



MEDIA RELEASE

Sports Sustainability Fund

Northern Ireland's Comptroller and Auditor General, Mr Kieran Donnelly CB, has today (22 June 2021) published a report on the £23 million Sports Sustainability Fund (SSF), a scheme designed to help the sport sector deal with the considerable financial impact of COVID-19.

The SSF was co-designed by both the Department for Communities (DfC) and Sport NI (SNI), together with a number of governing bodies and clubs. It opened to applicants in December 2020. The overall aim was to provide financial support to ensure that, once the COVID-19 crisis had passed and restrictions were lifted, Northern Ireland would still have a diverse and geographically spread range of sports. Funding of £25million was secured from the Executive to help the sports sector as this was the expected funding need. The total value of grants actually awarded was £23million.

The scheme provided grants for net losses incurred due to reductions in income coupled with incurring unavoidable expenditure because of the COVID -19 restrictions. These grants were calculated by comparing the income and expenditure for the COVID-19 year with the average income and expenditure for the previous three years. The scheme was open to all recognised governing bodies and their affiliated clubs, provided they could produce the required financial information for the previous three years.

While acknowledging the scheme was developed under huge pressure and with a significant degree of urgency, today's report highlights a number of matters. These include:

- a) One of the features of the scheme set out in the business case was to give support for net losses due to COVID-19 which could lead to an imminent risk of closure. However whether losses incurred by sporting organisations would lead to the imminent risk of closure was not something which was assessed before the payment of grants. In addition the scheme aimed to consider lost income and the costs which organisations had to meet to avoid going into administration but we could not see any evidence that this was considered as part of the application process.
- b) There was no requirement in the scheme to consider the reserves or bank balances already held by sporting organisations to determine their need for the funding. An example of this is the largest grant paid under the scheme of £1.562 million to Royal County Down Golf Club. In this case we noted that the accounts, which were submitted with the application, showed that at December 2019, Royal County Down Golf Club had a very significant bank balance and a high level of reserves.
- c) In some cases, the impact of the Scheme was to underwrite previous average profits. This would have been the case in all clubs who had made profits between 2017 and 2019. While this underwriting of profits is likely to have been unintended, the fact it has happened was not an appropriate use of public spending. As an example of this, in the Royal County Down Golf Club application its accounts showed an average annual profit of £657,000 in the three years before COVID-19. In 2020-21 it projected a loss of £905,000 because of COVID-19. The grant payment made to it, under SSF was £1,562,000 which not only paid for its projected loss for the year but returned it to the same profit level as in previous years.

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- d) The report also considered the level of additional public support for Sport, funded through the individual sports councils, in dealing with the impact of COVID-19 across the UK and Ireland. When calculated on a per head basis, the report finds that the support in Northern Ireland was broadly similar to the Republic of Ireland and considerably greater than in England, Scotland and Wales.
- e) The report also notes that the SSF was not split into pots of funding targeted at specific sports, this was in contrast to other jurisdictions. In Northern Ireland there was no cap set which seems, in practice, to have particularly benefited the Golf sector. NIAO analysis shows that the Golf sector in general received more in Northern Ireland than anywhere else in these islands.

Commenting on the report's findings, Mr Donnelly said:

'This is an example of a scheme that had to be delivered in a very short period of time and under considerable pressure, with the sports sector reporting serious financial challenges as a result of COVID-19. My report acknowledges that the scheme was successful in providing funding to a wide range of sports who were in financial need. It is also commendable that the scheme sought to target support according to losses due to COVID-19 rather than simply allocating a fixed amount of funding to everyone, as was the case in many other schemes. Nevertheless, I have identified some matters which are clear in hindsight and may be due in part to the pace at which the scheme was deployed.

In particular, at the outset a better modelling of potential outcomes could have led to many of the issues in this report being identified and addressed before the scheme was finalised. The Department and Sport NI should consider the lessons to be learned from this scheme and share these with the rest of the public sector. It should also discuss with counterparts in other parts of the UK and Ireland to identify what worked well in each jurisdiction and to share any learning.'

ENDS

Notes for Editors

1. The Comptroller and Auditor General is Head of the Northern Ireland Audit Office (the Audit Office). He and the NIAO are totally independent of Government. He certifies the accounts of Government Departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. His reports are published as Assembly papers.
2. The purpose of this review was as a fact finding report and scrutiny of the Sports Sustainability Scheme after the scheme had raised considerable public interest and following a specific request for a review from the Public Accounts Committee. The report is not a full value for money report and does not give a value for money opinion.
3. The report is available on the Audit Office website at www.niauditoffice.gov.uk. The report is embargoed until 00.01 hrs on Tuesday 22 June 2021.
4. Background briefing can be obtained from the Audit Office by contacting Tomas Wilkinson (028 90 250173) or Catherine O'Hagan (028 90251043).