



Evaluation of Sport Survival Package

Final report Annexes

Contents

Annex A: Segment table	6
Annex B: Monitoring data analysis.....	16
Delphi band analysis	16
Cash balance and cash burn analysis	18
Annex C: Evaluation questions.....	19
Annex D: Survey results.....	22
Long surveys	22
Short online survey	55
Annex E: Process tracing approach.....	75
Annex F: Econometrics feasibility.....	86
Preliminary considerations	86
Counterfactual impact evaluation	86
Selection bias	86
Direct awards and secondary models.....	87
Analytical options.....	87
Challenges and caveats.....	89
Summary and recommendations.....	90
Conclusion.....	91
Annex G: Value for Money – additional information, data and calculations	93
Cost data used in VfM Analysis.....	93
Non-market valuation: Benefit transfer methodology.....	94
Social Cost Benefit Analysis (SCBA) calculations.....	98

Tables

Table 1. Segment overview	6
Table 2. RAG analysis on cash balance and cash burn for direct SSP recipients	18
Table 3. Evaluation questions	19
Table 4. Responding clubs (more than £10,000 in funding) by segment	22
Table 5. Expenditures by segment, income group and type in 2019/20 (Q7)	26
Table 6. Share of income contributed by owners in 2019/20 by segment and income group (Q18)	32
Table 7. Changes in share of income contributed by owners between 2018/19 and 2020/21 by segment and income group (Q18)	34
Table 8. Responding clubs (less than £10,000 in funding) by segment	55
Table 9. Process tracing test	76
Table 10. Example evidence of assigning Sensitivity and Type 1 error probabilities.	77
Table 11. Example allocating sensitivities and Type 1 errors	78
Table 12. Probative values for sensitivities and Type 1 errors	80
Table 13. Total grants per segment	93
Table 14. Total estimated credit loss per segment	93
Table 15 Total administrative costs	94
Table 16. DCMS Football Study: Summary table: Willingness to pay (WTP) to preserve the existence of their supported/local professional men’s football club through Club Heritage Fund	95
Table 17. Non-market benefits (long survey SSP-funded organisations): Willingness to Pay to preserve the club + wellbeing value among players and volunteers: Year one benefits	98
Table 18. Social Cost Benefit Analysis: Net Benefits and Benefit Cost Ratio for SSP funded sports clubs (long survey data)	99

Figures

Figure 1. Distribution of Delphi scorecard for direct SSP recipients.....	17
Figure 2. Delphi scorecard by segment.....	17
Figure 3. Gross profit margins of responding clubs, grouped and by year (Q4/Q6/Q8/Q10)	23
Figure 4. Proportion of income by source and year (Q5/Q9).....	24
Figure 5. Expenditures by type and year (Q7/Q11).....	25
Figure 6. Weeks of operating expenditure in reserves by year (Q12/Q13)	27
Figure 7. In your opinion, how would you rate the impact that SSP funding has had on your organisation’s ability to keep operating? By this we mean, whether the SSP funding enabled your organisation to survive or reduced its risk of going into administration. On the scale of 1 to 5 where 1 is No impact and 5 is Significant impact. (Q14)	28
Figure 8. Cost cutting decisions between 2020 and SSP funding, and if no SSP funding had been available (Q15/Q16).....	29

Figure 9. Thinking about the reduction in income caused by the pandemic, approximately how much of this gap in income did the SSP funding help to cover? (Q17).....	30
Figure 10. Share of income contributed by owners/shareholders by financial year (Q18).....	31
Figure 11. Which of the following COVID-19 support measures have you made use of? (Q19).....	35
Figure 12. What did you spend the SSP funding on? (Q20).....	36
Figure 13. Roughly what percentage was spent on each category? (Q21).....	37
Figure 14. Staff figures by type and time period (Q22/Q27)	38
Figure 15. Income invested in community activities and women’s sport by time period (Q28/Q29/Q30/Q31).....	40
Figure 16. Confidence to be operating in six months from the time of the survey in reality and if SSP funding hadn’t been available (Q32_1/Q33_1).....	41
Figure 17. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn’t been available (Q32_2/Q33_2).....	42
Figure 18. Expected financial outcome for the financial year 2022/23 (Q34).....	43
Figure 19. Expected financial outcome for the financial year 2022/23 by segment (Q34).....	44
Figure 20. Financial projections compared to 2019/20 (Q35).....	45
Figure 21. Financial reserves by time period (Q39/Q39).....	46
Figure 22. Liabilities assets ratios by time period (Q36/Q37/Q40/Q41).....	47
Figure 23. Weeks of operating expenditure in reserves of clubs with +50% probability to have gone bankrupt without SSP funding (Q12/Q13).....	48
Figure 24. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn’t been available (Q32_2/Q33_2).....	49
Figure 25. Expected financial outcome for the financial year 2022/23 of clubs with +50% probability to have gone bankrupt without SSP funding (Q34).....	50
Figure 26. Liabilities assets ratios of clubs with +50% probability to have gone bankrupt without SSP funding by time period (Q36/Q37/Q40/Q41).....	51
Figure 27. Easiness to understand contractual terms and application process (Q42/Q44).....	52
Figure 28. To what extent do you think the decision-making criteria used to assess your application was fair and balanced? On a scale of 1-5 where 1 is ‘very unfair’ and 5 is ‘very fair’ (Q43).....	53
Figure 29. How would you rate your communication with your funding distributor (depending on how you applied, this could be Sport England or one of the National Governing Bodies) throughout the application and award process? On a scale of 1-5 where 1 is ‘very poor’ and 5 is ‘very good’ (Q45)	54
Figure 30. Weeks of operating expenditure in reserves by year (Q4/Q5).....	56
Figure 31. In your opinion, how would you rate the impact that SSP funding has had on your organisation’s ability to keep operating? By this we mean whether the SSP funding enabled your organisation to survive or reduced its risk of going into administration. On the scale of 1 to 5 where 1 is ‘No impact’ and 5 is ‘Significant impact’ (Q6).....	56
Figure 32. Between March 2020 and your first application for funding from SSP, which of the following cost-cutting decisions, if any, did you have to take? (Q7).....	57
Figure 33. Thinking about the reduction in income caused by the pandemic, approximately how much of this gap in income did the SSP funding help to cover? (Q9).....	58

Figure 34. Share of income contributed by owners/shareholders by financial year (Q10).....	59
Figure 35. Which of the following COVID-19 support measures have you made use of? (Q11).....	60
Figure 36. What did you spend the SSP funding on? (Q12).....	61
Figure 37. Full-time staff by period (Q13_1)	62
Figure 38. Part-time staff by period (Q13_2).....	63
Figure 39. Contractors by period (Q13_3)	64
Figure 40. Volunteers by period (Q13_4).....	65
Figure 41. Income invested in community and grassroots activities by time period (Q14/Q15).....	66
Figure 42. Income invested in women's sport (Q16/Q17).....	67
Figure 43. Confidence to be operating in six months from the time of the survey in reality and if SSP funding hadn't been available (Q18_1/Q19_1).....	68
Figure 44. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn't been available (Q18_2/Q19_2).....	69
Figure 45. For the 2022/2023 financial year, are you projecting to make a loss, a profit or to break even? (Q20).....	70
Figure 46. And how does this compare to your 2019/2020 financial year? Compared to your 2019/2020 financial results, the projections are (Q21).....	71
Figure 47. Since you applied for SSP funding, has the value of your liabilities including SSP and other loan repayments (Q22).....	72
Figure 48. How would you rate the following statements about the Sport Survival Package. (Q24)	73
Figure 49. The decision-making criteria used to assess my application was fair and balanced - On a scale of 1-5 where 1 is 'strongly disagree' and 5 is 'strongly agree', how would you rate the following statements about the Sport Survival Package. (Q24_4).....	74

Annex A: Segment table

Table 1. Segment overview

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Athletics	UK Athletics were facing a deficit due to the potential drop in spectator revenue, with two of their flagship events in 2021 under threat. These events were important from a sponsorship perspective and provided an important opportunity for GB athletes to prepare for the Tokyo Olympics.	To mitigate the risk of hosting the two flagship events in 2021 (the British Outdoor Championships/Olympics Trials in June 2021 and the Diamond League event in July 2021) and reduce the potential of losing the Diamond League from this country in the future.	Direct	£1.2m loan	► One loan of £1,200,000
Badminton	Badminton was facing a significant drop in spectator revenue and sponsor income as a result of holding the All England Championship behind closed doors in early 2021.	To secure replacement funding to safeguard investment in grassroots badminton, that would come from contributions through the All England Championships.	Direct	£1.33m grant	► One grant of £1,330,000
Basketball England	As a result of the Pandemic, Basketball England faced a critical reduction in revenue from reduced membership fees, licencing, retail, courses, and events. The costs incurred by a COVID-19 testing regime at all levels was regarded as financially unviable for clubs and the NGB.	To support continuation of the Basketball NBL league, the non-elite tier of English basketball, and fulfil their 'return to play' strategy safely.	Direct	£199,640 grant	► One grant award to the NBL league

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Basketball BBL and WBBL	Most national basketball league clubs are reliant on matchday income and sponsorship funding. Each club assessed on financial viability and need, also additional costs incurred by Covid-19 testing regime.	To ensure ongoing financial viability of basketball clubs, BBL and WBBL through the pandemic and ensure continued existence of the leagues beyond March 2022.	Direct	£3,6424,703 in total (£920,489 in loans; £2,704,214 in grants.)	<ul style="list-style-type: none"> ▶ 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 £100,00 ▶ Seven grants of between £100,000 and £250,000 ▶ Three grants of between £250,000 and £1,000,000
British Cycling			Direct	£400,000 grant	<ul style="list-style-type: none"> ▶ One grant award to British Cycling
Cycling	Loss of licencing income from cancelled Tour of Britain would lead to significant reductions in funding to invest in grassroots cycling, into cycling clubs, reduced support for COVID-19 recovery initiatives and risks of redundancies.	To ensure the survival of the Tour of Britain and the Women's Tour. Funding needed to facilitate financial viability up until the hosting of the postponed 2020 tour. To ensure tour was still profitable for British Cycling, so subsequent money was available to invest in grassroots and other sport needs without needing to reduce, reallocate or use redundancies to raise funds.	Direct	£2,476,000 in total (£1,387,000 in loans; £1,089,000 in grants)	<ul style="list-style-type: none"> ▶ One loan of £1,387,000; ▶ Two grants of less than £1,000,000

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Equestrian	To support a proportion of loss of contribution due to the cancellation of the Badminton and Burghley Trials. No survival need, however, lack of support will compel them to make further cuts to their grassroots support.	To mitigate against long term damage to the sport caused by the recently implemented cost saving measures.	Direct	£139,000 - grant	<ul style="list-style-type: none"> ▶ One grant to British Eventing
Football National League Steps 1-2	The National League operates below professional level and relies on spectator income to ensure clubs' financial viability, both in terms of ticketing revenue and match day spend.	Ensure financial viability of the 100 clubs in Steps 1-2 up to March 2022 and continuation of the league beyond March 2022.	Direct	£13,388,986 in total (£13,351,666 in loans; £37,320 in grants)	<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	The National League operates below professional level and relies on spectator income to ensure clubs' financial viability, both in terms of ticketing revenue and match day spend.	Ensure financial viability of the 900 clubs in Steps 3-6 up to March 2022 and continuation of the league beyond March 2022.	Secondary Model	£11,026,203 in grants	<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

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Hockey	Loss of spectator revenue in-particular from England Hockey's profitable events programme due to Covid-19 led to significant potential impact on revenues. Event profits had traditionally been spent on grassroots sports, so additional funding was needed to ensure longer-term viability of this model.	To avoid a reduction in the spending available for community and grassroots activity.	Direct	£1,186,000 grant.	<ul style="list-style-type: none"> ▶ One grant award to England Hockey.
Horseracing Industry (HBLB)	Clubs run a lot of development programmes which rely on spectator revenue and funding was required to ensure the fixture list of high-profile and smaller racecourses could still operate without spectators.	Support the grassroots level of the sport; enable funding distribution across the whole of the industry supporting survival for the period 1 October 2020 to 31 March 2021.	Secondary Model	£21,520,000.	<ul style="list-style-type: none"> ▶ One loan to HBLB, who are using funding to pay racecourses' essential expenses.
Ice Hockey	A combination of being a solely indoors sport and difficulties in getting recognition of ice rinks as sporting venues has affected significantly clubs' matchday revenue streams.	To facilitate a shortened, mini-league season in 2021.	Direct	£2,779,984 in total (£1,601,600 loans, £1,252,394 grants)	<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

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Motorsport	Spectator income makes up a major proportion of the sport's revenue and has been lost during pandemic as many events have been cancelled. Santa Pod is an annual event with 400,000 attendees but due to limited cashflow during the 2020 season was at risk of not taking place.	To ensure the survival and reopening of Santa Pod races.	Direct	£843,000 loan	<ul style="list-style-type: none"> ▶ One loan award to Santa Pod
Netball	Loss of spectator income and cancellation of the 2020 season compounded existing minimal profit or loss-making across NSL clubs. Funding required to continue Super League without spectators, boost commercial prospects through visibility and continue grassroots development.	To ensure the successful delivery of the NSL during Covid-19 without spectator funds, to invest in community development work and protect the integrity of the sport and ensure that all clubs can continue to take part in the 2021 season.	Direct	£4,408,290 in grants	<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 (Women's and Tier 4/5)	Significant losses in spectator income would have a disproportionate impact on lower Tier 4 and 5 community and women's rugby league.	Grants needed to ensure financial viability of community rugby league until March 2022 and to protect development of women's sport.	Secondary Model	£1.5m in grants	<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

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Rugby League (Tiers 1-3)	Significant losses in spectator income and additional costs of Covid-19 testing regime threaten financial viability of Tiers 1-3 of non-professional rugby league.	To ensure clubs survive and the integrity of the league is protected.	Secondary Model	£10.1 million in loans	<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 (World Cup)	World Cup due to take place was cancelled with New Zealand and Australia pulling out over pandemic concerns. Financial impact due to postponement.	To ensure the successful delivery of the postponed men's, women's and wheelchair Rugby League World Cup and maintain and enhance their commercial successes, wider impact and legacy.	Direct	£5,600,000 - all grants	<ul style="list-style-type: none"> ▶ One grant of £5,600,000

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Rugby Union (Premiership)	Covid-19 restrictions in spectators in winter 2020/21 created financial viability issues as caused a significant reduction in revenues and reduced revenue forecasts.	Survival of Premiership clubs up to March 2022 and to preserve the integrity of the league beyond March 2022.	Direct	£123,815,967 in loans	<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)	Spectator revenue has been lost due to Covid-19 restrictions, whilst cuts to central funding from the Premiership and possible reduction in sponsorship/ broadcaster revenue due to potential expansion of premiership to 14 clubs have left Championship clubs' financial viability more precarious.	Retain the integrity and status of the Rugby Union Championship, assist clubs in meeting their deficit gap and meet COVID-19 testing regime costs.	Direct	£4,837,731 in loans	<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 (Women's Premier 15s)	All Premier 15s women's rugby teams are not profit-making and are underpinned by funding by the RFU and 'parent' clubs. The RFU has had to reduce funding to these clubs by 25% which has impacted plans to enhance player welfare.	To cover Covid testing and to introduce the most vital aspects of planned player welfare enhancements. For example, COVID-19 testing costs, Head Injury Assessment (HIA) and ambulance cover.	Secondary Model	£775,000 in grants	<ul style="list-style-type: none"> ▶ Nine grants below £50,000 ▶ One grant award of £247,687 to cover central RFU Covid-19 costs.

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Rugby Union (Women's national team)	The Women's National Team is not revenue-generating and considerable additional Covid-19 related costs for the Six Nations and Rugby World Cup are being incurred by RFU.	To safeguard women's support and support the costs of the women's national team to ensure they can prepare for and compete in the Six Nations and World Cup.	Direct	£290,000 in grants	▶ One grant award to the RFU
Rugby Union (Community Rugby)	Significant impact of Covid-19 on the local and community rugby clubs.	Survival of RFU's grassroots activities and community-level engagement, particularly their 'Community Engagement Programme' which targets increasing women's rugby, diversity in rugby and rugby's role in disadvantaged places.	Secondary Model	£18.3m in grants	<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
Rugby Union (Levels 3 and below)	Loans will support clubs in immediate survival need - providing access to funding for facility works and infrastructure designed to respond to the impact of Covid-19 and enable clubs to get back playing when the time comes.	To cover survival costs for rugby union community clubs at level 3 or below and ensure delivery of essential infrastructure and capital works.	Secondary Model	£10.2m in loans	<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

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Speedway	Speedway has faced financial difficulties due to Covid-19 closing venues, cancelling of the 2020 season and delays to the 2021 season. Failure of any of the top tier clubs poses risk to overall broadcasting deal and its income, Also additional testing, cleaning etc. costs.	Clubs survive and the three leagues are all protected.	Direct	£252,000 in loans £1,000 in grants	<ul style="list-style-type: none"> ▶ Four loans between £20,000 and £150,000 ▶ One grant of £1,000
Surfing	Individual and club membership reduced to Surfing England, as well as sponsorship losses by cancellation of the annual English Surfing National Championships. Reduces overall budget for grassroots, community and national governance.	To replace lost revenue incurred by a reduction in sponsorship and membership income, ensuring delivery of essential costs and continue planned community and grassroots participation activities.	Direct	£48,000 grant	<ul style="list-style-type: none"> ▶ One grant award to Surfing England
Tennis	Huge drops in the number of events that take place or take place with reduced/no capacity for spectators and their revenue as well as sponsorship reductions has left the LTA with a shortfall in usual funding which would be allocated to grassroots and other sport participation activities.	To use funding to address spectator revenue gap, allowing usual funding to be allocated to grassroots and participation agendas i.e. women's tennis.	Direct	£14.3m loan	<ul style="list-style-type: none"> ▶ One loan award to the LTA

Segment Name	Rationale/ Focus	Specific Funding Objectives	Award Type	Funding Allocation	Breakdown of Awards
Women's Football (Clubs)	Covid-19 impacts on women's football clubs in terms of financial viability are a major risk. If the league cannot complete or clubs fold financially due to cuts, then the long-term integrity of the nascent women's league will be undermined to sponsors and broadcasters.	Clubs can continue with their season and deliver on their rights commitments to sponsors, ensuring the future integrity and sustainability of the league.	Direct	£680,960 in grants	<ul style="list-style-type: none"> ▶ Two grants between £50,000 and £100,000 ▶ Four grants between £100,000 and £200,000
Women's Football (FA Women)	The combination of a loss of spectators and matchday revenue, a costly COVID-19 testing regime for professional sportswomen and pre-existing low/no profitability was placing financial burdens on women's football threatening the sport. This would reduce capacity to invest in grassroots and women's football development to the long-term detriment to the sports' future.	To protect professional women's sport by financing the covid testing required to ensure the top two tiers of the WSL and FA Cup could continue.	Direct	£2,250,000 in grants	<ul style="list-style-type: none"> ▶ One grant award to FA Women

Annex B: Monitoring data analysis

This annex summarises the financial analysis conducted on the latest monitoring reports submitted by SSP recipients. It draws on the review carried out by Sport England's delivery partners Sporting Assets¹.

As a condition of funding, direct recipients of SSP funding are required to submit monitoring reports twice a year. The first reporting cycle was completed in October 2021 and the second in March 2022. The analysis presented below draws on the latest monitoring review undertaken by Sport England's delivery partner Sporting Assets. This involved a review of organisations' financial positions post-funding as of March 2022 based on, amongst other indicators²:

- ▶ Delphi band: a scorecard calculated by Experian used to predict credit risk and potential business failure within the next 12 months based on a company's performance and creditworthiness.
- ▶ Cash balance: whether an organisation has a positive or negative cash balance.
- ▶ Cash burn: how fast an organisation spends its available supply of cash.

It should be noted that:

- ▶ This analysis only covers direct SSP recipients and therefore does not include organisations which received funding via the secondary models.
- ▶ Not every organisation was assessed against each of the criteria, as for example, if an organisation is unincorporated, it is not possible to obtain its Delphi band.

Delphi band analysis

The data shows that 36 or just over a third of the organisations with a Delphi rating were at high or maximum risk of business failure with two organisations classified as being at imminent risk of dissolution and one organisation being in liquidation.

Segments where over 50% of the clubs were seen as vulnerable in the 'high risk' and 'maximum risk' categories were RFU Championship, The Elite Ice Hockey League (EIHL) and Women's' Football.

¹ A delivery partner of Sport England who have supported the funding decision-making and monitoring processes.

² In addition, Sporting Assets also reviewed how organisations' current financial position compared to the original projections and whether the assessment of spend flagged any concerns

Figure 1. Distribution of Delphi scorecard for direct SSP recipients

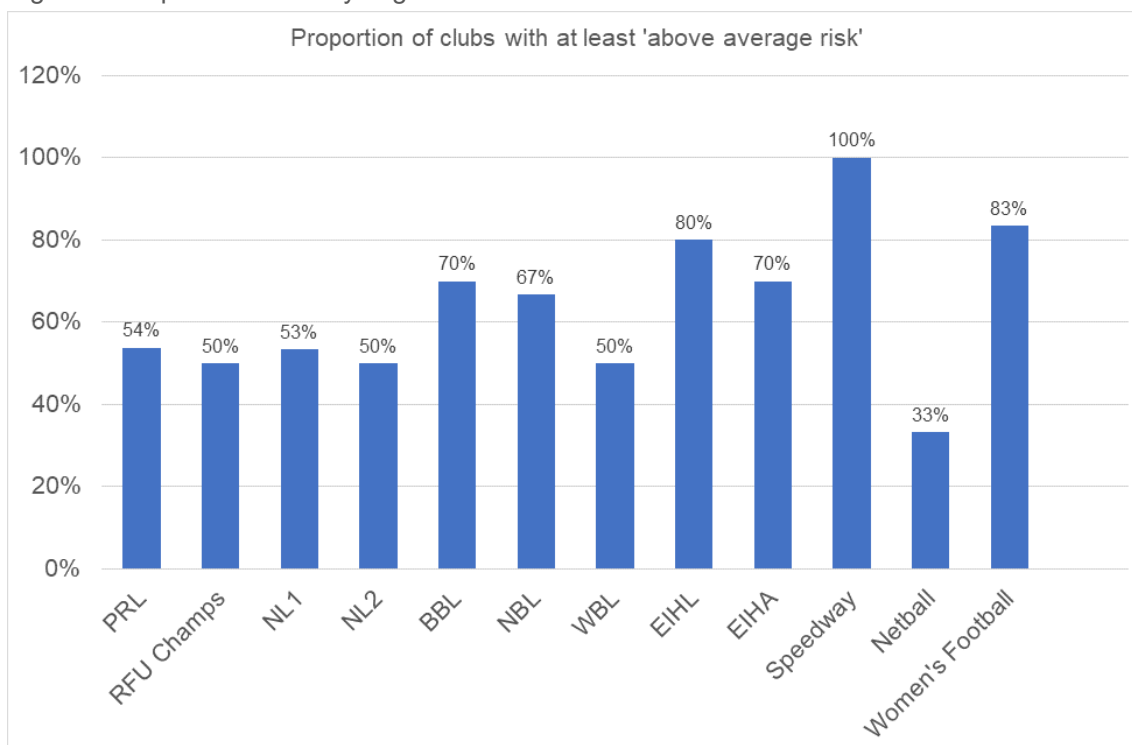


Base: 103 out of the 124 organisations who submitted monitoring reports in March 2022

Source: Segment Level Reports, Sporting Assets

The chart below compares financial vulnerability across specific sport segments. In many of the segments, more than half of the clubs had a Delphi rating of either ‘above average risk’, ‘high risk’ or ‘maximum risk’. In football’s National Leagues 1 and 2, almost half of clubs were in either the ‘high’ or ‘maximum’ risk categories.

Figure 2. Delphi scorecard by segment



Base: 103 out of the 124 organisations who submitted monitoring reports in March 2022

Source: Segment Level Reports, Sporting Assets

Cash balance and cash burn analysis

In terms of cash balance, 73% (n=86) of assessed organisations were classified as having a positive cash balance (i.e., coloured green) whilst 5% (n=6) were found to have negative cash balance (i.e., coloured red) (Table 2). The cash burn analysis shows that 65% (n=75) of assessed organisations had less than a month of operational cash cover. This means that these organisations only have enough funds to cover one month's worth of expenses and have little or no contingency in place.

Table 2. RAG analysis on cash balance and cash burn for direct SSP recipients

	Cash balance	Cash balance	Cash burn	Cash burn
RAG	Description	No of organisations	Description	No of organisations
Green	Positive cash balance	86	>3-month operational cash cover	23
Amber	Negative cash balance but with supporting commentary	26	<3-month operational cash cover	18
Red	Negative cash balance and no evidence to demonstrate why this will be ok	6	<1-month operational cash cover	75

Source: Segment Level Reports, Sporting Assets

Annex C: Evaluation questions

Table 3. Evaluation questions

SSP Objective	Core evaluation questions	Sub evaluation questions
To ensure few sports or sports clubs are lost as a result of the restrictions on spectator attendance.	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?	<ul style="list-style-type: none"> ▶ Have sports organisations supported by the SSP survived until March 2022? ▶ How critical and necessary was SSP funding to the survival of recipient organisations? ▶ How many sports organisations would have survived in the absence of financial support from the SSP? ▶ Did the SSP adequately fill the gap in lost income brought about because of the restrictions on spectator attendance- was the amount allocated higher or lower than was needed to survive? ▶ Was the gap in lost income because of restrictions to spectator attendance smaller or larger than expected at the time SSP financial support was allocated? Why was this the case? ▶ How has the SSP helped sports organisations to survive? In what ways have SSP grants and loans been used to support the continuation of organisations? ▶ Have supported organisations used other Covid-19 support measures (e.g. furlough) and would these measures have been adequate to ensure their survival in the absence of the SSP? ▶ Were there any unintended benefits/ disbenefits of the SSP in terms of the financial situation of supported organisations?

SSP Objective	Core evaluation questions	Sub evaluation questions
N/A	<p>What has been the impact of the SSP on improving the financial sustainability of supported organisations?</p>	<ul style="list-style-type: none"> ▶ Has the SSP improved the financial viability of sports organisations? Are supported organisations any more or less viable than they were at the beginning of spectator restrictions because of SSP support? ▶ Has SSP funding stimulated new and innovative ways of working for sports clubs and National Governing Bodies (e.g. created new income streams, new or better relationships within the sector/ with Government)? ▶ How far are the supported organisations likely to be financially sustainable in the medium and long term taking account of their debt repayment and other financial obligations? ▶ What issues emerge in relation to the medium to long term financial viability of sports organisations (e.g. ability to pay back loans, ability to survive in the medium term, ability to provide community development activities, ability to support grassroots and women's sport)?
<p>To minimise the long-term damage to investment and participation in grassroots and women's sport.</p>	<p>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?</p>	<ul style="list-style-type: none"> ▶ In what ways have SSP grants and loans been used to support grassroots activities (taking into consideration direct support from SSP finance and indirect support by National Governing Bodies)? ▶ To what extent have levels of investment in grassroots sport been influenced by the SSP? To what extent has this investment successfully protected or boosted infrastructure and opportunities for future participation and engagement? ▶ In what ways have SSP grants and loans been used to support women's sport (taking into consideration direct support from SSP finance and indirect support by National Governing Bodies)? ▶ To what extent have levels of investment in women's sport been influenced by the SSP? To what extent has this investment successfully protected or boosted infrastructure and opportunities for future participation and engagement? ▶ Are there any particular themes that are more or less prevalent in relation to SSP support to grassroots and women's sport (e.g. has there been more success in supporting grassroots rather than women's sport, more success on maintaining participation rather than investment in sport?).

SSP Objective	Core evaluation questions	Sub evaluation questions
To deliver value for money to the Exchequer.	<p>To what extent were costs to the exchequer minimised?</p> <p>To what extent has the SSP delivered economic and social benefits?</p>	<ul style="list-style-type: none"> ▶ How many recipient organisations would have survived in the absence of SSP support and how critical was this support to their survival? ▶ Could the SSP have helped organisations to survive with less funding? ▶ How able and confident are recipients of SSP support to service and repay their loan (taking into consideration credit risks and extent of defaults)? ▶ How many sports organisations used the SSP as a last resort- to what extent did supported clubs deplete resources/ explore other opportunities before accepting support from the SSP? ▶ How were grants and loans from the SSP spent- were they used on activities critical for the organisation's survival? ▶ Did organisations use other forms of Covid-19 support measures (e.g. furlough) and would these measures have been adequate to ensure their survival in the absence of the SSP? ▶ What were the social and economic benefits of the SSP? ▶ What was the overall Return on Investment of the SSP?
To implement the SSP in an effective and efficient way	To what extent was the SSP designed and delivered in an effective and efficient way?	<ul style="list-style-type: none"> ▶ Did the initial needs assessment and award criteria successfully meet the needs of different sports, organisation types, and distribution models? ▶ Was the amount of financial support given by the SSP proportional, consistent, and pitched at the right level to ensure organisations' survival? ▶ Did the application and assessment process allow assessors to make informed decisions? ▶ Did applicants feel well-informed and fairly dealt with throughout the application process? ▶ Did the secondary models allow secondary leads to tailor the funding distribution to their networks and ensure secondary applicants understood the application and delivery process? ▶ What are the key lessons from the implementation of the SSP in terms of a) allocating financial support to the sports sector including any learning from using loan products instead of grants, (b) working with commercial organisations, (c) longer-term issues around financial resilience, and (d) wider learning on responses to and recovery from the Covid crisis?

Annex D: Survey results

Long surveys

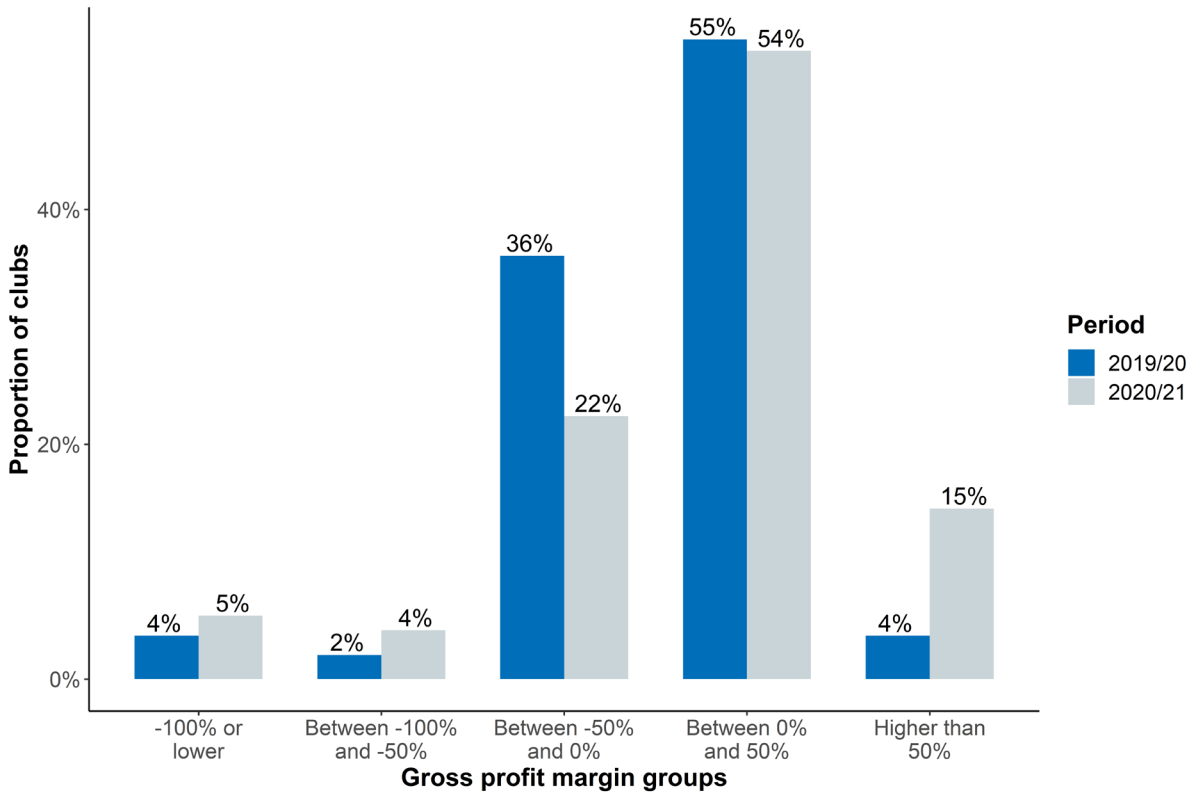
In total, 294 clubs that received more than £10,000 in SSP funding responded to the survey. More than half of respondents were community rugby clubs followed by football clubs from the National League Steps 3-6. Table 4 shows the distribution of responding clubs by sport segment.

Table 4. Responding clubs (more than £10,000 in funding) by segment

Segments	Respondents - Number	Respondents - %	Population (over £10k awards) – Number	Population (over £10k awards) – %
Rugby Union (Community Rugby)	151	51	559	44
Football National League Steps 3-6	89	30	480	38
Rugby League (Women's and Tier 4/5)	24	8	85	7
Football National League Steps 1-2	11	4	35	3
Basketball BBL and WBBL	8	3	38	3
Ice Hockey	4	1	20	2
Rugby League (higher non-elite tiers)	2	1	26	2
Rugby Union (Championship)	2	1	7	1
Netball	1	0.5	9	1
Rugby Union (Premiership)	1	0.5	13	1
Women's Football (Clubs)	1	0.5	6	0.5
Total	294	100	1,278	100

Clubs were asked to provide operational income and expenditure figures for the financial years 2019/20 and 2020/21 which were used to calculate Gross Profit Margins (GPM). Figure 3 shows that the majority of clubs had GPMs between 0% and 50% in both years however 42% had a negative GPM in 2019/20 and were therefore operating at a loss prior to their SSP application. Less than 10% had GPMs lower than -50% and only 4% of clubs had a GPM higher than 50% in 2019/20. 15% of clubs reported such a high GPM in the following year.

Figure 3. Gross profit margins of responding clubs, grouped and by year (Q4/Q6/Q8/Q10)

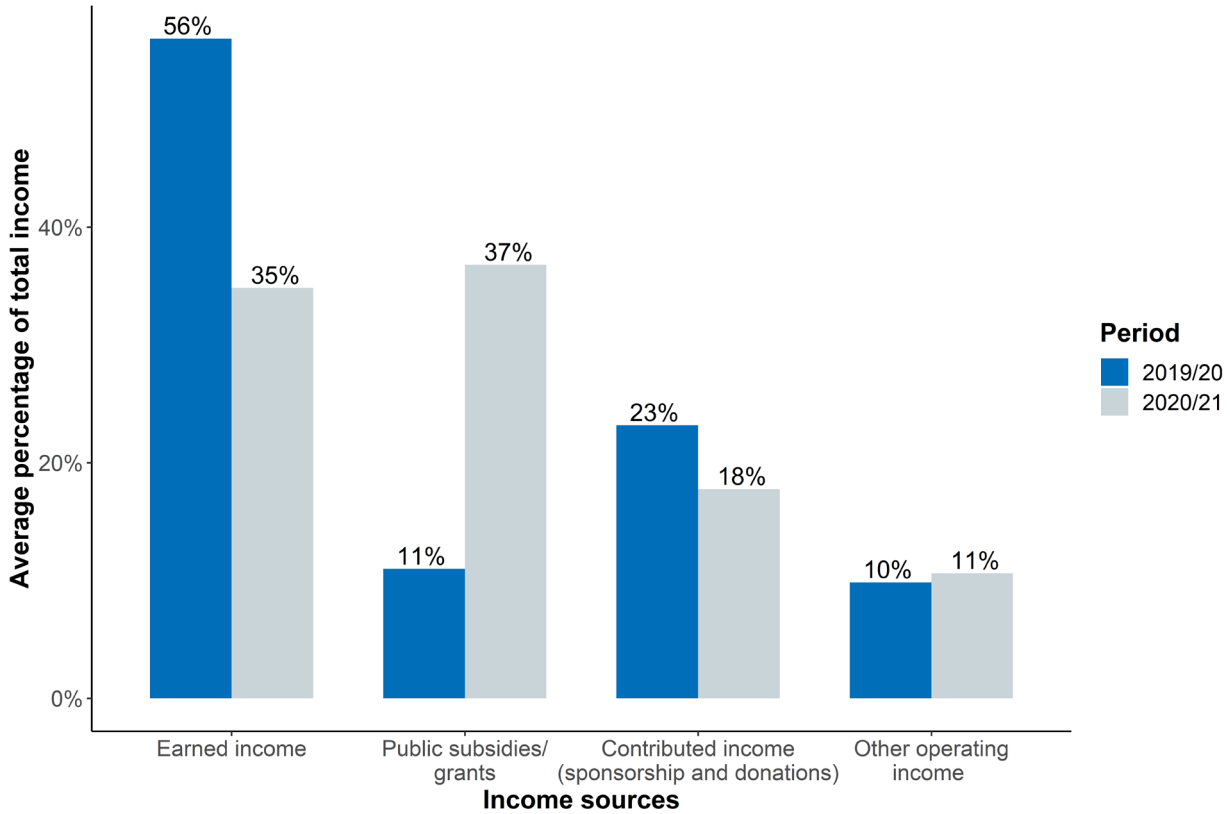


N = 244 (2019/20); N = 241 (2020/21)

Source: SSP CATI & CATI to online survey

While earned income constituted on average 56% of the total income of all responding clubs in the financial year 2019/20, this figure dropped to 35% in the following year. There was also a notable decline in the relative share of contributed income (sponsorships and donations), which fell from 23% to 18%. In contrast, the average share of public subsidies and grants of the total income rose from 11% in 2019/20 to 37% in 2020/21, probably reflecting the increase in funding support during the Covid-19 crisis.

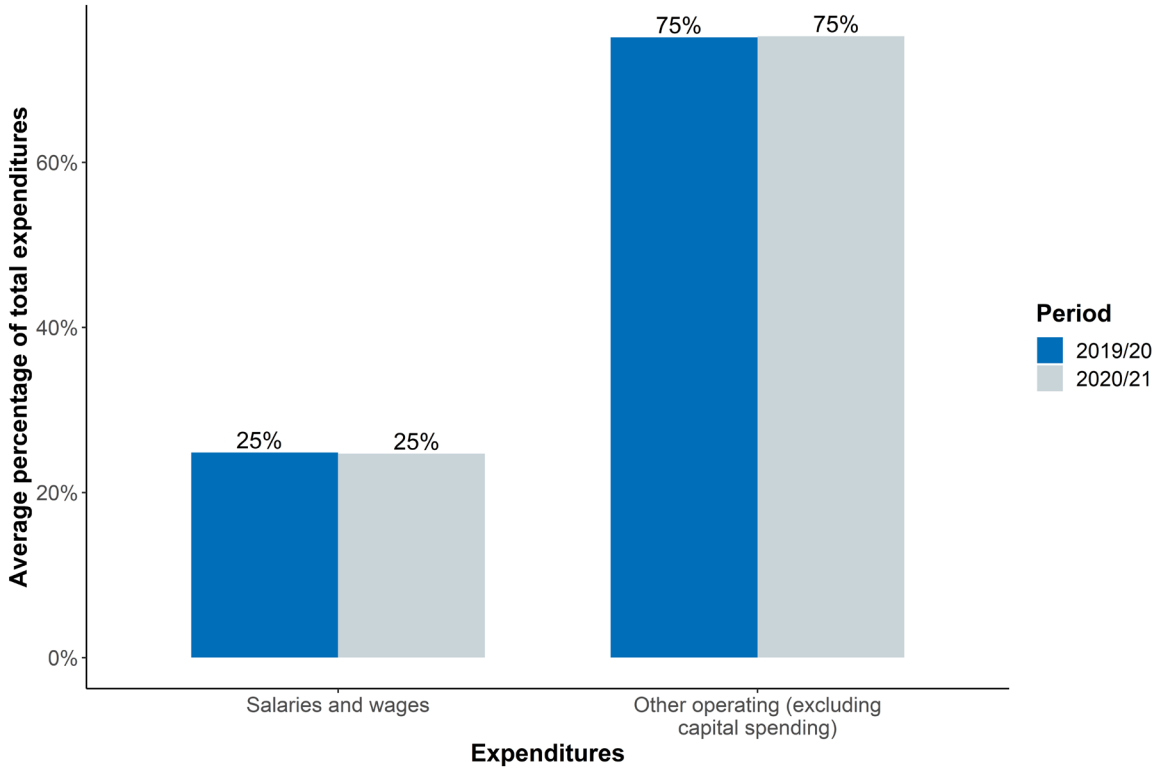
Figure 4. Proportion of income by source and year (Q5/Q9)



N = 241 (2019/20); N = 231 (2020/21)
 Source: SSP CATI & CATI to online survey

When asked how their expenditures were spread across wages and any other operating expenditures, responding clubs reported that in the financial year 2019/20 on average a quarter of their expenditures fell on wages and salaries and three quarters on other expenditures. Clubs reported nearly identical figures for the financial year 2020/21.

Figure 5. Expenditures by type and year (Q7/Q11)



N = 246 (2019/20); *N* = 233 (2020/21)

Source: SSP CATI & CATI to online survey

Splitting these responses by different segments shows that while professional clubs spent around half of their whole expenditures on salaries and wages, semi-professional clubs spent only around 22%. Likewise, splitting all responding clubs by income in 2019/20 shows that clubs which had an income of at least £150,000 spent on average around 36% of their total expenditures on salaries and wages while clubs with an income of less than £150,000 spent on average of around 13%.

Table 5. Expenditures by segment, income group and type in 2019/20 (Q7)

	Segments	Expenditure – Salaries and wages	Expenditure – Other operating
Clubs split by segment	Professional clubs ³ N = 28	50%	50%
Clubs split by segment	Semi-professional clubs ⁴ N = 266	22%	78%
Clubs split by income group⁵	At least £150,000 income in 2019/20 N = 131	35%	65%
Clubs split by income group⁶	Less than £150,000 income in 2019/20 N = 122	14%	86%

³ Rugby Union (Premiership & Championship), Rugby League (higher non-elite tiers), Football National League Steps 1-2, Ice Hockey, Basketball BBL and WBBL

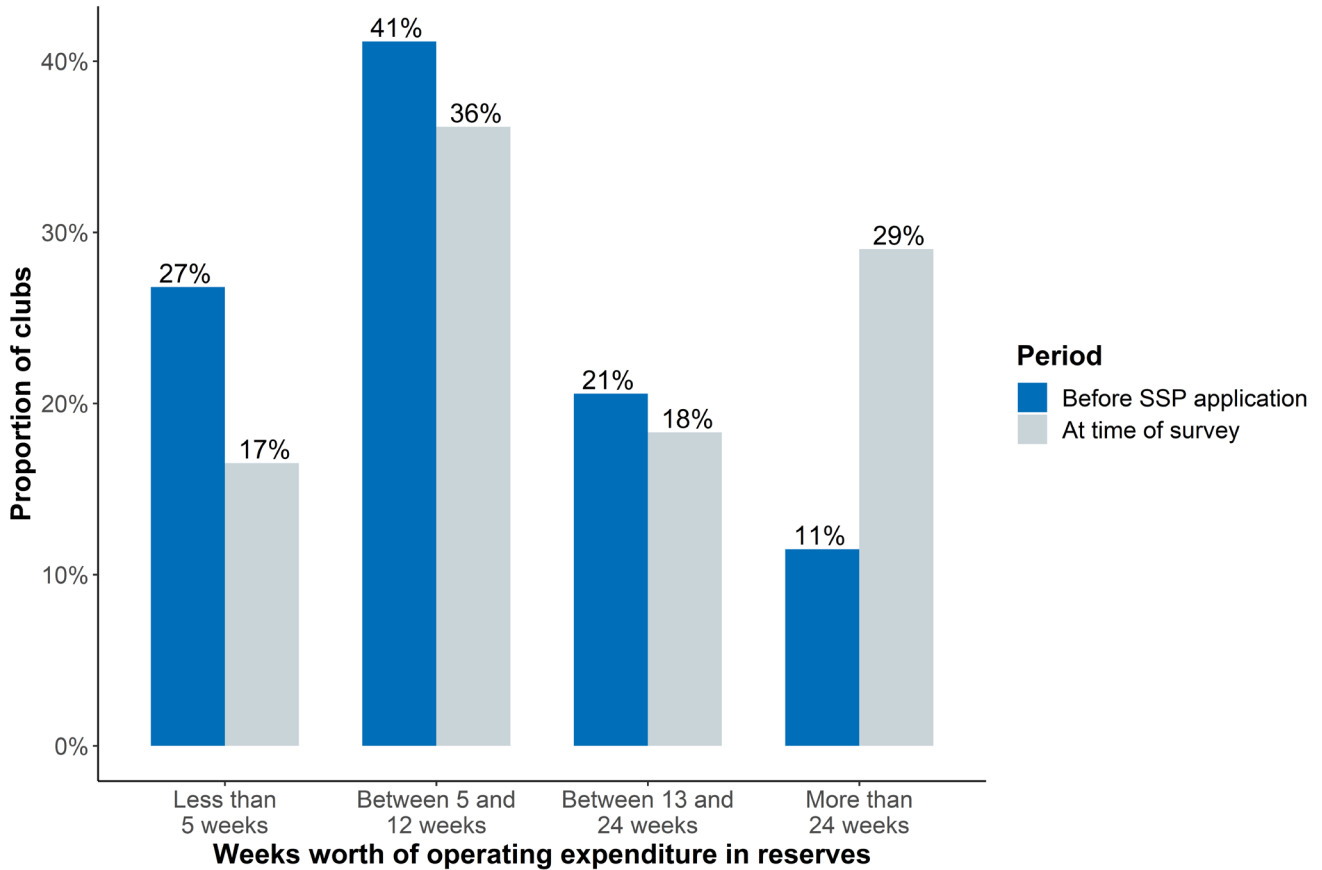
⁴ Football National League Steps 3-6, Netball, Rugby League (Women's and Tier 4/5), Rugby Union (Community Rugby), Women's Football (Clubs)

⁵ Clubs which did not provide their income for 2019/20 were not included.

⁶ Clubs which did not provide their income for 2019/20 were not included.

The share of clubs having less than five weeks of operating expenditure in their reserves fell from 27% just before their SSP application to 17% at the time of the survey. The proportion reporting having between five and 12 weeks fell from 41% to 36% while those having more than 24 weeks rose from 11% to 29%.

Figure 6. Weeks of operating expenditure in reserves by year (Q12/Q13)

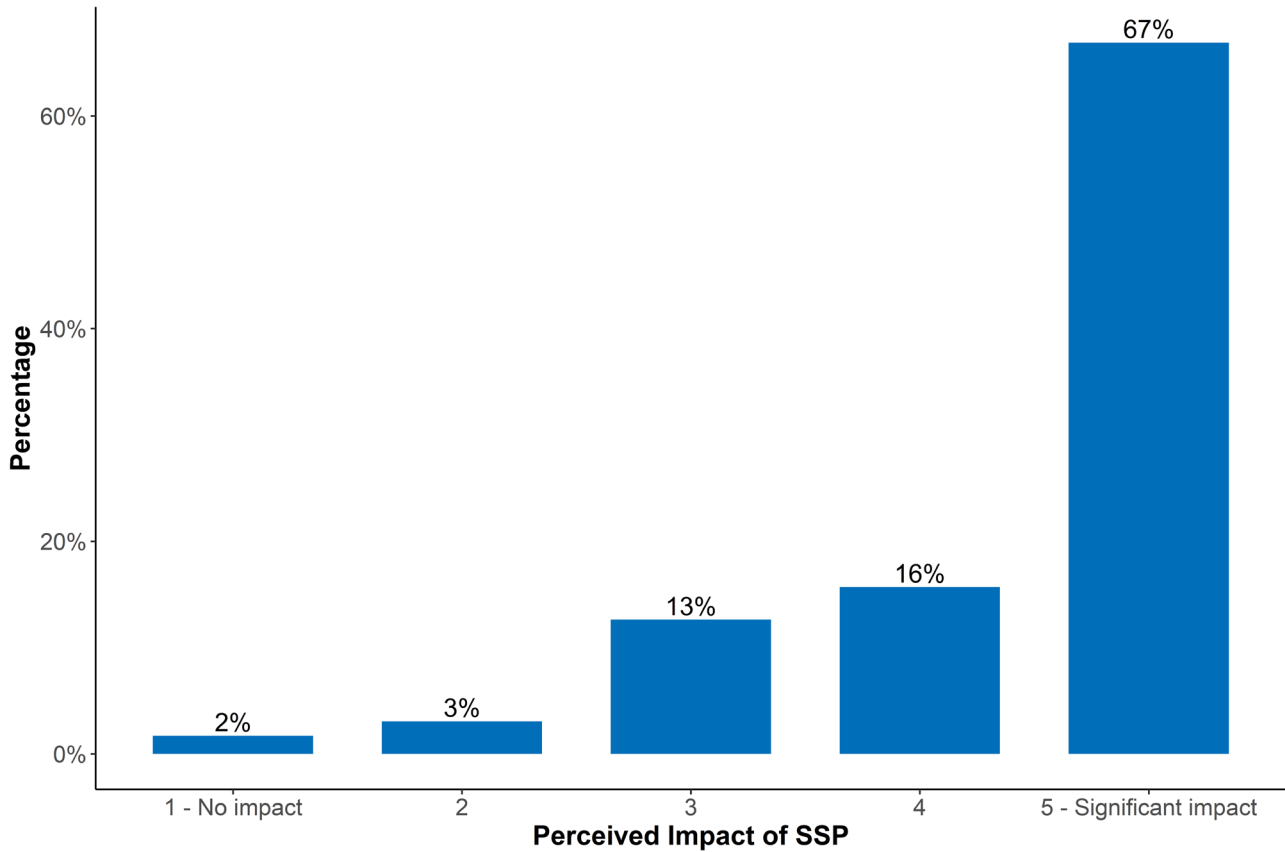


N = 209 (Before SSP application); *N* = 224 (At time of survey)

Source: SSP CATI & CATI to online survey

Most respondents (67%) felt that SSP funding had a significant impact on their organisation’s ability to keep operating through the pandemic. Only 2% of clubs felt the funding had no impact on their ability to keep operating.

Figure 7. In your opinion, how would you rate the impact that SSP funding has had on your organisation's ability to keep operating? By this we mean, whether the SSP funding enabled your organisation to survive or reduced its risk of going into administration. On the scale of 1 to 5 where 1 is No impact and 5 is Significant impact. (Q14)

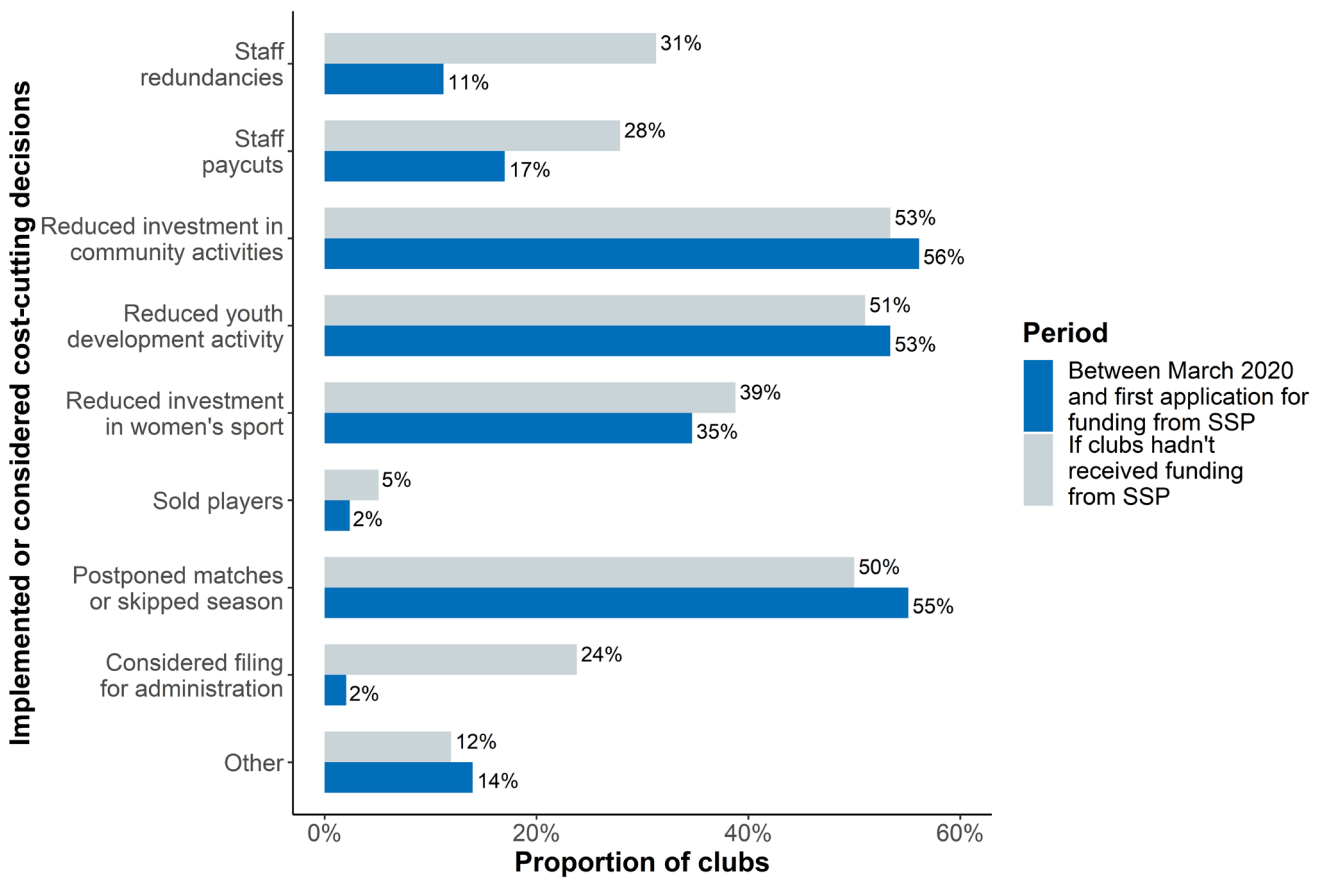


N = 293

Source: SSP CATI & CATI to online survey

The most common cost cutting decisions clubs had to make between 2020 and the SSP funding was pausing or reducing investment in community activities (61%), postponing matches or skipping seasons (60%) and pausing or reducing youth development activity (58% of clubs). The least common cost cutting measures were considering filing for administration (2%), selling players (3%) and staff redundancies (12%). Clubs were also asked about cost-cutting decisions they would have had to consider if they had not received funding from the SSP. Most notably, 31% would have had to consider staff redundancies (compared to 11% in reality) and 24% reported that they would have had to consider filing for administration.

Figure 8. Cost cutting decisions between 2020 and SSP funding, and if no SSP funding had been available (Q15/Q16)

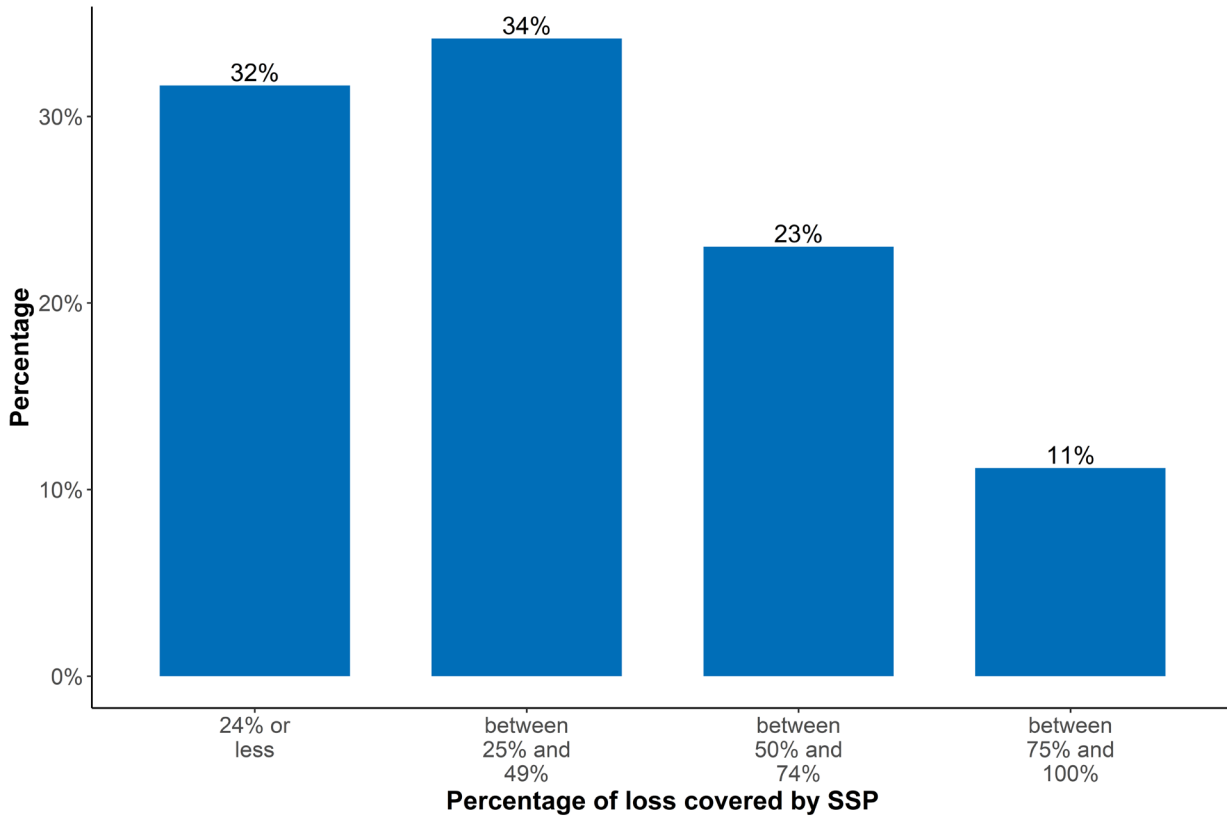


N = 271

Source: SSP CATI & CATI to online survey

Roughly two thirds of clubs had either 24% or less of loss covered by SSP (32%) or between 24-49% covered (34%). 11% of clubs had between 75% and 100% of their loss of income from the pandemic covered by SSP funding.

Figure 9. Thinking about the reduction in income caused by the pandemic, approximately how much of this gap in income did the SSP funding help to cover? (Q17)

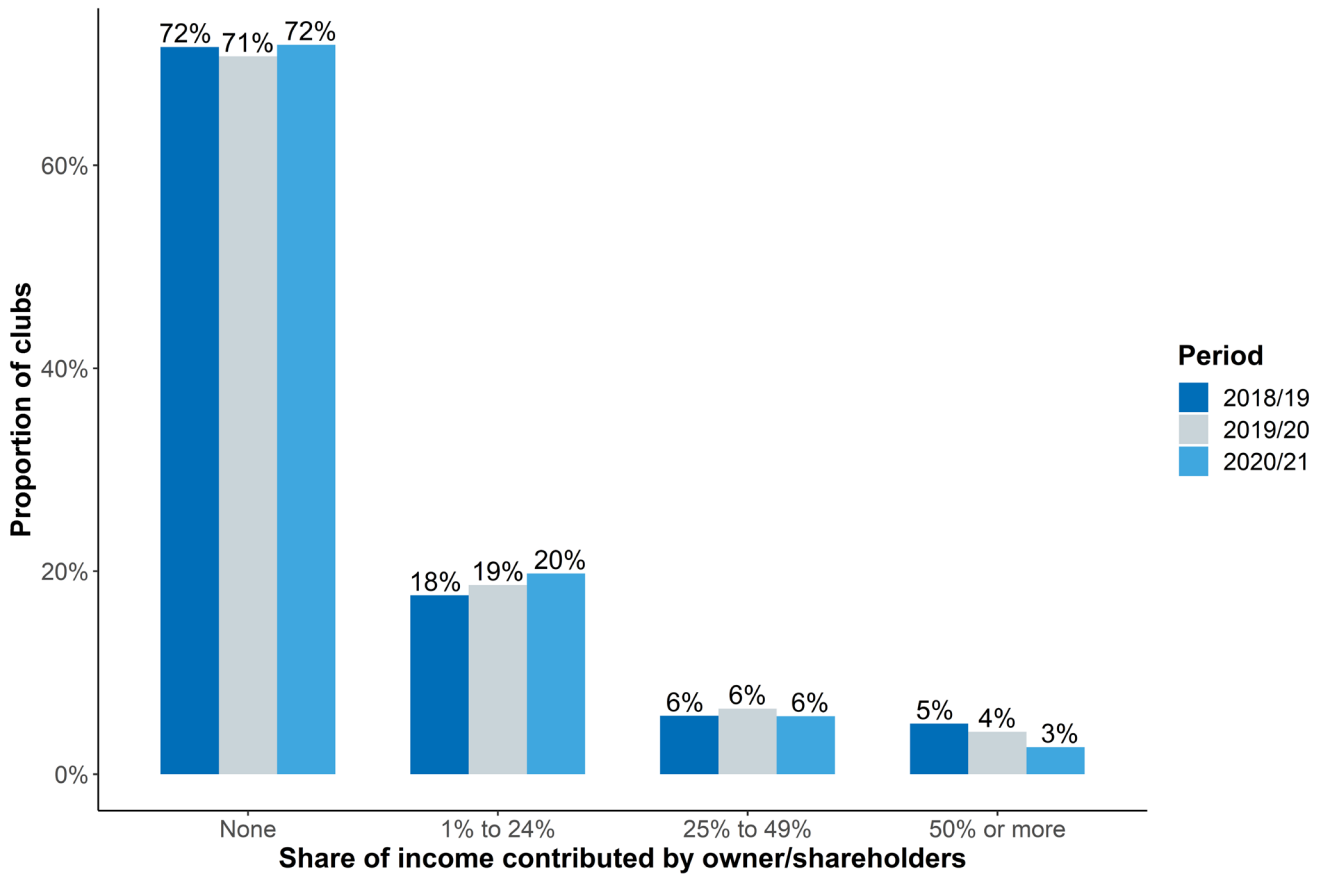


N = 278

Source: SSP CATI & CATI to online survey

The average share of income contributed by owners or shareholders changed only marginally between 2018/19 and 2020/21. Around 72% of clubs reported to receive no contributions from owners or shareholder at all. Around 18% reported to receive between 1% and 24% and 6% reported to receive 25% or more but less than 50%. Around 4% reported that the share of owner or shareholder contributions constituted more than half of their whole income.

Figure 10. Share of income contributed by owners/shareholders by financial year (Q18)



N = 261 (2018/219)

N = 263 (2019/20)

N = 263 (2020/21)

Source: SSP CATI & CATI to online survey

Splitting these responses by different segments shows that professional clubs reported less often (46%) to receive no owner contributions in 2019/20 compared to 74% of semi-professional clubs. Conversely, professional clubs were more likely to receive at least 50% of their income from owners or shareholders. 64% of clubs which had an income of at least £150,000 in 2019/20 reported to receive no owner or shareholder contributions compared to 74% of clubs with an income of less than £150,000 in 2019/20.

Table 6. Share of income contributed by owners in 2019/20 by segment and income group (Q18)

	Segments	Share of income contributed by owners in 2019/20 - None	Share of income contributed by owners in 2019/20 - 1% to 24%	Share of income contributed by owners in 2019/20 - 25% to 49%	Share of income contributed by owners in 2019/20 - 50% and more
Clubs split by segment	Professional clubs ⁷ N = 27	46%	29%	14%	11%
Clubs split by segment	Semi-professional clubs ⁸ N = 234	74%	17%	6%	3%
Clubs split by income group⁹	At least £150,000 income in 2019/20 N = 119	64%	26%	8%	2%
Clubs split by income group¹⁰	Less than £150,000 income in 2019/20 N = 113	74%	15%	5%	6%

⁷ Rugby Union (Premiership & Championship), Rugby League (higher non-elite tiers), Football National League Steps 1-2, Ice Hockey, Basketball BBL and WBBL

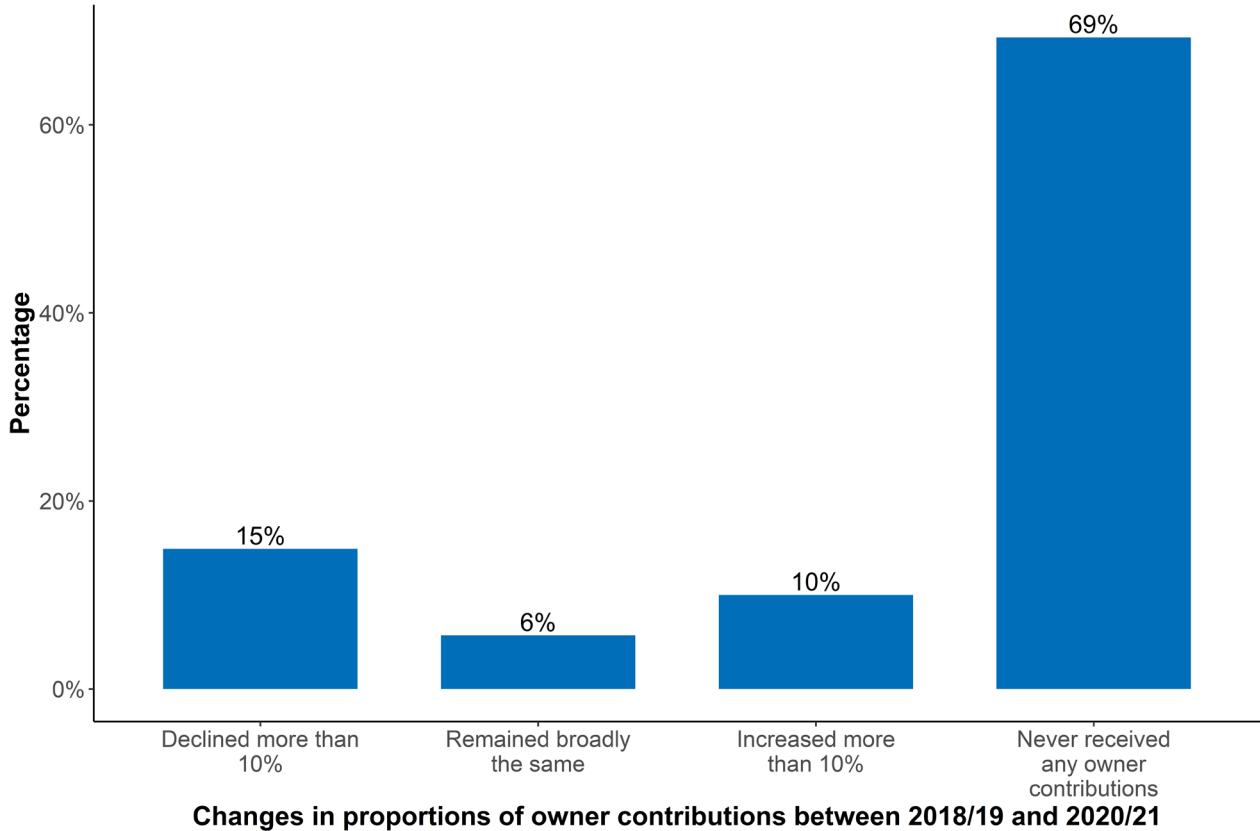
⁸ Football National League Steps 3-6, Netball, Rugby League (Women's and Tier 4/5), Rugby Union (Community Rugby), Women's Football (Clubs)

⁹ Clubs which did not provide their income for 2019/20 were not included.

¹⁰ Clubs which did not provide their income for 2019/20 were not included.

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.

Figure 11. Proportional changes in owner contributions as a proportion of total income between 2018/19 and 2020/21 (Q18)



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, 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.

Table 7. Changes in share of income contributed by owners between 2018/19 and 2020/21 by segment and income group (Q18)

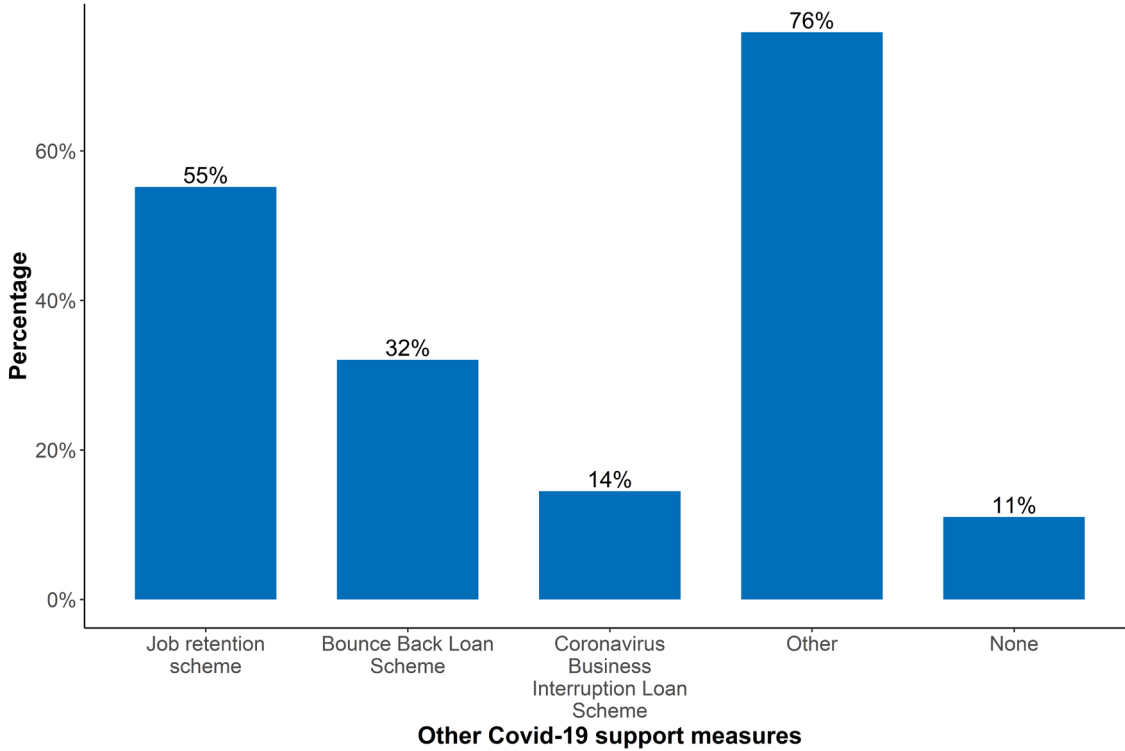
	Segments	Share of income contributed by owners in 2019/20 - Increase by at least 10%	Share of income contributed by owners in 2019/20 - No substantial increase or decrease	Share of income contributed by owners in 2019/20 - Decrease by at least 10%	Share of income contributed by owners in 2019/20 - No contributions in 2018/19 or 2020/21
Clubs split by segment	Professional clubs ¹¹ N = 27	26%	0%	30%	44%
Clubs split by segment	Semi-professional clubs ¹² N = 234	8%	6%	13%	72%
Total	N = 261	10%	6%	15%	69%

¹¹ Rugby Union (Premiership & Championship), Rugby League (higher non-elite tiers), Football National League Steps 1-2, Ice Hockey, Basketball BBL and WBBL

¹² Football National League Steps 3-6, Netball, Rugby League (Women's and Tier 4/5), Rugby Union (Community Rugby), Women's Football (Clubs)

Out of all the Covid-19 support measures, 76% of clubs used some other scheme not listed, 55% used the job retention scheme and 32% used the bounce back scheme. 11% of clubs used no other support measures at all.

Figure 11. Which of the following COVID-19 support measures have you made use of? (Q19)

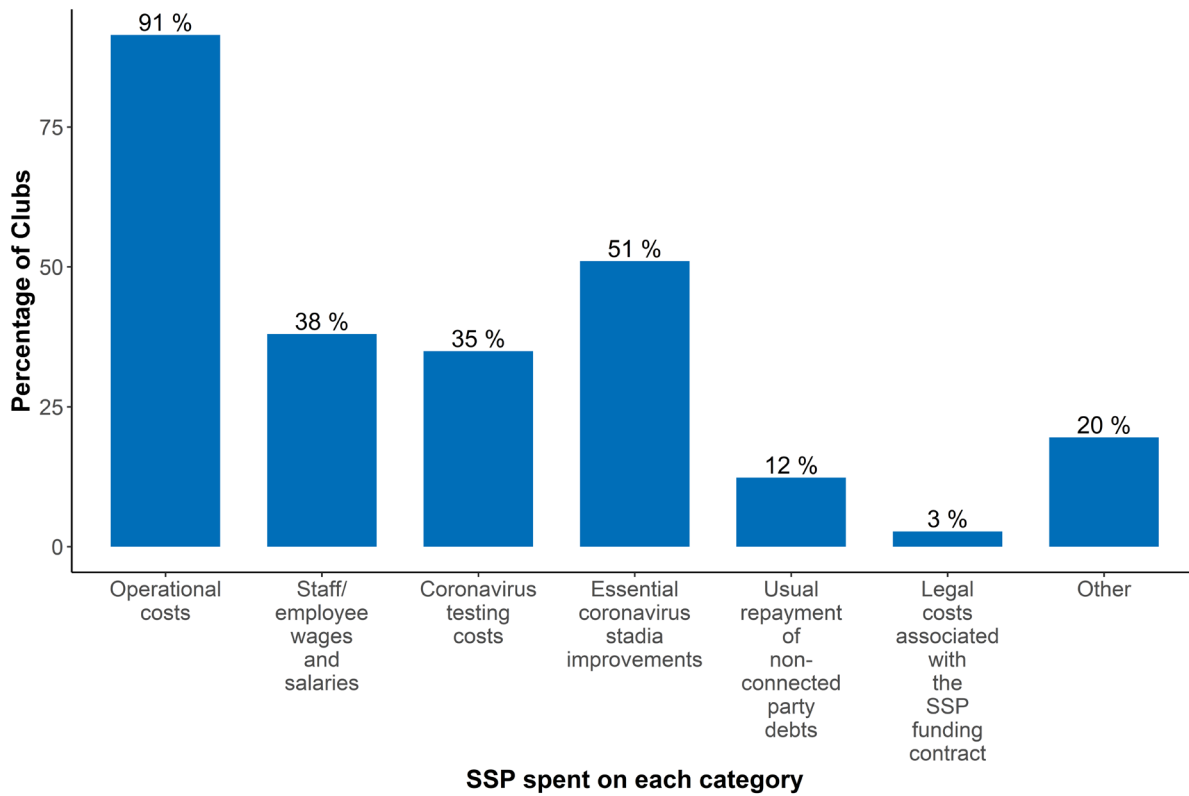


N = 290

Source: SSP CATI & CATI to online survey

The vast majority of clubs (91%) spent some of their SSP funding on operational costs. The next most common spending type was essential coronavirus stadia improvements (51%) followed by staff/employee wages and salaries (38%) and coronavirus testing costs (35%). Just 3% of clubs spent their SSP funding on legal costs associated with the funding contract of SSP.

Figure 12. What did you spend the SSP funding on? (Q20)

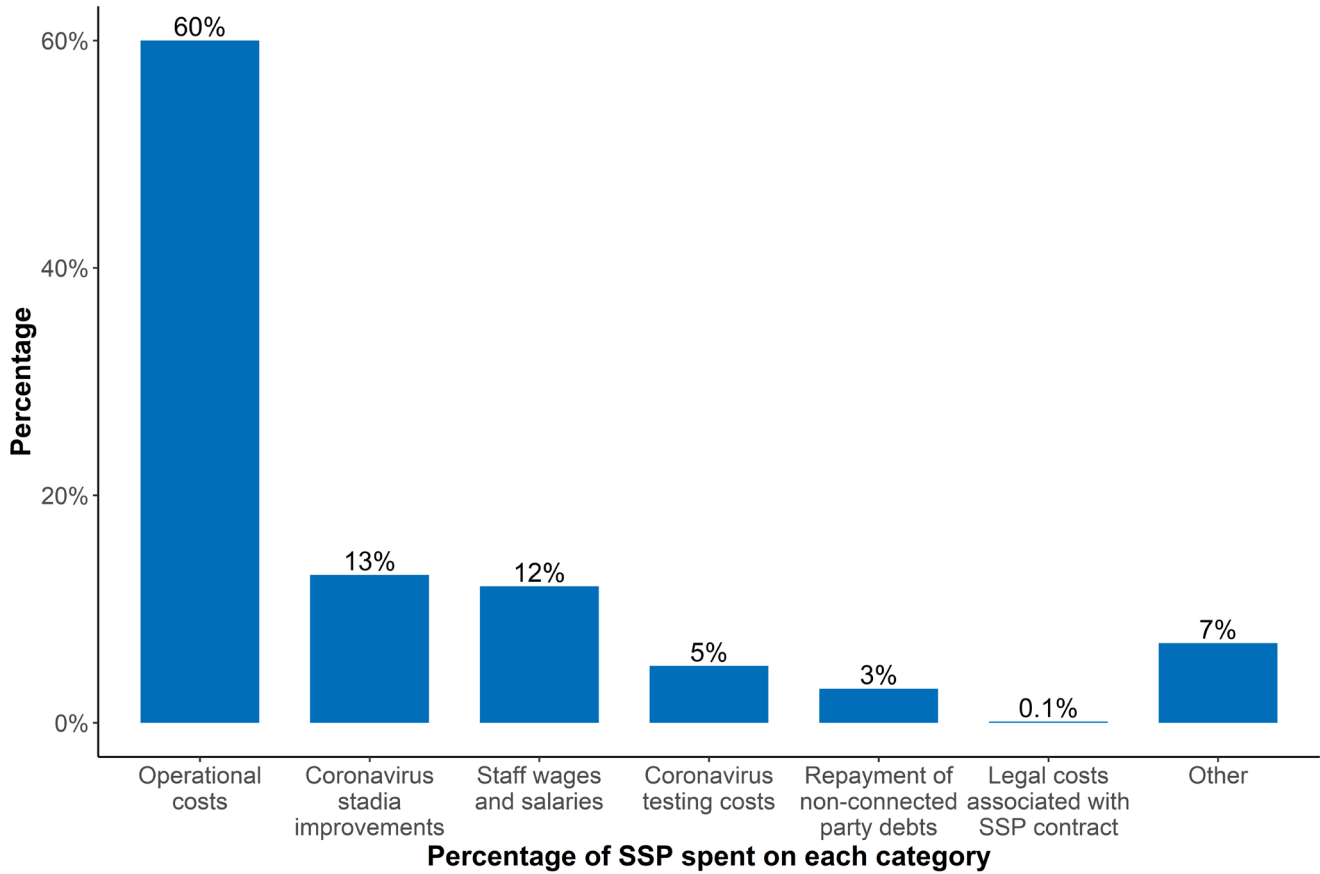


N = 292

Source: SSP CATI & CATI to online survey

An average of 60% of their SSP loan or grant was spent on operational costs, 13% on essential coronavirus stadia improvements and 12% on staff wages and salaries. Just 0.1% were reported to be spent on legal costs associated with the SSP contract.

Figure 13. Roughly what percentage was spent on each category? (Q21)

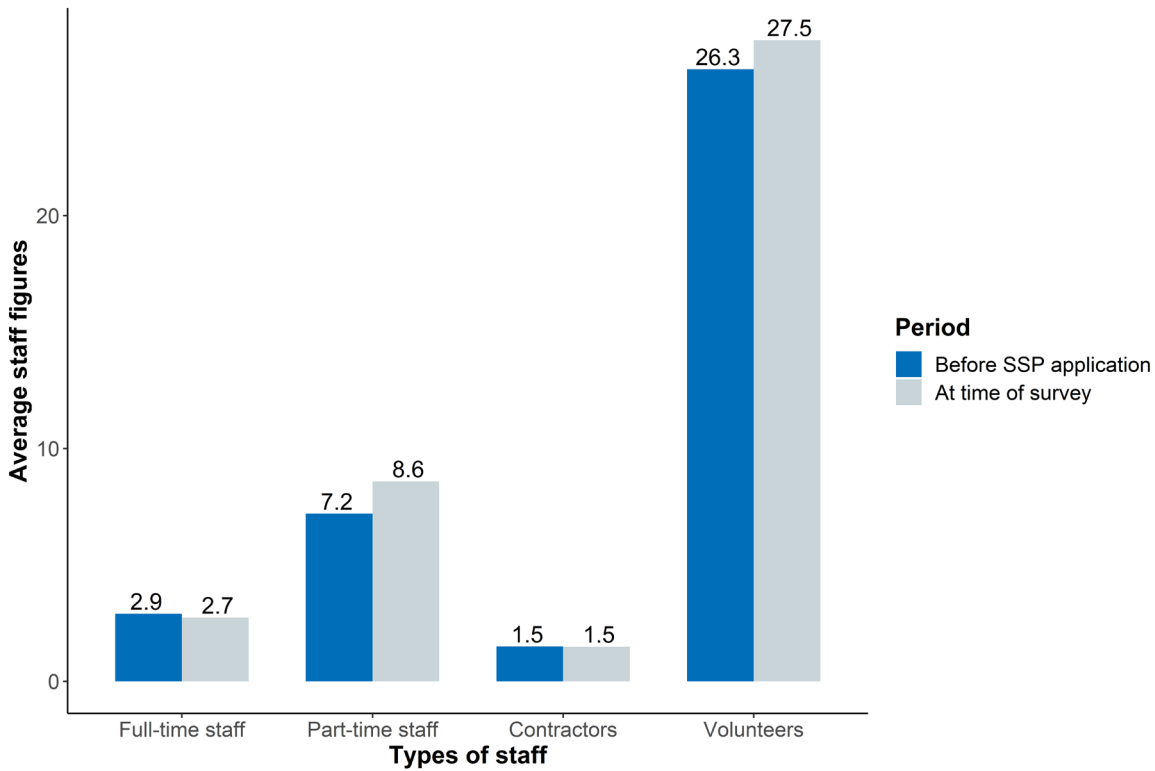


N = 273

Source: SSP CATI & CATI to online survey

Clubs were asked how many full-time or part-time staff members, contractors and volunteers they employed just before their application to the SSP and at the time of the survey. Chart x shows that the majority of all staff members of clubs were volunteers. On average, responding clubs reported to employ 2.9 full-time staff members before their application to the SSP which 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 number of employed contractors remained unchanged.

Figure 14. Staff figures by type and time period (Q22/Q27)



N = 256

Source: SSP CATI & CATI to online survey

Q23: And how many, if any, of your full time or part time staff were placed on furlough at the time[just before the application]?

- ▶ 125 (44%, N=287) of all responding clubs had no staff on furlough at the time they applied for SSP funding, and a further 108 (38%, N=287) had 10 or less staff on furlough.
- ▶ Only considering clubs that had reported to employ any full-time or part time staff members before their application to the SSP (183), clubs had on average 66% of their staff members on furlough just before their SSP application.¹³ 39% of clubs had 100% of their staff on furlough.

Q24: And on average, how many, if any, of your full time or part time staff were on furlough between the time you applied for SSP funding and September 2021?

- ▶ 139 (49%, N=281) of all responding clubs had on average no staff on furlough between receiving the SSP funding and September 2021. A further 97 (35%, N=281) had 10 or less staff on furlough on average in this period.
- ▶ Only considering clubs that had reported to employ any full-time or part time staff members before their application to the SSP (183), clubs had on average 54% of their staff members on furlough between their application to the SSP and September 2021.¹⁴ 28% of these clubs had 100% of their staff on furlough.

Q25: How many employees were made redundant between March 2020 and the time you were first awarded funding by the SSP? Please give your best estimate as a number of full-time equivalent employees.

- ▶ 260 clubs (90%, N=288) didn't make any staff redundant between March 2020 and when they were awarded the SSP funding. Of those that did make redundancies, clubs made an average of 3 redundancies.
- ▶ Only considering clubs that had reported to employ any full-time or part time staff members before their application to the SSP (183), clubs made on average 3% of their staff redundant between March 2020 and the time they were first awarded funding by the SSP¹⁵. 85% of these clubs did not have to make any redundancies.

Q26: And how many employees have been made redundant since you were first awarded funding by the SSP? Please give your best estimate as a number of full-time equivalent employees?

- ▶ 280 clubs (97%, N=290) haven't made any redundancies since they were awarded the SSP funding. Of those that did make redundancies, clubs made an average of 3 redundancies.

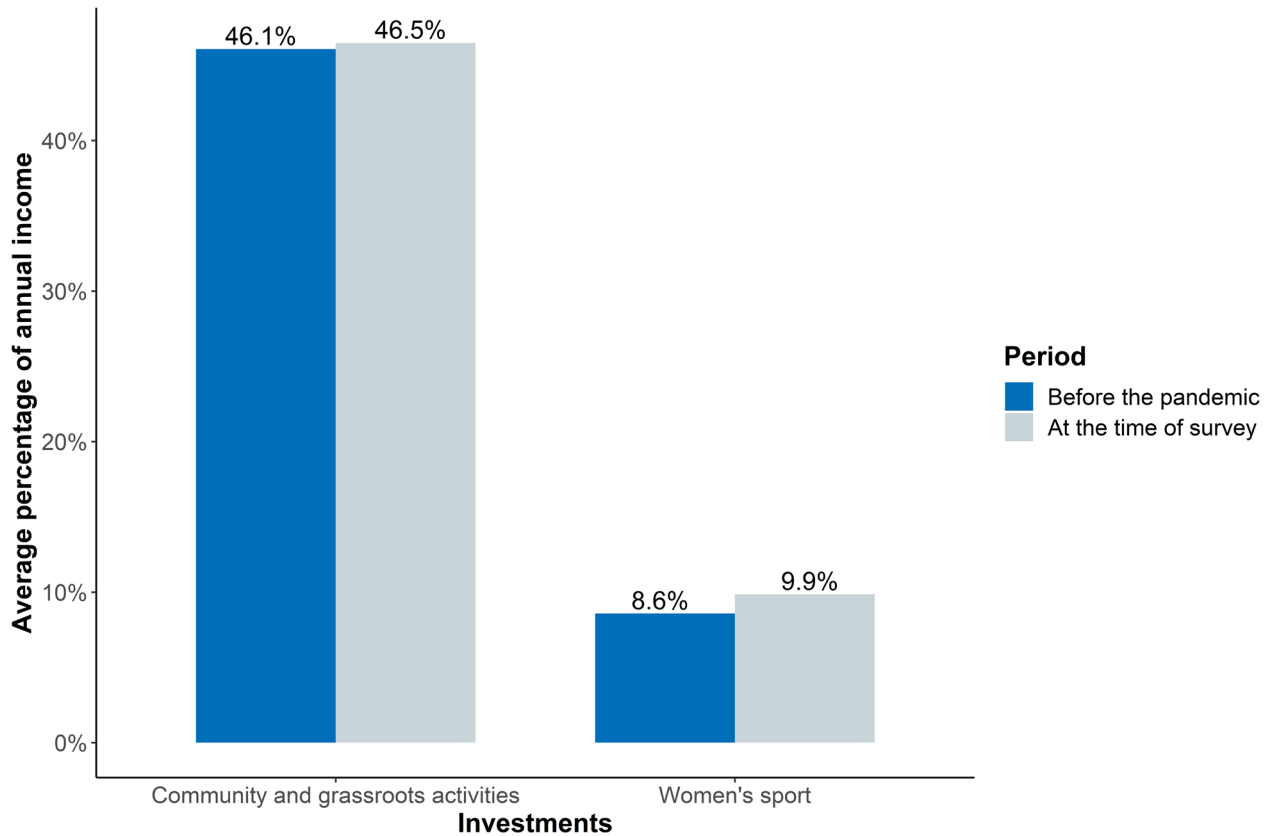
¹³ Excludes four clubs which reported more staff on furlough at that time than they reported staff in total.

¹⁴ Excludes three clubs which reported more staff on furlough at that time than they reported staff in total.

¹⁵ Excludes one club which reported more redundancies at that time than they reported staff in total.

Clubs reported to invest around 46% of their income on average in community and grassroots activities which changed only marginally from before the pandemic to the time of the survey. Over the same time period, the reported average share of income invested in women's sport increased more noticeably from 8.6% to 9.9%.

Figure 15. Income invested in community activities and women's sport by time period (Q28/Q29/Q30/Q31)

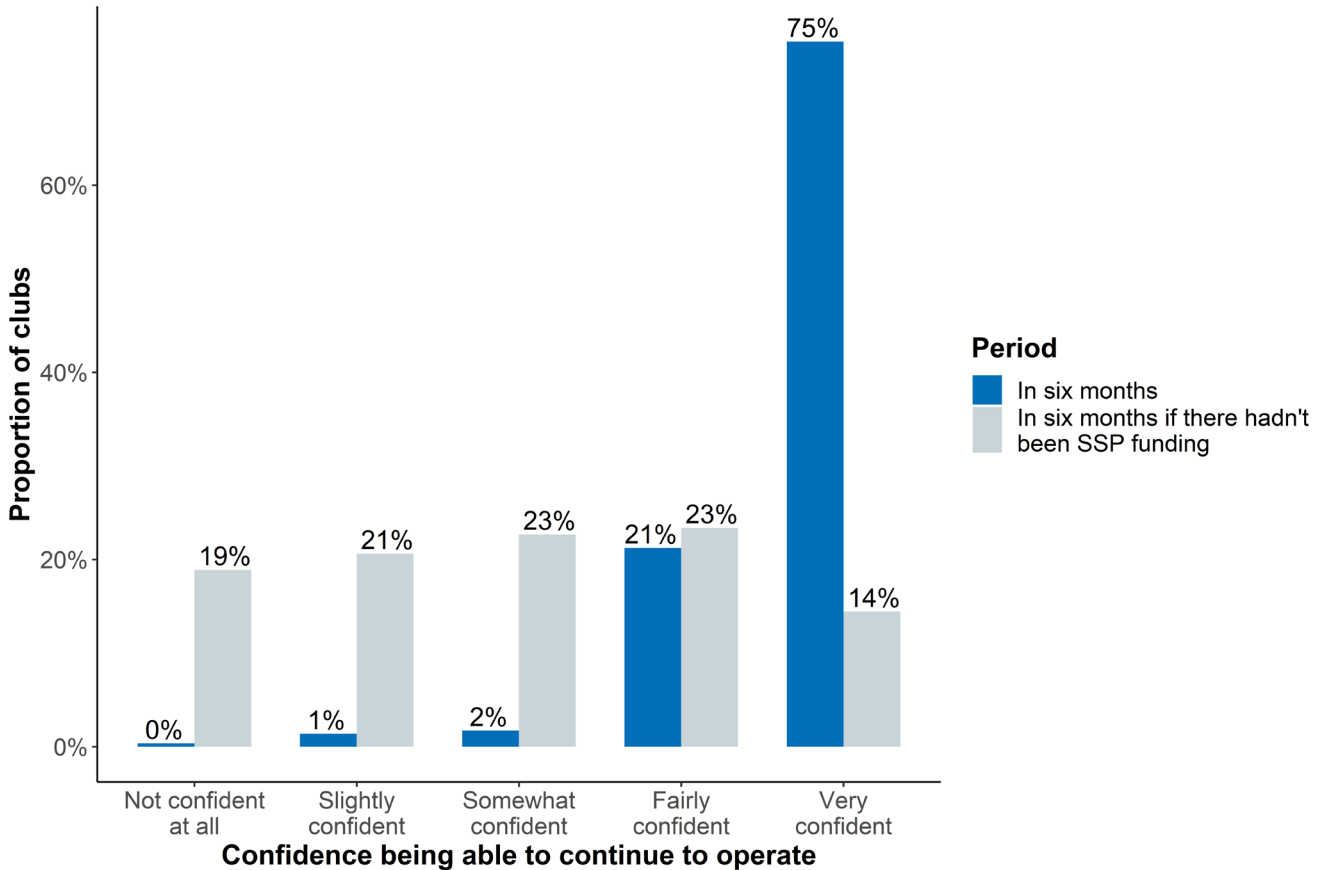


N = 244 to 251

Source: SSP CATI & CATI to online survey

Clubs were asked how confident they were that they would still be operating six months from when the survey took place and how they think they would have answered this question if they hadn't received support from the SSP. Three in four clubs reported to be very confident that they would still operate in six months and 21% reported to be fairly confident. Only one club reported to be not confident at all. If SSP funding hadn't been available 19% reported to be not confident at all and 21% to be slightly confident. Only 14% would have felt very confident to still be operating in 6 months if SSP funding hadn't been available.

Figure 16. Confidence to be operating in six months from the time of the survey in reality and if SSP funding hadn't been available (Q32_1/Q33_1)



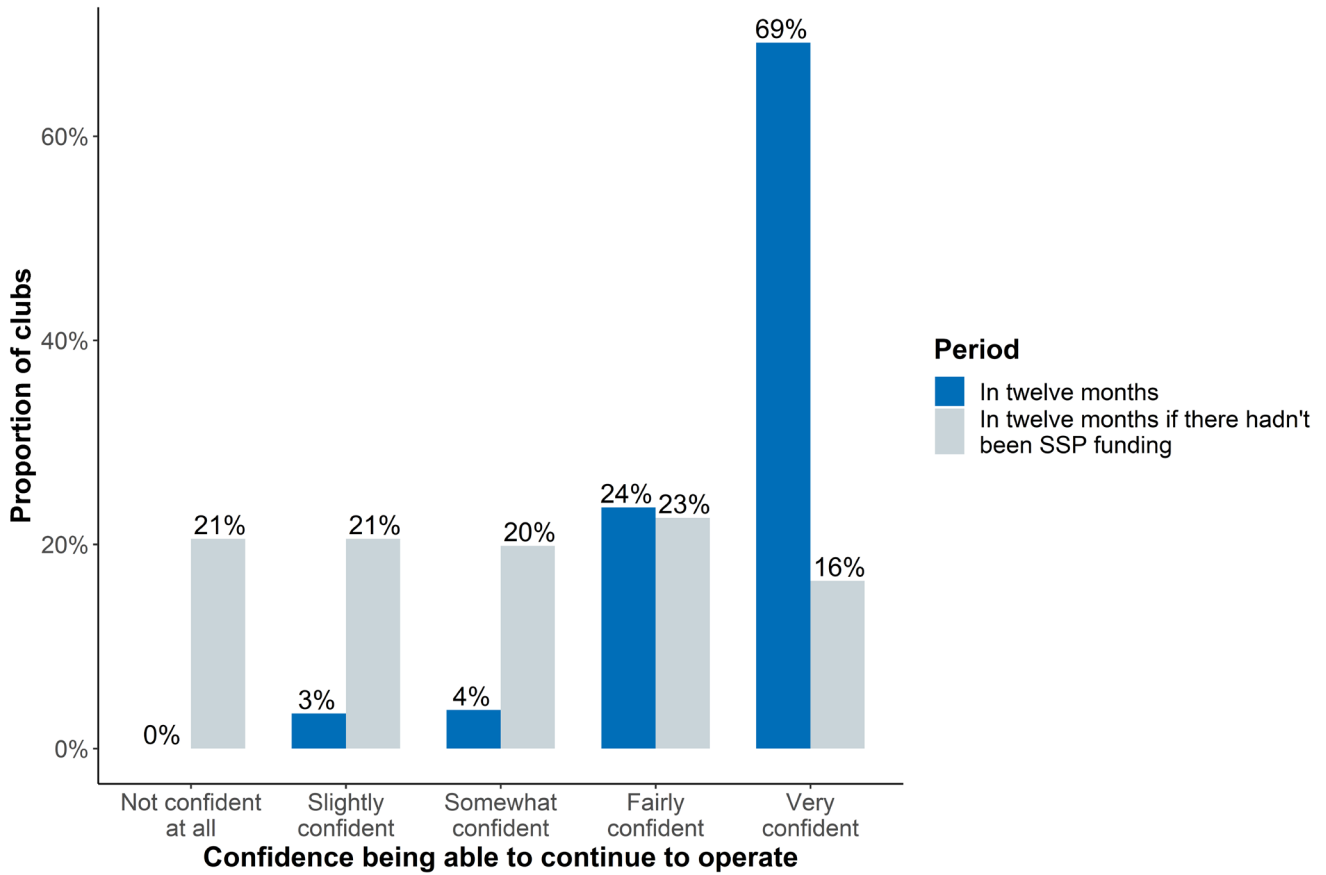
N = 292 (In six months)

N = 291 (In six months if there hadn't been SSP funding)

Source: SSP CATI & CATI to online survey

The same question was also asked regarding the period 12 months from the time of the survey which painted a similar picture. 69% reported to be very confident and 24% to be fairly confident that they still would be operating then. Without SSP funding, confidence levels would have been much lower.

Figure 17. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn't been available (Q32_2/Q33_2)



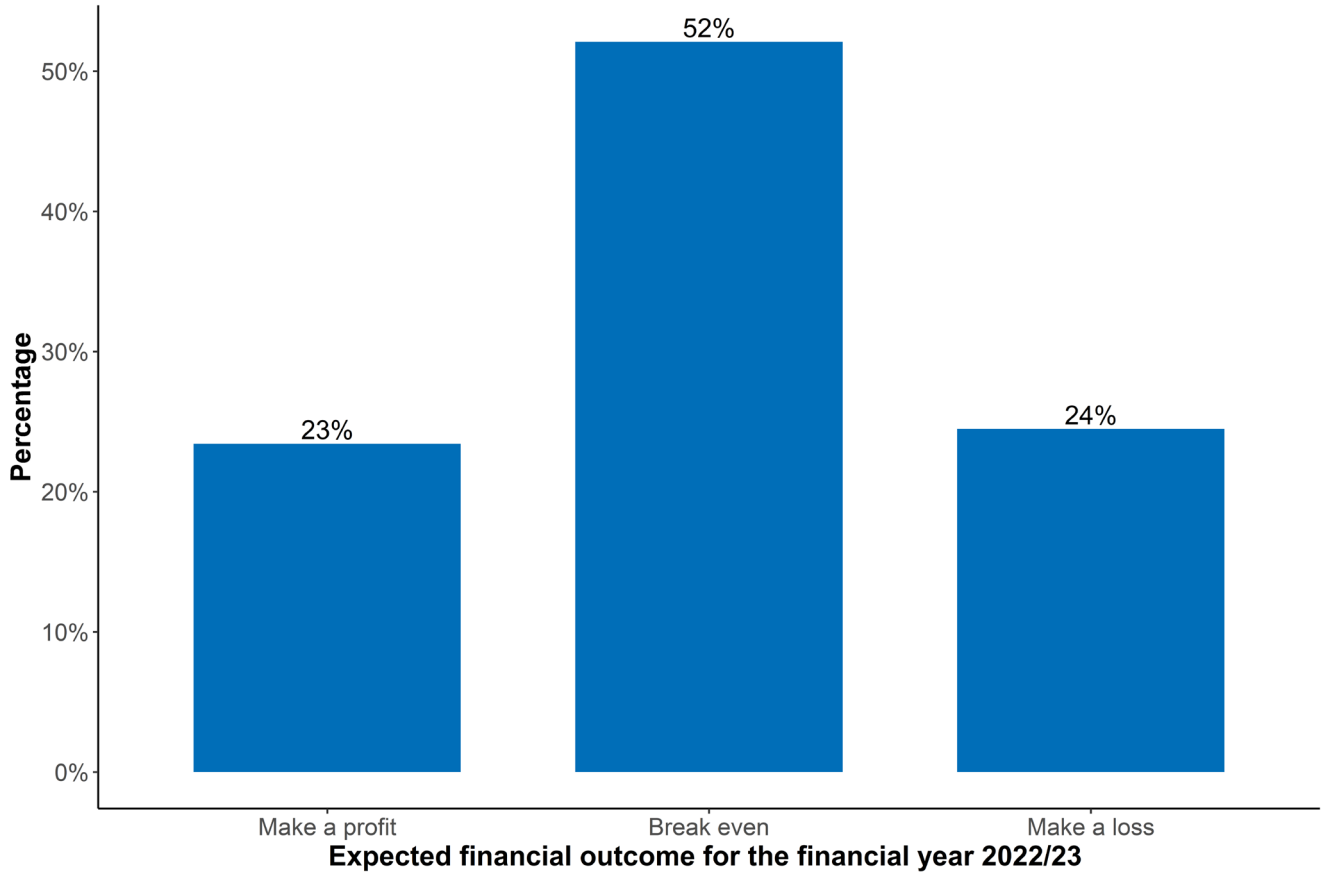
N = 292 (In twelve months)

N = 292 (In twelve months if there hadn't been SSP funding)

Source: SSP CATI & CATI to online survey

For the financial year 2022/2023 the majority of clubs (52%) expect to break even, 24% expect to make a loss and 23% expect to make a profit.

Figure 18. Expected financial outcome for the financial year 2022/23 (Q34)

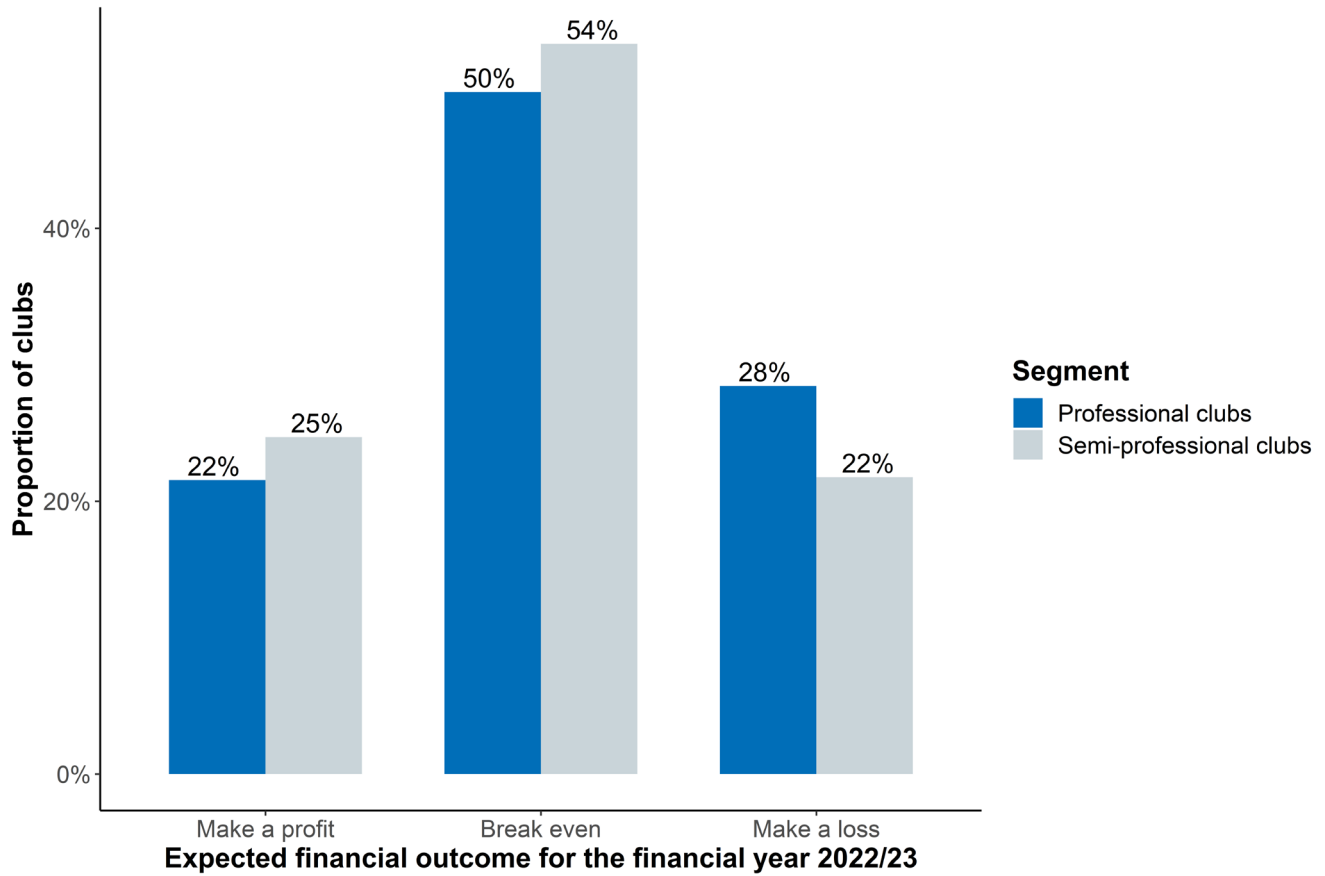


N = 286

Source: SSP CATI & CATI to online survey

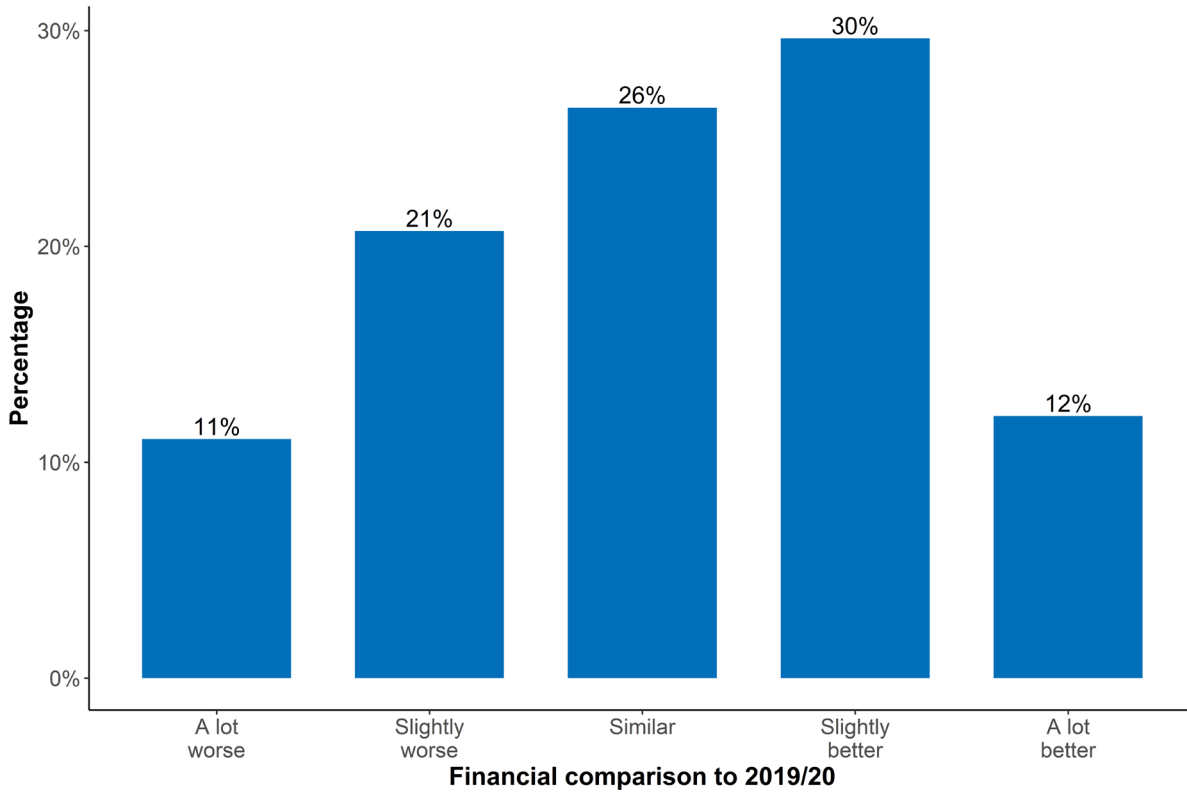
Splitting these responses by different segments shows that professional clubs reported slightly more often (28%) to project a loss for 2022/23 than semi-professional clubs (22%).

Figure 19. Expected financial outcome for the financial year 2022/23 by segment (Q34)



26% of clubs said the projections for the 2022/23 financial year were similar to their financial situation in 2019/20. 33% said it had worsened whilst 42% said it had improved.

Figure 20. Financial projections compared to 2019/20 (Q35)

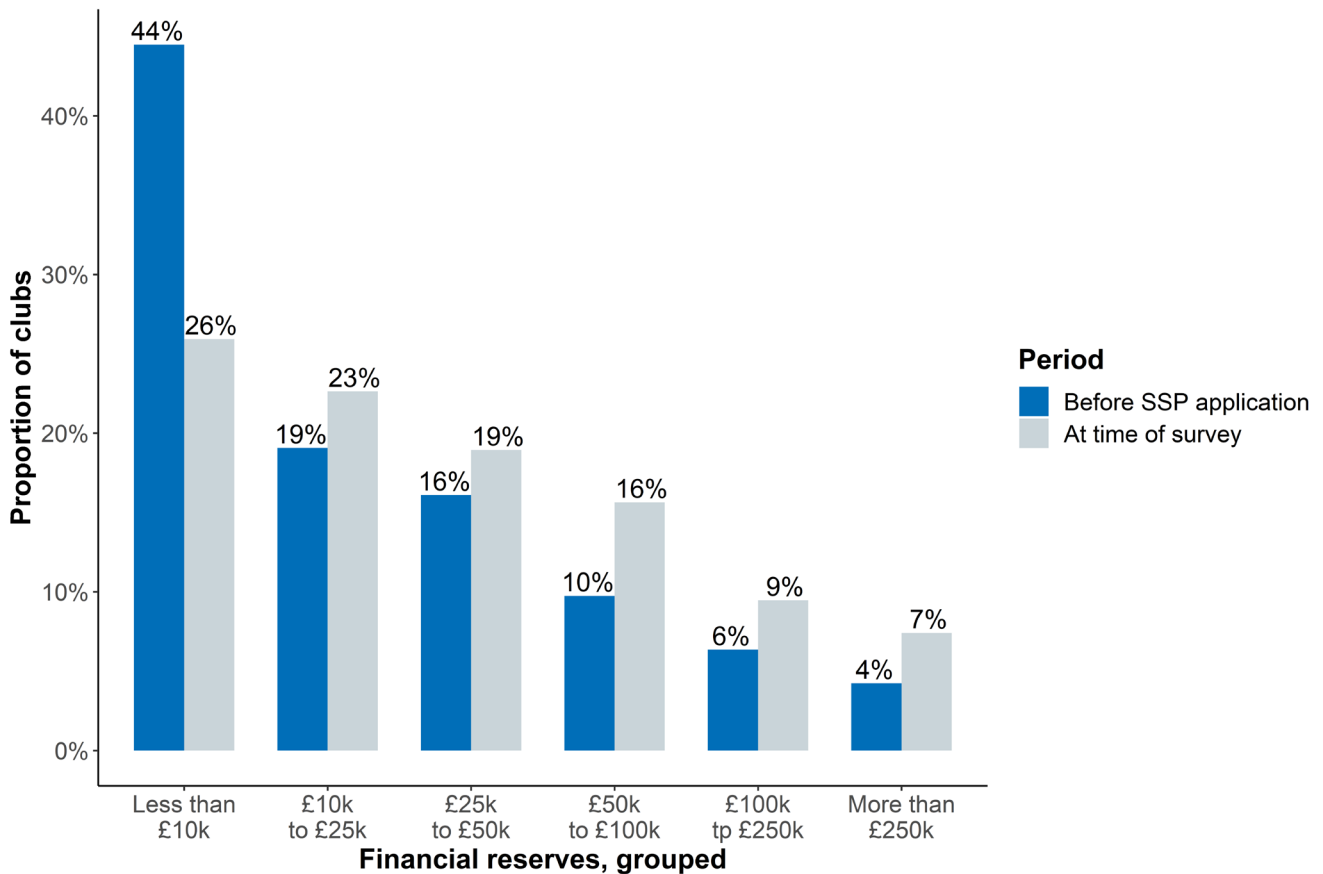


N = 280

Source: SSP CATI & CATI to online survey

Clubs were asked how much money they held in financial reserves just before their application to the SSP and at the time of the survey. Nearly half of all clubs (44%) reported to have less than £10,000 in reserves just before they applied to the SSP. 10% reported to have more than £100,000 in reserves at that point in time. When asked about their current reserves, just a bit more than a quarter (26%) reported to have less than £10,000 in reserves indicating an improvement in the overall financial situation of the responding clubs. 16% reported to have more than £100,000 in reserves at the time of the survey.

Figure 21. Financial reserves by time period (Q39/Q39)



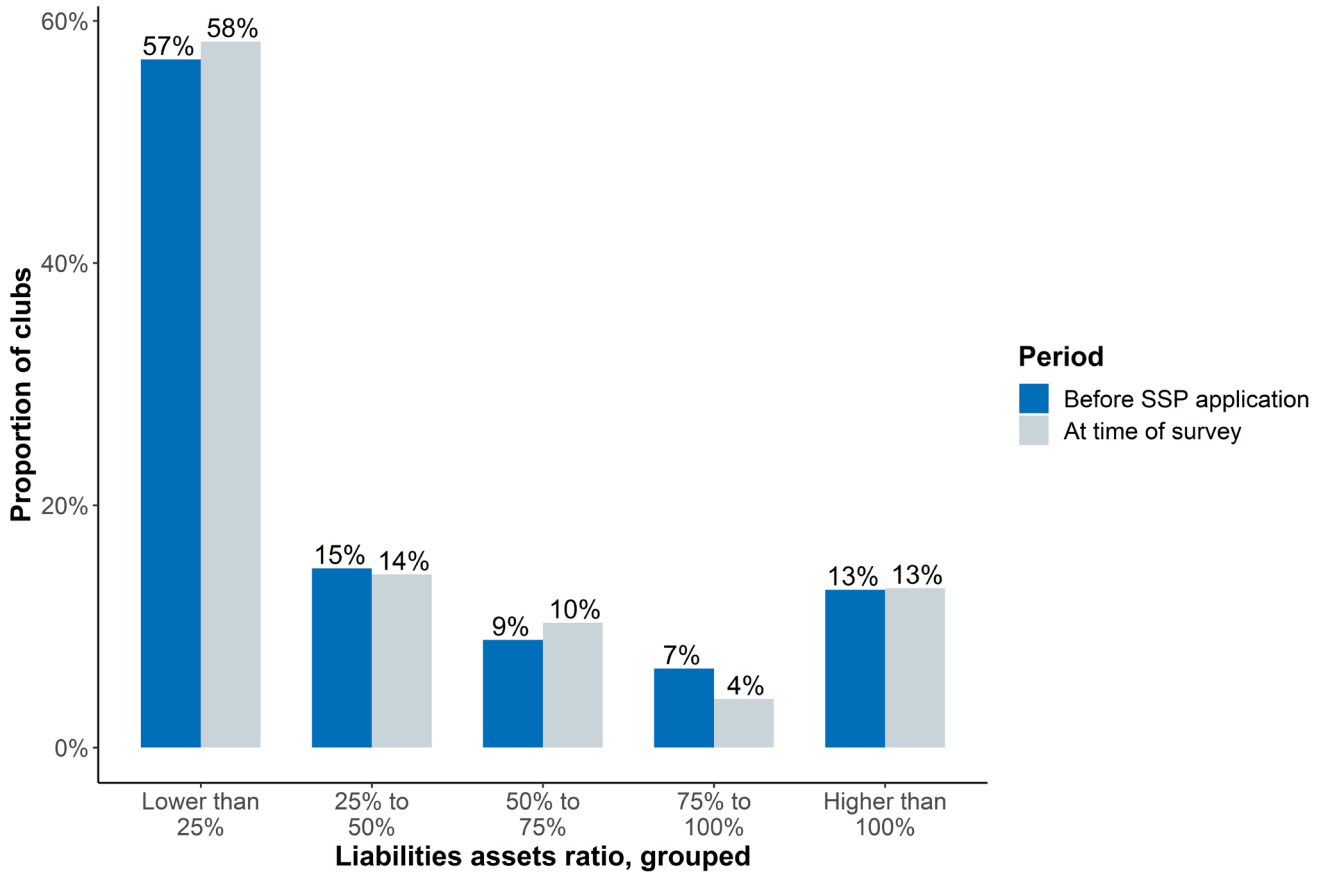
N = 236 (Before SSP application)

N = 243 (At time of survey)

Source: SSP CATI & CATI to online survey

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. Chart x shows LARs did not change for most clubs between these time periods.¹⁶ While 58% reported to have LARs lower than 25%, 13% reported to have LARs higher than 100% at both points in time.

Figure 22. Liabilities assets ratios by time period (Q36/Q37/Q40/Q41)



N = 169 (Before SSP application)

N = 175 (At time of survey)

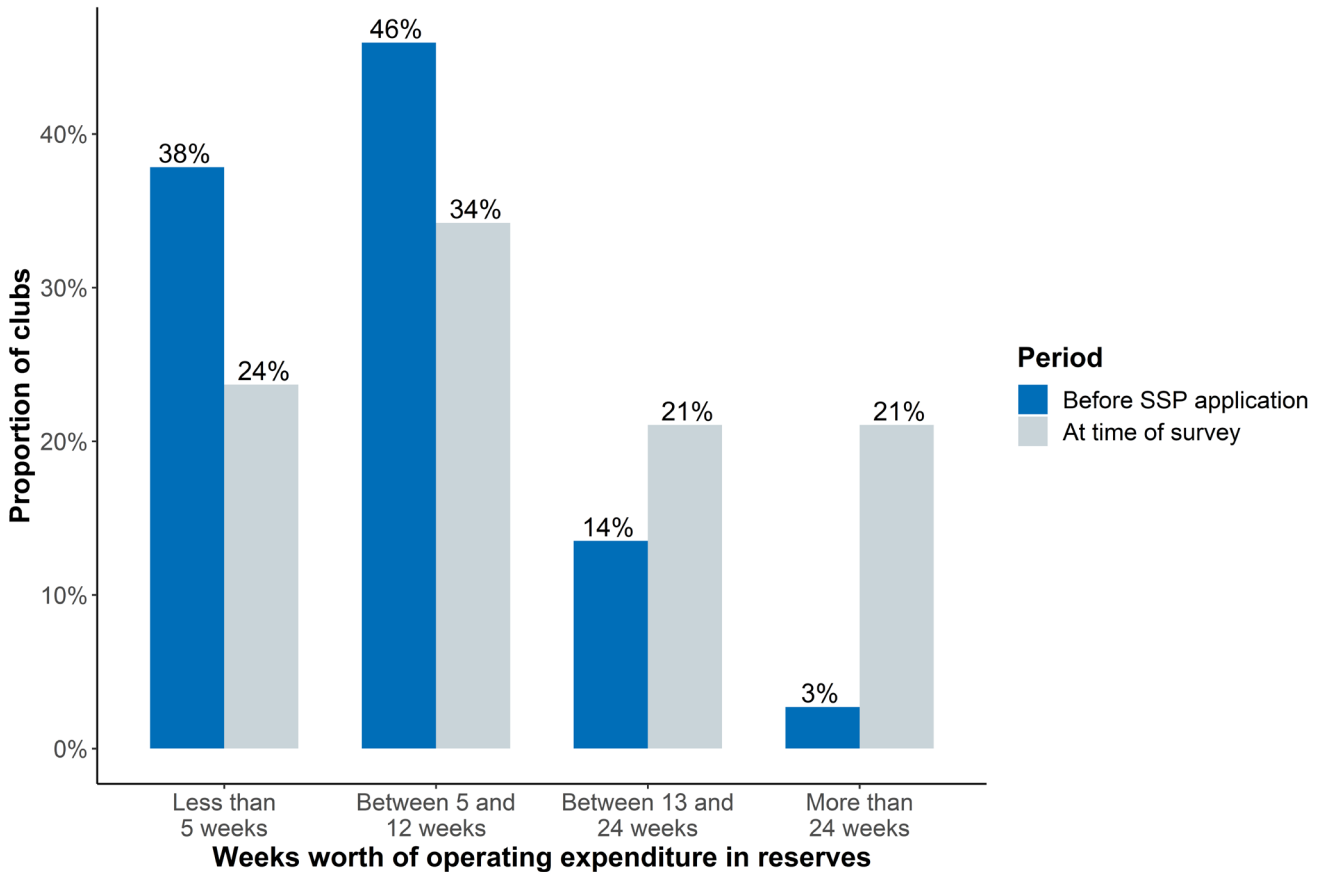
Source: SSP CATI & CATI to online survey

¹⁶ Clubs which reported zero assets were not included in the analysis.

Financial sustainability analysis of clubs that were at 50% or higher probability of not surviving

Clubs which had a probability of at least 50% to go bankrupt without SSP funding reported overall smaller cash reserves than the rest of the sample. 38% had less than 5 weeks of operating expenditure in their reserves just before their SSP application and 24% had that much in reserves at the time of the survey. The proportion reporting having between five and 12 weeks fell from 46% to 34%. Just 3% reported more than 24 weeks of operating expenditure in their reserves before their SSP application which rose to 21% at the time of the survey.

Figure 23. Weeks of operating expenditure in reserves of clubs with +50% probability to have gone bankrupt without SSP funding (Q12/Q13)

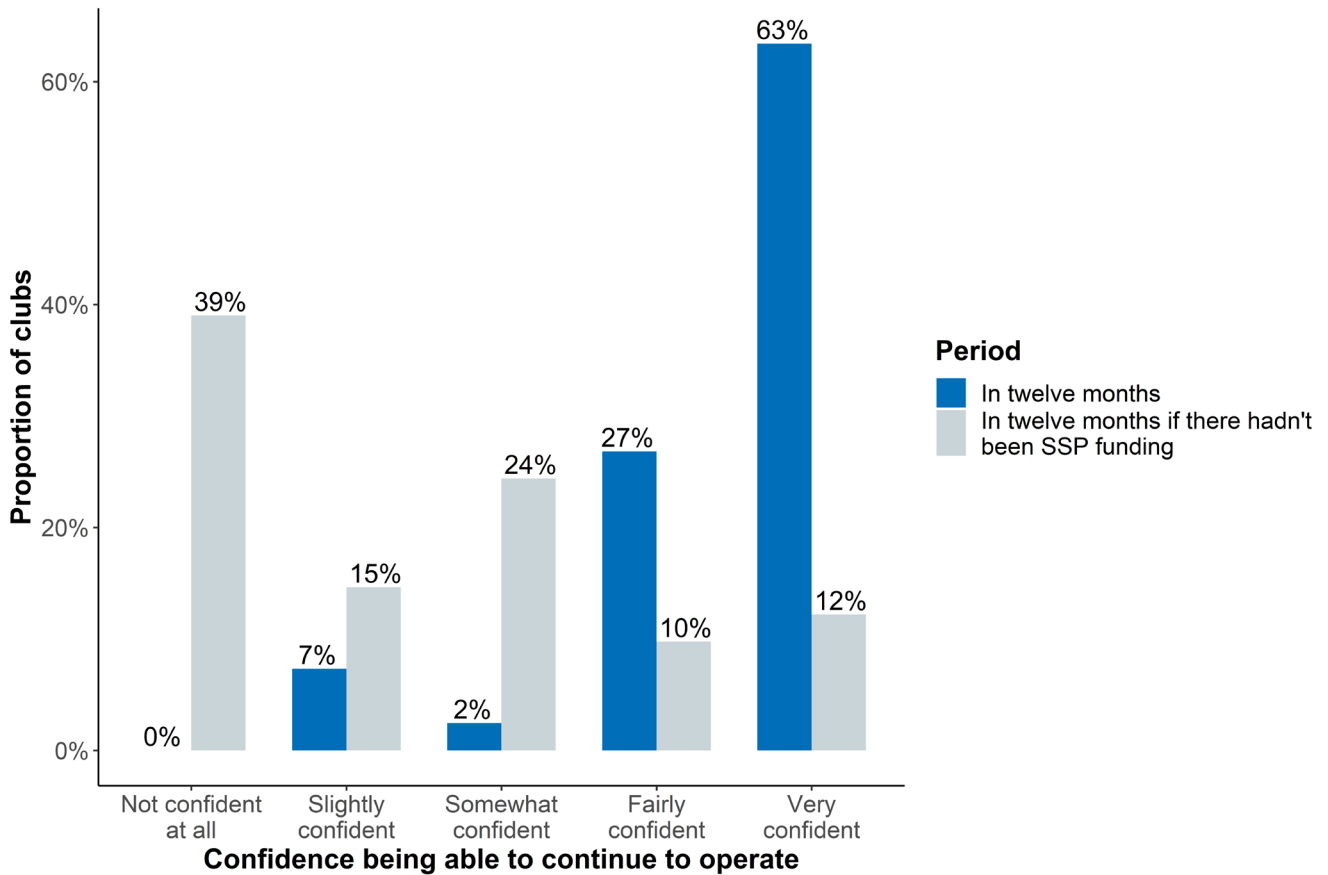


N = 41

Source: SSP CATI & CATI to online survey

39% of these clubs would have felt not confident at all to still be operating in 12 months if there hadn't been SSP funding which is higher than the response for the whole sample (21%). While there are still 7% of clubs in this group which only feel slightly confident that they will still be operating in 12 months, the share of clubs which feel either very confident or fairly confident is with 90% nearly as high as the same share of the whole sample (93%).

Figure 24. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn't been available (Q32_2/Q33_2)

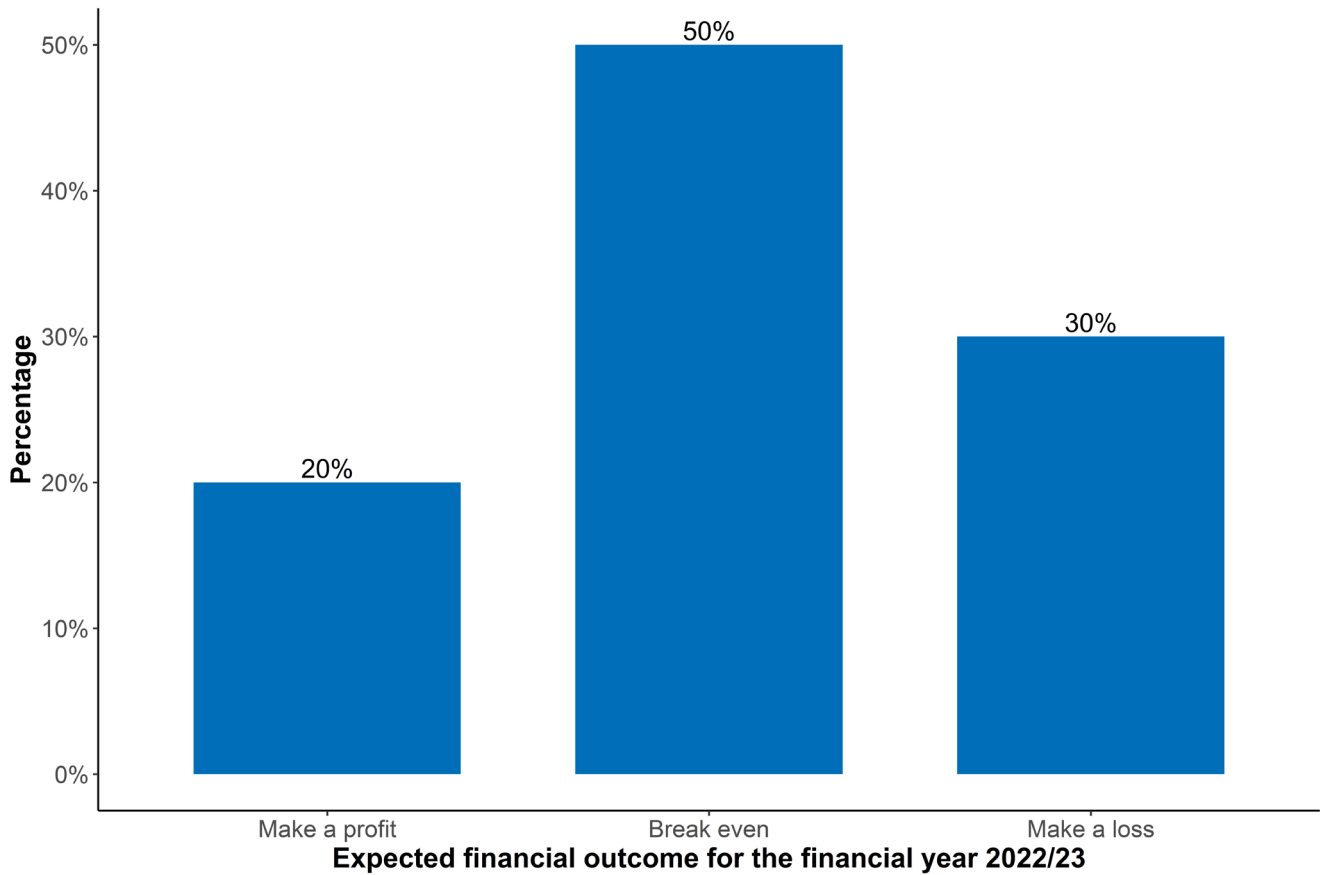


N = 41

Source: SSP CATI & CATI to online survey

Half of all clubs with a projected likelihood of over 50% to have gone bankrupt without SSP funding expected to break even in the financial year 2022/23, 20% expected to make a profit and 30% expected to make a loss. The share that expected to make a loss among this sub-group is slightly higher than the share of the whole sample (24%).

Figure 25. Expected financial outcome for the financial year 2022/23 of clubs with +50% probability to have gone bankrupt without SSP funding (Q34)

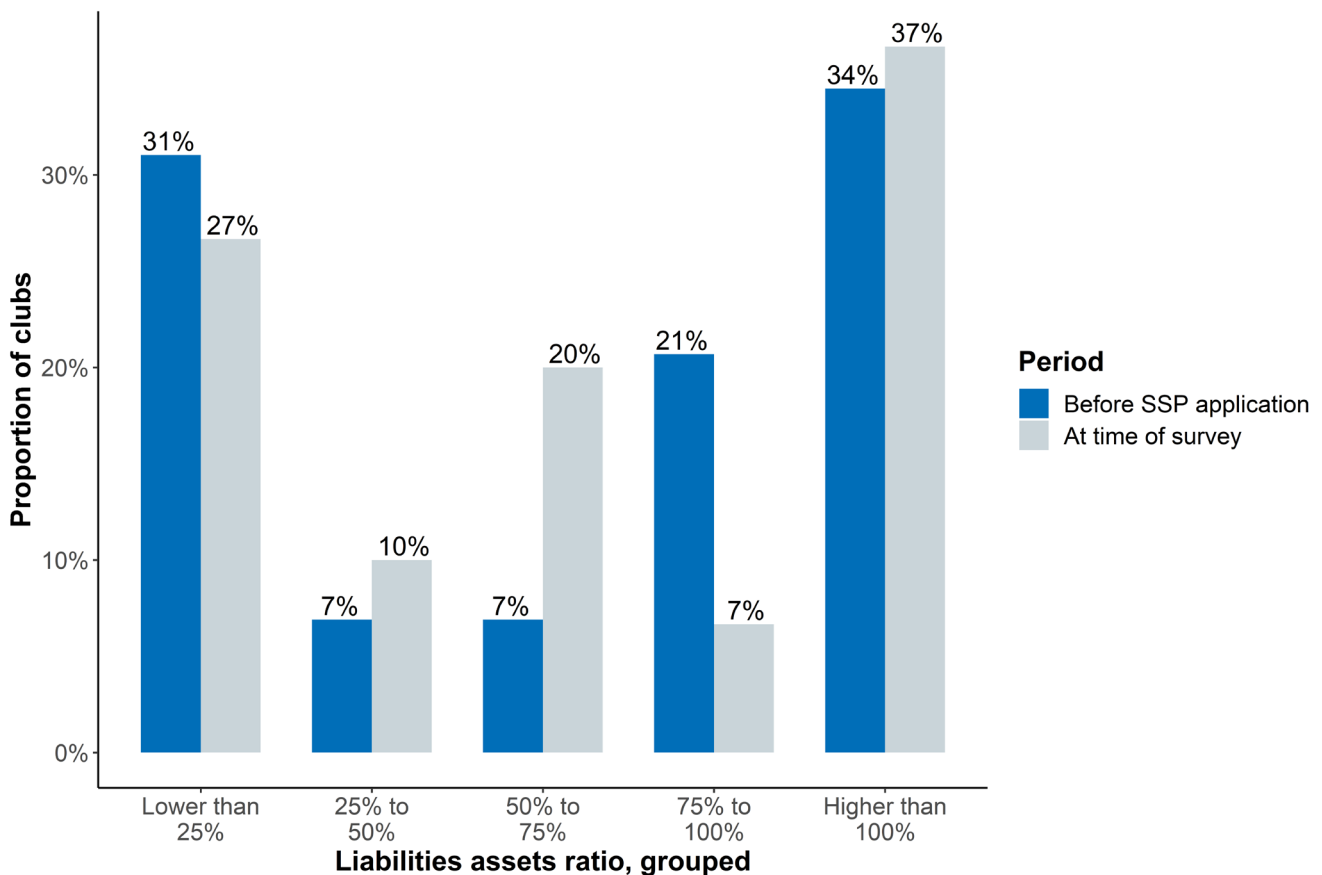


N = 41

Source: SSP CATI & CATI to online survey

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. Chart x shows that over a third of clubs with a projected likelihood of over 50% to have gone bankrupt without SSP funding had LARs higher than 100% both before their SSP application and at the time of survey which compares to 13% of all responding clubs. There seems to be a noticeable shift of clubs from having LARs between 75% and 100% before their SSP application to having LARs between 50% and 75% at the time of the survey, however, due to the small sample size, these results should be interpreted with caution.

Figure 26. Liabilities assets ratios of clubs with +50% probability to have gone bankrupt without SSP funding by time period (Q36/Q37/Q40/Q41)



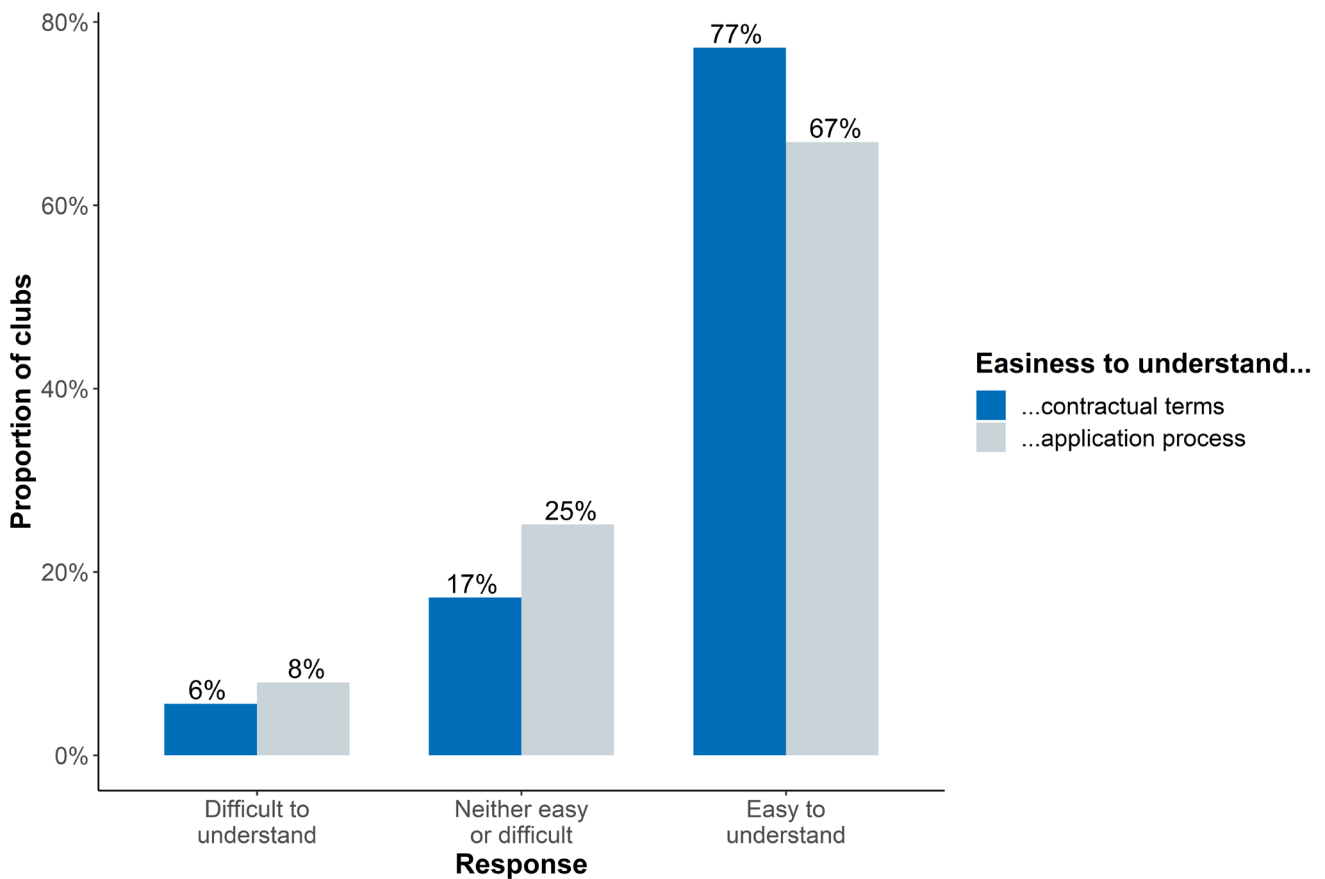
N = 41

Source: SSP CATI & CATI to online survey

Process questions

With 67%, most responding clubs found the application process easy to understand. A quarter found it neither easy or difficult to understand and 8% had difficulties understanding the application process. The share of clubs which found it easy to understand the contractual terms was with 77% even higher. 17% found them neither easy or difficult to understand and 6% reported difficulties understanding the contractual terms.

Figure 27. Easiness to understand contractual terms and application process (Q42/Q44)



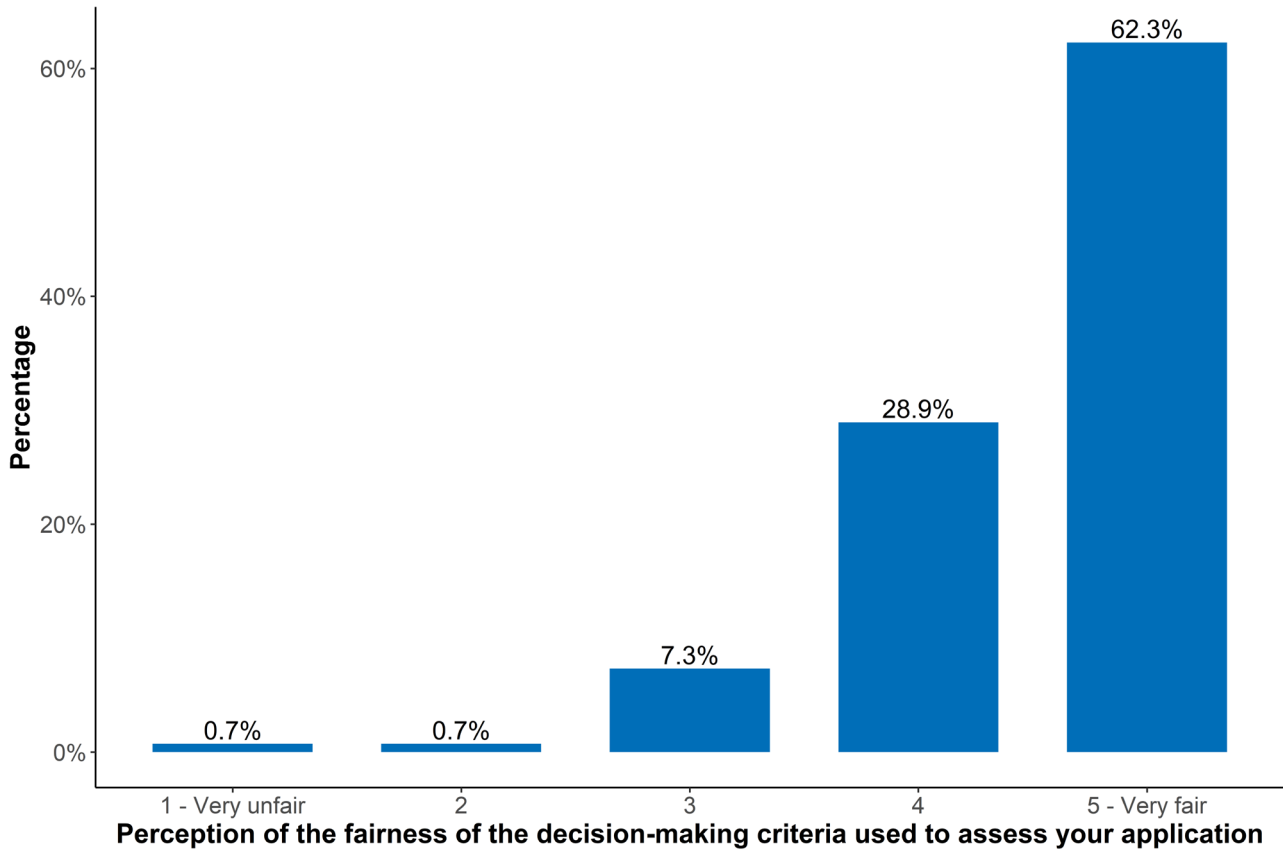
N = 290 (application process)

N = 285 (contractual terms)

Source: SSP CATI & CATI to online survey

Most respondents (62.3%) thought that the decision-making criteria was 'Very fair'. Very few clubs (0.7%) felt the decision-making was 'Very unfair'.

Figure 28. To what extent do you think the decision-making criteria used to assess your application was fair and balanced? On a scale of 1-5 where 1 is 'very unfair' and 5 is 'very fair' (Q43)

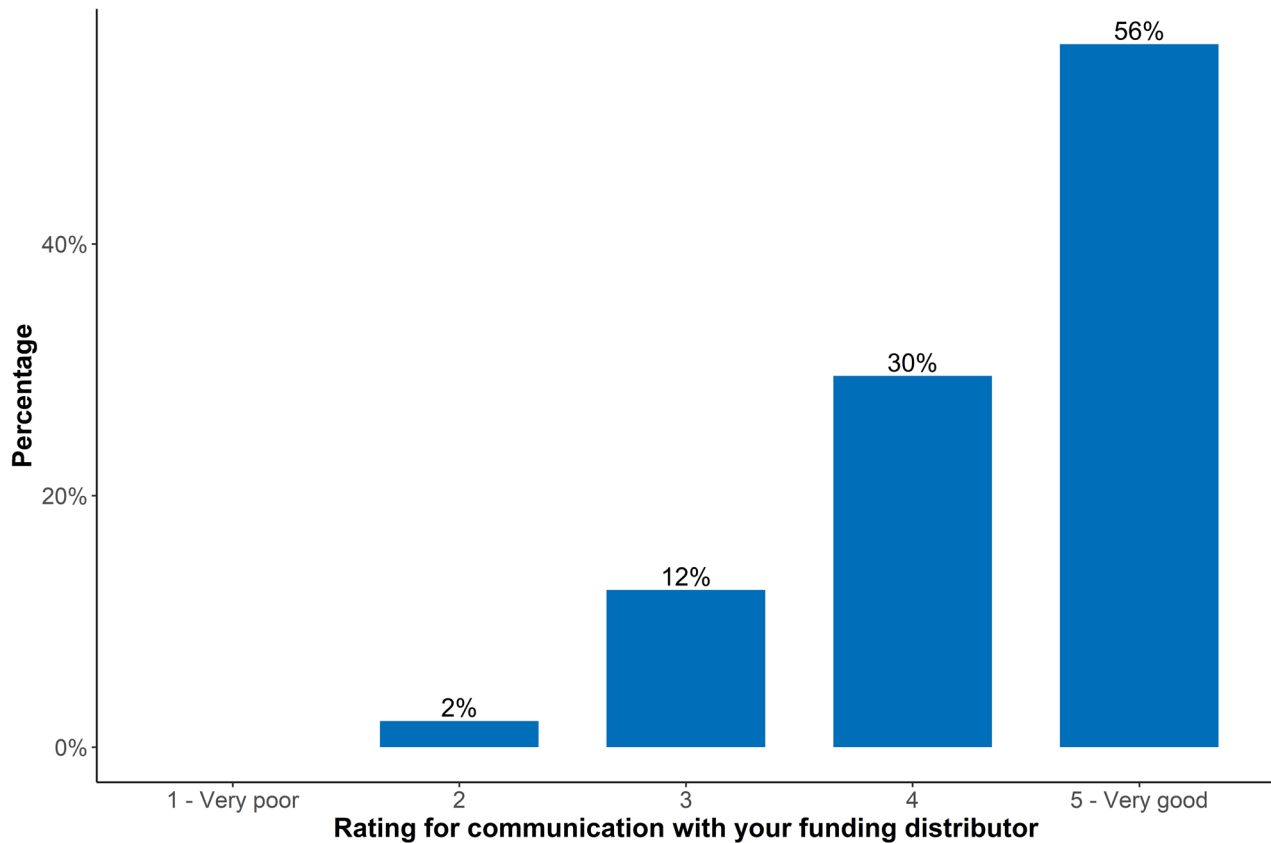


N = 273

Source: SSP CATI & CATI to online survey

The majority of respondents (56%) felt their communication with their funding distributor was ‘Very good’. No clubs felt the communication was ‘Very poor’.

Figure 29. How would you rate your communication with your funding distributor (depending on how you applied, this could be Sport England or one of the National Governing Bodies) throughout the application and award process? On a scale of 1-5 where 1 is ‘very poor’ and 5 is ‘very good’ (Q45)



N = 288

Source: SSP CATI & CATI to online survey

Short online survey

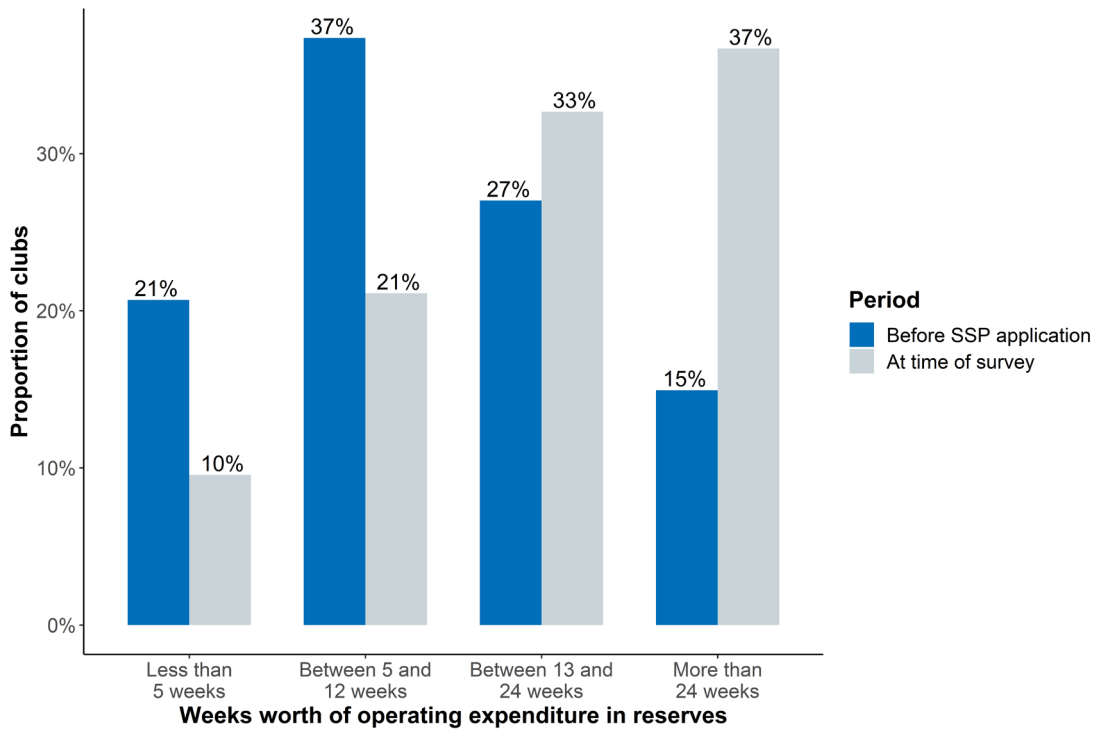
In total, 231 clubs responded to the online survey. More than half of respondents were football clubs from the National League Steps 3-6 followed by rugby clubs from the Women's Tiers 4-5. Table 8 shows the distribution of responding clubs by sport segment.

Table 8. Responding clubs (less than £10,000 in funding) by segment

Segments	Number of responding clubs
Football National League Steps 3-6	148
Rugby League (Women's and Tier 4/5)	60
Rugby Union (Community Rugby)	11
Basketball BBL and WBBL	3
Ice Hockey	3
Football National League Steps 1-2	2
Rugby League (higher non-elite tiers)	2
Netball	1
Speedway	1
Total	231

When asked how many weeks of operating expenditures they had in their reserves just before their application to the SSP, 15% reported more than 24 weeks. However, 37% of responding clubs reported to have that many weeks of operating expenditure in their reserves at the time of survey. The share of clubs which had less than 5 weeks in their reserves fell from 21% just before their SSP application to 10% at the time of the survey.

Figure 30. Weeks of operating expenditure in reserves by year (Q4/Q5)

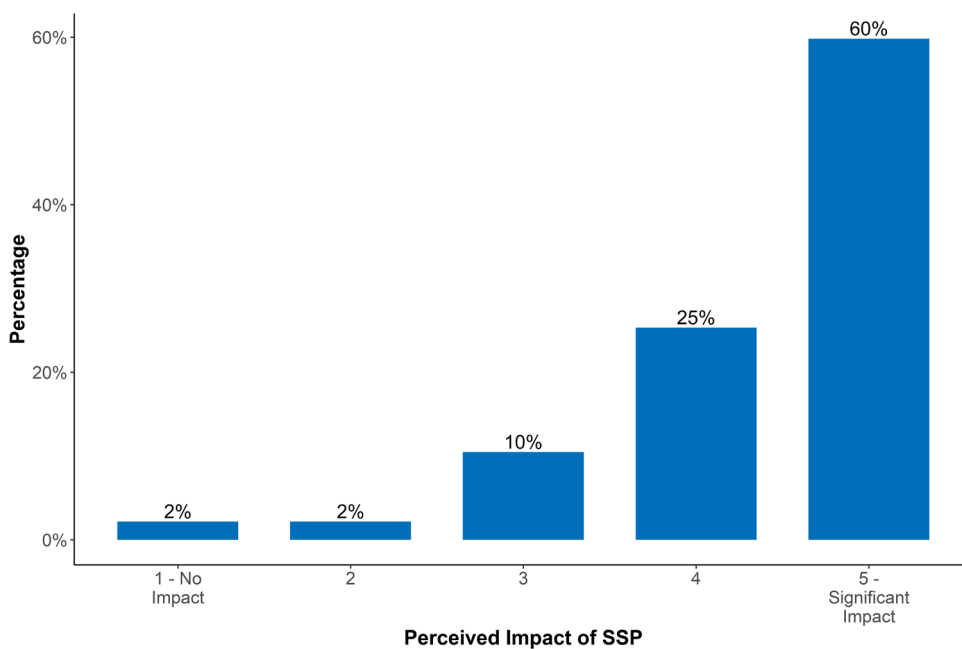


N = 174 (Before SSP application) N = 199 (At time of survey)

Source: SSP online survey

The majority of respondents (60%) felt that the SSP fund had a significant impact on their ability to continue operating. Just 2% of respondents felt that the SSP funding had no impact.

Figure 31. In your opinion, how would you rate the impact that SSP funding has had on your organisation's ability to keep operating? By this we mean whether the SSP funding enabled your organisation to survive or reduced its risk of going into administration. On the scale of 1 to 5 where 1 is 'No impact' and 5 is 'Significant impact' (Q6)

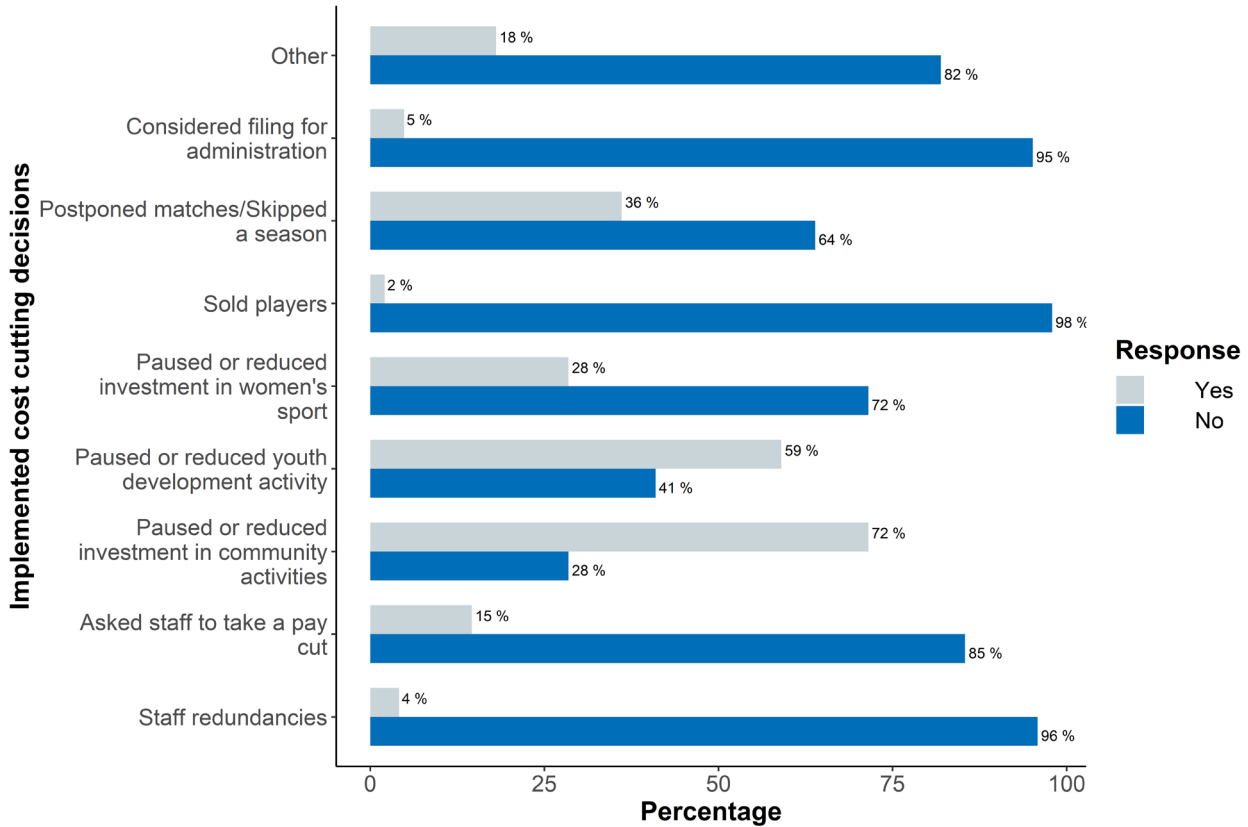


N = 204

Source: SSP online survey

The most common cost cutting decisions clubs had to make between 2020 and the SSP funding was pausing or reducing investment in community activities (72%), pausing, or reducing youth development activity (59% of clubs) and postponing matches or skipping seasons (38%). The least common cost cutting measures were selling players (2%), staff redundancies (4%) and considering filing for administration (5%).

Figure 32. Between March 2020 and your first application for funding from SSP, which of the following cost-cutting decisions, if any, did you have to take? (Q7)

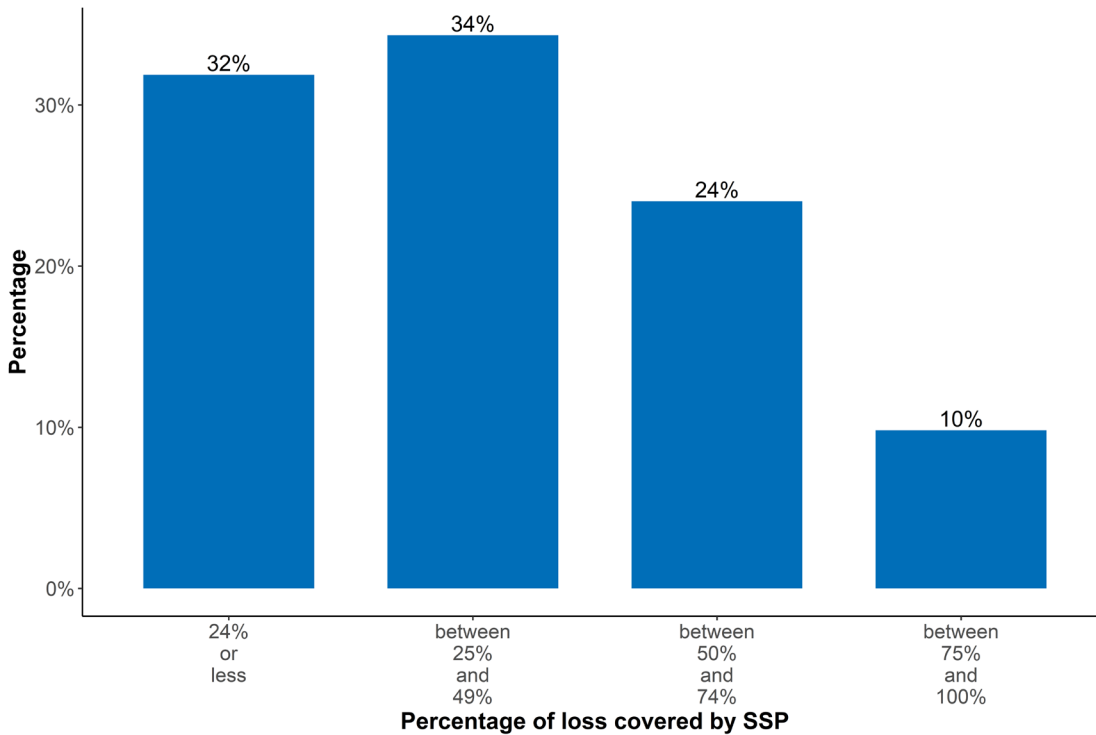


N = 144 (81 felt it was not applicable)

Source: small survey

Roughly two thirds of clubs had either 24% or less of loss covered by SSP (32%) or between 24-49% covered (34%). 10% of clubs had between 75% and 100% of their loss of income from the pandemic covered by SSP funding.

Figure 33. Thinking about the reduction in income caused by the pandemic, approximately how much of this gap in income did the SSP funding help to cover? (Q9)

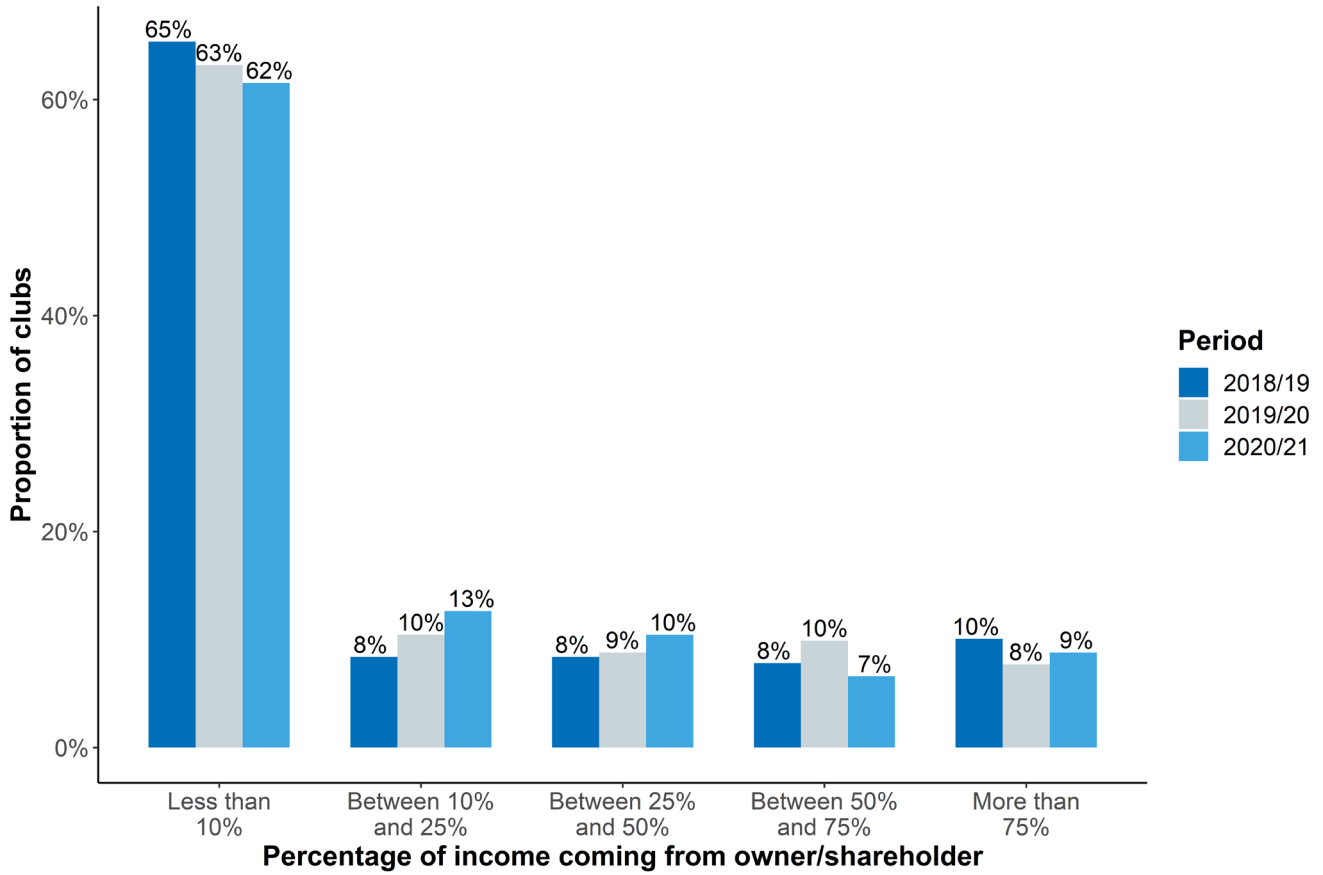


N = 204

Source: SSP online survey

The average share of income contributed by owners or shareholders changed only marginally between 2018/19 and 2020/21. Nearly two-thirds of clubs reported that the share of contributions from owners or shareholder of their total income was less than 10%. Nearly one in five clubs reported to receive more than half of their total income from owner or shareholder contributions.

Figure 34. Share of income contributed by owners/shareholders by financial year (Q10)



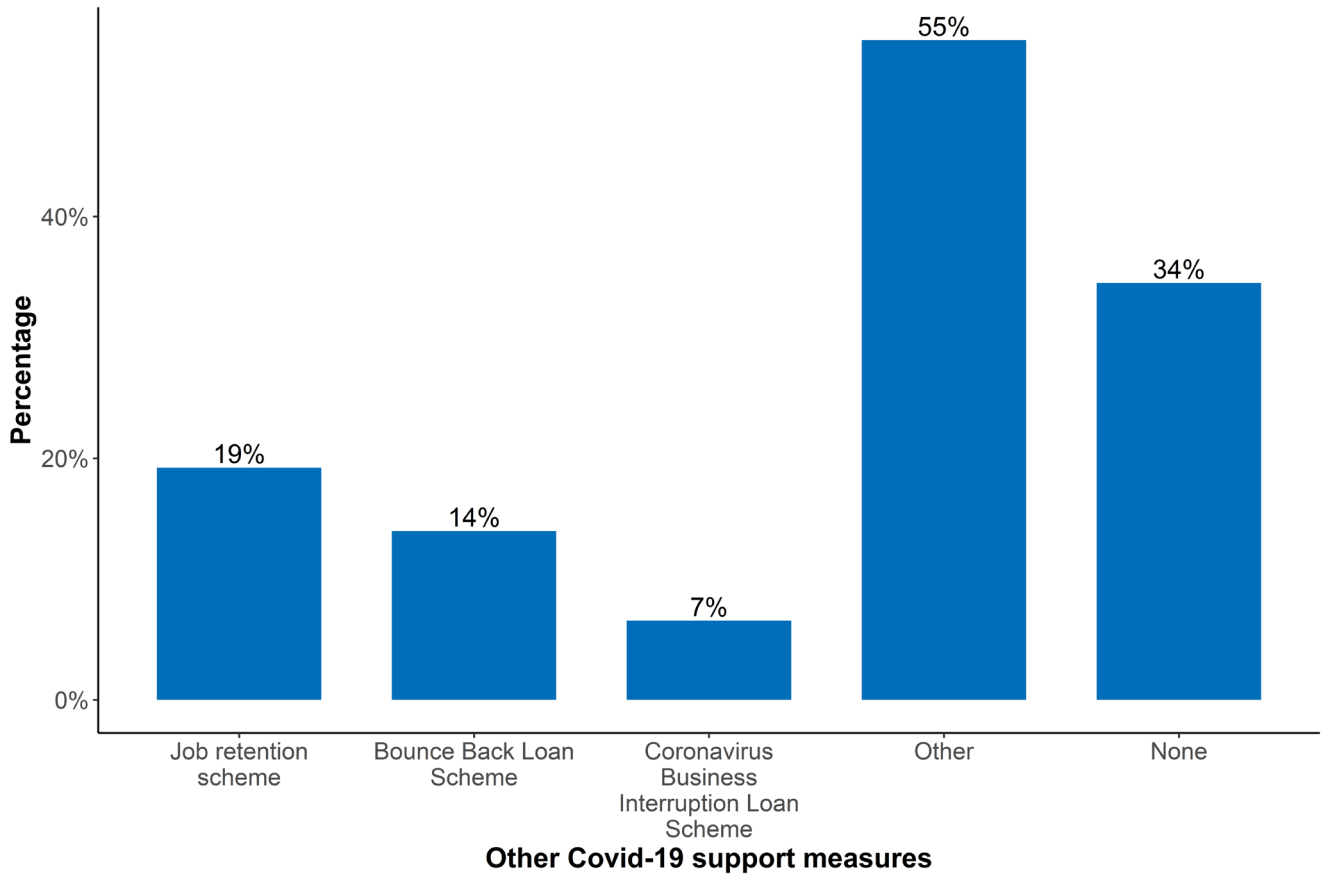
N = 179 (2018/219)

N = 182 (2019/20); *N* = 182 (2020/21)

Source: SSP online survey

Out of all the Covid-19 support measures 55% of clubs used some other scheme not listed, 19% used the job retention scheme and 14% used the bounce back scheme. 34% of clubs used no other support measures at all.

Figure 35. Which of the following COVID-19 support measures have you made use of? (Q11)

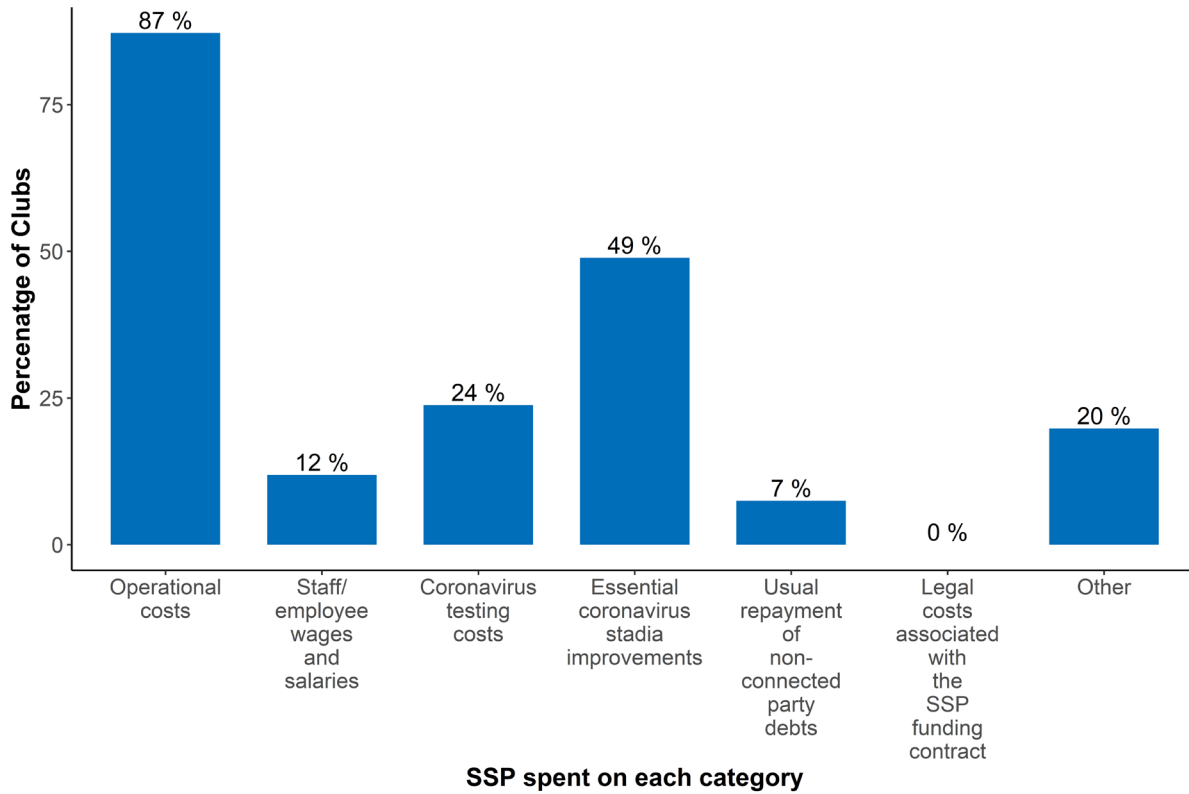


N = 229

Source: SSP online survey

The vast majority of clubs (87%) spent some of their SSP funding on operational costs. The next most common spending type was essential coronavirus stadia improvements (49%) followed by coronavirus testing costs (24%). No clubs spent their SSP funding on legal costs associated with the funding contract of SSP.

Figure 36. What did you spend the SSP funding on? (Q12)

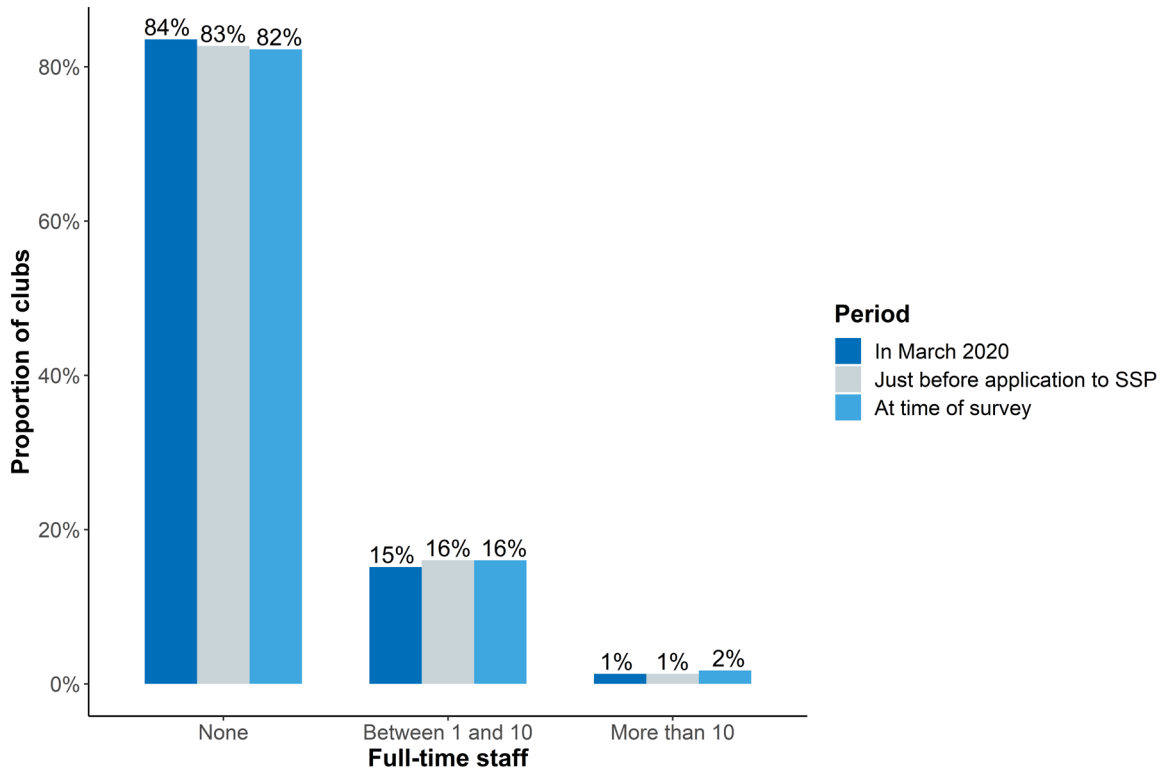


N = 227

Source: SSP online survey

Clubs were asked how many full-time or part-time staff members, contractors and volunteers they employed in March 2020, just before their application to the SSP and at the time of the survey. The chart below shows that more than 80% of clubs which responded to the small online survey did not have any full-time staff members. Around 1 in 6 of clubs had between 1 and 10 full-time staff members and only between 1% and 2% had more than 10 full-time staff members. The figures changed only marginally between the time periods.

Figure 37. Full-time staff by period (Q13_1)

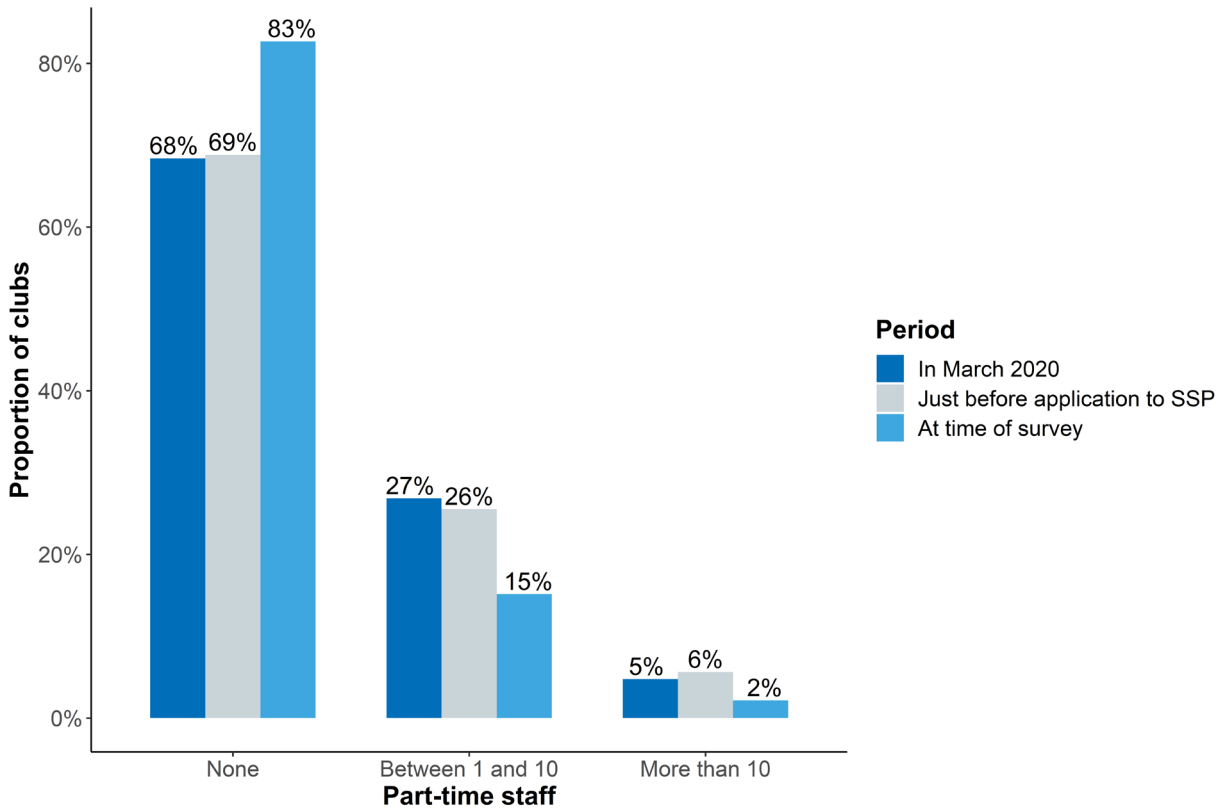


N = 231

Source: SSP online survey

Over two-thirds of clubs reported not to employ any part-time staff before their application to the SSP and around 5% reported to employ more than 10. At the time of the survey, the share of clubs which reported no to employ any part-time staff increased notably to 83%.

Figure 38. Part-time staff by period (Q13_2)

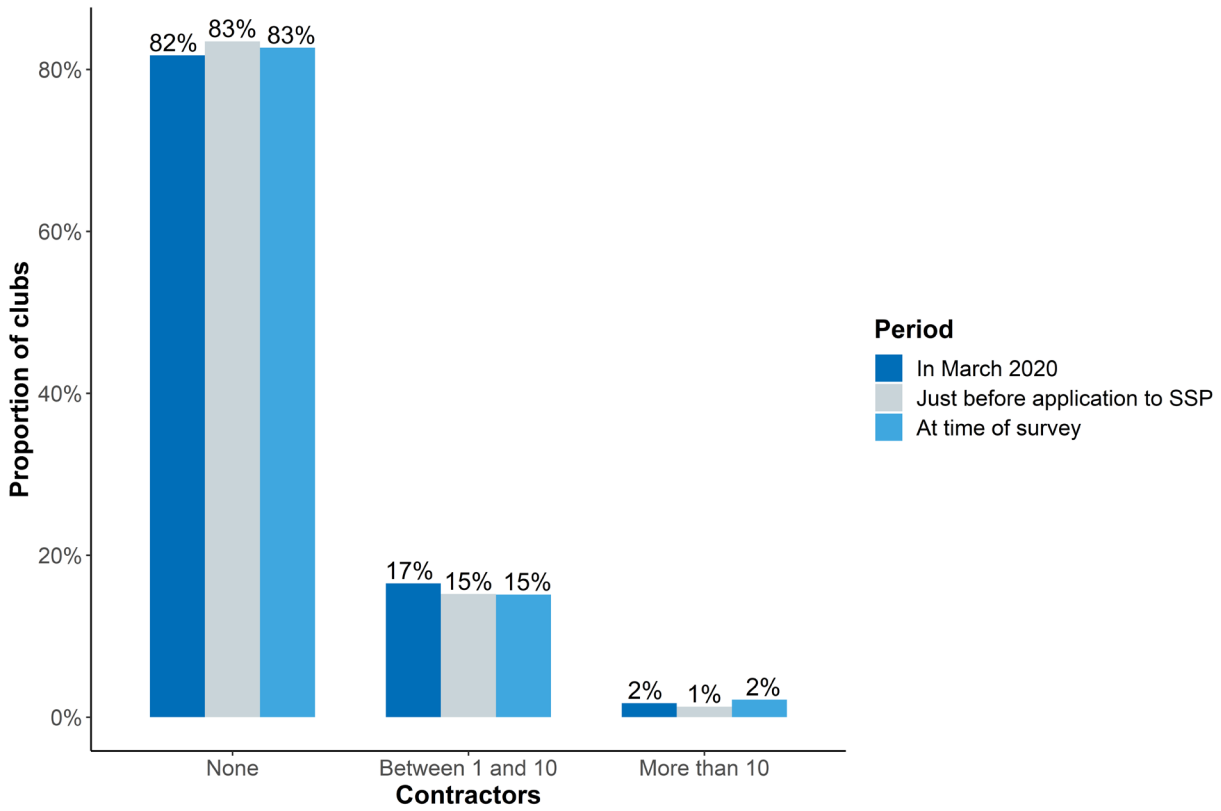


N = 231

Source: SSP online survey

Around 83% of clubs reported that they didn't employ any contractors, around 16% reported to employ between 1 and 10 and only around 2% reported to employ more than 10. The numbers only changed marginally over the three different time periods.

Figure 39. Contractors by period (Q13_3)

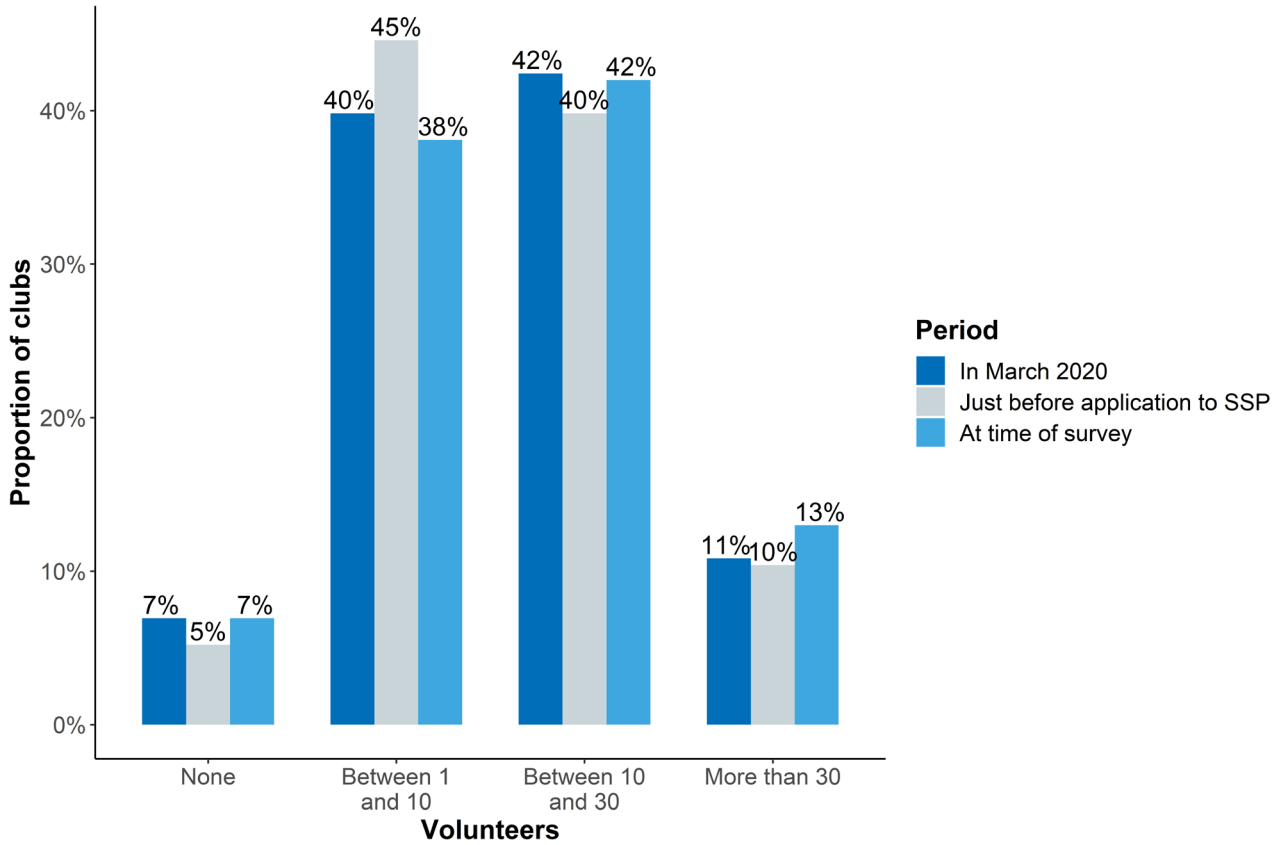


N = 230

Source: SSP online survey

More than 50% of clubs reported to employ at least 10 volunteers and more than 10% reported to employ more than 30. Only between 5% and 7% of clubs reported not to employ any volunteers. Clubs seemed to have employed slightly more volunteers at the time of the survey than they did before their application to the SSP.

Figure 40. Volunteers by period (Q13_4)

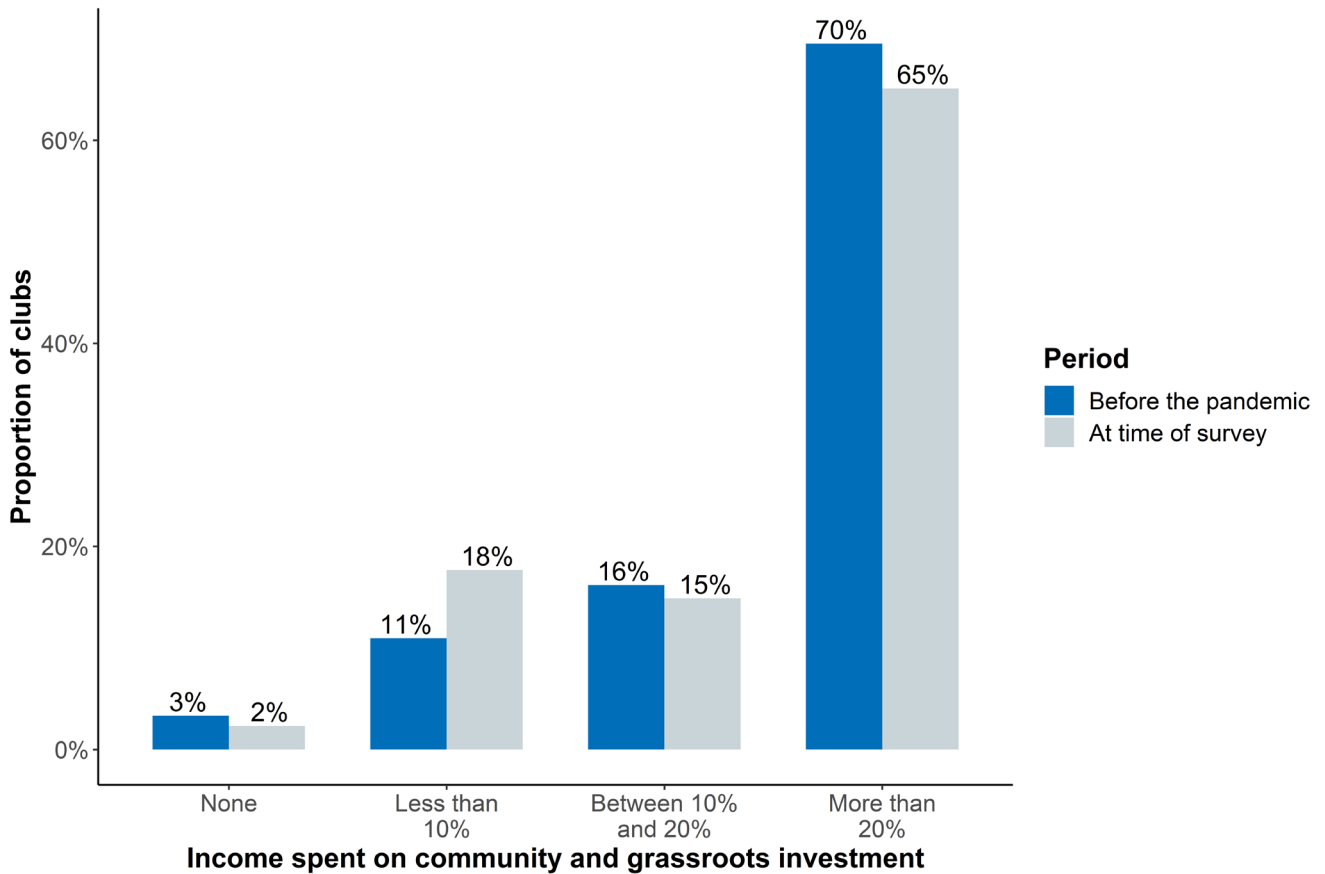


N = 231

Source: SSP online survey

70% of clubs reported to have spent more than 20% of their total income on community and grassroots investments before the pandemic. This share decreased slightly to 65% at the time of the survey. Only 2%-3% reported that they didn't make any investments in community and grassroots activities.

Figure 41. Income invested in community and grassroots activities by time period (Q14/Q15)



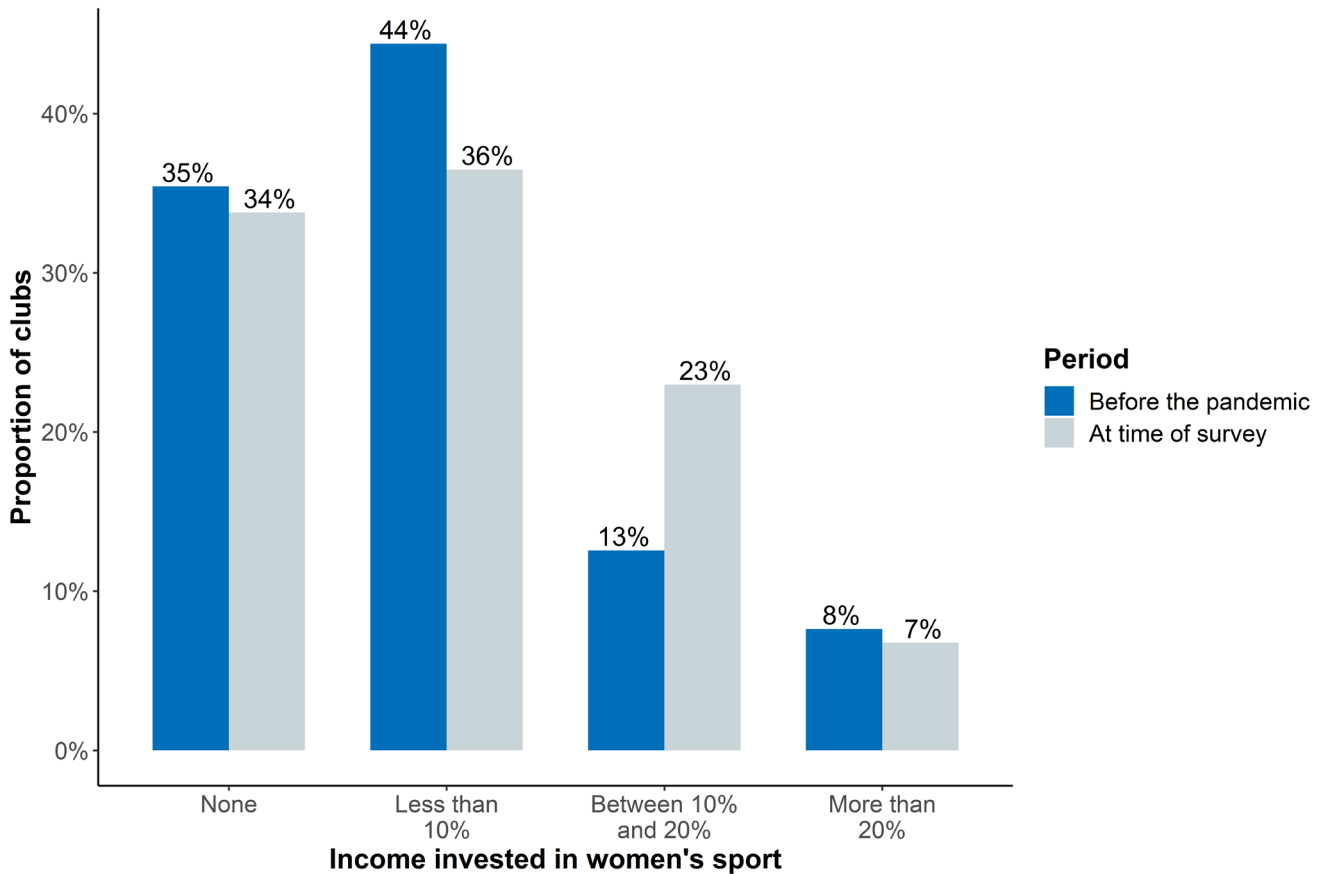
N = 210 (Before the pandemic)

N = 215 (At time of survey)

Source: SSP online survey

Over a third of responding clubs reported that they didn't invest any of their income in women's sport and around 8% reported to invest more than 20% which only changed marginally between the time before the pandemic and the time of the survey. Among the clubs that didn't fall into those categories, there was a notable increase in clubs which reported to invest between 10% and 20% and an according decline of clubs which invested less than 10% when comparing the time before the pandemic and the time of the survey.

Figure 42. Income invested in women's sport (Q16/Q17)



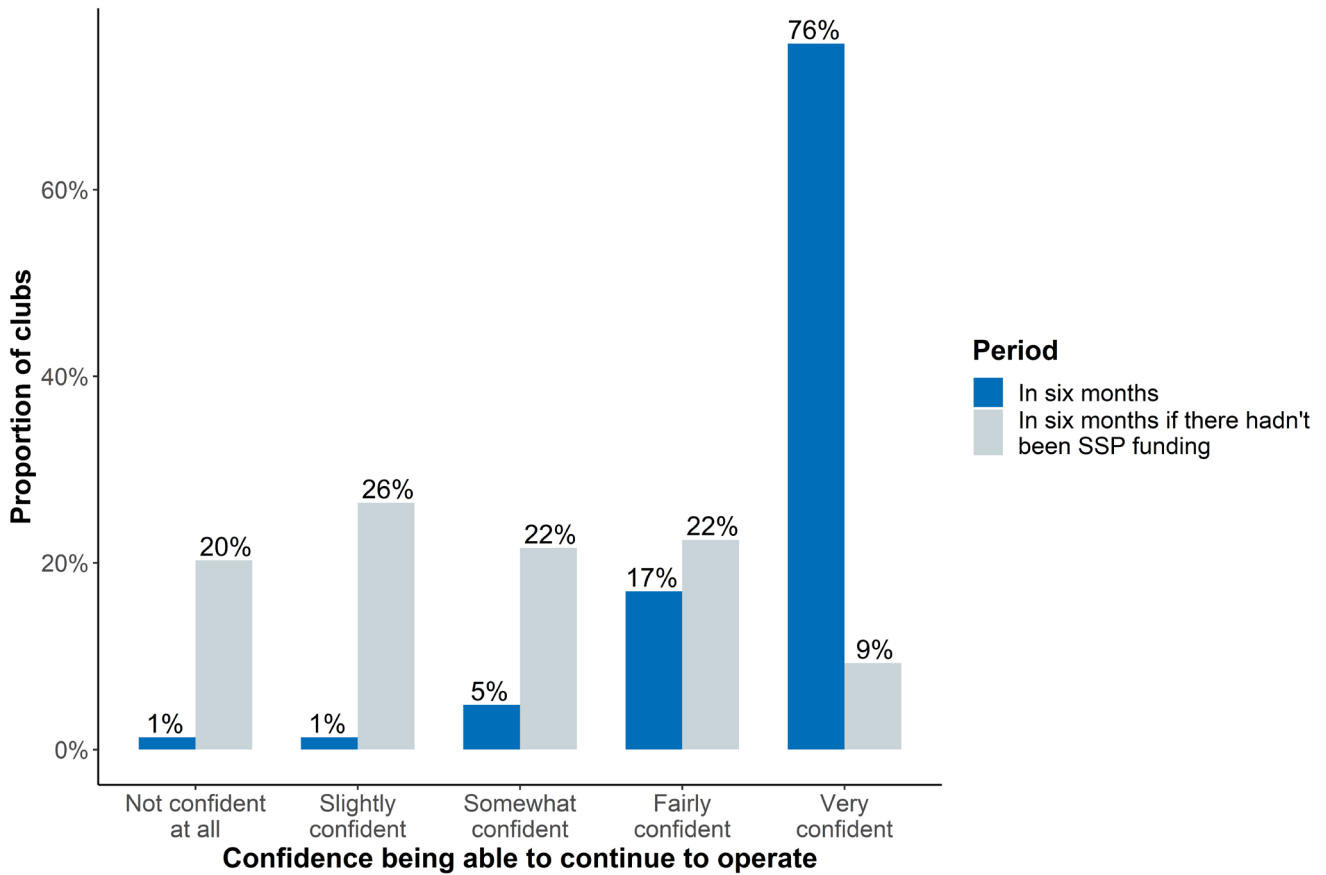
N = 223 (Before the pandemic)

N = 222 (At time of survey)

Source: SSP online survey

More than three-quarters of responding clubs reported to be very confident that they will still be operating in six months. Around 2% reported very low confidence levels. If SSP funding had not been available, only 9% would have felt very confident to still be operating in six months 46% would have felt slightly confident or not confident at all.

Figure 43. Confidence to be operating in six months from the time of the survey in reality and if SSP funding hadn't been available (Q18_1/Q19_1)



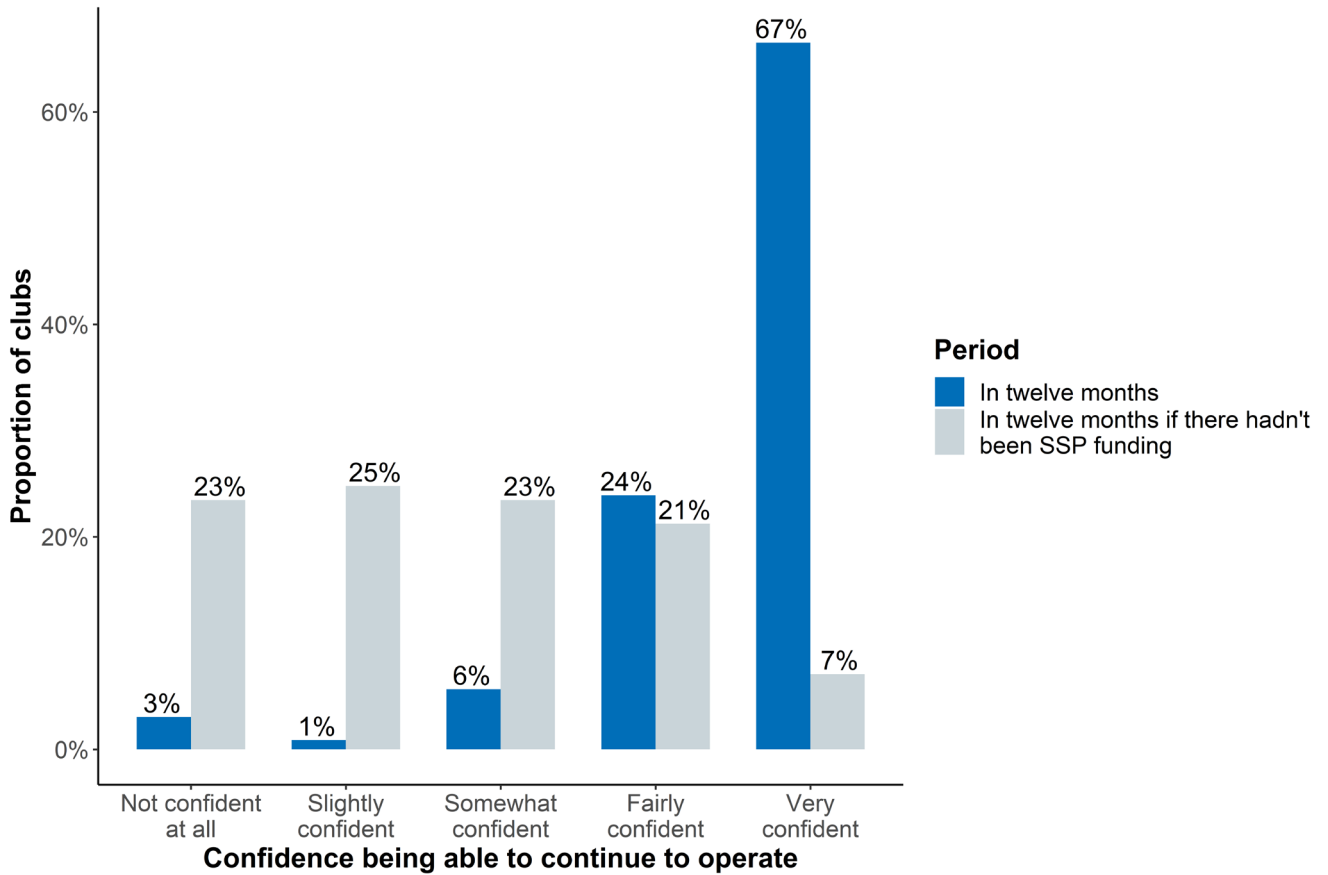
N = 231 (In six months)

N = 227 (if there hadn't been SSP funding)

Source: SSP online survey

The same question was also asked regarding the period 12 months from the time of the survey which painted a similar picture. 67% reported to be very confident and 24% to be fairly confident that they still would be operating then. Without SSP funding, confidence levels would have been much lower.

Figure 44. Confidence to be operating in twelve months from the time of the survey in reality and if SSP funding hadn't been available (Q18_2/Q19_2)



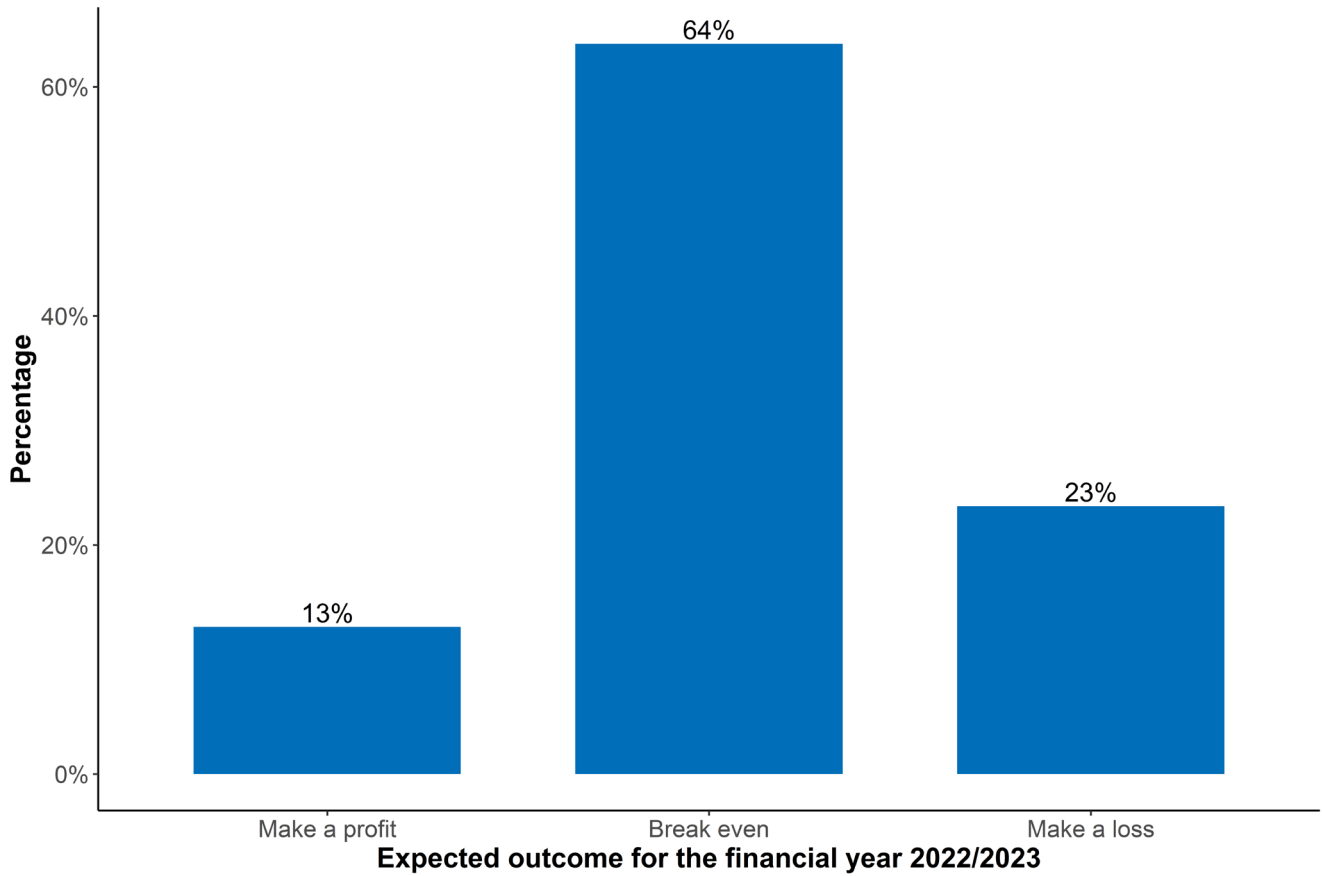
N = 230 (In twelve months)

N = 231 (if there hadn't been SSP funding)

Source: SSP online survey

For the financial year 2022/2023 the majority of clubs (64%) expect to break even, 13% expect to make a profit and 23% expect to make a loss.

Figure 45. For the 2022/2023 financial year, are you projecting to make a loss, a profit or to break even? (Q20)

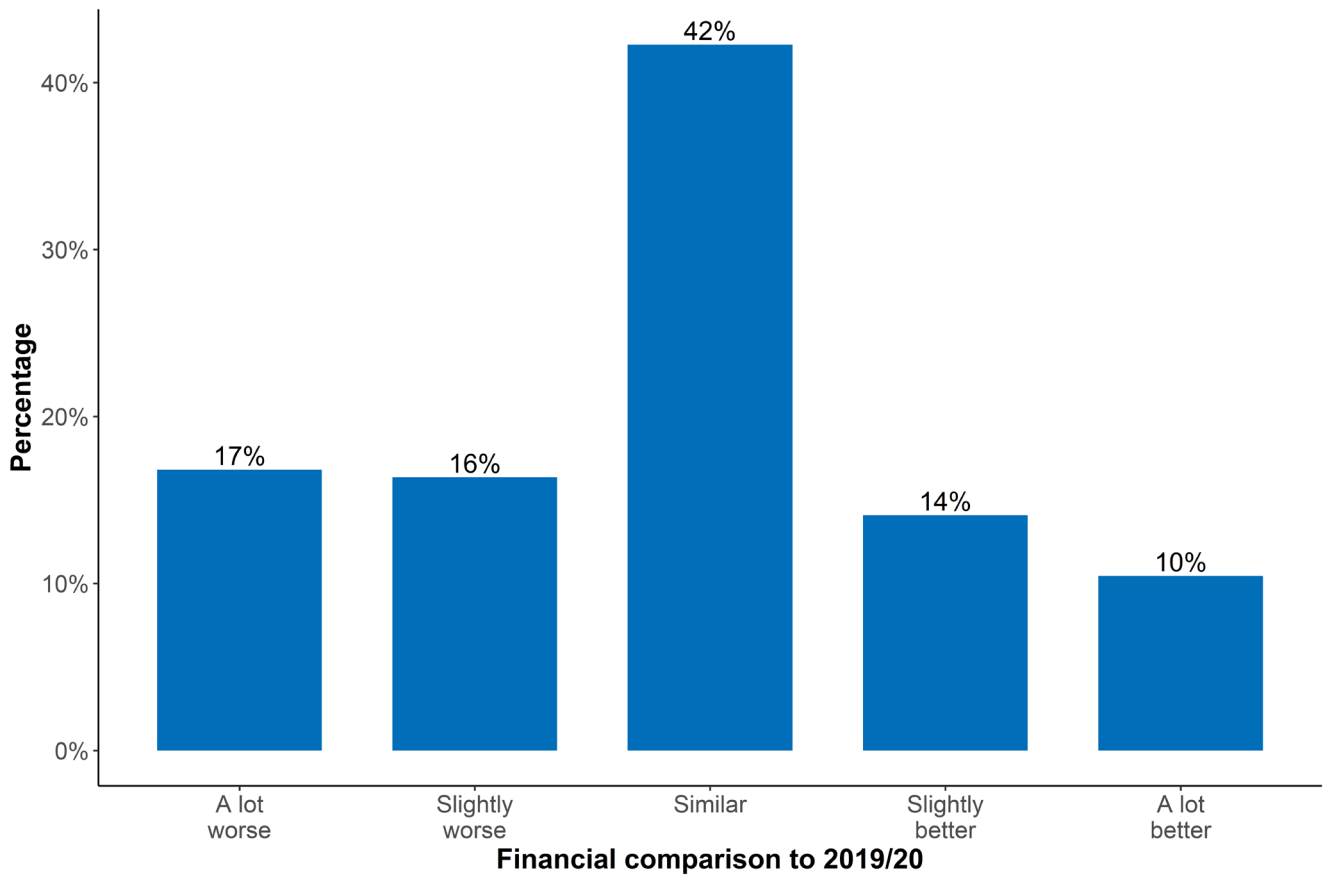


N = 218

Source: SSP online survey

42% of clubs said the projections for the 2022/23 financial year were similar to their financial situation in 2019/20. 33% said it had worsened whilst 24% said it had improved.

Figure 46. And how does this compare to your 2019/2020 financial year? Compared to your 2019/2020 financial results, the projections are (Q21)

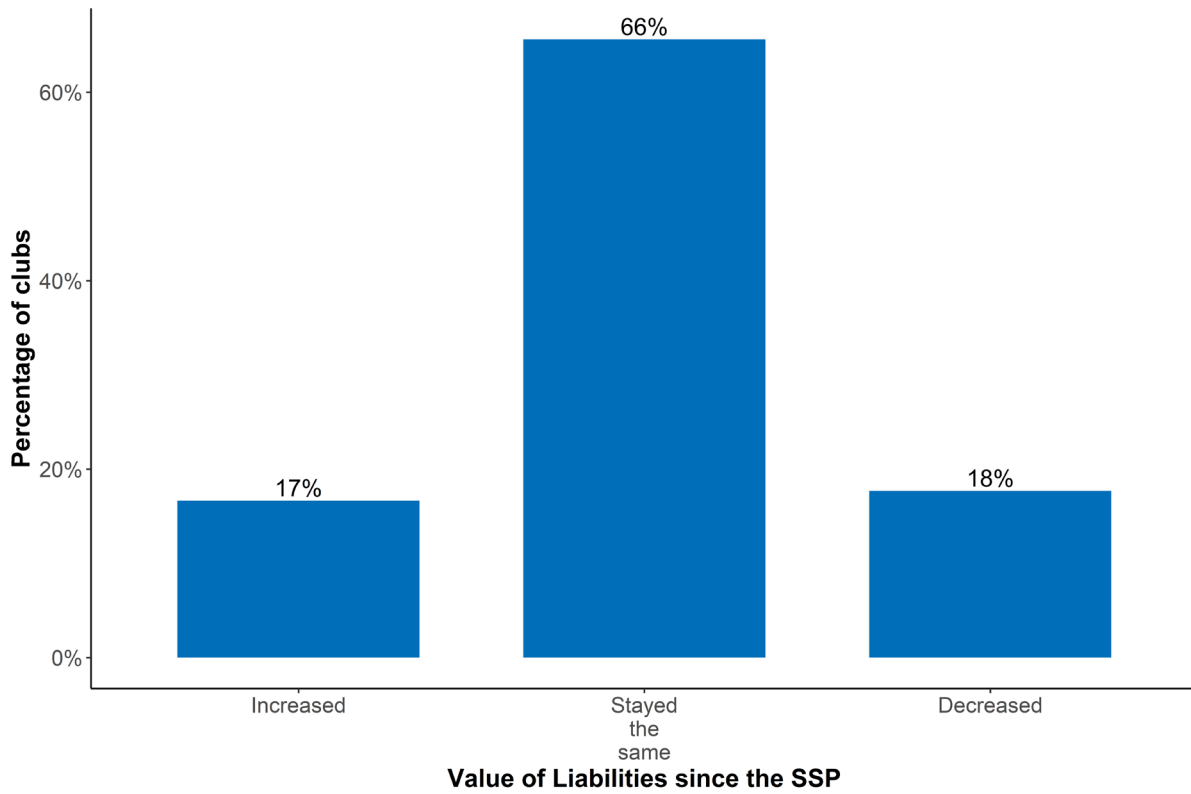


N = 220

Source: SSP online survey

Most clubs (66%) said their liabilities had remained the same since the SSP funding. Roughly similar proportions of clubs reported their liabilities had increased (17%) and decreased (18%).

Figure 47. Since you applied for SSP funding, has the value of your liabilities including SSP and other loan repayments (Q22)

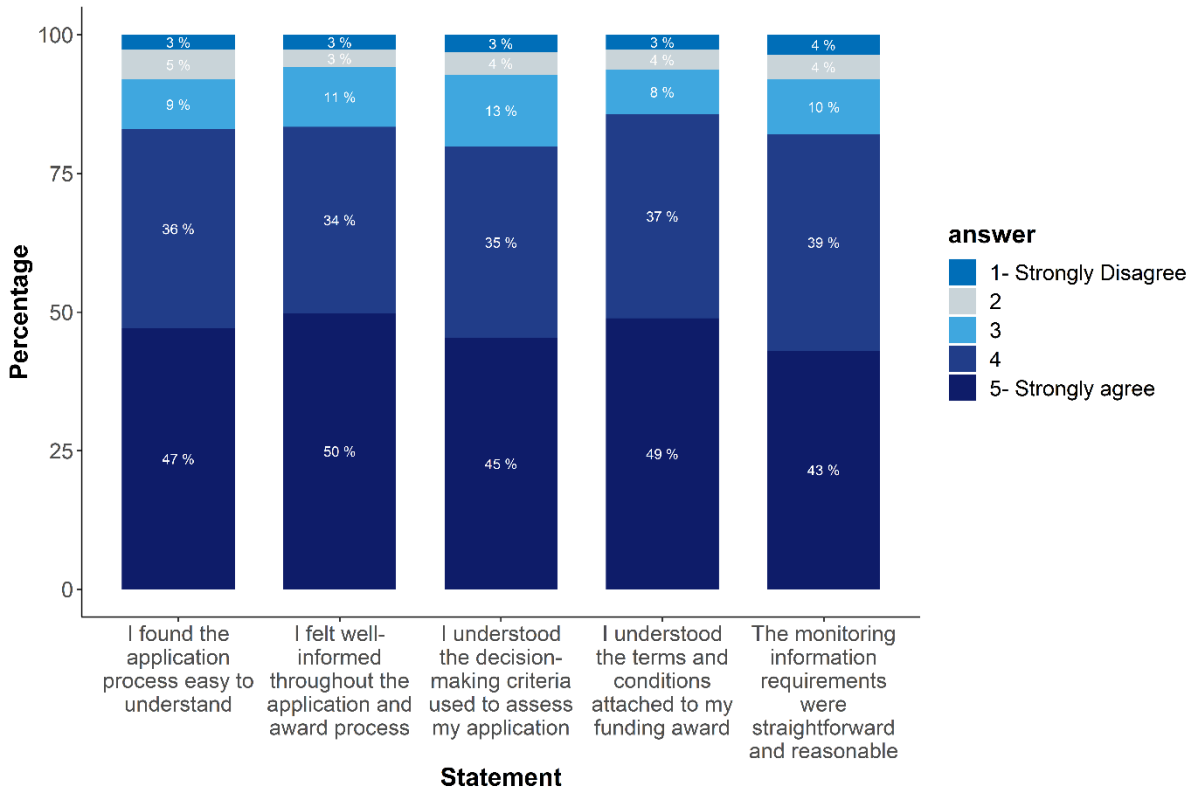


N = 192

Source: SSP online survey

The majority of clubs either agreed or strongly agreed with the positive statements on the process of the SSP funding, with strongly having the highest frequency across all the statements. At most 4% of clubs strongly disagreed with any of the statements, and no statement had more than 8% disagreeing with it.

Figure 48. How would you rate the following statements about the Sport Survival Package. (Q24)

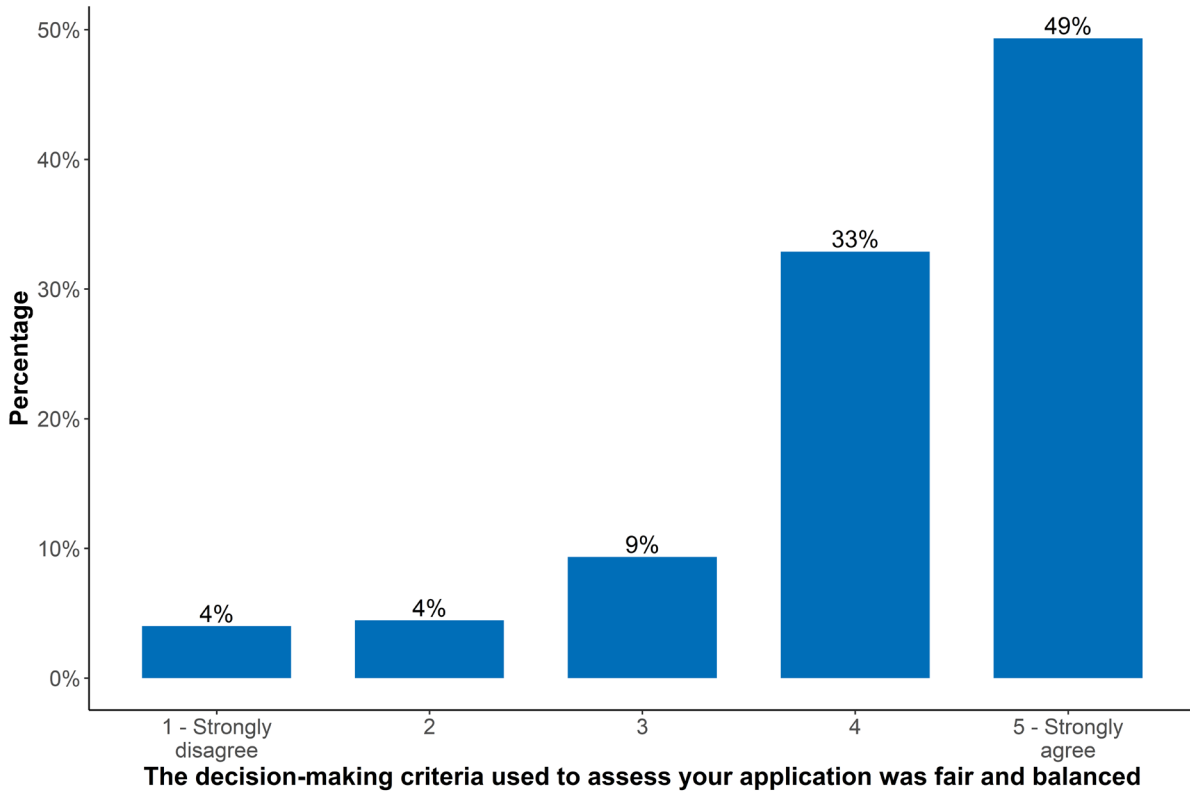


N = 223

Source: SSP online survey

Almost half of clubs (49%) strongly agreed that the decision-making criteria used to assess their application was fair and balanced. Less than 5% strongly disagreed with this statement.

Figure 49. The decision-making criteria used to assess my application was fair and balanced - On a scale of 1-5 where 1 is 'strongly disagree' and 5 is 'strongly agree' , how would you rate the following statements about the Sport Survival Package. (Q24_4)



N = 229

Source: SSP online survey

Annex E: Process tracing approach

The evaluation required an assessment of the role and importance of SSP funding in contributing to the survival and financial sustainability of the grant and loan recipients. As a comparator group approach was not feasible, the evaluation adopted a process tracing methodology that uses a statistical technique Bayesian Confidence Updating. This approach provides a systematic and transparent approach to assessing the impact of the funding. The use of process tracing is increasingly accepted as a robust alternative to experimental approaches in evaluation where the use of comparator or control groups is not feasible.¹⁷

This approach enabled us to arrive at an overall assessment (in terms of a percentage probability) of the extent to which the funding helped a club to survive through to the end of March 2022. In terms of the overall analysis of impact, this approach allowed us to arrive at a conclusion on the proportion of clubs in different probability ranges relating to how likely it is they would have gone into administration if they had not been supported by SSP. The summary of the process is shown in the box below.

Box 1. Summary of steps in applying Bayesian updating to process tracing

- ▶ The evidence pieces to test the claim that clubs would have become insolvent without SSP funding were chosen based on the literature, the qualitative evidence from the case studies and discussions within the evaluation team including input and review from sport finance experts. In total, 11 pieces of evidence were selected, derived from questions in the longer survey of clubs.
- ▶ Probability values were then assigned to each piece of evidence (using scales), indicating:
 - ▷ Sensitivity: The likelihood the evidence would be observed if the contribution claim (CC) that clubs would have gone into administration without SSP is true
 - ▷ Type 1 error: The likelihood the evidence would be observed if CC is false
- ▶ Evidence for each club was collected through the larger survey, so clubs that received the higher funding (over £10,000) are included within the scope of this analysis which covered the vast majority of SSP funding that went to clubs.
- ▶ A prior probability had to be chosen, representing our existing belief about whether the claim was true. As is recommended in the literature, this was chosen to be 50% indicating there was no prior information to suggest whether the claim was likely or unlikely to be true.
- ▶ Using the Sensitivity and Type 1 error values, Bayesian formula was applied for each piece of evidence and club, giving a single posterior value that represents an updated belief, or probability, that CC is true.

The recommended steps by Befani (2020)¹⁸, a leading academic in Bayesian updating of process tracing, were followed, and are set out below.

1. **Develop the hypothesis:** A hypothesis, and its complement, had to be chosen that were mutually exclusive and allowed the causality to be concluded. This was chosen to be:
 - ▷ **H:** the funding contributed towards clubs avoiding insolvency.

¹⁷ 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://doi.org/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.

¹⁸ Befani (2020) UKES / CECAN Online Masterclass Bayesian Updating (Diagnostic Theory-Based Evaluation)

▷ **~H:** the funding did not help clubs avoid insolvency.

2. Designing the data collection: We considered the probative value of responses to specific questions and prioritised responses with a higher probative value (i.e., evidence that is likely to be present if H is true, or evidence that is very likely to be seen if the H is false). It is suggested in the literature that evidence can be described by the different process tests and a variety should be considered; with a particular focus on hoop evidence and smoking gun (see Table 9).

3. Assigning the probabilities: Based on evidence from the literature, the qualitative evidence from the case studies, discussions within the team and input from our financial experts, 'sensitivity' and 'type 1 error' values were determined for specific pieces of evidence, as follows:

▷ **Sensitivity:** The probability of finding evidence if H is true. The 'sensitivity' value can be quantified, as a subjective probability between 0 and 1.

▷ **Type 1 error:** The probability of finding evidence if H is false.

The probability values associated with finding particular evidence (regarding whether H is true or false) are based on the following scales:

- ▶ Very likely – 90%
- ▶ Likely – 70%
- ▶ Uncertain – 50%
- ▶ Unlikely – 30%
- ▶ Very unlikely – 10%

The value of the process tracing approach rests on the validity of the subjective probability estimates for the sensitivity and type 1 errors assigned to each piece of evidence. We used a combination of survey responses (and derived metrics) providing mainly 'hoop' evidence as it was difficult to identify 'smoking gun' and 'doubly decisive' evidence based on any one piece of evidence that we had. The probability estimates were agreed after extensive and constructive conversations amongst the members of the evaluation team and after a thorough review of case study evidence. This allowed the evaluation team to reach consensus on the probative value of evidence.

The list of probative values assigned can be found in Table 9.

Table 9. Process tracing test

Test	Interpretation	Sensitivity	Type 1 error
Expect to see/ hoop evidence	If the hypothesis is true we would see it; the absence of it does not mean the hypothesis is not true.	Likely	Likely
Smoking gun	If observed it means the hypothesis is almost certainly true, however in its absence the hypothesis could still be true.	Very Likely/ Likely	Uncertain/ Likely
Doubly Decisive	If observed it means the hypothesis is almost certainly true, the absence of observing it suggests the hypothesis is almost certainly not true.	Very Likely	Very Unlikely/ Unlikely

Straw in the Wind	If observed it does not increase the likelihood of the hypothesis being true significantly, the absence of observing does not increase the likelihood of the hypothesis not being true significantly.	Uncertain/ Unlikely/ Likely	Uncertain/ Unlikely/ Likely
--------------------------	---	--------------------------------	--------------------------------

4. Conduct Data Collection and Update Confidence About the Claim: The more detailed financial questions needed for this approach were only asked to clubs that received funding amounts over £10k as part of the longer survey.

After collecting the results from the survey, the sensitivity and type 1 error values were inputted for each evidence piece from each club. So, for example below in Table 10 we have a club that had 97% of its operating income coming from earned income, so using the thresholds in Table 11, a sensitivity value of 0.7 (70%) and a type 1 error of 0.5 (50%) would be allocated.

Table 10. Example evidence of assigning Sensitivity and Type 1 error probabilities.

Evidence	Variable	Question number	Question description	Rationale	Thresholds	Sensitivity	Type 1
E1	Earned income	Q5	What percentage of your organisation's operating income for the 2019/2020 financial year came from the following sources?	Higher probability of finding higher share of earned income if H is true.	Earned Income is over 75%	70%	50%
					Earned Income is between 50-75%	50%	70%
					Earned income is less than 50%	30%	90%

After assigning these values, the Bayes' formula (see below) is applied to the evidence, in order to calculate the posterior probability of H being true.

Evidence	Variable	Question	Value	Unit	Sensitivity (P(E/H))	Type 1 error (P(E/~H))
E1	97	Q5	97	% Operating income from earned income	0.7	0.5

Choosing the prior: A prior had to be chosen for the likelihood that a hypothesis is true without any of our new observed evidence. As this was an unprecedented situation and no evidence was available on what an appropriate starting point should be, a 50% prior was chosen, indicating it was uncertain.

Continuing with the example above, if we find evidence E1 and apply Bayes' formula this results in a posterior probability of 0.58 (58%)– in other words, this has increased our confidence that H is true.

$$\begin{aligned}
 (1) P(H|E) &= \frac{P(E|H) \times P(H)}{\{P(E|H) \times P(H)\} + \{P(E|\sim H) \times P(\sim H)\}} \\
 &= \frac{70\% \times 50\%}{\{70\% \times 50\%\} + \{50\% \times 50\%\}} \\
 &= \frac{0.35}{0.35 + 0.25} \\
 &= 58\%
 \end{aligned}$$

However, as we need to apply multiple pieces of evidence, not just one, we used the formulas 2 and 3 to get a posterior probability based on all the pieces of evidence. The % value would go up or down and robustness increases with the number of pieces of evidence.

$$\begin{aligned}
 (2) P(E|H) &= P(E_n|HE_{1-n}) (E_{n-1}|HE_{1-n-1})P(E_{n-2}|HE_{1-n-2})P(E_{n-3}|HE_{1-n-3}) \dots \\
 (3) P(E|\sim H) &= P(E_n|\sim HE_{1-n}) (E_{n-1}|\sim HE_{1-n-1})P(E_{n-2}|\sim HE_{1-n-2})P(E_{n-3}|\sim HE_{1-n-3}) \dots
 \end{aligned}$$

So, to continue the example above, if there was the following sensitivities and type 1 errors for additional evidence:

Table 11. Example allocating sensitivities and Type 1 errors

Evidence	Sensitivities	Type 1 error
E1	0.7	0.5
E2	0.9	0.7
E3	0.5	0.3

$$P(E|H) = 0.7 \times 0.9 \times 0.5 = 0.31 \text{ (31\%)}$$

$$P(E|\sim H) = 0.5 \times 0.7 \times 0.3 = 0.105 \text{ (10.5\%)}$$

$$\begin{aligned}
 P(H|E) &= \frac{P(E|H) \times P(H)}{\{P(E|H) \times P(H)\} + \{P(E|\sim H) \times P(\sim H)\}} \\
 &= \frac{31.5\% \times 50\%}{\{31.5\% \times 50\%\} + \{10.5\% \times 50\%\}} \\
 &= \frac{0.1575}{0.1575 + 0.0525} \\
 &= 75\%
 \end{aligned}$$

After including additional evidence, it has increased the likelihood of H being true; however the calculation would need to be rerun with all pieces of evidence to arrive at a final probability value. This approach was applied to every club that answered the long survey. This then allowed us to make statements based on groupings of clubs made in the main report e.g. *x% of clubs had more than a 70% likelihood that the SPP helped it avoid administration.*

As the robustness of our conclusion is increased with the number of pieces of evidence, a threshold was set for clubs on the absence of evidence. Any club with more than 30% of evidence 'missing' was excluded from our analysis, meaning each club had at least eight pieces of evidence.

Sensitivity and Type 1 errors for evidence.

The table below identifies the pieces of evidence (E1, E2 etc) which will be based on analysis of the 'impact' questions from the survey and the Sensitivity and Type 1 error values applied.

Table 12. Probative values for sensitivities and Type 1 errors

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
E1	Earned income	What percentage of your organisation's operating income for the 2019/2020 financial year came from earned income?	Higher probability of finding higher share of earned income if H is true.	The club's earned income is over 75% of operating income.	70%	50%
				The club's earned income is between 50-75% of operating income.	50%	70%
				The club's earned income is less than 50% of operating income.	30%	90%
E2	Gross Profit margin 19/20	Operating Income in 2019/20	Indication of financial health at the time of application. Higher probability of finding lower or negative profit margin if H is true.	Gross profit margin less than, or equal to 0	70%	50%
		Operating Expenditure in 2019/20		Gross profit margin being more than 0	30%	50%
E3	Gross Profit Margin from 2019/20-> 2020/21	Operating Income in 2019/20	The role of SSP funding was to safeguard the overall financial health of the club. Higher probability of finding that gross profit margin hasn't increased at least by too much if H is true. If profit margin went up over this period it suggests that clubs may have received unexpected income increases or cost reductions which meant that the need for SSP support turned out to be less in practice.	Gross profit margin stayed the same (or +-10%)	90%	50%

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
		Operating Expenditure in 2019/20		Gross profit margin has gone down (>10%)	50%	70%
		Operating Income in 2020/21		Gross profit ratio has gone up (<-10%)	30%	90%
		Operating Expenditure in 2020/21				
E4	Weeks of reserves before club applied for SSP funding.	Before you applied for SSP funding, approximately how many weeks' worth of operating expenditure did you have in your reserves including funds that the club could access from owner or shareholder contributions?	Higher probability of finding lower cash reserves if H is true.	The club had less than 1 month of reserves.	90%	70%
				The club had between 1- 3 months of reserves.	70%	70%
				The club had between 3-6 months of reserves.	50%	70%
				The club had more than 6 months of reserves.	10%	90%
E5	Clubs made staff redundancies and/or ask staff to take a pay cut between March 2020 and first application.	Between March 2020 and your first application for funding from SSP, which of the following cost-cutting decisions, if any, did you have to take? Staff redundancies	Higher probability of finding that clubs made either staff redundancies and/or asked staff to take a pay cut if H is true as it implies that other options exhausted.	The club made staff redundancies and/or asked players to take a pay cut.	90%	70%

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
		Between March 2020 and your first application for funding from SSP, which of the following cost-cutting decisions, if any, did you have to take? Asked staff to take a pay cut		The club did not make staff redundancies and/or asked players to take a pay cut.	50%	50%
E6	The gap in income did that SSP funding helped to cover.	Thinking about the reduction in income caused by the pandemic, approximately how much of this gap in income did the SSP funding help to cover?	If H is true would expect a higher proportion of the reduction in income caused by the pandemic to be covered by SSP.	The gap in income SSP funding helped to recover was higher than 75%.	90%	70%
				The gap in income SSP funding helped to recover was higher than 50%.	70%	70%
				The gap in income SSP funding helped to recover was lower than 50%.	30%	70%
E7	The percentage of your overall income from owner/shareholder contributions? • In 2018/2019 financial year • In 2019/2020 financial year • In 2020/2021 financial year	Approximately, what percentage of your overall income came from owner/shareholder contributions? In 2018/2019 financial year	Owner contributions are less likely to decrease between 18-20 to 20/21 if H is true.	Owner contributions in 20/21 were in line (or above) with previous years.	70%	50%

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
		Approximately, what percentage of your overall income came from owner/shareholder contributions? In 2019/2020 financial year		Owner contributions in 20/21 were lower than previous years.	30%	50%
		Approximately, what percentage of your overall income came from owner/shareholder contributions? In 2020/2021 financial year				
E8	Whether the club was received other COVID-19 support measures.	Which of the following COVID-19 support measures have you made use of? <ul style="list-style-type: none"> • Bounce Back Loan Scheme (BBLs). • Coronavirus Business Interruption Loan Scheme (CBILS) • Job retention scheme (also known as Furlough) • Other, including funding from Local Authority • None 	Higher probability of finding that clubs already used other options if H true (as implies that other options exhausted). Case study analysis also supports why didn't use other options.	The club used other schemes.	90%	50%
				The club didn't use other schemes.	50%	50%
E9	What proportion of SSP funding clubs spent on: <ul style="list-style-type: none"> • Operational costs • Staff/employee wages and salaries 	What did you spend the SSP funding on? (and in what proportions) Operational costs	Higher probability of finding that clubs spent higher proportion of funding on operational and staff/employee wages and salaries if H is true.	The club spent over 75% of funding on either operational costs and staff/employee wages and salaries.	90%	70%

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
		What did you spend the SSP funding on? Staff/employee wages and salaries		The club spent between 50%-75% of funding on either operational costs and staff/employee wages and salaries.	50%	70%
				The club spent less than 50% of funding on either operational costs and staff/employee wages and salaries.	30%	90%
E10	Assets to liability ratio.	How much your organisation held in liabilities (both long-term liabilities and current liabilities) at the time just before your first successful application to SSP?	The H is more likely to be true if the liabilities to asset ratio is higher. A ratio of 2 or higher is generally considered to be a high level of risk for business viability.	The club has a total liabilities to assets ratio of greater than 2.	90%	30%
		What was the value of your total assets at the time just before your first successful application to SSP?		The club has a total liabilities to assets ratio of greater than 1.5.	70%	50%
				The club has a total liabilities to assets ratio between 0.5-1.5.	50%	70%
				The club has a total liabilities to assets ratio of below 0.5.	30%	70%
E11	Net operating income to debt ratio (before applying to fund).	How much your organisation held in liabilities (both long-term liabilities and current liabilities) at the time just before your first successful application to SSP?	H is more likely to be true the lower the ratio.	The club has a net operating income to debt ratio of less than 0.5.	90%	70%
		What was your organisation's total operating income for the 2019/2020 financial year?		The club has a net operating income to debt ratio of less than 1.	70%	50%

	Variable	Question description	Rationale	Thresholds	Sensitivity	Type 1
		What was your organisation's total operating expenditure for the 2019/2020 financial year?		The club has a net operating income to debt ratio of higher than 1.	50%	50%
				The club has a net operating income to debt ratio of higher than 1.5.	30%	30%

Limitations of approach

A limitation of using process tracing with Bayesian updating is the lack of confirmed independence between pieces of evidence. The approach relies on assumed independence of evidence, for example:

- ▶ **E5:** Higher probability of finding that clubs made either staff redundancies and/or asked staff to take a pay cut if H is true (as implies that other options exhausted).
- ▶ **E9:** Higher probability of finding that clubs spent higher proportion of funding on operational and staff/employee wages and salaries if H is true.

It could be considered that those clubs that had to ask staff to take a pay cut before the funding may have spent more of the funding on staff and employee wages and salaries. This could mean some results are inflated or deflated as we are assuming that:

$$P(E_n | HE_{1-n}) = P(E_n | H)$$

In the case above it is possible that in actuality:

$$P(E_n | HE_{1-n}) > P(E_n | H)$$

In words, we have assumed that the probability of observing evidence, given the hypothesis is true is the equal to the likelihood of observing that evidence given that the hypothesis and all the other evidence has also been observed. In reality, this probability is likely affected by the observation of other evidence. It is also therefore possible that the reverse is true (the evidence is true given the hypothesis is not true):

$$P(E_n | \sim HE_{1-n}) < P(E_n | \sim H)$$

Fairfield, Tasha and Charman (2015)¹⁹ discuss the complexity of this task, highlighting that individuals may view multiple dependent paths between two pieces of evidence. Given the unprecedented nature of the Covid-19 pandemic, these dependencies were unclear.

¹⁹ Fairfield, Tasha and Charman, Andrew (2015), Formal Bayesian process tracing: guidelines, opportunities, and caveats. The London School of Economics and Political Science, London, UK.

Annex F: Econometrics feasibility

This note presents a feasibility assessment of a counterfactual impact evaluation of the SSP funding package.

It starts by setting out preliminary considerations on the methodology and the design of the impact evaluation. It goes on to outline possible options to construct a comparison group, potential analytical approaches, and challenges for the impact evaluation.

Preliminary considerations

Counterfactual impact evaluation

To measure the impact of SSP on the survival rates and financial health of funded organisations, one should ideally compare outcomes of funded clubs with outcomes of the *same* clubs under a hypothetical scenario (the 'counterfactual') in which they did not receive funding. As each club can only be in one state of the world (i.e., either receiving or not receiving SSP funding), the counterfactual can never be observed. In principle it could be estimated however using appropriate statistical techniques and data from non-funded organisations to select a 'comparison group', i.e., a group of clubs who did not receive funding but are otherwise as similar as possible to those who did (the 'treatment group'). Under specific assumptions, outcomes in the comparison group can be considered a good approximation of outcomes in the treatment group in the absence of the treatment.

Counterfactual impact evaluation essentially consists of finding ways to construct a robust comparison group, which allows making causal claims on the effects of a policy.

Selection bias

As in many evaluations, the main challenge in constructing a valid comparison group for SSP-funded clubs is addressing selection bias. Selection bias arises because, by choosing to apply for funding, SSP-funded organisations *self-selected* into being funded, in addition to the fact that the funders made their decision on who was eligible / what form of support to provide based on financial need. It is reasonable to expect that applicants were systematically different from organisations that did not apply or did not receive funding, **both on observable and unobservable characteristics**, which in turn may determine the outcomes of interest. It follows that a simple comparison of outcomes of funded and non-funded organisations is likely to mask the true effect of the policy.

One of the most important **observable characteristics** on which funded and non-funded organisations are expected to differ is their financial viability before the pandemic (which was also taken into account in the awarding decision). Financial need at the time of applying will be correlated to some extent to their financial viability, and financial need is likely to be both the main driver of the decision to apply, and of the organisations' financial situation after receiving support, for example:

- ▶ Applicants may be under higher financial distress than non-applicants, and hence they may be less likely to survive and be in better financial conditions both before and after the pandemic. It follows that, comparing outcomes of non-applicants with those of beneficiary clubs may lead to an underestimation of the effect of SSP funding.²⁰

²⁰ A similar line of reasoning would apply to clubs who declined the offer. Based on information provided by Sport England, most of these clubs declined the offer because they were offered a loan, while they would have preferred a grant (probably based on their expected ability to repay a loan).

- ▶ Conversely, it is possible that clubs who were denied funding may be the least financially viable or resilient, and hence they may not have survived even if they had received financial support. Hence, comparing these organisations to the beneficiary ones may lead to an overestimation of the effect.

Funded and non-funded organisations may also differ on several **unobserved or unmeasurable characteristics** that influence market survival and financial health. Examples are the quality of their management, differences in business models or organisation-specific shocks that were faced before the pandemic.

Direct awards and secondary models

The funding allocation process for SSP followed two different approaches: **direct awards and secondary models**. Under direct awards, sport organisations applied for funding and the funding decision (including whether the organisation was offered a grant or a loan) was based on four broad criteria, as set out in the programme guide:

1. **Structural eligibility**, which includes, among others, being based in England, being compliant with the subsidy control legislation as well as with policies and structures of the relevant authorities (domestically and internationally), not restrictive access to tickets to the general public.
2. **Financial resilience and sustainability**, which includes among others: being financially viable before the coronavirus, applying to sports England as a last resort, being able to demonstrate future financial viability.
3. **Prioritisation**, including the organisations' ability to demonstrate their role and track record in providing grassroots participation, and their role in addressing inequalities.
4. **Balancing**, which refers the organisations' ability to demonstrate their role and track record in contributing to wider economic and social benefits, their role in supporting governance reforms in their sports and in supporting the success of the UK internationally.

Under the secondary model, funding was given to secondary organisations (National Governing Bodies or subsidiaries thereof), who were then responsible for distributing funds across their members, following the same principles and processes as Sport England, but with a degree of discretion in the approach taken in the funding distribution.

As shown in the main report, secondary models were applied to a small number of segments and sports (Rugby Union, Rugby League, Football and Horseracing), and a larger number of organisations received funds through this model than through direct awards. The size of the grants, however, was smaller for secondary models than direct awards.

Analytical options

Based on our review of the application tracker and the selection process, the following options are considered for the analysis of the counterfactual, ordered by causal robustness:

- ▶ **Matching approaches:** Matching approaches, e.g., propensity-score matching (PSM), try to identify, for every funded organisation, one or more non-funded organisation with similar observable characteristics. Possible matching characteristics could be past value of revenues, assets, and debts prior to the pandemics. Matching approaches could be technically feasible for the construction of the counterfactual for the evaluation of SSP, provided that it is possible to collect data on both funded and non-funded organisations, either by primary surveys or through public filings in Company House data. Besides data availability, a potential challenge to the application of this approach is the small number of non-funded organisations with respect to funded ones both in the direct award and secondary models. Finding good matches is likely to be difficult in this case and may

leave us with an even smaller sample to conduct the analysis (as funded organisations for which good matches cannot be found would have to be excluded from the analysis).

- ▶ **Pipeline designs:** A pipeline approach compares clubs that received funding earlier to those that received it later. This approach is not suitable for the evaluation of the impact of SSP because, based on the application tracker, organisations received funds approximately at the same time, or with too short a lag to observe any differences in the outcomes of interest.
- ▶ **Selection based on the value of a score:** This approach could be applied if the selection rules for awarding the funding had been translated into an overall score, such that organisations with score value above the threshold received the funding and organisations with score value below the threshold did not. The approach would then compare clubs whose application scored just below the threshold with organisations with score just above the threshold. Based on our review of the award process, it is our understanding that, although the process followed objective criteria (especially for the direct award model), applications were not given a score that could be used for selecting a comparison group. Furthermore, even if there was a scoring threshold used, the volumes of declined applicants are far too small to enable this analysis. Hence this approach to constructing the counterfactual is not feasible both for the direct award and secondary models.
- ▶ **Synthetic Control Method (SCM):** This method constructs a comparator from a weighted combination of non-funded clubs. It allows accounting for the effect of both observable and unobservable characteristics changing over time and is typically used in case study settings with a low number of treated units (normally just one) and a large time dimension, although recent applications have implemented it with multiple treated units.²¹ The application of SCM seems unfeasible in the context of the SSP evaluation, as it would require running one model per funded organisation (134 models in total for the direct award model, and over a thousand for the secondary model), which would make it difficult to draw conclusions on the overall effect of the programme. In addition, SCM requires availability of a long time-series of data on the outcome variable and other organisation-level characteristics, which will need to be collected either through primary surveys or through publicly available Companies House data.
- ▶ **Use all non-funded organisations, or an arbitrarily selected group of non-funded organisations, as comparison group:** due to the issue of selection bias described above, this approach is the least robust for the construction of the counterfactual as it does not deal with selection bias. In our case, however, it may be a satisfactory compromise given the small sample size considerations. We will need to combine it with an appropriate controlling strategy in the analytical approach (see box below) to partially mitigate selection bias.

While a matching approach seemed to be the most appropriate method given the design of the evaluation, it was not considered to be feasible due to small sample sizes and data availability. As an alternative, we could have tried to resort to using all non-funded organisations as comparison group and try to adopt regression approach, as described in the Appendix, to mitigate selection bias. A potentially viable regression model would be a Difference in Differences (DiD) analysis, which can address bias due to selection on unobservables. The feasibility of DiD relies on availability of longitudinal data on the outcome variable.

²¹ Robbins, Michael W., Jessica Saunders, and Beau Kilmer. "A framework for synthetic control methods with high-dimensional, micro-level data: evaluating a neighborhood-specific crime intervention." *Journal of the American Statistical Association* 112.517 (2017): 109-126.

Regression models

With longitudinal data on the outcomes of interest, it is possible to tackle selection bias due to unobservable characteristics, which is one of our main concerns for this evaluation.

We would specify a Difference in Differences (DiD) model of this form:

$$y_{it} = \alpha + \beta T_{it} + \partial X_{it} + \alpha_i + \delta_t + u_{it}$$

This regression model assumes that the outcome of interest (y_{it}) for organisation i in period t is determined by whether an organisation has received funding (T_{it} , a dummy variable taking the value of 0 in periods prior to funding being awarded, and 1 after the funding is awarded). The impact of SSP is captured by the coefficient β .

To control for other factors that may influence the outcome of interest, the model should also control for time-varying characteristics of the organisation (X_{it}). This could include subsidies provided through other government schemes, local or regional social distancing requirements, or characteristics of the resident populations (assuming that changes in demographics are not caused by the programme itself).

Additionally, the longitudinal nature of the data makes it feasible to control for unobserved, but unchanging, characteristics of the organisation that may be correlated with both the outcome and whether the organisation was awarded a grant or loan (α_i). With multi-period data it is also possible to control for unobserved, but time specific shocks (δ_t) affecting all organisations (such as the national lockdown introduced in January 2021) as well as unobserved trends over time affecting organisations of different types.

If only cross-sectional data are available, a simple regression can be run on all funded and non-funded organisations, with an indicator variable for whether the organisation received funding and, ideally, controlling for organisation-level characteristics that could affect the outcomes of interest (as in a matching approach). This simple model would be:

$$y_i = \alpha + \beta T_i + \partial X_i + u_i$$

Challenges and caveats

A number of challenges have been identified in the application of possible counterfactual impact evaluation methods:

- ▶ **Data availability:** The most robust counterfactual and analytical approaches require a rich set of information on both funded and non-funded organisations. In particular, longitudinal data on the financial situation of firms would be needed, as this is one of the most important drivers of selection into treatment. Econometric analysis would also require primary data collection to be undertaken for both funded and non-funded organisations.
- ▶ **Sample sizes:** As highlighted in the programme data, summarised in Section Four of the main report, a small number of organisations were funded through the direct award model and a very small number of organisations among those invited to apply did not receive the funding. Small sample sizes lower the overall power of the estimation, leading to a higher probability of false negatives (erroneously concluding that SSP did not have any effect while instead it may have done).
- ▶ **Robustness of the comparison group:** Both the sample sizes for funded and non-funded organisations and the nature of the organisations that did not receive funding raise concern on the possibility of constructing a credible counterfactual. In terms of sample sizes, the small number of non-funded organisations may lead to not finding good matches for many funded organisations. In addition, the construction of a comparison group

would mostly rely on non-applicants²². This group is likely to be very different from applicants, leading to a potentially large bias, especially if data constraints do not allow applying matching approaches or a DiD. Finally, in order to achieve sufficient sample sizes for the estimation, all sports would have to be pooled together in the analysis. This can potentially lead to further bias in the results as sectoral differences cannot be controlled for in the estimation.

- ▶ **Representativity of results:** it is clear from the evidence presented above, that some sports are more represented than others in terms of SSP funding. As the impact estimates will inform the Value for Money assessment, an obvious concern is that we will extrapolate impacts measured for only some sports on all the other sports.

Summary and recommendations

Our feasibility scoping indicates that a Propensity Score Matching (PSM) approach on the Direct awards sample may be technically feasible using a control group of non-applicants (n=54), potentially with the inclusion of a small number of organisations who declined (n=10) or were rejected (n=3) or withdrew (n=1). In principle this should allow a Difference in Difference analysis, but with caveats around small sample sizes and remaining bias of the results (which depends on data availability and quality of the match, to be explored in the full analysis). For secondary models - based on our initial scoping, albeit with incomplete data – it appears that only simple comparison is possible (Level II), given the very small sample sizes for the comparison group. However, funding for secondary model recipients constitutes only a small proportion of the overall SSP funding.

We identify three major limitations to econometric analysis of Direct awards, which would have to be caveated in any econometric analysis.

Selection bias: The main limitation of the proposed approach lies in the comparison of potentially very heterogeneous groups of organisations. While this choice is driven by data availability, we should be aware that the behaviour of non-funded organisations may not be suitable to mimic the counterfactual behaviour of beneficiary firms. Selection bias on unobservables is likely to be the most significant issue here. Our scoping indicates that the underlying financial situation between treatment and counterfactual groups was significantly different at the time of applying for the SSP grants/loans. Furthermore, the process of approving applications was heavily based on the financial situation of the organisation. Therefore, even with sufficiently large sample size among the counterfactual groups, we cannot rule out selection based on unobservables especially related to financial health as a selection factor.

In particular:

- ▶ Non-applicants might have been under lower financial distress than applicants, and hence they may be more likely to survive both before and after the pandemic. It follows that comparing survival rates of non-applicants with those of beneficiary clubs may lead to an underestimation of the effect of SSP funding.²³ We could explore statistical methods to address this. For instance, we could potentially control for pre-pandemic or pre-support dependency on spectator revenue, working capital to debt ratios, depth of reserves, liquidity ratio, depending on data availability.
- ▶ Similarly, if the main reason for rejecting applications was lack of financial viability, clubs who were denied funding may not have survived even if they had received financial support. Hence, comparing these

²² This is clear for the direct award and, although it needs further verification, it is likely to be the case for the secondary model.

²³ A similar line of reasoning would apply to clubs who declined the offer. Based on information provided by Sports England, most of these clubs declined the offer because they were offered a loan, while they would have preferred a grant (probably based on their expected ability to repay a loan).

organisations to the beneficiary ones may lead to an overestimation of the effect. Unfortunately, there is no evidence of systematic selection based on non-financial considerations like the importance/significance of the organisation to maintaining the league structure, which we could have tried to use as a non-biased counterfactual.

Sample size issues - These selection bias issues can only partly be addressed with a Difference-in-Differences (DiD) method. This DiD estimation would be subject to small sample size issues which would reduce the statistical precision of the econometric analysis. Furthermore, some information (e.g., on financial health) would need to be collected via primary surveys, which are likely to be subject to non-response leading to even lower sample sizes (even among telephone interviews of Direct award recipients, who have a contractual obligation to take part in the evaluation, we would expect some loss of sample through non-response effects, and sample sizes are already very low in the full sample). Consequently, we would have very little flexibility through PSM for constructing a control sample to better match the characteristics of those receiving financial support.

Segment distribution – In addition, we have to caveat that the sample of counterfactual organisations are available only from a subset of sports: Basketball; Football; Ice Hockey Motorsport; Rugby. This will mean that extrapolation from econometric analysis of these groups to the Direct awards provided by SSP across all sports could potentially be nonrepresentative. For precision, we should only say with confidence that the econometric analysis found evidence of impacts among those sports for which a control group was available, and that even there, some sports had such small control group numbers (e.g., Rugby) that we cannot say with high confidence that results are representative of the impact felt in those sports. This would introduce considerable bias if different sport sectors were affected in different ways by the pandemic, e.g., if our control group is dominated by sports that faced less acute revenue impacts from restrictions or are more well-endowed with rich benefactors – relative to the treatment group. Again, due to low sample size issues, we would have very little flexibility for addressing these differences through PSM.

Conclusion

Due to the limitations above, **econometric analysis would only allow us to make causal claims with confidence levels equivalent to a low-level design** (Level II or at best weak Level III in the Maryland Evidence Scale). Any econometric analysis would therefore have to be **caveated with caution** that any conclusions on the impact of SSP drawn from the analysis would be potentially compromised by **three biases** driven by **(a) limited rationing of funding, (b) selection of beneficiaries based predominantly on their financial health at the time of application, and (c) distortions across segments**. As such, this scoping note concludes that econometric analysis would only provide **complementary evidence in support of the broader contribution analysis**.

However, while any econometric analysis would have to be caveated due to its limitations, there may still be **justification for pursuing it if we wish to include a methodology that compares the impact of SSP to a counterfactual scenario through the main suggested approach**.

In sum, econometric counterfactual analysis based on comparator groups is considered to be **not feasible as a primary method** of assessing impacts on supported clubs given the structure of the programme and funding decision-making process. However, as we have shown, econometric analysis **can provide some insights on the counterfactual situation of what would have happened without the SSP programme**, but is subject to the sample size constraints and with necessary caveats around its limitations. For this reason, econometric analysis **might be incorporated as a complementary strand of analysis** to the primary method of contribution analysis, since even with these caveats it is **able to provide a higher-level design for assessing the impact of the scheme against a counterfactual, compared to the contribution analysis in isolation**. This is relative to the limitations which are inherent in contribution analysis: contribution analysis does not provide any data from a counterfactual group and can only assess the effects of the scheme within the treated group, making it difficult to

establish whether these organisations could have survived without the grants and loans provided. Econometric analysis, even if not used as the primary method of assessing impact, might provide **important triangulation to the primary contribution analysis** by applying a method which can quantify what would have happened in the counterfactual situation, albeit with some caveats and limitations.

Annex G: Value for Money – additional information, data and calculations

Cost data used in VfM Analysis

Table 13. Total grants per segment

Segment	Value of grant
Basketball BBL and WBL	£2,504,574
Football National League Steps 3-6	£11,063,523
Ice Hockey	£1,178,384
Netball	£4,358,290
Rugby Union (community rugby)	£18,275,903
Rugby Union (women and tier 4/5)	£1,501,500
Women's Football (Clubs)	£680,960
Total	£39,563,134

Source: Sport England programme data

Table 14. Total estimated credit loss per segment

Segment	Estimated Total credit loss per segment
Basketball BBL and WBL	£351,350
Football National League Steps 1-2	£4,790,964
Ice Hockey	£572,327
Rugby League (higher non-elite tiers)	£10,714,217
Rugby Union (Championship)	£2,496,447
Rugby Union (Premiership)	£18,009,468
Total	£36,934,773

Source: SSP Estimated Credit Loss (ECL) model.

Table 15 Total administrative costs

Segment	Estimated Total credit loss per segment
20/21	£3,002,210
21/22	£2,415,533
Total	£5,417,74

Source: Sport England

Non-market valuation: Benefit transfer methodology

The flow of benefits from sporting organisations to fans are already partially captured through the market, in terms of ticket fees, television subscriptions and consumption of shirts and other branded products, partly captured in their Gross Value Added to the economy. However, sporting clubs are known to hold value among those who are not fans or do not engage directly. By saving sporting organisations and assets from failure, the SSP can be seen to have safeguarded the welfare of spectators and non-spectators (the local general public, minus visitor numbers) to the safeguarded assets. Estimating the value of sporting organisations and assets is challenging and 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. Although there are aspects of social and cultural/heritage value which cannot be expressed in monetary terms, this does not mean a zero value should be assigned in an economy study. A sporting organisation provides many services to the public, such as being a place for recreation, socialising and preserving local identity. Such services are beneficial to the individual and society as a whole and, as a result, create value, as laid out in the DCMS 2021 Cultural and Heritage Capital (CHC) framework paper.²⁴ Exploring the evidence base on the value of cultural services demonstrates what is missing from a standard Social Cost-Benefit Analysis (SCBA) in terms of measuring the full benefits of the SSP programme. Non-market valuation can be used to inform the "expected" value of such sporting assets, and to quantify the loss in value should such assets have been forced to close in the absence of SSP support.²⁵

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 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.²⁶

The value of the sporting assets preserved by the SSP can be estimated using a benefit transfer approach. 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.

²⁴ <https://www.gov.uk/government/publications/valuing-culture-and-heritage-capital-a-framework-towards-decision-making>

²⁵ In recognition of these measurement challenges, DCMS has been developing a formal Cultural and Heritage Capital approach (emulating approaches to valuing natural capital) that can be used to estimate stocks and flows relating to cultural & heritage capital assets. The intention is to provide an improved basis for informing funding decisions. See, DCMS (2021) *Valuing Culture & Heritage Capital: A framework towards informing decision making*. DCMS: London.

²⁶ 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).

- ▶ **Non-market valuation:** 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 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.
- ▶ 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.

1. Fan willingness to pay to preserve the club

To estimate per organisation benefits we multiply the Willingness to Pay (WTP) value of a sports club to its fans and multiplied this by the survival probability rate for each organisation). This was supported by empirical evidence produced by DCMS from its 2022 publication estimating the value of men’s professional football clubs to fans and non-fans which applies non-market valuation methods in adherence with HMT Green Book guidance (2022) on valuing social impacts and specifically on valuing welfare and wellbeing population effects.²⁷ The research was designed to enable DCMS to understand in more detail the welfare gains to society of preventing a club from going insolvent, and how these impact on fans and communities in a way consistent with standard welfare theory (see Table below). In this evaluation, we take these values, designed by DCMS for benefit transfer to professional men’s football clubs across five tiers of English football, and apply adjustments to make them applicable to clubs in other leagues. Although technically it would be necessary to collect new primary survey data to value clubs in different sports to accurately understand the welfare values associated with clubs in different sports and different leagues, this is outside of the scope of this evaluation. Therefore, simplifying assumptions are made to make use of this evidence base from one sport (football), and apply them in a reasonable way to other funded sports clubs.

Table 16. DCMS Football Study: Summary table: Willingness to pay (WTP) to preserve the existence of their supported/local professional men’s football club through Club Heritage Fund

User group	Club fan	Football non-user
WTP to preserve the existence of their supported/local professional men’s football club through Club Heritage Fund: Lower Bound 95% confidence interval (annual household donation)	WTP for existence of club they support	WTP for existence of local club
WTP1: Value of supported/local club: Full sample across all leagues	£51.55	£0.76
WTP1: Premier League (PL)	£51.71	£0.52
WTP1: Championship	£37.18	£0.16
WTP1: League 1 (L1)	£43.83	-£1.97
WTP1: League 2 (L2)	£34.04	£0.20
WTP1: National League (NL)	£3.87	£0.09

²⁷ 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](#).

All WTP values from the DCMS football study are household level values, based on the lower bound WTP estimates provided in the DCMS football study (where available, or the next available league in the absence of WTP values in the DCMS football study). This follows the recommendations from the Arts Council England guidance²⁸ that lower confidence interval WTP be applied to aggregation to help account for biases that can operate on hypothetical surveys.

Within the SSP evaluation, measures of willingness to pay from the DCMS professional men's football valuation study were adapted to account for:

- ▶ **Scale:** It would not be appropriate to transfer values for top tier football teams to top tier teams in all other sports. This requires assumptions for each sport and league around assigning SSP organisations to equivalent categories club in the football leagues. Given the relative status of the football leagues over other sporting leagues, certain assumptions were made around the equivalence of the top tier in one sport to the top tier in professional football. For instance, given the disparity in stadium and television viewer numbers and revenue, it may not be valid to transfer WTP values for a Premier League football club to a Premier League rugby club or basketball team. The value of clubs in such leagues may be more equivalent to Championship or lower league WTP values for professional football clubs. In each case, an assumption was made on the scaling factor (number of tier levels lower) each sporting league should be considered compared to professional football, based on spectator numbers and public profile. Note that this is not to say that some individuals do not personally value their support of a Premier League rugby club as much as, or even more, than supporters of Premier League football clubs, but that the average value among supporters may be lower, and to err on the side of caution, a WTP for a lower football league was selected for transfer to these sports.
- ▶ **Certainty:** Given the uncertainties around the comparability of the professional men's football benefit transfer values to the often more heterogenous sites included in the SSP survey, we use lower bound confidence interval WTP results wherever available, to provide a more conservative estimate.
- ▶ **Non-use value:** As recommended in previous DCMS research, and the recent CRF evaluation, it is not currently recommended to incorporate the non-use value of non-fans in the general population as the aggregation process is more challenging. Non-use values introduce problems for analysts at the point of national aggregation. It is acknowledged, in line with microeconomic theory, that consumers gain diminishing marginal utility for each additional 'unit' of a good or service consumed. In other words, they are willing to pay more for the first cultural/heritage site they are asked to value, and less for the second, less again for the third, and so on (known as the *sequencing effect*). Consumers may also be expected to have a certain 'budget envelope' in the back of their mind when allocating portions of their income to consuming cultural and heritage goods/services or giving money to enable others to consume them. We follow this recommendation, and do not include non-fan or non-user WTP values in the Value for Money aggregation of WTP values for sporting clubs.

2. Wellbeing value to players; and (3) wellbeing value to volunteers

In addition to the value preserved to spectators, preserving the survival of sport clubs and teams also preserves the health and wellbeing associated with participation in that club. Wellbeing values associated with participation in team sports were developed for the DCMS.²⁹ The study analysed large national datasets like Understanding Society, and found that on average, people who play team sports (which includes football (including 5/6 aside), rugby or American football, water sports (including yachting, sailing, canoeing, windsurfing, and waterskiing), basketball, netball, volleyball, cricket, hockey, baseball, softball, and rounders) report statistically significantly

²⁸ <https://www.artscouncil.org.uk/sites/default/files/download-file/Arts%20Council%20England%20-%20Regional%20Galleries%20and%20Theatres%20Benefit%20Transfer%20Report.pdf>

²⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/304899/Quantifying_and_valuing_the_wellbeing_impacts_of_sport_and_culture.pdf

higher levels of subjective wellbeing (life satisfaction). This wellbeing differential is 0.052 on a scale of 1-7, between those who play team sports and those who do not, can be monetised using methods cited in the HM Treasury Green Book Supplementary Wellbeing Guidance.³⁰ The resulting change in life satisfaction can be converted to a monetary value by multiplying by £13,000 [Low: £10,000, High £16,000]. This is the recommended standard value of one wellbeing adjusted life year – a one-point change in life satisfaction for one year - a 'WELLBY' in 2019 prices. Given the uncertainties present in benefit transfer and the simplifying assumptions required to estimate the number of beneficiaries for each sporting organisation, we take the lower bound WELLBY figure of £10,000, uprated to £11,705 in current prices. The DCMS study finds a statistically significant association of +0.052 points on a life satisfaction scale of 1 to 7. Applying the Green Book WELLBY value³¹, this amounts to £705.82 per player in current prices.³²

This per player wellbeing value can be multiplied by the probability of the organisation survival due to SSP, and aggregated to the number of players in the sporting organisation, where this data is provided in primary surveys. In the absence of primary data on the number of player, assumptions are made about the size of a team and its substitutes, the number of teams (first second and third teams), and the number of male/female and adult/other age groups, to aggregate to a total number of players benefiting from the continued existence of the club.

Volunteering in sport is also known to produce wellbeing values. Lawton et al. applied a first-difference estimation within the British Household Panel Survey and Understanding Society longitudinal panel datasets (10 waves spanning about 20 years), to produce the most robust quasi-causal estimates to date by ensuring that volunteering is associated not just with a higher wellbeing a priori, but with a positive change in wellbeing, providing the most realistic and conservative estimate to date of the association between volunteering and subjective wellbeing. The Lawton et al. study finds a statistically significant association of +0.034 points on a life satisfaction scale of 1 to 7. Applying the Green Book WELLBY value³³, this amounts to £705.53 per volunteer in current prices.³⁴

Again, for aggregation, where data on volunteer numbers is provided in primary surveys, this can be used for aggregation to the club level. In the absence of this data, assumptions are made about the number of volunteers being 40% that of the number of players at the organisation, to aggregate to a total number of volunteers benefiting from the continued existence of the club, multiplied by each organisation's probability of survival.

In line with guidance on social value analysis, we deadweight these wellbeing values by 38%, in line with good practice in social value measurement³⁵, to account for the counterfactual that people could play/volunteer for another team if the organisation had not survived.

Aggregation to the real-world population: Aggregation of the non-market WTP and wellbeing values of each sporting organisation was linked to the number of spectators each institution receives over the evaluation period. For aggregation purposes, we need the number of unique spectators per year, but this data is rarely available and for lower league teams/clubs limited information may be available online, meaning that approximations have to be made based 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, given that capacity is rarely reached in such stadia, and that the supporter base is made up of a core of regular visitors. A simplifying assumption is made that the total number of unique visitors to

³⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005388/Wellbeing_guidance_for_appraisal_-_supplementary_Green_Book_guidance.pdf

³¹ With conversion of 7-point scale to 11-point scale, as recommended in the HMT Green Book Supplementary Wellbeing Guidance

³² <https://link.springer.com/article/10.1007/s10902-020-00242-8>

³³ With conversion of 7-point scale to 11-point scale, as recommended in the HMT Green Book Supplementary Wellbeing Guidance

³⁴ <https://link.springer.com/article/10.1007/s10902-020-00242-8>

³⁵ <https://hact.org.uk/tools-and-services/uk-social-value-bank/>

higher tier clubs in a year is the capacity of the stadium plus 20%, while for lower tier clubs (where only a small proportion of the stadium may be covered/seated) the capacity of the stadium minus 20%, to avoid over-attribution of total spectators. 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, introducing double counting with sport participation wellbeing values) 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.

Social Cost Benefit Analysis (SCBA) calculations

Table 17. Non-market benefits (long survey SSP-funded organisations): Willingness to Pay to preserve the club + wellbeing value among players and volunteers: Year one benefits

Non-market benefits	(1) Value of continued existence of sporting organisation: Spectator Willingness to Pay	(2) Wellbeing value to players of continued existence of sporting organisation: WELLBY	(3) Wellbeing value to volunteers of continued existence of sporting organisation: WELLBY	Total non-market benefits (1-year)
Year one value	£1,819,435	£10,268,534	£4,105,726	£16,193,698

Table 18. Social Cost Benefit Analysis: Net Benefits and Benefit Cost Ratio for SSP funded sports clubs (long survey data)

	Benefits	Benefits	Benefits	Costs	Costs	Costs	Costs	Net benefits	Net benefits	Net benefits	Benefit cost ratio	Benefit cost ratio	Benefit cost ratio
	Total Value (1-year)	Present value 5-year	Sensitivity non-market: Present value 10-year	Total grants	Credit loss	Admin costs	Gross Exchequer costs: Total grants and estimated credit loss per segment + admin costs	Net benefits year 1	NPV 5-year	Sensitivity NPV 10-year	BCR year 1	BCR 5-year	Sensitivity BCR 10-year
GVA benefits	£50,306,145	£34,324,724	NA	£39,563,134	£36,934,773	£5,417,743	£81,915,650	-£31,609,505	£61,538,024	NA	0.61	1.75	NA
Non-market value: Willingness to Pay to preserve the club + wellbeing value among players and volunteers: Year one benefits	£20,879,534	£115,151,710	£179,724,467	£39,563,134	£36,934,773	£5,417,743	£81,915,650	-£61,036,117	£33,236,060	£97,808,816	0.25	1.41	2.19
Total combined GVA and non-market value	£17,032,877	£61,877,526	£77,328,103	£39,563,134	£36,934,773	£5,417,743	£81,915,650	-£10,729,971	£176,689,734	£241,262,490	0.87	3.16	3.95