

**IFRCS46 Matthew Williams, Head of Policy and Communications, Welsh Sports Association**

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Senedd Cymru | Welsh Parliament

Pwyllgor Diwylliant, Cyfathrebu, y Gymraeg, Chwaraeon, a Chysylltiadau Rhyngwladol | Culture, Communications, Welsh Language, Sport, and International Relations Committee

Effaith Gostyngiadau Cyllid ar Ddiwylliant a Chwaraeon | Impact of Funding Reductions for Culture and Sport

Ymateb gan: Matthew Williams, Pennaeth Polisi a Chyfathrebu, Cymdeithas Chwaraeon Cymru | Evidence from: Matthew Williams, Head of Policy and Communications, Welsh Sports Association

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**1. What impacts has reduced funding had on your organisation and sector so far?**

In short, the impact of the reduced funding on the sector has been significant – at the end of 2023 the sector received news that Sport Wales would receive a 10.5% cut to its budget across 2024/2025. As Sport Wales primarily distributes this budget to the sector it was inevitable that this would cause significant issues within the sport sector.

To its credit, Sport Wales was able to respond very quickly to this news and informed the sector that it was, on a one off basis, able to absorb a significant amount of the cut. However, it is clear that Sport Wales has very little ability to make further cuts to its own budget (see for example the Sport Wales submission to this committee on the budget for 2024/2025) without significant impact on service delivery to the sector. This paints a worrying picture for future budget rounds.

Contextually, the sector has broadly been dealing with reduced cash and real term budgets on an annual basis since at least 2012, with just a few years of increased spend during the Covid-19 Pandemic.

In addition, due to the results of the 2022 School Sports Survey, funded partners of Sport Wales – primarily national governing bodies of sport – were already planning for significant changes (both positive and negative) to their grant

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allocations for every financial year to 2027. These were already having a significant impact on staffing and operational plans across a number of funded bodies – the further announced cut is in addition to and has compounded this.

In total, £2.5m was cut from the Sport Wales budget in 2024/2025 – Wales direct spending on sport, already at the lower end of comparator nations, now compares very unfavourably even to other nations within the United Kingdom. This is despite Welsh Government ostensibly recognising the power of the sector to deliver against a wide range of its objectives, perhaps best exemplified by the wide ranging nature of the Sport Wales remit letter for this term of Government. However, without adequate financial support, the ability of the sector to meet these objectives, as well as meet their own core organisational purposes are threatened.

Furthermore, due to the difficult Local Government financial settlement and the non-statutory nature of Leisure services, many if not all Local Authorities across Wales have reduced their Sport and Leisure budgets. This has had wide ranging impacts, but we have seen significant uplifts in fees and charges for access to facilities, changes in opening hours of facilities, and significant recruitment challenges. There have also been changes to patterns of maintenance which have created severe backlogs, in particular reports of issues relating to grass pitches and associated toilet and shower blocks are widespread. Other cuts in Local Authorities, for example in planning services are also having an impact on the ability to deliver new facilities or renew existing facilities.

Elsewhere, schemes such as the National Exercise Referral programme, which a number of leisure providers are heavily involved in delivering have not seen substantive changes to their fee structure for at least a decade, leaving some providers in very difficult positions with regard the future delivery of such an important and successful intervention.

Similarly, there have also been a number of temporary schemes that have emerged and disappeared year on year - some of which had good results in increasing engagement in physical activity but were not continued beyond the initial funding period.

In practical terms, we are aware of a significant number of redundancies across funded partners, as well as recruitment freezes. More worryingly for the sector, pay rates are now extremely unfavourable against other sectors and many are reporting significant difficulty in recruiting, especially into middle management and mid career roles.

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Budget uncertainty for the next financial year and beyond is also now hampering the sectors ability to plan. We would hope that following the UK Government's Comprehensive Spending Review, that Welsh Government is once again in a position to provide strong indicative three year budgets – potentially even with a funding floor commitment – to again allow the sector to plan on a medium term basis.

**2. What measures have you taken in light of it, such as changing what you do and how you do it?**

The sector has been engaged in a significant volume of work over the past decade in terms of its resilience, and this has been accelerated over the previous 9 months.

A number of measures have been taken and are being examined – these include as examples:

- Moves towards shared services models. For example, the WSA hosts a shared book-keeping resource for our members.
- Shared procurement – the WSA hosts a procurement portal for the sector, which is open for our entire network of around 6000 sports clubs.
- Organisations looking to pool resources and expertise.

Our members have also been engaged in significant efforts to bring additional funding into the sector from outside sources – though these successes have been mixed, and in some cases have led to a reliance on year to year or project funding that present challenges in terms of programme longevity.

**3. To what extent will these impacts be irreversible (e.g. venues closing, or specialist skills being lost rather than a temporary restriction in activities)?**

We are aware of small number of community facilities that have faced significant financial difficulty in recent years – for example Harlech Swimming Pool and Cardigan Swimming Pool have closed on at least a temporary basis. Neither of these organisations were directly funded by Sport Wales or the Welsh Government, however they have been dependent on the availability of grant funding for modernisation and investment, and substantially benefited from

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Government programmes. They had also both been part of Community Asset Transfer schemes, and given the anticipated trajectory of leisure services in Local Authorities dependence on this model this presents a worrying future. Particularly for rural areas.

Knowledge loss from the sector has already been significant. Leadership turnover over the last few years has been high with 16 new CEOs amongst the 26 CEOs who make up the highest funded National Governing Bodies, though this may also be attributable to the Covid19 Legacy that has been felt across a number of sectors. Low wages, and job uncertainty must however play a role in this.

£24m of capital funding has been allocated to Sport Wales by the Welsh Government over the previous three years. This has been very welcome and allowed significant investment in the sector. However, there is no commitment to this level of funding beyond the end of the financial year. At least this level of funding should be maintained.

There have been significant challenges in the Local Authority leisure sector in recent years. Neath Port Talbot is in the process of changing the operating model for its Leisure Services, and we are aware that there are significant costs associated with this. The WSA remains agnostic on the model Local Authorities use depending on their local circumstances (direct management, trust, trading company etc) but we are concerned that sudden changes to the model are often the point at which delivery to end customers is impacted. For example, rationalisation of an estate as management changes occur that could lead to permanent closures. As budget pressures in Local Authorities continue this should be closely monitored to ensure a network of safe, accessible and cheap to use facilities is maintained across Wales.

#### **4. What interventions would you like to see from the Welsh Government, beyond increased funding?**

- Multiyear funding certainty and a move away from one-off single year project funding that doesn't allow for proper business planning and job certainty. This is especially true for organisations who work at the intersection of sport/physical activity and wider community engagement or tackling poverty work.
  - A review of planning rules relating to sporting facilities with a view to easing refurbishment, renovation and change of use. Current financial barriers can be significant, and with cuts in Local Authorities the
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availability of planning officers with significant knowledge can and does lead to large backlogs.

- i. A number of WSA members are also reporting significant planning delays in installing EV chargers as a means to raise revenue at their sites.
- Explore allowing sport to opt-in to registered childcare status, allowing families to claim for wrap around sports provision via Universal Credit.
  - A clearer articulation of the fundamental link between the roles and responsibilities of Local Government, Welsh Government, Sport Wales and funded partners. Activities directly funded by Sport Wales [sports participation and pathway] and Welsh Government [major events etc] will not take place without public spaces largely managed by Local Government. Similarly, NHS investment in physical activity via schemes such as NERS, prehab/rehab largely utilise the local government estate. These are inextricably linked but often treated as separate and distinct entities in policy making. In addition, this could articulate a clear view on the benefits of co-location of services that might increase footfall and uptake.
  - A systematic approach to leveraging community schools programme to enhance public access to sports facilities, especially in rural areas. So far experiences have been mixed.
  - A realistic assessment of the capital cost of renewing and refreshing the public sporting estate across Wales - and a plan to tackle outstanding maintenance backlogs.
  - Sport offers some significant opportunities to enable other Welsh Government agendas. The significant estates held by Welsh organisations offer an opportunity to increase the sustainability and lower the climate footprint of Wales. At a sustainability in sport conference last year, the then Deputy Minister for Sport said “this event highlights the need for forward-thinking within the sector and beyond to achieve net zero, sustainability, and low carbon outcomes in sport, now and into the future.” However, crucially, reduced budgets is already meaning that our members can only deliver the core business of their sport only, and find it difficult to meet these wider social challenges.
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**5. To what extent do the impacts you describe fall differently on people with protected characteristics and people of a lower socioeconomic status?**

It is well established that those with protected characteristics and those in lower socioeconomic groups are less likely to participate in physical activity, and less likely to do so on a lifelong basis.

Wales had made some progress on improving these trends up to 2020, though with the pandemic and its impacts on participation clearing into an inflation crisis the sector has been fighting to stand still. Any cuts in funding, especially in the future, will have a direct impact on the ability to deliver programmes in the communities who are most likely to benefit from increased access to sport and leisure.

In short, it is impossible to deliver a “more equal Wales” in the context of reduced funding – and this will have a direct impact on the long term health and wellbeing of the Welsh population. Measured over the course of decades.

Sport Wales has significant data on equalities and Welsh sport and leisure that are instructive.

**6. Do you have any other points you wish to raise within the scope of this inquiry?**

Rurality presents significant challenges to the delivery of sport and leisure services. Many sports are dependent on specific, fixed infrastructure, and operating this is difficult to impossible on a commercial basis in areas with a sparse population without public support. Traditionally Local Authority leisure provision has provided some of this backbone, though this now seems to face an uncertain future. In addition to this, adequate public transport to leisure services must be considered in network mapping – especially if the Welsh Government is to move towards regulated bus services. As it stands, Welsh Government do not currently have an expressed position on sport, leisure and physical activity that articulates the roles that different parts of the public and funded sectors are seen and expected to contribute to its agenda. Whilst there is a Vision for Sport in Wales that the sector endorses, this does not serve quite the same role as expressed Government policy which the Senedd is able to scrutinise. We are left in a position where, for example, the Welsh Government currently has no stated position on the future of Wales leisure estate, beyond funding for Local Government in the shape of the Revenue Support Grant and occasional limited references during the Local Government Finance Settlement.

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Similarly, whilst the opening of the school estate to the public has consistently been advocated for by the sport sector progress on doing so has been slow – despite a Welsh Labour manifesto commitment in 2020 and 2016.

Sport, Leisure and physical activity make a substantial contribution to Wales economy and sense of self, as well as our position on the world stage. Whilst the Welsh Government markets to the world based on our sporting success, or as a destination to participate or watch major sporting events, we risk undermining the public's ability to access and enjoy the benefits of physical activity by making short term cuts to what is ultimately a very small part of the Welsh Government's overall budget. Indeed, the converse is true – for a relatively small (in proportion to the overall budget) additional investment, sport and leisure would be able to deliver far more against Wales' wider objectives.

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