are observable in the short-term. This reflects that it has not been able to capture the medium to longer term results and impacts associated with the SSP beyond the timeframe of the evaluation fieldwork (March 2022 – September 2022), and considering that SSP provided support up until March 2022. Where possible the evaluation reflects on what the evidence suggests in terms of those outcomes and impacts, and how organisations are positioned for future survival and growth as a result of the support received. It should also be highlighted that the evaluation was delivered within the context of unprecedented uncertainty which made it challenging for organisations to make accurate predictions and forecasts about financial health.

Robustness of impact evaluation findings: The design of the impact evaluation sought to maximise the robustness of findings given the constraints set by the timing of the evaluation and the wider context as described above. It was not possible to conduct longitudinal surveys given the timing of the evaluation therefore the surveys required clubs to provide financial data on a retrospective basis. It was also not considered feasible to implement a comparator group approach where supported clubs could be compared with similar clubs that did not receive support because of the specific funding allocation criteria applied and the inherent differences in the financial

¹⁴ Ibid.

¹⁵ Tilley, N. (2000) Realistic Evaluation: An Overview.

situations of clubs that were supported and those that were not (detailed in Annex F). The impact analysis of survival therefore largely draws on a process tracing methodology. As detailed in Annex E, this methodology brings analytical rigour in the absence of a feasible comparison group approach. The validity of the probabilities which are assigned to specific pieces of evidence in the process tracing approach however must rely on expert judgements and the application of logical reasoning and therefore the approach is inevitably open to some uncertainty.

System level impacts at the level of the sport: The evaluation is necessarily limited and more speculative in its analysis of the knock-on effects of clubs not surviving without SSP for leagues and the sports more generally.

4.0 How SSP funding was distributed

This section outlines how SSP funding was distributed by funding model and objectives. The analysis draws on programme data gathered by Sport England.¹⁶

4.1 Numbers of awards by model

SSP distributed 1,676 funding awards to sport clubs and organisations across England. Awards from the £14.2 million Rugby League Professional Sport Fund programme which was awarded in Spring 2020 is not within the scope of this analysis. These included:

- ▶ 169 awards made directly via the primary model where funding was allocated directly by Sport England to organisations. This also includes six awards Sport England made to NGBs to be distributed via the secondary model.
- ▶ A further 1,513 awards were made via the secondary models.

From the secondary model, awards were distributed as follows:

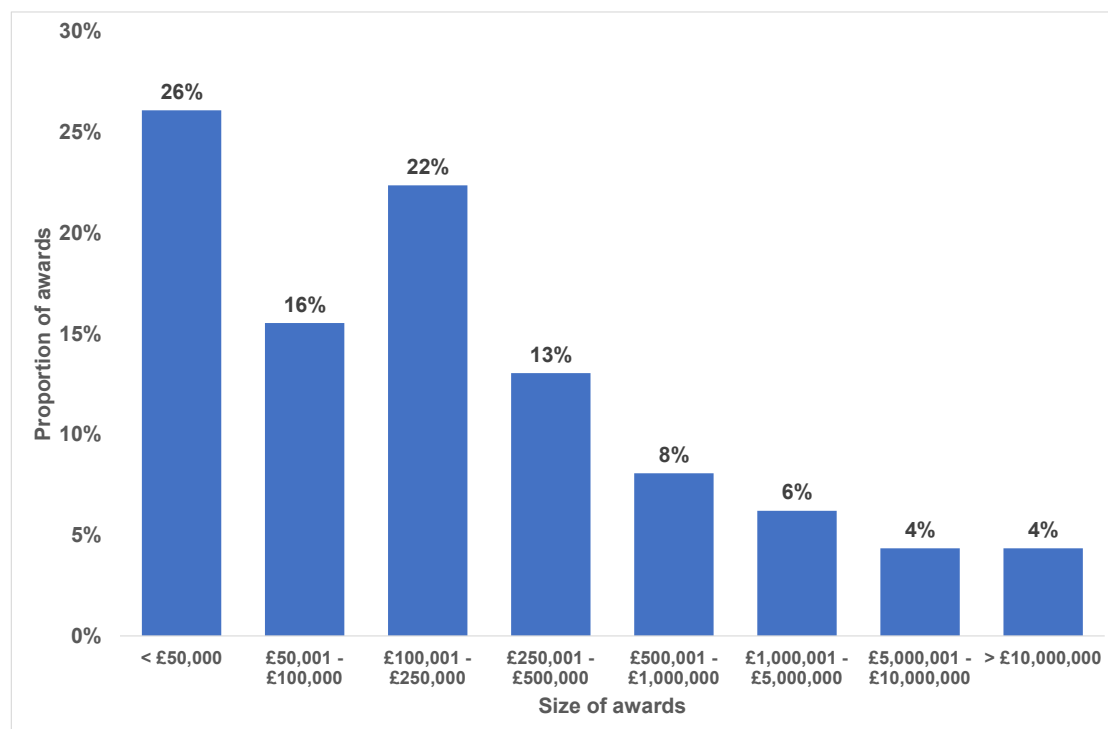
- ▶ 669 went to football clubs in the National League Steps 3-6.
- ▶ 218 went to rugby league clubs.
- ▶ 626 went to rugby football clubs.

4.2 Size of awards by model

Figures 4.1 and 4.2 show the size breakdown of awards by type of delivery model. Individual awards varied from loans of over £10m (largely provided to Rugby Union Premiership clubs) to grants that were less than £10k. Figure 4.1 shows the size of awards through the primary delivery model. 8% of awards (13 awards) were for amounts between £500,000 to £1 million, and 14% (24 awards) had a value of over £1 million. Figure 4.2 shows the size of awards through secondary delivery models. Awards provided via the secondary models generally had a much lower value than direct awards. 92.3% of awards were for amounts under £50,000.

¹⁶ The analysis in this section does not include the £14.15 million funding from the Rugby League Professional Sport Fund which was awarded in Spring 2020 as is not within the scope of this evaluation.

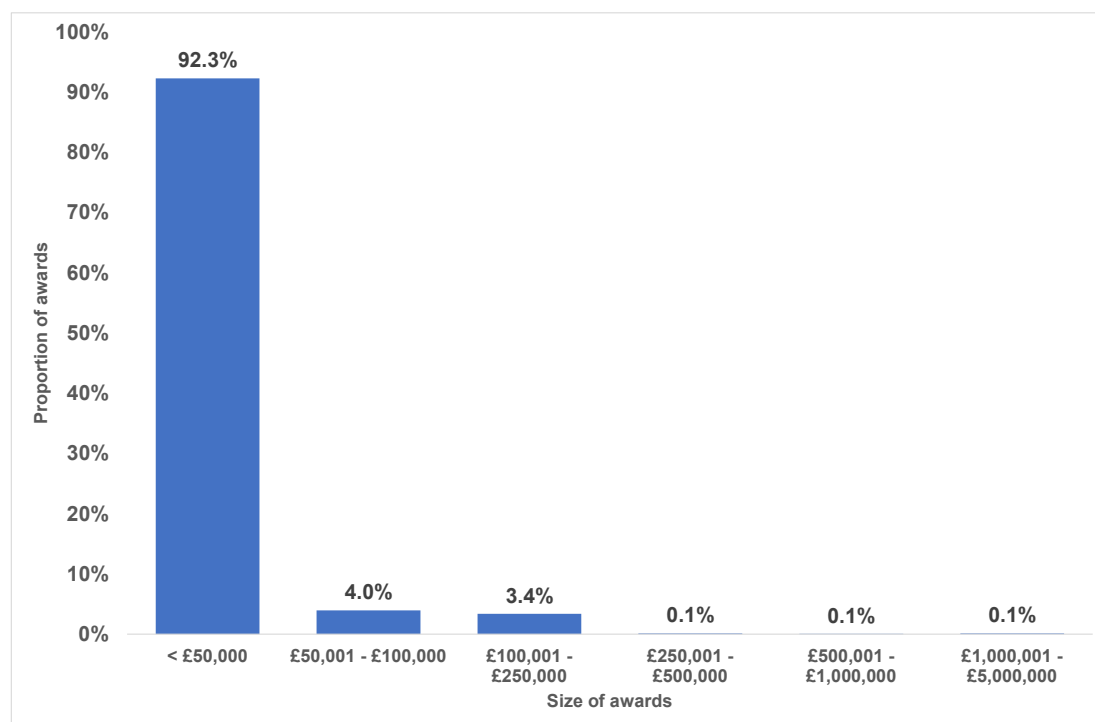
Figure 4.1 Size of direct awards



Source: Sport England SSP programme data

Awards provided via the secondary models generally had a much lower value than direct awards as many awards were below £50k.

Figure 4.2 Size of secondary awards



Source: Sport England SSP programme data

4.3 Type of award

Detailed information on the distribution of the funding is provided in Table 4.1. Most of the funding was given out as loans (£204m or 78% of overall funding) with the remainder (£53m or 22%) given out as grants.

4.4 Segments

As highlighted in Section Two, funding by sport can be further broken down into segments reflecting the types of objectives, organisational types and leagues and tiers within the sport. The following sports were split into additional segments:

Basketball: As well as funding British Basketball League and National Basketball League (men's and women's) clubs to ensure their survival via a combination of loans and grants, grant funding was allocated to Basketball England (NGB) for the sole purpose of setting up a Covid-19 testing regime with the objective of ensuring the continuation of the league. Basketball is therefore split into two segments for the purposes of the evaluation analysis.

Cycling: SSP funding was distributed to two different organisations within cycling. A loan was awarded to a sports events company to provide them with the financial security to continue running high profile cycling events in 2021 despite a lack of sponsorship revenue. A grant was also awarded to British Cycling to cover losses associated with postponed national tours. The extra segmentation reflects that funding products were awarded to different organisations (one NGB and one commercial).

Rugby Union: Segments as defined by Sport England mostly reflect different sports receiving funding, though in some cases these can be broken down further. For example, funding for rugby union is spread across multiple segments including Premiership Rugby, Championship Rugby, and Rugby Football Union to reflect whether funding was directed towards elite level or grassroots clubs. A lump sum of funding was issued to the Rugby Football Union (NGB) in order to distribute via their secondary model. However as some of this was distributed via loans (largely for improvement work to clubs' facilities and infrastructure) it was felt appropriate to separate this out for the purposes of the evaluation. Further, the RFU has distributed grants to address three distinct issues: to support community rugby clubs' essential costs and ensure their survival; to make up for the shortfall in funding to the Women Premier 15s clubs; and to fund Covid-19 related costs so that the national team (Red Roses) could compete in the Six Nations and play fixtures to prepare for this year's world cup.

Rugby League: In addition to loan and grant funding which the NGB (Rugby Football League - RFL) distributed to clubs and women's rugby league, RFL received additional grant funding to mitigate the financial impact of the postponement of the 2021 Rugby League World Cup, and so this extra segmentation will specifically review the impact of funding for the NGB.

Women's football: Part of the funding was awarded to The FA (NGB) which was largely spent on the Covid-19 testing required to sustain the women's super league and FA Cup. Women's football clubs could in the top two leagues also individually apply for funding if they had a survival need, similarly to clubs from other sports, and so the evaluation will take into account these differences.

The specific funding objectives can broadly be split into three categories as follows:

- ▶ Addressing short-term financial issues in clubs
- ▶ Safeguarding leagues, competitions and events
- ▶ Safeguarding grassroots and women's investments

Information on the distribution of SSP funding is detailed in Table 4.1. Further information on the fund objectives for each of the segments is found in Annex A.

The most common objective was to address the short-term financial issues faced by organisations, followed by safeguarding investments in grassroots development and women's sport and safeguarding leagues, competitions, and events. It can be seen, however, that many of the awards did not fit easily into one of these categories and had objectives that covered at least two categories.

Table 4.1. Funding distribution by segment

Sport	Segment	Total funding	Loan/ grant – total values	Number of awards by loans	Number of awards by grants	Information on size of awards
Athletics	Athletics	£1,200,000	Loan - £1,200,000	1	-	► One loan of £1,200,000
Badminton	Badminton	£1,330,000	Grant - £1,330,000	-	1	► One grant of £1,330,000
Basketball	BBL and WBL	£3,624,703	Loan - £920,489 Grant - £2,704,214	12	29	► Nine loans below £100,000 ► Three loans between £100,000 and £250,000 ► 15 grants of less than £50,000 ► Three grants of between £50,000 and £100,000 ► Seven grants of between £100,000 and £250,000 ► Three grants of between £250,000 and £1,000,000
Basketball	Basketball England	£199,640	Grant - £199,640	-	1	► One grant of £199,640
Cycling	Event	£2,476,000	Loan - £1,387,000 Grant – £689,000	1	1	► One loan of £1,387,000; ► One grant of £689,000
Cycling	British Cycling	£400,000	-	-	1	► One grant of £400,000
Equestrian	Equestrian	£139,000	Grant - £139,000	-	1	► One grant of £139,000

Sport	Segment	Total funding	Loan/ grant – total values	Number of awards by loans	Number of awards by grants	Information on size of awards
Football	National League Steps 1-2	£13,388,986	Loan - £13,351,666 Grants - £37,320	35	1	<ul style="list-style-type: none"> ▶ One grant of £37,320 ▶ Seven loans of less than £100,000 ▶ 19 loans between £100,000 and £500,000 ▶ Seven loans between £500,000 and £1,000,000 ▶ Two loans between £1,000,000 - £1,500,000
Football	National League Steps 3-6 (Secondary model)	£11,026,203	Grants- £11,026,203	-	669	<ul style="list-style-type: none"> ▶ 189 grants below £10,000 ▶ 389 grants between £10,000 and £25,000 ▶ 91 grants between £25,000 and £50,000
Football	Women's football (Clubs)	£680,960	Grants - £680,960	-	6	<ul style="list-style-type: none"> ▶ Two grants between £50,000 and £100,000 ▶ Four grants between £100,000 and £200,000
Football	Women's football (FA)	£2,250,000	Grant - £2,250,000	-	1	<ul style="list-style-type: none"> ▶ One grant of £2,250,000
Hockey	Hockey	£1,186,000	Grant - £1,186,000	-	1	<ul style="list-style-type: none"> ▶ One grant of £1,186,000
Horseracing	Horseracing	£21,520,000	Loan - £21,520,000	1	-	<ul style="list-style-type: none"> ▶ One of loan of £21,520,000

Sport	Segment	Total funding	Loan/ grant – total values	Number of awards by loans	Number of awards by grants	Information on size of awards
Ice Hockey	Ice Hockey	£2,779,984	Loans - £1,601,600 Grants - £1,252,394	5	22	<ul style="list-style-type: none"> ▶ One loan of less than £100,000; Four loans between £100,000 and £500,000 ▶ 14 grants less than £50,000 ▶ Four grants between £50,000 and £100,000 ▶ Three grants between £100,000 and £500,000
Motorsport	Motorsport event	£843,000	Loan - £843,000	1	-	<ul style="list-style-type: none"> ▶ One loan of £843,000
Netball	Netball Superleague	£4,408,290	Grants - £4,408,290	-	10	<ul style="list-style-type: none"> ▶ One grant of £2,848,231 ▶ Seven grants between £100,000 and £350,000 ▶ Two grants below £100,000
Rugby League	Tiers 1-3 (secondary model)	£10,077,691	Loans - £10,077,691	21	-	<ul style="list-style-type: none"> ▶ Seven loans of less than £50,000 ▶ Five loans between £50,000 and £100,000 ▶ Four loans between £100,000 and £250,000 ▶ Three loans of between £250,000 and £1,000,000 ▶ Two loans of between £1,000,000 and £2,500,000
Rugby League	Women's and Tier 4/5 (secondary model)	£1,501,500	Grants - £1,501,500	-	192	<ul style="list-style-type: none"> ▶ 94 grants less than £5,000 ▶ 79 grants between £5,000 and £10,000 ▶ Seven grants between £10,000 and £20,000 ▶ 12 grants between £20,000 and £30,000

Sport	Segment	Total funding	Loan/ grant – total values	Number of awards by loans	Number of awards by grants	Information on size of awards
Rugby League	Rugby League (World Cup)	£5,600,000	Grant - £5,600,000	-	1	► One grant of £5,600,000
Rugby Union	Premiership	£123,815,967	Loans - £123,815,967	13	-	<ul style="list-style-type: none"> ► One loan below £5,000,000 ► Six loans between £5,000,000 and £10,000,000 ► Five loans between £10,000,000 and £15,000,000 ► One loan between £15,000,000 and £20,000,000
Rugby Union	Championship	£4,837,731	Loans - £4,837,731	7	-	<ul style="list-style-type: none"> ► One loan below £500,000 ► Five loans between £500,000 and £1,000,000 ► One loans between £1,000,000 and £1,500,000
Rugby Union	Levels 3 and below (secondary model)	£10,196,522	Loans - £10,196,522 ¹⁷	104	-	<ul style="list-style-type: none"> ► 27 loans below £50,000 ► 25 loans between £50,000 and £100,000 ► 39 loans between £100,000 and £250,000
Rugby Union	Community Rugby (secondary model)	£18,275,903	Grants - £18,275,903	-	512	<ul style="list-style-type: none"> ► 57 grants less than £10,000 ► 67 grants between £10,000 and £20,000 ► 53 grants between £20,000 and £30,000 ► 63 grants between £30,000 and £40,000 ► 272 grants between £40,000 and £50,000

¹⁷ The RFU repaid £1,783,416 of the loan in June 2022 after some of the funding awards they made to clubs were later withdrawn, meaning the total funding allocation to clubs was £8,413,106.

Sport	Segment	Total funding	Loan/ grant – total values	Number of awards by loans	Number of awards by grants	Information on size of awards
Rugby Union	Women's national team	£290,000	Grant - £290,000	-	1	► One grant of £290,000
Rugby Union	Women's Premier 15s (secondary model)	£674,767	Grants - £674,767	-	10	► Nine grants below £50,000 ► One grant award of £247,687 to cover central RFU Covid-19 costs.
Speedway	Speedway	£253,000	Loans - £252,000 Grants - £1,000	4	1	► Four loans between £20,000 and £150,000 ► One grant of £1,000
Surfing	Surfing	£48,000	Grant - £48,000	-	1	► One grant of £48,000
Tennis	Tennis	£14,300,000	Loan - £14,300,000	1	-	► One loan of £14,300,000

5.0 SSP outcomes and impacts

This section considers the outcomes and impacts of SSP up to March 2022. It reviews the benefits for supported organisations, including those related to survival, safeguarding of investments including grassroots and women's team activities, and longer-term financial sustainability.¹⁸

5.1 Impact of SSP on survival

This section examines how and to what extent the SSP funding enabled clubs to survive through the Covid-19 restrictions up to March 2022. The analysis mainly draws on data collected through the evaluation surveys and case studies as well as monitoring data collected by Sport England. In examining the impact of SSP on the survival of clubs, the analysis considers in detail the insolvency risk of clubs if they had not received SSP funding. A broader examination of the impact of SSP on survival encompasses risk of mothballing, dropping down leagues or ceasing certain functions such as support for youth development or women's teams which were all examined either through survey questions or in the case study research. The analysis also considers the impact of the SSP funding on preserving leagues which could have been achieved both by virtue of ensuring the survival and/or continued operation of the clubs as well as through the targeted support that was provided at the level of the leagues to support their continuation.

Key evaluation questions: What impact has SSP support had on improving the survival of recipient sports organisations? How has this varied across the different sports that have been supported?

Key findings:

- ▶ This section has provided a robust analysis of how likely it is that supported clubs would have failed without SSP funding. The analysis suggests that SSP funding lowered the risk of professional and semi-professional clubs becoming insolvent and going into administration during the Covid-19 crisis. For clubs receiving grants and loans over £10k the evaluation has found that 8% of clubs (or 96 clubs based on the total receiving funding in those segments) would have had a greater than 60% likelihood of going into administration before March 2022 without SSP funding while 24% of clubs (or 153) would have had a greater than 40% chance of going into administration without support from SSP.
- ▶ Segment analysis suggests that clubs receiving larger awards were more likely to be at risk of becoming insolvent/ going into administration.
- ▶ The probability analysis across all sampled clubs receiving grants and loans over £10k suggests that as many as 323 clubs (out of the 1,212 supported with funding over £10k) could have become insolvent without the SSP funding.
- ▶ For the majority of all supported clubs, it is likely they would have survived without the SSP funding as over 50% of clubs had a less than 30% likelihood of becoming insolvent/ going into administration without the funding. Whilst many clubs may potentially have avoided insolvency, the impact on their operations without SSP would have been severe. By allowing clubs to avoid further cost cutting and safeguard investments SSP support enabled them to recover more quickly and resume activity at same level (these impacts are examined further in the sections below).

¹⁸ Further information on the methods used to assess these outcomes and impacts are described in Chapter 3 and detailed in the annexes accompanying this report.

- ▶ Other indicators support the view that SSP enabled clubs to maintain core operations, for example the analysis of impacts indicates that an average of 2.6 full-time equivalent (FTEs) per club were saved for those clubs receiving £10k or more.
- ▶ The monitoring data on club cash flows which has been reviewed in detail for the case studies suggests that in some cases actual income in the period up to March 2022 turned out to be higher than forecasted by clubs at the time of the application. The case studies showed that in practice support from shareholders (or in some cases club members) turned out to be greater than expected, worst case scenarios for the return of spectators did not materialise and loss of sponsorship was not as great as expected.
- ▶ Evidence on the role of SSP in supporting the survival of leagues is less clear and more speculative. The potential failure of several clubs which was a likely scenario based on the survey and case study evidence collected on clubs suggests that both the Rugby Union Premiership and British Basketball league were likely to have been in danger in the short-term or at least have taken much longer to resume in their recognised formats without the SSP loans and grants to clubs. For other leagues including the RFU Championship, elite levels in rugby league, ice hockey and the football National League System Steps 1-2, the evidence suggests that a breakdown of the leagues without SSP was more unlikely. In the case of football National League System Steps 3-6 some restructuring and loss of fixtures in the longer-term was a likely scenario without SSP which would have caused severe disruption for clubs and some further failures. The loss of any clubs (mid-season particularly) would have had a significant impact, especially in relation to sporting integrity and resultant impact of missing fixtures on broadcast and spectator income. As a result of SSP funding, the Netball Super League was able to successfully take place in the 2021 season which helped the commercial growth of the sport.

5.1.1 How far SSP supported clubs to avoid insolvency

The evaluation has considered how likely it is that clubs would have gone into administration or become insolvent without SSP funding¹⁹. The overall impact of the SSP funding on enabling clubs to avoid going into administration is estimated using a process tracing approach, explained later in this section, that draws on data gathered through the longer survey. This approach estimates the likelihood that clubs would have gone into administration based on a set of financial indicators reflecting the clubs' position prior to the point at which they applied for SSP funding and reflecting how the financial position of clubs developed in the period up to March 2022.

The paragraphs below examine key indicators used in the process tracing methodology. Some of the indicators also show specific benefits of SSP while others highlight specific financial risks at the time of the application. The overall assessment of SSP impact on clubs based on these indicators is then presented.

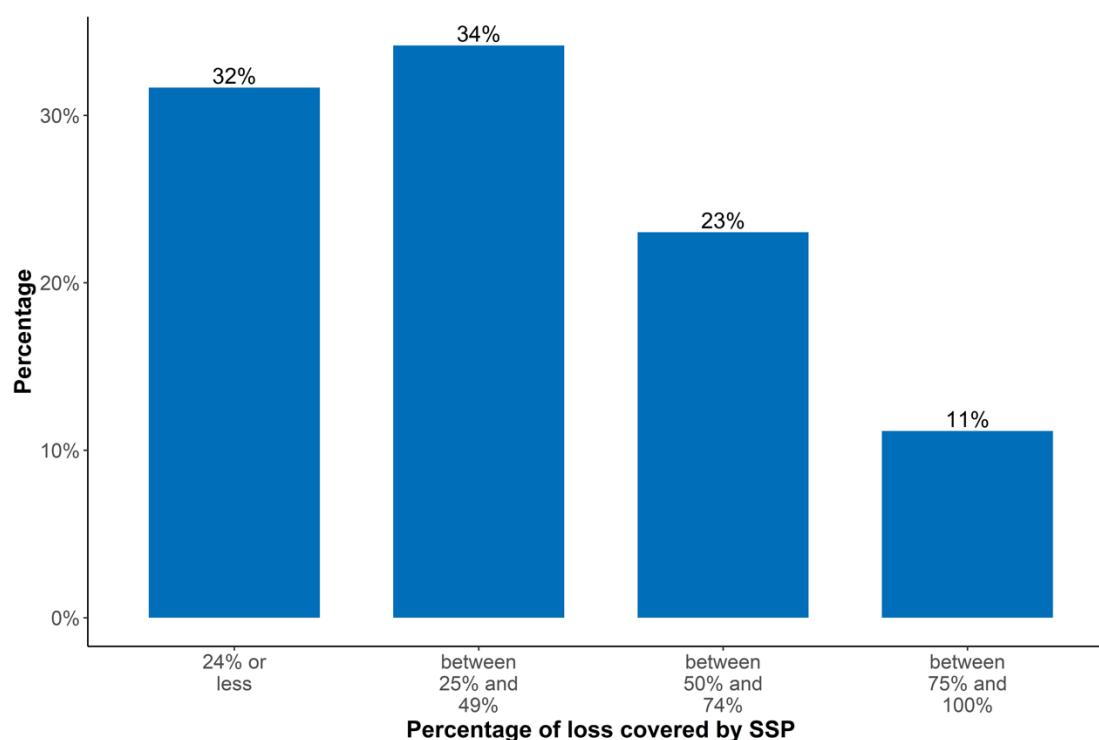
Proportion of income gaps addressed by the funding

The evaluation has found that SSP generally supported clubs to cover the loss of income that spectator restrictions caused. As highlighted in Section Two, the financial criteria for the award required that applicants were financially viable before March 2020 (the onset of Covid-19 restrictions) but to be at risk of no longer trading viably by the end of the next financial year. SSP did not intend to replace all losses as funding amounts were based on projected cash deficits up to March 2022 and many clubs also accessed other government schemes. If a club that was financially viable prior to the pandemic started to face financial difficulties and be at risk of insolvency, it is fair to

¹⁹ A company will be deemed insolvent when it is unable to pay its debts when they fall due while companies may be dissolved or go into liquidation as a result of a number of different factors which may arise including insolvency. Analysis for the evaluation has focused on the risk that clubs would have gone into administration or become insolvent without the SSP funding.

assume however that SSP would have covered a significant proportion of the reduction in income caused by the pandemic. Figure 5.1 shows that 11% of respondents reported that the funding covered more than 75% of the income gap they experienced because of the pandemic while 23% said that the funding covered between 50% and 74%. This suggests that for many of the clubs, the SSP funding was therefore important in helping them recover financial losses that were suffered because of the pandemic, and which may have pushed them into financial difficulties if the support had not been provided.

Figure 5.1. Proportion of income gap caused by Covid-19 restrictions covered by SSP funding



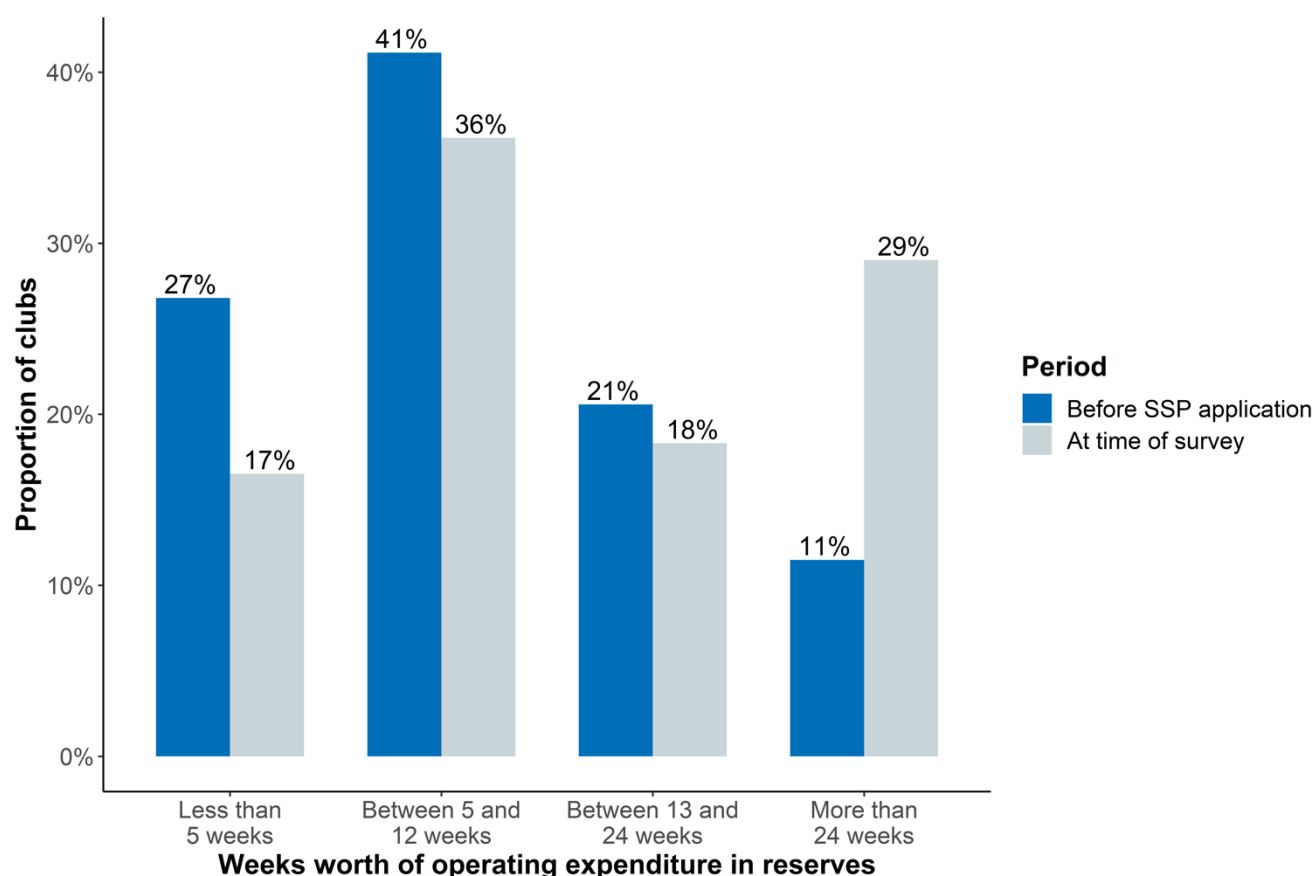
Base: N = 278

Source: Ecorys analysis based on responses to SSP long survey

Operational expenses in reserves

Although not used to inform SSP funding amounts as this was based on cash deficits up to March 2022, an indicator of failure risk is the number of weeks of operational expenses clubs held in their reserves that would be needed to pay for items such as wages and maintenance. As shown in Figure 5.2, at the time of the application to the SSP, over two-thirds of the surveyed organisations had less than three months-worth of operating expenditure in their reserves including 27% who reported having less than one month. Only 11% reported having reserves to last them for more than six months. Less than three months of reserves would have provided a key sign of the risk of insolvency at a time when revenues were being severely impacted by the pandemic.

Figure 5.2. Weeks' worth of operating expenditure recipient organisations had in their reserves



Base: N = 209 (Before SSP application); N = 224 (At time of survey)

Source: Ecorys analysis based on responses to SSP long survey

As the spectator restrictions lasted longer than they anticipated, by the end of 2020 some case study clubs had already depleted their reserves. For some of the case study clubs, the lack of spectator income was compounded by the withdrawal of sponsorship deals that depended on spectator attendance; in addition, some clubs also had to refund season ticket holders once it became apparent that the end of the 2019/20 season would either be cancelled or played behind closed doors. Clubs whose seasons were underway as the 'stay at home' order was given, were particularly financially exposed as their main revenue window closed prematurely while they had already incurred significant expenditure.

"And so, you can even see, even with the funding that we got, we were still a bit shy or short of what we needed in the end. [...] we had no attendances. We lost most of our commercials because obviously they were related to shirts. Stands sponsors, board sponsors in a stadium, you know, hospitality. It's not just season ticket holders."

One club that was relegated in the season prior to the pandemic reported that this added additional financial uncertainties for the club and left them more vulnerable to the economic shock of the pandemic.

"We literally went from a relatively viable but financially constrained football club, to potentially unviable. So, we'd already had, we were already under some financial strains coming into this league...and we kind of thought we were getting through that and then the pandemic hit."

The premature end of the Rugby Union Premiership 2019/20 season and the delayed start to the 2020/21 season, along with the temporary bans and other restrictions on spectators had major impacts on the finances of the elite clubs. Clubs at that level are much more dependent on matchday income than broadcasting receipts compared to their football equivalents, with one of the case study clubs for example indicating that two-thirds of its revenue

came from gate receipts and spectator expenditure on catering, hospitality and merchandise. Another noted that it had no control over most of the remainder of its income which largely comes from broadcasting rights and other funding from PRL and the RFU which were also affected by cancellations / postponements of matches – including the ‘Six Nations’ internationals – as the pandemic unfolded. Some of the Rugby Union Premiership Clubs reported that their cash flows were rapidly “obliterated” and that they were in the situation of ‘burning’ what were limited reserves of cash at rates of £1m + a month. Covid-19 problems went on for longer than clubs originally anticipated and the uncertainties about when games would be able to go ahead again and how far spectators would return created major challenges in forecasting and planning.

Cost-cutting up to the point of application

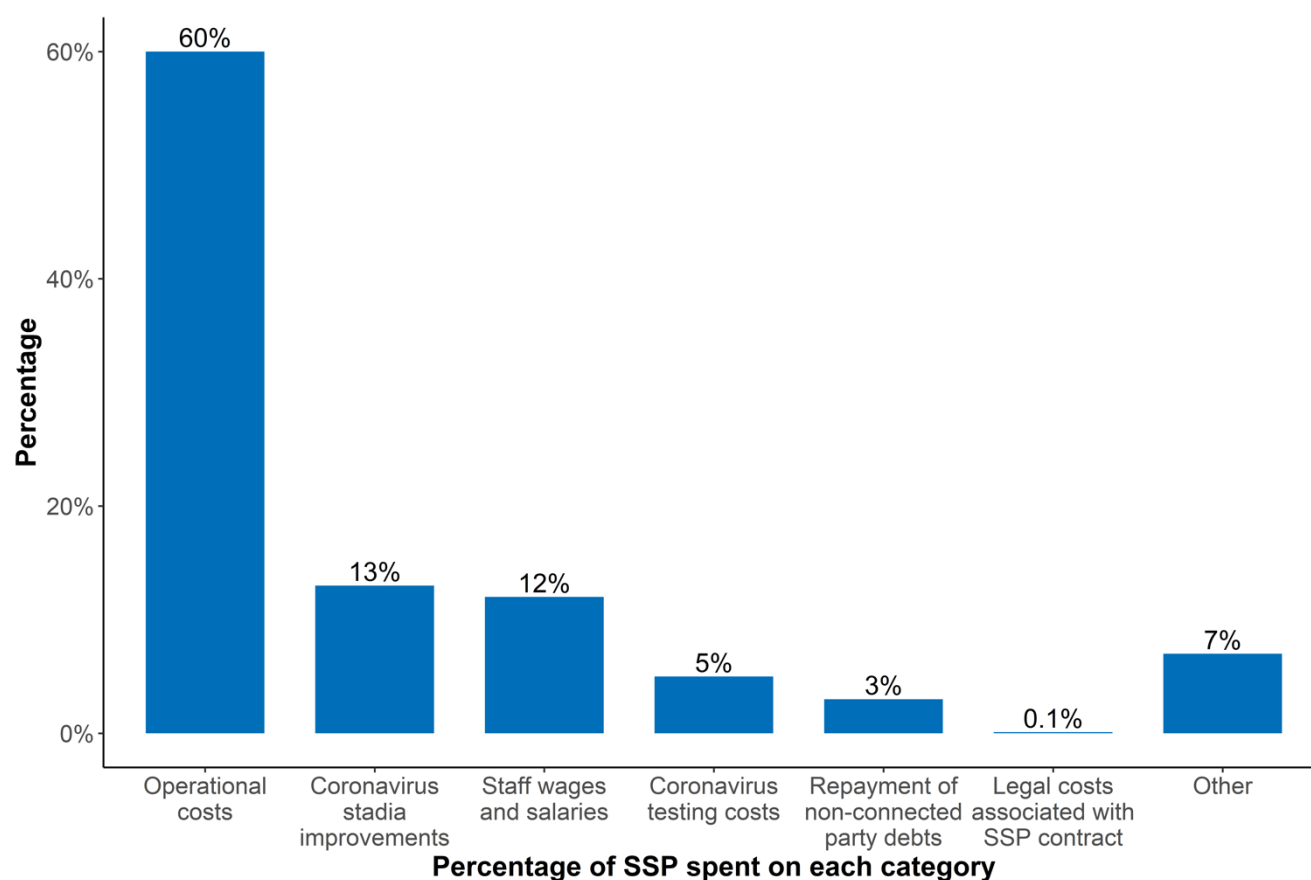
The extent to which clubs had already made either staff redundancies and/or had asked staff to take a pay cut provides a further indicator of insolvency risk. Between March 2020 and the first application for SSP funding, 11% of clubs had made redundancies and 17% had asked staff to take a pay cut.

The Rugby Union Premiership case studies showed that a range of measures were taken forward by clubs to reduce costs, including: redundancies; negotiated temporary (for example, 25%) pay cuts / deferrals; and, importantly, through substantial use of the Coronavirus Job Retention (furlough) scheme, particularly in relation to administrative and support staff. In many cases furlough was not an option for players as they needed to keep training to maintain fitness for when leagues resumed. A football club in the National League System Steps 1 and 2 had undertaken significant cost cutting up to the time of the SSP application in terms of both staff and operational costs. For example, the club’s CEO was made redundant, and this role was split amongst other existing staff, as it was too expensive to maintain their salary during the pandemic. At the same time, other roles became part-time roles to reduce costs and the club replaced paid roles with volunteers. Smaller clubs from other sports, for example those in the elite tier British Basketball League, were already operating on a lean basis and would have found it difficult to make any more cuts.

How the funding was spent

Figure 5.3 shows that the majority of SSP funding was spent on operational and staff/employee wages and salaries which are key aspects of the club that are needed to both survive and operate.

Figure 5.3. How SSP funding was spent



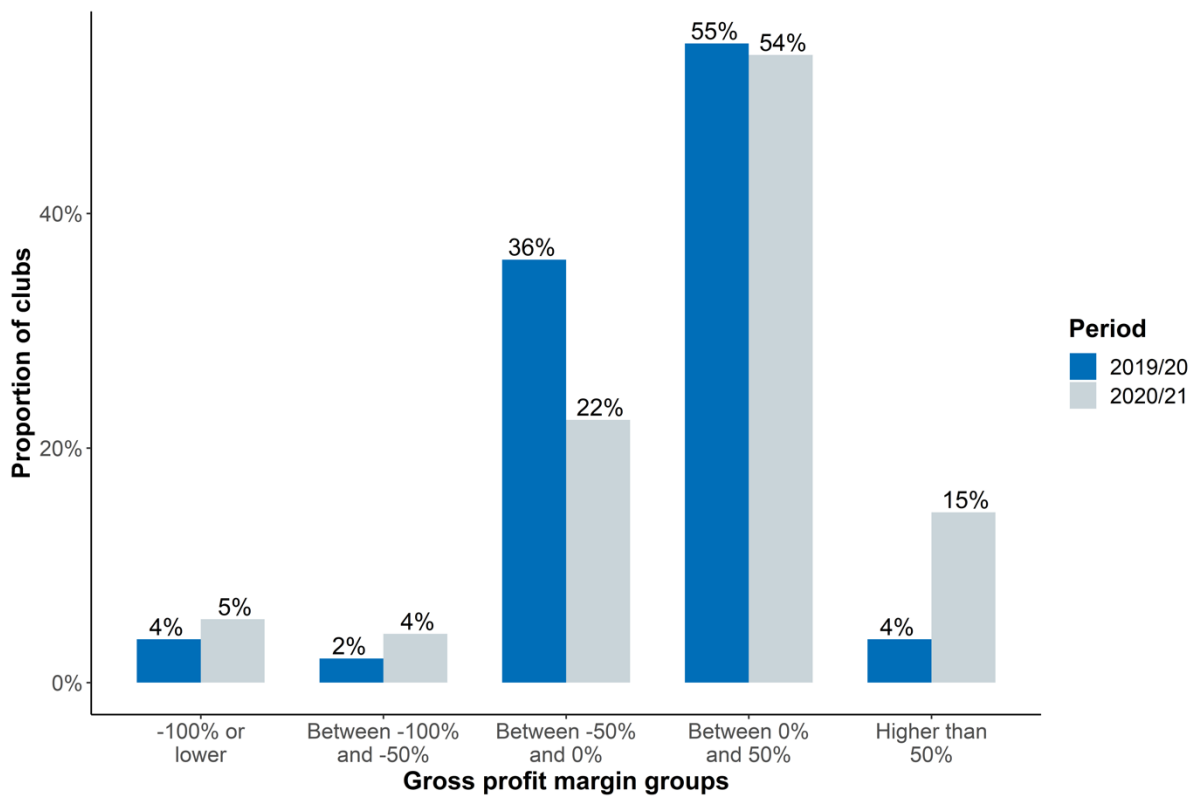
Base: N = 273

Source: Ecorys analysis based on responses to SSP long survey

Gross Profit Margin

Gross Profit Margin provides a key indicator of the financial health of organisations with a low or negative margin indicating a greater risk of insolvency. A significant proportion of clubs (42%) had a negative margin and were therefore operating at a loss prior to the application in the 2019/20 period. This proportion reduced to 31% for the 2020/21 period though we cannot be sure to what degree this improvement was caused by SSP. A majority had a positive Gross Profit Margin in 2019/20 however suggesting lower vulnerability at that time.

Figure 5.4. Change in Gross Profit Margin



Base: N = 244 (2019/20); N = 241 (2020/21);

Source: Ecorys analysis based on responses to SSP long survey

Owner contributions

Survey participants generally reported that historically owner contributions had been fairly modest, with the majority saying that they accounted for less than 10% of their income. Splitting these responses by different segments shows that professional clubs were more reliant on owner contributions as 54% received some owner contributions in 2019/20 compared to 26% for semi-professional or community clubs.

It is likely (with all else being equal) that SSP would have had a greater impact if owner contributions remained the same or increased from the period before the application to the time of the survey. A reduction implies that SSP may have replaced expected contributions from owners based on previous years. It should be noted that ownership contributions may have been affected by the wider effects of the pandemic on owners' finances however, this was not considered as part of this analysis. While 15% of clubs witnessed a decline of at least 10% in owner contribution proportions between 2018/19 and 2020/21, 10% of clubs saw an increase of at least 10% over the same period. For 6%, the share of operational income contributed by owners/shareholders stayed on a similar level and the remaining 69% neither received any owner contributions in 2018/19 nor in 2020/21 and therefore were not considered in the overall assessment. Splitting these results by segments shows that for 30% of professional clubs, owner contributions declined by more than 10% between 2018/19 and 2020/21, while for 26% they increased by more than 10%. None of the professional clubs had stable contributions within +/-10% of their 2019 levels and the remaining 44% never received any owner contributions. At a general level, it can therefore be seen that owner contributions did not necessarily decline in response to clubs accessing additional funding through SSP.

Total liabilities to asset ratio

A high liabilities to asset ratio provides a further indicator of insolvency risk. The risk for business viability tends to become more critical as the ratio goes higher than one. Clubs were asked to provide details regarding their liabilities and assets just before the SSP application and at the time of the survey which were used to calculate liabilities assets ratios (LARs) for both points in time. For those responding to the longer survey, 13% reported to have LARs higher than 100% at the time of the application while 7% reported a ratio of between 75-100% at this time, which suggests a minority were under significant financial pressure as their liabilities outweighed their assets.

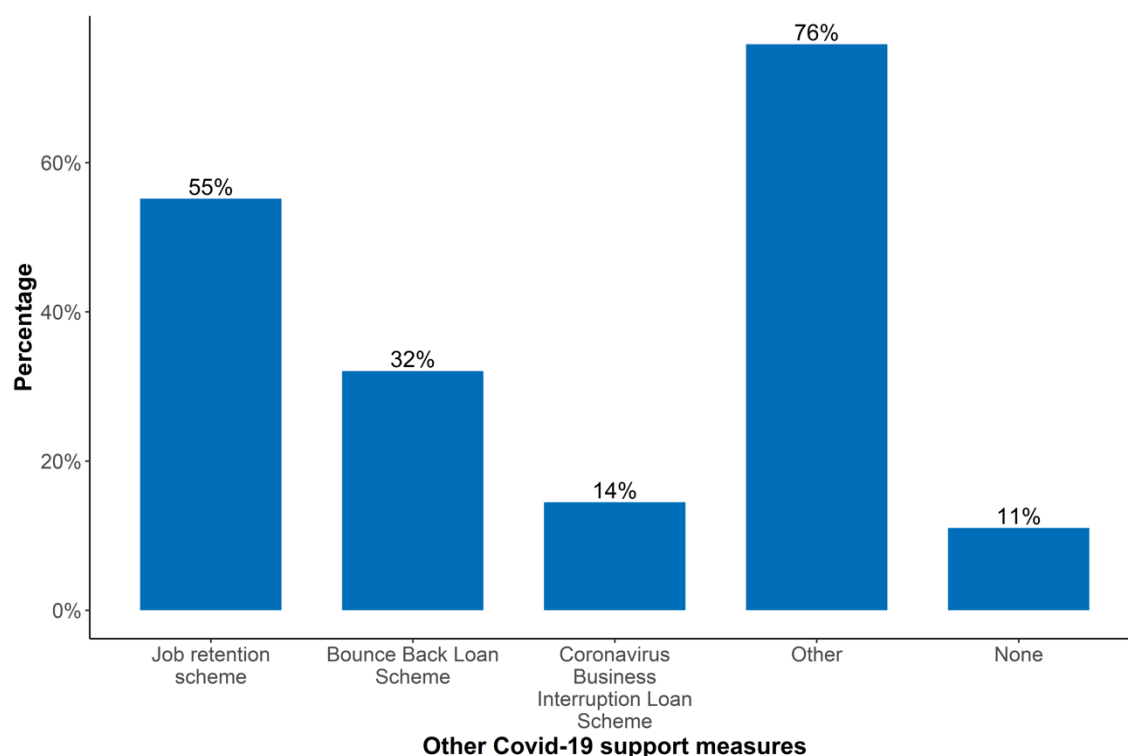
Use of alternative schemes

SSP provided an additional source of funding for many of the clubs. A test of the additionality of the SSP programme is how far SSP built upon, and complemented support provided through other Covid-19-related support schemes. Most clubs (76%) used some other scheme not listed (the case studies suggest these were mainly local community schemes) while 55% used the Job Retention (furlough) scheme and 32% used the Bounce Back Loan scheme. 11% of clubs used no other support measures at all. As suggested by the timelines of the various funding schemes (see Section 2), where clubs used other schemes SSP funding became available when many clubs were continuing to face financial issues.

For some of the clubs receiving larger loans (for example the Rugby Union Premiership clubs), the combination of their problematic financial positions and the general reluctance of lenders to provide new loans because of the problems which the pandemic created for any normal risk assessment process meant that securing substantial new commercial borrowing was not a realistic option. One club described itself as being “maxed out” on its potential commercial borrowing. Some Premiership clubs were able to secure loans through the CBILS scheme which was established by central Government and implemented through the British Business Bank as a response to the wider effective freeze of much commercial lending. However, others did not pursue this option, considering they were effectively ineligible because their history of losses.

As shown by the results of the shorter online survey aimed at clubs receiving small grants, smaller organisations were less likely to have used any of the alternative schemes (for example 14% of respondents to the shorter survey had taken out a Bounce Back Loan), with the case studies of smaller clubs suggesting that this was either due to eligibility issues or the perceived barriers to taking on loans with costly additional debt repayments which may be more typical of volunteer-led clubs. In contrast, the qualitative evidence shows that larger clubs applied to at least one of the other schemes but as the pandemic carried on, they needed additional support to restart activities.

Figure 5.5. Use of other Covid-19 support measures



Base: N = 290

Source: Ecorys analysis based on responses to SSP long survey

Overall assessment of SSP impact on supporting clubs to avoid insolvency

A process tracing methodology is used to arrive at an overall assessment of the impact of SSP on enabling clubs to avoid insolvency. Process tracing uses a statistical technique, Bayesian Confidence Updating, which provides a systematic and transparent approach to assessing impact. The use of process tracing is increasingly accepted as a robust alternative to experimental approaches in evaluation where the use of comparator groups is not feasible.²⁰ This approach weights the different indicators analysed above in terms of their relationship with the claim that the club would have become insolvent without SSP to arrive at an overall assessment (in terms of a percentage probability) of the likelihood that SSP funding helped a club to survive through to the end of March 2022. The process tracing methodology is described in detail in Annex E.

As shown in Table 5.1, the results suggest that:

- ▶ 97 clubs had a greater than 60% chance of going into administration without the SSP funding
- ▶ 291 clubs had a greater than 40% chance of going into administration without the SSP funding.
- ▶ 593 clubs had a greater than 20% chance of going into administration without the SSP funding.

²⁰ For example: Rothgang, M., & Lageman, B. (2021). The unused potential of process tracing as evaluation approach: The case of cluster policy evaluation. *Evaluation*, 27(4), 527–543. <https://journals.sagepub.com/doi/full/10.1177/13563890211041676>; Wadeson, A., Monzani, B. and Aston, T. (2020) Process Tracing as a Practical Evaluation Method: Comparative Learning from Six Evaluations, Befani, B., 2020. Diagnostic evaluation and Bayesian Updating: Practical solutions to common problems. *Evaluation*, 26(4), pp.499-515.

Table 5.1. Likelihood of insolvency without SSP funding – all clubs

Percentage likelihood of going into administration without SSP	Clubs	Percentage of clubs
0% up to 10%	424	35%
11% up to 20%	218	18%
21% up to 30%	182	15%
31% up to 40%	121	10%
41% up to 50%	109	9%
51% up to 60%	85	7%
61% up to 70%	36	3%
71% up to 80%	24	2%
81% up to 90%	12	1%
91% to 100%	24	2%

Source: Ecorys analysis based on long survey results

The methodology was separately applied to the following groups (see Section 4 for details on funding amounts):

- Larger awards:
 - ▷ Basketball BBL and WBBL
 - ▷ Football National League Steps 1-2
 - ▷ Ice Hockey
 - ▷ Rugby League (higher non elite tiers)
 - ▷ Rugby Union (championship)
 - ▷ Rugby Union (premiership)
- Football National League Steps 3-6
- Rugby Union (Community)

The table also provides an estimate of the number of clubs who would have gone into administration based on the probability analysis, using the survey results and scaling up based on the overall population of clubs who received funding support in those categories.

As shown in Table 5.2, the results suggest:

- Clubs who received larger awards were more likely to have gone into administration without the funding.

- 323 clubs would have gone into administration without the SSP funding.

Table 5.2. Likelihood of going into administration without SSP funding – segment analysis

Segment groups	Percentage likelihood of going into administration – average per group	Proportion with over 60% likelihood of going into administration	Number of clubs who would have gone into administration
Larger awards	39.8%	26%	55
Football National League Steps 3-6	25.3%	9.7%	121
Rugby Union Community	24.7%	6.3%	138
Total (groups above)			314
Total (all segments)			323

Source: Ecorys analysis based on long survey results

The results of the process tracing methodology indicate that it is likely that most clubs would have survived without SSP funding. However, this does not imply that the funding decision-making process for these clubs was flawed or that wrong decisions were made for the following reasons:

- A significant number of clubs are likely to have gone into administration without the funding.
- There was strong evidence that the funding supported clubs to avoid further cost cutting thus helping them to maintain investments and/or resume activities sooner, supporting their recovery from the pandemic and long-term financial sustainability (explored in Section 5.2) and the recovery of the league or sport (see further analysis below).
- Even if only a small minority of clubs would have been lost without the SSP funding this would have had wider implications for the sports concerned in terms of maintaining the integrity of leagues.
- Decisions were not based on perfect information and as some stakeholders suggested it was sometimes important to “lean into a decision” because the risk of losing a club was still too great based on the financial information available. This is supported by the analysis above which suggests that the risk of failing for many clubs was at a level that could not be ignored.
- The monitoring data on club cash flows which has been reviewed in detail for the case studies suggests that some income forecasts at the time of the application tended to err on the side of pessimism, as for example support from shareholders or members turned out to be greater than expected, projected worse case scenarios for the return of spectators did not materialise in practice and loss of sponsorship was not as great as expected.

In line with the survey evidence, the case study evidence also indicated that a minority of clubs were unlikely to survive without SSP funding. Several of the case studies however demonstrated clear evidence that clubs were facing the risk of going into administration at the time of the application, for example:

- Two Rugby Union Premiership clubs indicated that they could only have survived if their key shareholders had been able and willing to put in massive further funding - which was at best uncertain and would certainly have been contingent on the club making much deeper cuts.

Case study example: Basketball club in British Basketball League (BBL Men's)

An elite tier basketball club received a part grant and part loan from SSP totalling in the region of £200,000. The club had suffered significant reductions in revenue, including ticket sales and sponsorships, due to the premature end of the 2019/20 BBL season and the following season being held behind closed doors and without spectators. There were also additional costs relating to rehiring and catering for international players as well as implementing Covid-19 testing regimes.

The basis of the initial grant value was to address a significant cash flow problem that was projected to worsen over the period up to March 2022. Updated projections in April 2021 showed a gloomier cash balance forecast up to March 2022 as a result of delayed sponsorship income, missing official costs from the original forecast and other additional costs. The funding was extended later in 2021 to address additional costs and loss of revenue that the club incurred as the effects of the pandemic continued.

Without the SSP funding, there is a strong likelihood that the club would have closed. Although commercial and sponsorship revenues were significantly higher in the October 2021 to March 2022 period than projected at the time of the application, the projected cash balance (without SSP funding) at the end of March 2022 would have seen the club at serious risk of insolvency and closing. Based on the club's updated cash flows there is no evidence that the original projections overestimated the seriousness of the club's financial position without support. The club was already operating on a lean basis with few full-time staff members and so there was very limited scope to reduce costs further. There was also no suggestion that a high-net-worth individual or shareholders would have stepped in to save the club as owner support had been modest in previous years. The SSP funding therefore played a significant role in moving the club towards a viable position.

The club had taken out a loan from the Government's Bounce Back Loan Scheme (BBLs) just after the lockdown started as this was considered essential to survive and there was no understanding at that point of how the government would support the sport sector. The club also took advantage of the Job Retention Scheme (furlough) to sustain its staff through that initial period of the lockdown. When the season started again, the Job Retention Scheme could no longer be used.

“(the cash balance) projected [up to March 2022] at the application stage simply meant that the club wouldn't have been able to carry on.”

The recovery from Covid-19 has taken longer than expected but the club are now positive about their long-term financial position with a facility investment plan now back on track that should generate increased revenues in the future.

The following examples show how the funding addressed financial needs where there is a strong likelihood that they would have survived without SSP funding.

A women's football club from an elite tier said that whilst SSP funding had been essential for some elements of the organisation's ability to keep functioning, such as keeping all staff contracts, maintaining pitch standards etc., it ultimately was not the main reason the club survived. When asked about the financial impact of the funding on the club, the interviewee said they did not have to consider the viability of any jobs (football, office or any grounds staff) and consider any longer term-redundancies to save money. They also expected that it meant that once the playing season restarted, they could afford to still pay for the usual higher standard maintenance costs of the pitch, which in the longer-term they thought would reduce player injuries and subsequent medical costs. Once they knew they had more funding than applied for, they expected that the funding meant that the club's ethical position and its community role could be maintained, such as around mental health, providing hot meals for those who need it and around access to affordable 3G pitch for community teams. They said it was unlikely they would have had to

withdraw from the season or fold as a football club without SSP due to the wider network of support that became available.

Alongside SSP funding totalling around £46k, a club based in Football National League Steps 3 – 6 was able to access the Coronavirus Job Retention Scheme (furlough), as well as receive another grant and rates relief from their local authority. These funding streams combined helped support the club when income ceased due to not being able to hire out their pitch or venue for functions. Without the SSP funding, there was a risk of staff redundancies and cost cutting which would have affected the club's longer-term objectives. The SSP funding aided the club's recovery from the pandemic, but the evidence was not strong that the club would not have survived without it.

"...had we not received the funding then we would have been faced with some difficult decisions, things like making redundancies, cutting the budget once we got back playing football, which would have had a knock-on effect of maybe not getting that promotion. I think hook or by crook we would have kept the club open, but maybe not to the same extent as we were able to."

Case study example: Elite tier Rugby League men's club

An elite Rugby League club received two loans totalling in the region of £2.5m via a secondary model. At the time of the application, the club was under threat of going into administration. They were able to negotiate repayments with HMRC however suppliers of food and beverages required payments. The intention of the SSP funding was to cover operating costs, ongoing commitments and outstanding payments. As the club was successful in their application for the Coronavirus Job Retention Scheme (furlough) to support staff, and members were happy to have their membership payments deducted over the following three years rather than be refunded, it was unlikely that SSP ensured the club's survival. Furthermore, the use of the stadium as a vaccination centre provided the club with additional revenue.

There was strong evidence however that the SSP funding prevented further cost-cutting decisions and helped the club to recover. Some management staff had taken a 20% pay cut before the funding arrived so the funds help the club to keep players and other staff members. Losing players and reducing staffing would have had detrimental impacts on the club's ability to participate in the league.

"Without it [the funding], we wouldn't have been able to go back to the league, it only takes two clubs to disappear to disrupt the league. Without the funding, we could have come back as a very different club, as a non-completing/non-winning club if we lost players, and hospitality roles moved elsewhere."

The analysis shows therefore that the majority of all supported clubs are likely to have avoided insolvency without the SSP funding. The risk of financial failure at the time of the application for many of those that would have survived anyway was, however, at a level that could not be ignored. The surveys and case studies highlight many examples of clubs that were facing a very high risk of going out of business. There was also clear evidence that for clubs that would have survived without the funding in many cases the funding helped these clubs to recover more quickly from the impact of the pandemic. This was achieved allowing them to avoid further cost cutting and safeguarding investments and by allowing them to resume their participation in competitions much sooner than would have been the case in the absence of SSP support (these impacts are examined further in the sections below).

5.1.2 Employment outcomes

On average, clubs responding to the longer surveys reported employing 2.9 full-time staff members before their application to the SSP. This decreased marginally to 2.7 at the time of the survey. The reported number of

employed part-time staff members and volunteers increased from 7.2 to 8.6 and from 26.3 to 27.5 respectively over the same time period.

The quantitative impacts of SSP on jobs safeguarded can be explored through two main mechanisms:

- ▶ SSP may have safeguarded employment through ensuring the survival of clubs.
- ▶ There was also potential for the Fund to safeguard some jobs in cases where clubs would have survived anyway without the funding by avoiding further cost cutting.

Analysis above indicated that between March 2020 and the first application for SSP funding, 11% of clubs had made redundancies and 17% had asked staff to take a pay cut. Based on respondents' perceptions, these figures would have risen to 31% and 28% respectively if SSP funding had not been received. Some of the case studies of bigger clubs suggested that SSP helped prevent further redundancies and funded activities which meant that staff members could be taken off furlough.

"I certainly think that you know we, we would have absolutely been forced into reviewing all the jobs in the in the club [...] without the SSP funding, we would have absolutely had to revisit the number of roles in the club, which would have been difficult"

A smaller proportion of those responding to the short online survey (4%) had already made redundancies. Smaller organisations operated a very lean staff model, making it difficult for them to make any further staff cuts. One smaller case study club said that their team was so small that if they had lost a role, they would have struggled to maintain their activities.

The mechanisms above are considered using employee data from the surveys and the impact probability analysis based on the process tracing approach. Staff data and impact probability analysis is available for 205 clubs who completed the longer survey. They had 706 full-time staff members and based on the impact probability analysis could have lost 284, which is 1.4 per club on average. They also had 1,731 part-time staff members and could have lost 497, which is 2.4 per club on average. If we assume each part-time staff member is 0.5 FTE, then 532.5 FTEs were potentially saved in total, which is an average of 2.6 FTEs per club. The analysis also shows that clubs with a higher likelihood of going into administration without SSP had, on average, more staff than the rest of the sample.

5.1.3 Impact of SSP on preserving leagues and other competitions

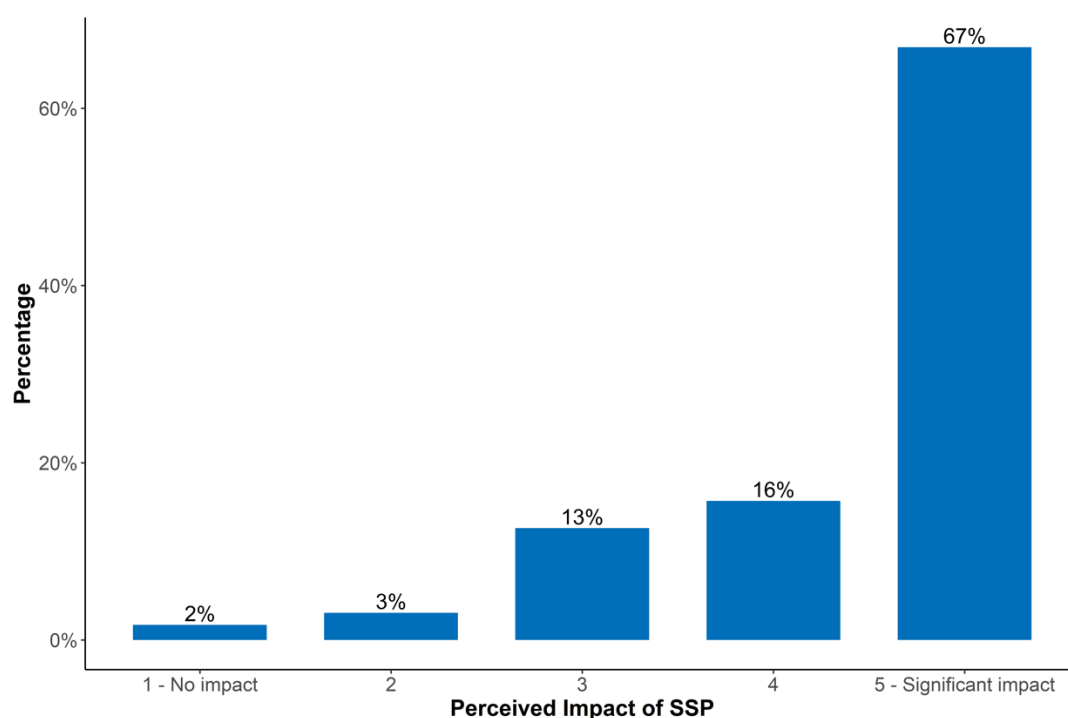
The analysis below explores the extent to which the funding helped organisations to fulfil their sporting commitments. The preservation of league programmes could be achieved both by virtue of ensuring the survival and/or operation of the clubs (as any failures could potentially create 'domino effects' on the viability of others), as well as through the targeted support that was provided at the level of the leagues to support their continuation.

The evaluation evidence highlights an important difference between the role of the loans and grants in allowing clubs to continue to fulfil their fixtures and their role in enabling them to survive. With hindsight, many may not have been facing imminent threat of insolvency, as shown by the analysis above, however in many cases SSP supported the long-term financial sustainability of clubs by keeping them open and helping them resume sporting activities sooner.

Some case studies provided a strong suggestion that clubs would have been forced to mothball activities or as one interviewee put it, "put the club into cold storage" without the funding. Where clubs were facing the prospect of mothballing, interviewees felt that this would have a damaging effect on club finances in the longer-term. Most respondents (67%) felt that the SSP funding had a significant impact on their organisation's ability to keep operating which is distinct from supporting their financial survival (Figure 5.6). This figure was only slightly lower

(60%) for those responding to the shorter survey. Only 2% of clubs responding to both surveys felt the funding had no impact on their ability to keep operating.

Figure 5.6 Respondents' perception of the impact SSP had on their ability to keep operating



Base: N = 293

Source: Ecorys analysis based on responses to SSP long survey

Just over a half of respondents to the longer survey had postponed games or skipped an entire season as a cost-saving measure prior to receiving SSP funding and for half of the respondents, this was a likely scenario if they had not received financial support from SSP. Case study organisations also highlighted the importance of the funding to fulfilling fixtures. Several of the club case studies suggested that without the support from SSP and the reassurances this provided, clubs would have stayed in hibernation for longer.

By covering match and other ongoing costs, SSP funding enabled an ice hockey club to take part in a mini competition which aimed to reengage fans in the sport after a long period of closure. The club reported that without the SSP funding it would not have restarted playing in February 2021 and instead would have waited until September 2022. The club did not feel, however, that the SSP funding ultimately helped them to survive. The funding also enabled the club to bring forward their plans for live streaming which provided an alternative revenue stream. The club saw competition and the digital move as positive not only because it aided their recovery but also because it allowed them to maintain engagement and interest in the sport that was being threatened by the cancellations:

"If we didn't have the funding, we wouldn't have been able to pay players' icetime²¹, coach's wages, get equipment and everything else that's involved, travel expenses et cetera, et cetera. So we needed the funding to run the competition because we wouldn't have any revenue generated from it."

One basketball club also reflected on the message of support the funding represented and its significance for the sport which was still struggling to recover from pandemic. The club commented that in addition to validating the

²¹ Time players spent on the ice rink

importance of the sport (*“Felt we were important”*), the funding and the activities it enabled facilitated the quicker recovery of the league. A number of the case studies also highlighted how starting sooner as a result of the SSP funding helped to maintain player fitness levels.

Summary of impact on leagues

Through the surveys and case study evidence, it is possible to consider potential scenarios for leagues if SSP funding had not been received:

- ▶ **Rugby Union (Premiership and Championship):** The process tracing analysis of the risk of clubs going into administration without SSP and the case study evidence of clubs suggests that the Premiership would have been more likely to be in danger without the funding than the Championship. The potential failure of several clubs which was a likely scenario based on the survey and case study evidence collected on clubs would have raised major issues for the Premiership in its current form given the limited number of participating clubs, creating at least the risk of potential ‘domino effects’ on the viability of others.²²
- ▶ **Rugby League (High non elite tiers):** Several clubs in the high non elite tiers may have been at risk of failure without SSP however evidence was not compelling that the leagues would have been in jeopardy without the SSP funding.
- ▶ **Football (National League Steps 1 and 2):** The key effect of the funding appears to have been to address short-term cash flow issues that were caused by the initial impacts of the pandemic. The failure of several clubs which was a likely scenario based on the survey and case study evidence collected on clubs would have also raised major issues for National League Steps 1 and 2. The overall evidence does not suggest a high risk that the leagues would have been in jeopardy without the funding however the failure of several clubs would have caused severe disruption for the league and potential knock-on effects for other clubs through the loss of revenues associated with fixture cancellations.
- ▶ **Football (National League Steps 3-6):** The failure of a significant number of clubs, which was a likely scenario based on the survey and case study evidence, suggests that at least a restructuring of the leagues and fewer fixtures would have been a consequence of the spectator restrictions without SSP.
- ▶ **Ice Hockey:** Based on the surveys and case studies, the evidence suggests that clubs were generally at a lower risk of going out of business without the funding. SSP also provided a sizeable, blended loan and grant to support the finance of the league which facilitated a mini-competition between four EIHL clubs, lasting around 6-7 weeks. This ensured some continuity of the league competition, maintaining interest in the sport and helping recovery however evidence was not compelling that the league would have been in jeopardy without SSP.
- ▶ **Basketball (British Basketball League and National Basketball League):** The potential or likely failure of several clubs in the top tier British Basketball League (BBL), which was a likely scenario based on the survey and case study evidence collected on clubs, would have likely undermined the overall viability of the league. The funding enabled the lower semi-professional tier National Basketball league to be completed as it enabled the NGB to fulfil its ‘return to play’ strategy safely. Given the financial constraints that the NGB was facing at that time, there is a strong possibility that the season would have been postponed without the SSP funding.
- ▶ **Netball:** Case study evidence indicates that the Super League was able to successfully take place in the 2021 season as a result of SSP. SSP supported its continuation by providing venue, staff, travel, accommodation and Covid-19 costs. There were also some unintended outcomes that emerged from changes to the format and distribution of the 2021 Super League season, moving from a position of games being shown only once a week on Sky to then three games a week being streamed on YouTube and other platforms. This structure has

²² In this context it is noted that case study clubs’ PRL ‘P’ shares are a key asset against which the SSP loans are secured

been sustained since with one game on Sky and two on YouTube, with overall increases in viewings and following of the sport compared with previously. While SSP supported the growth of the league, the number of netball clubs in the survey was small so it is difficult to say if club failures would have created issues for the league without SSP.

Some case studies highlighted the importance of leagues continuing to maintain interest in the sport from a participation perspective. The need to continue leagues was highlighted as especially important for women's sport as this was seen as vital in maintaining a growth trajectory that was emerging prior to the pandemic. One NGB felt that not being able to stage competitions would have cost them some of their sponsors, while several others worried about the lack of spectators' engagement and what this would mean for ticket sales in the future. It is also worth noting that, by alleviating the pressures to make deeper cuts in their player and coaching costs and cutbacks on associated outreach activities which help develop local talent pipelines, the funding will have potentially helped preserve the on-field competitiveness of clubs, including in European competitions, and in some sports particularly rugby union and ice hockey may have helped to underpin the longer-term strength of the national team. In ice hockey, the facilitation of the mini-league gave GB players the change to play for selection for the upcoming World Championships. The impacts of continuing leagues on financial sustainability and participation are explored further in Section 5.2 and section 5.3 respectively.

5.1.4 Continuation of events

The case studies highlighted a number of instances of SSP ensuring that events went ahead that otherwise would have been brought into question:

- For one NGB, a loan ensured that two major international and national events went ahead despite the financial uncertainty created by the spectator restrictions that reduced the capacity to 5,000. The funding allowed the NGB to plan for and commit funding to the events with a greater degree of assurance. The funding also helped to mitigate expected losses if further spectator restrictions were to be imposed and events did not deliver incomes at forecast levels.
- For an events organiser the SSP funding compensated for the shortfall of revenue and increased costs enforced by Covid-19 for three national events in 2021. The business' viability relied on the three events that they organise, so if the events had not happened, the business would have been at risk. SSP funding was a last resort funding. They had already cut many of their costs to make the events viable. However, cost-cutting decisions are not as easy in the case of an event organisation as a lot of items of expenditure for the events are fixed and cannot be cut, for example the safety and security measures that need to be put in place. After making all the cost-cutting decisions possible, they realised that they were still struggling, and that was the reason why they decided to apply for the SSP funding.

"We had survived 2020 with as much help as we could from the Government, as much cost cutting as we could without making huge redundancies (we are a really small team), and we dragged ourselves through 2020 in the hope that 2021 would be better for us, and didn't quite come to fruition, so we had already done cost-cutting exercises, we had already gone through each race's budget and cut the costs to a minimum and we were still struggling, so applying for the funding with Sport England was our last resort"

- As the tournament was postponed in 2021, the Rugby League World Cup were unable to fund the required amount to host the Rugby League World Cup. Without the SSP funding, it is likely that the Rugby League World Cup would not have gone ahead and therefore, without the funding, it is likely that all of the tournament's associated benefits for the sport and wider economic and social impacts would have been lost (see box below).

Case study example: Rugby League World Cup

The Rugby League World Cup (RLWC) received £5.6m in SSP grant funding, which supported the delivery of the Rugby League World Cup 2021. RLWC 2021, for the first time, grouped all three tournaments together – the men's, women's and wheelchair rugby and was described as 'three tournaments in one'. The tournament was postponed to 2022, in order to avoid cancelling it or undermining the event through the lack of teams that would have been able to attend because of the Covid-19 restrictions.

The aim of the SSP funding to the RLWC was to handle as many increased costs as possible, which the tournament incurred due to being rescheduled from October-November 2021 to October-November 2022. There was for some period a level of uncertainty about whether the tournament would be cancelled or not due to the ongoing impact of Covid-19 on public gatherings, as well as the uncertainty about how and when the teams from around the world would be able to attend. However, it was decided to postpone the tournament to avoid cancelling or undermining the event through a lack of teams being able to attend.

Once the postponement was confirmed, there were discussions between RLWC, DCMS and UK Sport as to how the additional costs would be covered. The SSP was recommended as a vehicle for these additional costs (that could not be offset through increased ticket sales or commercial sponsorships). The RLWC calculated that the additional costs caused by the postponement was £7,320,091; a sum which the RFL was unable to meet. It was therefore decided that 77% of the costs of the postponement would be covered by SSP funding, with the remaining 23% being covered through new revenue streams, TV/broadcast rights and ticket sales, alongside some negotiations and cuts to budgets such as marketing.

The tournament going ahead was the key outcome of the SSP funding. Due to the one-off nature of the event, RLWC thought it would have been unable to secure other forms of funding to make up for the shortfall it experienced. Therefore, there was a real danger that RLWC would not have been able to go ahead without SSP funding. The SSP also enabled the RLWC to protect its investments. The government had already given £25 million to the RLWC. This, alongside the discussions with the venues and local councils, meant that there was a significant 'sunk cost' to hosting the tournament. The SSP essentially protected this investment for both the tournament and the social impact programme. The RLWC believed that the social investment in the community and the investments in getting the technical elements of the tournament ready, were equally important.

The social impact programme is also viewed as a core part of the World Cup. The social programme element of the tournament works within some of the most economically deprived areas of the UK and works across multiple areas including, but not limited to, mental fitness, arts, inclusive volunteering, creating facilities and an educational resource for schools. The protection of these social programmes was seen as critical to the character of the RLWC 2021 and, without SSP funding, these programmes would have to be cut.

5.2 Impact of SSP on long-term financial sustainability

This section examines how and to what extent the SSP funding supported the financial sustainability of supported clubs. The analysis mainly draws on data collected through the evaluation surveys and case studies as well as monitoring data collected by Sport England.

Evaluation question: What impact did SSP have on improving the financial sustainability of supported organisations?

Key findings:

- ▶ Several indicators based on data collected via the long survey questions suggest that the financial position of clubs has improved since before the application for SSP funding and that the majority of clubs are on a path of recovery. At the point of the survey, 29% of survey respondents reported having sufficient reserves to cover their expenditure for more than six months, a marked improvement on the pre-application point when the comparable figure was 11%. SSP funding was not used to add to reserves as the money was generally spent on operational costs.
- ▶ Rugby Union Premiership case study clubs who have taken on significant levels of additional debt through SSP are facing challenging financial situations and will require continuing support from owners and substantial growth in revenues, including from diversification and business transformation activities such as events.
- ▶ Some clubs that were at risk of failing before March 2022 are likely to continue to be in a position of vulnerability, however many have been able to recover well and move on to a more secure financial footing.
- ▶ Based on evidence from the case studies, there was little evidence that the SSP programme influenced clubs' business practices to the extent that this would have helped their long-term financial sustainability.

The impact of SSP funding on longer-term financial sustainability is examined through the following mechanisms:

- ▶ Supporting financial recovery by ensuring that activities continued or restarted sooner.
- ▶ Improving financial indicators for those clubs where there was a strong likelihood of insolvency without the SSP funding.
- ▶ Influence on changing business practices that may help longer-term financial sustainability.

5.2.1 Change in longer-term financial sustainability (all clubs)

Several indicators based on data collected via the long survey questions suggest that the financial position of clubs has improved since before the application for SSP funding and that the majority of clubs are on a path of recovery:

- ▶ At the point of the survey, as shown in Figure 5.2, 29% of survey respondents reported having sufficient reserves to cover their expenditure for more than six months. This indicates a marked improvement on the pre-application point when the comparable figure was 11% suggesting greater levels of resilience to any further revenue shocks.
- ▶ Most of the clubs said that their financial situation was either similar to the situation before the pandemic or had improved - 26% of clubs said the projections for the 2022/23 financial year were similar to their financial situation in 2019/20 while 42% said it had improved and 33% said it had worsened.
- ▶ Nearly half of all clubs (44%) reported to have less than £10,000 in reserves just before they applied to the SSP while around a quarter (26%) reported to have less than £10,000 in reserves currently.
- ▶ There were no substantial changes in clubs' liabilities to assets ratio. This suggests that most clubs not only managed to avoid depleting their assets but also avoided getting into too much extra debt.

- For the financial year 2022/2023 most clubs (64%) are expected to make a profit while 23% are expected to make a loss and 13% are expected to break even.
- Over 90% of surveyed organisations said that they feel fairly or very confident that they would keep operating in six months-time. When asked the same question but in a scenario where they did not receive support from SSP, the confidence levels dropped down to 37%.

Improvements in relation to financial sustainability cannot be attributed to the SSP funding necessarily as the fortunes of many clubs may have improved without the funding. There were many examples, however, of the SSP funding being used to help clubs resume activities and help to kick-start their recovery.

In some cases, SSP funding enabled clubs to continue the 2020/21 season, albeit behind closed doors and with no spectators. Due to lack of income from ticket sales and membership fees, other clubs were forced to end their participation mid-season and used the SSP funding to cover operational costs including players' wages and staffing. As indicated above, for some clubs, the SSP funding was used to deliver pre-planned events or smaller competitions that enabled players to maintain fitness levels and prepare for the following season or larger competitions, nationally and internationally. Such mini-competitions and events helped to maintain interest in the sport and put clubs in better positions to welcome back members and spectators when restrictions lifted, and people could return to games.

The long period of inactivity was creating significant concerns for clubs as it was affecting their engagement with spectators and relationships with sponsors, leading to longer-term financial risks. As each club was in a different position, with individual funding requirements, outlooks regarding long-term financial sustainability varied considerably across the clubs. Most of the clubs expressed optimistic outlooks however with some attributing this to the SSP funding. One elite tier basketball club believed it was currently in a better financial position now than they have been over the last 15 years. This is because the SSP funding, along with other Covid-19 recovery loans, allowed them to build up a cash flow so they no longer needed to fund the club through an overdraft facility. They added that they were positive the club would make a profit each season going forward, so that loan repayments can be made, which will keep that cash flow in a healthy position and that this would not have been possible without SSP funding.

A women's football team explained that their optimism for future sustainability is the result of SSP funded work in the community. This work has sparked interest from sponsor companies seeking partners that match their equality and diversity ambitions who can deliver on these principles. A male football club commented that the SSP funding allowed them to invest in their infrastructure which has aided them in securing a good position financially. Another rated their confidence of future prospects at 7/10, which is contingent on being able to complete the sale of a "star player". Similarly, some clubs were awaiting on sponsorship and commercial deals that will enhance financial sustainability:

"A lot of it [the future will depend on what that TV deal looks like. If it is as it is now with the reduction... then I think the sport is in real danger. But if the TV deal comes up and investment comes in, we can carry on as we are now]"
– Rugby League club.

For one NGB, the SSP funding enabled them to avoid using their financial reserves, which can now be used to help the organisation recover during the next 1-2 years. However, they expressed that their long-term prospects are still uncertain, as there is much work to be done rebuilding membership numbers, restoring competitions and hiring coaches which is made more difficult with a smaller and stretched team due to staff reductions during the pandemic. A small number of clubs have found recovery more difficult in terms of building up memberships and fan bases to pre-Covid levels as well as being able to invest in the growth of the clubs.

Some case study organisations, albeit feeling positive about the future overall, were more cautious in their projections. They tended to point to the challenging circumstances they are still operating in as spectators are still

feeling anxious to return to places of mass gathering (though these interviews took place earlier in 2022) or simply losing the habit of attending matches. Organisations did however, point out that the SSP funding helped them absorb some of these financial challenges. One organisation, for example, commented that because of the Covid-19 testing and safety protocols, it cost them 50% more to stage a game than it did before. In a similar vein, another club said that they had to pay the full rental fee of a facility they use as those they used to share it with, were not yet ready to restart. Had it not been for SSP, these organisations explained, they would not have been able to afford these extra expenses.

“We are of course optimistic and we are learning to live with Covid and we are beginning to see light at end of tunnel...but it is not a quick process, we are finding it a slog to resume normality”

There are also concerns moving forward, specifically with regard to the cost-of-living crisis, which many clubs will fear affect ticket sales as members and spectators won't be able to afford to attend games. This has been particularly difficult for ice hockey clubs as reduced attendance will impact revenue that is needed to afford the rising energy costs. Another concern is the repayment of SSP loans for smaller clubs, as one lower tier football club says they are still in survival mode and that paying the SSP loan back will be impossible.

The outlook of future financial sustainability also appeared less positive for clubs without their own grounds or venue. Those that must rent spaces from local authorities, leisure centres, university or schools found it more difficult to recover post-Covid due to facility closures, reduced opening hours and increased rent. There were also concerns for clubs that have ageing venues that require expensive maintenance and repairs.

“That's the big that makes me nervous moving forward, is that that if you haven't got anywhere to play then you can't play.”

Some organisations also reflected on the legacy of the funding, while most was used on day-to-day costs, some spent a portion of it on software development, for example to support streaming services. This digital makeover created alternative revenue streams and allowed them to keep the audience engaged while in-person activities were still recovering. Organisations highlighted the financial benefits of this and what this means for their long-term resilience.

“We were able to install an infrastructure for streaming, which we've now been able to utilize this season and that's been critical from a survival point of view. So that's probably the longest-term benefit for us has been the ability to develop a stream”

Rugby Union Premiership – outlook for financial sustainability

Whilst the Rugby Union PRL case study clubs have a range of plans to move towards profitability, they recognise that this will be challenging and will require continuing support from owners and substantial growth in revenues, including from outside the game such as through development of their events businesses.

“I'd be reasonably confident that we will come through this at some point but it's going to be very difficult over the next 5 years plus...”

Two of the RFU Premiership clubs were regularly incurring annual losses of £3m+, with consultees suggesting that only one PRL club was genuinely profitable by this time. The case studies also suggest that there was a recognition, particularly amongst newly appointed club CEOs, that the business models of their clubs were fundamentally unsustainable and that major changes were needed. Some reported having developed medium term – up to four year - business plans to return to profitability.

PRL alongside RFU is reportedly working on a long-term plan to make the League financially sustainable. It was argued in the case study interviews with clubs that if it is to prosper, the game as a whole crucially needs to grow its fan base, make use of digital distribution and expand its TV reach / the scale of its audiences, with

the US a particular potential target market. One consultee stressed the importance of not only “a continued level of commercial growth at club level, but also driven centrally by Premiership Rugby”. However, the situation will potentially not be helped by indications from two clubs that there have been scarring effects from Covid with attendances still down, apparently because loss of the habit of going to matches rather than spectator concerns about the risks of infection.

A Rugby League club in the higher non-elite tiers segment had taken out a CBILS loan of £50,000 and two grants from the local authority to support two retail outlets at the stadium. The club acknowledged that these other sources of funding helped to plug essential revenue gaps, however it was believed that the SSP funding helped to stabilise the club. Without the SSP funding, it is likely that the club would have been forced to sell key players, which could have impacted their league position leading to possible relegation from the league and resulting in loss of support and further income loss. The club would have also looked at making mass redundancies and operating with a “skeleton staff” structure:

“I genuinely don’t think we would have recovered; players would have left, we would have got relegated, and as a full-time club and community that would have been the end of us...once you get in that spiral it is very difficult to get out of it.”

A football club recorded losing £1.3m in revenues in the most recent season 2021-2022, which was only partially impacted by Covid-19, highlighting how they would have been under even more pressure the season before when they applied for SSP. The interviewee reported that having only recently been relegated added additional financial uncertainties for the club, which left them much more vulnerable to the economic shock of the pandemic.

5.2.2 Change in longer-term financial sustainability (clubs more likely to have failed without SSP)

Financial sustainability indicators can be considered in relation to the group of clubs that were more likely to have failed without SSP funding. Unsurprisingly confidence levels for those clubs that were at more risk of failing at the time of the application (i.e. those that had a probability of at least 50% of going into administration without SSP funding) were lower than for the sample as a whole. This group were compared to the sample as a whole on a number of indicators of financial sustainability:

- ▶ 24% had less than one month of operational cash reserves at the time of the survey compared to 17% for the whole sample.
- ▶ 30% of clubs in this category were expecting to make a loss in 2022/23 compared to 24% for the sample as whole.
- ▶ 37% of clubs had a liabilities-asset ratio of greater than 1 compared to 13% for the sample as a whole.

These indicators therefore suggest that some clubs that were at risk of failing before March 2022 are likely to continue to be in a position of vulnerability however many are likely to have been able to move on to a more secure financial footing.

5.2.3 Impact on changing business practices

The case studies examined whether the SSP funding had influenced business practices to the extent that this helped the club’s financial situation in the longer-term. Most case studies however could not provide specific examples of the SSP programme influencing business practices. For many sports, the Covid-19 crisis has exposed frailties in business models and caused clubs to rethink how they approach their commercial practices and financial management however, such changes were generally not attributed to the SSP programme.

5.3 Impact of SSP funding on safeguarding grassroots and women's sport

This section examines the role SSP played in safeguarding existing activity including grassroots and women's sport.

Evaluation question: What impact has the SSP had on maintaining investment and participation in grassroots and women's sport? How has this varied across the different sports that have been supported?

Key findings:

- ▶ There is a range of evidence to suggest that SSP played an important role in protecting investments in community and grassroots development and women's sport.
- ▶ Just over a third of respondents to the longer survey said that they reduced investment in women's sport because of the pandemic leading up to the application while 39% said they would have continued to reduce investment without the funding.
- ▶ Despite the drop in contributions in the months preceding the SSP, the survey results show that investments in grassroots and women's sport have since recovered and are now broadly in line with what clubs were spending before the pandemic.
- ▶ Aside from direct funding for grassroots and women's sport, around £53.8m of investment into grassroots sport and £14.9m worth of investment into women's sport was potentially protected through the SSP funding by virtue of supporting the survival of clubs.
- ▶ Case studies showed how the SSP funding was used to protect sport level investments in grassroots and women's activity. Funding was used to compensate NGBs for loss of income that occurred because of spectator restrictions at events or events being cancelled. Without SSP, the loss of income would have led to reductions in grassroots investment programmes.
- ▶ Further potential effects on grassroots sport were potentially secured by virtue of SSP ensuring the continuation of leagues as this helped to maintain audiences and interest in a sport at the grassroots level and in the case of women's sport support its continuing growth.

There were a number of possible mechanisms through which the SSP funding could have preserved investments in grassroots and women's sport:

- ▶ By enabling a club to survive and thereby preserve its investments in grassroots activity and women's sport.
- ▶ By protecting investments in clubs that would have survived anyway.
- ▶ By enabling NGBs to protect their investments.

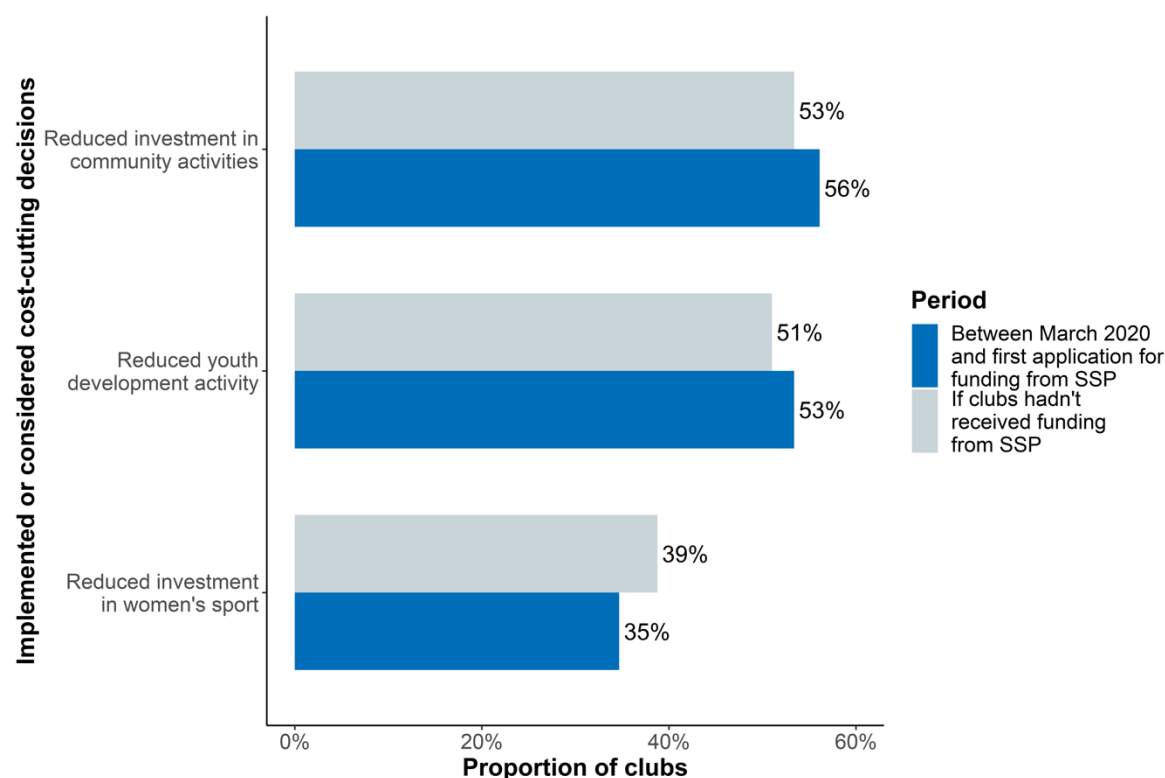
These three mechanisms are examined below.

5.3.1 Club investments

There were many examples of how SSP impacted on the preservation of investments in grassroots and women's sport at the level of the clubs. As shown by the case studies, this was achieved either directly by clubs using the funding to support the preservation of programmes or indirectly by addressing organisations' most pressing financial needs and thereby ensuring that funds were not diverted from longer-term investment programmes.

Faced with the financial challenges posed by the pandemic, just over a half of survey respondents reported that, prior to the SSP funding, they had paused or reduced investment in community programmes and youth development activity to balance their finances and many would have continued with these cuts in the absence of SSP (Figure 5.7). Just over a third said that they reduced investment in women's sport because of the pandemic leading up to the application while 39% said they would have continued to reduce investment without the funding.

Figure 5.7. Cost-cutting decisions organisations took or contemplated in response to the pandemic

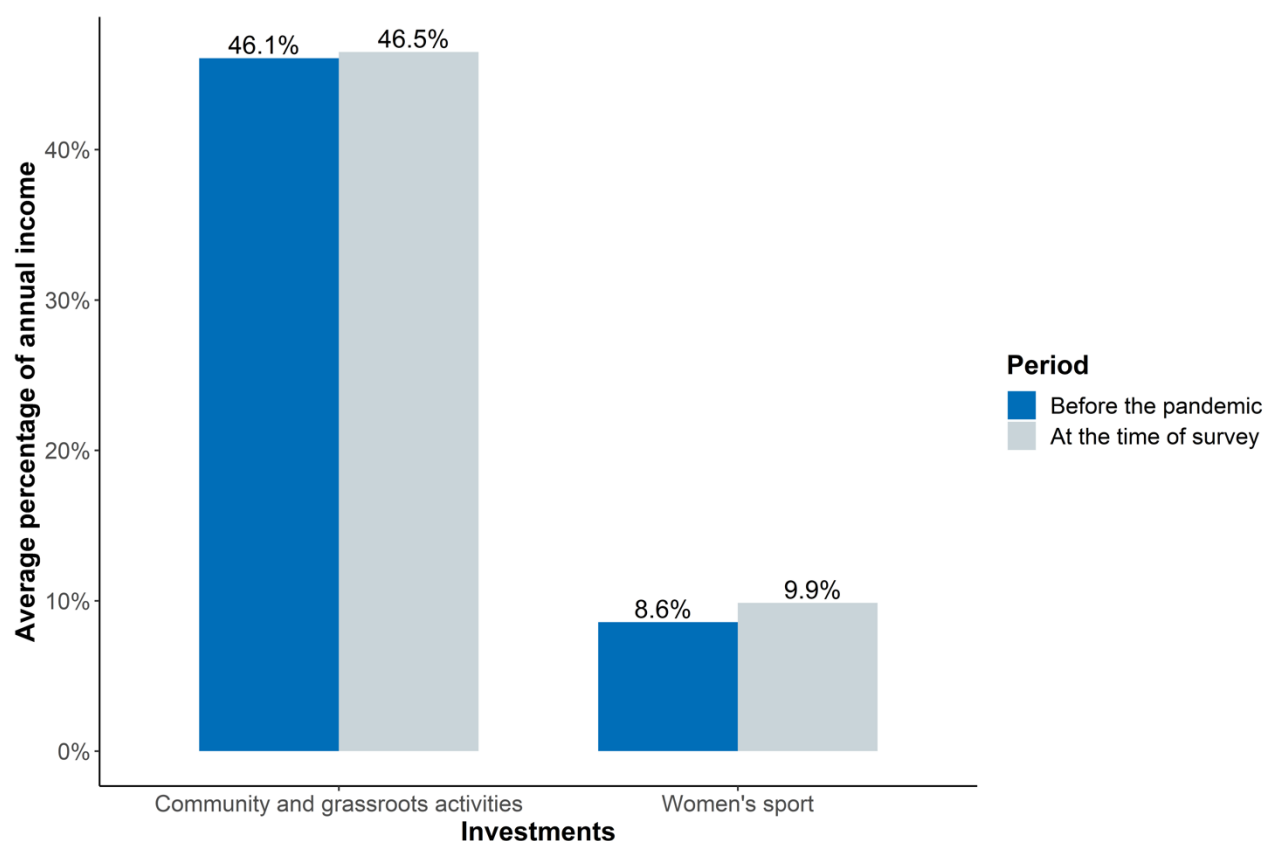


Base: N = 271

Source: Ecorys analysis based on responses to SSP long survey

Despite this drop in contributions in the months preceding the SSP, the survey results show that the investments have since recovered and are now broadly in line with what organisations were spending before the pandemic (Figure 5.8).

Figure 5.8. Percentage of annual income spent on community and grassroots development and women's sport



Base: N = 244 - 251

Source: Ecorys analysis based on responses to SSP long survey

The quantitative impact of SSP on grassroots and women's activities by virtue of supporting clubs' survival is considered by linking the survival impact probability analysed in Section 5.1 with clubs' investments at the approximate time of the survey. This provides a value for the spending that may have been lost without the SSP funding. To quantify the potential effect the SSP fund had on protecting spending, the following calculation was applied to each club who responded to the longer survey:

- ▶ **Funding protected for grassroots and community sport in 2020/21** = % Invested in grassroots and community sport in 2020/21 * operating income in 2020/21 * impact probability
- ▶ **Funding protected for women's sport in 2020/21** = % Invested in women's sport in 2020/21 * operating income in 2020/21 * impact probability

Table 5.3. Grassroots sport funding protected in 2020/21

Measure	All clubs
Mean	£57,261
Median	£5,031
Total	£53,825,340

Source: Ecorys analysis

Table 5.4. Women's sport funding protected in 2020/21

Measure	All clubs
Mean	£15,851
Median	£545
Total	£14,899,940

Source: Ecorys analysis based on responses to SSP evaluation long surveys

In total for all clubs, £53.8m of grassroots funding and £14.9m of women's sport funding were potentially protected through the SSP funding. This does not include any additional benefits from SSP in safeguarding direct investments in grassroots and women's sport made at the sport level i.e. by providing funding to the NGB. The large difference between the mean and median scores for both funding types, indicates that some clubs' investment levels are much greater amount than others. This must be interpreted with caution, for the following reasons:

- ▶ It cannot be guaranteed this % invested in women's or community/grassroots sport or income would have been the same had the funding not been received.
- ▶ All the information used for this calculation was self-reported by clubs.

The case studies provided many examples of how the funding contributed to safeguarding organisations' wider commitments where clubs would have likely survived anyway.

One club, for example, said that SSP lifted the immediate financial pressure they were under, enabling them to continue investing in areas beyond their core responsibilities, which included community engagement and grassroots development. If not for the funding, this organisation, said that they would have had little choice but to cut any spending which was not focussed on their core activities. Interviewees for a Rugby League case study were clear that the funding helped maintain investment in community and grassroots development, because they believed without the funding the club would have been forced to cut everything below the first team. This included the women's team, the disability team and its community mental health programmes.

"We would literally just be a club with a first team, because that is where the money is in terms of getting people through the gates to pay for it all."

For a Rugby League Community Club Foundation, the SSP funding received as it paid for salaries that allowed the Women and Girls Development Officer and the Head of Community to stay in post and run community programmes and support pathways for girls. From November 2021 to the time of the interview, the Foundation was able to run a community club delivered in schools to 400 girls from ages 12-16 to raise participation in schools. They have also started playing their first U19 academy games on the back of the funding which gives 20 girls a pathway up to the Super League. The interviewees believed that they would not have been able to do this without the SSP funding.

5.3.2 NGB investments

Case studies showed how the SSP funding was used to protect sport level investments in grassroots and women's activity. Funding was used to protect NGBs' essential activities after loss of income that occurred because of spectator restrictions at events or events being cancelled. Without SSP, the loss of income would have led to reductions in grassroots investment programmes.

For one NGB, the grant compensated for the loss of ticket income that occurred through having to run an international event during the period of spectator restrictions. If the event had not gone ahead, the NGB would have been in breach of contract with the international federation. The NGB would have therefore incurred significant losses regardless of whether the event went ahead or not. The case study evidence indicates that the event would have gone ahead anyway without SSP funding however through compensating for loss of ticket sales, the funding enabled the NGB to continue to support Covid-19 return to play programmes which supported recovery of grassroots participation. The NGB commented that the funding helped to protect around £500,000 of grassroots investment. It is therefore likely that participation rates for this sport would have recovered more slowly without the SSP funding.

For some NGBs the funding was used to address loss of revenue from not being able to hold events because of the restrictions. Without the SSP funding, which replaced funding lost from the cancellation of events, one NGB would not have had the traditional income to support its development programmes. The funding supported:

- ▶ Continuation of support for under-18s heading to championship: Without the SSP funding they would have had to reduce coaching support or would have had to charge for the support resulting in significantly less U18s qualifying.
- ▶ Coach support to supplement the training and development opportunities that u18s would have. Without the SSP funds they would not have been able to backfill the youth pathways with any other sources of income and would have had to look at making cuts. They would have tried to preserve some degree of activity but the participants said it would have certainly been reduced significantly.

Prior to the pandemic, the growth of women's sport had been gaining momentum. There was evidence in some case studies that by allowing teams to attend matches, for example, by supporting travel costs and by supporting competitions to continue, the funding helped to preserve the growth of women's sport and maintain the upward trajectory in participation.

For one NGB using SSP funding to deliver its women's Super League meant that they were able to maintain the commercial viability and visibility of the sport to keep fans connected. This, in turn, had an impact on grassroots and mass participation which has generated higher levels of membership than expected at the start of the pandemic. Participation is moving in a positive direction and as a result of the funding, they have investment in partnerships and new areas to encourage higher participation in the sport. Another NGB had a project of growing its women's league, and their projections of what they wanted it to look like in 10 years would have been difficult. It was felt that without the specific SSP funding, which was available to support the league, the sustainability of the league would have been in question, with at least half the teams not being able to play.

Football Association Women

The main outcome of the grant to FA Women was to enable the 2020-21 Barclays FA Women's Super League and championship (FAWC) to continue. Curtailing the League, which the interviewees said was a possibility had money for the testing not been found, is likely to have had far-reaching consequences with, potentially, commercial sponsors and broadcasters pulling away. Being able to sustain the League, meant that the public could continue to enjoy watching games and girls could continue to have access to female sports role models. It is believed that the SSP funding enabled the Women's elite leagues to continue on their growth path. If the leagues had been suspended there was a risk that years of investment and growth the women's game would have been reversed.

SSP funding to one NGB that covered Covid-19 related costs enabled the national team to continue playing and prepare properly for the World Cup. It was felt that if the team performs well, then more people will want to play and provide sponsorships, supporting the growth of the sport. Interest grew during the pandemic due to the increased online presence of the national team as they were continuing to play, helping them to keep the community engaged. A large amount of the national teams' success post-covid was credited to the fact that they didn't stop playing, with this positive PR driving interest for younger women and girls as well as sponsorship interest.

“For us it was a really useful tool to keep our community watching, listening, training, even if it's in your back garden.”

5.4 Wider economic and social outcomes

In this section we consider the ‘ripple effect’ the SSP fund had on the local economies and communities, linked to the funded organisations. While not one of the core objectives of the Fund, analysis of wider economic and social outcomes of the organisations is important in assessing the overall value for money of SSP. The section draws on the case study workshops and interviews.

The case studies provide numerous examples of how SSP support to clubs led to indirect benefits for the local economy. Two examples are included here:

- ▶ A catering company, whose main contracts are in the sporting industry, was struggling during the pandemic due to lack of business. However, they began working with a football club after the first lockdown to provide meals for competing teams. This would not have been possible without the SSP funding the club received to enable them to resume matches and, therefore, prevented further negative impacts on the business and their core activities. As a result of their relationship with the club, the company has expanded and their reputation has benefited, as well as secured their financial stability.
- ▶ The SSP funding to a NGB enabled a live events business to remain viable during the pandemic. This company provides the necessary skilled personnel and hardware, such as lighting, to enable high quality production of sporting events in the UK and internationally. When the Covid-19 pandemic hit their business became 100% UK based and was further limited due to restrictions which had a detrimental impact. By using the SSP funding to centralise delivery of the league at one venue, this business was able to broadcast all of the games, whereas previously they were only contracted to a handful each year. As a result of this ‘lifeline’, funded by SSP, the business is now operating on a more complete schedule with a stronger relationship with the NGB that has created a specialised hardware and technical team.

Case study organisations reflected on the knock-on effects of the funding and the outcomes it had for their wider commitments. Case study organisations talked about the different ways SSP helped them maintain their community activities, which varied in theme (mental health programmes, schools' engagement, discounted rates for facilities) and target groups (school children, refugee groups, disadvantaged families, people with disabilities).

Indirect contributions were made possible either because SSP helped to ensure the survival of clubs or helped them meet their most pressing financial needs, allowing them time and resources to continue to focus on their community programmes. For one club the funding saved not only the club, by covering operational fees and staffing costs, but the two community-based organisations as well by replacing their lost income (which was reliant on the club's revenue from ticket sales and spectators). This allowed them to retain staff and continue activities in the community, virtually where possible during lockdown, until restrictions lifted, and in-person activities could resume. Since then, there has been increased uptake, particularly in girls' basketball, due to the SSP funding allowing them to continue work throughout the pandemic.

The case studies of RFU Premiership clubs showed that clubs that faced a high risk of not surviving without SSP were clearly both economically and socially important to their host communities. A number had previously commissioned Social Return on Investment (SROI) studies which highlight the important impacts on their local economies of their own expenditure and that of their employees and supporters, as well as the social value of their extensive – corporate social responsibility - outreach activities, particularly in relation to young people. Initiatives include: engagement with local rugby communities / affiliated clubs, including coaching support; work with educational establishments, including in one case study example a partnership arrangement with a local academy school; and a range of initiatives to engage with minority communities and disadvantaged and vulnerable groups.

All of the RFU Premiership case study clubs have Foundations which undertake a range of analogous charitable activities, including in one case a jobs skills programme for young people leaving education with limited qualifications and in another running a dementia friendly cafe. Whilst the Foundations are functionally separate and have their own funding streams²³ – including money from PRL and the RFU, donations from wealthy benefactors and their own fundraising – they benefit, for example, from: access to their clubs' facilities; use of club administrative services and / or direct financial support in some cases, as well as the potential to engage players which is particularly valuable in initiatives in relation to otherwise 'underserved' young people. As noted, the case studies made it clear that SSP funding has played a significant role in alleviating the financial pressures on clubs to make much deeper staffing and other cuts which would clearly have threatened such outreach activity. In some cases, as highlighted above, it also clearly prevented the failure of clubs which would have likely meant that these benefits would have been lost entirely.

RFU Premiership clubs generally have associated women's teams, sometimes involving collaborations with local universities. A number of these teams are key parts of the elite women's game. The extent to which they receive direct or other financial support – such as help with securing sponsorship - which would have been at risk in the absence of SSP funding appears to vary based upon evidence from the case studies. It is noteworthy that some Premiership clubs - not included as case studies - have only started to develop women's teams very recently, suggesting that the requirements of the SSP funding may have been an important catalyst in this development.

One of the case study clubs directly attributed the preservation of their mental health programme to the SSP support – they used a small portion of the SSP funding to continue delivering the programme, which otherwise would have been paused or cancelled. It is believed that this would have caused further distress to a community whose mental health was already adversely affected by the pandemic. The same club explained that SSP helped them to open and manage their 3G pitch, which was then rented out to community groups at discounted rates.

"I think the only answer is obviously without the grant, I think we would have had to look at all the programmes we run and decide on priorities [...] we were able to continue to run, you know, what was valuable services to the Community"

Case study example: Outreach activities of Basketball club in British Basketball League (BBL)

As there is a strong likelihood that the club would have gone out of business without the support, the wider economic and social impacts of the club would have also been lost. Systematic evidence on the club's local economic impacts is not available however the main way in which the club generates wider economic impacts is through increased spending in the local area by those attending games. The club's usual attendance is up to 1,000.

The club supports a junior league programme that includes seven age groups from 'mini teams' to U12/U13/ 2 xU14/ 2 xU16 as well as supporting a university programme. It also has a strong track record of providing grassroots participation opportunities within their local community and general community engagement

²³ Which were reportedly particularly badly hit ("dried up") by the pandemic

activities including using the sport as means of engaging disadvantaged groups in education and skills development.

The club works in partnership with a medical company to deliver an outreach programme which focuses on providing opportunities for young people to break away from a cycle of disadvantage by improving confidence and developing practical skills. A further programme aims to engage young people who are at danger of entering gang violence. The basic premise of the programmes is to encourage young people to go into sporting environments and use either the environment of sport or role models (the players) to encourage them to engage in positive activities. The delivery model for both is half a day of teaching in a classroom based at the club and half a day of sport. Sporting sessions are coached largely by the playing staff. The programmes engage approximately 100 young people on an annual basis.

There is also a sport/physical activity participation aspect to the programmes. Many of the young people did not take part in regular physical activity prior to the programme. There are opportunities for the students to look at pathways in terms of recreational basketball and if they show some potential can be filtered on to the junior league programme – two students who have been on the programme who are now part of the club's junior structure.

The type of alternative education provision provided through the club's community programmes where basketball is used as a means of engaging students who are facing challenging problems would be difficult to replicate if the club had been forced to close. Of key importance to the engagement of the young people is the role model element as mentors are drawn from the playing personnel who have come from similar or challenged backgrounds but have used sport as the vehicle to improve education and their lives. The club branding is also regarded as key to raising levels of engagement. The provision of ticket vouchers for matches to participants and their families acts as a further incentive to engage.

The following case was highlighted:

“A challenging year nine boy came on the programme which was aimed at young people who are potentially at risk of criminal exploitation. He was clearly quite bright, but it was clearly in an environment where it was easier to be influenced by people who maybe you shouldn't have been, but he did engage with it, but it really engaged with the basketball and he really got on with the players...and he has now gone on to the junior programme, and he's in one of the Under 16 elite teams. So he's come almost from nowhere...in about 8-9 months. He's now in the junior team.”

In terms of indirect contributions, some NGBs highlighted that by enabling them to have an active workforce, the funding allowed them to be present and available to those who needed them. This included accredited schools and clubs which required their support as they were preparing to start the 2021 season. The NGB reflected that without them providing support behind the scenes, including by negotiating with DCMS on the configuration of the events, so they can be profitable, some of these clubs would have gone out of business which would have deprived their local communities from opportunities to participate in sport.

The same NGB also added that they were able to continue their partnership with a sport based mental health charity which runs a championship aimed at people with additional needs. The charity explained that without the NGB they would not have been able to run this event and having missed the 2021 edition, it would have taken them 2-3 years to get back on their current trajectory.

Case study organisations also reflected on their importance for the local economies, highlighting the range of, often local, businesses (caterers, cafes, equipment makers) who rely on them. For example, one club commented that the competition they staged as a direct result of the funding meant that staff at the local ice rink were taken off furlough and the facility received much needed income.

5.5 Summary

This section has provided an analysis of how likely it is that supported clubs would have failed without SSP funding. The analysis suggests that SSP funding lowered the risk of many professional and semi-professional clubs becoming insolvent/ going into administration during the Covid-19 crisis. The surveys and case studies have highlighted many examples of how clubs were facing severe financial pressures during the winter of 2020-21 as the Covid-19 restrictions continued. The analysis shows that it is likely that many of the supported clubs would have survived without the SSP funding, however a significant minority were likely to have failed. There was also clear evidence in many cases that the funding helped clubs to recover more quickly from the impact of the pandemic. SSP funding has also enabled many clubs and sport organisations to preserve their investments into grassroots and women's sport.

The next section provides an assessment of the processes that underpinned the decision-making and examines the effectiveness of the decision-making process and particular lessons that could be applied to future emergency funding schemes for the sport sector. It also considers more general lessons for the sector from the experience of the programme.

The analysis has also considered the wider social and economic benefits of the SSP funding support. Section 7 provides a systematic analysis of the value for money of the programme taking into account the impacts of the funding on the preservation of clubs and the social and economic benefits of the sector.

6.0 Process evaluation

This section focuses on the process evaluation learnings from the design and delivery of SSP. The analysis draws on the fieldwork with funding recipients (survey and case studies) as well as process evaluation interviews conducted with stakeholders. Where relevant, differences between funding awards (type and size) and funding distribution mechanism (direct or secondary award) are highlighted.

Key evaluation question: To what extent was the SSP designed and delivered in an effective and efficient way?

Key findings:

- ▶ The initial needs assessment that examined the potential impact of the Covid-19 spectator restrictions to inform the initial programme budget was as robust as it could have been given the urgency of demand and gaps in the financial data received from organisations. Those sports involved in the early stages tended to be happier with the outcome of the needs assessment, though some stakeholders felt that the focus on spectator restrictions was too narrow.
- ▶ The assessment criteria allowed applicants to demonstrate their financial need and wider economic and social value, and also provided the independent Board with a clear framework to consistently assess applications. Applicants generally understood and accepted the assessment criteria.
- ▶ Recipients generally found the application process simple and straightforward. The main criticism was the amount of information that organisations had to provide in their application, much of which did not already exist and so had to be generated by an often-pressured workforce.
- ▶ Applicants tended to feel clear on how funding decisions were made. While there may have been some initial concerns about the amount or type of funding received, overall organisations were satisfied with the funding that was awarded to them.
- ▶ The terms attached to grant agreements were overall easier to understand and manage, whilst loan agreements were more complex – especially for larger awards. This caused frustration for both recipients and those administering the process and proved to be a longer process than anticipated.
- ▶ Overall, funding recipients tended to find the monitoring and reporting process onerous, disproportionate and often too time-consuming. A more tailored approach to organisations would have been preferred, depending on their funding size.
- ▶ Organisations were very positive about the support that they received both from Sport England and secondary model organisations and formed strong working relationships with Sport England staff. Sport England were also praised for the support that they provided to secondary models throughout the process.
- ▶ Overall, stakeholders valued their relationship with Sport England and are keen to explore new ways of working together in the future; with suggestions ranging from practical support, wanting to learn from Sport England, and forming a more collaborative partnership.

6.1 Initial needs assessment

This sub section examines the initial needs assessment which calculated the estimated funding need across different sports and informed the scale of the total funding package. The initial assessment was as robust as it

could have been given the urgency of demand and gaps in the financial data received from sport level organisations. Those sports involved in the early stages of consultation on need tended to be more satisfied with its outcomes, whilst some sports that were consulted at a later stage thought that the focus on spectator restrictions was too narrow and did not fully capture the challenges their organisation was facing due to the Covid-19 pandemic.

The main driver of the Sport Survival Package (SSP) funding was lost spectator revenue brought about by factors beyond the organisations' control. Stakeholders were keen to clarify that funding was not allocated on the basis that it would replace this lost revenue, but to ensure organisations' survival throughout the Covid-19 pandemic. It was not, however, a mechanism for ensuring clubs' long-term financial viability or supporting clubs in more questionable financial circumstances. However, SSP was a funding of last resort and needed to support clubs who had no other way of raising capital. The risk of lending to some clubs was high and these risks had to be built into the loan process.

Stakeholders were keen to stress the urgency of the funding need, which necessitated the design of the funding package and needs assessment to be conducted in a rapid timeframe. The funding package was developed during an unprecedented time where the needs of the sector were largely unknown and there was little previous learning to support the design of the SSP. In the context of the time pressures involved in establishing the funding package, the SSP delivery team felt that the initial needs assessment was as robust as it could have been with this context in mind.

Whilst the initial needs assessment for sports was based on financial analysis, the SSP delivery team noted that obtaining the financial data needed to inform the needs assessment was sometimes challenging, and the quality and/or availability of data impacted their ability to accurately calculate the specific need across different sports. In addition to the general uncertainty surrounding these decisions, this may also explain why the level of funding that was ultimately awarded ended up being significantly lower than the initial estimated need. In practice however, specific funding decisions were based on the needs of individual organisations – for which the calculations could be more robust.

The SSP delivery team was keen to emphasise that the needs assessment was based on the wider sport's ecosystem. However as many of the larger sports (and secondary model distributors) were consulted as part of the initial stages, they tended to take some ownership over what the funding package should look like within their sport. For some, this involved consulting with clubs in their networks to gauge their financial situations and understand what an effective sport package might look like. In some cases, this meant that the needs assessment moved on from the idea that need should be calculated on the basis of lost spectator revenue alone, but to also take into account the wider financial situation that clubs were facing during the pandemic.

"I thought very early on we pivoted from that original notion, which had a good sentiment attached to it but wasn't really what the clubs would require, to something that was slightly broader, slightly more holistic, a little bit more real world in terms of what the clubs would require from a support package." NGB

The SSP delivery team largely felt that the needs assessment was effective as evidenced by the fact that there were no big gaps in terms of sports which were initially deemed ineligible for funding. They also felt the focus on spectator restrictions was appropriate at the time the funding package was designed, and that the programme adapted well to changing circumstances as demonstrated by its impact on safeguarding the survival of so many clubs. Whether the needs assessment met the needs of different sports tended to vary according to the extent to which sports were engaged in the initial scoping stages. Sport England agreed that having an open dialogue with sports in the early stages was invaluable. For example, one NGB explained how Sport England had the flexibility to understand that just because the men's team at some community clubs was not operating at a semi-professional level, the club could still have a strong women's team or a large junior outfit which is an equally valid reason for

funding. The more flexible and tailored the funding was to the sport, therefore, the more likely they were to be satisfied with the needs assessment outcome.

Other sports felt that the focus on loss of spectator revenue was too narrow. One sport argued that taking that approach was biased towards professional sport and larger sports, and instead that the funding should have taken a more rounded view of the impact of Covid-19, for example by considering the impact of the restrictions on lack of opportunities to participate in indoor sports. Another sport was concerned that focusing on the number of spectators clubs typically attracted may have led to the wrong assessment of how much clubs were losing.

“We probably have the most severe business impact of any sport and yet we don't think we got people to understand the impact on the sport enough, which was really disappointing and upsetting”. NGB

“The fact that they've got the footfall through the gate means that they then get the sale on of or all of the revenue that they have inside the ground...it was being suggested in some quarters to give the clubs that are allowing far more complimentary tickets through the gates a higher amount and a higher slice of the cake doesn't reflect the revenue that they were getting.” League

Others were unhappy that they were excluded from the initial needs assessment because of a lack of spectator revenue. However, Sport England were keen to acknowledge that the flexibility within the funding package allowed them to consider wider impacts of Covid-19 and factor in other organisations via the EOI process. They were also keen to reiterate that SSP was funding of last resort, and that sports and organisations excluded from the SSP needs assessment may have been eligible for funding elsewhere.

Another source of discontent with the needs assessment was the time it took to confirm that a funding package would be available to the sport sector and the sports this would apply to. Although the SSP delivery team stressed that those involved did as much as they could in the time available, working around the clock with high levels of integrity, the urgency of the need was such that for some sports, the guarantee of funding did not come soon enough. One league did not want to start their season until they knew SSP funding was guaranteed to replace lost ticket sales, which ultimately delayed the start of their season. Other indoor sports who would need to play games behind closed doors such as Netball decided to go ahead and start their season with reassurances that SSP funding was likely, but in doing so without official confirmation took a big financial risk.

“Our teams rightly for their long-term financial sustainability, made the decision to not do anything until they had confirmation of support, because to do so would have been commercial suicide. If you're turning over £2-3 million a year as a business where most of that income is generated by spectators, and there's even a small risk of playing behind closed doors, no organisation is going to take the decision to progress.” League

6.2 Assessment criteria

The initial needs assessment informed the government business case for SSP, the assessment criteria and how the programme would operate – which was also in line with the Cultural Recovery Fund. Following this, Sport England developed a set of criteria to assess individual applications (see Section Two for more details). This section explores internal and external stakeholders' thoughts on whether the assessment criteria used was relevant and proportional to different sports. The assessment criteria were thought to allow applicants to demonstrate their financial need and wider economic and social value, and provided the Board with a clear framework to consistently assess applications. Applicants generally understood and accepted the assessment criteria. Where applicants expressed dissatisfaction with the assessment criteria, it was often where they were unhappy that certain costs were excluded or that it did not consider lost revenue due to the wider impacts of Covid-19.

Sport England decided on a 'one-size-fits-all' approach to ensure consistency in their decision-making across all sports and organisations. This was required partly because a larger number of decisions needed to be made in a

short timeframe but also because it created a consistency process that could be applied to all sports and avoided creating an impression that some sports were being favoured over others. Despite this, the SSP delivery team felt that broadly speaking, the assessment criteria was successful. Having a uniform set of criteria ensured they were able to apply these consistently and with due diligence, given that Sport England were less familiar with certain sports or professional leagues.

“It’s trying to manage all those different objectives and parameters in a way, that’s logical, robust, because the moment you won’t pick one and make a subjective decision to certain statements, the whole thing falls over.”
Delivery Partner

It allowed Sport England to establish the level of need for each organisation and their ability to repay loans which ensured that clubs only received what they could afford to repay. The prioritisation and balancing criteria also allowed organisations’ contribution to community and women’s sport to be taken into account. These criteria were broadly welcomed and understood, and Sport England employed measures to ensure it was applied fairly (such as using the background information pack to inform decisions and undertaking a peer review of initial decisions). The SSP delivery team also stressed that it was important to acknowledge clubs’ survival on the integrity of the league and their impact on the wider sport.

“The scheme was about that professional end, but for us as an organisation and the scheme itself, it was important that it reflected in a positive manner on the rest of the sport so I think the criteria we used were fair.” SSP delivery team

It was also felt that applying uniform assessment criteria provided the Board with a framework to make consistent decisions quickly. The Board was provided with in-depth background papers which allowed them to apply a high level of scrutiny to decisions – particularly to those requesting a higher level of funding. The Board emphasised that their decisions were as robust as possible given the urgency and speed at which they needed to be made. Although the Board papers were extensive, they set the scene well for the wider sport landscape. The Assurance Review Panel was also helpful in making decisions clearer and easier for the Board.

“The value of them [the assurance review panel] ahead of the board meeting for me was absolutely crucial. So in terms of that assessment process, that assurance panel often, particularly when we had really good government officials on there, made sure that against the real knotty, thorny issues that were going to arise at the board meeting actually kind of came up.” (SSP delivery team)

Decisions had to be made on the information provided, which often varied and contained inconsistencies in its quality. Clubs who tended to rely on owner/shareholder contributions also did not always factor these into their forecast, due to uncertainty over whether their contributions would continue at the same level given that these individuals’ finances had also been impacted by the pandemic. Some argued that this led to some clubs overstating their need which was particularly cited in football, where some clubs were accused of spending lavishly in the transfer market despite being deemed at risk of not surviving. Similarly, many Premiership rugby clubs’ business plans demonstrated that they were loss making and so the decision to loan them money was questioned by some stakeholders. However, as highlighted in Section 5, stakeholders reflected that Sport England could only use the information available to inform the Board in their decision-making which meant the government needed to ‘lean into decisions’ in some cases to mitigate risks of failure. Still, the Assurance Review Panel were on the whole successful in making recommendations to Board on the appropriate funding levels for awards.

“If they’re saying that’s the truth, that is the truth. But I’m sure a lot of those owners would and could have ultimately funded them more and in a lot of cases.” (Delivery Partner)

Some smaller sports also questioned the rationale for providing certain sports with loan funding especially when they have less potential to earn commercial revenue.

“And again, going back to the revenue generation, teams generate money from ticket sales, so there's not a secondary benefit to them taking the loan... because they're not getting vast amounts of TV money or anything like that. So there's no motivation to take that loan.” (League)

When asked about their understanding of the assessment criteria applied to their applications, individual applicants largely felt this was clear. This was reflected in both the small online survey, where 80% of respondents agreed that they understood the decision-making criteria used to assess their application, and the long surveys, where 91% thought that the decision-making criteria used to assess their application was ‘fair’ or ‘very fair’. Even if they were not completely clear on the criteria, some case study organisations explained that it did not matter too much especially if they were satisfied with the funding they were awarded.

6.2.1 Secondary models

Secondary models reflected the same principles as Sport England within the assessment criteria they applied to decisions. Clubs’ financial health and their ability to survive spectator restrictions caused by Covid-19 were the key criteria, with clubs required to demonstrate a real financial need. Given the scale of awards that some secondary models had to distribute, they also decided to apply a one-size-fits all approach including restrictions on total funding per club and on eligible spend. This was also to mitigate the risk that their funding allocation would reach all clubs who needed it.

Similarly to the direct awards, secondary model distributors found dealing with different sizes and professionalisation levels of clubs challenging. Striking a balance between developing assessment criteria that was thorough yet suited a range of club sizes and financial situations was tough, especially when considering the level of information that clubs would realistically be able to provide in their applications.

Whilst the assessment criteria generally worked well in practice, there were some challenges in applying it. The applications highlighted the frailties of some clubs and the way in which they are run, which complicated the decision-making process because the criteria had to establish how Covid-19 had worsened their situation when compared to what it would have been if the pandemic had not happened. The initial focus on loss of revenue due to spectator restrictions was deemed by some to be too narrow and led to organisations demonstrating their loss of earnings due to Covid-19 more generally, rather than specifically because of spectator restrictions.

Secondary model funding recipients were more likely to disagree that they understood the assessment criteria applied to their applications compared to direct awards. Where case study organisations expressed dissatisfaction with the assessment criteria, it was often where they were unhappy that certain costs were excluded or capped, or that it did not take into account lost revenue due to wider impacts of Covid-19. Instead, some suggested that the assessment criteria and eligible cost amounts could have been more tailored to different sports and clubs’ needs.

6.3 Application process

This section explores how organisations found the application process (detailed in Section 2). The general consensus was that it was a simple and straightforward process. However, the main criticism was the amount of information that organisations were required to provide as part of their application, much of which did not already exist and so had to be generated by an often-pressured workforce.

Overall, applicants tended to find the application process straightforward and simple to navigate, with 67% of online survey respondents stating that they found the application process easy to understand. Similarly, 47% of small online survey respondents stated that they strongly agreed the application process was easy to understand, with only 8% disagreeing. A large majority of these respondents (84%) also agreed that they felt well-informed

throughout the application and award process. Applicants also felt clear, overall, on the information they were required to provide as part of the application process and had little to say overall in terms of constructive feedback.

Still, the one-size-fits-all approach used meant the application process was not always proportionate as the process was not simplified for smaller organisations or those requesting lower levels of funding. This unified approach also did not take into account differences between sports, and some reflected that this could have been useful had there been more time and information available when designing the assessment criteria. Applicants often struggled with regards to the information they were required to provide – with it being vast and often beyond the organisation's depth. For example, a basketball club noted how they found the application process initially quite daunting as they are not qualified accountants. This view was echoed across many applicants' feedback, with organisations often not having a workforce with sufficient financial knowledge and expertise for such a task. Unsurprisingly, this issue tended to be more prominent among some of the smaller organisations. Whilst larger organisations, such as NGBs, tended to find the process easier to navigate one stakeholder indicated that even some of the bigger clubs lacked the financial information required at this stage.

"I would say for us it was generally probably quite easy and complete. However in terms of the feedback from our clubs, they did find it much more difficult. Without wanting to sound too harsh, the level of aptitude within our clubs, particularly around financial forecasting and planning, is not a strength." (NGB)

The lack of data that many applicants had to begin with often made the process very time-consuming for them. Furthermore, the fact that the application was a one-size-fits-all and not tailored to the individual sport often caused applicants to have to spend more time on the process, either by trying to tailor it to their own circumstances or needing to explain the premise of their sport or business model to those dealing with their application. While most would have therefore favoured a more tailored approach, one of the SSP delivery team emphasised the importance of consistency across the assessment and application processes.

"I think it was important for us to have consistency because of the fact it was public money, because of the fact we were trying to move at pace. So having different processes would have been challenging." (SSP delivery team)

However, while many applicants commented on the time-consuming nature of the process, they did acknowledge that this was necessary for the funds that they were applying for. Many spent a long period of time on the application as they knew the importance of it, and would expect to have to go through a process of the same length if obtaining funding through other means.

Those administering the application process in Sport England tended also to find the process time consuming in nature. A member of the SSP delivery team noted how going through the gaps that often existed within applications once they had been submitted made the process more time-consuming, with time being spent phoning up the applicants to fill in some of these missing parts.

However, a delivery partner noted how the manual nature of processing applications was not the most efficient, with everything coming through email and then being processed by an individual. They did say how the original idea from Sport England was to have an online form that fed into a central database, but this was not possible to introduce in the timeframe.

The speed at which the funding was received was commented on as a negative by some applicants. For example, one league stated how they were on a tight deadline and was unable to begin their season due to the time at which they received their funding. They also noted the process as feeling very rushed at times but said that these issues they encountered were understandable due to the unprecedented nature of the funding and why it was needed.

Applicants generally felt supported throughout the application process by Sport England. One basketball club praised Sport England's communication and responsiveness to assist with any application or eligibility questions

that they had throughout the process. This was a theme echoed by many applicants, noting the help that Sport England staff provided them with, as well as the ease of getting in contact with them if and when needed.

“That’s one thing, they’ve all been great and amazing, and you just feel that they’re there to help and support, not to judge you. You know, sometimes you phone up for other grants and nobody’s available or they’re not there to help or they can’t help. But I just find everybody’s been really helpful and useful.” (Basketball club)

6.3.1 Secondary models

Secondary model distributors also found the application process time consuming to administer. One of the SSP’s secondary model distributors noted how the time-consuming nature of the process may have reduced people’s motivation or commitment to the process. The general consensus among those administering the process, however, was similar to that of its navigation – it was time-consuming, but for a good reason.

“It was time-consuming, but at the end of the day we had £[x] million to dish out so it needs to be quite a detailed and thorough process of doing that. So whilst it was quite a painful process and there was lots of work to do for us, we understand that that was necessary and that it’s important especially given that ultimately it’s public money that’s being allocated.” (Secondary model)

One effective way of managing applications was cited by a secondary model, who praised the collating of the applications onto one system. They stated that it was simple to navigate between each one and also allowed various colleagues to access it for various means such as holidays or illness. However, they raised GDPR concerns alongside this, pointing out that club details needed to be obtained for up to 12 years alongside the requirement to delete contact information as and when staff members move on. This effective management of applications was necessary in the end, as secondary models were required to mobilise extremely quickly in order to approve the applications and distribute the money in time to their clubs:

“From being told we were going to be getting the money and it was going to go to community clubs to launching it and making those first awards was 13 weeks. So we had to move really quickly. So the approvals process that we put in place with Sport England was quite reactive.” (Secondary model)

This level of support and responsiveness by secondary models was recognised by applicants, who praised their help and support in ensuring they got the process right. One club who went through the Rugby Football League as their secondary model, for example, praised their transparency and the fact that there were always staff available to help them out when needed.

6.4 Decision making

This sub-section explores how applicants found the decision-making and governance process of the funding. Applicants tended to feel clear on the decisions that were made and the criteria that were used to assess their applications. While there may have been some initial concerns about the amount or type of funding received, overall organisations were satisfied with the level of funding that was awarded to them.

Applicants generally felt clear about the funding award decisions that were made, with 85% of the small online survey respondents stating that they understood the criteria used to assess their application. A member of the SSP delivery team emphasised how efforts were made to make this process as clear as possible – for example, by briefing applicants and ensuring they had opportunities to ask any questions. The criteria were also, according to Sport England, clearly communicated with applicants. This feeling was reciprocated on the whole by applicants, with an NGB stating how, as soon as the application was transferred to Sport England, they were kept well informed throughout the process, including around the funding award decision.

The majority of respondents surveyed online (62.3%) felt that the decision-making criteria was 'very fair', with very few clubs (0.7%) feeling that the criteria was 'very unfair'.

Still, many applicants had to seek clarity with regards to the level of funding they received and may have initially had their reservations around the funding type or amount of funding that they received. Nevertheless, a sport-level representative for netball stated how there was no pushback and applicants tended to, overall, be happy with the level of funding they'd received.

"I think they sought clarity but I don't think they objected." (NGB)

Broadly, stakeholders felt that the criteria worked well in addressing the needs of clubs. For example, one NGB said that most clubs would have struggled desperately without the overall package of funding, and that *"Sport England kept sport alive and that's not an understatement."* While some sports did receive a lot more funding than others, a delivery partner stated that the Assurance Review Panel was always careful to design the most appropriate funding product while bearing in mind the organisation type and their funding model. This did inevitably mean that some would receive more funding than others, but they stated that, broadly speaking, the right products were offered to the right organisations. A note they made was that NGBs with a lot of public sector funding tended to receive grant funding whereas commercial, privately owned organisations tended to receive loans. These decisions were always made cautiously, however.

Stakeholders believed that the SSP took into account grassroots participation well, enabling NGBs and leagues to support clubs right down the playing pyramid and to continue funding women's sport. The general consensus was that the grant funding from Sport England, while not instantaneous since checks had to be performed due to its use of public money, came through quickly and in good time.

"Overall the grant programmes, were probably the biggest success, I think we were able to get the money out relatively quickly with a fairly simple application form for the clubs while still having those sort of due diligence checks against the overall programme criteria. And that certainly, from our internal project review, was one of the key positives and probably the main difference between grants and loans." (Secondary model)

There were a variety of risks that stakeholders encountered around the time of the SSP funding. One NGB stated that, perhaps unsurprisingly, the main risk was not receiving the grant in the first place, and so therefore not being able to fulfil their financial commitments. The bigger picture following from this would have been not being able to return to the sport for a second year, after the cancellations during the year before. They stated that the level of due diligence conducted by the funding partners was thorough and reassuring in terms of the types of documentation that were required from clubs which would inform their decisions. This therefore took the weight off of them through the assessment of individual clubs' finances and provided them with the assurance that the right decisions would be made to ensure the survival of clubs.

"I felt confident in the level of scrutiny that they were going through to help us check that we'd determined the right need." (NGB)

Similarly, the SSP delivery team identified a key risk around the funding being a lack of consistency in their approach within the same sport segment. However, the Board being the ultimate decision-maker provided a level of assurance that the correct decisions were being made. A further risk that they identified was in not distributing the funding quickly enough. Whilst they acknowledged that some clubs would have wanted the process to have been quicker, they believed that they moved as quickly as they could due to the sheer volume of applications that were received, and the level of detail involved in assessing each one. Funding was prioritised on financial urgency and ultimately was distributed to all clubs in time to stop them from going out of business.

One delivery partner also mentioned the loan management being a key risk that grew throughout the programme as the loan portfolio grew. The robust governance of the fund, however, ensured that this was managed effectively.

“Due to the speed at which everything had to be mobilised in order that the products and funding was distributed to the organisations most in need, I think there were pretty high levels of governance and that enabled a strong risk management profile as well.” (Delivery partner)

They also stated that the Board being representative of the entire sports ecosystem helped to ensure that every sport-level factor was taken into account, alongside having DCMS representatives as well as private sector PR and communications experts and leaders from business. This wide range of professional experience involved within the decision making helped to manage the potential risk of the loans and ensure sensible investment decisions were made.

6.4.1 Secondary Models

Whilst secondary models generally found the decision-making criteria clear, this was not always the case. For example, one of the SSP's secondary model distributors stated how they had to go back to Sport England on numerous occasions to try to understand and clarify exactly what some of the criteria meant. Although this was provided in the guidance document, it was thought that this could have been clearer on exactly how the funding could be used. A key issue identified by this respondent was needing to ensure that the money was spent on things that other Covid-19 support schemes could not fund. This was a consensus iterated by a colleague from Sport England who stated that, while the criteria were clearly communicated to applicants, what they struggled with was getting clubs to understand that the SSP would only cover them for specific losses as a result of Covid-19, and not all the losses that they had encountered and needed help with.

The secondary models distributing SSP funding on behalf of Sport England tended to be aware of the criteria that decisions should be made upon, even if they had to seek clarity to get to this stage. Some NGBs would have preferred greater flexibility in the application of the criteria. For example, one NGB stated how they wanted to use the decision-making criteria and distribute the funding themselves since they know their clubs better and therefore believed they were able to assess them against the criteria more accurately.

In terms of the decisions they made, one of the secondary models reiterated how they believed the split between organisations who received loans and grants was generally correct, stating that loans would not have worked for community clubs as they would not have been willing to take on the extra debt. Many of these clubs are run by volunteers, and so they would have been reluctant to take on this financial risk.

As iterated above, the loans took longer to receive from Sport England and therefore distribute. One of the secondary model distributors stated, however, that they did plan the timings based on the clubs' financial forecasts and ensured that the funds would be available at the point when the clubs would actually need them. They stated that, as long as the clubs had provided the required information, Sport England were very efficient at facilitating the process.

6.5 Contracting process

This sub-section focuses on the contractual terms and conditions applied to funding awards, including how easy recipients found these to navigate and how Sport England and secondary model distributors found administering this. The terms attached to grant agreements were overall easier to understand and manage, whilst loan agreements were more complex – especially for larger awards. This caused frustration for both recipients and those administering the process and proved to be a longer process than anticipated.

Standard terms and conditions were attached to funding awards, which varied according to the type of funding (loan/grant) and amount of funding. Grants tended to have 'softer' criteria applied to them, especially as they were usually smaller in value. In some cases, special conditions were also applied to some organisations' awards such

as improvement to governance and clearing historic debt. Some stakeholders thought these could have gone further though, with more conditions around improving governance attached to loan awards.

Whilst grant agreements tended to be simpler, negotiating the contracts of loan awards was more complex, particularly for larger awards. Sport England emphasised that they tried to make loan agreements proportional to the funding amount and tailored to the sport/league where possible. Short-form agreements could be used for smaller loan awards, but lawyers were required to negotiate larger agreements. Still, the SSP delivery team maintained that loan conditions were ultimately more generous compared to commercial lenders when taking into account their low interest and long repayment period.

The vast majority (86%) of applicants understood the terms and conditions attached to their funding award, according to the small online survey. All direct funding recipients agreed with this statement, and only secondary model recipients were unsure or disagreed (though the number was still low). This was reflected in the CATI & CATI to online survey, where 77% of recipients of larger funding awards agreed that the contractual terms of their funding award were easy to understand.

The eligibility criteria were considered to be clearest for grant funding awards. Those receiving grants, especially those who have applied for and received Sport England grants in the past, found that the terms were in line with their past experience and expectations. Although grant applicants were generally happy with the terms of their award, some clubs struggled to evidence how they spent their grant, insofar as the money went into a bank account along with all their other sources of income so differentiating SSP spend to other sources could be challenging. Those who applied for funding to cover specific costs such as Covid-19 testing, however, did not have to navigate this.

Some applicants did struggle with the contracting process, and a couple of stakeholders worried that they didn't fully understand what they signed up to. A couple of clubs mentioned that they chose to take legal advice to ensure that they fully understood the terms and conditions of their funding awards, but many clubs were simply eager to agree terms because of how urgently they needed funding. Sport England did encourage clubs to seek legal advice and even offered drop-in education sessions and access to funding for legal expenditure, but not many took it up.

Where clubs did have questions, Sport England needed to defer to their lawyers. This added a layer of removal to the process and meant that the advice they received could be difficult to understand from the point of view of the clubs. Converting this into language that clubs would find easier to understand was a challenge for Sport England.

This was illustrated during a case study with one Premiership rugby club who explained that there were complications due to their other bank loans along with confusion around the legal entities that constituted the club as a result, requiring lots of legal support to figure out the contract structure. This required a great deal of costly legal support and led to delays in them receiving the funding.

"I don't think all of us, including our legal teams, had we been going for that type of loan from a bank would have been a fraction of the man hours to have achieved what we achieved. It was a very, very labour-intensive process during the time when we were at minimum staffing." (PRL club)

The time taken to negotiate the legal process was cited by a number of rugby clubs as well as by other sports. One NGB noted how the contract they received mentioned other sports that had received support before them, which led to considerable effort to ensure the contract was relevant to their sport. The delays meant that they didn't receive funding until after they had actually spent the money.

"There was a lot of heavy lifting to make sure the contract was relevant to the sport, rather than it being an off the shelf process that you follow, and that took some time" (NGB)

A point of confusion mentioned by a number of sports was that some aspects were dealt with by Sport England or DCMS, and others by legal teams which could mean the decision processes felt unclear. They also believed that this lack of clarity and miscommunication made the process quite slow which extended into the ongoing management of the loan.

6.5.1 Secondary Models

Secondary model distributors appreciated the flexibility to be able to apply their own standard terms and conditions to grant awards, which tended to be in line with Sport England's criteria. The terms and conditions of grant funding were largely considered to be proportionate, though some complaints were received about the level of monitoring required. The standard terms initially required organisations to report for seven years after receiving funding, despite the fact that many spent their grant funding within months of receiving it, leading to a reduction of these requirements by Sport England. This helped to ease burden on grant recipients who were more likely to have been smaller, volunteer-run organisations. Some secondary models also argued that the loan agreements were overly complex, with one NGB arguing that conditions were *"totally disproportionate to the amount of loan that was being requested"* and that smaller clubs who should not be expected to need to provide such regular, detailed accounts. They were frustrated at the process which took far longer than anticipated to finalise and argued that by the time the loan funding was released, there was no longer a survival need due to the time elapsed since clubs' initial application.

"It took a long time to get to a position where everybody was happy with that and that that went back and forth for a long, long time. And at times it felt like we weren't going to be able to progress. We were live. We had to go out to our applicants that week before we've got the agreement signed to make sure that we could actually get the money out by the deadline, which we still in the end needed an extension to." (NGB)

Applicants understood what they were allowed to spend funding on and what evidence they would need to support this – although a couple were frustrated that the amount or type of spending was capped according to the sport, rather than tailored to an individual club's need. This was reflected in the long survey responses, where the vast majority of those who disagreed or were unsure whether they understood the terms and conditions attached to their funding award were secondary model funding recipients.

Secondary models have also experienced difficulties with the Loan Book Management. One secondary model distributor has even appointed a dedicated member of staff to manage the loan book, incurring them a cost they hadn't expected at the outset. Secondary model distributors recognised the long-term commitment of administering the loans and are trying to ensure processes are in place to support this, such as ensuring that new staff members at community clubs are aware of the loan and its terms, acknowledging the high turnover of staff that clubs at this level can have.

6.6 Monitoring processes

This sub-section discusses how organisations found the monitoring process and the information they were required to provide to Sport England or their secondary model. Overall, funding recipients tended to find the monitoring and reporting process onerous, disproportionate and often too strenuous for their team who were not experts in such a process. A more tailored approach to organisations would have been preferred, depending on their funding size and allowing them to submit forms that they already produce.

The experience that organisations had during the monitoring process is not a clear cut one. While 82% of respondents in the small online survey stated that they felt the monitoring information requirements were straightforward and reasonable, when interviewed in-depth, the general consensus among respondents was that it was a fairly onerous process, with monitoring requirements that many applicants found difficult to fulfil. Many organisations had different ways that they tended to collect and forecast their finances, for example, and so having to complete it in the way that was requested by Sport England made the process very challenging for some. This challenge was exacerbated for, typically smaller, organisations who did not have a qualified accountant or financial member of the team, making it difficult to produce the financial forecasts and monitoring documents necessary. It was also felt that the monitoring requirements sometimes were not proportionate for the amount of funding that had been provided by Sport England.

“We could appreciate it if we’d applied for £1m but this was around £200k.” (Basketball club)

Many organisations, particularly the volunteer-led ones, therefore struggled with finding the time to produce the monitoring information. Some suggestions were provided on less time-consuming ways of providing this data, such as providing the information in the format that it was already produced by the organisation, or providing financial accounts for the subsequent years as this would demonstrate financial sustainability and impact.

The fact that organisations typically had to produce specific monitoring forms for Sport England was a cause for complaint in many cases. For example, one club stated how all their accounts were together and not disaggregated by teams, but Sport England only wanted details for the men’s professional team – as this was the one most impact by Covid-19. The way therefore that they usually reported and used information did not correlate to the way that Sport England wanted the information presented around one specifically detailed element. They said that the fact that they were therefore receiving multiple forms for different elements almost made it too impossible to complete the monitoring information at all.

Some organisations, however, stated that they produce the financial information that was required anyway and did not have to fit their numbers into a separate form, and so this issue was not a concern across all organisations who received funding.

A further issue identified by organisations was the fact that clubs found it difficult to predict their financial forecasts, especially during a period of such financial uncertainty. This meant that the financial forecasts provided as part of the monitoring data often were not to the standards requested by Sport England. Some organisations also found it difficult to provide monitoring data to the level of detail that was desired. Responses from high-level stakeholders identified that a key struggle clubs encountered was their lack of familiarity with this type of process, with NGBs often having to provide support and sometimes chase clubs for their documents.

On administering the monitoring process, the SSP delivery team highlighted the usefulness of having all of the data in the same template, as this promoted consistency.

“From a monitoring perspective consistency has been important in the early days, especially because we awarded money on need so the requirement to go back and look at forecast and spend on the basis has been important.” (SSP delivery team)

The SSP delivery team also highlighted how a key learning from the process would be to have embedded the monitoring requirements at the start, so that clubs would have bought into the process earlier rather than being surprised by the requirements that they had to comply with. It was also noted by one of the secondary models that there was a lack of a co-ordinated approach throughout the process, possibly impacted by changes in the Sport England staffing team.

“I guess they’ve changed a lot – under the programme, we’ve had three different contacts and so they won’t remember what we’ve discussed previously or the background.” (Secondary model)

6.6.1 Secondary Models

Secondary model distributors reflected that administering the monitoring process themselves was an effective practice, with the fact that they already have a good knowledge of the needs of their sport being an advantage. For example, a member of the SSP delivery team highlighted that the monitoring process was probably administered more proportionately from secondary models as, for Sport England, part of the monitoring was around the governance of the loan itself and not just that of the clubs. One secondary model distributor highlighted that a tailored approach to monitoring would work better, especially for those clubs who did not receive large loans.

“That would probably be something to look at and tailor it a bit more to the type of club and the resources that they’ve got (...) You might have one club that only got a loan of £30,000, and they’ve got exactly the same reporting requirements as a club that received £1.2 million, so it is a bit disproportionate.” (Secondary model representative)

A secondary model distributor also noted the fact that they were unclear on what monitoring data they needed to collect, meaning they could not clearly articulate to clubs what was required of them. They highlighted that, to mitigate this, they would have liked for a decision on the data requirements from Sport England to have been made sooner so that they could provide clubs with as much notice as possible on what would be required of them in this regard. In addition, they noted how they received ad hoc data requests, often at short notice, from members of delivery teams, putting pressure on their already overstretched staff.

“It feels like we get asked for something new quite regularly but we’ve never really had anything concrete to say ‘this is exactly what’s needed’ and when we need it for, it’s not been that clear yet (...) and therefore clubs aren’t really clear on what’s required of them in terms of reporting back to us.” (Secondary model representative)

6.7 Support and guidance

This sub-section explores how organisations found the support and guidance they received from Sport England or their secondary model. Overall, organisations were very positive about the support that they received, with Sport England staff always being available to help and enabling the formation of a strong working relationship. Sport England were also praised for the support that they provided secondary models throughout the process.

Organisations’ feedback on working with Sport England and secondary model bodies was, on the whole, very positive, with 56% of online survey respondents feeling that their communication with their funding distributor was ‘very good’, and no clubs feeling that their communication was ‘very poor’. The majority of funding recipients commented on how they were supported throughout the process, and that Sport England was a great help in a difficult time. For example, one NGB noted how Sport England enabled them to roll over their grant funding without having to reapply. The helpfulness of Sport England’s staff was mentioned on numerous occasions, as they responded quickly to any queries or struggles that organisations were facing throughout the process.

“All the case managers were fantastic. We built up a very good relationship with them and from a personal point of view, I felt that they were very supportive and were good people.” (Ice hockey club)

The hard-working nature of Sport England’s staff was also praised, with one club stating how they worked long hours to ensure they received the funding to the timescale that they needed it, and describing them as a *“great bunch of people just trying to get us to where we needed.”* Sporting Assets was also highlighted by respondents as being very helpful throughout the process, understanding organisations’ individual needs while also bringing challenge when necessary.

Many organisations also commented on their positive relationship with Sport England. For those who hadn’t worked with them previously, they noted the benefits of their relationship development and, for those who have worked with them before, relationships had grown, with one club stating that their relationship with Sport England is *“the best it’s been for a long time.”* It was also noted by one NGB that Sport England has grown to be a much more collaborative partner over the past two years.

While the feedback on working with Sport England and secondary models was generally positive, there were some points of concern that were described. For example, a Rugby Union club commented on how, while Sport England were supportive, they did seem slightly overwhelmed in terms of workload.

“I’m now feeling that they’re a bit overwhelmed. They seem to have been on top of it, but some stuff that we’ve been working on, they seem to have a lot going on at the moment.” (Rugby union club)

One NGB also commented on how, while Sport England was generally very helpful and supportive, this was not the case throughout the entire process. They reported that their initial conversations with Sport England pre-SSP were generally unclear, and thus there was a lot of uncertainty around what funding might be available and who for. Once the SSP had been announced, however they felt very engaged and supported by Sport England and understood the requirements much better.

Delivery partners also tended to find Sport England to be helpful and engaging throughout the process; with staff being described as sympathetic to the pressures that partners were in and making themselves available to help at little notice.

One negative described by an NGB, however, was that Sport England could have done more to support their case as an outlier, adopting more flexible criteria. This echoes some of the previous feelings from clubs and stakeholders – that a more tailored approach would have suited organisations better and made the process a lot smoother. A colleague from Sport England did note how, while they were more empathetic and understanding than banks would have been with this type of funding, they also could have provided more technical support to clubs. An NGB also stated that, while Sport England was helpful throughout the process, there were some inconsistencies. For example, one staff member would be very pragmatic in helping to find solutions, whilst another wanted to be right on the inside of the programme trying to develop from within it. They did note, however, that there are always going to be differences in working style, and so did not cite this as a major fault or criticism.

Overall, while some criticisms were made of the process, the large majority of organisations really favoured their relationship with Sport England and could find very little significant faults.

6.7.1 Secondary Models

Feedback about secondary model distributors was similarly positive, who were felt to help clubs out when needed and were supportive throughout the process. Guidance was also commented on as being clear from secondary models due to the fact that they know their sport and the best ways to effectively communicate with their clubs. It was also noted by a club that the Rugby Football League was very transparent throughout the process in terms of what was happening throughout the funding process and the information they were required to provide. This view was echoed by a club who said that the Rugby Football Union made the process smoother, as they understood where the money should be spent and where support was needed at a more club level.

Secondary model distributors were themselves complimentary of their work with Sport England. One described their close working relationship with Sport England, particularly at the design stage of the SSP. They described this relationship as being key – being able to disseminate issues they were having with DCMS on their behalf, as well as share learnings from other NGBs who were distributing the funding. They described the relationship as being intense but very helpful.

“It’s been pretty intense at times. It’s been weekly meetings. So I think that can only be a positive and our teams sort of felt they’ve been supported through that and very much, yes at times we’re accountable to things. So you have to be challenged on things which is fine, and there’s been some difficult discussions, but it’s all been done in that manner and from that professional perspective.” (Secondary model)

Another secondary model distributor went as far to say that, without the support and guidance they received from Sport England, they would not have been able to deliver the funding in the way that they did. They noted how Sport England recognised the nature of their sport and the challenges that it faced.

“The flexibility they showed and the guidance they showed in helping us make sure the process was fit for purpose and the funding was at the right level, was first class and that continued all the way through. (...) They did everything we could have asked of them and went above and beyond.” (Secondary model)

6.8 Future engagement with sports

This sub-section explores how organisations would like to work with Sport England in the future to understand how the relationships built through SSP delivery can be built upon. Many varying suggestions were provided, ranging from practical support that organisations need due to wanting to learn from Sport England and form a more collaborative partnership. Overall, stakeholders value their relationship with Sport England and are keen to explore new ways of working together in the future. Commercial organisations who had not worked with Sport England before tended to find it more difficult to respond to this question when asked, and so much of the feedback came from NGBs and internal stakeholders.

Stakeholders had varying suggestions as to how they could work with Sport England in the future. One football club identified that, for some clubs, survival is still an ongoing issue beyond the pandemic due to the knock-on impacts from Covid-19. Having a scheme in place to continue support to some of these struggling organisations would, they believed, be greatly beneficial. They described going from having considerable support to suddenly having no support at the end of the funding cycle as making the transition more difficult for those clubs that are still struggling.

A way of Sport England improving their work with organisations, identified by a secondary model distributor, was to have as much forewarning of funding that is to be distributed as possible. The SSP was rolled out in a very short timeframe, which they say put a lot of pressure on them in terms of being able to allocate resource and still delivering their own programmes. Having some communication earlier on in future processes about what is being considered by Sport England would enable organisations to plan their resources better. Furthermore, another secondary model commented on how they would like their relationship with Sport England to be more streamlined, with all contacts coming through their Sport England contact rather than a number of other avenues, such as receiving requests from other organisations who work with Sport England.

“We’re getting requests from three different sources and each source isn’t aware of what others are asking us for. I think things should just come through the person we are working with at Sport England.” (Secondary model)

Colleagues from Sport England identified a way to improve their work with organisations - by taking a more collaborative approach, in order to genuinely understand the risk in terms of where these organisations are and the support they need, as opposed to taking a stance of scrutiny or a “parent teacher approach”.

One NGB iterated how they would like to work with Sport England on understanding the economy of their sport better, which would build on the lessons of the SSP from their experience. By developing this understanding, they said that Sport England could do more in developing needs cases for individual sports.

Whilst many opportunities for further and improved collaboration were identified, there were a handful of organisations who stated that they did not believe their relationship with Sport England needed to change. These responses were largely provided by football organisations, however, indicating that perhaps Sport England’s relationship with football is, in these organisations’ view, already strong enough; with them being key to one another’s strategies.

“I think it’s an interesting relationship with Sport England and football. Obviously our size and scale and our funding brings an opportunity and a challenge. Our participation figures are incredible. So we’ll always be an integral part of their strategy and they will always be an integral part of ours.” (NGB)

In terms of how Sport England could have a role in different sports or leagues more widely, a common suggestion was through improvements to governance. A member of the [SSP delivery team](#), for example, suggested how further governance reforms in areas that don’t receive public funding, such as getting the commercial sport sector to sign up to the Code of Governance, even if they are not receiving funding, could be a real positive as they would then know the sector is fully behind them. However, Sport England is not a regulator and therefore should not, in their words, “meddle with the business model of commercial sport”. An NGB also highlighted how Sport England

has an important role to play on the governance side, for example, through supporting their licensing system to ensure that clubs are able to move smoothly between tiers in making sure they are meeting certain conditions. They said that their experience through the SSP funding cycle has highlighted this potential. The [SSP delivery team](#) did say that this focus on governance is already being carried out, with some NGBs receiving Governance and Business Transformation grants to help them improve their financial resilience within their sport. They said how this is mutually beneficial as not only does it help the organisations but strengthening the financial resilience of clubs also helps secure the loans that Sport England has made to these organisations.

One of the SSP's delivery partners believed that more still needs to be done in this regard, however, taking more fundamental action to change the financial practices of clubs. Another NGB also stated that, through a governance project they are currently working on, they have identified some fairly big issues within their clubs that need addressing. For example, they found a lot of faults in the way that clubs are governed, such as all financial risk being placed on the individual owner and having no idea of their financial forecasts. Sport England playing a further governance role in this regard could help to rectify this issue by ensuring that all clubs are following specific governance codes.

A number of stakeholders also suggested taking a more joined-up approach with Sport England. By putting money into clubs in this way, one secondary model said how it will help to identify the areas which are a priority that may be financial, off-the-field elements that they would not have identified themselves. They also iterated that the joined-up approach that they have had with other sports through this project, discussing emerging themes and common challenges, is something that they should do more of in the future. A member of the [SSP delivery team](#) seconded this feeling, stating how the SSP has highlighted the need for a more joined-up approach in future working, both internally and externally.

Several stakeholders considered that the experience of SSP showed that Sport England's closer involvement in the professional game can also help to achieve its ultimate objective of improving the grassroots game. One NGB highlighted how this can be done through investments that are slightly outside of grassroots, as this will still benefit this side of the sport.

"Maximise visibility of elite success then grassroots grows. That's the premise of our whole strategy (...) We know if we maximise visibility and we maximise elite success then the grassroots grows." (NGB)

They say how, if Sport England could see the potential of the professional game to drive the grassroots game forward, then this would be a real positive. Having the ability to invest in the professional game to drive the grassroots side would, in their view, only benefit the sport.

"Bring the two parts together, rather than having a commercial piece and a grassroots piece, because we exist as one body." (NGB)

Taking a similar stance, one of the SSP's delivery partners also noted how Sport England being aware of and potentially even licencing community sports that are part of larger professional organisations would help to ensure that Sport England, NGBs and other sport organisations are aligned in the same direction. This feeling is echoed by some the SSP delivery team, who suggested that support to organisations could come not only with the requirement for organisations to spend the money in their right way or pay back their loan, but also through a commitment from them to understand how organisations will commit to the agenda of supporting grassroots sport. They said that the money is not only loaned out to be paid back but they also need to ensure there's a regular ongoing commitment to making sure the organisations fund grassroots and women's sport.

Clubs themselves also provided suggestions as to the role that Sport England can have with them more widely. A football club, for example, noted how they think there is room for Sport England to work with clubs to improve their commercial approaches, although they could not elaborate further on how best this would be done. A sense of not knowing how Sport England could work with clubs was also iterated by a rugby union club who did not have a

great deal of knowledge about what Sport England's remit is and how they could add value, but that they would be open to exploring this.

One NGB provided views as to how Sport England could provide influence on an even wider scale through working together. By building closer connections with smaller and lifestyle sports, there is the possibility of changing the relative prioritisation and value that Sport England can put into their sport. Through building a relationship with Sport England, they hoped they can evaluate the support and promotion of lifestyle sports, as well as the potential benefits that the sport can provide to a wider audience through funding a wider group of sports under their remit.

6.9 General lessons

Stakeholders were asked to reflect on general lessons from the SSP, such as the impact of the speed of roll-out on delivery, facilitators and barriers towards effective implementation, and lessons regarding future emergency funding. They thought that changes to the design and administration of the fund could have created efficiencies in the future. Additional resource from Sport England staff could have created the capacity needed for this and could have contributed to a faster roll-out of funding. Still, the hard work and dedication of the Sport England team was widely cited as instrumental to the fund's success.

When asked whether the speed needed to get the scheme live affected its design or outcomes, those involved in its design were keen to stress that they went through a process that usually takes around six months in just six weeks. This meant there were some elements of the scheme which were not as well-designed as they could have been. For example, with a longer timeframe Sport England could have set up a more automated process for receiving and processing applications as the manual process they used was not fit for the volume and scale of applications which they received. Whilst stakeholders acknowledged the urgency needed to get the scheme live, they reflected that making such tweaks to the design would have made efficiencies further down the line – such as with the loan book management. From external stakeholders' point of view, a longer timeframe could have helped Sport England to align the winter and summer packages more closely together and avoid the need to ask clubs to provide the same information multiple times. The speed at which the funding was rolled out also did not leave much time to reflect and share lessons along the way which could have helped pre-empt or overcome challenges faced.

Still, the urgency and fragility of the situation at the time necessitated a swift response, and the SSP delivery team stressed that as detailed and diligent criteria as possible were applied given the circumstances. Multiple stakeholders highlighted that those involved in the process, within Sport England and its delivery partners, along with secondary model distributors, worked as hard as they could at the time. This brought the team closer together and facilitated a more proactive, less risk averse way of working according to one Sport England colleague.

"It challenged our risk approach in Sport England so that you couldn't procrastinate and do X,Y and Z because you just didn't have the time for it. So it challenged us to really focus on the key bits and not worry about the small stuff and it meant organisations got money quickly." (SSP delivery team)

However, one secondary model distributor reflected that the level of work involved also took its toll on the team and had implications for other areas of their work. This was echoed by external stakeholders who noted that Sport England seemed to be working at full capacity and having the ability to draw on more resource would have improved their ability to process applications. Some found this hard to understand given the number of wider staff working at Sport England at a time when many commercial organisations were operating with minimal staff.

"The internal reporting of our own financial performance ground to a halt for a bit while we were doing all that stuff because we just didn't have the resources to do both." (NGB)

Whilst the speed of the rollout might have led to some compromise in terms of design, the fact remains that all organisations supported did survive until March 2022, and so the speed of mobilisation had less impact on the

fund outcomes and was overall considered a success. Still, some sports would have liked to have seen even quicker action. They argued that the time it took for funding to be assured affected their ability to commit to decisions such as starting the season, and that at the time decision timelines felt as if they kept being pushed back – though they did appreciate the size and complexity of the task at hand.

“So I think there was just a risk the speed it took to get it out in the first place could have led to cancellations of sporting fixtures and for women’s sport that would have had an impact.” (NGB)

“I suppose when you were in it at the time it was frustrating because timelines seemed to kept getting pushed back. But when you look back on it now, you say, you know, good grief. That was a pretty incredible achievement.” (NGB)

Certainly, the hard work of Sport England’s core team was often cited as one of the main facilitators to the scheme’s success. Delivery partners praised their work ethic, diligence, proactiveness, and ability to build and maintain good relationships with recipients. They were supported in this through their delivery partners who helped create a consistent template for understanding sports, leagues, and clubs, and assessing applications. Sport England’s proactive approach and willingness to help, it was emphasised, went a long way to making the process as smooth as it could be.

“If Sport England itself had taken, a more reactive approach, then organisations may not have known that the funding was available and potentially suffered and gone under as a result.” (Delivery Partner)

“...I think the quality of the work that the Sport England officers did, but also the consultants that they worked with to help them I think was really high quality. And I think that I genuinely think they’re to be congratulated in the way that they administered it and led it...they should feel really proud of what they were able to do.” (SSP delivery team)

“I would slam the clubs that would moan about the process because for the scale of the support and the speed at which it was mobilised, if they’re complaining about that, it’s a joke, really. In hindsight, yes there were some difficult questions and some short timelines, but this this was a massive mobilisation. And I genuinely thought they did a fantastic job and I think [Sport England] should really be congratulated on that.” (Club)

For the SSP delivery team, the main barriers were around navigating legal support when negotiating loan contracts, particularly as this was a new area for Sport England. In hindsight they reflected that the loan book management system should have been procured earlier. For sports, the key barriers were around the decision-making process in terms of whether funding would be available for their sport and what a funding package would look like, particularly in the earlier stages before the process was moved over to Sport England to manage. But they did acknowledge that once funding decisions were made, the speed at which payments were released was impressive.

Stakeholders shared a number of key takeaways to consider for future emergency funding awards:

- ▶ **Take the time to design effective processes at the outset**, no matter how quickly you need to mobilise. This will help make efficiencies later on. *“No matter how quickly you have to move, make sure you take the time to design your process and how you’re going to implement it. Don’t fall into the trap of thinking you can make it up as you go along. Do evolve it, but don’t build it as you go along” (SSP delivery team).* Setting clear expectations and good lines of communication are also very important. Ensure resources and access to expertise are lined up and available to draw on when needed.
- ▶ **Be clear what information is needed from applications and why it is needed**, to avoid requesting anything that information that is unnecessary. *“I think quite often with applicants we can think right, we need every bit of information possible. Whereas actually I think what Covid has probably suggested to us is that perhaps there’s*

some information that we don't necessarily need and we need to be really clear. What information do we want and why do we want it?" (SSP delivery team)

- ▶ **Bear in mind how sports that are less in the public domain are still very reliant on spectators.** Consider the 'outlier' sports within assessment criteria, and take into account the wider social and cultural impacts of organisations closing. *"Even though they're not getting tens of thousands through the door, the hundreds or thousands that do go in are in many cases their main source of income. And if we do want these organizations, many of which have an important community function, to be maintained and provide a resource to society as a whole we need to consider how broader economic movements and trends such as the pandemic can affect them"* (Delivery Partner). Tailoring assessment criteria, rather than applying a 'one size fits all' approach, may help to do this.
- ▶ **Support clubs to build their resilience to financial challenges.** The pandemic highlighted the financial challenges which clubs were already facing, and exposed issues around their governance and over-reliance on volunteers. Initiatives like the Governance and Business Transformation fund will go some way to building sports' resilience to future challenges.
- ▶ **There is an enormous benefit in closer working relationships across the sport sector as a whole,** which is something that should be continued into the future. *"The key benefit would be the importance of having that closer working relationship with Sport England but also other stakeholders [...] I also have a relationship now with a lot of other sports that previously we would have probably never wanted to speak to because they might be competitors, just a closer working relationship across the board I think has been the real key."* (NGB)

7.0 Value for money analysis

This section presents a Value for Money assessment of SSP by providing an indicative Social Cost-benefit Analysis of the programme. The findings of this section draw on the analysis of costs and the impact evaluation of SSP.

Key evaluation questions: To what extent were costs to the exchequer minimised? To what extent has the SSP delivered economic and social benefits?

Key findings:

- ▶ The Social Cost Benefit Analysis (SCBA) focussed on the costs and benefits of the programme for those sporting organisations (and corresponding segments) that received more than £10,000 in SSP funding. The analysis did not monetise all the benefits of the programme, as several wider economic benefits were not quantified through the impact analysis. It considered only GVA benefits from safeguarded employment, and non-market benefits from the avoided welfare loss to society if sporting organisations did not survive. Wider benefits, for example, value of preserving tourism, and economic benefits from spectator revenue were not quantifiable. It also did not attempt to monetise the benefits of funding support that was provided to leagues and National Governing Bodies to support the continuation of activities. The programme costs were calculated on the basis of current (i.e. as of October 2022, the time of the analysis) modelling of loan repayments which may be subject to changes in the longer-term.
- ▶ Programme costs for all organisations included in the scope of the value for money analysis, considering current (i.e., as of October 2022) modelling of loan repayments and defaults on loans, were estimated at £81.9m.
- ▶ The Gross Value Added (GVA) to the economy associated with the survival of funded sporting organisations who received over £10,000 in funding through SSP is estimated over a 5-year evaluation period at £143.5m.
- ▶ The 5-year Net Present Value from GVA impacts alone was positive at £61.5 million, indicating that GVA benefits exceeded the total costs by around £62 million. This corresponds to a Benefit Cost Ratio (BCR) of 1.75 for GVA.
- ▶ Non-market benefits: The non-market benefits of the SSP to terms of avoided welfare loss to society through the survival of funded sporting organisations through SSP is estimated at £115.2m (5-year present value).
- ▶ The Net Present Value of non-market benefits alone over 5-years is also positive at £33.2m. This corresponds to a BCR of 1.41 for non-market benefits.
- ▶ Combined, the GVA and non-market benefits of the SSP for sport clubs who received over £10,000 and who were subject to the long survey over five years are estimated to be £258.6m.
- ▶ This represents a positive net benefit compared to costs of £176.7m.
- ▶ This corresponds to an overall BCR of 3.16 for GVA and non-market benefits associated with the survival of the clubs supported by SSP funding. That is, for every pound spent on the SSP to ensure the survival of the sports clubs, £3.16 of economic and social benefits were generated (based on the current modelling of repayments).

7.1 Approach

The Value for Money (VfM) assessment of SSP is based on data on employment impacts within the long survey sample of funded organisations (both grantees and loan recipients) which covers clubs that received more than £10k in funding from the scheme. Cost benefit analysis is provided which compares the costs of the SSP – in terms of grants paid and credit losses incurred on loans – to the benefits of the scheme in improving the probability of survival of the organisations supported (using evidence from the impact analysis as presented in Section 5). Benefits are monetised in terms of the Gross Value Added to the economy preserved through jobs saved as a result of the improved probability of survival associated with SSP funding. In addition, in line with HM Treasury Green Book Guidance (2022) on Social Cost Benefit Analysis (SCBA), the wider intangible benefits of the scheme are taken into account, in terms of the avoided welfare loss that spectators, players and volunteers would have suffered if their sporting organisations had not survived. These are estimated in terms of their estimated willingness to pay (WTP) to avoid their club going into insolvency (using benefits transferred from the upcoming DCMS value of football report (2022²⁴), and indicative wellbeing values associated with participation in sport and volunteering from the DCMS 2014 report.²⁵)

It is important to note that the VfM analysis does not include all of the costs and benefits of SSP, so should be seen as a partial estimate of the net benefits of the scheme. They only reflect benefits and costs for the subset of clubs who received over £10k of funding so do not reflect the costs and benefits of funding provided to NGBs, leagues and other organisations and clubs receiving less than £10k.

The VfM assessment draws on the findings of other strands of analysis and is structured against the ‘3Es’ framework in line with the Green Book. The key area of assessment for SCBA is effectiveness, with considerations of Economy and Efficiency addressed through the Process Evaluation (Section 6).

A cost-benefit analysis of the scheme is undertaken revisiting the principles set out in the programme’s Business Case. This draws on analysis of monitoring information, the results of the impact evaluation, and other parameters established through the survey, case studies, or the broader literature, focusing on the relationship between:

- ▶ The opportunity costs of the programme in the form of defaults on loans, and broader administrative costs of delivering the programme, and:
- ▶ Community well-being benefits arising from the preservation of sports organisations. These are estimated by applying the results of past studies examining the use and non-use value of sports clubs (such as the forthcoming DCMS football study, 2022). Other externalities in the form of maintaining sports participation are valued by drawing on the available secondary literature (for example, studies examining the impact of sport participation and volunteering on subjective wellbeing).
- ▶ VfM analysis is based on the long survey sample of 290 organisations who received over £10,000 in grants or loans. This sample is understood to be broadly representative of the 1,212 clubs who received SSP awards of over £10k, representing just under a quarter (24%) of that total sample of clubs, which allows us to scale up the benefits estimated in the long survey to the total population of 1,212 funded clubs.
- ▶ We note that there is a risk that some of the sporting organisations which were supported may ultimately fail in the longer-term due to systematic problems at the management/financial level. It is expected that some of this will be captured in the probability of default calculations, but we acknowledge that the opportunity cost of delaying redeployment of resources with alternative uses is not included in this VfM calculation but could be explored in more detail in further research.

²⁴ DCMS, Ipsos and Ecorys, Contingent valuation of men’s professional football clubs and the Fan-Led Review recommendations (2022), published in February 2023 alongside the [white paper on club football governance](#).

²⁵<https://www.gov.uk/government/publications/quantifying-and-valuing-the-wellbeing-impacts-of-culture-and-sport>

7.2 Social Cost Benefit Analysis (SCBA)

The social cost-benefit analysis set out below (and set out in detail in Annex G) seeks to monetise the potential benefits of the programme in the following areas:

- ▶ **Economic stimulus:** The analysis suggests that SSP funding lowered the risk of professional and semi-professional clubs going into administration as a result of the Covid-19 restrictions. This will have led to further Gross Value Added (GVA) impacts via the wages earned by employees that would have otherwise lost their jobs. Again, these impacts will only endure until the point at which workers would have otherwise been reabsorbed into employment. Under the principles of the HM Treasury Green Book, the economy would be expected to adjust rapidly to the implied shock under normal economic conditions (with workers rapidly obtaining alternative employment). However, the Covid-19 pandemic involved a significant economic shock, and the economy is expected to take some time to return to full employment. As such, there will likely be short-term productivity gains arising from the retention of workers in the labour force, which is captured through sensitivity analysis of Net Present Value over five years.²⁶
- ▶ **Benefits of preserving sport organisations and other sporting assets:** The core benefits of SSP arise from its impacts in preserving sporting organisations that may have been lost in the absence of the programme. This will improve social welfare to the degree that users (fans, players, and volunteers) and non-users derive benefits from the existence of these sporting assets (for example, from their enjoyment of attending the stadium or knowing the sporting organisation exists in their local community). These improvements in social welfare may be temporary in some situations.
- ▶ **Other benefits:** SSP may have had a broad array of other benefits that could not be quantified as part of the evaluation. This would include indirect GVA impacts on preserving local tourism, the effects in preserving human capital within the industry and strengthening the broader ecosystem, which would help to increase the productivity and resilience of the sector in the longer-term. As outlined below, non-market values (potential use and non-use values lost among spectators and the local population if sporting organisations were forced to close) can be incorporated into SCBA, but these will only partially measure the impact and do not capture other externalities such as benefits to education, health etc.

A key challenge for a cost-benefit analysis of the programme is establishing the net resource costs (i.e., costs of the inputs) of the programme. In principle, a cost-benefit analysis should be based on the opportunity costs associated with the inputs of the programme. This is challenging in this instance because the public funding provided through the SSP largely represents a financial transfer payment from the taxpayer to the organisations awarded funding.

While the impact evaluation provided estimates of how far this funding led to additional spending amongst organisations receiving funding, only a share of these costs will represent resource costs. For example, while construction costs or overhead spending will represent resource costs, some workers retained by organisations may not have been deployed in a productive capacity in the absence of the programme – such as athletes required to train even where no competitions were taking place (in which case, the resource cost is nil, assuming employees will find employment in the same or a similar capacity in future and that the economic rents on this employment outweigh the opportunity costs involved). The level of detail required to break down the impacts of the SSP in this way was infeasible to gather using the methodologies and data available but should be caveated when interpreting the results.

²⁶ Further sensitivity analysis (at two or three years) could be undertaken at SE preference.

As such, the primary focus of the following analysis is on the value of benefits relative to the gross Exchequer cost of the programme. This provides a measure of the efficiency of the programme that can be more readily benchmarked against other Covid-19 response programmes.

Table 7.1. Measurement of costs and benefits

Cost / benefit	Description
	Costs
Opportunity costs resulting from public sector funding	The SSP has deployed public sector funds to finance revenue, and loan payments to organisations in the sport sector. The opportunity costs of the programme relate to the additional resources consumed by sport organisations that would have otherwise ceased to operate or would have had to reopen more slowly.
Expenditure on grants and loans	(Only in the net exchequer approach to cost evaluation). The Net Exchequer Costs of the Programme include the costs of grants + administration of the scheme + the costs of the loan element which are determined by the combination of the time profile of the disbursements and receipts (with the latter adjusted for likely defaults), along with the public sector discount rate. Total amount spent for Phase 1 and Phase 2 of the programme.
Defaults on loans Repayment holidays and difference between interest rate on loans (actual % rate to be confirmed by DCMS) and public sector discount rate (3.5%)	(Only in the net exchequer approach to costs evaluation) These costs are associated with the risk that organisations that received loans do not repay them or repay them with a delay.
Administrative costs	These relate to costs incurred by DCMS, Sport England and secondary model organisations in the development and administration of the SSP.
	Economic and social benefits and disbenefits
Economic and social value of sporting assets preserved	<p>The preservation of sport organisations that would have otherwise closed will have both economic and social benefits, including:</p> <ul style="list-style-type: none"> ► Social value, which consist of the well-being improvements from participating, spectating and volunteering in sport events ► Non-use value (option value), referring to the value generated for non-users from the existence of the organisation. For instance, there may be a value attached to having heritage clubs with rich histories and often grade-listed stadiums (not applied in this instance due to uncertainties around non-use aggregation highlighted in recent DCMS reports and the CRF evaluation). ► Place value, relating to the wider economic impact elite sports generate in the local area, including businesses and footfall, is not included here due to lack of transferable data, but could be an area for future research

Cost / benefit	Description
Net GVA from productivity gains	<p>The primary economic benefits of the programme will arise from its effects in enabling the productive employment of workers. This may result from:</p> <ul style="list-style-type: none"> ▶ Direct impacts driven by the survival and/or viable reopening of sport organisations. These effects can be inferred from reductions in the numbers of furloughed workers and increases in net operating surpluses. ▶ Indirect impacts driven by the role of sport organisations in attracting visitors tourists to the local economy (and/or other routes to impact, such as retaining talent or attracting inward investment). These impacts may be visible in the reductions in the numbers of furloughed or unemployed workers or in increases in the turnover and employment of local firms. However, tourism effects are likely to only be present for the larger clubs and events which have a wider audience reach/fanbase. These effects were not quantified in the present analysis, and may have to be addressed through qualitative/case study analysis.
Wider economic impacts	<p>Refers to the preservation of the revenue from ticketing and tourism in an area where an elite sports club exists, as well as wider benefits related to inspirational effects and provision of infrastructure. Wider economics impacts were not quantified for this evaluation, but a general discussion on the likely wider economic impacts from the literature has been included at the end of this section.</p>

7.3 Costs

Programme costs for all organisations represented by the long survey were estimated at £76.5 million within the SCBA. This included £39.5 million as the total value of the grants to sports clubs which was obtained from programme data received from Sport England, and £154.6 million in loans made to sports clubs. These loans are not a cost in and of themselves, so long as they are paid back. We made use of Sport England programme data on loan repayments to estimate the total cost of loans to the Exchequer, which is a combination of the estimated probability of default of loans and the potentially negative difference between the interest rate paid by the organisations and the opportunity cost of capital (3.5% discount rate, as recommended in the HMT Green Book) computed from the Expected Credit Loss (ECL) model, provided by Sport England.²⁷ Based on these estimates, the total credit loss is around £36.9 million. An estimate of the administrative costs of managing the SSP fund was also included in the total Benefit Cost Ratio (see cost tables in Annex G).

7.4 Economic valuation: Gross Value Added

The impact evaluation indicated that SSP had a positive effect on organisations that received the funding by lessening the risk of them going insolvent. This is likely to have had a positive effect on employment, i.e., avoiding that employees in the funded organisations would fall into unemployment in the absence of the funding. Reductions in levels of unemployment would not normally be associated with significant economic benefits under the principles of the HM Treasury Green Book. In an economy operating at full employment, a fall in unemployment would instead

²⁷ The version of the Sport England ECL model used for these computations was the one updated on 02/02/2022. We note that the estimated loss is not discounted in the ECL model. The discounted estimated costs of loans were computed as follows: For each segment receiving loans, discount the estimated stream of principal and interest payments by 3.5%. For each organisation, the ECL model provides a revised stream of payments, based on the estimated probability of default on the loan. Take the difference between the initial value of the loan (as reported in Sport England monitoring information) and the discounted stream of payments to arrive at the discounted estimated loss on loans.

be expected to lead to an increase in the average wage workers would be willing to accept, encouraging firms to reduce their labour demand (offsetting the initial reduction in unemployment).

However, the Covid-19 pandemic resulted in a significant increase in unemployment across the economy (though not to the levels feared in March 2020). In the short-term, the impact of interventions that stimulate demand may lead to productivity gains if they lead to the productive deployment of resources that would have otherwise remained unutilised (for example, by enabling the employment of workers that would otherwise have remained unemployed). These productivity gains will be eroded as the economy returns to its pre-pandemic state and a greater share of unemployed workers are absorbed into employment. As such, the economic benefits of the programme can be understood in terms of the additional GVA produced by workers that would have otherwise remained unemployed.

The GVA impacts of SSP were approximated on the basis of the wages earned by workers whose jobs were safeguarded. The wage impacts associated with the SSP are likely to vary considerably depending on the nature of the workers whose jobs were protected by the programme and their associated skillsets. A simplifying assumption was made that workers earned an annual salary of £16,833 (in line with estimated median annual earnings in the sport sectors, published by DCMS²⁸). The following procedure was used to estimate the GVA impacts associated with the SSP:

- ▶ The number of employees who would have been unemployed for each organisation was computed by multiplying the estimated probability (from the impact evaluation) that the organisation would have closed in the absence of the funding by the total number of employees in each organisation, as reported in the survey.²⁹ This gave the estimated total number of workers that the funding prevented to enter unemployment.
- ▶ The amount computed at the previous point was then multiplied by the median annual salary in the sport sector and results were aggregated by segment.
- ▶ The economy was assumed to return to an equilibrium rate of unemployment in 2024/25 in line with the Office for Budgetary Responsibility's forecasts prepared for the Spring Statement 2022. In the absence of the programme, unemployed workers were assumed to enter employment at a constant rate between 2022/23 and 2024/25. The SSP was assumed to produce no further economic GVA benefits beyond this point.
- ▶ These benefits do not account for employment benefits of organisations that would have reduced their employment in the absence of the funding, although they would have not gone into administration.
- ▶ The Gross Value Added (GVA) to the economy associated with the survival of funded sporting organisations through SSP is estimated over a 5-year evaluation period at £143.5 million.
- ▶ The 5-year NPV from GVA impacts alone was positive at £61.5 million, indicating that GVA benefits exceeded the total costs by around £62 million (including the admin costs within the total costs). This corresponds to a BCR of 1.75 for GVA (see Annex G).

7.5 Non-market valuation

Estimating the value of sporting organisations and assets is complex as such goods and services are usually hard to quantify or have significant intangible components in terms of their social and cultural heritage value. In addition to the market value of a sports club in its gate receipts and other economic contributions to the area, a sporting organisation provides social value to its fans, over and above what they pay in gate receipts, as well as health and

²⁸ <https://www.gov.uk/government/collections/dcms-sectors-economic-estimates>

²⁹ For the purpose of these computations, the total number of part-time employees was divided by two and summed up to the number of full-time employees to yield the total number of full-time equivalent employees in an organisation.

wellbeing benefits to players and those who volunteer at the organisation. By ensuring the survival of the sporting organisation, the SSP ensured that the benefits continue to flow from the club. These three elements of the social value can be measured using HM Treasury Green Book non-market valuation methods.

- ▶ Non-market valuation comprises two key concepts: use value and non-use value:
- ▶ Use value refers to the private value derived from people that want, need, and make direct use of the assets. For example, spectators to sports clubs.
- ▶ Non-use value refers to the derived value people assign to assets as a result of their existence, even if they never have or never will use them. For example, residents of a town with a sports club, although they do not make direct use of it, may well recognise the economic and cultural value of its presence in their community.³⁰

The value of the sporting assets preserved by the SSP can be estimated using a benefit transfer approach (as recommended in the DCMS Culture and Heritage Capital CHC Framework).³¹ This involves using the results of prior studies seeking to estimate the use and non-use value of comparable cultural institutions to infer value of the organisations whose survival was secured by the programme.

A review of the literature showed that unit values exist for the indicative per person benefits of sporting organisation, in three outcome areas: (1) fan's willingness to pay, and (2) the welfare value associated with the wellbeing benefits to players and (3) volunteers. In this evaluation, we take these unit values, and apply the survival probability to them, to estimate the per person social value that was preserved through SSP. We then aggregate this by multiplying it by estimates of the number of fans, players, and volunteers who engage with the club over the evaluation period.

- ▶ **Non-market benefits:** The non-market benefits of the SSP in terms of avoided welfare loss to society through the survival of funded sporting organisations through SSP is estimated at **£115.2 million (5-year present value)** (see Table 18 Annex G).
- ▶ The Net Present Value of non-market benefits over 5-years is positive at £33.2 million. This corresponds to a **BCR of 1.41 for non-market benefits** (see Table 19 Annex G).

Detailed steps of the non-market benefit transfer process are provided below.³²

Non-market benefit transfer: Step-by-step

- ▶ **Step One:** Assign SSP organisations a club-level WTP representing the non-market value of preserving a professional sport (men's football club) in existence for spectators (use value) and wellbeing value for players and volunteers. All WTP values should be based on the lower bound WTP estimates provided in the benefit transfer studies (where available - see Annex G for details on the sources used).

³⁰ Note that those who directly use/visit the sport club will also hold non-use values, because they will gain wellbeing from the fact that the institution exists, and that other people can use it now (altruistic) and into the future (bequest value).

³¹ <https://www.gov.uk/government/publications/valuing-culture-and-heritage-capital-a-framework-towards-decision-making/valuing-culture-and-heritage-capital-a-framework-towards-decision-making>

³² **Aggregation to the real-world population:** Aggregation of the non-market WTP and wellbeing values of each sporting organisation was based on assumptions around the number of spectators each organisation. Due to data limitations, approximations have to be made based on the total capacity of the stadium, adjusted to avoid over-attribution when applied to the evaluation period. For smaller clubs, it can be assumed that the number of unique spectators per year is close to the maximum attendance observed that year, with some adjustments for uncertainty. For community clubs, desk research suggested that attendance figures did not exist. We assume that there are no or few active spectators (or that the spectators will be those playing in other teams) and do not apply spectator WTP values to these clubs. However, social value continued to be created by these clubs through the health and wellbeing benefits to the players, which are included in the aggregation for Vfm analysis.

- ▶ **Step Two:** Scale WTP value to appropriate league level using tiered WTP values in the DCMS football report, based on the relative reach and public perception of the sporting league in each case.
- ▶ **Step Three:** Estimate the total non-market value (WTP + wellbeing value) and multiply by the probability of survival per spectator and player/volunteer.
- ▶ **Step Four:** Estimate per organisation benefits (1-year): Multiply the survival WTP by annual spectator and player numbers for each organisation funded by SSP, to estimate an aggregate survival non-market value per organisation in year one.
- ▶ **Step Five:** Estimate Net Present Value over appropriate evaluation period (see above). The SSP evaluation period is up until March 2022. A simplifying assumption was made that within 5 years (by 2025), any sporting assets would be brought back into use by an alternative actor. Therefore NPV calculations are estimated over 5 years in line with GVA analysis (with sensitivity analysis for 10 years in Annex G, in line with DCMS Culture and Heritage Capital CHC Framework).

7.6 Estimation of Net Present Value of SSP for funded clubs covered by the long survey

The overall estimate of NPV for clubs covered by the long survey used the following steps:

- ▶ **Impact of SSP:** The value of the SSP was estimated by multiplying the estimated use value of the institution by the estimated impact of the SSP on its probability of survival for all organisations within the SSP impact survey sample.
- ▶ **Scaling up benefits to all clubs:** VfM analysis is based on the long survey sample of 290 organisations who received over £10,000 in grants or loans. This sample is broadly representative of the 1,212 clubs who received SSP funding support over £10k, representing just under a quarter (24%) of that total sample of clubs. This ratio is applied to scale-up the benefits of the SSP estimated for the clubs in the long survey, making them comparable to the overall costs of SSP funding for the 1,212 funded clubs.
- ▶ **Present value (PV)** is calculated over a 5-year period, starting from 2020/21 when SSP funding began and ending in 2024/25. Future values are future discounted using standard HM Treasury recommended discount rate of 3.5%.³³
- ▶ **Gross Exchequer costs** are estimated for sporting segments covered by this analysis by combining the grant amount and estimated credit loss for each segment to create a gross Exchequer cost per segment.
- ▶ **Benefit cost ratio:** BCRs are estimated taking the present value of the SSP divided by the gross Exchequer cost.
- ▶ **Net Present Value:** NPV for each scenario is estimated by subtracting the gross Exchequer cost from the present value of spectator non-market benefits safeguarded by the SSP.

³³ In Annex G, sensitivity analysis is provided for *non-market benefits only* over a longer 10-year period to capture the probability that SSP-funded organisations would be healthier in the future, in line with DCMS guidance.

7.7 Wider economic and social benefits

7.7.1 General considerations on wider economic benefits

There are several wider economic benefits associated with sport that have not been quantified as part of this evaluation, mainly due to lack of evidence from the literature or from the research conducted for the evaluation. Due to these limitations, the benefits described in this section cannot be included in a cost benefit analysis, but provide important context on the wider benefits that could be generated by SSP.

In line with HMT Greenbook guidance, non-monetised benefits should be acknowledged alongside the benefit-cost ratio to fully capture the economic impacts of SSP. We describe these benefits in this section, but have refrained from aggregating monetised annual impacts (from the literature) presented in this section, for two main reasons:

- ▶ **Limited methodological explanations** in the literature around how outputs have been estimated prevent a robust aggregation of annual monetised benefits. Without consistent methodologies between estimates, we cannot be certain that individual results are comparable. This poses risks such as double counting which would lead to an overestimation of wider economic benefits from SSP.
- ▶ **Deadweight and displacement** effects must be considered to accurately capture the additional economic benefits that would occur. Deadweight and displacement are not accounted for in many of the impact estimates presented in this section. As such assumptions must be made across different benefit streams to account for this, introducing high levels of uncertainty into the analysis.

7.7.2 Evidence of wider economic benefits of the SSP

From the qualitative evidence collected as part of this evaluation, it is expected that in the absence of the SSP, the following benefits of sport / sport associations would have been reduced, or even eliminated if SSP beneficiaries were to permanently disappear:

- ▶ **Indirect GVA benefits of preserving clubs:** these are associated with the income generated by spectators' expenditure at sport events and in the wider economic (for example, through tourism). In terms of spectators' expenditure, this is a relevant source of income for all the SSP recipients, and it was behind the motivation for establishing this intervention. It is not surprising that all stakeholders consulted for the case studies mentioned the importance of spectator revenue for their survival and financial health, which SSP has helped to preserve. Data on spectator numbers do not exist for all the segments and sport considered in the analysis.
- ▶ **Indirect GVA benefits of preserving events:** Certain segments were not included in the SCBA as evidence on their economic and social impacts was not collected in a systematic way. We were able to obtain some data on the economic impacts of selected events that were safeguarded however – for the Tour of Britain and the Women's Tour (cycling) evidence suggests that the net GVA benefits were between £17.0 million and £2.9 million respectively, suggesting that the multiplier effects of these benefits can be large. The host cities and towns that contributed to the Rugby League World Cup (RLWC), an event that is unlikely to have gone ahead without SSP funding, expected that there would be trickle down impacts to their areas, or a direct economic boost to the hospitality industry. The SSP funding effectively protected the investment that the local councils had made for the event. The impact of the RLWC on host cities / towns will be evaluated in 2023.
- ▶ **Indirect benefits of preserving grassroots programmes:** Case study evidence suggests that SSP funding helped to preserve several grassroots programmes including return to play programmes that were put in place to address the negative effects of the pandemic. In some cases, the preservation of clubs may have also helped to maintain levels of sport participation through the fact of supporting players' continued participation or through

inspirational effects (below). Further research would be needed to examine these effects in quantitative terms however a range of literature shows how enhanced participation physical activity can lead to improved social outcomes and benefits for the economy such as through cost savings to the NHS.

- ▶ **Inspirational effects (encouraging sport participation).** These effects were mentioned by stakeholders consulted for at least four case studies, and relevant in particular for young people, women and girls. This can be considered a second order effect of the SSP. That is, by enabling sport clubs to survive, SSP enabled them to continue having such inspirational effects on their local communities. Quantifying the extent of the inspirational effect is challenging. Although the link between professional sport and participation is recognised in the literature, studies typically focus on effects of large events (for example, RWC and the Netball World Cup^{34,35}), for which impacts may be larger. For the SSP, the qualitative evidence suggests that there could be such benefits, albeit smaller than those identified for big events. Through encouraging participation, SSP might have led to a wider range of individual benefits, for example:
 - ▷ **Improved educational attainment**³⁶ through an increase in student's motivation, improvement in their social relations with peers and persons in authority, and can impact positively on self-discipline, time management and self-esteem.

“That’s basically the benefit of the funding, it’s supported the team, players and the development of the kids”

- ▷ **Societal benefits** associated with participation in sport³⁷. Participation in sport has also been found to contribute to lowering youth crime by helping to reduce anti-social behaviour among young people.

³⁴ https://www.whatdotheyknow.com/request/296419/response/721939/attach/3/EY%20rugby%20world%20cup%20final%20report.pdf?cookie_passthrough=1

³⁵ <https://d2cx26qpfwuhvu.cloudfront.net/englandnetball/wp-content/uploads/2020/07/21140710/FINAL-EN-LEGACY-REPORT-compressed.pdf>

³⁶ <https://sportengland-production-files.s3.eu-west-2.amazonaws.com/s3fs-public/economic-value-of-sport.pdf>

³⁷ <https://sportengland-production-files.s3.eu-west-2.amazonaws.com/s3fs-public/economic-value-of-sport.pdf>

8.0 Summary and conclusions

This section brings the evaluation analysis together to provide some key conclusions on the outcomes and impacts of SSP, lessons from its design and delivery and wider policy issues raised by the evaluation research.

8.1 Conclusions for the key evaluation questions

This sub section draws together the analysis for each of the key evaluation questions.

What impact has SSP support had on improving the survival of recipient sports organisations? How has this varied across the different sports that have been supported?

This evaluation has provided a robust analysis of how likely it is that supported clubs would have gone into administration or faced insolvency without SSP funding. The analysis suggests that SSP funding lowered the risk of professional and semi-professional clubs going into administration as a result of the Covid-19 restrictions. For clubs receiving grants and loans over £10k the evaluation has found that 11% of clubs (or 96 clubs based on the total receiving funding in those segments) had a greater than 60% likelihood of going into administration before March 2022 without SSP funding while 27% of clubs (or 153) had a greater than 40% chance of going into administration without support from SSP. The analysis suggests that 323 clubs would have become insolvent/ gone into administration without the SSP funding.

For most supported clubs, it is likely they would have survived anyway without the SSP funding however there was clear evidence in many cases that the funding helped these clubs to recover more quickly from the impact of the pandemic by avoiding further cost cutting, safeguarding investments and resuming their participation in competitions much sooner than would have been the case in the absence of SSP support.

The analysis suggests that a significant number of clubs had at least a 30-40% chance of going into administration without the funding. As decisions were not based on perfect information, it was sometimes necessary to “lean into a decision” in order to mitigate the risk of insolvency. The decision to support them was therefore sound as this level of risk could not be ignored. The nature of sport and the structure of competitions is such that even the loss of a few clubs may have had devastating implications for local communities as well as knock-on effects for leagues that could have potentially affected other clubs’ finances.

Evidence on the role of SSP in supporting the survival of leagues is less clear and necessarily more speculative. The potential failure of several clubs which was a likely scenario based on the survey and case study evidence collected on clubs, suggests that both the Rugby Union Premiership and British Basketball league were likely to have been in danger in the short-term or at least have taken much longer to resume in their recognised formats without the SSP loans and grants to clubs. For other leagues including the RFU Championship, ice hockey and the football National League System Steps 1-2, the evidence suggests that a breakdown of the leagues without SSP was more unlikely. In the case of football National League System Steps 3-6 some restructuring and loss of fixtures in the longer-term was a likely scenario without SSP which would have caused severe disruption for clubs and some further failures. The loss of any clubs (mid-season particularly) would have had a significant impact, especially in relation to sporting integrity and resultant impact of missing fixtures on broadcast and spectator income. As a result of SSP funding, the Netball Super League was able to successfully take place in the 2021 season which helped the commercial growth of the sport.

What impact did SSP have on improving the financial sustainability of supported organisations?

Several indicators based on data collected via the long survey questions suggest that the financial position of clubs has improved since before the application for SSP funding and that the majority of clubs are on a path of recovery.

At the point of the survey, 29% of survey respondents reported having sufficient reserves to cover their expenditure for more than six months, a marked improvement on the pre-application point when the comparable figure was 11%.

Rugby Union Premiership case study clubs who have taken on significant levels of additional debt through SSP are facing challenging financial situations and will require continuing support from owners and substantial growth in revenues, including from diversification and business transformation activities such as events.

Some clubs that were at risk of failing before March 2022 are likely to continue to be in a position of vulnerability however many of the clubs in this category have been able to recover well and move on to a more secure financial footing.

Based on evidence from the case studies, there was little evidence that the SSP programme influenced clubs' business practices to the extent that this would have helped their long-term financial sustainability.

What impact has the SSP had on maintaining investment and participation in grassroots and women's sport? How has this varied across the different sports that have been supported?

There is a range of evidence to suggest that SSP played an important role in protecting investments in community and grassroots development and women's sport. Just over a third of respondents to the longer survey said that they reduced investment in women's sport because of the pandemic leading up to the application while 39% said they would have continued to reduce investment without the funding. Despite the drop in contributions in the months preceding the SSP, the survey results show that investments in grassroots and women's sport have since recovered and are now broadly in line with what clubs were spending before the pandemic.

Aside from direct funding for grassroots and women's sport, around £53.8m of direct investment into grassroots sport and £14.9m worth of investment into women's sport was potentially protected through the SSP funding by virtue of supporting the survival of clubs.

Case studies showed how the SSP funding was used to protect sport level investments in grassroots and women's activity. Funding was used to compensate NGBs for loss of income that occurred because of spectator restrictions at events or events being cancelled. Without SSP, the loss of income would have led to reductions in grassroots investment programmes.

Further potential effects on grassroots sport were potentially secured through SSP ensuring the continuation of leagues as this helped to maintain audiences and interest in a sport at the grassroots level and in the case of women's sport support its continuing growth.

To what extent were costs to the exchequer minimised?

The Social Cost Benefit Analysis (SCBA) focussed on the costs and benefits of the programme for those sporting organisations (and corresponding segments) that received more than £10,000 in SSP funding. The analysis did not monetise all the benefits of the programme, as several wider economic benefits could not be quantified through the impact analysis. It considered only GVA benefits from safeguarded employment from those clubs supported, and non-market benefits from use and non-use value. Wider benefits, for example, value of preserving tourism, and economic benefits from spectator revenue were not quantifiable. It also did not attempt to monetise the benefits of funding support that was provided to leagues and National Governing Bodies to support the continuation of activities. The programme costs were calculated on the basis of current modelling of loan repayments which may be subject to changes in the longer-term.

Programme costs for all organisations included in the scope of the value for money analysis, considering current modelling of loan repayments and defaults on loans, were estimated at £81.9 million. The Gross Value Added (GVA) to the economy associated with the survival of funded sporting organisations who received over £10,000 in

funding through SSP is estimated over a 5-year evaluation period at £143.5 million. The 5-year Net Present Value from GVA impacts alone was positive at £61.5 million, indicating that GVA benefits exceeded the total costs by around £62 million. This corresponds to a Benefit Cost Ratio (BCR) of 1.75 for GVA.

The non-market benefits of the SSP in terms of avoided welfare loss to society through the survival of funded sporting organisations through SSP is estimated at £115.2 million (5-year present value). The Net Present Value of non-market benefits alone over 5-years is also positive at £33.2 million. This corresponds to a BCR of 1.41 for non-market benefits.

Combined, the GVA and non-market benefits of the SSP for sport clubs who received over £10,000 and who were subject to the long survey over five years are estimated to be £258.6 million. This represents a positive net benefit compared to costs of £176.7 million. This corresponds to an overall BCR of 3.16 for GVA and non-market benefits associated with the survival of the clubs supported by SSP funding. That is, for every pound spent on the SSP to ensure the survival of the sports clubs, £3.16 of economic and social benefits were generated.

8.2 Overall conclusions

SSP was a large-scale programme developed and implemented at rapid pace in response to an unprecedented situation facing the sport sector. Considering this context, SSP was broadly delivered effectively. The programme developed appropriate application criteria and systems that were able to address the specific financial needs facing clubs and sport organisations. The strategic parameters of the funding package which were based on the need to address the financial implications of the Covid-19 spectator restrictions were clear from the outset and the vast majority of sports appreciated and understood the funding criteria. The programme supported a large number of clubs and organisations, is likely to have helped many clubs to survive through the pandemic and even more to recover more quickly.

The programme has highlighted lessons learnt for future support funds should a similar crisis ever arise, including the need to be more prepared with a greater understanding and more systematic data on the financial situation of professional sport clubs as well as a clearer understanding of how they contribute to the economy and society.

The evaluation data suggests that the sport sector (or at least those clubs targeted by SSP) is generally recovering well from the pandemic. However, the pandemic and the SSP application processes have exposed the financial challenges which clubs were already facing, as well as issues around their governance and management procedures and in some cases their over-reliance on volunteers. In some ways, SSP has given clubs an opportunity to move beyond the crisis and provided an opportunity to restructure. The economic shock of Covid-19 may have encouraged clubs to achieve more effective cost control measures, by spending less than they earn which may help to improve the resilience of the sector. There is a risk however that as we return towards levels of pre-Covid-19 normality that professional sport returns to the status quo and such issues affecting long-term financial sustainability are overlooked. This concern has provided the basis for using some of the SSP funding to support sport level 'governance and business transformation' which will be subject to separate evaluations.

The Covid-19 crisis and the experience of SSP has also raised questions regarding the role of policy in encouraging governance changes that enable clubs to become more financially sustainable. The experience suggests that sport organisations and bodies that operate professional leagues will need to re-visit financial distribution mechanisms, with a view to addressing financial imbalance and improving competitive integrity, to consider the greater use of financial regulations, for example salary or transfer caps and/or wage reductions clauses to support financial stability at a club level, or additional regulatory measures that include rewards and benefits for clubs that demonstrate sound financial management.

8.3 Recommendations for future research

As we highlight through this report, this evaluation only provides evidence on the short-term impact of SSP. It has only been able to assess the impact of the SSP on short-term survival and the survey research has highlighted that clubs which were helped to survive up to March 2022 may still be facing financial uncertainty. Sport England should continue to monitor the financial situations of supported clubs. This is essential for loan book management processes and is therefore already happening for clubs that received loans however there is a need to continue to monitor the financial situations of clubs that received grants and other sport organisations including NGBs. Value for money analysis could be completed in later years (for example in 3-5 years) to take into account more realistic modelling of expected credit losses with updated default probabilities, including actual defaults and updated data on actual survival of organisations.

It has not been possible within the time limits of the evaluation research to examine the longer-term recovery of grassroots and women's sport as the focus to date has largely been on the extent to which investments in these areas were safeguarded. There is potential to examine the longer-term outcomes of funding that intended to support grassroots and women's sport and to understand better the mechanisms through which safeguarded investments helped participation to recover. This could be achieved through longitudinal case studies and examination of the long-term impacts of programmes that were safeguarded.

More broadly, this research has highlighted the importance of accurate and timely financial data in understanding ongoing financial issues for clubs. There is a particular opportunity for monitoring of club finances to be improved through ensuring that data is recorded consistently by sport bodies, and that it can also be shared easily between partners to continue to monitor financial performance and inform the development of appropriate interventions.