

Sport Wales Consultation Response

A call for information – Welsh Government Draft Budget proposals for 2022-23.

About Sport Wales

Sport Wales is the national organisation responsible for developing and promoting sport and physical activity in Wales. We support the delivery of strategic priorities through the Vision for Sport in Wales and the Sport Wales Strategy. We distribute Welsh Government Funding and National Lottery grants; investing in elite and grassroots sport to enable sport in Wales to thrive. We want Wales to be a more active, healthier nation, with opportunities for everyone to be active.

Sport Wales is pleased to respond to this consultation regarding Welsh Government Draft Budget proposals for 2022-23.

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

The Welsh Government responded proactively to the impact of Covid-19 on the sport sector. The immediate Sport Recovery Package was a welcome and necessary element of support that allowed national governing bodies of sport, national partners, clubs, freelancers and private providers to access much needed support. The commitment to a second Sport Recovery Package within the 2021-22 budget has again ensured there is a level of support critical to seeing the sector through a hugely challenging time.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

We have seen a period of Welsh Government funding being required to simply safeguard the survival of the sport sector. We have not yet reached the point where we can say this has been delivered. There remains a variety of challenges facing the sector in terms of the continued ability to provide opportunities for participation. These will vary based on the nature of the deliverer, sport and organisation, and certainly they remain pronounced amongst the local authority and trust sector with a recognised need to invest in facilities. Community leisure UK previously reported that by January 2021, leisure and culture trusts had, on average, only 30% of their pre-Covid reserve levels left and had incurred an average £2million deficit per organisation. The legacy of these challenges will remain an immediate issue moving forward.

The wider issues of capital investment into the provision of high-quality facilities remains a long-term commitment that should shape the financial considerations for the Welsh Government. Some of these have already been outlined within the programme for Government, such as;

- *Investing in our world-class sports facilities.*
- *Investing in new facilities such as 3G pitches.*
- *Investing in travel options that encourage public transport and support walking and cycling.*

This will not only be an investment that supports the opportunities for provision but can also have a much more impactful role in delivering against social, educational and health agendas as we emerge from the peak of the pandemic period. Capital investment, through the athlete pathway development, will also help aid the high-performance agenda.

Furthermore, the development of new facilities and improvement to those already in existence, can contribute significantly to the sustainability agenda through establishing more energy efficient and green sport provision. There is an opportunity to utilise capital funding to expand arrangements to create or significantly enhance green spaces, making our cities, towns and villages even better places in which to live and work, which in turn can contribute to enabling our tourism, sports, and arts industries to thrive.

Outside of the capital infrastructure approach the key learning from the pandemic is the need to ensure that our public services are part of a preventative approach to health and place social cohesion at the heart of the agenda. Investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

Sport Wales, and sport in Wales, has a powerful story to tell where supporting educational outcomes and engagement is concerned. What is more, developing work is creating a scale and scope for early expansion. We can create an enhanced offer to young people. It is within this aspect of Sport Wales' work that we can make progress against both the Future Generations Wellbeing Goals and the [UN convention on the rights of the child](#). The international examples of this success, such as the [Norwegian rights of the child](#), are a positive example of how sport can put developing young people at the heart of its agenda.

There is a real opportunity to further lead in supporting the teaching profession towards implementation of the new curriculum, which is forming part of the active education setting work Sport Wales has been supporting the Welsh Government to deliver. Equally our partnerships in Higher Education through the Welsh Institute of Physical Activity, Health and Sport (WIPAHS) have brought academic research and policy development together for elite and community benefit.

Furthermore, currently, there are almost 6,000 Young Ambassadors in schools, colleges and universities across Wales. 19,000 Young Ambassadors have taken part in the programme across its 10-year history. In a survey of Welsh Young Ambassadors, 96% of them said that the programme had given them more confidence, while 98% felt it had improved their leadership skills. We can build on the work and create a future workforce with skills developed through social engagement and volunteering that enhances not only the sport sector, but education and employability across other areas.

With a committed focus, sport's influence could be in every education setting in Wales. Working with the education sector there is the scope to begin reimagining the school day with an enhanced offer, creating an enrichment for all approach through a sport and cultural package. A piloted scheme is being explored around the principle of community school hubs creating more resilient and connected communities.

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

A significant benefit to managing uncertainty would be the ability to identify indicative budgets for future years in order to aid planning, increased flexibility including carry over (current in-year constraints potentially stifle innovation), an increase in the permissible running costs, as well as allowing more capital investment in our own sporting facilities to support the sector (currently limited to 10% of capital budget).

Not only would these issues aid Sport Wales as an organisation, but equally those funded partners across the sporting landscape we work with as this approach could be cascaded downwards.

The Committee would like to focus on a number of specific areas in the scrutiny of the budget, do you have any specific comments on any of the areas identified below, particularly in light of the COVID-19 situation and how these should be reflected in the 2022-23 budget?

How resources should be targeted to support economic recovery and what sectors in particular need to be prioritised.

The Economic Value of Sport report undertaken by Sport Wales in conjunction with the Sport Industry Research Centre at Sheffield Hallam university highlighted that sport has suffered much more than the average economic sector. In 2020, the decline in sport output was twice as great as the expected decline for the economy. The part of consumer spending related to sport is likely to have declined ever more. Sport GVA and consumer spending was estimated to have declined by 20% and 24% correspondingly. By comparison, the overall economy (UK- 2020) during the period the study was conducted was estimated to have declined by 10%. It is correct that in response to this report and the concerns of the sport sector the Welsh Government invested in support via the Sport Recovery package.

Whilst the impact on the sport sector has been dramatic, it is also an economic industry in Wales that holds significant value. Sport was a growth industry for Wales prior to the pandemic with sport-related GVA estimated at £1,195m in 2019 (up 5% on 2016), consumer spend on sport valued at £1,260m (up 7% on 2016) and accounting for 31,100 full time equivalent jobs (up 5% on 2016). Furthermore, sport's links with other sectors (shown through high multipliers) imply that sport can be used to restore the economy and especially employment (for example higher demand for sport would imply strong effects in accommodation, food and drink and construction). Therefore, targeting support for the economic recovery of the sport sector enhances the wider Welsh economy.

Welsh Government policies to reduce poverty and gender inequality.

The Sport Wales strategy is driven by a person-centred approach to equality, diversity and inclusivity supporting the overarching principles of the Programme for Government. The entire nature of our funding approach has been revamped to specifically drive action within the sector to proactively promoting equality of opportunity. Listening to the lived experiences of underrepresented minorities is a key feature of Sport Wales' future work.

It is absolutely correct that future Welsh Government budgets should be focused on the key principles of reducing poverty and gender inequality, however this should be a broader initiative including other elements of equality, diversity and inclusion such as race.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

As noted previously in our submission, a shift towards a preventative approach to funding is absolutely crucial to building the resilience of Wales. We strongly believe that investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

There is also a financial need to do this. We know through the Social Return on Investment study undertaken by Sheffield Hallam University that Sport Wales commissioned previously that there are significant benefits to the public purse to undertake a preventative approach. For example, there is a recognised return on investment to the health sector of £295m through contributions such as increased positive mental health and reduced risk of diabetes, coronary heart disease and cancer from sport. These investments in a preventative approach to health budgets would therefore not only assist in creating a healthier nation (in line with A Healthier Wales), but also prove financially compelling in the long-term.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the well-being goals in the Well-being of Future Generations Act).

Sport Wales's work is entirely driven by its [strategy](#). The strategy is unashamedly and relentlessly focused on tackling the inequalities in Welsh society and is purposefully underpinned by the Well-being of Future Generations Act. The work is based on six clear strategic intents.

- 1. To be person centred:** The needs and motivations of the individual lead the delivery, whether just starting out, aiming to progress or striving for excellence on the world stage.
- 2. To give every young person a great start:** Every young person has the skills, confidence and motivation to enable them to enjoy and progress through sport; giving them foundations to lead an active, healthy and enriched life.
- 3. To ensure everyone has the opportunity to be active through sport:** Sport is inclusive and provides a great experience for all.
- 4. To bring people together for the long-term:** There is a collaborative, sustainable and successful sports sector, led by collective insight and learning.
- 5. To showcase the benefits of sport:** The impact of sport is evidenced, and sport's reach is fully understood, valued, showcased and celebrated throughout Wales.
- 6. To be a highly valued organisation:** Sport Wales is a respected organisation, striving to over achieve by delivering a first class service through our valued staff.

We believe that these principles are a model for focusing work on the nation's wellbeing, and sport can be a critical driver for the opportunities to do so in building back better. Investment into physical activity offerings through sport, and via other portfolios, is critical not only in terms of ensuring a shift in funding approach towards preventative, long-term and sustainable outcomes, but also in terms of increasing the priority of the nation's wellbeing.

As shown by the [New Zealand approach](#), establishing wellbeing as a national marker for success can ensure collective action. This shift is focused on building a resilient Wales capable of continuing to emerge from the pandemic in a different, innovative and proactive way, rather than one simply reacting to the challenges it has presented. The 2018 study, undertaken by Sheffield Hallam University, confirmed that sport contributes £3.428bn in social return on investment to Wales, including £295.17m in health outputs alone. With every £1 invested in sport there is a £2.88 return, both creating social and economic value for Wales.

The Welsh Government have been supportive in these principles and we continue to aim to work with them to explore at how the amplifier effect of sport can lead to sustained economic productivity, whilst investment in sport can be seen through the prism of its wider health, education and societal benefits.

Correspondence to: policy.info@sport.wales

Sport Wales, Sophia Gardens, Cardiff, CF11 9SW

26.11.2021